



**Date:** 3/2/23

**Source of Report:** [Resolve 2021 Chapter 167](#) (LD 1775) Department of Education/ Department of Health and Human Services

**Topic:** MaineCare Reimbursement.

### Context

**Sec. 1. Department of Education and Department of Health and Human Services to develop support system for MaineCare reimbursement. Resolved:** That the Department of Education, in collaboration with the Department of Health and Human Services, shall develop a comprehensive system to support school districts, the State's intermediate educational unit and special-purpose private schools in seeking reimbursement for MaineCare-eligible services for all children from birth to grade 12.

**Sec. 2. Report. Resolved:** That, no later than November 2, 2022, the Department of Education, in collaboration with the Department of Health and Human Services, shall submit a report, including suggested legislation, on the development of the comprehensive system for MaineCare reimbursement under section 1 to the joint standing committee of the Legislature having jurisdiction over education matters. The joint standing committee is authorized to submit legislation related to the report to the 131st Legislature in 2023.”

### Department of Health and Human Services (DHHS):

#### MaineCare Coverage and Reimbursement Background

Last year, in response to Resolves 2021, ch. 109 (formerly [LD 135](#)), DHHS worked with the Maine Department of Education (DOE) on a [report](#) that described, among other things, (a) what school health-related services for children with disabilities are currently billed to MaineCare; (b) what services are covered by MaineCare but are not currently billed by schools; (c) what services are coverable by Medicaid but are not currently covered by MaineCare; and (d) how seed money is currently used to fund MaineCare-covered school-based services. See LD 135 Report, pages 4-10.

As discussed in more detail in the LD 135 Report, in designating covered services, DHHS is obliged to comply with the Centers for Medicare & Medicaid Services’ (CMS) requirements applicable to MaineCare provider reimbursement for the provision of School Health-Related Services. MaineCare reimbursement is only available for services and assessments that are medically necessary and provided by qualified and enrolled MaineCare providers. Reimbursement is not available for non-medical services.

#### Clarity on School Health-Related Services Eligible for MaineCare Reimbursement: New MaineCare Benefits Manual Section 106

The DHHS Office of MaineCare Services (OMS) is drafting a proposed new section of the MaineCare Benefits Manual (Section 106) containing requirements for the provision of School Health-Related Services. School Health-Related Services are MaineCare-covered services that

are delivered in school settings to MaineCare members by enrolled and qualified MaineCare providers. In Maine, the Office of MaineCare Services (OMS) is responsible for operating the Medicaid program. The State of Maine Department of Education (DOE) collaborates with MaineCare in the implementation and administration of School Health-Related Services. Section 106 reflects a joint effort by both agencies to promote and encourage the delivery of covered services to eligible MaineCare members by qualified and enrolled MaineCare providers. In recognition of the fact that most schools are not traditional health care providers with health care billing infrastructure in place, one purpose of this new section is to gather pertinent requirements into a single rule to reduce, consolidate and clarify billing requirements for School Health-Related Services.

The School Health-Related Services described in the Section 106 fall into three overall categories: [Individuals with Disabilities Education Act \(IDEA\)](#) Services, Student Health Services, and School-Based Health Center Services. For all three categories of services, providers are responsible for verifying members' MaineCare enrollment, clinical eligibility, and fulfillment of medical necessity criteria for the service being delivered. Federal Medicaid law does not create a unified benefit category for services delivered in schools, so member eligibility, covered service eligibility, documentation and billing requirements vary depending on the nature of the service, and in particular, whether a service is an IDEA Service.

Because a variety of provider types deliver School Health-Related Services, the new rule's provider qualification requirements reference other sections of the MaineCare Benefits Manual (MBM). School Health-Related Services also have a variety of different reimbursement methodologies, which mirror reimbursement for the same or similar services outside this section.

