SUSTAINING SCHOOL-BASED HEALTH SERVICES IN MISSOURI

Published November 2017
Research conducted June 2016 to January 2017

EXECUTIVE SUMMARY

To date, the Health Care Foundation of Greater Kansas City (HCF) has provided nearly $7 million in grants for school-based health services, particularly mental health services. Schools are an ideal setting for health service provision, as the context allows participation by parents, students, and teachers together. Private philanthropy can't sustain these services in perpetuity.

This document helps paint a picture of the policy and sustainability challenges faced by school health programs in the state of Missouri.

The findings build from document review, as well as interviews with representatives from 10 school health grantees, most of whom are organizing onsite mental health services for students. These organizations identified several challenges with respect to sustainability:

- **Schools may only be reimbursed for services provided to students with an IEP.** Missouri Medicaid policy restricts reimbursement for school-based services to students with an individualized education plan (IEP) as provided in the federal Individuals with Disability Act (IDEA). Reimbursement is prohibited for students who are enrolled in Medicaid but do not have an IEP.
- **Medicaid denies claims from schools for non-IEP students.** Entities such as community mental health centers or federally qualified health clinics can provide Medicaid services at school sites to non-IEP Medicaid students. They can bill Medicaid using the place of service code of their entity; however, claims submitted with a school as the place of service will be denied by Medicaid.
- **The use of IEPs is not being fully realized.** Many students served by grantees have disabilities related to mental health or substance abuse diagnoses requiring extensive mental health or school nursing interventions. Yet, none of the schools reported that they included emotional or behavioral health issues in their IEPs.
- **Medicaid administrative claiming is underused.** Medicaid administrative activities, such as outreach, enrollment, and referral coordination, are reimbursed by federal payment at a rate of 50 percent for amounts expended. None of HCF's grantees reported drawing down these funds, although some have begun this process in the interim. Claiming administrative funds can be facilitated by private or public claiming services.
- **No state-level funding.** Unlike several of its neighbors, Missouri has no state-level funding available for school-based health services planning, start-up, and ongoing clinical operations.

RECOMMENDATIONS

HCF can support sustainable, school-health program models by:

- Advocating for changes to the state's Medicaid plan to leverage additional federal financing for school-based care, such as:
    - Amending the state's Medicaid plan to allow reimbursement for all school-based services outside of an IEP.
    - Allowing community mental health centers, hospitals, federally qualified health centers, and other providers to use schools as a valid location code for Medicaid claims when they provide services on school property.
    - Providing state funding for school-based health clinic planning, startup, and ongoing clinical operations.
- Facilitate training to school and community partners on school health financing policies and systems so that all grantees are equipped to engage in effective coding, billing, and collections from third-parties such as Medicaid, CHIP, and commercial insurers.

INTRODUCTION

The Health Care Foundation of Greater Kansas City (HCF) seeks to better understand the regulatory and legal landscape for financing school-based health services to assure that the Foundation's investments in the well-being of children are being leveraged appropriately to capture available public dollars. The School-Based Health Alliance conducted research to identify the facilitators and barriers—both policy and practice— that affect the funding and long-term sustainability of school-based health services among its grantees.

Since the Foundation's inception 13 years ago, HCF has granted nearly $7 million for school-based health services, particularly mental health services. Children who are well are more likely to succeed in school and life. For children living in communities — particularly rural areas — without convenient access to health services, schools can offer the care that wouldn't otherwise be available. Schools draw together students, parents, and teachers, making them an ideal setting for health service provision. HCF's school-based health grantees have demonstrated incredible success in terms of health and education outcomes.

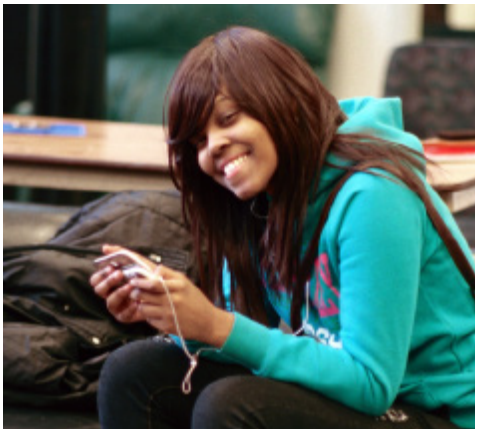
Schools can play a critical role in ensuring that children and youth have access to high-quality, affordable health care. By providing medical, mental health, oral health, and youth development services on school campuses, school-based health centers (SBHCs) and other school health providers positively impact students' health and learning. They address a wide variety of health needs, from asthma management to flu vaccination to teen pregnancy prevention. At the same time, SBHC staff and other school health personnel can act as key partners in efforts to address chronic absenteeism and promote a positive school climate.

