

An Act relative to MassHealth reimbursement for schools
[S.794](#) (Senator Moran)

What problem
does this bill
address?

School-based Medicaid is a reimbursement program for providing certain Medicaid-covered health services and related administrative activities in schools to children enrolled in MassHealth. However, **school Medicaid reimbursements often are not directed back into the schools**, but rather are **diverted to municipalities to be utilized at their discretion**.

As of March 2023, over 760,000 children in Massachusetts were enrolled in Medicaid and, while school is an ideal place to meet many of the health needs of children and adolescents, there is a **lack of incentive among school-based providers to bill school Medicaid due to the current reimbursement structure and the administrative burden**.

What
difference
will this bill
make?

This bill would require municipalities to **direct school Medicaid reimbursement dollars back to schools for health services and related administrative activities**. Ensuring schools receive the full benefit of school Medicaid reimbursement would increase participation in the program, maximize federal funds, and expanding access to health services - including behavioral health - for all students.

Why is this
bill needed
now?

A large majority of youth who receive mental health care do so in a school setting, and schools are seeing a dramatic increase in the number of students seeking services for behavioral health-related challenges. An April 2022 report by the National Center for Education Statistics found that nearly **70% of public schools nationally saw an increase in the percentage of students seeking mental health services**, yet **very few schools felt they had the resources or capacity to support the behavioral health needs of students**. While the majority of Massachusetts school districts are enrolled in the School Medicaid program, most districts participate in limited ways, often citing that the administrative burden is not worthwhile because the resources don't go back to support the school.

Despite this limited participation, in **FY22, the Commonwealth received approximately \$86M for school Medicaid reimbursement**. Properly directing these school Medicaid reimbursement dollars has the potential to be an impactful funding source for school districts. Currently, schools receive Elementary and Secondary School Emergency Relief (ESSER) funding as a result of the pandemic, but those **resources are set to expire next year**, leaving schools with less funding and resources for health and behavioral health supports. The phasing out of these funds, along with both new and forthcoming **state and federal policies intended to reduce administrative burden and make it easier for school districts to participate in school Medicaid** makes now an ideal time to restructure school Medicaid reimbursement.