Medicaid Reimbursement

On December 28, 2007, the Centers for Medicare & Medicaid Services (CMS) issued a final rule to propose the elimination of the reimbursement that school districts receive for administrative and most transportation expenses from the Medicaid program. Luckily, days before Congress adjourned in December, steps were taken to create a six month moratorium against any changes in school based claiming. This moratorium will expire on June 30, 2008, allowing the rule to take effect on July 1, 2008 if Congress does not take immediate steps.

Congress has taken this threat seriously and has introduced bills in both the House and the Senate to extend the moratoria. In addition to the threat to school-based Medicaid claiming, CMS is also taking steps to restrict access to Medicaid for hospitals, outpatient services, rehab, case management and other areas. Congressmen Dingell (D-Mich.) and Murphy (R-Penn.) have introduced HR 5613, the Protecting the Medicaid Safety Net Act of 2008. This bill would extend the moratoria in each of these areas, including schools, until April 1, 2009. We are hopeful that the arrival of a new administration will reverse these proposals. Hr 5613 was marked up in sub-committee markup on April 9th, a full committee markup is planned for the week of April 14th and a vote by the full House is anticipated before the end of April. This means that every Representative will be asked to take a stand on this issue during this month.

On the Senate side, Senators Rockefeller (D-WV), Snowe (R-ME) and Kennedy (D- Mass.) have introduced S 2819, the Economic Recovery in Health Care Act. In addition to making some significant investments in states to improve the economic situation, this bill would also extend the moratorium until April 1, 2009. Both of these bills need cosponsors. It is a clear opportunity for members to be on the record in support of the continuation of school-based Medicaid claiming.

While the extension of the moratorium in both the House and the Senate provides a short term solution, we still need to solve the underlying program reinforcing the legitimacy of school districts to claim for administrative and transportation Medicaid related expenses. Senators Edward M. Kennedy (D-Mass) and Smith (R-Ore.) and Representatives John Dingell (D-Mich.) and Ed Whitfield (R-Ky.) have introduced S 578 and HR 1017, the Protecting Children’s Health in School’s Act of 2007. S 578 and HR 1017 amend Title XIX of the Social Security Act to clarify the ability of schools to claim for administrative and transportation costs associated with services provided to students with disabilities and low-income students. In addition, this bill would expand Medicaid reimbursement to 504 students in addition to IDEA students. Finally, it would create a uniform methodology for school based Medicaid claiming that would make it easier for school districts and states to participate. AASA is actively seeking support for S 3705 and HR 5834 from other members of Congress, especially Republicans.

Talking Points:
1. Urge your members of Congress to show their support for the continuation of school-based Medicaid claiming by cosponsoring HR 5613 and S 2819 to extend the moratorium against any changes to claiming until April 1, 2009.
2. Urge your members of Congress provide fiscal certainty to school districts and attach the school-based Medicaid moratorium extension onto the emergency supplemental appropriations bill when it comes before the House and the Senate this month.
3. Ask your House members to vote for HR 5613 when it comes to the floor later this month.
4. Ask your members of Congress to cosponsor S 578 and HR 1017 ensuring a long term solution reinforcing the right of school districts to claim Medicaid reimbursement for administrative and transportation related costs.
5. Ask your members of Congress to call the White House and ask that regulations eliminating school-based administrative and transportation claiming not move forward.