



**State of Louisiana**  
Louisiana Department of Health  
Bureau of Health Services Financing

**VIA ELECTRONIC MAIL ONLY**

March 6, 2020

Bill Brooks  
Associate Regional Administrator  
Division of Medicaid & Children's Health  
DHHS/Centers for Medicare and Medicaid Services  
1301 Young Street, Room #833  
Dallas, Texas 75202

Dear Mr. Brooks:

**RE: LA SPA TN 19-0005 RAI Response**  
**EPSDT Services Provided by Local Education Agencies**

General Comments/Questions

1. General: Consistent with 1902(a)(10)(A) and 1902(a)(23) of the Act, please assure that comparable services are available to children outside of the school setting based on medical necessity, regardless of a child's school status, and that children have a free choice of any qualified Medicaid provider, not just practitioners furnishing services in the school setting.

**RESPONSE:**

**The State assures comparable services are available to children outside of schools, based on medical necessity, regardless of a child's school status. Children have a free choice of any qualified Medicaid provider, not just practitioners furnishing services in the school setting.**

2. Attachment 3.1-A, Item 4.b, Page 9h(1):
  - a. Behavioral Health Services Provided by Local Education Agencies: In accordance with 1905(r) of the Act, the EPSDT benefit requires that states provide all medically necessary 1905 (a) services coverable under the Medicaid program to EPSDT eligible children. Please remove language on the plan pages that limits services to specific age ranges of children.

**RESPONSE:**

**The language has been removed.**

- b. Service Exclusion: The state indicates that Medicaid does not reimburse for habilitative services; however, the therapies at 42 CFR 440.110 and preventive services at 42 CFR 440.130(c) may include habilitative services. Please clarify in the state plan circumstances in which habilitative services may be covered under Medicaid or remove the reference to habilitative services as a service exclusion.

**RESPONSE:**

**The reference to habilitative services as a service exclusion has been removed.**

- c. LEA Responsibilities, 4: The state has listed that behavioral health services must be provided within the scope of practice or under the supervision of licensed practitioners consistent with the requirements of 42 CFR 440.60. Please add to the state plan clarification that licensed practitioners also assume professional responsibility for unlicensed/certified practitioners under their supervision and within their scope of practice consistent with 42 CFR 440.60.

**RESPONSE:**

**The language has been added, please see revised Attachment 3.1-A, Item 4.b, Page 9h(1).**

- d. Other Licensed Professionals 7: To comport with the requirements of the Other Licensed Practitioner (OLP) benefit at 42 CFR 440.60, please clarify if APRNs are licensed by the state. For clarity, please identify the benefit title as "Other Licensed Practitioners," to be consistent with the regulation.

**RESPONSE:**

**Yes, APRNs are licensed by the State. The language has been revised to identify the benefit title as "Other Licensed Practitioners." Please see revised Attachment 3.1-A, Item 4b, Page 9h(1).**

- e. Other Licensed Professionals 9. School psychologists: The OLP benefit covers the services of a licensed practitioner; however the state has indicated that the certified "school" psychologists are not licensed. Consequently, the state may wish to consider covering the services they provide under a different benefit category, such as the rehabilitative services benefit at 42 CFR 440.130(d).

**RESPONSE:**

**The Louisiana Department of Education (LDOE) is aware that in order for the local school systems to claim Medicaid reimbursement for behavioral health services provided by a certified school psychologist, "a licensed psychologist that has authority to practice in the community/outside of schools" must supervise the school psychologist.**



**A Licensed Specialist in School Psychology may practice without supervision in a school setting but does not meet the requirements to serve as a supervisor of a certified school psychologist because they, themselves, in accordance with R.S. 37:2356.3 (B(1)(b), require clinical supervision to practice outside of the school system.**

**The LDOE will disseminate this information to the school systems through a variety of strategies including the LDOE Newsletter, E-mail contact list, trainings, and the LDOE School Based Medicaid Task Force.**

3. Attachment 3.1-A, Item 4.b, Page 9h(2) Applied Behavioral Analysis-Based Services Provided by Local Education Agencies: It appears that the state is proposing to cover the services of a licensed behavioral analyst, and those working under the supervision of a licensed behavioral analyst, in the school setting. If our understanding is correct, the language submitted on this page is duplicative of the services covered in the state plan at Attachment 3.1-A Item 4.b, Page 20. The state may amend the currently approved Item 4.b, Page 20 state plan page to add that the services are furnished in the school setting, but this is not required.

**RESPONSE:**

**This page has been removed. The clean version of the SPA reflects the appropriate reference to Attachment 3.1-A. Reference to ABA services being provided in schools has been added to the approved Attachment 3.1-A, Item 4b, Page 20.**

4. Attachment 3.1-A, Item 4b, Page 19c. The state's language provided on the Personal Care Services plan pages, as written, may not fully comply with regulations at 42 CFR 440.167. The following recommendations are being requested in order to assist CMS in moving towards approval of LA-19-0005.
- a. Please remove the last sentence that reads: "The goal of these services is to enable the recipient to be treated on an outpatient basis rather than an inpatient basis to the extent that services on an outpatient basis are projected to be more cost effective."

**RESPONSE:**

**The page has been removed.**

- b. Please remove the first sentence in this section and replace with the following: "In accordance with 440.167(a)(2), personal care assistants providing school-based PCS shall not be a member of the individual's family."

**RESPONSE:**

**The page has been removed.**

- c. We do not need to see specific medical necessity criteria on the plan page. Please revise the language in this section to read as follows: "School-based PCS shall be

covered for all Medicaid recipients in the school system. Personal care services must meet medical necessity criteria as established by the Bureau of Health Services Financing.”

**RESPONSE:**

**The page has been removed.**

- d. Please remove the last sentence in this section that reads: “The plan of care shall be acceptable for submission to BHSF only after it has been signed and dated by the physician.”

**RESPONSE:**

**The page has been removed.**

5. Attachment 3.1-A, Item 4b, Pages 19d and 19e, Covered Services. We do not need to see the specific Covered Services in the state plan; however, the state may include them in their state provider manual. Any changes to the covered services listed on the plan page would require a state plan amendment. In an effort to lessen state plan amendment submissions by the state, we are suggesting the state remove the language on pages 19d and 19e and use more general (ADL and IADL) language such as: “Covered services include a range of human assistance provided to persons with disabilities and chronic conditions which enables them to accomplish tasks that they would normally do for themselves if they did not have a disability.”

**RESPONSE:**

**The page has been removed.**

**Reimbursement Comments/Questions**

1. Cost Report: Please provide instructions for the Cost Report.

**RESPONSE:**

**Instructions for the cost report were provided on June 11, 2019, and are attached for your use.**

2. CMS 179: Please confirm the correct effective date in #4. CMS 179 proposed effective date is March 20, 2019, however SPA pages indicate effective dates of service July 1, 2019. Please indicate how this impacts the federal budget in #7.

**RESPONSE:**

**The effective date is March 20, 2019. The plan pages have been revised to reflect the March 20, 2019 effective date.**

3. Reimbursement Methodology: Please describe the allocation methodology in the state plan.



**RESPONSE:**

**See Attachment 4.19-B Item 4b, Page 1b, (1. Employee Cost, 1c - Determine the Percentage of Time to Provide All EPSDT Services).**

4. Attachment 4.19-B, Item 4.b., Page 1e, Reimbursement Methodology: The state's interim rate methodology appears to be a "flat fee" in the third paragraph. If the state's flat fees are less than a cost based interim rate, the state could be making a large prior period adjustment at the end of the year when the provider's costs are reconciled. We would recommend, but it is not required, that the state consider using a cost-based interim rate methodology to minimize any prior period adjustments to the claims on the CMS 64.

**RESPONSE:**

**The State currently uses a cost-based interim rate methodology.**

5. Please update the following language everywhere it is specified in the state plan:  
*Effective for dates of service on or after July 1, 2019, reimbursement for services provided by school based service providers (Provider Type 70) shall be 85 percent of the Medicare published rate. The Medicare published rate shall be the rate in effect on July 1, 2019.*

**RESPONSE:**

**The effective date has been changed to March 20, 2019, everywhere it is specified in the State Plan.**

6. Attachment 4.19-B, Item 4.b., Page 1f, Indirect Cost: Please remove OMB Circular A-87 and replace language with so that it refers to 2 CFR 200.

**RESPONSE:**

**The language referencing OMB Circular A-87 has been revised to reflect reference to 2 CFR 200 and has been moved to Attachment 4.19-B, Item 4b, Page 1h – "Reimbursement of LEA Certified Costs."**

7. Attachment 4.19-B, Item 4.b., Page 1g, Cost Settlement Process: Please remove OMB Circular A-87 and replace language with so that it refers to 2 CFR 200.

**RESPONSE:**

**Please see response to questions 6.**

8. Attachment 4.19-B, Item 4.b., Page 1f, Indirect Cost: Please update the following language in the third paragraph. *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~~ 2 CFR 200.*

**RESPONSE:**

**Please see response to question 6.**

9. Cost Settlement Process: Please specify in the state plan the timeframes in which the state determines the reconciled amount and the final cost settlement.

**RESPONSE:**

**There are no interim billings/payments for specialized transportation. The cost settlement occurs after review of each claim, no later than two years after the cost report year end. Please see the *Cost Settlement Process* at Attachment 4.19-B Item 4.b, Page 1e.**

10. Transportation: Please make sure that transportation is allocated on the basis of one-way trips on a day when an IEP or other care plan (but not Free Care) service is received.

**RESPONSE:**

**Please see Attachment 4.19-B Item 4.b., Page 1h –*Medicaid One-way Trip Ratios for Specialized Transportation*. The allocation is based on each one way trip on a day the student receives an allowable service.**

11. States are not permitted to recover funds from future payment. Future claims must be distinct from prior period adjustments. If not it distorts future years reconciliation and the FMAP fluctuates. Please confirm that you understand this and remove the following language everywhere it is specified in the state plan.

*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:*

- i. offset all future claim payments from the affected LEA until the amount of the overpayment is recovered;*
- ii. recoup an agreed upon percentage from future claims payments to the LEA to ensure recovery of the overpayment within one year; or*
- iii. recoup an agreed upon dollar amount from future claims payments to the LEA to ensure recovery of the overpayment within one year.*

**RESPONSE:**

**The language has been removed from the plan pages. The overpayment language has been removed from the transportation section due the absence of billing for specialized transportation. There are no interim payments for this program so no overpayment can be made. The cost settlement process is performed after all LDH cost report reviews are complete.**

12. Please note that based on the state's responses to coverage questions, more questions could be forthcoming related to reimbursement on the 4.19-B pages.