Private philanthropy can't sustain these services in perpetuity. If HCF's funding were used to draw down the Federal Medical Assistance Percentage (FMAP), it would have leveraged nearly $20 million for these services over the past 13 years. In many instances, HCF funding allows community-based mental health centers to provide therapy services to Medicaid beneficiaries. Grantees have reported that these services are not reimbursed since they are provided in the school setting.

This report provides a brief overview of school health delivery and finance models, explores the current policy landscape with the Foundation's school health program grantees, and makes recommendations for creating sustainable school-based health services.

CONTEMPORARY SCHOOL HEALTH DELIVERY AND FINANCE MODELS

The delivery of health services is operationalized with great variability across school buildings, districts, and states.



Common Arrangements for the Provision of School-Based Health Services

Basic school health services

Common health functions in schools are performed by a registered nurse or nurse aide, as available. One national study found 82 percent of schools have a nurse onsite; half have 30 or more hours of a nurse. Activities often include first aid, administration of medications, health assessments and counseling, skilled nursing for students with special care needs, mandated screenings such as vision and hearing, maintenance of student health records, immunization record-keeping, and management of chronic conditions.

School nursing services have traditionally been funded by local school district and special education budgets. Alternative funding sources may include health care systems, public health funds, community organizations, and Medicaid reimbursement.

School-based mental health care

Some schools have partnered with community behavioral health organizations to offer mental health services onsite. These programs improve school and behavioral functioning, reduce referrals to highly restrictive settings, and increase academic achievement by encouraging attendance and reducing suspensions. The benefits of such a partnership with community-based agencies are many:

- Schools add skilled providers to their efforts for supporting students' social and emotional health.
- Onsite providers can bill through their sponsor agency thereby eliminating administrative burdens from schools.
- Students have direct access to a system of care should the need for intensive or specialty services arise.

Oral health in schools

School-based oral health programs educate students and families on the importance of oral health and deliver a spectrum of services (from screenings and sealants to exams and treatment) that help prevent the onset of disease and ensure students and families are connected to an ongoing source of dental care.

School-based health centers: For the purposes of this report, the term "school-based health centers (SBHCs)" specifically refers to health clinics located in predominantly low-income areas to provide some combination of medical, behavioral, and oral health care to children and adolescents in a setting immediately accessible to them: their school. Distinct from (and complementary to) the basic services model described above, the SBHC provides direct diagnostic and treatment services. Research has demonstrated positive outcomes with this model: increased use of services, decreases in emergency room visits, and Medicaid expenditures, and increased participation in school.

More than 2400 SBHCs are in operation today across 49 states and the District of Columbia. They are typically administered by a community health organization in partnership with the host school and financed with non-education funds (e.g. public health grants, patient revenue, Medicaid reimbursement). The most common SBHC-sponsor types are described below in order of frequency.

Community Health Centers: The nation's community health centers, also known as federally qualified health centers (FQHCs), are natural partners in school-based health care. FQHCs are required to offer a broad range of services, including physical, oral, and behavioral health care. Because they are federally funded, FQHC-sponsored SBHCs have access to federal grants, enhanced reimbursement rates, and other federal safety-net protections.

Community Mental Health Centers: This network of community-based agencies are the primary treatment providers for both adults and children. These centers serve as gateways in designated geographic areas, into and from the state mental health delivery system, offering a range of comprehensive mental health services.

Hospitals and Community Health Systems: Hospitals and community health systems often sponsor SBHCs as part of satisfying their federal nonprofit requirements (often referred to as community benefit). To comply with these requirements, nonprofit hospitals must invest a portion of their profits into the community they serve. Hospitals view SBHCs as critical partners in reducing unnecessary child ER visits.

