

## SCHOOL-BASED HEALTH SERVICES (SBHS) MEDICAID COST CALCULATION INSTRUCTIONS

The Oregon Health Authority (OHA) SBHS excel worksheet for developing your annual Medicaid cost calculations includes a tab for each of the following disciplines:

- Nursing
- Occupational Therapist/Certified Occupational Therapist Assistant
- Physical Therapist/Licensed Physical Therapist Assistant
- Speech Language Pathologist/Speech Language Therapist Assistant
- Audiologist
- Psychiatrist
- Psychologist
- Delegated Health Care
- Licensed Clinical Social Worker/Clinical Social Work Associate
- Transportation

### Summary Tab

The Worksheet contains a “SUMMARY” tab that automatically populates when costs are entered for each of the disciplines. At the top of the “SUMMARY” tab, please list:

- The Name of your Local Education Agency (LEA, either School District or ESD);
- ODE Institutional Identification number;
- DMAP provider number and National Provider ID (NPI); and
- Name and contact number (contact number should be for a person who can respond to questions about information submitted on the worksheet).

### Instructions for Completion of the Individual Disciplines

For each of the disciplines (with the exception of transportation reimbursements), the instructions are the same. All costs are based on **actual, audited costs** from the **EA’s prior school year**. If no actual, audited costs are available for the prior school year, see Appendix B, “Frequently Asked Questions” for instructions on how to complete these sections or contact:

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**Box 1A - Costs Attributable to the Discipline**

Column A

Line

1. Enter only the actual salaries and benefits (S&B) for the Medically Qualified staff for each discipline, including any contracted or professional service costs. \*This line includes all Board certified assistants (COTA with OT; LPTA with PT; SLPA with SLP; and CSWA with LCSW). Do not include staff who are licensed through TSPC that do not bill Medicaid.

**NOTE:** Contracted costs representative of actual salaries and benefits (S&B) for Medically Qualified staff are entered under line 1. The total number of actual hours worked by contracted service professionals that meet the requirements of Medically Qualified staff must be included on line 12.

- **\*An exception to above is in calculating costs for DHC aides** who are classified (non-licensed) staff. EA's may include on line 1 of the DHC worksheet the actual salaries and benefits of aides who regularly perform DHC tasks as a primary function. These staff must be trained by a Registered Nurse to provide DHC tasks.
- Do not include the costs of a teacher who may be qualified to provide DHC tasks, unless the teacher regularly performs DHC duties as a primary function. (Please see scenario number 4 in Appendix B - Frequently asked Questions).

Enter the actual costs for the categories related to the delivery of Medicaid services by Medically Qualified staff. See Appendix A for a list of allowable direct costs (from OMB Circular A-87). Indirect costs included in your ODE approved FINALIZED restricted indirect rate are not allowable and cannot be claimed as a direct expense.

**Box 1A (Continued)**

Column B and Column C

In column B insert the percentage of the total costs used by the discipline. If a district is able to wholly track all attributed direct costs per discipline, then the percentage to be applied for each expense in Column B should be 100%. However, if the costs for a discipline cannot be uniquely identified, the percentage of the direct cost that is applicable to the discipline should be applied.

Line

1-7. Enter the percentage of the costs directly attributable to the discipline. If all costs are related to the discipline, enter 100%. **If less than 100%, attach the documentation used to determine the applicable percentage.**

Column C will automatically calculate the adjusted cost.

**Box 1B - Prorated Costs of Management and Support Staff**

Column A

8-10. In this section, please enter the total actual audited salaries, benefits, and direct costs (not included in your ODE indirect rate) of the Management, Operations, Program, and Clerical staff that perform work in support of Medically Qualified staff. Use Line 8 for Management (those individuals that provide direct non-clinical supervision to the Medically Qualified staff on line 1). Line 9 for Operations and Program staff (those individuals that support the institutionalization of the Medicaid claiming program, including training, procedure development, and implementation of cost claiming mechanisms); and Line 10 for Clerical staff (the individuals who provide clerical and administrative support for staff listed in lines 1, 8 and 9).

