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BILL: SB 506

TITLE: Maryland Medical Assistance Program – Use of Reimbursement Funds by Schools

DATE: March 5, 2025

POSITION: Unfavorable

COMMITTEE: Senate Education, Energy, and the Environment 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** Senate Bill 506.

This bill requires an elementary or secondary school, or a local school system, to use “reimbursement funds” (funds received for services provided in a school setting to an individual enrolled in Medicaid or the Maryland Children’s Health Insurance Program (MCHP)) to provide (1) additional positions for “providers” (school audiologists, psychologists, speech pathologists, and any other health care practitioner who provides services to a student in a school setting); (2) paid internships for students seeking to become providers; and (3) stipends for providers, including providers working in low-performing schools, that are designed to address problems in provider recruitment and retention.

PSSAM opposes SB 506’s restrictions on the uses of Medicaid reimbursement funding. Previously, Medicaid school-based reimbursements were limited due to federal regulations, however, that is changing. Under the previous Administration, the federal government was in the process of making bold and expansive changes to allow school districts to use Medicaid funding in K12 educational settings.

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 ~\$5.2 million in Medicaid revenue, but under this bill, would only be able to use approximately \$2.2 million for services that are currently paid for out of these revenues.*** 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** Senate Bill 506 and requests an **unfavorable** report.