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This guidance and technical assistance article reviews Michigan's Medicaid School-Based Services (SBS) program. Medicaid partially reimburses intermediate school districts (ISDs) for *some* health care services provided by schools. Recent changes have occurred in the program since July 2008. The impact of those changes on school district staff, and the anticipated outcomes for children enrolled in special education programs and services in Michigan, including infants and toddlers and their families in *Early On*[®] programs, are described in this *FOCUS on Results* article.

Michigan Medicaid School-Based Services (SBS) Program Helps Cover the Costs of School Health Care Services

by Jane Reagan, MPA

Many people are unaware that Medicaid partially reimburses *some* health care and outreach services provided in schools through the Medicaid School-Based Services (SBS) program. The Medicaid SBS program helps defray some of the rapidly increasing costs to schools for the health care and related services delivered to students with Individualized Education Programs (IEPs)—under Part B of the *Individuals with Disabilities Education Act* (IDEA)—as well as services for infants, toddlers, and their families in *Early On*[®] programs—under Part C of IDEA. All 57 of Michigan's intermediate school districts (ISDs) are enrolled with Medicaid as "providers."

In 2008, the Michigan Medicaid SBS program instituted many changes—all effective July 1, 2008—including the list of services that can be reimbursed. The SBS program has increased the number of time studies for school staff and clinicians who provide certain health services to students. ISDs must follow many new procedures in order to receive Medicaid reimbursement.

This *FOCUS on Results* article summarizes the recent changes in

Michigan's Medicaid SBS program since July 2008 and attempts to guide stakeholders to a better understanding of how the changes impact school districts. Also discussed is the expected impact of program changes to children, students, and their families. The first year since the changes were instituted ended at the time of this writing, so districts are now beginning to evaluate the impact of the 2008 program changes—including added staff time and higher costs for participation—and they are reviewing student outcomes to measure actual benefits.

The Medicaid SBS reimbursement process is complex; it returns a small share of actual school district costs for health care and related services; and it requires districts to understand and follow rules, regulations, and requirements of both the Medicaid program and the IDEA. Michigan public school administrators generally report the benefits of their participation in the SBS program as worth the challenges, and all of Michigan ISDs currently participate.



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2009-2010, Volume #8, Issue #2
 Packet #17, Article 2

In Michigan, there are more than 1.6 million individuals, of all ages, who are eligible for and enrolled in the Medicaid program, and the majority are children or youth—many enrolled and/or attending Michigan’s public schools. Of those pupils, many receive school-based health care and related services such as speech therapy, physical therapy, service coordination, or have an aide or paraprofessional to assist them during their school day.

In the Beginning

In 1993, the Michigan Department of Education (MDE) and the Michigan Department of Community Health (MDCH) forged a partnership to allow ISDs to enroll in the Medicaid program (housed at that time within the Michigan Department of Social Services) to receive Medicaid reimbursement for some health care and related services. The program was called Michigan Medicaid SBS. This program has helped defray some of the costs of delivering health care in schools, mostly for children enrolled in special education, but also for infants and toddlers and their families in *Early On* programs.

A state-level interagency agreement was signed and enabled by changes the U.S. Congress made in 1988 in the federal Medicaid statute (Title XIX of the *Social Security Act*). Developing, implementing, and maintaining a program that brings together two very different and complex systems—Medicaid and education—is not easy, but the reimbursement dollars help cover some of the costs of providing essential care for children and youth with disabilities. The Michigan Medicaid SBS program recognizes that public schools are required by the IDEA to provide specific services and supports—some of which qualify for Medicaid reimbursement—to children and students eligible for *Early On* and special education. The essence of *Early On* and special education programs and services has not changed for children and students, but with the SBS program in place, parents/ guardians and school staff have additional requirements to meet. For more background information and a history of the Michigan Medicaid

SBS program, visit www.cenmi.org/Documents/FOCUSonResults.aspx to read *Michigan Medicaid School Based Services Program Helps Cover the Costs of Some Health Care Services*, May 2005.