NOTE: It is permitted to include the direct costs in each of the lines that are associated with supporting the activities of the discipline. (See Allowable Costs in Appendix A)

## Column B and Column C

The allocation of prorated costs may require calculating the percentage of time providing support services for Medically Qualified staff attributable to each discipline. A LEA may use either:

- a proportionate share of costs (percentages allocated equally between disciplines) or
- a per-billable-FTE rate (percentages based on the amount of billable FTE in a discipline divided by the total billable FTE for the LEA)

For example, the costs on line 10 (Operations and Program staff) must be allocated amongst disciplines not to exceed the total amount expended during the previous year.

**NOTE:** All disciplines, when totaled together, must not exceed 100% of the costs for a given line item.

### **EXAMPLE:**

If the manager(s) supervise only Medically Qualified for the discipline for which you are establishing rates, allocate 100% of the manager's salary and benefits on Line 8. However, if the manager supervises more than one discipline, only allocate on Line 8 the percentage of the manager's salary and benefits applicable to the discipline for which you are establishing costs.

For example, if a manager supervises a total of 15 FTE, of which five are Medically Qualified, then the five which are Medically Qualified make up one-third (or 33%) of the total FTE. Therefore, 33% must be entered on line 8. **Documentation used to determine the percentage applied must be attached to the cost calculations when submitted to DHS.**

9. Follow the same instructions provided for Line 8 above to include the cost of staff who support Medicaid School-Based Health Services, including billing procedures, training, procedure development, and implementation of cost claiming mechanisms.

10. Follow the same instructions provided for Line 8 above.

Column C will automatically calculate the adjusted cost.

## Line

11. Total costs from Box 1A and 1B are combined here to equal total cost per discipline.

**12. Enter the total number of actual hours worked for all medically qualified staff per discipline. This includes hours for all contracted medically qualified staff.**

For example, two SLP's are contracted to work 190 days at 7.5 hours per day, which equals 1425 contract hours for each SLP and a total of 2850 hours. The total 2850 hours would be entered on line 12.

**NOTE:** *Total number of actual hours worked includes any paid time. This includes paid sick, personal, vacation or other paid leave.*

13. This line automatically computes the cost per hour based upon total number of actual hours worked.

14. Enter the LEA's **current school year** ODE approved FINALIZED restricted indirect rate. ***This rate must be entered in a decimal representation of the percentage.***

For example, if the approved indirect rate is 4.84% then the number entered must be .0484. Please remember that any of the costs included in the calculation of your restricted indirect rate cannot be claimed as direct costs in either Box 1A or Box 1B.

15. This line calculates the hourly rate, including the indirect costs.

16. This line calculates the 15-minute incremental unit cost.

### **Transportation Costs**

Reimbursement for medically necessary transportation services as specified in an IEP/IFSP shall be based on a per trip rate (a trip equals one way transport). Reimbursement rates are calculated **based on your district's prior year actual audited costs** for IDEA special education transportation. If a local education agency contracts for the transportation service, the total cost of the contract for that service would be reflected on Line 1.

#### **Line**

1. Total IDEA special education direct transportation costs are computed following OMB Circular A-87 guidelines for allowable costs. These direct costs may include:
  - salaries and benefits of \*transportation aides and drivers
  - vehicle maintenance and repairs

- garage expenditures
- vehicle expenditures, including depreciation
- interest and insurance
- vehicle supply expenditures, including fuel

**NOTE:** \* A Transportation Aide is an individual trained for health and safety issues to accompany a Medicaid-eligible student transported to and from a Medicaid covered health service as specified in the IEP/IFSP. Individual transportation aides are included in the cost calculation for transportation costs and will not be billed separately. ***Costs associated with Delegated Health Care aides may not be included in this calculation as they are direct costs. No costs used to determine an indirect cost rate may be claimed as a direct cost for transportation reimbursement.***

