

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

May 23, 2024

3–4 p.m. ET | 2–3 p.m. CT | 12–1 p.m. PT



CMS Financial Management Group (FMG)
7500 Security Boulevard
Baltimore, MD 21244

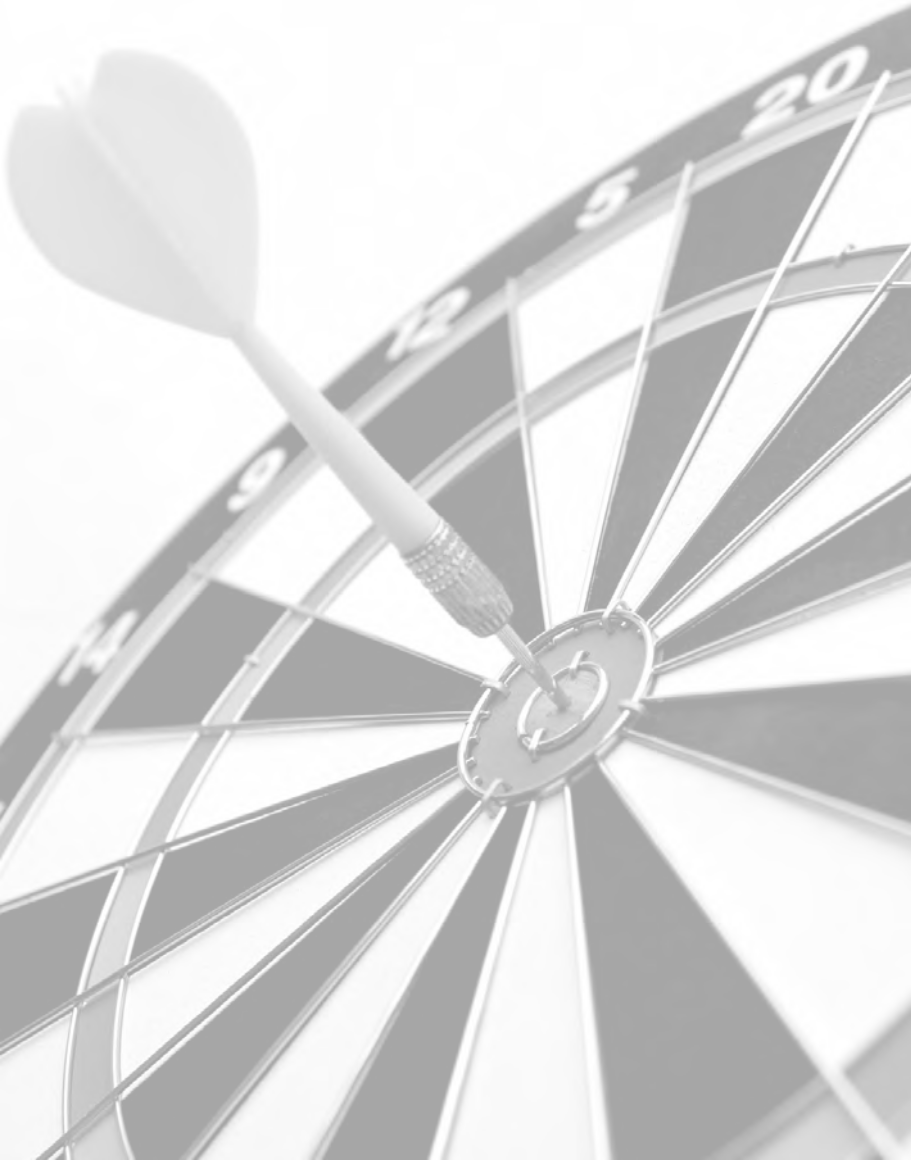


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Agenda

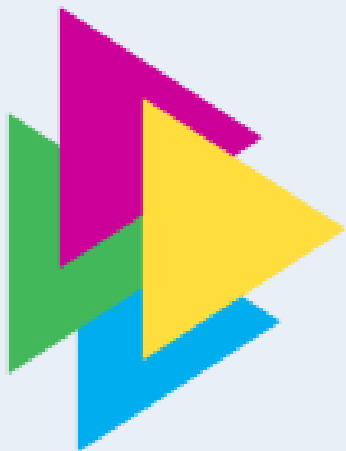
- › Welcome and Objectives
- › School-Based Services (SBS) and Managed Care
 - › Background
 - › Considerations for State Medicaid Agencies (SMAs)
- › State Panel Discussion
- › Questions, Conclusion, and Adjournment

