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DEPARTMENT OF
EDUCATION

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Ways and Means Subcommittee on Education

Medicaid Billing for Education

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Assessment

Medicaid Billing Opportunities for Education

Presentation Overview

Salam Noor	Presentation Overview	
Sarah Drinkwater	Overview of Medicaid Billing Programs	Slides 3-11
Mitch Kruska	Opportunities for Medicaid Billing in Education	Slides 12-19
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Medicaid Billing

- **Medicaid Administrative Claiming (MAC)**
 - **Outreach activities designed to ensure that children in schools and the community are aware of access to Medicaid programs and services.**

- **School Health Services (SHS)**
 - **Services authorized under Oregon's approved Medicaid State Plan that are special education related services, or early intervention services.**

Legal: Individuals with Disabilities Education Act (IDEA)

- **Ensures all children with disabilities have available to them a free appropriate public education that emphasizes special education and related services designed to meet their unique needs and prepare them for further education, employment, and independent living. (34 CFR §300.1)**
- **Part B of the IDEA guarantees children ages 3 to 21 access to special education services in their public schools.**

Legal: OAR 581-015-2530

- **A school district program may use the State's Medicaid or other public benefits or insurance programs to provide or pay for special education and related services required under IDEA and permitted under the public benefits or insurance program.**

OAR 581-015-2530 (cont)

- **Prior to accessing a child's or parent's public benefits or insurance for the first time, the school district, must obtain written notice and parental consent (annual notice thereafter).**
- **School health services are no cost to parent. (copays. . .) and do not affect a family's community benefits. (OAR 410-141-3420)**
- **Parent has right to withdraw consent at anytime. However, the district still has the responsibility to pay for IEP services.**

Medicaid Administrative Claiming (MAC)

- **Random time study of claimable administrative activities provided by school district.**
- **OHA has contracts with 8 ESDs (school Districts subcontract with ESDs)**
- **65 School Districts & ESDs participate**
 - **In Oregon: 197 School Districts/22 ESDs**

Medicaid Administrative Claiming (MAC)

- **No direct service reimbursement**
- **Cost share 50/50 match**
- **Risk of not being cost effective**
- **OHA requires annual report on use of funds for health and social service projects.**

School Health Services (SHS)

- **63 School Districts & ESDs bill (2014-15)**
- **Reimburses costs of IDEA related services written in the IEP (i.e. SLP, Nursing, Delegated Health Care, Occupational Therapy, Physical Therapy, Transportation) that are also considered direct health services under the State Plan.**

School Health Services (cont.)

- **Match rate determined by Federal Medical Assistance Percentage (FMAP) rate.**
 - **Current match (OHP) at 35.5% (School District pays)**
 - **Changes every October**

- **Reimbursement is cost based and established on each individual district or ESDs actual costs**

- **No annual report on use of funds**

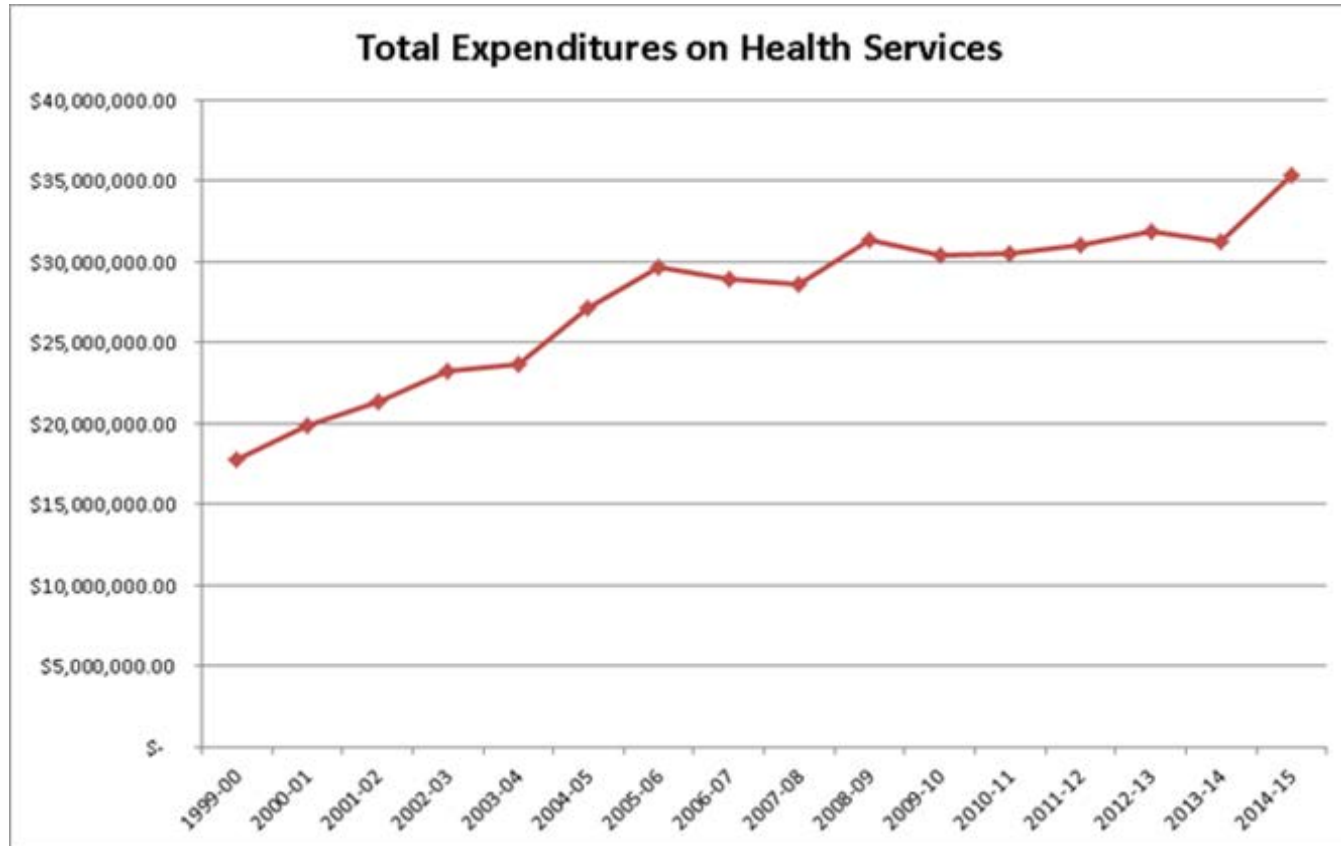
School Health Services (cont.)

