

Healthy Students, Promising Futures

May 2024

Lessons Learned: Summary of State Education Agency and School District Interviews About School Medicaid

Informed by interviews and feedback from state education agencies and school districts, Healthy Schools Campaign is developing multiple tools and resources to help states and school districts implement, improve and sustain effective school Medicaid programs.

The Centers for Medicare and Medicaid Services (CMS) published new [school Medicaid guidance](#) in 2023 that encourages states to allow school districts to seek reimbursement for school-based health services provided to all Medicaid-enrolled students, instead of limiting billing to services included in a student's Individualized Education Plan (IEP). In addition, states can expand the types of services and providers eligible for reimbursement, which will bring in more federal dollars.

As outlined in a CMS [informational bulletin](#), states are expected to bring their school Medicaid plans into compliance as soon as possible; CMS established a [technical assistance center](#) and released \$50 million in grants to support states in making these changes. Healthy Schools Campaign (HSC) identified a need for introductory information and resources about the school Medicaid program and the options available under the new guidance to provide more comprehensive health services to more students.

Working in partnership with the American Academy of Pediatrics (AAP), HSC is developing a series of school Medicaid tools and resources to help states and school districts build foundational knowledge (see pg. 5). To guide the development of these resources, HSC conducted a series of interviews in 2023 with state education agency (SEA) staff in nine states.



HSC also held listening sessions and interviews with staff from a combination of nine urban, rural and suburban school districts, followed by a questionnaire about needed resources.

Participants discussed common barriers — including knowledge gaps around complex Medicaid policies and billing procedures as well as staff capacity at both the state and local level — and what they need to fully understand and leverage opportunities to expand access to and funding for Medicaid-covered school health services.

Findings From SEA & School District Interviews

"We just need something more clear and more meaningful/useful so we can utilize the resources to their full capacity." — SEA Participant

Interviews with SEA members focused on determining supports for strengthening and/or expanding school Medicaid with an emphasis on SEA staffing and operations; identifying strengths and limitations of SEA or state guidance and school district trainings; and determining key strategies and factors that facilitate collaborative relationships between the SEA, state Medicaid agency (SMA) and, when applicable, Medicaid vendor.

As the leadership and oversight agency for school districts, the SEA has both a responsibility and incentive to ensure the success of the school Medicaid program. SEA staff can play an important role in disseminating guidance and information to schools, delivering or coordinating training and technical assistance to school staff, and explaining to the state Medicaid agency how policy changes would impact students and school districts.

Yet their role is not always clear. Indeed, a clear, easy-to-understand school Medicaid overview was a top request from both school district *and* SEA participants. SEA staff also identified the need for materials that explain:

- Options to support SEA staff position(s) and operations related to school Medicaid
- School district-level policy and practice resources
- Recommendations for relationship building and partnership development with the state Medicaid agency and other involved parties
- Program evaluation tools

Other potential resources designed to meet SEA needs include tips for getting started, such as a “meeting in a box” toolkit (i.e., step-by-step guide for task force and other committee meetings); a complete list of reimbursable Medicaid services along with case studies and state examples; and talking points to help build the case for expanding school Medicaid programs. Overall, SEA participants expressed interest in newly developed tools and resources that would help improve communication, planning and implementation.

District-Level Needs

In addition to requesting an overview document from the SEA or SMA explaining the core structure of the state's school Medicaid program, school district staff sought specific information about school Medicaid expansion, guidance on implementing coverage of mental health services, and access to systems and resources that would help build their capacity to assist with Medicaid enrollment. Participants also mentioned local-level technical assistance and ways to engage school districts/local education agencies (LEAs).

In general, HSC found that large urban school districts seemed knowledgeable about their state's school Medicaid program, although participants cited some areas lacking state guidance. Smaller districts had more knowledge gaps and were uncertain about some of the program's core components — for example, whether their state had expanded school Medicaid to cover services outside the IEP — and specific billing issues, such as how cost settlement works.

Building Effective School Medicaid Programs and Addressing Barriers

During interviews, SEA participants identified issues that affect their work on school Medicaid and outlined areas where additional support could be helpful. They cited staffing and resources as essential to the success of a state's school Medicaid program. One participant noted that a delay in creating a position dedicated to school-based claiming reduced the program's effectiveness. Another issue is turnover; staff are often training new hires on school Medicaid data collection, documentation, audits, parental consent guidelines and other related complexities.

Several SEA participants have a school educator or clinician background, which enhanced their understanding of the school Medicaid program. For example, those participants understood Medicaid's diagnosis requirements and the connection to requirements within the school Medicaid program. At the same time, some participants advocated for increased Medicaid reimbursement flexibility in providing funding for school-based services without diagnosis requirements.

