Senate Bill 111: School Medicaid Pilot Project

A Report to the Oregon Legislature

October 1, 2020

OREGON DEPARTMENT OF EDUCATION

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Acknowledgement

The Oregon Department of Education would like to recognize the advocacy from stakeholders as well as the commitment from the Oregon Legislature to fund the School Medicaid Pilot Project and expand Medicaid billing supports to all school districts. This project brought together a diverse group of committed education and public health stakeholders, without whom this project would not have been possible.

The ODE extends special acknowledgement to the pilot districts who volunteered to participate in the School Medicaid Pilot Project as well as our Education Service District (ESD) partners. Both pilot districts and ESDs worked, with incredible patience, to implement School Based Health Service Medicaid billing while at the same time contributing to improving state and district level education and billing systems and processes.

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Executive Summary

In 2017, responding to the shortage of school nurses in Oregon schools, SB 111 directed the Oregon Department of Education (ODE), in collaboration with the Oregon Health Authority (OHA), to provide technical assistance to at least nine school districts or Education Service Districts (ESDs) in the implementation of a School Medicaid program. This report, due to the Legislature no later than October 1, 2020, has two primary deliverables:

1. Outcomes of assistance described in Section 1 of this 2017 Act; and
2. Analysis of cost and benefits to school districts and ESDs receiving the assistance described in Section 1 of this 2017 Act.

Each Oregon school district is reflective of their community and is unique in physical structure, staffing, geographic location, student demographics, and size. Each school district develops their own Medicaid billing processes, cost rates, and billing priorities. This makes a single cost-benefit analysis that is applicable across multiple districts problematic. The mid-year emergency closure of school districts due to COVID-19 and the subsequent Comprehensive Distance Learning (CDL) model has compounded this problem; due to loss of billing, reimbursement totals will be lower than if schools were in session.

Despite these challenges, in collaboration with partner school districts, ESDs, and other stakeholders, the ODE and the OHA identified key systems and structures required to successfully and sustainably bill Medicaid for direct health services provided to students, also referred to as School Based Health Services (SBHS) Medicaid billing. Unless noted as specific to a pilot district, this report reflects information and experiences from a broad range of stakeholders.

Oregon continues to have an opportunity to leverage significant additional federal funding through school Medicaid billing; particularly as Medicaid is considered first-payer in the school setting. The following report provides further detail, discussion, and analysis of the findings and recommendations listed in this Executive Summary.

Primary Findings	Key Legislative Recommendations
Licensed Health Providers. Oregon schools continue to have a significant shortage of licensed providers. This shortage makes meeting state and federal education requirements difficult and puts students and staff at a health and safety risk. This reality also impacts the ability for school districts to bill Medicaid. **State and Regional Support.** Training and professional development is critical to support consistent implementation of state and federal rules and regulations related to education, health services, and Medicaid. State and regional training, support, and resources for school districts are essential to the efficiency, effectiveness, and overall success of school Medicaid billing statewide and supports alignment with federal and state rules and regulations. **State Agency Partnership and Coordination.** Partnership between the ODE, the OHA, state licensing boards, and other state agencies is critical to increase and maintain program efficiency, effectiveness, and compliance. This includes coordination related to communication to the field, professional development and technical assistance, system development, workforce development, and data collection. **Technology.** Technology plays an integral role in efficient and accurate school Medicaid billing. The absence of a statewide student information system, Individualized Education Program (IEP) system, documentation system for health services staff, and a Medicaid billing submission platform make a streamlined approach to billing difficult. District technology must be aligned and integrated to support staff and district processes related to tracking student information and data, service provision as per the IEP, and required health service provider documentation.	**Focus on School Health Services.** Increase state-level investment to ESDs and school districts to increase health services staffing and better support board-licensed providers working in the school setting. To accomplish this, maintaining and increasing state level coordination and alignment is important, both to incentivize the reinvestment of school Medicaid reimbursement into health services, and to provide technical assistance and professional development to improve district alignment to federal and state school health services requirements. **Regional Supports.** Dedicate funding to support ESDs as regional supports for school district Medicaid billing and/or funding to help school districts implement Medicaid billing programs. **State Agency Capacity and Coordination.** Continue to support the ODE and the OHA to improve and expand school Medicaid billing in Oregon schools. **Statewide Technology.** Invest in the development and implementation of statewide technology solutions (i.e., student information system, IEP System, documentation system for health service providers, Medicaid billing system). **Telehealth.** Invest in telehealth infrastructure including platforms, internet access to rural and remote areas, and training. Better utilization of telehealth as a method of service delivery is essential to providing health services to students and addressing workforce shortages throughout the state.

Background

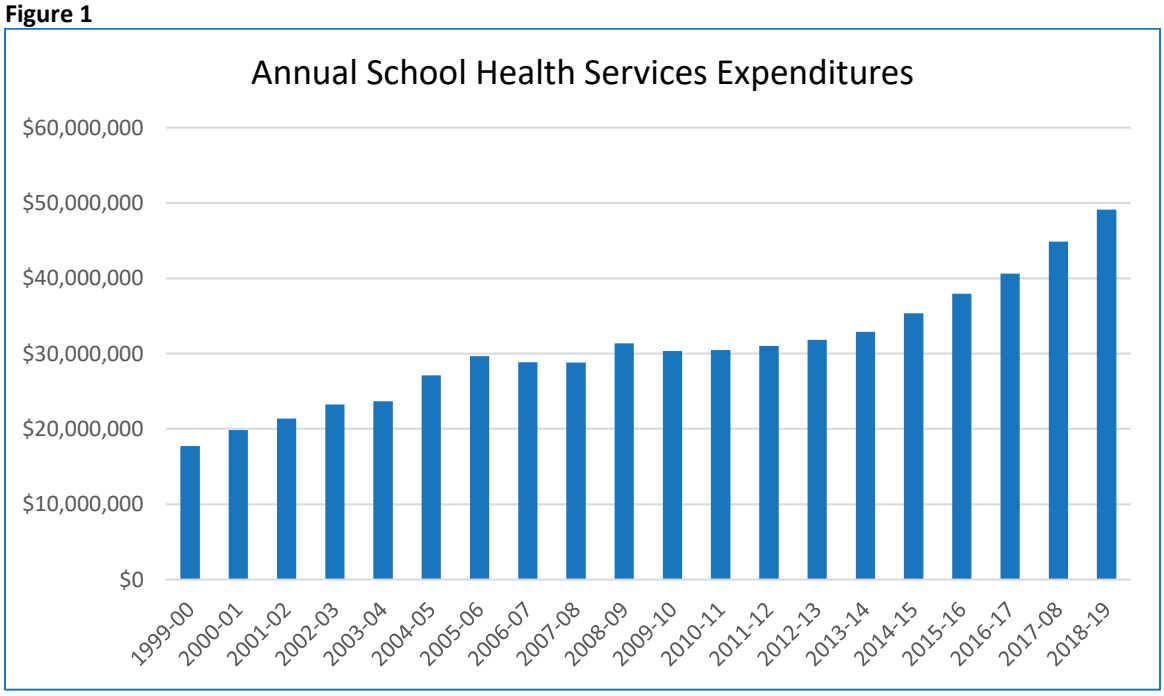
Health Services and Equitable Access to Education

