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Supporting Illinois School Medicaid Expansion: Recommendations for Successful Implementation

Introduction

In 2021, the Illinois Department of Healthcare and Family Services (HFS) submitted a state plan amendment (SPA) to [expand the state's school-based Medicaid program](#). Approved in April of 2023 (and retroactive to July 1, 2021), the SPA allows school districts in Illinois to bill for eligible health services provided to all students enrolled in Medicaid, adds additional Medicaid-eligible services and providers, and transitions the state's school Medicaid program to a cost settlement model.

To support school districts in taking advantage of this opportunity for additional reimbursement, Healthy Schools Campaign (HSC) launched the Medicaid Expansion for School Health (MESH) Learning Collaborative in October of 2021.

Through this Collaborative, HSC provided free training, technical assistance and peer-learning opportunities to assist school districts in expanding Medicaid billing for school health services and using the additional funds to provide new services and supports for students. HSC also developed a framework with step-by-step guidance on Medicaid billing and resources to assist districts with Medicaid outreach.

Over a two-year period, 22 Illinois school districts with collective enrollment of over 400,000 students participated in MESH.

MESH Findings

Through MESH, HSC learned that school districts are eager to leverage opportunities to provide additional services to their students and have a high degree of interest in school Medicaid. However, school Medicaid reimbursement can be a time-consuming and confusing process.

These sentiments are captured in comments from MESH participants:

"If we could learn how to bill for services students receive in an efficient way, we may be able to better sustain our current programming and also increase service provision by billing for other health and mental health related services."

"We want to learn more. We are anxious to bill more in fear of getting told we are committing Medicaid fraud. Therefore, we are VERY CAUTIOUS when billing and documenting."

"We don't feel we are currently maximizing billing for services provided to special education students, and we don't have a clear understanding of expansion opportunities."

"Staff sometimes are inconsistent with what services can be billed, what category to bill these in, and specific scenarios relating to students and billing. Furthermore, we have not yet begun to explore maximizing the billing to other services but would like to do so."

The MESH Learning Collaborative made clear that districts need extensive assistance to improve and expand their school Medicaid programs. School districts look to HFS, the Illinois Department of Public Health (IDPH), the Illinois State Board of Education (ISBE) and Illinois' school Medicaid vendor, Public Consulting Group (PCG), as trusted and authoritative sources of information on school Medicaid. However, these entities do not have the infrastructure, capacity or communication structures in place to fully support school districts in maximizing Medicaid expansion.

Applying Lessons Learned

Informed by the on-the-ground experience of the MESH participants as they worked to strengthen their Medicaid infrastructure and navigate the changes in the SPA, HSC has identified several priorities that would enable school districts to more easily expand school Medicaid — thereby encouraging a greater number of districts to take advantage of this sustainable source of funding as well as maximizing federal Medicaid funds for the state.

State agencies, in partnership with other stakeholders in Illinois, can maximize the impact of the SPA and support its full implementation by enacting these recommendations, which are discussed in more detail in the next section:

1. Strengthen state agency infrastructure and coordination between HFS, ISBE, and IDPH to support the school Medicaid program.
2. Expand and enhance school Medicaid training and technical assistance (TA), including launching a state-level TA center to provide training, guidance and concrete, practical answers to questions about Medicaid reimbursement.
3. Strengthen school district and stakeholder communication, engagement and feedback mechanisms.
4. Implement program improvements and streamline processes.
5. Support schools as critical Medicaid-enrollment partners.

Recommendations

1. Strengthen state agency infrastructure to support program goals

“We hope to maximize our Medicaid reimbursement to support current programming and to expand and add additional programs and supports for all children.” — MESH participant

Strong infrastructure at the state level, with collaboration and coordination between HFS, ISBE and IDPH, is critical to the successful adoption and implementation of expanded school Medicaid. Recommended steps include:

- Designate staff at HFS and ISBE to jointly work on school Medicaid and to support school districts
- Build a team including HFS and ISBE staff to take part in the national [Healthy Students, Promising Futures Learning Collaborative](#) (led by HSC) to support collaboration, learn from other states, and provide a forum to discuss specific challenges and opportunities
- Leverage the experience, training infrastructure, and relationships of the IDPH School Health Program
- Align school Medicaid with other statewide initiatives to address child and youth mental and behavioral health
- Implement a system at HFS to collect and track data to demonstrate program impact and disseminate progress updates, including documenting increased Medicaid reimbursement for school districts and the state

2. Expand and enhance school Medicaid training and TA

“Staff should receive more training on what can be billed and the type of new expansion offered for services. Additionally, it would be helpful if staff knew how the entire Medicaid process worked, and how the money funnels back to the district in the end.” — MESH participant

HFS, in coordination with ISBE and IDPH, should create a state-level TA center to provide training, guidance and practical, concrete answers to questions about Medicaid reimbursement. The [Medicaid Technical Assistance Center](#) has an effective infrastructure and could be expanded to serve in this role. To support school Medicaid policy compliance and program improvement across Illinois districts, a dedicated TA center should:

- Seek TA funding opportunities and grants, which may include forthcoming federal grants authorized through the Bipartisan Safer Communities Act
- Establish and promote a mechanism to provide individualized assistance that helps school districts understand and apply school Medicaid guidance
- Provide prompt support via phone and email to address questions from school districts
- Develop a required, pre-recorded training for all school providers participating in the school Medicaid program
- Offer in-person training options and sessions that enable districts to learn from peers
- Engage trainers with experience working in schools to help deliver training and TA
- Develop targeted trainings for various provider types as well as school finance/accounting staff and school leadership

