

Medicaid Coverage for School-Based Health Services

Session Law 2016-94, Section 12H.9.



**Legislative Report to the
Joint Legislative Oversight Committee on Medicaid and NC Health Choice
and
Fiscal Research Division**

North Carolina Department of Health and Human Services

November 1, 2016

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I. Introduction

Session Law 2016-94, Section 12H.9. (see **Appendix A**) requires the NC Department of Health and Human Services, Division of Medical Assistance (DMA) to conduct a study to identify school-based health services that are eligible for Medicaid federal match, but are not currently reimbursable under North Carolina's Medicaid State Plan. This report due November 1, 2016 describes the fiscal impact of covering proposed services as well as any needed DMA policy and State Plan revisions.

This study and report provided an opportunity for ongoing collaboration between DMA and the Department of Public Instruction (DPI) to research school-based health services that could be added to NC's Medicaid State Plan (State Plan). Medicaid services provided in schools are reimbursed by local school districts with federal funding processed through DMA.

Historically, CMS has restricted reimbursement for Medicaid services in school settings under its "Free Care Policy." This policy authorized reimbursement for a limited number of services in schools, including audiology, counseling, nursing, occupational therapy, physical therapy, and speech/language therapy services when documented on a beneficiary's Individualized Education Program (IEP) or Individualized Family Service Plan (IFSP). In accordance with that policy, NC's State Plan currently allows Local Education Agencies (LEAs) to receive federal reimbursement for these services when provided to Medicaid eligible beneficiaries under 21 years of age with appropriate documentation on their IEPs or IFSPs.

In December 2014, CMS amended the Free Care policy, expanding the school-based health services eligible for federal Medicaid reimbursement at States' discretion. The State Medicaid Director Letter dated December 15, 2014 states the following:

Medicaid reimbursement is available for covered services under the approved state plan that are provided to Medicaid beneficiaries, regardless of whether there is any charge for the service to the beneficiary or the community at large. As a result, Federal Financial Participation (FFP) is available for Medicaid payments for care provided through providers that do not charge individuals for the service, as long as all other Medicaid requirements are met.¹

DMA's Clinical Coverage Policy 10C, *Local Education Agencies (LEAs)*, allows LEAs to obtain Medicaid reimbursement for those services that are currently specified in the State Plan and documented on an IEP or IFSP. The focus of this study is to examine the impact of changes in CMS policy on school-based health services. Utilization data within this report have been provided by DPI.

¹ <https://www.medicaid.gov/federal-policy-guidance/downloads/smd-medicaid-payment-for-services-provided-without-charge-free-care.pdf>

DMA collaborated with DPI to identify and study additional school-based health services that could be added to the State Plan, fulfilling the requirements of 2016-94, Section 12H.9. The services of greatest interest to DPI included the following (not listed in order of priority):

- Nursing Services
- Counseling Services
- One-on-One Care Attendant Services
- Transportation Services
- Psychological Evaluation Services
- Vision and Hearing Screening Services
- Hearing Evaluation Services
- Targeted Case Management (Referral and Coordination of Health Services)
- Vision Evaluation Services
- Orientation and Mobility Services for Visually Impaired (VI) Beneficiaries
- Occupational Teletherapy, Physical Teletherapy and Speech Teletherapy Services

The study is comprised of an initial summary defining the service, the estimated number of beneficiaries to utilize the service, the fiscal impact of covering the service and DMA's recommendation of whether the service should be covered or if further research is needed. The study results will need further research to determine actual costs, utilization, and potential fiscal estimates.

II. Study Results (this information is based on an initial review of CPT codes and does not reflect the financial decision making for reimbursement)

Following collaboration with DPI to identify services for this study, DMA staff researched the policies and State Plans in New Jersey, Virginia, Florida and Washington. DPI provided data on historical and projected future utilization of these services. Fiscal impact projections are based upon current NC rates for services and rate research information from the above listed states.

This section describes the services studied, to include guidelines, expected utilization, and methodologies employed to determine fiscal impact. A complete listing of studied services and provision requirements is provided in **Appendix B**. A summary of terms and acronyms used in this report, is listed in **Appendix C**. A list of proposed CPT codes and rates used to determine the fiscal impact is provided in **Appendix D**.

A. Services Currently Available for Reimbursement for LEA Provider and Recommended for Expansion

1) Nursing Services

Nursing services are defined by DPI as services administered by a Registered Nurse (RN) or other trained, delegated personnel, documented on an IEP or IFSP and with a physician's order for the specific health procedures listed below:

- blood glucose monitoring
- intermittent catheterization cleaning
- monitoring central venous line
- wound care/dressing change
- insulin injection
- calculating insulin pump injection
- nebulizer treatment
- oxygen therapy
- pulse oximeter
- respirator care
- shunt care
- tracheal suctioning/tracheostomy care
- stoma care
- tube feeding
- insertion or re-insertion of feeding tube
- vagal nerve stimulation

Services must be reviewed by DMA Clinical Policy and Program staff to assure compliance with federal and state guidelines.

