



**DEPARTMENT OF HEALTH CARE POLICY AND FINANCING  
FINANCIAL & ADMINISTRATIVE SERVICES OFFICE**

**REPORT TO THE JOINT BUDGET COMMITTEE**

**SCHOOL HEALTH SERVICES PROGRAM  
FY 2012-13 ANNUAL REPORT**

**NOVEMBER 1, 2013**

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## EXECUTIVE SUMMARY

This report is presented to the Joint Budget Committee (JBC) of the Colorado General Assembly in response to Legislative Request for Information 6. Under the Individuals with Disabilities Education Act, Section 504 of the Rehabilitation Act of 1973, and Title 22, C.R.S., public school districts are required to provide certain medical services for public school children. Additionally, school districts provide some level of health screening, nursing services and other medical support services for students. When delivered to a Medicaid eligible student, some of these services qualify for Medicaid reimbursement. The School Health Services Program administered by the Department of Health Care Policy and Financing (the Department) allows Colorado public school districts, Boards of Cooperative Education Services, and the Colorado School for the Deaf and the Blind (hereinafter collectively referred to as School Health Services Program Providers or providers) to access such federal Medicaid funds. There are two programs under the Department's purview that provide funds for health services provided to students the School Health Services Program and the School-Based Health Center Program. The programs differ in that the School Health Services program provides health services as required in a child's Individual Education Program (IEP) or the Individualized Family Service Plan (IFSP) and the School Based Health Center Program provides primary care and mental health services. A more in depth explanation of the two programs can be found on pages 2 and 3 of the report. Legislative Request for Information 6 requests information on the following:

- **Types of Health Services Delivered and Number of Children Served**

Within the capacity of the specific School Health Services Program Provider, providers can receive reimbursement from Medicaid for health services that are medically necessary and provided to Medicaid eligible clients as prescribed in the client's IEP or IFSP. Covered services may include direct medical services, including rehabilitative therapies, Early and Periodic Screening, Diagnostic and Treatment (EPSDT) services, Targeted Case Management and Specialized Non-Emergency Transportation services. During FY 2012-13, 13,970 eligible children with an IEP or IFSP received school health services reimbursed through Medicaid. Participation by Medicaid-eligible clients is optional.

- **How Services Meet the Definition of Medical Necessity**

For a School Health Services Program Provider to receive Medicaid reimbursement the service must meet the definition of medical necessity. A determination of medical necessity is made through the referral and authorization process. Where required by Medicaid regulations, a qualified practitioner of the healing arts refers a client for services. The client's IEP or IFSP, when developed according to the Colorado Department of Education procedures, serves as authorizing documents. The Department provides technical assistance and oversight monitoring to ensure providers comply with the requirement.

- **Federal Dollars Distribution to School Districts**

For FY 2011-12, 54 School Health Services Program Providers received Medicaid reimbursement totaling \$18,365,036. As the original expenditures of the medical service were incurred by a public entity using local tax dollars or General Fund appropriated to educational institutions, the Medicaid reimbursement is entirely federal funds. The federal funds are made available to deliver new and expanded primary and preventative health services to Colorado's public school children identified and specified under the providers' Local Services Plan. The Local Services Plan written by the school district, with community input, describes the type and cost of services to be provided with the funds. In FY 2012-13 the most common area to use the funds according to a provider's LSP was to fund additional nursing services for all students.

## **INTRODUCTION**

This report is presented to the Joint Budget Committee (JBC) of the Colorado General Assembly in response to Legislative Request for Information 6, which states:

*Department of Health Care Policy and Financing, Other Medical Services, Public School Health Services -- The Department is requested to submit a report by November 1 of each year to the Joint Budget Committee on the services that receive reimbursement from the federal government under the S.B. 97-101 public school health services program. The report is requested to include information on the type of services, how those services meet the definition of medical necessity, and the total amount of federal dollars that were distributed to each school under the program. The report should also include information on how many children were served by the program.*

## **BACKGROUND INFORMATION**

There are two programs under the Department's purview that provide funds for health services provided to students: the School-Based Health Center Program and the School Health Services Program. This report pertains to the School Health Services Program.

### **School-Based Health Center Program**

The School-Based Health Center Program was created in 1987 to assist in the establishment, expansion, and ongoing operations of school-based health centers (SBHCs) in Colorado. SBHCs are clinics operated within a public school, charter school, or State-sanctioned General Educational Development (GED) building that provide primary health care and mental health services that compliment services provided by school nurses.

