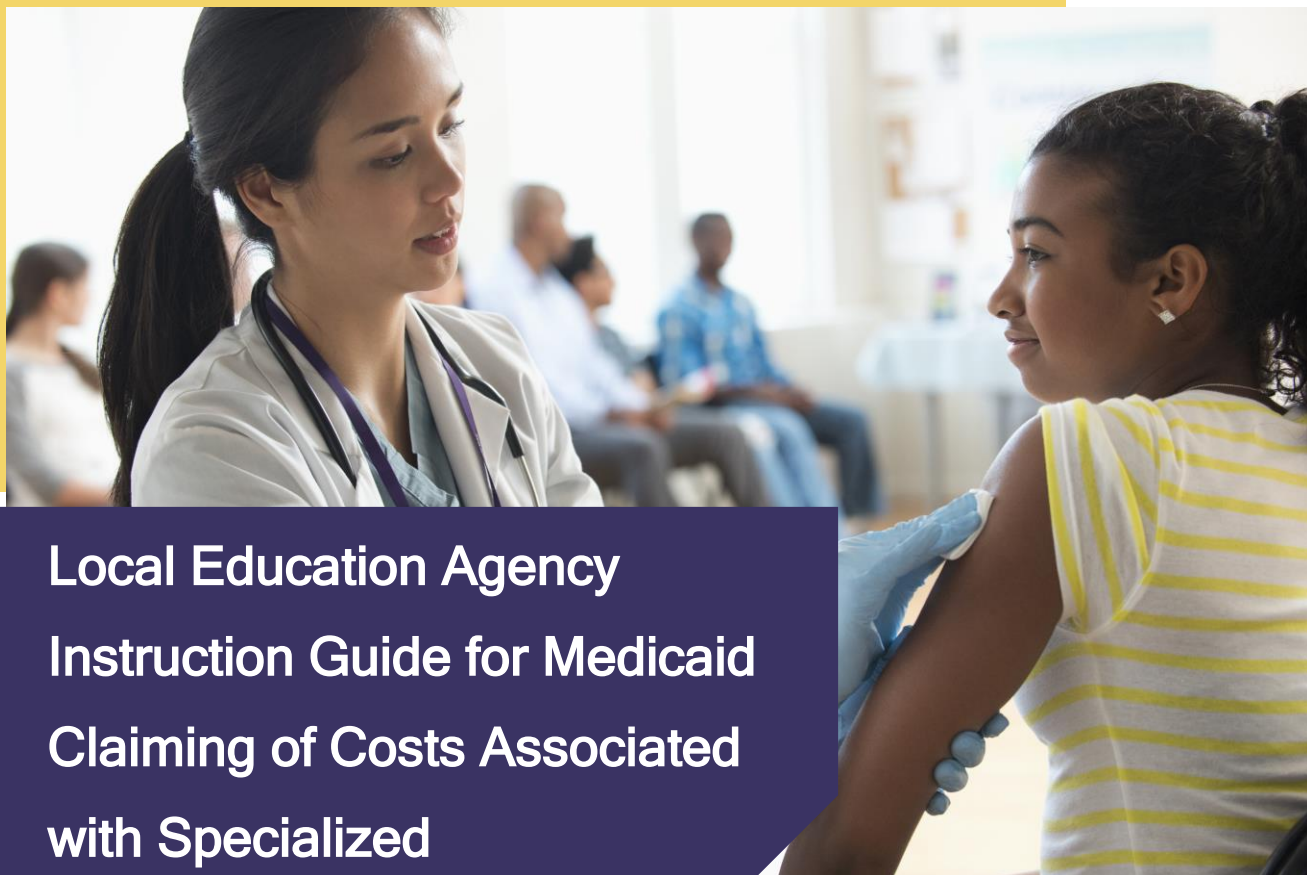




**Virginia Medicaid**

Department of Medical Assistance Services



**Local Education Agency  
Instruction Guide for Medicaid  
Claiming of Costs Associated  
with Specialized  
Transportation**

**Commonwealth of Virginia  
Department of Medical Assistance Services (DMAS)**

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Effective July 1, 2022

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## SECTION I: OVERVIEW

Virginia's Local Education Agencies (LEAs), including the Virginia School for the Deaf and Blind at Staunton (VSDB), provide a range of school-based health services to students in order to ensure their safety, attendance and academic performance in the school setting. Some of the students receiving these services are eligible for Virginia's Medicaid program or Virginia's Children's Health Insurance Program (known as Family Access to Medical Insurance Services or FAMIS), and some of the school-based health services provided are covered under one or both of these programs as direct health care services. The Department of Medical Assistance Services (DMAS) oversees the Medicaid and FAMIS programs for Virginia. LEAs that meet DMAS provider screening and enrollment requirements may seek Medicaid and FAMIS program cost-based reimbursement for costs associated with:

1. Providing covered direct health care services to Medicaid and FAMIS eligible students;
2. Providing specialized transportation services to and/or from a location where a covered direct health care service is rendered for a Medicaid or FAMIS eligible student, *if the service is included in the student's Individualized Education Program (IEP) plan*; and
3. Performing administrative activities that support access to covered services for Medicaid eligible students.

This manual provides LEAs with instructions for determining costs associated with number 2 above (providing specialized transportation services). For instructions on determining costs associated with providing direct health care services, LEAs should consult the *Virginia LEA Direct Health Care Services Cost Report Instruction Guide*.

