

# The Intersection of Medicaid Managed Care and School-Based Services (SBS) Handout



The Centers for Medicare & Medicaid Services (CMS) Medicaid School-Based Services (SBS) Technical Assistance Center (TAC) is available to support State Medicaid Agencies (SMAs), State Educational Agencies (SEAs), and Local Education Agencies (LEAs) in operationalizing Medicaid SBS. Contact us at [SchoolBasedServices@cms.hhs.gov](mailto:SchoolBasedServices@cms.hhs.gov).

The Bipartisan Safer Communities Act (BSCA) established this TAC to perform the following:

- ▶ Assist and expand the capacity of SMAs, SEAs, LEAs, and school-based entities to provide services under Medicaid.
- ▶ Reduce administrative burdens for such agencies and health centers or entities.
- ▶ Support SEAs, LEAs, and school-based entities in obtaining payment for the provision of assistance under Medicaid.
- ▶ Ensure ongoing coordination and collaboration between the U.S. Department of Health & Human Services and the U.S. Department of Education (ED) with respect to the provision of and payment for assistance under Medicaid by LEAs.
- ▶ Provide information to States and LEAs on how to utilize funding.



This resource will discuss the following:

- ▶ Background on SBS and Managed Care
- ▶ General Considerations for SMAs
- ▶ Considerations for States Including SBS in Managed Care

**NOTE:** This resource summarizes the content of “The Intersection of Medicaid Managed Care and School-Based Services (SBS)” webinar slide deck and should be reviewed alongside the recording of the event, which includes additional spoken content. Resources from the event can be found on the [Medicaid.gov website](https://www.Medicaid.gov).



## Background on SBS and Managed Care

### Managed Care in Medicaid

Managed care is a health care delivery system organized to manage cost, utilization, and quality. Medicaid managed care provides for the delivery of Medicaid health benefits and additional services through contracted arrangements between State Medicaid agencies and Managed Care Plans (MCPs) that accept a set per member per month (capitation) payment for these services.

**Improvement in health plan performance, health care quality, and health outcomes are key objectives of Medicaid managed care.**

By contracting with various types of MCPs to deliver Medicaid program health care services to their beneficiaries, States can reduce Medicaid program costs and better manage utilization of health services.

The main types of Medicaid managed care arrangements that States use include:

- ▶ Comprehensive risk-based managed care organizations
- ▶ Limited benefit plans
- ▶ Primary care case management

MCPs negotiate contracts with providers to provide services to enrollees, including payment rates which can be provided on a fee-for-service (FFS) basis or through fixed periodic payments.

## Coverage of SBS Through Medicaid Managed Care

States can choose which Medicaid benefits are included or excluded in managed care. SBS not covered under the MCP contract remain the responsibility of the SMA.

In States where SBS are included in a Medicaid managed care delivery system, LEAs must contract with MCPs to receive reimbursement for SBS provided to enrollees.

Some States include certain SBS in a managed care delivery system but cover other SBS through their FFS program.

Regardless of whether SBS services are included in managed care, there are several regulations governing States and MCPs, and States and MCPs should coordinate with LEAs in support of these regulations. For example, [42 C.F.R. § 438.208\(b\)\(2\)\(i-iv\)](#) requires that MCPs coordinate services covered by the MCP with services that their enrollees receive through FFS or other MCPs, including services delivered in schools.

## General Considerations for SMAs

### Individuals with Disabilities Education Act (IDEA) Requirements

IDEA requires public agencies to provide free appropriate public education (FAPE) to all eligible children with disabilities. This means that the services identified on a child's individualized education program (IEP) must be provided at public expense and without charge to the child or the child's parent(s). Medicaid is generally the payer of first resort for these services as described in [34 C.F.R. Section §300.154](#) and the [2023 Comprehensive Guide to Medicaid Services and Administrative Claiming](#).

SMAs and their MCPs must ensure they work with SEAs and LEAs so children can access Medicaid services both under the child's IEP in school and outside of the school as medically necessary.

### Benefits of Strong Partnerships between SMAs, LEAs and MCPs

#### For children and families:

Well-coordinated care can help children receive medically necessary services and contribute to participation in school and overall physical and behavioral health.

#### For SMAs:

Improved access to SBS can help SMAs achieve coverage goals for children and adolescents.

#### For LEAs:

Decreased time spent on administrative issues such as denied claims allows more time for staff to spend on providing healthcare and improving health outcomes.

#### For MCPs:

- ▶ Improved health outcomes for enrollees, which enables more effective and efficient program management.
- ▶ Increased ability to make progress toward quality metrics and quality improvement processes using LEA-provided data.

# Encouraging Strong LEA/MCP Partnerships

## CMS Requirement for States

### Provide a beneficiary support system (BSS).

The State must develop and implement a BSS that provides support to beneficiaries both prior to and after enrollment in a Managed Care Organization (MCO), Prepaid Inpatient Health Plan (PIHP), Prepaid Ambulatory Health Plan (PAHP), Primary Care Case Management (PCCM) or PCCM entity ([42 C.F.R. § 438.71](#)).

## State Actions to Address Requirement

**Engage LEAs as part of the BSS system** to help families of students with complex needs understand managed care and options for filing appeals and grievances when and if services are denied.

## CMS Requirement for States

### Develop and monitor a managed care quality strategy.

States must draft and implement a written quality strategy for assessing and improving the quality of healthcare and services furnished by MCPs and must require MCPs to establish and implement comprehensive quality improvement and assessment programs ([42 C.F.R. § 438.330](#) and [42 C.F.R. § 438.340](#)).

## State Actions to Address Requirement

**Develop data-sharing agreements with LEAs** to (1) obtain data on health services managed care enrollees receive in schools and (2) incorporate services delivered in school settings into mandatory quality monitoring (e.g., [2024 Child Core Set measures](#)).