Although LEAs are currently allowed to receive Medicaid reimbursement for nursing services when documented on the beneficiary's IEP or IFSP, historical data from SFYs 2014, 2015, and 2016 indicates that only five (5) LEA providers have submitted claims for nursing services. Historically, DMA has permitted the provision of services by delegated personnel to address potential nursing shortages, even though this practice is not common among other State Medicaid agencies. There has also been noted challenges with ensuring proper documentation of services. However, DMA will continue to work with DPI to remove barriers and promote more service delivery options for children.

DPI provided data on the number of Medicaid beneficiaries who have historically received nursing services as stipulated on an IEP, IFSP, 504 Plan, or Individual Health Plan (IHP) as well as future projections. DMA used the current LEA Fee Schedule to forecast proposed expenditures.

DPI estimated that 40% of procedures will be performed by RNs and 60% by trained delegated personnel. According to the NC State Nursing Practice Act, delegated personnel participate in implementing the health care plan developed by

the registered nurse or prescribed by any person authorized by State law to prescribe such a plan, and perform tasks assigned or delegated by and performed under the supervision or under orders or directions of a registered nurse, physician licensed to practice medicine, dentist, or other person authorized by State law to provide the supervision.²

DMA recommends that the current coverage of nursing services documented on an IEP or IFSP as well as including the coverage of these services documented on a 504 Plan or IHP. NC will use the IEP, IFSP, 504 Plan and IHP for identification, documentation and compliance monitoring.

2) Counseling Services

Counseling services are defined as services provided by a Licensed Psychologist (LP), Licensed Psychological Associate (LPA), School Psychologist (SP), or Clinical Social Worker (CSW) to beneficiaries who have counseling documented on their IEP or IFSP.

Although LEAs are currently allowed to receive Medicaid reimbursement for counseling services when documented on the beneficiary's IEP or IFSP, historical data from SFYs 2014, 2015, and 2016 indicates that no claims have been submitted with the LEA taxonomy of 251300000X for counseling services. This is one area in which DMA will work more closely with DPI to maximize the provision of these services.

The fiscal impact was calculated using the data provided by DPI on the number of Medicaid beneficiaries who have historically received counseling services as well as future projections for additional counseling services for beneficiaries who have the service documented on an IEP, IFSP, 504 Plan, IHP or Behavioral Intervention Plan (BIP). DPI estimated that each beneficiary will receive 1.5 counseling sessions per week within the 36-week school year. DPI and DMA projected that 75% of services provided will be psychotherapy and 25% will be group and family psychotherapy. In addition, DPI projects that 9.4% of all of the counseling services will be provided by PhD professionals. The remaining 90.6% of counseling services can be provided by a NC Licensed Psychologist, Licensed Psychological Associate, School Psychologist, or Clinical Social Worker which will result in lower cost and maximize service utilization.

DMA recommends continued coverage of counseling services among all LEA providers when acknowledged on an IEP and IFSP as well as including the coverage of these services when documented on a 504 Plan or BIP. NC will use the IEP, IFSP, 504 Plan and BIP for identification, documentation and compliance monitoring.

² <https://www.ncbon.com/myfiles/downloads/nursing-practice-act.pdf>

B. Services Currently Not Available for Reimbursement, but Recommended for Coverage

1) Psychological Evaluation Services

Psychological evaluation services are specifically administered for behavioral health needs. Psychological evaluation services provided by the LEA for “educational purposes” cannot be considered for coverage because the service does not meet medical necessity criteria. Currently, psychological evaluation services provided by the LEA are not reimbursable.

DPI provided data on the number of Medicaid beneficiaries who have historically received psychological evaluations as well as future projections. DPI estimated that 5% of evaluations will be administered by a PhD and 95% will be administered by a LPA. It was also estimated that 70% of the evaluations will be billed as psychological testing, 10% as developmental screening with standard score, 10% as psychiatric diagnostic evaluation, neurobehavioral status examination and neuropsychological testing.

DMA recommends covering the psychological evaluation services that are specifically administered for behavioral health needs. The evaluation service must result in the creation of an IEP, IFSP, BIP or 504 Plan to be a billable service. Federal law does not require the documentation of psychological evaluation services on a 504 Plan or BIP, but NC will require this as a form of compliance and documentation of medical necessity.

2) Vision and Hearing Screening Services

Vision and hearing screening services assess a beneficiary’s hearing and vision prior to administering a psychological, educational or speech/language evaluation. Vision and Hearing Screening services must be administered by a licensed registered nurse, audiologist, or speech/language pathologist. Currently vision and hearing screening services provided by the LEA are not reimbursable.

DPI provided data on the number of Medicaid beneficiaries who have historically received vision and hearing screening services as well as future projections. DPI estimates that each beneficiary will receive one hearing and one vision screening per school year.

DMA recommends covering the vision and hearing screening services that precipitate psychological, educational or speech/language evaluation services.

