

THE UNIVERSITY OF THE STATE OF NEW YORK
THE STATE EDUCATION DEPARTMENT

August 1999

To: District Superintendents
Presidents of Boards of Education
Superintendents of Public Schools
School District Business Officials
Directors of Special Education
Chairpersons of Committees on Special Education
Chairpersons of Preschool Committees on Special Education
Superintendents of 4201 Schools
New York State Association of Counties
County Executives
County Preschool Administrators
Directors of Regional Information Centers and Computer Centers

From: Robert J. Scalise

Subject: Recent memorandum from the Federal Health Care Administration

In reply to:

In a recent memorandum sent to all States, the Federal Health Care Finance Administration (HCFA) issued a directive that **school districts may no longer claim Medicaid reimbursement for providing regular transportation to and from school.** However, HCFA indicated that school districts and counties may claim Medicaid reimbursement for **special transportation.**

HCFA's directive indicated that school districts and counties may claim Medicaid reimbursement for **special transportation services** provided to students with disabilities that is identified on the students' IEP. There will be additional documentation required by HCFA for the provision of **special transportation.** Daily logs indicating the provision of **special transportation** was one example provided. You should begin thinking about whether these daily logs or some other form of daily documentation of the delivery of the **special transportation** is in place or not and what you need to do to implement such a process.

The directive mandated that for services provided on or after July 1, 1999, school districts may no longer claim Medicaid reimbursement for the provision of **regular transportation** [Medicaid rate codes 5334 and 5335]. All transportation claims for school

age students submitted by school districts for services provided on or after July 1, 1999 will be rejected by the Central New York Regional Information Center (CNYRIC). However, school districts should continue to claim Medicaid reimbursement for **regular transportation** services provided to school age students before July 1, 1999.

The New York State Department of Health (DOH) will be establishing new **Medicaid special transportation** rate codes that school districts will use to claim Medicaid reimbursement for **special transportation** provided school age students with disabilities. School districts will be notified under separate cover what these codes are. Once you are notified of the rate codes, you will be able to submit your Medicaid claims for **special transportation** to CNYRIC back to July 1, 1999. CNYRIC will pend all claims for **special transportation** until a fee is established and approved.

The Medicaid Data System (MDS); the Part 200 Micro System and the SIS/Medicaid mainframe system will be modified to accommodate the **new special transportation** code and fee and provide assistance in claiming **special transportation**. If you have any questions regarding these issues you may contact Michael Albino (DOH) at 518: 473-9059 or on his e-mail: mca03@health.state.ny.us or you may contact me at 518: 473-6118 or on my e-mail: RSCALISE@mail.nysed.gov.

All transportation services provided to preschool students is defined as Special Transportation, as per HCFA directive. Therefore, counties should continue to claim Medicaid reimbursement, using rate code 5327, for all transportation provided to preschool students with disabilities on days they receive a covered health service. **DOH staff is also reviewing the preschool special transportation costs to determine whether the fee should be adjusted. Any new fee will be adjusted prospectively.**