



COMMONWEALTH OF MASSACHUSETTS

Executive Office of Health and Human Services  
MASSHEALTH SCHOOL-BASED MEDICAID PROGRAM

# ***LEA Instruction Guide for Administrative Activity Claiming (AAC)***

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# Executive Summary

The School-Based Medicaid Program (SBMP) offers local education agencies (LEAs) an opportunity to receive federal dollars to offset costs associated with providing certain Medicaid-covered services in a school setting.

Medicaid is a joint state-federal program that offers reimbursement for both the provision of covered services and for the costs of administrative activities that support the Medicaid program. The Executive Office of Health and Human Services (EOHHS) is the single state agency responsible for the operation of the Medicaid program in Massachusetts (MassHealth). The University of Massachusetts Medical School (UMMS) administers the SBMP on behalf of, and in conjunction with, MassHealth.

MassHealth uses a method called the Random Moment Time Study (RMTS) to quantify the time that staff spend doing reimbursable activities. Participation in the RMTS is required under the SBMP Provider Contract as a condition for reimbursement. All employed and contracted practitioners for whom the LEA wishes to seek Administrative Activity Claiming (AAC) reimbursement must be included in the RMTS. Although staff participating in the RMTS are identified as Direct Service practitioners or Administrative Only staff, LEAs receive AAC reimbursement for **all staff in the RMTS**. The RMTS is used for both the Direct Service Claiming (DSC) and AAC reimbursement methodologies. Examples of reimbursable administrative activities include MassHealth outreach or application assistance and coordination of Medicaid reimbursable services. A full list of administrative activities can be found in Appendix D. For details about the RMTS, see the LEA RMTS Coordinator Guide for Random Moment Time Study (RMTS), available on the [SBMP Resource Center](#).

LEAs are required to designate an individual from the LEA as the primary contact for all matters related to the submission of the quarterly Administrative Activity claims. LEAs may also designate another LEA employee or contracted billing agent to assist with AAC. Regardless of designation to an outside entity, as with all LEA contractual obligations, **the LEA is ultimately responsible for ensuring compliance with SBMP program guidelines and deadlines.**

This guide provides an overview of the key components of accurately reporting LEA expenditures that are eligible for Medicaid AAC reimbursement. For step-by-step instructions, please refer to the *Step-by-Step Manual: Administrative Activity Claiming* available by request from UMMS. The step-by-step guide must be used in conjunction with this guide.

# Section 1:

## School-Based Medicaid Program (SBMP) Overview

The school setting provides a unique opportunity for local communities to partner with MassHealth to enroll eligible children, and to assist enrolled children in accessing their benefits. Federal matching funds (called Federal Financial Participation or FFP) are available to contracted LEAs through participation in the SBMP. Final reimbursement for SBMP direct services and administrative activities is based on Medicaid- allowable actual incurred costs.

Massachusetts is authorized to claim federal dollars for direct services and administrative activities through its [State Plan Amendment](#), which is approved by the Centers for Medicare & Medicaid Services (CMS).

### 1.1 How to Use School-Based Medicaid Guides

This guide provides an overview of the Administrative Activity Claiming (AAC) program and is designed for any staff involved in the gathering of allowable expenditure information or implementing SBMP program requirements related to Medicaid AAC reimbursement, including the LEA-designated “Administrative Activity Claim Uploader(s)” and any contracted billing agents. For a general understanding of the SBMP, including Direct Service Claiming (DSC) and AAC, please refer to the SBMP Program Guide for Local Education Agencies, available on the [SBMP Resource Center](#).

Other guides that are available on the Resource Center are referenced throughout this guide. This guide must be used in conjunction with the detailed *Step-by-Step Manual: Administrative Activity Claiming*, available by request from UMMS to ensure accurate and timely filing of AAC claims as required by the provider contract.

Because SBMP guides and resources will be updated on an ongoing basis, it is critical to visit the [SBMP Program](#) for the most up-to-date information. All program bulletins, training materials, and additional resources must be followed and are consistent with the scope of the [School-Based Medicaid Program Provider Contract](#). Materials referenced in this guide, and their availability in the Resource Center, are listed in Appendix C. The SBMP distributes new and updated materials after they are posted online. To receive notification of new materials and other important communications, LEAs must update contacts by filling out the School District Contact Information Form on the [SBMP Resource Center](#).

### 1.2 Applicable Laws, Regulations, and Published Guidance

Any LEA or subcontractor participating in the SBMP must comply with all applicable federal and state laws, regulations, published guidance, and the terms of the Provider Contract (a [sample contract](#) is available on the [SBMP Resource Center](#)), including, but not limited to

- Section 1902(a) of the Social Security Act;

- Code of Federal Regulation (C.F.R.) Titles 42 and 45;
- OMB Uniform Administrative Requirements, Cost Principle, and Audit Requirements for Federal Awards (2 C.F.R. §200);
- OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations;
- [\*Massachusetts School-Based Medicaid Program Provider Contract\*](#);
- [MassHealth School-Based Medicaid Program Bulletins](#); and
- [MassHealth School-Based Medicaid Program Instruction Guides](#).

LEAs are responsible for keeping up to date on and complying with all applicable rules and regulations. LEAs should be aware that applicable regulations, contracts, and other program guidance may be updated from time to time, and such updates may not be reflected in this document.

LEAs may not claim reimbursement for, and staff must be excluded from the RMTS and any Administrative Activity claims in, any of the following situations.

- One hundred percent of the staff person's salary is paid through a federal grant or from other federal funds [including Individuals with Disabilities Education Act (IDEA) funds]. As a reminder, this includes any state or local funds that were a required match to receive the federal grant, which are considered part of the federal funding percentage related to staff salary;
- Medicaid billing vendors are paid on a contingency fee (percent of claim) basis; or
- Staff members' salary is included in the LEA's Indirect Cost Rate. See Appendix G for additional details and excluded account object codes.

## Section 2:

# AAC Overview & LEA Requirements

The AAC program reimburses government agencies for some of the costs of their allowable Medicaid administrative functions when those activities support provision of services as outlined in the Medicaid State Plan. To seek reimbursement, LEAs file quarterly AAC cost reports. Unlike DSC, there are no interim claims for AAC.

Both Direct Service staff and Administrative Only staff costs can be claimed as long as they are included in any pool in the RMTS (any of the Direct Service pools or the Administrative Only pool). The Administrative Only RMTS pool is designed to identify additional staff for whom the LEA is not claiming, or cannot claim, Direct Service reimbursement, but who perform reimbursable Medicaid administrative activities.

As described in Figure 1, the gross Medicaid reimbursement amount for AAC is based on Medicaid-allowable costs for AAC adjusted for RMTS percentages and Medicaid penetration.

**Figure 1:** Calculation to Determine Gross Medicaid Reimbursable Amount for AAC



The RMTS results quantify the time spent performing allowable Medicaid administrative activities. The allowable costs for AAC and allowable administrative activities quantified in the RMTS follow.

### Allowable Medicaid Costs for AAC are captured quarterly and include

- staff salary and employer-paid benefit expenditures;
- specialized transportation expenditures\*;
- out-of-district tuition expenditures;
- material and supply expenditures when in support of Medicaid administrative activities;
- indirect costs through the application of the Department of Elementary and Secondary Education (DESE)-approved indirect cost rate; and
- capital costs through the application of a capital percentage allocation rate.

