CRACK THE CODE: MEDICAID FUNDING IN SCHOOLS

Marie Ireland, MEd, CCC-SLP
Virginia Department of Education

Janet Deppe, MS, CCC-SLP
ASHA’s Director of State Advocacy

November 18, 2011
INTRODUCTION TO COURSE PRESENTERS

Marie Ireland
- Specialist with the VA Department of Education
- Member, ASHA Ad Hoc Committee on Medicaid
- Co-Author of Perspectives Article, *Medicaid 101*, March 2011
- Co-Panel presenter at 2011 Schools Conference on Medicaid
- Serve on ASHA’s School Finance Committee
- Serve on ASHA’s SLP Advisory Council
- President-Elect for State Education Agencies Communication Disabilities Council
- 2011 ASHA Webinar on Medicaid in Education, sponsored by Special Interest Group 16

Janet Deppe
- Director of State Advocacy at ASHA
- Developed Medicaid vs. IDEA Side-by Side
- Co-Author of Perspectives Article, *Medicaid 101*, March 2011
- Serve as Ex-Officio to ASHA’s School Finance Committee
- 2011 and 2012 ASHA Webinars on Medicaid in Education
- Co-Author on articles for The ASHA Leader on State OIG Medicaid Audits
- Numerous presentations at state and federal level
COURSE AGENDA

- History of school-based Medicaid program
- Federal, state, and local requirements
- Flow of Medicaid funds
- Development of state plans
- Office of Inspector General (OIG) Audits
- Reimbursement issues
- Advocating for change
- Question and answer
HISTORY OF MEDICAID PROGRAMS

- 1965: Medicaid in Title XIX of Social Security Act
- 1967: Early Periodic Screening Detection and Intervention (EPSDT) added
- 1988: School-based Medicaid services added
  - Amended section 1903(c) of Section 411 of the Medicaid Catastrophic Coverage Act
    - Allowed Medicaid coverage of health related services to children under Individuals with Disabilities Education Act (IDEA)
Centers for Medicare and Medicaid (CMS) authorizes reimbursement of costs for health-related services provided under IDEA when services are:

- provided to Medicaid eligible children,
- determined to be medically necessary,
- delivered in accordance with federal and state, regulations, and;
- included in the state Medicaid plan.
HISTORY OF MEDICAID SERVICE PLAN

- Medicaid: Entitlement Program
- Federal – state matching program to assist states in providing care for low-income families
- SLP and audiology services are covered services under Medicaid
FEDERAL REQUIREMENTS

- Federal government establishes broad guidelines
- CMS charged with ensuring that the guidelines are met
- OIG audits help CMS/federal government determine if states are complying with federal regulations
STATE REQUIREMENTS

- Each state is required to develop and submit a plan to the federal government for approval if they wish to participate in Medicaid.
- States establish:
  - Income eligibility standards
  - Type, amount, and scope of covered services
  - Duration limitations
  - Payment rates

Most states cover speech-language pathology and audiology services to all eligible individuals – only mandated to provide services under EPSDT.
SERVICES INCLUDED UNDER EPSDT

- Identification of children with communication disorders
- Diagnosis of speech or language disorder
- Referral for necessary medical or other professional services
- Speech-language pathology and counseling services for families and school personnel
- Assistive technology devices (e.g., hearing aids and AAC devices)
Key Definitions under Medicaid

- Qualified Provider –
  - Speech-language pathologists
  - Audiologists

- “Under the Direction of” rule –

- Medical Necessity

- Administrative Claiming
MEDICAL NECESSITY

- Determination that a service is reasonable and necessary for the diagnosis and treatment of an illness or injury
  - An illness can be further defined as a disease or loss of bodily function
  - Hearing, speech, language and swallowing problems can be considered a loss of bodily function
  - Services to treat speech, language, swallowing and hearing and balance disorders meet the definition of medical necessity (ASHA, 2004)
Medical Necessity

- Documentation of medical necessity is required and claim information should include what is:
  - **Reasonable**: include amount, frequency, and duration within accepted practice standards
  - **Necessary**: provide appropriate treatment for client diagnosis and condition
  - **Specific**: target specific treatment goals
  - **Effective**: demonstrate expectation for improvement within a reasonable time frame
Administrative Claiming

- School employees perform administrative activities that support the Medicaid program and may include:
  - Identification and enrollment of eligible students
  - Direct support to the provision of health care services
- Some of these costs are allowable and may be claimed under the Medicaid Administrative Claiming (MAC) program – costs are calculated using a time study formula
- Individual members have little access to administrative claiming funds
IDEA vs. Medicaid