- **Fee for service and billed directly to state Medicaid or through contracted billing agent (ESD, Private)**
- **Does not include School Based Health Centers**
- **Top 3 services schools bill for**
 - **Speech**
 - **Nursing**
 - **Transportation**
- **No clear requirement for district use of federal match.**

Medicaid SHS State Plan

- **Approved by the Centers for Medicare and Medicaid Services (CMS)**
- **Identifies school services eligible for reimbursement and based on required IDEA services**
- **Medicaid First Payer in Oregon schools.**
 - **1903c of SSA**
 - **34CFR300.154 (Requirement for Memorandum Of Understanding between ODE and OHA)**

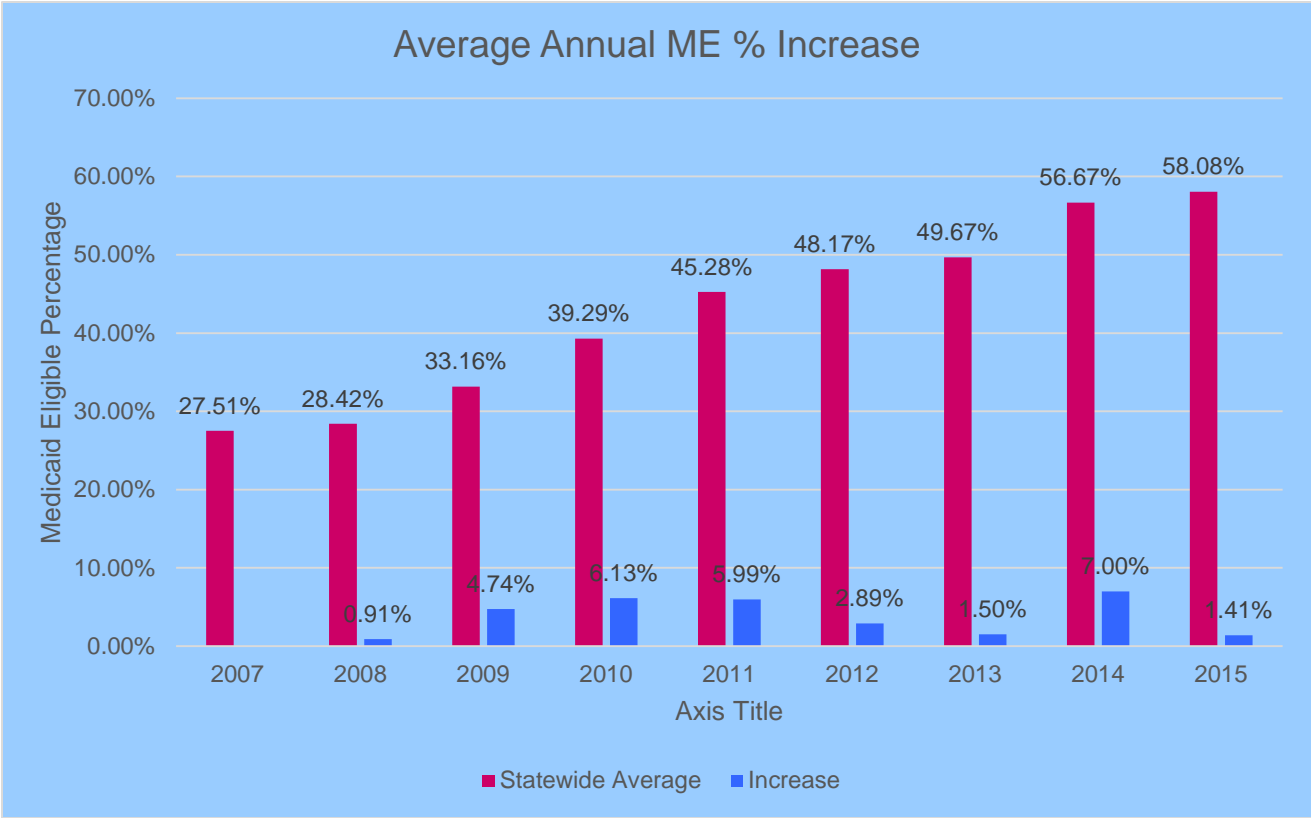
Increased Expenditures for School Health Services (1999 -2015)



