NOTICE OF INTENT

Department of Health
Bureau of Health Services Financing

Early and Periodic Screening, Diagnosis and Treatment
School-Based Health Services
(LAC 50:XV.Chapter 95)

The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:XV.Chapter 95 in the Medical Assistance Program as authorized by R.S. 36:254 and pursuant to Title XIX of the Social Security Act. The proposed Rule is promulgated in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

The Department of Health, Bureau of Health Services Financing proposes to amend the provisions governing school-based health services in the Early and Periodic, Screening and Diagnosis and Treatment (EPSDT) Program in order to reflect the current reimbursement methodology, include criteria for determining medical necessity, and modify service exclusion to match the 2019 program expansion provisions which will align the administrative Rule with the corresponding State Plan amendment approved by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

Title 50
PUBLIC HEALTH-MEDICAL ASSISTANCE
Part XV. Services for Special Populations
Subpart 5. Early and Periodic Screening, Diagnosis~~,~~ and Treatment

Chapter 95. School-Based Health Services

Subchapter A. School-Based ~~Medicaid Medical Direct Services~~Health Service Program Guidelines

§9501. General Provisions

A. EPSDT school-based medical services are provided pursuant to ~~an individualized service plan (IEP), a section 504 accommodation~~ written plan~~, an individualized health~~ of care ~~plan, or are otherwise medically necessary services~~ and provided by ~~a~~ licensed medical ~~provider (physician, optometrist, respiratory therapist, registered nurse, licensed practical nurse, dentist, and dental hygienist)~~ providers within a local education agency (LEA) to Medicaid beneficiaries ages 3 to 21 with or suspected of having a disability. The goal of these services is to prevent or mitigate disease, enhance care coordination, and reduce costs by preventing the need for tertiary care. Providing these services in the school increases access to health care for children and youth resulting in a more efficient and effective delivery of care.

B. ~~All participating LEAs are required to maintain an active status with Medicaid. Should an LEA's Medicaid provider number become inactive or one LEA from a group that shares a tax identification becomes inactive, it may cause the entire cost report to~~ School-based medical services shall be ~~denied and the cost settlement forfeited~~ covered for all beneficiaries in the

school system who are eligible according to Subsection A above. Medical necessity criteria shall be determined according to the provisions of LAC 50:I.Chapter 11.

C. ~~All medical service providers providing school-based medical~~ Medically necessary services are ~~required to maintain an active license~~ defined as those health care services that ~~is necessary for the applicable service~~ are in accordance with generally accepted evidence-based medical standards or that are considered by most physicians (or other independent licensed practitioners) within the ~~state~~ community of ~~Louisiana~~ their respective professional organizations to be the standard of care.

1. In order to be considered medically necessary, services must be:

a. deemed reasonably necessary to diagnose, correct, cure, alleviate, or prevent the worsening of a condition or conditions that endanger life, cause suffering or pain, or have resulted or will result in a handicap, physical deformity or malfunction; and

b. those for which no equally effective, more conservative and less costly course of treatment is available or suitable for the beneficiary.

2. Any such services must be individualized, specific and consistent with symptoms or confirmed diagnosis of

the illness or injury under treatment, and neither more nor less than what the beneficiary requires at that specific point in time.

3. Although a service may be deemed medically necessary, it does not mean the service will be covered under the Medicaid Program. Services that are experimental, non-FDA approved, investigational or cosmetic are specifically excluded from Medicaid coverage and will be deemed not medically necessary.

4. The Medicaid director, in consultation with the Medicaid medical director, may consider authorizing services at his/her discretion on a case-by-case basis.

D. ~~School-based~~ All service providers providing EPSDT school-based medical services ~~shall be covered for all recipients in the school system who~~ are ~~eligible according to Subsection A above~~ required to maintain an active license that is necessary for the applicable service within the state of Louisiana.

E. ~~Effective for the fiscal year ended June 30, 2021 cost report year, the individual cost settlement amounts for each program (therapy services, behavioral health services, nursing services, personal care services and other medical direct services) will be combined into one cost settlement for the LEA. Settlement letters will be sent to the LEA with the individual~~

~~final cost reports for its records.~~ All participating LEAs are required to maintain an active status with Medicaid ~~administrative claiming (MAC) cost reports are derived by using the MAC-related time study results and cost related to each of the EPSDT programs. All costs will have been certified by the~~ . Should an LEA's Medicaid provider number become inactive or one LEA ~~with the EPSDT~~ from a group that shares a tax identification becomes inactive, it may cause the entire cost report~~, so no additional signatures or certifications are required for MAC. Therefore, MAC~~ to be denied and the cost ~~reports shall remain separate~~settlement forfeited.

F. ~~LEAs that terminate business must notify the Louisiana Medicaid fiscal intermediary, immediately. Instructions will need to be provided to Department of Health/Rate Setting and Audit and/or Department of Education as to the final disposition of~~ Effective for the fiscal year ended June 30, 2021 cost ~~settlements and previous dollars owed~~ report year, the individual cost settlement amounts for each program (therapy services, behavioral health services, nursing services, personal care services, and other medical direct services) will be combined into one cost settlement for the LEA. Settlement letters will be sent to the LEA with the individual final cost reports for its records. Medicaid administrative claiming (MAC) cost reports are derived by using the MAC-related time study

results and cost related to each of the EPSDT programs. All costs will have been certified by the LEA with the EPSDT cost report, so no additional signatures or ~~from Louisiana Medicaid~~ certifications are required for MAC. Therefore, MAC cost reports shall remain separate.

~~1. For LEAs that transfer to new management companies and owe the department, the new owners shall assume all obligations of repayment for the new LEA. Overpayments will be recouped from future earnings of the new management company.~~

~~2. For separating LEAs that are owed reimbursements, the department will cut a supplemental check to the LEA or the new management company. However, failure to provide instructions to the department within 10 days of closure may result in forfeiture of payment.~~1. - 2. Repealed.

G. ~~Dollars owed will be assessed~~ LEAs that terminate business must notify the Louisiana Medicaid fiscal intermediary, immediately. Instructions will need to be provided to ~~all future cost settlements for the LEA and will be applied~~ Department of Health/Rate Setting and Audit and/or Department of Education as to the ~~earliest~~ final disposition of cost ~~report year with an overpayment. For example, if an LEA has an overpayment for nursing services and an amount due~~ settlements and previous dollars owed to ~~them for therapy services, the payment for therapy services will be applied to the LEA's~~

~~overpayment for the nursing services. The net balance from this offset will:~~ or from Louisiana Medicaid.

1. ~~be used~~ For LEAs that transfer to ~~offset overpayments in other periods (~~new management companies and owe the department, the new owners shall assume all obligations of repayment for the new LEA. Overpayments will be recouped from ~~oldest period moving forward to the current period);~~future earnings of the new management company.

2. ~~create a net overpayment that will be carried forward and offset against future billings and/or payments;~~ ~~and~~For separating LEAs that are owed reimbursements, the department will cut a supplemental check to the LEA or the new management company. However, failure to provide instructions to the department within 10 days of closure may result in forfeiture of payment.

3. ~~be remitted to the LEA.~~Repealed.

H. Dollars owed will be assessed to all future cost settlements for the LEA and will be applied to the earliest cost report year with an overpayment. For example, if an LEA has an overpayment for nursing services and an amount due to them for therapy services, the payment for therapy services will be applied to the LEA's overpayment for the nursing services. The net balance from this offset will:

1. be used to offset overpayments in other periods (from oldest period moving forward to the current period);

2. create a net overpayment that will be carried forward and offset against future billings and/or payments; and

3. be remitted to the LEA.

