JOINT EDUCATION COMMITTEE MEETING: WY SBS PROGRAM UPDATE

JUNE 5 – 6, 2019
AGENDA

I. BACKGROUND: LEGISLATIVE REQUIREMENTS
II. OVERVIEW OF SCHOOL-BASED MEDICAID
III. REVIEW OF PROJECT WORK PLAN
IV. SHORT-TERM PRIORITY INITIATIVES
V. SCHOOL FINANCING MODELS
VI. PROGRAM DESIGN CONSIDERATIONS
VII. QUESTIONS
Not later than October 1, 2019, the department of education and the department of health shall report to the joint education interim committee and the joint labor, health and social services interim committee on the planned implementation of services specified under subsection (a) of this section. The report shall identify any statutory amendments and other regulatory amendments necessary to allow reimbursement of services specified under subsection (a) of this section to Wyoming school districts to begin with the 2020-2021 school year, including specific school district reporting and claims processing requirements.

Wyoming 2019 Budget Bill, Section 344
OVERVIEW OF SCHOOL-BASED MEDICAID

• School-Based Medicaid is a federal program that reimburses local education agencies (LEAs) for providing direct health services to Medicaid students in a school setting
  - LEAs may include local school districts, charter schools, or colleges
• There are generally two different reimbursement models that states will follow:
  - Fee schedule – LEAs are paid the Medicaid fee schedule for services provided in a school setting
  - Cost-based – LEAs are reimbursed for the actual allowable costs, which are reconciled at the end of the year to make sure payments do not exceed the allowable costs
    • This model will typically include a Random Moment Time Study (RMTS)

Overview of RMTS:
A statistical sampling methodology that is commonly used to estimate the percentage of time a service provider’s work day is spent providing direct medical services. The results of the RMTS are used as part of an annual cost reconciliation process for LEAs.
MAJOR COMPONENTS OF SCHOOL-BASED MEDICAID

- **School-based health services** are recommended by the IEP team or other health professional.
  - Health service practitioner delivers a Medicaid covered service to a student.
  - LEA submits a claim for reimbursement of that health service.
- **SBS Model 1:** Fee-schedule: all payments are final.
  - Cost-based: claims are interim and reconciled at the end of the year.
- **SBS Model 2:**
PARTICIPATION REQUIREMENTS OF SCHOOL-BASED MEDICAID

Services Included in Medicaid State Plan Amendment (SPA)

Service Delivery and Proper Documentation

Service Authorization

Medical Necessity

Qualified Practitioners and Supervisors

National Provider Identifier (NPI)

Medicaid Eligibility

Parental Consent
WORKPLAN TO ADDRESS LEGISLATIVE REQUIREMENTS

The project workplan is divided into two phases to meet the Legislative requirements.

- **Participants:** Wyoming Department of Health (WDH), Wyoming Department of Education (WDE), Navigant
  - Stakeholders, including LEAs, when necessary

**Phase 1: April 2019 through September 2019**

Objectives:
1. Identify school-based service (SBS) models to be considered by WY, identify statutory changes, complete budget exception request
2. Deliver SBS Assessment Report to the Joint Education Interim Committee and the Joint Labor, Health and Social Services Interim Committee by October 1, 2019

**Phase 2: October 2019 through June 2020**

Objectives:
1. Design and execute implementation tasks for SBS Medicaid billing based upon final decisions from the models included in the SBS Assessment Report
2. Submit SPA to CMS
3. Implement SBS Medicaid billing by 2020-2021 school year
# PHASE 1 – APRIL 2019 THROUGH SEPTEMBER 2019

<table>
<thead>
<tr>
<th>Task</th>
<th>Status</th>
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<tbody>
<tr>
<td>Task 1: Kick-off project and conduct operational assessment of WDH and WDE</td>
<td>Started – 65% complete</td>
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<td>Task 2: Conduct service mapping between special education services provided in the school setting and Medicaid, including practitioners and service authorization process</td>
<td>Started – 10% complete</td>
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<td>Task 3: Outline SBS funding models (with and without the use of Random Moment Time Study [RMTS])</td>
<td>Started – 15% complete</td>
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<td>Task 4: Continue operational assessment and identify staffing requirements for WDH and WDE</td>
<td>Started – 25% complete</td>
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<td>Task 5: Draft SBS Assessment Report</td>
<td>Not started</td>
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# Task Highlights

<table>
<thead>
<tr>
<th>Task</th>
<th>Highlights</th>
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<tbody>
<tr>
<td>Task 1: Develop State Plan Amendment (SPA)</td>
<td>SPA will be based on approved SBS model</td>
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<td>Task 2: Develop program materials</td>
<td>Dependent upon final WY SBS model</td>
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<td>Task 3: Manage stakeholder engagement</td>
<td>Announce SBS program and address concerns</td>
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<tr>
<td>Task 4: Conduct RMTS implementation tasks - <em>if necessary</em></td>
<td>Dependent upon final WY SBS model</td>
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<td>Task 5: Facilitate rate setting (cost-based rates) - <em>if necessary</em></td>
<td>Dependent upon final WY SBS model</td>
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<td>Task 6: Work with Fiscal Intermediary (FI) to implement SBS changes</td>
<td>FI changes will depend on WDH SBS policies</td>
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<td>Task 7: Coordinate provider training</td>
<td>Statewide provider training and SBS rollout</td>
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## SHORT-TERM KEY INITIATIVES

