

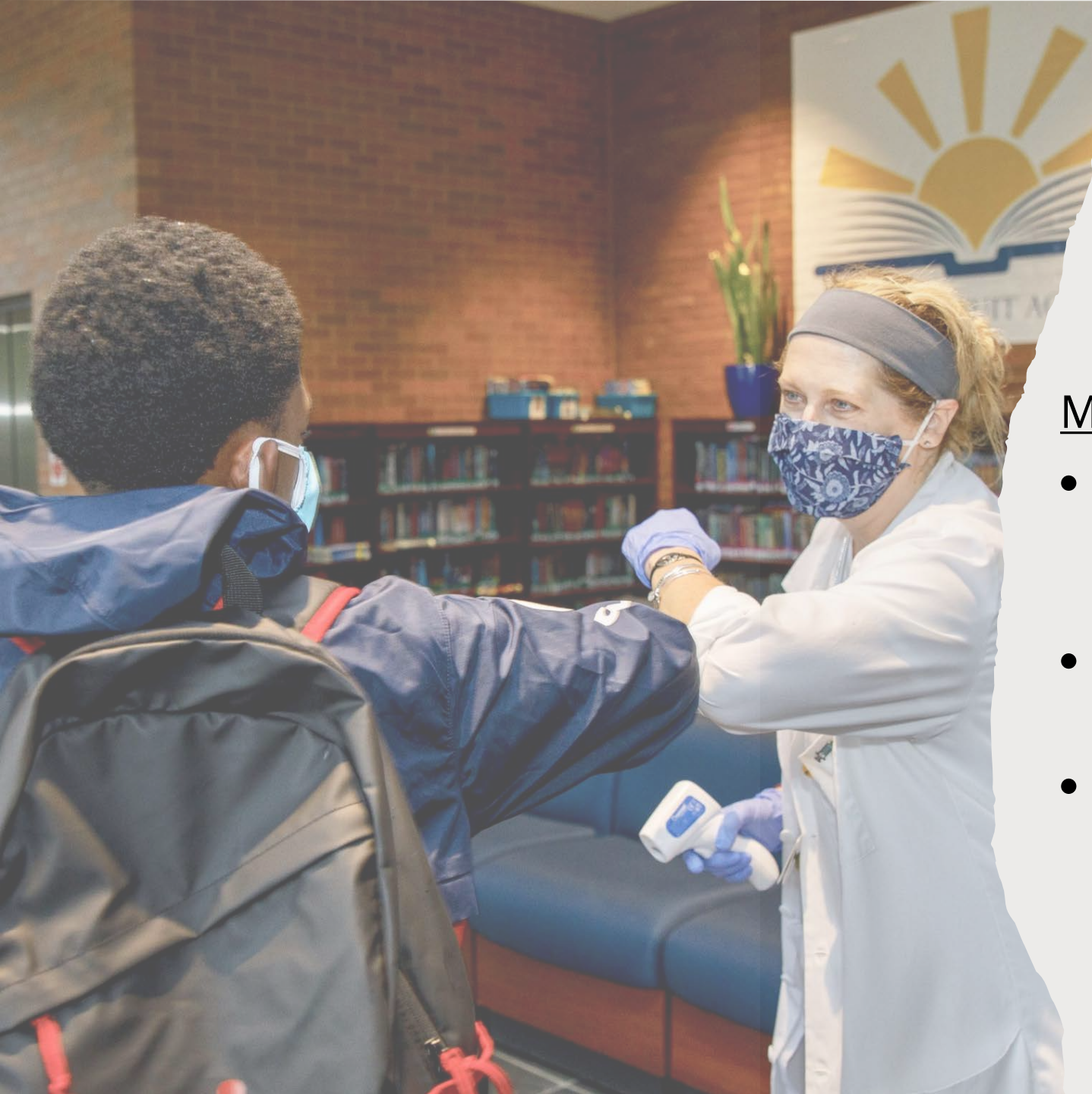
UNDERSTANDING THE MEDICAID IN SCHOOLS PROGRAM

March 24, 2022



**MEDICAID
IN SCHOOLS
COALITION**





Today's Speakers

Medicaid In Schools Coalition Co-Chairs

- **Sasha Pudelski**, Director of Advocacy, AASA The School Superintendents Association
- **Alex Mays**, Senior National Program Director, Healthy Schools Campaign
- **Kelly Vaillancourt Strobach Ph.D.**, NCSP Director, Policy and Advocacy, National Association of School Psychologists

Overview of Medicaid in Schools Program

1

Review what Medicaid is and what it covers—in and out of schools

2

Provide an overview of the opportunity to expand school-based Medicaid--known as the free care policy reversal

3

Describe how Medicaid supports the delivery of mental health services in schools

4

Discuss the importance of school-based Medicaid for various stakeholders—and how to get involved

What is Medicaid?

