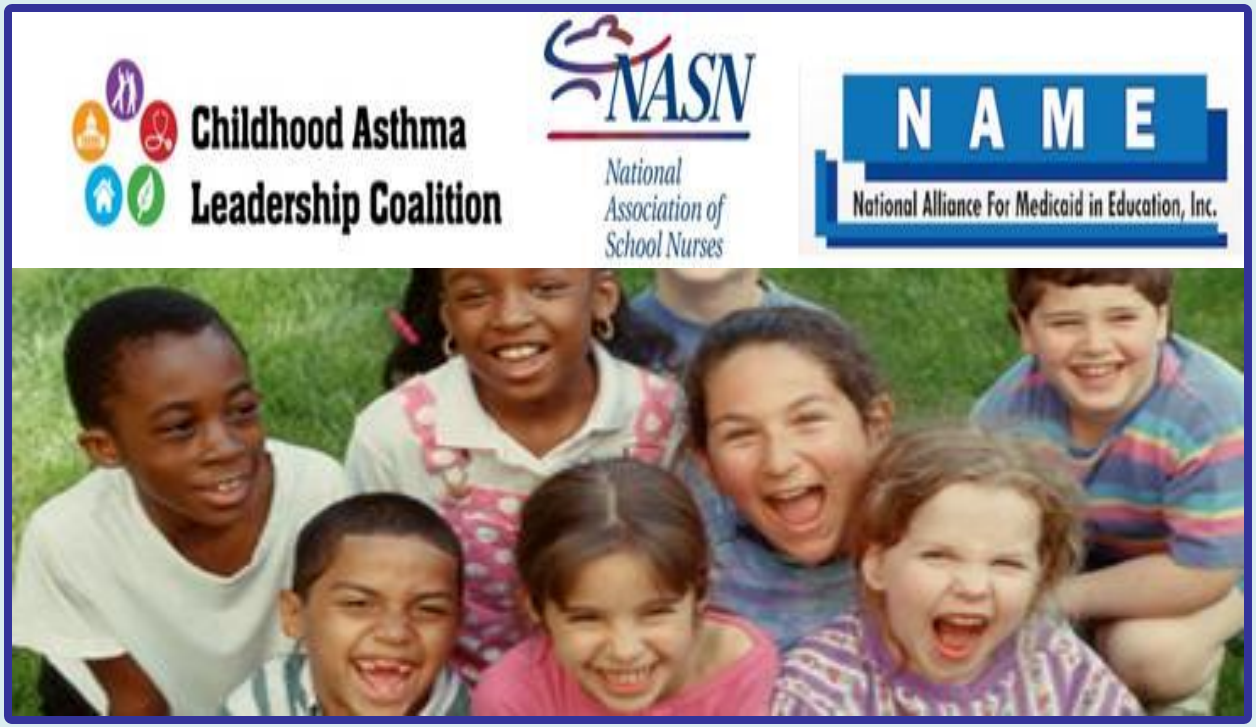
Paying for Asthma Management at School: Reimbursement Barriers and New Opportunities



Live Webinar
Thursday, January 30, 2014

Today's Agenda and Speakers

- CALC: Improving the Quality of Life for Children with Asthma
  Katie Horton, RN, MPH, JD, George Washington Univ. Dep. of Health Policy
- School-Based Health Reimbursement
  Mary Kusler, Government Relations Director, National Education Association
- The Barriers & Challenges to Medicaid Reimbursement
  Janet Lowe, MA, RN, LSN, CPNP, Coordinator, Saint Paul Public Schools
- New Opportunities for Medicaid Reimbursement
  Greg Morris, JD, Executive Director, LEAnet
- Q & A Session

Childhood Asthma Leadership Coalition: Improving the Quality of Life for Children with Asthma

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Childhood Asthma Leadership Coalition

The Childhood Asthma Leadership Coalition is a multi-sector group of advocates and experts dedicated to raising awareness and advancing public policies to improve the health of children with asthma.

