



COMMONWEALTH of VIRGINIA

Office of the Governor

Daniel Carey, MD
Secretary of Health and Human Resources

October 18, 2021

Francis McCullough, Associate Regional Administrator
Centers for Medicare & Medicaid Services
801 Market Street, Suite 9400
Philadelphia, PA 19107-3134

Dear Mr. McCullough:

Attached for your review and approval is amendment 21-017, entitled "School Services" to the Plan for Medical Assistance for the Commonwealth. I request that your office approve this change as quickly as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Carey".

Daniel Carey, MD, MHCM

Attachment

cc: Karen Kimsey, Director, Department of Medical Assistance Services

Transmittal Summary

SPA 21-017

I. IDENTIFICATION INFORMATION

Title of Amendment: School Services

II. SYNOPSIS

Basis and Authority: The Code of Virginia (1950) as amended, § 32.1-325, grants to the Board of Medical Assistance Services the authority to administer and amend the Plan for Medical Assistance. The Code of Virginia (1950) as amended, § 32.1-324, authorizes the Director of the Department of Medical Assistance Services (DMAS) to administer and amend the Plan for Medical Assistance according to the Board's requirements.

Purpose: The 2021 Appropriations Act, Item 313.AAAAAA requires DMAS to “allow payment of medical assistance services delivered to Medicaid-eligible students when such services qualify for reimbursement by the Virginia Medicaid program and may be provided by school divisions, regardless of whether the student receiving care has an individualized education program or whether the health care service is included in a student's individualized education program.”

Substance and Analysis: The sections of the State Plan for Medical Assistance that are affected by this action are “Amount, Duration, and Scope of Medical and Remedial Care and Services Provided to the Categorically Needy and Medically Needy” and “Methods and Standards for Establishing Payment Rate – Other Types of Care.”

Impact: The expected increase in aggregate annual expenditures is \$571,250 in federal funds and \$7,450 in special funds in federal fiscal year 2022.

Tribal Notice: Please see Attachments A-1 and A-2.

Prior Public Notice: Please see Attachment B-1.

Public Comments and Agency Analysis: Please see Attachment B-2. The only comment that was submitted was "NO MANDATES!!!!" which does not relate to the changes in this SPA.



McClellan, Emily <emily.mcclellan@dmas.virginia.gov>

Tribal Notice - School Services Covered Under Medicaid

1 message

McClellan, Emily <emily.mcclellan@dmas.virginia.gov> Thu, Sep 16, 2021 at 8:32 AM
To: TribalOffice@monacannation.com, "chiefannerich@aol.com" <chiefannerich@aol.com>, Gerald Stewart <wasandson@cox.net>, Pam Thompson <Pamelathompson4@yahoo.com>, rappahannocktrib@aol.com, regstew007@gmail.com, robert.gray@pamunkey.org, Rufus Elliott <tribaladmin@monacannation.com>, Samuel Bass <samflyingeagle48@yahoo.com>, Stephen Adkins <chiefstephenadkins@gmail.com>, Frank <WFrankAdams@verizon.net>, "bradbybrown@gmail.com" <bradbybrown@gmail.com>, heather.hendrix@ihs.gov, "Garrett, Tabitha (IHS/NAS/RIC)" <tabitha.garrett@ihs.gov>, Kara.Kearns@ihs.gov

Dear Tribal Leaders and Indian Health Programs:

Attached is a Tribal Notice letter from Virginia Medicaid Director Karen Kimsey indicating that the Dept. of Medical Assistance Services (DMAS) plans to submit a State Plan Amendment (SPA) to the federal Centers for Medicare and Medicaid Services. This SPA will allow DMAS to expand the school services that are covered by Medicaid.

If you would like a copy of the SPA documents or proposed text changes, or if you have any questions, please let us know.

Thank you! -- Emily McClellan

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Emily McClellan
Policy, Regulation, and Member Engagement Division Director
Virginia Department of Medical Assistance Services
600 East Broad Street
Richmond, VA 23219
(804) 371-4300

www.dmas.virginia.gov



School Services Tribal Notice letter (signed).pdf
301K



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

KAREN KIMSEY
DIRECTOR

SUITE 1300
600 EAST BROAD STREET
RICHMOND, VA 23219
804/786-7933
800/343-0634 (TDD)
www.dmas.virginia.gov

September

SUBJECT: Notice of Opportunity for Tribal Comment – State Plan Amendment related to School Services

Dear Tribal Leader and Indian Health Programs:

This letter is to notify you that the Department of Medical Assistance Services (DMAS) is planning to amend the Virginia State Plan for Medical Assistance with the Centers for Medicare and Medicaid Services (CMS). Specifically, DMAS is providing you notice about a State Plan Amendment (SPA) that the Agency will file with CMS in order to allow schools to receive federal reimbursement for providing covered services to a larger number of Medicaid-eligible students. Currently, schools may only seek reimbursement for services provided to eligible students enrolled in a special education individualized education program. The change will allow schools to seek reimbursement for providing covered services to students who are not enrolled in special education.

The tribal comment period for this SPA is open through October 15, 2021. You may submit your comments directly to Emily McClellan, DMAS Policy Division, by phone (804) 371-4300, or via email: Emily.McClellan@dmas.virginia.gov Finally, if you prefer regular mail you may send your comments or questions to:

Virginia Department of Medical Assistance Services
Attn: Emily McClellan
600 East Broad Street
Richmond, VA 23219

Please forward this information to any interested party.

