

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
**19-0011**

2. STATE  
Oregon

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

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

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
**10/1/19**

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 440.130

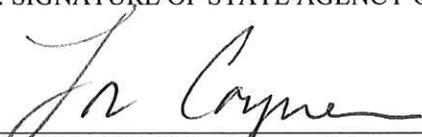
7. FEDERAL BUDGET IMPACT:  
a. FFY 2020      \$ 5,992,472  
b. FFY 2021      \$ 5,992,472

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
  
Attachment 3.1-A, page 6-e.1 thru 6-e.3  
Attachment 4.19-B, pages 2-a thru 2-d

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*):  
  
Attachment 3.1-A, page 6-e.1 thru 6-e.5  
Attachment 4.19-B, pages 2-a thru 2-d

10. SUBJECT OF AMENDMENT: This transmittal is being submitted to make some technical revisions, allow additional medically-qualified staff, add health services provided under 504 Accommodation Plans, which are through the 1973 Rehabilitation Act (Act). Revisions that better align with cost categories under the Code of Federal Regulations (CFR) and some revisions for clarification purposes. The cost method is the same using prior year audited costs reported to ODE annually plus ODE approved indirect rate to determine hourly cost for each area of discipline for services provided in school settings, but information requested is revised.

11. GOVERNOR'S REVIEW (*Check One*):  
 GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED: The Governor does not wish to review any plan materials.  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:  


16. RETURN TO:  
Oregon Health Authority  
Medical Assistance Programs  
500 Summer Street NE E-65  
Salem, OR 97301

13. TYPED NAME Lori Coyner, MA

14. TITLE: State Medicaid Director, OHA

ATTN: Jesse Anderson, State Plan Manager

15. DATE SUBMITTED: 12/17/19

**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/Territory: OREGON

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

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13.d. Rehabilitative: School-Based Health Services

School-based health services (SBHS) are health-related services that:

- a) Help the Medicaid-eligible student keep, learn, or improve skills and functioning, including reduction, correction, stabilization, or functioning improvement of a child's disability, impairment, or delay;
- b) Address physical disabilities/impairments, developmental delay, or behavioral disabilities/impairments of a child;
- c) Are recommended by health care professionals; and
- d) Are listed in a child's Individualized Education Plan (IEP) or Individual Family Service Plan (IFSP), individualized service plan (ISP), a Section 504 Accommodation Plan, or an individualized health care plan; or;
- e) Are otherwise medically necessary.

Covered SBHS are services provided in educational settings or programs to children/students:

- Eligible under Part C or Part B of the Individuals with Disabilities Education Act (IDEA) or Section 504 of the Rehabilitation Act of 1973; or
- Receiving any service considered as a covered service under Oregon's Medicaid State Plan.

SBHS include coordinating care and providing transportation relative to the student receiving Medicaid-covered health services. Assessments and evaluations, including obtaining and interpreting information, coordinating care, and integrating services, are covered as necessary to assess or reassess the need for health-related services. Treatment, assessments, and evaluations must be performed by qualified professionals as identified below within the scope of practice as defined under state law.

Provider qualifications:

Health-related services are delivered by providers who:

- Meet the federal requirements as stated below under covered services, and are licensed by the State or otherwise qualified under state statutes and regulatory boards and agencies; and
- Operate within the scope of their license and/or certification pursuant to state law.

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13.d. Rehabilitative: School-Based Health Services

Transportation, by school bus or other mode, to and from a Medicaid-covered service, may be reimbursed when the service is performed by:

- A Medicaid-enrolled local education agency (LEA); or
- An entity contracted with the Medicaid-enrolled LEA to provide the service.

Covered services include:

- Physical Therapy, occupational therapy and other services, including services provided by audiologists and services for individuals with speech, hearing, and language disorders, performed by, or under the direction of providers that meet the qualifications set forth at 42 CFR §440.110;
- Physician services under 42 CFR §440.50(a);
- Optometry services provided by a qualified professional under 42 CFR §440.60(a);
- Respiratory therapy provided by a qualified professional under 42 CFR §440.60(a);
- Nursing services provided by a nurse practitioner that meets the federal requirements at 42 CFR 440.166 and is licensed by the Oregon State Board of Nursing to practice in Oregon as a nurse practitioner.
- Nursing services covered under 42 CFR §440.60(a) performed by or under the direction of a registered nurse;
- Nursing services provided on a restorative basis under 42 CFR §440.130(d), including services delegated to individuals who receive appropriate teaching, direction, and supervision from a registered nurse or licensed practical nurse;
- Dental services performed by a dental hygienist in accordance with 42 CFR §440.60(a) and OAR 818-035-0030;
- Behavioral health services, which include Positive Behavioral Interventions and Supports (PBIS) required by IDEA and may include Applied Behavioral Analysis (ABA) provided by or under the direction of a psychologist, psychiatrist, licensed clinical social worker or any licensed health care professional within the scope of their practice as defined under state law, and coverable as medical or other remedial care under 42 CFR §440.60(a);

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13.d. Rehabilitative: School-Based Health Services

Covered services (Cont):

- Diagnostic, screening, preventive, and rehabilitative services covered under 42 CFR §440.130;
- Medical nutritional services provided by a qualified professional under 42 CFR §440.60(a);
- Sports-related or other injury assessment and therapy provided by a qualified professional under 42 CFR §440.60(a); and
- Transportation under 42 CFR §440.170(a)(1) provided by a local education agency (LEA) enrolled with Medicaid as a school medical provider or provided by an entity contracted with the Medicaid-enrolled LEA to provide the services; SBHS transportation may only be billed to Medicaid for transportation on a day when a covered Medicaid service is provided to a Medicaid-eligible child and there is documentation to support the transportation of the child to and from a Medicaid-covered service.

