



Senate

General Assembly

File No. 337

February Session, 2024

Substitute Senate Bill No. 397

Senate, April 8, 2024

The Committee on Human Services reported through SEN. LESSER of the 9th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT EXPANDING MEDICAID COVERAGE OF SCHOOL-BASED HEALTH CARE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section, (1)
2 "Title I" means Title I of the Elementary and Secondary Education Act,
3 P.L. 89-10, as amended by the Every Student Succeeds Act, P.L.114-95,
4 and (2) "Title I school" means a school with a high percentage of students
5 from low-income households that qualifies for federal financial
6 assistance under Title I.

7 (b) The Commissioner of Social Services, in consultation with the
8 Commissioner of Education, shall seek federal approval for a Medicaid
9 waiver to provide Medicaid coverage for health care of any student at a
10 Title I school and any student at a school who qualifies for free or
11 reduced price lunches regardless of whether such student qualifies for
12 services under the Individuals with Disabilities Education Act, 20 USC
13 1400 et seq., as amended from time to time, or Medicaid income
14 eligibility guidelines. The commissioner shall seek approval for such

15 waiver in accordance with section 17b-8 of the general statutes not later
16 than October 1, 2024.

17 (c) The Commissioner of Education, in consultation with the
18 Commissioner of Social Services, shall develop an "opt out" form for the
19 parent or legal guardian of any student who does not wish the student
20 to have health care services covered under Medicaid. The
21 Commissioner of Education shall make such form available via United
22 States mail or on the Internet web site of the Department of Education
23 in multiple languages, including, but not limited to, English, Polish,
24 French, Portuguese, Spanish and other languages consistent with the
25 demographic profile of students enrolled in bilingual education
26 programs in kindergarten through twelfth grade in the state.

27 (d) The Commissioner of Education, in consultation with the
28 Commissioner of Social Services, shall develop a list of health care
29 services eligible for Medicaid reimbursement to be disseminated to each
30 local or regional board of education. The Commissioner of Social
31 Services shall make grant payments to local or regional boards of
32 education in amounts representing eighty per cent of the federal portion
33 of Medicaid claims processed for students. Such grant payments shall
34 be made on at least a quarterly basis and may represent estimates of
35 amounts due to local or regional boards of education.

36 (e) Not later than January first annually, the Commissioner of Social
37 Services, in consultation with the Commissioner of Education, shall file
38 a report, in accordance with the provisions of section 11-4a of the general
39 statutes, on Medicaid reimbursement for school health care services
40 with the joint standing committees of the General Assembly having
41 cognizance of matters relating to appropriations and the budgets of state
42 agencies, children, education and human services. The report shall
43 include recommendations on expanding Medicaid health care services
44 provided in schools.

45 Sec. 2. (NEW) (*Effective July 1, 2024*) The Commissioner of Social
46 Services shall amend the Medicaid state plan to provide Medicaid
47 coverage for health care services provided to an eligible student in the

48 office of a school nurse.

49 Sec. 3. Subdivision (5) of subsection (a) of section 10-76d of the 2024
50 supplement to the general statutes is repealed and the following is
51 substituted in lieu thereof (*Effective July 1, 2024*):

52 (5) Beginning with the fiscal year ending June 30, [2004] 2025, the
53 Commissioner of Social Services shall make grant payments to local or
54 regional boards of education in amounts representing [fifty] eighty per
55 cent of the federal portion of Medicaid claims processed for Medicaid
56 eligible special education and related services provided to Medicaid
57 eligible students in the school district. Beginning with the fiscal year
58 ending June 30, 2009, the commissioner shall exclude any enhanced
59 federal medical assistance percentages in calculating the federal portion
60 of such Medicaid claims processed. Such grant payments shall be made
61 on at least a quarterly basis and may represent estimates of amounts due
62 to local or regional boards of education. Any grant payments made on
63 an estimated basis, including payments made by the Department of
64 Education for the fiscal years prior to the fiscal year ending June 30,
65 2000, shall be subsequently reconciled to grant amounts due based upon
66 filed and accepted Medicaid claims and Medicaid rates. If, upon review,
67 it is determined that a grant payment or portion of a grant payment was
68 made for ineligible or disallowed Medicaid claims, the local or regional
69 board of education shall reimburse the Department of Social Services for
70 any grant payment amount received based upon ineligible or
71 disallowed Medicaid claims.

72 Sec. 4. (NEW) (*Effective from passage*) (a) There is established an
73 interagency coalition to coordinate and make recommendations
74 concerning maximizing federal funding for Medicaid-eligible health
75 care services in public schools in the state.

76 (b) The coalition shall convene not later than sixty days after the
77 effective date of this section and shall meet at least quarterly. The
78 coalition shall consist of:

79 (1) The Commissioner of Education, or the commissioner's designee;

80 (2) The Commissioner of Social Services, or the commissioner's
81 designee; and

82 (3) The Secretary of the Office of Policy and Management, or the
83 secretary's designee.

84 (c) Not later than January first annually, the coalition shall file a
85 report, in accordance with the provisions of section 11-4a of the general
86 statutes, with the joint standing committees of the General Assembly
87 having cognizance of matters relating to appropriations and the budgets
88 of state agencies, children, education and human services. The report
89 shall include, but need not be limited to: (1) The number of school
90 children receiving Medicaid-covered health care services in the prior
91 school year and any increase or decrease in the percentage of such
92 students per total student enrollment; (2) steps taken to expand
93 Medicaid coverage of student health care services, including, but not
94 limited to, any Medicaid waivers or state plan amendments; and (3) a
95 survey of efforts in other states to expand Medicaid-covered health care
96 services for students.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>July 1, 2024</i>	New section
Sec. 3	<i>July 1, 2024</i>	10-76d(a)(5)
Sec. 4	<i>from passage</i>	New section

Statement of Legislative Commissioners:

In Sections 1 and 4, references to "services" and "health services" were changed to "health care services" for consistency.

