

Healthy Students, Promising Futures

Expansion of School Medicaid Programs: An Opportunity to Ensure Qualified School Health Providers Are Medicaid-Eligible

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In order to encourage school districts to maximize resources for school-based healthcare, state Medicaid programs must ensure that school healthcare providers are eligible for Medicaid reimbursement.

That may sound simple, but there's often a disconnect between the state education and state Medicaid agency's licensing requirements and policies.

For example, if a school healthcare provider has the appropriate state licensing to be employed by a school district but is not considered a Medicaid-qualified provider, that school district cannot seek Medicaid reimbursement for services provided — even if the services themselves are reimbursable. When this happens, school districts lose out on federal funding that otherwise would be available to them.

View HSPF's interactive map to learn which providers are eligible in your state to deliver school nursing services and school behavioral health services.

[State Data on Medicaid-Eligible School Health Services & Providers](#)

However, when school districts can bill for services delivered by all school healthcare providers, it opens the door to new and sustainable revenue. Michigan, for instance, added school psychologists to its list of Medicaid-qualified providers and now estimates an additional \$14 million in new federal revenue each year in billable services.

The process of expanding school-based Medicaid programs to include all students enrolled in Medicaid, per the 2014 change to the [“free care” rule](#), presents an excellent opportunity to align state education and Medicaid requirements for school health providers. Many states have already successfully done so, thereby creating a new revenue stream for school health services. (View this [State Activity Brief](#) for an up-to-date record of state activity.)

To align requirements, state Medicaid programs need to formally acknowledge, in their state plan, the healthcare workforce delivering Medicaid-eligible services, including mental healthcare, to students in schools. The first step for states is to identify the types of providers already delivering school-based healthcare. This can be achieved by working with the state education department and local education agencies (school districts).

Once the list is complete, it’s time to look at the state Medicaid plan to see which types of providers are considered qualified to bill Medicaid and which are not. States can then take steps to expand the qualified providers list, most commonly by amending their state Medicaid plan to include the types of school-based physical, behavioral and mental health providers identified in the first step.

To reiterate, these healthcare providers are licensed and credentialed in their field. They are currently providing Medicaid-eligible services in schools, but unless states act to identify them as Medicaid-qualified providers, school districts are unable to seek reimbursement for those services.

State Changes & Impact

How six states increased the types of Medicaid-qualified providers in schools

California

California received approval in April 2020 from the Centers for Medicare & Medicaid Services (CMS) to expand its school Medicaid program to cover all Medicaid-enrolled students. In addition, California added the following types of school-based providers to its state Medicaid plan:

- Personal care assistant
- Registered speech-language pathology assistant
- Licensed physical therapy assistant
- Licensed occupational therapy assistant
- Orientation and mobility specialist
- Licensed respiratory therapist
- Registered marriage and family therapist intern
- Registered associate clinical social worker

For more information, view this case study: [Expansion of School-Based Health Services in California: An Opportunity for More Trauma-Informed Care for Children](#)

Colorado

CMS approved Colorado's state plan amendment in February 2020. In addition to expanding reimbursement to cover all Medicaid-enrolled students, the amendment added licensed applied behavior analysts and speech language pathologist assistants as Medicaid-eligible providers.

Before applying to amend the state Medicaid plan, Colorado conducted a rigorous pilot project to examine how expanding Medicaid in schools might affect both large/small and urban/rural districts. Phase three of the pilot examined the financial impact of including school-based health providers not qualified to claim under Medicaid. The results were positive. The state now estimates it will receive \$8 million in additional federal Medicaid funds per year as a result of expanding reimbursement to cover all Medicaid-enrolled students and adding more provider types.

For more information, view this case study: [Understanding the Financial Impact of Expanding Medicaid Funded School Health Services in Colorado](#)

Louisiana

Louisiana made changes to its school-based Medicaid program in 2015 to expand billing for school nursing services. As a result, federal Medicaid revenue jumped 35 percent.

Based on this success, the state made another round of changes and received approval in April 2020 to expand school-based billing for:

- Licensed EPSDT providers
- Licensed behavior analysts
- Licensed master social workers
- Certified master social workers practicing under the supervision of a licensed social worker
- Certified school psychologists practicing under the supervision of a licensed psychologist

Louisiana's 2020 policy changes are noteworthy because the state expanded its school-based Medicaid program to include all [EPSDT-covered services](#), as opposed to a specific list of covered benefits. The state plan amendment includes language on licensure that can provide a model for other states considering a similar expansion:

Anyone providing EPSDT services must operate within their scope of practice license or certification under the supervision of a licensed practitioner. Licensed practitioners assume professional liability for unlicensed/certified practitioners under their supervision and within their scope of practice.

View [Louisiana's 2020 SPA approval](#).

Massachusetts

In 2017, Massachusetts became the first state to receive CMS approval for a state plan amendment that expanded reimbursement for all Medicaid-enrolled students.