I. Service Exclusion. Services are not covered if they are performed for educational purposes (e.g., academic testing) or determined not medically necessary. Medicaid does not reimburse for social or educational needs.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 39:2760 (October 2013), amended by the Department of Health, Bureau of Health Services Financing, LR 42:1298 (August 2016), LR 45:561 (April 2019), LR 47:738 (June 2021), LR 49:

§9503. Covered Services

A. The following ~~school-based~~ medically necessary services ~~shall be covered.~~provided by local education agencies (LEAs) are reimbursable when included on a beneficiary's individualized service plan (IEP), a section 504 accommodation plan, an individualized health care plan, or a medical need based written plan of care:

1. ~~Chronic Medical Condition Management and Care Coordination. This is care based on one of the following criteria.~~ medical and remedial behavioral health care including applied behavior analysis (ABA);

~~a. The child has a chronic medical condition or disability requiring implementation of a health plan/protocol (e.g., children with asthma, diabetes, or cerebral palsy). There must be a written health care plan based on a health assessment performed by the medical services provider. The date of the completion of the plan and the name of the person completing the plan must be included in the written plan. Each health care service required and the schedule for its provision must be described in the plan.~~

~~b. Medication Administration. This service is scheduled as part of a health care plan developed by either the treating physician or the school district LEA. Administration of medication will be at the direction of the physician and within the license of the individual provider and must be approved within the district LEA policies.~~

~~c. Implementation of Physician's Orders. These services shall only be provided as a result of receipt of a written plan of care from the child's physician or included in the student's IEP, IHP, 504 plan, or are otherwise medically necessary for students with disabilities.~~a. – c. Repealed.

2. ~~Immunization Assessments. These~~ personal care services~~ are nursing assessments of health status (immunizations) required by the Office of Public Health. This service requires a medical provider to assess the vaccination status of children in these cohorts once each year. This assessment is limited to the following children:~~;

~~a. children enrolling in school for the first time;~~

~~b. pre-kindergarten children;~~

~~c. kindergarten children;~~

~~d. children entering sixth grade; or~~

~~e. any student 11 years of age regardless of grade.~~a. – e. Repealed.

3. ~~EPSDT Program Periodicity Schedule for Screenings. Qualified individuals employed by a school district may perform any of these screens within their licensure. The results of these screens must be made available as part of the care coordination plan of the district. The screens shall be performed according to the periodicity schedule including any inter-periodic screens.~~physical therapy;

4. ~~EPSDT Medical/Nursing Assessment/Evaluation Services. A licensed health care provider employed by a school district may perform services to protect the health status of children and correct health problems. These services may include~~

~~health counseling and triage of childhood illnesses and conditions.~~occupational therapy;

a. ~~Consultations are to be face-to-face contact in one-on-one sessions. These are services for which a parent would otherwise seek medical attention at physician or health care provider's office. This service is available to all Medicaid individuals eligible for EPSDT.~~Repealed.

5. speech therapy/pathology; and

6. audiology.

B. Medically necessary services shall be provided by local education agencies (LEAs) that correct or ameliorate a child's health condition.

C. Services must be performed by qualified providers as set forth in the State Plan following Louisiana scope of practice laws for the respective provider furnishing services.

1. Services rendered by certified school psychologists must be practicing under the supervision of a licensed psychologist consistent with R.S. 17:7.1.

2. Licensed master social workers or certified master licensed social worker must practice under the supervision of a licensed clinical social worker.

D. LEAs are responsible for proper medical documentation and record keeping. Services shall promote appropriate continuity of care.

E. The following services are covered for any EPSDT eligible beneficiary in schools.

1. EPSDT Program Periodicity Schedule for Screenings. Qualified individuals employed by a school district may perform any of these screens within their licensure. The results of these screens must be made available as part of the care coordination plan of the district. The screens shall be performed according to the periodicity schedule including any inter-periodic screens.

2. EPSDT Medical/Nursing Assessment/Evaluation Services. A licensed health care provider employed by a school district may perform services to protect the health status of children and correct health problems. These services may include health counseling and triage of childhood illnesses and conditions.

a. Consultations are to be face-to-face contact in one-on-one sessions. These are services for which a parent would otherwise seek medical attention at a physician or health care provider's office. Telemedicine/telehealth is not a covered service, but is an applicable service delivery method. When otherwise covered by Louisiana Medicaid, telemedicine/telehealth is allowed for all CPT codes located in Appendix P of the CPT manual. This service is available to all Medicaid individuals eligible for EPSDT.

F. Policy transmittals, State Plan amendments, regulations, provider bulletins, provider manuals, and fee schedules, issued by the department are the final authority regarding services.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 39:2760 (October 2013), amended by the Department of Health, Bureau of Health Services Financing, LR 45:562 (April 2019), LR 47:738 (June 2021), LR 49:

§9505. Reimbursement Methodology

A. ~~Payment for~~ Cost Reporting. Settlement payments for EPSDT school-based medical direct, therapy, behavioral health, and PCS services shall be based on the most recent school year's actual costs as determined by desk review and/or audit for each LEA provider.

1. Each LEA shall determine cost annually by using LDH's cost report for medical service cost form based on the direct services cost report.

2. Direct costs shall be limited to the amount of total compensation (salaries, vendor payments and fringe benefits) of current medical service providers as allocated to medical services for Medicaid ~~recipients~~beneficiaries. ~~The~~

~~direct costs related to the electronic health record shall be added to the compensation costs to arrive at the total direct costs for medical services.~~ There are no additional direct costs included in the rate.

3. ...

4. To determine the amount of EPSDT services costs that may be attributed to Medicaid; the ratio of total Medicaid students in the LEA ~~to all students in the LEA~~ is multiplied by total direct (direct plus indirect) cost. Cost data are subject to certification by each LEA. This serves as the basis for obtaining federal Medicaid funding.

B. ~~For~~ Licensed master social workers practicing under ~~the medical services,~~ the ~~participating LEA's actual cost~~supervision of ~~providing the services shall be claimed for Medicaid federal financial participation (FFP) based on~~ a licensed clinical social worker, and certified school psychologist practicing under the ~~following methodology~~ supervision of a licensed psychologist that has the authority to practice in the community/outside of schools will be required to show proof of verification when the cost report is monitored.

~~1. The state shall gather actual expenditure information for each LEA through its payroll/benefits and accounts payable system.~~

~~2. Develop Direct Cost–The Payroll Cost Base. Total annual salaries and benefits paid, as well as contracted (vendor) payments, shall be obtained initially from each LEA's payroll/benefits and accounts payable system. This data shall be reported on LDH's medical services cost report form for all medical service personnel (i.e. all personnel providing LEA medical treatment services covered under the state plan).~~

~~3. Adjust the Payroll Cost Base. The payroll cost base shall be reduced for amounts reimbursed by other funding sources (e.g., federal grants). The payroll cost base shall not include any amounts for staff whose compensation is 100 percent reimbursed by a funding source other than state/local funds. This application results in total adjusted salary cost.~~

~~4. Determine the Percentage of Time to Provide All Medical Services. A time study which incorporates the CMS-approved Medicaid administrative claiming (MAC) methodology for nursing service personnel shall be used to determine the percentage of time nursing service personnel spend on medical services and general and administrative (G and A) time. This time study will assure that there is no duplicate claiming. The G and A percentage shall be reallocated in a manner consistent with the CMS-approved Medicaid administrative claiming methodology. Total G and A time shall be allocated to all other activity codes based on the percentage of time spent on each~~

~~respective activity. To reallocate G and A time to medical services, the percentage of time spent on medical services shall be divided by 100 percent minus the percentage of G and A time. This shall result in a percentage that represents the medical services with appropriate allocation of G and A. This percentage shall be multiplied by total adjusted salary cost as determined under Paragraph B.4 above to allocate cost to school-based services. The product represents total direct cost.~~

~~a. A sufficient amount of medical service personnel's time shall be sampled to ensure results that will have a confidence level of at least 95 percent with a precision of plus or minus five percent overall.~~

