



DEPT. COMM. NO. 206

STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

OFFICE OF THE SUPERINTENDENT

December 28, 2018

The Honorable Ronald D. Kouchi, President
and Members of the Senate
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker
and Members of the House of Representatives
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the report for SCR 81, 2018, requesting the establishment of a working group to examine how the Hawaii State Department of Education can maximize Medicaid reimbursement for support services offered to eligible students during school hours, with a report of its findings. In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at: <http://www.hawaiipublicschools.org/VisionForSuccess/SchoolDataAndReports/StateReports/Pages/Legislative-reports.aspx>

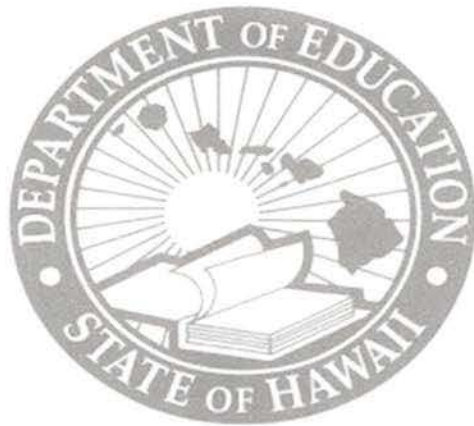
Sincerely,

A handwritten signature in blue ink, appearing to read "Christina M. Kishimoto".

Dr. Christina M. Kishimoto
Superintendent

CMK:me
Enclosure

c: Legislative Reference Bureau
Office of Student Support Services



State of Hawaii
Department of Education

**Report on
Senate Concurrent Resolution (SCR) 81,
2018**

December 2018

Pursuant to SCR 81, 2018, the Hawaii State Legislature requested the establishment of a working group to examine how the Hawaii State Department of Education can maximize Medicaid reimbursement for support services offered to eligible students during school hours, with a report of its findings.

INTRODUCTION

The Hawaii State Legislature passed SCR 81, 2018 requesting the establishment of a working group to examine how the Hawaii State Department of Education (HIDOE) can maximize Medicaid reimbursement for support services offered to eligible students during school hours including, but not limited to, occupation and physical therapy, speech pathology, applied behavior analysis, and other wellness supports that benefit a student's learning and growth. The Legislature was specific that an initial working group meeting be conducted before August 1, 2018. The working group was further tasked to provide a written report and recommendations to the 2019 Legislature.

Medicaid provides a financial value-add to schools. If a child is Medicaid-eligible and all other requirements are met, Medicaid provides a partial reimbursement for health-related services when services are provided to a child through his or her individualized education plan (IEP) under the Individuals with Disabilities Education Act (IDEA). As part of the activities necessary to administer the Medicaid state plan, states may also provide Medicaid payments to schools for Medicaid outreach and enrollment activities, as well as other eligible school-based administrative activities. By pursuing Medicaid reimbursements, funds may be available to reinvest in quality support services.

Per SCR81, membership included:

- (1) The Honorable Michelle Kidani, Senate Vice President and Senate Education Committee Chair, as Co-Chair
- (2) The Honorable Della Au Belatti, House Majority Leader, as Co-Chair
- (3) The Honorable Sylvia Luke, House Finance Chair, as Co-Chair
- (4) The Honorable Justin Woodson, House Education Committee Chair
- (5) Heidi Armstrong, Assistant Superintendent of the Office of Student Support Services, as designee on behalf of Dr. Christina Kishimoto, Superintendent of Education
- (6) Judy Mohr Peterson, Department of Human Services (DHS), Med-QUEST (MQD) Administrator
- (7) Aileen Befitel, MQD health care services representative;
- (8) Carter Siu, Deputy Attorney General representing HIDOE;
- (9) Ruth Oh, Deputy Attorney General representing DHS-MQD;
- (10) Any other persons as may be invited by the working group.

The working group met four times: July 24, 2018, August 28, 2018, November 27, 2018, and December 18, 2018. The agendas and substantive content of each meeting can be found here electronically: https://drive.google.com/drive/u/0/folders/1_NmAMiae1JkknV8Kc-PhuMbnGggxzFvS

Additionally, the National Alliance for Medicaid in Education (NAME) Annual Conference provided an opportunity for seventeen (17) Hawaii representatives from HIDOE, MQD, Department of the Attorney General (AG), key legislators and staff, as well as the Executive Director of He'e to learn about:

- Opportunities for Medicaid reimbursement to schools;
- Infrastructure necessary to support a reimbursement system;
- Approaches in partnerships between State Educational Agencies (SEA), Local Educational Agencies (LEA), and state Medicaid agencies that are essential for sustainability and success;
- Innovative ways to provide and pay for school health services and related services for students with disabilities;
- Compliance with school-based Medicaid billing and audit requirements;
- Network with professionals in the field of school-based health at the local, state, and federal levels; and
- The “Healthy Students, Promising Futures (HSPF) Learning Collaborative” which currently brings fifteen (15) states together to leverage federal and state policy levers affecting school-based Medicaid services, explore models for delivering school-based health services, and increase the provision of health services in schools.

BACKGROUND

Federal Authorizations

In 1975, the Congressional passage of the Education for All Handicapped Children ensured that educational agencies were mandated to provide, at a minimum, a specified list of “related services.” This mandated the creation of programs to make available educational, health, and other supportive services towards the needs of special education students. In 1986, IDEA sought to alleviate the financial burden on state and local education agencies providing such services.