3) Hearing Evaluation Services

Hearing evaluation services are defined as audiological assessments administered by a licensed audiologist to beneficiaries who have been identified as hearing impaired and who have a current IEP, IFSP, 504 Plan or IHP or to beneficiaries who are in the process of being identified as hearing impaired prior to the creation

of an IEP, IFSP, 504 Plan or IHP. Currently hearing evaluation services provided by the LEA are not reimbursable.

DPI provided data on the number of Medicaid beneficiaries who have historically received hearing evaluation services as well as future projections. It was projected that each beneficiary will receive one hearing evaluation service per school year and 75% of evaluations would be billed as comprehensive audiometry threshold evaluation and 25% of evaluations would be billed as speech audiometry threshold.

DMA recommends covering hearing evaluation services administered by a licensed audiologist to beneficiaries who have been or are in the process of being identified as hearing impaired.

C. Services Considered, But Not Recommended for Coverage at This Time (DMA will continue to work with DPI for coverage opportunities.)

1) One-on-One Care Attendant Services

One-on-One Care Attendant Services are defined by DPI as services rendered by an employee of the LEA who has been assigned to work directly with one Medicaid beneficiary as prescribed on the IEP, IFSP, 504 plan, BIP or IHP. DMA's behavioral health definition defines these services as the development of the behavioral interventions and assistance that is based on a clinical assessment of need by a licensed mental health practitioner [Licensed Psychologist (LP), Licensed Psychological Associate (LPA), Licensed Professional Counselor (LPC) and Licensed Clinical Social Worker (LCSW)]. Services may be delivered by a paraprofessional with at least a GED or High School diploma and must assist the student in gaining and maintaining skills of self-management and age-appropriate functioning in the classroom. The implementation of the service must be supervised by a licensed mental health practitioner, who observes to assess effectiveness and quality. The supervising licensed mental health practitioner must meet with the paraprofessional at least monthly. These services may not be used to tutor or practice academic skills.

DPI provided data on the number of Medicaid beneficiaries from a historical and future perspective. DPI provided the following information to permit DMA to estimate the fiscal impact: 4 hours or 16 units of service per day would be utilized by each beneficiary over the 180-day school year.

DMA does not recommend covering One-on-One Attendant services at this time. Reasons include:

- adherence to supervision requirements, i.e. the LEA provider's capacity to employ licensed clinicians vital to assure the appropriate skill set, training and supervision of personnel addressing the medical or behavioral health needs of the student.

- behavioral health services require a behavioral health provider specifically trained to address the mental health, substance abuse and intellectual disabilities exhibited by the student, and
- the current DMA behavioral health policy, Local Management Entity/Managed Care Organization (LME/MCO), provides statewide behavioral health services). This could represent a duplication of currently available services for school age children.

DMA is not confident coverage will be available for one-on-one attendant services, however we will continue to collaborate with DPI to encourage the licensure of supervising staff and their ability to provide adequate training to the one-on-one care attendants.

2) Transportation Services

Transportation services are defined by DPI as transportation to or from school on the day that a beneficiary is receiving a Medicaid reimbursable health-related service that is documented on an IEP, IFSP, 504 Plan, BIP or IHP. These health related services include audiology, counseling, nursing, occupational therapy, physical therapy, or speech therapy. Currently transportation services for LEA providers are not reimbursable.

DPI provided data on the number of Medicaid beneficiaries who have historically received transportation services as well as future projections. Based on research from New Jersey, DPI estimated that 80% of the beneficiaries will receive 36 sessions of the related health service and 20% will receive 72 sessions during the school year. This information was used as a base line to calculate the potential utilization and fiscal impact for this service.

Further research is required for a real time assessment on the need, type of service and specific population for whom these services will be provided. In addition, the process of operationalizing transportation on the dates of service will be a new challenge due to the Health Insurance Portability and Accountability Act (HIPAA) compliance and federal regulations pertaining to privacy and the accuracy of documentation for which beneficiary is receiving a service. DPI is working on how to address the recording of the rendered service.

DMA has researched other states to explore this type of service provision. Virginia has a reasonable policy that covers beneficiaries with special transportation needs. Once the State revises the Non-Emergency Medical Transportation services with County Department of Social Services, DMA and DPI will discuss coverage opportunities.

3) Fee for Service Targeted Case Management (Referral and Coordination of Health Services)

Currently, LEA providers receive reimbursement for monitoring, coordination, and referral of covered services through Medicaid Administrative Claiming (MAC).

MAC is calculated using the CMS approved Random Moment Time Study (RMTS) and allows the LEA to recover 50% of the costs associated with providing direct medical services in the school. The majority of MAC reimbursement is for “monitoring, coordination and referral of covered services.” Therefore, fee for service targeted case management coverage and its fiscal impact was not included in this study. When the Annual Cost Settlement and MAC claiming process is redesigned, further discussion between DMA and DPI pertaining to coverage of targeted case management services will occur.