Local Health Departments: The mission and vision of local and state public health departments across the nation is to improve population health and address the social determinants of health – systemic factors that impact a person's well-being such as housing, education, and economic stability. Because SBHCs are located within the intersection of education and health, they are valuable partners in addressing the social determinants of health for children and adolescents.

Public health departments view SBHCs as key partners in serving vulnerable populations by:

- ensuring child and adolescent immunization compliance.
- providing sexually transmitted disease testing and treatment services.
- increasing health education outreach and prevention.

Academic Medical Centers: In addition to providing care, academic medical centers have a unique focus on innovation and developing the research base for evidence-based health care. They are often strongly embedded in the community and serve as safety net providers, making them uniquely positioned to serve children and adolescents in school. University medical systems view SBHCs as critical partners in achieving better health outcomes by providing comprehensive primary care services and continuity of care; facilitating care coordination across primary care and specialty providers; and serving as professional training sites for students of nursing, medicine, and dentistry.

Behavioral Health Organizations: As health care payers and providers are being held increasingly accountable for ensuring patient-centered care, there is a growing movement to integrate behavioral health services within a primary care setting. Behavioral health organizations view SBHCs as critical venues for integrating and offering behavioral health and primary care services to children and adolescents.

Physician Group Practices: Physician group practices view SBHCs as ideal models for delivering health care services to children and adolescents who otherwise may not have access to a primary health care home. Private pediatric physician groups located in communities where there are only 1–2 private practices view working in SBHCs as an ideal strategy to reach and serve the youth population.

POTENTIAL FUNDING SOURCES FOR SCHOOL-BASED HEALTH SERVICES

Medicaid

In general, school health functions related to Medicaid financing fall into one of two categories:

a) reimbursement for the provision of direct medical assistance; and
b) cost recovery for performing administrative activities.

Direct Medical Assistance: Local education agencies may seek reimbursement from Medicaid for services provided directly on school site. According to 2003 guidance from the Centers for Medicare and Medicaid Services (CMS), school services eligible for reimbursement by Medicaid must be:

- medically necessary
- included in a Medicaid-covered category
- included in the state plan or required to be covered by federal Early Periodic Screening, Diagnostic and Treatment (EPSDT) guidelines
- delivered by qualified providers
- delivered to a Medicaid-eligible student.

In 1988, Congress required Medicaid to be the primary payer for Individuals with Disabilities Education Act (IDEA) related health services delivered by schools as part of a Medicaid-enrolled child's Individualized Education Program (IEP). Today, schools frequently bill Medicaid for IEP direct services, including physical therapy, speech-language pathology services, occupational therapy, psychological services, and medical screening and assessment.

Payment for delivery of health-related services not included in an IEP (and therefore not protected under federal Medicaid law) has historically been challenging, but that landscape is changing. In late 2014, the Centers for Medicaid and Medicaid Services (CMS) rescinded the "free care rule," a policy that prevented Medicaid reimbursement for services that were provided to others free of charge. The policy effectively blocked schools from drawing down Medicaid revenue for many school-based health services since they were being provided to the entire school population free of charge. The result of the "free care rule" clarification is that states have the option, but are not required, to provide Medicaid reimbursement for schools that provide health-related services outside of an IEP to Medicaid-eligible students.

Administration of Medicaid: Distinguished by CMS as separate and apart from the direct provision of care, administrative activities are described as:

- **outreach** and **education** to identify and **facilitate** Medicaid enrollment of eligible students and their families; and
- **coordination** to **support** the provision of medical services to enrollees.

State Medicaid agencies can compensate schools (as an agent of the state) for these administrative functions performed in schools.

