

DRAFT

Wyoming Departments of Health and Education

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

School-Based Services Program 2019, Section 344 (2019 HEA No. 0051)

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SCHOOL-BASED SERVICES PROGRAM

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Section 1. Executive Summary

During the 2019 Budget Session, the Legislature requested the Departments of Health and Education (the Departments) report to the Joint Education Interim Committee and Joint Labor, Health and Social Services Interim Committee the statutory and participation requirements for a School-Based Services Medicaid Program (SBS Program) in Wyoming. The Departments have completed their analysis, as outlined in this report, and have the following recommendations and considerations on how to best implement a Wyoming specific SBS Program:

- **Estimate Net Revenue** – The Departments recommend a SBS Program model with total net revenue for the 2020-2022 biennium budget estimated at approximately \$2,160,225; however, the Departments estimated that year three and forward could annually realize approximately \$2,797,566 in net revenue, as start-up costs become less prevalent in future periods. The net revenue estimate is dependent upon Local Education Agency (LEA) participation in the SBS Program to the fullest extent possible.
- **Minimize Expenses to the Departments** – The Departments explored two SBS Program funding models and estimated the costs associated with each model. The SBS Program model recommended by the Departments will cost less than the alternative model that was explored, in both time (through full-time equivalent estimates) and vendor costs for all parties, including LEAs, the Wyoming Department of Education (WDE), and the Wyoming Department of Health (WDH).
- **Mitigate Regulatory Barriers** – The Departments worked with national organizations and federal agencies to minimize LEAs being negatively impacted by Maintenance of Effort (MOE) requirements and WDE being negatively impacted by Maintenance of State Financial Support (MFS) requirements. The Departments recommend a SBS Program funding model that directs the SBS Program revenue through the LEAs and back into the School Foundation Program Fund, which will mitigate any MOE and MFS compliance deficiencies.
- **Reduce Administrative Burden** – The Departments recommend a SBS Program model that minimizes the administrative burden to LEAs and the Departments in three critical areas:
 - **Establish LEA Participation Threshold**- The Departments recommend establishing a participation threshold that exempts small school districts where the administrative cost of program participation outweighs the financial return.
 - **Statewide Billing Vendor** - WDE will contract with a statewide Medicaid billing vendor to facilitate LEA SBS claims submission and to reduce billing costs.

- **Complexity & Risk** - All parties (LEAs, WDE, and WDH) will benefit from the recommended SBS Program Model, which is more streamlined than the alternative model, as it is less complex, has fewer federal participation requirements, and minimizes federal audit risk. However, meeting the July 1, 2020 date will be challenging due to the Centers for Medicare and Medicaid Services (CMS) approval of the Wyoming Medicaid State Plan changes, approval of the SBS Program in a Wyoming legislative bill, selection of a statewide billing vendor, and provider enrollment timelines. Due to these factors, the Departments recommend a January 1, 2021 or later effective date.

Section 2. SBS Program Background

During the 2019 Budget Session, the Legislature requested the Departments report to the Joint Education Interim Committee and Joint Labor, Health and Social Services Interim Committee the statutory and participation requirements for a School-Based Services Medicaid Program in Wyoming. The 2019 HEA No. 0051 (Budget Bill) requires the SBS Program to include, at minimum, services delivered pursuant to an Individualized Education Plan (IEP) or an Individualized Family Service Plan (IFSP) for speech and language therapy, physical therapy, nursing, occupational therapy, mental health interventions, and services provided by a school psychologist.

Additionally, the Legislature requested that the Departments submit an exception budget request for the 2021-2022 biennium to implement the SBS Program.

Finally, the Legislature requested that the Director of the Department of Health, with consent of the Governor, negotiate with the United States Department of Health and Human Services to make changes to the State Medicaid Plan to implement the SBS Program, effective July 1, 2020.

The Departments completed the necessary steps to assess the feasibility to implement and oversee a SBS Program.

The HEA No. 0051 Budget Bill language related to the SBS Program can be found in Appendix A.

Section 3. Response to Statutory Requirements

Legislative Requirement 1: Necessary Medicaid State Plan Amendments and/or waivers needed under 42 U.S.C. § 1315 to provide all federally authorized school-based services for eligible students.

The Departments have engaged with CMS regarding the design and implementation of the Wyoming SBS Program. Based upon the implementation recommendations, the Departments anticipate making the below changes to Wyoming Statute.

The following Medicaid statutory amendments are recommended (Medical Assistance and Services, Authorized Services and Supplies) for the SBS Program implementation:

- Identify the SBS Program as an allowable Medicaid program under Wyo. Stat. § 42.
- Identify school social workers and school psychologists as allowable Medicaid providers under Wyo. Stat. § 42

The following education statutory amendments are recommended for the SBS Program implementation and are dependent upon the effective date of the SBS Program:

- Establish a participation threshold for LEAs that requires SBS Program participation at a specified minimum number of Medicaid eligible special education students
- LEAs are mandated to annually submit all SBS Program revenue to the WDE for deposit into the School Foundation Program Fund

In addition, the Departments anticipate adding the following school-based providers to the Medicaid State Plan (section 3.13, Rehabilitative Services), to allow the LEAs to receive reimbursement for their Medicaid eligible services:

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

Legislative Requirement 2: Report on the planned implementation of Medicaid school-based services including required statutory amendments and regulatory requirements.

This Legislative Report summarizes the Departments' recommended SBS Program implementation plan and identifies statutory and regulatory requirements.

Legislative Requirement 3: Exception budget request for the 2021-2022 biennium including state and federal funds sufficient to pay for services billed by school districts.

The Departments anticipate estimated expenses of \$3,237,652 (biennium) for the SBS Program, estimated federal Medicaid revenue of \$5,397,878 (biennium), for an estimated total net revenue of \$2,160,225 (biennium), as shown in Table 1:

Table 1 – Estimated Budget Exception Request, by State Fiscal Year (SFY) and Department

	Year 1 SFY 2020-2021	Year 2 SFY 2021-2022	Biennium Total	Year 3 and forward
Est. Revenue	\$ 2,159,151	\$ 3,238,727	\$ 5,397,878	\$ 4,318,302
Est. Costs to WDH	\$ (313,906)	\$ (154,982)	\$ (468,888)	\$ (161,182)
Est. Costs to WDE	\$ (385,100)	\$ (338,504)	\$ (723,604)	\$ (352,044)
Est. Costs to LEAs	\$ (1,076,400)	\$ (968,760)	\$ (2,045,160)	\$ (1,007,510)
Net Impact	\$ 383,745	\$ 1,776,480	\$ 2,160,225	\$ 2,797,566

The Departments included both estimated Full-Time Equivalent (FTE) costs and vendor costs in the budget exception request. More details on the estimated costs to the Departments can be found in section 4.

