Department of Health & Human Services
Centers for Medicare & Medicaid Services
233 North Michigan Avenue, Suite 600
Chicago, Illinois 60601-5519

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

NOV 2 1 2007

Paul Reinhart
Medicaid Director
Michigan Department of Community Health
400 South Pine Street
P.O. Box 30479
Lansing, MI 48909-7979

Dear Mr. Reinhart:

Enclosed for your records is an approval copy of the following State Plan Amendment (SPA).

Transmittal # 07-03 - EPSDT and other Medical Care services provided by School Districts – coverage and reimbursement
Effective 7/01/2008

Under regulations at 42 CFR 430.12(c)(i), States are required to amend State plans whenever necessary to implement changes in Federal law, regulations, policy interpretations, or court decisions. On May 25, 2007, CMS placed a final rule, CMS-2258-FC (Cost Limit for Providers Operated by Units of Government and Provisions to Ensure the Integrity of Federal-State Financial Partnership) on display at the Federal Register and that can be found at 72 Fed. Reg. 29748 (May 29, 2007) that would modify Medicaid reimbursement. Because of this regulation, some or all of the payments under this plan amendment may no longer be allowable expenditures for federal Medicaid matching funds. Public Law 110-28, enacted on May 25, 2007 instructed CMS to take no action to implement this final regulation for one year. CMS will abide by the time frames specified by the statute. Approval of the subject State plan amendment does not relieve the State of its responsibility to comply with changes in federal laws and regulations, and to ensure that claims for federal funding are consistent with all applicable requirements.

If you have any questions, please contact Cynthia Garraway by telephone at (312) 353-8583 or by e-mail at Cynthia.Garraway@cms.hhs.gov .

Sincerely,

Verlon Johnson
Associate Regional Administrator
Division of Medicaid and Children's Health

cc: Nancy Bishop, Michigan Department of Community Health

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTHCARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 07 - 03

2. STATE: Michigan

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

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2008

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 440.40, 440.170 and 447.201(b)

7. FEDERAL BUDGET IMPACT:
a. FFY 08 $ -0-
b. FFY 09 $ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Supplement to Attachment 3.1-A pages 13a.1 thru 13a.9 and 27c.1; and Attachment 4.19-B pages 6a and 14 through ~~16~~ 17 CG

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
Supplement to Attachment 3.1-A, page 27c.1 thru 27g and Attachment 4.19-B, page 6a and 6b.

10. SUBJECT OF AMENDMENT:
EPSDT and other Medical Care services provided by School Districts - coverage and reimbursement

11. GOVERNOR'S REVIEW *(Check One)*:

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☒ OTHER, AS SPECIFIED:
Paul Reinhart, Director
Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:
Paul Reinhart

13. TYPED NAME:
Paul Reinhart

14. TITLE:
Director, Medical Services Administration

15. DATE SUBMITTED:
March 6, 2007

16. RETURN TO:

Medical Services Administration
Program/Eligibility Policy Division - Federal Liaison Unit
Capitol Commons Center - 7th Floor
400 South Pine
Lansing, Michigan 48933

Attn: Nancy Bishop

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18 DATE APPROVED: NOV 21 2007

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
July 1, 2008

20. SIGNATURE OF REGIONAL OFFICIAL:
Verlon Johnson

21. TYPE NAME:
Verlon Johnson

22. TITLE:
Associate Regional Administrator

23. REMARKS:

RECEIVED
MAR 12 2007
DMCH - AHA

FORM HCFA-179(07-92) *Instructions on Back*

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

Amount, Duration and Scope of Medical and Remedial Care Services Provided to the Categorically and Medically Needy

4.b. Medicaid Services that may be provided by Intermediate School Districts:

1. Occupational Therapy

Definition:

Occupational therapy services are available to Medicaid-eligible beneficiaries when medically necessary and as documented in an Individualized Education Program/Individualized Family Service Plan. To be covered, occupational therapy services must require the skills, knowledge and education of an occupational therapist registered (OTR), certified occupational therapist assistant (COTA) or a certified orientation and mobility specialist.

