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**STATE OF MAINE
119TH LEGISLATURE
SECOND REGULAR SESSION**

**Final Report
of the**

**JOINT SELECT COMMITTEE ON
SCHOOL-BASED HEALTH CARE SERVICES**

December 1, 2000

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Executive Summary

The Joint Select Committee on School-based Health Services was established by Joint Order, House Paper 1864, on April 24, 2000 during the Second Regular Session of the 119th Legislature. The Joint Select Committee was charged with reviewing the current funding sources for school-based health care services and recommending strategies for funding school-based health services, including public funding and third-party reimbursement.

The Joint Select Committee consists of 5 legislative members: 2 Senate members and 3 House members. Sen. Neria Douglass and Rep. Elaine Fuller were named as co-chairs; Sen. Georgette Berube, Rep. Arthur Mayo III and Rep. Nancy Sullivan also served as members of the committee. The joint study order also required the select committee to invite the participation of the Department of Education, the Bureau of Insurance and the Bureau of Medical Services. The select committee wishes to acknowledge the valuable assistance of these departments as well as the significant contributions of all those who made presentations to the select committee.

The Joint Order establishing this study was developed by the Joint Standing Committee on Banking and Insurance as a result of its consideration of LD 2424, An Act to Require Insurance Coverage of School-based Health Services. LD 2424, sponsored by Rep. Fuller, proposed that health insurance policies that cover children provide coverage for services performed by a physician, physician assistant or nurse practitioner in a school-based health center. The bill also proposed to require the Department of Human Services to adopt rules requiring that coverage be provided for these services under the Medicaid program. Because LD 2424 proposed that coverage of school-based health services be provided in all health insurance policies providing coverage for children, it was considered a mandated benefit and subject to the requirements of 24-A MRSA § 2752. Under 24-A MRSA § 2752, the Bureau of Insurance must review proposed mandated benefit legislation before the legislation is enacted.

During the Banking and Insurance Committee's consideration of LD 2424, the Committee was advised by the Bureau of Insurance that a review and evaluation of the proposed mandate for school-based health services could not be completed before the end of the 2nd Regular Session. The short length of the session and legislative requests for review of three other proposed mandated benefits were contributing factors to the Bureau's decision. As a result, the Committee voted LD 2424 "Ought Not to Pass" and drafted the joint study order establishing this study with the hope that the Bureau of Insurance could provide the resources to complete the review and evaluation during the course of the study.

The Joint Select Committee was charged with the following duties in the joint order:

- Review the current funding sources for school-based health care services in the State, including the ability of school-based health centers to receive reimbursement for their services from 3rd-party payors
- Examine the social and financial impact and the medical efficacy of mandating insurance coverage for school-based health care services with the technical assistance of the Bureau of Insurance
- Examine the administrative costs and burdens to school-based health centers regarding billing of public payors and 3rd-party payors for their services
- Review the credentialing and other requirements imposed on health care providers and practitioners that relate to the ability of school-based health centers to bill 3rd-party payors or public payors for their services
- Recommend strategies for funding school-based health care services, including methods for public funding and 3rd-party reimbursement for school-based health care services

The Joint Select Committee makes the following recommendations.

The Joint Select Committee recommends that health insurers and health maintenance organizations reimburse school-based health centers at the usual, customary and reasonable rate for services provided and that prior authorization requirements for services provided under managed care plans be eliminated.

The Joint Select Committee recommends that at a minimum the current levels of state funding for eligible school-based health centers grant be maintained.

The Joint Select Committee recommends that school-based health centers should be funded from sources other than General Purpose Aid.

The Joint Select Committee recommends that the Department of Human Services provide the state match or state seed for Medicaid funding provided to school-based health centers reimbursed under the category of ambulatory care clinic.

The Joint Select Committee recommends that the Bureau of Medical Services develop strategies for more equitable reimbursement for school-based health care services based on the services provided not the organizational structure of a school-based health center. The Bureau of Medical Services should submit a report with its recommendations to the Legislature on or before May 1, 2001.

The Joint Select Committee recommends that the Bureau of Medical Services expand its eligibility for reimbursement for targeted case management services to

include school-based health centers and notify schools throughout the state of their eligibility for Medicaid funding for targeted case management services.

The Joint Select Committee recommends that the Department of Human Services' Bureau of Health's Division of Maternal and Child Health convene an advisory group to develop an evaluation process for school-based health centers based on standards and guidelines.

The Joint Select Committee recommends that the Bureau of Medical Services continue its practice of dedicating an existing position in the provider relations unit to issues related to school-based health centers.

I. Introduction

The Joint Select Committee on School-based Health Services was established by Joint Order, House Paper 1864, on April 24, 2000 during the Second Regular Session of the 119th Legislature. A copy of the Joint Order is included as Appendix A. The joint select committee was charged with reviewing the current funding sources for school-based health care services and recommending strategies for funding school-based health services, including public funding and third-party reimbursement.

The Joint Select Committee consists of 5 legislative members: 2 Senate members and 3 House members. Sen. Neria Douglass and Rep. Elaine Fuller were named as co-chairs; Sen. Georgette Berube, Rep. Arthur Mayo III and Rep. Nancy Sullivan also served as members of the committee. The joint study order also required the select committee to invite the participation of the Department of Education, the Bureau of Insurance and the Bureau of Medical Services. The Joint Select Committee wishes to acknowledge the valuable assistance of these departments as well as the significant contributions of all those who made presentations to the select committee.

The Joint Select Committee convened on August 12, 2000 and met four more times on August 26, September 12, September 26 and October 17. Summaries of the select committee meetings are included as Appendix E.

A. Creation of Joint Select Committee

The Joint Order creating the Joint Select Committee on School-based Health Care Services was drafted by the Joint Standing Committee on Banking and Insurance and introduced on the committee's behalf by Rep. Elaine Fuller. The committee developed the joint study order as a result of its consideration of LD 2424, An Act to Require Insurance Coverage of School-based Health Services. LD 2424, sponsored by Rep. Fuller, proposed that health insurance policies that cover children provide coverage for services performed by a physician, physician assistant or nurse practitioner in a school-based health center. The bill also proposed to require the Department of Human Services to adopt rules requiring that coverage be provided for these services under the Medicaid program. A copy of LD 2424 is included as Appendix C.

Because LD 2424 proposed that coverage of school-based health services be provided in all health insurance policies providing coverage for children, it was considered a mandated benefit and subject to the requirements of 24-A MRSA § 2752. Under 24-A MRSA § 2752, the Bureau of Insurance must review proposed mandated benefit legislation before the legislation is enacted. The joint standing committee requests the review if a majority of the committee supports the proposal after a public hearing. Mandated benefit studies conducted by the Bureau of Insurance evaluate the social and financial impact and the medical efficacy of mandating the benefit.

During the Banking and Insurance Committee’s consideration of LD 2424, the Committee was advised by the Bureau of Insurance that a review and evaluation of the proposed mandate for school-based health services could not be completed before the end of the 2nd Regular Session. The short length of the session and legislative requests for review of three other proposed mandated benefits were contributing factors to the Bureau’s decision. As a result, the Committee voted LD 2424 “Ought Not to Pass” and drafted the joint study order establishing this study with the hope that the Bureau of Insurance could provide the resources to complete the review and evaluation during the course of the study.

B. Duties of the Joint Select Committee

The Joint Select Committee was charged with the following duties in the joint order:

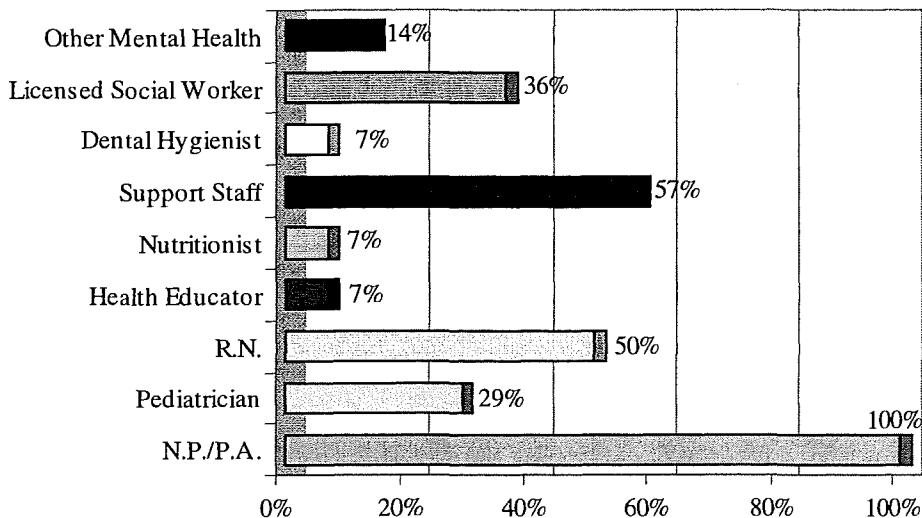
- Review the current funding sources for school-based health care services in the State, including the ability of school-based health centers to receive reimbursement for their services from 3rd-party payors
- Examine the social and financial impact and the medical efficacy of mandating insurance coverage for school-based health care services with the technical assistance of the Bureau of Insurance
- Examine the administrative costs and burdens to school-based health centers regarding billing of public payors and 3rd-party payors for their services
- Review the credentialing and other requirements imposed on health care providers and practitioners that relate to the ability of school-based health centers to bill 3rd-party payors or public payors for their services
- Recommend strategies for funding school-based health care services, including methods for public funding and 3rd-party reimbursement for school-based health care services