The University of Massachusetts Chan Medical School (UMass) is the contractor engaged by DMAS to manage the specialized transportation cost reporting process (DMAS contractor):

University of Massachusetts Chan Medical School (UMass)  
Health Care Financing Solutions  
School-Based Medicaid Program  
333 South Street, Shrewsbury, Massachusetts 01545

Help Desk: [VACostReport@umassmed.edu](mailto:VACostReport@umassmed.edu) or 1-800-535-6741

## SECTION II: APPLICABLE LAWS, REGULATIONS, AND GUIDANCE

All LEAs participating in the DMAS Medicaid and Schools program must comply with applicable federal and state laws, regulation and guidance, including, but not limited to:

- Section 1902(a) of the Social Security Act;
- Code of Federal Regulation (C.F.R.) Titles 42 and 45;
- OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. §200);
- OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations; and
- GS-102, Fiscal Records (December 2017), of the Library of Virginia Record Retention Policy

### Requirements for Expenditure Reporting

Unless otherwise indicated in this guide, the LEA must ensure that a particular quarter's report of allowed costs include only expenditures incurred during that quarter (i.e. the date of the activity related to an allowed expenditure determines the reporting period). Following this rule, prepaid expenditures may be included only after the applicable service associated with the expenditure has occurred.

Expenditures must be **excluded** from cost reporting in all expenditure categories in any of the following situations:

- One hundred percent of the staff person's salary is paid through a federal grant or from other federal funds, including Individuals with Disabilities Education Act (IDEA) and all federal funding sources such as the Coronavirus Aid, Relief, and Economic Security Act (CARES) funds;
- State or local funds that were a required match to receive a federal grant or other federal funds, which are considered part of the federal funding percentage related to staff salary (2 C.F.R. § 200.306);
- Medicaid billing vendors that are paid on a contingency fee (percent of claim) basis; and

- Any expenditures, including staff salary included in the LEA's Indirect Cost Rate. See Appendix D for additional details and excluded account object codes.

## SECTION III. OVERVIEW OF SPECIALIZED TRANSPORTATION CLAIMING PROCESS

The quarterly Medicaid Specialized Transportation Cost Report utilizes actual costs/expenditures incurred during the specified quarter that are uploaded and/or entered into a data system maintained by the DMAS contractor. (For detailed, step-by-step instructions for entering and submitting quarterly cost reports, please refer to the “*Step-by-Step User’s Manual for Specialized Transportation Cost Reports.*”)

The quarterly claiming process is as follows:

- Step 1:** Claim data (allowable expenditures, statistics, and any required supporting documentation as described in this guide) is provided to the DMAS contractor by the LEA.
- Step 2:** Through this submission, the LEA indicates that the report is accurate and complete.
- Step 3:** The report is reviewed by the DMAS contractor, who also completes a data match of the Medicaid students receiving specialized transportation for each LEA to the medical interim claims data for the period and calculates the percentage of trips that occurred on a day when Medicaid covered IEP services were provided to each student.
- Step 4:** When the reimbursement calculations are complete, the DMAS contractor sends a copy of the final report and a Certification Letter to the LEA for signature.
- Step 5:** The LEA signs and returns the Certification Letter to the DMAS contractor.
- Step 6:** The DMAS contractor finalizes report (claim) and submits to DMAS for federal claiming and disbursement of payment to the LEA.

Claims are submitted on a quarterly basis. Claims not submitted and certified by the deadline date listed in Table 1 below will not be processed until the following quarter.

**Table 1. Quarterly Submission Timelines**

Quarter (FY)	Quarter Dates	Deadline to Submit Claim Data	Certification Deadline
1	July 1 - September 30	January 15	January 22
2	October 1 - December 31	April 15	April 22
3	January 1 - March 31	July 15	July 22
4	April 1 - June 30	October 15	October 22

Specialized Transportation Cost Reports must be submitted within 7 quarters and 15 days from the end of the quarter in which the cost/expenditure was incurred. For example, claims for the quarter ended December 31, 2020 must be submitted by the October 15, 2022 deadline. This includes amendments that increase the amount of the claim (positive amendments). Amendments that decrease the amount of the claim (negative amendments) do not have a deadline and may be submitted at any time.

### **Section III.A. Division-wide Medicaid Eligibility Rate (from AAC)**

The foundation of the students and Medicaid eligibility statistics reported in the Specialized Transportation Cost Report begins with the division-wide data match completed for each quarter's Administrative Activity Claim (AAC). It is recommended that LEAs complete their division-wide eligibility match for AAC, utilizing the appropriate enrollment snapshot date, prior to starting their transportation report statistics. For the AAC, LEAs must determine the percentage of their total student enrollment who are eligible for Medicaid as of the defined eligibility "snapshot" date for the quarter. This is accomplished by completing a match of the LEA total enrollment roster for the quarter to the DMAS eligibility list for the quarter.

The Total LEA enrollment for the quarter must include all students, age 2 through 22, enrolled in the LEA. This data should be a "snapshot" of the LEA's total enrollment as of the following dates for each quarterly claim:

Claim Quarter	Enrollment Snapshot Date
Q1: July 1 - September 30	September 1
Q2: October 1 - December 31	December 1
Q3: January 1 - March 31	March 1
Q4: April 1 - June 30	June 1

Parentally placed private school students must be excluded from the LEA enrollment roster. Instructions for completing the match are available in the “*Medicaid Eligibility Matching User Instruction Guide*.”

Instructions for completing the specialized transportation student statistics and eligibility match are in [Section IV.A.](#) of this guide.

