



COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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Bill Ritter, Jr., Governor • Joan Henneberry, Executive Director

November 1, 2008

The Honorable Bernie Buescher, Chairman
Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Re: Impact of CMS' Rule 2287-F on the School Health Services Program
JBC Legislative Request for Information 28

Dear Representative Buescher:

This document is presented to the Joint Budget Committee (JBC) of the Colorado General Assembly in response to Legislative Request for Information 28. Legislative Request for Information 28 requests that the Department of Health Care Policy and Financing report on the impact the Centers for Medicare and Medicaid Services' (CMS) rule 2287-F has had on the ability to claim federal reimbursement for Medicaid services provided by school districts.

In December 2007, the Centers for Medicare and Medicaid Services adopted as final rule CMS-2287-F regarding Medicaid reimbursement for school-based administration and transportation. Under the rule, federal Medicaid payment is no longer available for administrative activities performed by school employees or contractors, or anyone under the control of a public or private education institution, or for transportation from home to school and back for school-aged children. The rule does not affect the treatment of expenditures for direct medical services that are included in the approved State Medicaid plan and provided in schools, nor does it affect transportation of school-aged children from school or home to a non-school-based direct medical service provider that bills under the Medicaid program or from the non-school-based provider to school or home. The regulation is estimated to reduce federal Medicaid spending by \$635 million in the first year and \$3.6 billion over five years from 2009 through 2013.

The Medicare, Medicaid and SCHIP Extension Act of 2007, imposed a six-month moratorium on CMS rule 2287-F that was set to expire on June 30, 2008. On June 30, 2008, the President signed the supplemental appropriations act into law (H.R. 2642, P.L. 110-252). Section 7001 of that supplemental appropriations act placed a moratorium on six Medicaid regulations, including CMS 2287-F, which prevents the Secretary of Health and Human Services from taking any action to enforce or implement these regulations until April 1, 2009.

Due to the previous and existing moratoria placed on CMS rule 2287-F which prevented its implementation, there has been no impact on the ability to claim federal reimbursement for Medicaid services provided to students by school districts in Colorado.

Legislative Request for Information 28
November 1, 2008
Page 2 of 2

Questions regarding this response to the Legislative Request for Information request 28 can be addressed to Cheryl Nelson, School Health Services Program Manager. Her telephone number is 303-866-3131.

Sincerely,

Joan Henneberry
Executive Director

JH:cln

Cc: Senator Moe Keller, Vice-Chairman, Joint Budget Committee
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