- Comprehensive health insurance
- Medicaid covers all medically necessary physical and behavioral health services for children and adolescents
- Covers millions of people, including children and adolescents. Eligibility varies by state but 49 states (including DC) cover children with incomes up to at least 200% of the federal poverty line.
- 37% of all school-aged children receive health coverage through Medicaid and CHIP (Medicaid's sister program)
- While Medicaid spending on school-based health services represents less than 1 percent of total Medicaid spending, it represents the third or fourth largest federal program directed at schools

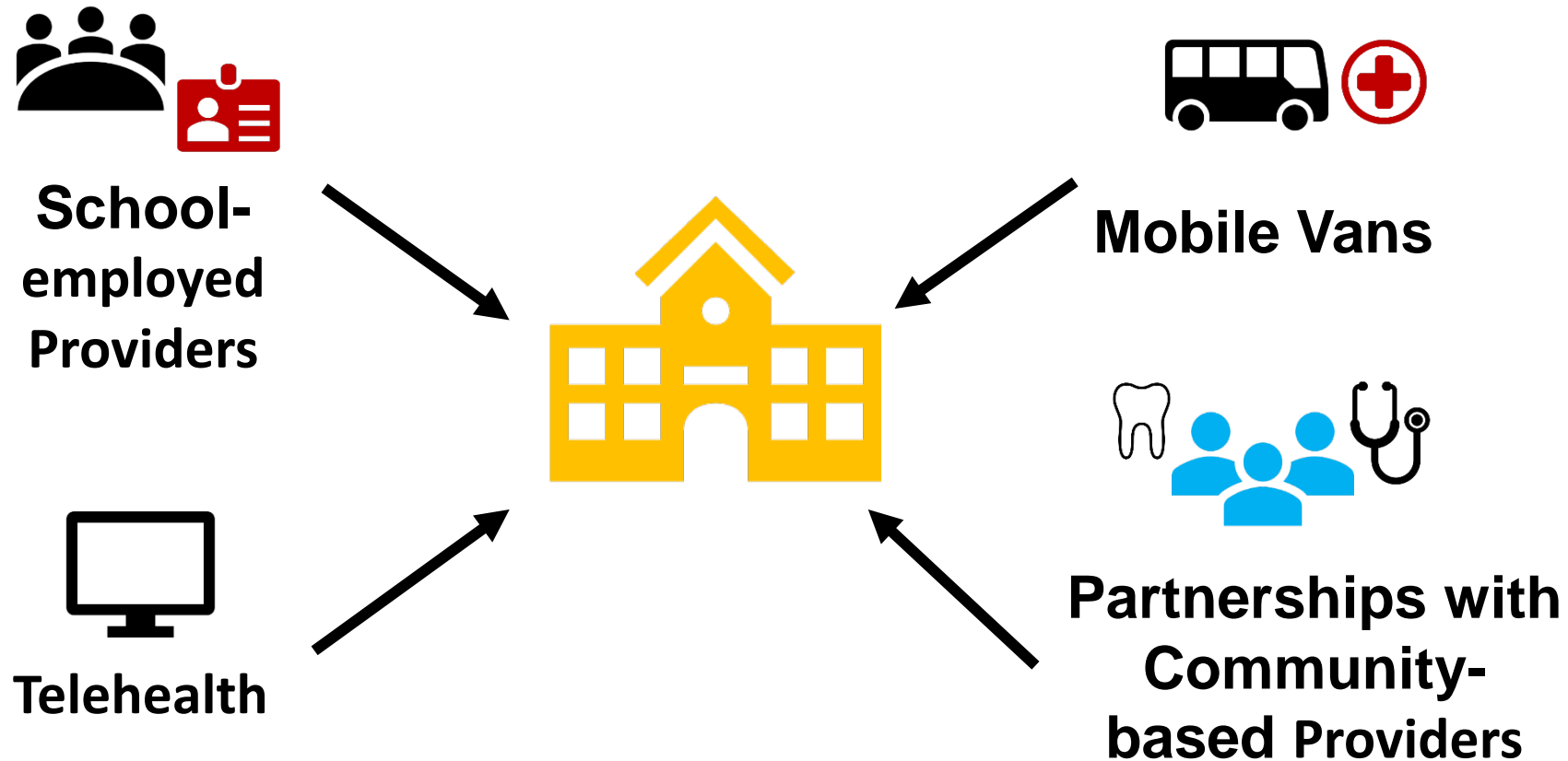


Medicaid's Federal-State Partnership

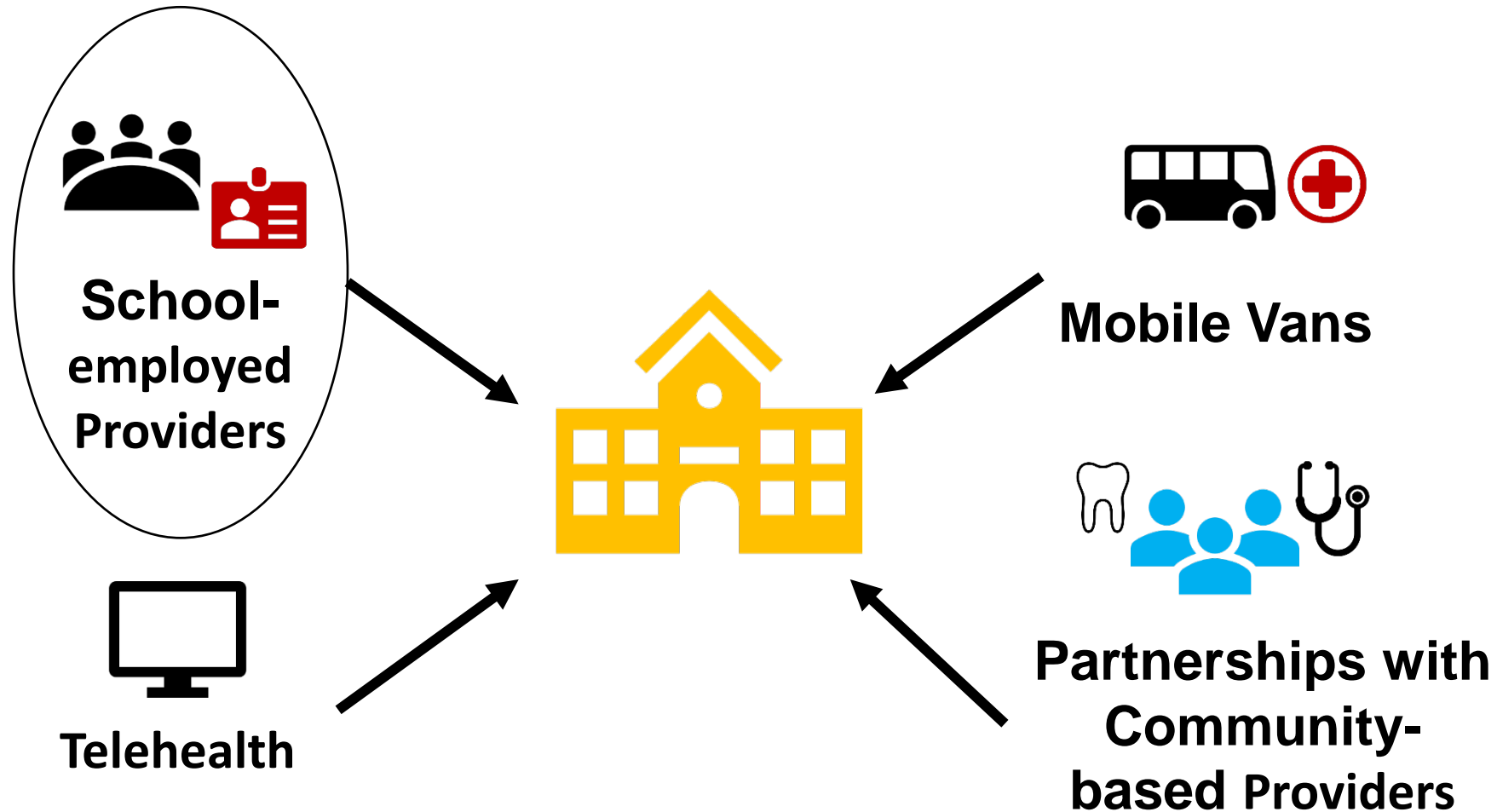
- Typically, Medicaid's costs are shared by the state and federal government*
- States make decisions about administration, eligibility, services, coverage, and beneficiary protections—and HHS approves the decisions
- Program decisions are in a written Medicaid State Plan. One way to modify Medicaid is to make changes through State Plan Amendments (SPA)