As a high-level overview of the rule's provisions, IDEA Services may be delivered to members who qualify for IDEA Part B or Part C, when the MaineCare covered service is listed in a member's Individual Family Service Plan (IFSP) or Individualized Education Program (IEP), respectively. There are specific and detailed documentation requirements associated with IDEA services, in recognition of the role of the IEP or IFSP in establishing medical necessity for the service and the fact that School Administrative Units (SAUs), and State Independent Educational Units (SIEUs) and DOE fund the state share of IDEA services that are listed on an IEP. Student Health Services and School-Based Health Center Services do not require a member to qualify for an IFSP or IEP, and DHHS funds the state share for these services.

The new rule will cover IDEA and Student Health Services for all children and adolescents who are in a school setting, from birth up until a member's twenty-second birthday, to the extent allowable by federal law. Some services have age restrictions that are based on federal requirements; in particular, eligibility for services under the Early and Periodic Screening, Detection and Treatment (EPSDT) benefit ends at a member's twenty-first birthday.

MaineCare will be able to reimburse for covered School-Based Health Center services delivered to any eligible Child or Adult member. Some services may have additional Prior Authorization requirements and/or limitations by member age or other criteria as listed in the referenced section of the MBM. For all MaineCare members, services delivered in schools continue to be excluded from the calculation of utilization rates for the Katie Beckett program.

### Rate Study for Behavioral Health Services Delivered in Schools

In 2019, DHHS launched a comprehensive rate system evaluation, with the goal of assuring adequate, equitable and data-driven rates for services reimbursed under the MaineCare program. In 2022, the legislature enacted 2021 P.L. ch. 639, which codifies MaineCare rate reform and establishes a comprehensive system for developing and maintaining MaineCare payment models.

Consistent with the requirements of 2021 P.L. ch. 639, OMS, through the support of its contractor Burns and Associates, a division of Health Management Associates, has been conducting a comprehensive rate study for behavioral health services across the delivery system, including behavioral health services delivered in schools. The rate study aims to develop detailed, transparent rate models that show specific assumptions used to establish rates and relies on data from multiple sources rather than one single source. An additional goal of this study is to establish rate models that support funding the labor components of rates for “essential support worker” to equal at least 125 percent of the state’s minimum wage, as required by 2021 P.L. ch. 398, Part AAAA.

The behavioral health rate study process kicked off in March of 2022 and continued throughout the summer and into the fall. The Department presented the rate models to providers in October of 2022 and offered the opportunity for the public to give feedback on the draft rate models through a public comment period. The Department considered these comments when developing the final rate models, which will be used to inform future proposed rules. DHHS is in the process of concluding the rate study process; the final step will be obtaining federal approvals and the adoption of rules incorporating the new rate models, with an anticipated effective date of January 1, 2023.

### Timeline

Pursuant to P.L. 2021 ch. 227 (formerly LD 854), the new School Health- Related Services rule is a major substantive rule, which will be provisionally adopted, with the intent to and submitted for legislative review in the First Regular Session of the 131<sup>st</sup> Legislative Session if possible. Subject to legislative approval, the Department anticipates the rule to be finally adopted following the close of the legislative session, with an implementation start date being 30 days following filing with the Secretary of State, in accordance with 5 M.R.S. §8072.

### Plan for Professional Support and Training on the New Rule DOE + DHHS

OMS is developing an online curriculum that will be posted in early 2023 to provide professional support in complying with the new rule. The MaineCare in Education series has interactive lessons tailored for parents/guardians, MaineCare providers, school administrators, and other stakeholders. The first series of short lessons supply a basic introduction to MaineCare and School Health-Related Services. Advanced courses are geared to those who need more detailed support and guidance due to their level of involvement in the delivery of MaineCare billable services. OMS will make additional courses available as necessary to support the transition to the new policy. Online curriculum is tailored specifically to different stakeholder groups.

In addition, remote, live trainings, technical assistance calls and office hours conducted collaboratively with DOE and DHHS will supplement the online curriculum outlined above.