HS *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Social Services, Dept.	GF - Revenue Loss	\$10.4 million	\$10.4 million
Social Services, Dept.	GF - Revenue Gain	See Below	See Below
Social Services, Dept.	GF - Cost	at least \$100,000	at least \$100,000

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
Various Municipalities	Revenue Gain	at least \$10.4 million	at least \$10.4 million
Various Municipalities	Potential Cost	See Below	See Below

Explanation

The bill results in a fiscal impact to the state and municipalities associated with expanding Medicaid School Based Child Health (SBCH) coverage.

For current SBCH program participants, the bill increases the municipal share of associated federal reimbursement from 50% to 80%. This results in a revenue gain to towns of approximately \$10.4 million and a corresponding revenue loss to the state.

The bill also requires DSS to (1) seek federal approval for a Medicaid waiver to provide coverage to all students at Title I schools and to all students who qualify for free or reduced-price lunch, regardless of if they would otherwise qualify for Medicaid, and (2) modify the Medicaid state plan to cover health care services in school nurse's offices for eligible students.

To the extent that towns are currently supporting services for newly covered students, towns will experience a revenue gain associated with 80% of the federal share of costs. If towns provide additional services to the newly covered population as specified by the bill, towns will incur associated costs, which will be partially offset by the share of federal reimbursement.

This is also anticipated to result in (1) administrative costs to DSS of at least \$100,000 associated with increased claims, and (2) increased revenue to the state associated with 20% of the federal share of Medicaid claims for newly covered students and services.

This assumes the payment structure for services under the bill's expansion aligns with the current methodology. To the extent that the payment and reimbursement process varies under the waiver, the fiscal impact to the state and towns may be altered.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the expansion and utilization of Medicaid eligible services under SBCH.

OLR Bill Analysis**sSB 397*****AN ACT EXPANDING MEDICAID COVERAGE OF SCHOOL-BASED HEALTH CARE.*****SUMMARY**

This bill makes several changes to expand access to Medicaid-covered health care for Connecticut schoolchildren. Specifically, it:

1. requires the Department of Social Services (DSS) commissioner, in consultation with the education commissioner, to seek federal approval for a Medicaid waiver to provide Medicaid coverage for all students (1) at a Title I school and (2) who qualify for free or reduced-price lunch, regardless of if they would otherwise qualify for Medicaid;
2. requires the DSS commissioner to amend the Medicaid state plan to cover health care services in school nurse's offices for eligible students (§ 2);
3. starting in FY 25, increases, from 50 to 80 percent, the portion of federal Medicaid-eligible special education and related services reimbursements distributed to schools (§ 3); and
4. establishes an interagency coalition to coordinate and make recommendations to maximize federal funding for Medicaid-eligible health services in Connecticut public schools.

EFFECTIVE DATE: Upon passage, except that the provisions on nurse's offices and increasing the percent of Medicaid reimbursements distributed to schools are effective July 1, 2024.

§ 1 — MEDICAID COVERAGE FOR STUDENTS AT TITLE I SCHOOLS OR QUALIFYING FOR FREE OR REDUCED-PRICE LUNCH

The bill requires the DSS commissioner, in consultation with the education commissioner and by October 1, 2024, to apply for a Medicaid waiver to give Medicaid coverage to (1) all students at Title I schools (i.e., schools that receive federal funding due to their high percentage of low-income students) and (2) all students qualifying for free or reduced-price lunch in Connecticut, regardless of whether a student meets Medicaid income eligibility requirements or qualifies for federal services for students with disabilities.

Under the bill, the education commissioner must consult with the DSS commissioner to develop a form for parents or legal guardians to opt out if their student qualifies but they do not want the student to have Medicaid coverage. This form must be available (1) by mail or on the Department of Education's website and (2) in multiple languages, including English, Polish, French, Portuguese, Spanish, and other languages consistent with the demographic profile of students enrolled in the state in bilingual education programs for kindergarten through 12th grade.

The bill requires the education commissioner, in consultation with the DSS commissioner, to develop and distribute to each local or regional school board a list of Medicaid reimbursement-eligible services. DSS must make quarterly grant payments to school boards for 80 percent of the federal Medicaid reimbursement for claims made for students. The bill allows these payments to be estimates of the amounts due to the boards.

The bill requires the DSS commissioner, annually by January 1, and in consultation with the education commissioner, to report to the Appropriations, Children, Education, and Human Services committees on Medicaid reimbursement for school health services and recommendations for expanding Medicaid services provided in schools.

§ 4 — INTERAGENCY COALITION

The bill establishes an interagency coalition consisting of the education and DSS commissioners and the Office of Policy and Management secretary, or their designees, to coordinate and make recommendations on maximizing federal Medicaid funding for health services in public schools. The coalition must (1) hold its first meeting within 60 days after the bill passes and (2) meet at least quarterly.

The bill requires the coalition to report annually by January 1 to the Appropriations, Children, Education, and Human Services committees on the following:

1. the number of students receiving Medicaid-covered health services in the previous school year and any change in their proportion of the school’s total enrollment;
2. steps taken to expand Medicaid coverage for student health services, including any Medicaid waivers or state plan amendments; and
3. a survey of what other states are doing to expand Medicaid-covered health services for students.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute

Yea 15 Nay 7 (03/19/2024)