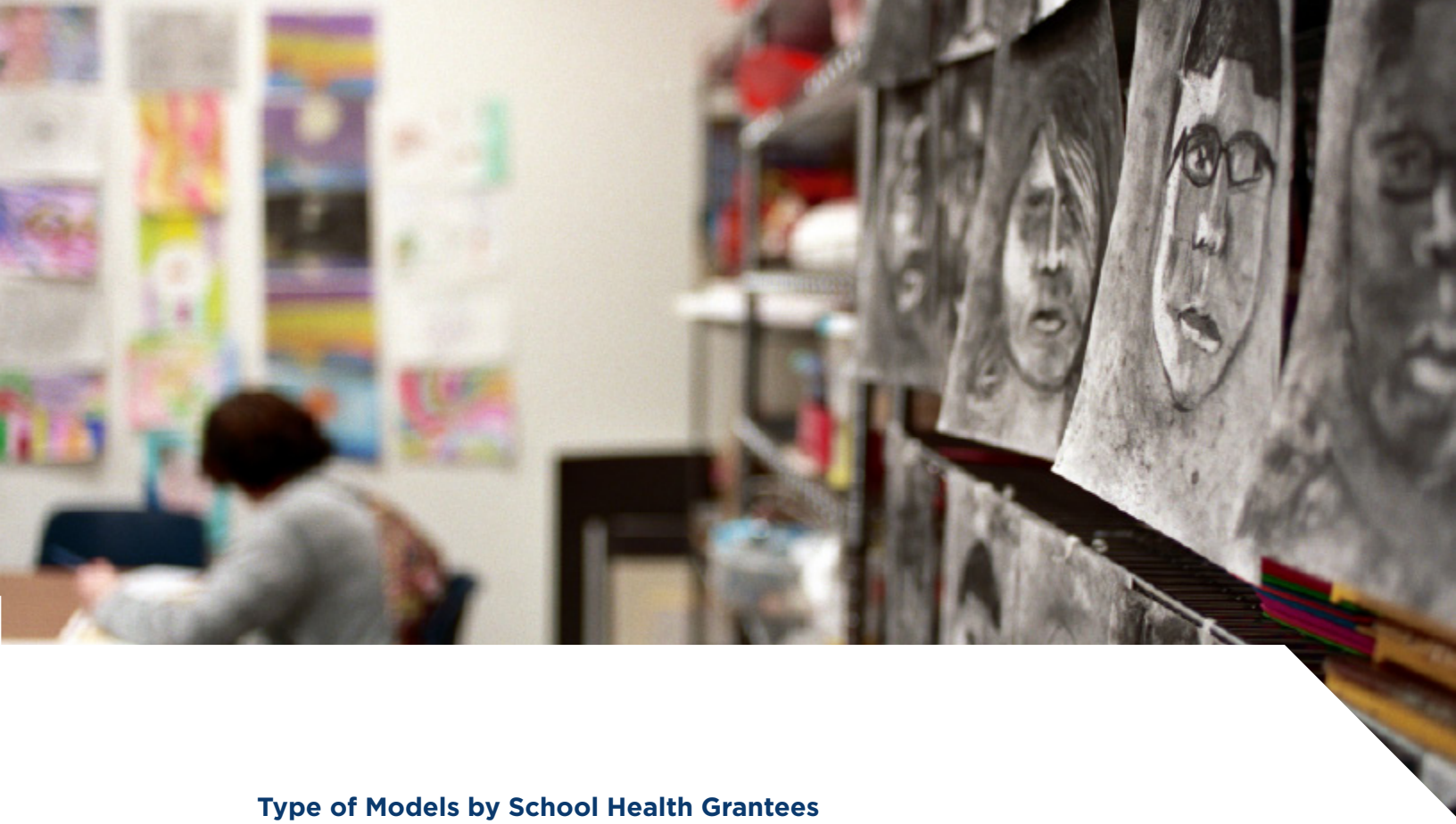
Commonly known as Medicaid Administrative Claiming (MAC), cost recovery requires rigorous documentation to calculate time spent by school personnel on allowable tasks proportionate to the population of Medicaid students on campus. Federal payment is available at a rate of 50 percent for amounts expended. The Missouri School Boards Association offers schools assistance with Medicaid Administrative Claiming as part of their Medicaid Consortium.

CURRENT SCHOOL HEALTH MODELS DELIVERED BY FOUNDATION GRANTEES

Key Informants

Between June and September 2016, the School-Based Health Alliance conducted phone interviews with 10 HCF school-based health grantees (school district and building-level administrators, community-based medical, behavioral and oral health organizations), state health agency leaders, state-level education associations, community health centers, and state health plans. Interviews focused on partnerships, staffing models, student insurance profiles, and barriers to revenue collection.