Due to Wyoming’s current special education funding formula, where LEAs are paid 100 percent of their special education costs, WDE anticipates that LEAs will invoice any SBS Program costs back to WDE; as such, any costs to LEAs should be viewed as costs to WDE. Under the proposed SBS Program Model, the LEAs will access and submit the SBS Program revenue to WDE for deposit into the School Foundation Program Fund.¹

Section 4. Wyoming School-Based Services Analysis

Introduction to School-Based Medicaid

The SBS Program reimburses LEAs for providing health related services to Medicaid eligible students in a school-based setting. LEAs are commonly local school districts or charter schools. Since the 1970s, the federal government has required schools to provide all children with disabilities with appropriate services as mandated under the Individuals with Disabilities Education Act (IDEA).² This includes health related services such as

¹ See Appendix B for more information on the SBS funding flow between the WDH, WDE, and LEAs

² Individuals with Disabilities Act (IDEA). *About IDEA*. <https://sites.ed.gov/idea/about-idea/#IDEA-History>

occupational therapy, physical therapy, speech therapy, nursing services, counseling services, and audiology services.³

Under the SBS Program, LEAs can drawdown federal Medicaid dollars for IDEA required services provided to Medicaid eligible students with a disability in a school-based setting. The SBS Program is federally managed by CMS and locally managed by the state Medicaid agency, WDH. The IDEA requires students with disabilities to receive educational and related health services that will enable them to reach their educational goals as documented in their IEP or IFSP.⁴ For LEAs to receive Medicaid payments for school-based services, schools must document the service in a student's IEP or IFSP and meet the following criteria:

1. The federal government has included the service in Section 1905(a) of the Social Security Act and the service is medically necessary.
2. Schools and service providers follow all state and federal regulations, including provider qualification requirements.
3. 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) benefit.

LEAs will not change their practices delivering IDEA services when participating in the SBS Program; however, LEAs must adhere to additional SBS Program requirements that may exceed education requirements, this includes, but is not limited to:

1. 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 the case of an audit.
2. Service Authorization – Schools must authorize each student's school-based services by including it in an IEP, IFSP, or other plan of care.
3. Medical Necessity – Schools may only provide medically necessary services and must ensure that all services meet WDH requirements of demonstrating medical necessity.
4. Qualified Practitioners and Supervisors – Medicaid qualified providers or individuals under the supervision of a qualified provider must deliver all school-based services.
5. National Provider Identifier (NPI) – All providers must have an NPI to bill for services to Medicaid.

³ IDEA. *Sec. 300.34 Related Services*. <https://sites.ed.gov/idea/regs/b/a/300.34>

⁴ 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>

6. Medicaid Eligibility – LEAs may only access Medicaid reimbursement for Medicaid allowed services delivered to Medicaid eligible students.
7. Parental Consent – LEAs must obtain and document consent from parents to bill school-based services to Medicaid.⁵

Funding Methodologies

States primarily follow one of two funding models when implementing their SBS Program:

- Fee Schedule Model, using an Intergovernmental Transfer (IGT): A transfer of funds from another governmental entity, including a school district or LEA, to the Medicaid agency. This methodology requires states to use the Medicaid or Medicare Fee Schedule to pay for services.
- Cost-Based Model, using a Certified Public Expenditure (CPE): An expenditure made by a governmental entity, including a school district or LEA, under the state’s approved Medicaid State Plan, making the expenditure eligible for federal match. This methodology allows LEAs to receive reimbursement for their Medicaid allowable costs and does not use a Fee Schedule.⁶

More details about the Fee Schedule and Cost-Based Models are included in Appendix D. The estimated costs and revenues associated with each methodology are reflected in the upcoming sections of the report.

Overview of the Process to Evaluate the Implementation of a SBS Program in Wyoming

The Departments worked with Navigant Consulting, Inc. (Navigant) to complete the SBS Program implementation analysis through multiple forms of research and engagement with stakeholders. To complete this analysis the Departments and Navigant performed the following tasks:

- Stakeholder meetings with LEAs, WDH, and WDE to identify the data currently collected by each entity, identify project risks and opportunities, and understand current special education operations.
- Data collection and analysis, including, but not limited to: special education personnel costs, Medicaid eligibility information, free and reduced lunch counts, related services data for Wyoming special education students, and the Medicaid Fee Schedule.

⁵ See Appendix C for requirements regarding parental consent to bill for Medicaid services in a school setting.

⁶ MACPAC, *State Approaches for Financing Medicaid, and Update on Federal Financing of CHIP*. March 2012: [https://www.macpac.gov/wp-content/uploads/2015/01/State Approaches for Financing Medicaid and Update on Federal Financing of CHIP.pdf](https://www.macpac.gov/wp-content/uploads/2015/01/State-Approaches-for-Financing-Medicaid-and-Update-on-Federal-Financing-of-CHIP.pdf)

- Research on personnel qualifications, Medicaid requirements regarding SBS Program funding requirements, Medicaid SBS Program participation standards, and recent federal Medicaid changes.
- Outreach to other state agencies that operate a SBS Program (including an onsite visit to Colorado), LEAs in other states, and national organizations, to better understand implementation challenges, ongoing operational requirements, and to validate data and assumptions.⁷

Overview of the Methodology Used to Evaluate the Fee Schedule and the Cost-Based Model

As previously mentioned, there are primarily two different funding models for the SBS Program: Fee Schedule and Cost-Based Models.

