Senate Bill 1557 Legislative Report: School-Based Health Services Medicaid Program

Oregon Health Authority and Oregon Department of Education

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OREGON HEALTH AUTHORITY

OREGON DEPARTMENT OF EDUCATION

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Contents

Executive summary

Health care practitioners and health services in school settings advance an inclusive environment that supports diverse learning needs and contributes to a comprehensive support system for students. As a result, students with health-related needs can attend school, learn, build social skills and connections, and increase overall confidence. These outcomes lay the foundation for lifelong success, wellness and well-being. School-based health services, required for students under the Individuals with Disabilities Education Act (IDEA) and Section 504 of the Rehabilitation Act of 1973, not only address individual student needs but also promote a positive and inclusive learning environment for all students.

There is a high need for health care practitioners and health services in school settings, but Oregon education agencies are facing a budget shortfall. Oregon school districts have the option of participating in the School-Based Health Services (SBHS) Medicaid billing program, which provides partial reimbursement for the delivery of covered health services to students enrolled in Medicaid (SBHS Medicaid billing is mandatory for Early Intervention/Early Childhood Special Education [EI/ECSE] programs). However, only 59 (including EI/ECSE programs), or about 30 percent, of Oregon's school districts currently participate in the program.

To address the high need for and importance of school health services and to begin to close funding gaps for education agencies, Senate Bill (SB) 1557 directed ODE and OHA to develop strategies and recommendations to leverage federal Medicaid or CHIP funds to support the inclusion, academic success and well-being of all Oregon students under 21 years of age who are eligible for medical assistance and receiving school health services. ODE and OHA must provide a report to the Oregon Legislature outlining the strategies and recommendations developed. The report must contain, at minimum:

- Strategies to simplify medical assistance billing for school districts (addressed by Findings 1, 2 and 3).
- Recommendations for any needed investments in infrastructure, including staff and technology, to ensure low-barrier access to services in the medical assistance program for eligible students (addressed by Findings 3 and 4).
- Specific recommendations related to leveraging federal funds to increase access to school-based services (addressed by Findings 3 and 4).

Each Oregon education agency is unique in physical structure, staffing, geographic location, student demographics and size. Each education agency develops its own SBHS Medicaid billing processes, cost rates and billing priorities. There is also significant variation in how health care practitioners provide and document services in school settings: education agencies employ

health care practitioners directly, use practitioners hired and supervised by their local education service districts (ESDs) and/or contract for health services, either in-person or via telehealth. This adds layers of complexity in determining the best methodology for improvements to the SBHS Medicaid program. Despite this complexity, in collaboration with school districts, ESDs, EI/ECSE programs and other health and education partners, ODE and OHA identified key systems and structures required to successfully and sustainably bill the SBHS Medicaid program for health services provided to students. ODE and OHA surveyed and solicited feedback from participating and non-participating education agencies and other health and education partners to better understand the barriers experienced and generate suggestions for improving the SBHS Medicaid program.

ODE and OHA offer the following findings and recommendations:

Finding 1: Shortage of school health care practitioners and program administrators.
Recommendation 1: Invest in school health care practitioners and program coordinators to support billing for eligible services.

Finding 2: Absence of statewide technology platforms.
Recommendation 2: Invest in a statewide study to determine education agency technology needs and preferences, to inform a necessary, future investment in technology infrastructure.

Finding 3: Need for training and professional development.
Recommendation 3: Dedicate funding to support ESDs as regional supports for school districts and EI/ECSE programs.

Finding 4: Administrative complexity and barriers to accessing reimbursement.
Recommendation 4: Fund ODE and OHA to research, analyze and implement options to reduce the administrative complexity of the SBHS Medicaid program and increase reimbursement for school-based services.

A member of the Legislative Assembly can find the full Legislative Report on the Oregon Health Authority's "2025 OHA Legislative Requests" page, or they may contact the Oregon Health Authority government relations division at OHA.governmentrelations@oha.oregon.gov.

Introduction

The Oregon Health Authority (OHA) is Oregon's state Medicaid agency and has authority over and administers the state's School-Based Health Services (SBHS) Medicaid program and associated rules and regulations. OHA's Medicaid State Plan establishes how Oregon will adhere to Medicaid requirements in the Social Security Act and associated federal regulations. A Medicaid State Plan, and amendments to the plan, must be approved by the Centers for Medicare & Medicaid Services (CMS).

The Oregon Department of Education (ODE) is Oregon's state education agency and is primarily responsible for the state's supervision of Early Intervention/Early Childhood Special Education (EI/ECSE) programs, public elementary schools and public secondary schools. For the SBHS Medicaid program, ODE provides support to education agencies[1] for efficient and sustainable Medicaid billing, alignment of education systems and processes in schools, interpreting education rules and regulations, and navigating the crossover between health and education.

ODE and OHA partner to provide training, technical assistance, guidance and resources for education agencies. This report provides an overview of the background of the partnership between ODE and OHA, the work that has been done to address barriers to accessing SBHS Medicaid reimbursement, and ongoing work to optimize the program.

ODE and OHA recognize the critical role of school health care practitioners in ensuring the overall health, safety and well-being of students. These health professionals play a pivotal role in accommodating and delivering students' diverse health needs so that they can attend school and participate in their education. The Individuals with Disabilities Education Act (IDEA) and Section 504 of the Rehabilitation Act of 1973 require that school districts provide these services if needed by a student to access their public education. School districts are required to provide every student with access to a free appropriate public education, which ensures that students with disabilities have access to an education that is both free of charge and designed to meet their unique learning requirements. These professionals help not only with students receiving special education, but also with the general student population and school- and districtwide education initiatives. In recent years, the Oregon educational landscape has witnessed an increasing need for school health services for students, and an increasing need for school-based health care practitioners. At the same time, Oregon's education agencies have faced new challenges to sustain and expand investments in school health services and health care

[1] Throughout this report, the term "education agencies" is used to include school districts, education service districts (ESDs) and EI/ECSE programs. Historically, participation in the SBHS Medicaid direct services program has been limited to school districts and EI/ECSE programs. The Oregon Administrative Rules (OARs), finalized in September 2024, will clarify that ESDs may also participate in the direct services program.

practitioners. These challenges include the end of emergency pandemic relief funding; declining student enrollment; and increased operating costs due to inflation.

SBHS Medicaid is one way to bring additional federal revenue into education agencies to support the provision of school health services. However, due to several factors, it is not a highly used program in Oregon, with only 30 percent of education agencies participating in SBHS Medicaid direct service billing.

This report provides detail, discussion, data and analysis, and findings and recommendations for how to address barriers that education agencies face in accessing federal Medicaid and Children's Health Insurance Program (CHIP) funds to support SBHS Medicaid.