Sincerely,

A handwritten signature in blue ink that reads "Karen Kimsey".

Karen Kimsey

ATTACHMENT B-1

Virginia.gov Agencies | Governor



Agency Department of Medical Assistance Services

Board Board of Medical Assistance Services

General Notice**Public Notice - Intent to Amend State Plan - School Services**

Date Posted: 9/16/2021

Expiration Date: 12/31/2021

Submitted to Registrar for publication: YES

[29 Day Comment Forum](#) is underway. Began on 9/16/2021 and will end on 10/15/2021

**LEGAL NOTICE
COMMONWEALTH OF VIRGINIA
DEPARTMENT OF MEDICAL ASSISTANCE SERVICES
NOTICE OF INTENT TO AMEND**

(Pursuant to §1902(a)(13) of the *Act (U.S.C. 1396a(a)(13))*)

THE VIRGINIA STATE PLAN FOR MEDICAL ASSISTANCE

This Notice was posted on September 16, 2021

The Virginia Department of Medical Assistance Services (DMAS) hereby affords the public notice of its intention to amend the Virginia State Plan for Medical Assistance to provide for changes to the *Methods and Standards for Establishing Payment Rates — Other Types of Care (12 VAC 30-80)*.

This notice is intended to satisfy the requirements of 42 C.F.R. § 447.205 and of § 1902(a)(13) of the *Social Security Act*, 42 U.S.C. § 1396a(a)(13). A copy of this notice is available for public review from Emily McClellan, DMAS, 600 Broad Street, Suite 1300, Richmond, VA 23219, or via e-mail at: emily.mcclellan@dmas.virginia.gov

DMAS is specifically soliciting input from stakeholders, providers and beneficiaries, on the potential impact of the proposed changes discussed in this notice. Comments or inquiries may be submitted, in writing, within 30 days of this notice publication to Emily McClellan and such comments are available for review at the same address. Comments may also be submitted, in writing, on the Town Hall public comment forum attached to this notice.

This notice is available for public review on the Regulatory Town Hall (www.townhall.com), on the General Notices page, found at: <https://townhall.virginia.gov/L/generalnotice.cfm>

In accordance with the 2021 Appropriations Act, Item 313.AAAAAA, DMAS will be making the following changes:

Methods & Standards for Establishing Payment Rates-Other Types of Care (12 VAC 30-80)

The 2021 Appropriations Act, Item 313.AAAAAA requires DMAS to “allow payment of medical assistance services delivered to Medicaid-eligible students when such services qualify for reimbursement by the Virginia Medicaid program and may be provided by school divisions, regardless of whether the student receiving care has an individualized education program or whether the health care service is included in a student’s individualized education program.”

The expected increase in aggregate annual expenditures is \$571,250 in federal funds and \$7,450 in special funds

in federal fiscal year 2022.

Contact Information

Name / Title:	Emily McClellan / <i>Regulatory Manager</i>
Address:	Division of Policy and Research 600 E. Broad St., Suite 1300 Richmond, 23219
Email Address:	Emily.McClellan@dmas.virginia.gov
Telephone:	(804)371-4300 FAX: (804)786-1680 TDD: (800)343-0634

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VIRGINIA
REGULATORY TOWN HALL



Agency Department of Medical Assistance Services

Board Board of Medical Assistance Services

Public Comment Forum

General Notice: [Public Notice - Intent to Amend State Plan - School Services](#)

CLOSED Opened on 9/16/2021 and Ended on 10/15/2021

[Read the full General Notice](#)

[More about public comment forums and policies](#)

[View all comments on one page](#)

Comment Title	Commenter	Date
NO MANDATES!!!!	Anonymous (105996)	10/9/21 5:42 pm

1 comments

15 comments hidden due to violation of [Town Hall policy](#)

Trouble posting comments? These pages have been tested with multiple versions of all the major browsers. If you have trouble: (1) try another computer if you have access to one, (2) try another browser if your computer has one installed (3) contact [Town Hall support staff](#) for assistance.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

AMOUNT, DURATION, AND SCOPE OF MEDICAL
AND REMEDIAL CARE AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY
and MEDICALLY NEEDY

B. Early and periodic screening and diagnosis of individuals under 21 years of age, and treatment of conditions found.

I. ~~School divisions~~ Local Education Agencies (LEAs) are Virginia school divisions that operate local public primary and secondary schools in Virginia, and the Virginia School for the Deaf and Blind (VSDB). LEAs may provide be reimbursed for providing routine well-child screening services to recipient children. For children enrolled with one of the state's Medicaid managed care organizations at the time the service is rendered, the LEA may seek reimbursement from the child's managed care organization. For children not enrolled under the State Plan with a Medicaid managed care organization at the time of services, the LEA may seek reimbursement from DMAS on a fee-for-service basis. Diagnostic and treatment services, that are otherwise covered under early and periodic screening, diagnosis and treatment services, shall not be covered for school divisions. School divisions to receive reimbursement for the screenings shall be enrolled with DMAS as clinic providers. The LEA must meet all requirements of the state Medicaid agency and of the child's managed care organization, as applicable.

~~Children enrolled in managed care organizations shall receive screenings from those organizations. School divisions shall not receive reimbursement for screenings from DMAS for these children.~~

II. Local Education Agency (LEA) School Based Services are services listed in a recipient's Individualized Education Program (IEP) or services for which medical necessity has otherwise been established, and are covered under one or more of the service categories described in Section 1905(a) of the Social Security Act. These services are necessary to correct or ameliorate defects of physical or mental illnesses or conditions.

