



COLORADO
School Health Services Program

303 E. 17th Ave. Suite 1100
Denver, CO 80203

SCHOOL HEALTH SERVICES PROGRAM MANUAL

Section 8 Transportation

The School Health Services Program is a joint effort between the Colorado Department of Education and
Department of Health Care Policy and Financing.
cde.state.co.us
hcpf.colorado.gov
revised 6.30.2025



Table of Contents

Section 8: Specialized Transportation	2
8.1 Specialized Transportation Reporting Requirements Error! Bookmark not defined.	
8.2 Reporting when Districts Share Responsibilities between Transportation and Supporting Services.....	9
8.3 Maintaining Transportation Documentation	10

Section 8: Specialized Transportation

Definition: Specialized transportation services are available to a Medicaid-eligible beneficiary under the age of 21 for whom the transportation services are medically necessary and documented in an Individual Education Program (IEP)/Individual Family Service Plan (IFSP).

A district may be eligible to receive reimbursement for specialized transportation if the following requirements are met:

1. Specialized transportation services shall be required on the student's Individualized Education Program (IEP), or Individualized Family Services Plan (IFSP)
2. Specialized transportation services shall be provided on the same date of a Medicaid allowable service, required by the student's IEP or IFSP, is received and billable to Health First Colorado
3. Specialized transportation shall be on a specially adapted school bus to and from a student's place of residence and the school or the site of a Health First Colorado allowable service, if it is not provided in the school setting
4. Specialized transportation services shall not be covered on a regular school bus unless an aide for the transported student(s) is present and is required by the student's IEP or IFSP
5. All specialized transportation services provided shall be documented in a transportation log
6. Specialized transportation services shall include services provided by direct service personnel, such as bus drivers and aides, employed or contracted by the school district

As described in **Section 2.9**, districts that report transportation costs must submit specialized transportation Health First Colorado claims through the Colorado interChange System (iC System) and maintain documentation of services provided, including transportation logs, for at least 7 years.

Provider Qualifications:

N/A

Procedure Codes:

Code	Description
T2001	Non-Emergency Transportation- Patient Attendant/Escort/Aide (per 15 minutes)
T2001 (HQ)	Non-Emergency Transportation, Group - Patient Attendant/Escort/Aide (per 15 minutes)
T2003	Non-Emergency Transportation- Encounter (per one-way trip)

Additional Billing Guidelines:

- All transportation services provided must be documented in a transportation log
- In order to bill the T2003 code, a direct service must be billed for on the same day. Billing code T2001 alone does not fulfill this requirement
- If a district intends to participate in receiving specialized transportation reimbursement, the district must bill for eligible trips, procedure code T2003. Note, the numerator of the One-Way Trip Ratio used on the annual cost report is calculated according to a district's total units billed for procedure code T2003

8.1 Specialized Transportation Reporting Requirements

Specialized transportation costs are reported annually through the annual cost report. The two main components of this process are (1) reporting eligible transportation costs and (2) completing relevant transportation ratios. There are two ways to report specialized transportation: only specialized or not-only specialized transportation. Both methods require diligent documentation of expenditures.

The components of this process include the following costs and ratio data:

- Transportation payroll information
- Transportation other costs
- Transportation equipment depreciation
- Specialized transportation for IEP students - one-way trips (*districts report the denominator of ratio*)
- Transportation Services IEP Students Ratio (*districts report the numerator and denominator of ratio*)

When deciding how to report transportation costs, districts must determine the level of financial detail available for transportation. Useful documentation includes: general ledger entries, price order forms, receipts, payroll sheets, and depreciation schedules.

Districts should only report costs for the sections for which they have detailed documentation. If a district cannot isolate costs relevant to a particular section, it should not complete that section.

Specialized transportation reporting categories: only specialized and not-only specialized

Districts must choose to report costs under one of two categories: only specialized transportation or not only specialized transportation. A district can only choose one category or the other per fiscal year report.

