Transforming School Medicaid: Lessons from Illinois on Expanding Billing for All Medicaid-Enrolled Students

October 4, 2023
Housekeeping

Webinar is being recorded for those who cannot attend

Ask questions using the Q&A feature; we will have open Q&A at the end
Agenda

• Background
  Jessie Mandle, National Program Director, Healthy Schools Campaign

• Medicaid Expansion in Illinois
  Kate Yager, Director of Medicaid, Chicago Public Schools

• A View from the Districts
  Panel presentation with school district representatives

• Wrap-up
Background

Jessie Mandle, National Program Director
Healthy Schools Campaign
About Healthy Schools Campaign

• Work at the intersection of education, health and equity

• Chicago focused, but nationally minded

• Advocate for sustainable, sufficient funding for school health services and access, including through Medicaid
Why School Health Services?

- Strengthen access and equity
- Early identification and intervention
- Reduced absenteeism
- Stronger academic performance
- Benefits short and long term
Models for Delivering Health Services in Schools

- School-employed Providers
- Mobile Vans
- Telehealth
- Partnerships with Medicaid Providers
What is Medicaid?

- Comprehensive health insurance program
  - Medicaid covers 1 in 5 people in the United States
  - Almost half of all U.S. children are covered by Medicaid or CHIP
  - Covers all medically necessary physical and behavioral health services for children
- Medicaid is a shared partnership between state and federal government
- States make decisions about administration, eligibility, services and beneficiary protections, with Centers for Medicare and Medicaid (CMS) approval
- Changes made through a state plan amendment (SPA)
Medicaid Services in Schools

- Historically, Medicaid paid for health services included in the Individualized Education Programs (IEPs) of students enrolled in Medicaid

- A 2014 CMS federal policy clarification* expands coverage to ALL Medicaid-enrolled students

*This is sometimes called the “free care” policy reversal
School Medicaid In Practice

Medicaid can pay for school-based physical, mental and behavioral health services if:

- The student is enrolled in Medicaid
- Services provided are covered by the state
- Services are delivered by a qualified provider
- States have appropriate billing, documentation and oversight mechanisms in place
- Contingent on SPA
Expansion of School-Based Medicaid Programs
Federal Opportunities and Challenges for School Medicaid

• COVID, mental health crisis elevated role of health services in school
• One-time investments through the Elementary and Secondary School Emergency Relief Fund (ESSER)
• Bipartisan Safer Communities Act included key Medicaid provisions, including:
  • NEW! Updated Direct Services and Administrative Claiming Guides for States
  • $50 million for state technical assistance grants expected in 2024
• Medicaid “unwinding,” i.e. end to public health emergency freeze on disenrollment
Illinois Overview

- **Illinois Medicaid and CHIP Enrollment**
  (as of May 2023)
  - Child Medicaid Enrollment: 1,216,043
  - CHIP Enrollment: 346,520
  - A third of all students have Medicaid or CHIP coverage

- **School Districts**
  - Over 800 districts, ranging from some of the smallest to among the largest in the nation
The Path to Medicaid Expansion in Illinois: Past, Present, and Future

Kate Yager, Director of Medicaid
Chicago Public Schools

HEALTHY SCHOOLS CAMPAIGN
Illinois School Medicaid Expansion

2021 State Plan Amendment Overview
October 4, 2023

Kate Yager
Director of Medicaid
Chicago Public Schools
IL SPA: A Path of Advocacy

- Led by an ad-hoc group facilitated by HSC, it took 3-4 years of consistent advocacy and outreach efforts to create movement
- Engaged with:
  - State Medicaid and Education agencies
  - Local Education Agencies (LEAs)
  - State school health professional organizations
  - Health service systems and providers
  - Health and education nonprofit and advocacy groups
  - Philanthropy/funders
  - Elected officials (Governor’s office, state and local officials)
- Developed expansive materials, targeted to individual audiences
IL SPA: A Path of Advocacy

- LEA engagement and perspective was critical
  - Identified and engaged a large cross-sector of districts to ensure diversity in representation and understand needs of individual LEAs
  - Recognized the different types of impact and benefit policy change would have for all
  - LEA considerations:
    - District size
    - Medicaid student population size (enrolled and eligible)
    - Existence/robustness of district Medicaid program
    - Urban, suburban, and rural districts
    - Geographic representation across the state
IL SPA: Timeline