OHA and ODE acknowledge the following groups and individuals for contributing to the content and recommendations included in this report: the School Medicaid Advisory Committee (SMAC), WestEd and the more than 100 school health care practitioners and school administrators who responded to a survey requesting insight into Oregon's SBHS Medicaid program.

Background

Program summary

Medicaid is a state and federal partnership focused on funding health and medical services for enrolled beneficiaries. Since 1988 Medicaid has permitted payment for covered medically necessary services provided to children and young adults eligible under IDEA, pursuant to an Individualized Family Service Plan (IFSP) or an Individualized Education Program (IEP). There are three types of SBHS Medicaid billing in Oregon, described below.

Medicaid Administrative Claiming, which provides reimbursement to school districts for activities related to the administration of Medicaid. These activities include referrals to medical or dental services, assisting a student or family in enrolling in the Oregon Health Plan and coordination of Medicaid services.

Direct Services: EI/ECSE, which provides reimbursement to ODE-contracted EI/ECSE programs for Medicaid-covered health services provided to children from birth to five (pre-K) years old, pursuant to an IFSP. ODE contractually requires EI/ECSE programs to bill Medicaid.

Direct Services: K–12, which provides reimbursement to school districts and ESDs for covered health services provided in school settings, pursuant to an IEP. There is no requirement for education agencies to bill for K–12 direct services.

Public school settings provide a unique opportunity to reach and assist some of Oregon's most vulnerable students (such as children experiencing houselessness, including those living in shelters, or living with other families; children with disabilities; and children from migrant families) and connect these students and their families with community application assistance to apply for the Medicaid program, and with benefit and service access available once they are enrolled in Medicaid.

This report primarily focuses on improving SBHS Medicaid direct services billing; however, education agency enrollment in both direct services and Medicaid Administrative Claiming programs is beneficial for the education agency and may increase overall reimbursement.

As previously noted, SBHS Medicaid reimbursement has been available to education agencies since 1988, to help offset costs for health services required by IDEA when these services are provided to Medicaid-eligible students. In 2014 CMS reversed its policy, known as the "Free Care Rule," that prohibited Medicaid payment for services provided to enrolled children if those services were available without charge to the community at large. This policy change permitted states to cover medically necessary services for any Medicaid-eligible student, regardless of whether those services were provided pursuant to IDEA. Oregon's state plan amendment (SPA) to take advantage of this policy change was approved in May 2023 (see the following "Current opportunities for Oregon" section for more detail). To further expand access to school-based behavioral health services, Oregon's SPA was approved in February 2024 and adds Teacher Standards and Practices Commission (TSPC)-licensed school psychologists, school counselors and school social workers as Medicaid-recognized practitioners in school settings.

Pending finalization of updated Oregon Administrative Rules (OARs) to reflect the May 2023 approved SPA, school districts, education service districts (ESDs) and EI/ECSE programs may bill Medicaid for covered health services when the following conditions are met:

- The student is an actively enrolled Medicaid member.
- The education agency is an enrolled School Medical Provider.
- The services are identified in an individual plan of care.
- The services are included in Oregon's Medicaid State Plan.
- The services are provided by a medically qualified individual within the scope and practice of their licensure.
- The services are not claimed or reimbursed to another provider.

Covered services are in alignment with federal Early and Periodic Screening, Diagnostic and Treatment (EPSDT) requirements and may include, but are not limited to, nursing, physical therapy, occupational therapy, speech-language pathology and audiology, behavioral health services, social work, and specialized transportation services.

Efforts to address barriers

In 2015 Senate Bill (SB) 698 created a Task Force on School Nursing in response to continued concerns over the level of school nursing support provided to Oregon students. The task force came up with several recommendations. One recommendation was for legislative investment to better leverage revenue from SBHS Medicaid billing to fund school nurses. This recommendation led to SB 111 in 2017 and the School Medicaid Pilot Project.

SB 111 directed ODE and OHA to conduct a pilot project to determine the effectiveness of utilizing Medicaid reimbursement to help address the shortage of school nurses in Oregon. ODE submitted a report to the Oregon Legislature on the results of the pilot project. The legislative investment in the pilot project and permanent staff positions granted to ODE and OHA have led to deeper relationships and improved coordination between the two agencies, as well as multiple program improvements to address barriers experienced by education agencies. These improvements are described in the rest of this section.

Improved agency collaboration. The pilot project launched unprecedented collaboration between ODE and OHA. The project began with very little guidance, few existing resources for education agencies, and no joint training or communication efforts. The state-level partnership and collaboration initiated by the SB 111 pilot project continues and is especially critical as the agencies work to implement the updated SPAs and federal guidance. The partnership between ODE and OHA has reduced barriers for education agencies through rule and policy changes, technical assistance and resources, and training opportunities.

Increased partner engagement. Efforts of ODE and OHA have also led to increased engagement with education agencies and other education partners, which has been critical in the development of resources and assistance to address barriers experienced by education agencies. ODE has developed relationships with the licensing boards for nursing, physical therapy, occupational therapy, and speech-language pathology and audiology and has partnered with them to develop resources, give presentations and provide joint responses to the field. ODE also collaborates with the licensing boards on legislation and rule changes.

ODE and OHA have increased partnerships with statewide groups of practitioners, such as the School Nurse Advisory Group, Extension for Community Healthcare Outcomes/Therapists in Education Settings, and Regional and Statewide Services for Students with Orthopedic Impairments.

ODE and OHA also co-facilitate the School Medicaid Advisory Committee (SMAC). The SMAC is a 20-member group representing school health professionals, education administrators, parents and guardians, advocacy groups and other individuals who bring expertise on policy and

funding related to School Medicaid and school health issues. The SMAC is an informal advisory body with the following goals:

- Maximize School Medicaid billing in Oregon.
- Remove barriers to participation.
- Develop and update training and resources.
- Increase the number of education agencies participating in School Medicaid.
- Continue to identify program improvements.

Enhanced technical assistance resources. ODE and OHA have developed new resources and materials that provide guidance addressing some of the barriers that education agencies face when implementing the SBHS Medicaid program. The pilot project identified that onboarding was burdensome, requiring significant time and resources as school districts aligned systems and learned the requirements of the SBHS Medicaid program. In response to lessons learned during the pilot project, ODE and OHA developed resources and information that address these challenges, including:

- The School Medicaid Billing Checklist
- The School Medicaid Cost-Benefit Analysis
- The School Medicaid Billing Readiness Assessment
- The Quality Medicaid Assurance Plan to support sustainability
- The School Medicaid Billing Manual to assist with implementation and maintenance of the program

ODE and OHA also developed recommendations that districts dedicate at least partial staff time to program coordination; begin small, with a plan to expand the program year over year; and reinvest Medicaid reimbursement into school health services.