The new trainings will supplement the resources that OMS has already made available for SAUs and other providers of School Health-Related services. The [MaineCare in Education website](#) has a posted presentation from the January 2022 Stakeholder Sessions along with the [MaineCare in Education 2022 School Health-Related Services Billing Guide](#). Also posted on the page are joint training resources such as the Guidance on IEP Documentation (May 2021) and [the video of the MaineCare and Maine Department of Education Joint Training conducted on the IEP Documentation](#). MaineCare also has a specific email address for all questions, comments, and concerns relating to school services. Stakeholders may email [MaineCareinEducation.DHHS@maine.gov](mailto:MaineCareinEducation.DHHS@maine.gov) at any time.

Provider relations, enrollment, and other MaineCare staff are always available to set up virtual or in person trainings at any time upon request from anyone in need of training and support for the delivery of services, or billing for services.

**MaineCare in School Administrative Units (SAUs) and Child Development Services (CDS)**  
45% of Maine SAUs were enrolled with MaineCare and billed directly for eligible services provided in the public school setting, based on information obtained by Maine Education Policy Research Institute (MEPRI) in conducting an analysis of MaineCare at the state level. The MEPRI report included instances where the school was the billing provider, but not instances where a non-school provider billed MaineCare directly for services provided in a school. Although the MEPRI report did not capture SAUs that subcontract with providers who bill MaineCare directly, it supports the assertion that Maine is leaving a significant amount of federal funding behind, which could be used to support children with disabilities. To fully maximize federal resources, Maine would need to request revisions of its federally-approved plan to include more allowable services (MEPRI Report 2021, pg. ii). The new Section 106 of the MaineCare Benefits Manual incorporates many of the MEPRI recommended changes and OMS will seek federal approval of its state plan to include more services.

In research conducted by the Department of Education, states that had lower Medicaid billing averages provided the following reasons for ineffective billing practices:

- Listed administrative costs on the local education agency (LEA) (equivalent to SAU)
- Bureaucratic complexity with paper systems
- Tracking services by various providers
- Difficulty understanding LEA (SAU) claiming
- Maintaining documentation such as parental consent to ensure claims were submitted meeting compliance expectations
- Comprehensive compliance support
- Providing transparent data and visibility for claiming and cost settlements
- Poor understanding of the Medicaid reimbursement
- Providers were submitting paper-based service logs, and Administrative staff had the burden of labor-intensive manual submission.
- Limited resources of staff to oversee the program.
- Lack of an easy-to-understand state training plan on billable school-related services and billing guidance.

In addition to these barriers, Maine's Essential Programs and Services (EPS) funding formula subtracts earned MaineCare Revenue from future SAU funding formula disbursements.

Although the SAU has immediate access to revenue at the time of the billing, many SAUs see this as punitive, and it discourages them from taking on the administrative burden for billing. This is especially daunting for SAUs who have concerns that they may have to pay money back to MaineCare if they are audited and billing procedure violations are discovered.

One way that states have overcome the obstacles that disincentivize billing for school-based Medicaid monies is the application of an integrated statewide billing system. These systems, when provided at the state level, led to a reduction in administrative costs to local education agencies and significant increases in the amount of money provided to support Medicaid reimbursable school-based services. Risk mitigation for audits is a crucial feature of a statewide billing solution and would provide SAUs in Maine more confidence in billing MaineCare.

### CDS Billing

CDS has historically had barriers to maximizing MaineCare reimbursement for both Part C (Birth to 3) and Part B (3-5) services. Lack of clear and consistent processes within the CDS system for obtaining a child's parental consent caused obstacles to identifying the correct services across the regional sites. The CINC program, which is the IEP management and billing program, utilized by CDS contributes to challenges in maximizing billing because of inherent problems with the accuracy of payor data. There is data inaccuracy within the responsible payor input in CINC, which is being addressed currently through the initiative to support increased billing.

### CDS MaineCare Initiative

To increase funding from MaineCare and private insurance, the Finance and Data departments in CDS have worked closely together to make modifications to the payment authorization forms for both Part C & Part B. In addition, billing procedures are being streamlined at the state level through additional fiscal staff, ensuring that service authorizations accurately reflect payment sources authorized by families of eligible children.