\*Note: Specialized transportation reimbursement in AAC includes reimbursement for both the scheduling and arranging of Medicaid-covered specialized transportation services as a Medicaid administrative activity, as well as the cost of the provision of transportation services as a Medicaid Direct Service. Please see Section 5 for additional information.

## Reimbursable Administrative Activities

There are seven types of reimbursable administrative activities quantified by the RMTS.

1. Medicaid Outreach—informing eligible or potentially eligible individuals and families about MassHealth and accessing MassHealth benefits.
2. Application Assistance—assisting individuals or families to apply or renew eligibility for MassHealth.
3. Provider Networking/Program Planning/Interagency Coordination—participating in activities to develop strategies to improve the delivery of covered services, including collaborative activities with other agencies regarding covered services.
4. Individual Care Planning, Monitoring, Coordination, and Referral for Covered Services—making referrals to covered services, coordinating, or monitoring the delivery of covered services.
5. Arranging MassHealth-covered transportation.
6. Arranging or providing translation or interpretation services when required to access covered services.
7. Training—participating in and coordinating (including providing) training related to Medicaid topics.

For more information and examples, please see Appendix D.

## Educational Activities Are non-Reimbursable Activities

The SBMP is a Medicaid health program, not an educational program. Therefore, educational activities are not reimbursable. Some examples of non-reimbursable activities include

- planning, preparing for, or attending IEP meetings;
- working to obtain any parental consent (e.g., to meet DESE/Family Educational Rights and Privacy Act (FERPA) requirements or permission to treat students);
- providing student supervision; and
- educational, vocational, academic, or disciplinary activities.

## 2.1 Filing Deadlines and Certification

LEAs must submit all quarterly AAC claims electronically through the Administrative Activity Claiming System website. Details on how to use the system are available in the *Step-by-Step Manual: Administrative Activity Claiming*, available in the system for authorized users.

Claims should be submitted quarterly. The final deadline for all administrative claims for the previous fiscal year is midnight on October 15. This includes amendments that increase the amount of the claim (“positively amended claims”). The October 15 deadline applies regardless of holidays and weekends. Exceptions to the October 15 deadline will be granted only for extraordinary circumstances. In such instances, the provider must request approval from MassHealth, in writing, describing the circumstances at least 10 days before the submission deadline (i.e., no later than October 5). See Table 1 for the quarterly submissions schedule.



Before the beginning of each school year, MassHealth posts all important program deadlines, including RMTS deadlines, on the [SBMP Resource Center](#). For the current fiscal year deadlines, please see SBMP Schedule SFYXX.

The Certification of Public Expenditure (CPE) must be signed by an officer of the LEA, such as the school superintendent or the business manager. (See Appendices E and F for examples of original and amended certification form letters). The CPE will be prepopulated and must be downloaded from the AAC system following approval of the submitted claim. LEAs must submit signed original CPE letters by midnight on the dates in Table 1. These letters should be sent to the University of Massachusetts Medical School (UMMS) on school district letterhead, at the following address.

School-Based Medicaid Program Commonwealth Medicine  
University of Massachusetts Medical School  
333 South Street  
Shrewsbury, MA 01545

**Table 1:** AAC Submission Schedule

Claim Quarter	Quarter Dates	Submission Deadline	CPE Deadline
Q1	July 1–Sept 30	January 15	January 20
Q2	Oct–Dec 31	April 15	April 20
Q3	Jan 1–Mar 31	July 15	July 20
Q4	Apr 1–June 30	October 15	October 20

Notes on Deadline and Certification of Negative Amendments (Overpayments)

- Providers must file amendments that reduce the amount of the claim in the case of an overpayment (“negatively amended claims”). Please refer to [All Provider Bulletin 224](#) for all overpayment disclosure processes and requirements.
- The Amended CPE letter must be signed by an officer of the LEA, such as the school superintendent or the business manager. (See Appendix F for example of amended certification form letters.)

## 2.2 Designating an LEA AAC Preparer

The LEA AAC Preparer oversees compliance with all RMTS requirements on behalf of the LEA. LEAs may designate one or more LEA employees or a contracted billing agent to assist with these operations. Regardless of designation to an outside entity, as with all LEA contractual obligations, **the LEA is ultimately responsible for ensuring compliance with SBMP program guidelines and deadlines as outlined in this guide**. Accordingly, LEAs should monitor the AAC claim submission to ensure it submitted accurately and on time. To update the AAC Preparer designation as required, complete the School-Based Medicaid Program: Authorized Designee Information Form on the [SBMP Resource Center](#). The completed and signed form should be scanned and sent to UMMS via email to [schoolbasedclaiming@umassmed.edu](mailto:schoolbasedclaiming@umassmed.edu).

## 2.3 Requirements for Reporting Expenditures

- Except where otherwise specifically noted, LEAs must report all expenditures in Administrative Activity claims as actual expenditures during the quarter in which the expenditure occurred (i.e., the “check date” of the expenditure determines the reporting period, not the service date that the expenditure may have been for). The only exception to this rule is that prepaid expenditures must be claimed in the period in which the services were rendered.

### Excluded Expenditures Applicable to ALL AAC Expenditures

- LEAs must exclude restricted federal funding from the report of actual LEA expenses.

Only state/ local funding sources may be included.

- LEAs must exclude expenditures that were used to satisfy a federal matching requirement (2 C.F.R. § 200.306).
- Costs related to Medicaid billing contractors/vendors who are paid on a contingency fee (percent of claim) basis must be excluded.
- Any expenditures (including staff salaries) included in the LEA’s Indirect Cost Rate must be excluded. See Appendix G for additional details and excluded account object codes.
- Additional exclusions that are applicable to specific sections of AAC are indicated in those sections to follow.

## 2.4 Record Retention and Audit Preparedness

LEAs are responsible for ensuring program compliance and must certify, under penalties of perjury, that all Administrative Activity claims are accurate. For reference, the CPE form and mandatory certification statements can be reviewed in Appendix E. The federal government regularly audits the SBMP, and all costs are subject to audit review by MassHealth and other state and federal agencies. LEAs are responsible for ensuring that the appropriate documentation can be produced in the event of an audit or other request by MassHealth or other state or federal compliance agency. Failure to do so may result in a recoupment or termination from the program as described in the Provider Contract. A [model contract](#) is available on the [SBMP Resource Center](#).

Per Section 4.2.A. of the Provider Contract:

“The Provider agrees to make, keep and maintain in a systematic and orderly manner, and have readily retrievable, such records as are necessary to fully disclose the type and extent of all Direct Services and Administrative Activities provided to Members, including, but not limited to, the records described in 130 CMR 450.205 and the records described in federal regulations at 42 C.F.R. § 431.107. The Provider further agrees that such records shall be created at the time Direct Services and Administrative Activities are delivered, and that such records shall be retained by the Provider for the period required under 130 CMR § 450.205.”

Per 130 CMR § 450 .205:

“All such records shall be created at the time Direct Services or Administrative Activities are delivered and shall be retained by the LEA for at least six years following the date of filing of the cost report (or AAC) for the period which included the date the services were provided.”