### **Section III.B. Indirect Cost Rate**

Each LEA’s annual unrestricted indirect cost rate, as calculated by VDOE, will be used in the Specialized Transportation Cost Report calculations. All expenditures reported must comply with all guidance included in Appendix D related to indirect cost rates and exclusion of costs. Indirect costs are not added to contractor costs or the cost of contract vehicle use.



## SECTION IV. ALLOWABLE EXPENDITURES AND STATISTICS FOR SPECIALIZED TRANSPORTATION COST REPORT

School based specialized transportation is defined as a medically necessary service (as outlined in the IEP of an enrolled Medicaid beneficiary) provided in a specially adapted vehicle that has been physically adjusted or designed (e.g., wheelchair lifts, ramps, etc.). Costs associated with specialized transportation will be included in a Specialized Transportation Cost Report, which is submitted on a quarterly basis. The approved quarterly payments based on the methodology below will be considered final. Specialized transportation is not subject to cost settlement.

A specially adapted vehicle is a vehicle (bus, van, car, mini-bus, etc.) that has been physically adjusted or designed (e.g., wheelchair lifts, ramps, etc.) to accommodate special needs. Specialized transportation enables the student to receive DMAS covered service(s). It involves transportation of the student to and from the site (primarily school) where they receive Medicaid-covered service(s) included in their IEP. Specialized transportation must be rendered by LEA personnel or contractors. Specialized transportation, as a service itself, must also be included in the IEP.

Specialized Transportation is reimbursable as a direct service when the following conditions are met:

- The child has a formal written IEP,
- Specialized transportation is documented in the IEP as a medically necessary service,
- The child receives medically necessary, Medicaid-covered IEP service(s) (other than transportation) in school.

### *Expenditures for Medicaid Administrative Specialized Transportation Services (Claimed through AAC)*

It is important to note that, separately from the Specialized Transportation Cost Report process described in this guide, LEAs can seek reimbursement for the cost of scheduling and arranging Medicaid-covered specialized transportation services through the Administrative Activity Claiming (AAC) process. By including the staff members who perform that administrative activity in the RMTS, the RMTS will appropriately capture time spent on this reimbursable administrative activity, and the inclusion of the staff in the RMTS allows for the salary and benefit costs of those staff members to be included in the AAC. Other costs related to scheduling and arranging of specialized transportation, such as any applicable material and supply costs, are also claimed in the AAC in the appropriate Medicaid administrative activities cost category (See *LEA Instruction Guide for Administrative Activity Claiming*).

### *Expenditures for Direct Provision of Specialized Transportation*

Claimable expenditures related to the provision of specialized transportation **include**:

- Expenditure to a transportation provider or company for specialized transportation services;
- Expenditure for the rental or lease of a specially-adapted vehicle for providing specialized transportation;
- Staffing costs (salaries and benefits) of drivers and maintenance staff who drive or repair specialized transportation vehicles owned, rented, or leased and operated by the LEA;
- Maintenance and repair costs for specialized transportation vehicles owned/rented/leased and operated by the LEA, and
- Other operating costs for specialized transportation vehicles owned/rented/ leased and operated by the LEA such as fuel, insurance, depreciation expense.

**Excluded** Expenditures include:

- Expenditures associated with non-specialized school transportation;
- Staffing costs of bus monitors or aides;
- The cost of a personal care service provider, nurse, or other qualified medical practitioner who accompanies the student while being transported for the purpose of providing medically necessary medical services to the student. These practitioners

may be reimbursable through the Direct Service reimbursement portion of the DMAS School-Based Services program when all requirements for reimbursement are met. See the “*Local Education Agency Provider Manual*” for additional information.

- The costs related to expenditure exclusions indicated in [Section II](#).

## Section IV.A. Eligibility Statistics for Specialized Transportation

To calculate the reimbursable portion of specialized transportation costs, LEAs must identify the following student statistics. The system will calculate the Specialized Transportation IEP Ratio.

1. **Specialized Transportation Population.** From the “Total LEA Enrollment for Quarter” identified for your AAC claim and discussed in [Section III.A.](#), LEAs must identify a list of all students who received specialized transportation services. The list should be a subset of the Total LEA Enrollment for Quarter, and this list is referred to as the “**Specialized Transportation Population.**” The Specialized Transportation Population must include all students who are transported in a vehicle that is specially equipped, adapted, or staffed to accommodate students with specialized medical needs, regardless of whether the students themselves have specialized medical needs. This means that **all students** riding in that vehicle for any reason are counted in the Specialized Transportation Population.
2. **Students with Medically Necessary Specialized Transportation Pursuant to an IEP and at least one other health-related IEP service.** From the “Specialized Transportation Population” for the quarter, identify the students who have medically necessary specialized transportation included in their IEP along with at least one other Medicaid-covered service in the IEP.

The system will use these two statistics to calculate the percent of students receiving specialized transportation for whom it is medically necessary and prescribed in their IEP.

### *Medicaid/FAMIS Eligibility Matching for Specialized Transportation*

To calculate the reimbursable portion of specialized transportation costs, LEAs must determine which students with Medically Necessary Specialized Transportation Pursuant to an IEP (Section IV.A. #2 above) are Medicaid or FAMIS eligible for the quarter by completing a match using the Medicaid/FAMIS Eligibility Matching online system with this list of students. For instructions on completing the eligibility match, see the “*Medicaid/FAMIS Eligibility*

*Matching Instruction Guide.*” The matching results will be entered into the quarterly specialized transportation cost report.

Matching results from the Summary Report must be exactly the same as reported statistics.

