

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303



August 11, 2011

Mr. Jerry Dubberly, Chief
Medicaid Division
Georgia Department of Community Health
2 Peachtree Street, NW
Atlanta, Georgia 30303-3159

RE: Georgia Title XIX State Plan Amendment, Transmittal #10-014

Dear Mr. Dubberly:

We have reviewed the proposed amendment to the Georgia Medicaid State Plan that was submitted under transmittal number 10-014 and received in the Regional Office on October 1, 2010.

Effective October 1, 2010, this amendment modifies the reimbursement methodology for school-based services (SBS). Georgia will now reimburse schools cost. CMS has reviewed and approved the State's cost identification process and cost report. This plan also removed the Medical Transportation component of SBS.

This program is funded by certified public expenditures.

The corresponding coverage review resulted in the State making clarifying changes to the description of community rehabilitative services. In addition, clarification was made that transportation is no longer a covered service under the Children's Intervention School Services Program. As a result, attachment 3.1-A, page 9b3 was deleted from the current State Plan, regarding Specialized Transportation Services.

Based on the information provided, we are now ready to approve Georgia Medicaid State Plan Amendment 10-014. This SPA was approved on August 10, 2011 and the effective date of this amendment is October 1, 2010. We are enclosing the approved form HCFA-179 and plan pages.

If you have any questions or need any further assistance, please contact Yvette Moore at (404) 562-7327.

Sincerely,

A handwritten signature in cursive script that reads "Jackie Glaze".

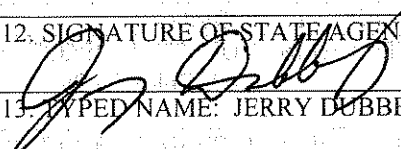
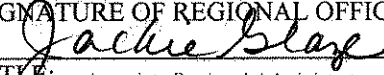
Jackie Glaze
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

RECEIVED

AUG 16 2011

Chief's Office
Medical Assistance Plans

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 10-014	2. STATE GEORGIA
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE October 1, 2010	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.206		7. FEDERAL BUDGET IMPACT: a. FFY 2011 \$3,125,000 FFY 2012 \$8,100,000	
"8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, pp. 13.1 – 13.6		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, pg. 13.1	
10. SUBJECT OF AMENDMENT: CISS AND CIS PAYMENT METHODOLOGY			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input checked="" type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Department of Community Health Medicaid Division 2 Peachtree Street, N.W. Atlanta, Georgia 30303-3159	
13. TYPED NAME: JERRY DUBBERLY			
14. TITLE: CHIEF, Medicaid Division			
15. DATE SUBMITTED:			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 10/01/10		18. DATE APPROVED: 08/10/11	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 10/01/10		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Jackie Glaze		22. TITLE: Associate Regional Administrator Division of Medicaid & Children Health Opns	
23. REMARKS: Approved with the following changes to item 8 as authorized by State Agency on email dated 08/04/11: Block# 8 changed to read: Attachment 3.1-A pages 1i, 1k, 1l, 1m, 1n and 9b3; Attachment 4.19B pages 13.1 thru 13.8. Block#9 changed to read: Attachment 3.1-A pages 1i, 1k, 1l, 1m, 1n and 9b3; Attachment 4.19B pages 13.1 thru 13.8 New			

4.b. EPSDT Related Rehabilitative Services – Community Based (continued)

- **Speech-Language Pathology Services**
Speech-language evaluation of auditory processing, expressive and receptive language and language therapy. Providers' qualifications are in accordance with 42 CFR 440.110, and adhere to the scope of practice as defined by the applicable state licensure board.

- **Nutrition Services**
Nutritional assessment, management and counseling to children on special diets due to genetic metabolic or deficiency disorders or other complicated medical problems. Nutritional evaluation and monitoring of their nutritional and dietary status, history and any teaching related to the child's dietary regimen (including the child's feeding behavior, food habits and in meal preparation), biomedical and clinical variables and anthropometric measurements). Development of a written plan to address the feeding deficiencies of the child that is incorporated into the child's treatment program. Providers' qualifications must meet the applicable State licensure and certification requirements, hold a current state license, and adhere to the scope of practice as defined by the applicable licensure board in accordance with the federal requirements in 42 CFR 440.60(a).