~~b. Time study moments are to be completed and submitted by all participating LEA participants. Participants will have 48 hours from the time of the moment to complete each moment. Reminder emails will be sent to the participant and the Medicaid coordinator each morning until the moment expires. Once a time study moment has expired, it will no longer be able to be completed and will be deemed not returned. Any LEA that fails to return at least 85 percent of its moments from the time study for two quarters in a cost report year for any program, will be suspended from that program for the entire cost report year.~~

~~c. The time study percentage used for cost reimbursement calculation is an average of the four quarterly~~

~~statewide time study results for each school based Medicaid program. LEAs must participate in all four time study quarters to be reimbursed all costs for the fiscal year. Any LEA that does not submit a cost report for any program for which any billings were submitted will be required to pay back any billing dollars received for that cost report year. This will be handled in the school based claiming cost settlement process.~~

~~5. Determine Indirect Costs. Indirect costs shall be determined by multiplying each LEA's indirect unrestricted rate assigned by the cognizant agency (the Department of Education) by total adjusted direct costs as determined under Paragraph B.3 above. No additional indirect costs shall be recognized outside of the cognizant agency's indirect rate. The sum of direct costs and indirect costs shall be the total direct service cost for all students receiving medical services.~~

~~6. Allocate Direct Service Costs to Medicaid. To determine the costs that may be attributed to Medicaid, total cost as determined under Paragraph B.5 above shall be multiplied by the ratio of Medicaid students in the LEA to all students in the LEA. This results in total cost that may be certified as Medicaid's portion of school-based medical services cost.~~1. - 6. Repealed.

C. ~~Reconciliation of LEA Certified Costs and Medicaid Management Information System (MMIS) Paid Claims. Each LEA shall~~

~~complete~~ For the ~~medical~~ EPSDT services ~~cost report and submit the cost report(s) no later than five months after~~ the ~~fiscal year period ends (June 30), and reconciliation shall be completed within 12 months from the fiscal year end. All filed medical services~~ participating LEA's actual cost ~~reports shall be subject to desk review by~~ of providing the ~~department's audit contractor. The department~~ services shall ~~reconcile the total expenditures (both state and federal share) for each LEA's nursing services. The~~ be claimed for Medicaid ~~certified cost expenditures from~~ federal financial participation (FFP) based on the ~~medical services cost report(s) will be reconciled against the MMIS paid claims data and the department shall issue a notice of final settlement pending audit that denotes the amount due to or from the LEA. This reconciliation is inclusive of all medical services provided by the LEA~~ following methodology.

1. Develop Direct Cost—The Payroll Cost Base and Vendor Cost Base. The state shall gather actual expenditure information for each LEA through its employee payroll/benefits and vendor accounts payable system. Total annual salaries and benefits paid, as well as contracted (vendor) payments, shall be obtained initially from each LEA's payroll/benefits and accounts payable system. This data shall be reported on LDH's direct services cost report form for all direct service personnel

(i.e., all personnel providing LEA medical services covered under the state plan).

2. Adjust the Payroll and Vendor Cost Base. The payroll and vendor cost base shall be reduced for amounts reimbursed by non-state and local funding sources (e.g., federal grants). The payroll and vendor cost base shall not include any amounts for staff whose compensation is 100 percent reimbursed by a funding source other than state/local funds. This application results in total adjusted employee salary and vendor cost.

3. Determine the Percentage of Time to Provide All EPSDT Services. A time study, which incorporates the CMS-approved Medicaid administrative claiming (MAC) methodology for direct service employees, shall be used to determine the percentage of time EPSDT service providers spend on EPSDT direct services and general and administrative (G and A) time. This time study will assure that there is no duplicate claiming. The G and A percentage shall be reallocated in a manner consistent with the CMS-approved Medicaid administrative claiming methodology. Total G and A time shall be allocated to all other activity codes based on the percentage of time spent on each respective activity. To reallocate G and A time to EPSDT services, the percentage of time spent on EPSDT services shall be divided by 100 percent minus the percentage of G and A time.

This shall result in a percentage that represents the EPSDT services with appropriate allocation of G and A. This percentage shall be multiplied by total adjusted salary cost as determined by the adjusted payroll cost base to allocate cost to school-based services. The product represents total direct cost.

a. A sufficient amount of EPSDT service providers' time shall be sampled to ensure results that will have a confidence level of at least 95 percent with a precision of plus or minus 5 percent overall.

b. Time study moments are to be completed and submitted by all participating LEA participants. Participants will have 48 hours (not counting weekends or holidays) from the time of the moment to complete each moment. Reminder emails will be sent to the participant and the Medicaid coordinator each morning until the moment expires. Once a time study moment has expired, it will no longer be able to be completed and will be deemed not returned. Any LEA that fails to return at least 85 percent of its moments from the time study for two quarters in a cost report year for any program, will be suspended from that program for the entire cost report year.

c. Unsupported Time Study Moments. LEAs will be penalized the lessor of $1,000 times the number of unsupported moments or 50 percent of their cost report. This

only applies to LEAs that cannot support at least 50 percent of the moments selected for testing.

d. The time study percentage used for cost reimbursement calculation is an average of the four quarterly statewide time study results for each school-based Medicaid program. LEAs must participate in all four time study quarters to be reimbursed all costs for the fiscal year. Any LEA that does not submit a cost report for any program for which any billings were submitted will be required to pay back any billing dollars received for that cost report year. This will be handled in the school based claiming cost settlement process.

e. Vendors are not subject to the time study process. Vendors are only at a school to provide the direct service enumerated in the contract. Vendors are not expected to perform G and A tasks and will be reimbursed based on a rate per service. This rate per service should include all direct and indirect costs. The rate per service should cover the time spent providing the direct service, administrative time and any other time related to tasks related to that service.

4. Determine Indirect Costs. Indirect costs shall be determined by multiplying each LEA's indirect unrestricted rate assigned by the cognizant agency (the Department of Education) by total adjusted direct cost. No additional indirect costs shall be recognized outside of the cognizant

agency's indirect rate. The sum of direct costs and indirect costs shall be the total direct service cost for all students receiving EPSDT services.

D. ~~Cost Settlement Process. As part of its financial oversight responsibilities, the department shall develop audit and review procedures~~ Allocate Direct Service Costs to ~~audit and process final settlements for certain LEAs. The audit plan~~ Medicaid. To determine the costs that may be attributed to Medicaid, total direct service cost (employee and vendor) shall ~~include a risk assessment of~~ be multiplied by the ~~LEAs using available paid claims data to determine~~ ratio of Medicaid enrolled students in the ~~appropriate level~~ LEA to all students in the LEA. This results in total cost that may be certified as Medicaid's portion of ~~oversight~~school-based EPSDT services cost. The Medicaid enrolled student ratio is calculated one time in each cost report year. This calculation is based on the statewide student count performed in October each year.

~~1. The financial oversight of all LEAs shall include reviewing the costs reported on the medical services cost reports against the allowable costs, performing desk reviews and conducting limited reviews.~~

~~2. The department will make every effort to audit each LEA at least every four years. These activities shall be performed to ensure that audit and final settlement occurs no~~

later than two years from the LEA's fiscal year end for the cost reporting period audited. LEAs may appeal audit findings in accordance with LDH appeal procedures.

3. LEAs must bill for all Medicaid services provided. Medicaid eligibility will automatically terminate if there are no claim submissions within an 18 month period. Ineligible LEAs will have all interim claims denied and cost reports for all the programs in which the LEA participated may be rejected.

4. The department shall adjust the affected LEA's payments no less than annually, when any reconciliation or final settlement results in significant underpayments or overpayments to any LEA. By performing the reconciliation and final settlement process, there shall be no instances where total Medicaid payments for services exceed 100 percent of actual, certified expenditures for providing LEA services for each LEA.