The Fee Schedule Model cost and revenue estimates are comprised of:

- Estimated Costs:
 - Costs to the LEAs to administer and manage the SBS Program.
 - Costs to WDE to staff the SBS Program and to contract with a statewide billing vendor to assist with claims processing and program support to the LEAs.
 - Costs to WDH to staff the SBS Program and to contract with a vendor to support WDH to manage the SBS Program.
 - Adjustments to costs for inflation based on a year-over-year inflation factor of 4 percent.⁸
- Estimated Revenues:
 - Special education related services prescribed in Wyoming IEPs and priced against the current Wyoming Medicaid fee schedule.⁹
 - Unadjusted Fee Schedule Model revenue, adjusted for: estimated Medicaid eligibility, expected parental consent return rate, and Medicaid participation requirements.¹⁰

The Cost-Based Model cost and revenue projections are comprised of:

⁷ Navigant completed outreach to other states to understand how they operationalize their SBS Program. See Appendix E for a summary of the outreach and results.

⁸ The inflation factor used for this analysis is informed by historical special education reimbursements as reported by WDE and WDE commonly uses this factor to complete fiscal analyses.

⁹ The Departments did not have statewide data on which to base a revenue assumption; WDE does not collect related service information and WDH did not have any applicable paid claims data. The vendor who provided the masked data works with 42 LEAs in Wyoming. Both Departments reviewed the service assumptions for reasonableness.

¹⁰ The Departments completed a return on investment analysis for requiring LEAs to participate in the SBS Program and modeled a threshold of 25 or greater Medicaid eligible special education students. Any LEAs with less than 25 estimated Medicaid eligible special education students were removed from these projections.

- Estimated Costs:
 - Costs to the LEAs to administer and manage the SBS Program, including a Random Moment Time Study (RMTS) and cost reconciliation process.¹¹
 - Costs to WDE to staff the SBS Program and a statewide billing vendor to assist with claims processing and program support to the LEAs.
 - Costs to WDH to staff the SBS Program and vendor costs to support WDH to manage the Program, including the costs of a RMTS system and program requirements specific to a cost-based model.
 - Adjustments to costs for inflation based on a year-over-year inflation factor of 4 percent.
- Estimated Revenues:
 - Allowable personnel costs from the WDE 401 Report, adjusted for: estimated Medicaid eligibility, estimated RMTS results, allowable indirect costs, estimated inflation, and Medicaid participation requirements.¹²

A more detailed summary of the SBS Program analysis process and assumptions are in Appendix D.

Analysis of the Fee Schedule Model

Table 2 summarizes the projected revenues and costs for an SBS Fee Schedule Model for SFYs 2020-2021, 2021-2022, and 2022-2023, the Departments assume participation by all LEAs with an estimated Medicaid eligible special education population of 25 students or more:¹³

¹¹ RMTS is a statistical sampling methodology that is commonly used to estimate the percentage of time a service provider's work day is spent providing direct medical services. The results of the RMTS are part of an annual cost reconciliation process for LEAs. Typically, the sampling methodology process involves large technology systems administered at the state level and cost approximately \$250,000 a year (costs vary by vendor and scope of services). See Appendix D for more information about RMTS.

¹² The 401 Reimbursable Special Education Expenditures Report contains special education costs by fiscal year and is used by WDE in its funding model to reimburse special education service costs. The WDE 401 Report includes district special education salary and benefit costs, equipment costs, and contracted services expenditures by service type, among other items.

¹³ The Departments completed a return on investment analysis for requiring LEAs to participate in the SPS Program and modeled a threshold of 25 or greater Medicaid eligible special education students. The Departments recommend establishing a participation threshold that exempts small school districts where the administrative cost of program participation outweighs the financial return. See Appendix G for the estimated cost and revenue analysis by LEA.

Table 2 - Wyoming SBS Program Cost and Revenue Estimates Years 1-3 – Fee Schedule Model

	Year 1 SFY 2020-2021	Year 2 SFY 2021-2022	Biennium Total	Year 3 and forward
Est. Revenue	\$ 2,159,151	\$ 3,238,727	\$ 5,397,878	\$ 4,318,302
Est. Costs to WDH	\$ (313,906)	\$ (154,982)	\$ (468,888)	\$ (161,182)
Est. Costs to WDE	\$ (385,100)	\$ (338,504)	\$ (723,604)	\$ (352,044)
Est. Costs to LEAs	\$ (1,076,400)	\$ (968,760)	\$ (2,045,160)	\$ (1,007,510)
Net Impact	\$ 383,745	\$ 1,776,480	\$ 2,160,225	\$ 2,797,566

Table 3 summarizes the estimated revenues and costs for an SBS Cost-Based Model for SFYs 2020-2021, 2021-2022, and 2022-2023, the Departments assume participation by all LEAs with an estimated Medicaid eligible special education population of 25 students or more:

Table 3 - Wyoming SBS Program Cost and Revenue Estimates Years 1-3 – Cost-Based Model

	Year 1 SFY 2020-2021	Year 2 SFY 2021-2022	Biennium Total SFYs 2020-2022	Year 3 and forward
Est. Revenue	\$ 4,097,401	\$ 4,261,297	\$ 8,358,698	\$ 4,431,749
Est. Costs to WDH	\$ (610,168)	\$ (422,614)	\$ (1,032,782)	\$ (439,519)
Est. Costs to WDE	\$ (386,250)	\$ (339,700)	\$ (725,950)	\$ (353,288)
Est. Costs to LEAs	\$ (1,166,700)	\$ (1,062,672)	\$ (2,229,372)	\$ (1,105,179)
Net Impact	\$ 1,934,284	\$ 2,436,311	\$ 4,370,595	\$ 2,533,763

The Departments have estimated all costs and revenues to align with the Budget Bill requirements and a July 1, 2020 effective date. However, meeting the July 1, 2020 date will be challenging due to CMS approval of the Wyoming Medicaid State Plan changes, approval of the SBS Program in a Wyoming legislative bill, selection of a statewide billing vendor, and provider enrollment timelines. Due to these factors, the Departments recommend a January 1, 2021 or later effective date. If the effective date is adjusted, then all costs and revenues will need to be adjusted to reflect the new timeline.

More information on the costs to the Departments can be found in Appendix F and more information on costs and revenues for each LEA can be found in Appendix G.

Section 5. SBS Program Recommendations

The Departments recommend implementing the Fee Schedule Model. The Fee Schedule Model will limit the administrative burden to the LEAs and the Departments, has lower audit risk for the LEAs and Departments, the Departments can better manage the implementation and provide faster support to the LEAs throughout the transition, and this model aligns with other common Medicaid programs in Wyoming.

