School Medicaid Cost-Based Rates

Best Practices and Key Considerations for Setting Rates for Covered Services

Webinar Team

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Session Objectives

By the end of the session, participants will

- understand the purpose and requirements for completing the cost worksheet,

- learn how to prevent common mistakes made on the cost worksheet, and

- understand relevant changes and guidance for adding new school-based health services (SBHS)-recognized providers and services.

Webinar Agenda

- SBHS Program Overview
- Overview of Cost-Based Rate Setting
- Cost Worksheet Methodology
- Billing Relationships
- Changes to the 2026 Cost Worksheet
- Best Practices
- Questions and Answers
- Closing and Resources

SBHS Program Overview

School-Based Health Services

Medicaid reimburses education agencies (EAs) for medically necessary and appropriate Medicaid-covered services provided to Medicaid-eligible children and young adults (birth to 21).
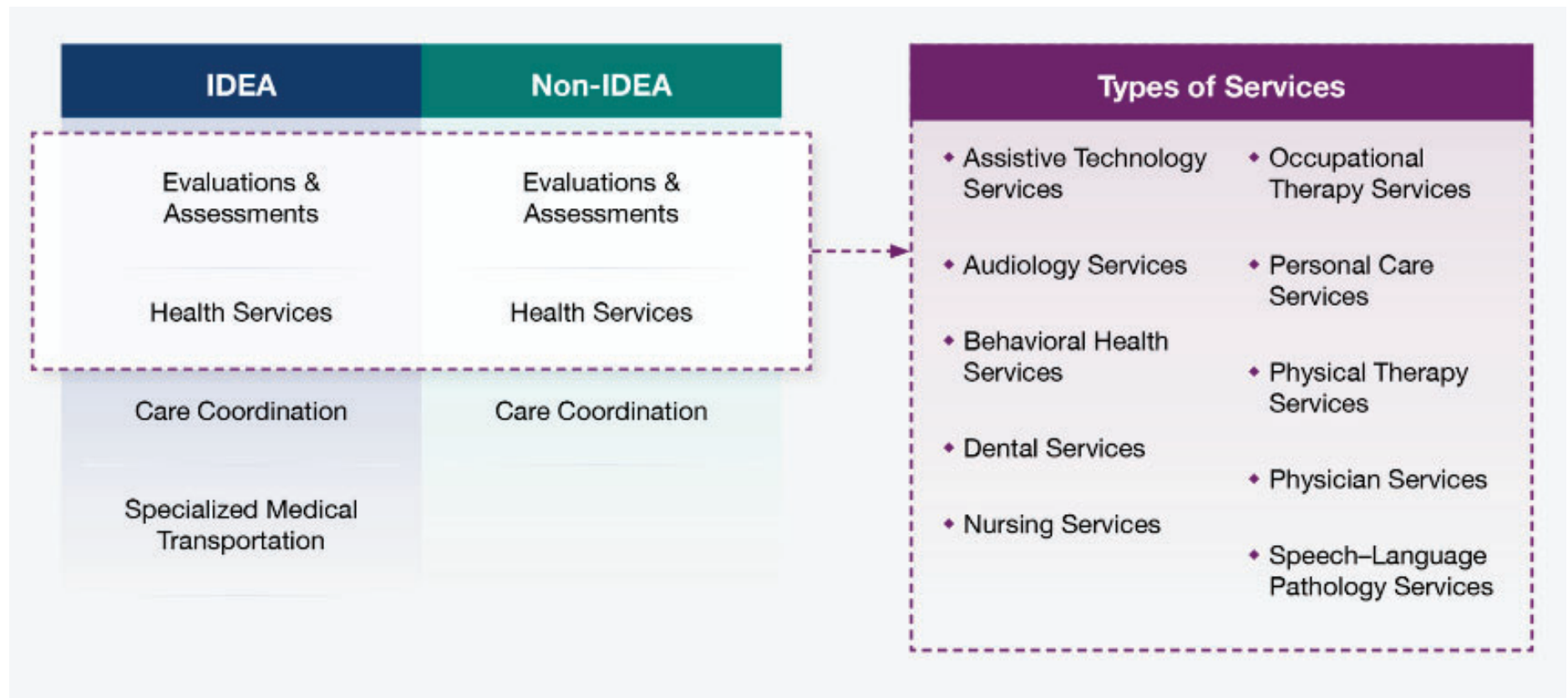
SBHS Medicaid is a flexible funding stream that may be used to increase access to comprehensive school health and behavioral health services.