5. If the interim payments exceed the actual, certified costs of an LEA's Medicaid services, the department shall recoup the overpayment in one of the following methods:

a. offset all future claim payments from the affected LEA until the amount of the overpayment is recovered;

b. recoup an agreed upon percentage from future claims payments to the LEA to ensure recovery of the overpayment within one year; or

c. recoup an agreed upon dollar amount from future claims payments to the LEA to ensure recovery of the overpayment within one year.

6. If the actual certified costs of an LEA's Medicaid services exceed interim Medicaid payments, the department will pay this difference to the LEA in accordance with the final actual certification agreement.

7. Cost reports must be submitted annually. The due date for filing annual cost reports is November 30. There shall be no automatic extension of the due date for filing of cost reports. If an LEA experiences unavoidable difficulties in preparing its cost report by the prescribed due date, one 30-day extension may be permitted, upon written request submitted to the department prior to the due date. The request must explain in detail why the extension is necessary. Extensions beyond 30 days may be approved for situations beyond the LEA's control. Cost reports that have not been received by the due date will be deemed non-compliant and may be subject to a non-refundable reduction of 5 percent of the total cost settlement. This reduction may be increased an additional 5 percent each month until the completed cost report is submitted or the penalties total 100 percent. LEAs that have not filed their cost report by six months or more beyond the due date cannot bill for services until the cost report is filed.

~~8. Type 1 and 3 charter schools in Orleans Parish will be required to submit acceptable documentation (board minutes, letter from the school board, etc.) that authorizes the charter to act as its own LEA, upon enrollment. Likewise, in order to receive a cost settlement, confirmation that the authorization is still in good standing with the school board will be required to accompany the submission of the cost report. Failure to provide this documentation at the time the cost report is filed may cause the cost report to be rejected and not be considered as timely filed.~~

~~9. Vendors will be reimbursed based on a rate per service. This rate shall include all of the vendor's direct and indirect costs. This service rate should cover the time spent providing the direct service, administrative time and any other time related to tasks related to that service. Vendors will not be subject to the time study process due to them only being at a school to provide the direct services enumerated in the contract. Vendors will not be expected to perform any additional general and administrative (G and A) tasks for the LEA.~~1. - 9. Repealed.

E. Reconciliation of LEA Certified Costs and Medicaid Management Information System (MMIS) Paid Claims. Each LEA shall complete applicable service cost report(s) and submit the cost report(s) no later than five months after the fiscal year

period ends (June 30), and reconciliation should be completed within 12 months from the fiscal year end. All filed cost reports shall be subject to desk review by the department's audit contractor. The department shall reconcile the total expenditures (both state and federal share) for each LEA's therapy, behavioral health services, personal care services, nursing services, and other medical direct services. The Medicaid certified cost expenditures from the cost report(s) will be reconciled against the MMIS paid claims data and the department shall issue a notice of final settlement, after all reviews, that denotes the amount due to or from the LEA. This reconciliation is inclusive of all services provided by the LEA.

F. Interim Billing. The Centers for Medicare and Medicaid Services (CMS) requires each LEA to bill for all Medicaid services provided. CMS and the Office of Inspector General (OIG) rely on interim billing data for documentation of the number of services provided by each LEA and gives them a mechanism to compare the cost reimbursed to the number of services being provided. If there are no claim submissions within an 18 month period, Medicaid management information system (MMIS) automatically terminates eligibility of a provider number making the LEA Medicaid ineligible. Any LEA that is Medicaid ineligible will have all interim claims denied and its

cost report for all programs in which the LEA participated will be rejected.

G. Cost Settlement Process. As part of its financial oversight responsibilities, the department shall develop a risk assessment and an audit plan to ensure cost reasonableness and accuracy in accordance with current CMS guidelines. Based on the audit plan, the department will develop agreed upon procedures to review and process all final settlements to LEAs. The agreed upon procedures will be performed to review cost reports submitted by LEAs.

1. The financial oversight of all LEAs shall include reviewing the costs reported on the EPSDT services cost report against the allowable costs, performing desk reviews and conducting limited reviews.

2. The department will make every effort to audit each LEA at least every four years. These activities shall be performed to ensure that audit and final settlement occurs no later than two years from the LEA's fiscal year end for the cost reporting period audited. LEAs may appeal audit findings in accordance with LDH appeal procedures.

3. The department shall adjust the affected LEA's payments no less than annually, when any reconciliation or final settlement results in significant underpayments or overpayments to any LEA. By performing the reconciliation and final

settlement process, there shall be no instances where total Medicaid payments for services exceed 100 percent of actual, certified expenditures for providing LEA services for each LEA.

4. If the interim payments exceed the actual, certified costs of an LEA's Medicaid services, the department shall recoup the overpayment from current and following years cost report settlement until the amount due is zero.

5. If the actual certified costs of an LEA's Medicaid services exceed interim Medicaid payments, the department will pay this difference to the LEA in accordance with the final actual certification agreement.

6. Type 1 and 3 charter schools in Orleans Parish will be required to submit acceptable documentation (board minutes, letter from the school board, etc.) that authorizes the charter to act as its own LEA, upon enrollment. Likewise, in order to receive a cost settlement, confirmation that the authorization is still in good standing with the school board will be required to accompany the submission of the cost report. Failure to provide this documentation at the time the cost report is filed may cause the cost report to be rejected and not be considered as timely filed.

H. Delinquent Cost Report Penalty. Cost reports must be submitted annually. In order to be eligible to submit a cost

report, LEAs must participate in all four time study quarters for the fiscal year.

1. The due date for filing annual cost reports is November 30. There shall be no automatic extension of the due date for filing of cost reports. If an LEA experiences unavoidable difficulties in preparing its cost report by the prescribed due date, one 30-day extension may be permitted, upon written request submitted to the department or its designee prior to the due date. The request must explain in detail why the extension is necessary. Extensions beyond 30 days may be approved for situations beyond the LEA's control.

2. Delinquent cost reports that have not been received by November 30 and an extension was not received, will be deemed non-compliant and may be subject to a non-refundable reduction of 5 percent of the total cost settlement. This reduction may be increased an additional 5 percent each month until the completed cost report is submitted or the penalties total 100 percent. LEAs that have not filed their cost report by six months or more beyond the due date cannot bill for services until the cost report is filed.

I. State Monitoring. If the department becomes aware of potential instances of fraud, misuse or abuse of LEA services and Medicaid funds, it will perform timely audits and

investigations to identify and take necessary actions to remedy and resolve the problem.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 39:2761 (October 2013), amended by the Department of Health, Bureau of Health Services Financing, LR 45:562 (April 2019), LR 47:739 (June 2021), LR 49:

§9507. Local Education Agency Responsibilities

A. The LEA shall ensure that its licensed and unlicensed EPSDT service professionals are employed or contracted according to the requirement specified under the Individuals with Disabilities Education Act (IDEA).

B. LEAs shall ensure that individual professional requirements are in compliance with Medicaid qualifications, Department of Education Bulletin 746, and Louisiana Standards for State Certification of School Personnel prior to an LEA billing for any services of a clinician under Medicaid.

C. Anyone providing EPSDT services must operate within their scope of practice license or certification under the supervision of a licensed practitioner. Licensed practitioners assume professional liability for unlicensed/certified practitioners under their supervision and within their scope of

practice. The provider shall create and maintain documents to substantiate that all requirements are met.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health, Bureau of Health Services Financing, LR 49:

Subchapter B. School-Based EPSDT Transportation Services

§9511. General Provisions

A. A special transportation trip is only billable to Medicaid on the same day that a Medicaid-eligible child is receiving ~~IDEA services~~ a Medicaid Service included in the child's individualized service plan (IEP)~~, a section 504 accommodation plan, an individualized health care plan (IHP), or are otherwise medically necessary and the transportation is provided in a vehicle that is part of special transportation in the LEA's annual financial report certified and submitted to the Department of Education~~. Transportation shall be provided on a specially adapted bus. The need for transportation must be documented in the child's IEP~~, IHP, 504 plan, or are otherwise medically necessary~~.

