Community Engagement Session Educational Service Districts

Medicaid in Schools: Recommendations

Presented by:

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In partnership with:
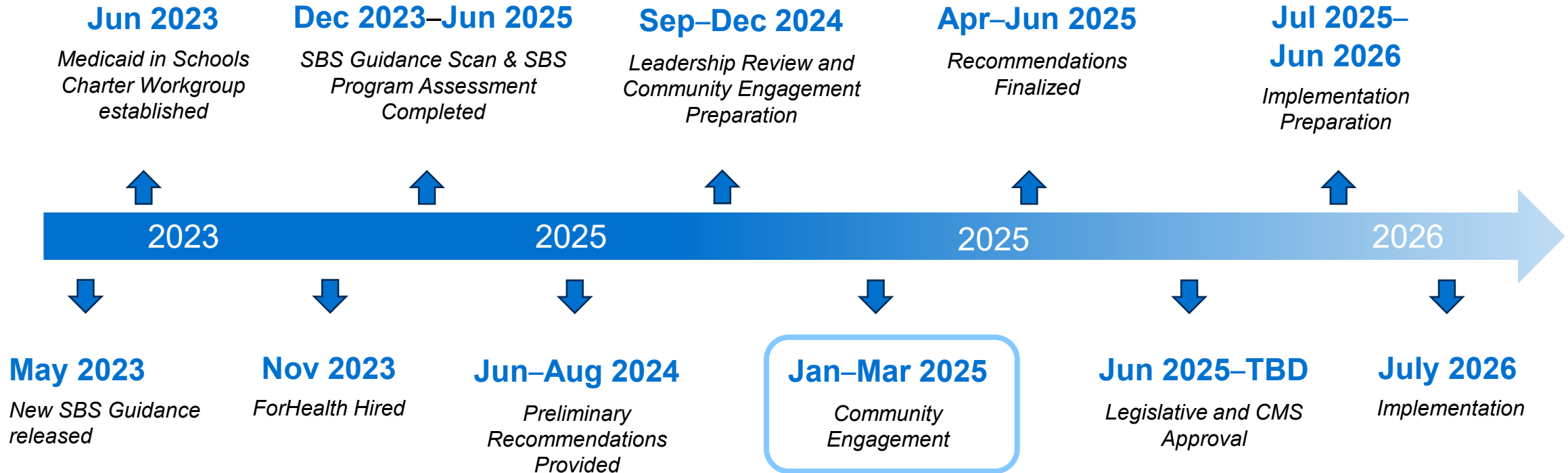
Washington State
Health Care Authority

Washington Office of Superintendent of
PUBLIC INSTRUCTION

January 28, 2025

Agenda

- Medicaid in Schools charter workgroup status

- Review of program assessment findings

- Discussion of preliminary recommendations

- Next steps

Medicaid in Schools Charter Status

forHealth CONSULTING ™ at UMass Chan Medical School

Jun 2023

Medicaid in Schools Charter Workgroup established

Dec 2023–Jun 2025

SBS Guidance Scan & SBS Program Assessment Completed

Sep–Dec 2024

Leadership Review and Community Engagement Preparation

Apr–Jun 2025

Recommendations Finalized

Jul 2025–Jun 2026

Implementation Preparation

2023   2025   2025   2026

May 2023

New SBS Guidance released

Nov 2023

ForHealth Hired

Jun–Aug 2024

Preliminary Recommendations Provided

Jan–Mar 2025

Community Engagement

Jun 2025–TBD

Legislative and CMS Approval

July 2026

Implementation

CMS Compliance Deadline – July 1, 2026

Assessment Findings

Limited participation in current program options (2022-2023):

- 134 out of 303 school districts and 2 out of 9 ESDs billed for services provided to IEP students

- 4 LEAs/ESDs billed Managed Care Organizations for services provided unrelated to IEP