Based upon the Departments analysis, we estimate that the biennial budget will generate net revenue of \$2,160,225 for SFYs 2020-2021 and 2021-2022, in total, and \$4,957,791 over three years.

The Departments have identified the following considerations regarding the SBS Program implementation:

- **Requires approval by CMS.** CMS will need to review and approve the SBS Program methodology, including provider qualifications, and the methodology must comply with all state and federal requirements.
- **Requires parental consent to bill Medicaid.** Both models require parental consent to bill for Medicaid services. WDE will publish a recommended parental consent form and provide technical assistance training to LEAs to help promote a high rate of return of the parental consent form.
- **Uses a statewide billing vendor to lessen the burden on LEAs.** The Departments reviewed several scenarios where LEAs contract independently with billing vendors that submit claims, assist with policy changes, identify Medicaid eligible students, and provide a portal to document services. Due to the current special education funding structure in Wyoming, the LEAs would bill WDE for those vendor costs. The Departments identified cost savings by WDE holding a statewide SBS Program billing vendor contract, which will lower costs due to economies of scale and help control how WDE messages policy decisions to the LEAs.
- **Limits the Maintenance of Effort (MOE) impact on LEAs.** Under the Fee Schedule Model, federal revenue will flow up to WDE from the LEAs to help LEAs avoid issues with federal MOE requirements for special education funding. A more detailed explanation of the challenges around MOE are in Appendix H.
- **Allows for periodic review for potential changes.** The Departments will periodically review the SBS Program operations to consider if moving to a Cost-Based Model is appropriate.
- **Recommends certain LEAs participate.** The Departments conducted a cost-benefit analysis to identify the net revenue return for different size LEAs. This information is provided in Appendix G. The results of the analysis suggest that a

minimum participation threshold of LEAs with 25 or more Medicaid eligible special education students is a logical place to begin the participation discussion. Once a participation threshold is identified, the Departments recommend the following participation threshold methodology to identify LEAs with the minimum number of Medicaid eligible special education students:

- SFY 2020-2021 (Year 1) – threshold based upon October 1, 2019 enrollment data and reviewed against Medicaid eligibility data
- SFY 2021-2022 (Year 2) – threshold uses SFY 2020-2021 data
- SFY 2022-2023 (Year 3) – threshold uses SFY 2020-2021 data¹⁴
- SFY 2023-2024 and forward – use a three-year average of Medicaid enrollment data; SFY 2023-2024 and forward is based upon the October 1 Child Count snapshot data

Section 6. Appendices

Appendix A. HEA No. 0051 Budget Bill Language Related to the SBS Program

Section 344 of the Wyoming 2019 Budget Bill (HEA No. 0051) states:

(a) In addition to the services and supplies authorized under W.S. 27 42-4-103(a), subject to approval under subsection (b) of this section, the State Plan for Medicaid shall include all services authorized under federal law which may be provided in a school based setting to eligible students, including services delivered pursuant to an individualized education plan or individualized family service plan for speech and language therapy, physical therapy, nursing, occupational therapy, mental health interventions and services provided by a school psychologist.

(b) The director of the department of health, with the consent of the governor, shall negotiate with the United States department of health and human services regarding necessary amendments to the state Medicaid plan, or any necessary waiver under 42 U.S.C. § 1315, to provide the services specified under subsection (a) of this section. Any state Medicaid plan amendments or waiver under this subsection shall be effective July 1, 2020.

(c) Not later than October 1, 2019, the department of education and the department of health shall report to the joint education interim committee and the joint labor,

¹⁴ Using SFY 2020-2021 enrollment data for the first three years will limit disruptions to the SBS Program implementation by using a static cohort of LEAs. The Departments and LEAs will continue to check for Medicaid eligibility throughout the first three years of the program, as the State is using the SFY 2020-2021 Medicaid data primarily as a participation requirement.

health, and social services interim committee on the planned implementation of services specified under subsection (a) of this section. The report shall identify any statutory amendments and other regulatory amendments necessary to allow reimbursement of services specified under subsection (a) of this section to Wyoming school districts to begin with the 2020-2021 school year, including specific school district reporting and claims processing requirements.

(d) The department of health and the department of education shall include an exception budget request for the 2021-2022 biennium to implement the purposes of this section. The exception budget request shall include state and federal funds sufficient to pay for services specified under subsection (a) of this section billed by school districts using the assumption that that state Medicaid plan will contain authority for school districts to bill the state for special education services under the state's Medicaid plan for the 2021-2022 biennium.

**Appendix B. Recommended Funding Flow of Federal Medicaid Revenue -
Between LEAs, WDH, and WDE**



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Michael A. Ceballos
Director

Mark Gordon
Governor

MEMORANDUM

Date: August 15, 2019

To: Medicaid School-Based Services Policy Stakeholders

From: Dicky Shanor, Chief of Staff, Wyoming Department of Education
Trent Carroll, Chief Operations Officer, Wyoming Department of Education
Lindsey Schilling, Provider Operations Administrator, Wyoming Department of Health

Subject: Medicaid Coverage of School-Based Services, Recommendation for Implementation

For several years, the state of Wyoming has researched and evaluated options to seek Medicaid reimbursement for special education services provided within each WY school district. This effort materialized in a budget footnote during the 2019 legislative session requiring that a detailed program implementation plan be submitted to the legislature by October 1, 2019.

The result of many hours and discussions between consultants, practitioners, WY Medicaid and the Department of Education (WDE) - consistent with 2019 HB 1 Footnote 344 - suggests the following approach to seeking Medicaid reimbursement for special education services (SPED) if the legislature desires to move in this direction:

Rationale:

This approach:

1. Keeps state agency and school district administrative costs to a minimum;
2. Uses Medicaid reimbursement dollars for ongoing support of state-wide education expenditures;
3. Insulates school districts from violations of federal IDEA maintenance of effort and maintenance of fiscal support requirements; and

4. Provides districts with a financial incentive to engage in the claiming process with a recommendation for removing the current cap on special education expenditures.

Plan:

Step 1- Each school district will enroll with WY Medicaid and become an active provider.

Step 2- School districts will develop and implement a process for obtaining parental consent prior to billing services to WY Medicaid, and will ensure the delivery and documentation of eligible services meet all WY Medicaid rules and regulations.

Step 3 - Each school district will complete and submit a medical claim to WY Medicaid for eligible services provided.