<table>
<thead>
<tr>
<th>Initiative 1</th>
<th>Initiative 2</th>
<th>Initiative 3</th>
<th>Initiative 4</th>
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<tr>
<td><strong>Define Roles and Responsibilities</strong></td>
<td><strong>Complete Budget Exception Request</strong></td>
<td><strong>Identify Recommended SBS Model</strong></td>
<td><strong>Manage Stakeholder Engagement</strong></td>
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<td>Surveying other states to capture their organizational structures</td>
<td>Identifying anticipated revenue, staffing requirements, and costs – will be impacted by final SBS model</td>
<td>Selecting a cost-based or fee schedule model</td>
<td>Meeting with WDH, WDE, and LEA representatives (two school districts and a BOCES)</td>
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<td>WDE/WDH meeting with Colorado</td>
<td>Aligning with staffing model and roles and responsibilities from Initiative 1</td>
<td>Cost-based program: implementation of random sampling and rate setting</td>
<td>Conducting initial assessment of barriers and challenges with implementation of SBS program</td>
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<td>Developing staffing model and defining roles and responsibilities to align with different SBS models</td>
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<td>Fee schedule program: streamlined implementation using established Medicaid rates</td>
<td>Addressing barriers, including: Maintenance of Effort requirements, program regulations, and technology limitations</td>
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**Initiative 2**

**Initiative 3**

**Initiative 4**
Per CMS, “Medicaid requires that states demonstrate that rates paid for services in schools are no higher than the actual cost of providing the medical services”

**Fee Schedule Model**

A state may pay providers the Medicare or Medicaid state plan rate without demonstrating cost

**Cost-Based Model**

A state may reimburse governmental entities a percent of actual costs, this requires an annual cost report and reconciliation of costs (per federal requirements)

COST-BASED MODEL

- A cost-based model typically uses a Certified Public Expenditure (CPE) process to recognize actual costs incurred
  - CMS requires a written and approved cost reimbursement methodology
  - LEAs submit interim claims throughout the year and certify that the funds expended are public funds used to support the actual cost of providing the Medicaid-covered services
  - CMS must review and approve a cost report that adheres to the required cost principles and a time study
  - States must conduct a cost reconciliation process to ensure that providers are not reimbursed more than the actual cost of providing services
    - If interim claims payments are less than reported costs, the LEA receives a positive payment through the reconciliation process
- Key considerations:
  - Maximizes available federal funding
  - More complex program design and start up
  - Requires time studies and cost reports
  - Higher audit risk
FEE SCHEDULE MODEL

- LEAs bill for SBS services using the WY Medicaid fee schedule (rates are not based on costs) and receive final payment for services, without a cost reconciliation process
  - The LEA will directly bill Medicaid for the Federal Medical Assistance Percentage (FMAP) for every allowable service

- Key considerations:
  - Lower federal funding reimbursement
  - Utilizes Medicaid's current fee schedule rates
  - Streamlined implementation and administration
  - No time studies or cost reports
PROGRAM DESIGN CONSIDERATIONS

Lack of qualified providers

- Initial assessment revealed there is a reliance on paraeducators to deliver health services (including speech, occupational, and physical therapy)
- If paraeducators are eligible practitioners in SPA, they will have a lower rate of reimbursement
- LEAs and WDE should explore expanding the use of telehealth in the school setting

Competing Medicaid and education requirements

- LEAs enter into a “medical model” and must adhere to two sets of requirements
- WDH requires prior authorization to document medical necessity and has controls in place to monitor utilization and payment for services
- WDH will explore waiving certain claims processing requirements for the SBS program and complete post-claims review
PROGRAM DESIGN CONSIDERATIONS (CONTINUED)

Low participation

- LEAs may under-participate or not participate at all without an accountability requirement
- Navigant will complete an inventory of other state’s incentive models
- The October 1 SBS Assessment Report will include accountability recommendations

Insufficient technology at the LEAs

- Initial assessment revealed LEA providers do not consistently document health services and LEAs do not store documents centrally
- Consideration of a statewide documentation system or focused technical assistance training related to service documentation
### PROGRAM DESIGN CONSIDERATIONS (CONTINUED)

<table>
<thead>
<tr>
<th>Parental consent</th>
<th>SPAs can take many months, or years, to be approved by CMS (depending upon the complexity of the SPA)</th>
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<tbody>
<tr>
<td>• LEAs are required to capture parental consent to bill Medicaid, per Office of Special Education and Rehabilitative Services</td>
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<tr>
<td>• LEAs have neither asked for, nor received, parental consent to bill Medicaid</td>
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<td>• WY could publish a parental consent template for the upcoming school year, and LEAs can receive a signed form prior to program implementation</td>
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<tr>
<td>• SPAs can take many months, or years, to be approved by CMS (depending upon the complexity of the SPA)</td>
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<td>• The implementation deliverables and stakeholder engagement are dependent upon an approved SPA</td>
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<td>• Further examination of Maintenance of Effort requirements and potential compliance issues</td>
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<td>• WY could consider drafting changes to the Wyoming SPA based off the preferred model in the SBS Assessment Report and not wait for a finalized model</td>
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SUMMARY OF NEXT STEPS TO MEET 2019 BUDGET BILL REQUIREMENTS

• WDH and WDE will execute the workplan to meet the requirements of the Wyoming 2019 Budget Bill
  - Deliver SBS Assessment Report by October 1, 2019
    • Overview of different SBS models, including joint Agency recommendations
    • Identify statutory and regulation changes
  - Complete budget exception request for the 2021-2022 biennium
    • State and federal funds required to pay for the school-based health services
    • Staffing requirements
    • Expected federal funding from SBS program
  - Draft changes to the Medicaid SPA that align with recommendations included in the SBS Assessment Report
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