March 6, 2020

Page 7

**RESPONSE:**

**The State acknowledges that, based on the responses contained herein, more questions may be forthcoming.**

Please consider this a formal request to begin the 90-day clock. We trust this additional information will result in the approval of the pending SPA. We look forward to negotiating with CMS to ensure approval.

As always, we appreciate the assistance of CMS in resolving these issues. If further information is required, you may contact Karen H. Barnes at [Karen.Barnes@la.gov](mailto:Karen.Barnes@la.gov) or by phone (225) 342-3881.

Sincerely,



Erin Campbell  
Acting Medicaid Director

EC:KHB:MVJ

c: Karen H. Barnes  
Tobias Griffin  
Tamara Sampson



STATE OF LOUISIANA

AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED  
LIMITATIONS ON THE AMOUNT, DURATION, AND SCOPE OF CERTAIN ITEMS OF PROVIDED  
MEDICAL AND REMEDIAL CARE AND SERVICES ARE DESCRIBED AS FOLLOWS BELOW:

Medical and Remedial Care and Services  
Item 4.b, EPSDT services (Cont'd)

**EPSDT Services Provided by Local Education Agencies**

Effective for dates of service on or after March 20, 2019, Medicaid shall provide coverage to eligible recipients for EPSDT services in schools, pursuant to §1905(a) of the Social Security Act which are addressed in a service plan and are medically necessary, that correct or ameliorate a child's health condition. The following medically necessary Sservices are provided by or through local education agencies (LEAs) to children with or suspected of having disabilities who attend public school in Louisiana-:

1. Behavioral health;
2. Medical direct;
3. Personal care;
4. Rehabilitative;
5. Audiology;
6. Speech pathology;
7. Occupational therapy;
8. Speech therapy; and
9. Applied behavioral analysis-based services.

Services must be performed by qualified providers as set forth in this State Plan Amendment and who provide these services as part of their respective area of practice.

Services provided in a school setting will only be reimbursed for recipients who have been determined eligible for Title XIX and the Individuals with Disabilities Education Act (IDEA), Part B services with a written service plan which contains medically necessary services recommended by a physician or other licensed practitioner, within the scope of his or her practice under state law.

**Service Exclusions**

1. These services are not covered if they are 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 a service plan or not determined to be medically necessary.
2. Medicaid does not reimburse for social or educational needs.



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Medical and Remedial Care and Services  
Item 4.b, EPSDT services (Cont'd)

**Local Education Agency Responsibilities**

~~1. Medicaid covered services shall be provided in accordance with the established service limitations.~~

2.1. The LEA shall ensure that its licensed and unlicensed EPSDT service professionals are employed or contracted according to the requirements specified under the IDEA.

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LIMITATIONS ON THE AMOUNT, DURATION, AND SCOPE OF CERTAIN ITEMS OF PROVIDED MEDICAL  
AND REMEDIAL CARE AND SERVICES ARE DESCRIBED AS FOLLOWS:

Medical and Remedial Care and Services  
Item 4.b, EPSDT services (Cont'd)

~~3.2.~~ An LEA 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.

4.3. 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.

**Other Licensed/Certified Practitioners**

~~The following providers may provide behavioral health services in schools under IEPs, section 504 plan, IHP, or IFSP. In addition to licensed EPSDT providers, the following providers may provide services in schools~~ under Early and Periodic Screening, Diagnosis and Treatment (EPSDT):

- ~~1. Medical Psychologists;~~
- ~~2. Licensed Psychologists;~~
- ~~3. Licensed Clinical Social Workers (LCSWs);~~
- ~~4. Licensed Professional Counselors (LPCs);~~
- ~~5. Licensed Marriage and Family Therapists (LMFTs);~~
- ~~6. Licensed Addiction Counselors (LACs);~~
- ~~7. Advanced Practice Registered Nurses (APRNs) must be a nurse practitioner specialist in Adult Psychiatric Mental Health, and Family Psychiatric and Mental Health or a Certified Nurse Specialist in Psychosocial, Gerontological Psychiatric Mental Health, Adult Psychiatric and Mental Health and Child Adolescent Mental Health, and may practice to the extent that services are within the APRN's scope of practice;~~
- 8.1. Licensed Master Social Workers or Certified Master Social Workers practicing under the supervision of a Licensed Social Worker; and
- 9.2. Certified School Psychologists practicing under the supervision of a licensed Psychologist.

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LIMITATIONS ON THE AMOUNT, DURATION, AND SCOPE OF CERTAIN ITEMS OF PROVIDED MEDICAL  
AND REMEDIAL CARE AND SERVICES ARE DESCRIBED AS FOLLOWS:

Medical and Remedial Care and Services  
Item 4.b, EPSDT services (Cont'd)

**Applied Behavior Analysis-Based Services Provided by Local Education Agencies**

~~Medicaid shall provide coverage to eligible recipients for applied behavior analysis-based (ABA) services in schools, pursuant to §1905(a) of the Social Security Act which are addressed in the individualized service Plan (IEP), section 504 plan, individualized health plan (IHP), or individualized family service plan (IFSP) or otherwise medically necessary, that correct or ameliorate a child's health condition. Services are provided by or through a local education agency (LEA) to children with, or suspected of having, emotional or behavioral disorders, who attend public school in Louisiana.~~

~~Applied behavior analysis-based (ABA) services rendered in school-based settings must be provided by, or under the supervision of, a behavior analyst currently licensed by the Louisiana Behavior Analyst Board, a licensed psychologist or licensed medical psychologist, hereafter referred to as the licensed professional. Payment for services must be billed by the licensed professional.~~

~~Applied behavior analysis means the design, implementation, and evaluation of systematic instructional and environmental modifications by a behavior analyst, to produce socially significant improvements in behavior.~~



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LIMITATIONS ON THE AMOUNT, DURATION, AND SCOPE OF CERTAIN ITEMS OF PROVIDED MEDICAL AND  
REMEDIAL CARE AND SERVICES ARE DESCRIBED AS FOLLOWS:

Medical and Remedial Care and Services  
Item 4.b. (Cont'd)

42 CFR 440.60 - Other Licensed Practitioners

**Licensed Behavior Analyst**

- A. The Medicaid Program shall provide coverage for and payment to, licensed behavior analysts for services provided within their scope of practice. These services 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 a licensed medical psychologist. Licensed behavior analyst, licensed psychologists and licensed medical psychologists shall be reimbursed for Medicaid covered therapy services that are medically necessary, prior authorized by the Medicaid Program or its designee, and delivered in accordance with the recipient's treatment plan.

Licensed behavior analysts shall provide supervision to certified assistant behavior analysts and registered line technicians. Supervision is included in the State's Scope of Practice Act for licensed behavior analysts and they shall assume professional responsibility for the services rendered by an unlicensed practitioner. Licensed psychologists and licensed medical psychologists are authorized to provide supervision to non-licensed practitioners.

Applied Behavior Analysis Services Provided by Local Education Agencies (LEAs)  
Applied Behavior Analysis services rendered in school-based settings must be provided by, or under the supervision of, a behavior analyst currently licensed by the Louisiana Behavior Analyst Board, a licensed psychologist or licensed medical psychologist. Payment for services must be billed by the licensed professional.

B. Provider Qualifications

1. Licensed behavior analysts shall:
  - a. be licensed by the Louisiana Behavior Analyst Board;
  - b. be covered by professional liability insurance in the amount designated by the State;
  - c. have no sanctions or disciplinary actions on their Board Certified Behavior Analyst or Board Certified Behavior Analyst-Doctoral certification and/or state licensure;
  - d. not have Medicare/Medicaid sanctions or be excluded from participation in federally-funded programs; and
  - e. have a completed criminal background check according to the State's requirements.
2. Certified assistant behavior analysts shall:
  - a. be certified by the Louisiana Behavior Analyst Board;
  - b. work under the supervision of a licensed psychologists, licensed medical psychologists, and licensed behavior analyst, with the supervisory relationship documented in writing;
  - c. have no sanctions or disciplinary actions, if State-certified or Board-certified;
  - d. not have Medicare/Medicaid sanctions or be excluded from participation in federally-funded programs; and
  - e. have a completed criminal background check according to the State's requirements.

STATE OF LOUISIANA

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED  
LIMITATIONS ON THE AMOUNT, DURATION, AND SCOPE OF CERTAIN ITEMS OF PROVIDED MEDICAL AND  
REMEDIAL CARE AND SERVICES ARE DESCRIBED AS FOLLOWS:

3. Registered line technicians shall:
  - a. be registered by the Louisiana Behavior Analyst Board;
  - b. work under the supervision of a licensed psychologists, licensed medical psychologists, and licensed behavior analyst, with the supervisory relationship documented in writing;
  - c. have no sanctions or disciplinary actions, if State-certified or Board-certified;
  - d. not have Medicare/Medicaid sanctions or be excluded from participation in federally-funded programs; and
  - e. have a completed criminal background check according to the State's requirements.

**Louisiana Department of Health and Hospitals**  
**IDEA Related School Based Services**  
***Direct Service and Specialized Transportation Cost Report Instructions***  
**November 2, 2005**  
**Direct Service Cost Report**

The IDEA Related School Based Direct Service Cost Report is made up of the following five sections:

- I. Data Input
- II. Time Study Percentage
- III. Annual Salary and Benefits
- IV. Total Costs
- V. CPE

**GENERAL NOTES:**

- 1. Complete shaded areas or below shaded headings only.**
- 2. Please round to the nearest dollar.**

**I. Data Input:**

A. Informational Data – This information will be used throughout the claim form where needed. Once this information is entered here the spreadsheet will auto-populate the remaining cells where this same information is needed.

- 1. Col. B, Ln. 6 – Enter Name of Business Manager, Comptroller, or CFO
- 2. Col. B, Ln. 7 – Enter Phone Number
- 3. Col. B, Ln. 8 – Enter Email Address
- 4. Col. B, Ln. 9 – Enter Address
- 5. Col B. Ln 10 – Enter Address Line 2
- 6. Col. B, Ln 11 – Enter City, State and Zip

***The Unrestricted Indirect Cost Rate (ICR) and Medicaid Discount Rate will be entered by the Department of Health and Hospitals (DHH). The ICR is provided to DHH by the State Department of Education and the Medicaid Discount Rate is calculated by DHH.***



## II. Time Study Percentage

The information on this page will be completed by DHH.

