

# OBTAINING PARENTAL CONSENT TO BILL MEDICAID:

## An Unnecessary, Time-Consuming and Emotionally Fraught Process for Districts and Parents

January 2023

### INTRODUCTION

In December 2022, AASA, The School Superintendents Association (AASA) along with the National Alliance for Medicaid in Education (NAME) and the Association of Educational Service Agencies (AESA) surveyed district leaders and school-based Medicaid leads at the LEA and ESA level to better understand the impact of the U.S. Department of Education's current parental consent regulation on the school-based Medicaid program.

AASA, NAME and AESA were interested in understanding whether there has been increased difficulty in obtaining signed parental consent forms due to the pandemic and the increased politicization of America's public education system and government. As the Centers for Medicare and Medicaid finalize the release of a new administrative claiming guide that will simplify Medicaid billing for districts and ESAs, now is the ideal time for the U.S. Department of Education to also take steps to reduce the confusion and burden of the parental consent regulation, so districts can adopt a systematic approach to improving school-based Medicaid documentation.

This is an analysis of the data collected and issues identified by the survey, which was completed by 458 respondents in 43 states. Survey respondents had the opportunity to share their varied experiences with obtaining parental consent for Medicaid reimbursement and we have collected and grouped a sample of the responses to further illustrate the findings.



# SURVEY FINDINGS

The first question asked respondents to identify barriers to obtaining parental consent to billing Medicaid. The top two barriers identified were 1) overcoming general concerns by parents about signing any kind of release form related to Medicaid and the impact it would have on their child’s insurance and 2) the significant burden on staff to obtain the signed consent forms.

Seventy percent expressed that there is generalized concern by parents about signing any kind of consent or release form related to billing Medicaid.



## FROM THE FIELD

- “Parents/guardians do not understand what the form is for, and they are hesitant to sign because of their financial situation(s) becoming public/known to federal officials.”
- “Some parents just flat out refuse because they believe there are strings attached; don’t fully understand the process despite trying to educate them.”
- “Parents believe the school accessing these funds reduce the amount of Medicaid funding that is available over their child’s lifetime.”
- “Despite reassurances, parents repeatedly have expressed fear of how this will impact services outside of school and they are concerned that the consent may result in the sharing of information on logs/submissions that they do not wish to share with ‘the government.’”
- “We hear that some families do not wish to give consent for fear of a stigma associated with Medicaid enrollment and perceived discrimination.”

Since 2005, district personnel have voiced concerns that presenting a separate signed consent form for Medicaid reimbursement has been confusing and problematic for parents. While the U.S. Department of Education attempted to improve the initial parental consent regulation in the Individuals with Disabilities Education Act (IDEA) for Medicaid reimbursement in 2013 for services that are delivered as part of a student’s individualized education program (IEP), there is still considerable confusion from parents about why they should complete the consent form and why the school needs a separate permission to bill Medicaid for healthcare services they are delivering to their child in schools. As districts around the country begin to bill for non-IEP services the confusion about signing a consent form has been amplified. A parent with two children—one with an IEP and one without—may only be asked to sign a consent form for the child with the IEP even though there is a separate requirement under Family Educational Rights and Privacy Act to receive consent for accessing Medicaid reimbursement.



Two-thirds of respondents described the burden on staff to follow-up with parents to complete forms was significant.

School-based providers are unique in that they have roles beyond the healthcare services they deliver to perform in schools. They are not bound to only delivering Medicaid services to students with IEPs—<sup>2</sup> they provide healthcare-related students to 504 plans, who may or may not be covered under Medicaid, and who are not Medicaid eligible for other reasons. They also act in other capacities: they supervise students in the cafeteria or in homeroom, they may assist with extracurricular activities, they attend school-wide events and staff meetings. Moreover, many Medicaid providers and specialized instructional support personnel in schools lack the back-office administrative support of other healthcare settings where completing Medicaid documentation, IEP documentation and other billing education and medical documentation is their responsibility. This means that chasing down consent forms also falls on them and takes time away from their other student-focused responsibilities. Given the national shortage of these professionals in our schools, it is imperative that their work being focused on serving the high caseloads of students they see every week rather than on obtaining parental consent forms.

## “ FROM THE FIELD

“We have to spend a significant amount of time asking staff to reach out parents to get the consent forms signed. Staff already have their plates full and feel overwhelmed with paperwork when working through a student's IEP. We continually find students that are receiving services will not have a consent form in place, however everything else will be correct and they are eligible for Medicaid billing. It is also very discouraging to our staff to get all of the other pieces in place, and then to find out that none of the services we provided can be reimbursed because an initial consent from the parent was never obtained.”

“Within a district where over 79 languages are spoken, the explanation of this consent coupled with language barriers has a significant impact on our consent percentages. In addition, we have an extremely high percentage of students entering the district from elsewhere and it is typical for the consent to be missing from the receipt of student records. This results in much staff time being spent to track the form down or restart the consent process.”

“Not all districts have the manpower to go after missed opportunities to obtain consent, as most staff are wearing many hats. I have even heard of employees seeking work in districts that do not participate in Medicaid, so they don't have to do the additional work that is involved. This ultimately hurts the students.”

