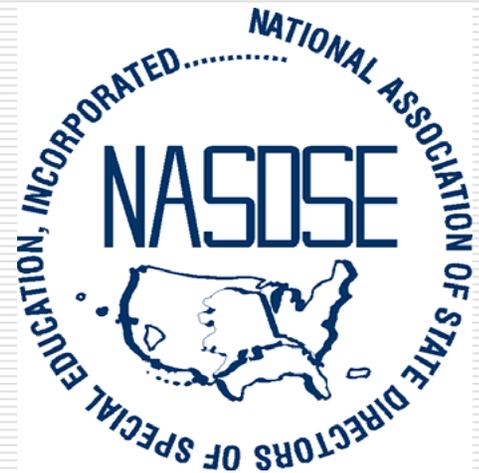


Education Update

2006 NAME Conference

Bill East, Ed.D
Executive Director
October 4, 2006



Thanks From NASDSE

- NAME's third year of work
- Leadership



Medicaid and Special Education: Common Purpose

- Medicaid – 1965
 - Federal/State matching entitlement program
 - Health insurance for poor, blind, disabled and Rehabilitation (independence and self-care)



Medicaid and Special Education: Common Purpose (2)

- Special Education – 1975
 - Latest Reauthorization in 2004
 - Special education and related services
 - Free, appropriate public education
 - Education, employment and independent living



Medicare Catastrophic Coverage Act

- Passed in 1988, repealed in 1989, but
- Provisions maintained:
 - Medicaid payments for children with disabilities with an IEP or IFSP were allowed, not required, if medically necessary.



School-Based Billing

- Began in 1989 for children 5-21
- That's where you find kids in that age range.



Most Common School-Based Billings

- School health services
- Related services in IEP/IFSP
- Administrative fees
- Transportation



Administrative Cost

- Support of Medicaid eligibility determination, or
- Service covered under state plan
- Qualifies for:
 - Federal Financial Participation (FFP)



Transportation

- To a Medicaid provider
- To a school-based services when:
 - Transported to Medicaid-covered service and
 - Need for transportation is included in IEP/IFSP



Changes To IDEA Regulations

- RtI
- Early Intervening
- IEP
- Paperwork
- Private Schools
- HQT
- Process and Accountability
- NIMAS/NIMAC



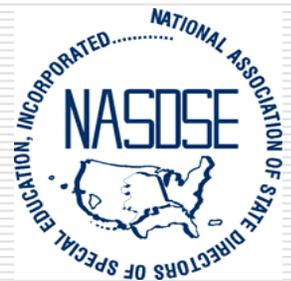
IDEA Regulations (1)

- 300.154 – Methods of ensuring services
 - The financial responsibility of each non-educational public agency...including the State Medicaid Agency and other public insurers of children with disabilities, must precede the financial responsibility of the LEA (or the state agency responsible for developing the child's IEP).



IDEA Regulations (2)

- 300.154 (continued)
 - SEA must have procedures describing the:
 - Conditions, terms and procedures under which a LEA must be reimbursed
 - Resolving interagency disputes under which LEA's may initiate proceedings to secure reimbursements
 - Interagency coordination and timely delivery of services



IDEA Regulations (3)

- 300.154 (continued)
 - Obligation of non-educational public agencies:
 - If otherwise obligated under federal/state law...to provide or pay for any services that are also considered special education or related services and necessary for ensuring FAPE...that public agency must fulfill that obligation...



IDEA Regulations (4)

- 300.154 (continued)
 - A non-educational public agency...may not disqualify an eligible service for Medicaid reimbursement because that service is provided in a school context.



IDEA Regulations (5)

- 300.154 (continued)
 - If non-educational public agency fails to provide or pay for the special education and related services, the LEA/State must provide or pay in timely manner; and then is authorized to claim reimbursement in accordance with terms of agreement.



IDEA Regulations (6)

- 300.154 (continued)
 - A public agency may use the Medicaid or other public benefits or insurance programs...to provide or pay for services...except



IDEA Regulations (7)

- 300.154 (continued)
 - Public agency...
 - May not require parents to sign up or enroll in public benefits or insurance programs in order for child to receive FAPE
 - May not require parents to incur out-of-pocket expense such as payment of deductible or co-pay (may pay the cost that parents would otherwise pay).



IDEA Regulations (8)

- May not use a child's benefits...if it would:
 - Decrease available lifetime coverage or any other insured benefit
 - Result in family paying for services that would otherwise be covered...that are required outside the time the child is in school
 - Increase premiums or lead to discontinuation of benefits or insurance
 - Risk loss of eligibility for home and community – based waivers, based on aggregate health related expenditures



IDEA Regulations (9)

- 300.154 (continued)
 - Must obtain parental consent, consistent with 300.9, each time that access to public benefits or insurance is sought
 - Nightmare! Burdensome! (Cathy Griffin)
 - OSEP
 - Permission once, benefits being accessed
 - Then notify parents of times accessed



IDEA Regulations (10)

- 300.154 (continued)
 - Inform parents their refusal to permit the public agency from accessing private insurance does not relieve agency from responsibility to provide required service at no cost to parents



IDEA Regulations (11)

- 300.154 (continued)
 - If public agency does not get permission to use parents' insurance, it must use Part B funds to pay
 - Public agency can pay deductible or co-pay amounts



IDEA Regulations (12)

- 300.154 (continued)
 - Proceeds from benefits or insurance
 - Will not be considered “state or local” funds for MOE



Related Services (1)

- Transportation and such developmental, corrective and other support services as are required to assist a child with a disability to benefit from special education.