SBHS services can cover Individualized Educational Program (IEP) and non-IEP related services, as long as those services are provided by SBHS-recognized providers.

Covered Services

IDEA	Non-IDEA
Evaluations & Assessments	Evaluations & Assessments
Health Services	Health Services
Care Coordination	Care Coordination
Specialized Medical Transportation	

Types of Services

- Assistive Technology Services
- Audiology Services
- Behavioral Health Services
- Dental Services
- Nursing Services
- Occupational Therapy Services
- Personal Care Services
- Physical Therapy Services
- Physician Services
- Speech–Language Pathology Services

SBHS Recognized Providers

Behavioral Health Services

- Licensed psychiatrist
- Licensed psychologist
- Psychologist associate
- Psychology technician
- Licensed clinical social worker
- Clinical social work associate
- Licensed professional counselor (LPC)
- LPC Associate
- Licensed marriage & family therapist (LMFT)
- LMFT Associate
- Teacher Standards Practice Commission (TSPC)-licensed School Social Worker
- TSPC-licensed School Counselor
- TSPC-licensed School Psychologist

Rehabilitation and Therapeutic Services

- Licensed occupational therapist (OT)
- Certified OT assistant
- Licensed physical therapist (PT)
- Licensed PT assistant
- Speech-language pathologist (SLP)
- SLP assistant
- Licensed audiologist

Dental Health

- Licensed dentist
- Expanded practice dental hygienist
- Licensed dental therapist

Nutrition Services

- Licensed dietitian

Nursing Services

- Nurse practitioner
- Registered nurse
- Licensed practical nurse
- Unregulated assistive person (UAP)

Physician Services

- Medical doctor
- Doctor of osteopathic medicine
- Doctor of podiatric medicine
- Physician assistant

Providers and Enrollment

Billing Provider

- School districts
- Education service districts
- Early Intervention/Early Childhood Special Education (EI/ECSE) contractors
- State Institutions

Three Enrollments

1. IDEA Health Services
2. Non-IDEA Health Services
3. EI/ECSE

Overview of
Cost-Based Rate Setting

Oregon achieves . . . together!

Purpose

- Establish unique cost-based hourly rates for each enrolled billing provider by program (EI/ECSE, K–12 IDEA, and non-IDEA).

- Establish and report cost-based rates for SBHS-recognized providers based on actual audited expenditures.

To establish cost-based rates, EAs must complete the SBHS Medicaid Cost Calculation Worksheet each year.

Understanding Cost-Based Rates

- Every covered service in the SBHS Medicaid program is billed at the actual service delivery time, *except for specialized medical transportation.*

    For example
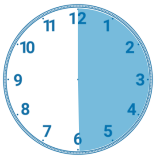
    - 30 minutes of behavioral health counseling (H0004) is billed for 30 minutes

    - 25 minutes to complete a nursing assessment (T1001) is billed at 25 minutes

Different Rates for Different EAs

Because actual expenditures (e.g., salaries, benefits) will differ between EAs, cost-based rates will look different between EAs.