## CMS Requirement for States

### Identify and address health disparities.

The State's Managed Care quality strategy must include the State's plan to identify, evaluate, and reduce, to the extent practicable, health disparities based on age, race, ethnicity, sex, primary language, and disability status ([42 C.F.R. § 438.340\(b\)\(6\)](#)).

## State Actions to Address Requirement

### Leverage LEAs to address population-specific needs.

For example, increased access to preventive care in Georgia's school-based health centers led to significant increases in well-child visits and flu vaccinations among enrollees in urban schools that predominately served students of color.

# Leveraging MCP Contract Language

## CMS Requirement for MCPs

### Coordinate care for enrollees across settings.

MCPs must coordinate care and services enrollees receive across settings ([42 C.F.R. § 438.208\(b\)](#)).

### Assess to care needs of each enrollee.

MCPs must make their best effort to conduct an initial screening of each enrollee's needs, within 90 days of the effective date of enrollment for all new enrollees ([42 C.F.R. § 438.208\(b\)\(3\)](#)).

### Engage enrollees in service design.

MCPs can be required to participate in meaningful stakeholder engagement and establish advisory committees.

## Examples of State Actions

California requires that each MCP have a Memorandum of Understanding (MOU) in place with all LEAs in its service area to ensure there are processes that account for facilitating cooperation and collaboration between the enrollees' primary care providers (PCPs) and the LEA in the development of the IEP or the Individualized Family Service Plan (IFSP). The MCP must also provide case management and care coordination for enrolled beneficiaries.

MCPs can leverage existing school-based screening resources to support initial screening of enrollees. Colorado passed legislation that created a 6th to 12th grade mental health screening program, administered by the behavioral health administration, to identify risks and provide resources and referrals.

Tennessee requires that MCPs submit an Annual Stakeholders in Education Engagement plan to outline their plan for engaging Tennessee stakeholders in education such as students, parents, or legal guardians, SEAs, LEAs, and individual providers.

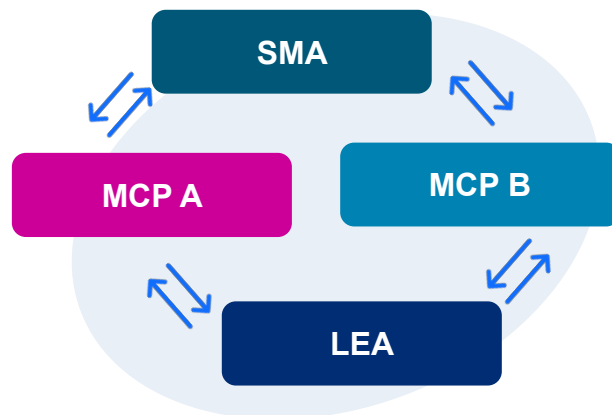
# Considerations for States Including SBS in Managed Care

## Contracting between MCPs and LEAs

LEAs must contract with MCP(s) to become network providers and receive reimbursement for SBS directly from the MCP.

LEAs may need to contract with multiple MCPs:

- ▶ In districts where multiple MCPs serve beneficiaries.
- ▶ In districts where students are enrolled in more than one MCP (e.g., one MCP provides physical healthcare, and another provides behavioral healthcare).



## SMA Considerations

### Provider Enrollment

- ▶ Review how LEAs fit into MCP approaches for enrolling providers into their network.
- ▶ Determine how MCPs can utilize LEAs and school-based providers to ensure and improve the availability of services ([42 C.F.R. § 438.206](#)).
- ▶ Ensure that MCPs include information on how SBS and school-based providers contribute to the plans' assurances of adequate capacity and services ([42 CFR 438.207\(a\)-\(b\)](#)).

### Access to Services

- ▶ Evaluate whether prior authorization from the MCP is permitted for certain services provided in schools.
- ▶ Ensure that MCPs do not categorically or otherwise inappropriately disqualify or decrease community-based medically necessary Medicaid services solely on the basis that the service is also being provided in a school setting.

### Data Reporting

- ▶ Ensure that MCPs maintain a health information system to provide information on utilization, claims, grievances and appeals, and disenrollment and collect data on enrollee characteristics and all services furnished to enrollees via an encounter data system or other methods ([42 C.F.R. § 438.242](#)).
- ▶ Determine how LEAs should report service data to MCPs.

### Incentive Arrangements

- ▶ Evaluate how the State can use incentive arrangements to reward managed care plans in line with performance targets ([42 C.F.R. § 438.6\(b\)\(2\)](#)).

## Additional Resources

Delivering Services in School-Based Settings: A Comprehensive Guide to Medicaid Services and Administrative Claiming



<https://www.medicaid.gov/sites/default/files/2023-07/sbs-guide-medicaid-services-administrative-claiming-ud.pdf>

Effect of Elementary School-Based Health Centers in Georgia on Use of Preventive Services



<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8188727/>

2024 Child Core Set



<https://www.medicaid.gov/medicaid/quality-of-care/downloads/2024-child-core-set.pdf>

"Promoting Health Equity in Medicaid and CHIP Managed Care: A Toolkit to Infuse Equity into Managed Care Operations." Baltimore, MD: Division of Managed Care Policy, Center for Medicaid and CHIP Services, Centers for Medicare & Medicaid Services, U.S. Department of Health and Human Services, Forthcoming.

Tennessee Managed Care Contractors Statewide Contract.



<https://www.tn.gov/content/dam/tn/tennicare/documents/MCOStatewideContract.pdf>

Colorado HB23-1003 School Mental Health Assessment



<https://leg.colorado.gov/bills/hb23-1003>