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State/Territory Name: Florida

State Plan Amendment (SPA) #: 19-0004

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Companion letter
- 3) CMS 179 Form
- 4) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group/Division of Reimbursement Review

March 3, 2020

Beth Kidder
Deputy Secretary for Medicaid
Agency for health Care Administration
2727 Mahan Drive MS #8
Tallahassee, FL 32308

RE: State Plan Amendment FL-19-0004

Dear Ms. Kidder:

We have reviewed the proposed Medicaid State Plan Amendment (SPA), submitted under transmittal number FL 19-0004. This SPA was initially submitted on December 9, 2019 with a stated purpose to include the private and charter school reimbursement methodology for services outlined within the state plan.

Based on the information provided, this amendment was approved on March 3, 2020. The effective date is January 1, 2020. We are enclosing the approved CMS-179 and the plan pages. A companion letter is also being issued to address concerns related to the current school based services reimbursement methodology for public schools and County Health Departments.

If you have any questions, please contact Sid Staton at (850) 878-3486 or Cheryl Wigfall at (803) 252-7299 or by email at Sidney.Staton@cms.hhs.gov or Cheryl.Wigfall@cms.hhs.gov

Sincerely,

Todd McMillion
Acting Director

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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Beth Kidder
Deputy Secretary for Medicaid
Agency for Health Care Administration
2727 Mahan Drive MS #8
Tallahassee, FL 32308

RE: State Plan Amendment FL-19-0004

Dear Ms. Kidder:

This letter is being sent as a companion to our approval of Florida State Plan amendment (SPA) 19-0004 which was submitted for private and charter school reimbursement methodology outlined within the State Plan Attachment 4.19-B Page 3.8.

Our review of FL SPA 19-0004 included a review of the 4.19-B school based payment methodology. In accordance with CMS school based services policy, please revise your current school based services reimbursement methodology for public schools and County Health Departments in Attachment 4.19-B pages 3.2 to 3.7. Your current school based reimbursement methodology is not in compliance with current financing rules. In order to certify cost please develop a methodology in compliance with 2 CFR 200 as implemented by HHS under 45 CFR 75 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS. Please note that you may not pay a rate from a fee schedule, and use this as certification of cost. Cost must be demonstrated using a cost pool (i.e., cost report) and stepping down those costs using some kind of time study (e.g., worker logs, random moment time study, etc.) and a Medicaid enrollment ratio that would step down costs to Medicaid eligible medical services provided to Medicaid enrolled children.

- In reporting, cost providers must adhere to:
 - 2 CFR §200 as implemented by HHS at 45 CFR § 75 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS
 - 42 CFR § 413 Principles of Reasonable Cost Reimbursement (Medicare cost principles)

- Model State Plan Language for CPE funded SBS
 - List 1905(a) qualified services eligible for CPE in the cost report and deliverable in the school based setting
 - Coverage attestation needed to show providers delivering services are Medicaid certified
 - Describe a comprehensive methodology for CPEs
 - Describe a cost pool of allowable direct medical service costs and medical supplies included
 - Describe interim payment for Medical services
 - Describe cost reporting by LEAs, and certification by the state Medicaid agency
 - Describe cost settlement/reconciliation
 - Submit revised Cost Report (CRCS) for capturing direct medical costs for CMS review
 - Capture indirect costs with cognizant agency indirect rate
 - Describe a plan to Step Down costs
 - Submit statistically valid time study to allocate practitioner costs to CMS for review and approval
 - Provide explanation of Medicaid enrollment ratio(s) and how these will be used to capture Medicaid costs

Direct Costs

- Direct costs include salaries and fringes of direct medical personnel, direct medical supplies and equipment, and **costs related to contractors providing services**
- CMS requests states to attest and document that providers are Medicaid qualified

Indirect Costs

- Indirect agency cognizant rate
 - 2 CFR 200.19
 - Often Department of Education
- Usually contractor rates include indirect costs
 - Illustrate no duplication of costs

In addition, it appears that the state may be drawing down administrative claiming funds on the CMS-64 that should be allocated to direct medical school based services. Please see the following as a guide on what should be claimed as Medicaid Administrative Claiming.

Medicaid Administrative Claiming Principles

- An allowable administrative cost may not include overhead costs of operating a facility
- An allowable administrative cost may not include the operating costs of an agency whose primary purpose is other than operation of the Medicaid program
- An allowable administrative cost must be included in a CAP approved by HHS Cost Allocation Services

- Examples of administrative activities:
 - Medicaid Outreach
 - Facilitating Medicaid Eligibility Determinations
 - Translation Related to Medicaid Services
 - Program Planning, Policy Development, and Interagency Coordination for Medical Services
 - Referral, Coordination, and Monitoring of Medicaid Services

Please respond to this letter and the related concerns raised in the companion letter to FL 19-0004 within 90 days with a state plan amendment that addresses the issues described above or a corrective action plan describing how you will resolve the issues identified above. During the 90-day period, we are happy to provide any technical assistance that you need. Failure to adequately address and correct the concerns within 90 days of this letter will necessitate issuance of an official CMS Compliance Letter.

If you have any questions, please contact Sid Staton at (850) 878-3486 or Cheryl Wigfall at (803) 252-7299 or by email at Sidney.Staton@cms.hhs.gov or Cheryl.Wigfall@cms.hhs.gov.

Sincerely,

/s/

Todd McMillion
Acting Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 19-0004	2. STATE Florida
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE December 3, 2019	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN x <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447		7. FEDERAL BUDGET IMPACT: a. FFY 19-20 \$48,738 b. FFY \$	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, pg. 3.8		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>):	
10. SUBJECT OF AMENDMENT: Private and Charter School Reimbursement Methodology			
11. GOVERNOR'S REVIEW (<i>Check One</i>): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: //s//		16. RETURN TO: Ms. Beth Kidder Agency Secretary for Medicaid 2727 Mahan Drive, Mail Stop #8 Tallahassee, FL 32308 Attention: Cole Giering	
13. TYPED NAME: Beth Kidder			
14. TITLE: Deputy Secretary for Medicaid			
15. DATE SUBMITTED:			
17. DATE RECEIVED: 12/09/19		18. DATE APPROVED: 03/03/20	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 01/01/20		20. SIGNATURE OF REGIONAL OFFICIAL: //s//	
21. TYPED NAME: Todd McMillion		22. TITLE: Acting Director	
23. REMARKS: Approved with the following changes to block # 4 and 7 as authorized by state agency on email dated 02/24/20. Block # 4 changed to read: 01/01/20. Block #7 changed to read: FFY20 \$58,486 and FFY 21 \$58,486.			

METHODS USED IN ESTABLISHING PAYMENT RATES
REHABILITATIVE SERVICES: (Continued)

School-Based Services Delivered in Private and Charter Schools

Effective for services on and after January 1, 2020, the Agency for Health Care Administration (AHCA) will reimburse private and charter school providers based upon a state developed fee schedule.

Specifically, the fee schedule is published at

www.ahca.myflorida.com/medicaid/review/fee_schedules.shtml, which has an effective date as of January 1, 2020. All fee schedule rates are less than or equal to the rates paid for the same services described in the 4.19-B pages of the State Plan.