



School-Based IDEA Health Services: Upcoming Changes

January 10, 2005

This presentation is provided by Public Consulting Group, Inc. as a contractor to the Louisiana Department of Health and Hospitals

Agenda

- Background
- Advantages for School Districts
- Expanded Providers – Counseling Services
- New Service Coverage - Transportation
- Cost-Based Reimbursement
- Documentation Requirements
- DHH Administrative Fee
- Conclusion

Background

- Public Consulting Group, Inc. (PCG) has been engaged by the Department of Health and Hospitals to provide Federal Revenue Maximization Services on a Statewide basis.
- DHH/PCG reviewed current EPSDT School-Based services and reimbursement methodology for opportunities to enhance Medicaid revenue in light of recent federal guidance.
- We interviewed DOE and Medicaid staff and visited several school districts in the summer and fall of 2003 to determine:
 - The general quality of service documentation;
 - What additional services school districts would like to see covered by Medicaid; and
 - Whether moving to a cost-based reimbursement methodology would be beneficial if it did not result in any additional expenditure of state or local funds.
- The overwhelming response for desired changes:
 - Cover Social work and licensed professional counselor services
 - Cover Transportation services
 - Move to cost-based reimbursement



Background (continued)

- DHH/PCG reviewed other successful state programs -Texas, West Virginia and Colorado.
- DHH issued emergency rules on August 20, 2004 and submitted the required changes to the Medicaid State Plan to the federal Medicaid agency – Centers for Medicare and Medicaid Services (CMS) - for approval.
- CMS has recently issued a policy clarification requiring two new procedures to support Medicaid payments to public providers which will necessitate Medicaid obtaining revised signed agreements with all current EPSDT Health Services providers to reflect new requirements for continued Medicaid reimbursement of services:
 - Annual Cost Reports
 - Changes to Process for Certifying Public Expenditures for “state match”
- The Medicaid State Plan changes must still be approved by CMS
 - DHH received questions which must be satisfactorily answered to obtain final approval so minor changes may occur
 - One change will be that EPSDT Health Services will be changed to IDEA Health Services to differentiate these from other EPSDT services
- DHH and PCG recognize that school districts are a critical partner to the success of this program to maximize federal revenues to improve benefits to the students served.
- We welcome your comments/questions.



Advantages for School Districts

- School Districts are likely to improve the recovery of costs already being incurred providing federally mandated (IDEA) services to Medicaid enrollees.
- Results in increased reimbursement – the interim payment rates will be closer to what schools are spending on services
- Allows billing for more kinds of individuals who provide counseling services – i.e. Licensed Social Workers and Licensed Professional Counselors.
- Allows billing for specialized transportation services, including to and from school, when transport occurs in conjunction with receipt of IEP-related services
- There are no additional local dollars required – existing local dollars will be used to “certify” the required state match for increased Medicaid payments.
- Gain in additional net federal revenues to school districts from increased rates and payments for new services.
- There are no additional State dollars required.
- This will enable Louisiana schools to improve health services provided to students.



Expanded Providers – Counseling Services

- Psychological services already include the services below when provided by a Louisiana licensed physician, psychiatrist, psychologist or certified school psychologist:
 1. administering psychological and developmental tests and other assessment procedures;
 2. interpreting assessment results; and
 3. planning and managing a program of psychological counseling for children and parents, family counseling, consultation on child development, parent training, and education.
- New Counseling services will include direct services provided by a:
 - a. licensed professional counselor;
 - b. licensed clinical social worker; or
 - c. graduate social worker with supervision in accordance with the state licensing standards of the State Board of Social Work Examiners.

Source: Louisiana Register Vol. 30, No. 8 August 20, 2004



New Service - Transportation

- If a Medicaid covered child requires transportation in a vehicle adapted to serve the needs of the disabled, including a specially adapted school bus, that transportation may be billed to Medicaid if the need for that specialized transportation is listed in the child's Individualized Education Plan (IEP), properly documented **AND**
- Another IDEA Health Service identified in the child's IEP occurs on the same day as transport
 - Transportation to and from school is covered **ONLY** when the child receives another covered IDEA Health Service identified in the child's IEP at the school on the day the transportation is provided.¹
- The unit of service for transportation will be a one-way trip.
- Trips to/from school to another location where IEP services are provided on the same day as transport are also covered.