Funded by the **Merck Childhood Asthma Network** and led by **The George Washington University School of Public Health and Health Services** and **First Focus**, the Coalition includes a cross-section of experts from a range of fields including housing, environmental health, health care delivery, health economics and public policy

Goals of the Coalition include:

- Ensuring the availability of stable and continuous health insurance for children with asthma
- Developing high-quality clinical care, case management and asthma education for all children
- Reducing asthma triggers in homes and communities
- Creating a nation-wide strategic plan for asthma research to develop new and effective treatments
- Identifying new opportunities to improve asthma care that arise from the implementation of the Affordable Care Act

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FIRST FOCUS
MAKING CHILDREN & FAMILIES THE PRIORITY

Merck Childhood Asthma Network

The Challenges of Childhood Asthma

Widespread and Serious

- Most common chronic condition among children
- 1 in 7 ever diagnosed
- Prevalence and morbidity highest among minority children
- 55% had at least one asthma attack in the previous year

Costly

- Second most costly condition in children
- $8-10 billion in medical expenditures
- Additional $10 billion in indirect costs
- 40% higher emergency department costs

Preventable and Avoidable

School-Based Health Reimbursement

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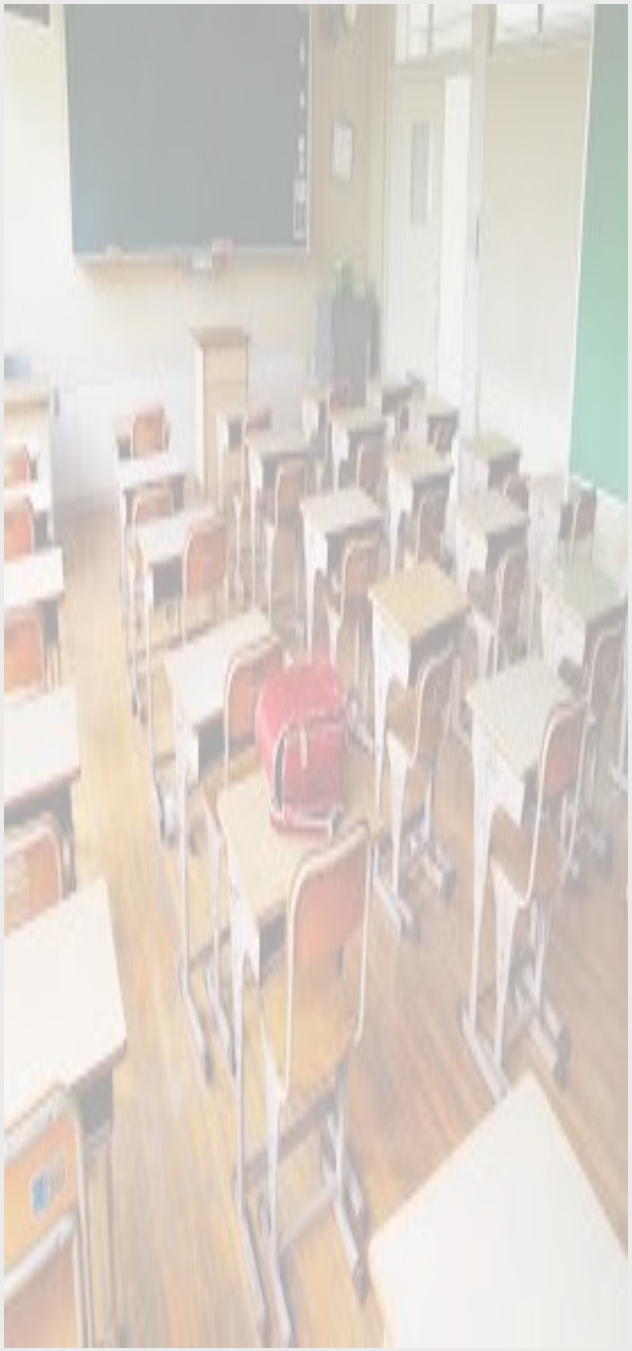

Schools: A First Line of Defense

- Education is the **best** opportunity for children to succeed.
  - However, children's health has a direct impact on their achievement.
- Of the approximately 49 million children who attend public school, 47% live in families at or below the federal poverty level.
- Pressures rising on schools to provide health services for students in need.
  - School nurses
  - School based health clinics

(National Center for Education Statistics, Dept of Education)

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School Based Health Reimbursement: Who Pays?

- **State** – direct funding for school nurses, school based health clinics
- **Local** – local budgets, property taxes
- **Federal Funding** – ESEA, School based health clinics
- **Private Funding** – foundations, non-profit, health insurance
- **Medicaid** – Medicaid eligible services

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Medicaid Reimbursement & Challenges

- The “Free Care” Rule
  - Does the school provide the same service free of charge for any other students?
- Third-Party Liability: Payer of Last Resort
  - Does the school bill private insurance?
- Managed Care Organizations
  - Medicaid services provided by MCO. Do they recognize school nurses as providers?
- Electronic Health Records
  - Do schools have technology to transfer health records?