Only specialized transportation cost category

Districts should report costs under the only specialized transportation category if they can identify all costs (payroll, maintenance and repairs, insurance, fuel, etc.) tied solely to specially adapted vehicles. Districts must have a concrete understanding and sufficient documentation to support the expense reported of each specially adapted vehicle and associated costs (i.e., payroll). Additionally, districts must maintain detailed documentation showing how these costs are tracked, reported, and expensed.

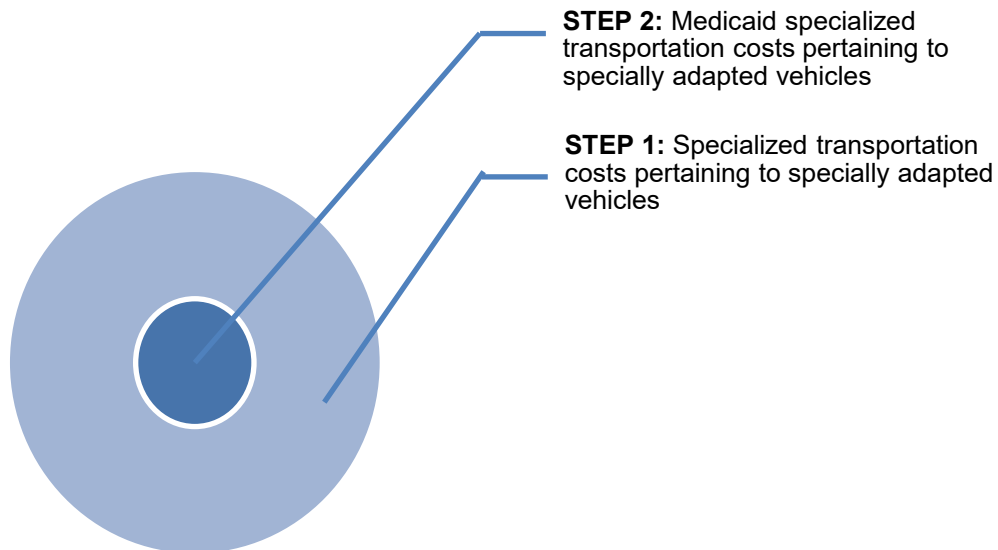
Districts may **not** report a percentage or use any district approved allocation method to identify the portion of total district transportation costs associated with district specialized transportation costs.

When reporting costs under the only specialized transportation category, districts may report (in no particular order) the following components:

- Transportation payroll information
- Transportation other costs
- Transportation equipment depreciation
- Specialized transportation for IEP students - one-way trips (*districts report the denominator of ratio*)

Note, the only percentage used to allocate costs for this category is the specialized transportation for IEP students - One-Way Trips Ratio.

The figure below shows how costs are allocated by the One-Way Trips Ratio when reported under the only specialized transportation cost category.



Not only specialized transportation cost category

Districts that are not able to explicitly identify specialized transportation costs from the general education transportation costs will report not only specialized transportation. Under this category, districts should report costs for all vehicles and associated costs used to transport students, both general and specialized.

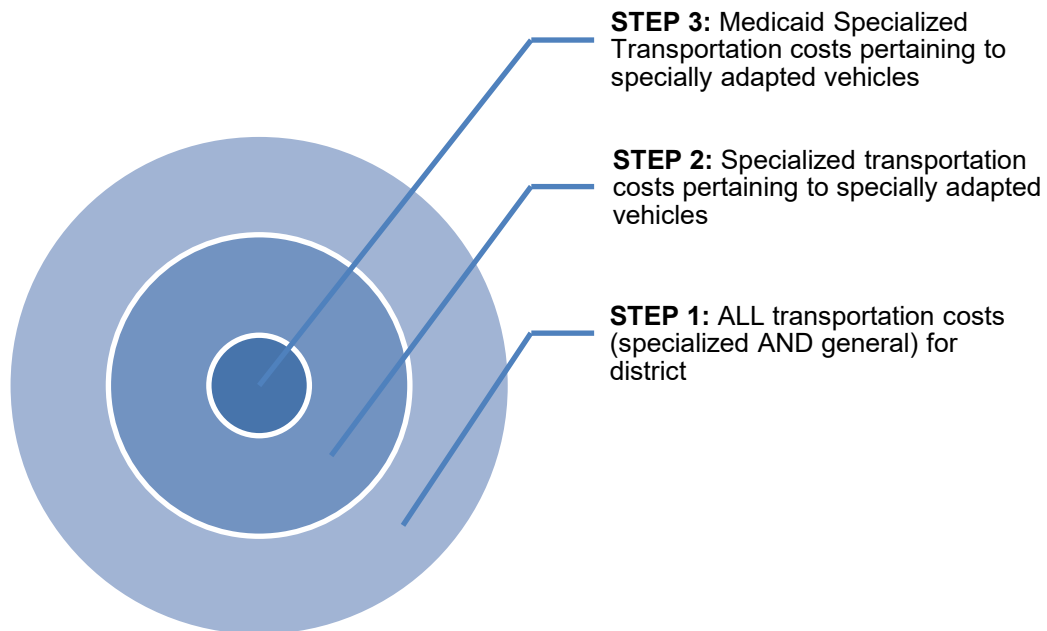
When reporting not only specialized transportation, districts may report (in no particular order) costs in the following sections:

- Transportation payroll information
- Transportation other costs
- Transportation equipment depreciation
- Specialized transportation for IEP students - one-way trips (*districts report the denominator of ratio*)
- Transportation Services IEP Students Ratio (districts report the numerator and denominator of ratio)

Note, two percentages are used to allocate costs for this category: the specialized transportation for IEP students - One-Way Trips Ratio and the Transportation Services IEP Students Ratio.

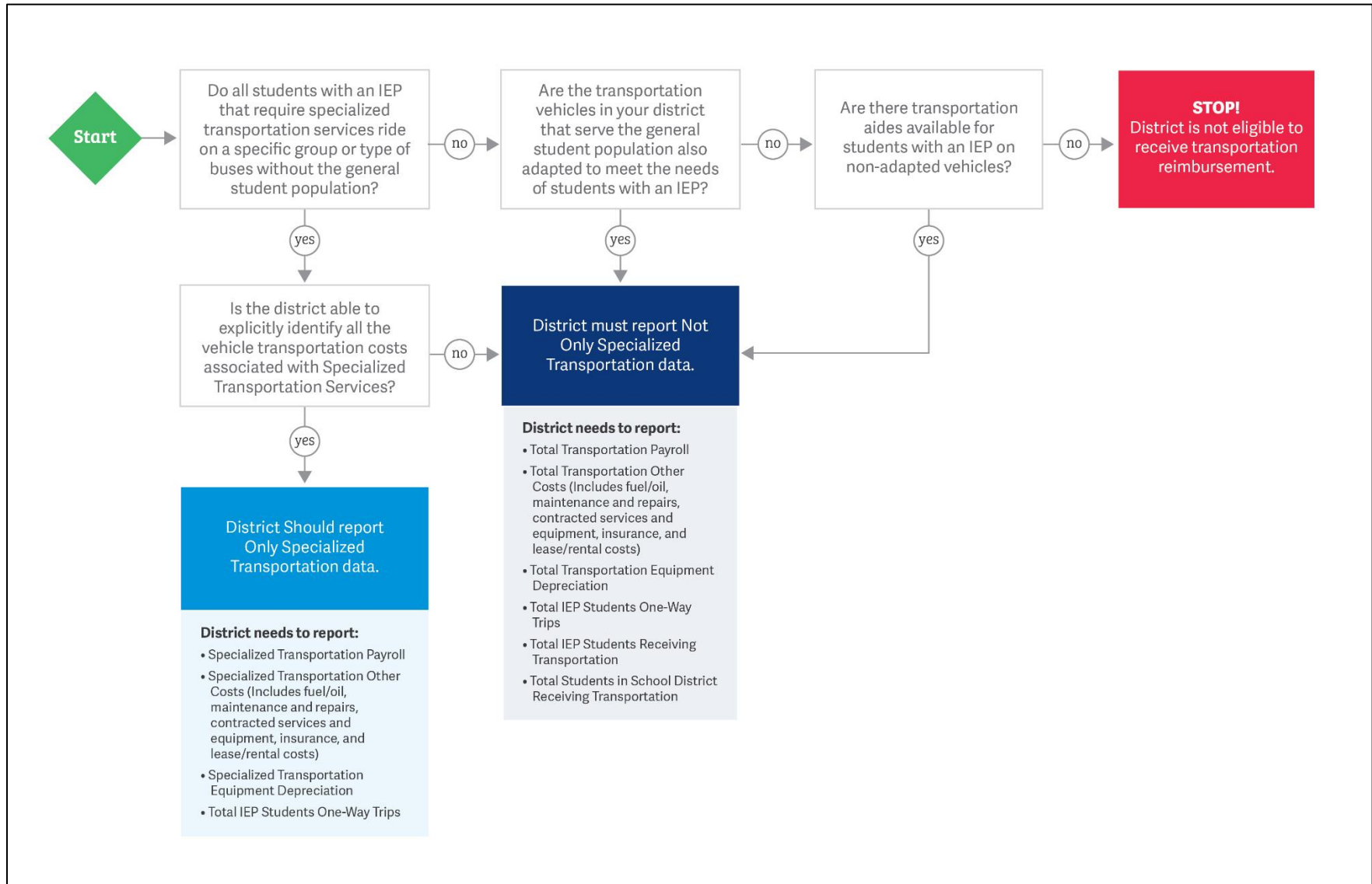
Allocating costs under the not only specialized transportation category

