




STATE OF CONNECTICUT
DEPARTMENT OF EDUCATION



TO: Superintendents of Schools
Executive Directors of Regional Educational Service Centers

FROM: Glen Peterson, Division Director 
Bureau of Choice Programs

DATE: June 6, 2018

SUBJECT: Open Choice Special Education Costs and Medicaid

This communication clarifies responsibilities for administering Medicaid billing and applying reimbursements to special education costs for special education students in the Open Choice program.

Section 51 of Public Act 17-2, June Special Session, amended Connecticut General Statutes (C.G.S.) §10-76d to require districts to enroll as a provider in the state medical assistance program, participate in the Medicaid School Based Child Health program administered by the Department of Social Services (DSS), and submit billable service information electronically to DSS by December 1, 2017. C.G.S. §10-76d(a)(2). In response to this change, local districts contacted the Connecticut State Department of Education (CSDE) for clarification on whether the sending district or receiving district is responsible for administering the Medicaid billing and reimbursement process for students participating in Open Choice. As a related inquiry, districts asked for clarity regarding the appropriate process for billing and reimbursement for out-of-district placements of Open Choice students when Medicaid coverage is available. Please find the Department's guidance below.

Administering Medicaid Billing for Open Choice students:

Districts questioned whether the sending district or receiving district bills Medicaid for covered services for students enrolled in the Open Choice program. C.G.S. §10-76d(a)(4), as amended, directs the local board of education to "...determine a child's Medicaid enrollment status..." as a mandatory requirement. In the context of Open Choice, the receiving district has access to the data related to the type and duration of services for which Medicaid reimbursement is being sought and, therefore, it is the receiving district's responsibility to bill for and request the Medicaid reimbursements. Please note that while the receiving district manages Medicaid billing for Open Choice students, the amount reimbursed through Medicaid should be deducted from the total amount of any special education costs billed back to the sending district for Open Choice students pursuant to C.G.S. §10-266aa(i) since such reimbursements reduce the "reasonable costs" of providing special education services to Open Choice students enrolled in the receiving district.

Out-of-District Placement Reimbursement:

Districts also sought clarification regarding the appropriate process for Medicaid billing and reimbursement for the out-of-district placement costs of a student enrolled in Open Choice. C.G.S. §§10-266aa(i) and 10-76d(a), as amended, address special education and Medicaid costs for students in the Open Choice program. C.G.S. §10-266aa(i) states that "*the sending district shall pay the receiving district an amount equal to the difference between the reasonable cost of providing such special education related services to such student and the amount received by the receiving district...*" Based on the statutes, a sending district can only reimburse a receiving district and not a third party. Therefore, in the case of an Open Choice student who is placed in an out-of-district special education program, the outplacement facility cannot directly bill the sending district. Instead,

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the facility must bill the receiving district that outplaced the student and the receiving district, in turn, bills the sending district pursuant to C.G.S. §10-266aa(i) in an amount reduced by the Medicaid reimbursement.

If you have any questions, you may contact Janet Foster at 860-713-6561 or janet.foster@ct.gov.

GP:jf

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