

**SECTION 2**

**School-Based Skills Development Services**

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## 1 SERVICES

School-based skills development services are *medically necessary* diagnostic, preventive and treatment services identified as "related services" in an eligible student's Individualized Educational Program (IEP) and include therapeutic interventions designed to ameliorate motor impairments, sensory loss, communication deficits or psycho-social impairments. The goal of school-based skills development services is to improve and enhance a student's health and functional abilities and/or to prevent further deterioration.

### 1 - 1 Authority

The Medicare Catastrophic Coverage Act of 1988, Section 411(k)(12) permits Medicaid to pay for related services included in a Medicaid eligible recipient's IEP when the services are medically necessary and are covered in the Medicaid State Plan. Effective August 1, 1993, with the approval of CMS, Utah's Medicaid State Plan was amended to allow coverage of medically necessary services included in the IEPs of Medicaid eligible children ages 3 through 20.

### 1 - 2 Definitions

The following definitions apply to this program:

**CHEC:** Child Health Evaluation and Care; Utah's version of the federally mandated Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program designed to ensure Medicaid eligible recipients from birth through age twenty access needed medical care.

**HIPAA:** The federal Health Insurance Portability and Accountability Act of 1996. The primary goal of the law is to make it easier for people to keep health insurance, protect the confidentiality and security of healthcare information, and help the healthcare industry control administrative costs.

**Individualized Education Program (IEP):** A written program for a student with a disability, developed and implemented in accordance with the Utah State Board of Education Special Education Rules.

**Itinerant Nursing Services:** School based skills development services provided to medically fragile students in special education who require continuous, one-to-one skilled nursing throughout their school day.

**Qualified Intellectual Disability Professional (QIDP):** As defined at 42CFR 483.430, Qualified Intellectual Disability Professional (QIDP) means a person who has at least one year of experience working directly with persons with intellectual disabilities or other developmental disabilities and is one of the following:

- A. A doctor of medicine or osteopathy.
- B. A registered nurse.
- C. An individual who holds at least a bachelor's degree in one of the following professional categories and is licensed, certified or registered, as applicable, to provide professional services by the State in which he or she practices. Professional program staff who does not fall under the

jurisdiction of State licensure, certification, or registration requirements must meet the following qualifications:

1. To be designated as an occupational therapist, an individual must be eligible for certification as an occupational therapist by the American Occupational Therapy Association or another comparable body.
2. To be designated as an occupational therapy assistant, an individual must be eligible for certification as a certified occupational therapy assistant by the American Occupational Therapy Association or another comparable body.
3. To be designated as a physical therapist, an individual must be eligible for certification as a physical therapist by the American Physical Therapy Association or another comparable body.
4. To be designated as a psychologist, an individual must have at least a master's degree in psychology from an accredited school.
5. To be designated as a social worker, an individual must meet one of the following two criteria:
  - a. Hold a graduate degree from a school of social work accredited or approved by the Council on Social Work Education or another comparable body; or
  - b. Hold a Bachelor of Social Work degree from a college or university accredited or approved by the Council on Social Work Education or another comparable body.
6. To be designated as a speech language pathologist or audiologist, an individual must meet one of the following two criteria:
  - a. Be eligible for a Certificate of Clinical Competence in Speech-Language Pathology or Audiology granted by the American-speech-Language-Hearing Association or another comparable body,  
or
  - b. Meet the educational requirements for certification and be in the process of accumulating the supervised experience required for certification.
7. To be designated as a professional recreation staff member an individual must have a bachelor's degree recreation or in a specialty area such as art, dance, music or physical education.
8. To be designated as a professional dietician, an individual must be eligible for registration by the American Dietetic Association.
9. To be designated as a human services professional an individual must be have at least a bachelor's degree in a human services field (including, but not limited to: sociology, special education, rehabilitation counseling, and psychology).

**Providers:** In this manual, providers are enrolled school districts.

**Related Services:** Developmental, corrective and other supportive services required to assist a student with a disability to benefit from special education. Not all related services identified in the Individuals with Disabilities Education Act (IDEA), Part B Regulations, 34 CFR Section 300.34 are considered “medically necessary services.”