For example, the hourly rate for nursing services at ABC School District will be different than the hourly rate for nursing services at Sunrise School District.
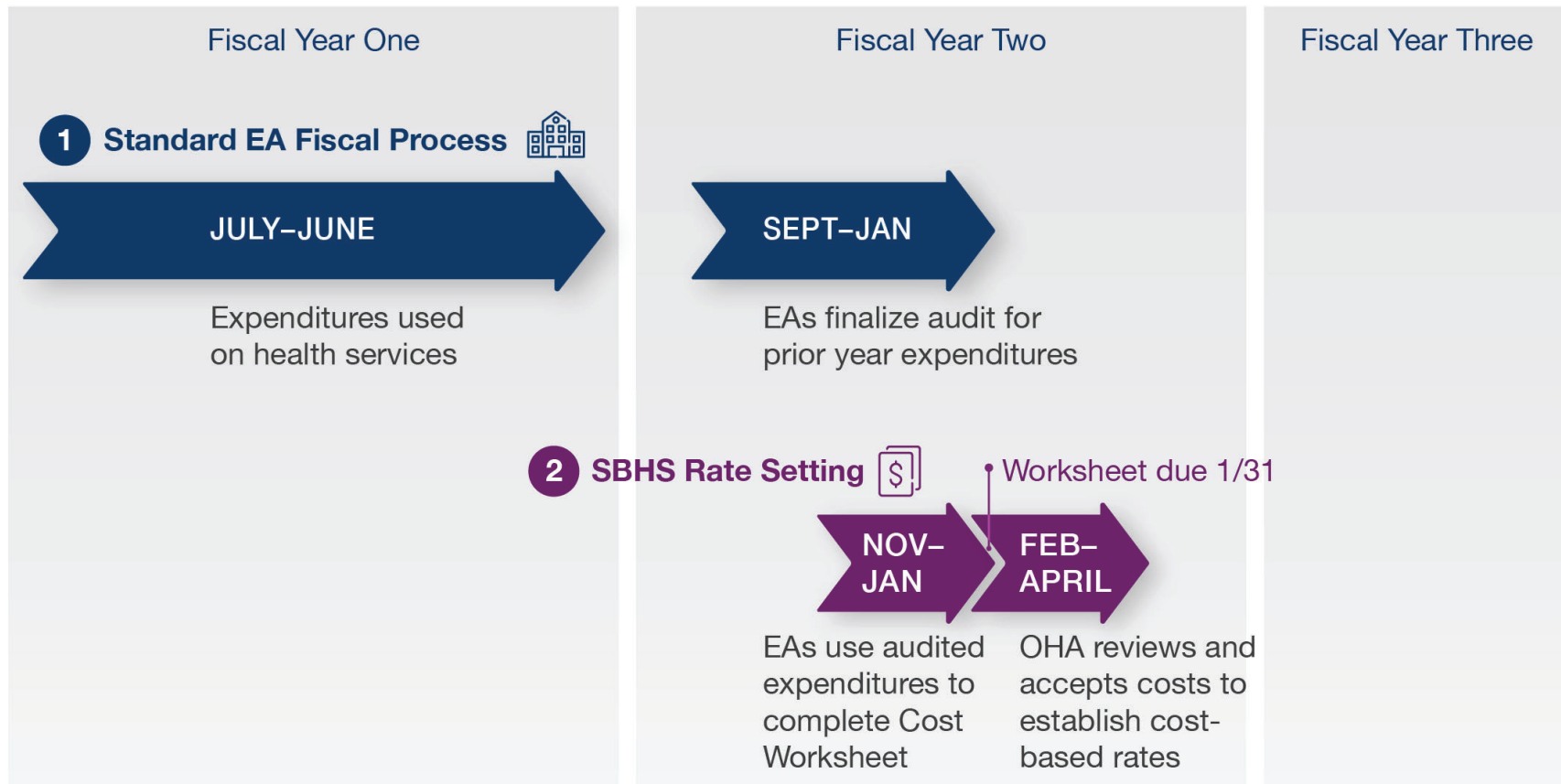
ABC School District
$156/hour

Sunrise School District
$176/hour

Timeline

Fiscal Year One

1 **Standard EA Fiscal Process**

JULY–JUNE

Expenditures used on health services

Fiscal Year Two

SEPT–JAN

EAs finalize audit for prior year expenditures

2 **SBHS Rate Setting**

Worksheet due 1/31

NOV–JAN

EAs use audited expenditures to complete Cost Worksheet

FEB–APRIL

OHA reviews and accepts costs to establish cost-based rates

Fiscal Year Three

Timeline Continued

Fiscal Year One	Fiscal Year Two	Fiscal Year Three

2 **SBHS Rate Setting** 💲 • Worksheet due 1/31

NOV– JAN → **FEB– APRIL**

EAs use audited expenditures to complete Cost Worksheet

OHA reviews and accepts costs to establish cost-based rates

3 **Services Rendered & Billed**

JAN–DEC

Services rendered and billed to approved rates

Cost Worksheet Methodology

2026 Cost Calculation Worksheet Methodology

- The core methodology remains unchanged.