For almost all Medicaid services in Michigan, reimbursement for health care expenditures made by a private sector provider—such as a Health Maintenance Organization (HMO), a dentist, a pharmacist, or a nursing home—comes partially from federal funds and partially from state funds. When reimbursing these providers during state fiscal year 2009 (October 1, 2008 through September 30, 2009), the Michigan Medicaid program pays them with a little more than 60 percent from federal Medicaid funds and almost 40 percent from state funds.

Medicaid reimbursement to public schools through the SBS program is different. The enrolled Medicaid provider is an ISD—a publicly funded entity using state, local, and some federal money to deliver education, health care and related services. Therefore, the reimbursement that the ISD receives is only the federal share. For example, in 2008 if an ISD submitted a claim for \$100 reimbursement for speech therapy, only the 60 percent federal share of Medicaid funds (or \$60) was sent to Michigan. The 40 percent state share (or \$40) is considered previously allocated to the district from state and local funds (state taxes). Michigan then set aside 40 percent of the 60 percent federal share dollars for the Michigan Medicaid agency’s general fund. As a result, ISDs receive 60 percent of the federal share, and the Medicaid agency receives 40 percent. In most cases, for each \$100 claimed by ISDs last year for services delivered, the reimbursement was approximately \$36 (\$100 x .60 [the 60 percent federal share]= \$60; \$60 x .60 [60 percent of the federal share reimbursed to ISDs] = \$36).

In February 2009, President Barack Obama signed into law the *American Recovery and Reinvestment Act* (ARRA). One section, Title V, provides for temporary increases in the federal contribution of Medicaid costs to each state. The law also allows the increase to

be retroactive, so it became effective October 1, 2008 (Federal Register, Vol. 74, No. 75; Tuesday April 21, 2009, pp 18235-7). The actual impact of the increase will help Michigan ISDs, but it is not expected to be paid until 2010 due to the new reimbursement process.

Direct and Administrative Outreach Program (AOP) Services Components (1993-2008)

For the past 15 years, the SBS program included two components:

- **The Fee-For-Service (FFS) Component**—Reimburses ISDs for direct health and related services to students/children with Individualized Education Programs (IEPs) or Individualized Family Service Plans (IFSPs).
- **The Administrative Outreach Program (AOP) Component**—Reimburses ISDs for providing

information about Medicaid to families and for helping locate, identify, and refer qualifying children and their families for Medicaid services.

Fee-For-Service for Direct Health Services (1993-2008)

The Fee-For-Service for direct health services reimbursement began in 1993 and included the following services for children and students with IEPs or IFSPs:

- Speech, language, and hearing therapy and evaluations.
- Occupational and physical therapy and evaluations.
- Assistive technology device services.
- Nursing.
- Psychological, counseling, and social work services.
- Developmental testing.

Continued on page 6

School District Personnel Can Inform Families About Federal Health Care Programs Providing Services to Uninsured Children

Medicaid is the nation's largest health coverage program for low-income children. The State Children's Health Insurance Program (SCHIP) is the nation's third largest (behind Medicare). The SCHIP was created during 1997-1998 as a complement to Medicaid to provide health care coverage to low-income, uninsured children under 18 years old who were not eligible for Medicaid. Currently in the U.S., 29 million children are enrolled in Medicaid and 7 million are enrolled in the SCHIP. In Michigan, the SCHIP is called 'MICHild,' and the program has 33,404 children enrolled. *Source: Michigan Department of Community Health, June 2009*

The *Children's Health Insurance Program Reauthorization Act (CHIPRA)* of 2009 was one of the first pieces of legislation passed by the 111th Congress and signed by President Obama on February 4, 2009. The Act extended and expanded the State Children's Health Insurance Program (now referred to as CHIP, not SCHIP). This new law, CHIPRA, added \$33 billion in federal funds for children's health care coverage and, by 2013, it is expected to provide coverage to 4.1 million more children in Medicaid and CHIP who otherwise would have been uninsured.