## Section 3:

# LEA Contracted and Employed Staff Salary and Benefit Expenditures

Personnel costs may be claimed in AAC for the staff who are reasonably expected to perform reimbursable Medicaid Administrative Activities and were included in the appropriate cost pool (DSC or Administrative Only) within the Random Moment Time Study (RMTS) participant list. Contracted and directly employed staff are claimed the same way and will be referred to as “staff” or “staff members” in this guide.

The SBMP reimburses LEAs based on actual costs incurred for reimbursable administrative activities through the AAC Program. RMTS is used to quantify the proportion of reimbursable staff time for the purpose of allocating staffing costs. For information regarding the RMTS, please review the [LEA RMTS Coordinator Guide for Random Moment Time Study](#) available on the [SBMP Resource Center](#)

### 3.1 Which Staff Members Can Be Claimed?

Personnel costs may only be included in an AAC when all the following conditions have been met.

1. Staff were included as participants in the first possible RMTS participant list following their date of hire or change in job position (per the RMTS participant list submission deadlines described in the [LEA RMTS Coordinator Guide for Random Moment Time Study](#)).
2. Staff were indicated in the RMTS participant list as being a minimum of one percent funded from state or local funds.
3. The staff member was working, or was not working but was using employer-paid benefit time during the claiming period. [Please note: Submission of a Change of Status (COS) request indicating that a staff member was terminated or out of work on unpaid time is equivalent to removal of that participant from the RMTS. Therefore, no costs may be included for those periods of time even if the COS request was submitted in error.]
4. For staff included in a Direct Service RMTS pool (pools 1, 2, or 3), the provider qualifications to perform Medicaid-covered direct services were met, including holding an active license for the time period claimed. (Refer to the [Local Education Agencies Covered Services and Qualified Practitioners](#) document on the SBMP Resource Center for a complete list of Direct Service practitioners and their corresponding licensure requirements.)

#### Excluded Expenditures

- Please refer to the exclusions in Section 2.3, which apply to all expenditures reported in AAC, including personnel costs.

## 3.2 Allowable Personnel Expenditures

LEAs can include expenditures that are staff costs related to each staff member's performance of the job position that qualified that staff member for reimbursement in the SBMP. Any personnel costs related to a staff member's employment for separate and unrelated duties must be excluded. For example:

- Stipends paid for supervision of extracurricular activities (such as an athletic coach or club advisor, etc.) should be excluded from the claim.
- For staff who hold two part-time job positions where only one is qualified for Medicaid participation, such as a part-time occupational therapy assistant (OTA) who also works part time in the cafeteria, only those costs attributable to the salaries and benefits earned as the OTA should be included.

LEA personnel costs are reported in the AAC using a salary and benefits worksheet that requires the costs to be categorized as follows.

1. **Actual Quarterly Salary**—The staff member's actual salary or contractual payment amount for the period before the federally funded percentage is applied. For expenditures paid to a contracted agency that included the costs of multiple contracted staff, the expenditures must accurately break out individual expenditure per contractor.
2. **Federally Funded Percentage**—The percentage of a staff member's salary (or contractor's quarterly payment) that is funded from federal grant(s) or any federal funding source. This includes any state or local funds that were a required match to receive the federal grant. These dollars should also be considered part of the federal funding percentage. A percentage between 0.00 and 100 must be reported. The field may not be left blank.
3. **Salary Without Federal Funding**—The staff member's actual salary or contractual payment amount for the period, after the federally funded portion has been deducted. This is calculated by the AAC system if online data entry is used.
4. **Unemployment**—The actual employer-paid unemployment contribution for the staff member. This amount must be zero for contracted staff.
5. **Health Insurance**—The actual employer-paid health insurance amount for the staff member. This amount must be zero for contracted staff.
6. **Medicare Tax**—The actual employer-paid Medicare tax for the staff member. This amount must be zero for contracted staff.
7. **Workers' Compensation**—The actual employer-paid workers' compensation insurance contribution for the staff member. This amount must be zero for contracted staff.
8. **Retirement**—The actual employer-paid retirement contribution for the staff member. This amount must be zero for contracted staff.
9. **Other Benefits**—The total amount of any actual employer-paid benefits for the staff member not categorized above. This amount must be zero for contracted staff.

# Section 4:

## Medicaid Penetration Factor

Reimbursement is available only if provided to MassHealth-enrolled members between three and 21 years of age (until the student's 22nd birthday) who are eligible for federal reimbursement for nonemergency services. In general, this includes most MassHealth Standard, CommonHealth, Family Assistance, or CarePlus members.

For the AAC reimbursement calculation, LEAs must determine the percentage of their total student population (see Section 4.2) who are actively enrolled in MassHealth as of the defined eligibility snapshot date for the quarter.

### 4.1 Eligibility Snapshot Dates

LEAs must identify a list of all students between three and 21 years of age (until the student's 22nd birthday) for whom the LEA is financially responsible (see Section 4.2) with an effective snapshot date of the fifth day of the quarter. This list of students is referred to as the "LEA Total Student Population" for the quarter.

**Table 2:** Eligibility Snapshot Date to Determine Financial Responsibility for a Student

Claim Quarter	Quarter Dates	Eligibility Snapshot Date
Q1	July 1–Sept 30	July 5
Q2	Oct 1–Dec 31	October 5
Q3	Jan 1–Mar 31	January 5
Q4	Apr 1–June 30	April 5

### 4.2 LEA Total Student Population and Financial Responsibility

The SBMP reimburses the public entity that has the financial responsibility for providing services to the student, regardless of where the student attends school. In general, if a student resides in one district (district A) and attends school in another (district B), and district A pays for the student to attend district B, then only district A may file a Medicaid claim or include that student in its enrollment roster for the Medicaid Penetration Factor.

The exception is if a student attends a regional vocational/technical school, agricultural school district, or charter school. In such cases, only the regional vocational/technical school, agricultural school district, or charter school is eligible to file a Medicaid claim on behalf of the student. The sending public school district cannot submit claims for any such student or include that student on their enrollment roster for the Medicaid Penetration Factor.

LEAs should refer to the guidance of the Department of Elementary and Secondary Education (DESE) with any questions regarding the determination of financial responsibility for a student as governed by 603 CMR 10 (<http://www.doe.mass.edu/lawsregs/603cmr10.html?section=all>).

The following table describes the financial responsibility situations that occur with student enrollment for the purpose of claiming costs under the School-Based Medicaid Program.

**Table 3:** Financial Responsibility Determination for Claiming Costs under the SBM

Sending LEA	Receiving LEA	LEA with Financial Responsibility	LEA Claiming the Student under Medicaid (including for Eligibility Statistics)
Public School District (SD)	Public SD (School Choice)	Sending Public SD	Sending Public SD
Public SD	Charter School *	Sending Public SD	Charter School
Public SD	Home School	Sending Public SD	Sending Public SD
Public SD	Private School [Special Education (SPED) placement]	Sending Public SD	Sending Public SD
Public SD	Private School (parentally placed)	Private School **	N/A
Public SD	Regional SD (School Choice)	Sending Public SD	Sending Public SD
Public SD	Regional Voc/Tech	Sending Public SD	Regional Voc/Tech
Regional SD	Public SD (School Choice)	Sending Regional SD	Sending Regional SD
Regional SD	Charter School **	Sending Regional SD	Charter School
Regional SD	Home School	Sending Regional SD	Sending Regional SD
Regional SD	Private School (SPED placement)	Sending Regional SD	Sending Regional SD
Regional SD	Private School (parentally placed)	Private School *	N/A *
Regional SD	Regional SD (School Choice)	Sending Regional SD	Sending Regional SD
Regional SD	Regional Voc/Tech	Sending Regional SD	Regional Voc/Tech
Public SD	Any METCO	Receiving METCO SD	Receiving METCO SD
Regional SD	Any METCO	Receiving METCO SD	Receiving METCO SD
Public SD	Commonwealth Virtual School(s)	Sending Public SD	Sending Public SD

\* Horace Mann charter schools are part of a public school district and can be considered part of an LEA for this table.