- The current cost methodology establishes a cost per hour for each discipline category.

- An EA may report allowable costs associated with SBHS recognized providers, including
  - Salaries and benefits
  - Materials and supplies
  - Staff travel
  - Billing vendor and Medicaid coordinator costs
  - Associated supervisory and support costs

One Rate Per Discipline

- An average cost per hour is calculated for each discipline category.
- The Cost Calculation Worksheet combines supervisory-level SBHS-recognized providers' costs with their respective assistants' costs.

Total Practitioner Cost ÷ Total Practitioner Time = Hourly Cost

Example

($100,000 PT Annual Cost + $70,000 LPTA Annual Cost) ÷ (500 Total Annual Hours for PT + 1,500 Total Annual Hours for LPTA) = $85 Combined Discipline Category Hourly Rate
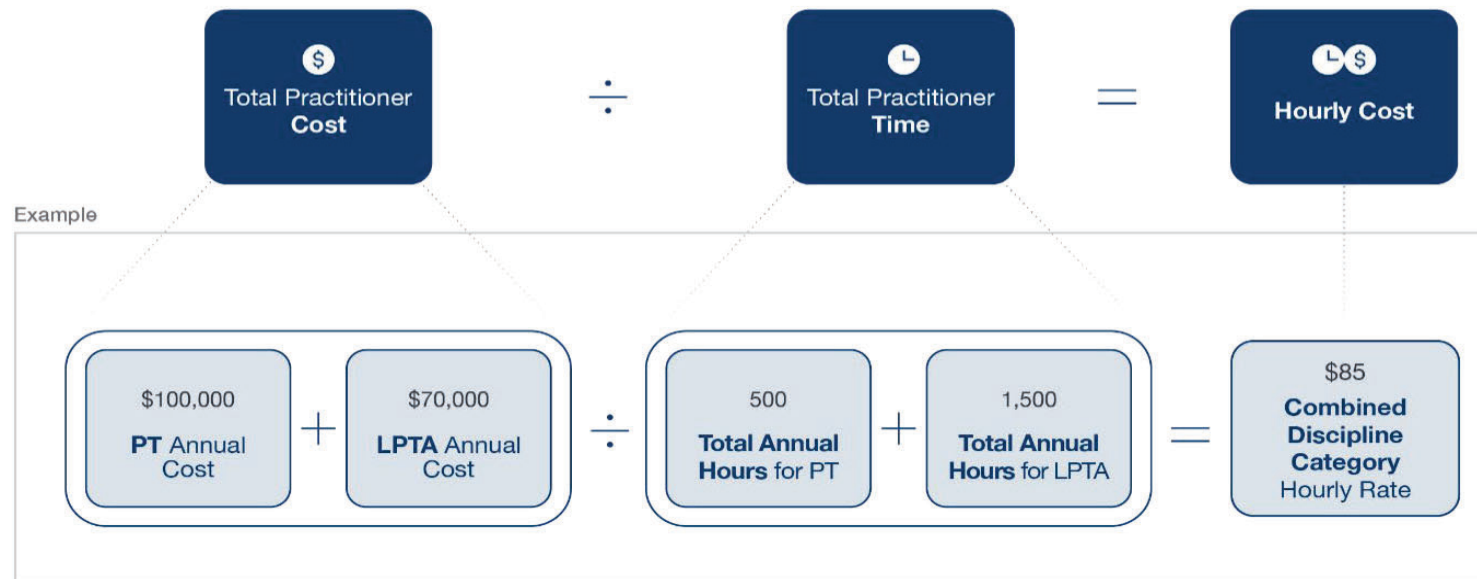
Same Rates for Same Discipline Category

For example, a speech language pathologist (SLP) and SLP assistant employed by Sunset School District and billing for services as part of the District's K–12 IDEA enrollment, would have the same rate.