## III. Annual Salary and Benefits

### A. Employee Information

1. Col. B – Enter Employee’s Social Security Number or Vendor’s EIN
  2. Col. C – Enter employee’s last name.
  3. Col. D – Enter employee’s first name.
- 
4. Col. E – Enter Job Title
  5. Col. F – Enter an “E” for employee or “V” for vendor.

NOTE: Please do not include any staff that are funded 100% by federal dollars. Include only providers who provide direct services to students. The Job Title should be one of the following titles only: Allowable Job Titles

Physician - Audiology  
Audiologist  
Speech Therapist  
Speech Pathologist  
Speech Therapist Assistant  
Registered Occupational Therapist  
Graduate Occupational Therapist  
Occupational Therapist Assistant  
Physical Therapist  
Physical Therapist Assistant  
Physician - Psychological  
Services  
Psychiatrist  
Psychologist  
Certified School Psychologist

**Initial CMS questions & Comments for: LA-19-0005 4.19B pages Financial Management Group  
– School Based Services Team**

1. Please list all 1905(a) services to be provided in the school based setting at the start of the SBS SPA pages. It appears you are stating EPSDT and behavioral health? Does this encompass ALL of the possible SBS you will be providing? If not, please add the relevant 1905(a) services.

**RESPONSE:**

The State's proposed pages encompass all of the services provided in a school setting. Please see introductory paragraph at Attachment 4.19-B, Item 4b, Page 1a.

**CMS Response 9/25/19:** Thank you. Please be specific here so CMS knows what services will be included in Medicaid services provided in schools and what services will be involved in the cost reporting (e.g., PT, OT, speech, etc.).

**STATE RESPONSE (10/11/19):**

In a prior conversation with CMS, the State was encouraged to be more general regarding the services provided. This would reduce the frequency that the State would be required amend the SPA each time that a service is added or removed. Do we need a comprehensive list of all service provided in the SPA?

**CMS Response 10/24/19:** The school based services group in the office of Financial Management has been consistent with its policy on 4.19B pages and listing the precise 1905(a) services involved in a cost based school based services methodology. Yes, each time a Medicaid service is changed (added or deleted) the state should submit a SPA. Any change in the cost based payment methodology would need a SPA submission and CMS approval per regulation. As services are changed, a state would have to update its cost report and time study to reflect the new providers and services, thus changing the payment methodology. See 45 CFR § 75.402 – basic consideration of any federal award based on cost is knowing the allowable direct and allocable indirect costs. Allowable direct and allocable indirect costs will change as providers and services are added.

All possible 1905(a) services involved should be listed on the 4.19-B page. We must have a clear picture of the services that are being reimbursed on this cost based methodology.

**STATE RESPONSE 11/14/19:**

Please see attachment 4.19-B, Item 4b, page 1a.

**CMS Response 11/25/19:** Thank you.

**Outstanding documents needed to perform a full review of the SPA:**

2. Track changes document: showing changes from current state plan approved pages to currently proposed changes.

**RESPONSE:**

A track changes version, showing changes from current approved State Plan pages, is attached.

**CMS Response 9/25/19:** Thank you.

3. Specialized Transportation cost report pages referenced in stateplan.

**RESPONSE:**

Please see attached specialized transportation cost report spreadsheet.

**CMS Response 9/25/19:** Thank you. We have noted that you propose collecting a 15% administrative fee from your LEAs that goes to your State Medicaid agency. We are requesting that the state remove the reference to this fee from the cost report. The state may not use the cost report for claiming FFP to specifically require a redirection of the provider's FFP to other purposes under 42 CFR 447.10. The federal government does not dictate what states do with the FFP the state draws down based on the cost report, beyond those limitations included in 433.51(c), but CMS cannot authorize the state to direct 15% of the FFP back to itself using the cost report.

**STATE RESPONSE (10/11/19):**

The State will remove the language from the cost report.

**CMS Response 10/24/19:** Thank you.

**Comments and Questions:**

4. **Medicaid Enrollment Ratio:** you can use a general ratio for ALL services including IEP/IFSP children. Alternatively you can use a 2 tier system for MERs- one for IEP children, and one for the general population (free care services). Note that LEAs will need to develop RMTS time codes to differentiate IEP/IFSP and more general Medicaid services.

This can be illustrated in formulas:

IEP services use the IEP ratio: ***Total Medicaid IEP kids/Total IEP kids***

Free Care services use the total ratio: ***Total Medicaid kids/Total kids in***

***school/LEA*** BOTH IEP & Free Care: use Free Care ratio - for ALL services a ease of administration ***Total Medicaid kids/Total kids in school/LEA***

Or use both ratios ensuring services are documented separately via RMTS codes

**RESPONSE:** Louisiana is using the total student ratio. Based on the SPA Medicaid eligible EPSDT direct services will be provided to students with medical necessity. The services will be listed on and IEP or other individual health plan. The Medicaid



**Enrollment Ratio is the total Medicaid students divided by the total student population for each LEA.**

**CMS Response 9/25/19:** CMS accepts this. Please note that using the total student MER for ALL direct services will probably result in LEAs certifying fewer costs than using the breakdown of the IEP MER (IEP Medicaid enrolled children/All IEP children) and total MER (All Medicaid enrolled children in an LEA/All enrolled children in an LEA). Administratively, it will be easier to use the total MER. Please confirm your choice.

**STATE RESPONSE (10/11/19):**

Louisiana confirms that it will be using the total student ratio as its MER choice.

**CMS Response 10/24/19:** Thank you.

5. Will there be an MMIS claim for every service provided to a Medicaid beneficiary? If no please explain.

**RESPONSE:**

**CMS Response 9/25/19:** Please respond to this question.

**STATE RESPONSE (10/11/19):**

The State requests all services to be billed through the State MMIS system. The State performs monitoring/audit AUP to verify service documentation as it relates to the time study.

**CMS Response 10/24/19:** Thank you.

6. **Item 4, Page 3e**  
No questions/comments
7. **Page 3f (In the response, please note change in page numbers to ensure appropriate flow of State Plan pages)**
- a. Please amend this paragraph for clarification: "To reallocate G and A time to EPSDT services, the percentage of time spent on EPSDT services shall first be divided by 100 percent then subtract the percentage of G and A time."

**RESPONSE:**

The change has been made. Please see Attachment 4.19-B, Item 4b, Page 1b (item 1c). NOTE: The page number has changed to ensure the appropriate flow of the State Plan pages.

**CMS Response 9/25/19:** Please clarify this calculation. We believe you mean, "To reallocate G and A time to EPSDT services, the percentage of time spent on EPSDT services shall be subtracted from the percentage of G and A time." If this is not correct please clarify what was meant.

**STATE RESPONSE (10/11/19):**

The reallocation of G&A time is calculated as follows:

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.

**EPSDT % with G&A Reallocation = EPSDT Service % / (100%-G&A%)**

**CMS Response 10/24/19: Thank You.**

- b. Under section 2: How are vendors/contractors paid? Are they paid a rate? If so, is it the state plan rate for the relevant 1905(a) service? If no, what is the rate and why is it different than the state plan rate

**RESPONSE:**

Vendors/Contractors are paid a rate negotiated by the LEA to provide a service. This cost to provide the service is reimbursed by Medicaid. The rate should include all vendor salaries, benefits and taxes. 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.

**CMS Response 9/25/19: Thank you. For clarity can you give an example of one service provided by a contractor and the rates paid in a particular LEA and the state plan rate.**

**STATE RESPONSE (10/11/19):**

The State does not have a State Plan rate for a service because this is a cost based program. Vendors/Contractors are paid a rate negotiated by the LEA to provide a service. This cost to provide the service is reimbursed by Medicaid. The rate should include all vendor's 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. The State requests guidance from CMS concerning rate differentials for more rural LEAs or areas with limited qualified staff to provide services.

**CMS Response 10/24/19: CMS needs an attestation here in the administrative record from the state that there are no duplication of costs (either direct or indirect) in the state's use of contractors (rates which the state says include direct and indirect costs to provide Medicaid services) and including these rate wholly on the direct services side of the cost report (meaning LEAs also collect indirect costs on top of the contracted rates). Please state there are no duplication of costs in your response, or**

explain the situation otherwise.

**CMS needs further information to answer this question. Please clarify the issue here:**

**“The State requests guidance from CMS concerning rate differentials for more rural LEAs or areas with limited qualified staff to provide services.”**

**Is the state (and the LEAs) using a cognizant agency indirect rate (if so, who is the cognizant agency that certifies the indirect rate(s)?) When was the cognizant agency indirect rate last updated- provide the date? Please provide the Negotiated Indirect Cost Rate Agreement (NICRA) that will be used in the cost report. This is important because 2 CFR 200 indicates that all departments or agencies of a governmental unit desiring to claim indirect costs under federal awards must prepare an indirect cost rate proposal and related documentation to support those costs.**

**STATE RESPONSE 11/14/19:**

**All LEAs file with the Department of Education and certify cost in the cost report.**

**CMS Response 9/25/19: Thank you. So, each LEA files with the Department of Education and certifies costs in the cost report. Does this mean that each LEA submits data to the DoE and uses their cognizant agency indirect rate? Please clarify.**

**CMS Response 11/25/19: Please answer this question: So, each LEA files with the Department of Education and certifies costs in the cost report? Does this mean that each LEA submits data to the DoE and uses their cognizant agency indirect rate? Please clarify.**

**STATE RESPONSE 12/11/2019**

**Each LEA submits the Annual Financial Statement (AFR) to DOE each year. DOE (cognizant agency) calculates each LEA's indirect cost rate based on the data in the AFR. DOE provides the calculated indirect cost rate to LDH to include in the calculation or the individual LEA's cost report. The cost report is sent to the LEA for to include the indirect costs. Those cost are certified by the LEA in the cost report certification page. Once the LEA has completed the cost report and certify to the amounts reported, the cost report is sent to LDH for review and payment.**

**CMS Response 12/17/2019: Thank you.**

- c. It seems you are using the contract cost of vendors as part of a CPE. Please explain the process of including contracted costs as a CPE, including why and how you apply indirect rates to the contractual costs. Generally speaking, contracted rates include all costs for the contractor and indirect rates cannot be applied by the LEA.