For many students, health services are required to access their public education. The Individuals with Disabilities Education Act (IDEA) and Section 504 of the Rehabilitation Act of 1973 require that school districts provide health services if needed by a student to access their public education. The requirement for school districts to ensure every student access to a Free Appropriate Public Education (FAPE) provides the guarantee that every student can learn regardless of ability or health need. For many students, the school setting is the primary access point for general health services and referrals. In addition, access to health services is directly linked to positive academic outcomes. Schools with smaller nurse-to-student ratios report lower absenteeism rates and higher graduation rates.[1] Oregon's schools currently rank near the bottom of national averages in access to school nurse services. Fewer than 7% of Oregon schools report full-time access to a school nurse.[2] When looked at through this lens, the provision of health services in the school setting is not only a requirement, but also necessary to support positive outcomes for our students.

Growing Cost for Health Services and Utilization of the High Cost Disability Grant

The ODE collects annual data on school district and ESD expenditures for school health services. Expenditures have grown over the last 10 years, with a steep increase in the last five years, showing an average rate of growth of 8% (see Figure 1).

Figure 1



Source: Annual ODE Data Collection Health Services Function Code 2130

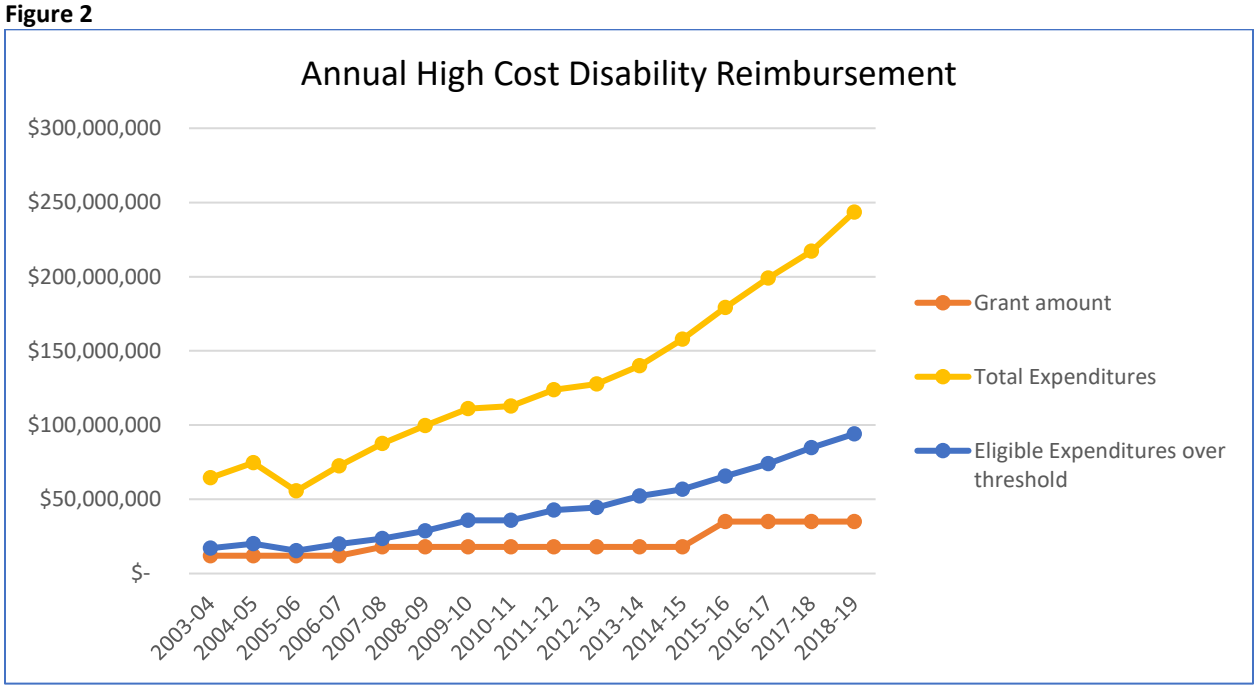
[1] Willgerodt, M.A., Brock, D. M., & Maughan, E.M. Public School Nursing Practice in the United States. The Journal of School Nursing, 2018; 34(3):232-244

[2] Institute for Educational Services, National Center for Education Statistics (NCES). Public High School Graduation Rates. Updated May 2019.

High Cost Disability Grant

The ODE administers the High Cost Disability Grant (HCD) to help offset exceptionally high costs related to students receiving special education, including health services. Each year, school districts can be reimbursed for eligible expenditures that are over a set threshold. Since inception, the HCD grant has been oversubscribed and thus prorated, with reimbursement rates generally at or below $0.50 on the dollar (see Figure 2). In addition, the number of eligible students for which school districts seek reimbursement has doubled in the last 10 years; in the 2008-09 school year, the program served 2,365 students and served 4,982 students in the 2018-19 school year.

Figure 2



Source: Annual ODE High Cost Disability Data Collection

Shortage of Health Services Providers in Oregon Schools

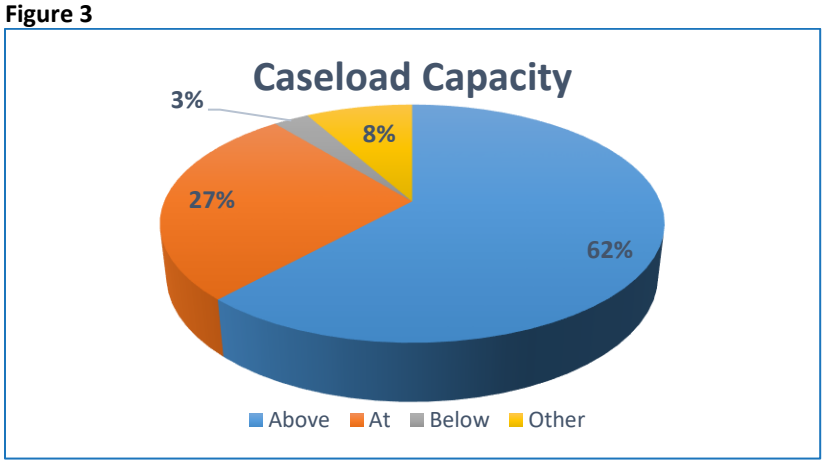
School nursing is often misunderstood as a simple type of practice, requiring little more than a quick fix of a Band Aid or ice pack when, in fact, the school setting can be one of the most challenging environments for licensed professionals. Some students require complex nursing care to access their education safely, including management of seizures and diabetes, tracheostomy care, catheterization, tube feeding, cardiac specialty care, and more. School nurses provide that care directly and train others to provide services via a formal nurse delegation process. School nurses provide a variety of training to school staff, from medication administration to life-saving treatment protocols. A registered nurse (RN) is the only qualified staff member able to coordinate care and provide, train, and oversee the provision of nursing services needed by students (ORS 336.201).