SLP
$132/hour

SLPA
$132/hour

Cost Reporting for Multiple Program Types

Program Types: IDEA, Non-IDEA, and EI/ECSE

One Cost Calculation Worksheet

If the program costs and the SBHS-recognized providers who render services are mostly or entirely the same for program types…

Then submit **one** Cost Calculation Worksheet.

Multiple Worksheets

If the program costs and the SBHS-recognized providers who render services are 100 percent different between program types…

Then submit **separate** Cost-Calculation Worksheets.

Examples: Cost Reporting for Multiple Program Types

Example: One Worksheet

If a nurse spends 80 percent of their time on IDEA services and 20 percent on non-IDEA services, the EA reports 100 percent of the nurse's cost on one Cost Calculation Worksheet for both programs, and the hourly rate is the same for IDEA and non-IDEA services.

IDEA and non-IDEA
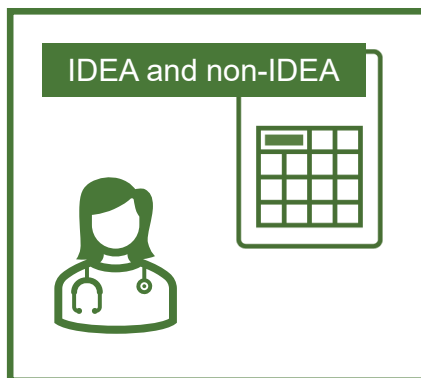
Example: Multiple Worksheets

If one nurse spends 100 percent of their time on IDEA services and a different nurse spends 100 percent of their time on EI/ECSE services, the EA reports separate nurse costs on separate Cost Calculation Worksheets.

IDEA

EI/ECSE
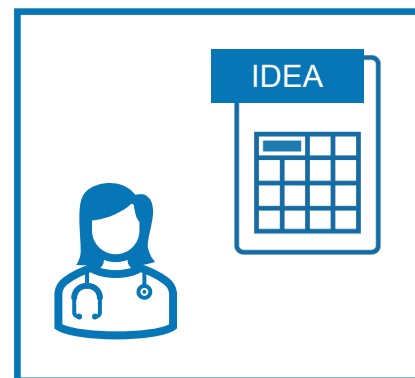
SBHS Transportation Costs

- There is no expansion of transportation services outside of IDEA.

- Costs associated with specialized transportation may be claimed for children and young adults receiving transportation from home to school and back on dates they received a Medicaid-covered service per the IEP/IFSP.

- A separate Medicaid cost worksheet for transportation is used to derive a cost per one-way trip rather than a cost per hour.
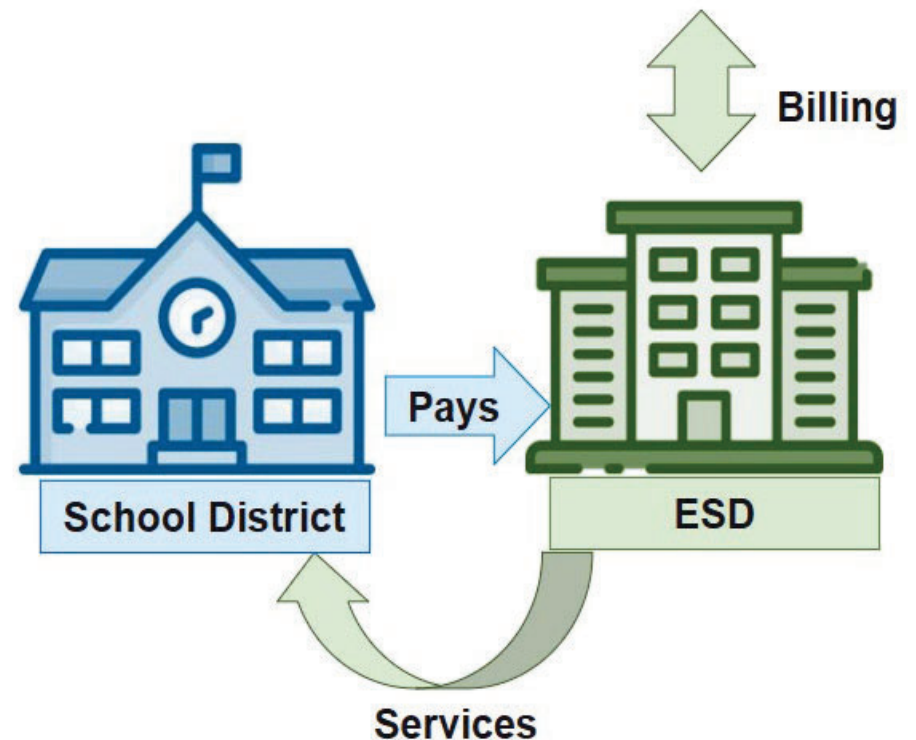
Education Service District and School District Billing Relationships