- The results of the Medicaid/FAMIS Eligibility match are provided in an Excel file, which includes a Summary Report. The number of students in each category listed in the Summary Report must be exactly the same as the statistics reported in the specialized transportation quarterly worksheet for the number of Medicaid/FAMIS eligible students for the quarter.
- LEAs must complete the Medicaid/FAMIS eligibility match using the online matching system. See the *Step-by-Step Manual: Student Medicaid/FAMIS Eligibility Matching*.

### *School Days in Reporting Period*

LEAs must report the number of school days, including early release days, during the quarter. This number may be different from the number of staff working days in the quarter provided for RMTS. With the first transportation cost report submitted in each fiscal year, the LEA must also provide a copy of the division’s official school year calendar as supporting documentation.

## **Section IV.B. Specialized Transportation Personnel Costs**

LEAs can include the costs of personnel related to specialized transportation, including bus drivers, substitute drivers, and mechanics. The cost of aides or bus monitors is not allowable. The cost of qualified health care staff (such as an LPN or Personal Care Provider) who provides medical care to student(s) while being transported are not allowable as a transportation cost. These staff may be included in the Direct Medical Services Cost Report when all requirements for reimbursement of their services have been met. See the *Local Education Agencies Guide for Direct Health Care Services Cost Reporting*.

### *Employee Specialized Transportation Personnel Costs*

LEAs should identify each eligible employee’s Name, Employee ID, Job Description, and FTE. Also, for each employee, the LEA must indicate the percentage of the costs reported that are Directly Allocated to Specialized Transportation. LEAs may utilize any generally accepted accounting principle (GAAP) for cost allocation that is consistent with OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2

C.F.R. §200) and must retain supporting documentation of the costs claimed and allocation method utilized, if applicable, in case of audit or review for the record retention period indicated in [Section VI](#) of this guide.

Employee personnel costs for the quarter are broken down into the following cost categories:

1. **Actual Quarterly Salary** - The staff member's actual salary amount for the period (without reduction for federal or other funding; the claim system will calculate the state/local share based on the funding percentages indicated). All actual quarterly expenditures incurred during the quarter (i.e. the "service date" that an expenditure is related to determines the reporting period, not the "check date" when payment was issued). Expenditures must have already been incurred (paid) to be claimed.
2. **Federally Funded Percentage** - The percentage of a staff member's salary that is funded from federal grant(s). This includes any state or local funds that were a required match to receive the federal grant. These dollars should also be considered part of the federal funding percentage. A percentage between 0.00 and 100 must be reported. The field may not be left blank.
3. **State/Local Funded Percentage** - The percentage of a staff member's salary that is funded from state and local funding. Any state or local funds that were used as a required match to receive a federal grant are excluded from reporting in this category and should instead be reported as part of the federally funded percentage. A percentage between 0.00 and 100 must be reported. The field may not be left blank.
4. **IDEA Funded Percentage** - The percentage of a staff member's salary that is funded from IDEA. This includes any state or local funds that were a required match to receive the IDEA grant. These dollars should also be considered part of the IDEA funding percentage. A percentage between 0.00 and 100 must be reported. The field may not be left blank.
5. **Other Funding Percentage** - The percentage of a staff member's salary that is funded from any sources not categorized above. This includes any state or local funds that were a required match to receive this funding. These dollars should also be considered part of the other funding percentage. A percentage between 0.00 and 100 must be reported. The field may not be left blank.
6. **Other Funding (Specify)** - If a percentage greater than 0.00 is reported in the Other Funding Percentage field, then a brief description of the funding source must be provided in this field, up to 100 characters.

7. **Medicare Tax** - The actual employer-paid Medicare tax for the staff member.
8. **Pension or Retirement** - The actual employer-paid retirement contribution for the staff member.
9. **Social Security Tax - Employer** - The actual employer paid social security tax for the staff member.
10. **Health Insurance** - The actual employer-paid health insurance amount for the staff member.
11. **Dental Insurance** - The actual employer-paid dental insurance amount for the staff member.
12. **Workers' Compensation** - The actual employer-paid workers' compensation insurance contribution for the staff member
13. **Unemployment** - The actual employer-paid unemployment contribution for the staff member.
14. **Life Insurance** - The actual employer-paid life insurance contribution for the staff member.
15. **Disability Insurance** - The actual employer-paid disability contribution for the staff member.
16. **Other Benefits** - The total amount of any actual employer-paid benefits for the staff member not categorized above.

### **Section IV.C. Contracted Specialized Transportation Personnel Costs**

LEAs should identify each eligible contractor by the Agency/Company Name, contracted staff person's Name, Unique ID, Job Description, and FTE. Also, for each contractor, the LEA must indicate the percentage of the costs reported that are Directly Allocated to Specialized Transportation. LEAs may utilize any generally accepted accounting principle (GAAP) for cost allocation that is consistent with OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. §200) and must retain supporting documentation of the costs claimed and allocation method utilized, if applicable, in case of audit or review for the record retention period indicated in [Section VI](#) of this guide.

Contractor costs for the quarter are broken down into the following cost categories:

1. **Quarterly Contracted Payment** - The contractor's actual quarterly payment amount for the period (without reduction for federal or other funding; the claim system will

calculate the state/local share based on the funding percentages indicated). All actual quarterly expenditures incurred during the quarter (i.e. the “service date” that an expenditure is related to determines the reporting period, not the “check date” when payment was issued). Expenditures must have already been incurred (paid) to be claimed.