III. Background Information

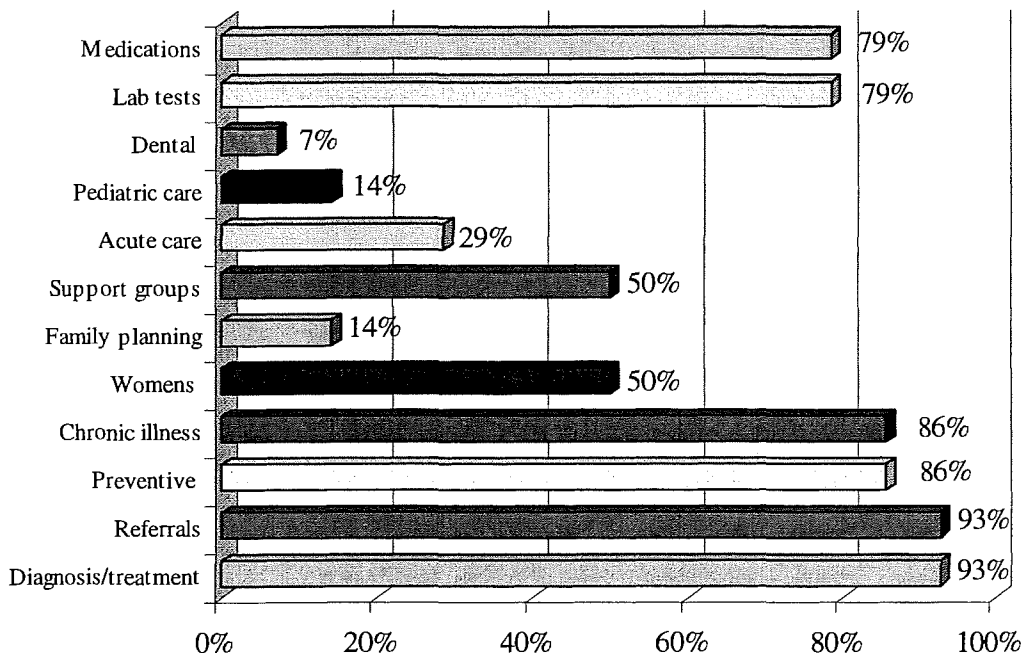
A. Current Status of School-based Health Centers in Maine

School-based health centers are health clinics located on school property that provide a wide range of health care services, including preventive and primary care services and health education to children in school. Maine’s school-based health centers are staffed by health care practitioners from a variety of disciplines and provide a wide range of health care services. The charts below outline the staffing and services provided in the State’s school-based health centers based on a survey conducted during the 1998-1999 school year.

**Percentage of Types of Staffing At
School-based Health Centers (N=14)
1998-1999 School Year**



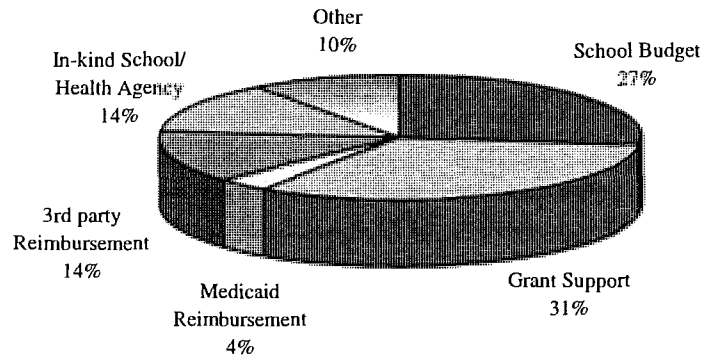
**Percentage of Services Provided at
School-based Health Centers (N=14)
1998-1999 School Year**



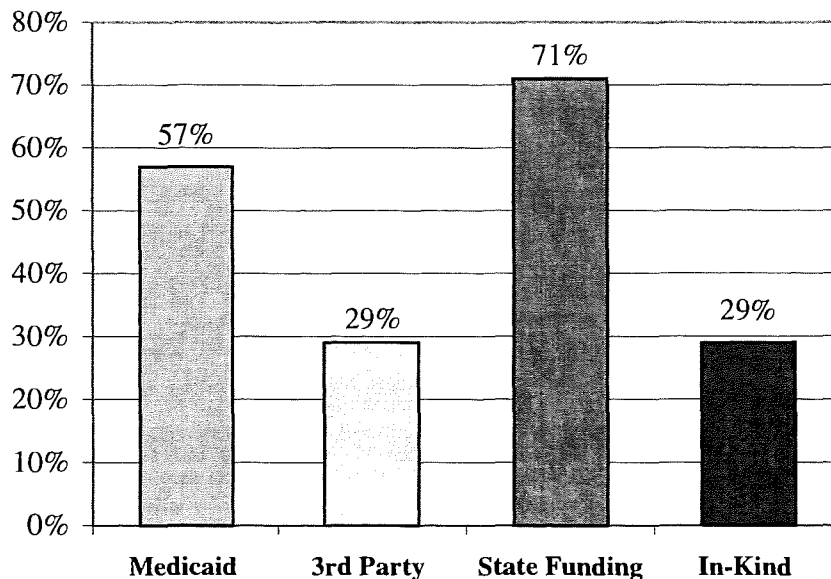
Maine's school-based health centers are funded from a variety of sources. The Joint Select Committee reviewed the funding sources for school-based health centers based on

a survey of 14 school-based health centers operating during the 1998-1999 school year. The total budgets of the centers ranged from approximately \$10,150 to \$322,000. The average operating budget for a school-based health center during that year was \$73,198.

**Average Sources of Funding
1998-1999 School Year (14 Sites)**



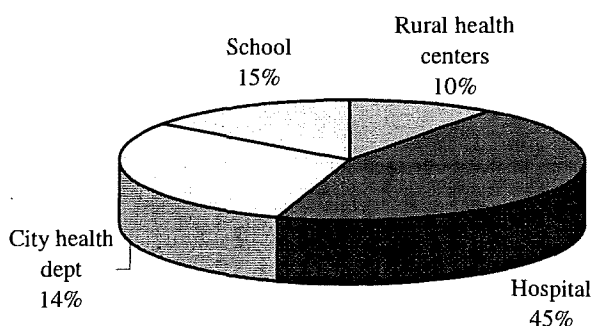
**Percentage of School-based Health Centers
Receiving Specific Sources of Funding (N=14)
1998-1999 School Year**



For the 1999-2000 school year, 20 school-based health centers will be operating. The organization and structure of the centers vary according to their sponsoring organization. Six centers are operated by the City of Portland Public Health department at Portland

High School, Deering High School, King Middle School, Jack Elementary School, Reiche Community School and West Elementary School (opening in January 2001). Two centers are affiliated with rural health centers at Lubec Consolidated Schools and Leavitt High School. Three centers are supported by the school at Maranacook Community School, Erskine Academy and Harmony Elementary School. Nine centers are supported by local hospitals at Edward Little High School, Lewiston High School, Lewiston Middle School, Foxcroft Academy, Se Do Mo Cha Middle School, Noble High School, Lincoln Academy, Boothbay Region High School and Oxford Hills Comprehensive High School. See Appendix D for a complete list of school-based health centers and contact numbers.

Percentage of Sponsoring Organizations for School-based Health Centers (N=20) 1999-2000 School Year



B. State Role in School-based Health Care and School-based Health Centers

Coordinated School Health Program

The State has a significant role in supporting school-based health care and education through the Coordinated School Health Program administered jointly by the Department of Human Services and the Department of Education. The goal of the coordinated school health program is “to create, advance and sustain a coordinated school health program across all State agencies that supports and guides communities in improving their capacity to serve and promote the health and learning of all young people.” The school health program focuses on the eight components: youth, parent family and community involvement; comprehensive school health education; physical education and activity; school counseling, physical and behavioral health services; nutrition services; health promotion and wellness; physical environment; and school climate. While the coordinated school health program is much broader than school-based health centers, school-based health centers are an integral link for the program.

Guidelines for Coordinated School Health Programs

Currently, guidelines are being developed for all of the components of a Coordinated School Health Program. One component---School Counseling, Physical Health and Behavioral Health Services---directly relates to school-based health centers and the delivery of health care services in schools.

The following 12 guidelines have been developed for this component:

- School counseling, physical and behavioral health services are established and integrated as part of the school's mission of promoting student's personal growth-cognitive, emotional, social and physical.
- Written policies are established to govern school counseling, physical and behavioral health services.
- School counseling, physical and behavioral health services are based on an on-going local assessment of needs and on the presence or absence of resources necessary to meet those needs.
- School counseling, physical and behavioral health services should provide a balance of prevention and intervention services for all major risk behaviors that pose immediate threats to health and safety and those that have long-term consequences.
- A quality improvement plan is developed and implemented to monitor and evaluate school counseling, physical and behavioral health services.
- School counseling, physical and behavioral health services are provided by qualified, credentialed providers, consistent with professional standards and best practices.
- Schools should assure adequate school counseling, physical and behavioral health service providers and appropriate work space for services delivered.
- All students should have equitable, appropriate, available and timely access to school counseling, physical and behavioral health services.
- School counseling, physical and behavioral health services are based on coordination and collaboration among students, families or other caregivers, school personnel and community service providers.
- All students, all families, all staff and community members are informed of the array of school counseling, physical and behavioral health services available and understand how to access them .
- School counseling, physical and behavioral health services will involve all students and, when appropriate, family members or caregivers, as responsible participants in addressing their needs. Services are provided within the context of the student's family; and focused on their social, physical and educational growth and development.
- School counseling, physical and behavioral health services are appropriately confidential and culturally, environmentally, and developmentally appropriate for students and their families and other caregivers.

State Funding for School-based Health Centers

At the state level, the Department of Human Services, Bureau of Health provides grant funding to school-based health centers. Annually, the total grant money available is approximately \$263,000 with individual grants of \$10,000 to \$35,000. Historically, the Bureau of Health provided only start-up funding, but currently, grants are available to school-based health centers that provide both start-up funding and on-going funding. At the present time, the Bureau of Health has awarded 6 grants that provide funding for 7 school-based health centers. A request-for-proposal has just been issued for grant funding for 2001. In 2001, additional funding of \$400,000 from the Fund for a Healthy Maine (tobacco settlement money) will be available for community-school initiatives and integrated with the Coordinated School Health program. The emphasis for this grant money is the behavioral risk factors of tobacco, physical activity and nutrition.

