



Michelle Lujan Grisham, Governor
David R. Scrase, M.D., Secretary
Nicole Comeaux, J.D., M.P.H., Director

March 7, 2022

Mr. Bill Brooks, Medicaid Associate Regional Administrator
Division of Medicaid and Children's Health
Centers for Medicare and Medicaid Services
1301 Young Street
Dallas, Texas 75202

Dear Mr. Brooks:

Enclosed please find documents related to New Mexico State Plan Amendment (SPA) 21-0004 Medicaid School-Based Services.

Effective July 1, 2022, the Human Services Department will cover services provided by school districts and Local Education Agencies (LEAs) through a Section 504 Accommodation Plan pursuant to 34 C.F.R. 104.36, an Individual Health Care Plan, or are otherwise medically necessary as appropriate for each covered service.

The proposed changes will allow school-based providers in rural and underserved areas access to an increased pool of eligible practitioners which can bill for services; allow participating schools to seek reimbursement for covered services that are provided outside of an individualized education program (IEP) or an individualized family service plan (IFSP); reduce the administrative burden for schools; ensure that school-based providers are regularly reviewing the eligible recipient's plan of care to establish the ongoing medical need for services; and allow schools to seek reimbursement for covered services that are provided under a 504 Plan, Individual Health Care Plan (IHCP) or other care plan.

HSD followed a process that included public notification, tribal notification and web posting. Documentation of these activities is attached.

Please refer to the attachments for the transmittal form and notices.

We appreciate your consideration of this state plan amendment. Should you have any questions on this amendment, please contact Valeria Tapia at: Valerie.Tapia@state.nm.us or (505) 257-8420.

Sincerely,

A handwritten signature in blue ink, appearing to read "Nicole Comeaux".

Nicole Comeaux, J.D., M.P.H., Director
Medical Assistance Division

cc: Peter Banks, CMS
Lorelei Kellogg, HSD/MAD Deputy Director

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 2 — 0 0 0 4

2. STATE

N M

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX

XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 447; Section 1905(a) of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 23 \$ 61,733,482

b. FFY 24 \$ 67,906,830

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

State Supplement A to Attachment 3.1-A pg. 5d

Attachment 4.19-B pgs. 3c, 3d

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

93-27

TN #15-0015

9. SUBJECT OF AMENDMENT

Medicaid School Based Services - New Mexico Medicaid is expanding services provided by school districts and Local Education Agencies (LEAs) under the Medicaid School-Based Services Program.

10. 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:

11. SIGNATURE OF STATE AGENCY OFFICIAL



12. TYPED NAME
Nicole Comeaux

13. TITLE
Director, Medical Assistance Division

14. DATE SUBMITTED
March 7, 2022

15. RETURN TO

Nicole Comeaux, J.D., M.P.H., Director
Medical Assistance Division
P.O. Box 2348
Santa Fe, NM 87504-2348

FOR CMS USE ONLY

16. DATE RECEIVED

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

F. Direct Medical Services for Local Education Agencies

Local education agencies (LEAs) are reimbursed for the following direct medical services: behavioral health services, case management, nursing services ([including school health services](#)), nutritional counseling, occupational therapy, physical therapy, speech-language services (including audiology services); and transportation services.

For the purpose of making interim Medicaid payments to local education agency (LEA) providers, the New Mexico Medicaid School-Based Services Fee Schedule will be applied to claims submitted to the Medicaid Management Information System (MMIS) for the above services. All rates and any updates or periodic adjustments to the fee schedule are published on the New Mexico Human Services Department website under Providers > Fee for Service > Fee schedules, at: <https://www.hsd.state.nm.us/providers/fee-schedules/> Notices of changes to rates will be made as required by 42 CFR 447.205.

For transportation services, an interim rate will be determined based on a rate that represents the actual cost of providing the transportation service, upon final approval of the SPA and cost allocation plan.

(a.) Direct Medical Services Payment Methodology:

Beginning with cost reporting period July 1, 2015, the New Mexico Medical Assistance Division will begin settling Medicaid reimbursement for direct medical services at cost for all Local Education Agencies (LEAs). This reimbursement at cost methodology will include a quarterly Random Moment Time Study, an annual cost report and reconciled settlement. If payments exceed Medicaid-allowable costs, the excess will be recouped. Once the first year's cost reports are received, and each subsequent year, HSD/MAD will examine the cost data for all direct medical services to determine if an interim rate change is justified.

