

Department of Legislative Services  
 Maryland General Assembly  
 2020 Session

FISCAL AND POLICY NOTE  
 First Reader

House Bill 1530 (Delegate B. Barnes, *et al.*)  
 Health and Government Operations

Maryland Medical Assistance Program - Provision of School Psychology Services

This bill requires Medicaid to provide coverage for school psychology services provided by a school psychologist who is certified by the Maryland State Department of Education (MSDE) to practice school psychology.

Fiscal Summary

**State Effect:** Medicaid expenditures (100% general funds) increase beginning in FY 2021 to provide reimbursement for school psychology services. Under the assumptions discussed below, the FY 2021 increase is \$2.9 million, and out-years reflect annualization. Revenues are not affected as federal matching funds are not available for these services. **This bill increases the cost of an entitlement program beginning in FY 2021.**

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	2,915,000	3,886,700	3,886,700	3,886,700	3,886,700
Net Effect	(\$2,915,000)	(\$3,886,700)	(\$3,886,700)	(\$3,886,700)	(\$3,886,700)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** Local school system revenues increase under the bill due to the ability to bill Medicaid for the provision of school psychology services provided by a certified school psychologist. Expenditures are not anticipated to be affected.

**Small Business Effect:** None.

## Analysis

**Current Law:** Under Maryland regulations (COMAR 13a.12.03.08), “school psychologist” means an individual who is certified to provide psychological services to children in a public or State-approved nonpublic school setting. The school psychologist supervises interns and psychometrists (individuals who work directly under the professional supervision of a school psychologist and who provide assistance in administering psychological tests and other related psychometric tasks). To qualify for MSDE certification as a school psychologist, an applicant must meet one of four options:

- hold a master’s or higher degree in school psychology from a State-approved program and have qualifying scores on the State-approved test for school psychologist;
- hold a master’s or higher degree; complete a State-approved program in school psychology, culminating in at least a 1,200-hour internship in school psychology; and have qualifying scores on the State-approved test for school psychologist;
- hold a valid Nationally Certified School Psychologist certificate issued by the National School Psychology Certification Board; or
- hold a master’s or higher degree from an institution of higher education and hold a valid professional certificate in school psychology from another state (with appropriate verification of at least 27 months of satisfactory performance as a school psychologist during the past seven years on the same basis for which application is being made for a comparable Maryland certificate).

Each school system must provide school psychological services. The School Psychology Program is a comprehensive continuum of services and activities based on psychological principles; the continuum of services and activities includes, but is not limited to, consultations, psychological counseling, psychological assessments, professional development, and program development. The goal of the program is to prevent or remediate educational, emotional, or behavioral problems by identifying, analyzing, and reporting psychoeducational needs through consultation, observation, or psychological and educational assessment. According to MSDE, comprehensive school psychological services are undertaken in concert with the activities of teachers, administrators, school counselors, and other school staff.

**Background:** School psychology services provided as health-related services through the Individualized Education Program (IEP) or Individualized Family Service Plan (IFSP) must currently be provided by a *licensed* professional in order to be billed through Medicaid. These services include psychological test administration and scoring; individual, group, and family psychotherapy; and a psychiatric diagnostic interview. Local school systems, public agencies, and nonpublic schools may employ certified school

psychologists to provide health-related services, but they are unable to maximize reimbursement by billing Medicaid for the delivery of these services.

Maryland Medicaid currently reimburses for psychology services delivered by *licensed* psychologists. A provider must meet the State's licensing, certification, or other applicable qualifying criteria and document the provision of the service by creating and maintaining clinical and billing records. Although school psychologists are certified by MSDE, they are not licensed by the State. As such, services delivered by school psychologists are not eligible for a federal match. Any Medicaid costs must be paid for with State-only funds.

An IEP is a written statement for each child (ages 3 to 21) with a disability that, among other things, must indicate the present levels of academic achievement and functional performance of a child, measurable academic and functional goals for the child, how the child's progress toward meeting these goals will be measured, and the special education and related services that are to be provided for the child. An IFSP is similar to an IEP but is provided to children up to the age of three and requires a statement of the specific early intervention services necessary to meet the unique needs of the child and the family to achieve the outcomes identified for each child and family.

**State Expenditures:** General fund expenditures increase by an estimated \$2,915,006 in fiscal 2021, which assumes a reduced level of services paid for due to the October 1, 2020 effective date. This estimate reflects the cost of reimbursing for school psychology services provided by a certified school psychologist to Medicaid enrollees. The information and assumptions used in calculating the estimate are stated below:

- As of December 2019, there were 440,846 children between the ages of 5 and 18 enrolled in Maryland Medicaid.
- According to the [MDReportCard.org](http://MDReportCard.org) website, approximately 12% of students have an IEP.
- Thus, approximately 12% of children enrolled in Medicaid (52,902) require assessment and evaluation to determine eligibility for IEP services.
- The number of children enrolled in Medicaid and eligible for IEP services is assumed to remain constant each year, with one-to-one replacement of children who no longer need services.
- Testing is reimbursed at a rate of \$33.94, and evaluation of testing results is reimbursed at a rate of \$39.53.
- The annual cost to Medicaid for these services is \$3,886,675.
- To the extent testing is not required in a given year, other services are assumed to be provided and reimbursed at similar rates.
- These services are not eligible for federal matching funds and are, thus, funded 100% with general funds.

This estimate does not reflect any costs associated with psychology services provided to individuals younger than age 5, such as costs associated with an IFSP, or for individuals older than age 18.

Future years reflect annualization, assume flat enrollment in Medicaid, and do not reflect any potential rate increases.

**Local Revenues:** Local school system revenues increase by an estimated \$2.9 million in fiscal 2021 and \$3.9 million beginning in fiscal 2022 from the ability to bill Medicaid for psychology services provided by certified school psychologists.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Maryland State Department of Education; Maryland Department of Health; Department of Legislative Services

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