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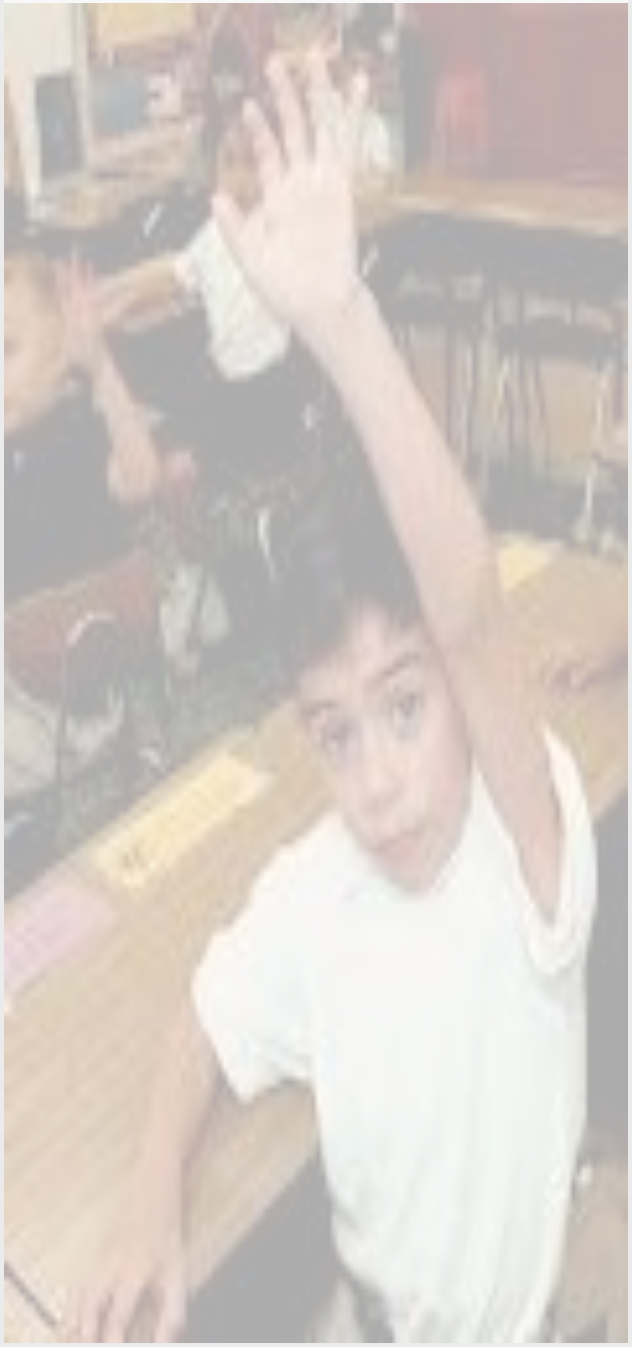

A Shift Towards Prevention: *Where do we go from here?*

- Passage of the Affordable Care Act, signaled a shift towards prevention.
- Medicaid program should be looking at public schools as a primary location to advance prevention goals.
  - 1/3 of all children receive their health care through Medicaid
- The Affordable Care Act changed how health services are delivered in many settings.
- Schools should be respected for their first line of defense.

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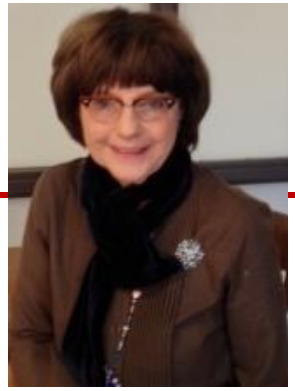
The Barriers & Challenges to Medicaid Reimbursement