C. Third-Party Reimbursement for School-based Health Centers

Other States' Policies on Reimbursement of School-based Health Care Services

Nationally, the participation of health insurers and managed care plans in school-based health centers and other school health initiatives has taken one of 3 approaches:

- sponsorship or development of school-based health centers
- direct funding of school-based health initiatives at the community level
- contracting with school-based health centers as participating members of health plan networks

In the area of third-party reimbursement, the Joint Select Committee noted the following:

- No state has a law requiring coverage of services provided in school-based health centers as a mandated benefit
- School-based health centers in 43 states, including Maine, are eligible for reimbursement by Medicaid fee-for-service programs
- 28 states, including Maine, have required or encouraged through statute, rule or contract that school-based health centers be included as part of Medicaid managed care networks
- School-based health centers in 39 states, including Maine, are eligible for reimbursement by the state's Children's Health Insurance Program (CHIP)
- School-based health centers in at least 22 states have contracts with managed care organizations and are included as part of managed care networks (and presumably eligible for reimbursement at some level as a participating provider); few states have enacted statutes or regulations to address reimbursement by private insurance market

Insurance Reimbursement of School-based Health Care Services by Maine Health Plans

Generally, Maine health plans do not reimburse for services provided in school-based health centers. Anthem Blue Cross and Blue Shield, CignaHealthsource and Aetna US Healthcare all indicated that they do not reimburse for these services under their private pay indemnity or managed care plans. It was suggested that individual providers that belong to the plans’ network may be reimbursed for services provided in a school setting, but that school-based health centers are not credentialed as a separate entity and contracted with as part of the network of providers. Anthem and Healthsource described their participation in the Maranacook pilot project from 1997-1999 in which the plans paid a capitated fee to the center of \$5 per enrollee per month; however, claims were not processed and reimbursed based on the services provided. Aetna US Healthcare noted that school-based health centers that were linked to their network during their participation as a contractor to the Department of Human Services under the Medicaid managed care program were eligible for reimbursement.

Medicaid Reimbursement for School-based Health Centers

School-based health centers are eligible for Medicaid reimbursement if they are enrolled as a provider with the Bureau of Medical Services. Medicaid reimburses centers for those services provided to children covered under Medicaid (including CubCare). Centers in Maine are organized very differently and are recognized under Medicaid in different ways and with different levels of reimbursement.

Under Medicaid, school-based health centers are reimbursed at different levels depending on their category:

Category	State Match	Type of Fee	Approximate Reimbursement Rate
Ambulatory Care Clinics: School as administrator	School provides seed	Medicaid sets fee, not cost-based	\$45 per visit (gross); \$30 per visit (net)
Portland/Special Category of Ambulatory Care Clinic: City Health Department as administrator	City provides seed	Medicaid sets fee, not cost-based	\$25-35 per visit (gross); \$16-20 per visit (net)
Hospital as administrator	State/Medicaid provides seed	Prospective Interim Payment system, cost-based,	Varies by hospital
Rural Health Clinic as administrator	State/Medicaid provides seed	Cost-based, federal requirements in order to qualify	\$58 per visit
Federally Qualified Health Center as administrator	State/Medicaid provides seed	Cost-based, federal requirements in order to qualify	\$85 – 95 per visit
Individual Provider	State/Medicaid provides seed	Medicaid sets fee, not cost-based	\$29-39 per visit, based on intermediate level visit

The Department of Human Services requires through rules that school-based health centers be included in the Medicaid managed care program, Maine PrimeCare.

Special education services are funded separately under Medicaid through the School Rehabilitation Program and schools are paid a monthly capitation rate for students receiving services. For special education services for Medicaid-eligible children, approximately two-thirds of the Medicaid reimbursement for the services are paid by the federal government and the State match or seed of approximately one-third of the rate is paid by the schools. For children eligible for the CHIP program, the federal government share is approximately three-fourths of the overall rate and the State match is paid by the school.

While services provided in school-based health centers are eligible for reimbursement, other factors related to billing and administration may affect whether or not a center is actually billing Medicaid and receiving reimbursement.

Role of General Purpose Aid in Funding School-based Health Care Services

At present, General Purpose Aid (GPA) funding is used to provide health-related services in a variety of ways. School budgets cover health-related costs in three areas:

- *As Educators:* Learning Results and federal laws directly or indirectly provide funds to support the health and education of children through the required Health Education and Physical Education component as well as the teaching staff in these areas.
- *As Providers:* Schools provide a tremendous amount of health-related support services to children outside the classroom, including school nurses, special education teachers, guidance counselors, speech therapists, psychologists and school social workers. Special education services as a category are reimbursable under Medicaid, but other support services like those required under federal law (Section 504 of the Rehabilitation Act of 1974) are not reimbursed.
- *As Employers:* Schools provide health insurance and employee assistance programs to address the health needs of its employees.

Currently, costs for school-based health centers could be included in the operating costs of a school's budget. Operating costs are the day-to-day expenses for salaries, wages and benefits, equipment, supplies and maintenance and other costs. School units receive an allocation for operating costs based on the determination of the statewide per pupil guarantee; the local school unit is required to contribute the local share of the allocation and the state provides the state share based on the funding formula and not expenditures. Program costs for special education are also supported an allocation of GPA, but the amount of the allocation for the state and local share is based on the school unit's prior year's expenses. Under this category of funding, some costs to the school-based health center may be covered, e.g., those services provided to children eligible for special

education. There is also a category of school funding called adjustments that do not require local participation to qualify for state funding. These adjustments include costs for special education of state wards and state agency clients; out-of-district placement; and English as a Second Language programs.

IV. Committee Recommendations

The Joint Select Committee recommends that health insurers and health maintenance organizations reimburse school-based health centers at the usual, customary and reasonable rate for services provided and that prior authorization requirements for services provided under managed care plans be eliminated.

Currently, Maine health plans are not providing reimbursement for services provided in school-based health centers. While testimony provided to the Joint Select Committee indicates some school-based health centers are receiving reimbursement from commercial insurers (presumably insurers domiciled outside of Maine), the majority of claims are being denied. The Joint Select Committee believes that health insurers should be reimbursing for services provided in school-based health centers if those same services would be covered when provided in another setting, like a physician's office or an emergency room. Health care services provided to students covered by indemnity (fee-for-service) or managed care plans should be reimbursed at the usual, customary and reasonable rate (UCR) for the particular health care service.

The primary reason cited for denials has been the lack of a referral from a student's primary care provider. The Joint Select Committee believes it is appropriate to also recommend that prior authorization requirements be eliminated for health care services provided in school-based health centers if primary care providers are notified of a patient's visit to a school-based health center and consulted with about the patient's complaint, related history, examination, initial diagnosis and course of treatment after every visit.

As required by 24-A MRSA § 2752, mandated health benefit legislation must undergo review and evaluation by the Bureau of Insurance before being enacted into law. The joint select committee believes this legislative recommendation is a mandated health benefit and is subject to the requirements of § 2752. While the Joint Select Committee discussed the possibility of requesting that the Bureau of Insurance perform its review before submitting its report, it was decided that the request for Bureau of Insurance review should be made by the Joint Standing Committee on Banking and Insurance after a public hearing on the proposal.

Draft legislation to implement this recommendation is included in Section V of this Report.

The Joint Select Committee recommends that at a minimum the current levels of state funding for school-based health center grants should be maintained.

The Joint Select Committee believes that school-based health centers should be funded from a variety of sources, including third-party reimbursement and State funding. The Joint Select Committee feels that continued State support of school-based health centers is very important. The majority of existing school-based health centers relied on the availability of start up grant funds to begin their operations. Recently, State grants have been made to some school-based health centers to cover on-going operating costs. The availability of both start up funding and on-going funding has been important in assisting school-based health centers. While the current level of State funding may not be adequate to meet the financial needs of existing school-based health centers or to create an incentive for the establishment of more school-based health centers, the Joint Select Committee recommends that at a minimum the current levels of State funding for which school-based health centers are eligible should be maintained on an annual basis. The General Fund appropriation of \$263,000 annually and the \$400,000 allocated from the Fund for a Healthy Maine (tobacco settlement money) must continue to be appropriated by the Legislature in the State budget.

The Joint Select Committee recommends that school-based health centers should be funded from sources other than General Purpose Aid.

At this time, the Joint Select Committee does not believe that the formula for General Purpose Aid should be changed to provide specific funding for school-based health centers. An effort is currently underway through the State Board of Education to develop a new formula for education funding based on Essential Programs and Services. This effort is addressing those health-related programs and services essential to meet Maine's Learning Results Standards. School-based health centers should not be considered separately from other health-related services in schools, like school nursing services, counseling services and special education services. Further, the State's Coordinated School Health program is also addressing the role of school-based health centers in the larger context of the eight components of that program. The Joint Select Committee believes the issue of increased state funding for education should not be discussed in isolation, but that all programs and services that may compete for this funding be part of that discussion.

The Joint Select Committee recommends that the Department of Human Services provide the state match or state seed for Medicaid funding provided to school-based health centers reimbursed under the category of ambulatory care clinic.

School-based health centers enrolled as Medicaid providers do receive reimbursement for services provided to Medicaid-eligible children. However, the State requires that school-based health centers organized as ambulatory care clinics provide the funds for the State match. The centers affected are those in which a school is the sponsoring

organization for the center or a city health department is the sponsoring organization. For other school-based health centers sponsored by hospitals, rural health clinics or federally-qualified health centers or individual practitioners, the State's Medicaid program provides the State match for the total Medicaid reimbursement. The Joint Select Committee believes this situation is inequitable and that the state should provide the State match for all categories of school-based health centers eligible for Medicaid reimbursement.

The Joint Select Committee recommends that the Bureau of Medical Services develop strategies for more equitable reimbursement for school-based health care services based on the services provided not the organizational structure of a school-based health center. The Bureau of Medical Services should submit a report with its recommendations to the Legislature on or before May 1, 2001.

While school-based health centers are eligible for Medicaid reimbursement, centers are reimbursed at different rates depending on the organizational structure of the school-based health center. For example, centers categorized as ambulatory care clinics are reimbursed at a negotiated rate and centers sponsored by hospitals or rural health clinics receive cost-based reimbursement. Information provided by the Bureau of Medical Services indicates the rates of reimbursement vary from \$16-20 per visit to \$55 per visit or higher. The Joint Select Committee believes that steps need to be taken to address the inequity in Medicaid reimbursement rates for school-based health centers. As the administrator of the State's Medicaid program, the Bureau of Medical Services should develop strategies for a more equitable system of reimbursement based on the services provided rather than the sponsoring organization. The Joint Select Committee recommends that the Bureau submit a report to Joint Select Committee and to the Joint Standing Committee on Health and Human Services on or before May 1, 2001.