To determine the Medicaid-allowable direct and indirect costs of providing direct medical services to Medicaid-eligible clients in the LEA, the following steps are performed:

1. Direct costs for direct medical services include unallocated payroll costs and other unallocated costs that can be directly charged to direct medical services. Direct payroll costs include total compensation of direct services personnel listed in the descriptions for the covered Medicaid services delivered by school districts.

Other direct costs include costs directly related to the approved direct services personnel for the delivery of medical services, such as purchased services, direct materials, supplies, and equipment.

Medical devices and equipment are only allowable for the provision of direct medical services. These direct costs are accumulated on the annual cost report, resulting in total direct costs. The cost report contains the scope of the cost and methods for cost allocation that have been approved by the Centers for Medicare & Medicaid Services (CMS).

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Attachment 4.19-B
Page 3d

2. The net direct costs for each service is calculated by applying the direct medical services percentage from the CMS-approved time study to the direct cost in 1 above.

A time study which incorporates a CMS-approved methodology is used to determine the percentage of time medical service personnel spend on medically necessary services, including general and administrative time. This time study will assure that there is no duplicate claiming for administrative costs.

3. Indirect costs are determined by applying the school district's specific unrestricted indirect cost rate to its net direct costs. New Mexico public school districts use predetermined fixed rates for indirect costs. The Public Education Department (PED) is the cognizant agency for the school districts, and approves unrestricted indirect cost rates for school districts for the US Department of Education (USDE). Only Medicaid-allowable costs are certified by providers. Providers are not permitted to certify indirect costs that are outside their unrestricted indirect cost rate.

4. Net direct costs and indirect costs are combined.

5. Medicaid's portion of total net costs is calculated by multiplying the results from Item 4 by applying two separate ratios: a) the total number of Medicaid students divided by the total number of students in the LEA and b) the total number of Medicaid students with an Individualized Education Program (IEP) or Individualized Family Service Plan (IFSP) receiving services divided by the total number of students with an IEP or an IFSP in the LEA.

(b.) Transportation Services Payment Methodology

Effective dates of services on or after July 1, 2015, providers will be paid on an interim cost basis. Providers will be reimbursed interim rates for school-based health services, specialized transportation services at the lesser of the providers billed charges or the interim rate. This reimbursement at cost methodology will include an annual cost report and reconciled settlement. On an annual basis, a cost reconciliation and cost settlement will be processed for all over and under payments. Transportation to and from school may be claimed as a Medicaid services when the following conditions are met:

1. Special transportation is specifically listed in the IEP as a required service;
2. A medical service is provided on the day that specialized transportation is provided; and
3. The service billed only represents a one-way trip

Transportation costs included on the cost report worksheet will only include those personnel and non-personnel costs associated with special education. The cost identified in the cost report includes the following:

State Supplement A to Attachment 3.1A

14. Specific school based services provided by school districts or local education agencies certified by the State Department of Education. Services include EPSDT screens (periodic, inter-periodic and partial); skilled nursing services ([including school health services as well as delegated nursing services which are tasks in accordance with the New Mexico Board of Nursing that may be delegated by the RN to unlicensed school personnel. Delegated staff may include, but is not limited to, school or contracted staff, such as health assistants, teachers, teacher assistants, therapists, school administrators, administrative staff, cafeteria staff, or personal care aides](#)); ~~behavioral~~ mental health services; case management; occupational therapy; physical therapy; speech pathology; audiology services; [nutritional counseling](#); and transportation to and from medically necessary services. ~~prescribed in an Individual Education Plan (IEP) or an Individualized Family Service Plan (IFSP).~~ School based services are services that are listed in a Medicaid beneficiary's Individual Education Program (IEP), Individual Family Service Plan (IFSP), a Section 504 Accommodation Plan pursuant to 34 C.F.R. 104.36, an Individual Health Care Plan (IHCP), or are otherwise medically necessary as appropriate for each covered service. The service must be medically necessary and coverable under one or more of the service categories described in Section 1905(a) of the Social Security Act, as well as [necessary to correct or ameliorate defects or physical or mental illnesses or conditions discovered by an EPSDT screen.](#)

15. Special rehabilitation services which are evaluative, diagnostic and treatment in nature and necessary to correct any defects or conditions or to teach compensatory skills for deficits that directly result from a medical condition. These services include obtaining, interpreting and integrating the above evaluative, diagnostic and treatment information appropriate to an individual's Individualized Family Service Plan.