Individual providers that order or refer students for Sservices providers shall must be licensed under the applicable State practice act or comparable licensing criteria by the Virginia Department of Education, and shall meet applicable qualifications under 42 CFR Part 440. Identification of defects, illnesses or conditions, and services necessary to correct or ameliorate them such conditions is done by practitioners qualified to make those determinations within their licensed scope of practice, either as a member of the IEP team or by a qualified practitioner outside the IEP team.

Individual Sservice rendering providers shall must be employed by the school division or under contract to the school division.

~~Supervision of services by providers recognized below shall occur as allowed under federal regulations and consistent with Virginia law, regulations, and DMAS provider manuals.~~

~~The services described below, which are delivered by school providers, are also available in the community from other providers.~~

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~~Services in this subsection are subject to utilization control as provided under 42 CFR Part 455 and Part 456.~~

~~The IEP determines that the services described below are medically necessary and that the treatment prescribed is in accordance with standards of medical practice. Medical necessity is defined as services ordered by IEP providers. The IEP providers are qualified Medicaid providers to make the medical necessity determination in accordance with their scope of practice. The services must be described as to the amount, duration and scope.~~

~~III. Covered services include:~~

- ~~• Physical therapy, occupational therapy and services for individuals with speech, hearing, and language disorders, performed by, or under the direction of, providers who meet the qualifications set forth at 42 CFR §440.110. This coverage includes audiology services;~~
- ~~• Skilled nursing services are covered under 42 CFR §440.60. The services are to be rendered in accordance to the licensing standards and criteria of the Virginia Board of Nursing. Nursing services are to be provided by licensed Registered Nurses or Licensed Practical Nurses but may be delegated by licensed Registered Nurses in accordance with the regulations of the Virginia Board of Nursing, especially the section on delegation of nursing tasks and procedures. The Licensed Practical Nurse is under the supervision of a Registered Nurse. The coverage of skilled nursing services shall be of a level of complexity and sophistication (based on assessment, planning, implementation and evaluation) that is consistent with skilled nursing services when performed by a licensed Registered Nurse or a licensed Practical Nurse. These skilled nursing services shall include, but not necessarily be limited to dressing changes, maintaining patent airways, medication administration/monitoring and urinary catheterizations. Skilled nursing services shall be directly and specifically related to an active, written plan of care developed by a Registered Nurse that is based on a written order from a physician, physician assistant or nurse practitioner for skilled nursing services. This order shall be recertified on an annual basis.~~

TN No. 06-07

Approval Date 06-26-07

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Supersedes

TN No. 03-05

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and MEDICALLY NEEDY**

- ~~• Psychiatric and psychological services performed by licensed practitioners within the scope of practice as defined under state law or regulations and covered as physicians' services under 42 CFR §440.50 or medical or other remedial care under §440.60. These outpatient services include individual medical psychotherapy, group medical psychotherapy coverage, and family medical psychotherapy. Psychological and neuropsychological testing are allowed when done for purposes other than educational diagnosis, school admission, evaluation of an individual with intellectual disability prior to admission to a nursing facility, or any placement issue. These services are covered in the non-school settings also. School providers who may render these services when licensed by the state include psychiatrists, licensed clinical psychologists, school psychologists, licensed clinical social workers, professional counselors, psychiatric clinical nurse specialist, marriage and family therapists, and school social workers.~~
- ~~• Personal care services covered under 42 CFR §440.167 and performed by persons qualified under this subsection. The personal care assistant is supervised by a DMAS recognized school-based health professional who is acting within the scope of licensure. This practitioner develops a written plan for meeting the needs of the child, which is implemented by the assistant. The assistant must have qualifications comparable to those for other personal care aides recognized by the Virginia Department of Medical Assistance Services. The assistant performs services such as assisting with toileting, ambulation, and eating. The assistant may serve as an aide on a specially adapted school vehicle which enables transportation to or from the school or school contracted provider, on days when the student is receiving a Medicaid covered service under the IEP. Children requiring an aide during transportation on a specially adapted vehicle shall have this stated in the IEP.~~
- ~~• Medical evaluation services covered as physicians' services under 42 CFR §440.50 or medical or other remedial care under §440.60. Persons performing these services are licensed physicians, physician~~

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- ~~• assistants, and nurse practitioners. These practitioners identify the nature or extent of a child's medical or other health related condition.~~
- ~~• Transportation covered as allowed under 42 CFR §431.53 and described at State Plan Attachment 3.1 D. Transportation shall be rendered only by school division personnel or contractors. Transportation is covered for a child who requires transportation on a specially adapted school vehicle which enables transportation to or from the school or school contracted provider, on days when the student is receiving a Medicaid covered service under the IEP. Transportation shall be listed in the child's IEP. Children requiring an aide during transportation on a specially adapted vehicle shall have this stated in the IEP.~~
- ~~• Assessments are covered as necessary to assess or reassess the need for medical services in a child's IEP and shall be performed by any of the above licensed practitioners within the scope of practice. Assessments and reassessments not tied to medical needs of the child shall not be covered.~~

~~IV. DMAS will ensure through quality management review that duplication of services will be monitored. School divisions have a responsibility to ensure that if a child is receiving additional therapy outside of the school, that there will be coordination of services to avoid duplication of service.~~

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12VAC 30-80-75. Local Education Agency (LEA) providers.