2. **Federally Funded Percentage** - The percentage of a contractor’s payment that is funded from federal grant(s). This includes any state or local funds that were a required match to receive the federal grant. These dollars should also be considered part of the federal funding percentage. A percentage between 0.00 and 100 must be reported. The field may not be left blank.
3. **State/Local Funded Percentage** - The percentage of a contractor’s payment that is funded from state and local funding. Any state or local funds that were used as a required match to receive a federal grant are excluded from reporting in this category and should instead be reported as part of the federally funded percentage. A percentage between 0.00 and 100 must be reported. The field may not be left blank.
4. **IDEA Funded Percentage** - The percentage of a contractor’s payment that is funded from IDEA. This includes any state or local funds that were a required match to receive the IDEA grant. These dollars should also be considered part of the IDEA funding percentage. A percentage between 0.00 and 100 must be reported. The field may not be left blank
5. **Other Funding Percentage** - The percentage of a contractor’s payment that is funded from any sources not categorized above. This includes any state or local funds that were a required match to receive this funding. These dollars should also be considered part of the other funding percentage. A percentage between 0.00 and 100 must be reported. The field may not be left blank.
6. **Other Funding (Specify)** - If a percentage greater than 0.00 is reported in the Other Funding Percentage field, then a brief description of the funding source must be provided in this field, up to 100 characters.

#### **Section IV.D. Specialized Transportation Capital Costs**

LEAs can include depreciation costs for capital assets used in the provision of specialized transportation (including specially equipped buses, vans, and vehicles, wheelchair lifts, etc.) when the value of the item is over \$5,000 and the estimated useful life is at least 2 years.

Straight line, monthly depreciation will be calculated by the DMAS contractor. Upon addition of any new purchased capital assets not previously claimed, LEAs must upload a legible copy of the purchase invoice as supporting documentation for the asset's acquisition date and cost.

Required information for each capital item:

- **Date Acquired:** Enter the date the item was acquired.
- **Quantity:** Enter the number of items acquired on a single purchase invoice at the same time.
- **Description:** Enter a brief description of the item.
- **Acquisition Cost:** Enter the original purchase cost of the item, minus any trade-in credit.
- **Useful Life:** Enter the expected useful life of the item in years.
- **Disposal Date:** Enter the date this item was/will be removed from your inventory or was/will be fully depreciated.

## Section IV.E. Specialized Transportation Non-Personnel Costs

LEAs can include costs of other items directly related to the provision of specialized transportation. Also, for each cost category, the LEA must indicate the percentage of the costs reported that are Directly Allocated to Specialized Transportation. LEAs may utilize any generally accepted accounting principle (GAAP) for cost allocation that is consistent with OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. §200) and must retain supporting documentation of the costs claimed and allocation method utilized, if applicable, in case of audit or review for the record retention period indicated in [Section VI](#) of this guide.

Non-Personnel expenditures are reported in the following categories:

- **Fuel:** Enter total quarterly fuel costs attributed to Medicaid covered transportation services.
- **Repair and Maintenance:** Enter total quarterly repair and maintenance costs attributed to Medicaid covered transportation services.
- **Insurance:** Enter total quarterly insurance costs attributed to Medicaid covered transportation services.



- **Rentals:** Enter total quarterly rental costs attributed to Medicaid covered transportation services.
- **Contract Vehicle Use:** Enter total quarterly contract vehicle use costs attributed to Medicaid covered transportation services.

## Section IV.F. Methodology for Quarterly Calculation of Specialized Transportation Reimbursement

The DMAS contractor will complete all calculations to determine the final specialized transportation claim amount for the period, including subtraction of any interim transportation claims for the period if applicable during the initial transition period that occurred due to the retroactive approval of the quarterly transportation process described in this guide.

- a) **Determine allowable total quarterly cost of providing specialized transportation.** This is the sum of the Medicaid allowable portion of the various components described in this section.
- b) **Determine the percentage of LEA's specialized transportation population with medically necessary specialized transportation directed by an IEP.** This will be determined for the quarter based on the number of students receiving medically necessary transportation directed by an IEP to the total number of ALL students transported in a specialized transportation vehicle.
- c) **Allocate costs to students receiving medically necessary transportation directed by an IEP.** This will be determined for the quarter by multiplying total specialized transportations costs from step 6 by the percentage of specialized transportation population with medically necessary specialized transportation directed by an IEP from step b.
- d) **Determine the Medicaid Enrollment Rate (MER) for Specialized Transportation.** This will be determined for the quarter based on the ratio of the number of students receiving medically necessary specialized transportation directed by an IEP who are enrolled in Medicaid to the total number of students receiving specialized transportation directed by an IEP (regardless of Medicaid status).
- e) **Determine percentage of one-way trips provided on a day when the student received Medicaid-covered IEP services.** This will be determined for the quarter based on the number of one-way trips that were provided to a Medicaid enrolled specialized transportation IEP student from step d on a day when the student received a Medicaid

covered IEP service (as evidenced by paid interim claims for the non-transportation IEP services) to the total number of one-way trips provided to these same students in the quarter.

- f) **Allocate costs to one-way trips provided on a day when Medicaid-covered IEP services were provided.** This will be calculated by multiplying the cost of providing medically necessary transportation directed by an IEP from step c by the percentage of one-way trips provided on a day when the student received Medicaid-covered IEP services from step e.
- g) **Allocate Specialized Transportation Cost to Medicaid.** This will be determined for the quarter by multiplying the stepped-down allowable cost of specialized transportation provided on a day when Medicaid-covered IEP services were provided from step f by the MER for Specialized Transportation from step d.

