

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

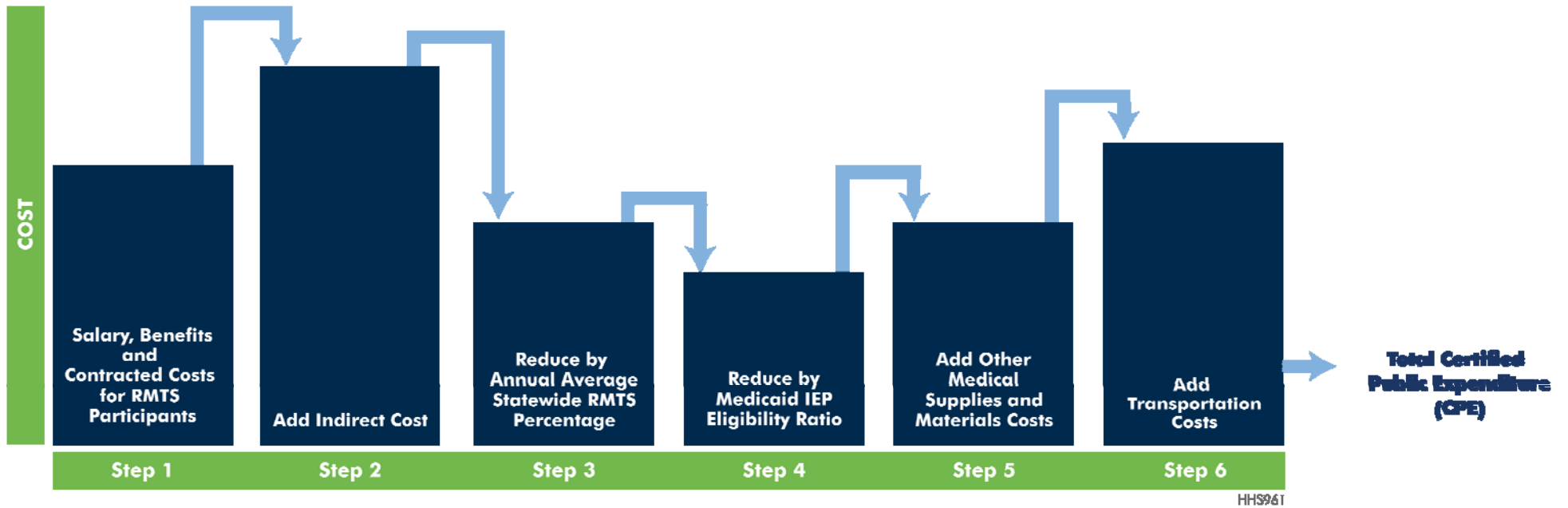
Impact on Tribes and Tribal Programs

- 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

New School-Based Services Methodology Requirements

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