However, unlike practice settings where the primary service is healthcare, the school nurse is highly autonomous and frequently practices without clinical supervision or support of other medical personnel nearby. This isolation often results in limited professional oversight or guidance, inconsistent processes and tools for providing, tracking, and documenting services, and limited support for emergency crisis response planning. These limitations reduce a nurse's capacity to provide services such as support for students with less severe conditions, health education, and prevention programming.

The 2018-19 School Nurse Report shows that Oregon has a statewide average of one RN to 2,352 students in the general population. However, adjusted to reflect the nurses needed to meet mandated ratios for students with higher needs, Oregon's ratio drops to one RN to 5,565 students.

In addition to school nurses, Oregon schools see significant shortages exist across all school health service providers, including Speech-Language Pathologists (SLPs), Occupational Therapists (OTs), Physical Therapists (PTs), and mental health professionals. This shortage has led to increased caseloads and workload concerns. In an informal ODE survey of over 100 licensed health providers, 62% reported that their caseloads were above capacity; 27% reported that they were at capacity; only 3% reported that they were below capacity (see Figure 3).

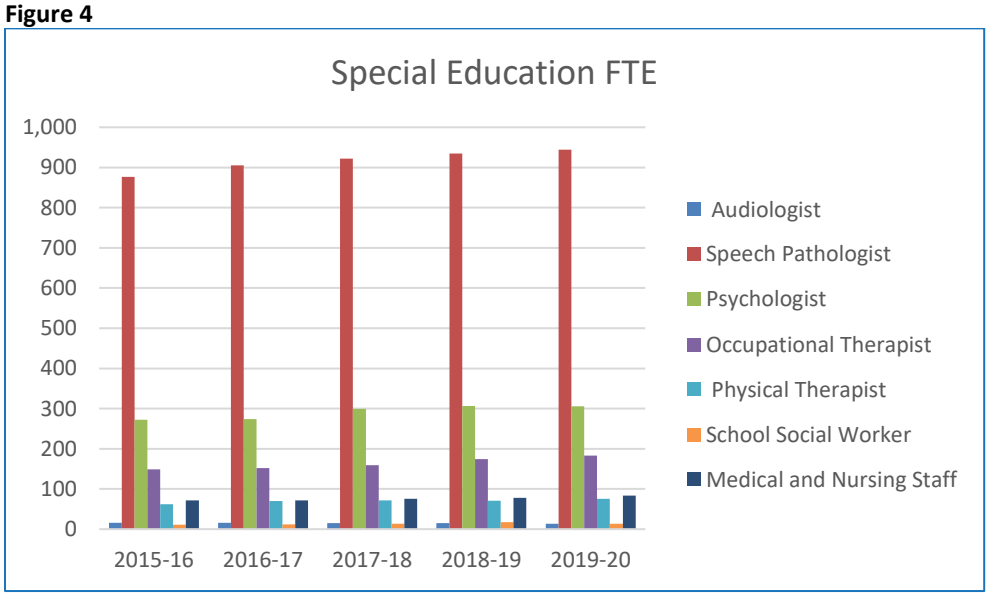
Figure 3



Source: Informal ODE Survey Conducted in February 2020

The ODE also collects annual data on the number of FTE for special education staff, including data on licensed health staff. In contrast to the growth in both the cost and need for services and an overall increase in student enrollment, the number of licensed health staff working in special education has remained relatively flat (see Figure 4). This discrepancy contributes to high caseloads and difficulty in meeting federal and state requirements. It also puts students at risk and may be detrimental to outcomes.

Figure 4



Source: Annual ODE Data Collection Total Salaries by Paid Position

Advocacy and Legislative Interest

Beginning with a 2007 task force and corresponding report, legislative interest as well as continued advocacy from Oregon parents, districts, nurses, and other stakeholders to address nursing shortages in our schools has been strong. In 2015, SB 698 created a Task Force on School Nursing in response to continued concerns over the level of school nursing support provided to Oregon students. The 2015 Task Force came up with several recommendations. One recommendation was for legislative investment to better leverage revenue from SBHS Medicaid billing to fund school nurses.[3] In 2017, this recommendation led to SB 111 and the School Medicaid Pilot project.

Senate Bill 111 directed the ODE and the OHA to conduct a pilot project to determine the effectiveness of utilizing Medicaid reimbursement to help address the shortage of school nurses in Oregon. To assist with implementation of the pilot project and provide support to the SBHS Medicaid program, SB 111 funded two permanent FTE positions at the ODE and one permanent FTE position at the OHA.

School Medicaid Program Summary

Title XIX of the Social Security Act established a federal-state matching entitlement program to provide medical assistance for certain low-income individuals. This program, Medicaid, was enacted in 1965. In 1988, Congress expanded the program with the passage of the Medicare Catastrophic Coverage Act, which requires Medicaid to be primary to the U.S. Department of Education for payment of health-related services provided under the IDEA.[4] The Medicaid program is jointly funded by federal and state governments and is administered by each individual state. The OHA is Oregon's State Medicaid Agency.

Under the IDEA, school districts are required to provide health-related services at no cost to eligible students and families to meet the needs of students as outlined in their Individualized Education Program (IEP) or Individualized Family Service Plan (IFSP) to ensure FAPE.

School districts can utilize two Medicaid billing programs to optimize Medicaid billing: (1) School Based Health Services (SBHS) Medicaid billing and (2) Medicaid Administrative Claiming (MAC).

1. **SBHS Medicaid Billing.** Under fee-for-service billing, Medicaid reimburses the cost of eligible services provided. School districts may be reimbursed for some or all Medicaid-eligible services depending on which services they choose to bill. Claims for services provided are submitted to OHA for reimbursement.
2. **Medicaid Administrative Claiming (MAC).** Provides reimbursement to school districts for activities related to the administration of Medicaid. This includes activities such as referrals to medical or dental services, assisting a student in enrolling in the Oregon Health Plan, and care coordination of Medicaid services.

The public school setting provides a unique opportunity to reach and assist some of our most vulnerable students (i.e., children experiencing houselessness, including those living in shelters, or living with other families; children experiencing disabilities; and children from migrant families) and connect these children and their families to:

- Community application assistance to apply for the Medicaid program; and
- Benefit and service access available once they are enrolled in Medicaid.

[3] Task Force on School Nursing Report

[4] https://www.cms.gov/research-statistics-data-and-systems/computer-data-and-systems/medicaidbudgetexpendsystem/downloads/schoolhealthsvcs.pdf

While this report primarily focuses on improving SBHS Medicaid billing, school district enrollment in both Medicaid programs is mutually beneficial and increases overall reimbursement.