**Self-Contained Services:** School based skills development services provided to students identified by the district as requiring a minimum of 180 minutes of special education and related services (in combination) per day. (Preschool students meet this requirement based on the need for special education services.)

**Special Education:** Instruction which is specially designed to meet the unique needs of a student with a disability.

### 1 - 3 Target Group

Medicaid coverage of school-based skills development services is limited to CHEC eligible students’ ages 3 through 20 who receive medically necessary services under an IEP from a qualified provider.

### 1 – 4 Provider Qualifications

School districts/Charter schools that provide special education and related services under Part B of the Individuals with Disabilities Education Act (IDEA) may request enrollment through the Division of Medicaid and Health Financing to receive Medicaid funding for school-based skills development services.

### 1 - 5 Individual Qualifications by Service Setting

- A. Enrolled school districts/Charter schools (hereafter referred to as providers) must employ or contract with qualified individuals to directly deliver or supervise the delivery of school-based skills development services. Individual qualifications vary according to the type of service delivered.
- B. The matrix on the following page shows the licensure, certification or other credentials required to deliver or to supervise the delivery of Medicaid covered school-based skills development services described in Chapter 2 - 1, Covered Services, of this manual.

Licensure, Certification or Other Credentials Required

	Service				
	*** Itinerant Services	All Self Contained Services	Self Cont. Services for Individuals with Devel. Disabilities/ Mental Retardation	Preschool Services	AUTHORIZED TO Evaluate DELIVER AND SUPERVISE ↓
* LICENSED					
Physician		X	X	X	All services
R.N.	X	X	X	X	Motor, nursing
L.P.N.	X	X	X	X	
Mental health practitioner		X	X	X	Behavioral health
Speech/language pathologist		X	X	X	Communication
Audiologist		X	X	X	Vision & hearing, adaptation services
Physical therapist		X	X	X	Motor
Occupational therapist		X	X	X	Motor, personal
** CERTIFIED ↓					
Educational psych. school psychologist		X	X	X	Behavioral health
school social worker		X	X	X	
school counselor		X	X	X	
School speech/language therapist		X	X	X	
School vision & hearing specialist		X	X	X	Vision & hearing adaptation services
**** OTHER ↓					
Qualified Intellectual Disability Professional (QIDP)			X	X	Motor, communication, personal, vision and hearing

\* Practicing within the scope of their license in accordance with Title 58, Occupational and Professional Licensing, Utah Code Annotated, 1953 as amended.

\*\* Practicing in accordance with the Utah State Office of Education Requirements for Certification, revised 7/1/93 as amended; or (as applicable) practicing in accordance with the Utah State Office of Education Rules, Appendix D, State Certification and Endorsements, May 1993 as amended.

\*\*\* Refer to Attachment A at the end of Section 2 for specific requirements pertaining to reimbursement for this service.

\*\*\*\* See Chapter 1 - 2 for definition of Qualified Intellectual Disability Professional.

## 1 – 6 Services Standards

In addition to specific program standards described in this Manual, a provider will also be held accountable to provisions contained in its Provider Agreement and Contract with the Medicaid agency and the standards contained in the current Utah State Board of Education Special Education Rules. An approved Provider Agreement and signed Contract must be on file with the Medicaid agency before a provider receives Medicaid reimbursement.

## 1 – 7 Client Rights

A. Providers will have a process in place to ensure that a student's:

1. Legal representative has authorized the provider to claim Medicaid reimbursement for the student's skills development services;

obtain a **one-time written consent** from the parent, after providing the written notification described below, *before* accessing the child's or the parent's public benefits or insurance for the first time. This consent must specify (a) the personally identifiable information that may be disclosed (e.g., records or information about the services that may be provided to a particular child); (b) the purpose of the disclosure (e.g., billing for services); and (c) the agency to which the disclosure may be made (e.g., Medicaid). The consent also must specify that the parent understands and agrees that the public agency may access the child's or parent's public benefits or insurance to pay for services.

provide **written notification** to the child's parents *before* accessing the child's or the parent's public benefits or after obtaining the one-time parental consent and annually thereafter. The written notification must explain all of the protections available to parents under Part B, as described in 34 CFR §300.154(d)(2)(v) to ensure that parents are fully informed of their rights before a public agency can access their or their child's public benefits or insurance to pay for services under the IDEA. The notice must be written in language understandable to the general public and in the native language of the parent/legal guardian or other mode of communication used by the parent, unless it is clearly not feasible to do so.

