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BILL: HB 1317
TITLE: Maryland Medical Assistance Program – Use of Reimbursement Funds
DATE: February 28, 2024
POSITION: Unfavorable
COMMITTEE: House Ways and Means Committee
CONTACT: Mary Pat Fannon, Executive Director, PSSAM

The Public School Superintendents’ Association of Maryland (PSSAM), on behalf of all twenty-four Maryland local school superintendents, **opposes** House Bill 1317.

This legislation would allow local school systems to use certain funds received for services provided under the Maryland Medical Assistance Program or the Maryland Children’s Health Insurance Program to provide certain positions, internships, and stipends.

PSSAM opposes HB 1317’s restrictions on the uses of Medicaid reimbursement funding. Previously, Medicaid school-based reimbursements were limited due to federal regulations, however, that is changing. The federal government is in the process of making bold and expansive changes to allow school districts to use Medicaid funding in K12 educational settings. In an effort to take advantage of this increased federal flexibility and generous funding, the Maryland Department of Health (MDH) is completing its draft Medicaid State Plan Amendment to allow school systems to bill for services provided by school psychologists and social workers for all students, not just those with Individual Education Plans (IEPs). This is exciting for school districts who have seen an incredible uptick in the need for social and emotional support for students post-pandemic.

We are aware of the concerns expressed by community health providers that this expanded Medicaid billing will infringe on their business model and treatment arena. We strongly urge the Committee to recognize that the mental health needs of our students goes well beyond what can be provided by school systems and community health providers combined - there is

unfortunately an enormous amount of need with limited providers to help young people cope in this post-pandemic world. Therefore, it would be negligent to leave any federal funding on the table by limiting reimbursements, or limiting the use of reimbursement to the activities outlined in this bill.

To further clarify this point, according to Montgomery County Public Schools (MCPS), this proposed legislation would have a significant negative impact on their special education budget. ***MCPS currently generates ~\$4.7 million in Medicaid revenue, but under this bill, only approximately \$1.1 million in services that are currently paid for out of these revenues would be allowable.*** As drafted, this legislation would not allow funding for many of the existing critical positions such as staff that directly support special education students, contractual speech pathologists and private duty nurses to provide direct services where there are staffing vacancies, payment for speech pathologists fees for recertification, and funding for university partnerships to create a pipeline for new speech pathologists to be employed by MCPS. Most of these positions cannot be cut due to a lack of funding, but would have to be paid through some other existing or newly requested budget source. These are people and activities that provide direct services to students, and ensure compliance with federal and state special education statutes and regulations.

The bill also creates arbitrary disparities between the "providers" as defined in the bill and certified special education teachers, who bill Medicaid for direct services to special education students. These teachers would be ineligible for the stipend and other incentives set forth in the bill, despite the fact that special education teacher positions are a critical shortage area just as speech pathologists, psychologists, occupational and physical therapy positions. Thus, the unintended consequence of the bill would be to single out a specific group of employees when special education teachers have the same authority and ability to bill Medicaid as the "providers" defined in the bill.

Lastly, the bill limits local educational agencies (LEA) by requiring funds to be spent in a specific way that may not meet the individual needs of each LEA. While some LEAs might have a need for speech pathologists and psychologists, others might need special educators that do not meet the definition of "provider" in the bill. Each LEA should be able to use its Medicaid revenue in a manner that meets the needs of their district.

For these reasons, PSSAM **opposes** House Bill 1317 and requests an **unfavorable** report.