- Address specific topics requested by districts:
 - Medicaid basics: foundational knowledge of the school Medicaid program for those with little or no prior experience
 - Information on cost settlement
 - Mental health reimbursement
 - Telehealth reimbursement
 - Coordinating school Medicaid, including building an internal team, assessing needs and creating a plan
 - Using Medicaid reimbursement as part of a comprehensive health and wellness strategy, including how to braid and blend funding, how to implement school Medicaid in districts with school-based health centers, and how to handle billing when partnering with community agencies/providers to deliver services in schools

3. Strengthen school district and stakeholder communication, engagement and feedback mechanisms

“It tends to be a lot of information to keep track of when it’s coming from PCG, HFS, CMS, ISBE, Embrace, MESH, IAASE, IASBO and whomever else is reporting the updates for Medicaid.” — MESH participant

HFS, ISBE, and IDPH should initiate joint communications, establish feedback mechanisms, hold regular meetings with stakeholders to better understand and address questions and concerns, and foster greater alignment with statewide public health, mental health and behavioral health initiatives. Recommended steps include:

- Implement stakeholder feedback mechanisms when updating and developing trainings and guidance, including the U-200 guide
- Elicit input from school district and partner organizations (e.g., ISBE, HSC, professional associations, vendors, special education cooperatives)
- Coordinate communications across agencies and with partners to ensure consistent messaging
- Coordinate with key district stakeholders and champions to disseminate information to relevant district staff
- Develop a communications campaign to explain the value of Medicaid expansion to school districts

4. Implement program improvements and streamline processes

“The most challenging part is to address all the ‘moving pieces’ ... the state changes, learning and submitting the new Annual Report, how to get families to sign consent, and most of all ensuring we will have the proper documentation in order to bill.” — MESH participant

MESH participants identified several key areas needing clarification to reduce confusion and the administrative burden to adopt and implement the program. HFS and ISBE can reduce complexity for school districts by improving school Medicaid guidance, developing additional resources and streamlining authorization requirements.

Recommended steps include:

- Address areas of confusion in the guidance:
 - Clarify questions and confusion around authorizer National Provider Identifiers (NPIs) and which providers can authorize services
 - Provide clear instructions on how Random Moment Time Study (RMTS) minutes are calculated
 - Clarify billing requirements for mental health crisis, nursing and telehealth services, and clarify reimbursement for specialized transportation
 - Provide more explanation of cost settlement
 - Develop specific guidance on expansion to non-IEP students
- Use school-friendly, non-technical language:
 - Align terminology with common school usage (e.g., update the term “medical social worker,” and clarify “specialized” vs. “special” transportation)
 - Provide information directly, rather than referencing other documents
 - Avoid jargon and technical language (e.g., “licensed practitioner of the healing arts”)
- Provide user-friendly tools and templates, such as:
 - Sample plan of care templates
 - Sample consent form aligned with new federal and state requirements, along with a family friendly explanation of the consent form in multiple languages
 - Chart for reimbursable services, eligible providers and required authorization
 - Audit/compliance checklist
 - Cost settlement estimator
- Streamline the authorization process for services:
 - Allow speech and language pathologists and occupational therapists to authorize their own services
- Ensure alignment with [updated school Medicaid guidance](#) from the Centers for Medicare and Medicaid Services

5. Support schools as essential Medicaid enrollment partners

"I would like the state to assist with outreach to families either directly or partner with school districts to expand enrollment for Medicaid and provide information about eligibility for Medicaid." — MESH participant

Schools are well-positioned to serve as Medicaid outreach and enrollment partners but currently lack the tools to do so. The state should better support and integrate school districts that are interested in serving as enrollment partners. Recommended steps include:

- Develop a system for districts to identify students who may be eligible for Medicaid but who are not enrolled or whose enrollment has lapsed

- Develop outreach materials and provide training for school districts on Medicaid outreach and enrollment
- Assist school districts in identifying navigators, application agents and other community resources who can help with student and family outreach and enrollment

Conclusion

The Illinois SPA offers a historic opportunity to expand access for all students to school-based health care — including physical, behavioral and mental health services — and is a significant step toward advancing health equity.

As demonstrated by MESH participants, school districts are eager to provide more services and supports for their students. As one participant wrote, “We want our students and their families to be well, and if the school can be a source of that wellness then it would improve the overall health of the community, which in turn would benefit everyone.”

HFS and ISBE must coordinate to ensure successful school Medicaid expansion and to maximize the full potential of Medicaid reimbursement. Collaboration between state agencies and school districts, along with expanded training and technical assistance, improved communications, and simplified processes, will help districts build and sustain a successful school Medicaid program — and generate funding to support student health and achievement.

Healthy Schools Campaign

Healthy Schools Campaign (HSC) engages stakeholders and advocates for policy changes at local, state, and national levels to ensure that all students have access to healthy school environments, including nutritious food, physical activity, and equitable health services, so they can learn and thrive. HSC’s Healthy Students, Promising Futures initiative supports states and school districts in expanding access to Medicaid-funded school health services. To learn more, visit healthyschoolscampaign.org and healthystudentspromisingfutures.org.

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