- 46 LEAs/ESDs claimed through the Medicaid Administrative (MAC) program

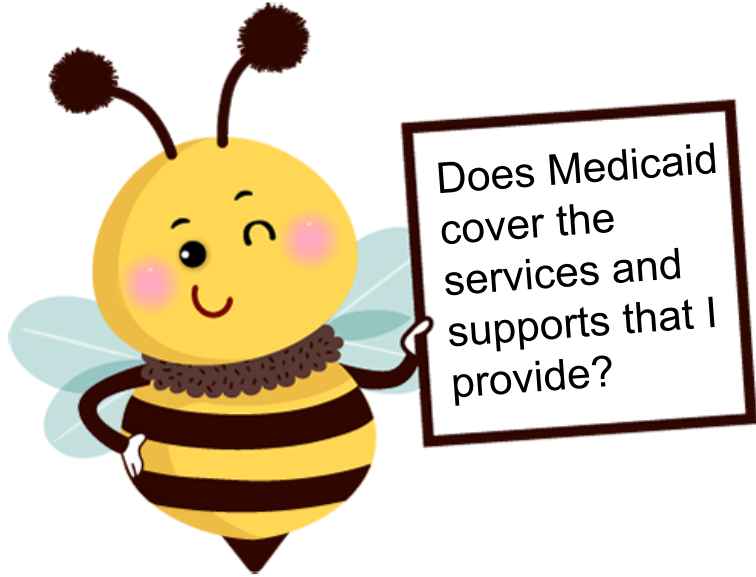- No Tribal Education Compact Schools or Charter Public Schools participate

The most frequently cited barriers to participation:

- Lack of training (53%)

- Difficult to understand and complete billing requirements (46%)

- Administrative paperwork is unmanageable (46%)

The administrative lift disproportionately acts as a barrier for the smallest districts.

Assessment Findings (2)

The three-pronged reimbursement program discourages LEA participation.

Does Medicaid cover the services and supports that I provide?

School-Based Practitioners

Type of Service/ Support	Reimbursement Option	Requirements
Health-related services per student's IEP	School Based Health Services Program	• Provider One enrollment • Billing codes & process • Documentation requirements
Health-related Services interventions – non-IEP	Managed Care Plans	• Managed Care Organization enrollment (5 plans) • Multiple Billing and Payer Requirements • Various Documentation and service authorization requirements
Case management, care coordination, service planning	Medicaid Administrative Claiming Program	• Medicaid Administrative Claiming enrollment • Random Moment Time Study Participation

Assessment Findings (3)

OSPI licensed Educational Staff Associates (ESAs) are master's level clinicians, but are not Medicaid covered today:

- school psychologists
- school counselors
- some school social workers
- some speech therapists

There is currently no reimbursement path for schools today to these Medicaid-covered services:

- Health screenings
- Medical evaluations/school physicals
- Prevention services
- Applied Behavior Analysis / Behavior Interventions
- Specialized transportation services

- Medicaid Administrative Claiming is the **easiest program to participate in.**
  - **73%** of survey respondents indicated the random moment time study is **"somewhat" or "extremely" easy**.

- School services extend beyond students with IEPs, particularly with mental health and nursing services, including addressing:
  - Anxiety, depression, and/or other mental health issues.
  - Asthma, diabetes, and other chronic conditions.
  - Coordination of care/case management and services with community and school providers.
  - Early identification of health issues through routine screenings and/or monitoring of student health.
  - Specialized transportation needs.

Preliminary Recommendations

Focus Areas of Preliminary Recommendations

1. Expansion of Medicaid covered services

2. Expansion of Medicaid qualified providers

3. Program simplification and easing of administrative burdens.

4. Training, outreach, and LEA/ESD support.

5. Gradual transition/implementation of changes.

Preliminary Recommendation

Focus Area 1: Expansion of Covered Services

Students may have a variety of physical and mental/behavioral health needs unrelated to an IEP that are addressed by school-based practitioners within their scope of practice. Examples include:

- Prevention services, health screenings (e.g., vision, hearing), child find screenings and initial assessments/evaluations regardless of special ed eligibility determination.
- Chronic disease management, (e.g., diabetes, asthma).
- Urgent/crisis care and unplanned physical and behavioral health interventions.
- Applied Behavior Analysis (ABA) services and behavior interventions.
- Specialized transportation services.
- Medicaid administrative activity services such as care coordination/case management, referrals and monitoring of health care services.