Since 1988, states have been allowed to leverage SBHS Medicaid reimbursement to help offset costs for district health services required by IDEA when provided to Medicaid-eligible students. School Medicaid can be leveraged for covered health-related services that are considered early intervention (EI), early childhood special education (ECSE), and K-12 special education services provided to Medicaid-eligible children who are also eligible under the IDEA. School districts may bill Medicaid for health-related services when the following conditions are met:

- The student is an actively enrolled Medicaid recipient;
- The school district obtains parental consent to bill Medicaid;
- The services are listed in Section 1905(a) of the Social Security Act and are medically necessary;
- The services are included in the Medicaid state plan;
- The school district is an enrolled School Medical Provider;
- The services are identified in the IEP; and
- The services are delivered by or under the supervision of board-licensed providers working within the scope and practice of their licensure.

Covered services in Oregon may include, but are not limited to, nursing, physical therapy, occupational therapy, speech-language pathology and audiology, psychological counseling, social work, and specialized transportation services.

SBHS Medicaid Billing Improves Outcomes for Students

School districts are a critical component of the health care safety net for children. School Medicaid can play a significant role in funding medically necessary services for children eligible for special education. However, Medicaid's role in schools goes beyond ensuring that students experiencing disabilities have access to health-related services.

Medicaid can provide support for health care services delivered in school, which benefits all children, not only those enrolled in Medicaid. In a recent survey of school superintendents, over half reported that they use the federal Medicaid reimbursement for services provided to children eligible for Medicaid to expand health services and supplies for all students.[5]

Medicaid coverage has a significant positive impact on children's health, their educational attainment, and their job earnings. Research indicates that children covered by Medicaid during their childhood, as opposed to children with no access to health insurance, had better health as adults and were more likely to graduate from high school and college and receive higher wages.[6]

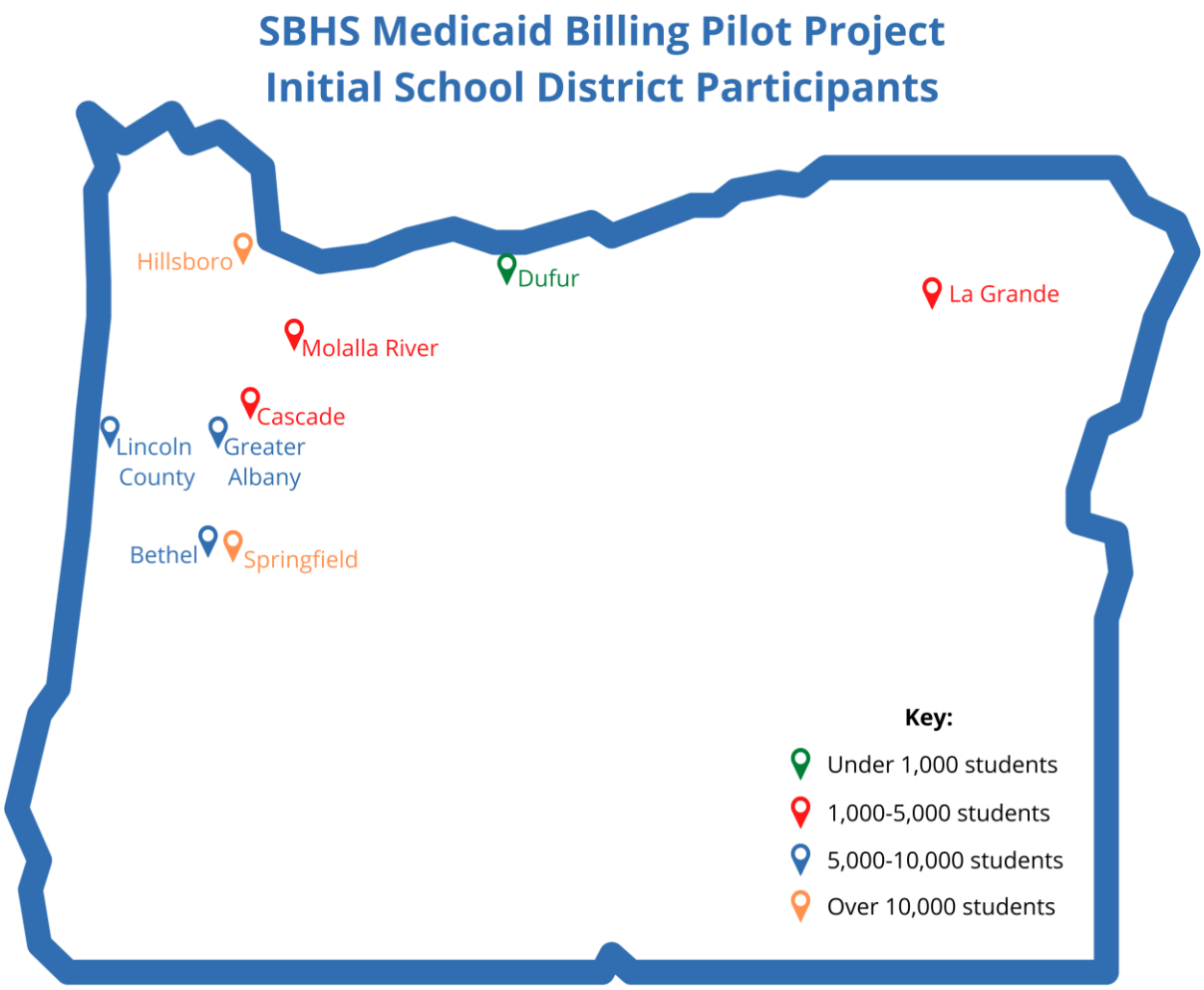
Pilot District Overview

In May 2018, the ODE selected nine school districts to participate in the SBHS Medicaid Billing Pilot Project. The ODE selected a stratified random sample of school districts to ensure diversity in size and geography. The selected pilot districts range from the La Grande school district in the eastern part of the state to the Lincoln County school district on the coast (see Figure 5).

[5] https://aasa.org/uploadedFiles/Policy_and_Advocacy/Resources/medicaid.pdf
[6] https://www.cbpp.org/research/health/medicaid-helps-schools-help-children#_ftn5

Please note: Figure 5 shows all nine original pilot districts. Due to unforeseen challenges, Cascade School District ended participation in the project prior to the implementation of a SBHS Medicaid billing program. As such, the following data and charts do not contain information from Cascade. However, the implementation challenges that Cascade experienced are included in the narrative.

Figure 5



ESD Partnership and Medicaid Billing Submission

To build upon systems already in place, the ODE partnered with Multnomah Education Service District (MESD) and Clackamas Education Service District (CESD) to provide pilot districts with access to technical assistance and to the Medicaid billing submission platforms, ORMED and DSCtop, respectively.

ORMED and DSCtop are electronic billing submission platforms that maintain health service documentation and perform validation functions that enable school districts to submit claims that are automatically checked for errors and missing information. This mitigates risk of repayment and/or adjustment of claims in addition to other possible audit findings. The ODE required each pilot district to submit claims through an electronic billing platform. Eight districts used ORMED, while one used DSCtop.

Both ESDs provided support to districts during program implementation and operation. Training and technical assistance included multiple, on-site district staff training, ongoing assistance and support as needed with billing submission questions, and consultation related to billing efficiency and accuracy.