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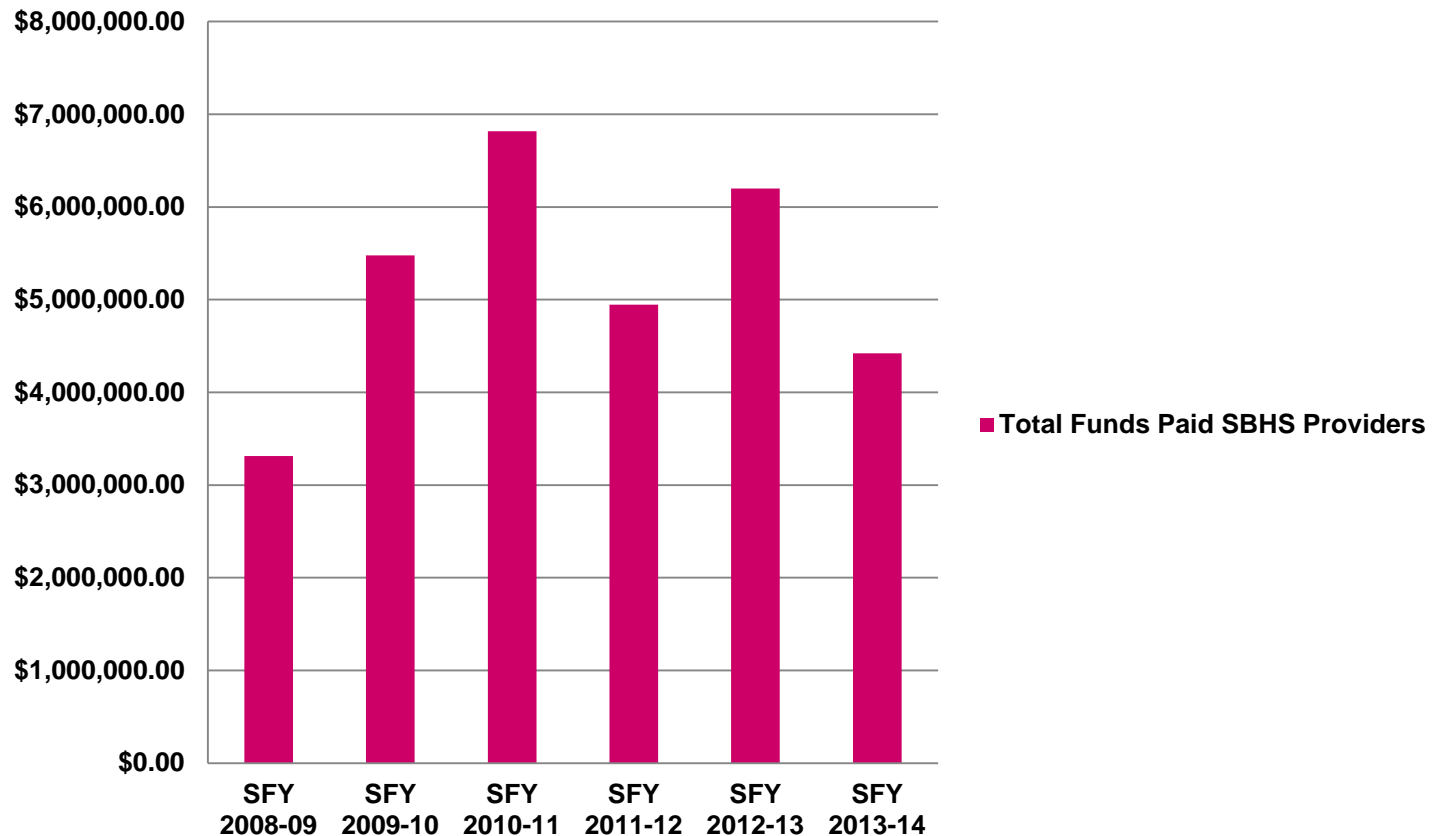
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Medicaid Eligible Children



