

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



March 18, 2014

Stephen Fitton, Medicaid Director
Medical Services Administration
Federal Liaison Unit
Michigan Department of Community Health
400 South Pine
Lansing, Michigan 48933

ATTN: Loni Hackney

Dear Mr. Fitton:

Enclosed for your records is an approved copy of the following State Plan Amendment:

- Transmittal: #13-017 School Based Services Transportation
- Effective: October 1, 2013

If you have any questions, please contact Leslie Campbell at (312) 353-1557 or Leslie.Campbell@cms.hhs.gov.

Sincerely,

/s/

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

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 13 - 17	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 October 1, 2013	

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 447	7. FEDERAL BUDGET IMPACT: a. FFY 2014 \$ 0 b. FFY 2015 \$ 0
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Page 16	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, Page 16
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10. SUBJECT OF AMENDMENT:

This SPA aligns State Plan language with revisions made by the Michigan Department of Education (MDE) to the Transportation Expenditure Report (SE-4094) by eliminating discrepancies in line numbers referenced in the State Plan and those in the revised report. It is only a technical change and does not change the report otherwise.

11. GOVERNOR'S REVIEW (Check One):

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

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Medical Services Administration Actuarial Division Capitol Commons Center - 7th Floor 400 South Pine Street Lansing, Michigan 48933 Attn: Loni Hackney
13. TYPED NAME: Stephen Fitton	
14. TITLE: Director, Medical Services Administration	
15. DATE SUBMITTED: December 18, 2013	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: December 18, 2013	18. DATE APPROVED: 3/18/14
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: October 1, 2013	20. SIGNATURE OF REGIONAL OFFICIAL: /s/
21. TYPE NAME: Verlon Johnson	22. TITLE: Associate Regional Administrator

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

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

- Using the Fall General Collection 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 current, CMS approved, SE-4094 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 (Sec 52 & Sec 53a; Bus Drivers, Aides & Purchased Service – Staff [Bus Drivers & Aides portion only] lines)
 - b. Benefits (Sec 53a; 52 & Sec Employee Benefits line)
 - c. Purchased Services - Vehicle Related Costs (Sec 52 & Sec 53a; Pupil Trans. By Carrier, Pupil Trans. By Carrier (b/y), Family Vehicle K Costs, Contracted Taxis, Pupil Trans. Fleet Ins., & Contracted/Leased Busses lines)
 - d. Supplies (gasoline, oil/grease, tires, etc.) (Sec 52 & Sec 53a; Gasoline/Fuel, Oil/Grease, & Tires/Batteries lines)
 - e. Other expense/Adjustments (Sec 52 & Sec 53a; Other Expense/Adjustment line, only the costs associated with adjustments to allowable costs)
 - f. Bus Amortization (Sec 52 & Sec 53a; Bus Amortization line)
 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 (MOE) and the Michigan Department of Community Health (MDCH). This filed cost report is used by

TN NO.: 13-17

Approval Date: 3/18/14

Effective Date: 10/01/2013

Supersedes
TN No.: 07-03