

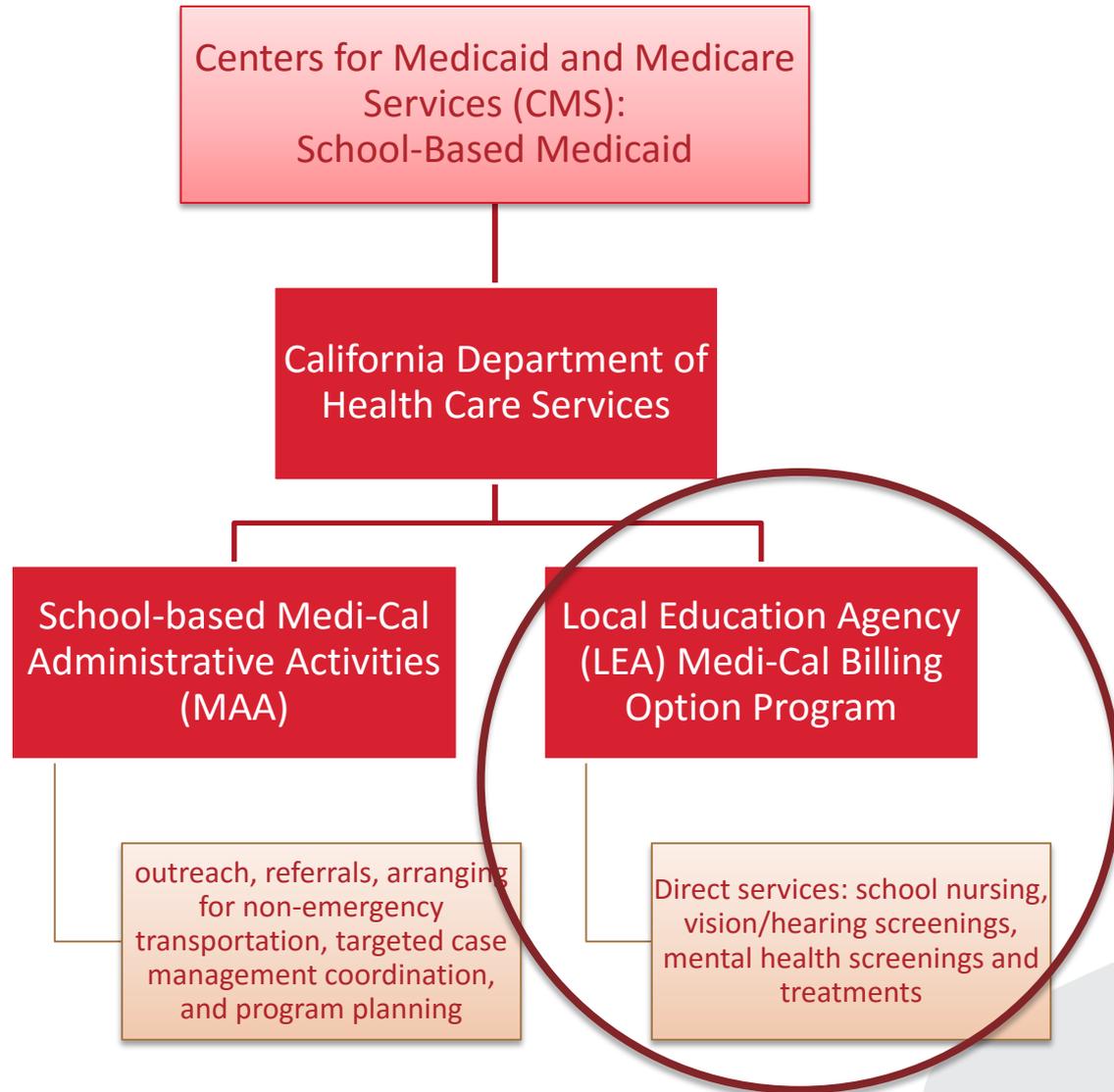


Understanding the Free Care Rule Change

CV Coalition Meeting
2/26/16

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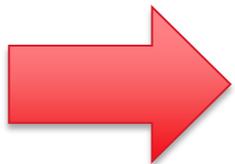




Free Care Rule

Schools could not claim Medicaid reimbursement for services provided to students enrolled in Medicaid if those same services were available **at no cost to everyone else**

EXCEPTION: for services in an IEP or IFSP (special education students)



Most schools only bill for services for special education students

History of the Free Care Rule

CMS publishes *Medicaid and School Health: A Technical Assistance Guide*, establishing Free Care Rule

Aug. 1997

Pre-1997: schools able to obtain federal reimbursement for health services provided to Medicaid-enrolled students

Oklahoma successfully challenges Free Care Rule in court

2004 & 2005

City of San Francisco successfully challenges Free Care Rule in court

2009

Patient Protection and Affordable Care Act signed into law

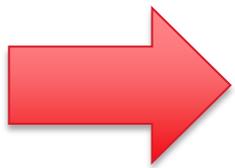
2010

CMS releases new guidance, reversing the Free Care Rule

Dec. 2014

CMS's Free Care Rule Reversal

- In December 2014, CMS sent a letter to all states reversing their policy about free care
 - A lot of other administrative barriers are still in place but it does free up schools to seek reimbursement for services to all Medi-Cal students – but not yet
- Implementing this change in California requires making changes to our state's LEA Medi-Cal Billing Option



Since then, a lot of advocates and states have been trying to understand the change. And California is moving forward with the change.

California Free Care Rule Implementation

- California submitted SPA 15-021 in September 2015
- Key components include permitting Medicaid billing for:
 - All Medi-Cal enrolled students;
 - New assessment and treatment services;
 - New practitioners; and
 - Transforms the LEA Medi-Cal Billing Option Program from fee-for-service to Random Moment Time Study methodology

California Free Care Rule Implementation

- CMS Request for Additional Information*
- Main issues:
 - How did DHCS calculate budgetary impact?
 - How will LEAs will coordinate with managed care plans?
 - How does EPSDT intersect with LEA Medi-Cal Billing Option Program?
 - Clarification on provider scope of service and qualifications
- DHCS has 90 days to respond with additional information or an alternative plan

http://www.dhcs.ca.gov/provgovpart/Documents/ACLSS/LEA/LEA%20FYI/CMS_RAs_%20SPA_15-021.pdf

Next steps and challenges

- State will negotiate the SPA with CMS (it's unclear how long this could take)
- State will have to issue new guidance to LEAs while also changing the way that LEAs will be submitting claims for the program (moving to RMTS, pending CMS approval)

Opportunity: Expand the role of schools in health care delivery system

Tier 1: Enhance Current Levels of Service

Reimbursement for health services provided for a larger eligible population of students

Tier 2: Increase Services and Providers

Reimbursement for additional qualifying providers, services, and treatments

Tier 3: Participate in Health Care Delivery Transformation

Enhance and expand the role of school districts in the broader health delivery system

Resources

- Webinar & Report: [Policy Considerations for California Following the 2014 Reversal of the Medicaid “Free Care Rule”](http://www.schoolhealthcenters.org/policy/policy-priorities/free-care-rule/) -
<http://www.schoolhealthcenters.org/policy/policy-priorities/free-care-rule/>
- LEA Medi-Cal Billing Option Program:
<http://www.dhcs.ca.gov/provgovpart/Pages/LEA.aspx>

Questions?

