



National Association of School Nurses

ISSUE BRIEF

School Health Nursing Services Role in Health Care

THE ROLE OF THE SCHOOL NURSE IN THIRD PARTY REIMBURSEMENT

INTRODUCTION

Children come to school with a variety of health conditions, varying from mild health issues to multiple, severe health problems that have a profound and direct impact on their ability to learn. The school nurse plays a vital role in the provision of health care services in school to children with these health conditions. Many school districts are developing Third Party Reimbursement programs to support funding for the provision of school nursing services. Nursing service is a reimbursable health care service in home care, hospitals, and other health care settings. It is the belief of the National Association of School Nurses that comparable health care services delivered in school settings should be reimbursed.

BACKGROUND

Increasing Demands for the Delivery of Health Care Services in Schools

Factors impacting the increase in the delivery of health care services in schools include:

- Federal legislation addressing health-related services to children and adolescents in school (Section 504, 2005; IDEA, 2004).
- An increase in the number of children with complex health problems.
- Treatment regimens reflecting evidence-based medical practice have changed care and management required during the school day. For instance, type I diabetes now requires closer monitoring and more injections.
- The number of children with asthma is increasing, and the need for intervention and management during the school day is increasing.
- Lack of health insurance coverage results in schools becoming the only source of health care for many children and adolescents.
- An increase in the required number of immunizations for school attendance. Schools may provide immunizations in order to eliminate missed school days and assist children and adolescents in being compliant with the immunization laws.
- An increase in immigration has led to a need for tuberculosis screening and follow-up of positive screening results.
- An increase in children without legal documentation, which results in barriers to their accessing health and dental care.
- Cultural, language, and transportation barriers result in problems navigating a very complex health care system so children arrive in school with unmet health care needs.
- Poverty and the complex variables associated with poverty often delay treatment of health conditions impacting attendance, time on task, and readiness to learn.
- Health disparities for children of color that result in unmet health needs.
- Working families with very limited time for clinic appointments, which results in delays in seeking care.

These factors, together produce the current increased demands on school systems to provide health care services that are, for the most part, uncompensated by the health care system.

Reimbursable Health Care Services in Schools

Many health care services delivered in schools are reimbursable. The Centers for Medicare and Medicaid publication, *Medicaid and School Health: A Technical Assistance Guide, August 1997 (The Guide)* (CMS, 1997) describes service categories that could typically be covered for school providers:

- Physicians' services and medical and surgical services of a dentist (Act, 42 C.F.R. 440.50, 2004)
- Medical or other remedial care provided by licensed practitioners (Act, 42 C.F.R. 440.60, 2004)
- Clinic services (Act, 42 C.F.R. 440.90, 2004)
- Dental services (Act, 42 C.F.R. 440.100, 2004)
- Physical, Occupational, Speech Therapy (Act, 42 C.F.R. 440.110, 2004)
- Diagnostic services (Act, 42 C.F.R. 440.130 (a), 2004)
- Preventive services (Act, 42 C.F.R. 440.130 (c), 2004)
- Immunization services (Act, 42 C.F.R. 441.56, 2004)
The federal Vaccine for Children program provides vaccines for low-income children, and the state Medicaid agency can provide specifics about enrollment in the program.
- Rehabilitative services (Act, 42 C.F.R. 440.130 (d), 2004)
- Transportation services (Act, 42 C.F.R. 440.170 (a), 2004)
- Nurse Practitioner services (Act, 42 C.F.R. 440.166, 2004)
- Private duty nursing services (Act, 42 C.F.R. 440.80, 2004)
- Personal care services (Act, 42 C.F.R. 440.167, 2004)
- Medical Services under the Individuals with Disabilities Education Act (IDEA, 2004)

The Guide suggests that this list is not all-inclusive and school providers should consult with their state Medicaid agency to identify any additional state requirements.

Since the enactment of the Education for All Handicapped Act in 1975 and the IDEA amendments that followed, children who were at one time institutionalized are now mainstreamed into our schools. Students who are in special education have a higher incidence of chronic health conditions, and school districts are providing more school nursing services. Nursing services must be provided to children who are in special education according to Free Appropriate Public Education. Even though these services must be provided to children at no charge to families, school districts are allowed to bill medical assistance for them.

The Medicare Catastrophic Act of 1988 (CMS, 2003) allows Medicaid payment for medical services provided to children under the Individuals with Disabilities Education Act (IDEA), formerly known as the Education for All Handicapped Act. This was enacted to ensure that Medicaid would cover health-related services provided under IDEA.

The 1997 Reauthorization of IDEA (IDEA, 34 C.F.R. 300.142, 2004) strengthened the expectation that schools would work closely with the state Medicaid agency. Since that time, many school districts have developed third party reimbursement programs for health-related services provided to students with Individual Education Program (IEP) plans. State Medicaid agencies provide technical assistance to school districts and should be consulted in regard to state-specific requirements and IEP health-related services covered in the state plan.

IDEA (IDEA, 34 C.F.R. 300.24, 2004) describes related services as transportation and such developmental, corrective, and other supportive services as are required to assist a child with a disability to benefit from special education and includes:

- Audiology
- Counseling
- Early identification and assessment
- Medical services
- Occupational therapy
- Orientation and mobility services
- Parent counseling and training

- Physical therapy
- Psychological services
- Recreation
- Rehabilitative counseling
- School health services
- School social work services
- Speech-language pathology services
- Transportation (such as special or adapted buses, lifts, and ramps)

In the past, school nursing services have been defined under school health services, rather than school nursing services. The Individuals with Disabilities Education Improvement Act (IDEIA) of 2004, Public Law 108-446, signed in December 2004, clearly defines school nursing service as a related service. These services must be provided at no cost to the family. Nursing services that are necessary to assist students in benefiting from their educational plan must be described in the IEP and are reimbursable.