Limitations

Provider enrollment is open only to individual practitioners, who are licensed in Georgia under their respective licensing board such as a licensed audiologist, registered nurse, occupational therapist, physical therapist, licensed clinical social worker, licensed counselor, licensed dietician or speech language pathologist. For annual re-enrollment beginning July 1, 1996, all providers must obtain a minimum of one (1) continuing education credit annually in pediatrics in their area of professional practice. Where applicable, providers will be in compliance with federal requirements defined in 42 CFR 440.110 or 42 CFR 440.60(a).

Prior Approval

Services which exceed the limitations as listed in the policies and procedures manual must be approved prior to service delivery.

4.b. Rehabilitative Services (continued).

EPSDT-Related Rehabilitative Services – School Based Health Services

The Children’s Intervention School Services (CISS) program includes covered rehabilitative services provided by or through Georgia State Department of Education (DOE) or a Local Education Agency (LEA) to children with or suspected of having disabilities, who attend public school in Georgia, recommended by a physician or other licensed practitioners of the healing arts to EPSDT eligible special education students (from ages 0-20). These services are provided pursuant to an Individual Education Program (IEP) or Individual Family Service Plan (IFSP).

The services are defined as follows:

▪ **Audiology Services**

Audiological testing, fitting and evaluation for hearing aids. Providers’ qualifications must meet the requirements of federal regulations 42 CFR 440.110.

▪ **Nursing Services**

Skilled intermittent nursing care to administer medications or treatments. Skilled intermittent nursing care is provided by licensed nurses (registered or licensed practical nurses under the supervision of a registered nurse, licensed in the state of Georgia). Providers’ qualifications are in accordance with the requirements of federal regulation 42 CFR 440.60(a).

▪ **Occupational Therapy Services**

Occupational therapy evaluation of gross and fine motor development and clinical services related to activities of daily living and adaptive equipment needs. Providers’ qualifications must meet the federal requirements in 42 CFR 440.110.

▪ **Physical Therapy Services**

Physical therapy evaluation of neuromotor development and clinical services related to improvement of gait, balance, and coordination skills. Providers’ qualifications must meet the federal requirements in 42 CFR 440.110.

TN No.: 10-014
Supersedes
TN No.: 07-008

Approval Date: 08-10-11

Effective Date: 10/01/10

4.b. Rehabilitative Services

EPSDT-Related Rehabilitative Services – School Based Health Services (continued)

- **Counseling Services**
Evaluation to determine the nature of barriers (social, mental, cognitive, emotional, behavioral problems, etc.) to effective treatment that impacts the child's medical condition, physical disability and/or developmental delay and the child's family. The provision of counseling and intervention services to resolve those barriers relating to effective treatment of the child's medical condition and which threaten the health status of the child. Services are provided by Licensed Clinical Social Workers in accordance with the standards of applicable state licensure requirements, must hold a current license, and adhere to the scope of practice as defined by the applicable licensure board in accordance with the federal requirements in 42 CFR 440.60(a).
- **Speech-Language Pathology Services**
Speech language evaluation of auditory processing, expressive and receptive language and language therapy. Providers' qualifications must meet the federal requirements in 42 CFR 440.110 and adhere to the scope of practice as defined by the applicable board.
- **Nutrition Services**
Nutritional assessment, management and counseling to children on special diets due to genetic, metabolic or deficiency disorders or other complicated medical problems. Nutritional evaluation and monitoring of their nutritional and dietary status, history and any other teaching related to the child's dietary regimen (including the child's feeding behavior, food habits and in meal preparation), biochemical and clinical variables and anthropometrics measurements). Development of a written plan to address the feeding deficiencies of the child. Providers' qualifications must meet the applicable state licensure requirements, hold a current state license, and adhere to the scope of practice as defined by the applicable licensure board in accordance with the federal requirements in 42 CFR 440.60(a).