B. ...

C. Local education agency responsibilities shall be followed in accordance with §9507.

D. Service Exclusion. Transportation services are not covered if performed for educational purposes (e.g., academic testing) or, as the result of the assessment and evaluation, it is determined the service is not reflected in an IEP. Medicaid does not reimburse for social or educational needs.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health, Bureau of Health Services Financing, LR 45:563 (April 2019), amended LR 47:740 (June 2021), LR 49:

§9515. Reimbursement Methodology

A. ~~Payment is~~ Medically necessary specialized transportation that is included on the student's IEP, provided by LEAs to beneficiaries under age 21 is reimbursed based on the most recent school year's actual cost as determined by desk review and/or audit for each LEA provider~~, which is the parish or city~~. Each ~~local education agency (~~LEA~~)~~ shall determine cost annually by using LDH's ~~cost report for special transportation (transportation cost report) form as approved by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) November 2005~~specialized transportation cost report form. There is no time study for the transportation program.

1. Direct cost ~~is limited to~~shall be the cost of fuel, repairs and maintenance, rentals, contracted vehicle use cost and the amount of total compensation (salaries, vendor payments, and fringe benefits) of ~~special~~ specialized transportation employees or contract cost for contract drivers, as allocated to special transportation services for Medicaid ~~recipients based on a ratio explained in Step 4 below~~beneficiaries. There are no additional direct costs included in the rate.

2. Indirect cost is derived by multiplying the direct cost by the cognizant agency's unrestricted indirect cost rate assigned by the Department of Education to each LEA by the allowable costs. There are no additional indirect costs included.

B. The transportation cost report initially provides the total cost of all special transportation services provided, regardless of payer. To determine the amount of special transportation costs that may be attributed to Medicaid, ~~the ratio of Medicaid covered trips to all student trips determined in step 4 below is multiplied by total direct~~ total cost is multiplied by the ratio of one-way Medicaid eligible trips to one-way trips for all students transported via specialized transportation. This results in total cost that may be certified as Medicaid's portion of school-based specialized

transportation services cost. Trip data is derived from transportation logs maintained by drivers for each one-way trip. This ratio functions in lieu of the time study methodology and student ratio used for the direct services cost report. Cost data on the transportation cost report is subject to certification by each parish and serves as the basis for obtaining federal Medicaid funding.

C. The participating LEA's actual cost of providing specialized transportation services will be claimed for Medicaid federal financial participation (FFP) based on the methodology described in the steps below. The state will gather actual expenditure information for each LEA through the LEA's payroll/benefits and accounts payable system. These costs are also reflected in the annual financial report (AFR) that all LEAs are required to certify and submit to the Department of Education. All costs included in the amount of cost to be certified and used subsequently to determine the reconciliation and final settlement amounts as well as interim rates are identified on the CMS-approved transportation cost report and are allowed in OMB Circular A-87.

1. - 3. ...

4. Step 4—~~Allocate Direct Service~~ Total Cost ~~to Medicaid~~. ~~Special transportation drivers shall maintain logs of all students transported on each one-way trip. These logs shall~~

~~be utilized to aggregate total annual one-way trips which will be reported by each LEA on the special transportation~~ The sum of direct costs and indirect cost~~ report. Total annual one-way trips by Medicaid students will be determined by LDH from the MMIS claims system. To determine the amount of special transportation cost that may be attributed to Medicaid,~~ is the total ~~cost as determined under step 3 is multiplied by the ratio of one-way trips by Medicaid students to one-way trips for all students transported via special~~ specialized transportation~~.~~ ~~This results in total cost that may be certified as Medicaid's portion of school based special transportation services cost~~ direct cost for all students with an IEP indicating medical need.

5. Step 5—Allocate Specialized Transportation Cost to Medicaid. Special transportation drivers shall maintain logs of all students transported on each one-way trip. These logs shall be utilized to aggregate total annual one-way trips which will be reported by each LEA on the special transportation cost report. To determine the amount of special transportation cost that may be attributed to Medicaid, total cost is multiplied by the ratio of one-way trips by Medicaid students to one-way trips for all students transported via special transportation. This results in total cost that may be certified as Medicaid's portion of school based special transportation services cost.

D. ~~Cost Settlement Process. As part of its financial oversight responsibilities, the department will develop audit and review procedures to audit and process final settlements for certain LEAs. The audit plan will include a risk assessment of the LEAs using paid claim data available from the department to determine the appropriate level of oversight. The financial oversight of all LEAs will include reviewing the costs reported on the direct services and transportation cost reports against the allowable costs in accordance with OMB Circular A-87, performing desk reviews and conducting limited reviews. For example, field audits will be performed when the department finds a substantial difference between information on the filed direct services and/or transportation cost reports and Medicaid claims payment data for particular LEAs. These activities will be performed to ensure that audit and final settlement occurs no later than two years from the LEA's fiscal year end for the cost reporting period audited.~~Medicaid One-way Trip Ratios for Specialized Transportation

~~1. LEAs may appeal audit findings in accordance with LDH appeal procedures.~~*Numerator*–the number of one-way trips for Medicaid enrolled children who received specialized transportation to and from the IEP service destination will be claimed as a Medicaid eligible trip when the child receives a

Medicaid service included in an IEP on a particular day and specialized transportation is specifically listed in the IEP.

~~2. Medicaid will adjust the affected LEA's payments no less than annually when any reconciliation or final settlement results in significant underpayments or overpayments to any LEA. By performing the reconciliation and final settlement process, there will be no instances where~~ *Denominator*-the total ~~Medicaid payments for services exceed 100 percent of actual, certified expenditures for providing LEA services for each LEA.~~ number of one-way trips for all children that ride a specialized transportation bus.

~~3. If the interim payments exceed the actual, certified costs of an LEAs~~ *Calculation*-Medicaid ~~services, the department will recoup the overpayment in one of the following methods:~~ trip ratio times specialized transportation costs [(direct services) plus (direct services times indirect rate)].

~~a. offset all future claim payments from the affected LEA until the amount of the overpayment is recovered;~~

~~b. recoup an agreed upon percentage from future claims payments to the LEA to ensure recovery of the overpayment within one year; or~~

~~c. recoup an agreed upon dollar amount from future claims payments to the LEA to ensure recovery of the overpayment within one year.~~

~~4. If the actual certified costs of an LEA's Medicaid services exceed interim Medicaid payments, the Bureau will pay this difference to the LEA in accordance with the final actual certification agreement.~~

~~5. State Monitoring. If the department becomes aware of potential instances of fraud, misuse or abuse of LEA services and Medicaid funds, it will perform timely audits and investigations to identify and take the necessary actions to remedy and resolve the problem.~~3.a. – 5. Repealed.

E. Reimbursement of LEA Certified Costs. Each LEA shall complete and submit the specialized transportation cost report no later than five months after the fiscal year end (June 30), and reconciliation should be completed within 12 months from the fiscal year end. All filed cost reports shall be subject to desk review or audit by the department's audit contractor. The financial oversight of all LEAs will include reviewing the costs reported on the specialized transportation cost reports against the allowable costs in accordance with 2 CFR 200, performing desk reviews and conducting limited reviews. The department shall issue a notice of final reimbursement, after all reviews, which denotes the amount due to the LEA.

F. As part of financial oversight responsibilities, the department shall develop a risk assessment and audit plan to ensure cost reasonableness and accuracy in accordance with

current CMS guidelines. Based on the audit plan, the department will develop agreed upon procedures to review and process all reimbursements to LEAs. The agreed upon procedures will be performed to review cost reports submitted by LEAs.

