

MEDICAID

PHOTOCOPY
PRESERVATION

ISSUE ALERT:
PUBLIC SCHOOL MEDICAID REIMBURSEMENT

- ☐ In a letter dated May 21, 1999, addressed to all State Medicaid Directors (letter attached), the Health Care Financing Administration (HCFA) announced its intention to review and possibly revise its current guidelines governing the requirements for filing Medicaid Administrative Claims (MAC) reimbursement claims.

While states clearly play a role in the administration of the MAC program, it is absolutely imperative that local public school service providers be given an adequate and meaningful opportunity to develop and provide input so as to ensure that any program changes finally adopted do not undermine their ability to remain in full compliance with all reporting guidelines. In the case of Texas, and many other states, end service providers are local school districts. To date, school districts nationwide have not been given the opportunity to directly participate in this process.

BACKGROUND

- ☐ MAC is a federal program designed to reimburse states for performing federally mandated outreach programs for primary and secondary public school students at-risk due to physical or emotional disabilities. It is administered at the federal level by HCFA, which coordinates the reimbursement function through each state's designated Medicaid Director.
- ☐ States have the flexibility to delegate to local units of government the responsibility for performing various outreach activities. In Texas, local public schools are assigned this responsibility (this model of relying on school districts to provide these mandated services is common to most states participating in the MAC program). Texas has a total primary and secondary school age population of approximately 3.7 million students. *If all Texas schools participated in the MAC program, their collective federal reimbursement for providing these mandated services has the potential to generate an estimated \$80 to \$100 million annually. This is an important source of revenue for Texas school districts. But it is equally important to note that if all reimbursable claims were paid nationwide, the total cost would amount to approximately \$2 billion per year (realistically, the actual annual cost would be far less). Hardly enough to bankrupt the federal government.*
- ☐ The La Porte MAC Consortium is an umbrella organization of over 300 Texas school districts that provide outreach services eligible for reimbursement under the MAC program to more than 1.3 million Texas children. Most are from low-income families without health insurance or access to private health care providers. La Porte Independent School District serves as the fiscal agent for the consortium and coordinates both the filing of quarterly claims and the distribution of claims paid to the member school districts.
- ☐ HCFA's current reporting requirements for purposes of filing MAC claims are very detailed and complex. Both HCFA and the Texas Medicaid Director have approved the methodology utilized by the La Porte Consortium to prepare each claim submitted. Since the program's inception in Texas, the consortium has filed claims totaling \$19.2 million. *All have been approved and paid.*

ACTION REQUESTED

- ☐ At this very moment the Administration and members of Congress are exploring ways to broaden and expand health care screenings for senior citizens. It would be a sad irony if an arm of the Department of Health and Human Services implemented unreasonable reporting guidelines that would curtail, if not eliminate, a program for identifying medically at-risk, low-income school age children. *Suspend or delay the accelerated, and unnecessary, issuance of HCFA's guidelines until the public schools have had the opportunity to provide direct input into the process. The system has worked to this point as Congress and the Administration intended. The guidelines under internal consideration may impose an onerous administrative burden on public school districts that, as a practicable matter, will make their continued participation in the program uneconomical. That result will harm tens of millions of children throughout this country.*