Example Billing Relationship Model #1

The school district contracts and pays the ESD for covered health services. The ESD bills for those services provided by ESD employees and offsets the school district's cost based on reimbursement received through billing.

ESD completes the Cost Worksheet

Example Billing Relationship Model #2

The school district contracts and pays the ESD for covered health services. The contract costs are included in the school district's cost calculations, and the school district is the billing provider for services provided by ESD employees. The school district receives all billing reimbursements.

SD completes the Cost Worksheet
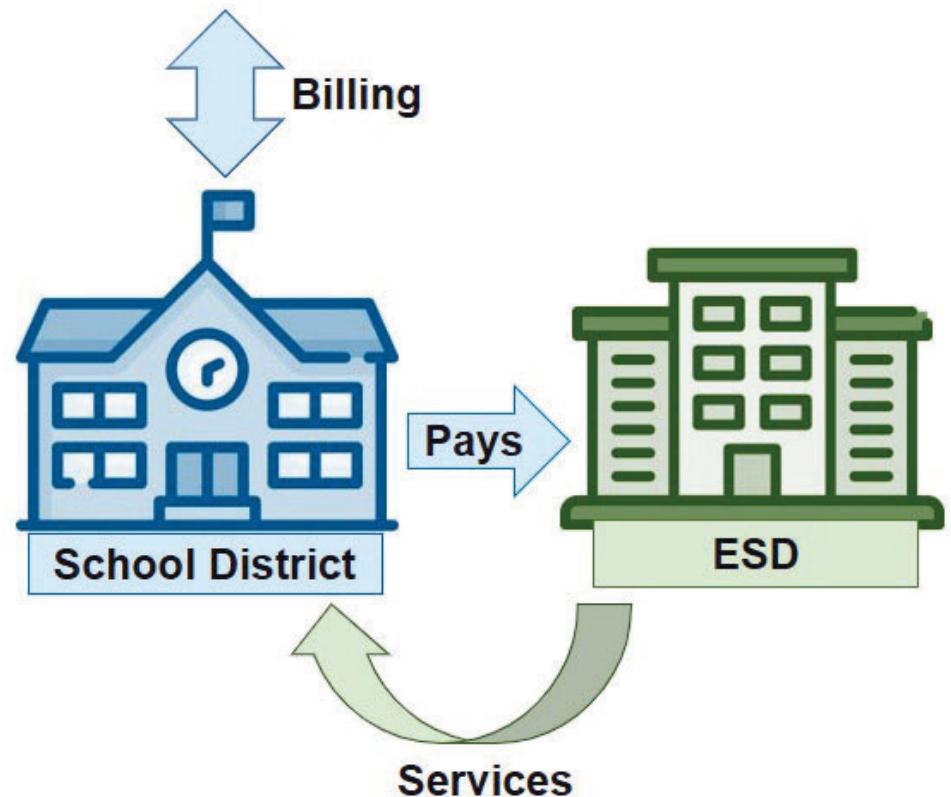
Example Billing Relationship Model #3

The ESD, under an agreement, provides covered health services, documentation support and staff training to the school district. The school district authorizes the ESD as the billing provider. The ESD receives all billing reimbursements and reinvests into the ESD's program budget.