Objectives



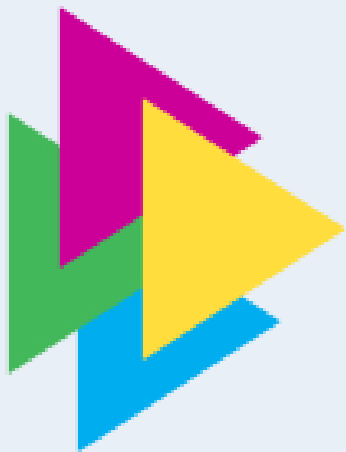
- › Understand the benefits and considerations for Local Education authorities (LEAs) and managed care plans (MCPs) in establishing partnerships.
- › Identify the SMA's role in monitoring compliance with managed care requirements and encouraging partnerships with LEAs and managed care plans.
- › Consider best practices and lessons learned from States that have established partnerships between LEAs and MCPs.

The Bipartisan Safer Communities Act



- On June 25, 2022, President Biden signed into law the Bipartisan Safer Communities Act (BSCA).
- Title 34, Subtitle B, Chapter 3 includes a directive to CMS to provide additional guidance to States on Medicaid SBS to:
 - Increase access to Medicaid-funded school-based health services, including mental health services.
 - Reduce administrative burden.
 - Support Federal compliance with Individuals with Disabilities Education Act (IDEA) requirements, billing, and payment.
 - Ensure ongoing coordination and collaboration between the U.S. Department of Health and Human Services and the U.S. Department of Education.
 - Provide information to State Education Agencies (SEAs) and LEAs on how to ensure payment for Medicaid-covered SBS.

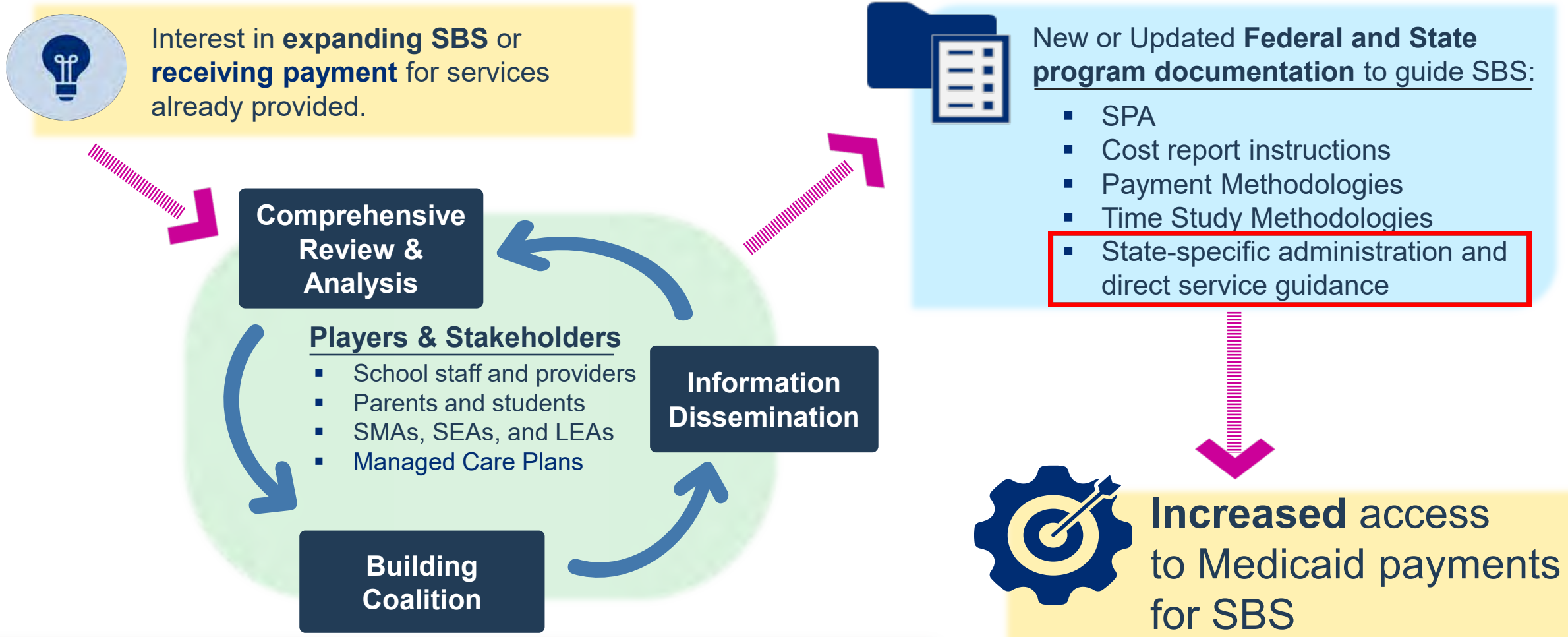
The Bipartisan Safer Communities Act (cont.)