Special rehabilitation services include the following:

- (a) Speech, Language and Hearing: These are services for individuals with speech, language and hearing disorders. The services are provided by or under the direction of a speech pathologist or audiologist, as the result of a referral by a physician as defined in 42 CFR 440.110(c). These services mean evaluations to determine an individual's need for these services and recommendations for a course of treatment; and treatments to an individual with a diagnosed speech, language or hearing disorder adversely affecting the functioning of the individual.
- (b) Occupational Therapy: These services are prescribed by a physician or other licensed practitioner of the healing arts within the scope of his or her practice and provided by or under the direction of a qualified occupational therapist as defined in 42 CFR 440.110(b). These services mean evaluations of problems interfering with an individual's functional performance and therapies which are rehabilitative, active or restorative, and designed to correct or compensate for a medical problem interfering with age appropriate functional performance.
- (c) Physical Therapy: These services are prescribed by a physician or other licensed practitioner of the healing arts within the scope of his or her practice and provided by or under the direction of a qualified physical

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TN No. 22-0004

Approval Date _____

Supersedes TN No. 15-0015

Effective Date _____

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TN No. 22-0004

Approval Date _____

Supersedes TN No. 15-0015

Effective Date _____

Newspaper Notice: Medicaid School-Based Services (MSBS) SPA 22-0004

The New Mexico Human Services Department (HSD) Medical Assistance Division is providing this notice of opportunity to comment on proposed State Plan Amendment (SPA) 22-0004 Medicaid School-Based Services for Medical Assistance Program (MAP) Eligible Recipients Under Twenty-One Years of Age.

The Human Services Department is making changes to the New Mexico state plan to expand services provided by school districts and Local Education Agencies (LEAs) under the Medicaid School-Based Services (MSBS) Program to include services that are listed in a Medicaid beneficiary's Individual Education Program (IEP), Individual Family Service Plan (IFSP), a Section 504 Accommodation Plan pursuant to 34 C.F.R. 104.36, an Individual Health Care Plan (IHCP), or are otherwise medically necessary as appropriate for each covered service. This includes school health services that may be delegated to unlicensed school personnel as per the New Mexico Board of Nursing.

Effective July 1, 2022, SPA 22-0004 provides that the Department will cover services provided by school districts and LEAs through a Section 504 Accommodation Plan pursuant to 34 C.F.R. 104.36, an Individual Health Care Plan, or are otherwise medically necessary as appropriate for each covered service. The service must be medically necessary and coverable under one or more of the service categories described in Section 1905(a) of the Social Security Act, as well as necessary to correct or ameliorate defects or physical or mental illnesses or conditions discovered by an EPSDT screen.

Proposed amendments to the New Mexico State Plan State Supplement A to Attachment 3.1A

- Effective July 1, 2022, the New Mexico Medical Assistance Division will allow reimbursement for school-based delegated nursing services that may be delegated to unlicensed school personnel as per the New Mexico Board of Nursing.
- School based services are services that are listed in a Medicaid beneficiary's Individual Education Program (IEP), Individual Family Service Plan (IFSP), a Section 504 Accommodation Plan pursuant to 34 C.F.R. 104.36, an Individual Health Care Plan, or are otherwise medically necessary as appropriate for each covered service. The service must be medically necessary and coverable under one or more of the service categories described in Section 1905(a) of the Social Security Act, as well as necessary to correct or ameliorate defects or physical or mental illnesses or conditions discovered by an EPSDT screen.

Proposed amendments to the New Mexico State Plan Attachment 4.19 – B

- Effective July 1, 2022, the New Mexico Medical Assistance Division will allow reimbursement for medically necessary services provided by school districts and LEAs, including those provided under a Section 504 Accommodation Plan pursuant to 34 C.F.R. 104.36, an Individual Health Care Plan, or are otherwise medically necessary as appropriate for each covered service.
- Medicaid reimbursement will be determined utilizing an eligibility ratio depending on the type of the service plan the services were provided under, i.e. Individualized Education Program (IEP)/Individualized Family Service Plan (IFSP) or a Section 504

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO

County of Bernalillo SS

THE NEW MEXICO HUMAN SERVICES DEPARTMENT HAS DISTANCED DIVISIONS PROVIDING THIS NOTICE OF OPPORTUNITY TO COMMENT ON PROPOSED STATE PLAN AMENDMENT

David Montoya, the undersigned, authorized Representative of the Albuquerque Journal, on oath states that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, that payment therefore has been made or assessed as court cost; and that the notice, copy of which is hereto attached, was published in said paper in the regular daily edition, for 1 time(s) on the following date(s):

01/24/2022



OFFICIAL SEAL
Phyllis A. Santora

NOTARY PUBLIC - State of New Mexico

My Commission Expires 7-19-2022

Phyllis A. Santora

David Montoya

Sworn and subscribed before me, a Notary Public, in and for the County of Bernalillo and State of New Mexico this

24 day of January of 2022

PRICE \$369.41

Statement to come at the end of month.