Discussion

forHealth CONSULTING at UMass Chan Medical School

Focus Area 1: Expansion of Medicaid Covered Services

- What concerns or feedback do you have about the expansion of covered students and services?
- What considerations and additional resources would be required to support this recommendation?
- What, if any, procedural, operational, and/or regulatory changes are needed to implement these recommendations (e.g., scope of practice, regulations, etc.)?

Preliminary Recommendation

Focus Area 2: Expansion of Medicaid Qualified Providers

- Extend Medicaid coverage to include OSPI licensed Educational Staff Associates and master's level clinicians, such as school speech therapists, psychologists, counselors, and social workers.

- Allow Behavior Analysts and technicians to be qualified providers for ABA therapy services/interventions.

- Review the range of services and supports provided by trained paraprofessionals or teachers as directed by the treatment/intervention plan prepared by licensed Occupational or Physical Therapist or Speech Language Pathologist.

Discussion

Focus Area 2: Expansion of Medicaid Qualified Providers

- What concerns do you have about recognizing additional staff as Medicaid-qualified providers for school-based services?
- What considerations and additional resources would be required to support this recommendation?
- What, if any, procedural, operational, and/or regulatory changes needed to implement these recommendations, (e.g., scope of practice, standing orders, regulations, etc.)?
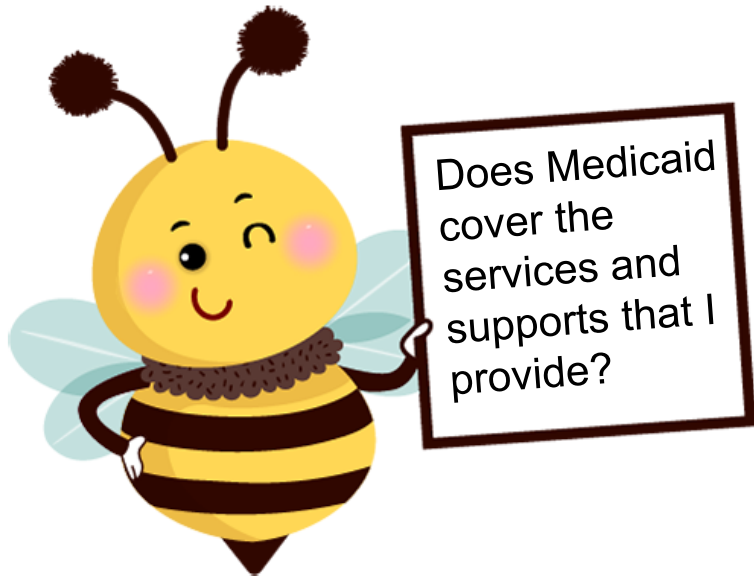
Preliminary Recommendation

Focus Area 3: Simplification of Program Administration and Participation Requirements

- Create a comprehensive school-based Medicaid reimbursement program for school districts and ESDs, carved out of managed care contracts.
- Extend the Random Moment Time Study utilized for the Medicaid Administrative Claiming program to include additional providers.
- Align documentation requirements with each provider type's practice standards.
- Develop a cost-based reimbursement program to maximize federal reimbursement allowable, based on their actual incurred costs.

One Medicaid Reimbursement Program

Simplify coverage of all services in schools into one program

Does Medicaid cover the services and supports that I provide?

School-Based Practitioners

Type of Service/ Support	Reimbursement Option	Requirements
Health-related services per student's IEP	Medicaid in Schools Program	• Provider One enrollment process • Single set of payer billing requirements • No service pre-authorizations • Medical necessity requirements aligned to a school setting • Comprehensive Random Moment Time Study • Cost reports
Health-related interventions – non-IEP		
Case management, care coordination, service planning		

Random Moment Time Study

Accurately captures the time by school providers providing services and supporting and ensuring access to health-related services:

Prep for Service Delivery

Documentation

Arranging Transportation

Access

Outreach

Follow-up

Linking

Connecting

Care Planning

Informing

Monitoring

Program Planning

Referring

Care Coordination

Collaborating

Service Delivery

Interpretation or Translation

Reimbursement Models
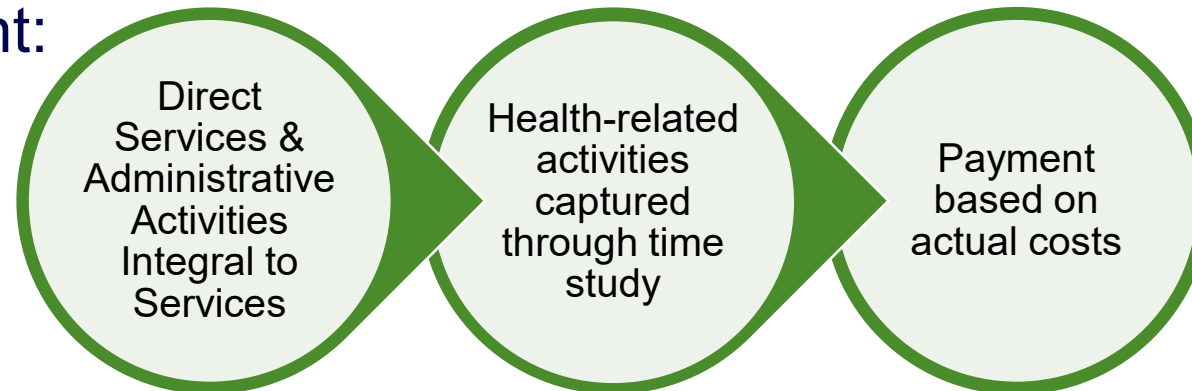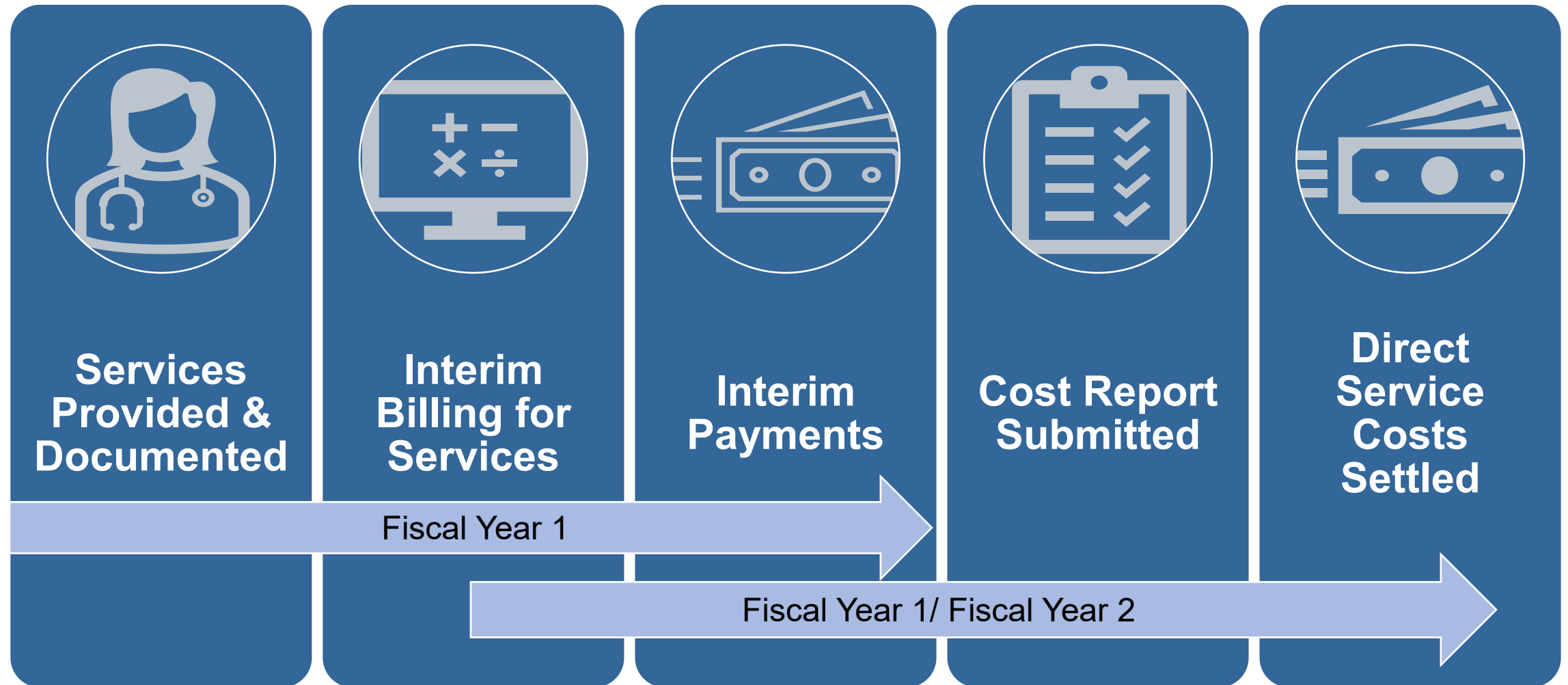
Fee-for-Service:

