

School-Based Individualized Education Plan (IEP) Specialized Transportation Services

Services to eligible children listed on the child’s (IEP) including:

Description: Specialized transportation of a child to/from an appropriate provider site to receive medically appropriate and necessary services, including transportation to/from a school district setting to receive such services.

Qualifications: Effective for dates of service on or after, July 1, 2019 specialized transportation services will be provided in compliance with CMS policy and will be paid for when an eligible participant’s need for special transportation is specified in the IEP as a required service. The child must require specialized transportation in an adapted vehicle to service the needs of an individual with a disability. A medical service must be provided on the day that specialized transportation is billed. School districts will bill Medicaid on a one-way trip and mileage basis, and will subsequently complete an annual cost report detailing allowable transportation costs.

These services are covered in accordance with the requirements in 42 CFR 441.62. All school district specialized transportation requirements will be adhered to relevant to guidance and policy indicated in the Missouri “School-Based Individualized Education Plan (IEP) Specialized Transportation Manual”.

Limitations: Specialized transportation is covered only when it is necessary to receive another Medicaid service, and the need for both the Medicaid service and the specialized transportation are specified in the IEP. Similar transportation would be required if the child was not in a school setting.

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School-Based Individualized Education (IEP) Specialized Transportation Services Payment Methodology

Effective dates of service on or after, July 1, 2019 providers will be paid on a cost basis. Providers will be reimbursed based on interim rates for school based IEP direct services (hereafter referred to as direct services) and specialized transportation services at the lesser of the providers billed charges or the interim rate. This reimbursement as part of a cost based 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. Specialized transportation to and from school may be claimed as a Medicaid service when the following conditions are met:

- 1) Specialized transportation is specifically listed in the IEP as a required service;
- 2) An eligible direct medical service, listed in the IEP, is provided on the day that specialized transportation is provided; and
- 3) The service billed only represents a one-way trip

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

- 1) Drivers
- 2) Aides/Monitors
- 3) Mechanics
- 4) Substitute Drivers
- 5) Fuel
- 6) Repairs and Maintenance
- 7) Rentals
- 8) Contracted Use Cost
- 9) Insurance
- 10) Vehicle Depreciation

The source of these costs will be audited Chart of Accounts data kept at the school district level and by the appropriate contractor determined by the Missouri Department of Social Services (DSS). The Chart of Accounts is uniform throughout the state of Missouri. Costs will be reported on a cash or accrual basis, depending on the school district.

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Specialized transportation costs include those for wheelchair lifts and other special modifications or other appropriate adaptations which are necessary to equip a vehicle to transport children with disabilities.

When school districts are not able to discretely identify the specialized transportation cost from the general education transportation costs, a specialized transportation cost discounting methodology will be applied. A rate will be established and applied to the total transportation cost of the school district. This rate will be based on the total number of specialized vehicles divided by the total number of vehicles used by school districts to provide transportation to students. The result of this rate (%) multiplied by school district Transportation Cost for each of the categories listed above will be included on the cost report.

It is important to note that this cost will be further discounted by the ratio of Medicaid Eligible specialized IEP One Way Trips divided by the total number of specialized IEP One Way Trips. The process will ensure that only one way trips for Medicaid eligible children with IEP's are billed and reimbursed under the Medicaid program.

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