

Section 2: Needs Assessment

Alaska Medicaid's school-based services (SBS) program supports the provision of essential healthcare services to students across the state by reimbursing for specific services provided to Medicaid-eligible children in the school setting. Despite the program's importance, only six out of fifty-four Alaska school districts currently participate in billing Medicaid for eligible school-based services. The Alaska Medicaid SBS program covers speech, occupational, and physical therapy, audiology, and nursing services related to medication administration for behavioral health. The Alaska Medicaid State Plan Amendments relevant to school-based services and utilization data for state fiscal years 2021-2023 are attached as appendices to this application (Appendices B, C, and E).

In accordance with state statute, Alaska Medicaid can currently only reimburse for these services if the student has a disability, and the services are included in a student's Individualized Education Program (IEP). Legislation, sponsored by Governor Dunleavy, is currently under consideration in the Alaska Legislature seeking to remove these statutory requirements and allow for schools to bill Medicaid for school-based services provided to any Medicaid-enrolled student, regardless of disability and if the child has an IEP.

The Alaska Department of Health (DOH) has partnered with the State Education Agency (the Alaska Department of Education and Early Development, or DEED), Local Education Agencies (LEAs), school representatives, and other key parties to establish an Alaska Medicaid SBS Project Management Team (PMT). The PMT engaged a broader group of stakeholders from across the state multiple times in both large group settings, and individually in more intimate focused settings, to elicit feedback related to the current landscape of school-based services and

identify program needs, areas for improvement, and barriers to inform the preliminary needs assessment.

Recurring themes from these meetings include:

1. Challenges with different software systems and practices used by schools to track student records, record and maintain Electronic Health Records to document medical services provided, maintain records of parental consent, and gather information to bill Medicaid.

These include:

Lack of Interoperability: The disparate software systems are often siloed and are not able to communicate or interface with each other, leading to difficulties in transferring student information and service documentation between systems.

Data Discrepancies: Inconsistent data entry practices across systems can result in discrepancies in student records and service documentation, leading to errors in billing Medicaid.

Duplication of Effort: Schools may need to duplicate efforts to enter student information and service documentation into multiple systems, increasing administrative burden and the likelihood of errors.

Training and Familiarity: Staff may need to be trained on multiple software systems, which can be time-consuming and challenging, especially for new or substitute staff.

Compliance with Medicaid Requirements: Ensuring that all required information is accurately documented and reported to Medicaid can be challenging when using different software systems with varying capabilities. This

also creates administrative burden for the State Medicaid Agency to combine and transfer all claims data and payment processing from the multiple sources.

Billing Errors: Inconsistent or inaccurate documentation across systems can result in billing errors, leading to delays in reimbursement or potential audit findings.

2. Lack of a coordinated Medicaid billing program between districts, or a centralized billing entity or consortium. Associated impacts include:

Insufficient Staffing to Handle Medicaid Billing: Smaller or rural districts typically do not have the personnel capacity to take on the additional time and effort required to bill Medicaid for services provided in schools.

Duplication of Effort: Without coordination, districts may duplicate efforts in billing for Medicaid services, leading to inefficiencies and overall increased administrative burden.

Missed Opportunities for Cost Savings: A lack of coordination can result in missed opportunities for cost savings through shared resources, joint training, and bulk purchasing of billing software or services.

Limited Access to Expertise: Without a centralized entity, districts may lack access to expertise and training on Medicaid billing requirements, leading to errors and inefficiencies in the billing process.

3. Misalignment between services eligible for Medicaid coverage and scope of services provided in schools or the methods through which those services are provided. Associated challenges include:

Administrative Burden: Schools need to navigate complex billing requirements to seek reimbursement for services that are not fully aligned with Medicaid requirements (e.g., determining how to bill for an assessment that had to be completed over four 15-minute increments rather than in a one-hour block due to the student's educational needs), increasing administrative burden and potentially leading to errors in billing.

Limited Reimbursement: Because Medicaid does not cover certain services provided in schools or covers them at a lower rate, schools may not receive reimbursement for some of the services they provide, leading to financial challenges.

Service Gaps: Students may experience gaps in care or may not receive the full range of services they need to succeed academically and socially.

Compliance Concerns: Schools may struggle to ensure compliance with Medicaid requirements, leading to potential audit findings or other compliance issues.

4. Complex and manual billing systems and processes. Challenges include:

Complexity and Inefficiency: The SMA's school-based services billing system and processes are complex and inefficient, requiring manual data entry and multiple steps to submit claims, leading to delays and errors in billing.

Intergovernmental Transfer (IGT) based payments: Alaska utilizes an IGT-based payment structure wherein schools billing for services must provide the non-federal share of Medicaid expenditures via IGT after claims submission, and prior to claim adjudication. This payment structure requires schools to expend

funds up front with the expectation of recouping those funds and receiving federal matching funds once the claims are processed and approved to pay. This is manageable for larger districts but may serve as a deterrent to billing Medicaid for smaller districts.