\*\* Private schools are not eligible to participate in the SBMP.

## 4.3 Medicaid Eligibility Matching

LEAs must determine which students from their LEA Total Student Population (see Sections 4.1 and 4.2) are Medicaid-eligible by completing a match using the SBMP Medicaid Eligibility Matching online system. For instructions on completing the Medicaid Eligibility match, see the *Step-by-Step Manual: Student Medicaid Eligibility Matching*, available by request from UMMS. The matching results are reported in the quarterly administrative claim.

### **Matching results from the Summary Report must be identical as reported statistics.**

The results of the Medicaid Eligibility match are provided in an Excel file, which includes a Summary Report. The number of students in each category listed in the Summary Report must be the same as the statistics reported in the quarterly AAC for the number of Medicaid, CHIP-Expansion, CHIP-Stand Alone students, and the total number of students in the LEA for quarter. LEAs, or their designee, must use the online matching system's features which allow for manually matching student records to Medicaid records, including the feature that allows the LEA to override automated or previous manual matching decisions when appropriate. For instructions on completing the Medicaid Eligibility match, including using the manual matching and override features, see the *Step-by-Step Manual: Student Medicaid Eligibility Matching*.

Using the SBMP Medicaid Eligibility Matching System Summary Report for the quarter, report the following statistics in the AAC.

- total students in district on the fifth day of quarter;
- total Medicaid students;
- total CHIP-Stand Alone students; and
- total CHIP-Expansion students.

The resulting Medicaid Penetration Factor will be calculated by the system.

# Section 5:

## Specialized Transportation Expenditures

[Specialized transportation](#) is defined as transportation in a vehicle that is specially equipped or physically adapted/modified, to accommodate students with specialized medical needs to transport them to school where the student receives Medicaid Covered Services or to receive covered services from a provider outside of school. The need for specialized transportation must be noted in the student's IEP, and the LEA must have documentation (in the IEP or elsewhere that can be produced upon audit or review) of the specific specialized physical equipment required to meet the student's needs. Note, per CMS guidance: The presence of an aide, bus monitor, personal care service provider, nurse, or other medical professional alone does **not** qualify as "specialized" transportation. The SBMP reimbursement methodology, as approved by CMS, allows LEAs to be reimbursed for both the scheduling and arranging of Medicaid-covered specialized transportation services as a Medicaid Administrative activity, as well as the cost of the provision of transportation services as a Medicaid Direct Service, all within the Administrative Activity claim.

### 5.1 Expenditures for Medicaid Administrative Specialized Transportation Services

LEAs can seek reimbursement for the cost of scheduling and arranging Medicaid-covered specialized transportation services by including the staff members who perform that administrative activity in the RMTS. The RMTS will appropriately capture time spent on this reimbursable administrative activity, and the inclusion of the staff in the RMTS allows for the salary and benefit costs of those staff members to be included in the AAC.

Other costs related to scheduling and arranging specialized transportation, such as any applicable material and supply costs, are claimed in the AAC in the appropriate Medicaid administrative activities cost category.

### 5.2 Expenditures for Direct Provision of Specialized Transportation

Claimable expenditures related to the provision of specialized transportation include

- expenditure to a transportation provider or company for specialized transportation only;
- the rent or lease of a specialized vehicle in the quarter in which the expenditure was made;
- salaries of drivers of specialized transportation vehicles owned, rented, or leased and operated by the LEA; and
- maintenance and repair costs for specialized transportation vehicles owned/rented/leased and operated by the LEA.



## Excluded Expenditures

The following expenditures are not claimable under AAC:

- regular school transportation and the cost of bus monitors or transportation aides;
- the cost of a personal care service provider, nurse, or other qualified medical practitioner who accompanies the student while being transported for the purpose of providing medically necessary medical services to the student. These practitioners may be reimbursable through the Direct Service reimbursement portion of the SBMP when all requirements for reimbursement are met. See the *SBMP Direct Service Claiming (DSC) Program Guide* for additional information.
- The costs related to AAC expenditures exclusions indicated in Section 2.3.

## 5.3 Eligibility Statistics for Specialized Transportation

To calculate the reimbursable portion of specialized transportation costs, LEAs must identify the following student statistics. The system will calculate the Specialized Transportation IEP Ratio.

1. **Total Number of Students who received a Specialized Transportation Service.** From the “LEA Total Student Population” for the quarter identified in Section 4, LEAs must identify a list of all students who received specialized transportation services. This is a subset of the LEA Total Student Population, referred to as the “LEA Specialized Transportation Population.” The LEA Specialized Transportation Population must include all students who are transported in a vehicle that is specially equipped or physically adapted/modified to accommodate students with specialized medical needs, regardless of whether the students themselves have specialized medical needs. This means that any students riding in that vehicle for any reason are counted and reported in this statistic.
2. **Total Students who receive a Specialized Transportation Service Pursuant to an IEP for a Medical Reason.** From the “LEA Specialized Transportation Population” above (5.3.1) for the quarter, identify the students who have qualified specialized transportation included in their IEP for a medical reason. This statistic is reported in the claim directly.
3. **LEA IEP Student Population.** From the “LEA Total Student Population” for the quarter identified in Section 4, LEAs must identify all students with an IEP as of the snapshot date (see Section 4.1). This is a subset of the LEA Total Student Population, referred to as the “LEA IEP Student Population.” This list of students will be used to complete a Medicaid Eligibility match as described in Section 5.4.

## 5.4 Medicaid Eligibility Matching for Specialized Transportation

To calculate the reimbursable portion of specialized transportation costs, LEAs must determine which students from their **LEA IEP Student Population** are Medicaid-eligible for the quarter by completing a match using the SBMP Medicaid Eligibility Matching online system. For instructions on completing the Medicaid Eligibility match, see the *Step-by-Step Manual: Student Medicaid Eligibility Matching*. The matching results will be entered into the quarterly administrative claim.

### Matching results from the Summary Report must be identical to reported statistics.

- The results of the Medicaid Eligibility match are provided in an Excel file, which includes a Summary Report. The number of students in each category listed in the Summary Report must be identical to the statistics reported in the quarterly AAC for the number of Medicaid, CHIP-Expansion, CHIP-Stand Alone students, and the total number of IEP students in the LEA for the quarter.
- LEAs, or their designee, must use the online matching system's features that allow for manually matching student records to Medicaid records, including the feature that allows the LEA to override automated or previous manual matching decisions where appropriate. For instructions on completing the Medicaid Eligibility match, including using the manual matching and override features, see the *Step-by-Step Manual: Student Medicaid Eligibility Matching*.