Together with Medicaid, CHIP has helped to reduce the number of uninsured low-income children by expanding eligibility levels and simplifying enrollment procedures. There are more services covered now, which should increase access to health services for millions of children. However, 9 million children across the country remain without health care insurance. Even though roughly two-thirds are eligible for Medicaid or CHIP, they have not enrolled. **School district personnel are in an ideal position to inform families of these programs and refer them to apply.** Medicaid coverage for children requires no co-pay or premium costs. Michigan's MICHild premiums are \$10 per month no matter how many children are in the family. Both Medicaid and MICHild provide very good health care coverage at little or no cost to families. For more information, visit www.kff.org/medicaid/upload/7863.pdf.



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What Is Medicaid?

Medicaid is the nation's largest public health insurance program that finances health and long-term care (including nursing home) services for more than 50 million eligible Americans. The program was established by Congress in 1965 and provides access to affordable and comprehensive health care for children and adults in low-income working families. Medicaid also serves the elderly and persons with disabilities who often rely on the program to fill critical gaps in their Medicare coverage.

Although three quarters of Medicaid's enrollees are families with children, Medicaid pays for services for the elderly and persons with visual impairments and other disabilities—accounting for 70 percent of the program's expenditures (Kaiser Family Foundation).

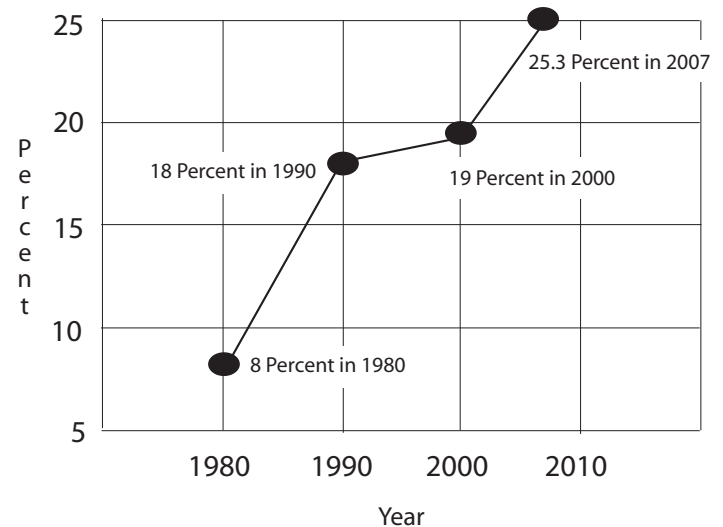
Each state partners with the federal government to jointly finance and operate Medicaid, which has become a huge player in the health care industry. According to the Kaiser Family Foundation:

Medicaid accounts for roughly one fifth of the nation's health care spending and nearly half of all spending on long-term care. As the largest source of federal support to the states, Medicaid is also a major engine in state economies, supporting millions of jobs across the country. Medicaid's guarantee of open-ended federal financing that matches state spending enables states to respond to losses of private health insurance caused by unemployment and rising health insurance premiums, increases in health care costs, emergencies and disasters, and an aging society.

Michigan's Medicaid spending as a percentage of total state expenditures is trending up, growing from 8 percent in 1980 to 25.3 percent in 2007 (see chart below and table on page 5).

In 2005, a little more than one million individuals of all ages—nearly one tenth of Michigan's population—were enrolled in Medicaid, according to the Michigan Department of Community Health (MDCH). Today, Michigan ranks the highest in unemployment in the country, and the loss of jobs often results in the loss of health

Michigan's Medicaid Spending



insurance. "Nearly one in six Michigan citizens is now covered under the Medicaid program" (Udow-Phillips, 2009). With the economic collapse, more new families have enrolled in the Medicaid program, so the costs of Medicaid services continues to increase significantly.

