

Medicaid Schools

FREQUENTLY ASKED QUESTIONS ABOUT:

Medicaid Funds Use; Federal Medicaid Match Rates; and State Medicaid Match Funding Sources

USE OF MEDICAID FUNDS

When Indiana public school corporations claim Medicaid reimbursement for covered Individualized Education Program (IEP)-required medical services and Medicaid-related administrative activities, are there restrictions on how they can spend federal Medicaid funds they recover?

No, the State of Indiana places no restrictions on schools' use of Medicaid funds. However, there may be local policies, agreements ("MOUs"), or school board decisions that dictate how a local educational agency (LEA) may spend its Medicaid money. Most LEAs reinvest their unrestricted federal Medicaid dollars in the program area (often Special Education) that generated the funds. In some cases Medicaid funds help the LEA provide services and supports for all (not solely special education) students with unmet medical (including vision, dental, and mental health) needs.

Note: Reimbursements for IEP-required medical services include some state (tuition support) dollars and some federal Medicaid dollars. For further details see the Quick Tip on Page 3-2-2 of the [Medicaid Billing Guidebook](#) and "Federal Medical Assistance Percentage (FMAP) Rates," available online at <https://www.doe.in.gov/specialed/school-based-medicaid>. One hundred percent (100%) of IndianaMAC (school-based Medicaid Administrative Claiming) reimbursements are unrestricted federal funds.

Because amounts claimed for IEP-required medical services can vary significantly from year to year – depending on fluctuations in student Medicaid eligibility, whether and what Medicaid-covered services are provided to Medicaid-enrolled students, and whether school clinicians meet Medicaid-qualified provider criteria – many Medicaid-participating LEAs typically use Medicaid funds for one-time costs; but some consistently recover sufficient amounts to fund salary and benefits costs. The amount of an LEA's quarterly IndianaMAC (school-based Medicaid Administrative Claiming) reimbursements can also vary significantly from quarter to quarter, based on quarterly statewide time study results and the LEA's state/local costs for allowable activities, percentage of Medicaid-enrolled students, and current unrestricted indirect cost rate.

What are some examples of LEAs' use of Medicaid funds?

Examples include portable computers for clinical staff to record and maintain medical service documentation; reimbursement of staff's out-of-pocket costs to obtain or renew licensure or certification; travel and registration fees for professional development, conferences, and parent training; specialized medical equipment, technology, and supplies. Through agreements with a local non-profit organization, some LEAs contribute IndianaMAC reimbursements toward funding on-site school-based health centers that serve students free of charge.

FEDERAL MEDICAID MATCH RATES FOR IEP SERVICES AND THE DOE 54 "MEDICAID ADJUSTMENT"

Where can I find the annual federal Medicaid match rates to determine how much of our Indiana public school corporation's IEP services reimbursements are unrestricted federal dollars?

See "Federal Medical Assistance Percentage (FMAP) Rates" at <https://www.doe.in.gov/specialed/school-based-medicaid>. Please contact the Office of School Finance with questions about the Medicaid Adjustment shown on the LEA's DOE Form 54.

Why is the monthly state tuition support adjusted when the LEA claims Medicaid reimbursement for IEP-required services (or, what is the “Medicaid adjustment” on the LEA’s monthly DOE Form 54)?

Medicaid reimbursements must be jointly funded by the federal and state governments. In Indiana, Medicaid reimbursements for covered IEP-required medical services comprise about 34% state and 66% federal dollars. For more details see “Federal Medical Assistance Percentage (FMAP) Rates” at <https://www.doe.in.gov/specialed/school-based-medicaid>. The State’s share of the LEA’s Medicaid reimbursements for IEP-required medical services is an advance payment of a small portion of its monthly state tuition support, which appears as a “Medicaid Adjustment” on the LEA’s DOE Form 54. The remainder of the LEA’s Medicaid reimbursements for IEP services is unrestricted federal funding that the LEA may use as it chooses. To view the Medicaid Adjustment walk-through recorded by the Indiana Department of Education’s Office of School Finance, click or copy the following link into your web browser: <https://youtu.be/WMx1aMgMOtE>

MEDICAID STATE MATCH FUNDS FOR REIMBURSEMENTS TO INDIANA PUBLIC SCHOOLS

Our district’s medical billing agent says we cannot claim Medicaid reimbursement for IEP-required medical services furnished by individuals who are paid with all federal (in this case, Part B grant) funds. Is that true (I thought the funding source only matters for IndianaMAC purposes)?

For IEP-required Medicaid Services: In Indiana (unlike in many other states), the state share of Medicaid reimbursements for IEP-required medical services is state tuition support dollars contributed by the Indiana Department of Education through an intergovernmental transfer (IGT). Therefore, the school corporation can use any source (state, local or federal) to pay the salaries of staff who provide Medicaid-reimbursed medical services per the IEPs of Medicaid-enrolled students.

For IndianaMAC: Because the state share of Medicaid reimbursements for school-based Medicaid Administrative (“IndianaMAC”) claims are funded through Certified Public Expenditures (CPE) made by each participating LEA, salary costs of staff who participate in the IndianaMAC quarterly time study must be funded, in whole or in part, with state and local dollars in order for the LEA to receive federal matching funds for MAC-allowable costs.

SEPARATE REIMBURSEMENT, FUNDING AND MATCH RATES FOR IEP vs MAC CLAIMS

If staff who provide Medicaid-reimbursed IEP services are included on the LEA’s list of IndianaMAC time study participants, isn’t that double dipping?

No, Indiana public school corporations may participate on a voluntary basis in both types of Medicaid claiming for school services without any duplication in federal funds recoveries. Indiana uses two separate reimbursement methodologies that provide federal matching funds for entirely different costs that schools incur to perform (1) IEP-required medical services such as therapies, nursing, and mental health services, and (2) school-based Medicaid administrative activities to facilitate students’ access to medical care, such as scheduling appointments, coordinating care with health care providers in the community, assisting with health care coverage enrollment, arranging transportation to services, and translating health care related materials.

An IndianaMAC time study question asks if a medical service was provided during the sampled random moment, and if so, whether the medical service was provided per a student’s IEP. Do the answers affect the LEA’s reimbursement for IEP-required medical services?

IndianaMAC random moment time study questions identify and exclude medical service costs from Medicaid administrative costs to preclude duplication (“double dipping”) when claiming federal matching funds. Indiana Medicaid reimburses public school corporations for IEP-required medical services entirely separately from Medicaid administrative activities, using a different payment methodology and funding mechanism for each. Therefore, MAC reimbursements do not affect IEP services reimbursements.