SEA participants identified additional key barriers to implementing or expanding the school Medicaid program. Commonly cited concerns include the following:

1) State agency collaboration: State Medicaid and education agencies often differ in their use of language, processes and structures. More commonality would promote the translation of policies from the state Medicaid agency to the education agency — and the subsequent transfer of knowledge from the SEA to the district level to effectively implement school Medicaid policies. A common acronym list or glossary could address this barrier, along with resources to support a shared understanding of the value of the school Medicaid program and how it operates within the state; important health concerns in schools; district-level needs and challenges related to school Medicaid; and potential opportunities for improvement or expansion.

*"Communication between agencies, that's the key.
Everything else you can work out."
— SEA Participant*

2) Documentation and data collection: Participants identified the need for more streamlined data collection procedures that would ensure proper documentation of student health services, and they discussed the pros and cons of contracting with an external organization to manage the billing and reimbursement of school Medicaid services.

While working with an outside group might improve documentation and potentially increase federal funding, some participants noted that it could be beneficial for a district to invest in staff to oversee billing, as this would minimize costs while maximizing internal oversight. The added cost of hiring local-level staff is particularly challenging for some districts given budgetary constraints.

3) Parental consent to bill for Medicaid services: As HSC [has noted](#), there is a redundancy in seeking consent to bill Medicaid that makes the process confusing. Even with additional outreach, many school districts report that the forms aren't returned, which means schools can't seek Medicaid reimbursement for the services provided. (The Department of Education is expected to [issue a ruling](#) in 2024 on whether to remove the second consent requirement.)

Information-Sharing Opportunities

SEA participants identified information-sharing opportunities as particularly helpful. The National Alliance for Medicaid in Education (NAME) Annual Conference and HSC's [Healthy Students, Promising Futures \(HSPF\) Learning Collaborative](#) were referenced for providing information and helping SEAs develop a greater understanding of their role within school Medicaid programs.

In addition, participants highlighted online resources such as [KFF policy research](#) for current information about Medicaid-covered school health services.

Participants noted that their SEAs regularly receive questions from LEAs about school provider eligibility and other school Medicaid processes, as well as site-specific needs. One participant said provider compliance is a particular concern in districts with limited technical assistance and in small or rural districts. Virtual webinars helped answer key questions.

"It's so complex. There's so much there, that there is a lot to misunderstand ... we don't want to get it wrong." — SEA Participant

School Medicaid Tools and Resources

HSC is now developing a prioritized set of school Medicaid tools and resources informed by these interviews, continued discussion with other partners (including [state teams](#) in the [HSPF Learning Collaborative](#)) and ongoing review of [CMS informational bulletins](#) and guidance.

The first-phase rollout includes [LINK]“Getting to Know Your State’s School Medicaid Program: Overview for State Education Agencies and Other Partners,” and [LINK]“Partnering for Success: Collaborating to Improve and Expand School Medicaid,” which explains the roles of the state Medicaid and education agencies and their work with school districts.

Other items under development include publications on agency roles/responsibilities, interagency agreements, and making the case for school Medicaid (why it matters for students, districts and states). A readiness assessment tool is in the works for SEAs.

More resources and tools, such as a sample data-sharing agreement, will be developed in later project years. Future materials aim to support implementing CMS guidance and sustaining effective school Medicaid programs. All resources will be available at the [HSPF website](#).

Conclusion

As more states start the process of expanding their school Medicaid program, or strengthening their existing program by, for example, adding additional types of providers and services to meet student health needs, HSC is learning more about their shared challenges and the resources needed to overcome them.

Drawing on interviews with SEAs and school districts, HSC is prepared to leverage the changing policy and practice landscape by creating timely, meaningful tools and resources that support SEAs and school districts in their efforts to implement the CMS guidance fully and effectively.

In addition, new CMS guidance and the influx of technical assistance supports are expected to strongly contribute to the advancement of school Medicaid programs overall, and improve health equity by reducing health service gaps in states and schools. Additional opportunities to streamline Medicaid billing, reimbursement and documentation processes could greatly aid SEAs in addressing shared concerns.

Additional Resources

Healthy Schools Campaign Publications

- [Getting to Know Your State's School Medicaid Program: Overview for State Education Agencies and Other Partners](#)
- [Partnering for Success: Collaborating to Improve and Expand School Medicaid](#)

View more related resources at [Healthy Students, Promising Futures](#).

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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This publication was supported by Cooperative Agreement Number NU58DP007085, funded by the Centers for Disease Control and Prevention, in partnership with the American Academy of Pediatrics. Its contents are solely the responsibility of Healthy Schools Campaign and do not necessarily represent the official views of the American Academy of Pediatrics or the Centers for Disease Control and Prevention of the Department of Health and Human Services.