According to the *Cover Michigan* report (Udow-Phillips, 2009): *Michigan ranks in the middle (21st highest) when compared to other states on the number of individuals who are publicly insured. Twenty seven percent of Michigan residents had some form of publicly offered health care coverage in 2007. Approximately one in six was covered by Medicaid. Clare, Ogemaw, Oceana, and Lake counties had the highest percentage of population enrolled in Medicaid; Wayne, Oakland, Macomb, and Kent counties had the highest numbers of Medicaid recipients. Total state expenditures for Medicaid in 2006 were almost \$3.6 billion, representing more than 20 percent of total state expenditures and almost 1.6 million (persons living) in Michigan were Medicare (see box at right) beneficiaries in 2008, up from 1.4 million in 2003. At 15.6 percent of the population, Michigan has a higher percentage of Medicare beneficiaries than the U.S. average of 14.9 percent.*

Fiscal Year	Michigan Budget Spent on Medicaid	National Average (States' Medicaid Spending)
1980	8%	8%
1990	18%	13%
2000	19%	20%
2007	25.3%	16.9%

What Does Medicaid Cover?

Medicaid covers a wide range of services including hospitalization, physician, midwife, and certified nurse practitioner services; laboratory and x-ray; prescription drugs; dental; nursing home and home health care; family planning; speech therapy; physical therapy; some health status assessment and evaluations; personal care provided by aides and paraprofessionals; medical transportation; and rural health clinics and federally qualified health centers, among others. Budget cuts have affected the level of coverage for some of the services that are 'optional' and not required by federal law to be provided by state Medicaid programs.

Because Medicaid beneficiaries have limited financial resources, generally they are not expected to share costs. For children and pregnant women, cost sharing has not been permitted, but legislators reconsider this policy each year.

Medicare—Medicare is a federally funded health insurance program created by Congress in 1965. Medicare provides some health care coverage for all citizens aged 65 and older, along with some individuals with certain disabilities or diagnoses. There are 44 million enrollees in the Medicare program and as baby boomers age, the number will grow rapidly.

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- Orientation and mobility services.
- Physician services.
- Service coordination (also called targeted case management).
- Medical transportation.
- Each service/therapy/evaluation/round-trip bus ride.
- Each date of service.

In order to be reimbursed for these direct health care and related services, staff and clinicians in school districts must comply with rules about record-keeping and clinical notes, follow specific procedures, and communicate in approved computer language when electronically submitting a claim to the Medicaid agency for payment. Payments between 1993 and 2008 were based on the following information electronically sent to Medicaid about each child served:

The Michigan Medicaid program established specific statewide fees to be paid for each procedure code, and each ISD received monthly reimbursements based on the number of services provided, logged, and sent to Medicaid's computers. Since ISDs are not experts in medical billing, most hired billing companies that had their own proprietary software and protocols to assist them in meeting the Medicaid requirements. Software from billing and other companies helped track each child's services, collect staff records about services delivered, and transferred that detailed information to standardized claim forms for electronic submission. The

Continued on page 8.

Anticipated Timeline for New Medicaid SBS Reimbursement Process for 2008-2010 School Years

July 1, 2008

- New program began.
- Interim payments began to each intermediate school district (ISD)/75 percent of 2006-2007 payments.
- July-September 2008—Quarterly time studies began, continuing each quarter.

June 30, 2009

- End of first year.

October 15, 2009

- ISDs receive data for Medicaid cost reports.

October 31, 2009

- Local educational agency (LEA) and participating public school academy (PSA) Medicaid School-Based Services (SBS) cost reports due to their ISDs.

December 31, 2009

- ISDs roll up all LEA/participating PSA Medicaid SBS cost reports and submit ISD summary cost reports to Medicaid.

By January 2010

- Initial settlement of ISD costs compared to interim payments made since July 2008.

July 2010

- Revisions to Medicaid cost report (may occur through July 2010).
- Final ISD settlement process begins and interim payments adjusted.



What Is the School-Based Services (SBS) Program?

In 1993, Michigan's Medicaid program added the SBS component to reimburse for some health and related services provided by school districts. All 57 of Michigan's ISDs enrolled as Medicaid providers within the first year. Later, the Michigan School for the Deaf and Blind and the Detroit Public Schools enrolled. Since then, Medicaid has determined that only ISD-level districts are allowed to be enrolled as Medicaid providers for this program. The Medicaid agency requires local school districts and public school academies/charter schools to work through their ISDs to participate in the program.