IDEA 2004 Title I B 612a12A(i)

(i) Agency financial responsibility. An identification of, or a method for defining, the financial responsibility of each agency for providing services described in subparagraph (B)(i) to ensure a free appropriate public education to children with disabilities, provided that the financial responsibility of each public agency described in subparagraph (B), including the State Medicaid agency and other public insurers of children with disabilities, shall precede the financial responsibility of the local educational agency (or the State agency responsible for developing the child's IEP).

The Medicaid program became a means to compensate HIDOE for health-related services that were medically necessary to access a student’s Free Appropriate Public Education (FAPE). In the delivery of this program, the Department of Human Services (DHS), Med-QUEST Division (MQD) and HIDOE were to come together to achieve both education and health goals to realize federal reimbursements that could augment programs and services for all of Hawaii’s public school students.

For HIDOE, the primary purpose of IDEA is to “assure that all children with disabilities have available to them a free and appropriate education which emphasizes special education and related services designed to meet their individual needs” (20 U.S.C. 1400). To fulfill the “free and appropriate” requirement of IDEA, educational agencies are obligated to pay for special education and related services without charge to the student. Without Medicaid

reimbursements, educational agencies, such as the HIDOE, largely request state funding to cover the costs of these services. Specifically, in accordance to 34 Code of Federal Regulations (CFR) 300.24, the 'health-related' services include, but are not limited to:

- ✓ Audiology and counseling services
- ✓ Early identification and assessment of disabilities
- ✓ Medical services for diagnostic and evaluation purposes
- ✓ Occupational therapy
- ✓ Orientation and mobility services
- ✓ Physical therapy
- ✓ Psychological therapy
- ✓ Rehabilitation counseling
- ✓ Speech-language pathology services
- ✓ Skilled Nursing
- ✓ Transportation

Under the Medicaid Catastrophic Coverage Act (PL 100-360), the Medicaid program was authorized by Congress to be the "primary payor" of these medically necessary services provided to eligible children in schools, rather than the "payor of last resort," as is a more customary role for Medicaid.

The Medicaid program also provides a reimbursement opportunity for certain health-related efforts conducted by the Department on behalf of both special education and non-special education students. This includes filing for reimbursements for administrative costs incurred in providing or facilitating the delivery of medical services to Medicaid-eligible students. To qualify for administrative claiming reimbursements, the HIDOE must confirm to MQD:

- 1) Administrative activities contribute to the effective and efficient administration of the Medicaid State Plan;
- 2) All costs that are claimed are in accordance with the Office of Management and Budget requirements.

Also under Medicaid, the EPSDT program would further provide reimbursement for appropriate and medically necessary comprehensive treatment and preventative health services to beneficiaries under the age of 21 years, whether or not the specific services are specifically cited in the Medicaid State Plan. Schools are providers of EPSDT-related services in connection to obligations under IDEA to identify and evaluate the service needs of special education students in outreach, screening, diagnostic, and treatment services.

Finally, in 1996, Title XXI of the Social Security Act established the Child Health Insurance Program (CHIP), under which educational agencies may be reimbursed for many of the outreach and informational activities conducted that benefit the functioning of Hawaii's CHIP program.

Connecting Kids to Coverage National Campaign



Federal Reimbursements

A Memorandum of Agreement between HIDOE and MQD specifies maximum allowable reimbursement rates and codes for each service and provider type. Since Medicaid is jointly funded by the federal government and the states, the total reimbursable amount based on the rates is then covered jointly between federal and state governments.

The federal government's share of most Medicaid expenditures is called the federal medical assistance percentage (FMAP). The remainder is referred to as the state share. The FMAP for each state is set on an annual basis and is developed using the average annual income of a state and the percentage of its residents who are below poverty level. The state share for school-based Medicaid reimbursements is reflected in the HIDOE budget. For the State of Hawaii, the FMAP for federal fiscal year (beginning October 1, 2018) is 53.92%. This means for every \$100 in Medicaid-covered IEP school-based services provided to Medicaid-eligible students, the HIDOE can receive a federal match of \$53.92.

Administrative claims are generally reimbursed at a 50% rate called the Federal Financial Participation (FFP) rate. Some administrative activities may be reimbursable at a higher rate, such as family planning referral services, which may be reimbursed at a 90% rate.

CORE Medicaid Working Group

Under the leadership of Assistant Superintendent Heidi Armstrong, Office of Student Support Services (OSSS), HIDOE has redefined an expansive intra and inter-department CORE Medicaid working group, comprised of staff from across HIDOE, including the Superintendent's Office, Deputy Superintendent's Office, Office of Fiscal Services, Office of Information Technology Services, OSSS, and leadership and staff from MQD.

University of Massachusetts Medical School – Third Party Administrator

As permitted under law, since 2006, HIDOE has procured and contracted with a third-party administrator, University of Massachusetts Medical School (UMass), to provide invaluable expertise to the Department for the development, implementation, and maintenance of a federal maximization program that includes claiming for direct services and administrative costs. As such, the MOU with UMass has been renewed, effective July 1, 2018.

DOE and DHS Partnership

Additional effort to meet statutory requirements includes the execution of a Memorandum of Agreement (MOA) between the HIDOE and the DHS-MQD. The agreement reflects the interagency terms and conditions for operationalizing the school-based Medicaid claiming program. The current MOA is set to expire and steps are being taken to renew it by June 30, 2019.