4) Vision Evaluation Services (Routine Eye Exams)

Vision evaluation services are defined as routine eye exams which are performed by ophthalmologists and optometrists. The LEA provider does not employ either medical professional. Therefore, although routine eye exams were suggested for consideration, these services were not included in this study for the fiscal impact. However, children under the age of 21 years who are enrolled in Medicaid are eligible for annual routine eye exams outside of school settings under DMA clinical coverage policy 6A. If the school system begins employing ophthalmologists and optometrists, DMA would consider adding this coverage to the State Plan.

5) Occupational Teletherapy, Physical Teletherapy and Speech Teletherapy Services

Occupational teletherapy, physical teletherapy, and speech teletherapy services are defined as the application of telecommunications technology to the delivery of professional physical therapy (PT), occupational therapy (OT), and speech language therapy services at a distance. Medicare does not recognize teletherapy as an accepted method of delivery for OT, PT or speech therapy, therefore teletherapy is not reimbursable by NC Medicaid. Currently treatment services must be provided on an individualized face-to-face basis. Therefore, although these services were suggested for consideration, teletherapy services were not included in this fiscal impact analysis because it is not covered in the state. However, DMA will be reviewing all of its telehealth policies in the coming year and will include these services as part of that review.

III. Fiscal Impact

Medicaid services provided in schools are reimbursed by school districts (using local funding) with a federal match. DMA does not use State funds to pay for any portion of these services. Thus, an expansion in covered school-based health services will not require a budget expansion for the NC Department of Health and Human Services. However, there will be a fiscal impact on LEAs, as detailed below. One factor that changes annually is the Federal Medical Assistance Percentage (FMAP) – the percentage of each dollar that is federally funded. Furthermore, the FMAP gets adjusted on a federal fiscal year cycle versus a State fiscal year cycle, so the months do not always overlap. For a complete chart detailing the fiscal impact on LEAs, please see **Appendix B**.

However, with an increase in services, Post-Payment Review will require potential contractor cost which DMA will incur due to more reviews.

Nursing Services

DPI estimated that 13,610 procedures will be performed during the 2016-17 school year and 14,971 procedures will be performed during the 2017-18 school year.

	2016-17 School Year	2017-18 School Year
Total Expenditure	\$56,266	\$61,759
Federal Reimbursement	\$37,541	\$41,541
LEA Expense	\$18,725	\$20,218

Counseling Services

DPI estimated that 25,000 beneficiaries will utilize counseling services during both the 2016-17 school year and the 2017-18 school year.

	2016-17 School Year	2017-18 School Year
Total Expenditure	\$1,492,942	\$1,492,942
Federal Reimbursement	\$996,091	\$1,004,190
LEA Expense	\$496,851	\$488,752

Psychological Evaluation Services

DPI estimated that 45,000 beneficiaries will utilize psychological evaluation services during both the 2016-17 and the 2017-18 school years.

	2016-17 School Year	2017-18 School Year
Total Expenditure	\$2,044,928	\$2,044,928
Federal Reimbursement	\$1,364,376	\$1,375,470
LEA Expense	\$680,552	\$669,458

Vision and Hearing Screening Services

DPI estimated that 65,054 beneficiaries will utilize both the vision and the hearing screening service during school year 2016-17 and 72,209 beneficiaries will utilize both the vision and hearing screening service in school year 2017-18.

	2016-17 School Year	2017-18 School Year
Total Expenditure	\$1,075,993	\$1,194,337
Federal Reimbursement	\$717,903	\$803,341
LEA Expense	\$358,091	\$390,996

Hearing Evaluation Services

DPI estimated that 4,943 beneficiaries will utilize hearing evaluation services during both the 2016-17 school year and the 2017-18 school year.

	2016-17 School Year	2017-18 School Year
Total Expenditure	\$150,032	\$150,032
Federal Reimbursement	\$100,102	\$100,916
LEA Expense	\$49,931	\$49,117

One-on-One Personal Care Attendant

DPI estimated that 1,666 beneficiaries will utilize the service during both the 2016-17 school year and the 2017-18 school year.

	2016-17 School Year	2017-18 School Year
Total Expenditure	\$22,311,072	\$22,311,072
Federal Reimbursement	\$14,885,947	\$15,006,985
LEA Expense	\$7,425,125	\$7,304,087

Transportation Services

DPI estimated that 52,575 beneficiaries will utilize the service during the 2016-17 school year and 53,521 beneficiaries will utilize the service during the 2017-18 school year.

	2016-17 School Year	2017-18 School Year
Total Expenditure	\$29,341,582	\$34,378,114
Federal Reimbursement	\$19,576,703	\$23,123,599
LEA Expense	\$9,764,878	\$11,254,545

IV. Plan to Add and Expand Services

A. Services Recommended for Coverage and Expansion

As a result of this study, coverage is recommended, if fiscally feasible, under the description and details outlined for the following services when the service is documented on or needed for the creation of an IEP, IFSP, 504 Plan, BIP or IHP:

- Nursing Services (expansion of services)
- Counseling Services (expansion of services)
- Psychological Evaluation Services;
- Vision and Hearing Screenings, and
- Hearing Evaluation Services.