Related Services (2)

- 1. Speech-language pathology
- 2. Audiology services
- * 3. Interpreting services
- 4. Psychological services
- 5. Physical therapy
- 6. Occupational therapy
- 7. Recreation, including therapeutic recreation
- 8. Early identification and assessment of disabilities in children



Related Services (3)

- 9. Counseling services, including rehabilitation counseling
- * 10. Orientation and mobility services (service animals)
- 11. Medical services for diagnostic or evaluation purposes
- 12. School health services
- * 13. School nurse services
- 14. Social work services in schools
- 15. Parent counseling and training



Related Services (4)

Exceptions:

- 1. Medical device that is surgically implanted; optimization of device's functioning (e.g. mapping); maintenance of device; replacement of device.



So, what's the big deal?

Medicaid and Poverty

- Medicaid provides the primary source of health care for students who come from poverty.



Spending by States in 2004

- 21.9% on Medicaid
- 21.5% on K-12 Education
- 10.5% on Higher Education



Money for School-Based Work (2005)

- \$2.9 billion total
- \$2.1 billion for services provided in schools
- \$834 million for administrative activities



CMS “Guidance”

- ❑ 1997- “Medicaid and School Health: A Technical Assistance Guide”
- ❑ 2003 – “Medicaid School-Based Administrative Claiming Guide”
- ❑ Narrows the allowable items that can be billed



GAO 2000 Report

- 1. Undocumented claims
- 2. Lack of state safeguards
- 3. Inadequate CMS monitoring



2002-2003 Office of Inspector General (OIG) Audits

- Federal government overpaid millions of dollars for school-based services



Most Common Problems (OIG)

- Lack of documentation
- Unqualified personnel billing for services
- Inaccurate time studies used in administrative activities
- Bundled rate-setting procedures
- Money not getting to schools
- High consultant fees



Federal Efforts to Reduce Cost of Medicaid

- Deficit Reduction Act of 2005
- FY06 Budget Reconciliation Act
- President's 2007 Budget



Presidents 2007 Budget Request

- ❑ Cut \$3.6 billion over next five years (\$615 million per year)
- ❑ Keep things like speech therapy, EPSDT, rehabilitation
- ❑ Eliminate administrative services like identification and enrolling services and transportation



IDEA Funding

- IDEA funded less than half of need
- 2006 Reduction in IDEA funds
 - 1% across the board cut
 - Level funding - inflation
- New data requirements drain funds



Centers for Medicare and Medicaid (CMS)

- “Interim Final Regulations”
 - Will eliminate federal payments for school-based administrative and transportation claims



Result of Proposed Federal Changes and Funding Cuts

- Cuts billions of dollars in federal funding and shifts costs to states and local districts



Beltway State of Denial

- ❑ Poor people with disabilities don't need extra help
- ❑ States/districts have plenty of money to administer programs
- ❑ Transportation will not be a problem
- ❑ Culture of cut and run from Federal commitment to people with disabilities



Congress Must Get Our Message

- Don't cut services to poor children with disabilities
- Keep commitments to fund services to children with disabilities



July 18, 2006 – Letter to Secretary Leavitt

- Copies to Senate/House Leaders
- Partners
 - NCSL
 - National Conference of State Legislators
 - CCSSO
 - Council of Chief State School Officers
 - AASA
 - American Association of School Administrators
 - CGCS
 - Council of Great City Schools
 - CASE
 - Council of Administrators of Special Education
 - NSBA
 - National School Boards Association
 - NASBE
 - National Association of State Boards of Education



Kennedy-Smith Bill

- “Protecting Children’s Health in Schools Act of 2006”
 - Administrative Cost
 - Bundled Services
 - Transportation



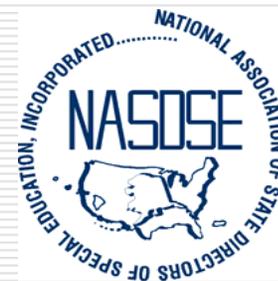
2007 Labor H Appropriation Bill

- Requires CMS to examine impact of proposed policy changes by March 1, 2007
- No further action until Appropriation Committee receives and reviews the report



Recommendations (1)

- “Get Medicaid and Education Working together...” (Griffin)
- Use other organizations to carry message
- Contact members of Congress (encourage sponsorship)
- Contact CMS Director
 - Mike Leavitt



Recommendations (2)

- ❑ Initiate action at state and local level
 - ❑ Ensure that Medicaid monies are allocated to the programs or services for Medicaid beneficiaries
 - ❑ Inform parents how Medicaid money is being spent
 - ❑ Train! Train! Train! Do things correctly!
-

NASDSE Book -FORUM

- “School-based Medicaid for Children with Disabilities”
 - Kim Moherek Sopko
 - September, 2006
-

Special Thanks To:

- Deb Parker Wolfenden
 - Association of Assistive Technology Act Programs (ATAP)
- Kimberly Moherrek-Sopko
 - MOKO Education Services
- Nancy Reder and Christine Cashman
 - NASDSE



Resources from NASDSE

- www.nasdse.org
- www.ideapartnership.org
- www.personnelcenter.org
- www.projectforum.org

- New books
- Satellite Conference Series



National Resources

- www.ed.gov
- <http://idea.ed.gov>
- National State Policy Database (NSPD)
 - <http://nspd.rrfcnetwork.org/search/searcher.php>



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