The Finance Director, Data Manager and Part C Coordinator are engaged in the Center for IDEA Fiscal Reporting (CIFR)'s annual Finance Academy and are receiving high quality technical assistance focused on increasing revenue from MaineCare and Private Insurance.

CDS' MaineCare Initiative consists of several components, including but not limited to the following:

- Secure and update parental consent to bill insurance for every CDS student.
- Enter the appropriate payor source in CINC for every CDS student.
- Update policies and procedures to address internal control concerns.
- Update CINC to provide the necessary tools and security to accomplish the above.
- Lessen the administrative burden on site staff.
- Provide site staff with all necessary tools and training to secure parental permission at intake.
- Improve insurance billing to ensure medical funds are used to pay for medically eligible expenses and optimize CDS to pay for the education of children with disabilities.

### Projections of billing

CDS' MaineCare initiative has already seen an increase of revenue for school-based services in FY23. In the first 4 months of FY23, CDS has seen a 43.3% (\$207k) increase in MaineCare

revenue. FY23 year-end forecast projects an overall increase of 99.1% (\$621k), or \$1,246,595 total revenue for FY23 over FY22 total revenue of \$626,060.

#### Part C Medicaid Reimbursement: Use of Medicaid to fund Early Intervention (EI) Services

Under federal IDEA Part C regulations special instruction includes working with the infant or toddler with a disability to enhance the child's development across domains including communication, gross and fine motor, adaptive, social and emotional. Service coordination may be funded under targeted case management. Other state Medicaid programs reimburse for a service called "developmental therapy" or "special instruction." Maine would need to develop a "developmental therapy" or "special instruction" service and identify a therapist credential with clear education, training, and certification requirements. MaineCare previously covered a developmental therapy service from birth to 5, but discontinued this coverage in 2010 due to widespread challenges with appropriate delivery of the service and differentiating between Part B and Part C services.

Currently, Maine spends more than \$9 million each year to fund EI Services for children birth to 3. Maine is currently capturing only 3.03% of the total cost of EI. Most states are able to bill 30-70% service provision for EI services. This is an area of focus for the DOE and DHHS as we work with other states and national technical assistance centers to develop a mechanism that will allow for these developmental services to be billed. This will support increasing federal funding for our youngest children.

#### Request For Information

DOE and DHHS are drafting a Request for Information (RFI) which they intend to publish in the spring of 2023 to better understand available statewide billing solutions. Included in this request will be an analysis of the current mechanism to support MaineCare billing to see if it can be enhanced to support school administrative units and CDS in accessing MaineCare Reimbursement.

### **Actions**

#### **Recommendations and Lead Agency**

- **DHHS:** Proceed with promulgation of new MaineCare rule (MaineCare Benefits Manual Section 106) consolidating and expanding requirements for the provision of School Health-Related Services.
- **DHHS:** Continue to develop and implement trainings, including some cross- agency trainings, on MaineCare billing for SAUs, providers and families, including training on new rule.
- **DOE:** Continue to analyze data from 3rd party billing through CDS, including administrative components associated with billing.
- **DOE and DHHS:** Complete the RFI process to understand available statewide software solutions, which would reduce barriers to billing and-increase billing for school administrative units.
- **DOE and DHHS:** Increase communication between SAUs and OMS through coordinated meetings in conjunction with DOE, and DHHs; expanded joint MaineCare training to include providers co-leading trainings
- **DOE and DHHS:** Collaborate to support expanded MaineCare coverage for services associated with federal IDEA Part C regulations including working with the infant or

toddler with a disability to enhance the child’s development across domains including communication, gross and fine motor, adaptive, social and emotional, to include developing a “developmental therapy” service and identifying a developmental therapist credential with clear education, training, and certification requirements.

- **DOE and DHHS:** Reexamine Service coordination as a targeted case management service for Part C services.
- **DOE:** Add a position to the Department of Education to provide technical assistance to SAUs to support increased billing.
- **DOE and DHHS:** Engage national technical assistance center to support collaboration between state agencies
- **DOE:** Review EPS policy around MaineCare Revenue to remove barriers in this area.

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