Step 4 - WY Medicaid will accept, process and pay school districts for all eligible claims received. WY Medicaid will reimburse school districts 100% of the total reimbursement in accordance with the established WY Medicaid fee schedule.

Step 5 - WY Medicaid and the WDE will mutually execute an intergovernmental transfer agreement to govern WDE payment to WY Medicaid for the state's share of all paid school based services claims. At least annually, WY Medicaid will provide a payment report to WDE identifying all paid school-based service claims by individual school district. WDE will transfer 50% of the total claims paid amount to WY Medicaid.

Step 6 - WY Medicaid will report paid claims to the Center for Medicare and Medicaid Services (CMS) through its established quarterly reporting process for reimbursement of the 50% federal share of all paid expenditures.

Step 7 - Annually, districts will report total SPED expenditures to WDE for reimbursement as well as remit the total amount of Medicaid reimbursement received during the reporting period.

Step 8 - WDE will reconcile Medicaid reimbursement amounts reported by WY Medicaid and districts.

Step 9 - WDE will deposit Medicaid revenue into the School Foundation Program account.

Step 10 - WDE will reimburse school districts 100% of reported special education costs.

(optional) – To reduce the administrative costs of billing claims to WY Medicaid, the WDE should consider competitively procuring a single billing service contractor that would collect related service data and submit all claims to Medicaid on behalf of participating school districts. (The billing service vendor would also be responsible for correcting and resubmitting any denied claims or adjusted claims). Based on initial modeling, this may reduce the administrative costs of Medicaid billing by \$200,000 - \$300,000 per year.

Appendix C. Federal IDEA Statute: Parental Consent

Before a LEA may access public benefits or insurance (Wyoming Medicaid) on behalf of a student, there are federal IDEA parental consent requirements that the LEA must meet. The requirements guarantee that LEAs inform the parents of children with disabilities of their rights and legal protections before a public agency accesses public benefits or insurance to pay for services required under the IDEA.

The agencies must provide parents with written notification that meets the federal requirements as outlined in IDEA Part B, 34 CFR § 300. As part of these requirements, the LEA must obtain one-time written consent prior to accessing a child's public benefit for the first time. Once the LEA has obtained written consent, the LEA must provide parents with an annual written notification, consistent with [34 CFR § 300.154\(d\)\(2\)](#). All written notifications must comply with requirements outlined in [34 CFR §300.503\(c\)](#). Parental consent is voluntary, and a parent may refuse or revoke their parental consent at any time. If a parent does not give consent or revokes consent, the LEA must still provide all services included in a child's IEP or IFSP at no cost to the family as part of Free Appropriate Public Education (FAPE).

Appendix D. SBS Program Analysis and Assumptions

This appendix provides an overview of the data analysis methodology used to calculate the estimated projected revenues for the two funding models for the SBS Program.

Data Collection

During April 2019, WDH, WDE, and Navigant staff met to discuss the accessibility of special education data by LEAs. The Departments and Navigant discussed the following items:

- Standardized Account Code Structure (SACS), including function and object codes used to report special education expenditures
- Standardized personnel assignments
- Free and reduced lunch and Medicaid data
- WDE special education related service and financial reporting data
- WDE's 401 Reimbursable Special Education Expenditures Report¹⁵
- Special Education Expenditure Report: Summary of Special Education State Reimbursement Dollars, an annual summary report and data publication of Wyoming special education state reimbursements.¹⁶

Fee Schedule Model: Using an Intergovernmental Transfer (IGT) Methodology

States may finance their SBS Program through an IGT, which typically use the Medicaid fee schedule. An IGT is a transfer of public funds between governmental entities, such as from a LEA, to the Medicaid agency before a Medicaid payment is made. When these funds are used as the non-federal share of a Medicaid expenditure, they are eligible to be matched by federal dollars. For Wyoming, the State is responsible for 50 percent of the non-federal match and the federal government matches the other 50 percent (the federal match). Under this methodology, the LEA's reimbursement will equal the full allowable amount of the school-based health services claims, which will include the federal and non-federal share.

The state Medicaid agency has three options for establishing rates under the Fee Schedule Model.

1. Community rate – the rate paid by the Medicaid agency to private providers for the same service or procedure (the Medicaid fee schedule).
2. 100% of the Medicare rate – the Medicare rate for the same service or procedure.

¹⁵ The 401 Reimbursable Special Education Expenditures Report contains special education costs by fiscal year and is used by WDE in its funding model to reimburse special education service costs. The WDE 401 Report includes district special education salary and benefit costs, equipment costs, and contracted services expenditures by service type, among other items.

¹⁶ WDE Special Education Expenditure Report Database: <https://portals.edu.wyoming.gov/Reports/Public/wde-reports-2012/finance/special-education-expenditure-report>.

- 3. School-based service-specific rate – a rate established by the State that requires CMS approval and requires the State to have data on actual cost and SBS encounters.

The Departments recommend using the community rate, based off the Medicaid fee schedule, for the Wyoming SBS Program.

The LEAs will submit claims to WDH, who will pay the LEA the full allowable claim amount from the Wyoming Medicaid General Fund (this will total the non-federal and federal share). WDH will annually calculate the non-federal match submitted by all LEAs throughout the year and invoice WDE, who will pay WDH the non-federal match on behalf of the LEAs.¹⁷ WDH will use the non-federal share from WDE to drawdown the federal match. WDE will recapture the SBS Program revenue from the LEAs through an annual reconciliation process and deposit it into the School Foundation Program Fund for reinvestment back to the LEAs.¹⁸

Revenue Estimates Methodology (Fee Schedule Model)

Navigant calculated a revenue estimate for the Fee Schedule Model based upon prescribed Wyoming special education services for students with an IEP. A special education vendor that works with 42 out of the 48 LEAs in Wyoming provided an extract of masked special education related service data for school year 2018-2019.¹⁹ Table 4 includes the related services included in the estimates.

Table 4 – Related Services Included in the Fee Schedule Model Projections

AU – Audiology
CS – Counseling Services
LS – Speech – Language Pathology
OM – Orientation and Mobility
OT – Occupational Therapy
PS – Psychological Services
PT – Physical Therapy
SH – School Health Services
SN – School Nurse Services
SW – School Social Work Services

¹⁷ WDH and WDE will have a Memorandum of Understanding (MOU) that allows WDE to submit the non-federal match on behalf of the LEAs.