Services:

Occupational therapy services must be prescribed by a physician. Medically necessary services are health care, diagnostic services, treatments and other measures to correct or ameliorate any disability and/or chronic condition. Services include:

A. Evaluations and assessments for the identification of beneficiaries with occupational therapy needs;
B. Evaluation for the purpose of determining the nature, extent and degree of the need for occupational therapy services (or for the assessment of performance levels e.g. strength, dexterity, range of motion, sensation perception, etc.);
C. Evaluations, assessments and training for beneficiaries with loss or lack of vision;
D. Improving, developing, or restoring functions impaired or lost through illness, injury or deprivation;
E. Improving ability to perform tasks for independent functioning when functions are impaired or lost;
F. Direct assistance with the selection, acquisition or use of assistive technology device. Training and coordination using therapies, interventions or services with the device.
G. Preventing, through early intervention, initial or further impairment or loss of function;
H. Evaluation of the needs related to assistive technology device services including a functional evaluation of the beneficiary;
I. Direct assistance with the selection, acquisition or use of assistive technology device. Training and coordination using therapies, interventions or services with the device;
J. Assessment of the beneficiary's skill and performance levels affecting their ability to function or comprehend;
K. Manual therapies (e.g. mobilization /manipulation, manual lymphatic drainage, manual traction, one or more regions).
L. Wheelchair management/propulsion training.

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Occupational therapy services may be provided in an individual or group setting.

Providers:

Occupational therapy services must be provided by a qualified Medicaid provider who meets the requirements of 42 CFR §440.110(b) and in accordance with applicable state and federal law or regulation. Services may be provided by:

A. An occupational therapist currently registered in Michigan
B. A certified and registered occupational therapy assistant under the direction of a certified and registered occupational therapist (i.e., the COTA's services must follow the evaluation and treatment plan developed by the OTR and the OTR must supervise and monitor the COTA's performance with continuous assessment of the beneficiary's progress). All documents must be reviewed and signed by the appropriate supervising OTR.
C. An orientation and mobility specialist certified by the Academy for Certification of Vision Rehabilitation and Education Professionals under the direction of a certified and registered occupational therapist.

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4.b. Medicaid Services that may be provided by Intermediate School Districts:

2. Physical Therapy

Definition

Physical therapy services are available to Medicaid-eligible beneficiaries when medically necessary and documented in an Individualized Education Program/Individualized Family Service Plan. To be covered, physical therapy services must require the skills, knowledge and education of a Licensed Physical Therapist (LPT) or an appropriately supervised Certified Physical Therapy Assistant (CPTA). Medically necessary services are health care, diagnostic services, treatments and other measures to correct or ameliorate any disability and/or chronic conditions.

Services

Physical therapy services must be prescribed by a physician and updated annually. These services include:

A. Evaluations and assessments for the identification of beneficiaries with physical therapy needs;
B. Evaluation for the purpose of determining the nature, extent and degree of the need for physical therapy services;
C. Physical therapy services provided for the purpose of preventing or alleviating movement dysfunction and related functional problems;
D. Obtaining, interpreting and integrating information appropriate to program planning;
E. Direct assistance with the selection, acquisition or use of assistive technology device. Training and coordination using therapies, interventions or services with the device.
F. Training in functional mobility skills (e.g. ambulation, transfers and wheelchair mobility);
G. Stretching and improved flexibility ;
H. Instruction of family or caregivers;
I. Training in the use of orthotic/prosthetic devices.

Physical therapy services may be provided in an individual or group setting.

Providers

Physical therapy services must be provided by a qualified Medicaid provider who meets the requirements of 42 CFR § 440.110(a) and in accordance with applicable state and federal law or regulation. Services may be provided by:

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A. A qualified physical therapist licensed by the State of Michigan (LPT);
B. A Michigan certified physical therapy assistant when the assistant is acting under the direction of a licensed physical therapist (i.e., the LPT supervises and monitors the CPTA's performance with continuous assessment of the student's progress). All documentation must be reviewed and signed by the appropriately licensed supervising LPT.

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4.b. Medicaid Services that may be provided by Intermediate School Districts

3. Speech, Language and Hearing

Definition

Speech therapy services are available to Medicaid-eligible beneficiaries when medically necessary and documented in an Individualized Education Program/Individualized Family Service Plan. Medically necessary health services are health care, diagnostic services, treatments and other measures to correct or ameliorate any disability and/or chronic condition. To be covered, services must require the skills, knowledge and education of a qualified speech language pathologist (SPL) or audiologist.