2. Medicaid eligibility is not considered in determining the type, amount, duration or scope of health related services to be provided.

B. The Medicaid agency and the provider will jointly ensure that the billing and payment procedures utilized for this program do not jeopardize a student's right to a free and appropriate public education under 20 U.S.C. 1401(a)(18).

## 2 SCOPE OF SERVICES

### 2 - 1 Covered Services

A. School-based skills development services include:

1. Self-Contained Services

- a. Evaluation and Assessment for the purpose of identifying and documenting a special education student's skills development needs.
- b. Motor Skills Development designed to enhance a student's fine and gross motor skills including muscle coordination and strength, ambulation, range of motion, grasp and release and oral motor functioning.
- c. Communication Skills Development designed to enhance a student's ability to communicate through the development of functional expressive speech or sign language, functional use of adaptive equipment and devices or improved oral-motor functioning.
- d. Nursing and Personal Services
  - i. Nursing services are designed to enhance or maintain student's health status including such services as medication administration, seizure control, treatment and repositioning to maintain skin integrity, tube feeding, catheterization and weight management.
  - ii. Personal care services designed to maintain or develop a student's functional abilities through training in daily living skills (ADL skills) including toileting, hand washing, oral motor, eating and bathing skills.
- e. Behavioral Health Services designed to mitigate behaviors such as aggression, self-abuse, property destruction, severe noncompliance or withdrawal when, and to the extent, those behaviors significantly impact a student's ability to benefit from special education.
- f. Vision and Hearing Adaptation Services (necessitated by a student's absence or loss of vision and/or hearing) are specifically designed adaptation training services to develop/enhance a student's functional abilities to assist him or her to benefit from special education.

## 2. Itinerant Nursing Services

Services provided in accordance with physician orders to medically fragile children in special education who require continuous, one-to-one skilled nursing throughout their school day. Nursing Services are provided to an individual on a direct one-to-one basis within the school environment, such as:

- a. Catheterization or catheter care;
- b. Care and maintenance of tracheotomies;
- c. Prescription medication administration that is part of the IEP;
- d. Oxygen administration;
- e. Tube feedings;
- f. Suctioning;
- g. Ventilator Care;
- h. Evaluations and assessments (RNs only).

**Note: Time considered stand-by in nature is not covered.**

- B. Medicaid coverage is available for services identified in Chapter 2 – 1(A) only when these services are:
1. provided to a Medicaid eligible recipient through an enrolled provider;
  2. identified as a related service in an eligible student’s IEP;
  3. supported by documented, professional evaluation(s);
  4. specifically designed to enhance a student’s health and functional abilities and/or to prevent further deterioration;
  5. necessary to assist the student to benefit from special education;
  6. provided as an individual or (with the exception of Itinerant Nursing Services) a group therapeutic intervention by, or under the direct supervision of, qualified individuals; and
  7. provided and billed in amounts that are reasonable given the documented needs and condition of a particular student.

## 2 – 2 Non-Covered Services/Activities

- A. The following services and activities are outside the scope of school-based skills development services and are **not** reimbursable under this program:
1. durable and non-durable medical equipment (including adaptive equipment and assistive technology devices), appliances and supplies. When medically necessary, these items are available to a Medicaid eligible student through other programs and enrolled providers;
  2. services provided prior to the implementation (or subsequent to the expiration) of a student’s IEP;
  3. services not specified in a student IEP; or
  4. services specified in a student’s IEP but the nature or purpose of the activity is:
    - a. academic or educational and covered under the State’s educational “core curriculum” including addition, subtraction, multiplication, letter and sound identification, reading, history, science, and other services that do not meet the criteria of “medically necessary services” as described in Chapter 2 – 1, Covered Services.
    - b. to teach consumer and homemaker skills including, but not limited to, shopping, budgeting, bed making, table setting, vacuuming, dishwashing and laundry skills;
    - c. extracurricular, including training and participation in regular physical education, recreational and cultural activities, athletics/sports, special interest/ leisure activities; **or**
    - d. vocational or job training, and is designed to prepare a student to obtain or maintain paid or unpaid employment (such as objectives written to address specific job skills and work habits, use of public transportation, community awareness and access, and following work related directions).