- For Medicaid covered SBS, BSCA specifically addresses:
 - Establishing responsibility for interagency coordination between State agencies.
 - Providing SMAs and SEAs with technical assistance necessary for them to provide SBS through Medicaid.
 - Identification of the requirements that may be met through State statute or regulation, signed agreements, or other appropriate written methods.

Background on SBS and Managed Care

Increasing Access to SBS



CMS and TAC

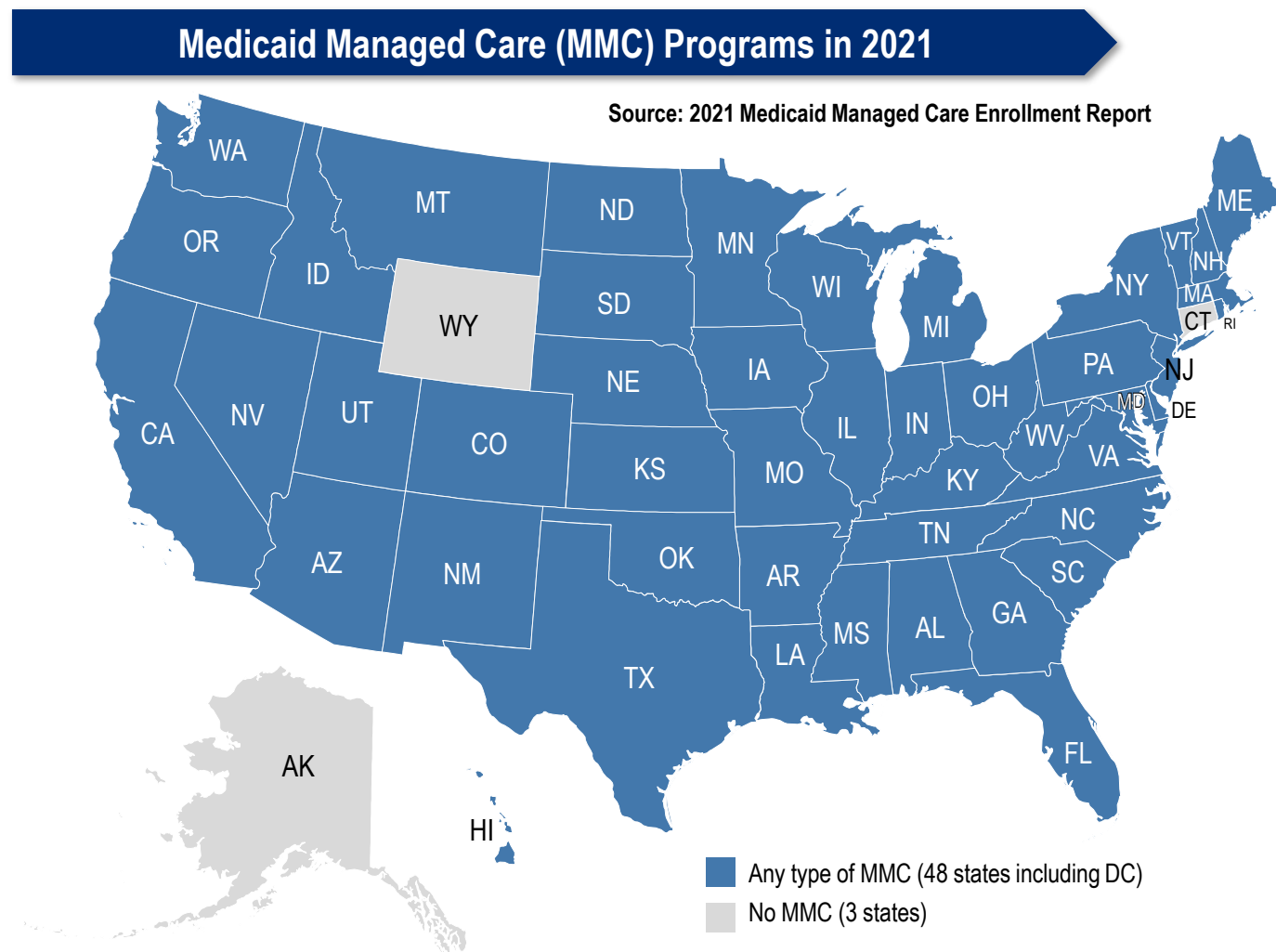
Serving as a technical assistance resource to support SMAs, SEAs, and LEAs **throughout the process** of increasing access to Medicaid SBS.