B. Services Not Recommended for Coverage

The following services are not recommended for coverage:

1) One-on One Care Attendant Services

DMA does not recommend covering One-on-One Attendant services for the following reasons:

- Adherence to supervision requirements, i.e. the LEA provider's capacity to employ licensed clinicians vital to assure the appropriate skill set, training and supervision of personnel addressing the medical or behavioral health needs of the student.
- Behavioral health services require a behavioral health provider specifically trained to address the mental health, substance abuse and intellectual disabilities exhibited by the student, and
- The current DMA behavioral health policy does not allow this service in the school setting. The services can be provided by a Local Management Entity/Managed Care Organization (LME/MCO), which provide behavioral health services for all ages across the state.

2) Transportation Services

DMA does not recommend covering Transportation Services on a “regular” school bus. Transportation on a specifically adapted school bus that meets the needs of the student is required when riding the regular school bus is not conducive to the student’s medical or behavioral need.

3) Targeted Case Management (Referral and Coordination of Health Services)

As previously stated, LEAs are receiving partial reimbursement for these services through MAC. For that reason, these services are not recommended for fee for service coverage.

4) Vision Evaluation Services (Routine Eye Exams)

Reimbursement for vision screenings are currently proposed for coverage when performed by an RN and necessary for assessing a beneficiary to create an IEP or IFSP or re-assessing a beneficiary that currently has an IEP or IFSP. Routine eye exams (vision evaluations) are performed by ophthalmologists and optometrists. The LEA provider does not employ either medical professional. Therefore, routine eye exams are not recommended for coverage when performed by a LEA provider.

5) Orientation and Mobility Services for Visually Impaired (VI) Beneficiaries

Orientation and Mobility Services for VI beneficiaries are not recommended for coverage during this study because additional information is needed. DPI needs to provide information pertaining to the service definition, utilization, licensure requirements for the orientation and mobility service provider, and possible rates to determine the fiscal impact.

(6) Occupational Teletherapy, Physical Teletherapy and Speech Teletherapy Services

Teletherapy is not a Medicare accepted method of practice for OT, PT or Speech Therapy. Treatment services must currently be provided on an individualized face-to-face basis. Therefore, coverage for teletherapy is not recommended.

V. Conclusion and Timeline

In summary, DMA recommends the addition of new services and the enhancement of existing services through additional identification and documentation requirements. DMA will continue to collaborate with DPI to increase utilization and to look at all services to help extend coverage. The enhancement and addition of the following services when the service is documented on, or results in the creation of, an IEP, IFSP, BIP 504 Plan or IHP is recommended:

- Nursing Services
- Counseling Services
- Psychological Evaluation Services
- Vision and Hearing Screenings
- Hearing Evaluation Services

DMA expects the need to redesign the implementation of the Cost Settlement Plan and the Medicaid Administrative Claiming (MAC) process. Upon completion, more defined fiscal

outcomes will be assessed. There are other areas that may be reimbursable under the revision of the Free Care Policy. Access to additional services may pose increased demands on professionally licensed personnel. This study covers those services requested by DPI, however DMA is willing to discuss other potentially reimbursable services.

DMA anticipates a minimum of 18 months for the completion of the State Plan, cost allocation and MAC plans and policy revisions to submit to CMS. DMA anticipates a 6-month approval time line from CMS.

Appendix A: Legislative Provision

STUDY MEDICAID COVERAGE FOR SCHOOL-BASED HEALTH SERVICES

SECTION 12H.9. The Department of Health and Human Services, Division of Medical Assistance (Department), shall conduct a study to identify all school-based health services that are eligible for Medicaid federal matching funds pursuant to federal Medicaid law and regulations but which currently are not reimbursable under North Carolina's Medicaid State Plan. No later than November 1, 2016, the Department shall submit to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice and the Fiscal Research Division a report containing the following information related to each school-based health service identified:

- (1) An analysis of the fiscal impact both to the Department and to all local education agencies of adding Medicaid coverage for the school-based health service.
- (2) A description of any plans for adding coverage for the school-based health service, including the anticipated time line for submission of any State Plan Amendments to the Centers for Medicare and Medicaid Services.

Appendix B: Description of Services and Fee for Service Fiscal Impact

Proposed Service	Nursing Services: All fiscal impact data pertaining to the number of beneficiaries to utilize the service, the estimated number of services provided during the school year and the licensure of the employee providing the service was obtained from DPI. The federal reimbursement for SFY 2017 is 66.72% and for SFY 2018 is 67.26%. The blended rate was used to determine fiscal impact which consists of 3 months of the prior fiscal year along with 9 months of the current fiscal year.				
Requirements	Nursing services are: 1. For beneficiaries who have the service documented on an IEP, IFSP, 504 Plan or IHP; 2. For services that require a physician's order for specific health care procedures indicated in section II.A.1.				
<u>Estimated Number of Beneficiaries per school year</u>	<u>2013-2014 Fiscal Estimate</u>	<u>2014-2015 Fiscal Estimate</u>	<u>2015-2016 Fiscal Estimate</u>	<u>2016-2017 Fiscal Estimate</u>	<u>2017-2018 Fiscal Estimate</u>
13/14= data for this school year is not available 14/15= 12,373 (procedures) 15/16= data for this school year is not available 16/17= 13,610 (procedures) 17/18= 14,971 (procedures)	Data for this fiscal year is not available	\$51,273	Data for this fiscal year is not available	\$56,266 Federal Reimbursement = \$37,541 LEA Expense = \$18,725	\$61,759 Federal Reimbursement= \$41,541 LEA Expense = \$20,218