### 2-3 Service Coordination

- A. The provider is responsible to coordinate the provision of school-based skills development services with students' primary and specialty care providers.
- B. Utah Medicaid providers should be familiar with coverage of preventive, diagnostic, treatment and outreach services for CHEC eligible recipients in order to assist families to appropriately utilize Medicaid benefits available.

## 3 SERVICE PAYMENT

### 3-1 Standards Applicable to All School Based Skills Development Providers

- A. Medicaid regulations prohibit payments to governmental agencies in amounts which exceed an agency's costs to provide a service. School district providers, as governmental entities, as well as Charter schools are not allowed to make a profit.
- B. Under the school-based skills development program:
  - 1. *Costs* are defined as the provider's total compensation (salaries and benefits) and allowable indirect costs as approved by the cognizant agency for employees and contractors providing "hands-on" special education and related services.
  - 2. *Allowable costs* are the percentage of costs incurred by the provider to deliver covered skills development services.

### 3-2 Required Information for Rate Setting

- A. Newly enrolled providers may be offered an *interim rate* for services if the Medicaid agency has already established a rate for comparable services. Medicaid's payments to the provider are subject to reconciliation by the Medicaid agency to determine the provider's actual allowable costs and establish final payment.
- B. The following information is required in order for the Medicaid agency to determine a provider's actual allowable costs:
  - 1. The specific skills development service(s) the provider intends to cover under Medicaid;
  - 2. The names, total annual salary and benefits of all individuals who will directly supervise and/or deliver the covered service(s); (See item C. below).
  - 3. The total number of Medicaid and non-Medicaid students classified as self-contained (those receiving 180 minutes of special education and related services per day).
- C. Time studies are used to determine the time spent by qualified individuals (those identified in 2 above) in covered and non-covered activities. Providers will oversee and ensure that, during the time

study reporting period, time study participants appropriately document their time in 15 minute increments.

- D. Contact the Medicaid Agency for information regarding approved time study, cost allocation and time allocation reporting formats.
- E. Rates for self-contained services will not exceed the provider costs to deliver such services.
- F. Rates for itinerant nursing services are based on the Medicaid agencies approved fee schedule for equivalent services.

### 3 - 3 Claims Processing

- A. Providers must be able to submit claims using HIPAA compliant software using the UHINT Tool.
- B. Upon enrollment in the Medicaid program, providers will receive instructions and assistance from the Medicaid agency to enable them to submit monthly claims containing the following required information.
  - 1. The names of **all** (Medicaid) students who received skills development services during the billing period:
  - 2. Each student's date of birth and Social Security Number or Medicaid Id Number; and
  - 3. The number of units (days of attendance) of covered service(s) each student received during the billing month.
  - 4. The Dates of service in the month (for example: 01/01/11-01/31/11). A single date of service should not be billed for services that exceed more than one day during the month. Also, if a student transfers to another school district the claim needs to reflect the correct ending date of service for school A as well as the correct beginning date of service for school B.
- C. Payment will be made to the provider only for each student who was Medicaid eligible throughout the billing period.
- D. Claims for payment will be placed on hold if the prepayment of the state match is not paid for the quarter the claim is received.

## 4 RECORD KEEPING

### 4-1 Required Documentation;

- A. The school-based skills development provider must maintain sufficient records to document that, for services billed to Medicaid, the identified student:
  - 1. did, in fact, receive one or more covered skills development service(s) during the billing period (attendance logs); and

2. received the service(s) pursuant to an IEP which met the requirements found in the Utah State board of Education, Special Education Rules, Chapter IV, November 2013, or as hereafter amended.