**RESPONSE:**

**The State applies the indirect cost rate to employee direct cost to cover overhead cost of providing EPSDT services. Vendors are hired by some LEAs to provide the same EPSDT services as employees. With either method, employee or vendor, the service is provided in the school setting with the same overhead costs.**

**CMS Response 9/25/19: Thank you. Indirect costs generally include general and administrative costs, overhead, and fringe. While there may be an argument for overhead costs to be included in vendor/contractor rates, we do not think that the inclusion of G&A or fringe costs should be included for vendors/contractors, who would have their own fringe and G&A included in their contractual rates. Please add an attestation to the cost report that the LEAs will use to assure that vendor/contractor indirect costs do NOT include G&A or fringe costs and generally attest that the cognizant agency indirect rates used by the LEAs do not include duplication of indirect costs as it relates to vendor/contractor services. Also, please state here your response and understanding of this policy.**

**STATE RESPONSE (10/11/19):**

**The indirect cost rate does not include any vendor cost. Vendors/contractors are paid a rate negotiated by the LEA to provide a service. This cost to provide the service is reimbursed by Medicaid. The rate should include all vendor's 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. The indirect cost is applied to all direct cost incurred by the LEA to cover expenses related to the facility, business office and scheduling by the LEA. The indirect costs referenced are not additional payments to the vendor for G&A. It is related to the overhead cost incurred by the LEA to cover their overhead expenses.**

**CMS Response 10/24/19: See response to 7B above. CMS needs an attestation that there are no duplication of direct or indirect costs.**

**STATE RESPONSE 11/14/19:**

**The State attests that there is no duplication of direct or indirect costs.**

**CMS Response 11/25/19: Thank you.**

- 8. Page 3g (In the response, please note change in page numbers to ensure appropriate flow of State Plan pages)**

- a. Under section 3: You list "Personal care service employee/vendor". How does the reimbursement differ between employees and vendors? It seems you are using the contract cost of vendors as part of a CPE. Please explain the process of including

contracted costs as a CPE, including why and how you apply indirect rates to the contractual costs. Generally speaking, contracted rates include all costs for the contractor and indirect rates cannot be applied by the LEA.

**RESPONSE:**

Personal Care Services as ordered by a physician, require a PCS provider to be with the student from the time the student comes off the bus in the morning until the student is put on the bus in the afternoon. If an LEA chooses to hire a vendor to provide the service, the same requirements would apply. There would be no difference between an employee and a vendor.

**CMS Response 9/25/19:** Thank you. Please see the response above on under 7c, on indirect costs. Please note one difference- employees would be in the Random Moment Timed Study (RMTS) to account for their costs, while a vendor would be paid a rate based on billed services. BOTH employees and vendors/contractors are required to have an audit trail to justify costs of services rendered. Please attest here that the referenced Personal Care Services are 1905(a) Medicaid services provided in schools by qualified providers listed in the 3.1A pages of the state plan. Further, attest here that contractors/vendors providing services in LEAs are only billing for 1905(a) services provided in a school setting, as set out in this section of the state plan.

**NOTE:** The page number has changed to ensure appropriate flow of the State Plan pages. This page is now Attachment 4.19-B, Item 4b, Page 1c.

**STATE RESPONSE (10/11/19):**

PCS providers are required to be with the student from the time the student comes off the bus in the morning, until the student is put on the bus in the afternoon. This service is one-on-one care between the student and the provider. One hundred percent of the provider's time would be spent in the care of the student or would be administrative time related to the care of the student. If all of the provider's time is related to the recipient's care, there would be no reason to perform a time study on these individuals. The indirect costs referenced, are related to the overhead cost incurred by the LEA to cover overhead expenses.

**CMS Response 10/24/19:** Thank you for the explanation of how PCS providers are accounted for in the cost report.

Again, CMS asks the state to please attest here for the administrative record that the referenced Personal Care Services are 1905(a) Medicaid services provided in schools by qualified providers listed in the 3.1A pages of the state plan. Further, that PCS contractors/vendors providing services in LEAs are only billing for medically necessary 1905(a) services provided in a school setting, as set out in this section of the state plan.



**STATE RESPONSE 11/14/19:**

The State attests that personal care services (PCS) are 1905(a) Medicaid services provided in schools by qualified providers listed in Attachment 3.1-A of the State Plan. Further, that PCS contractors/vendors providing services in LEAs are only billing for medically necessary 1905(a) services provided in a school setting, as set out in Attachment 3.1-A of the State Plan.

**CMS Response 11/25/19: Thank you.**

- b. How are vendors/contractors paid? Are they paid a rate? If so, is it the state plan rate for the relevant 1905(a) service? If no, what is the rate and why is it different than the state plan rate?

**RESPONSE:**

Vendors are contracted by the LEA to provide services. The rate is negotiated by the LEA and that cost is reported on the cost report to be reimbursed.

**CMS Response 9/25/19:** Thank you. Please see the response above on under 7c, on indirect costs.

**STATE RESPONSE (10/11/19):**

The indirect cost rate does not include any vendor cost. Vendors/contractors are paid a rate negotiated by the LEA to provide a service. This cost to provide the service is reimbursed by Medicaid. The rate should include all vendor's 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. The indirect cost is applied to all direct cost incurred by the LEA to cover expenses related to the facility, business office and scheduling by the LEA. The indirect costs referenced are not additional payments to the vendor for G&A. It is related to the overhead cost incurred by the LEA to cover their overhead expenses.

**CMS Response 10/24/19:** See response to 7B above. CMS needs an attestation that there are no duplication of direct or indirect costs.

**STATE RESPONSE 11/14/19:**

The State attests that there is no duplication of direct or indirect costs.

**CMS Response 11/25/19: Thank you.**

**9. Page 3h**

- a. Under Applied Behavioral Analysis (ABA), please insert the word "by".... ABA services provided by individuals working within the scope of their license are reimbursable by Medicaid.

**RESPONSE:**

The change has been made. Please see Attachment 4.19-B, Item 4b, Page 1d.

**CMS Response 9/25/19: Thank you.**

- b. Under section 4: You mention employees and vendors. How does the reimbursement differ between employees and vendors? It seems you are using the contract cost of vendors as part of a CPE. Please explain the process of including contracted costs as a CPE, including why and how you apply indirect rates to the contractual costs. Generally speaking, contracted rates include all costs for the contractor and indirect rates cannot be applied by the LEA.

**RESPONSE:**

The LEA hires employees or vendors to provide EPSDT services. An LEA that chooses to hire a vendor to provide services, negotiates a rate per hour that includes all costs to provide a service. These services are provided to students in a school setting in the same way as an employee. The State applies the indirect cost rate to employee cost to cover overhead cost of providing EPSDT services. Vendors are hired by some LEAs to provide the same EPSDT services as employees. With either method, employee or vendor, the service is provided in the school setting with the same overhead costs.

**CMS Response 9/25/19: Thank you. Please see the response above on under 7c, on indirect costs. Overhead costs are acceptable. Employees and vendors/contractors are not equal in terms of fringe and benefits or G&A costs. Vendor/contractor rates should have fringe and benefits G&A included in the rate.**

**STATE RESPONSE (10/11/19):**

The indirect cost rate does not include any vendor cost. Vendors/contractors are paid a rate negotiated by the LEA to provide a service. This cost to provide the service is reimbursed by Medicaid. The rate should include all vendor's 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. The indirect cost is applied to all direct cost incurred by the LEA to cover expenses related to the facility, business office and scheduling by the LEA. The indirect costs referenced are not additional payments to the vendor for G&A. It is related to the overhead cost incurred by the LEA to cover their overhead expenses.

**CMS Response 10/24/19: See response to 7B above. CMS needs an attestation that there are no duplication of direct or indirect costs.**

**STATE RESPONSE 11/14/19:**

The State attests that there is no duplication of direct or indirect costs.

**CMS Response 11/25/19: Thank you.**

- c. How are vendors/contractors paid? Are they paid a rate? If so, is it the state plan rate for the relevant 1905(a) service? If no, what is the rate and why is it different than the state

plan rate?

**RESPONSE:**

Vendors are contracted by the LEA to provide services. The rate per hour is negotiated by the LEA and that cost is reported on the cost report to be reimbursed.

**CMS Response 9/25/19:** Thank you. Please see the response above on under 7c, on indirect costs. Generally when you are showing cost with a CPE using a cost report, you cannot CPE to a rate and justify cost. However, vendor/contractor rates are generally exempt from this, but LEAs cannot certify employee costs with a rate.

**STATE RESPONSE (10/11/19):**

The indirect cost rate does not include any vendor cost. Vendors/contractors are paid a rate negotiated by the LEA to provide a service. This cost to provide the service is reimbursed by Medicaid. The rate should include all vendor's 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. The indirect cost is applied to all direct cost incurred by the LEA to cover expenses related to the facility, business office and scheduling by the LEA. The indirect costs referenced are not additional payments to the vendor for G&A. It is related to the overhead cost incurred by the LEA to cover their overhead expenses.

**CMS Response 10/24/19:** See response to 7B above. CMS needs an attestation that there are no duplication of direct or indirect costs.

**STATE RESPONSE 11/14/19:**

The State attests that there is no duplication of direct or indirect costs.

**CMS Response 11/25/19:** Thank you.

- d. In general, cost based methodologies are reserved for LEA employees as part of a cost based CPE reimbursement, and not vendors/contractors, who are NOT public employees and cannot be counted in the cost of the CPE. How are these vendors/contractors being accounted for in your SBS methodology?

**RESPONSE:**

Vendors are hired by the LEA to provide EPSDT services. The dollars spent on the contracted services are paid for by public funds. The cost report splits cost by funding percentage and removes federal dollars from the reimbursable expenses.

**CMS Response 9/25/19:** Thank you. Please see the response above on under 7c, on indirect costs. Removing other federal dollars used for services from the reimbursable expenses in the cost report is correct here.