TN No.: 10-014
Supersedes
TN No.: 07-008

Approval Date: 08-10-11

Effective Date: 10/01/10

4.b. Rehabilitative Services

EPSDT-Related Rehabilitative Services – School Based Health Services (continued)

Requirements

The medically necessary rehabilitative services must be documented in the Individual Education Program (IEP) or Individualized Family Service Plan (IFSP).

Limitations

The covered services are available only to the EPSDT eligible recipients (ages 0-20) with a written service plan (an IEP/IFSP) which contains medically necessary services recommended by a physician or other licensed practitioner of the healing arts, within the scope of his/her practice under State law.

Provider enrollment is only open to individual practitioners who are licensed in Georgia under their respective licensing board as a licensed audiologist, registered nurse, occupational therapist, physical therapist, licensed clinical social worker, licensed dietician, or speech-language pathologist. For annual re-enrollment beginning July 1, 1996, all providers must obtain a minimum of one (1) continuing education credit annually in pediatrics in their area of professional practice. Where applicable providers will be in compliance with federal requirements defined in 42 CFR 440.110 or 42 CFR 440.60(a).

TN No.: 10-014
Supersedes
TN No.: 07-008

Approval Date: 08-10-11

Effective Date: 10/01/10

4.b. Rehabilitative Services

EPSDT-Related Rehabilitative Services – School Based Health Services (continued)

Limitations (continued)

The following services are not provided through the EPSDT-Related Rehabilitative Services-School Based program:

1. Services provided to children who do not have a written service plan.
2. Services provided in excess of those indicated in the written service plan.
3. Services provided to a child who has been admitted to a hospital or other institutional setting as an inpatient.
4. Services of an experimental or research nature (investigational) which are not generally recognized by professions, the Food and Drug Administration, the U.S. Public Health Service, Medicare, and the Department's contracted Peer Review Organization, as universally accepted treatment.
5. Services in excess of those deemed medically necessary by the Department, its agents, or the federal government, or for services not directly related to the child's diagnosis, symptoms, or medical history.
6. Failed appointments or attempts to provide a home visit when the child is not home.
7. Services normally provided free of charge to all patients.
8. Services provided by individuals other than the enrolled licensed practitioner of the healing arts.
9. Services provided for temporary disabilities, which would reasonably be expected to improve spontaneously as the patient gradually resumes normal activities.

TN No.: 10-014
Supersedes
TN No.: 07-008

Approval Date: 08-10-11

Effective Date: 10/01/10

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TN No.: 10-014
Supersedes
TN No.: 01-027

Approval Date: 08-10-11

Effective Date: 10/01/10

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR
OTHER TYPES OF CARE OR SERVICE

- V. Therapy Services (Includes Physical, Occupational and Speech Pathology Therapists), Nursing Services, Counseling Services, Nutrition Services and Audiology Services.
1. Reimbursement to Therapy Service providers under the Children's Intervention Services program is based on the lower of submitted charges or the state's maximum allowable rate as listed in the Policies and Procedures for Children's Intervention Services. The state's maximum allowable rate will be based on 84.645% of Medicare's Resource Based Relative Value Scale (RBRVS) for 2000 for Region IV (Atlanta). Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of therapy services and the fee schedule and any annual/periodic adjustments to the fee schedule are published in the Georgia Department of Community Health Policies and Procedures Manual for Children's Intervention Services.

TN No.: 10-014

Approval Date: 08-10-11

Effective Date: 10-01-10

Supersedes

TN No.: New

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR
OTHER TYPES OF CARE OR SERVICE

2. Reimbursement to Local Education Agencies (LEAs) under the Children's Intervention School Services program is based on a cost based methodology. Medicaid Services provided under the Children's Intervention School Services program are services that are medically necessary and provided to Medicaid recipients by LEAs in accordance with an Individualized Education Program (IEP) under the Individuals with Disabilities Education Act (IDEA) and defined in Attachment 3.1-A pages 1k – 1o:
 1. Audiology Services Performed by Licensed Audiologists
 2. Counseling Services Performed by Licensed Clinical Social Workers
 3. Nursing Services Performed by Licensed Registered Professional Nurses
 4. Nutrition Services Performed by Licensed Dietitians
 5. Occupational Therapy Services Performed by Licensed Occupational Therapists and/or Occupational Therapist Assistants
 6. Physical Therapy Services Performed by Licensed Physical Therapists and/or Physical Therapists Assistants
 7. Speech-Language Pathology Services Performed by Licensed Speech Language Pathologists and/or Masters Level Speech Language Pathologists (with professional certificate from GA Department of Education or Certificate of Clinical Competence in Speech Language Pathology by ASHA)

On an interim basis, providers will be paid the lower of submitted charges or the state's maximum allowable rate as outlined within Section 4.19B, page 13.1 of the Medicaid state plan and as listed in the Policies and Procedures Manual for Children's Intervention School Services.