Direct Services → Medical Billing Required → Payment based on fee schedule
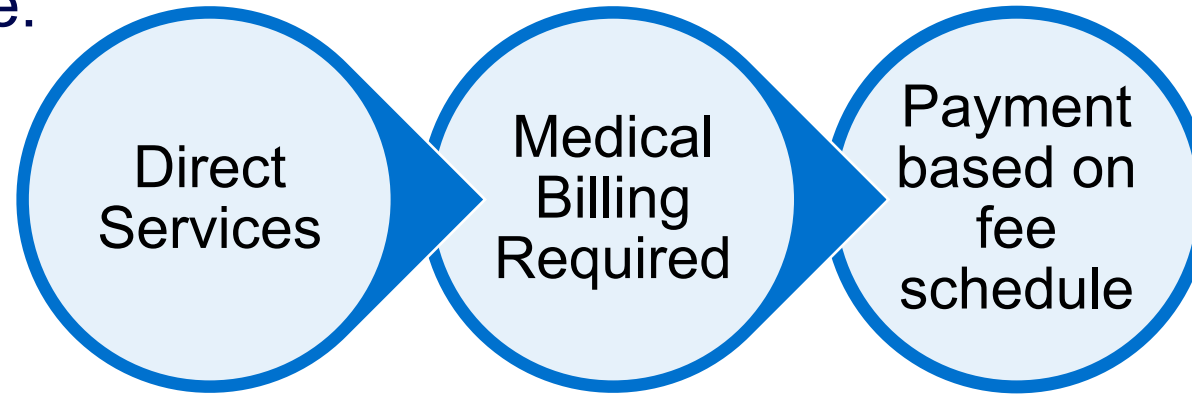
- Focus and burden on billing
- Fees may not accurately reflect LEA/ESD costs

Cost-Based Reimbursement:

Direct Services & Administrative Activities Integral to Services → Health-related activities captured through time study → Payment based on actual costs
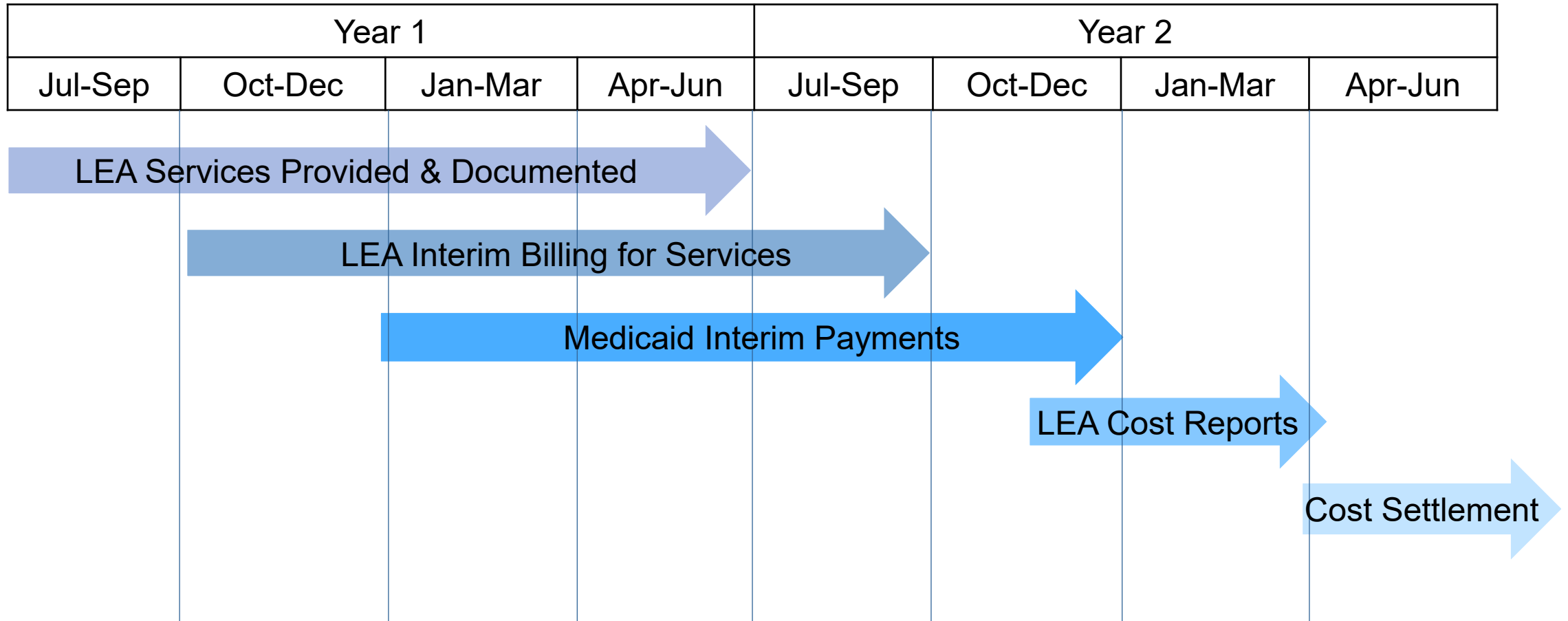
- Captures full array of health-related services and supports
- Reimbursement based on LEA/ESD actual costs
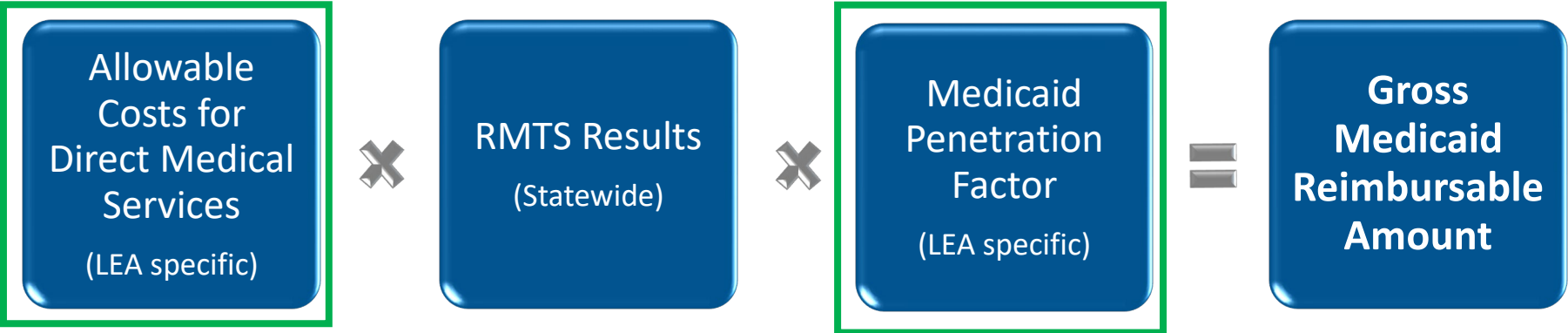
Reimbursement Cycle in Cost Model

Reimbursement Cycle in Cost Model (2)

	Year 1				Year 2		
Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun

LEA Services Provided & Documented

LEA Interim Billing for Services

Medicaid Interim Payments

LEA Cost Reports

Cost Settlement

Cost Settlement

Cost-Based Reimbursement Methodology:

Allowable Costs for Direct Medical Services (LEA specific)	✖	RMTS Results (Statewide)	✖	Medicaid Penetration Factor (LEA specific)	=	Gross Medicaid Reimbursable Amount

$5,000,000 X 50%   X   10% = $250,000

Cost Settlement:

Gross Medicaid Reimbursable Amount		FFP Rate(s)	−	Interim Payments	=	Cost Report Payment

$250,000   X   50%
− $80,000   = $45,000
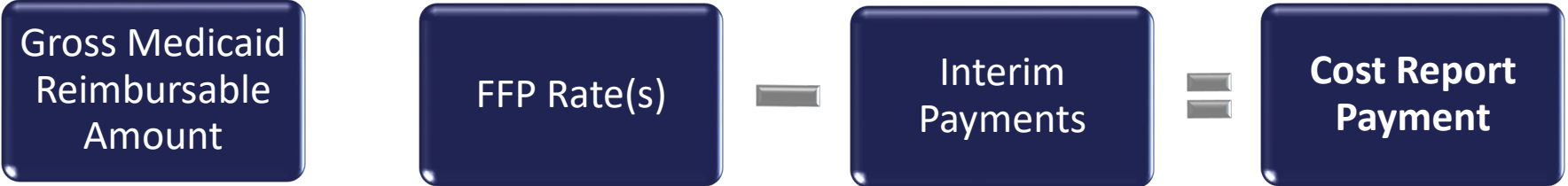
Cost-Based Reimbursement Advantages

- Elimination of Intergovernmental Transfers between LEA and HCA

- Simplified financial reporting.

- Each school district's and ESD's reimbursement is based on actual incurred costs and the percentage of your student population that is enrolled in Medicaid.

- This model takes the pressure off staff to "bill" for every service and prioritizes:

  - Answering randomly assigned moments accurately.
  - Ensuring requirements are met for service documentation
  - Captures reimbursement for all activities staff perform to support student health, many of which do not require "interim billing."

Discussion

Focus Area 3: Simplification of Program Administration and Participation Requirements

- What questions or concerns do you have about the consolidation of Medicaid reimbursement processes for schools under one program?

- What concerns do you have about the carve out of school-based services from managed care?

- What specific concerns or questions do you have about a cost-based reimbursement model that uses a Random Moment Time Study?

Preliminary Recommendation

Focus Area 4: Training, Outreach, and LEA/ESD Support

- Develop Medicaid program engagement and training strategy, which includes:

  - Active involvement from OSPI in outreach, training, and support,

  - Development of Medicaid-focused professional learning communities,

  - Alignment of Medicaid billing with existing frameworks for identifying and addressing student health needs, (e.g., Child Find, Case Management, and the Multi-Tiered Systems of Support model).

- Develop recommendations to address school infrastructure needs around health service delivery documentation systems and Medicaid billing.

Discussion

Focus Area 4: Training, Outreach, and LEA/ESD Support

- What training and outreach should be prioritized?

- What type of training forum(s) would have the most meaningful impact to school districts and school-based providers?

- What are some immediate questions or concerns that should be considered in infrastructure support/recommendations?

Preliminary Recommendations

Focus Area 5: Phased Approach to New SBS Program Design

- LEAs and ESDs can participate in the current Medicaid Administrative Claiming program.
    - Training and onboarding in Random Moment Time Study process.
    - Familiarity with financial reporting requirements.
    - Realization of incremental revenue for administrative activities performed.
- Assess financial impact on potential program changes.
- Provide additional feedback and considerations for new program.

Discussion

Focus Area 5: Phased Approach to New SBS Program Design

- How do staff from the ESDs prefer to engage in collaboration around program requirements and implementation planning?

- Would collaboration with the following associations be an effective way to design helpful resources for ESDs to support training or information sharing on Medicaid reimbursement requirements?
  - Washington Association of Educational Service Districts (WAESD)
  - Office of Superintendent of Public Instruction (OSPI)
  - Washington Association of School Administrators (WASA)

Next Steps

New Medicaid in Schools Program Design Requirements

- Post Engagement Session Survey
- Finalize community engagement session feedback
- Finalize program design recommendations
- Prepare requirements for state legislative and/or federal approval
- Implementation planning

For more information

On Program Recommendations, contact
HCASBS@hca.wa.gov

On Medicaid Administrative Claiming Program enrollment, contact
MAC@hca.wa.gov

Website: https://www.hca.wa.gov/billers-providers-partners/program-information-providers/school-based-services