Services

Speech and language services require a referral from a physician. Covered services include:

A. Evaluations and assessments for the identification of beneficiaries with speech, language or hearing disorders;
B. Diagnosis and appraisal of specific speech or language disorders;
C. Determination of the range, nature and degree of hearing loss, including the referral for medical or other professional attention for the amelioration of hearing;
D. Provision of amelioration activities, such as language amelioration, auditory training, speech reading (lip reading), hearing evaluation and speech conversation;
E. Speech defect corrective therapy;
F. Needs assessment for group and individual amplification;
G. Fitting and testing of hearing aids and other communication devices;
H. Referral for medical or other professional attention necessary for the habilitation of speech or language disorders;
I. Provision of speech or language services for the habilitation or prevention of communicative disorders;
J. Direct assistance with the selection acquisition or use of assistive technology devices. Training and coordination using therapies, interventions or services with the device;
K. Esophageal speech training therapy;
L. Speech reading/aural rehabilitation
M. Fitting and testing of hearing aids.

Speech and language therapy services may be provided in an individual or group setting.

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Providers

Services must be provided by a Medicaid qualified provider who meets the requirements of 42 CFR §440.110(c) and in accordance with other applicable state or federal law.

Services may be provided by:

A. A qualified speech language pathologist possessing a current Certificate of Clinical Competence (CCC) from the American Speech-Language Hearing Association;

B. An appropriately supervised speech-language pathologist and/or audiology candidate (i.e., in his/her clinical fellowship year or having completed all requirements but has not yet obtained a CCC), under the direction of an ASHA certified SLP or licensed audiologist. All documentation must be reviewed and signed by the appropriately credentialed supervising SLP or audiologist.

C. A qualified teacher of students with speech and language impairments with current Michigan Department of Education specialty certificate of endorsement for speech and language impairments when acting under the direction of a qualified ASHA certified SLP or licensed audiologist who meets the requirements of 42 CFR §440.110 and in accordance with other applicable state and federal law.

D. A licensed audiologist.

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4.b. Medicaid Services that may be provided by Intermediate School Districts

This page reserved. The next page is Supplement to Attachment 3.1-A, page 5

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4.b. Medicaid Services that may be provided by Intermediate School Districts

5. Psychological, Counseling and Social Work

Definition

Psychological, Counseling and Social Work services are available to Medicaid-eligible beneficiaries when medically necessary and documented in an Individualized Education Program/Individualized Family Service Plan. To be covered, services must require the skills, knowledge and education of a physician, psychiatrist, psychologist, counselor or social worker.

Services

Medically necessary services are health care, diagnostic services, treatments and other measures to correct or ameliorate any disability and/or chronic condition. These services are intended for the benefit of the Medicaid eligible beneficiary and include:

A. Services provided to assist the beneficiary and/or parents in understanding the nature of the beneficiary's disability;
B. Services provided to assist the beneficiary and/or parents in understanding the special needs of the beneficiary;
C. Services provided to assist the beneficiary and/or parents in understanding the beneficiary's development;
D. Health and behavior interventions to identify the psychological, behavioral, emotional, cognitive and social factors important to the prevention, treatment or management of physical health problems;
E. Counseling services
F. Psychotherapy services to include interactive, insight-oriented or supportive psychotherapy;
G. Administering psychological and developmental tests and other assessment procedures, interpreting testing and assessment results;
H. Obtaining, integrating and interpreting information about beneficiary behavior and conditions related to learning and functional needs, planning and managing a program of psychological services;
I. Evaluating a beneficiary for the purpose of determining the needs for specific psychological, health or related services;
J. Assessing the effectiveness of the delivered services on achieving the goals and objectives of the beneficiary's individual educational program;
K. Assessing needs for specific counseling services;
L. Crisis intervention.

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Psychological, Counseling and Social Work services may be provided in an individual or group setting.