TN No.: 10-014
Supersedes
TN No.: New

Approval Date: 08-10-11

Effective Date: 10/01/10

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR
OTHER TYPES OF CARE OR SERVICE

A. Direct Medical Services Payment Methodology

Beginning with the cost reporting period October 1, 2010, the Department of Community Health (DCH) will begin using a cost based methodology for all LEAs. This methodology will consist of a Cost Report, a CMS approved Random Moment Time Study (RMTS) methodology, Cost Reconciliation, and Cost Settlement. If payments exceed Medicaid allowable costs, the excess will be recouped. If payments are less than Medicaid allowable costs, DCH will pay the federal share of the difference to the LEA and submit claims to CMS for reimbursement of that payment.

To determine the Medicaid-allowable direct and indirect costs of providing direct medical services to Medicaid-eligible clients in the LEA, the following steps are performed:

- 1) Direct costs for direct medical services include unallocated payroll costs and other unallocated costs that can be directly charged to direct medical services. Direct payroll costs include the total compensation (i.e., salaries and benefits and contract compensation) to the direct services personnel identified in Section 2 on page 13.2 of Attachment 4.19-B of the Medicaid State Plan for the provision of health services listed in the description of covered Medicaid services delivered by LEAs in pages 1k – 1o of Attachment 3.1-A of the Medicaid State Plan and Section 900 of the GA DCH **Policies and Procedures for Children's Intervention School Services.**

TN No.: 10-014
Supersedes
TN No.: New

Approval Date: 08-10-11

Effective Date: 10/01/10

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR
OTHER TYPES OF CARE OR SERVICE

Other direct costs include costs directly related to the approved direct services personnel for the delivery of medical services, such as direct materials, supplies and equipment. Only those direct materials, supplies, and equipment that have been identified and included in the CMS approved DCH Medicaid cost reporting instructions and the Policies and Procedures for Children's Intervention School Services are Medicaid allowable costs and can be included on the Medicaid cost report.

Total direct costs for direct medical services are reduced on the cost report by any federal funding source resulting in direct costs net of federal funds.

These direct costs net of federal funds are accumulated on the annual cost report, resulting in total direct costs net of federal funds. The cost report contains the scope of cost and methods of cost allocation that have been approved by CMS.

- 2) The net direct costs for each service are calculated by applying the direct medical services percentage from the CMS approved time study to the direct costs from Item 1.

The RMTS incorporates a CMS approved methodology to determine the percentage of time medical service personnel spend on IEP related medical services, and general and administrative time. This time study will assure that there is no duplicative claiming relative to claiming for administrative costs.

TN No.: 10-014
Supersedes
TN No.: New

Approval Date: 08-10-11

Effective Date: 10/01/10

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR
OTHER TYPES OF CARE OR SERVICE

- 3) Indirect costs are determined by applying the LEA's specific unrestricted indirect cost rate to its net direct costs. Georgia LEAs use predetermined fixed rates for indirect costs. The Georgia Department of Education is the cognizant agency for LEAs, and approves unrestricted indirect cost rates for LEAs for the United States Department of Education. Only Medicaid-allowable costs are certified by LEAs. LEAs are not permitted to certify indirect costs that are outside their unrestricted indirect cost rate.
- 4) Net direct costs and indirect costs are combined.
- 5) Medicaid's portion of total net costs is calculated by multiplying the results from Item 4 by the IEP ratio. The numerator will be the number of Medicaid IEP students in the LEA who have an IEP and received direct medical services as outlined in their IEP and the denominator will be the total number of students in the LEA with an IEP who received direct medical services as outlined in their IEP. Direct medical services are those services billable under the FFS program as defined in pages 1k through 1o of Attachment 3.1-A and in the Policies and Procedures for Children's Intervention School Services.