ACCOUNT NUMBER 1009565

HUMAN SERVICES DEPARTMENT

The New Mexico Human Services Department (HSD) Medical Assistance Division is providing this notice of opportunity to comment on proposed State Plan Amendment (SPA) 22-0004 Medicaid School-Based Services for Medical Assistance Program (MAP) Eligible Recipients Under Twenty-One Years of Age.

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Proposed amendments to the New Mexico State Plan State Supplement A to Attachment 3.1A

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- Medicaid reimbursement will be determined utilizing an eligibility ratio depending on the type of the service plan the services were provided under, i.e. Individualized Education Program (IEP)/Individualized Family Service Plan (IFSP) or a Section 504 Accommodation Plan pursuant to 34 C.F.R. 104.36, an Individual Health Care Plan, or are otherwise medically necessary as appropriate for each covered service.

The estimated financial impact is \$61,733,482 (in federal funds) for FFY 23 and \$67,906,830 (in federal funds) for FFY 24.

OPPORTUNITY TO VIEW DOCUMENTS AND MAKE COMMENTS

Medicaid providers, Medicaid recipients, and other interested parties are invited to make comments on this proposed SPA. The complete draft may be found on the Department's website at:

<https://www.hsd.state.nm.us/>

public-information-and-communications/
opportunity-for-public-comment/
public-notice-proposed-waiver-changes-and-opportunities-to-comment/comment-period-open

A written copy of these proposed documents may be requested by contacting the HSD Medical Assistance Division (HSD/MAD) in Santa Fe at (505) 827-1337.

Recorded comments may be left by calling (505) 827-1337. Electronic comments may be submitted to madrules@state.nm.us. All comments must be received no later than 5:00 p.m. Mountain Time (MT) on February 24, 2022. Written or e-mailed comments are preferred because they become part of the record associated with these changes.

Interested persons may address written comments to:
Human Services Department
Office of the Secretary
ATTN: Medical Assistance Division Public Comments
P.O. Box 2348
Santa Fe, New Mexico 87504-2348

Copies of all comments will be made available by HSD/MAD upon request by providing copies directly to a requestor or by making them available on the HSD/MAD website or at a location within the county of the requestor.

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Affidavit of Publication

Ad # 0005098376

This is not an invoice

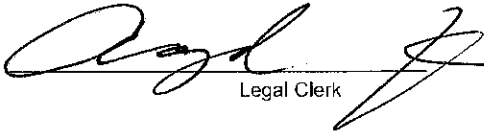
HUMAN SVCS DEPT - ME D ASSIST DIV
PO BOX 2348

SANTA FE, NM 87504-2348

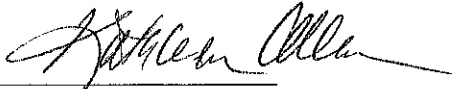
I, a legal clerk of the Las Cruces Sun News, a newspaper published daily at the county of Dona Ana, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

01/24/2022


Desponent further states this newspaper is duly qualified to publish legal notice or advertisements within the meaning of Sec. Chapter 167, Laws of 1937.


Legal Clerk

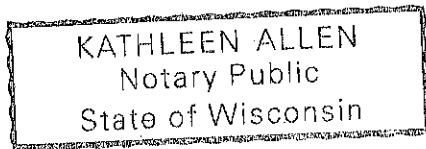
Subscribed and sworn before me this January 24,
2022:



State of WI, County of Brown
NOTARY PUBLIC



My commission expires



Ad # 0005098376
PO #: 63000-0000037020
of Affidavits: 1

This is not an invoice

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Proposed amendments to the New Mexico State Plan Attachment 4.19 - B

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The estimated financial impact is \$61,733,482 (in federal funds) for FFY 23 and \$67,906,830 (in federal funds) for FFY 24.