¹⁸ The reconciliation process is required due to MOE concerns and that “federal funding cannot replace state and local funding that has been expended for special education services from year to year.” See Appendix H for more information around MOE concerns.

¹⁹ The Departments do not have data on the services prescribed in an IEP or IFSP, nor do they have data on the services that are delivered in a school setting. The Departments reached out to other states for SBS Program service utilization data, but due to the differences in how SBS Programs are managed at each state and the differences in Medicaid requirements there was not a comparable state to extract data from.

Navigant organized the data by disability category and related services to complete this analysis. Navigant and WDH assigned each related service a proxy procedure code from the Medicaid Fee Schedule and a corresponding rate. Navigant multiplied the rate against a weighted average based upon how frequent the services were written into an IEP for a specific disability code; weighting the values limited outliers from inappropriately influencing the revenues. Navigant calculated an estimated revenue per disability and multiplied that against the 2018-2019 Wyoming special education student data, totaling an unadjusted SBS Program revenue projection.

Navigant adjusted the SBS Program revenue projection for Medicaid eligibility, by calculating a Wyoming Medicaid eligibility proxy percentage. The Medicaid eligibility proxy percentage is based upon Wyoming's average free and reduced lunch percentage and Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) eligibility percentage. Navigant further adjusted the estimate by applying an estimated parental consent return rate. Navigant used a phased-in parental consent return rate for the adjustment: 40 percent for SFY 2020-2021, 60 percent for 2021-2022, and 80 percent for 2022-2023. See Appendix C for more information on parental consent.

Cost-Based Model: Using a Certified Public Expenditures (CPE) Methodology

SBS Programs have the option to operate under a Cost-Based Model, using a CPE methodology, where the LEA certifies that they have spent public funds on items and services that are eligible for federal matching Medicaid funds.

Under a Cost-Based Model, LEAs generally bill WDH for services rendered throughout the fiscal year and receive the approved federal match amount that is based on the rate methodology outlined in the Medicaid State Plan. The LEAs receive interim reimbursement throughout the year that is subject to a final cost-based settlement process. In the settlement process, each LEA must file a cost report to identify the total allowable costs of providing the Medicaid covered services. Under the Cost-Based Model, WDH is required to annually reconcile and settle any differences between the interim payments issued to LEAs and the actual Medicaid allowable costs incurred by LEAs to provide covered services to Medicaid-enrolled students.

Medicaid Allowable Cost (RMTS Results)

States that use a Cost-Based Model must work under a CMS-approved methodology to allocate and assign costs to the SBS Program. As a result, WDH is working under the assumption that Wyoming would adopt a Random Moment Time Survey (RMTS) to allocate costs to the school-based program. The RMTS is the method that most state Medicaid agencies use to allocate and assign costs.

The RMTS is a web-based program designed to record and track the work activities of SBS Program staff (e.g., the direct care practitioners employed by the schools). The LEAs would use the RMTS to capture the allowable amount of time spent providing school-based health activities that are reimbursable by Medicaid. A “moment” consists of one minute in time, assigned at random, among a group of pre-identified district employees. The percentage of sampled moments coded to allowable direct medical services are reflected in the LEA cost report and used to allocate LEA total health service costs.

Revenue Estimates Methodology (Cost-Based Model)

Navigant calculated the Cost-Based Model revenue estimates using the most recent data from the WDE Special Education Expenditure Report (Fiscal Year 2017-2018) to determine total health service costs; estimates are based on data from Exhibit C: Special Education Staffing and Expenditure Summary for FY 2017-2018. Navigant and WDE worked together to identify allowable SBS Program Personnel Assignment Codes, included in Table 5. Salary and benefits expenditures from the reports total approximately \$52.3 million.

Table 5 – Wyoming SBS Program Special Education Personnel Assignment Codes

RSA – Special Education – Related Services Aide
XAU – Special Education – Audiology
XCM – Special Education – Case Manager
XCO – Special Education – Counseling
XDH – Deaf/Hard of Hearing Interpreter
XHS – Special Education – Hearing Screening Technician
XOT – Special Education – Occupational Therapist
XPS – Special Education – Psychological Technician
XPT – Special Education – Physical Therapist
XPY – Special Education – School Psychologist
XSA – Special Education – Speech Therapist Assistant
XSN – Special Education – School Nurse
XSP – Special Education – Speech Pathologist
XSS – Special Education – School Social Worker
XTA – Special Education – Physical Therapy Assistant
XTR – Special Education – Certified Occupational Therapy Assistant (COTA)
XVS – Special Education – Vision Screening Technician

Navigant applied an indirect cost adjustment to the reported salary and benefit expenditures (associated with the above Personnel Assignment Codes) and used the WDE approved average restricted indirect cost rate of 4.63% (this average excludes colleges). The indirect cost adjustment accounts for indirect costs that do not have a

direct relationship to a cost object, such as overhead expenditures that are necessary for the operation of the program.

Navigant estimated the total direct health service costs for all LEAs by reducing the total costs by a proxy RMTS percentage. The proxy RMTS percentage was based on a review of six states' available RMTS data.²⁰ The RMTS percentages for the six states ranged from 34 percent to 72 percent and Navigant used a median RMTS percentage of 46 percent for the estimate and applied it to the total costs.

Cost-Based Models allow appropriate health related contractor costs to be included as allowable costs in the reimbursement methodology. Navigant included Total Contractor Expenses for Non-Personnel Data from the WDE Special Education Expenditure Report for FY 2017-2018 as part of the Cost-Based Model revenue estimate. Table 6 provides an overview of the FY 2017-2018 contractor costs included in the analysis. The contractor expenditures total approximately \$7.8 million.

Table 6- SBS Program Contractor Expenditures, Fiscal Year 2017- 2018

AU-Audiological Services
CS-Counseling (for students)
EI-Early Identification and Assessment
EV-Evaluation
OM-Orientation and Mobility
OT-Occupational Therapy
PS-Psychological Services
PT-Physical Therapy
SH-School Health Services
SL-Speech/Language Services
SW-Social Work Services

Navigant combined all employed and contracted health service costs and applied an average Medicaid eligibility rate of 34.11 percent. This is the same Medicaid eligibility estimate used for the Fee Schedule Model.