Establishing a school-based health center is a community-driven process that requires multiple partnerships - between school districts, the medical and mental health communities and local and state funders - to be effective. The Colorado Department of Public Health and Environment does

not run these clinics, but rather sets standards and provides some funding. SBHCs that enroll as Medicaid or CHP+ providers receive reimbursement from the Department for their Medicaid claims and through CHP+ managed care organizations for their CHP+ services.

### **School Health Services Program**

The School Health Services (SHS) Program was established in 1997 via SB 97-101 and allows public school districts, Boards of Cooperative Educational Services (BOCES), and state K-12 educational institutions (hereinafter collectively referred to as School Health Services Program Providers or providers) to receive federal Medicaid funds for amounts spent providing health services to students who are Medicaid eligible and have an Individualized Education Plan (IEP) or Individualized Family Service Plan (IFSP). (Note: health services required in a child's IEP or IFSP are not covered by the SBHC Program, which provides primary health care and mental health services.) In addition, SHS Program Providers may receive reimbursement for Medicaid administrative activities that directly support efforts to identify and enroll potentially eligible children and their families into Medicaid.

The SHS Program Providers incurs the original expenditures using local tax dollars or appropriated General Funds which draw federal matching Medicaid funds through the certification of public expenditures (CPE) mechanism. To draw federal Medicaid funds through CPEs, SHS Program Providers must participate in a federally-approved quarterly time study and submit quarterly and annual cost reports.

Under Colorado statute, SHS Program Providers are required to use the Medicaid funds received to fund student health services for all students. Each participating School Health Services Program Providers must develop a Local Services Plan with community input to identify the types of health services needed by its students and must submit an annual report that describes exactly how the Medicaid revenue was spent in accordance with its Local Services Plan.

The SHS Program is administered jointly by the Department and Colorado Department of Education. The Department draws and disburses the federal Medicaid funds, conducts the federally-approved time study, administers the quarterly and annual cost report and certification processes, and conducts on-site reviews to ensure compliance with federal requirements. The Department of Education provides technical assistance related to the development of the local services plan and annual report and reviews and approves the local services plan.

### **PROGRAM OVERVIEW**

The SHS Program to delivers additional health services to Colorado public school children each year without additional General Fund expenditures. Using the disbursed federal funds within a health service delivery process established through the Local Services Plan, school districts have been able to address some of the health care needs unique to their communities. Additionally, the School Health Services Program has helped improve learning environments by providing

students increased access to health care services and improving the quality of school health services. Program funds have been expended to deliver services in the areas of greatest need to:

- Increase school nursing services;
- Improve and enhance the quality of school health services;
- Increase access to health care services for the uninsured and underinsured; and
- Provide health services where none were previously available.

During FY 2012-13, 52 school districts or BOCES contracted with the Department to receive Medicaid reimbursement for providing school health services to eligible clients. Other school districts, choosing not to contract with or bill the Department directly, participate in the program as a member of a BOCES. A BOCES is created when two or more school districts decide they have similar needs that can be met by a shared program. A BOCES may help school districts save money by providing opportunities to pool resources and share costs. As a result, school districts may receive Medicaid funds without having a direct contract with the Department, as the BOCES is the contracting entity and listed as the School Health Services Program Provider in this report. Further, school districts may bill directly for some services, such as transportation, while the BOCES provide and bill for the other services, such as direct services, on behalf of the school districts. In these cases, the number of school districts directly billing the School Health Services Program will vary each year and the program has no information as to how the Medicaid reimbursement is distributed from the BOCES to the school district.

On July 23, 2008, after lengthy negotiations with the federal Centers for Medicare and Medicaid Services (CMS), the Department received approval of State Plan Amendment (SPA) 05-006. SPA 05-006 was necessary to ensure federal compliance of the SHS Program Providers regarding provider qualifications, coverage and reimbursement. The increased administrative responsibilities due to the federal compliance requirements may have hindered provider participation in the program.

