

Frequently asked questions from Nov. 17, 2025 webinar “School Medicaid Cost-Based Rates: Best Practices and Key Considerations for Setting Rates for Covered Services”

Background

Each school district, Early Intervention/Early Childhood Special Education (EI/ECSE) program or education service district (ESD) billing School-Based Health Services (SBHS) Medicaid is required to establish annual cost-based rates using the [Medicaid Cost Calculation Worksheet](#). Education agencies (EAs) may also use the [Medicaid Transportation Cost Calculation Worksheet](#) to develop a per trip rate for specialized transportation services for students on Individualized Education Programs (IEPs) or Individualized Family Service Plans (IFSPs).

Key 2025 changes to the Medicaid Cost Calculation Worksheet include:

1. A combined discipline category for Teacher Standards and Practices Commission (TSPC) licensed school psychologists, school counselors and school social workers.
2. Personal care services (PCS) combined with delegated health care (DHC).

The cost attestation page has been updated to include dual participation requirements. The methodology to calculate costs has not changed.

Cost-based rates questions

If we have different SBHS-recognized providers rendering services for our EI/ECSE and K-12 programs, do we submit separate cost calculation worksheets?

Yes. When an education agency (EA) has separate providers for different program types, they must submit costs for each program.

Can stipends be included as salaries and benefits?

Stipends subject to payroll taxes and attributable to SBHS Medicaid may be included as salaries and benefits. Stipends associated with education such as yearbook activities or 9th grade success would not qualify.

Can the cost of interpreter services, technology services and Medicaid billing vendor costs be included in establishing cost-based rates?

Yes, the percentage of costs specifically attributable to SBHS for professional services, such as interpreter services, technology services and billing vendor services may be included.

Can the salaries and benefits of a bus dispatcher be included in establishing a transportation trip rate?

Yes, the percentage of bus dispatcher salary and benefits specifically attributable to Individuals with Disabilities Education Act (IDEA)-related specialized transportation may be included.

Will the cost attestation for SBHS Medicaid cost-based rates also cover the Medicaid Administrative Claiming (MAC) program requirement for cost pool certification?

No. The MAC program has a separate quarterly cost pool certification process.

How is the cost of equipment shared between programs such as physical and occupational therapy reported?

The EA must determine the attributable percentage to apply for each program type not to exceed 100 percent of the cost of the equipment (program-specific equipment may be reported as materials and supplies).