*School-based Medicaid is unique in that it is a district-federal partnership. The state has no financial responsibility for the program, but some states choose to take \$ from districts for overhead and administrative expenses.

Models for Delivering Medicaid Services in Schools



Models for Delivering Medicaid Services in Schools



Medicaid Policy History

- For 30 years, Medicaid has paid for eligible school physical and behavioral health services included in students' Individualized Education Programs (IEP)
- There are no regulations or direct references to the Medicaid in Schools program in statute
- The only “rules” for the program exist via CMS guidance that was issued in 1997 and 2003. **This is a major problem.**
- A 2014 change in federal policy is an opportunity to expand school-based services to ALL Medicaid-enrolled students. This is known as the Free Care policy reversal.

School-Based Billing

Part I: How does it work?

Medicaid can pay for school-based physical/mental health services if:

- The student is enrolled in Medicaid;
- The services provided are covered by the state;
- Services are delivered by a qualified provider that is recognized in the Medicaid state plan; and
- States have appropriate billing, documentation and oversight mechanisms in place.



School Based Billing Part II: What Can Districts Bill Medicaid For?

- Direct services: Audiology or speech-language pathology services, behavioral health services, physical therapy and nursing. (**More on mental health later**)
- Administrative services: States may also provide Medicaid payments to schools for activities not mandated by federal education law, but which are requirements of the state Medicaid plan, such as Medicaid outreach and enrollment activities as well as other eligible, school-based Medicaid administrative activities.
- School districts can also provide Medicaid-eligible children with a broad range of health care services such as vision and hearing screenings, and diabetes and asthma diagnosis and management through the Early Periodic Screening Diagnosis and Treatment program in Medicaid.



School Based Billing Part III: Billing Types

There are two main billing structures that exist for schools:

Fee-for-Service: The State establishes a Medicaid reimbursement rate for each billable service. Fee-for-service rates are based on factors like the cost of providing the service, a review of what commercial payers reimburse in the private market, and a percentage of what Medicare pays for equivalent services.

Cost-Based Reimbursement: Schools receive a periodic interim payments during the year from the State Medicaid agency. These interim payments are based on the costs the school district estimates they will incur to deliver Medicaid eligible services.



Why do districts participate in Medicaid?

- Children with unmet health needs struggle to meet their fullest potential
- Inadequate local/state funding prevents districts from providing kids with health-related services they need to be successful in school
- Special education students are guaranteed certain services under IDEA, but IDEA funding is inadequate, so Medicaid helps to supplement this funding stream
- More kids are coming to schools with health needs that prevent them from learning- we need to address this somehow
- Medicaid funding that supports any one position (i.e. school nurse) can benefit the entire school district- not just the Medicaid eligible kids

Eighty-four percent of the school districts we surveyed that do not seek Medicaid reimbursement are rural and among rural districts that do not seek Medicaid reimbursement, more than half, 55%, are districts whose enrollment is less than 1,000 students.



Of rural districts with enrollments less than 3,000 students, 22% of them do not seek Medicaid reimbursement.

More than 20% of rural school districts did not claim Medicaid reimbursement despite having more than 50% of their students eligible for free or reduced lunches, compared with only 3.5% of urban school districts not claiming Medicaid reimbursement with similar levels of poverty.



Thirty-seven percent of rural districts indicated that the costs of complying with the paperwork and administrative requirements of the program were why they did not attempt to bill Medicaid.

A quarter of rural districts indicated they no longer participate in the program because they lost money due to the cost of complying with the paperwork and administrative requirements.



Why don't district participate in Medicaid?