The Joint Select Committee recommends that the Bureau of Medical Services expand its eligibility for reimbursement for targeted case management services to include school-based health centers and notify schools throughout the state of their eligibility for Medicaid funding for targeted case management services.

Information provided to the Joint Select Committee by school-based health centers and the Bureau of Medical Services indicates that school-based health centers are not eligible to receive Medicaid funding for case management services provided by the center. Currently, Medicaid rules provide that children and young adults, age 5 to age 21, who are enrolled in a school administrative unit or a private school approved for the provision of special education and supportive services in Maine and who are exhibiting high risk behaviors that may result in social, emotional, or academic failure and who meet specific eligibility requirements may receive covered case management services. Under these rules, the school itself must be enrolled as a provider with the Bureau of Medical Services and certify that it will provide the State match to be eligible for reimbursement for case management services. School-based health centers cannot receive direct reimbursement under Medicaid for case management services when the administrator of the center is an entity other than the school system itself. For those centers that are able to provide case

management services to eligible “at-risk” children, the Joint Select Committee believes Medicaid rules should be changed to allow the center to qualify for reimbursement. School-based health centers would continue to be subject to the Medicaid rules requiring that the center provide the State match. Additional information provided to the Joint Select Committee by the Bureau of Medical Services demonstrates that very few schools are enrolled under the case management component. The Joint Select Committee believes that the Bureau of Medical Services, in conjunction with the Department of Education, should notify schools about their eligibility for Medicaid funding for case management services provided to eligible children.

The Joint Select Committee recommends that the Department of Human Services’ Bureau of Health’s Division of Maternal and Child Health convene an advisory group to develop an evaluation process for school-based health centers based on standards and guidelines.

The Joint Select Committee spent considerable time discussing the need for standards and guidelines for school-based health centers. The Joint Select Committee also discussed whether school-based health centers should be licensed by the State as other health care facilities are subject to some form of State licensure. While the Coordinated School Health Program is developing guidelines for each of its components, including the School Health, Physical Health and Behavioral Health Services component, the Joint Select Committee believes school-based health centers would benefit from the development of standards and guidelines. The Joint Select Committee believes it appropriate and in the public interest for the State to have a role in ensuring that school-based health centers meet certain standards and guidelines. At this time, however, the Joint Select Committee does not recommend that school-based health centers be required to be licensed by the State. The development of standards and guidelines for school-based health centers should be the result of a thoughtful process that involves all key stakeholders. The Joint Select Committee recommends that the Bureau of Health’s Division of Community and Family Health convene an advisory group, including Department of Education and school personnel, the Bureau of Medical Services, third-party health insurers and school-based health centers, to recommend a certification process for school-based health centers to the Second Regular Session of the 120th Legislature.

The Joint Select Committee recommends that the Bureau of Medical Services continue its practice of dedicating an existing position in the provider relations unit to issues related to school-based health centers.

The Joint Select Committee commends the Bureau of Medical Services for its decision to dedicate staff within the provider relations unit to certain categories of Medicaid providers, including school-based health centers. Because of the complexity of the Medicaid rules, the Joint Select Committee believes that a staff person trained and knowledgeable on Medicaid issues related to school-based health centers can provide valuable technical assistance to this category of provider. The Joint Select Committee recommends that the Bureau of Medical Services continue to assign an existing staff

person in the provider relations unit responsibility for assistance to school-based health centers.

V. Recommended Legislation

An Act to Implement the Recommendations of the Joint Select Committee on School-based Health Care Services

Sec. 1. 22 MRSA §3174-X is enacted to read:

§3174-X. Services provided in school-based health centers

1. State match for school-based health centers certified as ambulatory care clinics. No later than October 1, 2001, the department shall adopt rules to require the department to provide the State's match for federal revenues under the Medicaid program for services provided in school-based health centers that qualify for reimbursement under the United States Social Security Act, Title XIX. Rules adopted under this subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter II-A.

2. Case management services. No later than October 1, 2001, the department shall adopt rules to expand eligibility requirements under the Medicaid program to allow school-based health centers to qualify for reimbursement for case management services. Rules adopted under this subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter II-A.

Sec. 2. 24 MRSA § 2317-B, sub-§§ 19 and 20 are amended to read:

19. Title 24-A, chapter 67. Medicare supplement insurance policies, Title 24-A, chapter 67; and

20. Title 24-A, chapter 68. Long-term care insurance, nursing home care insurance and home health care insurance, Title 24-A, chapter 68-; and

Sec. 3. 24 MRSA § 2317-B, sub-§ 21 is enacted to read:

21. Title 24-A, sections 2759 and 2847-J. Coverage for services provided in school-based health centers, Title 24-A, sections 2759 and 2847-J.

Sec. 4. 24-A MRSA §2759 is enacted to read: .

§2759. Coverage for services provided in school-based health centers

1. Definitions. As used in this section, the following terms have the following meanings.

A. “Enrollee” means a student in an elementary, middle or secondary school who is enrolled in an individual health plan provided by an insurer.

B. “School-based health center” is a facility located in a school building or on school grounds in this State that provides comprehensive primary health care services, including but not limited to, health screening, referral, health education and counseling, medical diagnosis and treatment, and mental health services.

2. Coverage for school-based health centers. An insurer that issues individual contracts shall provide coverage under those contracts for services performed in a school-based health center when those services are covered services and within the lawful scope of practice of a health care professional who is employed by or contracted to a school-based health center.

3. Reimbursement for self-referred services. With respect to individual contracts that require the selection of a primary care provider, an insurer shall provide coverage and payment under those contracts for covered services provided in a school-based health center without requiring prior approval from a primary care provider as a condition of reimbursement. Within 3 business days after an enrollee’s visit to a school-based health center in accordance with this subsection, the school-based health center must notify the primary care provider of the enrollee’s complaint, related history, examination, initial diagnosis and course of treatment. If the school-based health center fails to provide the notice required by this subsection, the insurer is not obligated to provide payment for services and the enrollee is not liable to the school-based health center for any unpaid fees.

4. Reimbursement amount. An insurer that provides coverage required under this section shall reimburse a school-based health center at the usual, customary and reasonable fee for a covered service.

5. Limits; coinsurance; deductibles. Any contract that provides coverage for the services required under this section may contain provisions for maximum benefits and coinsurance and reasonable limitations, deductibles and exclusions to the extent that these provisions are not inconsistent with the requirements of this section.

Sec. 5. 24-A MRSA §2847-J is enacted to read:

§2847-J. Coverage for services provided in school-based health centers

1. Definitions. As used in this section, the following terms have the following meanings.

A. “Enrollee” means a student in an elementary, middle or secondary school who is enrolled in a group health plan provided by an insurer.

B. “School-based health center” is a facility located in a school building or on school grounds in this State that provides comprehensive primary health care services, including but not limited to, health screening, referral, health education and counseling, medical diagnosis and treatment, and mental health services.

2. Coverage for school-based health centers. An insurer that issues group contracts shall provide coverage under those contracts for services performed in a school-based health center when those services are covered services and within the lawful scope of practice of a health care professional who is employed by or contracted to a school-based health center.

3. Reimbursement for self-referred services. With respect to group contracts that require the selection of a primary care provider, an insurer shall provide coverage and payment under those contracts for covered services provided in a school-based health center without requiring prior approval from a primary care provider as a condition of reimbursement. Within 3 business days after an enrollee’s visit to a school-based health center in accordance with this subsection, the school-based health center must notify the primary care provider of the enrollee’s complaint, related history, examination, initial diagnosis and course of treatment. If the school-based health center fails to provide the notice required by this subsection, the insurer is not obligated to provide payment for services and the enrollee is not liable to the school-based health center for any unpaid fees.

4. Reimbursement amount. An insurer that provides coverage required under this section shall reimburse a school-based health center at the usual, customary and reasonable fee for a covered service.

5. Limits; coinsurance; deductibles. Any contract that provides coverage for the services required under this section may contain provisions for maximum benefits and coinsurance and reasonable limitations, deductibles and exclusions to the extent that these provisions are not inconsistent with the requirements of this section.

Sec. 6. 24-A MRSA §4249 is enacted to read:

§4249. Coverage for services provided in school-based health centers

1. Definitions. As used in this section, the following terms have the following meanings.

A. “Enrollee” means a student in an elementary, middle or secondary school who is enrolled in an individual or group health plan provided by a health maintenance organization.

B. “School-based health center” is a facility located in a school building or on school grounds in this State that provides comprehensive primary health care services, including but not limited to, health screening, referral, health education and counseling, medical diagnosis and treatment, and mental health services.

2. Coverage for school-based health centers. A health maintenance organization that issues individual and group contracts shall provide coverage under those contracts for services performed in a school-based health center when those services are covered services and within the lawful scope of practice of a health care professional who is employed by or contracted to a school-based health center.

3. Reimbursement for self-referred services. With respect to individual and group contracts that require the selection of a primary care provider, a health maintenance organization shall provide coverage and payment under those contracts for covered services provided in a school-based health center without requiring prior approval from a primary care provider as a condition of reimbursement. Within 3 business days after an enrollee’s visit to a school-based health center in accordance with this subsection, the school-based health center must notify the primary care provider of the enrollee’s complaint, related history, examination, initial diagnosis and course of treatment. If the school-based health center fails to provide the notice required by this subsection, the health maintenance organization is not obligated to provide payment for services and the enrollee is not liable to the school-based health center for any unpaid fees.

4. Reimbursement amount. A health maintenance organization that provides coverage required under this section shall reimburse a school-based health center at the usual, customary and reasonable fee for a covered service.

5. Limits; coinsurance; deductibles. Any contract that provides coverage for the services required under this section may contain provisions for maximum benefits and coinsurance and reasonable limitations, deductibles and exclusions to the extent that these provisions are not inconsistent with the requirements of this section.

Sec. 7. Development of standards and guidelines for school-based health centers. The Bureau of Health's Division of Community and Family Health shall convene an advisory group with members representing school-based health centers, the Department of Education, school personnel, the Medicaid program and health insurers. The advisory group shall develop standards and guidelines for school-based health centers operating in the State and a certification process for school-based health centers based on those standards and guidelines. No later than December 31, 2001, the advisory group shall submit a report, along with its recommendations and any necessary implementing legislation, to the joint standing committee of the Legislature having jurisdiction over health and human services matters. The advisory group shall consult with Office of Policy and Legal Analysis staff when drafting legislation to implement the advisory group's recommendations. Legislative Council. The joint standing committee of the Legislature having jurisdiction over health and human services matters may introduce a bill to implement the advisory group's recommendations in the Second Regular Session of the 120th Legislature.

