



Accelerating Medicaid Revenue  
for School Districts Nationwide.

# Recent Changes Affecting School Districts' Medicaid Reimbursement Claims

Find out how these changes impact your district.

**[888.9ACCELIFY]**

## CMS 2287-F

- Per a regulation published on June 1, 2009 by the Obama administration, CMS 2287-F will be rescinded as of June 30, 2009
- As a result, schools will still be able to submit Medicaid claims for their administrative outreach costs
- Schools will also be able to claim the out-of-pocket costs incurred providing transportation services to Medicaid-eligible ESE students (This can include the cost of the Special Ed buses – and the Bus Monitors)

## ARRA / Stimulus Package

- ✦ The American Recovery and Reinvestment Act (ARRA) will significantly increase each State's FMAP rate for the period from October 1, 2008 through December 31, 2010
- ✦ Each State's FMAP rate will be increased by 6.2% plus an additional percentage that will be based on its increase in unemployment
- ✦ Examples:
  - Alabama - From 67.98% To 76.64%
  - California - From 50.00% To 61.59%
  - Florida - From 55.40% To 67.64%
  - Illinois - From 50.32% To 60.48%
  - Michigan - From 60.27% To 69.58%
  - Missouri - From 63.19% To 71.24%
  - New York - From 50.00% To 58.78%
  - Ohio - From 62.14% To 70.25%
  - Texas - From 59.44% To 68.76%
  - Wisconsin - From 59.38% To 65.58%

## Increases in Medicaid Eligibility

- The number of people qualifying for Medicaid has steadily increased over the past year
- Many States have already experienced 15%-20% increases in the number of people enrolled in Medicaid programs (e.g., Colorado: 18.85%; Florida: 15.97%) – and this trend appears to be continuing

## Private Education Reimbursement

- ✦ The U.S. Supreme Court ruled earlier this week that the parents of Special Education students do not need to enroll a student in the local public school district before they can move the child to a private school and seek reimbursement for their out-of-pocket costs
- ✦ This decision also indicates that a local school district's evaluation of a child as "non-Special Ed" can be overturned by a subsequent evaluation at a private school
- ✦ Coupled with an earlier ruling in a similar case indicating that parents' assets and income have no impact on a local school district's financial responsibility for paying for private placements, this decision will likely have huge fiscal implications for local school districts

## Parental Consent

- States are continuing to develop various interpretations of the Federal requirement concerning Parental Consent
- States like Wisconsin have developed somewhat complex forms and procedures for obtaining Parental Consent
- Other States like Florida have moved to much simpler policies: i.e., school districts only have to obtain a Parental Consent to determine the student's Medicaid eligibility and don't need it for Medicaid billing

## State Funding Cutbacks

- Faced with massive cutbacks in State funding, many school districts are being forced to reduce staffing and/or to eliminate many extracurricular activities
- Some States are utilizing one-time ARRA funds to replace reduced State funding even though Feds have indicated this may lead to future reductions in ARRA funding
- Some districts are mistakenly allocating IDEA-Part B funds to pay for budgetary items that are eligible for Medicaid reimbursement, thereby making those costs non-claimable: e.g., the salaries of clinicians/therapists

## Cost-Based Rate Systems for FFS Claiming

- Several States are considering whether to implement cost-based rate systems for Fee-For-Service claiming
- Other States are utilizing Time Studies to help establish appropriate reimbursement rates for services (This almost always results in reduced reimbursement rates)

## Covered Services

- Many States continue to restrict the list of services for which school districts can claim Medicaid reimbursement even though there are no State funds involved in this type of claiming – and no implications for the rest of the State’s Medicaid recipients
- All States include Speech Therapy, Occupational Therapy, and Physical Therapy as claimable services
- Many States do not allow districts to claim Medicaid reimbursement for Paraprofessionals/Personal Assistants even though this is a major expense for most districts