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Stefan Johansson  
Director


Mark Gordon  
Governor

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### MEMORANDUM

**Date:** September 30, 2022

**To:** Joint Labor, Health, and Social Services Interim Committee  
Joint Education Committee  
Joint Appropriations Committee

**From:** Stefan Johansson, Director   
Wyoming Department of Health

**Subject:** Medicaid Billing for School-Based Services - 2022 Report

**Ref:** J-2022-412

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Section 4 of Senate Enrolled Act 20 from the 2021 General Session requires the Department of Health to report on the implementation of Medicaid billing for school-based services.

Attached please find the report that meets these requirements.

SJ/FF/jg

c: Governor Mark Gordon  
Legislative Service Office (electronic copy)  
State Department Depository (electronic copy)

**Wyoming Department of Health  
Wyoming Department of Education**

**Report to the Joint Education Interim Committee,  
Joint Labor, Health and Social Services Interim Committee, and  
Joint Appropriations Committee**

# **School-Based Services (SBS) Program 2022, as Authorized by Senate Enrolled Act 20 from the 2021 General Session**

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**Cheyenne, Wyoming 82002  
October 1, 2022**

## **Executive Summary**

During the 2021 General Session, the Wyoming Legislature authorized school districts to bill school-based services for Medicaid-enrolled students. As part of the authorization for this project, Senate Enrolled Act (SEA) 0020 required the Wyoming Department of Health (WDH) and the Wyoming Department of Education (WDE) to submit implementation reports by October 1, 2021, and October 1, 2022.

These reports must include relevant information on the following:

- Action taken by school districts;
  - The implementation of the School-Based Services (SBS) Program is currently in its pilot phase, with five (5) school districts participating, to include Fremont 25, Park 6, Crook 1, Converse 1, and Niobrara. Three to five (3 - 5) other school districts are showing interest in participating at a later date.
- Actions taken by the WDH and the WDE;
  - The WDE and the WDH have supported school districts with implementing the SBS Program by providing trainings and holding stakeholder meetings to disseminate information, provide guidance, and facilitate conversations around the use of special education reporting software to streamline documentation and ensure Medicaid-related data for billing purposes is appropriately captured.
- Any approvals received from the federal government for plan amendments or waivers to the Medicaid State Plan;
  - CMS approved the State Plan Amendment with an effective date of July 1, 2022.
- Any impediments to implementation; and any necessary or recommended improvements to the program and any required additional funding.
  - W.S. 21-13-321(j) requires all districts to report the number of Medicaid-eligible students in each school district information to the WDE. This process is prone to many challenges, especially for school districts not currently enrolled in the Medicaid SBS program. The WDE and WDH have developed a data-sharing MOU that will reduce the data collection and reporting burden on school districts, ensure data quality, and satisfy the Legislative intent. For this reason, the departments recommend the elimination of W.S. 21-13-321(j).

## **Background**

Since the 1970s, the federal government has required schools to provide all children with disabilities appropriate services under the Individuals with Disabilities Education Act (IDEA).<sup>1</sup> This includes health-related services such as occupational therapy, physical therapy, speech therapy, nursing services, counseling services, and audiology services.<sup>2</sup> The IDEA requires that students with disabilities be provided educational and related health services that will enable them to reach their educational goals as documented in their Individualized Education Program (IEP) or Individualized Family Service Plan (IFSP).<sup>3</sup>

Since 1988, states have been able to draw down federal funds under Medicaid to pay for school-based health and related services required by IDEA, when provided to Medicaid-enrolled children with disabilities. Medicaid is a public health insurance program that is jointly funded by states and the federal government and is administered by states. States establish and administer Medicaid programs and determine the types, amounts, duration, and scope of services within broad federal guidelines, as outlined in a Medicaid State Plan.

School districts, also known as “Local Education Agencies” (LEAs), can draw down federal Medicaid dollars for IDEA-required services by billing Medicaid for appropriate school-based services provided to Medicaid enrolled students. Through amending the Wyoming Medicaid State Plan, CMS authorized the SBS Program, which is locally managed by the state Medicaid agency, the WDH. For LEAs to receive Medicaid payments for school-based services, LEAs must document the service in a student’s IEP or IFSP and meet the following criteria:

- The service is authorized in Section 1905(a) of the Social Security Act, and the service is medically necessary;
- LEAs and service providers follow all state and federal regulations, including provider qualification requirements; and,
- The state has included the service in the Medicaid State Plan, or the service is available under the federal Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefits.

