

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: HJM 50

50th Legislature, 1st Session, 2011

Tracking Number: .185950.1

Short Title: Medicaid School-Based Practice Study

Sponsor(s): Representatives Mimi Stewart and Rick Miera

Analyst: Eilani Gerstner

Date: March 7, 2011

Bill Summary:

HJM 50 requests that the interim Legislative Health and Human Services Committee:

- study and compare current New Mexico Medicaid School-based Services program practices with those of other states; and
- consider strategies that will maximize Medicaid reimbursements and eliminate procedural barriers.

HJM 50 further requests that the committee:

- solicit assistance from the:
 - Human Services Department (HSD);
 - Public Education Department (PED);
 - Legislative Finance Committee;
 - Legislative Education Study Committee (LESC);
 - New Mexico Coalition of School Administrators;
 - Medicaid School-based Program Advisory Committee;
 - public schools;
 - regional education cooperatives (RECs);
 - licensed health care providers; and
 - other interested persons; and
- present its findings and recommendations to the Legislature and the Governor by November 1, 2011, including proposed action steps for administrative, legislative, regulatory, operational and financial initiatives necessary to implement efficient process and programmatic expansion maximizing federal reimbursements within the school-based Medicaid services program.

Fiscal Impact:

Legislative memorials do not contain appropriations.

Substantive Issues:

The HSD analysis of HJM 50 indicates that there are two ways that New Mexico may be able to increase Medicaid reimbursements for school-based services, both of which would require approval from the Centers for Medicare and Medicaid Services (CMS). HSD indicates that New Mexico could reimburse providers:

- using CMS-approved cost-based rates, such as in North Carolina; and
- for costs for educational assistants, such as in Montana and North Carolina;

According to Department of Health's analysis of HJM 50,

- The Medicaid School-based Services program was established in 1994 and is coordinated through the New Mexico Human Services Department.
- For a school to receive reimbursement for services through the Medicaid School-based Services program, each Medicaid-eligible recipient must have an Individualized Education Plan (IEP) or Individualized Family Service Plan (IFSP) that specifies the services required to treat his or her identified medical conditions.
- Federal Medicaid law does not mandate that schools be reimbursed for health and health-related services that are provided to Medicaid-eligible children.
- However, the Medicare *Catastrophic Coverage Act of 1988* clarified that federal Medicaid matching funds are available and may be used for health-related services that are covered under the Medicaid State Plan when those services are provided under the auspices of the *Individuals with Disabilities Education Act* as part of an IEP or IFSP, as under the Medicaid School-based Services program in New Mexico.
- Federal Medicaid reimbursement for health and health-related services provided to students receiving special education, and for outreach and care coordination activities provided to all students, may be generated by local educational agencies, RECs or state-funded educational agencies.
- These entities may draw down Medicaid reimbursement for the federal share of costs for health and health-related services that are provided to students who are Medicaid recipients.
- A number of public schools successfully draw the funds and use the money to pay for health-related services, including salaries for school nurses and health assistants.

An analysis from PED was not available at the time of publication of this LESC analysis.

Related Bills:

None as of March 7, 2011.