



Information UPDATE

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To: School District Representatives and Other Interested Parties

From: Carolyn Stanford Taylor, Assistant State Superintendent
Division for Learning Support: Equity and Advocacy
Department of Public Instruction

James Johnston, Director
Bureau of Fiscal Management
Wisconsin Medicaid and BadgerCare Plus

RE: School-based Services (SBS) and Medicaid Administrative Claiming (MAC) –
Student Confidentiality and Parental Consent

Under the Individuals with Disabilities Education Act (IDEA), schools deliver a broad range of educational and related services (e.g., educational, social and medical) to students with disabilities that address their diverse needs. Obtaining sufficient funding to cover increasing costs of services for students with disabilities is a critical responsibility for school districts. The Social Security Act specifies that states can receive federal Medicaid funding for certain services provided to children under the IDEA.

This memo provides a brief background of how the Medicaid program interfaces with the Individuals with Disabilities Education Improvement Act of 2004 (IDEA) and relevant state education law. In particular, this memo addresses the educational requirements of student confidentiality and parental consent to bill Medicaid within the Medicaid system of billing, data collection, and monitoring for Wisconsin's School-based Services program and the Medicaid Administrative Claiming program. This memo applies to claims submitted on services provided Spring 2006 and forward.

Questions and answers

1. How do IDEA and Medicaid work together?

IDEA is a federal law designed with the intent to educate children with disabilities and Medicaid is a federal program designed with the intent to provide health care to qualifying low-income individuals, including children. The Medicaid program provides support for children eligible for special education services who have specific health-related needs that affect their educational performance as identified in their Individualized Education Program (IEP).

In Wisconsin, school districts can access funding from the School-based Services (SBS) program and the Medicaid Administrative Claiming (MAC) program. SBS reimburses Medicaid-certified providers, including school districts, for covered services provided by certain staff to eligible students.

Through MAC, Medicaid covers administrative expenses incurred by schools in providing Medicaid services, such as outreach and case management. The outreach services may be to students or their families and for activities that include coordinating, referring, or assisting the student/family in accessing needed medical/health or mental health care services. Revenue generated from MAC is dedicated to the provision of health services and may be used to enhance, improve and/or expand the level and quality of health/medical services provided to all students within the district. Wisconsin's MAC program reimburses these expenses.

Calculating benefits under School-based Services and Medicaid Administrative Claiming

2. How are benefits calculated for the School-based Services program and the Medicaid Administrative Claiming (MAC) program?

For SBS, school districts must provide the total number of students receiving medical services because of an IEP (denominator) and the subset of those students that are also Medicaid-eligible (numerator):

$$\frac{\text{Number of Medicaid-eligible students who have medical services on their IEPs}}{\text{Number of students who have medical services on their IEP}}$$

For MAC, school districts must provide the total number of Medicaid-eligible students in a district (numerator) and the total student population in a district (denominator):

$$\frac{\text{Total number of students eligible for Medicaid}}{\text{Total number of students in the district}}$$

3. Do districts need parental consent to release to the Department of Health Services (DHS) the student rosters necessary for MAC and SBS benefits calculation?

No. The Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) and 118.125 (2)(j), Wis. Stats., allows schools to disclose, without consent “directory information.” “Directory information” is defined as:

- Student's name
- Participation in officially recognized activities and sports

- Address
- Telephone listing
- Weight and height of members of athletic teams
- Electronic mail address
- Photograph
- Degrees, honors, and awards received
- Date and place of birth
- Major field of study
- Dates of attendance
- Grade level
- The most recent educational agency or institution attended

Districts upload student information via the *Student Roster* and DHS creates the Medicaid match. DHS has revised its *Student Roster* to request only “directory information” to create the Medicaid match.

4. If a parent has requested that a school not disclose directory information¹, may a district include that student for purposes of calculating benefits under MAC or SBS?

The district must remove such students from their directory before releasing the information to the Department of Health Services for the Medicaid match. Therefore, the district does not know whether the students are eligible for Medicaid and cannot include such students in the numerator for either MAC or SBS benefits calculation.

However, districts must include such students in the denominator for both MAC and SBS benefits calculation. For MAC, the total number of students in the district can be reported as an aggregate and does not rely on a data match between district directory information and DHS Medicaid information. For SBS, the number of students who have medical services on their IEP can be reported as an aggregate and does not rely on a data match between district directory information and DHS Medicaid information.

5. If a parent has not yet provided consent to bill Medicaid (DPI Form M-5²), may a district include that student for purposes of calculating benefits under MAC or SBS?

Yes. Consent to bill Medicaid, as required in IDEA and its implementing regulations at 34 CFR § 300.154(d), is triggered only when an LEA submits an interim claim under SBS. It is a separate and distinct requirement from the confidentiality provisions that are triggered when a district releases student information (i.e., student directory information).

¹ Schools must tell parents and eligible students about directory information and allow parents and eligible students a minimum of 14 days to request that the school not disclose directory information without their consent. Schools must notify parents and eligible students annually of their rights under FERPA and 118.125, Wis. Stats.

² The Department of Public Instruction provides sample forms and notices for use in the IEP team process to assist districts to comply with state (Chapter 115) and federal (IDEA) special education requirements. The forms are available online at http://dpi.wi.gov/sped/form_int.html.

Submitting claims to School-based Services and Medicaid Administrative Claiming

6. How are claims submitted for reimbursement through MAC and SBS?

Through the MAC program, districts can be reimbursed for certain medical and health-related outreach services delivered to all students within the district. To be reimbursed for the outreach and case management services, districts identify staff who perform the allowable administrative activities for some part of their work day. The staff participate in regular time studies so that the portion of their time that can be claimed as Medicaid administration is properly allocated. The time study methodology has been accepted by the federal government as a means of producing statistically valid samples of staff activities at a level of precision acceptable for federal cost allocation.

Through the SBS program, districts are reimbursed for certain services provided to Medicaid-eligible students by licensed staff. Districts submit interim reimbursement claims and annual cost reports. The annual cost report, which does not request student-specific information, allows the SBS program to reconcile the interim reimbursements to actual cost. Districts share student-specific information (i.e., student information, services provided and length of services) only when they file interim claims.

7. Is parental consent required to submit claims under MAC and SBS?

Parental consent is not required to submit claims through the MAC program because districts do not disclose any student information in its claims nor does the MAC program access individual public benefits to reimburse a district.

Parental consent is not required to receive SBS funds through cost report settlement. The *SBS Cost Report* does not ask districts to report confidential student information nor does it seek to use a specific child's public benefit.

Parental consent is required to submit interim claims through the SBS program because a district includes confidential student information in their claims and seeks to use a specific child's public benefit. Information from the child's education records is protected under the Family Educational Rights and Privacy Act of 1974, U.S.C. 1232(g) (FERPA), 118.125, Wis. Stats., and section 617(c) of IDEA. Under these laws, a child's education records cannot be released to a State Medicaid agency without parental consent, except for a few specified exceptions that do not include the release of education records for insurance billing purposes. Under a separate and distinct requirement in the 2004 reauthorized IDEA, a district may not bill the State Medicaid agency without parental consent that meets the definition in 34 § CFR 300.9 – a definition different from FERPA's definition of consent.

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