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

13.d Rehabilitative: School-Based Health Services reimbursement methodology for services provided by local education agencies

The hourly cost developed for School-Based Health Services (SBHS) is based on each local education agency's (LEA) prior year actual audited salaries, benefits and direct costs reported annually as required by Oregon Department of Education for each discipline. Each LEA develops hourly costs using allowable costs, in compliance with 2 CFR 200, reviewed and accepted by the Oregon Health Authority (Authority). Each participating LEA is surveyed annually using cost worksheets approved by the Authority for establishing the LEA's actual costs attributable to each discipline for allowable costs such as:

Compensation personal services (Salaries)	200.430
Compensation fringe benefits (Benefits)	200.431
Maintenance, operations and repairs	200.452
Materials and supplies costs including costs of computing devices	200.453
Memberships, subscriptions, and professional activity costs	200.454
Professional service costs	200.459
Publication and Printing costs	200.461
Recruiting costs	200.463
Rental costs of real property and equipment	200.465
Training and education costs	200.472
Travel costs	200.474

The hourly cost developed for each discipline is calculated to yield a per-minute cost (the hourly cost is divided by 60). The per-minute cost is then multiplied by actual service time provided in minutes, to equal the total amount (federal share plus state share) billed to Medicaid. Based upon the data reported on the cost worksheets to the Authority annually, the Authority shall establish the maximum allowable hourly cost for each service billed. Each SBHS enrolled provider shall only bill their reviewed and accepted hourly costs reported to OHA for each area of service/discipline. The per-minute cost multiplied by actual number of minutes for services provided by discipline results in the LEA billing Medicaid no more than their total cost (federal share plus state share) to provide these services. If applicable, a finalized indirect rate established for the current year and approved by the cognizant federal agency delegate, the Oregon Department of Education, may be applied, provided the costs included in the indirect cost calculation are not included elsewhere in the computation of the hourly cost-based rates.

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13.d Rehabilitative: School-Based Health Services reimbursement methodology for services provided by local education agencies

The above methodology establishes cost-based rates, which are based on prior year actual audited costs, therefore no reconciliation or annual cost settlement for payment made for SBHS services provided by each participating LEA is necessary.

If an LEA does not have full prior year actual costs to establish an hourly rate for a SBHS discipline billable to Medicaid, an estimate can be established based on the lesser of budgeted costs for the current year or an estimate of actual costs expended during the current year. This prorates costs to the end of the current year. The Authority will not require a cost reconciliation be completed at the end of the year for the LEA cost-based rate(s).

Payments for Transportation Services provided by a local education agency

SBHS transportation rates are calculated using the LEA's actual audited transportation costs from the most recent school year (including costs attributed to individual transportation aides) and data reported annually to the Oregon Department of Education. Transportation costs are calculated using the formula in the table below. Information is entered in the table as follows.

- Line 1 – Total costs for all student transportation services
- Line 2 – Total number of students transported annually based on actual costs reported for all student transportation services as entered on line 1 above
- Line 3 – Total actual annual transportation cost per student (quotient of Line 1 divided by Line 2)
- Line 4 - Total number of school days in session x 2 daily transportation trips per student per year
- Line 5 – Total direct transportation cost per student per trip (sum of Line 3 divided by the product of Line 4)
- Line 6 – State-approved cognizant agency (Oregon Department of Education) indirect rate
- Line 7 – Total actual cost per trip (sum of Line 5 plus the product of Line 6 multiplied by Line 5)

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Medicaid Transportation per trip calculation	Example*
1. Total costs of all student transportation services	\$100,000.00
2. Total number of students receiving transportation associated with the costs reported on line 1	20
3. Total direct annual transportation cost per student	5,000
4. Total number of school days in session ____ x 2 daily trips	340
5. Total direct transportation cost per student per trip	\$14.71
6. State-approved cognizant agency (Department of Education) indirect rate	9%
7. Total actual cost per trip	\$16.03
*The numbers used are for example purposes only and not to be recognized as an actual rate.	

Transportation costs are derived from each LEA's prior fiscal year audited costs. The number of students receiving transportation is based on actual data from the prior school year. The number of transportation trips is based on the actual number of school days in session from the prior school year multiplied by two daily transportation trips. The calculation methodology is the same for LEA-owned transportation or LEA-contracted transportation. For contract transportation, the contract amount is entered on line 1.

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Total direct transportation costs are calculated following 42 CFR Part 200 guidelines for allowable costs. Allowable costs include those attributed to individual transportation attendants when necessary on a bus transporting special education/504 students. The time of the individual transportation attendants will not be included nor billed separately. This calculation will not include delegated health care aide costs. Costs used are actual direct costs and cannot have been used in the development of the indirect rate.

Other modes of transportation, to and from a Medicaid-covered service, will be reimbursed at the actual cost incurred for the transportation provided.

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