Resources and Training

The ODE, the OHA, and partner ESDs provided a variety of training and technical assistance to Medicaid pilot districts. Initial site visits with each pilot district occurred during the spring of 2018. In addition, pilot districts sent district teams to the School Medicaid Summit for additional training and networking. The School Medicaid Summit has now become an annual statewide training provided to all interested in school Medicaid billing.

Throughout the span of the pilot project, each district received a variety of in-person training and ongoing technical assistance via video conference, email, and phone. Training and technical assistance topics included IDEA, Medicaid overview, school health services and licensing board requirements, claims submission, telehealth, and school finance and accounting.

SB 111 provided no direct funding to districts to participate in the pilot project. However, due to a delay in the hiring process, the ODE used some of the appropriated funds to pay for pilot district ORMED (Medicaid billing submission platform) start-up costs.

Processes and Implementation

Pilot districts found that implementing a SBHS program involved a concentrated effort as they aligned and developed systems, completed Medicaid-required enrollment paperwork, integrated student information systems with the billing submission platform, and trained staff. The School Medicaid Startup Checklist was developed in response to the need for a clear outline of the multiple steps needed to implement SBHS Medicaid billing. Many of the steps on the outline can be done concurrently as some of them, such as becoming an enrolled School Medical Provider, may take several weeks.

Additional steps included obtaining parent consent to bill, verifying Medicaid eligibility, ensuring health-related services were accurately written on IEPs, budgeting the match payment, determining how reimbursement would be utilized, deciding where documentation would be housed, and determining staff roles and responsibilities. As a way to manage the multiple processes involved in Medicaid billing, the Quality Medicaid Assurance Plan (QMAP) was developed. The QMAP supports effective, accurate, and sustainable school district Medicaid billing policies and practices. Each pilot district completed a QMAP as part of their implementation process.

Another key piece of SBHS Medicaid billing is the development of cost rates. School districts are required to submit prior year audited costs to the OHA, by service type, on an annual basis. The OHA reviews and accepts the costs. Each school district develops unique cost rates for each service type, with a significant range across school districts throughout the state (i.e., for 2020, nursing rates range from $37.14 to $104.78 per hour). The development of cost rates is an area that many of the pilot districts found especially cumbersome.

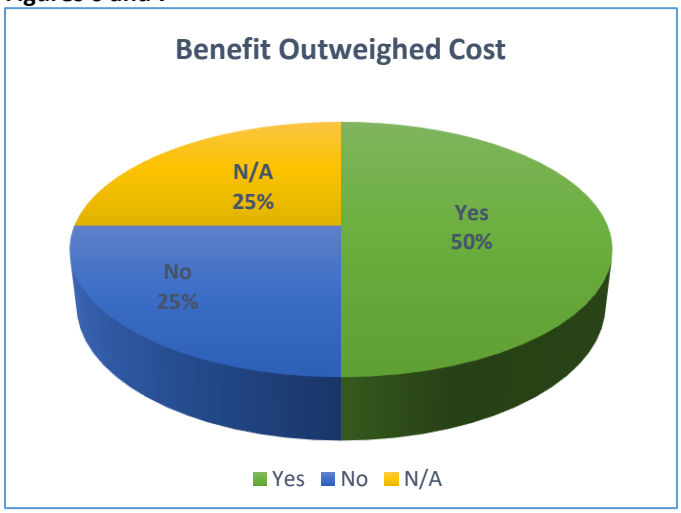
SBHS Medicaid billing is complex and, in the beginning of the pilot project, training materials and guidance documents were still in development. Pilot districts experienced a variety of implementation challenges. Lessons learned include:

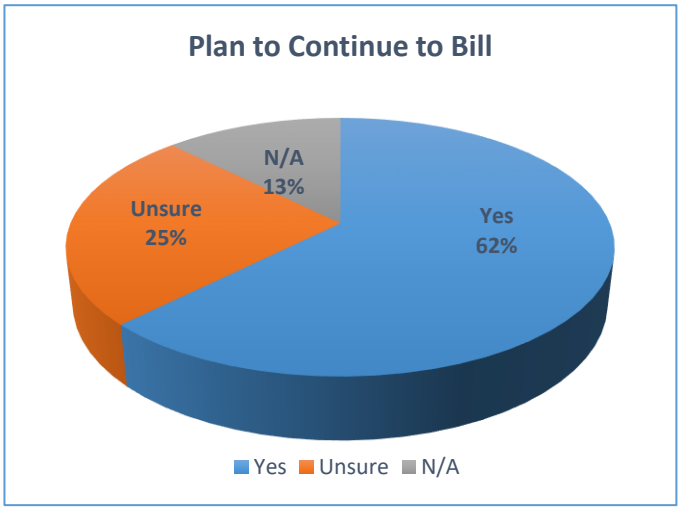
- **Go Slow To Go Fast.** New school districts need to be strategic and begin billing for a small number of students, or even one student with 1:1 nursing needs. This slow start allows internal district billing processes to develop and then builds momentum.

- **Obtain Parent Consent.** Parental consent is required prior to seeking SBHS reimbursement. School districts may only bill from the date of consent forward (provided all other requirements are met). Attention must be paid to obtaining parental consent as soon as possible to maximize SBHS Medicaid billing.
- **District IDEA and Health Service Practices.** District alignment to education and licensing board rules and regulations related to the provision of health services is critical. Ensure that health services are accurately reflected in a student's IEP, documentation of service provision is logged and retained, and health service delivery (staffing and credentials, caseload, documentation, and record retention) is done in accordance with the health service provider's licensure.
- **Fiscal.** School districts must develop an accounting structure to manage the fiscal portion of SBHS Medicaid billing. This accounting structure should include tracking of Medicaid revenue (and how it interacts with other funds), budgeting for the match payment, developing a schedule for claim submission, and completing reconciliation. Additionally, school districts must develop SBHS Medicaid cost rates for each service type to be billed. The match payment process and the development of cost rates were challenging for several pilot districts. They recommend a new process by which there is an option to accept a statewide cost rate or the annual requirement is updated and cost calculations are required every other year.
- **Integration of Technology.** Oregon school districts use a variety of (and sometimes multiple) student information systems and other electronic and online tools to track student data and progress. Staff from the billing submission platform and pilot districts were required to invest significant resources and work collectively to integrate systems and ensure accurate and timely transmission of data and corresponding submission of Medicaid claims. This resulted in staff frustration, increased staff workload, and delayed initial billing.

Despite the implementation challenges listed above, five of the pilot districts plan to continue to bill Medicaid. (See Figure 6.) Six pilot districts received Medicaid reimbursement (and two more have pending claims). In addition, four districts were able to increase the FTE of licensed health staff in their district. Of the pilot districts that responded, half stated that they feel that the benefits of implementing a SBHS Medicaid program outweighed the costs (see Figure 7).