¹ Source: *Louisiana Register* Vol. 30, No. 8 August 20, 2004



Cost-Based Reimbursement

- Presently, LA school districts may receive Medicaid payment for IDEA School-Based Services at fee-for-service rates below their actual cost.
- Medicaid Payment Rates will be changed to an interim rate developed by a thorough Medicaid cost study and rate-setting analysis
 - (Annual estimate OK here if given as a range with caveat that analysis and changes to obtain CMS approval may change the estimate)
- Interim Rates for all services – both existing and new - will be calculated by DHH/PCG working closely with school district personnel from eight representative school districts to review financial data and determine cost-based interim rates.
- Cost reports must be filed by each participating school district annually in a format specified by DHH.
 - DHH/PCG will work closely with school districts to leverage existing AFR data for these reports.
 - The Federal Medicaid agency – CMS – is requiring annual cost reports even without the change to cost-based reimbursement.
- If permitted by CMS approved Medicaid State Plan, additional payments for current School-based Health Services may be issued upon receipt and audit of cost reports filed for the current year and subsequent years, if interim rate payments did not cover allowable costs
 - School Districts may also owe Medicaid monies back if overpayment of costs occurred with interim rate payments; repayment plans may be requested subject to Medicaid's approval.
- Interim rates for services will be updated as determined necessary by DHH



Documentation Requirements

■ Cost Reports

- CMS wants to ensure that schools are not paid more than their actual costs, so cost reports must document actual allowable costs to determine final reimbursement
- Financial Data may be used to assist in determining actual allowable costs

■ Time Studies

- New time studies dedicated to direct services **only** must be performed
- Current Medicaid Administrative Claiming (MAC) time studies cannot be used for setting direct service rates for Medicaid
- A new time study is required for **all** school-based IDEA Health Services, not just new services of transportation and counseling services.

■ Certifying Public Expenditures

- School districts will be required to certify that the expenditures for which schools are being reimbursed are accurate and allowable – The funds used to certify “state match” for Medicaid reimbursement do not include any federal funds, the dollars are public dollars and are not used as matching funds for other programs.
- State match generally 30% of total Medicaid payments
- Federal requirement, done annually – in writing.



Documentation Requirements (continued)

■ **Documenting Transportation Services**

- Trip logs must record all trips taken by all students on the specially adapted school bus each day.
- This information must be cross-referenced with attendance records and the documentation of receipt of a covered IDEA Health Service that is included in the student's IEP, on the same day as transport.

■ **Documenting Counseling Services**

- Documentation requirements will be the same as that currently required for psychological services
- Counseling services must be separately identifiable from psychological or other IDEA Health Services
- New codes or modifiers may be required
- Treatment notes reflect counseling services by appropriate credentialed staff



DHH Administrative Fee

■ **Administrative Fee**

- Established to provide funding for additional administrative functions which DHH must implement to:
 - Audit cost reports to determine actual allowable costs;
 - Assure quality of services;
 - Monitor performance; and
 - Assure continued compliance with federal and state regulations.
- Similar to Administrative Fee for Medicaid Administrative Claiming (MAC) Program currently in effect
- DHH administrative fee equal to 15% of payment
- DHH shall withhold 15% administrative fee from Medicaid payments to school districts for school-based IDEA Health Services – both claims payments and cost settlement payments
- Revised Agreements with School Districts shall specify withhold of DHH administrative fee of 15%



Conclusion

- **Questions**

- This presentation and answers to questions that require research will be posted on DHH's LaMedicaid.com website within two weeks.

- <http://www.lamedicaid.com/provweb1>

- **CONTACTS**

- PCG – Mark Tully

- 207.621.2300

- DHH – Randy Davidson, BHSF Program Operations

- 225.342.0127