## 5.5 Annual Supplemental Report of Medicaid Students Receiving Qualified Specialized Transportation

On an annual basis, by September 30 following the end of each fiscal year, LEAs participating in transportation reimbursement must submit a list of Medicaid-enrolled students who received Specialized Transportation that met the Medicaid definition stated at the beginning of this section, and for whom the LEA has parental consent to share the student's information, to the state's SBMP contractor using the required report format shown in Appendix H. This list should be submitted by the designated claim preparer following the instructions in the *Step-by-Step Manual: Administrative Activity Claiming*. Failure to submit the required annual Specialized Transportation Supplemental Report may result in disallowance of the LEA's transportation reimbursements for the fiscal year.

Required Information for Medicaid Specialized Transportation Student List:

1. Student First Name
2. Student Last Name
3. Student Medicaid ID
4. Student Unique Student ID (either LEA's student ID or SASID)
5. Start Date for Specialized Transportation
6. End Date for Specialized Transportation (leave blank if not specified/unknown)
7. Brief description of specialized transportation accommodation(s) (e.g. wheelchair lift, 3-point restraint harness)

See Appendix H for an example report.

# Section 6:

## Capital Costs - Depreciation Allowance

LEAs can receive reimbursement for the depreciation costs associated with capital assets. Capital assets that may be included in an Administrative Activity Claim include capital assets in active use and occupancy by the LEA during the fiscal year. These costs are used to calculate a capital percentage allocation rate that is applied to the AAC claim. Capital assets are reported in one of three categories:

1. buildings and fixed assets;
2. major movables; or
3. net interest expense.

LEAS must report on capital assets described in this section on a quarterly basis. Reported costs “must be supported by adequate property records, and physical inventories must be taken at least once every two years to ensure that the assets exist and are usable, used, and needed” (2 C.F.R. §200.436(e)).

“Acquisition cost means the (total) cost of the asset including the cost to ready the asset for its intended use. For example, acquisition cost for equipment means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Acquisition costs for software include those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Ancillary charges such as taxes, duty, protective in transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with the recipient's or subrecipient's regular accounting practices.” (2 C.F.R. § 200.1).

Per 2 C.F.R. § 200.1 capital assets reported in this section “means tangible assets currently in use in operations [of the LEA] having a useful life of more than one year which are capitalized in accordance with Generally Accepted Accounting Principles (GAAP)” (§ 200.1) and have a per-unit acquisition cost of \$5,000 or more for claiming periods prior to 10/1/24 and \$10,000 or more for claiming periods after 10/1/24 (beginning with the AAC claim for SFY 2025 Q2) . Capital assets include:

- a) “Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, exchange, or through a lease accounted for as financed purchase under Government Accounting Standards Board (GASB) standards or a finance lease under Financial Accounting Standards Board (FASB) standards; and” (2 C.F.R. § 200.1) and
- b) “Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance)” (2 C.F.R. § 200.1).

Additionally, LEAs must report the annual total budgeted district-wide salaries and benefits amount and full-time equivalent (FTE) that are used in the calculation of the capital percentage allocation rate.

### 6.1 Buildings and Fixed Assets

LEAs must enter and itemize the acquisition cost of buildings and fixed assets in active use and occupancy by the LEA during the claim period. LEAs are required to report the actual acquisition cost of capital assets, not insured values or replacement values.

Note: “For an asset donated to the non-Federal entity by a third party, its fair market value at the time of the donation must be considered as the acquisition cost” (2 C.F.R. § 200.436).

Acquisition costs of buildings and fixed assets include costs related to

- “The entire building, including the shell and all components, may be treated as a single asset and depreciated over a single useful life. A building may also be divided into multiple components. Each component may be depreciated over its estimated useful life in this case. The building components must be grouped into three general components: building shell (including construction and design costs), building services systems (for example, elevators, HVAC, and plumbing system), and fixed equipment (for example, sterilizers, casework, fume hoods, cold rooms, and glassware/washers))” (2 C.F.R. § 200.436(d)(3));

“Acquisition costs of buildings and fixed assets do not include the following:

- “The cost of land” (2 C.F.R. § 200.436(c)(1));
- “Any portion of the cost of buildings and equipment borne or donated by the Federal Government, irrespective of where the title was originally vested or where is presently located” (2 C.F.R. § 200.436(c)(2));
- “Any portion of the cost of buildings and equipment contributed by or for the recipient or subrecipient that is already claimed as cost sharing or where law or agreement prohibits recovery” (2 C.F.R. § 200.436(c)(3)).
- Costs related to “[a]ny assets that have outlived their depreciable lives” (2 C.F.R. § 200.436(d)(4)); or
- Costs related to equipment that is merely attached or fastened to the building, but not permanently fixed to it, which is used as furnishing, decoration, or for specialized purposes. Such items may be included in the major movables cost (see Section 6.2.);

## 6.2 Major Movables

LEAs must enter and itemize the acquisition cost of Major Movable assets in active use by the LEA during the claim period. Major moveable assets include:

- the acquisition costs of the school district’s equipment that is not included in the value of buildings and fixed assets, which meet the definition of
  - equipment, which means “tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the recipient or subrecipient for financial statement purposes, or \$5,000 for claiming periods prior to 10/1/24 and \$10,000 or more for claiming periods after 10/1/24 (beginning with the AAC claim for SFY 2025 Q2) (2 C.F.R. §

200.1); or

- general purpose equipment, which means “equipment which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.” (2 C.F.R. § 200.1).
- “Capital expenditures for improvements to equipment which materially increase their value or useful life” (2 C.F.R. § 200.439(b)(3)).

Major Movable Valuation **does not include:**

- “The cost of land” (2 C.F.R. § 200.436(c)(1));
- “Any portion of the cost of buildings and equipment borne or donated by the federal government regardless of where title was originally vested or where it presently resides” (2 C.F.R. § 200.436(c)(2));
- “Any assets that have outlived their depreciable lives” (2 C.F.R. § 200.436(d)(4)); and
- any portion of the cost of buildings and equipment contributed by or for the governmental unit or a related donor or organization in satisfaction of a federal matching requirement (2 C.F.R. § 200.306).

Additionally, for each Building and Fixed Assets or Major Movable capital asset reported, the date acquired, and useful life must also be indicated. Straight line depreciation will be automatically calculated for all reported assets. LEA must indicate when an asset has been disposed of or is no longer in active use and/or occupancy. Fully depreciated assets are excluded.

## 6.3 Annual Total Budgeted District-Wide Salaries and Benefits and FTE

LEAs should report the grand total budgeted amount of all salaries and benefits for all employees of the school district. Because this amount will be used in the calculation of the capital percentage rate as an allocation factor, all salaries and employer shares of benefits for all district staff must be reported in the AAC system, including part-time and full-time staff, district administration, athletic staff, teaching staff, paraprofessional staff, custodial staff, etc.

In the AAC system, LEAs will report two totals: 1) the district-wide total salary and benefit dollar amount, and 2) the district-wide total full-time equivalency (FTE).