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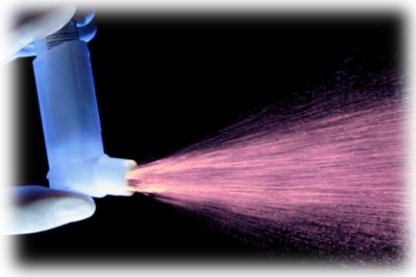
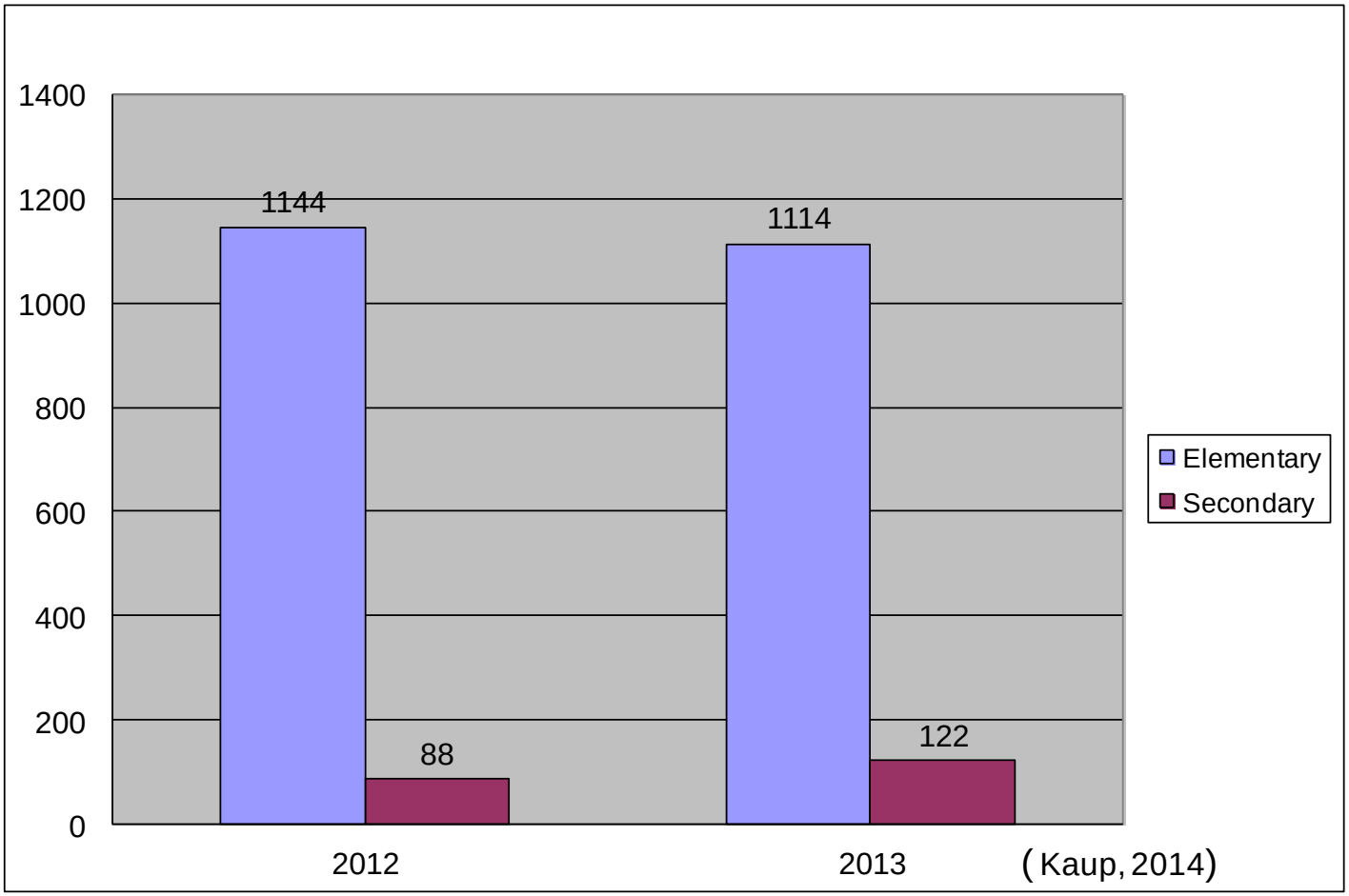
Lack of Data – Expended Costs

- Related to delivering healthcare services in the school setting
- Schools are often not recognized as being part of the healthcare delivery system.

(Lear, 2007)