Utilization of eCSSS

To achieve full reimbursement potential, all Medicaid program requirements must be met and properly documented. Documentation is one of the most critical factors in the generation of a Medicaid billable service. eCSSS is the current system utilized by HIDOE to track students who receive supports and services. As an integrated system, eCSSS is the current source for documenting student support activity of all service levels. This can include: documenting referrals, evaluations, conferences, notices, eligibility status, goals and objectives, visit records, consents, services and incidents. A service documentation component has been upgraded and integrated into the eCSSS design to ensure that supportive information exists verifying an allowable service was provided to an eligible student. As a Web-based application, eCSSS allows secured user access anytime and anywhere. Note: The eCSSS customized system will be replaced with a program that seamlessly aligns with our new standardized student system. A timeline for implementation is being developed as part of the larger technology modernization plan for HIDOE.

The operationalization of HIDOE's school-based Medicaid program is the data exchange process between HIDOE and UMass. The exchange process creates an interface with eCSSS. It allows for claim processing, obtaining parental consent to claim for services provided, and verifying joint Medicaid/special education eligibility. To date, the data exchange has experienced minimal claim rejection.

FUTURE-FACING DESIGN

Through the work of SCR81, MQD's partnership, and the Legislature's collaboration, Superintendent Christina Kishimoto has committed HIDOE to make the necessary steps to increase Medicaid reimbursements for every service and eligible child. HIDOE will utilize a future facing design to comprehensively pursue Medicaid reimbursements with HIDOE personnel focused on direct billing with consideration towards cost-based reimbursements, administrative claiming, and free care. As the Department moves forward, it will review Medicaid reimbursement data from other states with similar demographics to Hawaii to gauge HIDOE's progress.

Six Criteria

For services to be eligible for school-based Medicaid reimbursement, six (6) criteria must be met:

- 1) The service must be documented in the IEP;
- 2) The student must be Medicaid eligible;
- 3) A Parental Consent Form must be on file;
- 4) All services must be appropriate and medically necessary, and covered by the Hawaii Medicaid program;

- 5) The Medicaid reimbursable service must be delivered by a licensed and Medicaid enrolled provider or by select professionals under the supervision of a licensed provider; and
- 6) The service that is provided to the student must be appropriately documented.

To achieve maximum Medicaid reimbursement for HIDEOE, the overarching goals are:

- I. Optimize Eligible Services
- II. Optimize Student Participation
- III. Optimize Eligible Providers
- IV. Optimize Administration

I. **Optimize Eligible Services**

Medically Necessary and Educationally Necessary, Health Related Services

Services that the HIDEOE may bill for under the current Medicaid State Plan include:

- ✓ Occupational Therapy Services
- ✓ Physical Therapy Services
- ✓ Speech Language Therapy Services
- ✓ Behavioral Health Services
- ✓ Assessment and Evaluations
- ✓ Hearing and Audiology and Language Services
- ✓ Nursing Services (e.g. Skilled nursing)
- ✓ Applied Behavior Analysis (*this is allowable through EPSDT.*)

Per the Medicare Catastrophic Coverage Act of 1988, all medical services are required to meet a standard of “medical necessity.” In 2018, HIDEOE has included the provision of “medically necessary and educationally necessary, health related services” in its parental consents towards ensuring compliance with both IDEA and Medicaid.

The following is the breakdown of the number of Special Education students who have one or more Medicaid-billable services documented on their IEP for School Year 2018-19
Related Services as of October 2018

Service	Student Count
Occupational Therapy	1350
Physical Therapy	399
Speech/Language Therapy	6223
School Based Behavior Health (Counseling)	3118
Total	11090

The following graph shows the total number of HIDOE students receiving a related service through an IEP, by District. The data does not reflect whether the student is Medicaid eligible. Also note that HIDOE is not yet billing for skilled nursing or transportation, but these are future areas of reimbursement opportunities to be explored.

District	Total # of IDEA Students	Total # of students w/related Services	Counseling	Occupational Therapy	Physical Therapy	Skilled Nursing	Speech/Language Therapy	Transportation	Other
Honolulu	2963	1480	454	225	75	61	816	404	18
Central	3555	1899	312	208	50	40	1471	542	59
Leeward	4482	1936	479	196	106	89	1178	651	10
Windward	2005	1184	413	122	44	28	746	249	30
Hawaii	3160	1658	548	259	69	22	952	681	74
Maui	2251	1377	626	259	41	25	735	390	76
Kauai	956	603	286	46	14	14	325	173	9
Grand Total	19372	10137	3118	1315	399	279	6223	3090	276

*Data from 10/26/2018

Fee for Service - Current Service Categories

The below chart demonstrates the current active and inactive categories of billing and procedure codes under the services that Hawaii may bill for under the current Medicaid State Plan:

	Currently Billing		Currently Not Billing	
	Procedure Code	Service	Procedure Code	Service
Speech Therapy/Audiology	92507	Individual Therapy	T2029	Hearing, Audiology & language Service
	92508	Group Therapy	T2029	Assistive Tech Device Service
	92506	Re-evaluations	92507	Assistive Tech Device Therapy
	92506	Evaluations	N/A	Assessments
Occupational Therapy			N/A	Re-assessments
	97530	Individual Therapy	T2029	Assistive Tech Device Service
	97150	Group Therapy	97530	Assistive Tech Device Therapy
	97004	Re-evaluations	N/A	Assessments
Physical Therapy	97003	Evaluations	N/A	Re-assessments
	97110	Individual Therapy	T2029	Assistive Tech Device Service
	97150	Group Therapy	97110	Assistive Tech Device Therapy
	97002	Re-evaluations	N/A	Assessments
Behavioral Health	97001	Evaluations	N/A	Re-assessments
	90832	Individual Therapy	90853	Group Therapy
	90791	Evaluations	90847	Family Therapy
			N/A	Assessments
Nursing			N/A	Re-assessments
	N/A		T-1002	Individual Therapy RN
	N/A		T-1003	Individual Therapy LPN

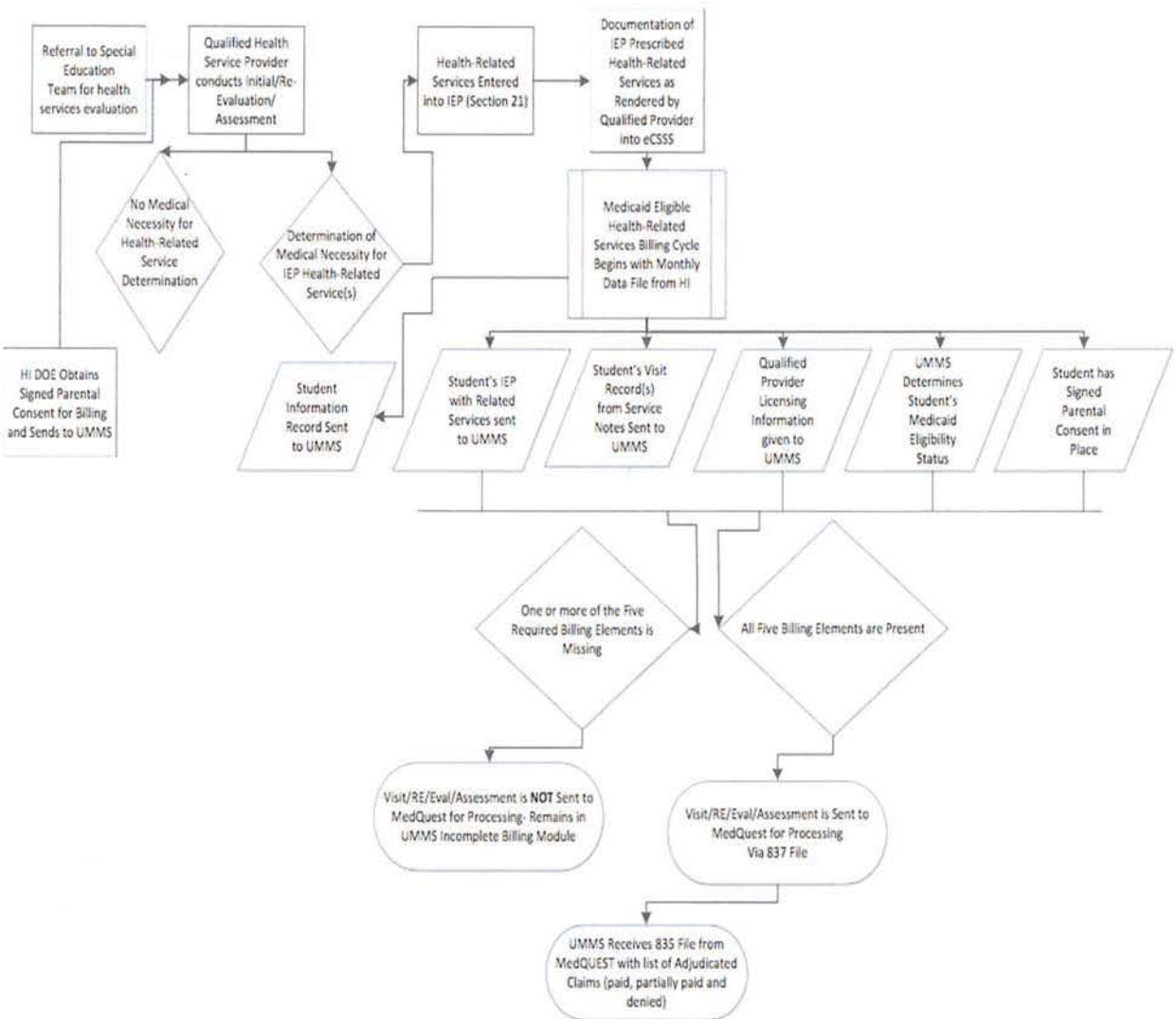
Year Over Year Reimbursement, by Current Service Categories