2. Actual data from the EA's prior year's transportation logs are used to determine the total number of special education students requiring medically necessary transportation as specified on their IEP/IFSP is entered here.
3. Actual data from the EA's prior year's transportation logs are used to determine the total number of Medicaid eligible special education students requiring medically necessary transportation as specified on their IEP/IFSP is entered here.
4. The percentage of Medicaid eligible special education students requiring medically necessary transportation as specified on their IEP/IFSP is automatically calculated on line 4. This percentage is derived from dividing the total number of Medicaid-eligible special education students requiring medically necessary transportation as specified on their IEP/IFSP by the total number of special education students requiring medically necessary transportation as specified on their IEP/IFSP.
5. This line automatically computes the annual Medicaid transportation costs for Medicaid eligible students by multiplying the total amount of transportation costs (Line 1) by the percentage of Medicaid eligible special education students requiring medically necessary transportation as specified on their IEP/IFSP (Line 4).
6. Actual data from the EA's prior year transportation logs indicating the total number of actual one-way trips for Medicaid eligible special education students (this includes all transportation trips, both billable and non-billable (whether to a Medicaid covered service or not).
7. The direct Medicaid Cost per trip is automatically calculated by dividing line 5 by line 6.

8. Enter the LEA's **current school year** ODE approved FINALIZED restricted indirect rate. ***This rate must be entered in a decimal representation of the percentage.***
9. The total Medicaid cost per trip is automatically calculated by adding the total on line 7 to the sum of line 7 multiplied by line 8.

Transportation to and from school may be claimed as a Medicaid service when:  
the child is a Medicaid recipient and receives a Medicaid covered service in school on a particular day when both the covered service and the need for medically necessary transportation are specified in the child's IEP/IFSP;  
the transportation provided is adapted to serve the needs of the disabled child;  
a child resides in an area that does not have school bus transportation (such as those areas in close proximity to a school) but has a medical need for transportation that is noted in the IEP/IFSP; and  
a child receives a Medicaid covered School-Based Health service at an off-site facility or is transported to a provider in the community

NOTE: When a student is transported to a Medicaid-covered service at an off-site facility or a provider in the community, the transportation is claimable from the school (point of pick-up) to the point of receiving a Medicaid-covered service and back to the point of pick-up. In this circumstance EA's may not bill for transportation from home-to-school or from school-to-home.

### **Appendix A: OMB Circular A-87 Allowable Costs**

#### **Only include allowable costs related to and in support of the provision of Medicaid-covered SBHS for each discipline.**

- Employee travel expenses
- transportation
- lodging
- subsistence
- related items incurred by employees traveling on official business
  - costs of meetings and conferences where the primary purpose is the dissemination of technical information to staff providing TCM services; which includes:
    - meals
    - transportation
    - rental of meeting facilities
    - other incidental costs

Such costs may be charged on:

an actual cost basis

a per diem or mileage basis in lieu of actual costs incurred, or

a combination of the two, provided the method used is applied to an entire trip, and results in charges consistent with those normally allowed in like circumstances in non-federally-sponsored activities

#### Communication Costs

telephone – (i.e. cellular phones, Personal Digital Assistant (PDAs), and direct line charges)

mail

messenger (similar communication services as allowable)

#### Publications and Printing costs

costs of printing

processes of composition

plate-making

press work

binding and the end products produced by such processes

distribution

promotion

mailing and general handling

#### **MATERIALS AND SUPPLIES**

purchases charged at their actual prices after deducting all cash discounts

- trade discounts

rebates

allowances received

withdrawals from general stores or stockrooms (charged at cost)

software used to operate SBHS

#### Memberships and Subscriptions

- costs of the governmental unit's memberships in business, technical, and professional organizations relative to Medically Qualified Staff providing Medicaid-covered SBHS
- costs of the governmental unit's subscriptions to business, professional, and technical periodicals relative to Medically Qualified Staff providing Medicaid-covered SBHS
- costs of membership in civic and community, social organizations are allowable as a direct cost with the approval of the Federal-awarding agency

- training for the development of SBHS service providers is allowable to the extent which it benefits the Federal award
- **NOTE: Costs of membership in organizations substantially engaged in lobbying are unallowable.**

#### Repair of Equipment

cost of repairs of equipment whose relative use is for Medically Qualified Staff providing Medicaid-covered SBHS per discipline

#### Important Information that Impacts Local Education Agency's Billing and Calculation of Costs

##### 1. Licensed Clinical Social Workers

Services provided by Licensed Clinical Social Workers (LCSW) and Clinical Social Work Associates (CSWA) were billable as of July 1, 2004, for the 04-05 school year (as per the approved State Plan Amendment). If an EA submits a cost calculation worksheet excluding LCSW costs, an updated cost calculation worksheet can be submitted to include these costs.