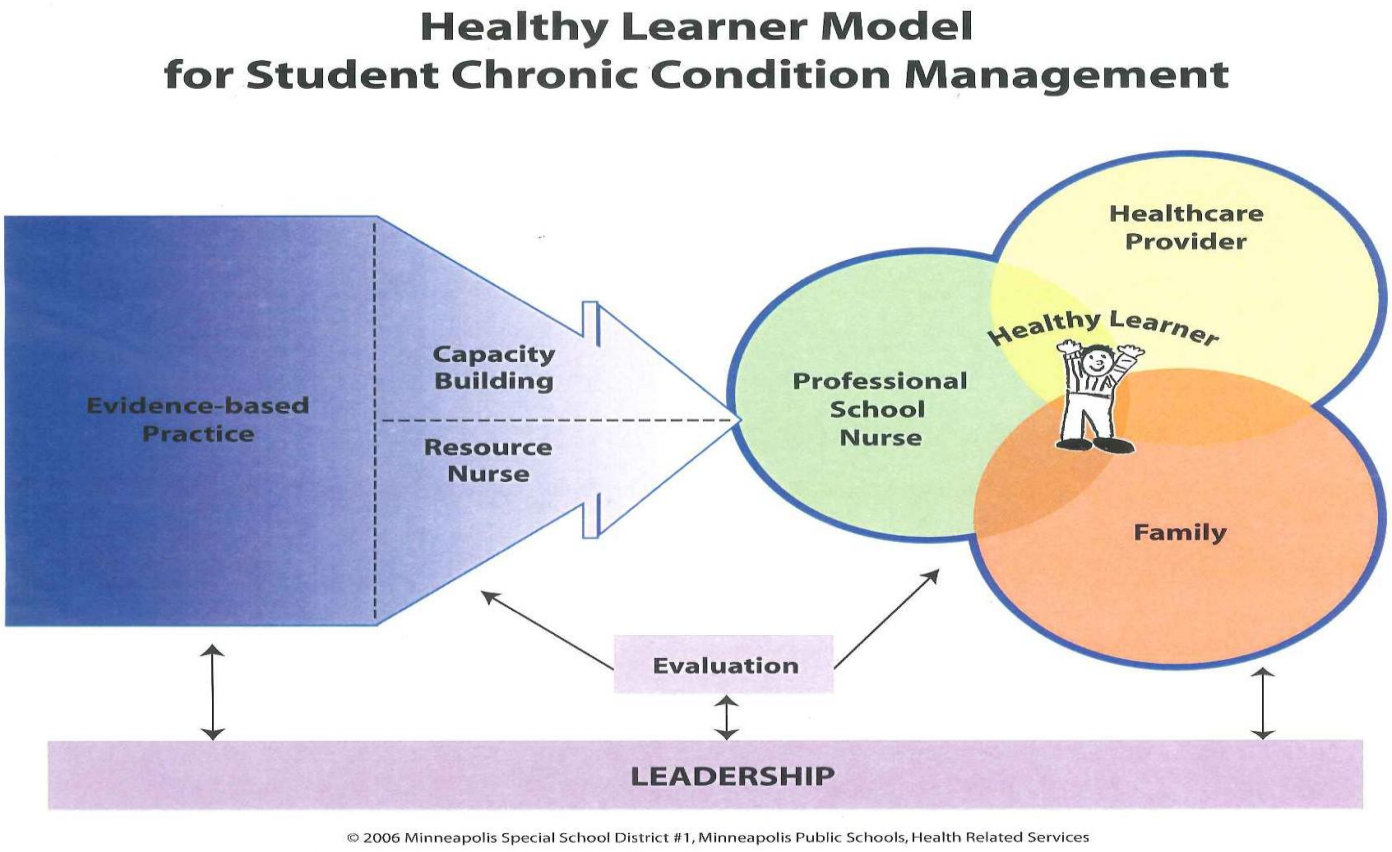


Number of Students with Asthma Medication



(Kaup, 2014)

Chronic Disease Management: The Role of the School Nurse



(Erickson, C., Splett, P., Mullett, S., & Heiman, M., 2006)