Net Revenue by Service Type FY 2007-2017							
Fiscal Year (FY)	Behavioral Health Services	Occupational Therapy	Physical Therapy	Speech-Language Therapy	Fiscal Year Totals	Federal Reimbursement Percentage	Net Federal Reimbursement
2007	\$ 242	\$ 5,047	\$ 3,205	\$6,041	\$ 14,535	57.55%	\$8,365
2008	\$ 5,342	\$202,887	\$120,579	\$239,760	\$ 568,568	56.50%	\$321,241
2009	\$11,419	\$180,043	\$108,897	\$264,350	\$ 564,709	67.35%	\$311,211
2010	\$35,060	\$346,716	\$212,127	\$529,954	\$1,123,857	67.35%	\$609,580
2011	\$46,754	\$404,179	\$208,092	\$625,012	\$1,284,036	51.79%	\$665,002
2012	\$60,179	\$323,387	\$179,358	\$629,069	\$1,191,994	50.48%	\$601,719
2013*	\$68,113	\$328,381	\$154,031	\$677,016	\$1,227,540	51.86%	\$636,602
2014	\$44,296	\$274,837	\$135,484	\$582,009	\$1,036,627	51.85%	\$537,491
2015	\$91,132	\$166,035	\$ 90,582	\$698,332	\$1,046,081	52.23%	\$546,368
2016	\$34,400	\$152,900	\$ 83,081	\$569,437	\$ 839,818	53.98%	\$453,334
2017	\$36,989	\$ 86,592	\$ 51,670	\$415,209	\$ 590,460	54.93%	\$324,340

* 2013 was the last year of passive parental consents (no response=consent), 2014 and beyond requires written parental consent.

* On February 14, 2013, the United States Department of Education published in the Federal Register IDEA Part B final regulations that change the requirements in 34 CFR 300.154(d) related to parental consent to access public benefits or insurance (e.g., Medicaid). Previously, public agencies were required to obtain parental consent each time access to public benefits or insurance was sought. These final regulations, which took effect on March 18, 2013, makes it easier for the Department to access public benefits while still protecting family rights.

The following demonstrates the HIDE's current overall Medicaid billing process from a student's referral for special education evaluation through the billing cycle with UMMASS for reimbursement by MQD.



Skilled Nursing

HIDOE has 310 students who are IDEA eligible and have Skilled Nursing service on their IEP (as of July, 2018). Examples of services range from an all-day service, which has multiple procedures, to a one-time diabetic monitoring. There are approximately 450 contracted nurses who provide services to students on a daily basis. This includes performing the required services as well as clinical documentation into the HIDOE's eCSSS System. HIDOE has provided these nurses with access to eCSSS to document procedures, time and outcomes for the students with whom they are working. Documentation must occur timely as close to the time of the delivery of services, as feasible. HIDOE is working closely with MQD on how skilled nursing services are being documented in eCSSS to ensure that eCSSS captures the required information needed for reimbursement.

Applied Behavior Analysis (ABA)

The United States Department of Education (USDOE) regards ABA as a methodology and, as such, must be considered in the context of methodologies derived from other disciplines (Musgrove, M., 2015). Act 205, 2018 requires that, in the HIDOE, ABA services are provided when a "student's behavior impedes their learning or the learning of others" and requires that the ABA Program be designed, monitored, and implemented by qualified ABA providers. In accordance with IDEA and Hawaii Administrative Rules Chapter 60, special education and related services are individually determined by the IEP team to address the educational needs for each student with a disability (34 CFR § 300.320-300.324). Under 34 CFR § 300.154 (b); "if any public agency other than an educational agency is otherwise obligated under Federal or State law, or assigned responsibility under State policy or pursuant to paragraph (a) of this section, to provide or pay for any services that are also considered special education or related services (such as, but not limited to, services described in § 300.5 relating to assistive technology devices, § 300.6 relating to assistive technology services, § 300.34 relating to related services, § 300.42 relating to supplementary aids and services, and § 300.43 relating to transition services) that are necessary for ensuring FAPE to children with disabilities within the State, the public agency must fulfill that obligation or responsibility, either directly or through contract or other arrangement pursuant to paragraph (a) of this section or an agreement pursuant to paragraph (c) of this section."

Per Act 205, 2018, HIDOE has been actively engaged in internal meetings to develop an implementation plan. HIDOE has requested MQD to assist in identifying the appropriate Current Procedural Terminology (CPT) billing codes for ABA billing purposes and personnel to provide the services. MQD has indicated that, although the directive in Act 205 and Chapter 465D, Hawaii Revised Statutes, may have a broader applicability than for only individuals with autism spectrum disorder (ASD), MQD will only provide reimbursement for ABA services for individuals with ASD. This is important to note as HIDOE does provide ABA for both ASD and non-ASD students. However only ASD students with ASD who are Medicaid eligible will be considered for Medicaid reimbursement by MQD.

Medicaid has no specific requirement regarding where a service is documented in the IEP as long as medical necessity is appropriately established and includes frequency and duration.

Furthermore, rather than listing a specific methodology, such as ABA, one of the following services may also be considered to ensure the IEP team has necessary flexibility in delivering all appropriate behavioral health services:

- Behavioral Intervention Service
- Behavioral Health Service
- Positive Behavioral Health
- Intensive Behavioral Therapy

ABA, discrete trial training, cognitive behavior therapy, and any other type of methodology could be provided under any of the above as appropriate. The IEP team may choose to explain what the service specifically entails in the Clarification section of the IEP.

Specialized Transportation

To bill for Transportation, the HIDOE would need to request a State Plan Amendment (SPA) to the Medicaid State Plan. Billing Medicaid for Transportation will be challenging as it requires the following:

- 1) The student requires transportation to receive the school-based health service.
- 2) Both the school-based health related service and the need for transportation are included in the student's IEP.
- 3) The specialized transportation service is provided on the same day the student receives an IEP health-related service.