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 (MCPs) that accept a set per member per month (capitation) payment for these services.
- 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.
- Improvement in health plan performance, health care quality, and outcomes are key objectives of Medicaid managed care.

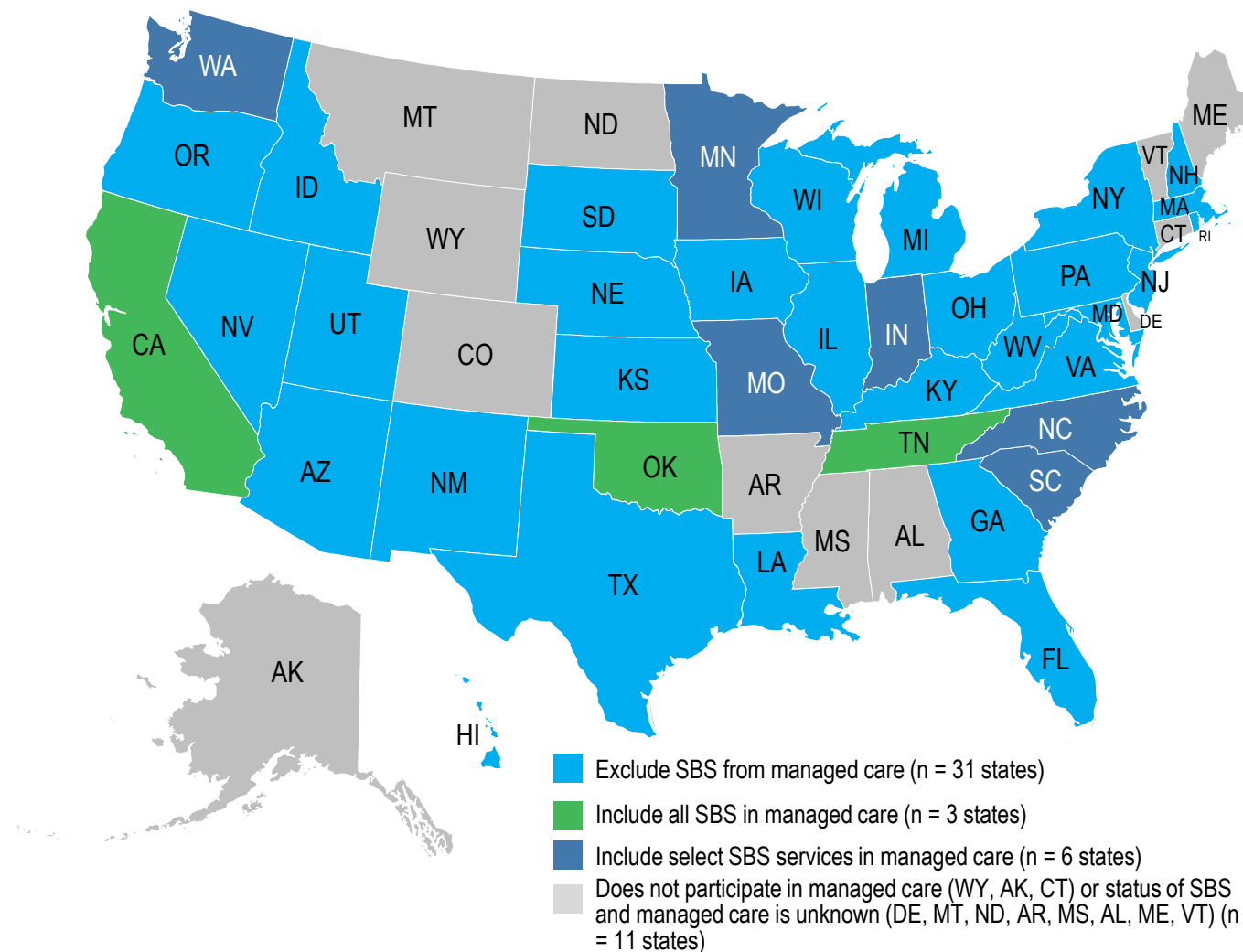
Managed Care in Medicaid (continued)