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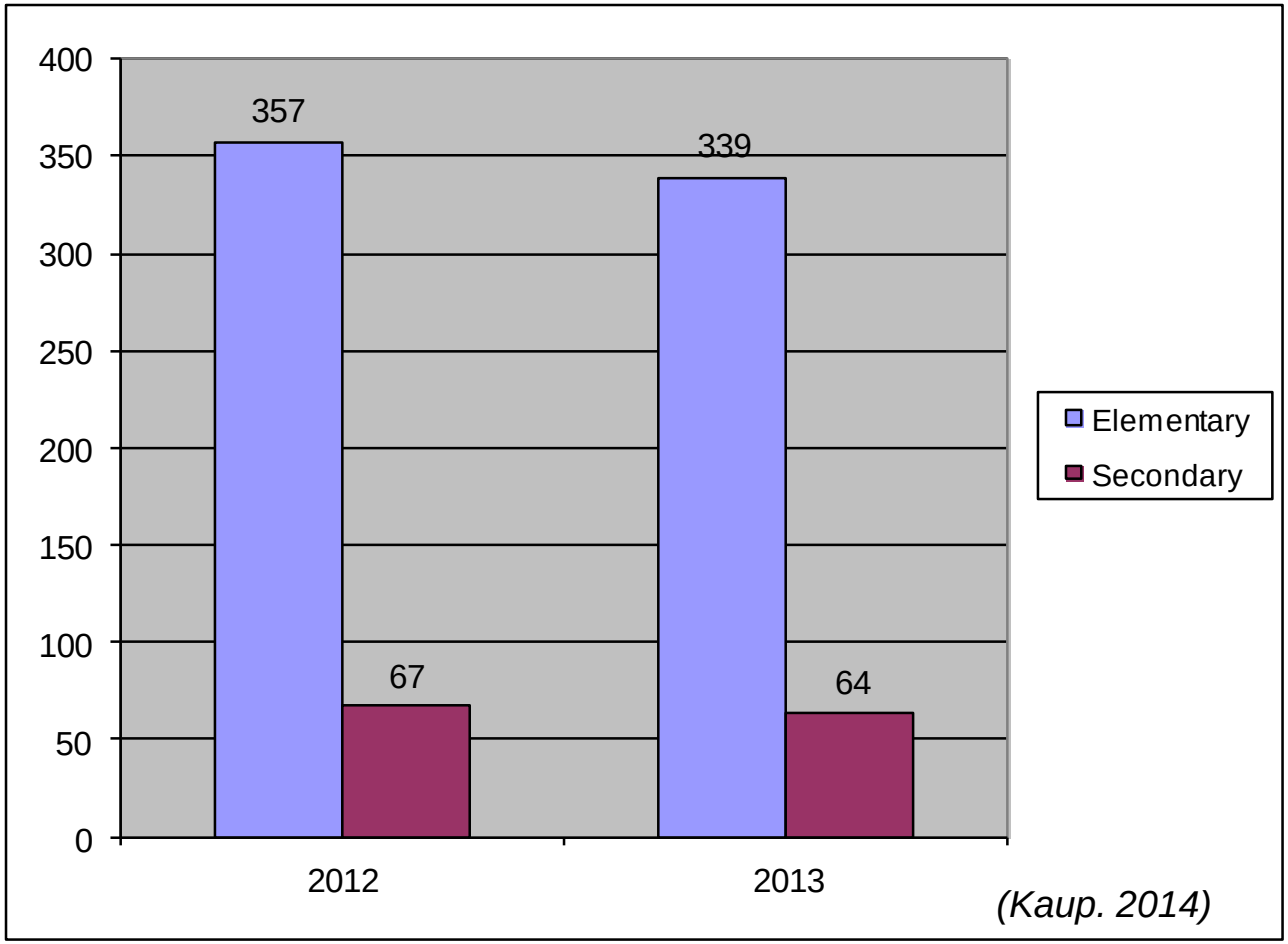
Number of Students Receiving Asthma Education



(Kaup. 2014)

Q^3 = $$$

- Qualified Covered Healthcare Services
- Qualified Children/ Youth
- Qualified Providers

Barriers & Challenges – Free Care Principle

- 1997 Technical Assistance Guide On Medicaid and School Health (Centers for Medicare and Medicaid) indicates that Medicaid funds may not be used to pay for services that are available without charge to everyone in the community. *(CMS, 1997)*

Exceptions to the Free Care Principle

- Services provided under IDEA (IEP health-related services).
  - Schools may bill Medicaid for IEP health related services provided to children/students in special education even though these services are provided free to non-Medicaid eligible children.

- Services provided under Maternal and Child Health (MHC) services Title V Block Grant.
  - MCH grants provide financial assistance to states for the provision of health services to mothers, children, and adolescents to reduce infant mortality, prevent disease, and improve access to healthcare.

(CMS, 1997)

Third-Party Liability

- If a child has Medicaid and another insurance policy, the school must first bill the private.

- Third-Party Liability
  - State departments have been working with the insurance companies to assist schools in receiving the denials from the private insurance companies.
  - Once the school district obtains this denial, Medicaid can be billed.

(Lowe, 2005)

NASN

Free Care Principle

- In order for Medicaid payment to be available for these services, the provider must:
  - Establish fees
  - Collect third-party insurance information from all those served (Medicaid and non-Medicaid)
    - Obtained contracts from all the major insurance companies.
  - Bill other responsible third-party insurers. *(CMS, 2003)*

Resources

- CMS (1997). Medicaid and school health technical assistance guide. Retrieved from national alliance for Medicaid in education (NAME) web site. http://www.medicaidforeducation.org/index.php?option=com_content&view=article&id=226&Itemid=260
- CMS (2003). Medicaid school-based administrative claiming guide. . Retrieved from national alliance for Medicaid in education (NAME) web site. http://www.medicaidforeducation.org/index.php?option=com_content&view=article&id=226&Itemid=260
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- NASN, 2013. *Reimbursement for school nursing healthcare services.* Position Statement, NASN: Washington, DC.