Administrative Claiming

HIDOE may claim federal Medicaid reimbursement for administrative costs associated with supporting direct health services as well as performing other administrative activities such as Medicaid outreach. HIDOE is currently working with UMass and MQD on the Administrative Claiming manual that is a required initial component that must be accepted by Centers for Medicare & Medicaid Services (CMS). The following elements are examples of what may be considered as part of administrative costs:

- ✓ Use allowance for building and equipment
- ✓ Materials and supplies cost

- ✓ Actual salaries for all therapists and school personnel involved in providing Medicaid reimbursable activities
- ✓ Fringe benefits
- ✓ Indirect costs

HIDOE is exploring with UMass and MQD the possibility of incorporating administrative claims for Transportation, as an alternative to challenges anticipated in direct billing.

These cost elements would be merged with the current estimated Hawaii Medicaid penetration rate, representing the percentage of all students, not only special education students, in Hawaii public schools who are Medicaid-eligible.



Cost Based Reimbursement:

While HIDOE has focused its efforts on direct billing claims, HIDOE may consider steps to pursue cost-based reporting for school-based Medicaid reimbursements. A cost-based reimbursement methodology is used to determine the actual cost of delivering school-based healthcare services to special education students. It compares the *actual cost incurred* by schools to the *Medicaid interim reimbursement* payments (received through regular Fee for Service billing), ensures that schools are reimbursed for actual costs, and ensures that Medicaid is not overpaying for services. Actual allowable costs are determined through completion of the Annual Medicaid Cost Report.

School-Based Health and Free Care

Medicaid’s role in schools goes beyond ensuring that students with disabilities have access to the medical services they need to succeed. Many school districts across the country use the reimbursement their districts received for services provided to Medicaid-eligible children to expand health-related services and supplies. In this way, Medicaid provides support for health care services delivered in school, which benefit all children – not just those enrolled in Medicaid. This includes programs that monitor the health care needs of eligible children with certain conditions such as asthma and diabetes, as well operating school-based healthcare clinics within schools to provide health and dental care to Medicaid-eligible children.

Medicaid Has Long-Term Benefits for Kids

Children who are eligible for Medicaid health coverage:



Do better in school



Have fewer emergency-room visits and hospitalizations as adults



Miss fewer school days due to illness or injury



Earn more as adults



More likely to finish high school, attend college, and graduate from college

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Per revised federal guidance, Medicaid payment is now available for covered services provided to Medicaid beneficiaries under an approved state plan, regardless of whether there is any charge for the service to the beneficiary or the community at large. A SPA would need to be submitted to begin claiming for these services. At this time, only one state has pursued and received permission to provide this.

II. Optimize Student Participation: Parental Consents

Before HIDOE can submit any claims for services provided to special education students, the rules under the Family Rights and Privacy Act (FERPA) require HIDOE to obtain parental consent before sharing personal information included in the child's IEP such as student name, birth date, and type of service provided with the state Medicaid agency. A new parental consent has been developed and a new authorization process has been implemented to increase the eligible student population for which the HIDOE can submit claims. HIDOE is also actively correcting prior issued parental consents with incorrect language that would have precluded HIDOE from billing for health-related services.

- On August 29, 2018, a list of approximately 2,000 students was sent to all District Educational Specialists (DESS). This list includes all students who have either old 'passive' or 'invalid' consent forms on file. The field is currently working through this list, meeting with parents/guardians to obtain new, 'valid' consents.
- On October 8, 2018, coinciding with the distribution of the guidance memo, the entire field was given the 'green light' to fully implement the Parental Consent process.

HIDOE is undergoing an aggressive effort to obtain parental consents for eligible students so that maximum reimbursement can be obtained. The table below shows the total number of

consents received by December 12, 2018. This chart is updated weekly to allow the HIDEO to monitor progress.

Parental Consent Forms Received

DISTRICT		COMPLEX AREA		11/22/18	12/5/18	12/12/18	12/19/18	12/26/18	1/2/19	1/9/19	1/16/19	1/23/19	1/30/19	Student #	% Received
		Y	N	Y	N	Y	Y	N	Y	N	Y	N	Y	**	
HONOLULU	Kaimuk-McKinley-Roosevelt	37		40		44								1516	2.90%
	Farrington-Kaiser-Kalani	40		47		53								1439	3.68%
CENTRAL	Aiea-Moanalua-Radford	33		45		52								1681	3.09%
	Lelehua-Milani-Waiakua	20		40		70								1960	3.57%
LEEWARD	Pearl City-Waipahu	26		53		63								1427	4.41%
	Campbell-Kapolei	41		55		73								1715	4.26%
	Nanakuli-Waianae	14		29		30								1371	2.19%
WINDWARD	Castle-Kahuku	47		53		54								1156	4.67%
	Kaliu-Kalaheo	34		35		48								892	5.38%
HAWAII	Honokaa-Kohala [North HI]														
	Kealahou-Konawaena [West HI]	48		55		74								1166	6.35%
	Hilo-Waiakea [East HI]	62		62		66								1130	5.84%
	Kau-Keaau-Pahoa [South HI]	16		24		25								882	2.83%
MAUI	Baldwin-Kekaulike-Maui	50		55		66								1695	3.89%
	Hana-Lahainaluna-Lana-Molokai	1		7		11								586	1.88%
KAUAI	Kapaa-Kaula-Waimea	2		5		5								960	0.52%
Statewide Total		471		605		734								19576	3.75%
** Child Count 2018															

III. Optimize Eligible Providers

Documentation: Without sufficient documentation of the qualified Medicaid provider, including parental consent, diagnosis, service date, frequency, duration, scope, setting, progress notes, medical necessity, and approvals, a Medicaid claim cannot be generated. Full participation of all related HIDEO personnel is critical for HIDEO to realize increased school-based claiming.

