

School-Based Health Centers: *Medicaid and SCHIP*

School-Based Health Centers Vital to Low-Income Children

School-based health centers (SBHCs) are partnerships between schools and community-based health organizations that bring high quality services directly into school buildings. More than 1700 schools from rural, suburban and urban communities offer on-site, comprehensive well care, illness-related care, mental health services, health education and dental care to nearly 2 million students nationwide.

A key strategy for promoting the health and educational success of children and adolescents, SBHCs are most commonly located in communities where access to health, mental health and dental care is limited - or nonexistent

Medicaid/SCHIP: Critical but Challenging to SBHCs

Reimbursement from Medicaid/SCHIP is the largest source of non-grant revenue for SBHCs. Despite this importance – and the fact that Medicaid enrollees comprise a large percentage of SBHC patients – the pursuit of Medicaid/ SCHIP revenue by SBHCs can be extraordinarily challenging.

To sustain and grow SBHCs, federal and state policymakers must address common barriers to recovering Medicaid/SCHIP reimbursement.

- School-based health centers are not universally recognized by the state as a Medicaid/SCHIP provider, or service type.
- Medicaid/SCHIP managed care policies limit school-based health centers' role as primary care providers and create administrative burdens for seeking reimbursement.
- Restrictions on types of services and providers considered non-reimbursable by Medicaid/SCHIP or Medicaid/SCHIP health plans limit cost recovery for a large scope of school-based health care services – especially for important preventive care.
- In many states, Medicaid/SCHIP policies that assure reimbursement to health care safety net providers for the full cost of providing health

services do not include school-based health centers.

Why SBHCs Should Be Recognized by Medicaid/SCHIP

School-based health centers provide enormous value to Medicaid/SCHIP. Research has shown that school-based health centers:

- Avert school-age Medicaid enrollees from in-patient and emergency room care thereby producing cost-savings for Medicaid [1, 3, 8].
- Greatly improve access to health and mental health services for low-income and underserved children and adolescents [2, 4, 5].
- Serve as a medical home for many young people who have no other health care resources, and partner with primary care providers to ensure continuity of care throughout the child's school career.
- Integrate primary care and mental health services to ensure that all aspects of young people's health are addressed.
- Provide easy access and effective management for Medicaid/SCHIP enrollees with chronic illnesses, such as diabetes, asthma, overweight, or depression [6, 7, 9].
- Meet important federal standards and national quality outcomes such as immunizations, well child exams, and risk assessments – indicators that challenge many Medicaid programs and managed care organizations.

Policy Makers Must Help Eliminate Medicaid/SCHIP Reimbursement Barriers

Federal and state policymakers can significantly improve the ability of SBHCs to sustain themselves and assist millions more children in need. This can be achieved by removing the barriers that prevent SBHCs from being fully compensated for health care delivered to Medicaid/SCHIP enrollees.

Exemplary State Medicaid/SCHIP Policies

Several state Medicaid/SCHIP and public health departments have created policies that support partnerships between Medicaid/SCHIP and SBHCs. For example, states have set standards for school-based health care clinical and administrative policies and procedures, scope of service, staffing, and data management to ensure that SBHCs seeking public grant funds and Medicaid/SCHIP reimbursement adhere to quality standards consistent with the health care industry practice.

A number of other state policies are highlighted here:

Define SBHCs as Medicaid Provider Type

The Illinois Department of Public Aid adopted SBHCs as a Medicaid service provider type. SBHCs must meet standards established in state administrative code. The application process includes a certification letter from DHS, a public aid enrollment application, medical provider agreement and CLIA certificate.

Prior Authorization Exemption

The North Carolina Medicaid agency has exempted SBHCs that meet credentialing criteria from seeking prior authorization from primary care providers in order to provide services to an enrollee. SBHCs bill the state Medicaid agency directly at a standard fee-for-service Medicaid rate.

Health Plan Required to Reimburse SBHC

Michigan and Maryland Medicaid agencies require state managed care plans serving Medicaid enrollees to pay for services delivered in SBHCs.

SBHCs Exempted from Managed Care

New York has exempted SBHCs from its Medicaid managed care program. Instead of billing the child's health plan, all school-based health centers that function under the license of their sponsoring institution bill the state Medicaid agency directly.

Mandate Contracts

In Connecticut, Medicaid managed care organizations are required to contract with all SBHCs in their service area. Contract specifications are left to the SBHC and health plan to negotiate.

Mental Health Reimbursement

North Carolina and New Mexico adopted reimbursement codes for mental health-related services delivered in SBHCs to cover adjunct services that complement therapeutic services, including assessment and diagnosis, individual and group preventive short-term visits that don't result in diagnosis, professional collaboration meetings, family communication, classroom observation, etc.

To learn more about Medicaid and SBHCs, the following articles can be found on the [National Assembly web site](#):

1. Partners in Access: SBHCs and Medicaid – Lessons from Policy and Practice, NASBHC
2. Critical Issues in School-Based Health Care Financing, NASBHC
3. Medicaid Reimbursement in School-Based Health Centers: State Association and Provider Perspectives, NASBHC
4. Determining A Policy Agenda to Sustain School-Based Health Centers: NASBHC Assesses the Health Care Safety Net Environment
5. Opportunities to Use Medicaid In Support of SBHCs, Vernon Smith, Health Management Associates
6. Reimbursement Models for SBHCs Under Managed Care, Center for Health Services Research and Policy, The George Washington University

References

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3. Key JD, Washington EC, Hulseley TC, Reduced emergency department utilization associated with SBHC enrollment, *J Adol Health* 2002; 30: 273-278.
4. Kisker EE, Brown RS, Do SBHCs improve adolescents' access to health care, health status, and risk-taking behavior? *J Adol Health* 1996; 18: 335-343.
5. Kaplan DW, Calonge BN, Guernsey BP, Hanrahan, MB. Managed care and SBHCs. Use of health services. *Arch Pediatr Adolesc Med.* 1998 Jan; 152(1):25-33.
6. Lurie N, Bauer EJ, Brady C. Asthma outcomes in an inner-city SBHC. *Journal of School Health.* 2001; 71(9): 9-16.
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8. Santelli J, Kouzis A, et al. SBHCs and adolescent use of primary care and hospital care. *J Adol Health* 1996; 19: 267-275.
9. Webber MP, Carpiniello KE, Oruwariye T, Yungtai L, Burton WB, and Appel DK. Burden of asthma in elementary school children: Do SBHCs make a difference? *Arch Pediatr Adolesc Med.* 2003; 157: 125-129.

The National Assembly on School-Based Health Care (NASBHC) is an advocacy organization that is the voice for those who work in, are served by, and support an important model of health care that delivers services where children and adolescents learn and grow: their schools.