- Individuals with Disabilities Education Act (IDEA) 2004
  - Ensure that states provide early intervention and special education and related services to children with disabilities for birth through age 21
  - Funding for IDEA is discretionary
  - States currently receiving less than 17% of the federal share (full federal funding = 40%)
IDEA vs. Medicaid

Medicaid is a mandatory public health insurance program providing medical care to low-income eligible families

- Allows for and funds speech-language pathology and audiology services in schools
- About 75% of all school-based Medicaid services are provided by SLPs and audiologists
- Medicaid requires a federal-state match: currently about 57% federal; 43% state
IDEA vs. Medicaid

- Section 1903(a) of the Social Security Act requires Medicaid to pay for covered services in an IEP or IFSP
- Medicaid and IDEA funds do not overlap
- No “double dipping” as IDEA funds only partially cover speech-language pathology and audiology services
- Medicaid is primary to IDEA for health-related speech-language pathology and audiology services in schools
FLOW OF MEDICAID FUNDS

- ASHA’s School Finance Committee (SFC) has developed several Medicaid resources for school-based members including a flow chart for federal-state-local funding

- School Finance Committee Medicaid Resources: www.asha.org/advocacy/schoolfundadv/default.htm
FLOW OF MEDICAID FUNDS

- Congress appropriates funds annually based on the federal fiscal year beginning on October 1.
- Funds go to the U.S. Department of Health and Human Services and are administered by the Centers for Medicare and Medicaid (CMS).
- Funds are put in the state’s account at the federal level and the state draws down the funds as needed.
- Dollars received at state level.
- Dollars received at the local level.
CHANGING GEARS
MEDICAID STATE PLANS

- Process for administration of Medicaid
- Name the program (MediCal, FAMIS, MassHealth, etc.)
- Determine the type, duration, and scope of services
- Set the rate of payment for services
- Collect and report data to the Centers for Medicare and Medicaid Services (CMS)
STATE PLANS

- Oversight is provided by CMS
- Some services are mandatory and must be included
- Some services are ‘optional’
- Amendments and Waivers permitted
  - May be requested by the state
  - Processes by CMS
STATE PLAN AND AMENDMENTS

- Available online www.cms.gov
- From CMS Home:
  - Click on Medicaid
  - Click on Medicaid Program - General Information
  - Click on CHIP
- May be available on your state agency Web site
### CHIP Approved State Plan Information

State page containing the currently approved CHIP State Plan, all state plan amendments (SPA)

#### Select From The Following Options:
- Show all items
- Show only items whose last modified date is within the past
- Show only items whose State is [State]
- Show only items containing the following word

**Show Items**

There are 365 items in this list.

**Sort by:** State Ascending

---

<table>
<thead>
<tr>
<th>State Plan Information</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>AL Original Plan</td>
<td>Alabama</td>
</tr>
<tr>
<td>AL State Plan Amendment 2</td>
<td>Alabama</td>
</tr>
</tbody>
</table>
STATE MANUAL FOR MEDICAID

- May be available online
- May include information on:
  - Providers
  - Coverage for Services
  - Billing Requirements
  - Audits or Reviews
- Virginia’s Local Education Agency manual is online at http://websrvr.dmas.virginia.gov/ProviderManuals/Default.aspx
# TOC Chapter IV Covered Services

## Introduction

- DMAS Reimbursable Services Provided By Local Education Agencies

## School Services and Managed Care Organizations (MCOs)

- Eligibility Requirements
  - Virginia Medicaid Web Portal
  - First TimeRegistrations to the new Virginia Medicaid Web Portal
  - Eligibility Vendors

## Certification and Recertification

## Criteria for Covered Services

- Assessments
- Therapy Guidelines
- Therapy Definitions

## Criteria for Physical Therapy, Occupational Therapy, Speech-Language Therapy and Audiological Services

- Admission Criteria
- Definition of a Visit
- Home Therapies
- Discharge Planning
- Physical Therapy
- Occupational Therapy
- Speech-Language Therapy