1. The financial oversight of all LEAs shall include reviewing the costs reported on the specialized transportation cost report against the allowable costs, performing desk reviews and conducting limited reviews.

2. The department shall make every effort to audit each LEA at least every four years. These activities shall be performed to ensure that audit and final reimbursement occurs no later than two years from the LEA's fiscal year end for the cost reporting period audited. LEAs may appeal audit findings in accordance with LDH appeal procedures.

G. Delinquent cost report penalty will be handled in accordance with §9505.H.

H. State monitoring will be handled in accordance with §9505.I.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health, Bureau of Health Services Financing, LR 45:563 (April 2019), amended LR 49:

Subchapter C. School-Based Medicaid Personal Care Services

§9521. General Provisions

A. ~~EPSDT school-based personal care services (PCS) are provided by a personal care assistant pursuant to an individualized service plan (IEP), a section 504 accommodation plan, an individualized health care plan, or are otherwise medically necessary within a local education agency (LEA)~~General provisions shall be followed in accordance with §9501.

B. ~~School-based~~ Early and periodic screening, diagnosis and treatment personal care services~~ shall~~ must be~~ covered for all Medicaid recipients in the school system~~ prescribed by a licensed practitioner within the scope of their practice initially and every 180 days thereafter (or rolling six months) and when changes in the plan of care occur.

C. ~~Personal care services must meet medical necessity criteria~~Local education agency responsibilities shall be followed in accordance with §9507.

D. ~~Early and periodic screening, diagnosis, and treatment personal care services must be prescribed by a licensed practitioner within the scope of their practice initially and every 180 days thereafter (or rolling six months) and when changes in the plan of care occur.~~Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health, Bureau of Health Services Financing, LR 45:564 (April 2019), amended LR 47:740 (June 2021), LR 49:

§9523. Covered Services

A. The following school-based personal care services shall be covered:

1. – 3. ...

4. accompanying, but not transporting, the ~~recipient~~ beneficiary to and from his/her physician and/or medical facility for necessary medical services; ~~and~~

5. provides assistance with transfers, positioning and repositioning~~.~~; and

6. provide positive behavior support strategies to assist students with prompting to perform services related to physical and/or behavioral health needs.

B. – C.4. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health, Bureau of Health Services Financing, LR 45:565 (April 2019), amended LR 47:740 (June 2021), LR 49:

§9525. Reimbursement Methodology

A. ~~Payment for EPSDT school-based personal care services shall be based on the most recent school year's actual cost as~~

~~determined by desk review and/or audit for each LEA provider~~Cost reporting will be handled in accordance with §9505.A.

~~1. Each LEA shall determine cost annually by using LDH's cost report for personal care service cost form based on the direct services cost report.~~

~~2. Direct cost shall be limited to the amount of total compensation (salaries, vendor payments and fringe benefits) of current personal care service providers as allocated to personal care services for Medicaid recipients. The direct cost related to the electronic health record shall be added to the compensation costs to arrive at the total direct costs for personal care services. There are no additional direct costs included in the rate.~~

~~3. Indirect cost shall be derived by multiplying the cognizant agency indirect cost unrestricted rate assigned by the Department of Education to each LEA by the allowable costs. There are no additional indirect costs included.~~

~~4. To determine the amount of personal care services cost that may be attributed to Medicaid; the ratio of total Medicaid students in the LEA to all students in the LEA is multiplied by total direct cost. Cost data is subject to certification by each LEA. This serves as the basis for obtaining federal Medicaid funding.~~1. – 4. Repealed.

B. For the personal care services, the participating LEAs' actual cost of providing the services shall be claimed for Medicaid federal financial participation (FFP) based on the following methodology for employees/vendors:

1. ~~The state~~ Develop Direct Cost-The Payroll Cost Base. Total annual salaries and benefits paid, as well as contracted (vendor) payments, shall ~~gather actual expenditure information for~~ be obtained initially from each ~~LEA through its~~ LEA's payroll/benefits and accounts payable system. This data shall be reported on LDH's direct services cost report form for all personal care service employees or vendors (i.e., all personnel providing LEA personal care treatment services covered under the state plan).

2. ~~Develop Direct Cost-The~~ Adjust the Payroll/Vendor Cost Base. ~~Total annual salaries and benefits paid, as well as contracted (vendor) payments, shall be obtained initially from each LEA's payroll/benefits and accounts payable system. This data shall be reported on LDH's personal care services~~ The payroll cost ~~report form~~ base shall be reduced for ~~all personal care service personnel (i.e. all personnel providing LEA personal care treatment services covered under the~~ amounts reimbursed by non-state and local funding sources (e.g., federal grants). The payroll/vendor cost base shall not include any amounts for staff whose compensation is 100 percent reimbursed

by a funding source other than state~~ plan)~~/local funds. This application results in total adjusted salary cost.

3. ~~Adjust the Payroll Cost Base. The payroll cost base shall be reduced for amounts reimbursed by other funding sources (e.g. federal grants). The payroll cost base shall~~ Personal care providers will not~~ include any amounts for staff whose compensation is 100 percent reimbursed by a funding source other than state/local funds. This application results in total adjusted salary cost~~ be subject to a time study.

4. ~~Due to the nature of personal care services, 100 percent of the personal care provider's time will be counted as reimbursable. Personal care providers will not~~ Determine Indirect Cost. Indirect cost shall be~~ subject to a time study~~ determined by multiplying each LEA's indirect unrestricted rate assigned by the cognizant agency (the Department of Education) by total adjusted direct cost. No additional indirect cost shall be recognized outside of the cognizant agency indirect rate. The sum of direct cost and indirect cost shall be the total direct service cost for all students receiving personal care services.

~~5. Determine Indirect Cost. Indirect cost shall be determined by multiplying each LEA's indirect unrestricted rate assigned by the cognizant agency (the Department of Education) by total adjusted direct cost as determined under Paragraph B.3~~

~~above. No additional indirect cost shall be recognized outside of the cognizant agency indirect rate. The sum of direct cost and indirect cost shall be the total direct service cost for all students receiving personal care services.~~

~~6. Allocate Direct Service Cost to Medicaid. To determine the amount of cost that may be attributed to Medicaid, total cost as determined under Paragraph B.5 above shall be multiplied by the ratio of Medicaid students in the LEA to all students in the LEA. This results in total cost that may be certified as Medicaid's portion of school-based personal care services cost.~~5. – 6. Repealed.

C. ~~Reconciliation of LEA Certified Costs and~~ Allocate Direct Service Cost to Medicaid ~~Management Information System (MMIS) Paid Claims~~. ~~Each LEA shall complete the personal care services cost report and submit the~~ To determine the amount of cost ~~report(s) no later than five months after the fiscal year period ends (June 30), and reconciliation shall~~ that may be ~~completed within 12 months from the fiscal year end. All filed personal care services cost reports shall be subject to desk review by the department's audit contractor. The department shall reconcile the total expenditures (both state and federal share) for each LEA's nursing services. The~~ attributed to Medicaid ~~certified~~, total direct service cost ~~expenditures from the personal care services cost report(s) will~~ (employee and

vendor) shall be ~~reconciled against the MMIS paid claims data and the department shall issue a notice of final settlement pending audit that denotes the amount due to or from the LEA. This reconciliation is inclusive of all personal care services provided by~~ multiplied by the ratio of Medicaid students in the LEA to all students in the LEA. This results in total cost that may be certified as Medicaid's portion of school-based personal care services cost. The Medicaid enrolled student ratio is calculated one time in each cost report year. This calculation is based on the statewide student count performed in October each year.