Modified rules and policies. In addition to efforts to expand the program, described in the following "Current opportunities for Oregon" section, multiple policies and regulations were addressed to improve school district participation in the SBHS Medicaid program. ODE added Medicaid-specific account codes to the Program Budgeting and Accounting Manual to improve tracking of SBHS Medicaid revenue in school district budgets. Additionally, two state education grants, the High-Cost Disability Grant and the State School Fund Transportation Grant, had rules and policies that disincentivized school district Medicaid billing. Both grants required that any Medicaid reimbursement received be deducted from the state funding applications. With input from pilot districts, the Oregon Association of School Business Officials and education partners, ODE successfully updated OARs and policies. School districts are no longer required to deduct School Medicaid revenue from grant applications for these two grants.

Federal efforts. The U.S. Congress passed the bipartisan Safer Communities Act in June 2022 to protect communities from gun violence. To expand access to Medicaid reimbursement for school-based mental and behavioral health services and supports, the act included language requiring CMS to:

- Update Medicaid School-Based Services (SBS) guidance documents that had not been updated since 1997 and 2003 (updated guidance was released in May 2023).
- Outline strategies and tools that reduce administrative burdens on and simplify billing for education agencies.
- Include a comprehensive list of best practices and examples of approved methods that state Medicaid agencies and education agencies have used to pay for, and increase the availability of, assistance under Medicaid.
- Provide examples of the types of providers that states may choose to enroll, deem or otherwise treat as participating providers for the purposes of Medicaid SBS, and best practices related to helping such providers enroll in Medicaid for the purposes of participating in Medicaid SBS.
- Create a new Technical Assistance Center in consultation with the Department of Education. The TA Center has to report to Congress on the areas where the most technical assistance was requested, to ensure that CMS is accountable and responsive to stakeholder needs.
- Provide $50 million in grants to states for the purpose of implementing, enhancing or expanding the provision of assistance through school-based entities under Medicaid or CHIP.

Current opportunities for Oregon

Building on the momentum described in the previous section, ODE and OHA continue to work collaboratively with education agencies to implement the current opportunities described in this section.

Implementation of program expansion. As previously described, CMS has approved two SPAs to expand Oregon's SBHS Medicaid program to better meet the needs of education agencies. The SPA approved in May 2023 expands covered services beyond those provided to students under IDEA, to allow for increases in the types of billable services; medically qualified individuals who provide billable services; and documented individual plans of care beyond IEP/IFSPs. OARs were finalized September 6, 2024, to reflect these program changes.

The SPA approved in February 2024 adds the ability to bill for services provided by three TSPC-licensed practitioners not otherwise licensed: school psychologists, school counselors and

school social workers. This will expand the capacity of schools to bill for services provided by practitioners commonly practicing in school settings. OHA expects to update OARs to reflect this change in 2025.

CMS grant award for implementation. In June 2024 OHA was notified that Oregon was one of 18 states awarded an Implementation, Enhancement, and Expansion of Medicaid and CHIP School-Based Services grant from CMS. Oregon will leverage these grant funds to address the barriers experienced by education agencies in participating in the SBHS Medicaid program, specifically by expanding outreach to nonparticipating education agencies, increasing access to training and technical support, and increasing OHA staff capacity to implement the program.

OHA will use these funds to support:

- Increasing the number of Oregon education agencies enrolled and actively participating in SBHS Medicaid program, from 59 to 80.
- Increasing claiming by 25 percent for covered services provided to students with an IEP/IFSP and to general education students.
- Increasing federal reimbursement for participating education agencies.
- Increasing access to health care services for Medicaid- and CHIP-enrolled students.

OHA, in collaboration with ODE, will accomplish these goals through statewide implementation of the following activities:

- Expanding state capacity to provide technical assistance and address infrastructure needs through hiring one limited duration operations and policy analyst, and contracting with WestEd, a research and service agency with expertise in educating and engaging education agencies in accessing Medicaid reimbursement for services in school settings.
- Developing and implementing a training and technical assistance plan that provides support for education agencies in addressing barriers, challenges and infrastructure needs in order to successfully participate in and comply with the SBHS Medicaid program.
- Conducting needs assessments that identify areas for program improvement, barriers to participation, and infrastructure barriers. Findings from the needs assessments will directly inform the training and technical assistance plan.
- Expanding access to billing infrastructure for a pilot group of education agencies by contracting with an existing billing system.
- Increasing education agencies' and partners' engagement in Oregon's SBHS Medicaid program through implementation of strategies to generate input, guide program

improvements and facilitate increased community engagement in and understanding of the delivery of Medicaid services in school settings.

- Evaluating the effectiveness of grant activities by reviewing data and partner input to monitor and assess service utilization in school settings.

Summary of data and engagements

Methodology

To inform the recommendations in this report, ODE and OHA gathered feedback on the SBHS Medicaid program through an online survey and through a facilitated discussion with the recently convened SMAC. The recommendations are also informed by learnings from the SB 111 School Medicaid Pilot Project and by continued engagement with education agencies and education partners.

Online survey. ODE and OHA created an online survey to gather input on strategies and recommendations for improving federal Medicaid and CHIP funding for SBHS Medicaid. Responses to the survey were collected between May 31, 2024 and June 11, 2024. ODE distributed the survey via listserv to the following audiences: superintendents, K–12 public information officers, education partners, special education directors, business managers, School Medicaid personnel, Oregon school nurses, the Occupational Safety and Health Administration, the Coalition of Oregon School Administrators, the Regional and Statewide Services for Students with Orthopedic Impairments, EI/ECSE contractors, regional inclusive services contractors, the Oregon Education Association, the Oregon School Employees Association, the Oregon School Boards Association, and licensing boards for occupational therapists, physical therapists and nurses. OHA distributed the survey via email to the SBHS Medicaid program listserv, the Oregon Primary Care Association, Oregon Health and Sciences University's Office of Rural Health, and the Pathways program. The survey responses are summarized in the following "Summary of survey data" section.

School Medicaid Advisory Committee. As previously noted, the SMAC serves as an informal advisory body that provides recommendations to ODE and OHA regarding updates to existing program rules, policies and/or resources. The SMAC's first meeting, June 25, 2024, included a discussion about program barriers, challenges and recommendations. Identified barriers were aligned with the themes identified in the survey responses, such as staffing costs, administrative burden and lack of integrated technology platforms.

Summary of survey data

Survey respondents were asked ten questions, including multiple-choice and short-answer responses. Respondents had the opportunity to indicate their district's provision of school health services by service category, their current engagement with SBHS Medicaid billing, and the challenges they face in the process, and to provide recommendations for structural improvements to SBHS Medicaid billing processes. The survey was semi-anonymous, with the only identifying question asking which education agency the survey participant represented.

