

Arkansas Schools and Medicaid

*Follow-up Report for
Joint Education Committees*

November 11, 2004

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School District Underclaiming Findings

At their meeting on July 15, 2004, the House and Senate Education Committees were presented with the ADE’s *Arkansas Schools and Medicaid* annual report. In the report, a three-year table indicating school district reimbursement for Occupational Therapy, Physical Therapy, and Speech-Language Pathology was included. The House and Senate Education Committees directed the ADE to focus attention on four specific school districts that appear to not have been claiming Medicaid based on reports furnished to the Committees by the ADE. The school districts identified were El Dorado, Elaine, Gillett, and Lake View.

The ADE developed a *Medicaid in the Schools* questionnaire (see Appendix A) as a result of the July 15th meeting. Each school district identified by the Committee, as well as others identified by the ADE, received a letter (see Appendix B) from Dr. Ken James, ADE Director, requesting completion of the questionnaire. The following table represents the response(s) for not filing Medicaid from the four districts listed by the Committees:

School District	Response					
	Lack of Resources	Lack of Interest	Lack of Training	Data Error	Low Medicaid Pop.	other
Elaine				X	X	
El Dorado	X		X			X
Gillett					X	
Lake View		X				

Specifically, Elaine School District noted that they have a contract with a private provider to provide and bill for Occupational and Physical Therapy. This billing information has not been identified in the match data collected from Medicaid. It was also noted that the district has a low Medicaid eligibility for special education students making it financially infeasible to employ sufficient staff to bill for Speech –Language services. Elaine reports that the district will begin billing Medicaid in the 2004-2005 school year for the related services offered in their district.

El Dorado's response noted that district currently does not have the staffing resources to allocate a person to bill for Medicaid reimbursable related services. The questionnaire reported that there was a lack of training for the individuals employed by the district related to Medicaid. Finally, the district states that in the past when they billed Medicaid for related services, parental cooperation was poor. El Dorado does not plan to begin billing Medicaid for related services offered to eligible students in their district.

The Gillett School District noted low Medicaid eligibility among the special education population as a reason for not billing for related services such as Occupational Therapy, Physical Therapy, and Speech-Language Pathology. As a result of the consolidation of Gillett with DeWitt, related services offered to Medicaid eligible students in the former district will be billed to Medicaid starting in the 2004-2005 school year.

Lake View School District's reply reports that information related to Medicaid was not available, but it was stated via phone conversation that school district administration was not interested in billing Medicaid for related services offered in the school district. As a result of the consolidation of Lake View with Barton-Lexa, the related services offered in the former district will now begin being billed to Medicaid.

Thirteen other school districts identified by the ADE with little or no Medicaid claiming in the fourth quarter of 2003-2004 school year completed the questionnaire as well (see Appendix C). General conclusions to be drawn from submitted questionnaires from the 17 surveyed districts pertaining to Medicaid underclaiming are as follows:

- No staff or resources available to devote to this activity.
- Lack of certified staff to provide needed supervision to bill Medicaid.
- Incorrect data in Medicaid billing system. Many of the districts report a history of claiming and receiving Medicaid reimbursement, though the financial data the ADE receives from Medicaid regarding match data lists them as not utilizing Medicaid funds. This could be due to the provider number not being paired with the Local Education Agency, thus not be listed in the match report. Some of the

other districts claim Medicaid reimbursement, but were idle in the fourth quarter for different reasons.

- Too few Medicaid-eligible students in special education.
- Lack of training.
- Lack of interest or awareness by district administration.

Department of Education Recommendations

Concerning District Underclaiming

The Committees asked the ADE for recommendations to be considered by the General Assembly on legislative strategies for increasing school district Medicaid claiming activities. Based on the questionnaires received from the 17 school districts and current practices being used by districts claiming Medicaid funds for related services, the ADE offers the following recommendations:

- The General Assembly should encourage smaller districts to form consortiums/partnerships or use existing co-ops to bill for Medicaid related services. This would lessen the financial and staffing obligations needed for smaller districts to bill because they can share the costs for certain employees between several districts.
- The General Assembly should consider the adoption of language directing the ADE and the Division of Medical Services (DMS) to rigorously apply federal special education requirements with respect to the use of Medicaid for payments for medically necessary services delivered in accordance with a student's Individualized Education Program (IEP).
- The ADE and DMS should look at current provider number linkages at Medicaid. Issues center on data incongruence between Medicaid match statements and reimbursement that districts receive.
- ADE will continue to address billing/claiming concerns by regular meetings and coordination of trainings with the DMS.