Assumptions made to determine fiscal impact:

Fiscal estimate is based upon:

1. 40% of the procedures provided by RNs
2. 60% of the procedures provided by delegated personnel. (At this time, LEA providers do not hire LPNs.)

Appendix B: Description of Services and Fee for Service Fiscal Impact

Proposed Service	Counseling Services: All fiscal impact data pertaining to the number of beneficiaries to utilize the service, the estimated number of services provided during the school year and the licensure of the employee providing the service was obtained from DPI. The federal reimbursement for SFY 2017 is 66.72% and for SFY 2018 is 67.26%. The blended rate was used to determine fiscal impact which consists of 3 months of the prior fiscal year along with 9 months of the current fiscal year.				
Requirements	Counseling services are: 1. Documented on the beneficiary's IEP or IFSP, 504 Plan or on the beneficiary's Behavioral Intervention Plan (BIP). 2. Provided by a NC Licensed Psychologist, Licensed Psychological Associate, Licensed School Psychologist, or Licensed Clinical Social Worker. 3. Provided to beneficiaries who have a 504 Plan, BIP, IEP or IFSP.				
<u>Estimated Number of Beneficiaries per school year</u>	<u>2013-2014 Fiscal Estimate</u>	<u>2014-2015 Fiscal Estimate</u>	<u>2015-2016 Fiscal Estimate</u>	<u>2016-2017 Fiscal Estimate</u>	<u>2017-2018 Fiscal Estimate</u>
13/14 = 24,000 14/15 = 25,000 15/16 = 25,000 16/17 = 25,000 17/18 = 25,000	\$1,433,224	\$1,492,942	\$1,492,942	\$1,492,942 Federal Reimbursement = \$996,091 LEA Expense = \$496,851	\$1,492,942 Federal Reimbursement = \$1,004,190 LEA Expense= \$488,752

Assumptions made to determine fiscal impact:

Fiscal estimate is based upon:

1. Each beneficiary receiving 1.5 counseling sessions per week
2. 36 weeks within the school year
3. 75% of beneficiaries receiving services under 90832 and 90853
4. 25% of beneficiaries receiving services under 90834, 90837 and 90847

Appendix B: Description of Services and Fee for Service Fiscal Impact

Proposed Service	Psychological Evaluation Services: All fiscal impact data pertaining to the number of beneficiaries to utilize the service, the estimated number of services provided during the school year and the licensure of the employee providing the service was obtained from DPI. The federal reimbursement for SFY 2017 is 66.72% and for SFY 2018 is 67.26%. The blended rate was used to determine fiscal impact which consists of 3 months of the prior fiscal year along with 9 months of the current fiscal year.				
Requirements	Psychological evaluation services that are administered for behavioral health needs and that result in the creation of an IEP, IFSP BIP or 504 Plan.				
<u>Estimated Number of Beneficiaries per school year</u>	<u>2013-2014 Fiscal Estimate</u>	<u>2014-2015 Fiscal Estimate</u>	<u>2015-2016 Fiscal Estimate</u>	<u>2016-2017 Fiscal Estimate</u>	<u>2017-2018 Fiscal Estimate</u>
13/14 = 35,852 14/15 = 40,442 15/16 = data for this fiscal year is not available 16/17 = 45,000 17/18 = 45,000	\$1,629,217	\$1,837,800	Data for this fiscal year is not available	\$2,044,928 Federal Reimbursement = \$1,364,376 LEA Expense = \$680,552	\$2,044,928 Federal Reimbursement = \$1,375,470 LEA Expense = \$669,458

Assumptions made to determine fiscal impact:

Fiscal estimate is based upon 5% of sessions provided by PhD **and:**

1. 70% of sessions billed under 96101 and 96110
2. 10% billed under 90791
3. 10% billed under 96116
4. 10% billed under 96118

