Tribal Consultation

School Based Health Services and Cost Based Rates

March 31, 2011
Agenda

- Current School-Based Medicaid Program Overview
- New School-Based Services Methodology Requirements
- Key Factors in a Cost-Based Rates Methodology
- Relevant Timelines & Next Steps
Current School-Based Medicaid Program Overview

- Local Education Agencies (LEAs) may opt to participate in the school-based Medicaid Program and seek reimbursement for direct services through the DSC Program and administrative and outreach activities through the Medicaid Administrative Claiming Program (MAC)

- DSC Program – LEAs submit claims based on actual health related service encounters and are reimbursed based on duration of service or event using rates set by AHCCCS through a fee schedule
  - LEAs must maintain documentation and can only seek reimbursement for services that meet all claim and compliance requirements

- MAC Program – LEAs participate in a quarterly statewide Random Moment Time Study (RMTS) and provide quarterly salary and benefit cost data based on the district staff that are included in the time study
  - Reimbursement is based on LEA costs, eligibility rate, ICR and statewide RMTS results
Impact on Tribes and Tribal Programs

- Schools operating on reservations participate in school-based claiming (examples: Indian Oasis, Tuba City)
- American Indian members are receiving school-based health services in districts that border reservations or in urban areas (examples: Tuscon USD, Winslow USD)
- New school-based claiming program methodology will not impact access to needed health services; the impact is on how school districts will access reimbursement for those services
- School districts will need to back out all federal funds in terms of cost reporting for annual cost reconciliation
Federal Medicaid (CMS) requires that States demonstrate that rates paid for school-based services are no higher than the actual cost of providing medical services.

Federal funds are not eligible for school-based reimbursement.
Key Factors in a Cost Based Rates Methodology

- DSC and MAC programs now work together
  - Integrated single time study for MAC claiming and DSC reimbursement
- LEAs continue the current DSC billing process
- Implements a centralized cost settlement process
- LEA reimbursement now reflects actual costs (less federal funds) for treating Medicaid eligible students and leverages a LEA-specific CPE process
  - LEA receives settlement check if owed funds, or pays back funds if overpaid through DSC claiming
  - AHCCCS will adjust interim claim reimbursement rates based on cost reporting / settlement experience
Relevant Timelines & Next Steps

- Target implementation dates for the conversion to cost based / cost settled reimbursement methodology:
  - Public Notice: prior to 6/30/11
  - State Plan effective date: 7/1/11
  - New methodology training for LEAs would occur in July /August 2011
  - Annual cost report training for LEAs would occur in Fall 2012