Medicaid in Schools

Medicaid reimbursements can significantly support specialized instructional support personnel and student well-being.

An array of funds may support any given school or district’s commitments to student health and well-being, including competitive federal grants, state appropriations and private philanthropic dollars. Medicaid represents a constant potential funding stream.

Broadly speaking, the U.S. Centers for Medicare & Medicaid Services reimburses the right service, provided to (and by) the right person at the right time. Medicaid reimbursements are always a fraction of actual costs and often are split among diverse actors, such as a state Medicaid agency, billing consultants and the school district. The AFT estimates about 15 percent of costs for student health programming can be recouped through Medicaid reimbursement; others estimate these funds cover about 20 percent of special education costs, more specifically. Medicaid plays an important role in sustaining public schools’ commitment to the whole child.

Medicaid in schools supports learning, promotes access to healthcare and increases health equity. Altogether, schools recoup about $4-5 billion per year, though there is wide variation from one state to the next. As schools attend to recovery from the coronavirus pandemic, Medicaid may be instrumental in helping ensure student well-being and access to school health services, especially for young people who may have nowhere else to turn.

“Schools use Medicaid funding to provide basic health screenings, connect students to highly qualified health professionals and strengthen their services to children with special needs.”

—Randi Weingarten, AFT President
Several tensions arise from the imperfect intersection of health and education policy as implemented in student health and Medicaid in schools programs. The union can be a powerful partner with education employers to streamline and strengthen Medicaid in school programs to best support specialized instructional support personnel (SISP) and students. Together in labor-management collaboration, district partners can implement excellent programs.

**Excellent Medicaid in schools programs transparently report student health funding.**

Each state designs its own Medicaid in schools programs, and districts often further tailor the program, such as by contracting with a billing vendor. This complicates the desire to establish helpful comparisons. For instance, it is very difficult for any SISP to answer basic questions about how their own paperwork responsibilities contribute to student health, such as:

- How much money is the district recouping from claims for services I offer?
- How do Medicaid reimbursements relate to my effort and time?

The AFT developed a standardized set of research questions on common student health indicators that aims to help local unions and districts collect comparable data across diverse settings. An aligned, simple “snapshot” reporting framework allows for apples-to-apples comparisons and grounds more site-specific inquiries.

### A Snapshot of Student Health Spending: St. Paul Public Schools (School year 2014-15)

**Total student health spending:**

**$58.4 million**

SPPS’s total student health spending included 22,000 screenings, such as for hearing and vision impairments; 28,349 student encounters with school nurses; 38,105 student encounters with school occupational therapists; 5,384 student encounters with school physical therapists; 2,216 student encounters with school psychologists; 52,509 student encounters with school social workers; and 101,918 student encounters with speech language pathologists.

**Medicaid claims:**

**$8.6 million**

SPPS submitted Medicaid claims totaling $8.6 million for student health services listed on an IEP.

**Monies recouped from Medicaid:**

**$4.3 million**

SPPS recouped $4.3 million—the federal share of Medicaid reimbursements.

This funding covered 7.82% of all spending on student health.

Supportive state policy helped SPPS also recoup funds from the Minnesota Department of Education ($27.4 million)
Excellent Medicaid in schools programs reinvest reimbursements into whole-child initiatives.

Recouped funds often help pay for providers’ salaries, expanding health services, outreach, and even service referrals. However, in other instances, the hard work of SISP to document and submit billing claims yields funding for programs that bear no obvious relationship to student health. In Massachusetts, for example, school nurses have sought legislative support to have Medicaid reimbursements for their work returned to school health programs in participating districts, rather than to the municipality, the current arrangement.

Once equipped with a clearer picture of how Medicaid funds are being used, such as with the snapshot, labor-management dialogue can focus on whether funds can be more strategically aligned with needs, challenges or assets. For instance, Minnesota legislation limits participating districts to use reimbursements for program administration, training and technical assistance related to health service delivery, and benefits to students.

As another example, 2015 legislation in California required participating districts to “reinvest the federal reimbursement they receive under this program in health and social services for children and families, and develop and maintain a collaborative committee to assist them in decisions regarding the reinvestment of federal reimbursements.”

Initial research suggests that about 15 cents is recouped per dollar spent. That adds up to $4-5 billion in Medicaid reimbursements flowing to schools each year.

A Snapshot of Student Health Spending:
Chicago Public Schools (School year 2014-15)

- Total student health spending: $321 million
  - CPS’s total student health spending included 204,590 screenings, such as for impaired vision and high blood lead levels; 97,719 student encounters with school nurses; 58,846 student encounters with school occupational therapists; 14,935 student encounters with school physical therapists; 43,694 student encounters with school psychologists; 144,933 student encounters with school social workers; and 1,724 student encounters with speech language pathologists.

- Monies recouped from Medicaid: $52.3 million
  - Of its Medicaid claims, CPS recouped $52.3 million for student health services listed on an IEP.
  - This funding covered 16.25% of all spending on student health.
Endnotes


6. 2020 Minnesota Statutes, Section 125A. Subdivision 3. Use of reimbursements. https://www.revisor.mn.gov/statutes/cite/125A.21#:~:text=(3)%20the%20right%20of%20the,34%2C%20section%20300.504%2C%20or%20303.520.


The American Federation of Teachers is a union of professionals that champions fairness; democracy; economic opportunity; and high-quality public education, healthcare and public services for our students, their families and our communities. We are committed to advancing these principles through community engagement, organizing, collective bargaining and political activism, and especially through the work our members do.

Randi Weingarten
PRESIDENT
Fedrick C. Ingram
SECRETARY-TREASURER
Evelyn DeJesus
EXECUTIVE VICE PRESIDENT

American Federation of Teachers, AFL-CIO • 555 New Jersey Ave. N.W. • Washington, DC 20001 • 202-879-1400 • www.aft.org