# Section 7:

## Out-of-District Tuition

LEAs may include expenditures for costs related to the IEP placement of students in out-of-district special education programs when those programs include the provision of Medicaid-covered services that meet reimbursement requirements under the SBMP. Generally, this includes expenditures to private special education school programs (sometimes called “Chapter 766” schools; now under M.G.L. c. 71B) and special education collaborative programs. The Medicaid eligibility status of students should not be considered to determine whether the cost is allowable.

### 7.1 Allowable Out-of-District Tuition Expenditures

Not all out-of-district tuition expenditures can be claimed. For expenditures to be claimable, the following criteria must be met.

1. The out-of-district special education placement must be included in the student’s IEP and include Medicaid-covered services in the service delivery grid. Expenditures for out-of-district placements for ANY reason other than an IEP (e.g., LEA election or court order) cannot be claimed.

Note: The services provided in the out-of-district placement must be covered and meet requirements for reimbursement. Medicaid-covered medical services include ABA therapy, speech therapy, physical therapy, occupational therapy, audiology, skilled nursing, personal care, and psychotherapy. For services to be reimbursable, the following requirements must be met: service authorization, Medicaid medical necessity, practitioner qualifications, and service documentation. Please refer to the [Local Education Agencies Covered Services and Qualified Practitioners](#) document on the SBMP Resource Center for a complete list of Medicaid-covered services and the Direct Service practitioners who meet program requirements as qualified practitioners.

2. The out-of-district expenditure was not paid to another public school district.
3. The out-of-district expenditure was not paid to the Pappas Rehabilitation Hospital for Children (formerly known as the Mass. Hospital School) or the Judge Rotenberg Center (see [School-Based Medicaid Bulletin 23](#), April 2013).
4. The out-of-district expenditure was not funded by federal grant(s) or was not a required state or local match on federal grants(s).
5. The out-of-district program must be listed as an approved program by the Department of Elementary and Secondary Education (DESE) or the LEA has been granted an Individual Student Program (formerly known as “sole source”) placement by DESE and a pricing authorization [under 808 CMR 1.06(7)(b)] has been approved by the Operational Services Division (OSD).
6. The tuition expenditure claimed must not exceed the amount authorized by OSD. Expenditures incurred by an LEA for an out-of-district placement that are more than the daily tuition rate (such as the cost of a 1:1 aide or private duty nurse) may not be

claimed through the AAC. However, these costs may be eligible for reimbursement as “purchased services” in the annual Direct Service Cost Report provided that all requirements are met.

## 7.2 Reporting Out-of-District Tuition Expenditures

Out-of-district tuition expenditures must be reported by organization, program type, program name, and Elementary and Secondary Education (ESE) Program Code. The list of DESE-approved organizations and programs is prepopulated in the AAC system and the appropriate program must be selected from the dropdown list provided. For detailed instructions for entering out-of-district expenditure data, including how to report expenditures approved by DESE under the Individual Student Program, please see the *Step-by-Step Manual: Administrative Activity Claiming*.

Tuition expenditures for students who are also clients of the Department of Children and Families (DCF), the Department of Mental Health (DMH), or the Department of Youth Services (DYS) are considered “Cost Shares” and must be identified and reported separately. See the *Step-by-Step Manual: Administrative Activity Claiming* for instructions on how that is indicated in the system.

### Reporting of Prepaid Tuition Expenditures

In the case of prepaid tuition for the whole year, the amount must be divided by four; and one-quarter of the annual tuition must be reported in each quarter that the child attends school.

# Section 8:

## Other Related Costs

LEAs may include other expenditures that are related to the cost of providing Medicaid administrative activities, including materials and supplies, purchased services, and indirect costs.

### 8.1 Materials and Supplies

LEAs should enter actual quarterly material and supply expenditures related to the delivery of Medicaid administrative activities. Only material and supply costs funded by state or local revenue that assist the performance of reimbursable Medicaid administrative activities by staff who participated in the RMTS should be included in the AAC. Examples of costs that can be included are: forms, brochures, fliers, and office supplies related to reimbursable administrative activities (e.g., Medicaid outreach and scheduling or arranging specialized transportation). See Appendix D for the full list of administrative activities.

#### Excluded Expenditures

- The cost of materials and supplies used in the delivery of health-related services should not be included in AAC. These costs may be reimbursable through the Direct Service reimbursement portion of the SBMP when all requirements for reimbursement are met. See the [SBMP Direct Service Claiming \(DSC\) Program Guide](#) for additional information.
- Please refer to the exclusions in Section 2.3, which apply to all expenditures reported in AAC, including materials and supply costs.

### 8.2 Purchased Services

LEAs should enter actual quarterly purchased services expenditures related to the delivery of Medicaid administrative activities. Examples of costs that can be included are

- an expenditure to a printing service to print flyers about opportunities for students and families to access Medicaid-covered medical services at school or in the community, such as an informational brochure about a free preventive dental clinic coming to the school, or well-child exams or physicals available through school; and
- costs incurred for a consultant who trained school staff on the Medicaid application process and eligibility requirements to improve the capacity of LEA staff to provide Medicaid outreach and application assistance services.

#### Excluded Expenditures

- The cost of purchased services related to the delivery of health-related services should not be included. These costs may be reimbursable through the Direct Service reimbursement portion of the SBMP when all requirements for reimbursement are met. See the [SBMP Direct Service Claiming \(DSC\) Program Guide](#) for additional information.
- Please refer to the exclusions in Section 2.3 which apply to all expenditures reported in AAC, including purchased services costs.



## 8.3 Indirect Costs

LEA annual unrestricted indirect cost rates, as calculated by DESE, will be prepopulated in the AAC system. For charter schools or any LEAs without a DESE calculated indirect cost rate, the de minimis rate of 10% prior to 10/1/24 and 15% after 10/1/24 shall be used. All expenditures reported in AAC must comply with all guidance included in Appendix G related to indirect cost rates and exclusion of costs.

# Appendix A:

## Contact Information

For SBMP publications and other information, including where to find this and other guides, please visit

- [www.mass.gov/masshealth/schools](http://www.mass.gov/masshealth/schools).

For questions about the program, contact the UMMS Help Desk at

- [schoolbasedclaiming@umassmed.edu](mailto:schoolbasedclaiming@umassmed.edu), or
- (800) 535-6741, M–F, 7:30 a.m.–7:30 p.m.

To enroll as a School-Based Medicaid provider, as well as for information about MMIS claims, please contact MassHealth Customer Service at

- [providersupport@mahealth.net](mailto:providersupport@mahealth.net) (for non-member-specific questions only), or
- (800) 841-2900, M–F, 8 a.m.–5 p.m.

For general MassHealth information, including regulations, please visit the MassHealth website at

- [www.mass.gov/masshealth](http://www.mass.gov/masshealth).

# Appendix B:

## Commonly Used SBMP Terms

**ABA** – Applied Behavior Analysis; a service type covered for students with an autism spectrum diagnosis

**AAC** – Administrative Activity Claiming

**CHIP** – Children’s Health Insurance Program

**CMS** – Centers for Medicare & Medicaid – the federal agency that gives MassHealth, including the School-Based Medicaid Program, the authority to operate and claim federal dollars

**Cost Report** – The annual submission of an LEA’s actual incurred costs related to the provision

of Medicaid Reimbursable Services, which determines the total Medicaid-allowable costs the LEA incurred that year

**Covered Services** – The SBMP covers direct medical services provided in the school-setting including speech, occupational and physical therapies; psychological counseling; skilled nursing services; audiology services; personal care services; and ABA therapy services when all Medicaid-claiming requirements are met.