## Section IV.G. Interim Claims Requirement for Medicaid-covered IEP Services other than Transportation

Important requirements related to submission and payment of interim claims:

1. Interim claims should **not** be submitted for transportation services/trips.
2. Interim claims **must** be submitted for the other (non-transportation) health care services provided to each student pursuant to their IEP who is being claimed for specialized transportation so that the DMAS contractor can calculate the number of days that each student received IEP prescribed DMAS-covered service(s) in school. Services provided to a student that are **not billed and paid** by DMAS via an interim claim are not counted as qualified transportation days in the reimbursement calculation.
3. To ensure that the DMAS contractor has accurate data for the calculation of qualified transportation days, LEAs can choose any of the following options, which can be different for different service types:
  - a. Interim claims can be submitted by individual service date.
  - b. Interim claims can be submitted with multiple units covering multiple service dates in a single claim line. However, if this option is used, the LEA then can choose from the following options:

- i. Do nothing additional, in which case the service(s) will only be counted as one service day across the date span billed, or
- ii. Submit supporting documentation itemizing the precise service dates covered by the date span of the paid interim claims(s) to the DMAS contractor when submitting the required Specialized Transportation Cost Report. Supporting documentation must match the data in the interim claims and provide a daily itemization of services. See example report included in Appendix E.

## SECTION V. CERTIFICATION OF PUBLIC EXPENDITURES

Certification of Public Expenditure letters (refer to Appendix A and B) should be printed on LEA letterhead, signed by an officer of the LEA, such as a Superintendent or appropriate designee, and sent to the DMAS Contractor by the appropriate quarterly deadline so that the LEA's claim can be processed with the quarterly submission.

Any certification letters received after the deadline will be held and processed in the following quarterly submission.

Signed certification letters must be scanned and emailed to:

Email: [VACostReport@umassmed.edu](mailto:VACostReport@umassmed.edu)

## SECTION VI. RECORD RETENTION POLICY

The federal government regularly audits the Medicaid and FAMIS programs, and all costs are subject to audit review by DMAS and other state and federal agencies. LEAs are responsible for ensuring that the appropriate documentation can be produced in the event of an audit or other request by DMAS or other state or federal compliance agency. Failure to do so may result in a recoupment or termination from the program. LEAs must follow a 6-year record retention policy by adding one year to the 5-year period as prescribed in section GS-102, Fiscal Records (December 2017), of the Library of Virginia Record Retention Policy.

Below is the link for your reference:

[http://www.lva.virginia.gov/agencies/records/sched\\_state/index.htm](http://www.lva.virginia.gov/agencies/records/sched_state/index.htm)

# APPENDIX A: CERTIFICATION OF PUBLIC EXPENDITURE

## Virginia Local Education Agency Quarterly Medicaid Specialized Transportation Claim

### Certification of Public Expenditure

I certify, that to the best of my knowledge, the statement of expenditures submitted for the LEA's Specialized Transportation Costs for the quarter [Quarter Start Date – Quarter End Date] represents actual expenses accumulated under the [Local Education Agency Name] provider agreement with the Virginia Department of Medical Assistance Services.

I certify that:

1. I have examined this statement, the accompanying supporting exhibits, the allocation of expenses and services, and the attached worksheets for the reporting period specified above and that, to the best of my knowledge and belief, they are true and correct statements prepared from the financial ledgers and records of the LEA in accordance with the applicable instructors.
2. The expenditures included in this statement represent actual costs and are based on expenditures recorded in the LEA's financial ledgers.
3. The required amount of State and/or local funds were available and used to pay for total computable allowable expenditures included in this statement, and such State and/or local funds were in accordance with all applicable Federal requirements for the non-Federal share match of expenditures (including that the funds were not Federal funds in origin, or are Federal funds authorized by Federal law to be used to match other Federal funds, and that the claimed expenditures were not used to meet matching requirements under other Federally funded programs).
5. Federal matching funds are being claimed on this report in accordance with the cost report instructions provided by the Department of Health and Human Services effective for the above reporting period.
6. No expenditures claimed directly in this statement are duplicative of any costs included in the claim through the application of the Indirect Cost Rate.
7. The LEA is responsible for maintaining all the documentation supporting the expenditures reported. Failure to provide supporting documents during audits may lead to audit findings and payback of the federal matching funds received by the LEA and payment of any fines, penalties, or interest imposed by the pertinent federal and/or state agency.
8. I am the superintendent of the LEA or have been officially authorized by the superintendent to sign this form, and I have made a good faith effort to assure that all information reported is true and accurate.
9. I understand that this information will be used as a basis for claims for Federal funds, and possibly State funds, and that falsification and concealment of a material fact may be prosecuted under Federal or State civil or criminal law.

**Specialized Transportation Claim:**

\$XX,XXX.XX	<b>Certified Expenditure Claimed</b>
\$XX,XXX.XX	<b>Medicaid FFP Amount</b> (XX.XX% FMAP rate)
\$ X,XXX.XX	<b>Expansion FFP Amount</b> (XX.XX% FMAP rate)
\$ X,XXX.XX	<b>FAMIS FFP Amount</b> (XX.XX% FMAP rate)
\$ X,XXX.XX	<b>Total Claim</b>
\$ X,XXX.XX	<b>Total Payment to LEA</b>
\$ X,XXX.XX	<b>Total Payment to DMAS (5%)</b>

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 Signature

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 Title

---

 Typed/Printed Name

---

 Date

---

 National Provider ID

**\*The Quarterly Claim Certification Statement must be submitted on your LEA letterhead**

# APPENDIX B: CERTIFICATION OF PUBLIC EXPENDITURE FOR AMENDED CLAIMS

## Virginia Local Education Agency Amended Quarterly Medicaid Specialized Transportation Claim

### Certification of Public Expenditure

I certify, that to the best of my knowledge, the statement of expenditures submitted for the LEA's Specialized Transportation Costs for the quarter [Quarter Start Date – Quarter End Date] represents actual expenses accumulated under the [Local Education Agency Name] provider agreement with the Virginia Department of Medical Assistance Services.