Recent ADE Efforts to Increase Medicaid Reimbursement in the Schools

Since the July 15th meeting, the ADE has been involved with many activities aside of the inquiry to increase school district awareness regarding to Medicaid related services. The ADE's Medicaid Specialist presented *Medicaid Accountability in the Schools* at Special Show in Hot Springs in late July. This presentation focused on how school districts can maximize Medicaid funds to supplement their special education programs. Members of the audience included special education supervisors, speech-language pathologists, teachers, billing clerks, and other education related staff.

Several site visits have been made to school districts wanting to expand Medicaid related services in their area. Since the July 15th meeting, the Medicaid Specialist has met with the following school districts: Arkansas School for the Deaf, Blytheville, Cabot, Cave City, DeQueen, Dierks, Greene County Tech., Greenwood, Highland, Hillcrest, Hope, Jonesboro, Lee County, Melbourne, Mena, Mountain View, Nashville, Ozark Unlimited Resources Education Service Cooperative (includes 18 school districts), Pocahontas, Pulaski County Special, Twin Rivers, and Walnut Ridge. Information imparted to the aforementioned districts included technical support for current services, discussion of possible expansion of services, development more efficient practices for current services, and education regarding programs currently being developed.

ADE has continued to put much attention toward the development and implementation of the Arkansas Medicaid Administrative Claiming (ARMAC) program. Medicaid Administrative Claiming is a federal program developed to reimburse school districts for Medicaid-related administrative activities. ADE will train school district employees to code their current Medicaid-related activities, which will be used in a Time Study along with district cost pools to develop a reimbursement rate per quarter. ADE will be begin a pilot program this fall with approximately 20 school districts who have shown interest in the program.

ADE has continued to coordinate with the Division of Medical Services (Medicaid) to offer trainings for school districts. Two trainings were completed on September 16, 2004 and October 1, 2004 at the Arkansas Special Education Resource Center. The emphasis of these trainings center on the electronic billing process for related services offered by school districts.

For the fall of 2004, ARMAC training will be ongoing with several districts, site visits to school districts will continue, ADE will be developing training for speech-language pathologists, and other presentation are planned as well.

Appendix A

Questionnaire

Medicaid in the Schools Questionnaire

Please complete the entire questionnaire:

1. Name of person completing questionnaire: _____
2. Employee title: _____
3. School district Medicaid provider number: _____

4. Please check (✓) what Related Services are currently being offered to special education students in your district per Individualized Education Programs (IEP).
- | | |
|---|---|
| <input type="checkbox"/> Occupational Therapy | <input type="checkbox"/> Physical Therapy |
| <input type="checkbox"/> Speech/Language Therapy | <input type="checkbox"/> Personal Care |
| <input type="checkbox"/> Private Duty Nursing | <input type="checkbox"/> School-Based Mental Health |
| <input type="checkbox"/> Targeted Case Management | |

5. Are you aware that Medicaid reimbursement is available for the Related Services listed in question 4 above? Yes No

6. Was Medicaid billed for these services prior to the 2003-2004 school year?
 Yes No

7. Was Medicaid billed for any of these services in the 2003-2004 school year?
 Yes No

If you answered "Yes", please list the Medicaid provider number that was used to bill _____.