B. Each provider must also maintain records to document that all individuals who provided services billed to Medicaid met the required licensure, certification or other criteria described in Chapter 1 – 6, Service Standards, of this manual, or were supervised by an individual who met the requirements,

**4 – 2 Required Documentation; Itinerant Settings.**

Providers delivering itinerant nursing services (which are reimbursed in 15 minutes units) must meet the requirements outlined in Chapter 4-1 above **and** must *additionally* ensure that logs or contact notes specifically document the following information:

- A. the date of each billed service;
- B. the number of 15 minute units billed;
- C. the nature and purpose of each billed service as it relates to the student’s IEP; and
- D. the name of the individual(s) who provided the billed service.

**BILLING CODES, MODIFIERS and LIMITATIONS**

<b>Code</b>	<b>Modifier</b>	<b>Description</b>	<b>PA</b>	<b>Criteria</b>	<b>Limit</b>
<b>T1018</b>		<b>School Based Skills Development</b>	<b>Not Required</b>	<b>Coverage available only for students classified by the district as self-contained</b>	<b>One unit per day up to a maximum of 23 units per month</b>
<b>T1002</b>	<b>TM</b>	<b>Itinerant Nursing Services (RN) – Physician ordered continuous One to One Nursing required for school attendance</b>	<b>Not Required System bypasses</b>	<b>Must be billed in 15 minute increments</b>	<b>Maximum of 800 units per month</b>
<b>T1003</b>	<b>TM</b>	<b>Itinerant Nursing Services (LPN) – Physician ordered continuous One to One Nursing required for school attendance</b>	<b>Not Required System bypasses</b>	<b>Must be billed in 15 minute increments</b>	<b>Maximum of 800 units per month</b>

**\*T1018 and T1002 or T1003 CAN NOT be billed on the same dates of service.**

**ICD-10 diagnosis codes need to be used when billing for school based services after beginning date of service 10-1-15 (unless a later implementation date is imposed)**

F81.9 Developmental disorder of scholastic skills, unspecified (icd-10)  
This code could be used for most students

F89 Unspecified disorder of psychological development (icd-10)  
This code could be used for behavioral students

## **SPECIAL PROVISIONS**

### **I. BACKGROUND AND PURPOSE**

The Medicare Catastrophic Coverage Act of 1988, Section 411(k)(12), amended Section 1903 of the Social Security Act to permit States to claim FFP for medically necessary, health related services provided to an eligible recipient pursuant to the statutory requirements described in Part B of the Individuals with Disabilities Education Act (IDEA). Accordingly, Utah amended its Medicaid State Plan effective August 1, 1993 to allow coverage for school-based skills development services provided to Medicaid eligible students, ages 3 through 20, by an enrolled school district that offers special education and related services in accordance with IDEA, Part B.

This is a Seeded Contract which sets forth considerations and obligations of the Utah Department of Health, Division of Medicaid and Health Financing (DEPARTMENT) and the School District (CONTRACTOR) in order to claim Medicaid FFP in the allowable costs incurred by the CONTRACTOR to provide school-based skills development services to Medicaid eligible children ages 3 through 20. The DEPARTMENT is the single State agency designated to administer the Medicaid program. The CONTRACTOR provides special education and related services in accordance with IDEA, Part B and has an approved Medicaid Provider Application/Agreement on file with the DEPARTMENT. The CONTRACTOR also has State and/or local funds available which will be used as the State's share of matching funds required in order to claim FFP for its Medicaid covered skills development services. Accordingly, the DEPARTMENT and the CONTRACTOR have agreed to the following special provisions.

### **II. ACRONYMS AND DEFINITIONS**

#### ADMINISTRATIVE FEE

Means the fee assessed to cover additional costs incurred by the DEPARTMENT in administering Medicaid programs.

CHEC

“Child Health Evaluation and Care” is Utah’s version of the federally mandated Early and Periodic Screening, Diagnosis and Treatment (EPDST) program designed to ensure Medicaid eligible recipients age birth through 20 access to needed medical care.