Services for which there is a SBMP-corresponding procedure code are “Covered Services.” When covered services are provided and meet the requirements for reimbursement, including medical necessity, they are referred to as “Reimbursable Services.”

**CPE** – Certified Public Expenditure

**DESE** – Massachusetts Department of Elementary and Secondary Education

**DSC** – Direct Service Claiming

**FERPA** – The Family Educational Rights and Privacy

Act

**HIPAA** – Health Insurance Portability and Accountability Act

**IDEA** – Individuals with Disabilities Education Act

**IEP** – Individualized Education Program

**LEA** – Local Education Agency

**MassHealth** – The jointly administered Medicaid and the Children’s Health Insurance Program (CHIP) in Massachusetts

**MMIS** – Medicaid Management Information System

**POSC** – Provider Online Service Center

**Reimbursable Service** – A covered service that has been provided and that meets the requirements for reimbursement, including medical necessity

**RMTS** – Random Moment Time Study

**SBMP** – School-Based Medicaid Program

**UMMS** – University of Massachusetts Medical School; UMMS administers the School-Based Medicaid Program on behalf of MassHealth

# Appendix C:

## SBMP Guides and Other Resources

The following documents were discussed in this guide. Available on the [Resource Center](#)

- [SBMP Schedule SFYXX](#)
- [School District Contact Information form](#)
- [SBMP Authorized Designee Information form](#)
- [Model School-Based Medicaid Program Provider Contract](#)
- [SBMP Program Guide for Local Education Agencies](#)
- [SBMP Direct Service Claiming \(DSC\) Program Guide](#)
- [LEA RMTS Coordinator Guide for Random Moment Time Study \(RMTS\)](#)
- [Local Education Agencies Covered Services and Qualified Practitioners](#)

Available online (not on the Resource Center)

- [All Provider Bulletin 224](#)
- [School-Based Medicaid Bulletin 23](#)
- [School-Based Medicaid Provider Bulletin 28](#)

Available by request from UMMS

- *Instruction Guide for the Annual Direct Service Cost Report*
- *RMTS Systems Requirements*
- *Step-by-Step Manual: RMTS Participant Management*
- *Step-by-Step Manual: RMTS Work Schedules*
- *Step-by-Step Manual: Student Medicaid Eligibility Matching*
- *Step-by-Step Manual: Administrative Activity Claiming*

# Appendix D:

## Medicaid Administrative Activities

Both Direct Service staff and Administrative Only staff costs can be claimed as long as they are included in any pool in the RMTS (any of the Direct Service pools or the Administrative Only pool). The Administrative Only RMTS pool is designed to identify additional staff for whom the LEA is not claiming, or cannot claim, Direct Service reimbursement, but who perform reimbursable Medicaid administrative activities.

There are seven types of reimbursable administrative activities quantified by the RMTS. Medicaid-related administrative activities must fall into one or more of the categories in the following list.

### **Code B. Medicaid Outreach**

These are activities that inform eligible or potentially eligible individuals and their families about Medicaid benefits and services and how to access them.

Examples include, but are not limited to

- providing a student's family with literature about the benefits and availability of EPSDT (Early and Periodic Screening, Diagnostic, and Treatment) programs or other Medicaid programs (including managed care); and
- informing students and families how to effectively access, use, and maintain participation in MassHealth resources.

### **Code D. Facilitate/Assist in the Medicaid Application Process**

These are activities that assist students and/or their families in applying or renewing eligibility for Medicaid. Examples include, but are not limited to

- talking with a family about the Medicaid eligibility process, including helping them complete the Medicaid application, or connecting the family with a certified application counselor, who can help them apply; and
- gathering information from the family related to the Medicaid application process.

### **Code F. Provider Networking/Program Planning/Interagency Coordination—Medicaid Related**

These are activities to develop strategies and procedures to improve the coordination and delivery of Medicaid-covered services to students, and activities that coordinate with non-Medicaid programs to ensure an effective child health program. These activities apply to all or some students, rather than a specific student.

Examples include, but are not limited to

- developing advisory or work groups of health professionals to provide consultation and advice regarding the delivery of health care services to school populations, such as developing school or district-wide procedures for uniform asthma screenings, including working with an outside entity advising the procedures;
- reviewing and updating standing orders for nurses;

- developing strategies to assess or increase the capacity of school-based medical/behavioral health programs;
- identifying gaps to improve the coordination and delivery of Medicaid-covered health services; and
- working with agencies to improve the coordination and collaboration of Medicaid services they provide, including opportunities to expand access to those services.

#### **Code H. Individual Care Planning, Monitoring, Coordination, and Referral—Medicaid Related**

These are activities in which staff are making referrals for, coordinating, or monitoring the delivery of Medicaid-covered services for specific students.

Examples include, but are not limited to

- collaborating with other health care providers to coordinate students' health services, such as routine visits with specialists or after a return from a hospitalization;
- making referrals for or coordinating medical examinations and necessary medical/behavioral health evaluations;
- responding to a student's health plan's inquiry to better coordinate in- and out-of-school services;
- arranging for Medicaid-covered medical, diagnostic, or treatment service as a result of a specifically identified medical condition;
- coordinating the completion of the prescribed services, termination of services, and the referral of the child to other Medicaid service providers for continuity of care; and
- participating in a meeting/discussion to coordinate or review a student's needs for health-related services covered by Medicaid (other than an IEP or 504 meetings).

#### **Code J. Arrangement of Medicaid-covered Transportation**

These are activities in which staff help a student obtain Medicaid-covered transportation services. Note: The provision of transportation is claimed differently and not included here.

Examples include, but are not limited to

- scheduling a student's transportation to a Medicaid-covered service appointment outside school; and
- scheduling or coordinating transportation that is specially equipped or physically adapted/modified, to accommodate students with specialized medical needs to transport them to school where the student receives Medicaid Covered Services or to receive covered services from a provider outside of school.

**Code J. Translation and Interpretation Services Related to Medicaid Services**

These are activities in which staff arrange for, or provide translation or interpretation services related to, Medicaid-covered services. (Note: The arrangement or provision of translation or interpretation services at an IEP meeting or for any educational reason is not included.)

Examples include, but are not limited to

- arranging translation or interpretation services that help the student or family access and understand necessary health-related care or treatment.

## **Code M. Medicaid-Related Training**

These are activities in which staff is involved in a training activity that improves the delivery of health-related services to students.

Examples include, but are not limited to

- providing or coordinating training that teaches or reinforces clinical best practices in patient care, such as training for school nurses on asthma-management plans; and
- attending a School-Based Medicaid Program-related training or webinar.