There are many processes and requirements for billing that districts must follow even though their primary responsibility is education and not health care.

For decades, Medicaid has schools comply with the same processes, paperwork and administrative requirements that apply to institutional and community-based health care providers even though there are some important differences between schools and other Medicaid providers. Yet, CMS has mandated districts use the same billing process as hospitals, doctors' offices and other health care entities

The Opportunity

- Historically, Medicaid would only pay for health services included in the IEPs of students enrolled in Medicaid
- A 2014 change in federal policy is an opportunity to expand school-based services to ALL Medicaid-enrolled students
 - This is known as the free care policy reversal



Promising Changes to the Medicaid in Schools Program

States can now choose to expand school-based Medicaid programs to cover all Medicaid-enrolled students

Potential new, sustainable source of revenue from the federal government for services being provided to students

States may also consider expanding:

- Medicaid-eligible providers in schools
- Covered Medicaid services delivered in schools



Opportunities Under “Free Care”

- ✓ Increased funding for school-based health services
- ✓ Medicaid reimbursement for more services in schools
- ✓ Expanded healthcare workforce and provider-types eligible for reimbursement in schools
- ✓ New thinking about how schools and health care can work together to improve health outcomes in schools
- ✓ Improved health and academic outcomes

Examples of Eligible School Mental Health Services

- Psychological assessments
- Psychosocial assessments
- Individual psychology and counseling
- Group psychology and counseling
- Peer support services
- Case management
- Crisis Intervention Services

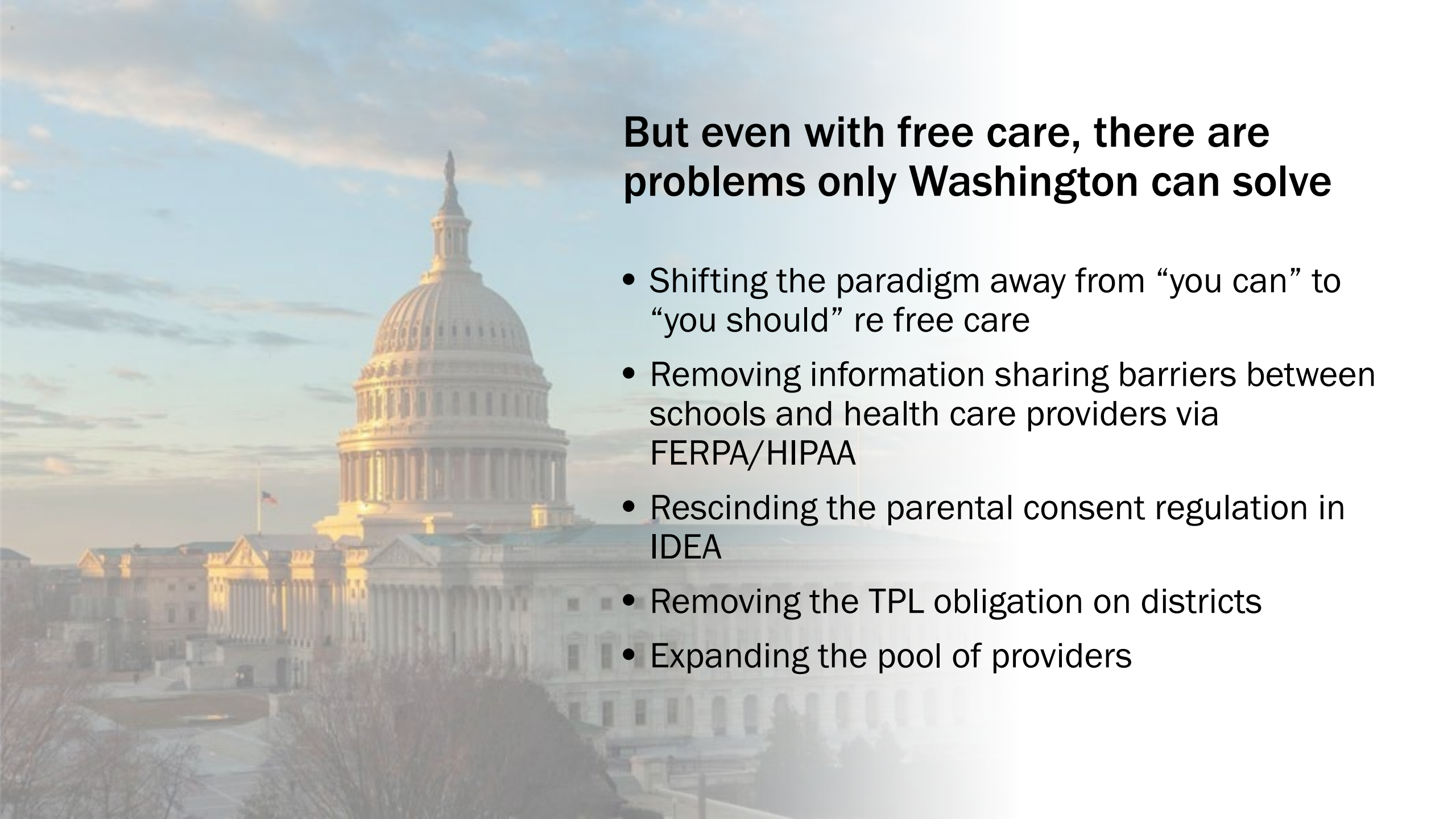
Examples of Eligible School Mental Health Providers