Under the approved SPA, all SHS Program Providers are required to participate in a quarterly random moment time study to determine the percentage of allowable time spent providing Medicaid claimable School Health Services. However, by utilizing a time study, providers receive a payment based on the actual cost incurred for providing Medicaid services, rather than through a fixed rate established by the Department. For FY 2011-12, 54 providers were reimbursed a total of \$18,365,036 for direct services, Targeted Case Management (TCM) and Medicaid Administrative Claiming (MAC). For FY 2012-13, these providers have received interim payments in the amount of \$12,170,702 for direct services and TCM and \$1,346,539 for MAC. During FY 2012-13 these funds were used to provide additional health services to all students in the participating districts. The most common areas that were funded statewide through the providers' LSPs were additional nursing services at \$2,705,779, additional health technicians/clinic aid hours at \$1,263,046, additional mental health services at \$784,692, additional health related equipment and supplies at \$542,827, and outreach to the uninsured at \$397,716.

Prior to receiving a final payment based on the actual cost incurred for providing Medicaid services, SHS Program Providers submit claims and receive interim payments for providing services to eligible clients. After the fiscal year ends, each provider is required to complete a cost report documenting their total Medicaid allowable costs for delivering School Health Services and certifying their public expenditures. The cost report reconciles interim payments made to the provider during the fiscal year against actual costs. If the provider's interim payments exceed the actual, certified costs of providing School Health Services, the provider must return the overpayment amount to the Department. If the provider's actual costs exceed the interim payments they received then the Department will pay the federal share difference to the provider. This cost reconciliation and settlement process is based on a cost allocation methodology approved by CMS. The cost reconciliation and settlement that most recently occurred was in FY 2012-13 for FY 2011-12.

Beginning with FY 2011-12, interim payments associated with claims submissions are based on a monthly rate rather than procedure code specific rates. The Department utilized an interim payment methodology based on historical costs. Under the interim payment methodology, SHS providers received payments on a monthly basis based off their total costs identified in the approved cost report from prior years. Additionally, quarterly financial reporting is required by all providers to allow the Department to monitor providers' costs mid-year and adjust interim payments as necessary.

In addition, the Department reimburses for administrative claiming to SHS Program Providers for the time spent in administrative activities that directly support efforts to identify and enroll potentially eligible children and their families into Medicaid. MAC reimbursements are made quarterly through a claim that consists of payroll costs for staff that provide direct medical or health related services (Direct Services), administrative and outreach activities. As school staff work with students on a daily basis, they are uniquely positioned to assist in enrollment of eligible students in Medicaid, to assist them in receiving the medical services and supporting administrative and outreach services they require, and to provide medically-necessary services. These administrative services form the basis for the MAC Program. MAC allowable activities include: Facilitating Medicaid Outreach, Facilitating Medicaid Eligibility Determination, Translation Related to Medicaid Services, Medical Program Planning, Policy Development and Interagency Coordination, Medical/Medicaid Related Professional Development and Training, Referral, Coordination and Monitoring of Medicaid Services. As detailed in Table 1, for FY 2011-12 four quarters were eligible for MAC reimbursement, and 43 school districts participated in MAC for reimbursement totaling \$1,769,159. In FY 2012-13, 45 school districts participated in MAC; reimbursements received totaled \$1,346,539 for payments through the end of the third quarter.