New Opportunities for Medicaid Reimbursement

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A national network of local education agencies

The “Free Care Rule”

- Medicaid will not reimburse LEA providers for services given to Medicaid beneficiaries if the same services are offered for free to non-Medicaid beneficiaries
- Medicaid covered services provided under an IEP, IFSP or Title V are exempt from the free care requirement [However, a Third Party Liability [TPL] requirement still exists]

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Impact of Rule on School Nurses

- Many schools have a school nurse on staff to provide necessary health services to all students without charging them for the care provided.
- Under the free care rule, schools cannot charge Medicaid for the services of the school nurse, if he/she provides those services to all students.

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Challenges to the Free Care Rule

- **Oklahoma**: In 2000, CMS rejected $1.9 million in Medicaid claims for services rendered in Oklahoma schools on the grounds that Oklahoma had violated the free care rule. Oklahoma appealed .
  - In a 2004 decision, Department of Health and Human Services Departmental Appeals Board (DAB) concluded that free care rule has no basis in federal Medicaid law.
  - DAB stated that free care rule, as applied to schools, is ***unenforceable***.
  - DAB decisions are binding on CMS but it has continued to enforce the free care rule outside of Oklahoma in spite of the DAB ruling

- **San Francisco:** In 2009, San Francisco Unified School District (SFUSD) sued State of California for over $300,000 in Medi-Cal reimbursements that were denied based on free care rule.
  - Courts in California ruled in favor of SFUSD, determining that the State would have to reimburse SFUSD for these services using state funds.
  - The State of California successfully negotiated with CMS to receive federal Medicaid reimbursement to SFUSD for Medicaid-covered services provided to students. The judgment in this case is specific to SFUSD – not applicable to other jurisdictions

Need for clarification from CMS on free care rule's applicability to schools

Other Impediments to Medicaid Reimbursement

- Third-Party Liability
- Medicaid Managed Care
- Parental Consent
- Covered Services
- Provider acceptance by public or private insurance carriers

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Third-Party Liability

- **Medicaid is generally considered "payer of last resort"**
  - State Medicaid agencies required to take "all reasonable measures" to identify and recover payment from liable third parties before Medicaid is obligated to pay
  - Schools must bill a Medicaid-enrolled student's private health insurer first *before* billing Medicaid
- **This requirement is nearly *impossible* for schools**
  - Many private health insurers prevent schools from seeking reimbursement, stating schools are a "*non-covered facility*"
  - Services rendered or billed by schools may not be covered benefits

Medicaid Managed Care

- Today, more than 70 percent of Medicaid/CHIP enrollees receive care through managed care organizations (MCOs)

- States can require MCOs to cover school-based health services, but schools then have to contract with each MCO plan in their region to be recognized as an eligible provider for Medicaid reimbursement
  - Negotiating with MCO plans is complex, and contracting with MCOs may be an unrealistic administrative burden for schools.
  - Some MCOs may not recognize school nurses as eligible “providers” under their plan

Additional Barriers

Parental Consent: Federal law requires schools to obtain parental consent to bill either Medicaid or private insurance for covered services

Covered Services: State Medicaid plans specify which services are reimbursable, some states may not cover needed services

Provider Acceptance: State standards for certification/licensing of Medicaid providers; private insurance companies impose their own rules on provider qualifications

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Recent Medicaid Policy Changes

- Under a regulation released in July 2013, Medicaid will now reimburse for preventive services administered by a health worker who has been *recommended by* a physician or other licensed health professional.
- Optional for states to implement this rule change
- Rule change could bring important access to children with asthma:
  - *State Medicaid programs would be able to cover and pay for community-based asthma interventions when carried out by asthma educators, healthy homes specialists, or other community health workers.*
  - *Especially important in school districts that employ, or would like to employ, health care aides, asthma educators and other community health workers.*

