

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1317
Ways and Means

(Delegate Atterbeary)

**Maryland Medical Assistance Program - Use of Reimbursement Funds by
Schools**

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. The Maryland State Department of Education (MSDE) must adopt regulations to implement the bill.

Fiscal Summary

State Effect: MSDE can adopt regulations using existing budgeted resources. Revenues are not affected.

Local Effect: The bill does not affect overall school system revenues but directs the allowable uses of reimbursement funds beginning in FY 2025. To the extent local school systems must replace or supplement those funds to continue providing other services, local school system expenditures increase beginning in FY 2025, as discussed below. To the extent reimbursement funds are used to attract and retain staff, the bill may assist with current staff shortages and recruitment and retention efforts. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Current Law: With the assistance of the local health department (LHD), each local board of education must provide adequate school health services, instruction in health education, and a healthful school environment. MSDE and the Maryland Department of Health (MDH) must jointly develop public standards and guidelines for school health programs and assist local boards of education and LHDs in their implementation.

Under Maryland regulations (COMAR 13A.05.05), each local school board must provide a coordinated program of pupil services for all students, which must include school counseling, pupil personnel services, school psychology, and health services. The pupil services program must focus on the health, personal, interpersonal, academic, and career development of students.

Medicaid and Maryland Children's Health Insurance Program Reimbursement

School districts, nonpublic schools, and local lead agencies bill and receive payments (with federal matching funds) for Medicaid and MCHP reimbursable services. Medicaid/MCHP pays for health care services, case management, and coordination on a fee-for-service basis for services rendered to eligible participants as part of an Individualized Educational Program (IEP) or Individualized Family Service Plan (IFSP), pursuant to the federal Individuals with Disabilities Education Act.

The following school-based health services are covered: audiology; nursing; nutrition; occupational therapy; physical therapy; psychological; speech-language pathology; and therapeutic behavior. Covered behavioral health services include (1) psychological services delivered in accordance with an IEP or an IFSP, which include the evaluation, diagnosis, and treatment of emotional or behavioral problems in order for a participant to benefit from an educational or early intervention program, including the counseling of parents and parent training when the participant is present and (2) one-to-one services by a trained therapeutic behavior aide delivered in accordance with the IEP or IFSP that is supervised by a licensed physician or authorized practitioner.

School-based Health Centers

School-based health centers (SBHCs) are health centers located in a school or on a school campus that provide on-site comprehensive preventive and primary health services. Services may also include behavioral health, oral health, ancillary, and supportive services. According to a [2022 Maryland School-Based Health Center Program Needs Assessment](#) conducted by The Hilltop Institute, there were SBHCs in 95 Maryland schools across 17 Maryland jurisdictions.

School Psychologists

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 assist in administering psychological tests and other related psychometric tasks).

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.

Audiologists and Speech Pathologists

With specified exceptions, an individual must be licensed by the State Board of Examiners for Audiologists, Hearing Aid Dispensers, Speech-Language Pathologists, and Music Therapists to practice audiology or speech-language pathology. This includes an individual hired by a Maryland local public school system, State-approved nonpublic school for handicapped children, or charter educational institution of the State to practice speech-language pathology or assist in the practice of speech-language pathology.

Local Expenditures: To the extent local school systems must redirect current Medicaid and MCHP reimbursement funds to new purposes under the bill, local school system expenditures likely increase beginning in fiscal 2025 to replace funding for programs that previously used Medicaid or MCHP funds. Alternatively, to the extent local governments choose not to replace Medicaid or MCHP funds with additional local expenditures, such services may no longer be provided as school systems instead direct funding to the bill’s specified purposes.

Both St. Mary’s County Public Schools (SMCPS) and Montgomery County Public Schools (MCPS) advise that the bill would restrict the school system’s flexibility to allocate revenues to projects of the highest priority. Specifically, MCPS advises that the county generates approximately \$4.7 million annually in Medicaid/MCHP revenues, only about \$1.1 million of which already flows to authorized purposes under the bill. Most notably, MCPS uses some of the remaining \$3.6 million to hire additional positions in its Office of Special Education and, if funding were to be redirected away from those positions, the

county would need to supplant those funds with additional spending as such positions are a high priority for the school system. Also, both MCPS and SMCPs further advise that directing revenues toward stipends in low-performing schools may necessitate renegotiation of collective bargaining agreements.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Association of County Health Officers; Maryland State Department of Education; Maryland Department of Health; Montgomery County Public Schools; Prince George's County Public Schools; St. Mary's County Public Schools; Department of Legislative Services

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