A total of 116 individuals, representing 60 of Oregon's school districts and ESDs, responded to the survey. This represents 30 percent of Oregon's school districts and ESDs and is representative of education agencies statewide in terms of size by student population and geographic type (e.g., rural, suburban and urban). In some cases, respondents from the same school district or ESD responded with different answers to the same question. For example, out of four respondents from one school district, two indicated that they were currently billing SBHS Medicaid and two indicated that they were not. This example illustrates that, while a school district may be currently billing SBHS Medicaid, not all practitioners or individuals in the school district may be actively billing or aware of billing practices.

As illustrated in Figure 1, the majority of respondents (62 percent) were not billing Medicaid for any service. However, a majority of survey respondents indicated interest in billing SBHS Medicaid in the future.

Figure 1. Percent of survey respondents currently billing Medicaid for any service

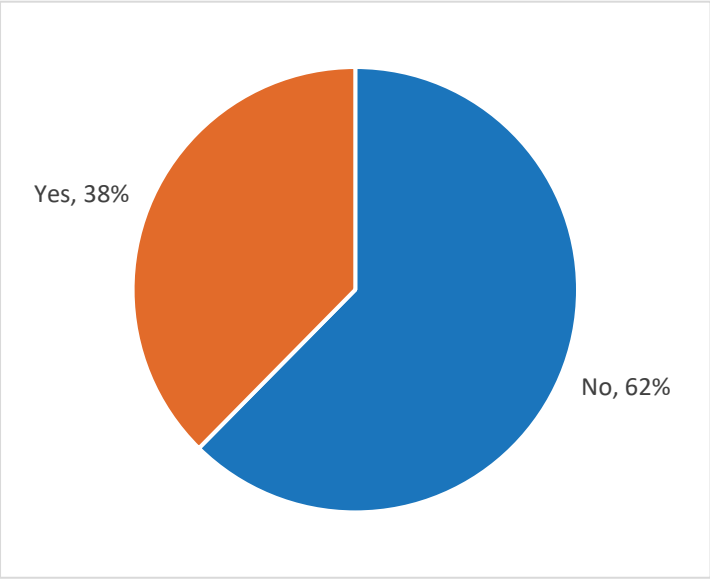
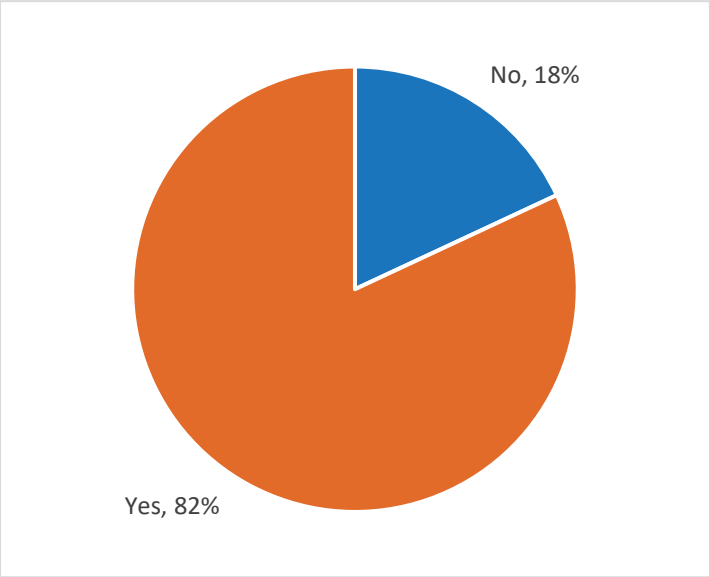


Figure 2 shows that, of the 62 percent of respondents not currently billing Medicaid, 82 percent responded that they are interested in doing so, with only 18 percent responding that they are

not interested. Given the limited representation of education agencies statewide, it may not necessarily be true that there is overwhelming interest in participating in billing SBHS Medicaid; it is possible that many education agencies not interested in participating did not respond to the survey. Subsequent survey responses explore existing barriers and changes that would encourage respondents to start billing.

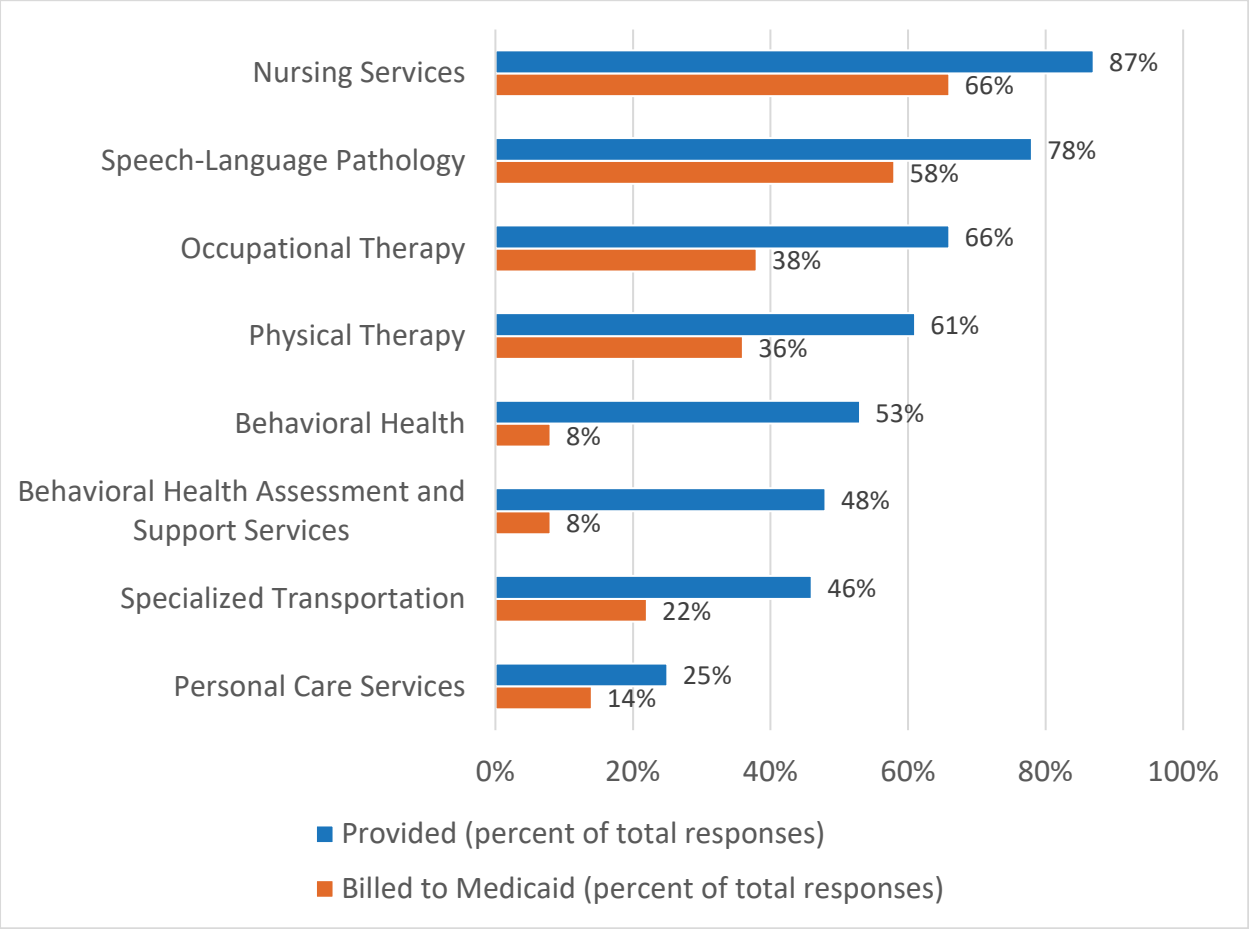
Figure 2. Percent of nonparticipating respondents interested in billing Medicaid