States may differ in coverage of IEP health-related services. It is necessary to consult with the state Medicaid agency regarding covered services.

Early and Periodic Screening, Diagnostic, and Treatments Services

In order for Medicaid to reimburse health care services provided in schools, the services must be included in the federal Medicaid statute and also included in the state's Medicaid plan under the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefits.

Schools may determine that it is beneficial to provide EPSDT services to certain populations in order to address the gaps in health care services. The identification and early treatment of health problems promotes school success by remediation of conditions that interfere with learning and by increasing school attendance and time on task.

Eligible children under the age of 21 are entitled to the mandatory Medicaid EPSDT benefit. "The Early and Periodic, Screening, Diagnostic and Treatment (EPSDT) program is Medicaid's comprehensive and preventive children's health program that emphasizes the early assessment of children's health care needs through periodic examinations. The EPSDT program is a unique benefit in Medicaid because the scope of required services can be broader than what is otherwise included under a state's Medicaid state plan in general" (CMS, 2003).

State Medicaid agencies cannot require prior authorization for EPSDT screens (either periodic or interperiodic).

Required screening components

1. Screening services
 - Comprehensive health and developmental history, including assessment of physical and mental health development
 - Comprehensive physical exam
 - Immunizations based on the recommendations of the Advisory Committee on Immunization Practices (ACIP)
 - Laboratory tests, including blood lead
 - Health education and anticipatory guidance
2. Vision services
3. Dental services
4. Hearing services
5. Other necessary health care, diagnostic, and treatment services to correct and ameliorate defects and physical and mental conditions identified during screening services.

Third Party Reimbursement Requirements

School districts should consult with the state Medicaid agency regarding state-specific requirements for billing. School districts will need to enroll as providers and obtain a provider number. Some states contract with other insurance companies to provide health care services to Medicaid recipients. In these cases, school districts may need to contract with other individual insurance companies in order to be paid for health care services.

Free Care Rule and Third Party Liability

The Free Care Rule says that Medicaid funds may not be used to pay for services that are available without charge to everyone in the community. Medicaid should also be considered the payer of last resort and should not pay if another party is legally liable for payment, such as other federal and state programs or third party insurance payers. (CMS, 2003). If a child/student has Medicaid and another insurance policy, the school must first bill the private insurance. If a denial of payment from the private insurance is received, then the school can submit a claim to Medicaid. In order to meet the conditions for Medicaid reimbursement when services such as school-based screenings and other preventive services are offered to all students schools must:

- “1) establish a fee for each service that is available;
- 2) collect third party insurance information from all those served (Medicaid and non-Medicaid); and
- 3) bill other responsible third party insurers” (CMS, 2003).

There are two exceptions to the free care rule:

1. Services provided under IDEA (IEP Health-Related Services)
Schools may bill Medicaid for IEP Health-Related Services provided to children/students in special education even though these services are provided to non-Medicaid eligible children for free.
2. Services provided under Title V: Maternal Child Health Services Block Grant (MCH)
MCH grants provide financial assistance to states for the provision of health services to mothers, children, and adolescents to reduce infant mortality, disease prevention, and access to health care (Davis-Alldritt, 2006).

The Free Care Principle has been the subject of a dispute between the Oklahoma Health Care Authority and the Centers of Medicare and Medicaid (CMS). The Centers for Medicare and Medicaid disallowed \$1,902,390 of federal financial participation (FFP) claimed by Oklahoma under title XIX of the Social Security Act (Act) for the cost of school-based health services (EPSDT services) provided. CMS disallowed the claims on the grounds that Oklahoma did not seek reimbursement for the cost of EPSDT services for students who were not Medicaid eligible. The U.S. Department of Health and Human Services Departmental Appeals Board reversed this disallowance in full, mainly on the bases that there is no statutory regulation in the Act indicating the Free Care Principle, and that requiring the schools to bill the non-Medicaid students is a barrier to the provision of the EPSDT services (DHHS, 2004).

RATIONALE

The responsibility of school systems is to provide education to our children. However, in order for children and adolescents to be safe and successful in school, they must first have their health care needs met. In years past, many of the necessary health care services provided to children were provided in medical settings. School nurses are now providing many of these same services in school settings. Schools are now a part of the health care delivery system and should be reimbursed accordingly for covered services. It is the belief of the National Association of School Nurses that comparable health care services delivered in school settings should be reimbursed.

ROLE OF THE SCHOOL NURSE

School nurses know the value of the services that they provide to children and adolescents and must appreciate the value of these services within the context of the health care delivery system. As providers of health care, school nurses must also determine the monetary value of the services that they provide and recognize that many of these health care services are reimbursable.

School districts that increase revenue streams can use these dollars to support the delivery of health services. Quality health care services provided to students can eliminate or reduce health-related barriers to learning, assist children in being ready to learn, and promote academic achievement.

School nurses need to take a leadership role in the development of third party reimbursement programs by:

- Determining if third party reimbursement will benefit their school district by assessing current health care services delivered and the services that are reimbursable in their individual state by a third party payer (Medicaid or private insurance). If necessary, seek the support and expertise of vendors who can provide guidance to schools and districts in seeking reimbursement.
- Garnering support from the school board, the administration, and the school staff.
- Demonstrating cost benefit to state Medicaid agencies and insurance companies in negotiating contracts with schools.
- Establishing rates based on salaries, benefits, and the costs associated with delivering services.
- Collaborating with other health care disciplines that have reimbursable services, such as physical therapists, occupational therapists, speech therapists, and social workers.
- Establishing a documentation system that meets the requirements for third party reimbursement.
- Promoting the quality of services by developing quality reviews and internal audits.

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Adopted: June 2005
Revised: January 2007