**Table 1  
FY 2011-12 Medicaid Administrative Claiming Net Payments**

School Health Services Program Provider	FY 2011-12 MAC Net Payment July- September 2011 Quarter	FY 2011-12 MAC Net Payment October- December 2011 Quarter	FY 2011-12 MAC Net Payment January- March 2012 Quarter	FY 2011-12 MAC Net Payment April-June 2012 Quarter	FY 2011-12 Net Total MAC Payments	FY 2012-13 Net MAC Payments as of September 27, 2013
Adams 12 Five Star Schools	\$ 7,080	\$ 20,987	\$ 23,742	\$ 15,914	\$ 67,723	\$ 64,908
Adams Arapahoe School District # 28J	\$ 33,594	\$ 42,794	\$ 45,109	\$ 32,002	\$ 153,499	\$ 101,115
Adams County School District # 14	*	\$ 2,083	\$ 7,791	\$ 5,065	\$ 14,939	\$ 22,409
Adams County School District # 50	\$ 2,681	\$ 3,277	\$ 2,979	\$ 1,842	\$ 10,779	\$ 5,657
Arapahoe County School District # 6	\$ 1,415	\$ 911	\$ 1,359	\$ 768	\$ 4,453	\$ 4,113
Boulder County School District # 2	\$ 41,362	\$ 59,089	\$ 54,857	\$ 40,126	\$ 195,434	\$ 136,976
Boulder County School District RE-1J	\$ 7,139	\$ 23,340	\$ 23,267	\$ 16,871	\$ 70,617	\$ 59,239
Buena Vista School District R-31	*	*	*	*	*	\$ 2,870
Cherry Creek School District # 5	\$ 30,479	\$ 38,675	\$ 37,768	\$ 31,063	\$ 137,985	\$ 85,366
Colorado School for the Deaf and Blind	\$ 5,503	\$ 7,787	\$ 8,082	\$ 5,341	\$ 26,713	\$ 18,744
Colorado Springs School District # 11	*	\$ 2,932	\$ 3,581	\$ 4,706	\$ 11,219	\$ 15,331
Counties of Adams & Weld School District 27J	\$ 12,561	\$ 13,413	\$ 7,773	\$ 5,866	\$ 39,613	\$ 23,201
Counties of Archuleta & Hinsdale District JT	*	\$ 131	\$ 156	\$ 123	\$ 410	\$ 1,916
County of Rio Blanco, Meeker Public SD RE 1	*	*	*	\$ 34	\$ 34	\$ 347
Delta County Joint School District 50J	\$ 1,903	\$ 2,494	\$ 2,556	\$ 1,807	\$ 8,760	\$ 5,286
Denver County School District # 1	\$ 52,949	\$ 61,600	\$ 67,282	\$ 47,248	\$ 229,079	\$ 172,772
Douglas County School District #1	\$ 20,067	\$ 26,333	\$ 25,837	\$ 18,757	\$ 90,994	\$ 76,226
Eagle County School District RE50J	*	\$ 2,222	\$ 1,627	\$ 1,650	\$ 5,499	\$ 5,269
El Paso County School District # 14	*	\$ 301	\$ 381	\$ 232	\$ 914	\$ 716
El Paso County School District # 2	\$ 4,513	\$ 3,026	\$ 3,175	\$ 2,145	\$ 12,859	\$ 11,345
El Paso County School District # 20	\$ 14,881	\$ 19,436	\$ 16,886	\$ 11,712	\$ 62,915	\$ 40,063
El Paso County School District # 3	\$ 3,892	\$ 4,449	\$ 4,346	\$ 3,129	\$ 15,816	\$ 12,148
El Paso County School District # 38	\$ 2,375	\$ 2,743	\$ 2,765	\$ 1,952	\$ 9,835	\$ 7,021
Elbert County School District C-1	*	*	*	*	*	\$ 298
Falcon School District 49	\$ 8,750	\$ 15,622	\$ 14,188	\$ 11,639	\$ 50,199	\$ 55,744
Garfield County School District RE-1	\$ 11,549	\$ 17,049	\$ 16,414	\$ 12,836	\$ 57,848	\$ 36,683
Garfield County School District RE-2	\$ 4,787	\$ 3,890	\$ 3,666	\$ 2,990	\$ 15,333	\$ 11,452
Jefferson County Public Schools	\$ 39,018	\$ 50,208	\$ 46,239	\$ 33,215	\$ 168,680	\$ 115,166
La Plata County School District # 10JT-R	*	\$ 132	\$ 191	\$ 112	\$ 435	\$ 318
La Plata County School District # 9-R	\$ 1,377	\$ 921	\$ 1,045	\$ 778	\$ 4,121	\$ 3,846
Lake County School District R-1	\$ 483	\$ 786	\$ 796	\$ 328	\$ 2,393	\$ 1,007
Mesa County Valley School District 51	\$ 25,780	\$ 33,429	\$ 35,572	\$ 27,105	\$ 121,886	\$ 110,968
Montezuma County School District # 1	*	*	*	*	*	\$ 3,335
Montezuma County School District # RE-4A	\$ 1,012	\$ 867	\$ 817	\$ 751	\$ 3,447	\$ 5,096
Montrose County School District # 2	*	*	*	\$ 109	\$ 109	*