Respondents were asked which school health services are being provided by the school district they represent, and which school health services are being billed for SBHS Medicaid in their district. For both questions, survey respondents selected from a list of service categories.[2] As shown in the following Figure 3, the most frequently provided services were often the most frequently billed for SBHS Medicaid. The notable difference from this trend is around billing for behavioral health services and assessments, which is drastically lower than the percents of survey respondents saying that those services are provided by the education agency.

[2] Definitions of service categories were not provided in the survey. As a result, some of the service categories are subject to individual interpretation, and the summary data may be skewed. For example, personal care services are not billable to SBHS Medicaid. Additionally, not all respondents may be aware of every service offered in their district.

Figure 3. Percent of survey respondents providing services compared to billing Medicaid for the same service



Note: This figure is fully described in Appendix A.

Survey themes and findings

WestEd performed a qualitative thematic analysis to identify the themes that arose from each of the open-ended questions. This analysis found that school districts and EI/ECSE programs faced similar barriers and provided common recommendations for simplifying SBHS Medicaid billing, with little variation. This finding suggests that addressing the most frequently reported issues would likely improve SBHS Medicaid billing in nearly every education agency. The following sections provide quotes from survey responses, to illustrate each finding and to present insights directly from respondents. Some comments have been edited for anonymity, capitalization, punctuation and acronym clarification.

Barriers to Medicaid billing in schools

Ninety-eight survey participants responded to the question "What barriers are keeping you from billing Medicaid?" Respondents included both participants who are currently billing SBHS Medicaid and respondents who are not. Notably, the response rate to this question was

significantly higher for participants who are not currently billing SBHS Medicaid than for those who are. This may suggest that, while both participants and nonparticipants in the SBHS Medicaid program experience barriers, these barriers are more significant for those onboarding or new to the program. Responses reflected a range of experiences, from respondents who have never tried billing SBHS Medicaid, those who have billed SBHS Medicaid in the past and have since ceased, and those who are currently billing SBHS Medicaid but still experience barriers to maximizing usage. The following sections summarize the most frequently reported barriers.

Staffing challenges and workload concerns (45 responses)

The primary barrier reported was the administrative burden that billing SBHS Medicaid requires of health care staff as well as of staff needed to coordinate billing. This theme is consistent with other state efforts to address workload challenges faced by school health care practitioners and program administrators (such as the House Bill 2618 report). Many related comments from the survey were concise, such as "Staffing" or "Time for staff." Selected comments from respondents:

- "Time for staff to bill, due to workload."
- "The cost of electronic charting system; staffing hours needed to train/document/bill."
- "The financial return did not provide additional funds that supported the clerical staff or the increased workload. Overall, the district had a negative return."

Knowledge deficits and lack of training (38 responses)

Many responses expressed a lack of knowledge about how to initiate billing SBHS Medicaid or about how to identify billable services. Respondents identified a need for education and training, both for education agencies currently billing and for those yet to start. Selected comments from respondents:

- "The Health Services Team has questions regarding National Provider Identifier (NPI) information. It is important to have protection in place for nurses regarding any potential fines/penalties from incorrect data entry/billing. There are specific recommendations (pre-checklist) for starting a Medicaid billing program (Medicaid QA program, someone in the role of Medicaid billing coordinator, etc.) which need to be established/completed prior to initiating. The Health Services Team will need training for Medicaid billing process and expectations."
- "I don't think we know where to start; we don't know which services that we are providing are billable."

- "We are billing; however, nursing has a lot of questions regarding the process for Medicaid billing and our role/responsibilities."

Regulatory and compliance issues (27 responses)

The next most frequently reported barrier was related to the nature of the regulations and requirements for program participation. Selected comments from respondents:

- "Lack of clear and concise state guidelines, regulations, and trainings. This is information although most of the work is about the learning curve of the district. Each district is trying to learn from the others, yet all do it differently. Hope future OARs create clear guidelines."
- "Billable services are limited, cumbersome documentation, securing annual signatures from parents, added work to providers."
- "Our services don't currently qualify (medical needs support and school counselor)."

Recommendations for simplifying School Medicaid billing

Eighty-four survey participants responded to the question "What strategies and/or recommendations do you have to simplify School Medicaid billing?" The most frequently reported recommendations are aligned with the aforementioned barriers and are summarized in the following sections.

Clear training and guidance (27 responses)

Respondents expressed interest in training and guidance for staff across the range of roles that would be involved in the SBHS Medicaid billing process. Selected comments from respondents:

- "Clear training on what fits into different codes and what is allowable. Scenarios with what billing would look like."
- "Specialized training for the different school-based health services—physical therapy (PT), occupational therapy (OT), nursing, Medicaid coordinator, etc."
- "Systems and clear guidance with evidence of outcomes of financial investment. Each district trying to learn, as well as each pilot program doing things differently, does not have clear systems. Oregon should focus on adopting a system and implementing standard guidelines."
- "Establish and communicate statewide protocol for districts and contracted mental health and behavioral health providers to understand who will bill/receive Medicaid reimbursement for services to students."

Technology integration and support (20 responses)

Participants expressed a desire for easier tracking and submission of documentation. Suggestions included implementing a statewide electronic health record charting system in an easy-to-use online platform. Responses emphasized that online education record systems are not adequate for medical documentation. Selected comments from respondents:

- "A statewide place to log service notes for all students would be helpful, especially if it was able to connect directly with [name of billing platform] or another Medicaid billing platform. It also takes additional classified staff to support licensed professionals who bill Medicaid."
- "Easy access to insurance verification."
- "Optimize documentation and Medicaid billing into our current software. In the past, Medicaid billing required special paper documentation."