“My school district has a low percentage of lower social-economic students and my staff spends countless hours trying to obtain parent signatures. I cannot fathom how much time must be spent by schools with higher percentages of lower social-economic students.”

“Our Medicaid dollars have dropped significantly due to our inability to obtain parent consents. Our staff call, meet, text, message, etc. with parents to explain the form and what we need, yet we cannot get signed forms returned.”

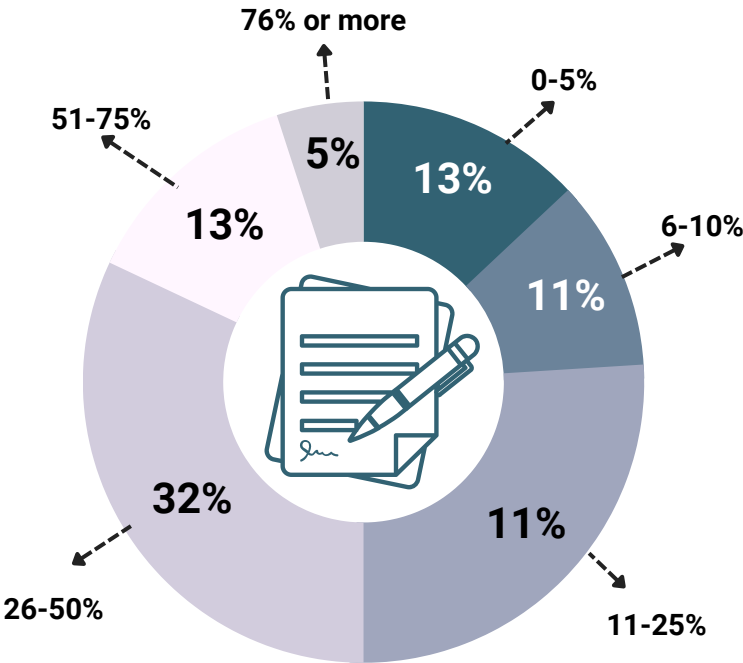
The second question asked survey respondents what percent of their parental consent forms are not signed or returned. The answers varied considerably.

- Almost a quarter of respondents said between 1-10% of their forms are not signed.
- Approximately a third said that between 26-50% of their forms are not completed.
- Eighteen percent said their over 50% or more of their forms are not signed.

The inability to obtain signed consent forms can have major implications for district finances. A student with significant healthcare needs that requires a personal care assistant, multiple services from a variety of specialized instructional support personnel and specialized transportation, can easily cost the district a \$100,000 per year to provide. If this student attends a small or rural school with an operating budget of \$10 million and the parent is scared to sign the consent form for the district, the district is forced to spend one percent of their entire budget on educating this student and are unable to receive any financial support from Medicaid to cover the cost of these Medicaid-reimbursable services.

As states look to expand their healthcare services, particularly their mental health services for students, Medicaid presents a critical funding stream that enables districts to provide these additional healthcare services. While by no means a dollar-to-dollar match in reimbursement, AASA has found<sup>3</sup> that most districts utilize Medicaid reimbursement to pay the salaries for specialized instructional support personnel. The greater the reimbursement they receive, the more personnel they can hire to support students' healthcare needs. The COVID-19 pandemic highlighted the importance of the delivery of healthcare services in schools and how critical the expansion of these services is to ensuring students can learn.

### Percent of Forms Not Completed



### FROM THE FIELD

- "We currently have 37% of Medicaid eligible students without signed consent. This is a significant amount of revenue we are not receiving. Contacting parents, sending and explaining consent forms takes time that could be spent serving students."
- "Many parents think that by signing the consent it will affect any outside services they receive. If 20-25% of parental consents are unattained, then 20-25% of reimbursement is affected. The need for medical and mental health in schools has increased dramatically over last 5 years. Schools cannot keep increasing costs without reimbursement. This is not sustainable over long term."
- "Chasing consents is a real problem and takes up many hours of non-reimbursable time. Having a student or several students with no parental consent show up in the annual billing compliance review really hurts our compliance percentage which in turn drastically reduces our reimbursement."



## FROM THE FIELD

"Every dollar counts. The inability to successfully either obtain consent or have the appropriate processes in place to document that consent has had a significant impact on the Medicaid reimbursement received in our county. I believe the reimbursement received could have been about 50% higher if another layer of consent was not required."

"We have many parents in our district who are not U.S. citizens and they are reluctant to complete any forms. Even though we continue to provide quality services, it is at a huge financial impact to our district."

"For every consent form not signed and returned, we do not receive reimbursement. We have approximately 30% of our forms not signed or returned, thereby losing 30% of our reimbursement."



## FROM THE FIELD

"I'm thrilled our state has decided to expand school-based Medicaid, but there is no reasonable opportunity to engage a parent/guardian about the consent form outside of an IEP meeting. Therefore, the recent expansion of the program to allow claiming for services unrelated to IEPs has been meaningless because there is no realistic way to overcome the parental consent barrier without an IEP meeting. This is most obviously true for any unplanned medical and mental health services and supports. Therefore, no claiming is occurring for these medically necessary and important services we are delivering."