- Currently, 48 States including DC use some form of Medicaid Managed Care, including three main types of arrangements: comprehensive risk-based managed care organizations, limited-benefit plans, and primary care case management.
- MCPs negotiate contracts with providers to provide services to enrollees, including payment rates which can be either 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.
- Currently, a small number of States include some (6 States) or all (3 States) SBS in managed care.
- SBS not covered under the MCP contract remain the responsibility of the SMA.



Source: Econometrica State survey results 2023.

Coverage of SBS Through Medicaid Managed Care (continued)

- 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.
 - For example, Tennessee requires that their MCOs contracts with any LEA seeking to contract with the MCO for medically necessary covered services.
- Some States include certain SBS in a managed care delivery system but cover other SBS through their FFS program.
 - For example, Minnesota has non-IEP services in managed care and IEP-services in FFS.
- Regardless of whether SBS services are included in managed care, there are several regulations governing States and MCPs, and State 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

IDEA Requirements



- The Individuals with Disabilities in Education Act requires public agencies to make a free appropriate public education (FAPE) available to all eligible children with disabilities, which means, among other things, that the services identified on a child's IEP must be provided at public expense and without charge to the child or the child's parents.
- Collaboration between SMAs and SEAs therefore is important to State compliance with Federal law as it relates to children on Medicaid.

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.
- Support for SMAs' health equity and population health goals.




For LEAs...

- Decreased time spent on administrative issues such as denied claims; facilitates 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	State Actions to Address Requirement
 <p>Provide a beneficiary support system (BSS). <i>The State must develop and implement a BSS that provides support to beneficiaries both prior to and after enrollment in a MCO, PIHP, PAHP, PCCM or PCCM entity (42 C.F.R. § 438.71).</i></p>	<p>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.</p>
 <p>Develop and monitor a managed care quality strategy. <i>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).</i></p>	<p>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).</p>
 <p>Identify and address health disparities. <i>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)).</i></p>	<p>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.</p>

^a Adams et al. [Effect of Elementary School–Based Health Centers in Georgia on Use of Preventive Services](#). *Am J Prev Med*. 2020 Oct; 59(4): 504–512.

Leveraging MCP Contract Language

CMS Requirement for MCPs	Examples of State Actions
 <p>Coordinate care for enrollees across settings. <i>MCPs must coordinate care and services its enrollees receive across settings (42 C.F.R. § 438.208(b)).</i></p>	<p>California requires that each MCP have an 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' PCPs and the LEA in the development of the IEP or the IFSP. The MCP must also provide case management and care coordination for enrolled beneficiaries.^a</p> <p>Tennessee requires that MCOs coordinate with the Tennessee Department of Education and LEAs to coordinate educational services in compliance with IDEA and ensure SBS for students are provided.^b</p>
 <p>Assess care needs of each enrollee. <i>MCPs must make a 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)).</i></p>	<p>MCPs can leverage existing school-based screening resources to support initial screening of enrollees. Colorado passed legislation that created a 6th – 12th grade mental health screening program, administered by the behavioral health administration, to identify risks and provide resources and referrals.^c</p>
 <p>Engage enrollees in service design. <i>MCPs can be required to participate in meaningful stakeholder engagement and establish advisory committees.</i></p>	<p>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.^b</p> <p>California requires MCPs to create Community Advisory Committees (CAC) that rely on focus groups, listening sessions, surveys, and/or interviews to collect data directly from beneficiaries and then incorporate the results into plans' policies and decisions.^a</p>

^a "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.

