

ACT 141

S.B. NO. 1394

A Bill for an Act Relating to Education.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The department of education provides important health services to Hawaii's school-aged children, including:

- (1) Speech/language therapy;
- (2) Occupational/physical therapy;
- (3) Health-related transportation;
- (4) Mental health and other behavioral services;
- (5) Counseling;
- (6) Diagnostic and assessment services; and
- (7) Nursing and health aide services.

The purpose of this Act is to authorize the department of education to establish and implement a federal revenue maximization program for all medicaid-eligible health services that it provides to Hawaii's school-aged children.

SECTION 2. (a) The department of education, in collaboration with the department of human services and the department of health, shall establish a federal revenue maximization program to:

- (1) Identify medicaid-eligible health services provided through the department of education to students, directly or through contracted providers; and
- (2) Submit claims for federal reimbursement for such services through the department of human services.

In establishing the federal revenue maximization program, the superintendent of education and the director of human services shall execute a memorandum of agreement to develop and implement a federal revenue maximization program for medicaid-eligible school health federal reimbursement.

The department of education may contract with a third party to administer this program. The third-party contract shall be established either at no cost to the State or on a contingency-fee basis with no up-front costs to the State, including but not limited to costs to train staff, adapt data collection systems, and comply with the federal Health Insurance Portability and Accountability Act.

- (b) The federal revenue maximization program shall identify, at a minimum:
 - (1) The service recipient and the recipient's medicaid number;
 - (2) The service provider (either the department of education in total or by contracted provider);
 - (3) The services received, including when, where, and for what diagnosis; and
 - (4) Billing charges for the services provided.

(c) The department of health, in collaboration with the department of human services and the department of education, shall identify sources of funding, including medicaid-eligible health services and reimbursable health services, to establish and provide school-based or school-linked health services at schools in federally-designated underserved areas.

(d) The department of education shall:

- (1) Procure and contract for the development, implementation, and maintenance of the federal revenue maximization program, including any required information technology system or interfaces with the department of education's existing system;
- (2) Claim the maximum reimbursement allowable under medicaid for both administrative costs and school health services arising on and after January 1, 2006; and
- (3) File retroactive claims for the preceding eight quarters, as permitted by available documentation or other back-up information that can be reasonably obtained.

(e) The department of human services and the department of health shall provide technical assistance and support to the department of education in its efforts to obtain federal medicaid school-health reimbursements under this Act.

SECTION 3. The department of education shall submit to the legislature quarterly reports that include:

- (1) The amount of medicaid federal reimbursement received for federal fiscal years 2004-2005 to 2009-2010;
- (2) The amount of additional funding that has been secured;
- (3) The amount of claims pending;

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- (4) The amount of additional federal funding that is projected to be secured over the next five years; and
- (5) Plans for the reinvestment of additional federal funds to expand needed services to the state's children.

The department of education shall also submit an annual report to the legislature no later than twenty days prior to the convening of each of the regular sessions of 2006 to 2010.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 21, 2005.)