Appendix B: Description of Services and Fee for Service Fiscal Impact

Proposed Service	Vision and Hearing Screenings: All fiscal impact data pertaining to the number of beneficiaries to utilize the service, the estimated number of services provided during the school year and the licensure of the employee providing the service was obtained from DPI. The federal reimbursement for SFY 2017 is 66.72% and for SFY 2018 is 67.26%. The blended rate was used to determine fiscal impact which consists of 3 months of the prior fiscal year along with 9 months of the current fiscal year.				
Requirements	Vision and hearing screening services are to: 1. Assess a beneficiary's hearing and vision prior to administering a psychological, educational or speech/language evaluation 2. Be administered by licensed registered nurses, audiologists and speech/language pathologists.				
<u>Estimated Number of Beneficiaries per school year</u>	<u>2013-2014 Fiscal Estimate</u>	<u>2014-2015 Fiscal Estimate</u>	<u>2015-2016 Fiscal Estimate</u>	<u>2016-2017 Fiscal Estimate</u>	<u>2017-2018 Fiscal Estimate</u>
13/14 = 47,480 14/15 = 58,608 15/16 = data for this fiscal year is not available 16/17 = 65,054 17/18 = 72,209	\$785,319	\$969,376	Data for this fiscal year is not available	\$1,075,993 Federal Reimbursement = \$717,903 LEA Expense = \$358,091	\$1,194, 337 Federal Reimbursement = \$803,341 LEA Expense = \$390,996

Assumptions made to determine fiscal impact:

Fiscal estimate is based upon each beneficiary receiving one vision and one hearing screening per year.

Appendix B: Description of Services and Fee for Service Fiscal Impact

Proposed Service	Hearing Evaluation Services: All fiscal impact data pertaining to the number of beneficiaries to utilize the service, the estimated number of services provided during the school year and the licensure of the employee providing the service was obtained from DPI. The federal reimbursement for SFY 2017 is 66.72% and for SFY 2018 is 67.26%. The blended rate was used to determine fiscal impact which consists of 3 months of the prior fiscal year along with 9 months of the current fiscal year.				
Requirements	Hearing evaluation services are: 1. Audiological assessments administered by a licensed audiologist 2. Provided to beneficiaries who have been identified as hearing impaired and who have a current IEP, IFSP, 504 Plan or IHP 3. Provided to beneficiaries who are in the process of being identified as hearing impaired prior to the creation of an IEP, IFSP, 504 Plan or IHP.				
<u>Estimated Number of Beneficiaries per school year</u>	<u>2013-2014 Fiscal Estimate</u>	<u>2014-2015 Fiscal Estimate</u>	<u>2015-2016 Fiscal Estimate</u>	<u>2016-2017 Fiscal Estimate</u>	<u>2017-2018 Fiscal Estimate</u>
13/14 = 4,991 14/15 = 4,938 15/16 = 4,943 16/17 = 4,943 17/18 = 4,943	\$151,489	\$149,881	\$150,032	\$150,032 Federal Reimbursement = \$100,102 LEA Expense = \$49,931	\$150,032 Federal Reimbursement = \$100,916 LEA Expense = \$49,117

Assumptions made to determine fiscal impact:

Fiscal estimate is based upon beneficiaries receiving one hearing evaluation service per year
and:

1. 75% of the services billed under 92557
2. 25% of the services billed under 92555

Appendix B: Description of Services and Fee for Service Fiscal Impact

Proposed Service	One on One Care Attendant: All fiscal impact data pertaining to the number of beneficiaries to utilize the service, the estimated number of services provided during the school year and the licensure of the employee providing the service was obtained from DPI. The federal reimbursement for SFY 2017 is 66.72% and for SFY 2018 is 67.26%. The blended rate was used to determine fiscal impact which consists of 3 months of the prior fiscal year along with 9 months of the current fiscal year.				
Requirements	One-on-One Care Attendant Services are: 1. Services provided by attendants employed by the LEA 2. Services provided by attendants who work directly with a Medicaid beneficiary 3. For beneficiaries who have the care attendant service documented on the IEP or IFSP.				
<u>Estimated Number of Beneficiaries per school year</u>	<u>2013-2014 Fiscal Estimate</u>	<u>2014-2015 Fiscal Estimate</u>	<u>2015-2016 Fiscal Estimate</u>	<u>2016-2017 Fiscal Estimate</u>	<u>2017-2018 Fiscal Estimate</u>
13/14 = 500 14/15 = 500 15/16 = 500 16/17 = 1,666 17/18 = 1,666	\$6,696,000	\$6,696,000	\$6,696,000	\$22,311,072 Federal Reimbursement = \$14,885,947 LEA Expense = \$7,425,125	\$22,311,072 Federal Reimbursement = \$15,006,985 LEA Expense = \$7,304,087

Assumptions made to determine fiscal impact:

Fiscal impact is based upon each beneficiary receiving 4 hours of service per day for 180 days during the school year.