The findings reflect the feedback from select grantees and are not generalizable across all schools and school districts in the greater Kansas City region.



Type of Models by School Health Grantees

Mental Health

Seven of the grantees provide school-based mental health services in 17 schools/school districts within the HCF's catchment area. These include:

- mental health services
- assessments
- individual and group counseling
- mental health counseling services included in students' IEPs.

Half of the grantees also offer substance abuse counseling. All grantees leverage a variety of funding and other resources to provide these services, including private philanthropy, county drug/alcohol funds, federal juvenile justice funds, county tax levies, and school operating funds.

Oral Health

One of the grantees provides portable comprehensive oral health services, including cleaning, exams, trophies, fillings extractions, crowns, and pulpotomies on baby teeth. It reaches 3,500 children in the HCF's catchment area each year. Medicaid payments cover half of the visits; the other half are offered free of charge to the uninsured.

School Nursing

A third of the grantees use a portion of their HCF funds to cover a school nurse position. These school nurses are responsible for basic school health functions. In addition, they perform many administrative duties including: insurance outreach and enrollment, referral arrangements, appointments, follow-up with medical, dental and vision providers, transportation, care coordination, and case management.

School-Based Health Centers

None of the grantees operate comprehensive school-based health centers, (SBHCs) offering a combination of medical, behavioral, and oral health care, including both diagnostic and treatment services.

Strengths of HCF School Health Grantees

Medicaid-qualified, school-employed, mental health providers

Although five of the grantees do not bill Medicaid for direct IEP services, their clinicians meet or exceed the education, licensure, and certification requirements of Missouri's Medicaid credentialing and those of other third-party insurers. These grantees are well-positioned to obtain Medicaid credentialing, bill Medicaid for direct IEP services, and generate a new revenue stream.

High percent of students on Medicaid

Grantees estimate that between 55 and 90 percent of their student populations are covered by the state's Medicaid program. If the state's Medicaid reimbursement policies are amended to better meet student needs, many schools would be well-situated to draw down substantial revenue.

Community-based mental health providers

One of the grantees is a community-based mental health agency providing school-based mental health services and another is a consortium of small school districts that subcontract with a community-based mental health agency to provide a behavioral health provider(s) in their schools. These community-based behavioral health providers are already credentialed as behavioral health providers by Missouri Medicaid.

County tax levies

Some counties in the HCF service area fund behavioral health services through county levies, such as the mental health levy, COMBAT, and the children's services fund. Four of the grantees reported receiving tax levy funding to support school-based mental health services.

Evidence-based interventions

Grantees reported using a variety of evidence-based behavioral health interventions with their students. Examples include universal screening and assessment, trauma-informed care, onsite psychiatry, substance abuse treatment, and parent/guardian psycho-educational groups.

Skilled school nurses

All grantees employ school nurses who provide essential health services for students and families. Three of the grantees use HCF funds to pay for a school nurse.

Challenges of School Health Grantees

Restrictive Medicaid Policies

Missouri Medicaid policy is restrictive in its reimbursement for school-based services (see table 1).

Missouri does not allow Medicaid reimbursement for school-based services provided to a Medicaid-eligible child UNLESS the service is delivered in the context of an IEP. Missouri should amend its Medicaid state plan to allow for reimbursement of health services outside of an IEP. The federal "free care rule" clarification opens this door for Missouri's consideration.

Use of the school locator code results in denied claims by Medicaid. Medical and behavioral health entities providing Medicaid-covered services on school sites to non-IEP Medicaid-enrolled students may bill Medicaid using the place of service code of their entity, such as a federally qualified health center or community behavioral health center. While this policy allows health services to be provided in schools, it does not allow them to be identified through Medicaid claims data. This effectively renders non-IEP school-based health services invisible in Missouri. When asked for the rationale behind this exclusion, representatives of the Missouri Department of Social Services did not know the history, policy, or explanation for this practice.