School Health Services Program Provider	FY 2011-12 MAC Net Payment July- September 2011 Quarter	FY 2011-12 MAC Net Payment October- December 2011 Quarter	FY 2011-12 MAC Net Payment January- March 2012 Quarter	FY 2011-12 MAC Net Payment April-June 2012 Quarter	FY 2011-12 Net Total MAC Payments	FY 2012-13 Net MAC Payments as of September 27, 2013
Otero County School District # 2	*	\$ 3,001	\$ 2,957	\$ 2,432	\$ 8,390	\$ 2,099
Park County School District # 1	*	*	*	\$ 39	\$ 39	*
Pikes Peak BOCES	\$ 2,205	\$ 2,437	\$ 2,641	\$ 2,250	\$ 9,533	\$ 9,243
Pueblo County School District # 70	\$ 5,582	\$ 16,129	\$ 16,427	\$ 12,745	\$ 50,883	\$ 41,342
Pueblo School District # 60	\$ 8,914	\$ 9,604	\$ 9,845	\$ 10,653	\$ 39,016	\$ 25,722
Rangely School District RE4	*	*	*	*	*	\$ 489
Salida School District R-32-J	\$ 918	\$ 1,099	\$ 994	\$ 866	\$ 3,877	\$ 3,394
School District Fremont RE-1	*	*	*	\$ 935	\$ 935	\$ 3,532
South Routt School District RE-3	*	\$ 26	\$ 26	\$ 27	\$ 79	\$ 72
Teller County School District # 2	\$ 1,327	\$ 1,751	\$ 1,819	\$ 1,125	\$ 6,022	\$ 3,934
Teller County School District RE-1	*	\$ 166	\$ 182	\$ 137	\$ 485	\$ 389
Weld County School District #6	\$ 4,012	\$ 15,980	\$ 21,715	\$ 13,653	\$ 55,360	\$ 39,372
Total	\$ 358,108	\$ 511,120	\$ 516,853	\$ 383,078	\$ 1,769,159	\$ 1,346,539
* Provider did not participate in MAC during this time period						

## RESPONSE TO LEGISLATIVE REQUEST FOR INFORMATION 6

### Types of Health Services Delivered and Number of Children Served

Under the Individuals with Disabilities Education Act, Section 504 of the Rehabilitation Act of 1973, and Title 22, C.R.S., public school districts are required to provide certain medical services for public school children. Additionally, school districts provide some level of health screening, nursing services and other medical support services for students. When delivered to a Medicaid eligible student, some of these services qualify for Medicaid reimbursement.

SHS Program Providers can receive reimbursement from Medicaid for delivering services to Medicaid-eligible clients under the age of 21, as included in the Medicaid statute (Section 1905(a) of the Social Security Act) and as described in the Code of Colorado Regulations, 10 CCR 2505-10. School Health Services may include direct services that are covered under the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit, including rehabilitative therapies; Targeted Case Management and Specialized Non-Emergency Transportation services. SHS Program Providers must provide services that are medically necessary and provided to clients as prescribed in the client's IEP or the IFSP<sup>1</sup>.

<sup>1</sup> The Individuals with Disabilities Education Act (IDEA), federal legislation on educating children with disabilities, defines how states and local education agencies are to meet their obligations to serve these students. The IEP and IFSP, required documents under IDEA, spell out the specific special education and related services, including health services, to be provided to meet the student's needs.

Under EPSDT<sup>2</sup>, Medicaid must provide for screening, vision, hearing and dental services at intervals that meet reasonable standards of medical and dental practice established after consultation with recognized medical and dental organizations involved in child health care. Additionally, under EPSDT, any service that Medicaid is permitted to cover under federal law that is necessary to treat or ameliorate a defect, physical and mental illness, or a condition identified by a screen, must be provided to qualified clients regardless of whether the service or item is otherwise included under the Medicaid State Plan.

Rehabilitative therapies are those services which reduce a physical or mental disability and which may improve physical or mental health levels. Rehabilitative therapies must be recommended by a physician or other licensed practitioner of the healing arts.

Specialized Non-Emergency Transportation is reimbursable under Medicaid when provided on the same date of service that a Medicaid covered service, required by the client's IEP or IFSP, is received. Specialized Non-Emergency Transportation is provided to and from a client's place of residence and the school or the site of a Medicaid reimbursable service if the service is not provided at the school.

Targeted Case Management are services to assist with accessing needed medical, social, educational, and other services for clients who have a diagnosable physical or mental condition that has a high probability of impairing cognitive, emotional, neurological, social, or physical development. Services may include individualized strengths and needs assessments; service planning that provides an individualized written, comprehensive service plan based on needs identified in the assessments; service coordination, monitoring and advocacy; and crisis assistance planning.