Massachusetts also added several specific services to the list of covered services and then added the provider types already qualified to deliver those services. This was an effective way to streamline the program and get reimbursement for services commonly delivered in schools.

The state amended its Medicaid plan to add the following licensed practitioners:

- School psychologists licensed through the state education department
- Optometrists
- Licensed dietitians / nutritionists
- Dental hygienists

Massachusetts also added specific new service categories that imply coverage of new providers, including:

- Optometry services provided by a qualified professional
- Respiratory therapy provided by a qualified professional
- Fluoride varnish performed by a dental hygienist
- Medical nutrition services provided by a qualified professional

For more information, view this presentation from MassHealth: [Massachusetts School-Based Medicaid: Lessons Learned from Expansion/Free Care Preparations](#)

Michigan

When Michigan expanded its school-based Medicaid program via a state plan amendment in 2019, it took the opportunity to clarify and expand the types of qualified providers.

Newly added providers include nurse practitioners, physician assistants, clinical nurse specialists, marriage and family therapists, behavior analysts and assistant behavior analysts, school social workers and school psychologists.

In addition, Michigan made clarifications to the types of providers already eligible for Medicaid reimbursement. These changes were intended to harmonize the provider qualifications and scope of practice rules across state Medicaid. For example, Michigan Medicaid previously reimbursed the services of “certified and registered occupational therapists” in schools. Under the 2019 state plan amendment, “licensed occupational therapists” are qualified providers.

The following chart shows the qualified provider types both before and after the state plan amendment was approved. For more information, view this case study: [Expanding Michigan’s School-Based Medicaid Program](#)

Michigan: Medicaid-Approved School-Based Providers Before and After State Plan Amendment

Before State Plan Amendment	After State Plan Amendment
<p> Certified and registered occupational therapists Certified occupational assistants Certified orientation and mobility specialists Licensed physical therapists Certified physical therapist assistants Licensed speech-language pathologists Teachers of students with speech and language impairments Licensed audiologists Licensed psychologist Limited-licensed psychologist Licensed counselor Limited-licensed counselor Licensed social worker Limited-licensed social worker Licensed psychiatrist Licensed physician (M.D. & D.O) Registered nurse Licensed practical nurse Aides (providing personal care) Bachelor's degree case managers </p>	<p> Licensed occupational therapists Licensed occupational therapy assistants Certified orientation and mobility specialists Licensed physical therapists Licensed physical therapy assistants Licensed speech-language pathologists Limited licensed speech-language pathologists* Licensed audiologists Licensed psychologist Limited-licensed psychologist Certified school psychologist* Licensed counselor Limited-licensed counselor Licensed social worker Limited-licensed social worker Licensed school social worker* Limited-licensed school social worker* Licensed psychiatrist (M.D. & D.O) Licensed physician (M.D. & D.O) Registered nurse Licensed practical nurse Aides (providing personal care and behavioral support) Case managers Board certified behavioral analyst* Board certified assistant behavior analyst* Licensed marriage and family therapists* Licensed physician assistant* Licensed nurse practitioner* Licensed clinical nurse specialist* </p>

Missouri

In 2018, Missouri expanded its school-based Medicaid program to allow schools to bill for behavioral health services for all Medicaid-enrolled students. Due to the way the state plan is written, Missouri did not need to apply to CMS for an amendment to make this change but rather was able to execute these changes through state rulemaking.

At the same time, Missouri also implemented guidance that allows community behavioral/mental health providers to deliver services in the school setting when a school district determines it appropriate to do so, and it clarified reimbursement policies.

This Medicaid policy change did not add new types of qualified providers. Rather, it gave an existing group of providers the ability to bill for services delivered in schools. Though this is a different tactic than other states have used, the policy clarification resulted in an expansion of the types of providers eligible for reimbursement and may be a model for further enhancing access to school-based behavioral health services.

For more information, view this case study: [Expanding School-Based Medicaid in Missouri](#). For additional information on the role of community mental health centers delivering services in schools, view [guidance from the Missouri School Boards' Association](#).

Conclusion

As more states move forward with expanding their school Medicaid programs, it is critical that they use this opportunity to ensure qualified providers delivering services in schools are recognized as Medicaid-eligible. The six states profiled here highlight different ways in which states have improved alignment between their state education and state Medicaid agency provider qualifications.

To understand which providers are eligible to deliver school nursing services and school behavioral health services in your state, view HSC's interactive map: [State Data on Medicaid-Eligible School Health Services & Providers](#)

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Healthy Schools Campaign

Healthy Schools Campaign (HSC) engages stakeholders and advocates for policy changes at local, state and national levels to ensure that all students have access to healthy school environments, including nutritious food, physical activity and essential health services, so they can learn and thrive. HSC's Healthy Students, Promising Futures initiative supports states and school districts in expanding access to Medicaid-funded school health services. To learn more, visit healthyschoolscampaign.org and healthystudentspromisingfutures.org.

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