ESD completes the Cost Worksheet

Billing

School District

ESD
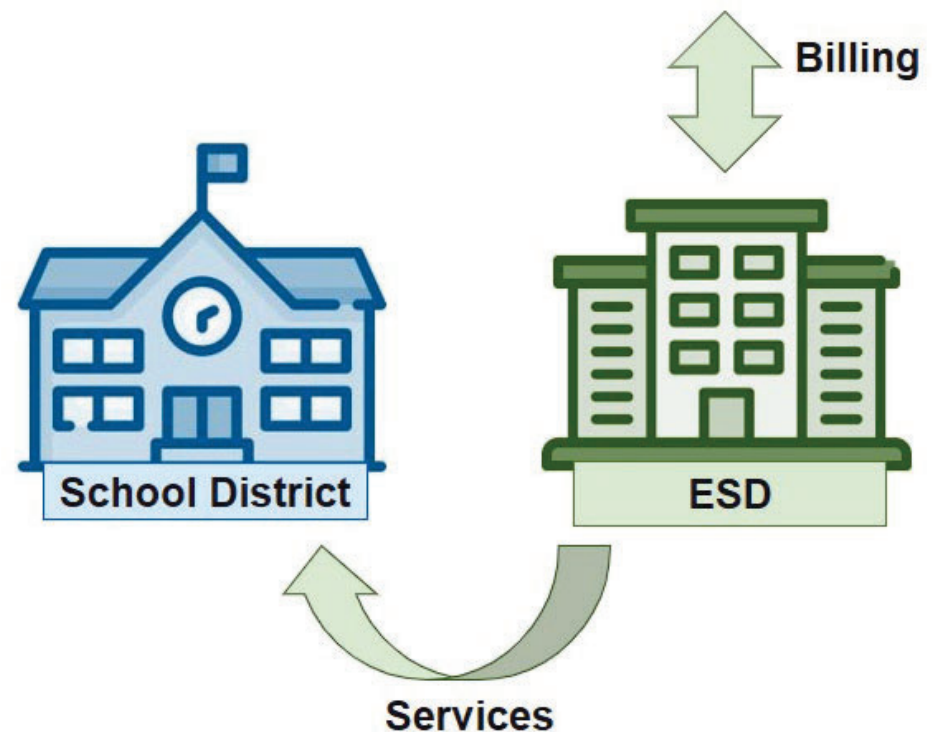
Services

2026 Cost Worksheet Changes

New Discipline Categories

TSPC-licensed practitioners
- Allowable costs for TSPC school counselors, school social workers, and school psychologists combined into one rate

Personal Care services
- Allowable costs for delivery of personal care services (PCS) added to delegated nursing cost-based rate

Updated Attestation Language

- Called attestation language
- In a new tab in the worksheet
- New language added which is necessary for dual participation, i.e. EAs participating in both the direct services and Medicaid Administrative Claiming (MAC) program.
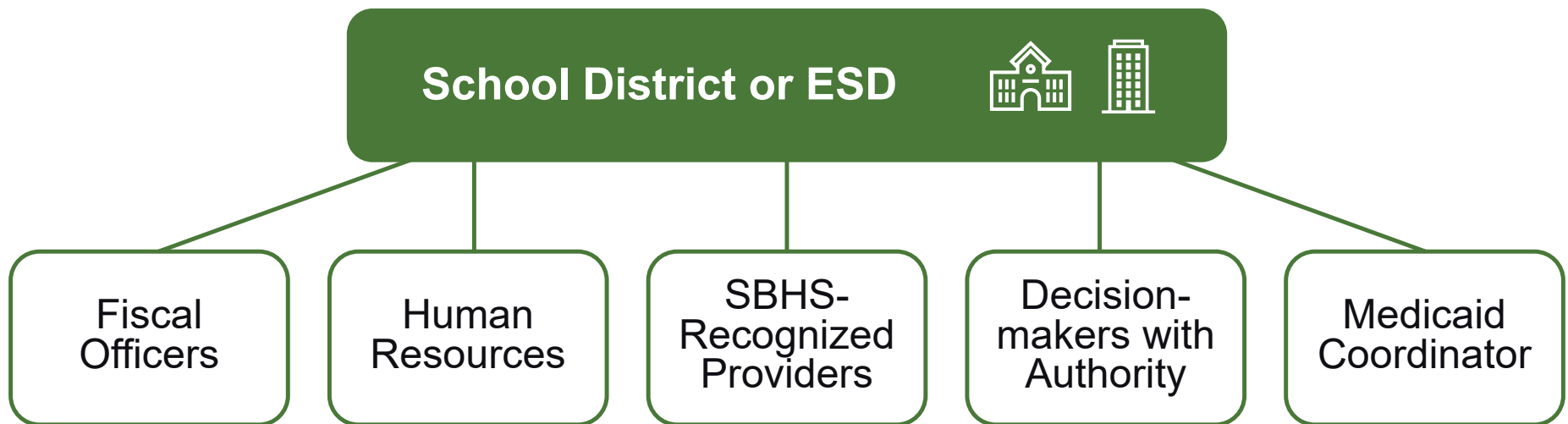
Best Practices