School districts received Medicaid reimbursement for providing medical services, Targeted Case Management and Specialized Non-Emergency Transportation to 13,970 Medicaid eligible clients during FY 2012-13. Table 2 summarizes the type of services for which districts received Medicaid reimbursement in FY 2012-13 and the number of unique clients that received each service. From the prior fiscal year, the number of children receiving Medicaid services increased by 13% equaling an additional 1,642 children receiving Medicaid services. Of the service categories reported in Table 2, Speech Therapy services were the most utilized by clients. Speech Therapy services were provided and reimbursed for 9,514 clients. The client total for Speech Therapy services is an increase of 1,165 clients from FY 2011-12. Occupational Therapy services had the second highest utilization total for clients in FY 2012-13 with 3,609 clients being served. Targeted Case Management decreased from FY 2011-12 by 246 clients due to increased administrative tasks associated with providing the service as mandated by CMS in the revised SPA 05-006. It is important to note that of the 52 providers that participate in the SHS Program they account for over 80% of the total student population in the state of Colorado.

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<sup>2</sup> The Omnibus Budget and Reconciliation Act of 1989 (OBRA'89) amended Sections 1902(a)(43) and 1905(a)(4)(B) and created Section 1905(r) of the Social Security Act setting forth the basic requirements of EPSDT.

**Table 2**  
**FY 2012-13 Unique Clients Served by Medicaid Reimbursed Service**

<b>Medicaid Reimbursed Service</b>	<b>Unique Clients Served</b>
Audiology	35
Behavioral Health Counseling and Therapy	878
Behavioral Health Evaluation	119
Speech Therapy	9,514
Speech/Hearing Evaluation	1,525
Nursing Aide Services	852
Nursing Evaluation	717
Nursing Services	331
Occupational Therapy	3,609
Occupational Therapy Evaluation	583
Personal Care Services	2,264
Physical Therapy	1,670
Physical Therapy Evaluation	308
Motor Therapy - Orientation and Mobility	88
<b>Total Clients - Direct Services</b>	<b>13,805</b>
<b>Targeted Case Management</b>	<b>406</b>
<b>Transportation</b>	<b>1,737</b>
<b>Total Clients - All Services</b>	<b>13,970</b>
<small>Note: Total Clients–Direct Services, Targeted Case Management, Transportation, and Total-Clients All Services are unduplicated client counts in the respective category. Unduplicated client counts represent the number of unique clients who received a service in each category only. Totals are not the sum of categories. Unduplicated client counts presented in this table are based on those clients who had a paid claim with a date-of-service within the fiscal year and only claims processed up to three months after the end of the fiscal year have been included. Data Source: Medicaid paid claims from MMIS-DSS. Business Analysis Section, Department of Health Care Policy and Financing. September 4, 2013.</small>	

**How Services Meet the Definition of Medical Necessity**

School districts apply the Medicaid definition of medical necessity when identifying services for which they intend to claim reimbursement. The SHS Program defines a medically necessary service at 10 CCR 2505-10, Section 8.290.1, as a service that will, or is reasonably expected to:

*...prevent, diagnose, cure, correct, reduce or ameliorate the pain and suffering, or the physical, mental, cognitive or developmental effects of an illness, injury or disability; and for which there is no other equally effective or substantially less costly course of treatment suitable for the client's needs.*

Medical necessity is determined through the referral and authorization process. Where required by the Medicaid regulations, a qualified practitioner of the healing arts must refer a client for services. The client's IEP or IFSP, when developed according to the Colorado Department of Education procedures, serve as an authorizing document. Technical assistance is provided for school district providers to identify those services delivered at schools that meet the definition of medical necessity. In addition, medical file reviews and quality assurance monitoring by the Department ensure that district providers comply with Medicaid requirements.

### **Federal Dollars Distribution to School Districts**

As detailed in Table 3, during FY 2011-12, 54 SHS Program Providers received Medicaid reimbursement totaling \$16,595,877 for direct service and Targeted Case Management. Additionally, as noted in Table 1, providers received \$1,769,159 in MAC payments in FY 2011-12, and \$1,346,539 in MAC payments for FY 2012-13 to date.

As noted previously in this report, BOCES help school districts save money by providing opportunities to pool resources and share costs. As a result, school districts may receive Medicaid funds without having a direct contract with the program, as the BOCES is the contracting entity and listed as the SHS Program Provider. Additionally, school districts may bill directly for some services, such as transportation, while the BOCES provide and bill for the other services, such as direct services. In these cases, the number of school districts directly billing the SHS Program will vary each year and the program has no information as to the distribution of the Medicaid reimbursement from the BOCES to the school districts.