Figures 6 and 7

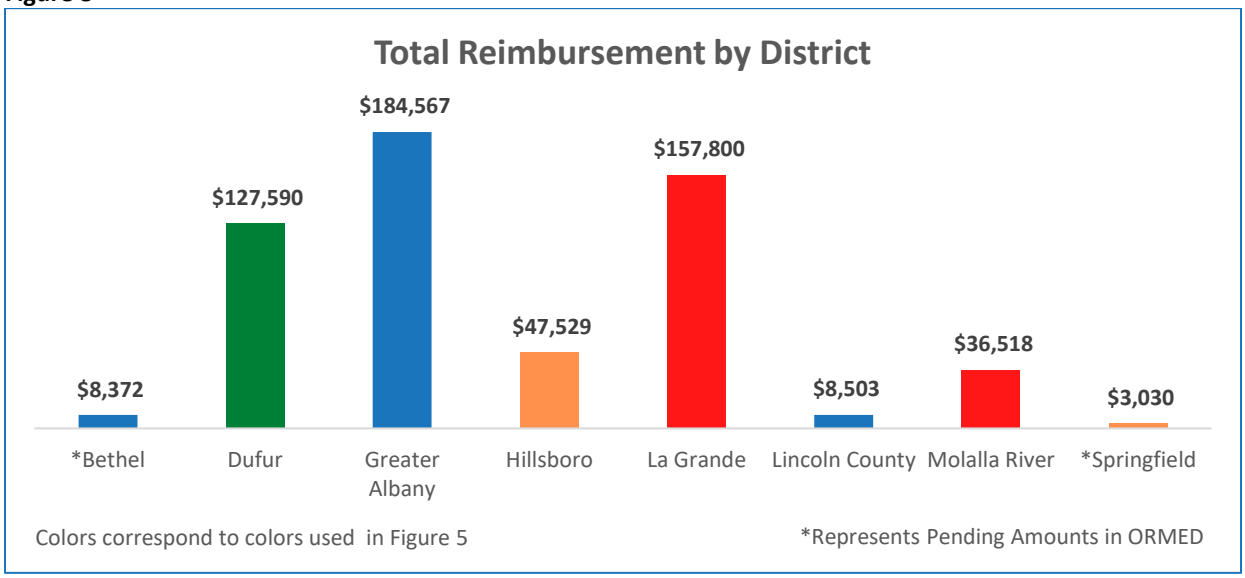




Source: ODE Pilot Data Collection Conducted August 2020

Each pilot district experienced unique implementation challenges, timelines, and billing priorities and each began billing at a different time. From State Fiscal Year (SFY) 2019 through September 16, 2020, the total reimbursement brought in by the pilot districts is **$573,911**; this total includes pending payments for two pilot districts (see Figure 8). Please note that this total includes the return of the state/local match payment as well as the federal reimbursement. The pilot districts billed for a variety of services and saw the majority of the Medicaid revenue coming from the provision of nursing services (see Figure 9). Specific information about each pilot district will be discussed in the next section.

Figure 8



Source: Totals other than those listed as pending are extracted from DHS/OHA DSSURS Data Warehouse, which only provides information on claims that have been approved and paid.

Figure 9

Service Type	Unduplicated Recipient Count	Sum of Paid Amount
Registered Nurse	**67**	**$399,157**
Licensed Practical Nurse	**7**	**$10,396**
Speech	**461**	**$86,156**
Occupational Therapy	**60**	**$8,887**
Physical Therapy	**27**	**$5,171**
Transportation	**24**	**$52,740**

Source: DHS/OHA DSSURS Data Warehouse. Does not reflect pending amounts listed in Figure 8.

Pilot District Results

The ODE has worked with each pilot district to develop a pilot district profile that outlines their unique experience and outcomes related to school Medicaid billing. The intention was to include these profiles within this report. However, given the statutory deadline for the report, out of respect for school districts impacted by the pandemic and forest fires affecting communities across Oregon, the ODE elected not to delay final review, with pilot districts, of each profile until after submission of the report. The ODE will post the pilot district profiles on our School Medicaid website as they become available.

In addition to reimbursement data and unique recommendations and experiences, the pilot district profiles contain the following data elements, which represent key points to consider when determining participation in SBHS Medicaid billing:

- Student enrollment signifying school district size.
- Percentage of student population who experience disabilities making them eligible for support and protection under the IDEA.
- Counts for students who are Nursing Dependent, Medically Fragile, and Medically Complex represent students who may present significant cost and billing opportunity.
- Free and reduced lunch rate provides an estimate of students who may qualify for Medicaid benefits.
- County Medicaid Eligibility rate provides an estimate of students who may qualify for Medicaid benefits by county.

Key Outcomes of the Pilot Project

The collaboration necessary for the implementation of this pilot project had an impact beyond the pilot districts. The experiences of the pilot districts highlighted both barriers as well as opportunities to address these barriers. These opportunities include OAR and state policy changes; training and resource development; and better alignment of state education and state Medicaid rules, policies, and practices.

The ODE, the OHA, and ESD partners provided a wide variety of assistance to districts while developing state level resources and systems of support. This work resulted in significant advancement in stakeholder engagement; peer support and networking; and availability of state and regional resources, professional development, and technical assistance. Thanks to the hard work of the pilot districts and the support provided by ESD partners, this project also resulted in additional benefits.

Stakeholder Engagement

The ODE and the OHA have worked extensively to engage a diverse group of stakeholders to ensure that the needs of participating school districts and ESDs are addressed, with the ultimate goal of streamlining the program. We continue to broaden stakeholder engagement and streamline uniform communications. Key highlights of this work are listed below.

- **School Medicaid Advisory Group.** In January 2019, the ODE established the School Medicaid Advisory Group and began holding monthly meetings. This group, co-led by the ODE and the OHA, is comprised of licensed health staff, special education directors, staff from the Coalition of School Administrators (COSA) and the Oregon School Board Association (OSBA), ESD Medicaid billing and technology specialists, and a school business official. The group provided direction and guidance during the pilot project implementation. Despite having regular meetings on hold due to the pandemic, members continue to advise on the work, including review of this report.
- **School Medicaid Core Team.** In April of 2020, the ODE established the School Medicaid Core Team. The Core team is comprised of representatives from the ODE, the OHA, and ESD partners with experience supporting district SBHS Medicaid programs. This group meets to problem solve district and state level barriers to SBHS Medicaid billing to collectively find solutions and efficiencies.
- **State Licensing Boards.** The ODE and the OHA worked closely with state licensing boards to resolve concerns, respond to questions raised in the school setting, and draft provider-specific resources. This collaboration has improved cooperation, understanding, and program alignment to better support district practices and policies with licensing board requirements.

- **National Partnerships.** The ODE worked closely with state agencies and other national partners through the National Alliance for Medicaid in Education (NAME). NAME was created in response to a need for a national forum to address the complexities and challenges of Medicaid reimbursement programs in school settings. NAME collaborates with key federal agencies, the Centers for Medicare & Medicaid Services (CMS) and the Office of Special Education Programs (OSEP), and other partners and stakeholders, to develop and support public policies that value children's health and recognize it as essential to learning. The ODE staff currently serve on the NAME board of directors as a State Education Representative and as President.