Building Your Support Team

School District or ESD

- Fiscal Officers
- Human Resources
- SBHS-Recognized Providers
- Decision-makers with Authority
- Medicaid Coordinator

Accurate Cost Reporting

- Use the Cost Worksheet and instructions as a guide.
- Ensure your billing relationship between the ESD and school district (if applicable) is very clear in your contract or memorandum of understanding.
- Ensure systems and processes are well-documented.

Reporting True Costs to Maximize Reimbursement

An EA may report **allowable costs associated with SBHS** recognized providers, including

Salaries and benefits

Billing vendor and Medicaid coordinator costs

Materials and supplies

Associated supervisory and support costs

Staff travel

ODE-approved finalized indirect rate specific to your EA

Importance of Internal Quality Assurance

- Establish processes and procedures for internal reviews of Cost Worksheets prior to their submission to OHA.

- Develop and document processes that can be followed in your absence to ensure continuity, document control, and high-quality cost-setting practices.

- Maintain SBHS cost-setting documents for a period of seven years from the date a claim was paid.

Quality Assurance and Compliance

Cost Checks

- Are costs exceptionally high or low compared to the prior fiscal year (FY)?
- Is the indirect rate applied approved for use in the current FY?
- Were all attributable cost percentages applied?

Provider Checks

- Were hours reported only for SBHS-recognized providers?
- Were all SBHS-recognized providers identified by licensure type and full time equivalent (FTE)?
- Were the SBHS-recognized providers reported employees from the prior FY?

Quality Assurance and Compliance Continued

Final Checks

- Was the cost attestation signed, dated, and returned?
- Can the contact person respond to questions regarding the identified cost worksheet?

For EAs New to the Program

- Cost calculation addenda can always be added partway through the year.

- Questions to consider:
  - What do you need to connect key partners?
  - What is your process to determine:
    - Which practitioners will your EA bill for?
    - What services will your EA bill for?
    - What students will your EA bill for?

Join OHA for a Technical Training

- To receive invites for Monthly Medicaid Meetings, sign up for the SBHS email listerv.

- The monthly Medicaid meeting invitation list will be obtained from the SBHS email listserv the week before the meeting and sent out to those on the listserv.

Cost-Based Rate Setting Resources

- SBHS Medicaid Cost Worksheet and Instructions
- SBHS Medicaid Transportation Cost Worksheet and Instructions
- School Medicaid Billing Manual (for School Business Offices)
- Cost Benefit Analysis and Readiness Assessment Documents

- Cost Calculation Questions:
  - Contact medicaid.sbhs@oha.oregon.gov

Other Program Resources

- Previous webinars, slides, and FAQ documents
- Oregon Administrative Rules (OARs)
- Oregon SBHS Medicaid Program Tipsheets
- OHA SBHS Monthly Medicaid Discussions: medicaid.sbhs@oha.oregon.gov
- Direct technical assistance requests: Shelby Parks, School Medicaid Program Analyst, Shelby.Parks@ode.oregon.gov

Stay in Touch

- School Medicaid listserv
- OHA website
- ODE website
- Medicaid in Education website
- Questions and technical assistance requests: medicaid.sbhs@oha.oregon.gov

- **Save the Date:** December 8th at 10 a.m. SBHS office hours for Cost-Based Rate Setting