CLEAN CLAIMS

Refers to claims that can be processed by the DEPARTMENT without obtaining additional information from the CONTRACTOR

FFP

Federal Financial Participation refers to the Federal share of Medicaid payments authorized and directed under Section 1903(a) of the Social Security Act which is available for covered medical assistance services provided under the State Plan or as an expanded benefit to CHEC eligibles.

IDEA

Individuals with Disabilities Education Act, Part B, as amended by the Individuals with Disabilities Education Improvement Act of 2004, which regulates the free and appropriate public education of all children with disabilities including necessary special education and related services.

IEP

Individualized Education Program is a written plan describing and documenting the educational and related services a child in special education requires and will receive.

RELATED SERVICES

For purposes of this Contract, related services means developmental, corrective and other supportive services determined by an IEP Team to be necessary for a child to benefit from special education.

SCHOOL-BASED SKILLS DEVELOPMENT SERVICES

Refers to specific, medically necessary related services described in the Medicaid School-Based Services Provider Manual, the costs of which may be eligible for FFP when delivered in accordance with the provisions outlined in that Manual and this Contract.

STATE MATCHING FUNDS

The current percentage of the State’s share of Medicaid expenditures as defined at 42 CFR 433.10. The state matching funds need to be received prior to payment for services.

**III. DEPARTMENT AND CONTRACTOR RESPONSIBILITIES per signed contract**

The DEPARTMENT will provide technical assistance and training as necessary to enable the CONTRACTOR to provide and claim Medicaid reimbursement for covered school-based skills development services.

- A. The CONTRACTOR will provide and document the delivery of school-based skills development services in accordance with Utah's approved Medicaid State Plan, the Utah Medicaid Provider Manual, the CONTRACTOR's Medicaid Provider Agreement, IDEA Part B, Utah State Office of Education (USOE) Special Education rules and regulations and the terms of this Contract.
- B. The DEPARTMENT and the CONTRACTOR will jointly monitor and oversee the school-based skills development program in accordance with Utah's approved Medicaid State Plan and subsequent amendments, the Utah Medicaid Provider Manual, the CONTRACTOR's Medicaid Provider Agreement, IDEA Part B, USOE rules and regulations and the terms of this Contract.
- C. The CONTRACTOR will obtain and document the consent of a student's parent/legal guardian prior to claiming Medicaid reimbursement on behalf of that student.

**IV. FEE FOR SERVICE CLAIMS AND PAYMENTS TO CONTRACTOR**

- A. The Federal funds provided under this agreement are from the following Federal program and award:

CFDA number:	93.778
CFDA title:	Medical Assistance
Award name:	Medicaid; Title 19 Administration
Award numbers:	5-0105UT5028
Name of Federal agency:	Centers for Medicare and Medicaid Services Department of Health and Human Services
Pass-through agency:	State of Utah, Utah Department of Health
Number assigned by pass through agency:	State Contract Number as recorded on Page 1 of the Contract.

- B. The CONTRACTOR will submit fee-for-service claims electronically in accordance with Medicaid regulations and policy and using software, billing codes, modifiers and rates approved by the DEPARTMENT.
- C. Subcontractors, if any, will have a written agreement on file with the CONTRACTOR specifying how they will be paid. Subcontractor agreements will be made available to the DEPARTMENT if requested.
- D. Clean claims received electronically by the Department before 12:00 p.m. on a Thursday will be processed through the Medicaid Management Information System (MMIS) for payment that weekend. Claims received after the Thursday deadline will be processed the following weekend.
- E. The CONTRACTOR is advised to submit Medicaid claims at least monthly. In any case, claims not received and processed through the MMIS within one year of the date of service (*the first date of service in a monthly claim period*) will be denied.

