

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means to which was referred House Bill No.  
3 558 entitled “An act relating to the Medicaid school-based services program”  
4 respectfully reports that it has considered the same and recommends that the  
5 bill be amended by striking out all after the enacting clause and inserting in  
6 lieu thereof the following:

7 Sec. 1. 33 V.S.A. § 1900 is amended to read:

8 § 1900. DEFINITIONS

9 As used in this subchapter, unless otherwise indicated:

10 \* \* \*

11 (12) “Supervisory union” has the same meaning as in 16 V.S.A. § 11  
12 and includes a supervisory district.

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

14 § 1904. MEDICAID SCHOOL-BASED SERVICES PROGRAM

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

19 (2) It is also the intent of the General Assembly that Vermont’s school-  
20 based medical assistance program shall comply with all federal Medicaid  
21 requirements. As the State Medicaid agency, the Agency of Human Services

1 shall have sole responsibility for determining and maintaining program  
2 compliance.

3 (b) The Agency of Education shall be responsible for coordination of the  
4 school-based medical assistance program with statewide education policy and  
5 objectives and for communicating with supervisory unions.

6 (c) The Agency of Human Services shall adopt rules in accordance with  
7 3 V.S.A. chapter 25 to identify the services that are available through the  
8 school-based medical assistance program and to set forth the requirements for  
9 supervisory union participation. The rules shall include State and federal  
10 requirements for:

11 (1) Medicaid reimbursement;

12 (2) participation in a Random Moment Time Study and an electronic  
13 health records system;

14 (3) Medicaid cost reports;

15 (4) provider enrollment and trainings;

16 (5) service documentation;

17 (6) Medicaid eligibility; and

18 (7) any other provisions necessary for compliance with the Medicaid  
19 program.

1        (d)(1) The Agency of Human Services shall support supervisory unions by  
2        funding and providing the technical elements of the program necessary for  
3        federal compliance.

4        (2) Supervisory unions delivering medically related services pursuant to  
5        the Medicaid school-based services program shall participate in a Random  
6        Moment Time Study and an electronic health records system as directed by the  
7        Agency of Human Services to enable Medicaid billing of direct health services  
8        and Medicaid administrative claiming activities.

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

10        § 1904a. SCHOOL-BASED MEDICAID REIMBURSEMENT FUND

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

18        (b) The Department of Vermont Health Access shall pay 55 percent of the  
19        federal reimbursement monies generated by the medically related services  
20        delivered in each supervisory union pursuant to the Medicaid school-based  
21        services program to the supervisory union based on the Medicaid cost reports,

1 service claims, and Medicaid administrative costs submitted by the supervisory  
2 union.

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

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

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

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

16 Sec. 3. 33 V.S.A. § 1904a is amended to read:

17 § 1904a. SCHOOL-BASED MEDICAID REIMBURSEMENT FUND

18 \* \* \*

19 (c)(1) Up to ~~25~~ 20 percent of the federal reimbursement monies generated  
20 by services delivered pursuant to the Medicaid school-based services program  
21 shall be available for the administrative costs of the Agencies of Education and

1 of Human Services related to the collection, operations, and reporting of  
2 school-based medical assistance programs and statewide programs.

3 \* \* \*

4 Sec. 4. 16 V.S.A. § 2959a is amended to read:

5 § 2959a. ~~EDUCATION MEDICAID RECEIPTS~~ MEDICAID SCHOOL-  
6 BASED SERVICES PROGRAM; SUPERVISORY UNIONS AND  
7 SUPERVISORY DISTRICTS; LEGISLATIVE INTENT

8 ~~(a)~~ It is the intent of the General Assembly that the State of Vermont ~~shall~~  
9 maximize its receipt of federal ~~Medicaid dollars available for~~ reimbursement  
10 ~~of~~ for medically related services provided to students who are ~~Medicaid~~  
11 eligible under Title XIX (Medicaid) of the Social Security Act. It is further the  
12 intent of the General Assembly that:

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

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

20 ~~(b) A Medicaid Reimbursement Special Fund is established within the~~  
21 ~~Agency of Education. Funds received by the State under this section shall be~~

1 transferred to the Medicaid Reimbursement Special Fund. The Fund receipts  
2 shall be allocated in accordance with this section.