D. Reconciliation of LEA Certified Cost ~~Settlement Process~~and Medicaid Management Information System (MMIS) Paid Claims. ~~As part of its financial oversight responsibilities, the department~~ Each LEA shall ~~develop audit and review procedures to audit and process final settlements for certain LEAs. The audit plan~~ complete the personal care services cost report and submit the cost report(s) no later than five months after the fiscal year period ends (June 30), and reconciliation shall ~~include a risk assessment of the~~ be completed within 12 months from the fiscal year end. All filed personal care services cost reports shall be subject to desk review by the department's audit contractor. The department shall reconcile the total expenditures (both state and federal share) for each ~~LEAs using~~

~~available paid claims data to determine the appropriate level of oversight~~LEA's services. The Medicaid certified cost expenditures from the personal care services cost report(s) will be reconciled against the MMIS paid claims data and the department shall issue a notice of final settlement, after all reviews, that denotes the amount due to or from the LEA. This reconciliation is inclusive of all services provided by the LEA.

~~1. The financial oversight of all LEAs shall include reviewing the costs reported on the personal care services cost reports against the allowable costs, performing desk reviews and conducting limited reviews.~~

~~2. The department will make every effort to audit each LEA at least every four years. These activities shall be performed to ensure that audit and final settlement occurs no later than two years from the LEA's fiscal year end for the cost reporting period audited. LEAs may appeal audit findings in accordance with LDH appeal procedures.~~

~~3. The department shall adjust the affected LEA's payments no less than annually, when any reconciliation or final settlement results in significant underpayments or overpayments to any LEA. By performing the reconciliation and final settlement process, there shall be no instances where total Medicaid payments for services exceed 100 percent of actual, certified expenditures for providing LEA services for each LEA.~~

~~4. If the interim payments exceed the actual, certified costs of an LEA's Medicaid services, the department shall recoup the overpayment in one of the following methods:~~

~~a. offset all future claim payments from the affected LEA until the amount of the overpayment is recovered;~~

~~b. recoup an agreed upon percentage from future claims payments to the LEA to ensure recovery of the overpayment within one year; or~~

~~c. recoup an agreed upon dollar amount from future claims payments to the LEA to ensure recovery of the overpayment within one year.~~

~~5. If the actual certified costs of an LEA's Medicaid services exceed interim Medicaid payments, the department will pay this difference to the LEA in accordance with the final actual certification agreement.~~1. – 5. Repealed.

E. Cost settlement process will be handled in accordance with §9505.G.

F. Delinquent cost report penalty will be handled in accordance with §9505.H.

G. State monitoring will be handled in accordance with §9505.I.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health, Bureau of Health Services Financing, LR 45:565 (April 2019), amended LR 47:741 (June 2021), LR 49:

Subchapter D. School-Based Therapy Services

§9531. General Provisions

~~A. EPSDT school-based therapy services are provided pursuant to an individualized education plan (IEP), a section 504 accommodation plan, an individualized health care plan, or are otherwise medically necessary within a local education agency (LEA). School-based services include physical therapy, occupational therapy and other services, including services provided by audiologists and services for individuals with speech, hearing and language disorders, performed by, or under the direction of, providers who meet the qualifications set forth in the speech language pathologist licensing requirement.~~

~~B. Professionals providing school-based therapy services are required to meet the requirements of licensure for their discipline according to the state of Louisiana.~~

~~C. Licensed master social workers practicing under the supervision of a licensed clinical social worker; and certified school psychologists practicing under the supervision of a licensed psychologist that has the authority to practice in the community/outside of schools will be required to show proof of verification when the cost report is monitored.~~

~~D. School-based services shall be covered for all recipients who are eligible for EPSDT in accordance with §9501.B.~~Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health, Bureau of Health Services Financing, LR 45:566 (April 2019), amended LR 46:343 (March 2020), LR 47:741 (June 2021), repealed LR 49:

§9533. Covered Services

~~A. The following school-based therapy services shall be covered:~~

~~1. Audiology Services. The identification and treatment of children with auditory impairment, using at risk criteria and appropriate audiology screening techniques. Therapists and/or audiologists must meet qualifications established in 42 CFR 440.110(c).~~

~~2. Speech/Language Pathology Services. The identification and treatment of children with communicative or oropharyngeal disorders and delays in development of communication skills including diagnosis. Therapists and/or audiologists must meet qualifications established in 42 CFR 440.110(c).~~

~~3. Occupational Therapy Services. Addresses the functional needs of a child related to the performance of self-help skills, adaptive behavior, play and sensory, motor and postural development. Therapists must meet qualifications established in 42 CFR 440.110(b).~~

~~4. Physical Therapy Services. Designed to improve the child's movement dysfunction. Therapists must meet qualifications established in 42 CFR 440.110(a).~~Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health, Bureau of Health Services Financing, LR 45:566 (April 2019), amended by the Department of Health, Bureau of Health Services Financing, LR 46:343 (March 2020), LR 47:741 (June 2021), repealed, LR 49:

§9535. Reimbursement Methodology

~~A. Local education agencies (LEAs) will only be reimbursed for the following Individuals with Disabilities Education Act (IDEA) services:~~

~~1. audiology;~~

~~2. speech pathology;~~

~~3. physical therapy;~~

~~4. occupational therapy; and~~

~~5. psychological services.~~

~~B. Services provided by local education agencies to recipients ages 3 to 21 that are medically necessary and included on the recipient's individualized service plan (IEP), a section 504 accommodation plan, an individualized health care plan, or are otherwise medically necessary are reimbursed according to the following methodology.~~

~~1. Speech/language therapy services shall continue to be reimbursed in accordance with the Medicaid published fee schedule.~~

~~C. Cost Reporting. Settlement payments for EPSDT school-based therapy services shall be based on the most recent school year's actual cost as determined by desk review and/or audit for each LEA provider.~~

~~1. Each LEA shall determine cost annually by using LDH's cost report for therapy service cost form based on the direct services cost report.~~

~~2. Direct cost shall be limited to the amount of total compensation (salaries, vendor payments and fringe benefits) of current therapy service providers as allocated to therapy services for Medicaid recipients. The direct cost related to the electronic health record shall be added to the compensation costs to arrive at the total direct costs for therapy services. There are no additional direct costs included in the rate.~~

~~3. Indirect cost shall be derived by multiplying the cognizant agency indirect cost unrestricted rate assigned by the Department of Education to each LEA by the allowable costs. There are no additional indirect costs included.~~

~~4. To determine the amount of therapy services cost that may be attributed to Medicaid; the ratio of total Medicaid students in the LEA to all students in the LEA is multiplied by total direct cost. Cost data is subject to certification by each LEA. This serves as the basis for obtaining federal Medicaid funding.~~

~~D. For the therapy services, the participating LEAs' actual cost of providing the services shall be claimed for Medicaid federal financial participation (FFP) based on the following methodology.~~

~~1. The state shall gather actual expenditure information for each LEA through its payroll/benefits and accounts payable system.~~

~~2. Develop Direct Cost-The Payroll Cost Base. Total annual salaries and benefits paid, as well as contracted (vendor) payments, shall be obtained initially from each LEA's payroll/benefits and accounts payable system. This data shall be reported on LDH's therapy services cost report form for all therapy service personnel (i.e. all personnel providing LEA therapy treatment services covered under the state plan).~~

~~3. Adjust the Payroll Cost Base. The payroll cost base shall be reduced for amounts reimbursed by other funding sources (e.g. federal grants). The payroll cost base shall not include any amounts for staff whose compensation is 100 percent reimbursed by a funding source other than state/local funds. This application results in total adjusted salary cost.~~

~~4. Determine the Percentage of Time to Provide All Therapy Services. A time study which incorporates the CMS-approved Medicaid administrative claiming (MAC) methodology for therapy service personnel shall be used to determine the percentage of time therapy service personnel spend on therapy services and general and administrative (G and A) time. This time study will assure that there is no duplicate claiming. The G and A percentage shall be reallocated in a manner consistent with the CMS-approved Medicaid administrative claiming methodology. Total G and A time shall be allocated to all other activity codes based on the percentage of time spent on each respective activity. To reallocate G and A time to therapy services, the percentage of time spent on therapy services shall be divided by 100 percent minus the percentage of G and A time. This shall result in a percentage that represents the therapy services with appropriate allocation of G and A. This percentage shall be multiplied by total adjusted salary cost as determined~~

