
MEDICAID SCHOOL PROGRAM Information Bulletin, MSP-001

September 24, 2008

ESC's and the New Ohio Medicaid School Program

Ohio Educational Service Centers will not be receiving direct Medicaid reimbursement under the new Medicaid School Program (MSP), however, ESC's will play a vital role in maximizing Federal Medicaid reimbursement for Ohio school districts. All MSP services must be billed through the student's "district of residence", and many of these reimbursable services are provided by an ESC.

ESC clinicians must document reimbursable MSP services on Medicaid forms specific to each child's district of residence. Districts will use the therapy costs charged to them by the ESC as their direct service costs on the Medicaid Cost Report. These costs are usually included in what is often referred to as "Excess Costs", and ESC's will need to clearly identify these charges so that they can be accurately reflected on each district's cost report.

This same cost methodology will also be used for IEP services that a school district contracts through a clinic, hospital, private provider, or County Board of MR/DD. Two key variables that must exist in order for a City, Local, or Exempted Village School District to be properly reimbursed for contracted MSP services are:

- Services must be billed by the child's "district of residence".
- The district of residence must have incurred a cost for the service.

For a few ESC's and school districts, this methodology is no different than what was done in the past, but some ESC's received reimbursement directly and then lowered excess costs based on what was received. Both methods would ultimately generate roughly the same reimbursement.

We are hopeful that many ESC's will continue to coordinate the new MSP program with their local districts. We look forward to working with ESC's and their districts to fully maximize all allowable MSP Medicaid reimbursement. For more information on the Ohio Medicaid School Program, contact HBS at teamhbs@aol.com.

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