**V. BILLING AND PREPAYMENT OF STATE MATCHING FUNDS AND ADMINISTRATIVE FEE**

A. State Matching Funds

- 1. Medicaid State Match Requirements: The Centers for Medicare and Medicaid Services (CMS) requires that the DEPARTMENT have the CONTRACTOR's State Matching Funds in its administrative control prior to drawing down FFP.
- 2. Quarterly Billing of Estimated State Match: Effective for the quarter beginning July 1, 2009, and for each quarter thereafter, the DEPARTMENT will bill the CONTRACTOR approximately 45 days prior to the beginning of each quarter for the estimated State Matching Funds required for the upcoming quarter. During year one of this Contract, the estimated State Match billed to the CONTRACTOR each quarter will be equal to the one-half of the average, quarterly amount of State Matching Funds required from the School District for payments that district received during FY 09. For years two through 5 of this Contract, the estimated quarterly State Match amount billed to the CONTRACTOR will be based on the quarterly average of actual Medicaid school-based services payments made to the CONTRACTOR during the most recently completed State Fiscal Year.

3. Quarterly Prepayment of Estimated State Match: Effective with the quarter beginning July 1, 2009 and for each quarter thereafter, the CONTRACTOR agrees to pay the DEPARTMENT the estimated State Match no later than 15 days prior to each new quarter. In the event that the CONTRACTOR's payment is not received within the required timeframe, the DEPARTMENT will temporarily suspend the CONTRACTOR's Medicaid payments for school-based services until the estimated State Match payment is received.
  
4. Quarterly Reconciliation on Actual State Match: The DEPARTMENT will calculate the CONTRACTOR's actual State Match obligation at the end of each quarter, multiplying the total amount of Medicaid payments made to the CONTRACTOR during the quarter by the current (federally approved) State Match percentage. If the CONTRACTOR's prepaid State Match for a quarter exceeded the actual amount required, the CONTRACTOR will receive a check for the difference. If the CONTRACTOR's prepaid State Match for a quarter was less than the actual amount required, the CONTRACTOR will be invoiced for the difference. The CONTRACTOR agrees to pay the difference to the DEPARTMENT within 30 days of the receipt of the invoice. If the CONTRACTOR's payment is not received within the required timeframe, the DEPARTMENT will temporarily suspend the CONTRACTOR's Medicaid payments for school-based services until payment is received.

B. Administrative Fee

1. DEPARTMENT Administrative Fee Requirements: The CONTRACTOR is required to pay the DEPARTMENT an Administrative Fee annually.
  
2. Invoice for Administrative Fee: The DEPARTMENT will bill the CONTRACTOR for the annual Administrative Fee within 45 days prior to the beginning of the fourth quarter of each State fiscal year. The Administrative Fee will be based on the total amount of all Medicaid payments made to the CONTRACTOR for school-based skills development services during the State fiscal year and calculated as follows

<u>Fiscal Year Medicaid Payments</u>	<u>Fiscal Year Administrative Fee</u>
\$1 - \$500,000	3 percent of total
\$500,000 - \$1,000,000	\$15,000 + 2 percent of amount exceeding \$500,000
Greater than \$1,000,000	\$25,000 + 1 percent of amount exceeding \$1,000,000



- C. Payment of Administrative Fee: The CONTRACTOR agrees to pay the Administrative Fee to the DEPARTMENT within 30 days of the receipt of the DEPARTMENT'S invoice. In the event that the CONTRACTOR's payment is not received within the required timeframe, the DEPARTMENT will temporarily suspend the CONTRACTOR's Medicaid payments for school-based services until payment of the Administrative Fee is received.
- D. Allowable Sources of Funds for State Match and Administrative Fee: By signing this Contract, the CONTRACTOR guarantees that the State Matching Funds and Administrative Fee paid to the DEPARTMENT will only be derived from State or local funds and that the funds have not been transferred to nor received from a non-governmental entity.