Documentation Requirements

1. Date of service
2. Parental consent
3. Name of beneficiary
4. Name and National Provider Identifier (NPI) of billing provider, if available
5. Name and NPI of person providing the service and supervising provider, if appropriate
6. A brief educational/clinical description of the related services provided to the student for each encounter
7. The educational/clinical activity for the day
8. A data-driven description of the student's response to the activity.
9. The descriptive note should relate to the student's short-term objectives and/or benchmarks and annual goals
10. Beneficiary medical record
11. Individualized Education Program (IEP) or Individual Family Service Plan (IFSP)
12. School attendance records for the dates of services

13. Prescriptions/referral for IEP services
14. Documentation of the service performed on the date of service including clinical notes signed and dated by provider
15. Documentation regarding where the service was provided and who provided the service

Who Documents?

1. Occupational Therapists, Certified Occupational Therapy Assistants (COTA)
2. Physical Therapists (PT), PT Assistants
3. Speech-Language Pathologists, Communication Aides
4. Clinical Psychologists, Psychiatrists, Licensed Clinical Social Worker, and APRNs
5. Licensed Behavior Analysts and Registered Behavior Technicians
6. Skilled Nurses – RN, LPN
7. Audiologists

National Provider Identifier Numbers & Enrollment as Medicaid Provider

- Healthcare providers acquire their unique 10-digit NPI numbers to identify themselves in a standard way throughout their industry.
- The Center for Medicare and Medicaid Services (CMS) has made this a requirement for all providers who order and refer services, before claiming for payment (*42 CFR Part 455, subpart E*)
- HIDOE and MQD are working together to address this requirement.
- Public school-based providers are subject to the ordering and referring requirements. This requires ordering or referring physicians or other professional provider services to be enrolled as participating Medicaid providers.
- Referring and ordering providers in a school setting are writers (e.g. Speech Pathologist, Occupational Therapist and Physical Therapist) of assessments used for initial evaluations or re-evaluation in the IDEA Process. HIDOE and MQD are reviewing the definition of “writers” and how will it comply with the Medicaid definition of ordering and referring providers.
- HIDOE is working with MQD to contact all providers to inform them of this requirement and assist each provider who must apply for a NPI number and enroll as a provider in the Medicaid Provider Enrollment program.
- This is a one-time requirement.
- As an incentive, MQD has agreed to absorb the \$500 fee for providers to enroll as a Medicaid provider.

IV. Optimize Administration

1. Build HIDOE capacity to execute and oversee comprehensive school-based Medicaid reimbursement plan.
2. This is a significant plan that requires substantial effort and change to be successful. To optimize administration in its staffing structure, HIDOE must:
 - Provide the necessary personnel support structure and critical infrastructure, especially as the work is technically complicated and has federal compliance implications.

- Establish administrative leadership to ensure technical assistance and guidance to administrators, service providers, and the schools.
- Ensure compliance with applicable laws, rules, and regulations which must be closely followed to ensure viability through audit assessments, minimizing risk of negative findings that could result in a mandatory payback of funds to Medicaid.

Staffing Recommendations

HIDOE is committed to the expansion of its school-based Medicaid program capacities by proposing to establish a school-based Medicaid Section under the Student Services Branch within OSSS. The creation of a dedicated section will provide prioritization and support for the substantial work involved in developing and implementing a robust reimbursement and billing system. This will be the initial staffing recommendation with anticipated growth in the section as school-based Medicaid becomes more robust in its operations and efficiencies.

OSSS created a school-based Medicaid program section to be in operation in Spring 2019 to include:

Status	Position	Salary Range	Annual Salary	Fringe Cost	Total
Existing	Section Admin	EO-08	\$ 99,546.00	\$ 59,728.00	\$ 159,274.00
New position	Ed Spec. II	EO-07	\$ 95,483.00	\$ 57,290.00	\$ 152,773.00
New position	Instit Analyst II	EO-07	\$ 95,483.00	\$ 57,290.00	\$ 152,773.00
New position	Instit Analyst II Program Spec	EO-07	\$ 95,483.00	\$ 57,290.00	\$ 152,773.00
Existing	IV	SR-22	\$ 52,956.00	\$ 31,734.00	\$ 84,690.00
Existing	DPSA IV	SR-22	\$ 52,956.00	\$ 31,734.00	\$ 84,690.00
New position	Secretary II	SR-14	\$ 38,220.00	\$ 22,932.00	\$ 61,152.00
Existing	Acct. Clk IV	SR-13	\$ 36,732.00	\$ 22,039.00	\$ 58,771.00
Existing	Acct. Clk III	SR-11	\$ 34,020.00	\$ 20,412.00	\$ 54,432.00
Existing	PTT @ \$22.43/hr		\$ 19,066.00	\$ 517.00	\$ 19,583.00
	GRAND TOTAL				\$ 980,911.00

In support of school-based Medicaid claiming, Med-QUEST is requesting consideration for the following:

Position	BU	SR Level	Salary Range (7/1/2018)	Fringe (60.08%)	Total
Program Specialist V	13	24M	88,248	53,019	141,267

Use of Funding

As the HIDOE builds out a more efficient and robust Medicaid reimbursement system, considerations for the use of the funds will need to be made. Other states are using the funding received through Medicaid reimbursement in three key ways:

1. Providing a percentage of funding to schools to incentivize schools in the work associated with school based-claiming;

2. Dedicating a percentage of funding towards the development of school-based health centers and support of other school health models to provide a meaningful investment to accessing healthcare for the general population and an impact to population health management for the community, at large; and
3. A percentage of funding is used to support the administrative costs.