Sec. 8. Application. Sections 3, 4, 5 and 6 of this Act apply to all policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed on or after January 1, 2002. All policies, contracts and certificates are deemed to be renewed no later than the next yearly anniversary of the contract date.

APPENDIX A:

**H.P. 1864, Joint Study Order
Establishing The Joint Select Committee On School-Based Health Care Services**

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H.P. 1864

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DATE: April 24, 2000

(Filing No. S-721)

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE
SENATE
119TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "A" to H.P. 1864, "Joint Study Order Establishing the Joint Select Committee on School-based Health Care Services"

Amend the order by striking out everything from the first indented paragraph to the end and inserting in its place the following:

'ORDERED, the Senate concurring, that the Joint Select Committee on School-based Health Care Services is established as follows.

1. Committee established. The Joint Select Committee on School-based Health Care Services, referred to in this order as the "committee," is established.

2. Membership. The committee consists of 5 members appointed as follows:

A. Two members of the Senate appointed by the President of the Senate; and

B. Three members of the House of Representatives appointed by the Speaker of the House.

3. Chairs. The first Senate member named is the Senate chair and the first House member named is the House chair.

4. Appointments; convening of committee. All appointments must be made no later than 30 days following passage of this order. The appointing authorities shall notify the Executive Director of the Legislative Council upon making their appointments. When appointment of all members is complete, the

SENATE AMENDMENT

SENATE AMENDMENT "A" to H.P. 1864

chairs of the committee shall call and convene the first meeting
of the committee no later than June 30, 2000.

5. Duties. The committee shall:

A. Review the current funding sources for school-based health care services in the State, including the ability of school-based health centers to receive reimbursement for their services from 3rd-party payors;

B. Examine the social and financial impact and the medical efficacy of mandating insurance coverage for school-based health care services with the technical assistance of the Department of Professional and Financial Regulation, Bureau of Insurance;

C. Examine the administrative costs and burdens to school-based health centers regarding billing of public payors and 3rd-party payors for their services;

D. Review the credentialing and other requirements imposed on health care providers and practitioners that relate to the ability of school-based health centers and practitioners in school-based health centers to bill 3rd-party payors or public payors for their services;

E. Recommend strategies for funding school-based health care services, including methods for public funding and 3rd-party reimbursement for school-based health care services; and

F. Invite the participation of experts and interested parties, including the Department of Professional and Financial Regulation, Bureau of Insurance; the Department of Education; and the Department of Human Services, Bureau of Health.

6. Staff assistance. Upon approval of the Legislative Council, the Office of Policy and Legal Analysis shall provide necessary staffing services to the committee.

7. Compensation. Members of the committee are entitled to receive the legislative per diem as defined in the Maine Revised Statutes, Title 3, section 2 and reimbursement for travel and other necessary expenses for attendance at authorized meetings of the committee.

8. Meetings. The committee shall hold 5 meetings, but, if the committee requires additional meetings, it may apply to the Legislative Council, which may approve additional meetings.

2 **9. Report.** The committee shall submit a report along with
any recommended legislation to the Legislature by December 1,
4 2000. If the committee requires an extension of time to make its
report, it may apply to the Legislative Council, which may grant
6 the extension.

8 **10. Committee budget.** The chairs of the committee, with
assistance from the committee staff, shall administer the
10 committee's budget. Within 10 days after its first meeting, the
committee shall present a work plan and proposed budget to the
12 Legislative Council for its approval. The committee may not
incur expenses that would result in the committee's exceeding its
14 approved budget. Upon request from the committee, the Executive
Director of the Legislative Council or the executive director's
16 designee shall provide the committee chairs and staff with a
status report on the committee budget, expenditures incurred and
18 paid and available funds.'

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SUMMARY

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This amendment replaces the joint order. The amendment also
24 changes the date at which the Joint Select Committee on
School-based Health Care Services must convene from May 15, 2000
26 to June 30, 2000. It also clarifies that members are compensated
for their attendance only at authorized meetings of the committee.

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SPONSORED BY: *Sen Chellie Pingree*
(Senator PINGREE) *CP*

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COUNTY: Knox

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APPENDIX B:

MEMBERS OF JOINT SELECT COMMITTEE

**JOINT SELECT COMMITTEE ON SCHOOL-BASED HEALTH CARE
SERVICES**

Joint Order/HP 1864

Membership 2000

Appointment(s) by the President

Sen. Neria R. Douglass **Chair**
465 West Auburn Road
Auburn, ME 04210
(207)-782-1518

Sen. Georgette B. Berube
195 Webster Street
Lewiston, ME 04240
(207)-782-2272

Appointment(s) by the Speaker

Rep. Elaine Fuller **Chair**
P.O. Box 187
Manchester, ME 04351
(207)-622-0293

Rep. Arthur Mayo
83 Green Street
Bath, ME 04530
(207)-442-8053

Rep. Nancy B. Sullivan
20 Westwood Drive
Biddeford, ME 04005
(207)-282-5594

Staff: Colleen McCarthy Reid 287-1670

APPENDIX C:

LD 2424

**AN ACT TO REQUIRE INSURANCE COVERAGE FOR SCHOOL-BASED
HEALTH CARE SERVICES**

**AN ACT TO REQUIRE INSURANCE COVERAGE FOR SCHOOL-BASED
HEALTH CARE SERVICES**

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 22 MRSA §3174-X is enacted to read:

§3174-X. School-based services

No later than October 1, 2000, the department shall adopt rules, which are routine technical rules pursuant to Title 5, chapter 375, subchapter II-A, to provide Medicaid coverage for services to a child performed by a physician, nurse practitioner or physician assistant who is employed or contracted to provide those services by the elementary or secondary school that the child attends.

Sec. 2. 24 MRSA §2332-M is enacted to read:

§2332-M. Coverage for school-based services

A group nonprofit medical service plan contract or a nonprofit health care plan contract that includes coverage of a child who attends an elementary or secondary school in the State must provide coverage under that contract for services to the child performed by a physician, nurse practitioner or physician assistant who is employed or contracted to provide those services by the elementary or secondary school.

Sec. 3. 24-A MRSA §2759 is enacted to read:

§2759. Coverage for school-based services

An insurer that issues individual health insurance policies and contracts that include coverage of children who attend elementary or secondary schools in the State shall provide coverage under those policies and contracts for services to those children performed by physicians, nurse practitioners or physician assistants who are employed or contracted to provide those services by those elementary or secondary schools.

Sec. 4. 24-A MRSA §2847-J is enacted to read:

§2847-J. Coverage for school-based services

A group health insurance policy or contract that includes coverage of a child who attends an elementary or secondary school in the State must provide coverage under that policy or contract for services to the child performed by a physician,

nurse practitioner or physician assistant who is employed or contracted to provide those services by the elementary or secondary school.

Sec. 5. 24-A MRS §4249 is enacted to read:

§4249. Coverage for school-based services

A health maintenance organization contract that includes coverage of a child who attends an elementary or secondary school in the State must provide coverage under that contract for services to the child performed by a physician, nurse practitioner or physician assistant who is employed or contracted to provide those services by the elementary or secondary school.

Sec. 6. Application. This Act applies to all policies and contracts executed, delivered, issued for delivery, continued or renewed on or after the effective date of this Act. All policies and contracts are deemed to be renewed no later than the next yearly anniversary of the contract date.

SUMMARY

This bill requires health insurance policies and contracts that cover children in school to cover services performed by a physician, nurse practitioner or physician assistant who is employed or contracted to provide those services by an elementary or secondary school. The bill also requires the Department of Human Services to adopt rules no later than October 1, 2000 to ensure coverage of those same services under Medicaid.

APPENDIX D:

School-based Health Centers in the State

School-Based Health Centers in Maine: School Year 2000/2001

Boothbay Region High School

Boothbay

☎ Lori Grinnell, 633-9814

Deering High School

Jack Elementary School

King Middle School

Portland High School

Reiche Community School

West Elementary School (will
open Jan. 2001)

Portland

☎ Lisa Belanger, 874-8988

Edward Little High School

Auburn

☎ 782-6827

Erskine Academy

China

☎ Diane Dow, 445-2962

Foxcroft Academy

Dover-Foxcroft

☎ Judy Gilbert, 564-6544

Harmony Elementary School

Harmony

☎ Kathleen Bennie, 683-2211

Leavitt High School

Leeds

☎ Amanda Myers, 225-5335

Lewiston High School

Lewiston Middle School

Lewiston

☎ Lisa Bulhuis, 795-4144, ext. 310

Lincoln Academy

Newcastle

☎ Bonnie Hopper, 563-3596, ext. 36

Lubec Consolidated Schools

Lubec

☎ Holly Gartmayer, 733-5541

Maranacook Community School

Readfield

☎ Cindy Flye, 685-4923, ext. 318

Noble High School

Berwick

☎ Cindy Dolben, 698-1320

**Oxford Hills Comprehensive High
School**

South Paris

☎ 743-8914, ext. 1142

Se Do Mo Cha Middle School

Dover-Foxcroft

☎ Sherry Gaudet, 564-8376

September 2000

APPENDIX E:

Summaries of Joint Select Committee Meetings

Joint Select Committee on School-based Health Services Meeting Summary - August 15, 2000

Joint select committee members in attendance: Senator Neria Douglass (Senate chair), Representative Elaine Fuller (House chair), Representative Nancy Sullivan and Representative Arthur Mayo III. Senator Bruce MacKinnon was absent. Colleen McCarthy Reid, staff to the joint select committee was also in attendance.

The meeting began with an overview of LD 2424, An Act to Require Insurance Coverage for School-based Health Services, and the creation of the joint select committee.

Creation of Joint Select Committee; LD 2424: An Act to Require Insurance Coverage of School-based Health Services

During the 2nd Regular Session, the Banking and Insurance Committee introduced the joint order creating the joint select committee on school-based health services. The committee did so as a result of its consideration of LD 2424, An Act to Require Insurance Coverage of School-based Health Services. LD 2424, sponsored by Rep. Fuller, proposed to require that health insurance policies that cover children in school to cover services performed by a physician, physician assistant or nurse practitioner employed by or contracted to provide services by an elementary or secondary school. The bill also required the Department of Human Services to adopt rules requiring that coverage be provided for these services under the Medicaid program.