**STATE RESPONSE (10/11/19):**

The indirect cost rate does not include any vendor cost. Vendors/contractors are paid a rate negotiated by the LEA to provide a service. This cost to provide the service is reimbursed by Medicaid. The rate should include all vendor's 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. The indirect cost is applied to all direct cost incurred by the LEA to cover expenses related to the facility, business office and scheduling by the LEA. The indirect costs referenced are not additional payments to the vendor for G&A. It is related to the overhead cost incurred by the LEA to cover their overhead expenses.

**CMS Response 10/24/19:** See response to 7B above. CMS needs an attestation that there are no duplication of direct or indirect costs.

**STATE RESPONSE 11/14/19:**

The State attests that there is no duplication of direct or indirect costs.

**CMS Response 11/25/19:** Thank you.

- e. Please add the word "enrolled" to paragraph 2: ..." the ratio of Medicaid **enrolled** students in the LEA..."

**RESPONSE:**

The change has been made. Please see Attachment 4.19-B, Item 4b, Page 1d.

**CMS Response 9/25/19:** Thank you.

- f. Medicaid Enrollment Ratio- you are allowed to use 1 ratio as stated here for ALL direct service costs, but you have the option of using 2 ratios: one for IEP children and one for all other children. Let us know if you would like to explore this option and we can provide assistance.

**RESPONSE:**

Louisiana is using the total student ratio. Based on the SPA, Medicaid eligible EPSDT direct services will be provided to students with medical necessity. The services will be listed on and IEP or some other individual service plan. The Medicaid Enrollment Ratio is the total Medicaid enrolled students divided by the total student population for each LEA.

**CMS Response 9/25/19:** See answer to 4 above.

- g. Please explain when and how the MER will be determined. You state at least annually. Please be specific in your proposed methodology.

**RESPONSE:**

The language has been updated to state that the Medicaid Enrollment Ratio is calculated once per cost report year.

**CMS Response 9/25/19:** Thank you. When will the MER be calculated? Please provide a specific date or range of dates, or other specific guidance.

**STATE RESPONSE (10/11/19):**

The following language has been added:

“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 of each year.”

**CMS Response 9/25/19:** Thank you.

- h. Under “Cost Settlement Process” please change “CMS Provider Reimbursement Manual” to “Current CMS Guidelines”. You may add the reference to 2 CFPR 200 here if you choose.

**RESPONSE:**

Reference to “current CMS guidelines” has been added. Please see Attachment 4.19- B, Item 4b, Page 1d.

**CMS Response 9/25/19:** Thank you.

- 10. Page 3i (Please note the change in the proposed page numbers to ensure appropriate flow of State Plan pages)

Add the following attestation language to the end of this page’s text:

*All costs described within this methodology are for eligible 1905(a) Medicaid services provided by Medicaid qualified practitioners that have been approved under Attachment 3.1 and whose reimbursement methodology has been comprehensively described here in the Medicaid state plan.*

**RESPONSE:**

The attestation has been added to Attachment 4.19-B, Item 4b, Page 1e.

**CMS Response 9/25/19:** Thank you.

- 11. Item 4b, page 1e (Please note the change in the proposed page numbers to



ensure appropriate flow of State Plan pages)

- a. First paragraph- change Medicaid eligible to “Medicaid enrolled”. Change references on this page from “service plan” to “IEP/IFSP”.

**RESPONSE:**

The changes have been made. Please see Attachment 4.19-B, Item 4b, Page 1f. Please note the page number has changed to ensure appropriate flow of State Plan pages. The State would like to know why this is being limited to IEP/IFSP? The language has been opened up in the State Plan to include all service plans as long as the service is ordered and performed by an appropriately licensed provider. Why would specialized transportation be treated any differently?

**CMS Response 9/25/19:** This section is about specialized transportation on specially adapted buses for Medicaid children with an IEP/IFSP. Long standing CMS policy on Medicaid school based transportation continues to be that we pay for specialized transportation ONLY. This means ONLY one way trips for children with an IEP/IFSP, who receive Medicaid services that require specialized transportation. General Medicaid children in an LEA would not require specialized transportation, and are primarily attending school for educational purposes, not medical.

**STATE RESPONSE (10/11/19):**

The State request an explanation as to the limitation to IEP/IFSP? The language has been expanded in the State Plan to include all service plans as long as the service is ordered and performed by an appropriately licensed provider, but the State is being asked to limit this particular service. We are asking to be allowed have all Medicaid eligible services to qualify for Medicaid eligible trips for a Medicaid eligible student that rides the bus, receives a Medicaid eligible service, and specialized transportation is required by a service plan or is otherwise medically necessary.

**CMS Response 10/24/19:** What other service plans did the state have in mind to justify one way trips in specialized transportation (i.e., one way trips in specially adapted buses)? Please explain the proposed service plans outside of IEP/IFSP so that CMS can consider your request. Please note that the primary purpose of schools is education, and not medical services, therefore we do not include Medicaid transportation services outside of qualified specialized transportation. CMS would consider qualified non-IEP/IFSP Medicaid services provided to Medicaid children that otherwise meet qualifications for counting as a one way trip. For instance, if a Medicaid enrolled child receives a medically necessary service, but the service is not listed in the IEP/IFSP (e.g., a routine hearing screening), CMS would consider this as a valid Medicaid service eligible for specialized transportation one way trip count (in a specially adapted bus), but CMS would want to know the details about how the state would count these one way trips.

**STATE RESPONSE 11/14/19:**

IAP one way denominator is not correct. The denominator would be all trips on specialized buses. The State has to count every student on the bus, not just those with an IEP, as there could be other non IEP students with other health reasons to ride the specialized bus; therefore, the State would count every student on the bus.

**CMS Response 11/25/19:** The numerator for the one-way trip ratio to step down costs for Medicaid enrolled IEP children that meet these criteria:

Specialized medical transportation services are allowed to or from a Medicaid covered direct IEP/IFSP service, which may be provided at a school or other location, as specified in the IEP/IFSP. Transportation may be claimed as a Medicaid service when the following conditions are met:

- (a)** Specialized medical transportation is specifically listed in the IEP/IFSP as a required service;
- (b)** A Medicaid IEP/IFSP medical service (other than transportation) is provided on the day that specialized medical transportation is billed.
- (c)** Transportation is provided in a specially adapted vehicle.

The Medicaid One Way Trip Ratio will be calculated based on the ratio of Medicaid Enrolled IEP/IFSP One Way Trips divided by the total number of IEP/IFSP One Way Trips. If the LEA has additional children on a specially adapted bus then yes, please include these children in the one way trip calculation in the denominator. CMS believes your proposed state plan language reflects this.

Clarify numerator as well.

**STATE RESPONSE 12/11/2019**

The State is asking that all EPSDT services included in the State Plan 4.19-B be included as eligible based on the same criteria as IEP requirement. The formula would be:

A one-way Medicaid trip = Medicaid eligible student rides on a specialized transportation bus, on a day a Medicaid eligible EPSDT service is received and the need for specialized transportation is documented in the student's IEP, IHP or is medically necessary as ordered by an appropriately licensed individual. This is the number used as the numerator in the Medicaid eligible trips ratio.

**CMS Response 12/17/19:** CMS reiterates that current policy for school based Medicaid eligible transportation ratio is one-way trips as stated above, and is ONLY available for students with an IEP, NOT IHP or otherwise medically necessary:

Specialized medical transportation services are allowed to or from a Medicaid covered direct IEP/IFSP service, which may be provided at a school or other location, as specified in the IEP/IFSP. Transportation may be claimed as a Medicaid service when the following conditions are met:

- (a)** Specialized medical transportation is specifically listed in the IEP/IFSP as a required service;
- (b)** A Medicaid IEP/IFSP medical service (other than transportation) is provided on the day that specialized medical transportation is billed.

**(c) Transportation is provided in a specially adapted vehicle.**

The Medicaid One Way Trip Ratio will be calculated based on the ratio of Medicaid Enrolled IEP/IFSP One Way Trips divided by the total number of IEP/IFSP One Way Trips. If the LEA has additional children on a specially adapted bus then yes, please include these children in the one way trip calculation in the denominator. CMS believes your proposed state plan language reflects this.

**STATE RESPONSE 01/14/2020**

The State feels that this program should be expanded to include those Medicaid recipients that have an IEP, IHP or is medically necessary as ordered by an appropriately licensed individual; however, in accordance with CMS regulations, the State will only allow students with an IEP to be included in the calculation related to the transportation program.

**CMS Response 1/21/2020:** There is nothing that bars the state Medicaid agency from paying for transportation for eligible Medicaid services to Medicaid beneficiaries (e.g., those without a medical transportation need documented in an IEP/IFSP), however, for cost based (i.e., CPE financing) school based transportation, the policy continues to be cost certification ONLY for those beneficiaries enrolled in Medicaid with specific medical needs as documented in their IEP/IFSP in specially adapted buses using the one-way trip ratio calculation- per above. If the state wishes to provide additional Medicaid transportation services **beyond** those in specially adapted buses for enrolled students with specific medical needs as documented in their IEP/IFSP, then the state may do this using their **regular state plan methodology and financing**. This policy ensures that Medicaid bears the cost of documented medical services for special needs children on specially adapted buses only, and not the cost of general transportation services provided to children with the primary purpose of education. Thank you.

**STATE RESPONSE 01/24/2020**

The State appreciates the additional guidance that CMS has provided related to this complex issue. To ensure that the State has a firm understanding of said guidance, please identify which one of the following scenarios would comply with CMS' long-standing policy associated with cost reimbursement related a school based transportation program:

**Scenario 1**

**Medicaid trips ratio:**

**Numerator (all must exist):**

- Trips from home to school and from school to home on an LEA designated specialized transportation school bus\*. **AND**
- Student must be enrolled in Medicaid. **AND**
- Student requires specialized transportation as documented in the IEP/IFSP. **AND**
- Student receives **a Medicaid covered service** on the day of the trip.

**Denominator:**

- All trips to and from school for all students that ride the LEA designated specially adapted buses.

**\* Specialized transportation bus is a bus with physical adaptations to accommodate special needs students.**

## **Scenario 2**

### **Medicaid trips ratio:**

#### **Numerator (all must exist):**

- Trips from home to school and from school to home on an LEA designated specialized transportation school bus\* **AND**
- Student must be enrolled in Medicaid **AND**
- Student requires specialized transportation as documented in the IEP/IFSP. **AND**
- Student receives **a service included in the students' IEP/IFSP** on the day of the trip.