A. Effective for services on or after July 1, 2006, the following methodology will determine the reimbursement for the following services delivered by Local Education Agency (LEA) providers.

~~The methodology described below applies to reimbursement for the following services delivered by LEA providers. These services are described in Supplement 1 to Attachment 3.1 A&B (12VAC 30-50-135) of the Virginia Medicaid State Plan.~~

~~Speech language pathologytherapy;
Audiology and hearing services;
Physician services for Medical Evaluation Services;
Occupational therapy;
Physical therapy;
Psychiatric and psychological services;
Behavioral health
Personal care services;
Skilled nursing services;
Physician services; and
Specialized transportation.~~

1. ~~Medical services provided by LEA providers for special education students.~~ The following methodology will determine the direct medical services reimbursement for LEA providers.

a. For ~~each of the IDEA-related school-based medical~~ specialized transportation services, the LEA provider's cost of providing the services will be certified and the Federal Financial Participation (FFP) will be paid to LEA providers based on the methodology described in the steps below. ~~For the rate year ending June 30, 2007, cost will be reported on a cash basis; for all succeeding years cost~~Costs will be reported on an accrual basis. All costs to be certified and used subsequently to determine reconciliation and final settlement amounts as well as interim rates are identified on the CMS approved Medical Services Cost Report. Final payment for each school year is based on actual costs as determined by desk review and/or audit for each LEA provider.

b. Step 1: Develop the Personnel Cost Base for Medical Services/
€Total salaries and benefits paid as well as contracted (vendor) payments are obtained initially from each LEA's payroll/benefits and financial system for each quarter of the fiscal year. This data will be reported on DMAS Medical Services Cost Report form for all qualified direct service personnel (i.e., all personnel providing medical services covered under the state plan). Total computable personnel costs are reduced by any reimbursement that is not from state or local funding sources. The personnel cost base does not include any amounts for staff whose compensation is 100 percent reimbursed by a funding source other than state/local funds. The application of Step 1 results in total adjusted salary cost.

c. Step 2: Determine Medical Services Personnel Cost Using Time Study
A time study which that incorporates the CMS-approved time study methodology as described in Virginia's

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“RMS Time Study Manual for School-Based Medicaid Medical and Administrative Services” (RMS Time Study Manual) is used to determine the percentage of time medical service personnel spend ~~on delivering IEP-related covered medical services and in general and administrative (G&A) activities~~ time. The time study will assure that there is no duplicate claiming relative to ~~claiming for administrative costs and no reporting of more than 100 percent of practitioner time is reported~~. G&A time is allocated to medical services based on the percentage of time spent on medical services. To reallocate G&A time to medical services, the percentage of time spent on medical services is divided by 100 percent minus the percentage of time spent on G&A. This will result in a percentage that represents the medical services with appropriate allocation of G&A. ~~This~~ this percentage, determined quarterly, is multiplied by the personnel cost base as determined in Step 1 to allocate personnel cost to IEP medical services and non-IEP medical services. The product represents medical services personnel cost for all payers and not just Medicaid. ~~A~~ Consistent with the RMS Time Study Manual, a sufficient number of medical service personnel will be sampled to ensure time study results that will have a confidence level of at least 95 percent with a precision of plus or minus five percent overall. The time study is based on CMS approved methodology as described in the RMS Time Study Manual and may not be modified unless prior approval is received from CMS. Quarterly personnel costs are summed for the fiscal year and reported on the DMAS Medical Services Cost Report.

For claims submitted after the effective date of ~~this SPA#06-07; that is, July 1, 2006~~, and prior to the implementation of the CMS-approved time study ~~only~~, cost will be identified in accordance with a methodology developed by the Department and approved by CMS that utilizes the quarterly results of the prospectively approved time study and applies them to the prior period claims.

d. Step 3: Develop Medical Services Non-Personnel Costs

Non-personnel costs used in the delivery of IEP and non-IEP medical services, detailed as line items on the CMS approved cost report, are obtained from each LEA's records. financial system. ~~Capital costs must be equal to or greater than \$5,000 and have a useful life greater than two years. The straight line method of depreciation is used for capital costs.~~ Total computable non-personnel costs are reduced by any reimbursement that is not from state or local funding sources.

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e. Step 4: Determine Indirect Costs

Indirect cost related to IEP medical services is determined by multiplying each LEA's unrestricted indirect rate assigned by the cognizant agency (the Department of Education) by total direct IEP cost as determined under Steps 2 and 3. Indirect cost related to non-IEP medical services is determined by multiplying each LEA's unrestricted indirect rate assigned by the cognizant agency (DOE) by total direct non-IEP cost as determined under Steps 2 and 3. No costs that are included and reimbursed through the application of the indirect cost rate may be claimed directly by the LEA in any cost category of the Medical Services Cost Report. No additional indirect cost is recognized outside of the indirect cost determined by Step 4.

f. Step 5: Total Medical Services Cost

Total Medical Services Cost for IEP and non-IEP services is determined by adding costs from steps 2, 3 and 4.

g. Step 6: Allocate Total Medical Services Cost to Medicaid, Medicaid Expansion and FAMIS.

To determine the Medicaid, Medicaid expansion and Family Access to Medical Insurance Security (FAMIS) medical services cost to be certified for services provided pursuant to an IEP, the total medical services cost is multiplied by the ratio of Medicaid, Medicaid expansion and FAMIS eligible students with an IEP to all students with an IEP.