Providers

Services must be provided by qualified providers who meet the requirements of, and in accordance with, 42 CFR §440.50, through §440.60(a) and other applicable state and federal law or regulations. Services may be provided by:

A. A licensed Psychologist;
B. A limited licensed Psychologist, under the supervision of a licensed Psychologist;
C. A licensed Psychiatrist (MD);
D. A licensed Physician (MD or DO);
E. A licensed Counselor;
F. A limited licensed Counselor, under the supervision of a licensed Counselor;
G. A licensed Social Worker;
H. A limited licensed Social Worker, under the supervision of a licensed Social Worker.

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4.b. Medicaid Services that may be provided by Intermediate School Districts:

6. Nursing

Definition

Nursing services are available to Medicaid-eligible beneficiaries when medically necessary and documented in an Individualized Education Program/Individualized Family Service Plan. Nursing services are professional services relevant to the medical needs of the beneficiary, provided through direct intervention. Direct nursing service interventions are provided: within the scope of the professional practice of the Registered Nurse (RN) or Licensed Practical Nurse (LPN); during a face-to-face encounter. Services considered observational or stand-by in nature are not covered. Medicaid policy will follow current Michigan Public Health Code scope of practice guidelines for nursing services.

Services

Covered services include:

A. Catheterization or catheter care
B. Care and maintenance of tracheotomies
C. Prescribed medication administration that is part of the nursing plan of care
D. Oxygen administration
E. Tube feeding
F. Suctioning
G. Ventilator care
H. Evaluations and assessments (RNs only)

Providers – Nursing services must be provided by a qualified nurse who meets the requirements of, and in accordance with, 42 CFR §440.60 and other applicable state and federal law or regulation. Services may be provided by:

A. A licensed registered nurse (RN);
B. A licensed practical nurse (LPN).

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4.b. Medicaid Services that may be provided by Intermediate School Districts

7. Physician

Definition

Physician services are available to Medicaid-eligible beneficiaries when medically necessary and documented in an Individualized Education Program/Individualized Family Service Plan. Physician services are provided with the intent to diagnose, identify or determine the nature and extent of a student's medical or other health related condition.

Services

Covered services include:

A. Evaluation and consultation with providers of covered services for diagnostic and prescriptive services including participation in a multi-disciplinary team assessment;
B. Record review for diagnostic and prescriptive services;
C. Diagnostic and evaluation services to determine a beneficiary's medically related condition that results in the beneficiary's need for Medicaid services.

Providers

Physician services must be provided by a qualified physician or psychiatrist who meets the requirements of, and in accordance with, 42 CFR §440.50(a) and other applicable state and federal law or regulation. Services may be provided by:

A. A licensed physician (MD or DO);
B. A licensed psychiatrist (MD).

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4.b. Medicaid Services that may be provided by Intermediate School Districts

8. Personal Care

Definition

Personal care services are available to Medicaid-eligible beneficiaries when medically necessary and documented in an Individualized Education Program/Individualized Family Service Plan. Personal care services are a range of human assistance services provided to persons with disabilities and chronic conditions. The provision of such services enables them to accomplish tasks that they, if they did not have a disability, would normally do for themselves. Assistance may be in the form of hands on assistance or cueing so that the person performs the task by him/herself.

Services

Covered services include:

A. Eating/feeding
B. Toileting
C. Bathing
D. Grooming
E. Dressing
F. Transferring
G. Ambulation
H. Assistance with self-administered medications
I. Maintaining continence
J. Personal hygiene
K. Mobility
L. Positioning
M. Assistance with food, nutrition and diet activities

Providers

Personal care services must be provided in accordance with 42 CFR §440.167, by a qualified provider who is 18 years or older and has been trained to provide the personal care services required by the client. Services may be provided by:

A. Teacher Aides
B. Health Care Aides
C. Instructional Aides
D. Bilingual Aides
E. Program Assistants
F. Trainable Aides

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4.b. Medicaid Services that may be provided by Intermediate School Districts

9. Specialized Transportation

Definition

Specialized transportation services are available to Medicaid-eligible beneficiaries when medically necessary and documented in an Individualized Education Program/Individualized Family Service Plan.

Services

Services must be provided on the same date that a Medicaid covered service is received. Transportation must be on a specially adapted school bus and provided to transport the beneficiary to and/or from the location where the Medicaid service is received. Transportation services are not covered on a regular school bus.