Table 1. Conditions for Medicaid reimbursement for school health services

Health Service	Student Eligibility	Who Bills	Requirements/ Limitations
Psychology/counseling Hearing aid/audiology Personal care Private duty nursing Occupational therapy Physical therapy Speech therapy	IEP	School district	Only services identified in IEP and up to amount and duration identified in IEP can be reimbursed by Medicaid.
Primary care Mental health Oral health	Non-IEP Medicaid students	Outside medical sponsor agency (FQHC, CMHC, hospital, etc.)	Must be Medicaid-eligible service and Medicaid-enrolled providers. Sponsoring entity cannot use school (03) place of service code for services provided as the claim will be rejected. Sponsoring entities must use the place of service code of their type (i.e., FQHC, CMHC, etc.)

Medicaid Administrative Claiming (MAC)

Although many of HCF's grantees offer services that would qualify for Medicaid Administrative Claiming (MAC) funds, none reported currently billing for these services. MAC is federal reimbursement to schools for 50 percent of the costs associated with Medicaid administrative functions, such as enrollment outreach and coordination of student health services. The Missouri School Boards Association and other private vendors offer schools assistance in claiming Medicaid Administrative funds. The Missouri School Boards Association assists 350 school districts in the state with MAC; however, none of HCF's grantees are participating.

Individualized Education Program (IEP)

Across Missouri, 13.4 percent of students had IEPs during the 2013-14 school year. However, the seven grantees interviewed reported that 10 percent of their students have IEPs—25 percent less than the state average. Given that HCF grantees are more likely to serve uninsured and underserved students, it is likely that more students enrolled in these schools/districts might qualify for IEPs.

According to interviews, many students in these schools have disabilities related to mental health or substance abuse diagnoses requiring extensive mental health and/or school nursing interventions. Yet, none of the schools reported including emotional or behavioral health issues in student IEPs. Several grantees hold the mistaken opinion that mental health diagnoses do not meet the standard of disability to be included in an IEP.

The Missouri Department of Social Services reports that only 300 of the state's 2,361 public schools (12.7 percent) are enrolled as IEP service providers, and less than 10 provide mental health services. Enrollment as an IEP service provider is required to be reimbursed for physical and behavioral health services that are provided as part of a student's IEP.

Limited public spending for school health care

Missouri has no state-level funding available for school-based health services planning, start-up, and ongoing clinical operations. Investments by HCF and county levies fund much of the mental health and school nursing services in the schools that were interviewed. County levies for children's services are critical opportunities to support school-based programs.

Difficulty obtaining insurance information

There are significant information gaps about the insurance status of students. This is problematic because programs can't generate patient revenue without accurate insurance information. Grantees reported difficulty documenting student insurance status. Some parents are reluctant to share insurance information because they distrust educational and social service organizations.

Significant student need

Grantees describe a student population with enormous need for onsite mental health services and skilled school nursing. As a result, the school nurse is stretched thin to meet student needs. For example:

- Across the 23 schools represented by the interviews, approximately 8,700 students rely exclusively on the school nurse as their main gateway to primary care and dental services.
- One school nurse had responsibility for 200 students with chronic conditions spanning asthma, diabetes, seizure disorders, and food allergies.
- Two schools surveyed their student body for adverse childhood experiences (ACEs), such as trauma, abuse and neglect. ACEs are well-known markers for poor health and social outcomes. Hundreds of students reported experiencing 1–3 ACEs.

RECOMMENDATIONS

Optimize Federal Policies

Expand school health services via Medicaid Reimbursement

To broaden the scope of reimbursable school health services available to Medicaid-enrolled students with or without an IEP, Missouri Medicaid should submit a state plan amendment to CMS to allow reimbursement to schools for Medicaid-eligible services delivered to all Medicaid-enrolled students, not just those children with an IEP. This is a new opportunity for states enabled by the 2014 "free care rule" clarification.

Missouri should join the National Collaborative on Education and Health, a multistate learning collaborative of states committed to broadening the scope of Medicaid reimbursement for school-based health services.