To determine the Medicaid, Medicaid expansion and Family Access to Medical Insurance Security (FAMIS) medical services cost to be certified for services that are not provided pursuant to an IEP, the total medical services cost is multiplied by the ratios of Medicaid, Medicaid expansion and FAMIS eligible students recipients with an IEP to the total number of students in the school division students with an IEP.

h. DMAS shall issue a settlement notice at the conclusion of the reconciliation that denotes the amount due to or from the LEA provider. This settlement is inclusive of both medical services and special transportation services provided by the LEA provider. The State will settle with each provider, using one of the methods described below for either under- or overpayment associated with school based services. Settlement will be limited to recovery or payment of only the Federal Financial Participation associated with total computable cost.

i. If the interim payments exceed the FFP of the certified costs of an LEA's Medicaid, Medicaid Expansion or FAMIS services, DMAS will recoup the overpayment in one of the following methods:

- a) Offset all future claim payment from the affected LEA until the amount of the overpayment is recovered;
- b) Recoup an agreed upon percentage from future claims payment to the LEA to ensure recover of the overpayment within one year; or
- c) Recoup an agreed upon dollar amount from future claims payment to the LEA to ensure recovery of the overpayment within one year.

ii. If the federal financial participation of the certified costs exceeds interim payments, DMAS will pay the difference to the LEA provider.

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2. Interim Rates.

At the end of each settlement, interim rates for each LEA provider will be determined by dividing total medical services cost and special transportation service cost by an estimate of the number of units of service. For the initial interim rates or for new providers, interim rates will be based on pro forma cost data. Interim rates are provisional in nature pending completion of the cost report.

3. Billing

Each LEA provider must submit claims in accordance with the school division manual and will be paid an interim rate for approved claims.

4. Special Transportation Services Provided by Local Education Agency Providers for Special Education Students.

a. The participating LEA's actual cost of providing special transportation services will be claimed for federal financial participation based on the methodology described in the steps below. Special transportation refers to transportation ~~in vehicles on buses modified and dedicated to meet the medical needs of disabled students special education.~~ reconciliation and final settlement amounts as well as interim rates claimable amount for federal financial participation are identified in the CMS approved Specialized Transportation Cost Report section of the Administrative Activity Claiming Instruction Manual. ~~Final payment for each school year is based on actual costs as determined by desk review and/or audit for each LEA provider.~~

b. Step 1: Develop Special Transportation Non-Personnel Cost

The cost for Special Transportation includes Fuel, Repairs and Maintenance, Rentals, Contract Vehicle Use Cost and other costs as approved by CMS and reported by ~~obtained from the LEA's general ledger and reported on the Quarterly Special Transportation Cost Report form.~~ Non-personnel costs are reduced by any reimbursement that is not from state or local funding sources. All cost is reported on an accrual basis.

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c. Step 2: Develop Special Transportation Personnel Cost

Total annual salaries and benefits paid as well as contract cost (vendor payments) for special transportation services are obtained from each LEA's payroll/benefits and financial systems. This data will be reported on the Quarterly Special Transportation Cost Report form for all ~~direct~~ transportation service personnel. The included personnel are specified in ~~the~~ instruction manual. Personnel costs are reduced by any reimbursement that is not from state or local funding sources. All ~~approved~~ CMS cost is reported on an accrual basis.

To the extent that any allowed cost for transportation is reported as shared between regular and specialized transportation, there must be an allocation of cost between the programs. For example, a mechanic may work on buses for both programs but his/her salary may not be reported as such in the accounting records. In these instances, the provider should allocate cost using the ratio of specialized buses/vehicles owned by the provider to total regular transportation buses/vehicles owned by the provider.

d. Step 3: Total Specialized Transportation Cost ~~Determine Indirect Cost~~

Total special transportation services cost is determined by adding costs from steps 1 and 2.

e. Step 4: Allocate Total Special Transportation Cost to Medicaid-covered portion of services

- a. Allocate costs to students receiving medically necessary transportation per the IEP
The medically necessary portion of specialized transportation costs shall be determined based on the ratio of the quarterly number of students receiving medically necessary transportation in the IEP to the total number of students transported in a specialized transportation vehicle.
- b. Allocate Special Transportation Cost to Medicaid, Medicaid Expansion, and FAMIS
The Medicaid Eligibility Percentages for Specialized Transportation shall be determined based on the ratio of number of students receiving specialized transportation in the IEP who are enrolled in Medicaid, Medicaid Expansion or FAMIS to the total number of students receiving specialized transportation in the IEP.
- c. Allocate costs to percentage of trips provided on a day when the student received Medicaid covered services
Historical data will be used to determine the statewide average percentage of one way trips that were provided on a day when the student received a Medicaid covered service. DMAS will review and update this percentage following the methodology described in the instruction guide.

f. Step 5: Total Reimbursable Portion of Special Transportation Cost

Total reimbursable portion of special transportation services cost is determined by multiplying the total special transportation cost from step 3 by the 3 cost allocation factors in step 4.

g. Step 6: 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 reimbursable portion of special transportation cost as determined under Steps 1 and 2. No additional indirect cost is recognized outside of the indirect cost

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determined by ~~this step~~ Step 3.