Through SBS, Medicaid reimburses ISDs for some health care and related services provided for individuals who are enrolled in Medicaid and who are eligible for special education or other programs, like *Early On*. The services reimbursed are those provided (generally during the school day) by qualified personnel and as set forth in the student's Individualized Education Program (IEP) or Individualized Family Service Plan (IFSP). Each ISD has established and adjusted many of its day-to-day procedures in order to work with the Medicaid agency on time study procedures, their computerized billing system, and extensive documentation requirements.

How Does Reimbursement Work in General?

Medicaid is administered by each state and is jointly financed from both federal and state sources. The federal share will always be at least 50 percent, and the state contributes the balance. The federal share depends on the economic status of the state and is adjusted annually for each state. As Michigan's economy has worsened, its federal share has increased each year for the past 12 years (see table below).

The positive effect of this cost sharing, of course, is that states are not burdened with the entire load of health care costs for citizens with low-income in their state. In lean economic times, when employers cut jobs, more families qualify for Medicaid, increasing the total cost of health care to both the state and federal governments. This has been the case in the past few years, particularly in 2008-2009, as nearly every state saw an increase in the number of Medicaid enrollees. The poor economy forced states to pay their share of the increasing costs of Medicaid, which have been growing faster than most states' income and consuming a larger share of state budgets.

Fiscal Year	Federal Share of Michigan's Medicaid Costs Before ARRA	Federal Share of Michigan's Medicaid Costs After ARRA
1998	53.58%	N/A
2009	60.27% (through 03/31/09)	69.58% (10/01/08-03/31/09) 70.68% (04/01/09-09/30/09)
2010	63.19%	73.27%

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What Title IX is: Title IX of the Education Amendments of 1972 is the landmark federal law that bans sex discrimination in schools, whether it is in curricular, extra-curricular or athletic activities.

Title IX states: "No person in the U.S. shall, on the basis of sex be excluded from participation in, or denied the benefits of, or be subject to discrimination under any educational program or activity receiving federal aid."

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Understanding Time Study Methodology

Time study results are used to determine the amount of time spent on Medicaid-allowable activities. One statewide time study per category of staff is performed each quarter.

The purpose of the random moment time study (RMTS) design is to record only what the participant is doing at one moment in time. A random moment consists of one minute of work done by one employee, both chosen at random, from among all such minutes of work that have been scheduled for all designated staff statewide. The RMTS measures the work effort of each group of approved staff involved in the time study process by sampling and analyzing the work efforts of a randomly-selected cross-section of each staff category. The RMTS methodology employs a technique of polling employees at random moments over a given time period and tallying the results of the polling over that period. The method provides a statistically valid means of determining the work effort being accomplished in each of four categories of services.

Continued on page 9.



2009-2010, Volume #8, Issue #2
Packet #17, Article 2

billing companies, in turn, received payment for their services.

Administrative Outreach Program (AOP) Services (1996-2008)

Administrative Outreach Program (AOP) Services reimbursement to ISDs began in 1996 and includes:

- Outreach and public awareness efforts by schools to families.
- Facilitating Medicaid eligibility determination.
- Referral, coordination, and monitoring of Medicaid services.
- Program planning, policy development, and interagency coordination related to medical services.

Since 2004, the claim for reimbursement of the AOP component has been calculated using a formula that included the Medicaid eligible student population and the school's costs for certain staff performing certain outreach activities (including staff salaries, fringe benefits, and other related expenses like supplies and travel). The claim also included a factor derived from quarterly Medicaid time studies completed by selected school staff who are likely to be involved in Medicaid outreach activities during their workday. The time study is designed to accurately identify and isolate the school district's costs directly related to the Medicaid program. For more information on time studies, see boxed item at left.

New Medicaid SBS Program Time Studies (2008-Present)

From 1996 to 2008, there was one category of Medicaid time study used statewide for reimbursement—AOP Services. In 2004, some changes were made to the time study format. Random moments of staff time were measured, and the maximum number of random moments/staff sampled in the time studies were 2,400 moments statewide each quarter. The federal Centers for Medicare and Medicaid Services (CMS)

ruled that during 2006-2008, Michigan could sample 800 random moments of school staff four times a year (or each calendar quarter), and that would be acceptable and statistically significant.