**NOTE:** MSW's are **NOT** billable.

##### 2. Psychologists

Medicaid cannot pay for services provided by School Psychologists that are TSPC licensed only. In order to bill Medicaid covered SBHS, psychologists must be licensed as specified in Oregon Statutes 675.010 to 675.150, and by the Oregon Board of Psychologists Examiners in accordance with Administrative Rules 858-010-0001 through 858-010-0080. If an EA previously submitted cost calculations that included TSPC licensed staff in their Psychology discipline, the costs will need to be revised to exclude those individuals and be re-submitted to DHS for acceptance.

**NOTE:** Services provided by Psychologist Associates specified under 858-050-0100 through 858-050-0150 and Testing Technicians specified under OAR 858-010-0002 may be billed to Medicaid under the supervision of a Psychologist with a doctoral degree as specified in OAR 858-010-0015.

##### 3. Transportation

Transportation costs follow a per-trip methodology as outlined in this guide and approved by CMS for Oregon EAs effective 7-1-04.

## **Appendix B: Scenarios/Frequently Asked Questions**

1. What if there are no actual audited costs for the discipline or function from the previous school year?

If the EA does not have audited costs for the discipline/function from the prior year, an estimate can be made based on current actuals paid to date. However, cost reconciliation will need to be completed after audited costs are confirmed for the current year. Upon submitting the cost calculation worksheets, it should be noted on the worksheet for each applicable discipline that the costs are estimates so that a notation can be made to ensure cost reconciliation is completed at the end of the year. If it is determined the individual discipline cost decreased once the current year costs are finalized, then DHS will request a cost recovery on the EA for the overpayment. If the individual discipline costs increased, then the EA has the option of submitting an adjustment request to receive the additional payment for the difference. Whether this is a financial advantage will depend on the amount of the increase and the total number of claims submitted to date.

2. What if the services are provided through contract?

The intent of the cost calculations is to provide the best known hourly pricing for a service. The total paid amount of the contract can be entered in the top cost section and then the total number of contract hours can be entered on line 12 to determine an hourly rate or if the contract was negotiated and paid on a per-hour basis, the amount-per-hour compensation rate from the contract may be entered on line 13 (over-riding the formula). If the latter methodology is selected, the EA must document on the cost calculation worksheet that the cost calculation is based on an amount-per-hour compensation rate.

3. “The bus that we use for transportation is not specifically for Special Education, but is a regular school bus that has been modified to accommodate the needs of a few children. How would we calculate the bus driver’s salary to include it in the transportation cost calculation?”

The driver’s salary and benefits multiplied by the total Medicaid percentage of students riding the bus receiving medically necessary transportation as a result of their IEP/IFSP, would give you a comfortable figure from which to determine the costs. Essentially, the driver’s salary and benefits is included on line 1 of the total transportation costs.

4. In addition to educating, a classroom teacher is also required to perform Delegated Health Care duties for a student, such as a G-Tube feeding, for which training has been

provided by a Registered Nurse. How is the DHC cost calculated for a classroom teacher providing DHC tasks?

If providing DHC tasks is a primary function of the teacher, then the portion of the teacher's total cost and number of hours dedicated to providing DHC tasks must be extrapolated from their total salary and benefit costs and number of contract hours worked. The portion of salary and benefits dedicated only to providing DHC may be used in calculating the actual costs on line 1 of box 1A and the total number of hours worked performing DHC tasks may be entered on line 12 of box 1C under the DHC tab in the cost worksheet.