I certify that:

1. I have examined this statement, the accompanying supporting exhibits, the allocation of expenses and services, and the attached worksheets for the reporting period specified above and that, to the best of my knowledge and belief, they are true and correct statements prepared from the financial ledgers and records of the LEA in accordance with the applicable instructions.
2. The expenditures included in this statement represent actual costs and are based on expenditures recorded in the LEA's financial ledgers.
3. The required amount of State and/or local funds were available and used to pay for total computable allowable expenditures included in this statement, and such State and/or local funds were in accordance with all applicable Federal requirements for the non-Federal share match of expenditures (including that the funds were not Federal funds in origin, or are Federal funds authorized by Federal law to be used to match other Federal funds, and that the claimed expenditures were not used to meet matching requirements under other Federally funded programs).
5. Federal matching funds are being claimed on this report in accordance with the cost report instructions provided by the Department of Health and Human Services effective for the above reporting period.
6. No expenditures claimed directly in this statement are duplicative of any costs included in the claim through the application of the Indirect Cost Rate.
7. The LEA is responsible for maintaining all the documentation supporting the expenditures reported. Failure to provide supporting documents during audits may lead to audit findings and payback of the federal matching funds received by the LEA and payment of any fines, penalties, or interest imposed by the pertinent federal and/or state agency.
8. I am the superintendent of the LEA or have been officially authorized by the superintendent to sign this form, and I have made a good faith effort to assure that all information reported is true and accurate.
9. I understand that this information will be used as a basis for claims for Federal funds, and possibly State funds, and that falsification and concealment of a material fact may be prosecuted under Federal or State civil or criminal law.



**Specialized Transportation Claim:**

**Original Claim Amounts**

\$XX,XXX.XX  
 \$XX,XXX.XX  
 \$ X,XXX.XX  
 \$ X,XXX.XX

**Certified Expenditure Claimed**

**Medicaid FFP Amount** (XX.XX% FMAP rate)  
**Expansion FFP Amount** (XX.XX% FMAP rate)  
**FAMIS FFP Amount** (XX.XX% FMAP rate)

**Amended Claim Amounts:**

\$XX,XXX.XX  
 \$XX,XXX.XX  
 \$ X,XXX.XX  
 \$ X,XXX.XX

**Certified Expenditure Claimed**

**Medicaid FFP Amount** (XX.XX% FMAP rate)  
**Expansion FFP Amount** (XX.XX% FMAP rate)  
**FAMIS FFP Amount** (XX.XX% FMAP rate)

**Difference:**

\$XX,XXX.XX  
 \$XX,XXX.XX  
 \$ X,XXX.XX  
 \$ X,XXX.XX  
 \$ X,XXX.XX  
 \$ X,XXX.XX  
 \$ X,XXX.XX

**Certified Expenditure Claimed**

**Medicaid FFP Amount**  
**Expansion FFP Amount**  
**FAMIS FFP Amount**  
**Net Amended Claim or Recoupment**  
  
**Net Payment/Recoupment to LEA**  
**Net Payment/Recoupment to DMAS (5%)**

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Title

\_\_\_\_\_  
 Typed/Printed Name

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 National Provider ID

**\*The Quarterly Claim Certification Statement must be submitted on your LEA letterhead**

# APPENDIX C: INDIRECT COST GUIDANCE

It is the responsibility of all participating LEAs to ensure that there is no duplication of expenditures claimed directly and indirectly in Medicaid and Schools Specialized Transportation Cost Reports. This requirement is consistent with the CMS Medicaid School-Based Administrative Claiming Guide published May 2003 (Section 6.E., page 45).

## Exclusion of Expenditures from Cost Reports

LEA costs that are reported on the Annual School Report Financial Section (ASRFIN) in the following account codes are included in the calculation of each LEA's Indirect Cost Rate by VDOE, and therefore the LEA must exclude them from direct claims in Cost Reports:

Function Code	Account Name	Account Description
62120	Administration: Executive Administration Services	Activities associated with the overall general administration of, or executive responsibility for, the LEA, including the Superintendent, Assistant Superintendent and other staff who report directly to the Superintendent.
62140	Administration: Personnel Services	Activities concerned with maintaining the school system's staff. This includes such activities as recruiting and placement, staff transfers, inservice training, health services, and staff accounting.
62150	Administration: Planning Services	Activities, other than general administration, that supports each of the other instructional and supporting service programs. These activities include planning, research, development, evaluation, and information.
62160	Administration: Fiscal Services	Activities concerned with the fiscal operations of the LEA. This function includes budgeting, receiving and disbursing, financial and property accounting, payroll, inventory control, internal auditing and managing funds.
62170	Administration: Purchasing Services	Activities concerned with purchasing supplies, furniture, equipment, and materials used in schools or school system operations.