- **Sept 2021**: HFS Submits SPA to CMS Retroactive to July 1, 2021
- **Oct 2021**: SPA Pending Operating under certain conditions of the SPA
- **SY 21-22**: HFS Issues Program Notice Provides an overview of the SPA and phased roll-out
- **June 2022**: Bipartisan Safer Communities Act Issues directives to CMS regarding school Medicaid
- **April 2023**: CMS Approves IL SPA Full SPA approved
So What’s in the SPA?

Three Key Updates

1. Reverses the Free Care Rule
2. Moves from rate settlement to cost settlement reimbursement methodology
3. Implements Random Moment Time Study (RMTS) changes

Many of these changes align with federal policy and program updates issued while the SPA was being reviewed.
1. Free Care Rule Expansion

- Eligible Student Populations:
  - Expands reimbursement eligibility from IEP/IFSP eligible students to any Medicaid-enrolled student for any allowable service deemed medically necessary. This will include students who are eligible for an IEP, IFSP, 504 Plan, an individualized plan of care, or where medical necessity has been otherwise established.
  - Illinois State Board of Education (ISBE) is requiring a one-time parental consent to bill for all students.

- Eligible Service Providers:
  - Expands the list of school-based providers eligible for reimbursement and seeks to better reflect the services and providers currently present in Illinois schools.
  - Newly eligible providers: Licensed Clinical Professional Counselor, Licensed Marriage and Family Therapist, Orientation and Mobility Specialist, Licensed Clinical Psychologist, Registered Behavior Technician
2. Cost Settlement

- Moves from annual rate settlement methodology to cost settlement
  - This process still calculates “true” cost but in a way that is more accurate and streamlined for both LEAs and HFS, which should result in faster payments to districts from the state.
  - Districts are provided a “Total Allowable Cost” amount that is calculated at the close of each school year, while still allowing the district to receive interim fee-for-service payments during the school year.

- New requirements
  - All service providers must be included in RMTS and the annual cost report in order to claim FFS or AOC.
  - All Medicaid reimbursement generated by a provider must be paid directly to the hiring agency.
3. RMTS Updates

- Requires all service providers and administrative staff be included in RMTS.
  - Previously, could bill for service providers under FFS who didn’t participate in RMTS.
  - Changes to H/V technicians, ISBE licensed counselors
- Requires every day that students/staff are in school be included in the RMTS window.
  - Extends the RMTS period at the beginning of the school year.

**SY 2023-2024 RMTS Period**

Mid-August – December 31st [previously October 1st – December 31st]
January 1st – March 31st
April 1st – June 30th
Implementation: Initial Challenges

- Abrupt shift in direction
  - Advocacy focus had been on free care for years; cost settlement was added near SPA submission
  - Lack of understanding of cost settlement and its impact on LEAs
  - Confusion around cost settlement versus free care
    - What is required vs what is not
    - What requires immediate compliance vs what does not

- Immediate implementation (cost settlement)
  - Proposed SPA changes were immediately imposed
  - LEAs were malinformed of the requirements relating to cost pools, quarterly finances, etc.
  - Required an immediate change in training and outreach efforts for LEAs

- Additional changes
  - Extended RMTS Period
  - Specialized transportation calculations
  - Desk Audit Review
Implementation: Current Status

- Districts are:
  - Adjusting to the first school year with extended RMTS window
  - Entering the second year of cost settlement
  - Ensuring RMTS staff pool lists are up-to-date
  - Exploring and implementing free care expansion
  - Ensuring Medicaid compliant documentation
  - Staying abreast of federal and state policy changes
    - IL SPA
    - PHE and unwinding of continuous enrollment
    - CMS federal guideline updates and MTAC
  - Searching for information and guidance
  - Providing feedback and asking questions
Lessons Learned