Training and Resources

The 2017 passage of SB111 introduced the ODE to K-12 school Medicaid billing. Prior to the pilot project, the ODE did not have any training materials or resources related to K-12 school Medicaid billing. The OHA had served as the single access point for information and training related to School Medicaid. Through this pilot project, the ODE and the OHA developed, implemented, and co-facilitated training and professional development opportunities including district-specific training, an annual statewide SBHS Medicaid training, training for licensed health services staff, and a variety of conference presentations.

The ODE worked with ESD partners and stakeholders to develop a variety of resources and guidance documents to support efficient SBHS Medicaid billing implementation and sustainability. Documents include the Quality Medicaid Assurance Plan (QMAP), a School Medicaid Startup Checklist, a guide to the Medicaid Leveraging (Match Payment Process), and a Parent Consent for Families Infographic. The engagement of licensing boards directly contributed to the creation of guidance documents for telehealth, documentation, and supervision to help address issues around the role, and scope of practice of licensed health providers in the school setting (see Appendix for additional links).

The school business office has an integral role in Medicaid billing. The ODE contracted with a School Business Official experienced in Medicaid billing to develop a SBHS Medicaid Billing Manual to assist business offices with implementing and maintaining SBHS Medicaid programs. Medicaid-specific account codes were added to the Program Budgeting and Accounting Manual to improve tracking of Medicaid revenue.

State Updates and Outcomes

- **SBHS Billing Expansion (in process).** The OHA is coordinating with the ODE and stakeholders to expand SBHS Medicaid billing to include non-IDEA students. This will allow districts to bill for health services provided to students who have 504 plans and other general population students. OHA is in the final stage of seeking approval from the Center for Medicare and Medicaid Services (CMS).
- **Program Alignment with ORSs and OARs.** In coordination with OHA and the Oregon Department of Justice (DOJ), ODE corrected systemic confusion and provided guidance that clearly defined when and how ESDs could participate in school Medicaid billing. Only school districts, the entities responsible for IDEA services and FAPE, qualify to bill SBHS Medicaid and receive federal reimbursement in the K-12 setting (ESDs, as contractors for early childhood special education, may bill in that capacity). In response, some ESDs updated their business model and expanded support to school districts.
- **Updated State Funding Program Rules and Policies.** Two state education grants had rules and policies that were a disincentive to district SBHS Medicaid billing: the High Cost Disability Grant (HCD) and the State School Fund Transportation Grant (STG). Both grants required that any Medicaid reimbursement received be deducted from the state funding applications. With input

from pilot districts, the Oregon Association of School Business Officials (OASBO), and stakeholders, the ODE successfully updated OAR and policy. From the 2019-20 school year forward, school districts are no longer required to deduct SBHS Medicaid revenue from grant applications for the HCD and STG.

Despite these successes, systemic barriers persist at the state level. The following section provides discussion and recommendations to address those barriers.

Discussion of Key Findings and Recommendations

Dedicated state and local resources to school Medicaid billing is critical. As stewards of public funds, the ODE and the OHA continue to support school districts to leverage federal Medicaid reimbursement. This support is especially important given the current budget climate. The ODE and the OHA continue to partner together to engage and coordinate with key school stakeholders (i.e., school/district administration, licensed providers, parents, licensing boards, union and professional organizations, and others) to improve SBHS Medicaid billing.

With continued support to school districts and other stakeholders, Oregon will be well positioned to secure additional federal funding to support the provision of health services in the school setting.

Finding: Oregon schools continue to have a significant shortage of licensed providers. This makes meeting state and federal education requirements difficult and puts students and staff at a health and safety risk. This also impacts the ability for school districts to bill Medicaid.

The implementation of school Medicaid billing programs is complicated by historic underfunding of school health services in Oregon. In addition to the risk this presents for school districts, staff, and students mentioned throughout this report, underfunding also presents a barrier to successful SBHS Medicaid billing as it translates to high caseloads, additional duties assigned, and inefficiencies for staff tasked with SBHS Medicaid billing. This barrier is often compounded by a lack of technological tools to aid licensed health staff in efficient documentation, record keeping, and delivery of service. With limited staffing and resources, school districts may experience union concerns, conflicts, or formal grievances when implementing Medicaid billing programs.

School district models and methods of providing health services vary. The more organized, well-staffed, and collaborative a district's school health service delivery system, the more success they have in implementing and sustaining a School Medicaid program. School administrators, supervisors, and licensed staff must be knowledgeable about licensing board rules, regulations, and requirements. This knowledge is especially important as it relates to service planning and provision, documentation, and supervision requirements.

There is no state or federal requirement that Medicaid reimbursement be reinvested back into health services. However, transparent reinvestment of Medicaid reimbursement is critical to staff buy-in and an effective School Medicaid program. Districts may utilize a district wellness committee or similar established group to help set priorities. Ongoing feedback, discussion, and transparency related to use of funds increase stakeholder buy-in and increase district SBHS Medicaid billing reimbursement. School districts with lower provider caseloads, improved documentation and record keeping processes and tools,

alignment with board licensing requirements, and other supports and supervision in place for health service providers experience better outcomes when engaging board licensed staff to bill SBHS Medicaid.

Recommendation: Increase state-level investment to ESDs and school districts to increase health services staffing and better support board-licensed providers working in the school setting. To accomplish this it is important to maintain and increase state level coordination and alignment, to incentivize the reinvestment of school Medicaid reimbursement into health services, and provide technical assistance and professional development to improve district alignment to federal and state school health services requirements.

Finding: Training and professional development is critical to support consistent implementation of state and federal rules and regulations related to education, health services, and Medicaid. State and regional training, support, and resources for school districts are essential to the efficiency, effectiveness, and overall success of school Medicaid billing statewide and supports alignment with federal and state rules and regulations.

SBHS Medicaid billing is complex and requires initial and ongoing district training and professional development with all involved staff. Training is most accessible and effective when provided at the state level by the ODE and the OHA as well as regionally by ESDs (or school districts) experienced in Medicaid billing. The pilot project has demonstrated the need for comprehensive training that includes: SBHS Medicaid billing introduction and overview for school leaders, staff, and other key stakeholders; training and support for school district Medicaid billing program development and implementation; ongoing training and support for district business officials, special education officials, licensed health staff, and district information technology staff; and state and regional conferences and other professional development and networking opportunities.

As part of the School Medicaid Pilot project, the ODE and the OHA, in coordination with ESD partners, developed training and resources in an attempt to address these needs.