Appendix B: Description of Services and Fee for Service Fiscal Impact

<u>Proposed Service</u>	Transportation Services: All fiscal impact data pertaining to the number of beneficiaries to utilize the service, the estimated number of services provided during the school year and the licensure of the employee providing the service was obtained from DPI. The federal reimbursement for SFY 2017 is 66.72% and for SFY 2018 is 67.26%. The blended rate was used to determine fiscal impact which consists of 3 months of the prior fiscal year along with 9 months of the current fiscal year.				
<u>Requirements</u>	Transportation services are for all beneficiaries in the Exceptional Children's Program with an IEP or IFSP documenting a related service (Counseling, Nursing, Occupational Therapy, Physical Therapy or Speech Therapy). Transportation services must meet the following requirements: 1. Documentation of transportation required; 2. The beneficiary must receive a billable related service (Counseling, Nursing, Occupational Therapy, Physical Therapy or Speech Therapy) that is documented on the beneficiary's IEP or IFSP on the date of transportation; and 3. Reimbursement must be through an event code that indicates one-way transportation when the beneficiary is transported to or from school.				
<u>Estimated Number of Beneficiaries per school year</u>	<u>2013-2014 Fiscal Estimate</u>	<u>2014-2015 Fiscal Estimate</u>	<u>2015-2016 Fiscal Estimate</u>	<u>2016-2017 Fiscal Estimate</u>	<u>2017-2018 Fiscal Estimate</u>
13/14 = 50,362 14/15 = 51,282 15/16 = 51,646 16/17 = 52,575 17/18 = 53,521	\$23,864,034	\$24,299,976	\$24,472,457	Federal Reimbursement = \$19,576,703 LEA Expense = \$9,764,878	Federal Reimbursement = \$23,123,599 LEA Expense = \$11,254,545

Assumptions made to determine fiscal impact:

Fiscal estimate is based upon 95% of beneficiaries receiving transport services both to and from school **and:**

1. 80% of beneficiaries utilizing a related service 36 sessions per school year
2. 20% of beneficiaries utilizing a related service 72 sessions per school year

Appendix C: Glossary of Terms

- **504 Plan**- 504 plans are written descriptions of educational, health, and other related services or modifications needed to assist students with special needs who are in a regular educational setting.³
- **Behavioral Intervention Plan (BIP)**: A BIP is a plan developed by a student's IEP team to support a student in changing his or her behavior. Effective plans consist of multiple interventions or support strategies.⁴
- **Exceptional Children's Program (EC Program)**: The mission of the Exceptional Children's Program is to ensure that students with disabilities develop intellectually, physically, emotionally, and vocationally through the provision of an appropriate individualized education program in the least restrictive environment. Children with an IEP are in the EC Program.⁵
- **Individualized Education Program (IEP)**: An IEP is an individualized plan for children ages 3-21 with a disability that guides delivery of special education and related services and supports in schools.⁶
- **Individualized Family Service Plan (IFSP)**: An IFSP is an individualized plan for children under the age of 3 with a disability that guides delivery of services and supports based on the needs of the child and their family.⁷
- **Individual Health Plan (IHP)**: An IHP is a specially adapted health care plan for use in the school settings. It is designed to address medical issues that do not impact a student's learning. It provides a format for summarizing key information, formulating goals, and developing a plan of action. It enhances the communication among school staff providing health care.⁸

³ <https://www.understood.org/en/school-learning/special-services/504-plan/understanding-504-plans>

⁴ <http://ec.ncpublicschools.gov/instructional-resources/behavior-support/resources/behavior-intervention-plan>

⁵ <http://ec.ncpublicschools.gov/>

⁶ <http://www2.ed.gov/parents/needs/speced/iepguide/index.html>

⁷ <http://idea.ed.gov/explore/view/p/,root,statute,I.C.636>

⁸ <http://childnutrition.ncpublicschools.gov/information-resources/special-diet-food-allergies/factsheet.pdf>

Appendix D: Proposed CPT Codes and Rates

Service	Proposed CPT Code with Definition	Proposed rate:
Nursing Services	T1002 RN Services up to 15 minutes S5125 Delegated Personnel Service up to 15 minutes	\$5.98 per 15 minute unit \$2.74 per 15 minute unit
Counseling Services	90832 Psychotherapy 30 minutes 90834 Psychotherapy 45 minutes 90837 Psychotherapy 60 minutes 90847 Family Psychotherapy 90853 Group Psychotherapy	\$39.18 and PhD \$52.24 \$50.89 and PhD \$67.85 \$74.57 and PhD \$99.42 \$67.28 and PhD \$89.70 \$20.18 and PhD \$25.57
One on One Care Attendant	T1019 Enhanced Personal Care Services	\$4.65 per 15 minute unit
Transportation Services	T2003 with 59 modifier Non-Emergency Transport Encounter	\$5.25 to \$6.00 one way
Psychological Evaluation Services	90791 Psychiatric Diagnostic Evaluation 96101 Psychological Testing (includes assessment of emotionality) 96110 Developmental Screen with Score 96116 Neurobehavioral Status Exam 96118 Neuropsychological Testing	LPA \$94.04 and PhD \$125.39 LPA 52.47 and PhD \$69.95 LPA \$6.43 and PhD \$8.58 LPA \$58.18 and PhD \$77.56 LPA \$65.59 and PhD \$87.46
Vision and Hearing Screening	99173 Screening Test of Visual Acuity 92551 Hearing Test	\$8.27 \$8.27
Hearing Evaluation Services	92555 Speech Audiometry Threshold 92557 Audiometry Threshold Evaluation	\$12.33 \$36.36