Reducing program complexity (14 responses)

Respondents requested streamlined processes and efficiency improvements. Selected comments from respondents:

- "If we would have had very clear directions/guidance regarding how an IEP needs to be written in order to be able to bill for Medicaid, this would have been very helpful in avoiding time-intensive revisions."
- "Standardized log sheets for billings like diabetic and tube feeding. A simplified reference sheet on all the different things we can bill for."
- "Please help us simplify the cost development process."

Infrastructure investments for optimizing School Medicaid billing

Eighty-seven survey participants responded to the question "What infrastructural investments are needed at the district level to maximize School Medicaid billing? Please include any staff and technology investments and infrastructural investments." The most frequently suggested investments are summarized in the following sections.

Staffing (52 responses)

As with the aforementioned comments identifying barriers, several responses to this question were concise, such as "Staff capacity," "Time for staff," or "Training." This was the most frequently requested infrastructural investment to maximize SBHS Medicaid billing. Several survey participants also described these types of investments in more detail. Selected comments from respondents:

- "We will need more staff time to do all of the work associated with this. The coordination, research, and implementation required currently do not necessarily equate to a return on investment, especially when considering the staff time/disagreement with having to do extra work for this process."
- "At this time, it would be beneficial to have a dedicated Medicaid specialist for the district who could provide guidance and in-person support for staff who bill. Currently, [student information system] is our information system for student records. This system is unable to bill Medicaid directly. There is a software program specific for medical documentation. It is very expensive. Student records would also be in two different locations: [student information system] and the electronic medical record software program. It would be best to have all student information in one area with the ability to bill Medicaid from that program."
- "Dedicated finance/accounting staff to set cost rates for [school district], determine match, establish accounting and budget protocols. Dedicated HR staff to track licensure status, annual fraud check for SBHS providers. Dedicated IT staff to coordinate efficient interface between [student info system] and SBHS Medicaid billing system."

Technology infrastructure and systems (36 responses)

Respondents requested investments in billing platforms, electronic health records and software. Selected comments from respondents:

- "I don't have the capability to check students' insurance."
- "Lack of a standardized electronic health record."
- "We are currently piloting billing only one-on-one nursing services. The entire system, from top to bottom, is convoluted, mired in bureaucracy, and not designed for public education. This includes at the federal level. We need a simple, streamlined, public education-oriented, functional way to access these funds that does not require staff time away from our students."

Training (25 responses)

Training was a frequent request across all open-ended survey questions. Selected comments from respondents:

- "Provide training for staff who coordinate billing."
- "It is critical to have knowledgeable district-level staff overseeing Medicaid billing. It is complex, so there are extra staff needs, takes time from the business office, and also the need for a technology system to support the billing."

- "Staff member trained in billing, computer, training time, supervision time. NPI provider time to learn, chart, implement new systems."
- "Training to teach providers how to document."

Key findings and recommendations

This report identifies key findings and recommendations in support of the three objectives outlined in SB 1557:

1. A streamlined billing process to reduce administrative burden and ensure timely reimbursement (see the following Finding 3 and Finding 4 sections).
2. Identification and recommendation for investments in infrastructure to facilitate access to medical assistance services (see the following Finding 1, Finding 2 and Finding 3 sections).
3. Enhanced access to various school-based health services by utilizing federal Medicaid and CHIP funds (see the following Finding 3 and Finding 4 sections).

As minimum requirements included in SB 1557, recommendations 1, 2 and 3 propose infrastructure investments to ensure low-barrier access to services. Recommendations 3 and 4 provide strategies to simplify medical assistance billing for school districts and opportunities to leverage federal funds to increase access to school-based services.

Findings reveal frequent challenges across education agencies, including staffing, training, regulatory issues and technology needs. To enhance access to SBHS Medicaid services in Oregon, the state should adopt a comprehensive approach, focusing on reducing barriers, rather than requiring participation. Feedback from the SMAC clearly urged understanding that education agencies are overwhelmed and need access to resources, such as SBHS Medicaid billing guidance, which helps them meet the needs of students. The following recommendations focus on leveraging available resources to expand and improve services in critical areas, including nursing care for medically fragile students, occupational and physical therapy, speech-language pathology, mental and behavioral health care, and personal care. These recommendations align with federal funding opportunities and aim to ensure equitable access for all students to necessary services. Addressing these issues through targeted strategies and investments could enhance the effectiveness of SBHS Medicaid billing processes and maximize positive outcomes for students. Dedicated state and regional resources to support SBHS Medicaid billing are critical if programs are to be improved.

In 2020 ODE outlined several state-level barriers, findings and recommendations in the SB 111 School Medicaid Pilot Project report to the Oregon Legislature. ODE and OHA have partially addressed these barriers through the updated SPAs, through CMS grant funds and through rule changes that OHA is implementing. However, some of these barriers continue and were echoed

by survey participants and by the SMAC. The following sections are organized into categories of key findings, including identified barriers and related recommendations.

Finding 1: Shortage of school health care practitioners and program administrators

Oregon education agencies continue to have a significant shortage of health care practitioners. Education agencies also face challenges in hiring staff with experience administering the SBHS Medicaid program.

The health care practitioner shortage has far-reaching consequences that affect the quality of education and staff and student well-being. High workloads and stress may make it difficult for school staff to meet state and federal education requirements while ensuring adherence to board licensing rules and regulations. This creates health and safety risks for students and staff and affects education agencies' ability to bill SBHS Medicaid because of adding billing responsibilities on top of already high practitioner workloads. This barrier is often compounded by a lack of technological tools, described in more detail in the following Finding 2 section, to aid health care practitioners in efficient documentation, record keeping and delivery of service. With limited staffing and resources, education agencies may experience union concerns, conflicts or formal grievances when implementing SBHS Medicaid programs.

Education agencies also face barriers in adequately staffing for the administration of the SBHS Medicaid program. Program participation and compliance improve when education agencies employ staff dedicated to administrative tasks (such as program management, service coordination and practitioner training) and those positions can also assist school-based health care practitioners in meeting documentation and claiming requirements. However, education agencies face challenges in funding these positions, especially when the education agency is new to the SBHS Medicaid program and has yet to generate enough revenue through program participation to cover the administrative staffing costs.

Education agency models and methods of providing health services vary. The more organized, well-staffed and collaborative an education agency's school health service delivery system is, the more success the education agency will have in implementing and sustaining an SBHS Medicaid program. School administrators, supervisors and health care practitioners must be knowledgeable about licensing board rules, regulations and requirements. This knowledge is especially important in relation to service planning and provision, documentation, and supervision requirements.

Efforts to address finding

OHA and ODE have worked to address the workload issues experienced by licensed school health service providers. All board-licensed practitioners must document the provision of health services per their individual licensing board rules and regulations, regardless of setting. Complete and descriptive documentation of health service delivery also substantiates compliance with IDEA and with Section 504 of the Rehabilitation Act of 1973, and provides evidentiary support in response to due-process complaints and state dispute resolution processes. Documentation also supports high-quality health service delivery, may mitigate risk and liability to individual staff or to the district, and helps ensure that students receive the services that they are entitled to.