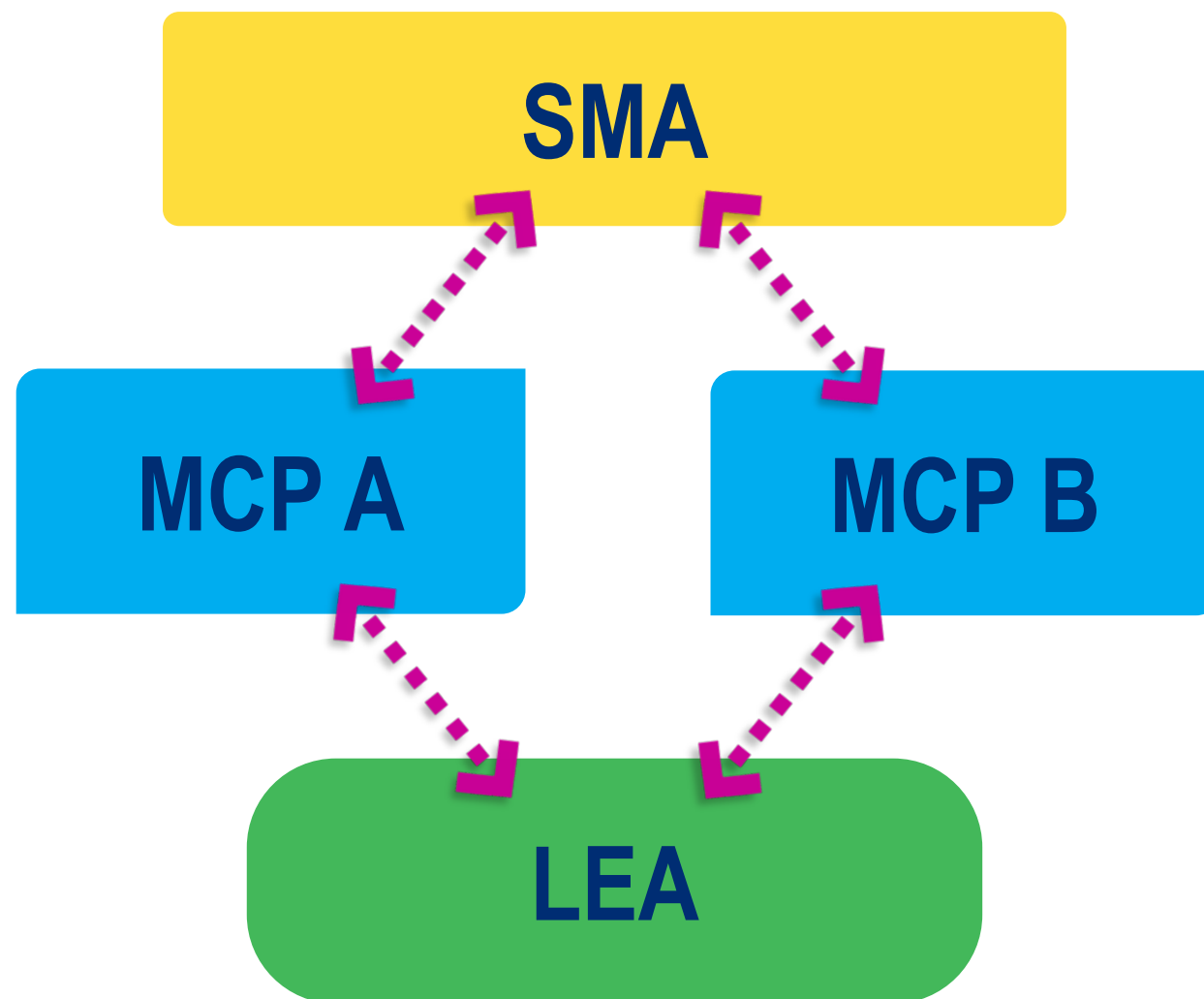
^b [Tennessee Managed Care Contractors Statewide Contract](#).

^c Colorado HB23-1003 School Mental Health Assessment

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 to ensure and improve the availability of services (42 C.F.R. § 438.206).