Because LD 2424 proposed that coverage of school-based health services be provided in all health insurance policies providing coverage for children, it was considered a mandated benefit and subject to the requirements of 24-A MRSA § 2752. Under 24-A MRSA § 2752, the Bureau of Insurance must review proposed mandated benefit legislation before the legislation is enacted. The joint standing committee requests the review if a majority of the committee supports the proposal after a public hearing. Mandated benefit studies conducted by the Bureau of Insurance evaluate the social and financial impact and the medical efficacy of mandating the benefit.

During the Banking and Insurance Committee's consideration of LD 2424, the Committee was advised by the Bureau of Insurance that a review and evaluation of the proposed mandate for school-based health services could not be completed before the end of the 2nd Regular Session. The short length of the session and legislative requests for review of three other proposed mandated benefits were contributing factors to the Bureau's decision. As a result, the Committee voted LD 2424 ONTP and drafted the joint study order establishing this study with the hope that the Bureau of Insurance could provide the resources to complete the review and evaluation during the course of the study.

Duties

The committee briefly reviewed the duties outlined in the joint order. The committee has been asked to do the following:

- Review the current funding sources for school-based health care services in the State, including the ability of school-based health centers to receive reimbursement for their services from 3rd-party payors

- Examine the social and financial impact and the medical efficacy of mandating insurance coverage for school-based health care services with the technical assistance of the Bureau of Insurance
- Examine the administrative costs and burdens to school-based health centers regarding billing of public payors and 3rd-party payors for their services
- Review the credentialing and other requirements imposed on health care providers and practitioners that relate to the ability of school-based health centers to bill 3rd-party payors or public payors for their services
- Recommend strategies for funding school-based health care services, including methods for public funding and 3rd-party reimbursement for school-based health care services

State Role in School-based Health Care and School-based Health Centers

DeEtte Hall and Nancy Birkhimer spoke to the committee about the state's role in school-based health care and school-based health centers. DeEtte Hall outlined Maine's Coordinated School Health Program administered jointly by the Department of Human Services and the Department of Education. The goal of the coordinated school health program is "to create, advance and sustain a coordinated school health program across all State agencies that supports and guides communities in improving their capacity to serve and promote the health and learning of all young people." The school health program focuses on the eight components: youth, parent family and community involvement; comprehensive school health education; physical education and activity; school counseling, physical and behavioral health services; nutrition services; health promotion and wellness; physical environment; and school climate. While the coordinated school health program is much broader than school-based health centers, Ms. Hall noted that school-based health centers are an integral link for the program.

Nancy Birkhimer gave an overview of the school-based health centers throughout the State. She noted the public health function served by school-based health centers. At the state level, the Department of Human Services provides grant funding to school-based health centers. Annually, the total grant money available is approximately \$263,000 with individual grants of \$10,000 to \$35,000. Historically, DHS has provided start-up funding, but it does provide a low level of on-going funding currently. Of the 17 school-based health centers in the State, DHS provides funding to 7 centers through 6 grants. A request-for-proposal has just been issued for grant funding for 2001. In 2001, additional funding of \$400,000 from the Fund for a Healthy Maine (tobacco settlement money) will be available for community-school initiatives and integrated with the Coordinated School Health program. The emphasis for this grant money is the behavioral risk factors of tobacco, physical activity and nutrition.

Ms. Birkhimer also reviewed the current funding for school-based health centers based on a 1998 survey of 13 school-based health centers. The total budgets of the centers ranged from \$8,000 to \$327,000. Of those 13, 6 centers received Medicaid reimbursement that totaled 1.5%-6.% of their revenue; 5 centers received third-party reimbursement that totaled 1%-20% of their revenue. Seven school-based health centers were able to provide composite sources of funding from the following categories:

- grants from federal, state and private sources: 20%
- funding from schools: 15%
- Medicaid billing: 10%
- in-kind contributions, e.g., professional services, space, equipment: 40%

- third-party billing: 10%
- other: 5%

Lastly, Ms. Birkhimer outlined the varied structure of the 17 existing school-based health centers. Three centers are run by the local health department at Portland High School, Deering High School and Reiche Community School. Two centers are affiliated with rural health centers at Lubec Consolidated School and Leavitt High School. Three centers are supported by the school at Maranacook Community School, Erskine Academy and Harmony Elementary School. Eight centers are supported by local hospitals at Edward Little High School, Lewiston High School, Lewiston Middle School, Foxcroft Academy, Se Do Mo Cha Middle School, Lincoln Academy, Boothbay Regional High School and Oxford Hills.

School-based Health Centers' Perspective

Lisa Belanger spoke on behalf of the Maine Chapter of the National Assembly on School-based Health Care. Lisa also directs the school-based health centers operated by the Portland Public Health Department in the Portland school system. She provided an overview of school-based health centers nationally and outlined the financial benefits of school-based health centers based on Medicaid data.

Lisa outlined many of the problems related to financing of school-based health centers through third-party reimbursement and other sources. These issues include:

- differing perceptions of the role of school-based health centers
- school-based health centers traditionally viewed as experiments
- varied structure and organization of school-based health centers
- complexity of the regulatory system
- inability to receive reimbursement for preventive services, health education and mental health services
- first priority for schools is education not health care access

Lisa suggested the following recommendations to the committee:

- move school-based health centers from the “margins to the mainstream”
- require insurers to recognize school-based health centers as non-primary care providers or provide some sort of carve out arrangement for reimbursement
- certify school-based health centers based on the services provided not organization
- provide reimbursement to school-based health centers in form of non-PCP capitation
- provide lump sum grant funding
- provide technical assistance to centers for billing
- eliminate prior authorization requirements

Insurance Industry Perspective

Joe Mackey addressed the committee on behalf of the Maine HMO Council. He focused on the problems associated with requiring managed care plans and health plans to reimburse providers for school-based health services. He noted that the legislation contradicted the way in which managed care plans operate through network contracts with providers and would result in duplication of payment for primary care services. He also spoke of the problems related to

allowing school-based health centers to be primary care providers and expressed the opinion that school-based health centers would not be able to meet the current credentialing requirements as for primary care providers, namely prescribed office hours and 24-hour coverage. He expressed the willingness of the health plans to work with school-based health centers to find solutions other than an insurance mandate. Because of the increasing costs of health insurance premiums and the problems in the individual and small group markets, the HMO Council would not recommend adding to those costs by enacting this mandated benefit.

Legislation in Other States

The discussion of legislative efforts in other states was deferred to the next meeting.

Committee Discussion

Mandated Benefit Study: Bureau of Insurance Assistance

One of the duties of the committee is to examine the social and financial impact and the medical efficacy of mandating the benefit with the technical assistance of the Bureau of Insurance. One option discussed by the committee was asking the Bureau of Insurance to do a “mandate study” on reimbursement of school-based health services during the course of the study and report back before the December 1, 2000 report date. Another option discussed was to refine the concept and any recommended legislative proposal during the study and to defer a “mandate study” until early in the legislative session. The committee decided to wait until the next meeting before making a final decision on the issue of a “mandate study” by the Bureau of Insurance.

School Funding Formula; GPA

Committee members raised questions about the availability of funding for school-based health centers under General Purpose Aid and the school funding formula. The role and function of school nurses in relation to school-based health centers was also discussed. It was also noted that the State Board of Education is conducting an evaluation of Essential Program and Services eligible for inclusion in the school funding formula. Committee members suggested making contact with this group on the issue of funding for school-based health centers. Committee staff will follow up on these issues for discussion at a future meeting.

Medicaid Reimbursement

The committee discussed the reimbursement for school-based health centers under Medicaid and noted that Medicaid does reimburse centers categorized as ambulatory care clinics. Lisa Belanger noted the varied structure of the centers throughout the State and indicated that not all centers satisfy that category. The complexity and administrative burden associated with billing Medicaid and the inadequate level of reimbursement by Medicaid for services provided in school-based health centers were also mentioned as barriers to Medicaid reimbursement. Committee staff will follow up on these issues for discussion at a future meeting.

Administrative and Credentialing Issues

Administrative and credentialing issues were also noted as barriers to reimbursement from third-party payors. Committee staff will follow up on these issues for discussion at a future meeting.

**Joint Select Committee on School-based Health Care Services
Meeting Summary - August 29, 2000**

Joint select committee members in attendance: Senator Neria Douglass (Senate chair), Representative Elaine Fuller (House chair), Representative Nancy Sullivan and Representative Arthur Mayo III. Senator Bruce MacKinnon has asked President Lawrence to be excused from serving on the committee due to scheduling conflicts. Colleen McCarthy Reid, staff to the joint select committee, was also in attendance.

Role of General Purpose Aid in Funding School-based Health Care Services

Bill Primmerman, Director of the Coordinated School Health Program at the Department of Education, addressed the role of General Purpose Aid (GPA) in funding school-based health care services. He gave an overview of the current portion of school budgets that goes to health-related costs in three areas:

- Schools as Educators: Learning Results and federal laws directly or indirectly provide funds to support the health and education of children through the required Health Education and Physical Education component as well as the teaching staff in these areas.
- Schools as Providers: Schools provide a tremendous amount of health-related support services to children outside the classroom, including school nurses, special education teachers, guidance counselors, speech therapists, psychologists and school social workers. He noted that special education services as a category are reimbursable under Medicaid, but that other support services like those required under federal law (Section 504 of the Rehabilitation Act of 1974) are not reimbursed. Committee staff will provide members with a summary of the requirements of Section 504.
- Schools as Employers: Schools provide health insurance and employee assistance programs to address the health needs of its employees.

The discussion then shifted focus to the provision of direct health care services to students through school nurses and other personnel and school-based health centers. The committee again questioned whether school-based health centers could be funded through GPA. Mr. Primmerman indicated he would get back to the committee staff with specific information on that question, but noted that school budgets are determined at the local level and that the State provides only a portion of the overall budget through GPA. He also noted that support services and programs outside of the classroom are often the first cut from budgets when funds are limited.