Effective July 2008, the same federal Medicaid agency mandated that Michigan implement a different method for reimbursing ISDs. The previous one category of time study conducted quarterly and only for AOP Services is now four categories of time studies conducted statewide each quarter. Previously, the only component impacted by time studies was AOP Services. **Now all Medicaid SBS reimbursement—except for transportation—is impacted by the time study results.** Specifically, the most significant changes that began in 2008 are:

- There are 3,000 moments of staff time sampled in each of four categories of time studies conducted statewide each quarter. This equals 12,000 moments of staff time sampled each quarter. (This is a 15-fold increase in moments of staff time reported to Medicaid each quarter.)
- Each time study staff participant may be in only one of the four categories of time studies conducted each quarter.

Changes in Medicaid Reimbursement

As required by the federal Medicaid agency (CMS) and effective July 2008, Michigan ISDs are now paid based on an annual cost report that lists their actual costs related to Medicaid. Each cost report combines the LEA and ISD costs and is annually reconciled one year later. The new formula for Medicaid reimbursement for most services consists of:

- An MDE-determined, unrestricted, indirect cost rate for each district (adjusted annually).
- The results of the four categories of time studies, averaged for statewide use.
- Percent of Medicaid eligible children and students, per ISD, receiving certain special education services, based on the December 1 count.

- The federal share of Medicaid costs (at least 69 percent during most of the 2008-2009 school year).
- The ISD reimbursement share (60 percent to the ISD while Medicaid agency keeps 40 percent).

The annual cost report must be completed by all local and ISD-level districts each fall. Each local district sends their cost report to the ISD. The ISD then rolls all reports into one ISD report that is submitted to Medicaid in December.

Special Education transportation is reimbursed using a separate cost report form and is based on selected data elements from the *Michigan Department of Education Special Education Transportation Annual Cost Report*. Each district is required to track the children and students whose IEPs or IFSPs include transportation. Bus trip logs track Medicaid allowable one-way bus trips. This data, when compared with all special education bus trips, is a component of the cost report reimbursement formula.

Because there is a one year lag time between the first year of the new program and the actual cost report submitted, all ISDs received an interim payment during the 2008-2009 school fiscal year. It is expected that by July 2010 the interim payments and the actual costs will be reconciled, monthly payments will be adjusted, and a new payment cycle can begin.

The *new* Medicaid SBS program requires that some of the *old* features be maintained. One requirement is that all staff and clinicians providing Medicaid-reimbursable services participate in time studies. These individuals also must continue to document the services they provide, generally for each child or student eligible for Medicaid on each date of service. The Medicaid agency receives and reviews the documentation records—called ‘shadow claims’—and analyzes the data to determine if the interim payments being sent to the ISD are comparable to previous documentation and billing claims.

Other Changes Since July 2008

During the federal review of Michigan’s proposal for changes in the SBS program, there were certain services that the federal CMS determined may no longer be reimbursed. These include:

- Speech services provided by Teachers of Speech and Language Impaired (TSLI), unless those professionals are working under the direction of a Speech-Language Pathologist who has the credential Certificate of Clinical Competence (CCC) awarded by the American Speech-Language-Hearing Association (ASHA).
- Any services such as evaluations or therapy provided by school psychologists except case management or AOP Services, unless the individual has a Ph.D. or possesses a current state license issued by the MDCH.
- Any evaluation or assessment services provided by teacher consultants except case management or AOP Services.

The U.S. Department of Education (USED) created a new regulation for the IDEA 2004 law, requiring parents/guardians to give written consent to their school district allowing them to release information about their child in order to bill Medicaid for reimbursement. That regulation became effective in October 2006 and is in place statewide. The regulation has a direct impact on families because its purpose is to ensure all school districts are compliant with the confidentiality requirements of the *Family Education Rights and Privacy Act* (FERPA).