62180	Administration: Reprographics	Activities such as printing and publishing administrative publications such as annual reports, school directories, and manuals. Activities also include centralized services for duplicating school materials and instruments such as school bulletins, newsletters, and notices.
62190	Administration: Data Processing	No longer in use
64100	Operation & Maintenance: Management and Direction	Activities involved in directing, managing, and supervising the operation and maintenance of school plant facilities.
64200	Operation & Maintenance: Building Services	Activities concerned with keeping the physical plant clean and ready for daily use. Include operating the heating, lighting, and ventilating systems, and repairing and replacing facilities and equipment. Also, include the costs of building rental and property insurance.
64300	Operation & Maintenance: Grounds Services	Activities involved in maintaining and improving the land (but not the buildings). Include snow removal, landscaping, grounds maintenance, etc.
64400	Operation & Maintenance: Equipment Services	Activities involved in maintaining equipment owned or used by the LEA. Include such activities as servicing and repairing furniture, machines, and movable equipment.
64500	Operation & Maintenance: Vehicle Services (other than pupil transportation)	Activities involved in maintaining general-purpose vehicles such as trucks, tractors, graders, and staff vehicles. Include such preventive maintenance activities as repairing vehicles, replacing vehicle parts, cleaning, painting, greasing, fueling, and inspecting vehicles for safety.
64600	Operation & Maintenance: Security Services	Activities concerned with maintaining order and safety in school buildings, on the grounds, and in the vicinity of schools at all times. Include police activities for school functions, traffic control on the grounds and in the vicinity of schools, building alarm systems, and hall monitoring services.

64700	Operation & Maintenance: Warehouse Services	Activities such as receiving, storing, and distributing supplies, furniture, equipment, materials, and mail.
68300	Technology: Administration	Include technology-related expenditures that directly support activities concerned with establishing and administering policy for operating the LEA.
68600	Technology: Operation and Maintenance	Include technology-related expenditures that directly support activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition.
<i>Exclude all expenditures reported under the following Object Code, for ALL function codes:</i>		
<b>Object Code</b>	<b>Account Name</b>	<b>Account Description</b>
2800	Terminal Leave Costs	Include annual and sick leave payments for personnel who terminate employment. Only employer-paid benefits payments made on the behalf of retirees, including retiree health insurance and health care credits, should be reported under this object code. Also, report pension/retirement plans that are specific to your locality under this object code in the appropriate functions as well as the cost for contract buyouts.

## APPENDIX D: GLOSSARY OF TERMS

**ABA** - Applied Behavior Analysis; a service type covered for students with an autism spectrum diagnosis

**AAC** - Administrative Activity Claiming

**CHIP** - Children's Health Insurance Program, known as FAMIS in Virginia

**CMS** - Centers for Medicaid and Medicare Services - the federal agency that gives DMAS the authority to operate and claim federal dollars.

**Cost Report** - The submission of an LEA's actual incurred costs related to the provision of Medicaid Reimbursable Services, which determines the total Medicaid-allowable costs the LEA incurred during the period (quarterly for transportation, annually for medical services).

**CPE** - Certified Public Expenditure

**DMAS** - Virginia's Department of Medical Assistance Services, the Commonwealth's Medicaid Agency

**DSC** - Direct Service Claiming

**FAMIS** - Virginia's Children's Health Insurance Program

**FERPA** - The Family Educational Rights and Privacy Act

**HIPAA** - Health Insurance Portability and Accountability Act

**IDEA** - Individuals with Disabilities Education Act

**IEP** - Individualized Education Program

**LEA** - Local Education Agency

**VAMMIS** - Virginia's Medicaid Management Information System, which processes health care interim claims submitted by LEAs participating in the Medicaid and Schools program.

**Provider Portal** - Online website for LEAs to conduct business with DMAS

**Reimbursable Service** - A covered service that has been provided and that meets the requirements for reimbursement, including medical necessity.

**RMTS** - Random Moment Time Study

**Specialized Transportation** - School based specialized transportation is defined as a medically necessary service (as outlined in the IEP of an enrolled Medicaid beneficiary) provided in a specially adapted vehicle that has been physically adjusted or designed (e.g., wheelchair lifts, ramps, etc.).

**Specialized Transportation Vehicle** - A specially adapted vehicle is a vehicle (bus, van, car, mini-bus, etc.) that has been physically adjusted or designed (e.g., wheelchair lifts, ramps, etc.) to accommodate special needs.

**UMass Chan / DMAS Contractor** - University of Massachusetts Chan Medical School; UMass administers the Medicaid and Schools Program on behalf of DMAS

**VDOE** - Virginia Department of Education

# APPENDIX E: EXAMPLE DAILY SERVICE DETAIL DOCUMENTATION

*Note: This format is not required, this is only an example. LEAs may use a format of their choosing as long as all of this same information is included in the documentation/report submitted.*

School Division: Example Public Schools

Specialized Transportation Cost Report Period: 10/1/23-12/31/23

Student	ICN	Service	Service Dates	Units
Example Student	12345678901	OT	10/1/23-10/31/23	5
	Details:		10/3/23	1
			10/10/23	1
			10/17/23	1
			10/24/23	1
			10/31/23	1
Another Student	98765432101	Pers Care	10/1/23-10/31/23	106
	Details:		10/2/23	6
			10/3/23	5
			10/4/23	6
			10/5/23	6
			10/6/23	4
			10/10/23	6
			10/11/23	8
			10/13/23	5
			10/16/23	6
			10/17/23	5
			10/18/23	6
			10/19/23	5
			10/20/23	4
			10/23/23	5
			10/24/23	6
			10/26/23	6
			10/27/23	6
			10/30/23	5
			10/31/23	6

Report Submitted by: [typed name]

Report Certified by: [signature]

Report Completed on: [date]