- Psychologist
- School Psychologist
- Licensed Professional Counselor
- School counselor
- Clinical Social worker
- School Social Worker
- Marriage and Family Therapist
- Board Certified Behavior Analyst (BCBA)



Spotlight: Michigan

- ✓ Passed state legislation in December 2018 allocating \$31 million to provide licensed behavioral health providers in schools for general education students
- ✓ Legislation required state to amend Medicaid plan to implement the free care policy reversal
- ✓ Medicaid state plan amendment approved by CMS August 2019
- ✓ Added physician's assistants, certified nurse specialists, marriage and family therapists, behavioral health analysts, school social workers and school psychologists as Medicaid eligible providers
- ✓ Anticipated to bring in \$14 million new federal funding just for services delivered by school psychologists
- ✓ School-based behavioral health providers increased from ~1700 to ~3000 providers



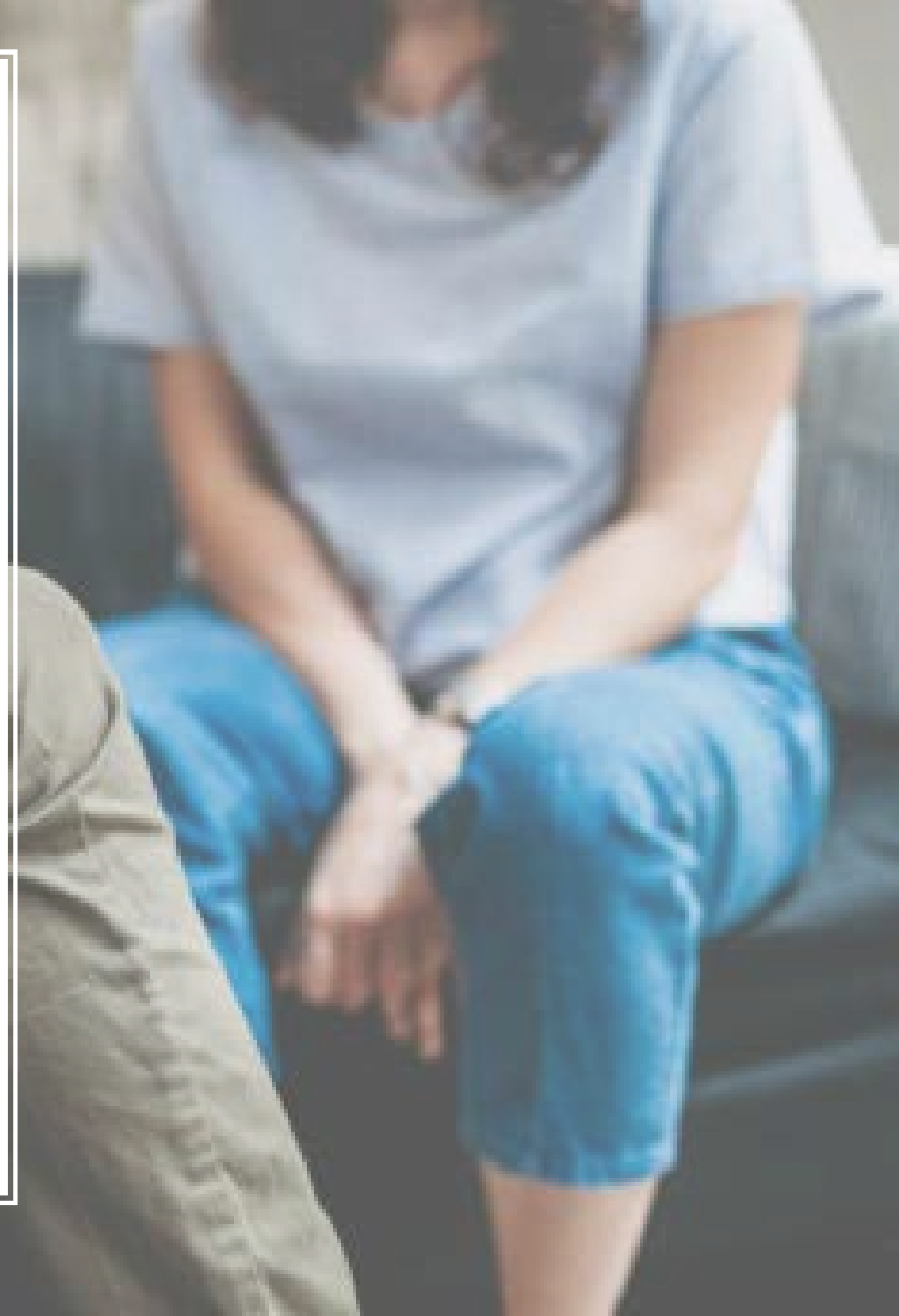
But even with free care, there are problems only Washington can solve