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<sup>1</sup> Individuals with Disabilities Act (IDEA). *About IDEA*. <https://sites.ed.gov/idea/about-idea/#IDEA-History>

<sup>2</sup> IDEA. *Sec. 300.34 Related Services*. <https://sites.ed.gov/idea/regs/b/a/300.34>

<sup>3</sup> In 2014, the Centers for Medicare and Medicaid Services (CMS), who oversees the federal Medicaid program, expanded coverage of school-based services to reimburse for services outside of those required by IDEA. These services, often referred to as “free care,” are health services, such as behavioral health services or screening services, provided by the LEAs to the general student population, free of charge. Prior to this clarification, LEAs could not receive reimbursement for services provided to Medicaid eligible students that were also provided to the general student population. MACPAC. *Medicaid in Schools*. (April 2018): <https://www.macpac.gov/wp-content/uploads/2018/04/Medicaid-in-Schools.pdf>

LEAs will not change their practices delivering IDEA services when participating with Medicaid, however, LEAs must adhere to additional Medicaid requirements that may exceed education requirements. These include, but are not limited to:

- Service delivery and proper documentation: The LEA must deliver and document the service correctly, based upon the need of the student. In addition, the documentation must be retrievable in case of an audit.
- Service authorization: LEAs must authorize each student's school-based service by including them in an IEP or IFSP.
- Medical necessity: LEAs may only bill for medically necessary services that meet the WDH's requirements of demonstrating medical necessity.
- Qualified providers: All school-based services must be delivered by qualified providers or individuals under the supervision of a qualified provider.
- National Provider Identifier (NPI): A provider must have an NPI to bill services to Medicaid or work under the supervision of a licensed provider with an NPI.
- Medicaid Eligibility: LEAs may only access Medicaid reimbursement for Medicaid-allowed services delivered to Medicaid-enrolled students.
- Parental Consent: LEAs must obtain and document consent from parents to bill school-based services to Medicaid.

### **Specific Requirements of Statute**

Section 4 of the Senate Enrolled Act 20 from the 2021 General Session states:

The Department of Health and the Department of Education shall report on implementation of Medicaid billing for school-based services as provided for by this act. Reports on implementation required by this section shall include information on relevant action taken by school districts, relevant action taken by the Department of Health and the Department of Education and any approvals received from the federal government for plan amendments or waivers to the Medicaid State Plan. The departments shall evaluate impediments to implementation and determine necessary or recommended improvements to the program and any required additional funding. Findings shall be submitted in two (2) written reports to the Joint Education Interim Committee, the Joint Labor, Health and Social Services Interim Committee, and the Joint Appropriations Committee, one (1) report to be submitted not later than October 1, 2021 and the other report to be submitted not later than October 1, 2022.

## **Response to Specific Requirements of Statute**

### **Relevant Action Taken by School Districts**

Out of the 48 school districts in Wyoming, there are five (5) school districts (LEAs) in the process of being enrolled in the Wyoming SBS Program to provide healthcare services and submit claims for federal reimbursement. These districts include: Fremont 25, Park 6, Crook 1, Converse 1, and Niobrara.

The five participating LEAs dedicated time and effort to implement a strong, federally compliant SBS Program, to include attending trainings, informational meetings, and webinars on a regular basis throughout the past year. In addition, they prepared their LEA staff with guidance on the SBS Program requirements such as the requirement for LEAs and providers to obtain a NPI, requirements for provider licensing and certification, and Medicaid billing requirements.

The LEAs also provided education to parents on the SBS Program and the requirement for parental consent. Since parental consent is required to bill Medicaid, the LEAs provided information to parents on parental rights and the benefits of billing Medicaid. Most importantly, the LEAs informed parents that billing Medicaid for services will not change anything for the student or the family. All students will receive services pursuant to their IEP or IFSP, regardless of Medicaid status or if Medicaid is being billed for services. Parents were also informed that services provided in a school setting will not affect Medicaid coverage, the child's lifetime benefit, or any services the child receives outside of the school setting.