Mr. Primmerman also told the committee about the needs assessment being conducted by the Coordinated School Health Program with the help of Roger LaJeunesse of the Muskie School. A draft of the guidelines is being developed and will be available after September 18th. The committee decided to invite Roger LaJeunesse to the September 26th meeting to present the draft. The committee also discussed the work of the Essential Programs and Services Committee of the State Board of Education. That Committee has developed a model of the resources needed for Maine students to achieve the Learning Results standards. At the committee's request, Mr. Primmerman distributed copies of the Essential Programs and Services report.

Medicaid Reimbursement for School-based Health Care Services

Marianne Ringel, the Director of Policy and Programs at the Bureau of Medical Services, presented an overview of Medicaid reimbursement for school-based health centers. She reminded the committee that the centers in Maine are organized very differently and are recognized under Medicaid in different ways and with different levels of reimbursement. She also noted that Medicaid reimburses only for those services provided to children covered under Medicaid (including CubCare).

Ms. Ringel outlined the categories under which school-based health centers are reimbursed under Medicaid and the level of reimbursement for the services:

Category	State Match	Type of Fee	Reimbursement Rate
Ambulatory Care Clinics: School as sponsor	School provides seed	Medicaid sets fee, not cost-based	\$45 per visit (gross); \$30 per visit (net)
Portland/Special Category of Ambulatory Care Clinic: City sponsor	City provides seed	Medicaid sets fee, not cost-based	\$25-35 per visit (gross); \$16-20 per visit (net)
Hospital as sponsor	State/Medicaid provides seed	Prospective Interim Payment system, cost-based,	Varies by hospital
Rural Health Clinic as sponsor	State/Medicaid provides seed	Cost-based, federal requirements in order to qualify	\$55 per visit
Individual Provider as sponsor	State/Medicaid provides seed	Medicaid sets fee, not cost-based	\$29-39 per visit

Ms. Ringel also explained that DHS requires that school-based health centers be included in the Medicaid managed care programs, Aetna US Health Care and PrimeCare.

Ms. Ringel described how special education services are funded separately under Medicaid through the School Rehabilitation Program and that schools are paid a monthly capitation rate for students receiving services. For special ed services, roughly 2/3 of the rate is paid by the federal government and the state match or seed is paid by the schools.

She noted that while services provided in school-based health centers are eligible for reimbursement, other factors related to billing and administration may affect whether or not a center is actually billing Medicaid and receiving reimbursement.

Reimbursement of School-based Health Care Services by Maine Health Plans

Committee staff reported that Maine health plans generally do not reimburse for services provided in school-based health centers currently. Anthem Blue Cross and Blue Shield, CignaHealthsource and Aetna US Healthcare all indicated that they do not reimburse for these services under their private pay indemnity or managed care plans. It was suggested that individual providers that belong to the plans' network may be reimbursed for services provided

in a school setting, but that school-based health centers are not credentialed as a separate entity and contracted with as part of the network of providers. Anthem and Healthsource described their participation in the Maranacook pilot project from 1997-1999 in which the plans paid a capitated fee to the center of \$5 per enrollee per month; however, claims were not processed and reimbursed based on the services provided. Aetna noted that school-based health centers are linked to their network under the Medicaid managed care contract with the Department of Human Services and eligible for reimbursement.

Other States' Policies on Reimbursement of School-based Health Care Services

Committee staff presented an overview of other states' policies on reimbursement of school-based health care services based on information from NCSL, National Assembly for School-based Health Care and the Making the Grade program at George Washington University.

Nationally, the participation of health insurers and managed care plans in school-based health centers and other school health initiatives has taken one of 3 approaches:

- sponsorship or development of school-based health centers
- direct funding of school-based health initiatives at community level
- contracting with school-based health centers as participating members of health plan networks

In the area of third-party reimbursement, staff noted the following to the committee:

- No state has a law requiring coverage of services provided in school-based health centers as a mandated benefit
- School-based health centers in 43 states, including Maine, are eligible for reimbursement by Medicaid fee-for-service programs
- 28 states, including Maine, have required or encouraged through statute, rule or contract that school-based health centers be included as part of Medicaid managed care networks
- School-based health centers in 39 states, including Maine, are eligible for reimbursement by the state's Children's Health Insurance Program (CHIP)
- School-based health centers in at least 22 states have contracts with managed care organizations and are included as part of managed care networks (and presumably eligible for reimbursement at some level as a participating provider); few states have enacted statutes or regulations to address reimbursement by private insurance market

The committee also discussed legislation proposed in Texas to provide a framework for the establishment of school-based health centers by school districts and the development of guidelines or best practices for Rhode Island school-based health centers. Committee staff will provide members with copies of these items. Nancy Birkhimer and Lisa Belanger noted that an effort is planned for this Fall by Maine's school-based health centers to develop guidelines.

Mandated Benefit Study: Bureau of Insurance Assistance

At the last meeting, the committee did not make a final decision on whether or not to ask the Bureau to conduct a "mandate study." The committee discussed the merits of asking the Bureau of Insurance to conduct a "mandate study" on reimbursement of school-based health services during the course of the study versus deferring a request for a study until January after this

committee completes its work on any recommended legislation on the issue. It was decided that the committee would continue its work and refine its recommendations on the issue of third-party reimbursement. If necessary, a mandate study will be requested after the committee's report is completed and after the start of the 120th Legislature.

Committee Discussion: Planning for Future Meetings

Briefly, the committee outlined issues that they would like to discuss at future meetings as possible recommendations. These issues include:

- requiring Medicaid to provide the state seed (state match) for school-based health centers organized as ambulatory care clinics, including the Portland schools' centers
- reimbursement from private insurers
- GPA funding for school-based health centers
- licensing, standards or guidelines for school-based health centers
- development of pilot projects for school-based health centers

The chairs asked the members to think about other possible recommendations for discussion at the next meeting.

The proposed agenda for the next meeting will include feedback from representatives of the Maine Ambulatory Care Coalition's rural health clinics that operate school-based health centers, the Maine School Management Association and the Superintendent for the Maranacook area, the Maine Medical Association and the Maine HMO Council.

**Joint Select Committee on School-based Health Care Services
Meeting Summary – September 12, 2000**

Joint select committee members in attendance: Senator Neria Douglass (Senate chair), Representative Elaine Fuller (House chair) and Representative Arthur Mayo III. Representative Nancy Sullivan and Senator Georgette Berube were absent. Colleen McCarthy Reid, staff to the joint select committee, was also in attendance.

Schools' Perspective on School-based Health Centers

David Wing, principal of the Maranacook Community School, addressed the committee about the importance the school-based health center has in the community and to the school. He noted that one of the factors in choosing the site of the new middle school was access to the health center at the high school. The middle school will be built in close proximity to the high school to make the center accessible for the middle school students.

He also noted the advantages to the school in having the school-based health centers:

- improvements in student time in class—the health center cuts down on missed class time for outside health appointments and from illness
- centers allow quicker response to illness—students and parents are more willing to seek medical help for colds and other illnesses earlier because center is right in school
- on-site health professionals in the center make students more comfortable and more likely to visit a health care provider
- center provides services for crisis management, anger management and other behavioral health needs of students
- tremendous positive influence for students and staff

In response to questions from committee members, Mr. Wing said the approximate budget for the center was \$75,000 annually and that the center had very limited support from the local school system. He also noted that he thought increased support from the local community would be very tough proposition given current environment.

Physicians' Perspective

Andrew MacLean of the Maine Medical Association described the association's position on the issue. The MMA did not take a position on the original bill related to third-party reimbursement because of a divergence of opinion among their membership. Concerns have been raised by some physicians about the fragmentation of care that may result from getting treatment away from one's primary care provider at a school-based health center. Some feel that patients are better treated if they have one "medical home." Yet, others in the membership argue that services provided in school-based health centers are valuable to adolescents especially. Studies have demonstrated that centers can be most helpful in area of behavioral health.

He also noted that the reaction of insurers not to reimburse for school-based health center services seems arbitrary and that insurers should at least reimburse for those services that would be reimbursed now when provider by out-of-network providers. For examples, he mentioned that most insurers reimburse for urgent care services provided by out-of-network providers. He opined that the mere fact that the service is provided in a school-based health center setting rather than an out-of-network doctor's office should not make a difference.

Follow Up with Health Plans

Joseph Mackey, representing the Maine HMO Council, reiterated the HMOs' concerns with being required to reimburse for school-based health care services. Some of the problems he mentioned include the potential for duplication of payment and the inclusion of similar services as part of primary care provider capitation rates; the variety and scope of services provided in school-based health centers and the difficulty to fit those services into any one category; and difficulties with credentialing school-based health centers because of the differing structures of existing centers. He noted that if school-based health centers were willing to be credentialed as primary care providers and become part of the network it would be less of a problem for health plans; however, he did not know if centers could meet (or would be willing to meet) the requirements for primary care providers related to 24-hour coverage, access, etc.

Again, he expresses the health plans' view that funding for school-based health centers is more of a public health issue and that the committee should look to other sources of funding from the State and grants. He said that the health plans were willing to help advocate for increases in this source of funding.

Role of Rural Health Centers

Holly Gartmayer from the Regional Medical Center in Lubec and Pat O'Brien from the DFD Russell Medical Center in Leeds spoke to the committee about the role of their rural health centers in providing school-based health care services.

Ms. Gartmayer described the school-based health center in Lubec which provides comprehensive services to students in grades K-12. She approximated that 80-90% of the students are enrolled in the health center. She gave an overview of the services the center provides, including immunization screening and public health education, teen pregnancy and family planning services, nutrition counseling and education, case management services, substance abuse and mental health counseling and physical fitness. She noted that the center is staffed daily by a full-time RN and an administrative assistant and that a nurse practitioner or physician assistant treats students for 2 hours daily. The RN screens students and provides triage services before referring the student to the NP or PA. Because billing is coordinated with the Lubec Regional Medical Center, the center does get reimbursed for services from Medicaid and some third-party insurers. However, the center does have a high level of claims denials and the sponsoring medical center is required to provide significant financial resources to subsidize the school-based health center. She will provide a written list of the reasons that reimbursement is being denied by insurers.

