

H.558

Introduced by Representatives Black of Essex, Conlon of Cornwall,
Kornheiser of Brattleboro, and Scheu of Middlebury

Referred to Committee on

Date:

Subject: Health; human services; education; Agency of Human Services;
Agency of Education; Medicaid; school-based services

Statement of purpose of bill as introduced: This bill proposes to transfer sole
authority over the Medicaid school-based services program to the Agency of
Human Services. It would also modify the amounts from the federal
reimbursement for Medicaid school-based services that are available to
supervisory unions and to the Agencies of Human Services and of Education.

An act relating to the Medicaid school-based services program

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 33 V.S.A. § 1904 is added to read:

§ 1904. MEDICAID SCHOOL-BASED SERVICES PROGRAM

(a)(1) It is the intent of the General Assembly that the State of Vermont
maximize its receipt of federal reimbursement for medically related services
provided to students who are eligible under Title XIX (Medicaid) of the Social
Security Act.

1 (2) It is also the intent of the General Assembly that Vermont's school-
2 based medical assistance program shall comply with all federal Medicaid
3 requirements. As the State Medicaid agency, the Agency of Human Services
4 shall have sole responsibility for determining and maintaining program
5 compliance.

6 (b) The Agency of Education:

7 (1) shall be responsible for coordination of the school-based medical
8 assistance program with statewide education policy and objectives and for
9 communicating with supervisory unions; and

10 (2) may specify the use of program funds received by State education
11 agencies in accordance with 16 V.S.A. § 2959a.

12 (c) The Agency of Human Services shall adopt rules in accordance with
13 3 V.S.A. chapter 25 to identify the services that are available through the
14 school-based medical assistance program and to set forth the requirements for
15 supervisory union participation. The rules shall include State and federal
16 requirements for:

17 (1) Medicaid reimbursement;

18 (2) Medicaid cost reports;

19 (3) provider enrollment and trainings;

20 (4) service documentation;

21 (5) Medicaid eligibility; and

1 (6) any other provisions necessary for compliance with the Medicaid
2 program.

3 (d) The Agency of Human Services shall support supervisory unions by
4 funding and providing the technical elements of the program necessary for
5 federal compliance.

6 Sec. 2. 33 V.S.A. § 1904a is added to read:

7 § 1904a. SCHOOL-BASED MEDICAID REIMBURSEMENT FUND

8 (a) The School-Based Medicaid Reimbursement Fund is established as a
9 special fund to receive federal reimbursements for medically related services
10 delivered pursuant to the Medicaid school-based services program described in
11 section 1904 of this chapter. Monies received by the State pursuant to this
12 section shall be transferred to the School-Based Medicaid Reimbursement
13 Fund, which shall be administered by the Agency of Human Services, and
14 Fund receipts shall be allocated in accordance with this section.

15 (b) The Department of Vermont Health Access shall pay 55 percent of the
16 federal reimbursement monies generated by the medically related services
17 delivered in each supervisory union pursuant to the Medicaid school-based
18 services program to the supervisory union based on the Medicaid cost reports,
19 service claims, and Medicaid administrative costs submitted by the supervisory
20 union.

1 (c)(1) Up to 25 percent of the federal reimbursement monies generated by
2 services delivered pursuant to the Medicaid school-based services program
3 shall be available for the administrative costs of the Agencies of Education and
4 of Human Services related to the collection, operations, and reporting of
5 school-based medical assistance programs and statewide programs.

6 (2) The Agencies shall enter into a memorandum of understanding
7 setting forth the processes by which Medicaid reimbursement monies available
8 for administrative costs and statewide programs are allocated to the Agencies.

9 (3) The Secretaries of Education and of Human Services shall expend
10 monies from the Fund only as appropriated by the General Assembly.

11 (d) At the close of each fiscal year, the Commissioner of Finance and
12 Management shall transfer to and deposit any balance remaining in the School-
13 Based Medicaid Reimbursement Fund into the Education Fund.

14 Sec. 3. 16 V.S.A. § 2959a is amended to read:

15 § 2959a. ~~EDUCATION MEDICAID RECEIPTS~~ MEDICAID SCHOOL-
16 BASED SERVICES PROGRAM; SUPERVISORY UNIONS AND
17 SUPERVISORY DISTRICTS

18 (a) It is the intent of the General Assembly that the State of Vermont ~~shall~~
19 maximize its receipt of federal ~~Medicaid dollars available for~~ reimbursement
20 ~~of~~ for medically related services provided to students who are ~~Medicaid~~

1 eligible under Title XIX (Medicaid) of the Social Security Act. It is further the
2 intent of the General Assembly that:

3 (1) each supervisory union identify special education and other students
4 eligible for Medicaid reimbursement and, to the extent possible, submit
5 ~~Medicaid bills for services reimbursement~~ Medicaid-compliant cost reports
6 and service claims; and

7 (2) the Agencies of Education and of Human Services work with local
8 school districts to maximize reimbursements, including services to non-IEP
9 students.