"Our State has now added free-care in our SPA and we are finding it much more difficult to obtain Medicaid consent from the general education population."

"We live in an environment where it is becoming increasingly difficult for parents to 'trust' signing any consent form specific to their child, especially anything involving their child's healthcare or mental health. Our post-pandemic world has made it even more challenging. On the heels of locally politically contentious issues such as masking/not masking, vaccinations or no vaccinations, parents are less likely to provide any level of consent to school district officials related to any access to data or information."

The third question asked respondents to describe whether it has become any more difficult to obtain parental consent now than five years ago.

Fifty-six percent of respondents report that it is more challenging for districts and ESAs to obtain parental consent to bill for Medicaid services than it was in 2017.

Thirty-one percent report that there is no increase or decrease in the difficulty in obtaining consent forms while seven percent says it has decreased. The answers as to why the challenge has increased can be grouped into three buckets: 1) the increased politicization of America's public education system during the course of the pandemic, 2) changes in state Medicaid policy that allow districts to bill for non-IEP services known as "free care" services; 3) parents intentionally withholding consent as a way to "punish" districts for what they believe to be inadequate IDEA services or noncompliance with IDEA.

FROM THE FIELD

“Our state is able to claim for ‘Free Care’ services, which has increased the Medicaid enrolled students we provide direct health and mental services to that we could submit claims for. Students with other plans of care that require parental consent for mental health services often will not sign the Medicaid consent as it is confusing to them. The expected reimbursement increase we thought we would see with ‘Free Care’ is not apparent at this time.”

“We recently had a family revoke consent because they wanted to file a state complaint related to IEP implementation. They essentially made the decision out of anger toward the district.”

“Parental consent requirements make it more difficult for our district to provide resources to support student’s mental health and emotional needs. Parents refuse to sign the consent for Medicaid billing, but the district has the responsibility to provide those supports, which are expensive. We have a high number of 504 students receiving services now, but a very difficult time getting parents to sign the consent form. Anything that could make it easier for us to receive Medicaid reimbursement for these services would be appreciated.”



CONCLUSION

A school’s primary responsibility is to provide students with a high-quality education. However, children cannot learn to their fullest potential with unmet health needs. As districts are faced with more children with critical health and mental health care needs and increasing demands for school personnel to provide those services, the federal government has a duty to remove any administrative barriers that stand in the way of districts receiving critical funding that can support the expansion of these healthcare services.

AASA, NAME and AESA hope that this new survey data highlighting the increased challenges in obtaining parental consent and the impact it has on the ability of school-based providers to deliver Medicaid reimbursable services to children, spurs policy changes at the U.S. Department of Education that will make it easier for districts to bill Medicaid for these healthcare services.

# REFERENCES

1.) The first IDEA regulation (§300.154(d)) requiring districts to obtain parental consent before accessing Medicaid reimbursement for school-based services was issued in 2005 after the reauthorization of the IDEA in 2004. A revised IDEA Part B regulation (§300.154(d)(2)(iv)) was issued in 2013, which modified the requirements related to securing parental consent to access Medicaid reimbursement. The original regulation required school personnel to obtain parental consent each time they sought Medicaid reimbursement. The updated regulations made it easier for school personnel to access public benefits by only mandating that parental consent be acquired before the school system accessed a child's or parent's public benefits or insurance for the first time. It kept the requirement that the LEA or ESA must send an annual notice to parents informing them that school district is billing Medicaid for the school-based services they are delivering to their child and that the parent can opt-out of having the school district access Medicaid reimbursement for those services at any time.

2.) "About The Shortage." National Coalition on Personnel Shortages in Special Education and Related Services, <https://specialedshortages.org/about-the-shortage/>.

3.) Pudelski, Sasha. "Cutting Medicaid: A Prescription to Hurt the Neediest Kids." AASA, The School Superintendent's Association (2017).

AASA, the School Superintendents Association, founded in 1865, is the professional organization for more than 13,000 educational leaders in the United States and throughout the world. AASA members range from chief executive officers, superintendents and senior level school administrators to cabinet members, professors and aspiring school system leaders. AASA members are the chief education advocates for children. AASA members advance the goals of public education and champion children's causes in their districts and nationwide. As school system leaders, AASA members set the pace for academic achievement. They help shape policy, oversee its implementation and represent school districts to the public at large.

The Association of Educational Service Agencies (AESA) is a professional organization serving educational service agencies (ESAs) in 45 states; there are 553 agencies nationwide. AESA is in the position to reach well over 80% of the public school districts, over 83% of the private schools, over 80% certified teachers, and more than 80% non-certified school employees, and well over 80% public and private school students. Annual budgets for ESAs total approximately \$15 billion. AESA's membership is agency wide and includes all ESA employees and board members.

The National Alliance for Medicaid in Education, Inc. (NAME) is a non-profit 501(c) (3) organization comprised of members from the nation's school districts and state Medicaid and Education agencies who are involved in administration of Medicaid claiming for school-based services. Other members are those with an interest in the Medicaid-in-education field such as businesses, consulting firms, non-profit organizations and federal agencies.