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Medicaid Health Homes

- The ACA introduced new state Medicaid option to permit individuals with two or more chronic conditions – specifically including asthma – to seek care through a "health home."
  - Medicaid health home responsible for providing a specific set of "health home" services, including: *comprehensive care management; care coordination and health promotion; patient and family support; and referral to community and social support services.*
- Children with asthma require support in community-settings, so the health home model has the potential to greatly improve the quality of pediatric asthma care.
- To date, 9 states have Medicaid health homes that include populations with asthma
- Only one state – Missouri – lists public school personnel as eligible for participating within a Medicaid health home in the state

Reimbursement for Outreach

- With their unique access to children, LEAs could play a major role in states' outreach and enrollment efforts under the ACA; this could significantly increase the LEAs' reimbursable Medicaid administrative outreach claiming activities, plus the potential for additional revenue for assisting outreach efforts by the exchanges in some states and with some exchanges

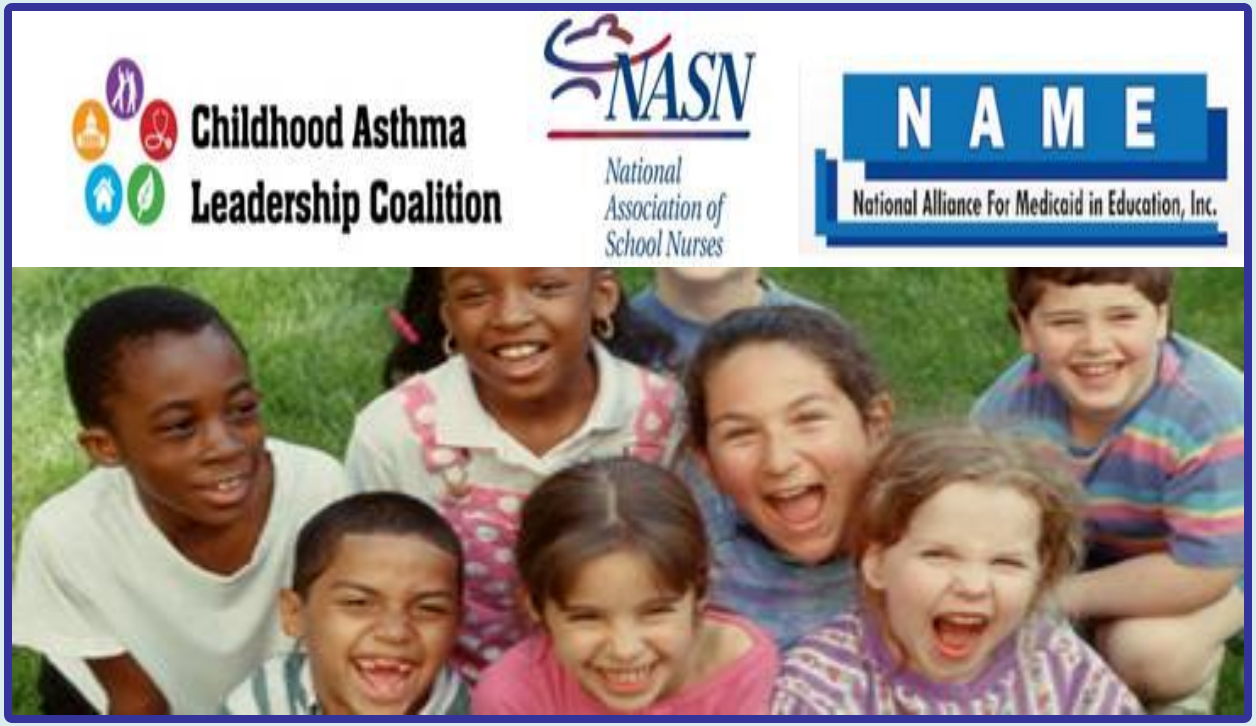
What You Can Do

- Join our efforts to request that CMS clarify that the Free Care Rule does not apply to Medicaid reimbursement
  - Collect anecdotal information about the impact of Free Care Rule in your state
  - Identify opportunities to highlight the barrier that the Free Care Rule places on providing health services in schools
    - Communicate with Members of Congress, state Medicaid office, stakeholders and the press
  - Updates, alerts and opportunities to collaborate can be found on LEAnet or CALC website

Concluding Thoughts

- At a time when the healthcare landscape is increasing its focus on prevention and health promotion, the Medicaid program should be looking at pre-K-12 public schools as a primary location to advance prevention goals.
- With more than 43 million children – including half of all low-income children in the United States – covered by Medicaid or CHIP, Medicaid funding should play a significant role in financing the services provided by nurses in schools.

Paying for Asthma Management at School: Reimbursement Barriers and New Opportunities



For more information, please visit:

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