DMAS shall claim FFP based on the addition of indirect costs determined by step 6 to the total reimbursable portion of special transportation cost from step 5. The sum of these amounts determine the gross special transportation claim amount, which is then multiplied by the FFP rate applicable to Medicaid, Medicaid Expansion, and FAMIS

~~h. Step 4: Total Special Transportation Cost~~

~~Total DMAS shall claim FFP based on the addition of indirect costs determined by step 6 to the total reimbursable portion of special transportation services cost is determined by adding costs from step 5.s 1, 2 and 3. The sum of these amounts determine the gross special transportation claim amount, which is then multiplied by the FFP rate applicable to Medicaid, Medicaid Expansion and FAMIS.~~

~~i. Step 5: Allocate Total Special Transportation Services Cost to Medicaid, Medicaid Expansion, and FAMIS~~

~~Special transportation drivers or other school personnel shall maintain logs of all students transported on each one way trip. These logs shall be used to calculate reimbursable percentages for Medicaid, Medicaid Expansion and FAMIS. The denominator will be the total annual one way trips on special buses. The numerator will be Medicaid, Medicaid Expansion or FAMIS special transportation one way trips. To qualify as a special transportation trip, the student must be eligible for Medicaid, Medicaid Expansion or FAMIS; transportation must be included in the IEP; and the student must have received a covered medical service on the day of the special transportation. To allocate special transportation costs to Medicaid, Medicaid Expansion or FAMIS, total special~~

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**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATE-
OTHER TYPES OF CARE**

~~b. DMAS shall issue a settlement notice at the time of the reconciliation that denotes the amount due to or from the LEA provider. This settlement is inclusive of both medical services and special transportation services provided by the LEA provider. The State will settle with each provider, using one of the methods described below for either under or overpayment associated with school based services. Settlement will be limited to recovery or payment of only the Federal Financial Participation associated with total computable cost.~~

~~iii. If the interim payments exceed the FFP of the certified costs of an LEA's Medicaid, Medicaid Expansion or FAMIS services, DMAS will recoup the overpayment in one of the following methods:~~

~~d) Offset all future claim payment from the affected LEA until the amount of the overpayment is recovered;~~

~~e) Recoup an agreed upon percentage from future claims payment to the LEA to ensure recover of the overpayment within one year; or~~

~~f) Recoup an agreed upon dollar amount from future claims payment to the LEA to ensure recovery of the overpayment within one year.~~

~~iv. If the federal financial participation of the certified costs exceeds interim payments, DMAS will pay the difference to the LEA provider.~~

~~4. Interim Rates.~~

~~At the end of each settlement, interim rates for each LEA provider will be determined by dividing total medical services cost and special transportation service cost by an estimate of the number of units of service. For the initial interim rates or for new providers, interim rates will be based on pro forma cost data. Interim rates are provisional in nature pending completion of the cost report.~~

~~5. Billing~~

~~Each LEA provider will submit claims in accordance with the school division manual and will be paid an interim rate for approved claims.~~

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**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATE-
OTHER TYPES OF CARE**

5. State Monitoring

If DMAS becomes aware of potential instances of fraud, misuse or abuse of services and funds, it will perform timely audits and investigations to identify and take the necessary actions to remedy and resolve the problems.

6. Other Services Furnished by School Divisions

EPSDT well child screenings provided to Medicaid, Medicaid Expansion or FAMIS recipients and described in Supplement 1, Attachment 3.1 A&B, will be reimbursed according to the agency fee schedule for all providers. These costs are not reimbursed through the cost report.

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**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 1 0 1 7

2. STATE

Virginia

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

07/01/2022

5. TYPE OF PLAN MATERIAL (Check One)

- NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION

42 CFR 440

7. FEDERAL BUDGET IMPACT

a. FFY 2022 \$ 571,250
b. FFY 2023 \$ 2,284,998

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 31A&B, Supp 1: revised pages 5.0, 5.1, 5.2, 5.3
Attachment 4.19-B, revised pages 9b, 9c, 9d, 9e

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Same as box #8.

10. SUBJECT OF AMENDMENT

School Services

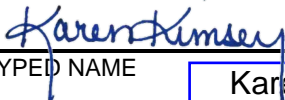
11. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED

Secretary of Health and Human Resources

12. SIGNATURE OF STATE AGENCY OFFICIAL



13. TYPED NAME

Karen Kimsey

14. TITLE

Director

15. DATE SUBMITTED

9/15/2021

16. RETURN TO

Dept. of Medical Assistance Services
600 East Broad Street, #1300
Richmond VA 23219

Attn: Regulatory Coordinator

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

18. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

22. TITLE

23. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

**AMOUNT, DURATION, AND SCOPE OF MEDICAL
AND REMEDIAL CARE AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY
and MEDICALLY NEEDY**

B. Early and periodic screening and diagnosis of individuals under 21 years of age, and treatment of conditions found.

I. Local Education Agencies (LEAs) are Virginia school divisions that operate local public primary and secondary schools in Virginia, and the Virginia School for the Deaf and Blind (VSDB). LEAs may be reimbursed for providing well-child screening services to recipient children. For children enrolled with one of the state's Medicaid managed care organizations at the time the service is rendered, the LEA may seek reimbursement from the child's managed care organization. For children not enrolled with a Medicaid managed care organization at the time of services, the LEA may seek reimbursement from DMAS on a fee-for-service basis. The LEA must meet all requirements of the state Medicaid agency and of the child's managed care organization, as applicable.

II. Local Education Agency (LEA) School Based Services are services listed in a recipient's Individualized Education Program (IEP) or services for which medical necessity has otherwise been established, and are covered under one or more of the service categories described in Section 1905(a) of the Social Security Act. These services are necessary to correct or ameliorate ~~defects~~ of physical or mental illnesses or conditions.