Navigant applied the Federal Medicaid Assistance Percentage (FMAP) of 50 percent to the costs to arrive at the estimated federal revenue for Wyoming. Navigant and the Departments decided to apply a 25 percent discount factor to the federal revenue estimates to account for the potential misallocation of costs in the WDE Special Education Expenditure Report.

²⁰ Navigant used publicly available RMTS results from: Arizona, Colorado, Connecticut, Massachusetts, Michigan, and West Virginia.

Appendix E. Review of Other State SBS Programs

Navigant completed outreach to 11 states to understand their SBS Program operations and structure. Below is a summary of three states that Navigant included in the survey and that are the most similar to Wyoming in either location or population.

Idaho

Special education population:²¹ 32,908

Free and reduced lunch percentage:²² 45.8%

Estimated SBS Program population:²³ 15,065

Medicaid/Education agency FTE to manage the SBS Program: 3

Idaho manages their SBS Program through both the Departments of Medicaid and Education.²⁴ The Medicaid Agency is the primary contact for the SBS Program, and their responsibilities include but are not limited to: overseeing all SBS Program activities, maintaining the program webpage, maintaining required forms, and completing program audits. The Department of Education serves as a liaison between the Medicaid Agency and LEAs. Both Departments collaborate on the Medical Care Advisory Committee to answer questions from the LEAs and provide training.²⁵ Three FTEs support the SBS Program, two from the Department of Medicaid and one from the Department of Education.²⁶

The State does not require LEAs to participate in the SBS Program; however, to participate in the SBS Program they must enroll as a Medicaid provider. Additionally, Idaho does not contract with a statewide vendor to help manage the SBS Program for the LEAs. Idaho allows individual LEAs to decide whether to use a billing vendor and which billing vendor to use.

²¹ U.S. Department of Education. *IDEA Section 618 Data Products: State Level Data Files, Child County and Educational Environments*. 2017, data extracted July 2018: <https://www2.ed.gov/programs/osepidea/618-data/state-level-data-files/index.html#bcc>

²² National Center for Education Statistics. *Free and Reduced Lunch Students [Public School]*. 2016-17: <http://nces.ed.gov/ccd/elsi/>

²³ Estimated SBS Program population is equal to the special education population multiplied by the free and reduced lunch percentage.

²⁴ According to survey data submitted to Navigant from Idaho school-based services program representative.

²⁵ The Medical Care Advisory Committee acts as an advisory group to develop and refine the Idaho Medicaid Program.

<https://healthandwelfare.idaho.gov/Medical/Medicaid/MedicalCareAdvisoryCommittee/tabid/1206/Default.aspx>

²⁶ A representative from Idaho has expressed that additional staff would benefit program management capabilities.

Montana

Special education population: 18,803

Free and reduced lunch percentage: 45.3%

Estimated SBS Program population: 8,523

Medicaid/Education agency FTE to manage the SBS Program: Not Reported

The Montana Medicaid Agency administers the SBS Program. The Program Officer for Montana’s SBS Program sits in the Health Resource Division but consults with the Montana Office of Public Instruction (Special Education Department) on certain SBS Program decisions. The SBS Program uses a Fee Schedule Model for direct services and RMTS to settle Medicaid Administrative Claiming (MAC) costs.²⁷

The Montana SBS Program includes a mental health component called the Comprehensive School and Community Treatment (CSCT) program, which offers therapy and behavioral intervention services as well as a MAC program. CSCT services account for more than 80 percent of all SBS Program services in Montana, and the State provides these services to students without an IEP.²⁸ The MAC program allows districts to be reimbursed for costs associated with administering the school-based health services and outreach activities that are not allowable under the SBS Program.

South Dakota

Special education population: 21,190

Free and reduced lunch percentage: 37.7%

Estimated SBS Program population: 7,995

Medicaid/Education agency FTE to manage the SBS Program: 1

South Dakota administers and operates a SBS Program within the Medicaid Agency. One program manager oversees school district direct services including, but not limited to: provider communication, provider trainings, annual district rate changes, program questions (including coverage, claims, and eligibility), and coordination of the Certification of Public Expenditure process (with assistance from a vendor). LEAs are also able to contact the Medicaid call center to address specific claim issues, as necessary.

South Dakota also operates a school-based Administrative Claiming Process with assistance from a vendor. The vendor is responsible for administering the Administrative

²⁷ Montana Department of Public Health and Human Services. *School-Based Services Manual*. Updated December 2017: <https://medicaidprovider.mt.gov/manuals/schoolbasedservicesmanual>

²⁸ Medicaid for Education Conference. *Montana’s School Based Health Services*. 2016: http://medicaidforeducation.org/filelibrary-name/2016_Conference/2016_Breakouts/5-MT-BO-SBS-FINAL%209-7-16.pdf

Claiming Process RMTS, collecting provider costs, preparing the claim, and completing audits of the school districts.

Appendix F. SBS Program Department Costs (both Fee Schedule and Cost-Based Models)

Table 7 – SBS Program Costs by Department, SFY 2020-2021 through 2022-2023 (both Models)