#### **Denominator:**

- All trips to and from school for all students that ride the LEA designated specially adapted buses.

**\* Specialized transportation bus is a bus with physical adaptations to accommodate special needs students.**

**CMS Response 1/29/2020: Neither scenario 1 or 2 is entirely correct or consistent with CMS policy- see below.**

**The 1 way trip ratio for stepping down costs from a specialized transportation cost pool should include the total number of 1 way trips for ALL purposes on the designated specialized buses in the denominator. CMS brings this point up, because you keep asking about various care plans and scenarios concerning who is riding the specialized transportation. Any methodology should include the total number of 1 way trips used on the specialized transportation buses/vehicles included in the specialized transportation cost pool in the total trip count (and used in the denominator to calculate the 1 way trip ratio).**

**The numerator should include ONLY those trips on specialized buses to and from a Medicaid covered medical services (not administrative or other services), for Medicaid enrolled students with documentation in the student's IEP/IFSP.**

**The 1 way trip ratio would then be calculated and used to step down the cost pool to Medicaid costs.**

1. Start with the specialized transportation cost pool- all costs that are to be included in cost report for specialized transportation.
2. Step down those costs to Medicaid using the 1 way trip ratio
  - a. One way trip calculation: The eligible\* Medicaid One Way Trip Ratio will be calculated based on the ratio of Medicaid Enrolled IEP/IFSP One Way Trips divided by the **total number of ALL One Way Trips for all children** on the specialized transportation buses that are included in the cost pool (including

the Medicaid one way trips). If the LEA has additional children on a specially adapted bus then yes, please include these children in the one way trip calculation in the denominator.

**\*A Medicaid ENROLLED student rides on a specialized transportation bus, on a day a Medicaid eligible medical service is received (at the destination) and the need for specialized transportation is documented in the student's IEP/IFSP ONLY.**

To illustrate an example:

### **Scenario 3- CMS policy example**

#### **Medicaid trips ratio:**

#### **Numerator: 1 way trips that meet all of the following:**

- 1 way trips to and from an eligible Medicaid medical service (this could be home to the medical service at school, or from school to an off sight medical service and back- but assuming ALL trips from home to school and back are included in the numerator would NOT be correct! ONLY 1 way trip to an eligible Medicaid medical service should be tallied for the numerator. **AND**
- on an LEA designated specialized transportation school bus **AND**
- Student must be enrolled in Medicaid **AND**
- Student requires specialized transportation as documented in the IEP/IFSP. **AND**
- Student receives ***an eligible Medicaid service included in the students' IEP/IFSP*** (other than transportation) on the day of the trip.

#### **Denominator:**

- The total of All 1 way trips for all students that ride the LEA designated specially adapted buses (including those in the numerator) that are included in the specialized transportation cost pool.

#### **Examples of counting eligible Medicaid 1 way trips:**

**Scenario #1:** A Medicaid enrolled disabled student with an IEP (documented need for a specialized bus for transportation), is to receive a Medicaid medical service at school. She is transported on a specialized bus to school. She receives a Medicaid medical service per her IEP. She is later transported home on a specialized bus.

1 way trips delineated:

Numerator: 2 - 1 way trips

Denominator: 2 - 1 way trips

This student's 1 way trips would be included in both the numerator and denominator totals.

**Scenario #2:** A Medicaid enrolled disabled student with an IEP (documented need for a specialized bus for transportation) is to receive a Medicaid medical service at a place other than the school requiring transportation during the school day to another location for the medical service and then back to the school. She is transported on a specialized bus to/from school and to/from the Medicaid medical service. She receives a Medicaid medical service per her IEP at the offsite location.

1 way trips delineated:

Numerator: 2 - 1 way trips (eligible trips are from school to the offsite medical service and then back to



the school)

Denominator: 4 - 1 way trips (2 eligible trips plus 2 ineligible trips - the trips to/from her home to school did not include an eligible Medicaid medical service so are ineligible because her primary purpose in going to school was for education).

Only this student's **eligible** 1 way trips would be included in both the numerator and denominator totals.

**STATE RESPONSE 02/12/2020**

**The State appreciates the additional policy guidance offered by CMS. The state attests that this will be the methodology that we will follow in managing this program**

- b. You state that specialized transportation will be provided by a vehicle that is part of "special transportation". Can you please define this or describe it in greater detail? If a bus is used to transport ANY children in the LEA, then please explain how the specialized transportation costs are captured from the general cost of transporting children for educational purposes.

**RESPONSE:**

**Only costs related to specialized transportation on specialized buses as designated by the LEA are reimbursable. All students riding the LEA designated specialized transportation buses are counted for each one-way trip to make up the denominator in Medicaid allowable trip percentage.**

**CMS Response 9/25/19:** We strongly encourage the state to set uniform standards on what is considered a "specialized bus". At the minimum CMS expects these buses to be specially adapted to transport Medicaid children with an IEP/IFSP, for one way trips when the child receives medical services.

**STATE RESPONSE (10/11/19):**

**Specialized buses designated by the LEA, are specially adapted buses used to transport special needs students. These buses are equipped/staffed vehicles with wheelchair lifts and/or a Bus Aide. These buses are not meant to carry students without special needs. If a specialized transportation bus does transport a student without special needs, each one-way trip for that student is included in the total trips count along with all other students on the bus, thus reducing the LEAs reimbursement. It is not in the financial interest of the LEA to transport students without special needs on specialized buses.**

**CMS Response 10/24/19:** Specialized transportation should be provided on buses that have been specially adapted to transport Medicaid children with an IEP/IFSP. Is the state only including buses that have been specially adapted? It appears regular buses that are only staffed with a Bus Aide are being included in the total number of specially adapted busses. CMS does not consider a bus with a Bus Aide (and no other adaptations) to be a specially adapted bus.

**STATE RESPONSE 11/14/19:**

**Specialized buses are designated by the school district. To qualify as a specialized bus, the bus must have an aide on board. The purpose of the aide is to attend to a child with special needs. Not all buses will be adapted with lifts, etc.**

CMS Response 11/25/19: Thank you. Generally speaking, CMS sees specially adapted buses as buses with physical adaptations designed to accommodate disabled children, and not as only the presence of an aide. An aide could be present for a specific child, if it is required for transportation and documented in the child's IEP, and the aide's cost can be captured in the cost report, but an aide alone would not generally be used to define or make a bus specially adapted.

Can the state please further describe their definition of specially adapted buses and how the presence of an aide makes the bus specially adapted in the absence of other modifications for disabled children? Are there barriers that the state or LEAs face with respect to obtaining appropriate modifications for specially adapted buses to accommodate disabled children?

Some thoughts from CMS on defining specially adapted buses:

**Per CMS advice in SMDL dated May 21, 1999:**

Transportation

HCFA's policy concerning Medicaid payment for transporting Medicaid-eligible IDEA children to and from schools is described in the Medicaid and School Health Technical Assistance Guide. The Guide indicates that transportation to and from school may be claimed as a Medicaid service when the child receives a medical service in school on a particular day and when transportation is specifically listed in the IEP as a required service.

It is our understanding that an IEP should include only specialized services that a child would not otherwise receive in the course of attending school. Therefore, HCFA would like to clarify that a child with special education needs under IDEA who rides the regular school bus to school with the other non-disabled children in his/her neighborhood should not have transportation listed in his IEP and the cost of that bus ride should not be billed to Medicaid.

If a child requires transportation in a vehicle adapted to serve the needs of the disabled, including a specially adapted school bus, that transportation may be billed to Medicaid if the need for that specialized transportation is identified in the IEP. In addition, if a child resides in an area that does not have school bus transportation (such as those areas in close proximity to a school) but has a medical need for transportation that is noted in the IEP, that transportation may also be billed to Medicaid. As always, transportation from the school to a provider in the community also may be billed to Medicaid. These policies apply whether the State is claiming FFP for transportation under Medicaid as medical assistance or administration

**34 CFR 340.34 on disability in schools:**

- (a) General. Related services means transportation and such developmental, corrective, and other supportive services as are required to assist a child with a disability to benefit from special education...

(16) *Transportation* includes -

- (i) Travel to and from school and between schools;
- (ii) Travel in and around school buildings; and
- (iii) Specialized equipment (such as special or adapted buses, lifts, and ramps), if required to provide special transportation for a child with a disability.

Per **45 CFR 75.403**, which discusses factors affecting allowability of costs, and **75.405** that discusses allocable costs. Medicaid costs must be allocated to a cost object to the extent that the costs can be approximated using reasonable methods. CMS requires that the state at least document that the requirements for transportation in a school-based setting are met so that Medicaid is not paying FFP that would otherwise fall to the school for educational purposes.

**STATE RESPONSE 12/11/2019**

The State defines specially adapted buses as buses with physical adaptations designed to accommodate disabled children. The State is not aware of any barriers with respect to obtaining appropriate modifications for specially adapted buses to accommodate disabled children

CMS Response: Please attest in this

That ONLY buses that have physical adaptations, and an aide alone does not qualify a bus to be specially adapted....

**STATE RESPONSE 01/14/2020**

The State attests that specially adapted buses are buses with physical adaptations designed to accommodate disabled children.

**CMS Response 1/21/2020:** Please attest to and direct LEAs that an aide alone does NOT qualify a bus to be deemed “specially adapted” in your management of this school based transportation methodology.

**STATE RESPONSE 01/22/2020**

The State attests and will also direct LEAs that an aide alone does not qualify a bus to be deemed “specially adapted” in the management of this school based transportation methodology.

- c. Please explain the following statement:

School-based EPSDT transportation services shall be covered for all recipients in the school system who are eligible for the service.

What are school based EPSDT transportation services? Who are ALL recipients? CMS maintains that ONLY medically necessary (as documented in IEP/IFSP) specialized transportation services are eligible for reimbursement in school based settings.

**RESPONSE:**

The statement has been removed from the plan page. “EPSDT transportation services” has been replaced with “specialized transportation services.” Specialized transportation

services are medically necessary as documented in the IEP/IFSP.

**CMS Response 9/25/19:** Thank you. Please see the 7c above and below under section

**STATE RESPONSE (10/11/19):**

The indirect cost rate does not include any vendor cost. Vendors/Contractors are paid a rate negotiated by the LEA to provide a service. This cost to provide the service is reimbursed by Medicaid. The rate should include all vendor's 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. The indirect cost is applied to all direct cost incurred by the LEA to cover expenses related to the facility, business office and scheduling by the LEA. The indirect costs referenced are not additional payments to the vendor for G&A. It is related to the overhead cost incurred by the LEA to cover their overhead expenses.