Medicaid is often seen by education agencies and practitioners as the driver of additional documentation requirements because it relies on compliance with board rules and regulations. Prior SBHS Medicaid rules did additionally require documentation in the form of a Subjective, Objective, Assessment, and Plan (SOAP) note. These SBHS Medicaid rules were more prescriptive than some board rules and regulations for documentation.

In the updated OARs, OHA has streamlined documentation requirements to mirror respective licensing board rules and requirements without the additional SOAP note documentation standard. The updated OARs also include an exemption from the annual telehealth consent requirement for health services provided via telehealth in school settings.

Recommendation

Invest in school health care practitioners and program coordinators to support billing for eligible services. Suggested strategies to address workforce shortages in schools include:

- Investing in increased staffing of health care practitioners in school settings.
- Incentivizing reinvestment of Medicaid reimbursement into school health services, including research into how other states may or may not have structures that evaluate, encourage and/or require reinvestment of Medicaid revenue.
- Implementing a statewide electronic health records system that integrates with, or serves as, an SBHS Medicaid billing submission platform for education agencies, to reduce administrative burden related to documentation and billing.
- Developing an onboarding technical assistance and/or grant program to address the start-up barriers facing education agencies new to billing, including covering the costs of hiring a coordinator and purchasing appropriate technology and infrastructure.
- Supporting regional and/or education agency SBHS Medicaid coordinator positions through funding opportunities and incentives.

- Implementing a workload methodology for health care practitioners working in school settings.
- Developing statewide recruitment and retention strategies for practitioners working in school settings.
- Supporting integration and alignment of the Early and Periodic Screening, Diagnostic and Treatment, Coordinated Care Organizations and School Based Health Center programs to optimize services to children and families, promote clarity and reduce duplication and administrative barriers.
- Expanding ESD capacity to provide regional support and assistance to school districts and EI/ECSE programs in managing the administrative requirements of SBHS Medicaid billing.
- Increasing coordination efforts between school-based health care practitioners and community-based practitioners (including coordinated care organizations, community clinics and mental health agencies) to provide a comprehensive continuum of services for children and young adults.

SB 1557 also specifically asks for recommendations for increased access to nursing services for medically fragile and medically involved students, and to speech, occupational and physical therapy services. SBHS Medicaid billing for these services has always been allowed and as shown in Table 1, these services are the most billed services in the SBHS Medicaid program. However, increasing outreach to and encouraging enrollment of nonparticipating education agencies will continue to leverage an existing funding stream to support the sustainability of school health care practitioners providing these services.

Finding 2: Absence of statewide technology platforms

Technology plays an integral role in efficient and accurate School Medicaid billing. The absence of statewide technology platforms (such as a student information system, IEP system, electronic health records system, or SBHS Medicaid billing submission platform) makes it difficult for education agencies to implement streamlined approaches to billing. Education agency technology must be aligned and integrated to support staff and education agency processes related to tracking student information and data, service provision per individual plans of care, and required health service practitioner documentation.

Oregon education agencies locally control the selection of technology platforms they use. This independent selection of technology platforms requires system developers to customize SBHS Medicaid billing submission systems to adapt to each platform that education agencies use. This takes valuable time and resources. When systems are aligned and integrated, billing platforms can be an effective tool for mitigating audit risk and streamlining processes. A

statewide student information system, IEP system, electronic health records system and/or SBHS Medicaid billing submission platform would significantly increase education agencies' ability to more efficiently leverage Medicaid.

In addition to software platforms, education agency investment in technological hardware (including laptops, tablets and portable Wi-Fi hotspots) supports the efficiency and effectiveness of SBHS Medicaid billing. Health care practitioners who have easy access to student information and documentation tools are more likely to bill SBHS Medicaid effectively. However, not all education agencies have the resources to provide such tools.

Efforts to address finding

During Year 2 and Year 3 of the CMS implementation grant Oregon plans to conduct pilot projects with a billing system, to increase access and reduce financial barriers experienced by education agencies new to SBHS Medicaid. Education agencies will be selected for each pilot year based upon readiness to bill SBHS Medicaid, and selected education agencies will be provided access to the billing system, with the expectation that each selected education agency will be able to sustain Medicaid billing and necessary technology costs after twelve months of grant-funding support.

While the pilot project and grant funding are substantial supports to bolster SBHS Medicaid billing in the short-term, only a small number of education agencies will participate in the pilot, and ODE and OHA are not able to fund or implement statewide platforms without a legislative mandate and sufficient funding.

Recommendation

Invest in a statewide study to determine education agency technology needs and preferences, to inform a necessary, future investment in technology infrastructure. There is a consensus among education agencies and partners that a lack of integrated technology platforms in school settings may inhibit optimized SBHS Medicaid billing. ODE and OHA could conduct a market analysis and feasibility study to determine a single platform or system to support statewide and engage education agencies to obtain buy-in. The study will assist ODE and OHA in developing a future recommendation for state investment in statewide technology systems, which could increase program participation among education agencies and improve outcomes for students.

Finding 3: Need for training and professional development

SBHS Medicaid billing is complex and requires initial and ongoing training and professional development with all involved staff to ensure consistent implementation of state and federal rules and regulations related to education, health services and Medicaid. Training is most

accessible and effective when it is provided at the state level, by ODE and OHA, and regionally, by ESDs (or school districts) that are experienced in Medicaid billing.

Survey respondents, members of the SMAC and ongoing engagement with education agencies point toward greater needs in the area of training and professional development in support of the SBHS Medicaid program. Areas that have been explicitly identified for training and professional development are:

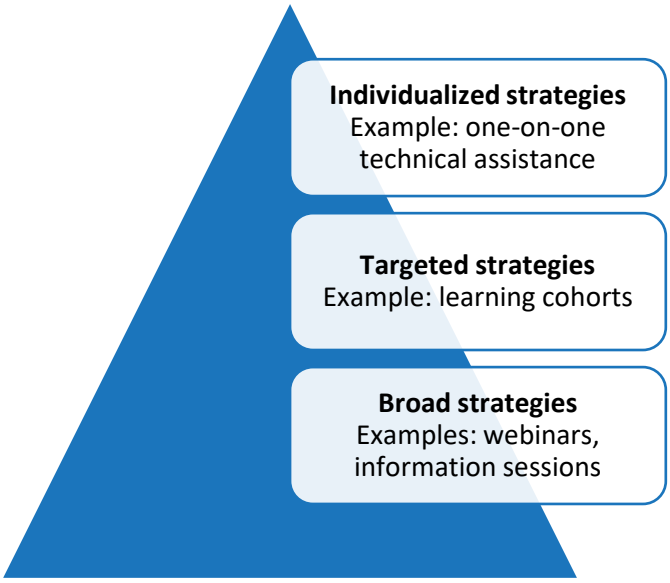
- General program understanding
- Billing for behavioral health services
- Documentation requirements
- Diagnosis and procedure codes
- Cost calculations and fiscal procedures
- Parent consent
- Examples and best practices
- Feasibility, readiness and sustainability