The federal Medicaid agency also determined in 2007 that most of the services provided by school aides and paraprofessionals—services Medicaid calls Personal Care—could now be reimbursed. This determination allows a new group of school staff to participate in the Medicaid documentation requirement process, as well as time studies. In addition, 2008 changes include reimbursement for service coordinators who work with Medicaid eligible children/students and who did

Understanding Time Study Methodology

Continued from page 8.

The sampling period is defined as the three-month period comprising each federal quarter of the year, except for an abbreviated sample period used in the summer quarter (July through September).

Michigan Medicaid’s SBS contractor uses an approved claims development software to conduct the statewide time studies each quarter. This software produces random moments, concurrent with the entire reporting period, which are then paired with randomly selected members of the designated staff pool population. The sampling is constructed to provide each staff person in the pool with an equal opportunity or chance to be included in each sample moment. Each staff person has the same chance as any other person to be selected for each moment, which ensures true independence of sample moments. With 12,000 moments sampled each quarter, it is very likely that some staff will be selected for more than one moment in a quarter.

For more information, download the Michigan Department of Community Health Medicaid Provider Manual at www.mdch.state.mi.us/dch-medicaid/MedicaidProviderManual.pdf.



*2009-2010, Volume #8, Issue #2
Packet #17, Article 2*

not previously qualify for any other Medicaid time study.

New Program Training and Updates

Most Michigan public school staff, clinicians, and administrators working with children receiving special education or *Early On* services have attended training sponsored by their ISD or one of the Medicaid SBS billing companies that serve ISDs. Training usually covers Medicaid-required record-keeping practices, policy changes, and the various service-specific procedure codes that exist. All staff working with the Medicaid program must learn and apply strict compliance protocols to ensure appropriate reimbursement is paid. Accuracy is important, since ISD records may face review. Like any payer of health care and related services, the Medicaid agency has the authority to audit providers it pays, including school districts. It also has the authority to take funds back when auditors believe that school records do not properly reflect services delivered when payments have been made.

Fiscal Impact

In spite of the fact that Michigan ISDs receive only about 36 percent of their costs in reimbursement from Medicaid, the SBS program has had a substantial and positive fiscal impact on districts. The SBS reimbursements have helped districts defray rising costs over the past 16 years by allowing schools to consistently recover a small portion of the costs incurred for health care and related services mandated by the IDEA and other statutes and regulations for students with disabilities. The Medicaid program, in turn, is meeting its statutory obligation to pay for health care services for its beneficiaries.

Medicaid reimbursement returned to districts and ISD special education programs also allows for a variety of quality improvement activities. Reimbursement can pay for the costs of a peer review or quality improvement system, and it has even prevented layoffs.

Medicaid SBS Advisory Groups

Over the past ten years, several advisory groups have brought individuals from the education and Medicaid arenas together to establish and maintain a useful dialogue for keeping the outcomes of the program in focus. The advisory groups generally consisted of administrators and their ISD representatives, MDE staff, and Medicaid agency staff who discussed emerging policy issues that had statewide implications. Formed in 2004, the Fee-For-Service Workgroup is one of these advisory groups that met monthly for almost five years with Medicaid staff. The ISD members provided the essential elements of perspective and expertise in special education policy, finance, and day-to-day service delivery. This partnership provided the critical information needed by the Michigan Medicaid staff during their lengthy negotiations with the federal CMS about program changes. However, the group was disbanded by the Medicaid agency after the October 2008 meeting, which made it more difficult for the ISDs across the state to get appropriate and timely information.

In its place, a group of school district staffers was formed in 2008, called the Medicaid Implementers Group. The group meets six times a year to discuss policy issues and share best practices they have developed while running the day-to-day operations of the Medicaid SBS program. The Medicaid Implementers work directly with a wide variety of stakeholders of the program, including:

- The statewide SBS contractor, who administers the time studies of 12,000 moments, statewide, each quarter.
- The district's Medicaid billing company or district billing staff, who must meet specific requirements and ensure that all involved at the district level are in compliance.
- School district staff, administrators, and clinicians, who deliver services to the children and students, while properly documenting their work and completing the Medicaid time studies.