## **Codes F1, H1, J1, M1 & O1. Work Activities in Response to Public Health Guidance.**

These are activities associated with federal or state public health guidance and initiatives, including but not limited to

- Developing, planning, or coordinating activities and programs in response to public health guidance
- Investigating, reporting, or monitoring communicable diseases in response to public health guidance
- Monitoring or surveilling activities, including contact tracing efforts or screening of students and staff in response to public health guidance
- Making referrals or coordinating medical examinations or services in response to public health guidance

Key activities that are NOT reimbursable under the Medicaid Administrative Program include, but are not limited to

- IEP meetings (attending or chairing, scheduling, preparing for, etc.);
- writing/editing an IEP;
- obtaining parental consent of any kind;
- educational/vocational services
- disciplinary or general student supervision services;
- monitoring student attendance; and
- activities that are an “integral component” of the delivery of a health service (such as planning and preparing to deliver a service or documenting service delivery notes).

Medicaid billing activities are part of the Direct Service reimbursement portion of the Medicaid program. These activities are not reimbursable under AAC.

# Appendix E:

## Certification of Public Expenditure Form

I hereby certify that

1. I have examined this statement, the accompanying Supporting Schedules, the allocation of allowable expenditures, and the attached Worksheets for the period from \_\_\_\_\_ (date) to \_\_\_\_\_ (date), and that to the best of my knowledge and belief they are true and correct statements prepared from the books and records of the public agency in accordance with applicable cost report instructions.
2. The expenditures included in this statement are based on the actual cost of allowable expenditures for activities that support the implementation of the Medicaid state plan.
3. The required amount of public funds were available and used to pay for the total allowable expenditures included in this statement, and such public funds are not federal funds, or are federal funds authorized by federal law to be used to match other federal funds.
4. I understand that federal matching funds are being claimed on the expenditures identified in this report.
5. No expenditures claimed directly in this statement are duplicative of any costs included in the claim through the application of the Indirect Cost Rate.
6. I am the officer authorized by the referenced public agency to submit this form to the single state Medicaid agency, and I have made a good faith effort to assure that all information reported is true and accurate.
7. I understand that this information will be used by the single state Medicaid agency as a basis for claims for federal funds, and that falsification or concealment of a material fact by me may result in my prosecution under federal or state civil or criminal law.

Administrative Activity Gross Claim Expenses \$ \_\_\_\_\_

Administrative Activity Net Claim Expenses \$ \_\_\_\_\_

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Signature

---

Printed Name

Title

---

Date

LEA Name



# Appendix F:

## Certification of Public Expenditure Form for Amended Claims

I hereby certify that

1. I have examined this statement, the accompanying Supporting Schedules, the allocation of allowable expenditures and the attached Worksheets for the period from \_\_\_\_\_ (date) to \_\_\_\_\_ (date), and that to the best of my knowledge and belief they are true and correct statements prepared from the books and records of the public agency in accordance with applicable cost report instructions.
2. The expenditures included in this statement are based on the actual cost of allowable expenditures for activities that support the implementation of the Medicaid state plan.
3. The required amount of public funds were available and used to pay for the total allowable expenditures included in this statement, and such public funds are not federal funds, or are federal funds authorized by federal law to be used to match other federal funds.
4. I understand that federal matching funds are being claimed on the expenditures identified in this report.
5. No expenditures claimed directly in this statement are duplicative of any costs included in the claim through the application of the Indirect Cost Rate.
6. I am the officer authorized by the referenced public agency to submit this form to the single state Medicaid agency, and I have made a good faith effort to assure that all information reported is true and accurate.
7. I understand that this information will be used by the single state Medicaid agency as a basis for claims for federal funds and that falsification or concealment of a material fact by me may result in my prosecution under federal or state civil or criminal law.

Original Administrative Activity Gross Claim Expenses	\$ _____
Original Administrative Activity Net Claim Expenses	\$ _____
Amended Administrative Activity Gross Claim Expenses	\$ _____
Amended Administrative Activity Net Claim Expenses	\$ _____
Difference Administrative Activity Gross Claim Expenses	\$ _____
Difference Administrative Activity Net Claim Expenses	\$ _____

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Signature

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Printed Name

---

Title

---

Date

---

LEA Name

# Appendix G:

## Indirect Costs

The annual Indirect Cost Rates for each LEA are calculated and published by DESE and prepopulated in the AAC system. LEAs must comply with the guidance in this appendix about indirect costs to ensure compliance with state and federal cost principles.

### Exclusion of Expenditures from Administrative Activity Claims

LEA costs that are reported on the Chart of Accounts (COA) in the following object codes are included in the calculation of each LEA's Indirect Cost Rate by DESE. Therefore, the LEA must exclude them from Administrative Activity claims and Direct Service Cost Reports.

- Administration—1000 series (specifically includes 1210, 1220, 1230, 1410, 1420, 1430, and 1450);
- School Security (3600);
- Maintenance—4000 series (all);
- Employee Insurance (5200)—(exclude costs when related to salaries in the excluded 1000 series codes);
- Retired Employee Insurance (5250);
- Other Insurance (5260);
- Rental Lease (5300); and
- Other Fixed Charges (5500)

### Indirect Cost Rates for Charter Schools

AACs and Direct Service Cost Reports for Charter schools will be processed using a 10% *de minimis* Indirect Cost Rate prior to 10/1/24 and 15% after 10/1/24 per 2 C.F.R. § 200.414. Charter schools are instructed to follow the same guidelines as other School-Based Medicaid providers, and exclude from RMTS participation claims and cost-reports costs related to staff who are part of central administration, including a superintendent, assistant superintendent, professional and clerical support staff, grants manager, director of planning, school business manager or chief financial officer, director of human resources, districtwide information and technology staff, or any equivalent schoolwide administration staff.

- See also: [School-Based Medicaid Provider Bulletin 28](#) (July 2015)

# Appendix H:

## Specialized Transportation Annual Supplemental Report

As described in section 5.5, LEA's seeking reimbursement of specialized transportation costs must submit a supplemental report on an annual basis, by September 30 following the end of each fiscal year. The annual report will list all Medicaid-enrolled students who received Specialized Transportation that met the Medicaid definition, and for whom the LEA has parental consent to share the student's information. The report is submitted to the state's SBMP contractor by the LEA's designated claim preparer following the instructions in the *Step-by-Step Manual: Administrative Activity Claiming*. Failure to submit the required annual Specialized Transportation Supplemental Report may result in disallowance of the LEA's transportation reimbursements for the fiscal year.

Required Information for Medicaid Specialized Transportation Student List:

1. Student First Name
2. Student Last Name
3. Student Medicaid ID
4. Student Unique Student ID (either LEA's student ID or SASID)
5. Start Date for Specialized Transportation
6. End Date for Specialized Transportation (leave blank if not specified/unknown)
7. Brief description of specialized transportation accommodation(s) (e.g. wheelchair lift, 3-point restraint harness)

Report should be in Microsoft Excel, using the numbered items above as column headings. No fields (except End Date for Specialized Transportation) may be left blank.

Example report:

Local Education Agency: ABC Public Schools

Fiscal Year: 7/1/2025-6/30/2026

Student First Name	Student Last Name	Student Medicaid ID	Student Unique Student ID	Start Date for Specialized Transportation	End Date for Specialized Transportation	Brief Description of accommodation
Amy	Apple	1234567890	12345	07/01/2025		Wheelchair lift
Benjamin	Banana	9876543210	54321	10/15/2025		3-point harness
Lucy	Lettuce	6543219870	65432	11/01/2025	03/31/2026	ramp