

A photograph of three children, a girl with red glasses, a boy, and another girl, looking intently at a tablet computer. They are in a classroom setting, and the image is slightly faded to serve as a background for the title.

Leadership Strategies for Success with School-Based Medicaid Claiming – and Why it Matters

by Lawrence Charny

The beginning of the New Year carries a sense of opportunity to engage perennial challenges more creatively and effectively. For the school business official, the incontestable and perpetual challenge is securing adequate funding to support the best comprehensive educational environment.

A significant contributor to fiscal stress is the high and growing cost of special education, where spending usually greatly exceeds the federal assistance provided under the Individuals with Disabilities Education Act (IDEA); which has never met its full level of obligation. To this point, NYSASBO is supporting Assembly Bill A7175, which addresses the distribution of aid for high cost students with disabilities. Already in place, however, is **school-based Medicaid claiming**, an important funding resource designed to relieve fiscal stress on school districts ¹. Nationally, it is viewed as a critical responsibility of both special education directors and school business officials to pursue reimbursement to the greatest extent possible.

Recent developments regarding possible expansion of school-based Medicaid claiming is generating increased interest and discussion on the topic, and, naturally, a heightened focus on how schools are accessing available funds today.

While federal Medicaid reimbursement is currently available only for certain services provided to students receiving special education as per their Individualized Education Plan (IEP), there is early discussion and advocacy for extending reimbursement beyond special education. One of the clearest opportunities for expansion is the 504 program, due to the similarities between 504 plans and IEPs, and the types of health services delivered under both programs. In addition, other new claiming areas could include vision, dental, and mental health screenings; chronic disease management; immunizations; acute care services, and therapies and mental health services provided to the general student population.

The possibility of expanded Medicaid claiming comes from a clarification from the Centers for Medicare and Medicaid Services regarding the “Free Care” policy. Prior to this

¹ In 1988, Congress authorized the Medicare Catastrophic Coverage Act to allow the use of Medicaid funds to reimburse local education agencies for the cost of special education related health services.

clarification, school-based Medicaid reimbursement was only available for services not otherwise provided free of charge to the recipient, with the specific exception of IDEA-mandated special education services. The New York State Department of Health and the State Education Department are looking into how the Free Care clarification could enhance the NYS school-based Medicaid program.

School districts are advised to employ strategies for optimizing claiming processes under current regulations. When and if additional school-based Medicaid claiming areas are authorized in New York State, a well-managed program will help position districts to quickly incorporate the business processes required to obtain significant additional funds.

But what does it mean to employ a strategy? Dr. Lawrence Freedman, in the book *Strategy: A History* defines strategy as "... employing whatever resources are available to achieve the best outcome in situations that are both dynamic and contested."

This definition lends itself perfectly to a concise description of the relationship schools have with Medicaid claiming. The policies on both state and federal levels are dynamic, as requirements and interpretations change frequently. Claims are often contested (challenged or denied), and the documentation requirements may be contested (or passively resisted) by district staff.

Medicaid claiming presents the substantial challenge of merging processes and documentation typical of clinical settings with the daily operations and resources available in an educational setting. Progressive mastery of data that facilitates continuous improvement, strong internal communication and engagement from school officials, and effective use of technology are three key elements of a comprehensive Medicaid-reimbursement strategy.

The school business official can have a significant impact on the district's success with Medicaid claiming, which ultimately contributes to the comprehensive well-being of the district. How can a school business official be most effective?

First, the SBO must know the district's potential reimbursement. For how can success be known without a goal by which to measure it? To determine a reimbursement goal, the best

continued on page 34



School-Based Medicaid Claiming

continued from page 33

source of data is the special education department, and specifically the related services included in IEP documents. Reimbursement can be estimated by calculating the frequency and duration of Medicaid-reimbursable related services, and applying Medicaid reimbursement rates. To land on an achievable reimbursement goal, factor in known barriers to claiming, such as Medicaid-eligibility ratios, student attendance rates, provider credentials, and so on.

Second, embrace the work of bringing staff into a shared vision of the district's commitment to take full advantage of this federal funding entitlement. Find ways to incentivize participation to increase the volume and quality of related supporting documentation. Be transparent in how Medicaid funds contribute to district-wide educational needs, for both general and special education students. Engagement is an ongoing effort: the school business official must have open lines of communication with district staff or contractors who manage Medicaid claiming, so that the program is perceived as important to the district and expressly supported by leadership.

Finally, as we live in a time of new and constantly improving technologies, it is the district's responsibility to invest in tools that will improve reporting, reduce effort, and support compliance. For example, consider how laptops and encounter documentation software might support busy clinicians and therapy providers, and also how standardized electronic service documentation could improve visibility and accountability. Research and bring into use the best administrative software available, and learn how to take full advantage of it. Increasingly, districts are looking for integrated data management systems, and the relationship between special education documentation and Medicaid claiming requirements certainly necessitates a single-system solution. An integrated system allows for advanced reporting, and the possibility of tools that calculate and identify key actionable information, such as projected Medicaid reimbursement, or areas for reimbursement optimization and compliance management.

It is worth noting that the quality of existing software may very well have contributed to recent audits by the Office of the Medicaid Inspector General that resulted in no findings or disallowances. Always keep in mind, however, that even

the best software does not replace the need for continuous and vigorous administrative oversight.

In his *President's Message*, published in the Summer 2015 issue of *The Reporter*, Jim Fregelette extended a challenge to be proactive and aggressive in finding new portals of opportunity that "will lead to a better workplace, increase efficiency, help instruction, or better the school community." He credits the leadership of Michael Borges, executive director of NYSASBO, for having created and supported an organizational culture that speaks to and provides a wide range of tools that enable achievement.

Now is an excellent time to accept Mr. Fregelette's challenges and embrace Mr. Borges' visions and methodologies. I propose that we all take this opportunity to reengage with school-based Medicaid claiming, so that we can accept the challenges and rewards the future of this valuable program may hold. Just as Rick says to Inspector Reynard at the end of *Casablanca*, "This could be the start of a great friendship."

For more information on school-based Medicaid in NYS:

- The **New York State Education Department** provides all regulations, handbooks, and related information regarding the NYS Medicaid claiming program. <http://www.oms.nysed.gov/medicaid/>
- The **National Alliance for Medicaid in Education** is a national 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. www.medicaidforeducation.org
- The **New York State Association of School Business Officials**, as would be expected, is an excellent source for current information on Medicaid policy changes and their implications for your work. As an example, refer to Michael Grinnell and Kirsten Tudman's article *Affordable Care Act: How It Affects School Districts* in this issue of the Reporter. Additionally, refer to the website <http://www.nysasbo.org/> for recent material on new ACA initiatives regarding compliance plans and programs and the new focused attention on federal and state exclusion lists' monthly reviews. ◀

Larry Charny is a Senior Medicaid Consultant for the Centris Group, the provider of IEP Direct and Medicaid Direct. Previously he served as the Director of the Medicaid Special Projects Unit for the New York City Department of Education.