3 (c) ~~At least annually, the Secretary of Education shall pay to each~~  
4 ~~supervisory union submitting Medicaid bills under this section 50 percent of~~  
5 ~~the reimbursed funds generated by the supervisory union's bill, excluding~~  
6 ~~claims generated by State placed students. Unless the supervisory union has~~  
7 ~~agreed to use the funds to operate a supervisory unionwide program or to~~  
8 ~~distribute the funds in a different manner, upon receipt, the supervisory union~~  
9 ~~shall distribute the funds to its member school districts based on how the funds~~  
10 ~~were generated. The Secretary may withhold payment due a supervisory union~~  
11 ~~pursuant to section 2950 of this title for a Medicaid eligible State placed~~  
12 ~~student if the supervisory union has not submitted a Medicaid claim for~~  
13 ~~reimbursable services for that student.~~

14 (d) ~~If the amount of Medicaid reimbursement funds received for services~~  
15 ~~provided in the prior State fiscal year exceeds \$25,000,000.00, in addition to~~  
16 ~~the 50 percent of the funds paid to supervisory unions submitting Medicaid~~  
17 ~~bills, 25 percent of the amounts in excess of the \$25,000,000.00 shall be paid~~  
18 ~~into an incentive fund created in the Agency of Education. These funds shall~~  
19 ~~be used for an incentive payment to supervisory unions with student~~  
20 ~~participation rates of over 80 percent in accordance with a formula to be~~  
21 ~~developed by the Agency, in consultation with the Vermont Superintendents~~

1 ~~Association. For any incentive payments made subsequent to fiscal year 2007,~~  
2 ~~the \$25,000,000.00 threshold of this subsection shall be increased by the~~  
3 ~~percentage increase of the most recent New England Economic Project~~  
4 ~~Cumulative Price Index, as of November 15, for state and local government~~  
5 ~~purchases of goods and services from fiscal year 2005 through the fiscal year~~  
6 ~~for which the payment is being determined, plus an additional one-tenth of one~~  
7 ~~percent.~~

8 ~~(e) Supervisory unions shall use funds received under this section to pay~~  
9 ~~for reasonable costs of administering the Medicaid claims process, and school~~  
10 ~~districts or supervisory unions shall use funds received under this section for~~  
11 ~~prevention and intervention programs in prekindergarten through grade 12.~~  
12 ~~The programs shall be designed to facilitate early identification of and~~  
13 ~~intervention with children with disabilities and to ensure all students achieve~~  
14 ~~rigorous and challenging standards approved and adopted by the State Board or~~  
15 ~~locally adopted standards. A supervisory union shall provide annual written~~  
16 ~~justification to the Secretary of Education on how it or its member districts~~  
17 ~~used the funds. Such annual submission shall show how the funds' use is~~  
18 ~~expressly linked to those provisions of the supervisory union's action plan that~~  
19 ~~directly relate to improving student performance. A supervisory union shall~~  
20 ~~include in its annual report the amount of the prior year's Medicaid~~

1 ~~reimbursement revenues and the use of Medicaid funds consistent with the~~  
2 ~~purposes set forth in this subsection.~~

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

9 ~~(g) Remaining reimbursed funds shall be deposited into the Education~~  
10 ~~Fund.~~

11 Sec. 5. STAKEHOLDER ENGAGEMENT IN IMPLEMENTATION OF  
12 CHANGES TO MEDICAID SCHOOL-BASED SERVICES  
13 PROGRAM

14 The Agency of Human Services shall collaborate with the Agency of  
15 Education, Vermont Association of School Business Officials, Vermont  
16 Council of Special Education Administrators, and school district officials in  
17 implementing changes to the Medicaid school-based services program in  
18 accordance with this act, including:

19 (1) providing structured opportunities for input during the phased  
20 implementation process in order to address challenges and risks in a timely  
21 manner and minimize disruptions; and

1           (2) focusing on geographic diversity to ensure that the implementation  
2           process is responsive to regional variations in needs and capacity.

3           Sec. 6. EFFECTIVE DATE

4           This act shall take effect on October 1, 2026, except that Sec. 3 (33 V.S.A.  
5           § 1904a(c)(1); percentage of reimbursement monies available to Agencies of  
6           Human Services and of Education) shall take effect on July 1, 2027.

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15           (Committee vote: \_\_\_\_\_)

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Representative \_\_\_\_\_

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FOR THE COMMITTEE