Next Steps

1. Work internally to create a document to provide updated parental consents to UMass.
2. Turn on 'green light' to process Medicaid reimbursement claims once UMass has identified the 'approved' list of parental consents.
3. Continue to send parental consent forms to UMass on a bi-monthly basis.
4. Update student records with Medicaid identification numbers for the purpose of billing only.
5. Work to obtain National Provider Identifier (NPI) for covered health care providers that do not have an NPI. Work with MQD to enroll providers with the Medicaid program.
6. Work with MQD to update the State Plan.
7. Work with the DESs (and the field) to ensure that all parent(s)/legal guardian(s) of Special Education students have an opportunity to be given an overview of the Medicaid Claiming Program, including receiving all pertinent forms and obtaining a signed parental consent.
8. Restart the process of billing Medicaid for reimbursable services by the beginning of next year (2019).
9. Revision of the MOU between HODOE and MQD by June 30, 2019.

References

Musgrove, M., Ed.D., Director, Office of Special Education Programs. (2015, July 6). OSEP Dear Colleague Letter on Speech and Language Services for students with Autism Spectrum Disorder [Letter].

Addendum

Hawaii Authorizing State Statutes

In 2005, the Hawaii State Legislature passed Act 141:

SECTION 1. The department of education provides important health services to Hawaii's school-aged children, including:

- (1) Speech/language therapy;
- (2) Occupational/physical therapy;
- (3) Health-related transportation;
- (4) Mental health and other behavioral services;
- (5) Counseling;
- (6) Diagnostic and assessment services; and
- (7) Nursing and health aide services.

The purpose of this Act is to authorize the department of education to establish and implement a federal revenue maximization program for all Medicaid-eligible health services that it provides to Hawaii's school-aged children.

SECTION 2. (a) The department of education, in collaboration with the department of human services and the department of health, shall establish a federal revenue maximization program to:

- (1) Identify Medicaid-eligible health services provided through the department of education to students, directly or through contracted providers; and
- (2) Submit claims for federal reimbursement for such services through the department of human services.

In establishing the federal revenue maximization program, the superintendent of education and the director of human services shall execute a memorandum of agreement to develop and implement a federal revenue maximization program for Medicaid-eligible school health federal reimbursement.

The department of education may contract with a third party to administer this program. The third-party contract shall be established either at no cost to the State or on a contingency-fee basis with no up-front costs to the State, including but not limited to costs to train staff, adapt data collection systems, and comply with the federal Health Insurance Portability and Accountability Act.

(b) The federal revenue maximization program shall identify, at a minimum:

- (1) The service recipient and the recipient's medicaid number;
- (2) The service provider (either the department of education in total or by contracted provider);

(3) The services received, including when, where, and for what diagnosis; and

(4) Billing charges for the services provided.

(c) The department of health, in collaboration with the department of human services and the department of education, shall identify sources of funding, including Medicaid-eligible health services and reimbursable health services, to establish and provide school-based or school-linked health services at schools in federally-designated underserved areas.

(d) The department of education shall:

(1) Procure and contract for the development, implementation, and maintenance of the federal revenue maximization program, including any required information technology system or interfaces with the department of education's existing system;

(2) Claim the maximum reimbursement allowable under Medicaid for both administrative costs and school health services arising on and after January 1, 2006; and

(3) File retroactive claims for the preceding eight quarters, as permitted by available documentation or other back-up information that can be reasonably obtained.

(e) The department of human services and the department of health shall provide technical assistance and support to the department of education in its efforts to obtain federal Medicaid school-health reimbursements under this Act.

SECTION 3. The department of education shall submit to the legislature quarterly reports that include:

(1) The amount of Medicaid federal reimbursement received for federal fiscal years 2004-2005 to 2009-2010;

(2) The amount of additional funding that has been secured;

(3) The amount of claims pending;

(4) The amount of additional federal funding that is projected to be secured over the next five years; and

(5) Plans for the reinvestment of additional federal funds to expand needed services to the state's children.

The department of education shall also submit an annual report to the legislature no later than twenty days prior to the convening of each of the regular sessions of 2006 to 2010.

Amendments in 2006 through Act 244, now Chapter 302A-1406, Hawaii Revised Statutes reads:

Department of education federal revenue maximization program revolving fund; established. (a) There is established in the state treasury the department of education federal revenue maximization program revolving fund to be administered by the department. Moneys from the revolving fund shall be expended by the department for medicaid-eligible services provided by the

department and administrative costs related to the department of education federal revenue maximization program.

(b) The department of education federal revenue maximization program revolving fund shall consist of:

(1) Federal revenue collected by the department for administering and operating the department of education federal revenue maximization program;

(2) Legislative appropriations;

(3) All interest earned on the deposit or investment of moneys in the department of education federal revenue maximization program revolving fund; and

(4) Any other moneys made available to the department of education federal revenue maximization program revolving fund from other