With grant funding, DOH will pursue a final needs assessment within the first six months post-award that takes a regional focus to address disparities and concerns within specific school districts, and connections with the SMA. The final needs assessment will center on the priorities identified in the preliminary needs assessment, along with regional and departmental factors.

Section 3: Infrastructure Needs Assessment

Through collaborative stakeholder engagement and internal systems review and assessment, the State of Alaska Department of Health (DOH) has identified the following initial infrastructure barriers, and planned interventions to support the efficient and effective billing of school-based services in the Alaska Medicaid program.

1. Systems Integration

Infrastructure Needs: Provide funding and support to schools and Local Education Agencies (LEAs) to implement integrated data management systems that can maintain student records, document services, and submit claims seamlessly.

Barriers: Cost and complexity of integrating existing systems, as well as resistance to change from stakeholders.

Planned Interventions: Leverage contracted support to scope feasibility of integrating existing systems or resourcing and implementing new systems. Through direct-to-district mini grants, invest in modern, interoperable software solutions; provide training to staff

on new systems; and establish clear protocols for data management and sharing. Provide support to districts statewide with standardized parental consent forms that align with system or services updates.

2. Centralized Billing

Infrastructure Needs: Establish a centralized entity or consortium that can coordinate billing efforts, streamline processes, and provide expertise and support to schools and LEAs.

Barriers: Hesitancy to transition to a new system or pass responsibility to an external entity; challenges in coordinating efforts across multiple districts or agencies; and funding constraints.

Planned Interventions: Leverage contracted support to scope feasibility of consortium or centralized billing models; through direct-to-district mini grants, provide resources and technical assistance to support implementation; and establish clear guidelines and agreements among participating entities.

3. Enhanced Technical Assistance

Infrastructure Needs: Develop and implement universal training programs, resources, administrative documents, and support mechanisms to help schools improve their billing practices to capture the full scope of Medicaid-eligible services being delivered in schools today.

Barriers: Limited availability of resources and expertise, as well as difficulty in reaching schools in remote or underserved areas.

Planned Interventions: Leverage contracted support, including input from key stakeholders involved in service delivery to students, or documentation, claiming, and

billing processes within LEAs to develop comprehensive training materials, universal resources and administrative documents (e.g. parental consent forms and annual notification documents), webinars, and workshops on Medicaid billing requirements and provide consultation and support.

4. Evaluation of Billing Structure Options

Infrastructure Needs: Update billing systems and processes to leverage the most appropriate and advantageous federal requirements for billing, claiming, and accounting for SBS medical and administrative costs; i.e., consider a transition from an Intergovernmental (IGT) based funding mechanism to a Certified Public Expenditure (CPE) based funding mechanism.

Barriers: Resistance to change, lack of understanding of federal options and requirements, and the perception of increased administrative burden associated with transitioning from IGT based billing to CPE based billing.

Planned Interventions: Leverage contracted support to evaluate options and provide impact studies and estimates specific to Alaska LEAs; through direct-to-district mini grants, provide resources and technical assistance to support implementation of any methodology changes.

5. Review of Covered State Plan Services

Infrastructure Needs: Conduct comprehensive assessments of state plan services outlined in the Alaska School-Based Services Fee Schedule (Appendix D) to ensure alignment of eligible services codes with services currently performed in schools.

Barriers: Limited resources for conducting assessments, as well as potential implication of changes (financial and otherwise) to covered services.

Planned Interventions: Leverage contracted support to review and assess covered services, engage stakeholders in the assessment process to identify gaps and areas for improvement, conduct an actuarial evaluation, and articulate potential changes to state plan services to better meet the needs of students.

The planned interventions detailed with this initial infrastructure needs assessment are directly responsive to the recurring themes that arose during DOH's foundational stakeholder engagement work. Because of Alaska's statutory limitations against providing Medicaid coverage for services provided outside of those outlined in a student's Individualized Education Program (IEP), DOH's efforts under this grant will primarily enable more effective and efficient billing of IDEA-required SBS services. However, if the state is successful in obtaining a statutory change, the planned interventions under this grant will provide immediate support and resources for LEAs billing for services outside of a student's IEP.

DOH has centered its planned interventions around activities that would not otherwise be eligible for federal matching funds. These interventions are designed to build foundational supports that will improve LEAs' capacity to gather and document information required for accurate billing in the short term, and to provide ongoing resources to sustain these efforts. The planned interventions also aim to enhance coordination between educational and non-educational agencies to streamline processes and improve efficiency in the school-based services program. With the support of grant funding, DOH plans to conduct a comprehensive infrastructure needs assessment within the first six months following the award. The assessments, resulting work efforts, and outcomes will always include DEED, other relevant departments or divisions, agencies, school districts, or other associations as appropriate. This assessment will expand upon

the initial evaluation, incorporating input from stakeholders to ensure a thorough understanding of infrastructure requirements.