Total Funds Paid to SHS Providers

Total Funds Paid to SHS Providers



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School Health Services (2014)

Service Category	Sum of Paid Amount
Psych	\$11,672.00
Speech	\$2,637,029.51
OT	\$294,284.79
PT	\$417,802.01
RN	\$2,172,829.71
LPN	\$192,712.78
Trans	\$180,029.27
Audiology	\$6,322.17
Total	5,912,682.24

Case Study: School District A

- **Student Body = 3700**
- **Identified 15 highest need students (Est)**
- **Allocated .5 FTE for interface with State Medicaid.**
- **Established State funds match account**
- **Established committee to govern use of funds. (Health related)**

Case Study: School District A Outcome (2014)

- **15 (est) Highest need students**
- **SHS claiming for Nursing, Transportation, and Delegated Services**
- **Medicaid Administration Claiming.**
- **Claimed \$300,000 (SHS) and \$210,000 (MAC)**
 - **2.5 School Nurse FTE,**
 - **Additional Health assistant FTE**
 - **PD for Health Services staff**
 - **Health supplies (AED, Epi Pens, stop watches.)**
 - **First Aid Kits every classroom/AED**

SHS Medicaid Funding State Comparison: 2015

State	Total	State	Federal	State Student Population
Oregon	5,188,389	1,888,093	3,300,296	601,318
Washington	9,321,688	4,657,296	4,664,392	1,073,638
Colorado	65,214,047	32,268,851	32,945,196	889,006
Idaho	35,770,614	10,105,309	25,665,305	290,885
Kentucky	34,518,428	13,645,573	20,872,855	688,640
South Carolina	33,630,157	12,200,180	21,429,977	756,523



Obstacles for Medicaid Billing

- **Complexity of Billing Process**
- **Up front funding for district match account**
- **Increased school staff time required for billing and documentation**
- **Fear of federal audit, findings and sanctions.**

Obstacles for Medicaid Billing (cont.)

- **“Not worth it” (cost benefit)**
- **Parent consent (limits ability to mandate 100% Medicaid billing in Education)**
- **High case loads for school nurses and other medically licensed staff and the impact on tracking and recording services.**

Obstacles for Medicaid Billing (cont.)

- **Possible Medicaid funding cuts at the Federal level**
 - **Medicaid spending on school-based health services represents less than 1 percent of total Medicaid spending. However, school districts collectively rely on \$4 to \$5 billion in Medicaid funds each year.**
 - **The Federal Government may reduce Medicaid funding which will increase states and school districts reliance on Part B of the IDEA to fund these services**

Existing Medicaid Billing Options Available to Districts

- **OHA's Free Web Portal for billing Medicaid**
 - **Manual billing system for districts**
 - **Has limitations (Best for small schools, not a data system)**

- **MESD Billing System – ORMED**
 - **Electronic billing submission application**
 - **Providers manage caseloads, enter service logs and documentation.**
 - **Validates billing against documentation (IEP's, parent consents, recommendations, etc)**

- **Private for profit provider**
 - **Typically multi-state, not Oregon Specific**

Funding Reimbursement Estimates

- **If every district billed comprehensively:**
 - **Current Oregon K-12 Enrollment = 576,407**
 - **Total IDEA Eligible (13%) = 76,820**
 - **Total Medicaid/IDEA Eligible (58%) = 44,617**
 - **Total estimated Medicaid reimbursement = \$44,617,000**

Pending Legislation

- **SB 111. School Medicaid billing pilot project (9 districts)**
- **HB 2223. Requires Medicaid billing for all eligible students for IDEA related services**
- **Both pieces of legislation include technical assistance to schools provided by ODE and ODE development of statewide system for School District billing.**

Conclusions

➤ **Benefits of Medicaid Billing:**

- **Partnership to support the medical services that are specified on a student's Individualized Education Plan**
- **Resources are maximized**
- **Efficient method of providing necessary medical care to Medicaid-eligible students**
- **Leverage of federal funds to recover a portion of the costs that have already been incurred**

Conclusions

➤ **Guiding Principles**

- **Development of documentation and billing infrastructure due to complex requirements**
- **Development of guidance and procedural manuals to minimize the challenges between Medicaid Program and LEAs**
- **LEAs require foundational support for Medicaid billing as this is a high visibility program and audits occur often**