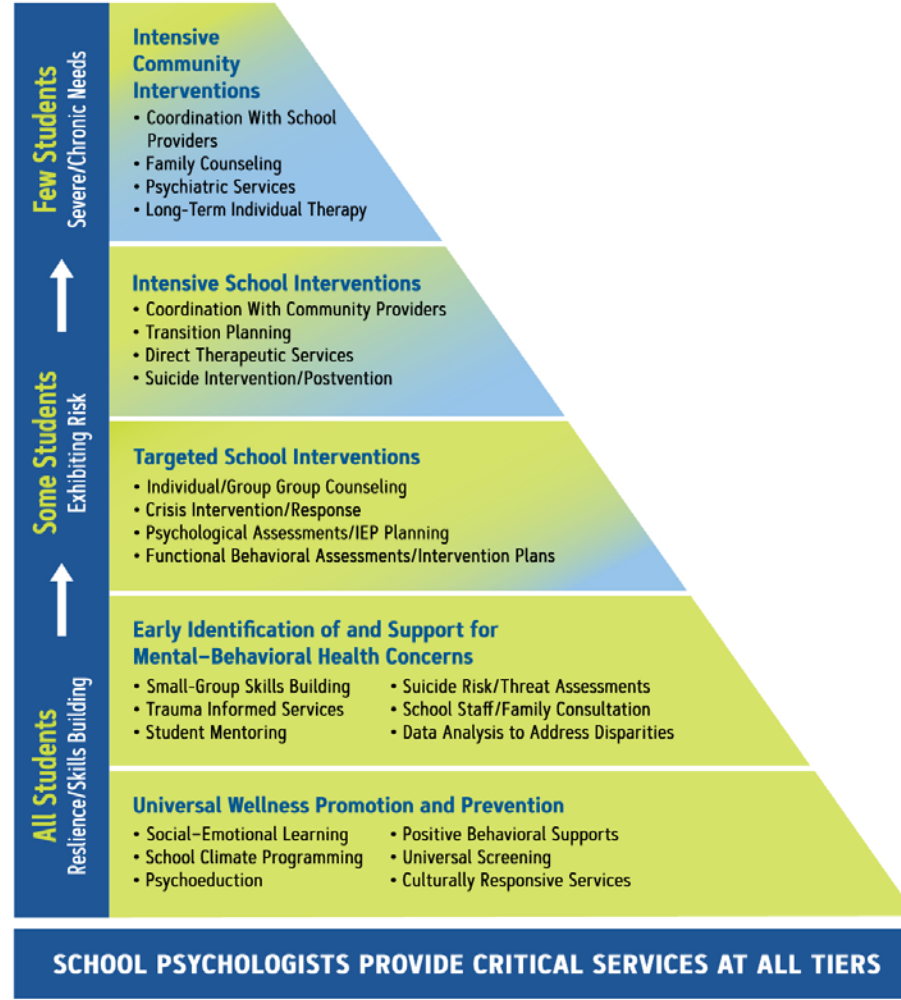
- Shifting the paradigm away from “you can” to “you should” re free care
- Removing information sharing barriers between schools and health care providers via FERPA/HIPAA
- Rescinding the parental consent regulation in IDEA
- Removing the TPL obligation on districts
- Expanding the pool of providers