## Criteria for Audiological Services

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>DMAS Reimbursable Services</td>
<td>1</td>
</tr>
<tr>
<td>School Services and Managed Care Organizations (MCOs)</td>
<td>2</td>
</tr>
<tr>
<td>Eligibility Requirements</td>
<td>2</td>
</tr>
<tr>
<td>Virginia Medicaid Web Portal</td>
<td>2</td>
</tr>
<tr>
<td>First Time Registrations to the new Virginia Medicaid Web Portal</td>
<td>3</td>
</tr>
<tr>
<td>Eligibility Vendors</td>
<td>3</td>
</tr>
<tr>
<td>Certification and Recertification</td>
<td>3</td>
</tr>
<tr>
<td>Criteria for Covered Services</td>
<td>4</td>
</tr>
<tr>
<td>Assessments</td>
<td>4</td>
</tr>
<tr>
<td>Therapy Guidelines</td>
<td>4</td>
</tr>
<tr>
<td>Therapy Definitions</td>
<td>4</td>
</tr>
<tr>
<td>Criteria for Physical Therapy, Occupational Therapy, Speech-Language Therapy and Audiological Services</td>
<td>5</td>
</tr>
<tr>
<td>Admission Criteria</td>
<td>5</td>
</tr>
<tr>
<td>Definition of a Visit</td>
<td>6</td>
</tr>
<tr>
<td>Home Therapies</td>
<td>6</td>
</tr>
<tr>
<td>Discharge Planning</td>
<td>7</td>
</tr>
<tr>
<td>Physical Therapy</td>
<td>7</td>
</tr>
<tr>
<td>Occupational Therapy</td>
<td>8</td>
</tr>
<tr>
<td>Speech-Language Therapy</td>
<td>9</td>
</tr>
<tr>
<td>Criteria for Audiological Services</td>
<td>10</td>
</tr>
</tbody>
</table>
DIFFERENCES BETWEEN STATES

- Service delivery options
- Documentation requirements
- Determining medical necessity
SERVICE DELIVERY OPTIONS

- Number of students permitted in a group
  - CMS permits group treatment
  - State may set group size limit
  - State may allow service in a collaborative setting

- Telepractice
  - Permissible by CMS
  - States determination
  - OK permits, VA in process
DOCUMENTATION REQUIREMENTS

- Forms
  - States may have optional or required forms
  - States may allow or require computerized systems
  - States may permit the IEP to be used as Plan of Care

- Reduction in paperwork
  - Stakeholders may work with state to determine ways to reduce paperwork burdens
DETERMINING MEDICAL NECESSITY

- Licensed Practitioner of the Healing Arts determines medical necessity
  - CMS permits speech-language pathologists to make determination if allowed by state scope of practice
  - Some states still require a physician to determine medical necessity
  - Some states permit SLPs to determine medical necessity
CHANGING GEARS
Innovations

- Change to Medicaid Administrative Claiming (MAC) Methodology in Kentucky
- Collaboration on use of telepractice in Virginia
DATA REQUIREMENTS

- Specific data is required from various entities including:
  - State Medicaid Program
  - Local Education Agency (LEA)
  - Individual Providers
LEA DOCUMENTATION INCLUDES

- Attendance records
- Transportation logs
- Medical records
- Clinical notes of the service performed
- Service claims
- Medical provider qualifications associated with licensing and certification
- Payroll records associated with school personnel providing services
- Copies of contracts with medical providers
- Cost report
- Sign-in sheets from training sessions
- Time study logs and manuals
SLP Documentation Includes

- Determinations of medical necessity for services,
- Plans of care,
- Records of treatment sessions,
- Records of progress notes, and
- Documentation of supervisory activities.
DATA REQUIREMENTS

- Federal requirements
- Any state requirements
  - Specific forms
  - Additional data
- Any local requirements
  - Specific forms
  - Additional data
FEDERAL DATA REQUIREMENTS

Each claim must include:

- Date of service
- Name of recipient
- Medicaid identification number
- Name of provider agency
- Person providing the service
- Nature, extent, or units of service
- Place of service
WHAT’S YOUR DATA REQUIREMENT?

- Is any additional data required?
- Is it a state or local requirement?
- Why is it required?
CHANGING GEARs
The OIG is charged with:

- Protecting the integrity of the Department of Health and Human Services (HHS) programs and their beneficiaries
- Conducting audits, investigations, and inspections
- Providing reports and recommendations to the Secretary of HHS
Objective of the audit program was to determine whether state Medicaid program claims costs were allowable and met all federal and state requirements.

18 state Medicaid school-based programs were audited between 2001-2005. See findings at: www.asha.org/practice/reimbursement/medicaid/oig_reports.htm

Two additional state Medicaid programs were audited in 2010: AZ and NJ.