OPPORTUNITY TO VIEW DOCUMENTS AND MAKE COMMENTS

Medicaid providers, Medicaid recipients, and other interested parties are invited to make comments on this proposed SPA. The complete draft may be found on the Department's website at:

<https://www.hsd.state.nm.us/public-information-and-communications/opportunity-for-public-comment/public-notice-proposed-waiver-changes-and-opportunities-to-comment/comment-period-open/>

A written copy of these proposed documents may be requested by contacting the HSD Medical Assistance Division (HSD/MAD) in Santa Fe at (505) 827-1337.

Recorded comments may be left by calling (505) 827-1337. Electronic comments may be submitted to madrules@state.nm.us. All comments must be received no later than 5:00 p.m. Mountain Time (MT) on February 24, 2022. Written or e-mailed comments are preferred because they become part of the record associated with these changes.

Integrated services may address written comments to:

interested persons may address written comments to:
Human Services Department
Office of the Secretary
ATTN: Medical Assistance Division Public Comments
P.O. Box 2348
Santa Fe, New Mexico 87504-2348

Copies of all comments will be made available by HSD/MAD upon request by providing copies directly to a requestor or by making them available on the HSD/MAD website or at a location within the county of the requestor.

#5098376, Sun-News, January 24, 2022



Michelle Lujan Grisham, Governor
David R. Scrase, M.D., Secretary
Nicole Comeaux, J.D., M.P.H, Director

January 24, 2022

Interested Parties:

The New Mexico Human Services Department (HSD), through the Medical Assistance Division (MAD), is providing this notice of opportunity to comment on proposed State Plan Amendment (SPA) 22-0004 Medicaid School-Based Services for Medical Assistance Program (MAP) Eligible Recipients Under Twenty-One Years of Age.

The Human Services Department is making changes to the New Mexico state plan to expand services provided by school districts and Local Education Agencies (LEAs) under the Medicaid School-Based Services (MSBS) Program to include services that are listed in a Medicaid beneficiary's Individual Education Program (IEP), Individual Family Service Plan (IFSP), a Section 504 Accommodation Plan pursuant to 34 C.F.R. 104.36, an Individual Health Care Plan (IHCP), or are otherwise medically necessary as appropriate for each covered service. This includes school health services that may be delegated to unlicensed school personnel as per the New Mexico Board of Nursing.

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Recorded comments may be left by calling (505) 827-1337. Electronic comments may be submitted to madrules@state.nm.us. **All comments must be received no later than 5:00 p.m. MT on February 24, 2022.** Written or e-mailed comments are preferred because they become part of the record associated with these changes.

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Michelle Lujan Grisham, Governor
David R. Scrase, M.D., Secretary
Nicole Comeaux, J.D., M.P.H., Director

January 24, 2022

RE: Tribal Notification to Request Advice and Comments Letter 22-01: Medicaid School-Based Services for Medical Assistance Program (MAP) Eligible Recipients Under Twenty-One Years of Age

Dear Tribal Leadership, Indian Health Service, Tribal Health Providers, and Other Interested Parties:

Seeking advice and comments from New Mexico's Indian Nations, Tribes, Pueblos and their health care providers is an important component of the government-to-government relationship with the State of New Mexico. In accordance with the New Mexico Human Services Department's (HSD's) Tribal Notification to Request Advice and Comments process, this letter is to inform you that HSD, through the Medical Assistance Division (MAD), is accepting comments until **5:00 p.m. Mountain Time (MT) February 24, 2022**, regarding state plan amendment (SPA) 22-0004: School-Based Services for Medical Assistance Program (MAP) Eligible Recipients Under Twenty-One Years of Age.

The Human Services Department is making changes to the New Mexico state plan to expand services provided by school districts and Local Education Agencies (LEAs) under the Medicaid School-Based Services (MSBS) Program to include services that are listed in a Medicaid beneficiary's Individual Education Program (IEP), Individual Family Service Plan (IFSP), a Section 504 Accommodation Plan pursuant to 34 C.F.R. 104.36, an Individual Health Care Plan (IHCP), or are otherwise medically necessary as appropriate for each covered service. This includes school health services that may be delegated to unlicensed school personnel as per the New Mexico Board of Nursing.

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Tribal Impact

HSD does not anticipate a financial impact to individuals, tribes or their healthcare providers based on these proposed state plan amendments; however, HSD anticipates improved services to eligible recipients.