Importance of School Mental and Behavioral Health

- By 7th grade, 40% of students will have experienced a mental health issue (e.g depression, anxiety)
- Every year 1 in 5 school aged youth meet the criteria for a mental health disorder
- Most students do not get the mental health care they need; most who do get care receive services at school

Access to comprehensive mental and behavioral health services **improves** health outcomes and student learning and **reduces:** risky behaviors, substance abuse, involvement in juvenile justice system





Key. ■ School Support ■ Community Support ■ School & Community Collaboration

Mental Health Providers & Medicaid

- Significant shortages of school psychologists, social workers and counselors
- Medicaid dollars can help support salaries for school-employed mental health professionals and help sustain partnerships with community providers and agencies

13 states currently do not consider school psychologists as qualified providers of Medicaid.



Seizing the Opportunity

- Many states have or are considering expanding school-based Medicaid
 - 16 states have expanded
 - 5 are in the process of doing so

Interagency working group announced!

On March 3, President Biden said: “And when it comes to the mental health of our children, today I’m instructing the Departments of Education, HHS to develop initial guidance to schools that will help them provide mental health support for students in our schools And this is going to include enabling schools to use Medicaid funds to deliver those important services.”



CMS Guidance Wish List

- ✓ Streamlined billing process for districts
- ✓ Paradigm shift in free care- every state permit districts to be reimbursed for the EPSDT services they deliver
- ✓ Removal of TPL requirement
- ✓ Guidance to leverage telehealth as a modality for school health services
- ✓ Clarification regarding school provider qualifications
- ✓ Best practices





What can Congress do?

- Increase the FMAP
- Support efforts to address workforce shortages
- Ensure guidance is issued quickly that addresses the full scope of Medicaid reimbursement issues
- Support TA for states and districts to strengthen their school-based Medicaid programs

Key Questions for Staff and Advocates to Consider

- What are the greatest unmet student health needs?
- How are school health services currently being delivered?
Various models exist
- Is my state currently billing Medicaid for school health services delivered to any Medicaid enrolled students?
- Who are key partners in my state to support this work?
- How does this opportunity align with existing state commitments to improve student health (e.g. state policies and programs addressing nutrition, physical activity, school climate, etc.
- What does Congress or the Biden Administration need to do to improve access to school-based Medicaid services in my state?



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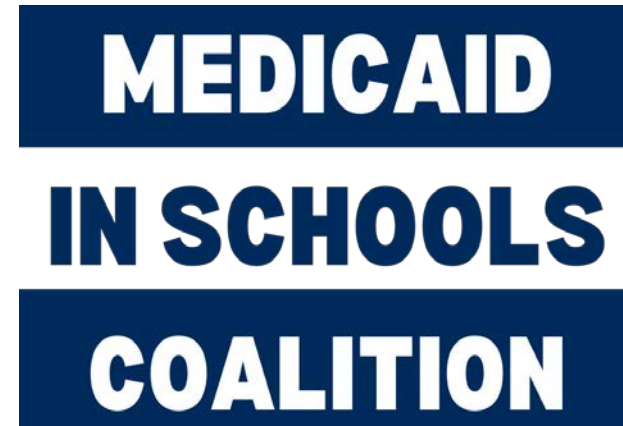
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School-Based Medicaid Terms to Know

IDEA: Individuals with Disabilities in Education Act

CMS: Centers for Medicare and Medicaid Services

IEP: Individualized Education Program

TPL: Third party liability

FMAP: Federal Medical Assistance Percentages

FERPA: Family Educational Rights and Privacy Act

HIPAA: Health Insurance Portability and Accountability Act