10 (b) ~~A Medicaid Reimbursement Special Fund is established within the~~
11 ~~Agency of Education. Funds received by the State under this section shall be~~
12 ~~transferred to the Medicaid Reimbursement Special Fund. The Fund receipts~~
13 ~~shall be allocated in accordance with this section.~~

14 (c) ~~At least annually, the Secretary of Education shall pay to each~~
15 ~~supervisory union submitting Medicaid bills under this section 50 percent of~~
16 ~~the reimbursed funds generated by the supervisory union's bill, excluding~~
17 ~~claims generated by State-placed students. Unless the supervisory union has~~
18 ~~agreed to use the funds to operate a supervisory unionwide program or to~~
19 ~~distribute the funds in a different manner, upon receipt, the supervisory union~~
20 ~~shall distribute the funds to its member school districts based on how the funds~~
21 ~~were generated. The Secretary may withhold payment due a supervisory union~~

1 ~~pursuant to section 2950 of this title for a Medicaid-eligible State-placed~~
2 ~~student if the supervisory union has not submitted a Medicaid claim for~~
3 ~~reimbursable services for that student.~~

4 (d) ~~If the amount of Medicaid reimbursement funds received for services~~
5 ~~provided in the prior State fiscal year exceeds \$25,000,000.00, in addition to~~
6 ~~the 50 percent of the funds paid to supervisory unions submitting Medicaid~~
7 ~~bills, 25 percent of the amounts in excess of the \$25,000,000.00 shall be paid~~
8 ~~into an incentive fund created in the Agency of Education. These funds shall~~
9 ~~be used for an incentive payment to supervisory unions with student~~
10 ~~participation rates of over 80 percent in accordance with a formula to be~~
11 ~~developed by the Agency, in consultation with the Vermont Superintendents~~
12 ~~Association. For any incentive payments made subsequent to fiscal year 2007,~~
13 ~~the \$25,000,000.00 threshold of this subsection shall be increased by the~~
14 ~~percentage increase of the most recent New England Economic Project~~
15 ~~Cumulative Price Index, as of November 15, for state and local government~~
16 ~~purchases of goods and services from fiscal year 2005 through the fiscal year~~
17 ~~for which the payment is being determined, plus an additional one-tenth of one~~
18 ~~percent.~~

19 (e) ~~Supervisory unions shall use funds received under this section from the~~
20 School-Based Medicaid Reimbursement Fund established in 33 V.S.A.
21 § 1904a to pay for the reasonable costs of administering ~~the Medicaid claims~~

1 ~~process and delivering medically related services pursuant to the Medicaid~~
2 ~~school-based services program~~, and school districts or supervisory unions shall
3 use funds received under this section for prevention and intervention programs
4 in prekindergarten through grade 12. ~~The programs shall be designed to~~
5 ~~facilitate early identification of and intervention with children with disabilities~~
6 ~~and to ensure all students achieve rigorous and challenging standards approved~~
7 ~~and adopted by the State Board or locally adopted standards. A supervisory~~
8 ~~union shall provide annual written justification to the Secretary of Education~~
9 ~~on how it or its member districts used the funds. Such annual submission shall~~
10 ~~show how the funds' use is expressly linked to those provisions of the~~
11 ~~supervisory union's action plan that directly relate to improving student~~
12 ~~performance. A supervisory union shall include in its annual report the amount~~
13 ~~of the prior year's Medicaid reimbursement revenues and the use of Medicaid~~
14 ~~funds consistent with the purposes set forth in this subsection.~~

15 (f) ~~Up to 30 percent of Medicaid reimbursements received under this~~
16 ~~section shall be available for administrative costs of the Agencies of Education~~
17 ~~and of Human Services related to the collection, processing, and reporting of~~
18 ~~education Medicaid reimbursements and statewide programs. The Secretaries~~
19 ~~of Education and of Human Services shall expend monies from the Fund only~~
20 ~~as appropriated by the General Assembly.~~

1 ~~(g) Remaining reimbursed funds shall be deposited into the Education~~
2 ~~Fund.~~

3 (c) The Agency of Education shall adopt rules in accordance with 3 V.S.A.
4 chapter 25:

5 (1) Setting forth the requirements that supervisory unions and school
6 districts shall meet regarding the use of Medicaid reimbursements from the
7 School-Based Medicaid Reimbursement Fund.

8 (2) Coordinating reimbursement related to State-placed students
9 pursuant to section 2950 of this chapter with the Medicaid school-based
10 services program as set forth in 33 V.S.A. §§ 1904 and 1904a. The rules shall
11 address the manner in which supervisory unions receive and reconcile funds in
12 alignment with education cost reimbursements pursuant to section 2950 of this
13 title.

14 Sec. 4. EFFECTIVE DATE

15 This act shall take effect on July 1, 2026.