## VI. ASSURANCES

- A. The CONTRACTOR assures the DEPARTMENT that individuals delivering and/or supervising the delivery of covered school-based skills development services meet the qualifications specified in Utah's approved Medicaid State Plan and the Utah Medicaid Provider Manual and further, that the delegation of covered skills development activities will conform to applicable State statutes and USOE Special Education rules and regulations.
- B. The CONTRACTOR assures the DEPARTMENT that its employees or subcontractors who are also individually enrolled as Medicaid providers, will not bill independently for school-based skills development services provided under this Contract.
- C. The CONTRACTOR agrees to conduct periodic time/cost studies as required by the DEPARTMENT.
- D. The CONTRACTOR will maintain all records for services rendered under this Contract to fully disclose the extent of services and costs related to billed charges or claims for a minimum of five (5) years after the dates of services, or until all audits in process are complete (whichever is later), and make these records available to the DEPARTMENT. These records include student attendance records, professional assessments and evaluations, Individual Education Plans, notes detailing the health related services needed and provided (services that were the basis for claiming reimbursement), personnel records and financial records. At a minimum, for audit review purposes, the CONTRACTOR's chart of accounts must:
  - 1. Accommodate the identification and isolation of Medicaid revenues received under this Contract;
  - 2. Document that State Matching Funds and Administrative Fees paid to the DEPARTMENT came solely from the CONTRACTOR's State and/or local funds.

- E. The CONTRACTOR assures the DEPARTMENT that it will provide, throughout the period of this Contract, sufficient systems hardware and technical, clerical and administrative staff necessary to ensure timely and accurate claims processing, monitoring, accounting and reporting functions necessary to support this program.

**VII. DISALLOWANCES**

The CONTRACTOR will pay all disallowances of Federal Financial Participation (FFP) resulting from:

- A. Failure of the CONTRACTOR to comply with Federal regulations, Utah’s approved Medicaid State plan, the CONTRACTOR’s Medicaid Provider Agreement, the Utah Medicaid Provider Manual and the terms of this Contract; or
- B. Failure of the CONTRACTOR to implement any corrective action specified by the DEPARTMENT; or
- C. CONTRACTOR mismanagement.

**VIII. MUTUAL AGREEMENTS**

It is mutually agreed by the DEPARTMENT and the CONTRACTOR that:

- A. If for any reason, Federal Medicaid funding to the State is reduced by any amount under block grants, capitation or any other mechanism while this Contract is in effect, the parties will immediately renegotiate a yearly maximum contract amount to conform to the Federal funds reduction.
- B. The CONTRACTOR acknowledges and agrees that its current Medicaid payment codes, modifiers and rates are subject to change upon 30 days prior written notice from the DEPARTMENT.
- C. Medicaid funds the CONTRACTOR receives under the school-based skills development program will only be used to support and enhance the school district’s provision of school-based health related services. Accordingly, by December 31<sup>st</sup> of each year, the CONTRACTOR will submit a report to the DEPARTMENT documenting the total amount of Medicaid school-based skills development revenues the CONTRACTOR received during the prior State Fiscal Year and the amount of those revenues the CONTRACTOR expended for:
- Health Related Personnel Salaries and Benefits: Professionals
  - Health Related Personnel Salaries and Benefits: Para-professionals/ “Aides”
  - Health Related Services Administration: Personnel
  - Health Related Services Administration: Overhead/Equipment/Supplies
  - Durable Medical Equipment Supplies
  - Other (specify)

The CONTRACTOR will send the completed annual report to:

Utah Department of Health  
Bureau of Managed Health Care  
Attn: Michelle Christensen  
PO Box 143104  
Salt Lake City, Utah 84114-3104

FAX: (801) 536-0145

[mchriste@utah.gov](mailto:mchriste@utah.gov)

In no case, will Medicaid funds received by the CONTRACTOR be used to supplant State education funding. The CONTRACTOR will maintain (in accordance with its Medicaid Provider Agreement) financial records sufficient to document compliance with this agreement.

- D. It is mutually agreed that Medicaid school-based skills development service payments the CONTRACTOR receives are conditional and subject to review by the DEPARTMENT to confirm that claims were billed in accordance with policy, using codes and rates approved by the DEPARTMENT and that the CONTRACTOR used Medicaid funds received under this Agreement to support and enhance its provision of health related services.
- E. This Contract may be terminated without cause, in advance of the specified termination date, by CONTRACTOR or the DEPARTMENT upon thirty (30) days written notice. This clause supersedes paragraph 2, under Article XVII, Default, Termination & Payment Agreement, on Page 9 of Attachment A, General Provisions.