The figure below shows how costs are allocated by the One-Way Trips Ratio and the Transportation Services IEP Students Ratio when reported under the not only specialized transportation cost category.



Transportation Category Decision Flow Chart

The flow chart below may assist a district in deciding whether they have the necessary documentation in place to report costs under the only specialized transportation or not only specialized transportation cost category.



Each component of reporting specialized transportation costs is described below.

Transportation payroll information:

Districts may report payroll costs for bus aides, drivers, and mechanics that fit the only specialized transportation or not only specialized transportation categories, respectively. Districts can either report all the employer benefits together or break out the Public Employees Retirement Association (PERA) and Medicare Tax costs. Both options are correct, and it is up to the district to choose the preferred option.

Note, transportation personnel are not a part of the Random Moment Time Study staff pool lists and are only reported once, annually on the annual cost report.

Districts must follow the same policies and procedures as when reporting payroll costs for direct service providers. Costs must be reported according to an accrual accounting method for dates of service within the cost reporting period.

Transportation other costs:

Districts may report other costs for vehicles or services that fit the only specialized transportation or not only specialized transportation categories, respectively. These other costs include:

- Lease/Rental
- Insurance
- Maintenance and Repairs
- Fuel and Oil
- Contract - Transportation Services
- Contract - Transportation Equipment

Transportation equipment depreciation:

Districts may report transportation equipment depreciation costs for buses, cars and minivans, harnesses/seatbelts/child protective seating, light trucks and vans, vehicle air conditioning, wheelchair lifts, and any other applicable asset type if a description is provided in the “Notes” column. Costs must fit the only specialized transportation or not only specialized transportation category, respectively.

When reporting equipment depreciation, the district must complete the following fields:

- Asset Type: Buses, Cars and Minivans, Harnesses/Seatbelts/Child Protective Seating, Light Trucks and Vans, Other - please describe, Vehicle Air Conditioning, Wheelchair Lift
- Transportation Services: Only Specialized Transportation or Not Only Specialized Transportation
- Description of Asset: The district should use a unique identifier that will assist in aligning the asset with the district’s documentation

- Month Year Place into Service: MM/YYYY
- Years of Useful Life: This is an industry standard. The life-expectancy of the asset. This number should align with the district's documentation.
- Cost: Total Purchase Price of asset
- Federal Revenue: Any federal funds used to purchase the asset
- Prior Period Accumulated Depreciation: This field is calculated by the system and shows how much the asset has depreciated between the time it was place into service until the current fiscal year
- Depreciation for Reporting Period: This field is calculated by the system and shows how much the asset has depreciated during the current reporting period. This is the amount that is included in the district's Certified Public Expenditure (CPE).
 - The amount is calculated as follows:

$$\text{Cost} \div \text{Years of Useful Life} = \text{Depreciation for Reporting Period}$$

- Costs are prorated according to when the asset was placed into and, if applicable out of service by month
- Notes: This field is optional and can be used for the district should they like to include a note

Specialized Transportation for IEP Students - One-Way Trips:

The specialized transportation for IEP students - One-Way Trips Ratio is used to allocate costs according to the Medicaid population. This ratio is applied to all transportation costs.