Efforts to address finding

As previously noted, ODE and OHA have partnered to provide training and resources. However, there is a need to increase the frequency of training and update training content, as more education agencies look toward SBHS Medicaid billing, and as the program is expanding in an unprecedented manner to include new practitioner types and to cover non-IEP services. With CMS grant funding, ODE, OHA and their subcontractor, WestEd, are partnering to improve access to information about the SBHS Medicaid program, through the following efforts:

- Launch of an initial webinar series in fall 2024 to onboard education agencies to changes to the SBHS Medicaid program.
- Development of a training and technical assistance plan that will include tiered technical assistance activities (see Figure 4 for an illustration of the tiered approach). These activities will acknowledge that education agencies benefit from a variety of training resources and approaches and recognize that a single webinar or tool will not change education agency participation or claiming behavior.
- Creation of an updated and comprehensive SBHS Medicaid Manual.
- Development of a five-year work plan that sustains ongoing technical assistance after the end of the CMS grant.

Figure 4. Tiered approach to technical assistance



Source: WestEd, 2024

Recommendation

Dedicate funding to support ESDs as regional supports for school districts and EI/ECSE programs. ESDs can play a valuable role in providing technical assistance to their regions and helping to reduce the administrative complexities of the SBHS Medicaid program. The updated OARs also remove the exclusion of ESDs from eligibility to enroll in the SBHS Medicaid direct services program for K–12 students.

Finding 4: Administrative complexity and barriers to accessing reimbursement

The SBHS Medicaid program is complex to administer and to effectively participate in. Administrative complexity is not unique to Oregon's SBHS Medicaid program; many other states struggle to improve access and to address barriers experienced by education agencies in navigating Medicaid rules and regulations.

Additionally, ODE and OHA support the Oregon Legislature's goal of leveraging federal funds, to the extent possible, to increase access to school-based services. This section also describes efforts to address increasing access to reimbursement for:

- Nursing services and speech, physical and occupational therapy
- School-based mental health care
- Nutrition and respiratory therapy
- Personal care and noneducational attendant care services
- Specialized transportation services

Efforts to address finding

Through the enhanced training and technical assistance described in the Finding 3 section, the development of new resources and the ability to expand billing to cover additional school health care practitioners and non-IDEA health services, ODE and OHA are confident that increased clarity about the program will address some of the barriers faced by education agencies, and that increased access to reimbursement may offset the administrative costs associated with program compliance. Additionally, OHA is exploring the flexibilities allowed under the updated CMS guidance, and evaluating whether those options may alleviate some of the current complexities faced by education agencies.

Nursing services and speech, physical and occupational therapy. As previously mentioned, nursing services for medically fragile and medically involved students and speech, physical and occupational therapy are currently allowable services under Oregon's SBHS Medicaid program. The finalized OARs will expand coverage to non-IDEA health services. Expanding outreach and enrolling nonparticipating education agencies will ensure that federal funding is leveraged for these services in as many Oregon schools as possible.

School-based mental health care. Oregon's recently approved SPAs expand billing for mental health services beyond services covered by IDEA and add practitioners, common to school settings, who can provide billable mental and behavioral health services. Oregon's current OARs, updated in September 2024, include psychiatrists, psychologists, nurse practitioners, psychologist associates, licensed professional counselors, licensed marriage and family therapists, licensed clinical social workers, psychology technicians and clinical social work associates. OHA will update the OARs again in 2025 to add TSPC-licensed school psychologists, school counselors and school social workers as billable practitioners.

Nutrition and respiratory therapy. While nutrition and respiratory therapy were added as allowable services under the recent SPA, OHA's OARs limit these services in certain settings. Respiratory therapy is only Medicaid-covered in institutional settings when ordered by a physician, and nutrition therapy is only Medicaid-covered as part of maternity case management. OHA is conducting further research and assessments to understand the feasibility and appropriateness of updating OARs to include these services in school settings.

Personal care and noneducational attendant care services. Oregon's approved SPA includes billing for personal care services. OHA expects to update OARs to include personal care in 2025.

Specialized transportation services. Recent CMS guidance on Medicaid SBS limits covered services to specialized transportation provided pursuant to IDEA on a physically adapted bus. This new guidance is more restrictive than how these services were included in Oregon's

previous SPA; as a result, OHA's ability to expand access to reimbursement for these services is limited at the federal level.

Recommendation

Fund ODE and OHA to research, analyze and implement options to reduce the administrative complexity of the SBHS Medicaid program and increase reimbursement for school-based services. Strategies include the following:

- Evaluating whether opportunities exist for education agencies to participate in Home and Community Based Services, a program administered by the Oregon Department of Human Services, which serves people with intellectual or developmental disabilities, physical disabilities and/or mental illnesses and provides opportunities for Medicaid beneficiaries to receive services in their home or community rather than in institutions or other isolated settings.
- Exploring changes to program administration, which could include transitioning from the current fee-for-service methodology to certified public expenditure and/or simplifying the current rate determination process through increasing state agency capacity.
- Considering subcontracting with a vendor to support training, education agency enrollment and administration of the SBHS Medicaid program.

Conclusion

Every student, regardless of health, need or ability, is entitled to a free appropriate public education. School health services provided pursuant to IDEA or Section 504 of the Rehabilitation Act of 1973 must be provided at no cost to students and families, regardless of the severity of need or the cost associated with required services. SBHS Medicaid billing provides an opportunity to recoup a portion of eligible costs for services. However, due to the concerns previously articulated in this report, not all Oregon education agencies have found a cost benefit to administering an SBHS Medicaid program. ODE and OHA will continue to partner to implement the expanded opportunities provided by the updated SPAs and the CMS grant to support increased access to SBHS Medicaid reimbursement statewide. Oregon is poised to make significant changes to SBHS Medicaid in the state. The key findings and recommendations outlined in this report provide a roadmap for moving this work forward.

Appendix A. Full Description of Figure 3

Figure 3 is a color-coded bar chart that displays the following data:

Service	Provided (Percent of total responses)	Billed to Medicaid (Percent of total responses)
Nursing Services	87%	66%
Speech-Language Pathology	78%	58%
Occupational Therapy	66%	38%
Physical Therapy	61%	36%
Behavioral Health	53%	8%
Behavioral Health Assessment and Support Services	48%	8%
Specialized Transportation	46%	22%
Personal Care Services	25%	14%

Note: See Figure 3.