Individual providers that order or refer students for services must be licensed under the applicable State practice act or comparable licensing criteria by the Virginia Department of Education, and shall meet applicable qualifications under 42 CFR Part 440. Identification of illnesses or conditions, and services necessary to correct or ameliorate such conditions is done by practitioners qualified to make those determinations within their licensed scope of practice.

Individual service rendering providers must be employed by the school division or under contract to the school division.

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AMOUNT, DURATION, AND SCOPE OF MEDICAL
AND REMEDIAL CARE AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY
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State of VIRGINIA

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATE-
OTHER TYPES OF CARE**

12VAC 30-80-75. Local Education Agency (LEA) providers.

A. Effective for services on or after July 1, 2022, the following methodology will determine the reimbursement for the following services delivered by Local Education Agency (LEA) providers: speech language pathology; audiology and hearing; occupational therapy; physical therapy; behavioral health; personal care; skilled nursing; physician; and specialized transportation.

1. The following methodology will determine the direct medical services reimbursement for LEA providers.

a. For the services covered under the State Plan other than specialized transportation services, the LEA provider's cost of providing the services will be certified and the Federal Financial Participation (FFP) will be paid to LEA providers based on the methodology described in the steps below. Costs will be reported on an accrual basis. All costs to be certified and used subsequently to determine reconciliation and final settlement amounts as well as interim rates are identified on the CMS approved Medical Services Cost Report. Final payment for each school year is based on actual costs as determined by desk review and/or audit for each LEA provider.

b. Step 1: Develop the Personnel Cost Base for Medical Services

Total salaries and benefits paid as well as contracted (vendor) payments are obtained initially from each LEA's payroll/benefits and financial system for each quarter of the fiscal year. This data will be reported on DMAS Medical Services Cost Report form for all qualified direct service personnel (i.e., all personnel providing medical services covered under the state plan). Total computable personnel costs are reduced by any reimbursement that is not from state or local funding sources. The personnel cost base does not include any amounts for staff whose compensation is 100 percent reimbursed by a funding source other than state/local funds. The application of Step 1 results in total adjusted salary cost.

c. Step 2: Determine Medical Services Personnel Cost Using Time Study

A time study that incorporates the CMS-approved time study methodology as described in Virginia's "RMS Time Study Manual for School-Based Medicaid Medical and Administrative Services" (RMS Time Study Manual) is used to determine the percentage of time medical service personnel spend delivering covered medical services and in general and administrative (G&A) activities. The time study will assure that there is no duplicate claiming relative to administrative costs and no reporting of more than 100 percent of practitioner time. G&A time is allocated to medical services based on the percentage of time spent on medical services. To reallocate G&A time to medical services, the percentage of time spent on medical services is divided by 100 percent minus the percentage of time spent on G&A. This will result in a percentage that represents the medical services with appropriate allocation of G&A. This percentage, determined quarterly, is multiplied by the personnel cost base as determined in Step 1 to allocate personnel cost to IEP medical services and non-IEP medical services. The product represents medical services personnel cost for all payers and not just Medicaid. Consistent with the RMS Time Study Manual, a sufficient number of medical service personnel will be sampled to ensure time study results that will have a confidence level of at least 95 percent with a precision of plus or minus five percent overall. The time study is based on CMS approved methodology as described in the RMS Time Study Manual and may not be modified unless prior approval is received from CMS. Quarterly personnel costs are summed for the fiscal year and reported on the DMAS Medical Services Cost Report.

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**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATE-
OTHER TYPES OF CARE**

For claims submitted after the effective date of this SPA, and prior to the implementation of the CMS-approved time study, cost will be identified in accordance with a methodology developed by the Department and approved by CMS that utilizes the quarterly results of the prospectively approved time study and applies them to the prior period claims.

d. Step 3: Develop Medical Services Non-Personnel Costs

Non-personnel costs used in the delivery of IEP and non-IEP medical services, detailed as line items on the CMS approved cost report, are obtained from each LEA's records. Total computable non-personnel costs are reduced by any reimbursement that is not from state or local funding sources.

e. Step 4: Determine Indirect Costs

Indirect cost related to IEP medical services is determined by multiplying each LEA's unrestricted indirect rate assigned by the cognizant agency (the Department of Education) by total direct IEP cost as determined under Steps 2 and 3. Indirect cost related to non-IEP medical services is determined by multiplying each LEA's unrestricted indirect rate assigned by the cognizant agency (DOE) by total direct non-IEP cost as determined under Steps 2 and 3. No costs that are included and reimbursed through the application of the indirect cost rate may be claimed directly by the LEA in any cost category of the Medical Services Cost Report. No additional indirect cost is recognized outside of the indirect cost determined by Step 4.

f. Step 5: Total Medical Services Cost

Total Medical Services Cost for IEP and non-IEP services is determined by adding costs from steps 2, 3 and 4.

g. Step 6: Allocate Total Medical Services Cost to Medicaid, Medicaid Expansion and FAMIS.

To determine the Medicaid, Medicaid expansion and Family Access to Medical Insurance Security (FAMIS) medical services cost to be certified for services provided pursuant to an IEP, the total medical services cost is multiplied by the ratio of Medicaid, Medicaid expansion and FAMIS eligible students with an IEP to all students with an IEP.