In FY 2012-13, claims submitted for Medicaid services by 54 SHS Program Providers resulted in interim payments and Medicaid reimbursement of \$12,170,702 which were exclusively federal funds. As the original expenditure of the medical service was incurred by a public entity using local tax dollars or General Fund appropriated to educational institutions, the Medicaid reimbursement is federal funds.

Additionally, a cost reconciliation process for SHS Program Providers was performed to reconcile interim payments made to the providers during FY 2011-12 against actual costs for that period as identified through the cost reporting process. This process is in accordance with the new cost allocation methodology approved by CMS in SPA 05-006. The cost reconciliation and settlement resulted in additional Medicaid reimbursement of \$8,491,941 which were exclusively federal funds reimbursed to 54 SHS Program Providers.

In accordance with statute, the SHS Program retains ten percent of the federal funds to cover the Department's and the Colorado Department of Education's administration costs. In FY 2012-13, \$2,296,765 was retained by the program to cover administration costs.

**Table 3**  
**FY 2011-12 Net Medicaid Reimbursement to School Health Services Program Providers**

District Legal Name	FY 2011-12 Net Medicaid Interim Payments	FY 2011-12 Cost Reconciliation Net Adjustment	Total Net Medicaid Reimbursement Paid for FY 2011-12	FY 2012-13 Net Medicaid Interim Payments
Adams 12 Five Star Schools	\$ 503,150	\$ 583,203	\$ 1,086,353	\$ 697,669
Adams Arapahoe School District # 28J	\$ 754,423	\$ 1,089,771	\$ 1,844,194	\$ 1,257,412
Adams County School District # 14	\$ 70,041	\$ 94,557	\$ 164,598	\$ 127,127
Adams County School District # 50	\$ 143,078	\$ 57,509	\$ 200,587	\$ 153,605
Arapahoe County School District # 6	\$ 70,038	\$ 53,545	\$ 123,583	\$ 92,642
Boulder County School District # 2	\$ 618,278	\$ 174,544	\$ 792,822	\$ 720,706
Boulder County School District RE-1J	\$ 200,059	\$ 404,457	\$ 604,516	\$ 396,166
Buena Vista School District R-31	*	*	*	\$ 41,116
Cherry Creek School District # 5	\$ 417,074	\$ 844,262	\$ 1,261,336	\$ 698,231
Colorado School for the Deaf and Blind	\$ 119,210	\$ 139,670	\$ 258,880	\$ 209,066
Colorado Springs School District # 11	\$ 220,482	\$ 12,910	\$ 233,392	\$ 205,826
Counties of Adams & Weld School District 27J	\$ 187,002	\$ 324,310	\$ 511,312	\$ 353,657
Counties of Archuleta & Hinsdale District JT	\$ 46,354	\$ 7,013	\$ 53,367	\$ 31,028
County of Montezuma (Montezuma County SD # 6)	\$ 19,656	\$ (5,303)	\$ 14,353	*
County of Rio Blanco, Meeker Public SD RE 1	\$ 6,955	\$ 29	\$ 6,984	\$ 5,195
Delta County Joint School District 50J	\$ 39,690	\$ 7,889	\$ 47,579	\$ 88,096
Denver County School District # 1	\$ 1,042,276	\$ 1,135,451	\$ 2,177,727	\$ 1,939,513
Douglas County School District #1	\$ 261,608	\$ 488,429	\$ 750,037	\$ 389,248
Eagle County School District RE50J	\$ 8,748	\$ 30,414	\$ 39,162	\$ 19,721
El Paso County School District # 12	\$ 28,642	\$ 26,871	\$ 55,513	\$ 49,864
El Paso County School District # 14	\$ 29,678	\$ 10,302	\$ 39,980	\$ 35,694
El Paso County School District # 2	\$ 87,480	\$ 24,910	\$ 112,390	\$ 120,355
El Paso County School District # 20	\$ 159,689	\$ 165,067	\$ 324,756	\$ 281,448
El Paso County School District # 3	\$ 89,996	\$ 20,251	\$ 110,247	\$ 86,249
El Paso County School District # 38	\$ 46,073	\$ 44,087	\$ 90,160	\$ 57,596
Elbert County School District C-1	*	*	*	\$ 37,463
Falcon School District 49	\$ 169,150	\$ 322,086	\$ 491,236	\$ 272,506
Garfield County School District RE-1	\$ 33,934	\$ 43,319	\$ 77,253	\$ 58,590
Garfield County School District RE-2	\$ 49,550	\$ 9,592	\$ 59,142	\$ 59,249
Gunnison Watershed School District	\$ 23,620	\$ 14,294	\$ 37,914	\$ 16,006
Ignacio School District 11JT	\$ 16,697	\$ 7,793	\$ 24,490	\$ 17,129
Jefferson County Public Schools	\$ 814,892	\$ 576,629	\$ 1,391,521	\$ 1,124,334
La Plata County School District # 10JT-R	\$ 11,264	\$ 7,272	\$ 18,536	\$ 6,480
La Plata County School District # 9-R	\$ 51,959	\$ 43,257	\$ 95,216	\$ 55,555