Tribal Advice and Comments

Tribes and their healthcare providers may view the proposed changes, on the HSD webpage at: <https://www.hsd.state.nm.us/providers/written-tribal-consultations/> **Tribal Notification 22-01.**

Important Dates

Written comments must be submitted by 5:00 p.m. Mountain Time (MT) February 24, 2022. Please send your comments to the MAD Native American Liaison, **Theresa Belanger**, at (505) 670-8067 or by email at: Theresa.Belanger@state.nm.us. All written comments received will be posted on the HSD website at: <https://www.hsd.state.nm.us/providers/written-tribal-consultations/> along with this notification letter. The public posting will include the name and any contact information provided by the commenter.

Tribal Leadership may request a government-to-government consultation by February 24, 2022. This request may be made to: Theresa.Belanger@state.nm.us or by calling (505) 670-8067.

Sincerely,



Nicole Comeaux, J.D., M.P.H.
State Medicaid Director

Standard Funding Questions: Medicaid School Based Services (MSBS) SPA 22-0004

The following questions are being asked and should be answered in relation to all payments made to all providers reimbursed pursuant to a methodology described in Attachment 4.19-B of this SPA. For SPAs that provide for changes to payments for clinic or outpatient hospital services or for enhanced or supplemental payments to physician or other practitioners, the questions must be answered for all payments made under the state plan for such service.

1. Section 1903(a)(1) provides that Federal matching funds are only available for expenditures made by States for services under the approved State plan. Do providers receive and retain the total Medicaid expenditures claimed by the State (includes normal per diem, supplemental, enhanced payments, other) or is any portion of the payments returned to the State, local governmental entity, or any other intermediary organization? If providers are required to return any portion of payments, please provide a full description of the repayment process. Include in your response a full description of the methodology for the return of any of the payments, a complete listing of providers that return a portion of their payments, the amount or percentage of payments that are returned and the disposition and use of the funds once they are returned to the State (i.e., general fund, medical services account, etc.)

STATE RESPONSE: Providers are not required to return any portion of payments for these services.

2. Section 1902(a)(2) provides that the lack of adequate funds from local sources will not result in lowering the amount, duration, scope, or quality of care and services available under the plan. Please describe how the state share of each type of Medicaid payment (normal per diem, supplemental, enhanced, other) is funded. Please describe whether the state share is from appropriations from the legislature to the Medicaid agency, through intergovernmental transfer agreements (IGTs), certified public expenditures (CPEs), provider taxes, or any other mechanism used by the state to provide state share. Note that, if the appropriation is not to the Medicaid agency, the source of the state share would necessarily be derived through either through an IGT or CPE. In this case, please identify the agency to which the funds are appropriated. Please provide an estimate of total expenditure and State share amounts for each type of Medicaid payment. If any of the non-federal share is being provided using IGTs or CPEs, please fully describe the matching arrangement including when the state agency receives the transferred amounts from the local governmental entity transferring the funds. If CPEs are used, please describe the methodology used by the state to verify that the total expenditures being certified are eligible for Federal matching funds in accordance with 42 CFR 433.51(b). For any payment funded by CPEs or IGTs, please provide the following:
 - (i) a complete list of the names of entities transferring or certifying funds;
 - (ii) the operational nature of the entity (state, county, city, other);

- (iii) the total amounts transferred or certified by each entity;
- (iv) clarify whether the certifying or transferring entity has general taxing authority: and,
- (v) whether the certifying or transferring entity received appropriations (identify level of appropriations).

STATE RESPONSE: These services are paid using appropriations from the state legislature from funds received by broad-based taxes levied by the state.

3. Section 1902(a)(30) requires that payments for services be consistent with efficiency, economy, and quality of care. Section 1903(a)(1) provides for Federal financial participation to States for expenditures for services under an approved State plan. If supplemental or enhanced payments are made, please provide the total amount for each type of supplemental or enhanced payment made to each provider type.

STATE RESPONSE: No supplemental or enhanced payments are made.

4. For clinic or outpatient hospital services please provide a detailed description of the methodology used by the state to estimate the upper payment limit (UPL) for each class of providers (State owned or operated, non-state government owned or operated, and privately owned or operated). Please provide a current (i.e., applicable to the current rate year) UPL demonstration.

STATE RESPONSE: These fee schedule changes do not apply to any provider subject to the UPL calculations.

5. Does any governmental provider receive payments that in the aggregate (normal per diem, supplemental, enhanced, other) exceed their reasonable costs of providing services? If payments exceed the cost of services, do you recoup the excess and return the Federal share of the excess to CMS on the quarterly expenditure report?

STATE RESPONSE: If governmental providers were to receive payments that exceed their reasonable cost of providing services, the excess payment would be recovered and the federal share of the excess would be reported and returned to CMS.