Areas of concern to SLP/A:
- Provider qualifications
- Documentation

Each of the audits recommended refund of federal payments.
Medicaid will reimburse for speech-language pathology services if they are delivered by or under the direction of a qualified SLP.

A qualified SLP is defined in Medicaid regulations [42 CFR 440.110(c)] as an individual who:

1. Holds the CCC from ASHA
2. Has completed the equivalent educational requirements and work experience necessary for the certificate; or
3. Has completed the academic program and is acquiring supervised work experience (Clinical Fellowship) to qualify for the certificate
Audiologist Provider Qualifications

A qualified audiologist is defined in Medicaid regulations [42 CFR 440.110(c)] as an individual who:

- Holds a master’s or doctoral degree in audiology
- Holds state licensure
- In states without licensure or settings which exempt audiologists for licensure the audiologist must:
  - Have obtained the CCC from ASHA
  - Completed a minimum of 350 clock hours
  - Completed a supervised 9 month clinical fellowship
“Under the Direction of” Rule

- CMS has issued little guidance on the “Under the Direction of” rule

- In 1992, CMS indicated that “Direction” means
  - a qualified provider must see a patient/client at least once,
  - prescribe the type and frequency of treatment needed,
  - periodically review the need for continued services, and
  - accept responsibility for all services provided by the individual he/she is supervising.
“Under the Direction of” Rule

In 2004, CMS issued the further guidance as part of a final rule on provider qualifications for audiologists indicating that the audiologist must:

- see the beneficiary at the beginning and periodically during treatment,
- have continued involvement in the treatment provided,
- review the need for continued treatment throughout the treatment, and
- work under the terms of employment ensuring that the audiologist is adequately supervising the individual providing services.
Documentation is essential in demonstrating that medically necessary services are being provided to eligible beneficiaries.

Schools, as providers, must keep organized records that provide detailed client information including specific services provided.

Relevant data includes:

- Dates of service
- Service provider
- Location where the service was provided
- Medical documentation related to the diagnosis
- Length of time
- Third party billing information, where applicable
**Reimbursement Issues**

- Medicaid reimbursement is being used in some cases to balance the state budgets
  - Permissive services including services to adults and hearing aid services have been eliminated in many states
  - Medicaid reimbursement rates for covered services to children are being slashed or bundled
    - ME – 28% reduction in reimbursement for PT, OT and speech
    - TX – 20% across the board for OT, PT, speech
    - SC – limited to 75 hours total for PT, OT, and speech (300-15 minute units)
    - NY – 20 total visits for PT, OT, and speech combined
    - WA – effort to eliminate all school-based Medicaid services; compromise was reached that changed the payment system; schools will not be paid until federal share is received
REIMBURSEMENT ISSUES

○ Congress Response to Medicaid
  • Various proposals have been suggested by Congress, including a block grant to states program which would allow states to develop own program (e.g., managed care program)
  • Give states flexibility to use a benchmark benefits plan (develop a plan for optional populations)
  • Simplify federal Medicaid payment system. Uncomplicated federal-state match program
  • Congressional Super Committee may cut Medicaid reimbursement to schools in order to eliminate fraud and abuse

○ Strategies for Economic Issues
  • ASHA: ASHA has written numerous letters to state legislatures and Medicaid offices opposing cuts and elimination of Medicaid reimbursement
  • State: State associations are responding by testifying at hearings, submitting comments, and mobilizing grassroots
CHANGES TO MEDICAID
Federal, State, or Local?

- The requirement to collect a new piece of data
- The amount of reimbursement provided for a specific billing code
- The process for participation in Random Moment Time Studies
- The forms used to document treatment for students receiving services
WHAT WOULD YOU CHANGE IF YOU COULD?