**CMS Response 10/24/19:** See response to 7B above. CMS needs an attestation that there are no duplication of direct or indirect costs.

**STATE RESPONSE 11/14/19:**

The State attests that there is no duplication of direct or indirect costs.

**CMS Response 11/25/19:** Thank you.

- d. Under "Reimbursement methodology" section, please describe a comprehensive list of direct costs that will be included in the allocation of specialized transportation services. How do these costs differ between LEA transportation costs and outside vendors/contractors?

**RESPONSE:**

Attachment 4.19-B, Item 4b, Page 1f, Cost Reporting, second paragraph.

**CMS Response 9/25/19:** Thank you.

- e. Please submit the referenced cost report pages relevant to specialized transportation.

**RESPONSE:** The specialized transportation cost report is attached.

**CMS Response 9/25/19:** Thank you.

- f. Under "Cost Reporting", when you say, "Payment for school based EPSDT transportation services shall be based on the most recent school year's actual cost..." does this refer to interim payment? If no, can you explain how prior year's costs will be used to determine payments?

**RESPONSE:**

See revised language at Attachment 4.19-B, Item 4.b, Page 1f. There are no interim payments for specialized transportation. The cost reported for specialized transportation for the school year must align with the cost report year.

**CMS Response 9/25/19:** CMS strongly suggests using either prior year cost report (filed or settled) LEA costs as interim payments to LEAs to reduce the financial burden on LEAs from carrying specialized transportation costs for a year or more before final settlement and payment occurs.

**STATE RESPONSE (10/11/19):**

The State does not currently have a mechanism to make interim payments for specialized transportation. We may review the possibility of adding this at some point in the future.

**CMS Response 10/24/19:** Thank you.

- g Under direct cost you include several items (e.g., rentals, contracted vehicles, vendor payments) that CMS usually does not allow to include additional indirect costs. Please explain why you think these costs should receive the indirect cost multiplier.

**RESPONSE:**

These have always been considered direct cost related to specialized transportation and must be reported separately from the regular transportation on each LEA's annual financial report. These cost are not included in the indirect cost calculation.

**CMS Response 9/25/19:** You indicate that you multiply ALL direct costs by the "cognizant agency's unrestricted indirect cost rate (CAUICR)". Per the discussion above in 7c, vendor/contractor rates should not include fringe or G&A costs. Please add an attestation to the specialized transportation cost report that the LEAs will use to assure that vendor/contractor indirect costs do NOT include G&A or fringe costs and generally attest that the cognizant agency indirect rates used by the LEAs do not include duplication of indirect costs as it relates to vendor/contractor services. Also, please state here your response and understanding of this policy.

**STATE RESPONSE (10/11/19):**

Contractor/vendor (including fringe and G&A) costs are never included in the indirect cost rate. The indirect cost rate only includes indirect costs associated with the LEA.

**CMS Response 10/24/19:** See response to 7B above. CMS needs an attestation that there are no duplication of direct or indirect costs.



**STATE RESPONSE 11/14/19:**

The State attests that there is no duplication of direct or indirect costs.

**CMS Response 11/25/19: Thank you.**

- h. In the last paragraph please amend the ratio of Medicaid trips to: "...the ratio of Medicaid enrolled students' one way trips" and add something similar to this:

**Medicaid 1-way trip ratios for specialized transportation-**

The number of one-way trips for Medicaid enrolled children with an IEP/IFSP who received transportation on the day a valid IEP/IFSP service was delivered and required specialized transportation (numerator) / the total number of one-way trips for all children who received and required specialized transportation for a valid IEP/IFSP service that was delivered and required specialized transportation (denominator) X Specialized transportation costs [(direct services) + (direct services x indirect rate) + (contracted services)]

**RESPONSE:**

The proposed language does not properly calculate the Medicaid trips percentage. See changes. The State does not understand the calculation: [(direct services) + (direct services x indirect rate) + (contracted services)]. Please see proposed revision at Attachment 4.19-B, Item 4b, Page 1h.

**CMS Response 9/25/19:** Please amend the last paragraph on item 4b, page 1f to the above language for the Medicaid 1-way trip ratio (MTR). This ratio should be multiplied by the product of (amended):

direct costs having to do with vendor/contractors + (direct costs having to do with vendor/contractors X [CAUICR- without fringe and G&A]) + all other direct costs + (all other direct costs X CAUICR e.g., 20%) = total direct and indirect costs X  
MTR = Total Medicaid ST costs

Please let us know if you need further clarification on this calculation. Also, please see proposed state plan tracked changes on page 1f.

**STATE RESPONSE (10/11/19):**

The amount reimbursed for vendors will not include an additional amount for fringe and G&A costs.

**CMS Response 10/24/19:** Thank you. See response to 7B above. CMS needs an attestation that there are no duplication of direct or indirect costs.

**STATE RESPONSE 11/14/19:**

The State attests that there is no duplication of direct or indirect costs.

**CMS Response 11/25/19: Thank you.**

**12. Page 1f (Please note the change in the proposed page numbers to ensure appropriate flow of State Plan pages)**

- a. First paragraph: please make the following changes:

Specialized transportation trip data is derived from transportation logs maintained by drivers for each one-way trip. Cost data on the transportation cost report is subject to certification by each parish.

**RESPONSE:**

The changes have been made. Please see Attachment 4.19-B, Item 4b, Page 1g.

**CMS Response 9/25/19:** Thank you.

- b. Second paragraph: please clarify what the word “stand” means in this context. Did you mean “state”?

**RESPONSE:**

The change has been made to read “state.” Please see Attachment 4.19-B, Item 4b, Page 1h.

**CMS Response 9/25/19:** Thank you.

- c. Change EPSDT transportation services to “Specialized transportation” services throughout.

**RESPONSE:** The change has been made. Please see Attachment 4.19-B, Item 4b, Pages 1f-1h.

**CMS Response 9/25/19:** Thank you. Please remove EPSDT from last paragraph of page 1f.

**CMS Response 11/25/19:** Please confirm you have made the suggested edits.

**STATE’S RESPONSE 12/5/19:** The language has been removed.

- d. In Step 2 please take out the contract costs or explain why indirect costs should be applied to contract services.

**RESPONSE:**

Contract vehicle use cost is related to leased vehicles that are driven and maintained by the LEA. The overhead cost of these buses and staff are the same as LEA owned buses. If the busing service is completely outsourced it should not have the indirect cost rate applied.

**CMS Response 9/25/19:** Overhead costs can be included. Per the discussion above in 7c, vendor/contractor rates should not include fringe or G&A costs. Please add an attestation to the specialized transportation cost report that the LEAs will use to assure that vendor/contractor indirect costs do NOT include G&A or fringe costs and generally attest that the cognizant agency indirect rates used by the LEAs do not include duplication of indirect costs as it relates to vendor/contractor services. Also, please state here your response and understanding of this policy.

**STATE RESPONSE (10/11/19):**

The indirect cost rate does not include any vendor cost. Vendors/Contractors are paid a rate negotiated by the LEA to provide a service. This cost to provide the service is reimbursed by Medicaid. The rate should include all vendor's 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. The indirect cost is applied to all direct cost incurred by the LEA to cover expenses related to the facility, business office and scheduling by the LEA. The indirect costs referenced are not additional payments to the vendor for G&A. It is related to the overhead cost incurred by the LEA to cover their overhead expenses.

**CMS Response 10/24/19:** See response to 7B above. CMS needs an attestation that there are no duplication of direct or indirect costs.

**STATE RESPONSE 11/14/19:**

The State attests that there is no duplication of direct or indirect costs.

**CMS Response 11/25/19:** Thank you.

- e. Please re-label the second mention of Step 4, as Step 5.

**RESPONSE:**

The step has been renumbered as Step 5. Please see Attachment 4.19-B, Item 4b, Page 1g.

**CMS Response 9/25/19:** Thank you.

- f. Amend Step 5:  
Specialized 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 specialized transportation cost report. To determine the amount of specialized transportation cost that may be attributed to Medicaid, total cost is multiplied by the ratio of one-way Medicaid eligible trips by Medicaid enrolled students, 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 special transportation services cost.

**RESPONSE:**

**Step 5 has been revised, to exclude the Medicaid "enrolled" language. Please see Attachment 4.19-B, Item 4b, Page 1g.**

**CMS Response 9/25/19: Thank you.**

- g. Is this the calculation that each Parish/LEA used to capture specialized transportation costs? If not please explain.

**RESPONSE:**

**Each LEA uses the same calculation.**

**CMS Response 9/25/19: Thank you.**

- h. Medicaid Enrollment Ratio X Specialized transportation costs [(direct services) + (direct services x indirect rate) + (contracted services)]

**CMS Response 9/25/19: See amended response under 11h.**

**STATE RESPONSE 11/14/19:**

**The State attests that there is no duplication of direct or indirect costs.**

**CMS Response 11/25/19: Thank you.**

**13. Page 1g (Please note the change in the proposed page numbers to ensure appropriate flow of State Plan pages)**

Under the "Cost Reimbursement Process" section please amend the following:

As part of its financial oversight responsibilities, the Department shall develop risk assessment and audit plan to ensure cost reasonableness and accuracy in accordance with the current CMS policies.

**RESPONSE:**

**The language has been changed to read "under current CMS guidelines." Please see attachment 4.19-B, Item 4b, page 1h.**

**CMS Response 9/25/19: Thank you.**

STATE OF LOUISIANA

PAYMENT OF MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905(A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS

**G. EPSDT Services Provided by Local Education Agencies**

Effective for dates of service on or after March 20, 2019, the following medically necessary services provided by local education agencies (LEAs) are reimbursable when included on a recipient's individualized service plan (IEP), a section 504 accommodation plan, an individualized health care plan, an individualized family service plan, or medical need documentation:

1. behavioral health;
2. medical direct;
3. personal care;
4. rehabilitative;
5. audiology;
6. speech pathology;
7. occupational therapy;
8. speech therapy; and
9. Applied Behavioral Analysis (ABA)

The services are reimbursed according to the following methodology:

**Cost Reporting**

Settlement payments for EPSDT ~~behavioral health, medical direct, personal care, rehabilitative, therapy and Applied Behavioral Analysis-based services~~ provided in a school setting, shall be based on the most recent school year's actual cost as determined by desk review and/or audit for each LEA provider. Each LEA shall determine cost annually by using LDH's cost report for each EPSDT services cost form.