If you answered "No", please check (✓) the reason(s) for not billing Medicaid:

- | | |
|--|--|
| <input type="checkbox"/> Lack of financial resources | <input type="checkbox"/> Lack of staffing resources |
| <input type="checkbox"/> Lack of training | <input type="checkbox"/> Unaware of Medicaid reimbursement |
| <input type="checkbox"/> Not enough students with disabilities eligible for Medicaid | |
- Other _____

8. For the 2004-2005 school year, do you plan billing Medicaid for any Related Services? Yes No

If you answered "Yes", please list what services you plan on billing to Medicaid:

9. Were you aware of the Medicaid-related trainings offered by the ADE in the past year? Yes No

If "Yes", did you or your staff attend any trainings: Yes No

Please list the training(s) you or your staff attended: _____

Please fax the completed questionnaire to Tony Boaz at (501) 682-4313 within **10 business days of receipt**. The purpose of the questionnaire is to help the ADE fulfill inquiries from the Joint Education Committee regarding Medicaid participation. If there are any questions related to the questionnaire, please contact Tony Boaz at (501) 682-4288 or email: tboaz@arkedu.k12.ar.us.

Appendix B

Example of the Letter sent to
School Districts

August 2, 2004

*Superintendent
Address
Town, AR Zip Code*

Dear *Superintendent*:

Senate Chairman Jim Argue and House Chairman Calvin Johnson of the Joint Education Committee have asked the Arkansas Department of Education (ADE), Special Education Unit to identify reasons for recent under utilization of Medicaid revenues in different school districts in the state. The Committee is seeking information from *school district* as to reasons for not claiming Medicaid reimbursement for IDEA Related Services for the school year of 2003-2004.

The process will require completion of a questionnaire and a site visit by the ADE. The enclosed *Medicaid in the Schools Questionnaire* should be completed and returned within two weeks in order to schedule the site visit prior to reporting to the Joint Education Committee in September. Your timely cooperation is greatly appreciated.

If there are any questions related to the above stated process, please feel free to contact Tony Boaz at the Arkansas Department of Education, Special Education Unit at (501) 682-4288.

Sincerely,

T. Kenneth James, Ed.D
Director
Arkansas Department of Education

cc: *LEA Supervisor*

Appendix C

Table of ADE Identified Districts

School District	Response					
	Lack of Resources	Lack of Interest	Lack of Training	Data Error	Low Medicaid Pop.	other
Atkins				X		
Concord					X	
Corning	X					
Jackson Co						X
Lonoke				X		
Marmaduke				X		X
Perryville				X		
Randolph Co.				X		
Smackover				X		
Van Cove	X		X		X	
Walnut Ridge				X		
Wickes						X
Wonderview					X	X

Listed below are the districts that submitted a completed questionnaire to the ADE with reasons for under utilization of Medicaid:

Atkins – Currently bills for related services, though no dollars were noted on match statement sent from Medicaid to ADE

Concord – Reporting on behalf of the former district of Wilburn. Reports having only one special education student eligible for Medicaid. Plans to bill this year.

Corning – Contracted providers billed for OT and PT, though no dollars were indicated on the match statement from Medicaid to ADE. Plans on billing for SLP services this year, noted lack of staffing as reason for not billing in the past.

Jackson Co. – Has billed in the past, but did not during the fourth quarter, noted technical difficulties related to submitting claims. Does plan to bill this year.

Lonoke – Currently bills for related services, though no dollars were noted on match statement sent from Medicaid to ADE.

Marmaduke – Currently bills for services, though no dollars were noted on match statement sent from Medicaid to ADE.

Perryville – Currently bills and has active number, received reimbursement from Medicaid last year, though no reimbursement was indicated on match statements received by the ADE.

Randolph Co. – Currently bills for services, though no dollars were noted on match statement sent from Medicaid to ADE.

Smackover – Currently bills for services, though no dollars were noted on match statement sent from Medicaid to ADE.

Van Cove – Did not bill for related services in the past. Reports several reasons for this including: lack of staffing resources, lack of training, and not enough students with disabilities eligible for Medicaid. Plans to begin billing this year.

Walnut Ridge – Has an active Medicaid number, they didn't bill fourth quarter last year, but will continue billing this year.

Wickes – Currently bills, low reimbursement numbers due to small billable population.

Wonderview – Did not bill due to low student eligibility and lack of certified staff providing the service. Plans to bill this year.