1. Paperwork
   - Forms
   - Redundant Data

2. Group size

3. Use of funds
PAPERWORK

- Is it a state plan requirement?
- Is it a local requirement?
- Why is it required?
- What are the options for change?
- Who are the stakeholders?
REVIEW A SAMPLE FORM

Department of Medical Assistance Services / Local Education Agency Services

Speech Language Therapy Progress Notes

Student Name: ___________________________ MM/YY: ____________

Last First

Medicaid/FAMIS #: ____________________________________________

Therapist/Asst. Therapist Signature & Title
Therapist/Asst. Therapist Printed Name

Initials

Supervising Therapist Signature & Title (as applicable)
Supervising Therapist Printed Name

Treatment Log

<table>
<thead>
<tr>
<th>Date (mm/dd)</th>
<th>*Type of Contact</th>
<th>Speech Language Therapy Activity</th>
<th>Student response to treatment (must be measurable)</th>
<th>Initials of Provider</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Select one</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Fluency
- Articulation
- Language
- Auditory Processing
- Non-oral communication
- Phonological Awareness
- Instruction of Staff / Caregiver

- Oral Motor Ex
- Voice
- Aural rehab


- Select one
Steps to a Paperwork Change

- Elimination of redundant state forms
  - Collaboration between SEA and Medicaid Agency
  - Identified that data already existed in SLP reports and IEP
  - Eliminated form for dismissal from services
Steps to a Paperwork Change

- School division adjusts paperwork
  - School division identified high numbers of Medicaid eligible students
  - Reviewed data that was required for billing
  - Changed IEP forms to include Medicaid specific data elements
  - Changed data collection system for division to align with Medicaid requirements
  - No more double data entry
USE OF FUNDS

- Is it a state plan requirement?
- Is it a local requirement?
- Why is it required?
- What are the options for change?
- Who are the stakeholders?
Examples of Changes in Use of Funds

- School Division examples of change:
  - Portion of funds used for therapy materials
  - Portion of funds used for professional development or ASHA certification maintenance
  - Portion of funds used to purchase data collection tools or software
  - Portion of funds used to hire assistants or additional staff
ADVOCATING FOR CHANGE

 Identify the issue and the goal
 Determine if the issue is a federal, state, or local requirement
 Contact appropriate staff to discuss your concerns
 Team with others to advance your ideas
  • Other SLPs
  • State Association and ASHA Staff
  • State Education Agency
  • State Medicaid Agency
  • University Programs
AN EXAMPLE OF ADVOCACY

- Virginia SLPs wanted to use telepractice in schools
- State association, university staff, ASHA staff, and agency leads met to discuss the idea
- Pilot study in schools began in 2009
- Research, data, and state plan were reviewed
- Changes to RMTS required
- Waiting on state memo regarding use of telepractice in schools
Advocacy Planning

- What is the issue?
- What is the goal?
- Is the issue a federal, state, or local requirement?
- Who can help you determine locus of control?
- Who is the appropriate contact person?
- What other stakeholders should be involved?
Q & A
SESSION EVALUATION

- Conclusion and Session Evaluation
CONTACT INFORMATION

- Marie Ireland: Marie.Ireland@doe.virginia.gov
- Janet Deppe: jdeppe@asha.org
- ASHA State Liaison:
  - Northeast – CT, DC, DE, MA, ME, MD, NH, NJ, NY, OH, PA, RI, VT
    Susan Adams, sadams@asha.org, 800-498-2071, ext. 5665
  - South Region – AL, AR, FL, GA, KY, LA, MS, NC, SC, TN, VA, WV
    Janice Brannon, jbrannon@asha.org, 800-498-2071, ext. 5666
  - Central Region – IA, IL, IN, KS, MI, MN, MO, ND, NE, SD, OK, TX, WI
    Janet Deppe, jdeppe@asha.org, 800-498-2071, ext. 5668
  - West Region – AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY
    Eileen Crowe, ecrowe@asha.org, 800-498-2071, ext. 5667
CONTACT INFORMATION

Direct Liaison Regional Model

- Northeast
- Southeast
- Central
- West
RESOURCES

- Medicaid 101: A Primer for Speech-Language Pathologists in Education Settings, Perspectives, ASHA, 2011 Issue 12 3-11 March 2011
  http://div16perspectives.asha.org/cgi/content/abstract/12/1/3

- Medicaid vs. IDEA Funding
  www.asha.org/practice/reimbursement/medicaid/IDEAMedicaid.htm

- School Finance Committee Medicaid Resources
  www.asha.org/advocacy/schoolfundadv/default.htm
RESOURCES

- Medicaid Funding Success Stories
  [www.asha.org/about/legislation-advocacy/state/advocacy-schools.htm](http://www.asha.org/about/legislation-advocacy/state/advocacy-schools.htm)

- ASHA Summary of OIG Reports
  [www.asha.org/practice/reimbursement/medicaid/SchoolBasedServicesSLP.htm](http://www.asha.org/practice/reimbursement/medicaid/SchoolBasedServicesSLP.htm)