States should ensure that MCPs include information on how SBS and school-based providers contribute to the plan's assurance of adequate capacity and services (42 CFR 438.207(a)-(b)).

“The CONTRACTOR shall provide the medically necessary covered services identified in the IEP or IHP within the school setting. **The CONTRACTOR may require a school-based provider billing for covered services be a participating provider in the CONTRACTOR’s network.** The CONTRACTOR shall contract with any LEA seeking to contract with the CONTRACTOR for medically necessary covered services to school-aged children based on the CONTRACTOR’s standard fee schedule.”

Source: Tennessee Master Contract:
<https://www.tn.gov/content/dam/tn/tenncare/documents/MCOStatewideContract.pdf>

SMA Considerations

Access to Services

Evaluate whether prior authorization from the MCP is permitted for certain services provided in schools.

MCPs should not be categorically or otherwise inappropriately disqualifying or decreasing community-based medically necessary Medicaid services solely on the basis that the service is also being provided in a school setting.

“The PIHP shall not require the submission of an Individualized Education Program (IEP) plan as a condition of receiving a prior authorization nor shall evidence of an IEP be grounds for a prior authorization request denial for services that are not required to be provided by the LEA. However, PIHP may consider the IEP to contain evidence to support a determination that a Member may require active treatment.”

Source: North Carolina Medicaid Direct Prepaid Inpatient Health Plan Contract
<https://medicaid.ncdhhs.gov/documents/medicaid/contract-30-2022-007-nc-medicare-direct-prepaid-inpatient-health-plan-contract/download?attachment>

SMA Considerations

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.

“Contractor must require all Network Providers, Subcontractors, Downstream Subcontractors, and out-of-Network Providers to submit claims and Encounter Data to Contractor to ensure compliance with this Contract ... Contractor must ensure the completeness, accuracy, reasonableness, and timeliness of all Network Provider, Subcontractor, Downstream Subcontractor, and out-of-Network Provider Encounter Data regardless of contracting arrangements or whether the Network Provider, Subcontractor, Downstream Subcontractor, or out-of Network Provider is reimbursed on a FFS or capitated basis.”

Source: California Master Contract:
<https://www.dhcs.ca.gov/provgovpart/Documents/2024-Managed-Care-Boilerplate-Contract.pdf>

SMA Considerations

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)).

“(a) As a component of the initiative, the State Department of Health Care Services shall make incentive payments to qualifying Medi-Cal managed care plans that meet predefined goals and metrics developed pursuant to subdivision (b) associated with targeted interventions that increase access to preventive, early intervention and behavioral health services by school-affiliated behavioral health providers for K-12 children in schools.

(b) The department, in consultation with the State Department of Education, Medi-Cal managed care plans, county behavioral health departments, local educational agencies, and other affected stakeholders, shall develop the interventions, goals, and metrics...”

Source: [Bill Text - AB-133 Health. \(ca.gov\)](#)

State Spotlight: California and Tennessee

Today's Panelists



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Deputy Director, Office of Strategic Partnerships, California Department of Health Care Services



Shawn Smith

Managed Care Oversight Director, Division of TennCare



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Executive Director Consultant, California School Nurses Organization

Facilitated Discussion

- Please provide some context on your State's Medicaid managed care landscape and how it intersects with delivery of SBS.
- Please describe your State's experience establishing relationships between LEAs and MCPs.
- How does your State work with its MCPs to improve quality metrics? How does data on SBS factor in?
- Did your State encounter any challenges or barriers in establishing and implementing these processes? If so, how did you address them?





Questions?

Email: SchoolBasedServices@cms.hhs.gov



Resources

- [Mapping Medicaid Managed Care Models & Delivery System and Payment Reform | KFF](#)
- [Effect of Elementary School–Based Health Centers in Georgia on Use of Preventive Services - PMC \(nih.gov\)](#)
- [Tennessee MCO Statewide Contract \(tn.gov\)](#)
- [Delivering Services in School-Based Settings: A Comprehensive Guide to Medicaid Services and Administrative Claiming](#)
- [North Carolina Medicaid Direct Prepaid Inpatient Health Plan Contract \(ncdhhs.gov\)](#)
- [California Managed Care Boilerplate Contract \(ca.gov\)](#)
- [Bill Text - AB-133 Health. \(ca.gov\)](#)