

Process for Specialized Transportation Billing

MSB™ works with its client school districts to recover transportation costs incurred for Medicaid eligible, IEP students who **receive IEP ordered Medicaid to Schools coverable services**. The following information is provided by MSB™ to help all participating parties understand the data and information requirements of that process.

Pertinent language from the State of New Hampshire relative to Medicaid transportation billing per a memo from Barbara Joyce-Reed, the former Director of Program Development and Evaluation, dated August 15, 2000, follows:

...a child with special education needs under IDEA who rides the regular school bus to school with the other non-disabled children in his/her neighborhood should not have transportation listed in his IEP, and the cost of that bus ride should not be billed to Medicaid.

If a child requires transportation in a vehicle adapted to serve the needs of the disabled, including a specially adapted school bus, that transportation may be billed to Medicaid if the need for that specialized transportation is identified in the IEP. In addition, if a child resides in an area that does not have school bus transportation (such as those areas in close proximity to a school) but has a medical need for transportation that is noted in the IEP, that transportation may also be billed to Medicaid. As always, transportation from the school to a provider in the community also may be billed to Medicaid...

[Language from this memo that is no longer pertinent has been deleted. Schools must now only seek reimbursement when the child receives a Medicaid coverable service on the same day that the transportation was provided.]

As with all services under the “Medicaid to Schools” Program, schools must bill their actual costs to provide the service, regardless of the allowed rate, and they will be reimbursed 50% of their actual cost or 50% of the rate which is established by this Division for this service, whichever is less. The procedure code for transportation is W0166 [now A0425] with an established rate of \$2.60/mile/student.

Since the Medicaid rate for transportation is established per mile, schools must calculate their actual cost per mile in order to bill. Our suggested methodology is to take the total cost of the trip, divide by the number of miles traveled and divide again by the number of students (Medicaid and non-Medicaid eligible) on the trip. This will result in a cost per student per mile. Make sure to include all costs related to the trip, such as insurance, fuel, driver’s salary, benefits, vehicle depreciation, maintenance, etc., and other associated costs. “If transportation is vendored out than, [sic] the charges on the invoice from the contractor would be the actual cost to the school [billed for each Medicaid eligible child] . . .” We realize that students may be picked up and dropped off at various locations along a route to and from school, but to calculate a cost per mile based on each student would be operationally prohibitive, therefore, we are suggesting this simplified methodology.

The key data that must be captured and maintained is:

- The total mileage of *each* trip/route by vehicle (both in the morning and in the afternoon as well as for any additional trips/routes)
- All names of students transported in the vehicle
- The date of each trip/route
- The driver’s name
- The driver’s signature
- The total cost of *each* trip/route by vehicle (both in the morning and in the afternoon as well as for any additional trips/routes). Make sure to include all costs related to the trip, such as:
 - Insurance

- Fuel
- Driver's salary
- Benefits not included in salary
- Vehicle depreciation
- Maintenance
- Any other associated costs
- Documentation of a Medicaid coverable service delivered on the day transportation was provided

MSB has developed a set of Trip Logs which have been approved by the Department of Health and Human Services. They can be utilized by both districts and Specialized Transportation vendors, and include all of the required data points (with the exception of cost information and documentation of the Medicaid coverable service). They are available on our [website](#) in Bi-Weekly format or Monthly format. AM (any trip/route **to** a school/facility **from** home), PM (any trip/route **from** a school/facility **to** home) and Additional run logs (any trip/route **between** schools or out of district locations) are available for each format. Parent Transport forms are also available in the event that the child's parent is the one providing the transportation.

If your district or transportation vendor utilizes their own transportation logs and/or invoices, all data points listed above must be included on those logs in order to seek reimbursement. One suggestion to help ensure that vendors provide the required information is to include language in the contract between the district and the vendor that obligates the vendor to provide all required documentation prior to district payment of invoices.