Providers

Transportation services include direct services personnel (e.g. bus drivers, aides, etc.) employed by or under contract with the school district.

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13d. 7)

This item (7) has been deleted. The next page is 27h (SPA TN 05-06).

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Policy and Methods for Establishing Payment Rates
(Other than Inpatient Hospital and Long Term Care Facilities)

13.e) Intensive/Crisis Residential Services

Reimbursement will be the provider's usual and customary charge to the general public or a maximum allowable cost, on a per diem basis, whichever is less. Preliminary fee screens are adjusted to final once each year. The per diem rate will be an inclusive rate for the covered services provided in the residential setting. Separate rates will be established for persons who attend out of home day programs and those who do not. Medicaid will not pay for room, board and routine supervision for any crisis residential participant.

13.f) Intensive/Crisis Stabilization Services

Reimbursement will be the provider's usual and customary charge to the general public or a maximum allowable cost, whichever is less. Preliminary fee screens are adjusted to final once each year. The reimbursement rate is an inclusive rate for the covered services provided during the crisis stabilization service and is based on a half-hour of intensive/crisis stabilization services.

Note: Page 6b has been deleted. The next page is 6c.

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Policy and Methods for Establishing Payment Rates (Other than Inpatient Hospital and Long Term Care Facilities)

22. Intermediate School Districts Services (ISD)

Reimbursement for services provided in the school setting is based on a provider specific, cost-based methodology that is reconciled annually.

An interim payment is issued based on the following determination of estimated cost. The interim payments are based on previous year cost reports and paid to the ISDs on a schedule determined by the ISDs.

Services include: Occupational Therapy, Physical Therapy, Speech Language and Hearing, Psychological, Physician, Nursing, Personal Care, Targeted Case Management and Transportation. Descriptions of each service are included in the Supplement to Attachment 3.1-A section of this State Plan.

The following providers with current credentials may provide services in the school setting:

- Certified and registered occupational therapists
- Certified occupational assistants
- Certified orientation and mobility specialists
- Licensed physical therapists
- Certified physical therapist assistants
- ASHA certified speech and language pathologists
- Teachers of students with speech and language impairments
- Licensed audiologists
- Licensed psychologist
- Limited-licensed psychologist
- Licensed counselor
- Limited-licensed counselor
- Licensed social worker
- Limited-licensed social worker
- Licensed psychiatrist
- Licensed physician (M.D. & D.O)
- Registered nurse
- Licensed practical nurse
- Aides (providing personal care)
- Bachelors degree case managers

A. Direct Medical Services Payment Methodology
Determination of Total Medicaid Reimbursable Cost:

1. Data capture for the cost of providing health-related services is accomplished utilizing various sources. Medicaid allowable non-federal costs are captured from the following reports:

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a. Medicaid allowable costs reported on the annual SE-4096 – Special Education Actual Cost Report Medical Costs Supplement, This is an ISD specific report that identifies direct costs specified in item #2. Each ISD reports costs only for the specific staff that are identified and included in each staff pool. This report does not include any federal dollars.
b. Cost data reports received from the ISD financial contacts. The cost for Personal Care service staff and Targeted Case Management staff is not included in the SE-4096 Medicaid supplemental cost report. These related salaries, fringes, benefits are gleaned from financial worksheets submitted by the ISDs. This cost data is captured utilizing the same methodology currently utilized for the Administrative Outreach Program cost reporting.
c. Michigan Department of Education Indirect Cost Rate

2. Allowable Direct Costs
Direct costs for direct medical services
   i. Salaries
   ii. Benefits
   iii. Other medically-related costs directly related to the approved direct services personnel for the delivery of medical services such as purchased services/contract costs, travel, materials and supplies.

3. Indirect Cost Rate
Apply the Michigan Department of Education (MDE) Cognizant Agency Indirect Cost Rate to the net direct costs.

4. Net direct costs and indirect costs calculated in steps 2 and 3 are combined. Random Moment Time Study (RMTS) Discount

5. Random Moment Time Study (RMTS) Discount
Apply the appropriate direct service percentage obtained from the CMS approved RMTS methodology to determine the percentage of time that approved service personnel spend on direct services, that include Medicaid covered services, general and administrative time and all other activities to account for 100% of time to assure there is no duplicate claiming for all covered services. The RMTS methodology utilizes mutually exclusive staff pool(s) and statewide random moment samples are pulled each quarter to include a sufficient number of personnel from each staff pool to ensure the time study results will be statistically valid.