B. Certification of Funds Process

Each LEA will submit Certification of Public Expenditure Forms to DCH on an annual basis. On an annual basis, each LEA will certify through its cost report its total actual, incurred Medicaid allowable costs/expenditures, including the federal share and the nonfederal share. Providers are permitted only to certify Medicaid-allowable costs and are not permitted to certify any indirect costs that are outside their unrestricted indirect cost rate.

TN No.: 10-014
Supersedes
TN No.: New

Approval Date: 08-10-11

Effective Date: 10/01/10

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR
OTHER TYPES OF CARE OR SERVICE

C. Annual Cost Report Process

For Medicaid services provided in schools during the state fiscal year (July 1 through June 30), each provider must complete an annual cost report. The cost report is due on or before September 15 following the reporting period each year. At the discretion of DCH, providers may be granted extensions up to three months.

Providers that fail to fully and accurately complete Medicaid cost reports within the time period specified by DCH or that fail to furnish required documentation and disclosures for Medicaid cost reports required under this Plan within the time period specified by the Department, may be subject to penalties for non-compliance.

The primary purposes of the LEA provider's cost report are to:

- 1) Document the LEA provider's total CMS approved Medicaid-allowable costs of delivering Medicaid coverable services using a CMS approved cost allocation methodology.
- 2) Reconcile the annual interim payments to the LEA provider's total CMS approved, Medicaid-allowable costs using a CMS approved cost allocation methodology.

The annual Children's Intervention School Services (CISS) Cost Report includes a certification of funds statement to be completed, certifying the provider's actual, incurred costs/expenditures. All filed annual CISS Cost Reports are subject to desk review by DCH or its designee.

TN No.: 10-014
Supersedes
TN No.: New

Approval Date: 08-10-11

Effective Date: 10/01/10

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR
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D. The Cost Reconciliation Process

The cost reconciliation process must be completed within twenty-four months of the end of the reporting period covered by the annual CISS Cost Report. The total CMS-approved, Medicaid allowable scope of costs based on CMS-approved cost allocation methodology procedures are compared to the LEA provider's Medicaid interim payments delivered during the reporting period as documented in the Medicaid Management Information System (MMIS), resulting in a cost reconciliation.

For the purposes of cost reconciliation, the state may not modify the CMS-approved scope of costs, the CMS approved cost allocation methodology procedures, or its CMS-approved RMTS for cost-reporting purposes. Any modification to the scope of cost, cost allocation methodology procedures, or RMTS for cost-reporting purposes requires approval from CMS prior to implementation; however, such approval does not necessarily require the submission of a new state plan amendment.

E. The Cost Settlement Process

EXAMPLE: For services delivered for the initial period covering October 1, 2010, through June 30, 2011, the annual CISS Cost Report is due on or before September 15, 2011, with the cost reconciliation and settlement processes completed no later than September 15, 2013.

TN No.: 10-014
Supersedes
TN No.: New

Approval Date: 08-10-11

Effective Date: 10/01/10

For all future years starting July 1, 2011, services delivered during the period covering July 1 through June 30, the annual CISS Cost Report is due on or before September 15 of that same year (i.e. services delivered July 1, 2011 through June 30, 2012 would be included in the annual cost report due September 15, 2012), with the cost reconciliation and settlement processes completed within twenty-four months of the cost report due date.

If the LEA provider's interim payments exceed the actual, certified costs for the delivery of school based health services to Medicaid clients, the LEA provider will return an amount equal to the overpayment. DCH will submit the federal share of the overpayment to CMS in the federal fiscal quarter following receipt of payment from the provider.

If the LEA provider's actual, certified costs exceed the interim payments, DCH will pay the federal share of the difference to the provider in accordance with the final actual certification agreement and submit claims to CMS for reimbursement of that payment in the federal fiscal quarter following payment to the provider.

TN No.: 10-014
Supersedes
TN No.: New

Approval Date: 08-10-11

Effective Date: 10/01/10