The *numerator* is calculated and populated by HCPF according to the number of trips billed to the iC system. The specific procedure code used in this count is procedure code T2003. It is imperative that the district maintain accurate bus logs to support the number of trips billed to Health First Colorado. Bus logs should show which student took the trip on what day and how many per day.

The *denominator* is populated by the district. The district may use one of two methods.

Method 1) Tallying the actual number of trips taken by IEP students with transportation in the IEP. The district must maintain accurate bus logs to support this number. Bus logs should show which student took the trip on what day and how many per day. Additionally, the district must be able to support that the bus logs maintained include both Health First Colorado enrolled students and non-Health First Colorado enrolled students. Using this method to calculate the denominator yields a smaller number and thus larger percentage; in turn, this method increases a district's reimbursement.

Method 2) As an alternative method of calculating the denominator, the district may also use the maximum possible trips taken according to the total number of IEP students with transportation in the IEP. If using this alternative method, the number of trips must be calculated according to the following formula:

Total number of IEP students with transportation in the IEP x total number of school days x two

If a district uses method 2, they must be able to substantiate the calculation indicating they used the conservative method by providing the list of students as well as proof of the total number of school days.

- **Total Medicaid Allowable One-Way Trips**
 - Count of allowable one-way trips billed to Health First Colorado through iC system throughout the school year. Districts must have bus logs to support these claims.
- **Total IEP Students One-Way Trips**
 - Count of one-way trips that Health First Colorado and non-Health First Colorado IEP students (who require transportation as listed in their IEP) took throughout the school year. This includes specialized and non-specialized trips. The source of this information is bus logs. The district may also use the maximum possible trips taken if calculated according to the following formula:

Total number of IEP students with transportation in the IEP x total number of school days x two

Transportation Services IEP Students Ratio:

The Transportation Services IEP Students Ratio is used to allocate costs according to the specialized transportation population. This ratio is applied to transportation costs if the district reported costs under the not only specialized transportation category. Both the numerator and the denominator are populated by the district.

- **Total IEP Students Receiving Transportation**
 - Count of Health First Colorado and non-Health First Colorado students who receive transportation as a requirement listed on their IEP/IFSP throughout the school year according to supporting documentation.
- **Total Students in School District Receiving Transportation**
 - Count of all students in the school district that receive transportation throughout the school year according to supporting documentation.

8.2 Reporting when Districts Share Responsibilities between Transportation and Supporting Services

Specialized transportation is reimbursable if the student receives a service provided at school or offsite on the same day. If provided offsite, for example, at a neighboring district, districts must coordinate and keep documentation.

Key Reporting Guidelines:

- If one district provides transportation and another provides the supporting service, and claims are submitted under different District Medicaid IDs, it is the districts' responsibility to keep documentation to explain the scenario. This is needed should the student's claims be sampled during a Program Review
- The district that incurs the cost should report the costs on the annual cost report
- Districts should not report the same cost twice on the annual cost report (i.e., once for one district and then again for another district)
- Districts should not submit a claim for the same service twice
- If a provider is shared between districts, all districts must have access to current copies of supporting documentation

8.3 Maintaining Transportation Documentation

Districts must have documentation to support all transportation costs and ratios. It is highly recommended that districts organize this documentation at the time of submitting the annual cost report. The types of documentation expected in support of transportation costs and ratios include:

- Financial ledgers for transportation payroll and transportation other costs
- Fixed asset ledgers for transportation equipment depreciation (including the month/year placed into service and the years of useful life)
- Documentation that shows the district accurately categorized costs under only specialized transportation or not only specialized transportation
- Bus logs for the One-Way Trips Ratio numerator
- Bus logs for the One-Way Trips Ratio denominator if calculating it according to the actual number of trips taken
- Student counts for the Transportation Services IEP Students Ratio