- The ODE, as the State Education Agency, provides districts with direct support, guidance, and oversight as it relates to student instruction and services. The ODE provides training and technical assistance on topics such as IDEA, provision of health services in an education setting, telehealth, student privacy and confidentiality, and school finance information and processes. In addition, the ODE has established an annual SBHS Medicaid Summit where districts attend workshops and network with other school districts participating in SBHS Medicaid billing.
- The OHA, as the state Medicaid agency, provides support, guidance, and oversight to districts on all issues related to SBHS Medicaid billing. The OHA provides training and technical assistance to districts on topics such as Medicaid rules and regulations, the School Medicaid Provider enrollment process, the Web Portal, training for licensed staff, documentation and other billing requirements, billing submission processes, record retention requirements, and the state match payment and reconciliation process. The OHA also provides training and support for Medicaid Administrative Claiming (MAC).
- ESDs provide training and support to SBHS Medicaid districts on topics such as strategic program development, design, implementation, and sustainability; data management and tracking,

electronic billing submission software, audit risk reduction, provider documentation platform and process, and provider specific professional development opportunities.

Recommendation: Dedicate funding to support ESDs as regional supports for school district Medicaid billing and/or funding to help school districts implement Medicaid billing programs.

Finding: Partnership between the ODE, the OHA, state licensing boards, and other state agencies is critical to increase and maintain program efficiency, effectiveness, and compliance. This includes coordination related to communication to the field, professional development and technical assistance, system development, workforce development, and data collection.

Medicaid billing is complex and must align with health, education, and fiscal regulations, rules, and practices. District system alignment across all sectors is critical to successful billing. To support districts, the ODE and the OHA continue to partner and coordinate to ensure alignment and remove barriers to billing.

Because of this partnership, the OHA and the ODE have developed numerous resources, guidance documents, and training materials (see Appendix). The agencies have developed a better understanding of the needs of school districts and ESDs as it relates to SBHS Medicaid billing. This increased understanding has improved communication with and assistance to districts.

Currently the OHA, in partnership with the ODE, is in the process of expanding the Oregon SBHS Medicaid program to include non-IDEA services. The implementation of the soon-to-be-approved state plan amendment will require significant outreach to schools, updates to current OARs, state and local system and process development, and updates to state resources and services. This work will only increase the importance of state agency partnership and coordination.

Recommendation: Continue to support the ODE and the OHA to improve and expand school Medicaid billing in Oregon schools.

Finding: Technology plays an integral role in efficient and accurate school Medicaid billing. The absence of a statewide technology systems (e.g., student information system, Individualized Education Program (IEP) system, documentation system for health services staff, and a Medicaid billing submission platform) make a streamlined approach to billing difficult. District technology must be aligned and integrated to support staff and district processes related to tracking student information and data, service provision as per the IEP, and required health service provider documentation.

Oregon school districts locally control the selection of technology systems; the state does not prescribe a statewide system choice. This lack of consistency and uniformity impedes efficient and effective SBHS Medicaid billing. SBHS Medicaid billing requires alignment across departments and systems. To implement SBHS Medicaid billing effectively, district technology must be aligned and integrated to support staff and district processes related to tracking student information and data, service provision as per the IEP, and required health service provider documentation.

In addition to software platforms, district investment in technological hardware (including laptops, tablets, and portable Wi-Fi hotspots) supports efficiency and effectiveness of Medicaid billing. Providers who have easy access to student information and documentation tools are more likely to bill Medicaid effectively. However, not all school districts have the resources to provide such tools.

Due to each pilot district having their own technology systems, pilot districts were required to spend significant time and resources aligning district-specific technology to billing software and support technology. Independent district selection of technology systems requires billing submission platforms to customize their system to adapt to each platform utilized by districts. This reduced the actual and perceived value-add of newly adopted billing technology. When systems are aligned and integrated, billing technology can be an effective tool for mitigating audit risk and streamlining processes. Widely adopted state technology for student information systems, IEP systems, documenting and tracking health services, and billing software would significantly increase school district ability to efficiently leverage Medicaid.

Recommendation: Invest in the development and implementation of statewide technology solutions (i.e., student information system, IEP System, documentation system for health service providers, Medicaid billing system).

Finding: The provision of services via telehealth is under-utilized in Oregon schools. Telehealth is a critical component to service provision, especially in light of the current pandemic and resulting shift away from school districts providing in-person services.

A school district may bill Medicaid for health services provided to a student via telehealth when all requirements are met (see Appendix for additional information about telehealth). Given the current educational context, as well as the shortage of licensed staff in school districts, telehealth is an important method for service delivery as part of a full continuum of services that school districts can provide to reach and serve students. In addition, telehealth may provide flexibility for staffing licensed school health providers, reduce travel costs and time, and increase efficiency by allowing licensed staff to provide services from one central location. Importantly, telehealth increases student access to school health services. Telehealth is a readily available tool for districts to utilize. However, it remains underutilized and not well understood in many districts.

Recommendation: Invest in telehealth infrastructure including platforms, internet access to rural and remote areas, and training. Better utilization of telehealth as a method of service delivery is essential to providing health services to students and addressing workforce shortages throughout the state.

Conclusion

Every student, regardless of health, need or ability, is entitled to a Free Appropriate Public Education (FAPE). School health services must be provided at no cost to students and families, regardless of severity of need or cost associated with required services. SBHS Medicaid billing provides districts with an opportunity to recoup a portion of eligible costs for services.

The implementation of a SBHS Medicaid program is complex and requires multi-year district level investment and focus. A primary challenge faced by districts is aligning current IDEA health services processes and practices to requirements of licensing boards. Medicaid requires that providers work within their scope of practice, under the authority and requirements of their respective licensing board. Implementation of a SBHS Medicaid program highlights gaps in the alignment of the education and health systems. An unintended consequence of a district implementation of School Medicaid billing is an improvement in overall school district systems and processes related to school health services. Pilot districts spent considerable time and resources improving IEP development, strategic health services staffing, and health service documentation and alignment to licensing board rules. In addition to more effective and efficient SBHS Medicaid billing, this work improved student health services, inter-departmental communication, parent and school connection, staff efficiency and effectiveness, and services for students.

The ODE remains committed to improving student health services, in part, by ensuring that school districts can efficiently and effectively leverage SBHS Medicaid billing to bring in additional resources to support school health services. In addition, the ODE is excited to support the coming implementation of expanded SBHS billing for non-IDEA health services. The recommendations outlined in this report provide the next steps to move this work forward.

Appendix

The resources below are arranged by topic. Additional information may also be found on the ODE School Medicaid webpage and the OHA School Based Health Services webpage.

Licensure

- School Nursing in Oregon
- Occupational Therapy in Oregon Schools
- Physical Therapy in Oregon Schools
- Speech-Language Pathology and Audiology in Oregon Schools

Telehealth

- School Nursing and Telehealth
- School Occupational Therapy and Telehealth
- School Physical Therapy and Telehealth
- School Speech-Language Pathology and Telehealth
- Telemental Health Services

Implementation

- School Medicaid Startup Checklist
- Quality Medicaid Assurance Plan (QMAP)
- Documenting Health Services on the IEP
- Parent Consent for Families Infographic

Fiscal

- School Medicaid Billing Manual
- Medicaid Leveraging (Match Payment Process)
- Program Budgeting and Accounting Manual