

## Enhancing Services for Students: California Local Education Agency Medi-Cal Reinvestments

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Through participation in the Local Education Agency (LEA) Medi-Cal Billing Option Program, LEAs receive the federal share of reimbursement for providing certain school-based health services. Historically, these services have been limited to those defined in a student’s Individual Education Program (IEP). The federal government issued [policy guidance in 2014](#), however, that allows school districts to be reimbursed for health services provided to students enrolled in Medicaid, regardless of whether those students are also enrolled in special education programs. The California Department of Health Care Services (DHCS) is currently in the process of working with the federal government to amend its Medicaid State Plan and implement these changes. To learn more about this policy change, the impacts in California, and current billable services through the program, see our earlier report, [Policy Considerations for California Following the 2014 Reversal of the Medicaid “Free Care Rule.”](#)

To participate in the Medi-Cal Billing Option Program, LEAs are required to reinvest the federal reimbursement received into services that support students and their families.<sup>1</sup> Reimbursement may be reinvested in allowable LEA services (see insert, below). Informed by interviews with school districts across the state, this summary provides a snapshot of key themes and lessons learned from schools currently participating in the LEA Medi-Cal Billing Option Program about priorities and strategies for reinvesting federal revenue. This information will assist other school districts as they move forward with expanding their billing practices once the amendment to the California Medicaid State Plan is approved.

As described in California Education Code §8804(g), school-linked support services that LEAs reinvest their reimbursement into may include, but are not limited to, the following:

<b>Health Care</b>	<ul style="list-style-type: none"> <li>• Immunizations</li> <li>• Vision / hearing testing and services</li> <li>• Dental services</li> <li>• Physical examinations, diagnostic, and referral services</li> <li>• Prenatal care</li> </ul>
<b>Mental Health</b>	<ul style="list-style-type: none"> <li>• Primary prevention, crisis intervention, assessments, and referrals, and training for teachers in the detection of mental health problems</li> <li>• Substance abuse prevention and treatment services</li> <li>• Counseling, including family counseling and suicide prevention</li> <li>• Services and counseling for children who experience violence in their communities</li> </ul>
<b>Family Support and Parenting Education</b>	<ul style="list-style-type: none"> <li>• Child abuse prevention and school-age parenting programs</li> </ul>
<b>Academic Support Services</b>	<ul style="list-style-type: none"> <li>• Tutoring, mentoring, employment, and community service internships, and in-service training for teachers and administrators</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• Youth Development Services</li> <li>• Nutrition Services</li> <li>• Case Management Services</li> <li>• Provision of Onsite Medi-Cal Eligibility Workers</li> </ul>

## Key Themes and Best Practices

### 1. Creating Collaboratives

School districts that participate in the LEA Medi-Cal Billing Option Program are required under California law to work with an interagency collaborative, led by the school, to make decisions on the reinvestment of funding received for eligible services. Best practices include:

- **Identifying champions** among school staff and at leadership levels, such as the superintendent and the school board, to encourage participation in and promote the sustainability of the program;
- **Bringing together different perspectives.** In some cases, a district's special education and school health departments are separate. While revenue is predominantly generated through services to special education students, encouraging school health providers and community stakeholders to work together with special education to determine reinvestment priorities can help ensure a comprehensive system of school health and support services for students. Leaders from two LEAs mentioned how supportive special education is of the overall vision for school health;
- **Creating a culture of transparency** to foster trust and collaboration among members, such as creating a formal application structure for funding requests that illustrates how and why funding is being allocated; and
- **Providing pathways for input in real time.** Collaboratives and committees often meet multiple times throughout the year to discuss goals and priorities.

**Collaborative Case Study.** The Pasadena Unified School District LEA collaborative meets twice per year to discuss program updates and funding priorities. In addition to school staff, the collaborative also includes community stakeholders, such as the local hospital and public health department. Ann Rector, Director of Health Services, works closely with her district's vendor and studies materials provided by DHCS to educate herself and her staff about existing policy and best practices. Rector attributes the success of her program with the foundation of trust she has built with members of the collaborative.

### 2. Reinvestments that Benefit Students

Once LEAs receive reimbursement for LEA Medi-Cal-approved services, the funds can be reinvested into services that supplement, but do not supplant, existing school health services.<sup>2</sup> Examples of current reinvestment strategies among the interviewed school districts include:

- **Supplementing special education programs** by using funds for additional staff positions, materials, and equipment;
- **Funding school-based health care services and staff** outside of special education, including partial or full salaries for licensed vocational nurses, registered nurses, Healthy Start staff (including case managers), substance use disorder coordinators, mobile units for vision and hearing, and materials and supplies relating to nursing;
- **Additional health care staff**, including partial salaries for providers at sites that serve kids outside of the school, including staff at counseling centers, community clinics, and school based health centers; and
- **Staff development**, including conferences and trainings for school health providers.

### 3. Keeping Track of Billing and Documentation

While these elements are not specific to the reinvestment requirement for the program, billing and documentation best practices were common themes mentioned about the overall administration of the Medi-Cal Billing Option Program. LEAs may work with vendors that handle billing and payments, although school districts are ultimately responsible for ensuring that the program is properly administered. LEAs must submit a Provider Participation Agreement (PPA) to DHCS prior to participation in the program (see insert, right) and keep accurate records. Best practices for program administration include:

#### Provider Participation Agreement (PPA).

A PPA is required for LEAs to participate in Medi-Cal. It describes the responsibilities of the LEA under the Medi-Cal Billing Option Program. The [PPA](#) is available on the DHCS website.

- **Maintaining documentation** in a central and easily accessible location to demonstrate program integrity during an audit;
- **Investing in administrative capacity**, including staff specific to the administration of the LEA Medi-Cal Billing Option Program. Vendors and school-based billing coordinators have a significant return on investment, allowing providers to focus on student health rather than on billing;
- **Strict adherence to the terms of the PPA** is key to ensuring that funding received is used appropriately; and
- **Keeping money in reserve** and carrying it over from year-to-year helps ensure program sustainability. Respondents generally recommended keeping 15-20% of funding in reserve from year-to-year.

### 4. Opportunities Under the New Policy

Interviewees also spoke of reinvestment opportunities that will be available once the LEA Billing Option Program expands to include services for general education students. Students who are not enrolled in special education, but that have chronic illnesses such as asthma and diabetes that require school-based health interventions, are examples of populations already receiving services that will be reimbursable in the future. Other opportunities under the new policy mentioned by interviewees include:

- **Mental Health.** The demand for mental health services currently exceeds the supply of services available to students. Hiring more mental health providers to reduce wait times for children with mental health needs was a priority among interviewees; and
- **Additional Medical Staff.** Reimbursement could potentially be used to increase the number of providers available to serve students, such as nurses, substance use counselors, case managers, Healthy Start staff, and family advocates.

<sup>1</sup> See terms in [Provider Participation Agreement](#).

<sup>2</sup> For more information, see [LEA Medi-Cal Billing Option Program Frequently Asked Questions](#).

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