6. Medicaid Eligibility Rate (MER) Discount
Medicaid's portion of total net costs is identified by applying the ISD specific MER to the total net costs.

The MER is calculated using the following methodology:

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- Using the December 1 Student Count data, a file containing the names and birthdates of the special education students within the ISD with health related IEP is transmitted to the Michigan Department of Community Health (MDCH).

- MDCH uses this list to run an eligibility match process against the Medicaid eligibility system. The ratio of the total number of Medicaid eligible students with health-related IEPs to the total number of students with health-related IEPs is used to determine the Medicaid Eligibility Rate percentage.

B. Specialized Transportation Services Payment Methodology
Determination of Total Medicaid Reimbursable Cost:

1. Medicaid allowable direct costs are captured utilizing the following reports:

   a. SE-4094 – Special Education costs as reported in the Transportation Expenditure Report and identified in Step #2. This report contains only the costs associated with Special Education buses used for the specific purpose of transporting only Special Education children. This report does not include any federal dollars.
   b. Michigan Department of Education Indirect Cost Rate as identified in Step #3.

2. Allowable direct costs as reported on the SE-4094:
   a. Salaries (columns 4 & 6; lines 2, 4 & 7)
   b. Benefits (columns 4 & 6; line 8)
   c. Purchased Services – Vehicle Related Costs (columns 4 & 6; lines 13 – 18)
   d. Supplies (gasoline, oil/grease, tires, etc.) (columns 4 & 6; lines 20-22)
   e. Other expense/Adjustments (column 4 & 6; line 26, only the costs associated with adjustments to allowable costs)
   f. Bus Amortization (columns 4 & 6; line 27)

3. Indirect Costs
   Apply the Michigan Department of Education Cognizant Agency Indirect Cost Rate to the net direct costs.

4. Net direct costs and indirect costs are combined.

5. Apply Medicaid Eligibility Rate (MER)
   See Section A, step 6 above.

C. Annual Reconciliation and Cost Settlement Process
Health-related services cost reconciliation and settlement:

Within 90 days after the end of the school fiscal year, the ISDs submit the annual cost report (SE-4096 and SE 4094) to the Michigan Department of Education (MDE) and the Michigan Department of Community Health (MDCH). This filed cost report is used by

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MDCH to calculate an interim payment for the following year. Within nine months after the end of the State's fiscal year, the filed cost reports are reviewed by MDE and finalized. The initial settlement is calculated within ninety days of the receipt of the finalized cost reports and may result in either an additional payment or recovery of funds.

Within thirty days MDCH completes the Medicaid Cost Settlement Summary data sheet and Cost Certification form and forwards to the ISDs for approval and signature. The final cost settlement is processed sixty days following the date of the Cost Settlement Summary. If the ISD does not agree with the calculated cost settlement totals they must submit an appeal to MDCH within the first thirty days after receipt of the Cost Settlement Summary. Any discrepancies must be resolved within the ninety days between the initial and the final settlement at which time any under/over adjustments are made.

Specialized transportation cost reconciliation and settlement:

On an annual basis the cost per trip is calculated by dividing the total Medicaid reimbursable cost (Section B, steps 1 through 4) by the number of "allowable" one-way trips paid by the Medicaid Invoice Processing system per ISD. An "allowable" one-way trip is provided to a Medicaid-eligible beneficiary and fulfills all of the following requirements: documentation of ridership is on file, the need for the specialized transportation service is identified in the Individualized Education Program (IEP) or Individualized Family Service Plan (IFSP), and a Medicaid-covered service is provided on the same date of service.

The Medicaid cost settlement amount is obtained by multiplying the total allowable one-way trips billed through the Medicaid Invoice Processing system times the total cost per trip. This total is compared to the interim payments and any over/under settlements are made.

D. Cost Certification:
Sixty days prior to the final settlement the ISDs receive the Medicaid Cost Settlement Summary report and cost certification form. Both forms must be signed, dated and returned to MDCH prior to the final settlement.