Program Area	Cost-Based Model						Total Costs	Fee Schedule Model						Total Costs
	WDH	WDE	Vendor Year 1 WDH	Vendor Year 2+ WDH	Vendor Year 1 WDE	Vendor Year 2+ WDE		WDH	WDE	Vendor Year 1 WDH	Vendor Year 2+ WDH	Vendor Year 1 WDE	Vendor Year 2+ WDE	
Audit (Cost Report)	0*	0	\$ -	\$ 30,000	\$ -	\$ -		0	0	\$ -	\$ -	\$ -	\$ -	
Audit (Program)	0.05	0.03	\$ 26,000	\$ 17,000	\$ -	\$ -		0.05	0.03	\$ 26,000	\$ 17,000	\$ -	\$ -	
Training (Implementation)	0.1	0.1	\$ 60,000	\$ -	\$ -	\$ -		0.05	0.1	\$ 50,000	\$ -	\$ -	\$ -	
Training (On-going)	0.05	0*	\$ -	\$ 15,000	\$ -	\$ -		0.05	0*	\$ -	\$ 10,000	\$ -	\$ -	
Program Management (Policy)	0.5	0.15	\$ 91,000	\$ 22,000	\$ -	\$ -		0.5	0.15	\$ 91,000	\$ 22,000	\$ -	\$ -	
Program Management (Technical)	0.5	0.25	\$ 34,000	\$ -	\$ 300,000	\$ 250,000		0.5	0.25	\$ 34,000	\$ -	\$ 300,000	\$ 250,000	
Rate Setting	0.05	0.01	\$ 33,000	\$ -	\$ -	\$ -		0.01	0	\$ 11,000	\$ -	\$ -	\$ -	
RMST	0.25	0	\$ 230,000	\$ 175,000	\$ -	\$ -		0	0	\$ -	\$ -	\$ -	\$ -	
Cost Settlement	0.05	0	\$ -	\$ 22,000	\$ -	\$ -		0	0	\$ -	\$ -	\$ -	\$ -	
School Funding	0	0.21	\$ -	\$ -	\$ -	\$ -		0	0.21	\$ -	\$ -	\$ -	\$ -	
Total	1.55	0.75	\$ 474,000	\$ 281,000	\$ 300,000	\$ 250,000		1.16	0.74	\$ 212,000	\$ 49,000	\$ 300,000	\$ 250,000	
FTE Salaries and Benefits ¹	\$ 87,850	\$ 115,000						\$ 87,850	\$ 115,000					
Total FTE Costs²	\$ 136,168	\$ 86,250						\$ 101,906	\$ 85,100					
Total Model Costs (Year 1):	\$ 136,168	\$ 86,250	\$ 474,000		\$ 300,000		\$ 996,418	\$ 101,906	\$ 85,100	\$ 212,000		\$ 300,000		\$ 699,006
Total Model Costs (Year 2):³	\$ 141,614	\$ 89,700		\$ 281,000		\$ 250,000	\$ 762,314	\$ 105,982	\$ 88,504		\$ 49,000		\$ 250,000	\$ 493,486
Total Model Costs (Year 3):³	\$ 147,279	\$ 93,288		\$ 292,240		\$ 260,000	\$ 792,807	\$ 110,222	\$ 92,044		\$ 50,960		\$ 260,000	\$ 513,226

Notes:

- (1) WDH assumes a HSP10 position and WDE assumes a Level 10 position.
- (2) Values with a "*" denotes that there are not a significant amount of hours related to this responsibility, but the Agency will need to identify a resource to offer support for this task.
- (3) Personnel and Vendor Costs are inflated by a factor of 4% for Year 2 and Year 3. 4% represents the average of special education increases from the last 10 years, rounded to the nearest whole number.

Notes:

- (1) Personnel costs assume \$30/hour for LEA central office staff; based off an average salary and benefits of \$61,348 for 'Central Office Classified' as reported by WDE and divided by 2,080 hours in a year. Implementation and time costs tiers based on three size categories: Small = <50 Medicaid eligible students, Medium = 50-200 Medicaid eligible students, Large = >200 Medicaid eligible students; Small = 520 hours/year, Medium = 1,040 hours/year, Large = 2,080 hours/year.
- (2) Assumes that it takes central office staff 15-minutes per student to document services in an electronic documentation system.
- (3) RMTS tiers based on three size categories: Small = <50 Medicaid eligible students, Medium = 50-200 Medicaid eligible students, Large = >200 Medicaid eligible students; Small = 4 hours/month, Medium = 9 hours/month, Large = 17 hours/month. These estimates are based upon discussions with current LEAs participating in SBS programs in another state.
- (4) Documentation time, RMTS time, and Medicaid eligibility check time assumes 10 month school year.
- (5) Year 2 and 3 costs are inflated by 4%, which represents the average of special education increases from the last 10 years, rounded to the nearest whole number.
- (6) Free and Reduced Lunch Percentages (FRL) based on WDE 2018-19 data.
The following district FRL percentages are based on historical data - Fremont #38: 2013-14, Fremont #14: 2017-18, Fremont #21: 2008-09
- (7) Model is based off of participation by LEAs with Medicaid Eligible Count >25; adjusting the participation requirements will impact cost and revenue projections

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- (4) Documentation time, RMTS time, and Medicaid eligibility check time assumes 10 month school year.
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- (7) Model is based off of participation by LEAs with Medicaid Eligible Count >25; adjusting the participation requirements will impact cost and revenue projections

Appendix H. Fiscal Compliance Concerns Addressed**Maintenance of Effort (MOE)**

Prior to receiving federal education dollars, LEAs must demonstrate that they have maintained state and local education expenditures from the preceding fiscal year. Under IDEA, LEAs must maintain the same level of expenditures each year for special education and related services, regardless of how much funding they receive from the federal government during the fiscal year. When a district falls short on the MOE demonstration in a given year, the State Education Agency (SEA) must repay the amount to the US Department of Education.

The Departments worked with the Center for IDEA Fiscal Reporting (CIFR) and CMS to address technical questions and research the MOE impact on LEAs that participate in SBS Program. There are two main considerations related to the SBS Program and MOE:

- In Wyoming, LEAs receive 100 percent funding for special education and related services. According to MOE provisions, federal funding (including Medicaid revenue) cannot replace state and local funding that has been expended for special education services from year to year for the purpose of MOE determination.
- CMS requires 100 percent of the Medicaid claim go back to the LEA under a fee schedule model that uses an IGT.

The recommended SBS Program funding model would require that LEAs remit all Medicaid revenues received to the WDE annually. Following this process can avoid potential MOE compliance issues at the LEA level by reducing the opportunity for unintentional supplanting as a result of the SBS Program.

Maintenance of State Financial Support (MFS)

Under 34 CFR 300.163(a), states are required to maintain the same amount of state financial support from one year to the next for the education of students with disabilities. This requirement includes funding appropriated by the State of Wyoming for special education and related services to students with disabilities. States that do not meet the MFS requirements will have their Part B Section 611 grant reduced by the same amount by which the state failed to meet the requirement.

WDE can avoid any negative MFS impact as a result of the SBS Program, under the recommended SBS Program funding model. WDE met with CIFR, a technical assistance group related to IDEA finances that is funded by the U.S. Office of Special Education Programs (OSEP), to discuss MFS mitigation strategies. Initial guidance provided during these discussions indicated that the recommended SBS Program model will likely not impact Wyoming's MFS requirements as the Medicaid revenues would be remitted to the WDE and deposited into the School Foundation Program Fund as a new revenue source.

The Medicaid revenue would essentially become part of the entire K-12 funding mix and not identified specifically for special education.