

## LEGISLATIVE REPORT

- SUBJECT:** February, 2007 report on the medicaid school-based claiming program.
- REFERENCE:** S.B. No. 1394, S.D. 2, H.D. 2, C.D. 1, Act 141 (2005 Legislature)
- ACTION REQUESTED:** Report annually on the Department of Education's (DOE) effort to establish and implement a federal maximization program for medicaid-eligible health services that it provides to Hawaii's school-aged children.

As required in S.B. 1394, Act 141, this report presents information on the development, implementation and on-going operations of the DOE school-based claiming (SBC) program. Pursuant to the reporting requirements of Act 141, the following items are presented:

1. The amount of Medicaid federal reimbursement received for federal fiscal year 2007 (October 1, 2006 – September 30, 2007);
2. The amount of additional funding that has been secured;
3. The amount of claims pending;
4. The amount of additional federal funding that is projected to be secured over the next five years; and
5. Plans for the reinvestment of additional federal funds to expand needed services to the state's children.

### FINDINGS:

As permitted under Act 141, the DOE procured and contracted with a third party administrator (University of Massachusetts Medical School) to provide expertise to the department for the development, implementation and maintenance of a federal maximization program that includes claiming for direct services and administrative costs effective January 15, 2006.

Additional effort to meet statute requirements includes the execution of a Memorandum of Agreement (MOA) between the DOE and the Department of Human Services, Med-QUEST Division, effective March 3, 2006. The agreement reflects the interagency terms and conditions for operationalizing the SBC program.

Further support for the implementation and on-going operation of the SBC program was provided by the Hawaii State Legislature, 2006. Given that Act 141 is silent regarding the provision of resources needed to operationalize the SBC program, the Legislature approved the DOE's appropriation request for positions and funds to support program

operations. Additional legislative support was provided by the passage of Act 244 creating a federal maximization revolving fund effective June 26, 2006. The fund will enable the department to ensure that collected revenue will be used to support special education activities.

Another significant achievement in the operationalization of the SBC program is the development of a data exchange process between DOE and University of Massachusetts Medical School. The exchange process creates an interface with the department's existing information system (ISPED). It allows for current and retroactive claim processing, obtaining parental consent to claim for services provided, and verifying joint Medicaid/special education eligibility.

#### **REQUIRED REPORT ITEMS:**

1. Payment issued by the DHS/MQD to the DOE for Federal FY 2007 = \$14,534
2. Amount of additional funding secured – N/A
3. Approximately 115 claims are pending amounting to \$3,800
4. Because the program is not fully operational, an estimate of the amount of reimbursement received over the next five years would not be reliable
5. The passage of Act 244 creating an SBC program revolving fund enables the DOE to ensure that collected revenue will be used to support special education activities