~~under Paragraph B.4 above to allocate cost to school based services. The product represents total direct cost.~~

~~a. A sufficient number of therapy service personnel shall be sampled to ensure results that will have a confidence level of at least 95 percent with a precision of plus or minus five percent overall.~~

~~b. Time study moments participation will be handled in accordance with §9505.B.4.b.~~

~~5. Determine Indirect Cost. Indirect cost shall be determined by multiplying each LEA's indirect unrestricted rate assigned by the cognizant agency (the Department of Education) by total adjusted direct cost as determined under Paragraph D.3 above. No additional indirect cost shall be recognized outside of the cognizant agency indirect rate. The sum of direct cost and indirect cost shall be the total direct service cost for all students receiving therapy services.~~

~~6. Allocate Direct Service Cost to Medicaid. To determine the amount of cost that may be attributed to Medicaid, total cost as determined under Paragraph D.5 above shall be multiplied by the ratio of Medicaid students in the LEA to all students in the LEA. This results in total cost that may be certified as Medicaid's portion of school-based therapy services cost.~~

~~E. Reconciliation of LEA Certified Costs and Medicaid Management Information System (MMIS) Paid Claims. Each LEA shall~~

~~complete the therapy services cost report and submit the cost report(s) no later than five months after the fiscal year period ends (June 30), and reconciliation shall be completed within 12 months from the fiscal year end. All filed therapy services cost reports shall be subject to desk review by the department's audit contractor. The department shall reconcile the total expenditures (both state and federal share) for each LEA's therapy services. The Medicaid certified cost expenditures from the therapy services cost report(s) will be reconciled against the MMIS paid claims data and the department shall issue a notice of final settlement pending audit that denotes the amount due to or from the LEA. This reconciliation is inclusive of all therapy services provided by the LEA.~~

~~F. Cost Settlement Process. As part of its financial oversight responsibilities, the department shall develop audit and review procedures to audit and process final settlements for certain LEAs. The audit plan shall include a risk assessment of the LEAs using available paid claims data to determine the appropriate level of oversight.~~

~~1. The financial oversight of all LEAs shall include reviewing the costs reported on the therapy services cost reports against the allowable costs, performing desk reviews and conducting limited reviews.~~

~~2. The department will make every effort to audit each LEA at least every four years. These activities shall be performed to ensure that audit and final settlement occurs no later than two years from the LEA's fiscal year end for the cost reporting period audited. LEAs may appeal audit findings in accordance with LDH appeal procedures.~~

~~3. LEA Medicaid ineligibility will be handled in accordance with §9505.D.3.~~

~~4. The department shall adjust the affected LEA's payments no less than annually, when any reconciliation or final settlement results in significant underpayments or overpayments to any LEA. By performing the reconciliation and final settlement process, there shall be no instances where total Medicaid payments for services exceed 100 percent of actual, certified expenditures for providing LEA services for each LEA.~~

~~5. If the interim payments exceed the actual certified costs of an LEA's Medicaid services the department shall recoup the overpayment in one of the following methods:~~

~~a. offset all future claim payments from the affected LEA until the amount of the overpayment is recovered;~~

~~b. recoup an agreed upon percentage from future claims payments to the LEA to ensure recovery of the overpayment within one year; or~~

~~c. recoup an agreed upon dollar amount from future claims payments to the LEA to ensure recovery of the overpayment within one year.~~

~~6. If the actual certified costs of an LEA's Medicaid services exceed interim Medicaid payments, the department will pay this difference to the LEA in accordance with the final actual certification agreement.~~

~~7. Cost report compliance will be handled in accordance with Section 9505.D.7.~~

~~8. Vendors' reimbursement will be handled in accordance with §9505.D.9.~~

~~9. Type 1 and 3 charter schools in Orleans Parish will be handled in accordance with §9505.D.8.~~Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health, Bureau of Health Services Financing, LR 45:567 (April 2019), amended by the Department of Health, Bureau of Health Services Financing, LR 46:343 (March 2020), LR 47:741 (June 2021), repealed LR 49:

Subchapter E. School-Based Applied Behavior Analysis-Based Services

§9541. General Provisions

~~A. Applied behavior analysis-based (ABA) therapy is the design, implementation, and evaluation of environmental modification using behavioral stimuli and consequences to produce socially significant improvement in human behavior, including the direct observation, measurement, and functional analysis of the relations between environment and behavior. ABA-based therapies teach skills through the use of behavioral observation and reinforcement or prompting to teach each step of targeted behavior.~~

~~B. ABA services provided by local education agencies (LEAs) to eligible Medicaid recipients must be medically necessary and included on the recipient's individualized service plan (IEP), a section 504 accommodation plan, an individualized health care plan or medical need documentation.~~

~~C. ABA services rendered in school-based settings must be provided by, or under the supervision of, a behavior analyst who is currently licensed by the Louisiana Behavior Analyst Board, or a licensed psychologist or licensed medical psychologist, hereafter referred to as the licensed professional.~~

~~D. Reimbursement. ABA services provided by individuals working within the scope of their license are reimbursable by Medicaid. Services will be reimbursed using the EPSDT cost based methodology for ABA services.~~Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health, Bureau of Health Services Financing, LR 46:185 (February 2020), amended LR 47:741 (June 2021), repealed LR 49:

Implementation of the provisions of this Rule may be contingent upon the approval of the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS), if it is determined that submission to CMS for review and approval is required.

Family Impact Statement

In compliance with Act 1183 of the 1999 Regular Session of the Louisiana Legislature, the impact of this proposed Rule on the family has been considered. It is anticipated that this proposed Rule will have no impact on family functioning, stability and autonomy as described in R.S. 49:972.

Poverty Impact Statement

In compliance with Act 854 of the 2012 Regular Session of the Louisiana Legislature, the poverty impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will have no impact on child, individual, or family poverty in relation to individual or community asset development as described in R.S. 49:973.

Small Business Analysis

In compliance with the Small Business Protection Act, the economic impact of this proposed Rule on small businesses has been considered. It is anticipated that this proposed Rule will have no impact on small businesses.

Provider Impact Statement

In compliance with House Concurrent Resolution (HCR) 170 of the 2014 Regular Session of the Louisiana Legislature, the provider impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will have no impact on the staffing level requirements or qualifications required to provide the same level of service, no direct or indirect cost to the provider to provide the same level of service, and will have no impact on the provider's ability to provide the same level of service as described in HCR 170.

Public Comments

Interested persons may submit written comments to Tara A. LeBlanc, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. Ms. LeBlanc is responsible for responding to inquiries regarding this proposed Rule. The deadline for submitting written comments is at 4:30 p.m. on June 29, 2023.

Public Hearing

Interested persons may submit a written request to conduct a public hearing by U.S. mail to the Office of the Secretary

ATTN: LDH Rulemaking Coordinator, Post Office Box 629, Baton Rouge, LA 70821-0629; however, such request must be received no later than 4:30 p.m. on June 9, 2023. If the criteria set forth in R.S. 49:961(B)(1) are satisfied, LDH will conduct a public hearing at 9:30 a.m. on June 29, 2023 in Room 118 of the Bienville Building, which is located at 628 North Fourth Street, Baton Rouge, LA. To confirm whether or not a public hearing will be held, interested persons should first call Allen Enger at (225) 342-1342 after June 9, 2023. If a public hearing is to be held, all interested persons are invited to attend and present data, views, comments, or arguments, orally or in writing.

Dr. Courtney N. Phillips

Secretary