Pat O'Brien gave an overview of the Leavitt Area High School School-based Health Center. He focused on the funding sources for the program. Like other centers, the Leavitt center has an approximate budget of \$70,000 to \$75,000 per year. It is staffed 20 hours per week. Currently, the center receives funding from the following sources:

- 15% from State Bureau of Health grant
- 32% from the sponsoring DFD Russell Medical Center(includes bad debt, allowances and sliding fees)
- 50% from insurance (includes Medicaid and private insurers)
- 3% from self pay

Of the 50% revenues from insurance sources, Mr. O'Brien noted that that represents only 50% of the total billings and that ½ of their submitted insurance claims are rejected. He will provide a written list of the reasons that reimbursement is being denied by insurers.

Follow Up with School Funding

Staff distributed a written outline describing the role of general purpose aid (GPA) in funding school-based health centers. Currently, costs for school-based health centers could be included in the operating costs of a school's budget. Operating costs are the day-to-day expenses for salaries, wages and benefits, equipment, supplies and maintenance and other costs. School units receive an allocation for operating costs based on the determination of the statewide per pupil guarantee; the local school unit is required to contribute the local share of the allocation and the state provides the state share based on the funding formula and not expenditures. Program costs for special education are also supported an allocation of GPA, but the amount of the allocation for the state and local share is based on the school unit's prior year's expenses. Under this category of funding, some costs to the school-based health center may be covered, e.g., those services provided to children eligible for special education. There is also a category of school funding called adjustments that do not require local participation to qualify for state funding. These adjustments include costs for special education of state wards and state agency client; out-of-district placement; and English as a Second Language programs. Currently, costs for school-based health centers are not included as an adjustment under state law. However, state law could be amended to allow require some state funding for school-based health centers as an adjustment without requiring local participation.

Discussion of Draft Recommendations

Staff handed out a written list of potential draft recommendations based on past committee discussions. The draft recommendations under consideration include:

- require reimbursement from private insurers:
 - require insurers to recognize school-based health centers as non-primary care providers or provide some sort of carve out arrangement for reimbursement;
 - provide reimbursement to school-based health centers in form of non-PCP capitation;
 - eliminate prior authorization requirements;
- provide lump sum grant funding;
- development of pilot projects for school-based health centers;
- GPA funding for school-based health centers:
 - create adjustment for costs of school-based health centers to school districts and municipalities without requiring local participation;
- require Medicaid to provide the state seed (state match) for school-based health centers organized as ambulatory care clinics, including the Portland schools' centers;
- certify school-based health centers based on the services provided not the organizational structure;
- provide technical assistance to centers for billing/administrative costs; and
- develop standards and guidelines for school-based health centers.

In addition to those recommendations listed on the handout, committee members also mentioned the issues of developing requirements for insurers to reimburse for urgent care or to reimburse

school-based health centers under same conditions as out-of-network services and changing Medicaid policy to allow reimbursement to school-based health centers for case management services. Because of time constraints, the committee deferred any more discussion of recommendations until the next meeting.

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Joint Select Committee on School-based Health Care Services
Meeting Summary – September 26, 2000

Joint select committee members in attendance: Senator Neria Douglass (Senate chair), Representative Elaine Fuller (House chair), Senator Georgette Berube and Representative Arthur Mayo III. Representative Nancy Sullivan was absent. Colleen McCarthy Reid, staff to the joint select committee, was also in attendance.

Guidelines for Coordinated School Health Programs

Roger LaJeunesse of the Muskie School of Public Service at USM addressed the committee on the draft guidelines developed for Coordinated School Health Programs. He focused on the guidelines for the one component directly related to school-based health care services: School Counseling, Physical Health and Behavioral Health Services.

He provided an overview of the following 12 guidelines:

- School counseling, physical and behavioral health services are established and integrated as part of the school's mission of promoting student's personal growth-cognitive, emotional, social and physical.
- Written policies are established to govern school counseling, physical and behavioral health services.
- School counseling, physical and behavioral health services are based on an on-going local assessment of needs and on the presence or absence of resources necessary to meet those needs.
- School counseling, physical and behavioral health services should provide a balance of prevention and intervention services for all major risk behaviors that pose immediate threats to health and safety and those that have long-term consequences.
- A quality improvement plan is developed and implemented to monitor and evaluate school counseling, physical and behavioral health services.
- School counseling, physical and behavioral health services are provided by qualified, credentialed providers, consistent with professional standards and best practices.
- Schools should assure adequate school counseling, physical and behavioral health service providers and appropriate work space for services delivered.
- All students should have equitable, appropriate, available and timely access to school counseling, physical and behavioral health services.
- School counseling, physical and behavioral health services are based on coordination and collaboration among students, families or other caregivers, school personnel and community service providers.
- All students, all families, all staff and community members are informed of the array of school counseling, physical and behavioral health services available and understand how to access them .
- School counseling, physical and behavioral health services will involve all students and, when appropriate, family members or caregivers, as responsible participants in addressing their needs. Services are provided within the context of the student's family; and focused on their social, physical and educational growth and development.

- School counseling, physical and behavioral health services are appropriately confidential and culturally, environmentally, and developmentally appropriate for students and their families and other caregivers.

Follow Up on Third Party Reimbursement Issues

Nancy Birkhimer from DHS provided the committee with information from school-based health centers as to the reasons for denial of claims for reimbursement from third-party insurers. She gave the committee the information she was able to gather and indicated that she would follow up with the centers for more information before our next meeting. Staff also provided some follow up information from Pat O'Brien of the Leavitt Area High School center sponsored by the DFD Russell Medical Center in Leeds.

At this time, less than half of the 13 centers surveyed are billing third-party payers for services. Nancy Birkhimer noted that at least 1 center (Lincoln Academy) has consciously decided not to bill insurers after deciding that the administrative costs of billing outweighed the amount of prospective reimbursement for the services. The primary reason cited for denials appears to be lack of primary care provider referrals.

Committee Discussion: Draft Recommendations

Staff handed out a revised written list of potential draft recommendations based on past committee discussions. The draft recommendations under consideration include:

- require reimbursement from private insurers
 - ◊ require insurers to recognize school-based health centers as non-primary care providers or provide some sort of carve out arrangement for reimbursement
 - ◊ provide reimbursement to school-based health centers in form of non-PCP capitation
 - ◊ eliminate prior authorization requirements
 - ◊ reimburse at same level as for out-of-network services
 - ◊ reimburse for urgent care services
- provide lump sum grant funding
 - ◊ development of pilot projects for school-based health centers
- GPA funding for school-based health centers
 - ◊ create adjustment for costs of school-based health centers to school districts and municipalities without requiring local participation
- require Medicaid to provide the state seed (state match) for school-based health centers organized as ambulatory care clinics, including the Portland schools' centers
- change Medicaid policy to allow reimbursement of case management services provided by school-based health centers
- certify school-based health centers based on the services provided not the organizational structure
- provide technical assistance to centers for billing/administrative costs
- develop standards and guidelines for school-based health centers

The committee began discussion of the recommendations under consideration. Based on the preliminary discussion, the committee appears to be developing consensus on recommending that centers be certified or licensed on the basis of the services provided, not the organizational structure; that standards and guidelines be developed for school-based health centers; and that

Medicaid provide the state seed for school-based health centers organized as ambulatory care clinics.

In discussing the issue of licensing or certification, the committee discussed combining any recommendation in that area together with the development of guidelines and standards for centers. The committee also noted that regulatory oversight of school-based health centers should be within the Bureau of Medical Services in DHS and that any guidelines or licensing standards should be recognized by both Medicaid and private insurers. Staff will provide information at the next meeting on legislative models from New York and Texas and on analogues under Maine law.

Committee members also expressed consensus that they will not recommend increased funding for school-based health centers from General Purpose Aid funding because of the many competing interests for those funds and the political realities surrounding the school funding issue.

Initially, there does not appear to be consensus among the committee on mandating that insurers reimburse for services provided in school-based health centers.

Further discussion of the draft recommendations was deferred to the next meeting.

Planning for Next Meeting

At the next (and final meeting), the committee will focus on developing final recommendations and review the framework for a draft report. The committee will also review more information related to the development of recommendations on licensing and guidelines for school-based health centers and on Medicaid issues, e.g. State seed and case management services.

Because the next meeting is the committee's last, the committee decided to have a longer meeting to finish up on recommendations. The time of the meeting has been changed to 11:00 to 4:00 pm and staff will order in lunch for committee members.

Joint Select Committee on School-based Health Care Services Meeting Summary – October 17, 2000

Joint select committee members in attendance: Senator Neria Douglass (Senate chair), Representative Elaine Fuller (House chair), Senator Georgette Berube and Representative Arthur Mayo III. Representative Nancy Sullivan was absent. Colleen McCarthy Reid, staff to the joint select committee, was also in attendance.

Development of Final Recommendations

The committee devoted most of its discussion to the development of its recommendations. It continued to review the list generated by staff of potential recommendations based on past committee discussions and suggestions from individuals that offered testimony to the committee. The committee developed the following recommendations:

- require third-party health insurers to reimburse school-based health centers to reimburse for services at the usual, customary and reasonable (UCR) rate under fee-for-service and managed care plans
- eliminate the requirement for prior authorization from a primary care provider for services provided to managed care plan enrollees and require school-based health centers to notify and “consult with” the primary care provider after the visit
- continue the current level of state funding available for grants to school-based health centers from the General Fund and Fund for a Healthy Maine (tobacco settlement)
- do not increase General Purpose Aid funding to provide money for school-based health centers under GPA
- require Medicaid program to provide state seed for school-based health centers organized as ambulatory health clinics
- require Bureau of Medical Services to develop more equitable reimbursement for school-based health centers based on services provided
- require Bureau of Medical Services to notify schools about eligibility for Medicaid reimbursement for targeted case management services
- change Medicaid policy to allow school-based health centers to be eligible for direct reimbursement for case management services
- require Bureau of Health to convene stakeholders group to develop certification process and standards and guidelines for school-based health centers
- require Bureau of Medical Services to dedicate existing staff position for assistance to school-based health centers

Review of Draft Report

The committee reviewed a first draft of the report (minus recommendations). The recommendations portion will be added by staff and a draft will be circulated to members and interested parties for their suggestions and comments. After initial comments and suggestions are incorporated into the draft, staff will mail a final report for review by committee members in late November.