- The Medicaid agency, which often changes its rules, regulations, and requirements.
- The Michigan Department of Education also issues new rules, regulations, and requirements.
- Families, who ask questions about Medicaid and the new requirements.
- The district business office, which is responsible for ensuring that each quarter Medicaid's contractor receives the proper information for the time studies, on time, and that the annual cost reports are completed and submitted on time.

The Medicaid Implementers Work Group held its first meeting in December 2008. The agendas are ISD-LEA driven, and Medicaid staff are invited to each meeting to provide updates and technical assistance. The anticipated outcomes are improved information sharing and facilitation of a continuous feedback loop. A feedback loop is necessary for effective and efficient communication among all stakeholders of the SBS program.

Vendors/Billing Companies Work Group

Since there are many issues and details related to billing requirements for the Medicaid SBS program, a Vendors/Billing Companies Work Group was established in 2003. The group is convened by the Medicaid agency and meets periodically. The group's meeting frequency depends on emerging billing issues.

Participation

With so many policy and procedural changes occurring, school year 2008-2009 was critical for Michigan's SBS program. The July 2008 changes were not published until June 2008 and were then revised in October 2008. ISDs moved as quickly as possible to adapt to the changes. They re-engineered systems, including computer software; trained staff on new documentation procedures; trained numerous staff for the first time; retro-fit many procedures for IEPs and IFSPs that were signed in the spring of 2008; and handled a 15-fold increase in time study moments.

Michigan's district school boards, superintendents, and ISDs regularly review the costs versus the benefits of participation in the Medicaid SBS program; with the new system, districts will not know the final amounts of their reimbursement for almost two years from the start of the changes.

In most districts, Medicaid implementers, coordinators, business officials, and other school staff members are spending more time than ever working on week-to-week Medicaid activities. In addition, the payment to the statewide contractor nearly doubled, and the billing companies still need to be paid to submit the claims. In spite of all the stressors in the system, in these times of strained budgets and limited resources, many administrators and school boards welcome the program.

As Congress debates the structure of national health care reform, all Medicaid SBS stakeholders should be watching and studying the proposals and considering the potential impacts on this important program.

For more information on the Michigan Medicaid School-Based Services Program, contact:

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New Time Studies Impact Benefits

Beginning in July 2008, four time study categories were implemented. School administrators, staff, contractors, and clinicians who provide services to students who qualify for Medicaid for the majority of their workday, must document time in the following categories:

- Case management (service coordination).
- Personal care (aides, para-professionals, program assistants).
- All other direct health care and related services, therapies, and evaluations.
- Administrative outreach (AOP).

Unlike other time study methodologies, when a staff person or clinician does not complete or return the time study form for the SBS program, the reimbursements for all ISDs in the entire state are negatively impacted.

The results of the Medicaid time studies are compiled statewide, so each time study form that is lost or not completed counts against the final result, creating a reduction in the reimbursement amounts that go to all ISDs.





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Overview of Program Changes

1993 to 2008	Effective July 2008
<ul style="list-style-type: none"> Two Reimbursement Categories: Fee-For Service AOP - Outreach Statewide Fees Paid Claims submitted monthly per child/per date/per service 	<ul style="list-style-type: none"> Five Reimbursement Categories: Case Management Personal Care Direct Services AOP - Outreach Special Education Transportation Annual cost report lists the ISD-specific actual costs related to Medicaid

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RESOURCES

Michigan Medicaid SBS Information

www.michigan.gov/MedicaidProviders

Michigan Medicaid SBS Policy Manual

www.mdch.state.mi.us/dch-medicare/MedicaidProviderManual.pdf

U.S. Department of Health and Human Services Centers for Medicare and Medicaid Services (CMS)

www.cms.hhs.gov/medicaid

Office of Special Education Programs Region VII Comprehensive Center

<http://helpforschools.com/medicaid/index.shtml>

National Alliance for Medicaid and Education

www.medicaidforeducation.org

Center for Advancing Community Health (CACH)

www.cachlink.org

Help for Schools

www.HelpforSchools.com