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District Legal Name	FY 2011-12 Net Medicaid Interim Payments	FY 2011-12 Cost Reconciliation Net Adjustment	Total Net Medicaid Reimbursement Paid for FY 2011-12	FY 2012-13 Net Medicaid Interim Payments
Lake County School District R-1	\$ 4,493	\$ 15,303	\$ 19,796	\$ 17,734
Lamar School District Re 2	\$ 60,977	\$ 59,513	\$ 120,490	\$ 88,916
Larimer County School District #2J	\$ 134,784	\$ 152,950	\$ 287,734	\$ 257,926
Mesa County Valley School District 51	\$ 262,084	\$ 569,309	\$ 831,393	\$ 511,002
Moffat County School District #1	\$ 24,700	\$ 20,730	\$ 45,430	*
Montezuma County School District # 1	\$ 47,477	\$ 22,039	\$ 69,516	\$ 55,357
Montezuma County School District # RE-4A	\$ 11,061	\$ (62)	\$ 10,999	\$ 6,986
Montrose County School District # 2	\$ 12,431	\$ 3,185	\$ 15,616	*
Montrose County School District RE-1J	\$ 115,290	\$ 37,483	\$ 152,773	\$ 103,788
Otero County School District # 1	\$ 77,652	\$ 21,109	\$ 98,761	\$ 81,311
Otero County School District # 2	\$ 19,894	\$ 10,884	\$ 30,778	\$ 30,586
Park County School District # 1	\$ 42,476	\$ (8,458)	\$ 34,018	*
Pikes Peak BOCES	\$ 70,254	\$ 39,123	\$ 109,377	\$ 145,421
Pueblo County School District # 70	\$ 204,574	\$ 224,204	\$ 428,778	\$ 248,584
Pueblo School District # 60	\$ 245,797	\$ 45,384	\$ 291,181	\$ 250,106
Rangely School District RE4	\$ 2,311	\$ 5,644	\$ 7,955	\$ 5,639
Salida School District R-32-J	\$ 21,470	\$ 41,137	\$ 62,607	\$ 74,434
School District Fremont RE-1	\$ 126,101	\$ 95,946	\$ 222,047	\$ 135,378
South Routt School District RE-3	\$ 2,830	\$ 639	\$ 3,469	\$ 2,138
Teller County School District # 2	\$ 53,438	\$ 115,968	\$ 169,406	\$ 98,064
Teller County School District RE-1	\$ 15,358	\$ 6,395	\$ 21,753	\$ 19,267
Weld County School District #6	\$ 207,738	\$ 255,126	\$ 462,864	\$ 333,526
Total	\$ 8,103,936	\$ 8,491,941	\$ 16,595,877	\$ 12,170,702
* Provider did not participate in the Medicaid School Health Services Program at this time				

Note: FY 2011-12 cost reconciliation and settlement paid to providers in FY 2012-13. In accordance with SPA 05-006, during the fiscal year providers are paid interim payments for claims submission associated with providing school health services. After the fiscal year ends, each provider completes a cost report documenting Medicaid allowable costs for delivering the services and certifying their public expenditures. The cost report reconciles the interim payments made to the provider against the actual costs. If interim payments made to the provider exceed the actual, certified costs of providing services, the provider must return the overpayment amount. If the provider's actual costs exceed the interim payment they will receive the federal share difference. In FY 2012-13, \$8,491,941 of the federal funds were paid to providers as part of the cost reconciliation and settlement.