5. How does a district determine the total number of trips when they do not have any history from the prior year for calculating the cost of transportation for the first time?

For the period of one year only the district is allowed to use an alternate methodology to determine the total number of trips to be entered on line 4 of the transportation cost worksheet. This alternate methodology consists of determining the total number of school days in session multiplied by the total number of potential daily trips (two) multiplied by the total number of Medicaid eligible students receiving transportation as specified in their IEP/IFSP. Example:

165 days in session x 2 daily trips x 12 Medicaid eligible students receiving transportation as a related service on the IEP/IFSP  
= 3960 (total # of trips)

6. We employ both a contracted Physical Therapist paid by the hour and a full-time Physical Therapist employed by the district. How are costs determined for each discipline when both contracted and permanent staff are employed?

When this scenario exists, the cost of the hourly contracted employee may not be used to override the formula in the cost calculation as identified as an option in scenario #2 above. The total cost for each employee must (contracted or permanent) be entered into line 1 of box 1A and the total number of hours worked by each employee must be entered on line 12 of box 1C.

7. We hired an Occupational Therapist mid-year last year. Being only employed for a portion of the year, can we still report our actual costs for the portion of time she was employed?

Yes. The fact that the therapist was only employed for a portion of the prior year is not an issue as long as you are reporting the actual audited costs associated with employing the therapist on line 1 of Box 1A and the total number of actual hours worked on line 12 of box 1C.

8. I supervise six licensed speech/language therapists who meet criteria to bill Medicaid as well as two who do not. I have two primary job responsibilities. 50% of my time is dedicated to the supervision of the aforementioned staff, the other 50% is dedicated to working as a lead diagnostician. What percentage of my salary and benefits can be applied in the cost calculation worksheet for SLPs?

50% of the salaries and benefits of the supervisor may be applied in the cost calculation worksheet on line 9, column C of box 1B, which represents the portion of time related to the supervision of speech/language therapists. However, because only six of eight therapists meet the criteria under "Medically Qualified Staff" in SBHS rule making them eligible to bill Medicaid only 75% of the total costs applied on line 9, column C of box 1B can be included. Therefore, the percentage entered on line 9, column D of box 1B is 75%. NOTE: The same methodology as above applies for both Medicaid Operations and Clerical Support staff.

9. Our district does not track the cost of supplies associated with Medically Qualified staff. How do I determine the percentage of cost that I can apply for each discipline when all supply costs come out of the same fund?

Enter the total cost of supplies on line 5, column C of box 1A on each discipline worksheet for which supplies were purchased. Then determine how many staff the total cost of supplies may be allocated to. Of the number of total staff, determine how many meet the criteria under "Medically Qualified Staff" in SBHS rule to bill Medicaid. This portion of the whole is the percentage to be entered on line 5, column D of box 1A.

For example: Total cost of supplies is \$10,000. This amount applies to a total of 15 staff; of which five are Speech Therapists, three are Occupational Therapists, two are Physical Therapists, and one is a Registered Nurse. On line 5, column C of box 1A enter \$10,000 for each discipline. On line 5, column D of box 1A enter the percentage of supply costs that applies to each discipline as shown below.

5 Speech Therapists =  $5/15 = 33\%$   
3 Occupational Therapists =  $3/15 = 20\%$   
2 Physical Therapists =  $2/15 = 13\%$   
1 Registered Nurse =  $1/15 = 7\%$

10. Our EA has an ODE state approved FINALIZED indirect rate for the previous year, but does not have an ODE state approved FINALIZED indirect rate for the current year. Do we have to have an ODE state approved FINALIZED indirect rate to complete the cost calculation worksheet?

No. In order to submit costs for an SBHS Medicaid provider, EAs are not required to obtain and submit an ODE state approved FINALIZED indirect rate. If an EA does not have an ODE state approved FINALIZED indirect rate for the current year they must leave line 14, column C of box 1C blank.

**NOTE:** EAs may not use an ODE state approved FINALIZED indirect rate from a prior year. ODE state approved FINALIZED indirect rates applied in the cost calculation worksheets must be for the current year.