



STATE OF WASHINGTON  
**HEALTH CARE AUTHORITY**

626 8th Avenue, SE • P.O. Box 45530 • Olympia, Washington 98504-5530

September 1, 2011

**TO:** School District and Educational Service District

- Superintendents
- Special Education Directors
- Business Managers

**FROM:** Christine Bess, MA  
Family Health Services Section Supervisor  
Division of Health Care Services/Office of Community Services

**SUBJECT: Medicaid in Education 2011-2012  
School Based Health Care Services for Children in Special Education (SBS)**

**Introduction**

This letter is to update you on the status of the SBS program.

First I want to advise you that all Medicaid programs joined the Washington State Health Care Authority (HCA) <http://www.hca.wa.gov/>, on July 1, 2011. The purpose of this merger is to make the state's health care programs more efficient and effective.

The Legislature appropriated funds in the 2011-2013 Budget proviso "... solely for continued provision of school-based medical services by means of an intergovernmental transfer (IGT) arrangement. Under the arrangement, the state shall provide forty percent (40%) and school districts sixty percent (60%) of the nonfederal matching funds required for receipt of federal Medicaid funding for the service."

**What does this mean?**

The School Based Health Care Services Program for Children in Special Education has returned.

Participating school districts and educational services districts may begin billing HCA for Medicaid covered services provided on or after September 1, 2011. Please refer to the program WAC at <http://apps.leg.wa.gov/wac/default.aspx?cite=182-537> and Billing Instructions at [http://hrsa.dshs.wa.gov/download/Billing\\_Instructions/School\\_Based\\_Health/SchoolBasedHealthcareServices\\_BI.pdf](http://hrsa.dshs.wa.gov/download/Billing_Instructions/School_Based_Health/SchoolBasedHealthcareServices_BI.pdf). Covered services remain the same (speech therapy, occupational therapy, physical therapy, audiology, nursing services, counseling services and psychological assessment) as do the requirements for billing and reimbursement.

School District and Educational Service District

- Superintendents
- Special Education Directors
- Business Managers

September 1, 2011

Page 2

Please note: The HCA SBS program reimburses school districts and educational service districts for IDEA Part B services.

### **A new funding structure – what you need to know**

Prior to September 2007, the Office of Superintendent of Public Instruction (OSPI) provided the nonfederal funds required for receipt of federal matching Medicaid funding, and between September 2007 and January 2011, HCA (formerly the Medicaid Purchasing Administration) included the state matching funds in our budget forecast. Due to the state's deep economic recession and resultant budget deficit, HCA could no longer provide the entire state matching funds for SBS as an *optional program* (not required) in its budget forecast.

Over the next few months, we will provide opportunities for extensive discussions with participating school district and educational service district business managers about the mechanics of the newly required IGT process. What is important to know at this time is that IGTs can only be administered via a contractual agreement. Effective September 1, 2011, school districts and educational service districts must contract with HCA to participate in the SBS program. The contracts will include specifics about the IGT and will require you to identify key contacts for both the financial and direct service sides of your business.

### **Next steps**

Enclosed with this letter is a HCA Contractor Intake Form (CIF). If you choose to participate in the SBS program beginning September 1, 2011, you must complete the CIF and return to HCA no later than September 16, 2011. Please send your completed CIF to:

Cheryl Vance  
Health Care Authority  
Division of Health Care Services  
P.O. Box 45530  
Olympia, WA 98504-5530

If you have questions about completing your CIF, please call Cheryl Vance at 360.725.1726. The CIF can also be faxed to her at 360.664.0261, no later than September 16, 2011.

Participating school districts and educational service districts will be contacted by October 7, 2011, with additional information. In late October, a contract will be sent to the contact you indicated on the CIF. The fully-signed contract will be retroactively effective September 1, 2011.

School District and Educational Service District

- Superintendents
- Special Education Directors
- Business Managers

September 1, 2011

Page 3

**Communication during this time will be important.**

The SBS program will soon have a website with reference documents, resources and updates including frequently asked questions. If you have any questions regarding this information or upcoming activities at this time, please contact me at 360-715-1668 or [christine.bess@hca.wa.gov](mailto:christine.bess@hca.wa.gov).

Enclosure – Contractor Intake Form (time sensitive)

cc: Preston Cody, Assistant Director, Division of Health Care Services, HCA  
Todd Slettvet, Community Services Section Manager, DHS, HCA  
Cheryl Vance, Administrative Assistant, Community Services, DHS, HCA  
Doug Gill, Office of Superintendent of Public Instruction  
Gayle Thronson, Office of Superintendent of Public Instruction  
Mary Ellen Parish, Office of Superintendent of Public Instruction  
Rebecca Kirby, Office of Superintendent of Public Instruction  
Karen Walker, Department of Early Learning  
Physical Therapy Association of Washington  
School Nurse Organization of Washington  
Washington Association of School Administrators  
Washington Association of School Social Workers  
Washington Occupational Therapy Association  
Washington Speech-Language and Hearing Association  
Washington State Association of School Psychologists  
Janette Benham, Washington State Department of Health  
Greg Morris, Leader Services  
Jill Donnelly, Public Consulting Group