Every Student Succeeds Act

In December 2015, the Elementary and Secondary Education Act was reauthorized as the Every Student Succeeds Act (ESSA), replacing the previous iteration of the law, known as No Child Left Behind. The law makes broad improvements to federal education policy, including a strong focus on student health and wellness. Any district that receives a formula allocation above $30,000 must conduct a needs assessment and allocate at least 20 percent of funds to safe and healthy student activities. Local education agencies will be able to partner with community organizations to develop, implement, and evaluate programs to address issues such as substance abuse, mental health, bullying, violence, healthy relationships, nutrition, and physical activity. The Foundation should explore with local education officials how ESSA can support school-based behavioral health for Missouri's low-income students. The law requires full implementation of its provisions by the 2017–2018 school year.

Local planning and development of needs assessment processes are underway now. Key stakeholders should engage with local education agencies to advocate for school-based health and mental health programming. The law requires full implementation of its provisions by the 2017–2018 school year.

TRAIN SCHOOLS/PARTNERS on SCHOOL HEALTH POLICIES and SYSTEMS

HCF could spur enhanced health and education partnerships by offering training on best practices for working at the intersection of health and education.

Orientation to federal and state rules, regulations, and procedures

The provision and financing of health and behavioral health services in schools is regulated by an intricate set of federal and state laws. Staff from schools, health care providers, and social service agencies need a working knowledge of these policies to guide their school-based health operations. HCF should provide this training for grantees and their collaborative partners.

Billing for Medicaid Direct Services and Administrative Claiming

Grantees expressed interest in learning how to participate in Medicaid Administrative Claiming (MAC) and bill Medicaid for IEP services provided to Medicaid enrolled students. With guidance and support from HCF, school-based health programs can draw down Medicaid funds for both administrative activities and direct medical services.

Effective and efficient medical and behavioral health coding, billing, and collections are complex. Schools and community-based organizations are not universally equipped or resourced to maximize payment from third-parties such as Medicaid, the Children Health Insurance Program (CHIP), and commercial insurers. Smaller school districts and charter schools do not have the economies of scale afforded to larger districts that can invest in infrastructure (i.e. provider credentialing, billing and collections, etc.). HCF could encourage the use of an intermediary to perform these services. One example is already in practice: the Missouri School Board Association (MSBA) facilitates Medicaid Administrative Claiming for school districts as part of its Medicaid Consortium.

Further leverage county investments in school-based health

Many of the services financed by the county funds are provided to Medicaid-enrolled clients, and therefore could qualify as a certified public expenditure for the federal Medicaid match. School-based health service advocates in Michigan successfully leveraged its state general fund investment in school-based health centers into an annual multi-million match of federal funds, which enabled expansion of services in additional school sites across the state.

CONCLUSION

HCF grantees are providing critically needed services to school-aged youth who have limited access to medical, behavioral, and oral health services. Additional investments in structural supports for school health care in Missouri—policy advocacy and infrastructure development—as outlined in this report could make significant gains to leverage additional resources and partnerships, and help assure long-term sustainability.

ABOUT HEALTH CARE FOUNDATION OF GREATER KANSAS CITY

The Health Care Foundation of Greater Kansas City (HCF) was founded in 2003 following the sale of the Health Midwest hospital system. HCF invests over $20 million to improve the health of those most in need. The mission of HCF is to provide leadership, advocacy and resources to eliminate barriers and promote quality healthy for the uninsured and underserved in Allen, Johnson, and Wyandotte counties in Kansas and Cass, Jackson, and Lafayette counties in Missouri.

ABOUT SCHOOL-BASED HEALTH ALLIANCE

Founded in 1995, the Alliance works "to improve the health status of children and youth by advancing and advocating for school-based health care." The Alliance represents a national network of school-based health centers and their sponsoring community health organizations.

The Alliance was created by health and education professionals who understood that schools and their students are far more likely to succeed when youth-serving sectors unite to tackle the social and environmental influences that hinder student achievement. For more than two decades the Alliance has led national learning communities that bring school health professionals and educators together to transform schools as centers of health improvement. Campaigns have covered numerous objectives including improving mental health screening, tackling obesity by advancing school-wide approaches to physical activity and nutrition, integrating skills-building for social and emotional learning, aligning district-wide forces to promote oral health, and more.

ABOUT THIS REPORT

This report was authored by Laura Brey, Suzanne Mackey, and John Schlitt from the School-Based Health Alliance.

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