To determine the Medicaid, Medicaid expansion and Family Access to Medical Insurance Security (FAMIS) medical services cost to be certified for services that are not provided pursuant to an IEP, the total medical services cost is multiplied by the ratios of Medicaid, Medicaid expansion and FAMIS eligible students to the total number of students in the school divisions.

h. DMAS shall issue a settlement notice at the conclusion of the reconciliation that denotes the amount due to or from the LEA provider. This settlement is inclusive of both medical services and special transportation services provided by the LEA provider. The State will settle with each provider, using one of the methods described below for either under- or overpayment associated with school based services. Settlement will be limited to recovery or payment of only the Federal Financial Participation associated with total computable cost.

i. If the interim payments exceed the FFP of the certified costs of an LEA's Medicaid, Medicaid Expansion or FAMIS services, DMAS will recoup the overpayment in one of the following methods:

a) Offset all future claim payment from the affected LEA until the amount of the overpayment is recovered;

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OTHER TYPES OF CARE**

-
- b) Recoup an agreed upon percentage from future claims payment to the LEA to ensure recover of the overpayment within one year; or
 - c) Recoup an agreed upon dollar amount from future claims payment to the LEA to ensure recovery of the overpayment within one year.
- ii. If the federal financial participation of the certified costs exceeds interim payments, DMAS will pay the difference to the LEA provider.
2. Interim Rates. At the end of each settlement, interim rates for each LEA provider will be determined by dividing total medical services cost and special transportation service cost by an estimate of the number of units of service. For the initial interim rates or for new providers, interim rates will be based on pro forma cost data. Interim rates are provisional in nature pending completion of the cost report.
3. Billing. Each LEA provider must submit claims in accordance with the school division manual and will be paid an interim rate for approved claims.
4. Special Transportation Services Provided by Local Education Agency Providers for Special Education Students.
- a. The participating LEA's actual cost of providing special transportation services will be claimed for federal financial participation based on the methodology described in the steps below. Special transportation refers to transportation in vehicles modified to meet the medical needs of disabled students. All costs to be certified and used subsequently to determine the-claimable amount for federal financial participation are identified in the Specialized Transportation Cost Report section of the Administrative Activity Claiming Instruction Manual.
 - b. Step 1: Develop Special Transportation Non-Personnel Cost
The cost for Special Transportation includes Fuel, Repairs and Maintenance, Rentals, Contract Vehicle Use Cost and other costs as approved by CMS and reported by the LEA's on the Quarterly Special Transportation Cost Report form. Non-personnel costs are reduced by any reimbursement that is not from state or local funding sources. All cost is reported on an accrual basis.
 - c. Step 2: Develop Special Transportation Personnel Cost
Total annual salaries and benefits paid as well as contract cost (vendor payments) for special transportation services are obtained from each LEA's payroll/benefits and financial systems. This data will be reported on the Quarterly Special Transportation Cost Report form for all transportation service personnel. The included personnel are specified in the instruction manual. Personnel costs are reduced by any reimbursement that is not from state or local funding sources. All cost is reported on an accrual basis.
- To the extent that any allowed cost for transportation is reported as shared between regular and specialized transportation, there must be an allocation of cost between the programs. For example, a mechanic may work on buses for both programs but his/her salary may not be reported as such in the accounting records. In these instances, the provider should allocate cost using the ratio of specialized buses/vehicles owned by the provider to total regular transportation buses/vehicles owned by the provider.

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d. Step 3: Total Specialized Transportation Cost

Total special transportation services cost is determined by adding costs from steps 1 and 2.

e. Step 4: Allocate Total Special Transportation Cost to Medicaid-covered portion of services

a. Allocate costs to students receiving medically necessary transportation per the IEP

The medically necessary portion of specialized transportation costs shall be determined based on the ratio of the quarterly number of students receiving medically necessary transportation in the IEP to the total number of students transported in a specialized transportation vehicle.

b. Allocate Special Transportation Cost to Medicaid, Medicaid Expansion, and FAMIS

The Medicaid Eligibility Percentages for Specialized Transportation shall be determined based on the ratio of number of students receiving specialized transportation in the IEP who are enrolled in Medicaid, Medicaid Expansion or FAMIS to the total number of students receiving specialized transportation in the IEP.

c. Allocate costs to percentage of trips provided on a day when the student received Medicaid covered services

Historical data will be used to determine the statewide average percentage of one way trips that were provided on a day when the student received a Medicaid covered service. DMAS will review and update this percentage following the methodology described in the instruction guide.

f. Step 5: Total Reimbursable Portion of Special Transportation Cost

Total reimbursable portion of special transportation services cost is determined by multiplying the total special transportation cost from step 3 by the 3 cost allocation factors in step 4.

g. Step 6: 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 reimbursable portion of special transportation cost as determined under Steps 1 and 2. No additional indirect cost is recognized outside of the indirect cost determined by this step.

DMAS shall claim FFP based on the addition of indirect costs determined by step 6 to the total reimbursable portion of special transportation cost from step 5. The sum of these amounts determine the gross special transportation claim amount, which is then multiplied by the FFP rate applicable to Medicaid, Medicaid Expansion, and FAMIS

DMAS shall claim FFP based on the addition of indirect costs determined by step 6 to the total reimbursable portion of special transportation–cost from step 5. The sum of these amounts determine the gross special transportation claim amount, which is then multiplied by the FFP rate applicable to Medicaid, Medicaid Expansion and FAMIS.

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