- Advocacy! Education! Persistence!
  - Though advocacy was the unintended path, the end result was extremely beneficial
- Assess, adjust, adapt
  - Once a state plan is opened, other things can change that you weren’t anticipating (e.g. cost settlement)
- Collaboration between state agencies and between state agencies and LEAs is critical
  - State Medicaid and Education agencies can work together to disseminate information as trusted sources
  - LEAs are thirsty for information and to provide feedback and communicate needs
- Communication from the top down is needed
  - Clear, concise, continuous communication is vital to success
  - From the state to LEAs, LEA admins to providers, etc.
- The SPA process brought awareness to existing needs of LEAs in order to administer a successful, compliant school Medicaid program
  - New policies bring pre-existing challenges, questions, and needs back to the forefront
Recommendations

• Leverage other state/LEA experiences
• Take the time to understand the needs of LEAs
  ○ Conduct analysis of needed changes
  ○ Understand existing needs and challenges that may impact implementation and for future development
  ○ Recognize the unique challenges faced by individual, diverse LEAs statewide
  ○ Provide additional support and resources to ensure a successful transition
• Maintain an open door of continuous communication
  ○ Develop communications materials for school districts and providers
  ○ Provide clear timelines and expectations
• Create a shared learning space for LEAs to discuss implementation, challenges, successes, and recommendations
  ○ Provide technical assistance and capacity building resources to LEAs
  ○ Partner with other organizations to bolster efforts to support LEAs
• Integrate efforts with existing school health initiatives
Thank You

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Getting Started: A View from the Districts

Laura DeStigter, Project Director
Medicaid Expansion for School Health
Medicaid Expansion for School Health (MESH)

- Launched in 2021 in response to Illinois submitting its SPA to CMS
- Teams from 22 districts participated over 2 years
- Objectives for participating teams:
  - Develop a comprehensive plan for maximizing Medicaid reimbursement and expanding school health services
  - Implement effective processes and strategies to maximize Medicaid reimbursement
  - Leverage partnerships and funding from Medicaid and other sources to expand services for students
Illinois School Medicaid Reimbursement Process

Administrator:
- Obtain Consent to Bill Medicaid
- Identify Medicaid-Enrolled Students
- Identify Eligible Providers and Services
- Conduct Ongoing Training for Providers
- Update Provider Information Required by PCG

Providers:
- Document Medical Necessity
- Provide and Document services
- Submit Service Claims to HFS
- Respond to RMTS

Billing Vendor:
- Submit Required Financial Reporting
- Review Reimbursement From State and Record to Designated Budget Category
- Monitor Compliance and Maintain Documentation

Note: Before submitting claims to HFS, districts should ensure they have completed these steps: Obtain consent to bill Medicaid, identify Medicaid-enrolled students, document medical necessity, and provide and document services.
Panelists

- **Heidi Hopkins**, Special Education Department Coordinator, Ball Chatham School District
- **Maredeth Teamer**, Claims Reporter and Analyst, Evanston/Skokie District 65
- **Crystal Swan-Gravatt**, Director of Special Education, Sandwich CUSD #430
- **Lauren Hoyt**, School Nurse, Sandwich CUSD #430
- **Lindsay Brummel**, School Nurse, Sandwich CUSD #430

HEALTHY SCHOOLS CAMPAIGN
Recommendations

1. **Strengthen state agency infrastructure and coordination** among the Illinois Department of Healthcare and Family Services, State Board of Education, and Department of Public Health to support the school Medicaid program.

2. **Expand and enhance school Medicaid training and technical assistance**, 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.**
Wrap-up
Takeaways

• Key moment for school Medicaid transformation and advancement!
• Take stock of your district's’ needs, learn and connect
• Learn from and connect with other states and LEAs’ experiences
• Communicate and coordinate across state Medicaid, Education and LEAs
• Create statewide opportunities for learning and technical support
• Integrate and align efforts with existing school health initiatives
Resources

- Medicaid Expansion for School Health (MESH) Program
- School Medicaid Matters Webinar Series
- Healthy Students, Promising Futures Interactive State Medicaid Map

HSC Publications:
- A Guide to Expanding Medicaid-Funded School Health Services
- Schools Are Key to Improving Children’s Health: How Illinois Can Leverage Medicaid Funds to Expand School Health Services
Contact

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