In addition to the five participating LEAs, there are 3 - 5 other LEAs interested in participating in the program upon understanding the program benefits and requirements.

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## **Relevant action taken by the Departments of Health and Education**

Since the initial report was published on October 1, 2021, the WDH and the WDE have worked together, and separately, on the implementation of the Medicaid SBS Program. Together, the WDH and the WDE regularly engaged with LEAs to prepare them for the July 1, 2022, implementation date. The WDH and the WDE continue to meet regularly to discuss the SBS Program, the implementation plan, and provide stakeholder engagements.

Since October 1, 2021, the WDH has taken the following actions:

- Stakeholder engagement and training, to include development of the SBS Program Provider Manual and educational materials.
- Development of a website that provides relevant and helpful information regarding the program. The website is designed as a repository of all program documents and information for LEAs, providers, parents, and the general public.
- Developed Chapter 52 of the Wyoming Administrative Code and submitted it to the Attorney General's Office on June 2, 2022. The emergency rules were approved with an effective date of July 1, 2022.
- State Plan Amendment (SPA 22-0001) submission and approval on July 19, 2022, with an effective date of July 1, 2022.
- Development of provider rates and associated system changes in the Benefit Management System and the Provider Enrollment System to ensure that claims processing and reimbursement will function as intended.

Since October 1, 2021, the WDE has taken the following actions:

- Stakeholder engagement and communication of pertinent information about the status of the Medicaid SBS Program implementation in order to increase awareness of the data collection and reporting requirements that LEAs must satisfy during the 2022-23 school year.
- WDE 684 data collection modifications, to include final testing and rollout.
- Updates to WDE Chapter 44 Special Education Administrative Rules.

Since October 1, 2021, the WDE and the WDH have jointly taken the following actions:

- Developed the Memorandum of Understanding (MOU) to structure the data-sharing necessary between the WDH and the WDE.
- Coordinated the development of materials for program implementation, to include procedures around data sharing, financing mechanisms, and monitoring protocols.

## **Approvals from the federal government for amendments or waivers to the Medicaid State Plan**

As noted previously, the WDH submitted a SPA to CMS on January 19, 2022, and received approval on July 19, 2022. The WDH added the following school-based providers to the Medicaid State Plan:

- School Psychologist (K-12) with a Professional Teaching Standards Board (PTSB) license endorsement.
- School Social Worker (K-12) with a PTSB license endorsement.
- School Counselor (K-12) with a PTSB license endorsement.

As a part of the SPA submission, the WDH conducted a claims analysis by using information available from other states to determine the fiscal impact estimates for adding the additional practitioner types.

Once submitted to CMS, the WDH responded to the CMS's RAIs to facilitate approval of the SPA. The WDH and the WDE coordinated stakeholder communication (e.g., public notice, listserv, etc.) to inform stakeholders regarding the SBS Program and related SPA updates and approval.

## **Impediments to implementation**

While the implementation of the program has seen some initial success, the WDE and the WDH have witnessed the LEAs struggle with the idea of investing time and resources into learning the process and requirements without any clear individual incentive to the participating LEA.

Specifically, billing Medicaid requires a higher level of documentation and monitoring, and many LEAs have expressed concerns that there may be an excessive administrative burden to LEAs that participate in the program.

To mitigate the administrative burden, the WDH and WDE provide trainings and support, but there are tasks that only the LEAs and individual providers are required to complete such as understanding and complying with the Medicaid requirements and laws, enrolling as Medicaid providers, stronger documentation requirements than the requirements under IDEA, obtaining and maintaining parental consent signatures and annual notifications, and general program oversight.



### **Improvements required or additional funding**

During the implementation of the SBS Program, the WDE and WDH identified a more efficient method to collect the number of Medicaid-eligible students in each school district. W.S. 21-13-321(j) currently requires all districts to report this information to the WDE. This process is prone to many challenges, especially for school districts not currently enrolled in the Medicaid SBS program. The WDE and WDH have developed a data-sharing MOU that will facilitate the transfer of Medicaid eligibility data directly between departments. This agreement will reduce the data collection and reporting burden on school districts, ensure data quality, and satisfy the original intent of the 2021 Senate Enrolled Act (SEA) 0020. For the reasons stated above, the departments recommend the elimination of W.S. 21-13-321(j).

The program does not require any additional funding.