Direct cost shall be the amount of total compensation (salaries, vendor payments and fringe benefits) of current service providers and the direct cost related to the electronic health records to arrive at the total direct costs for services. There are no additional direct costs included. The basis of allocation for direct service compensation cost for employees is LDH's Direct Services Time Study Methodology approved by CMS November 2014. This time study incorporates the CMS approved Medicaid Administrative Claiming (MAC) methodology for direct service employees (excluding vendors) and is used to determine the percentage of time direct service employees spend on direct services and General and Administrative (G and A) time.

Indirect cost is 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.

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

The participating LEAs' actual cost of providing EPSDT services shall be claimed for Medicaid federal financial participation (FFP) based on the following methodology:

1. Employee Cost
  - a. Develop Direct Cost-The Payroll CostBase

Total annual salaries and benefits paid are obtained initially from each LEA's Payroll/Benefits system. This data will be reported on LDH's direct services cost report form for all direct service employees that participated in the random moment time study (i.e. all employees providing LEA direct treatment services covered under the State Plan).
  - b. Adjust the Payroll Cost Base

The payroll cost base shall be reduced for amounts reimbursed by non-state and local 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 results in total adjusted salary cost.
  - c. 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 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.

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

d. 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. 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 employer direct service cost for all students receiving EPSDT services.

2 Vendor Cost

a. Develop Direct Cost-The Vendor Cost Base

Total annual vendor costs paid are obtained initially from each LEAs' Accounts Payable system. This data will be reported on LDH's direct services cost report form for all direct service vendors (i.e. all contracted personnel providing LEA direct treatment services covered under the State Plan).

b. Adjust the Vendor Cost Base

The vendor cost base shall be reduced for amounts reimbursed by non-state and local funding sources (e.g. federal grants). The vendor cost base shall not include any amounts for vendor whose cost is 100 percent reimbursed by a funding source other than state/local funds. This results in total adjusted vendor cost.

c. Vendor ~~Time-Rate per service for to Provide-Providing~~ EPSDT Services

Vendors are not subject to the time study process. Upon advice of CMS, vendors are only at a school to provide the direct services enumerated in the contract. Vendors are not expected to perform general and administrative (G and A) tasks. This rate per service should include all vendor's direct and indirect costs. This 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[API].

d. 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. 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 vendor direct service cost for all students receiving EPSDT services.



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3. Personal Care Service Employee/Vendor
  - a. Develop Direct Cost-The Payroll Cost Base  
Total annual salaries and benefits paid are obtained initially from each LEA's Payroll system. Vendor costs are obtained from vendor invoices and the LEA's accounts payable system. This data will be reported on LDH's direct services cost report form for all PCS employees or vendors (i.e. all employees/vendors providing LEA personal care services covered under the State Plan).
  - b. Adjust the Payroll/Vendor Cost Base  
The payroll/vendor cost base shall be reduced for amounts reimbursed by non-state and local funding sources (e.g. federal grants). The payroll/vendor cost base shall not include any amounts for costs 100 percent reimbursed by a funding source other than state/local funds. This results in total adjusted salary/vendor cost.
  - c. 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. 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 EPSDT services.
4. Applied Behavioral Analysis (ABA)  
Applied Behavioral Analysis (ABA)-based services provided by individuals working within the scope of their license are reimbursable by Medicaid. ABA services will be reimbursed using the EPSDT cost based methodology for employees and vendors as described in 1 and 2 above.

**Allocate Direct Service Cost to Medicaid**

To determine the amount of cost that may be attributed to Medicaid, total direct service cost (employee and vendor) shall be multiplied by the ratio of Medicaid enrolled 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 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.

**Reconciliation of LEA Certified Costs and Medicaid Management Information System (MMIS) Paid Claims**

Each LEA shall complete and submit the applicable services 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.

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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 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.

**Cost Settlement Process**

As part of its financial oversight responsibilities, the Department shall develop 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 final settlements to LEAs. The agreed upon procedures will be performed to review cost reports submitted by LEAs.

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

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. If the actual certified costs of an LEA's Medicaid services for any program cost report are less than interim Medicaid payments, the Department will reduce all school based Medicaid reimbursements from the current and following cost report years' settlement until the amount due is reduced to zero.

All costs described within this methodology are for eligible 1905(a) Medicaid services provided by Medicaid qualified practitioners that have been approved under Attachment 3.1-A and whose reimbursement methodology has been comprehensively described here in the Medicaid State Plan.

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**Specialized Transportation Services Provided by Local Education Agencies**

**General Provisions**

~~A special transportation trip is only billable to Medicaid on the same day that a Medicaid-enrolled child is receiving services included in the Individual Education Plan (IEP) or otherwise medically necessary as ordered by an appropriately licensed individual in the child's Individual Education Plan/Individual Family Service Plan (IEP/IFSP) and is medically necessary. The transportation shall be provided in a vehicle that is specially adapted and/or staffed and part of the specialized transportation in the LEA's annual financial report certified and submitted to the Department of Education. The need for specialized transportation must be documented in the child's IEP/IFSP or otherwise medically necessary as ordered by an appropriately licensed individual. [AP1]~~

A special transportation trip is only billable to Medicaid on the same day that a Medicaid enrolled child receives a Medicaid service included in the student's IEP/IFSP. The need for specialized transportation must be documented in the child's IEP/IFSP. The transportation shall be provided on a specially adapted bus.

**Reimbursement Methodology**

Effective for dates of service on or after March 20, 2019, medically necessary specialized transportation that is included on the student's IEP/IFSP, provided by LEAs to recipients under age 21 is reimbursed according to the following methodology:

**Cost Reporting**

Reimbursement for specialized transportation services shall be based on the LEA's actual cost reported as determined by desk review and/or audit for each LEA.

Each LEA shall determine cost annually by using LDH's Specialized Transportation cost report form. Direct cost 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 specialized transportation employees or contract cost for contract drivers, as allocated to specialized transportation services for Medicaid recipients. There are no additional direct costs included in the rate.

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.

To determine the amount of specialized transportation cost that may be attributed to Medicaid, 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.

Specialized transportation trip data is derived from transportation logs maintained by drivers for each one-way trip. Cost data on the specialized transportation cost report is subject to certification by each parish.

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For specialized transportation services, the participating LEAs' actual cost of providing specialized transportation paid with state and local funds shall be claimed for Medicaid federal financial participation (FFP) based on the following methodology:

Step 1—Develop Direct Cost—Other

Cost for specialized transportation fuel, repairs and maintenance, rentals, and contract vehicle use cost are obtained from the LEA's accounts payable system and reported on the Specialized Transportation Cost Report form.

Step 2—Develop Direct Cost-The Payroll Cost Base

Total annual salaries and benefits paid as well as contract cost (vendor payments) for contract drivers are obtained from each LEA's payroll/benefits and accounts payable systems. This data will be reported on the specialized transportation cost report form for all direct service personnel (i.e. all personnel working in specialized transportation).

Step 3—Determine Indirect Cost

Indirect cost is determined by multiplying each LEA's unrestricted indirect rate assigned by the cognizant agency (the Department of Education) by total direct cost. No additional indirect cost is recognized outside of the cognizant agency indirect rate.

Step 4 – Total Cost

The sum of direct costs and indirect cost is total specialized transportation direct-service cost for all students with an IEP/IFSP indicating medical need.

Step 5—Allocate Specialized Transportation Cost to Medicaid

Specialized 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 specialized transportation cost report.

To determine the amount of specialized transportation cost that may be attributed to Medicaid, 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.

STATE OF LOUISIANA

PAYMENT OF MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905(A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

**Medicaid one-way trip ratios for specialized transportation**

The number of one-way trips for Medicaid enrolled children for with an IEP/IFSP who received specialized transportation to and from school will be claimed as a Medicaid eligible trip when the child receives a Medicaid service in school on a particular day and when transportation is specifically listed in the IEP or otherwise medically necessary as ordered by an appropriately licensed individual, as a required service. transportation on the day a valid IEP/IFSP service was delivered and required specialized transportation (Numerator / the total number of one way trips for all children that ride a specialized transportation bus (denominator) x Specialized transportation costs [(direct services) + (direct services x indirect rate) + (contracted services)]-[AP2]

Numerator - The number of one-way trips for Medicaid enrolled children who received specialized transportation to and from the IEP/ISFP service destination will be claimed as a Medicaid eligible trip when the child receives a Medicaid service included in an IEP/IFSP on a particular day and specialized transportation is specifically listed in the IEP or IFSP.

Denominator - The total number of one-way trips for all children that ride a specialized transportation bus.

Calculation - Medicaid trip ratio x Specialized transportation costs [(direct services) + (direct services x indirect rate)]

**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 shall 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.

**Cost Reimbursement Process**

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

TN \_\_\_\_\_

Approval Date \_\_\_\_\_

Effective Date \_\_\_\_\_

Supersedes

TN \_\_\_\_\_

STATE OF LOUISIANA

PAYMENT OF MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1905(A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

- a. 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.
- b. 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.

**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.

**H. EPSDT Services Provided by Office of Public Health**

The following EPSDT services provided by the Office of Public Health are paid an enhanced fee as follows:

<del>Consultation EPSDT, by Nurse</del>	<del>\$19.88</del>
<del>Consultation EPSDT, by Nutritionist</del>	<del>\$19.88</del>
<del>Consultation EPSDT, by Social Worker</del>	<del>\$19.88</del>
Lead Poisoning Follow-up	\$45.56
Physician Diagnosis and Treatment	\$51.62
Clinic Visit for Handicapped Child	\$84.68
Diagnosis/Treatment by Physician/Nurse	\$51.62
Speech and Hearing Evaluation	\$50.27
Initial Screen by Physician	\$73.95
Initial Screen by Nurse	\$73.95
Periodic Screen by Nurse	\$73.95
Interperiodic Screen-child	\$46.40
Interperiodic Screen-adolescent	\$65.25
Vision Screen	\$ 5.80
Vaccines	\$13.70
Screening, Pure Tone, Air only	\$ 5.22