



HEALTHY SCHOOLS CAMPAIGN

EXPANSION OF SCHOOL-BASED HEALTH SERVICES IN CALIFORNIA: AN OPPORTUNITY FOR MORE TRAUMA-INFORMED CARE FOR CHILDREN



A NEW OPPORTUNITY

The state of California has a **new opportunity** to leverage federal funding to provide physical, mental, and behavioral health services in schools to Medicaid-enrolled students experiencing trauma and violence. This means that schools can play a critical role in helping students receive trauma-informed health services so that they heal from trauma, including exposure to domestic violence and crises such as COVID-19.

In April 2020, the Centers for Medicare and Medicaid Services (CMS) approved California's Medicaid State Plan Amendment (SPA) that allows school districts – known as local education agencies (LEAs) – to access more federal funding for school-based health services. The SPA expands California LEAs' ability to seek federal reimbursement for school-based health services in three important ways: (1) **all** Medicaid-enrolled children are now covered; (2) **more types of services** are now covered; and (3) **more types of providers** are now covered.¹

Prior to April 2020, in California, only those services in a Medicaid-enrolled student's special education plan were eligible for reimbursement. Now, with the new policy, the federal government will reimburse half the cost of delivering a wide-range of medically necessary services provided to all federally Medicaid-enrolled students not just those with special education plans.

WHY THE NEW SPA MATTERS

The effective implementation of the new policy could allow LEAs to draw down significant amounts of additional, sustainable federal funding. In California, over 500 LEAs participate in the Medicaid school-based health services program. In Fiscal Year 2015-2016, California received almost \$72 million in federal funds to reimburse school-based health services to students enrolled in Medicaid. This funding served approximately 350,000 students.² The new SPA has the potential to significantly increase federal funding to California's LEAs because it covers more students, more providers, and more services.

Additional federal Medicaid funds will help the state and LEAs maintain their school-based health care programs. As California and LEAs grapple with budget challenges resulting from the COVID-19 pandemic, additional federal Medicaid funds to support school-based health services will be particularly important and can be used to support and maintain the health services being delivered in the schools. At the same time, LEAs can leverage the additional funding to support student health needs by reinvesting their Medicaid reimbursement into additional, allowable LEA services for students.

Schools are uniquely positioned to provide children and youth access to health, mental health, and behavioral health services in a safe and convenient location.

WHY SPA MATTERS, continued

More than half of California's children (5.5 million) are enrolled in California's Medicaid program.³ This number will likely increase as a result of the job losses associated with the COVID-19 pandemic. Many of these children live in medically underserved communities with limited access to health care services. School-based Medicaid programs help ensure that the physical, mental, and behavioral health care needs of these children and youth are met and that schools are able to access federal financing to support these programs.⁴

School-based health services can facilitate better long-term outcomes for both children and society. School-based healthcare has been shown to improve academic outcomes for children and youth, and academic success can be a strong protective factor against violence. For children and youth that have experienced violence and trauma, early intervention services and trauma-informed care can help them heal and recover and lead productive adult lives.

NEW SERVICES & OPPORTUNITY TO SUPPORT STUDENTS EXPOSED TO DOMESTIC VIOLENCE

The new SPA expands the list of the services that are reimbursable under the Medicaid school-based health services program. Some of the services that are now reimbursable and can treat students who have been exposed to trauma and have other physical, mental and behavioral health needs, include but are not limited to: individual and group therapy, nursing services, physical and occupational therapy, health and nutrition services, and marriage and family therapy. These services will be covered by Medicaid in schools and the LEAs can bill for reimbursement when these services are provided to any Medicaid-enrolled student. A service will only be reimbursed if its medically necessary for the student.

Schools have increased opportunities to support students who have experienced domestic violence and trauma. One critical need facing students and their families is services that help prevent and heal from the impact of domestic violence and trauma. As LEAs look to expand school-based Medicaid for physical, mental, and behavioral health services, there is an opportunity to rethink the delivery of these services and consider using providers that

are trauma-informed. Although the school-based health services and providers reimbursable by Medicaid do not have to be trauma-informed, there are many qualified providers who, with training and support, are able to deliver trauma-informed services. Additionally, LEAs could reinvest their federal Medicaid reimbursement to improve access to trauma-informed care for students as well as trauma-informed trainings for health services staff and teachers to build safe and supportive school environments for all students, including those experiencing domestic violence.⁵

ENDNOTES

- ¹ For more information about school-based services in Medi-Cal, see: [Erynne Jones and Tanya Schwartz. \(January 2016\). Policy Considerations for California Following the 2014 Reversal of the Medicaid "Free Care Rule."](#)
- ² [California Department of Health Care Services \(July 26, 2018\). LEA Medi-Cal Billing Option Program Enrollment Trend Analysis Fiscal Years 1999-00 to 2015-16.](#)
- ³ [California Department of Health Care Services \(March 2019\). Millions of Children in Medi-Cal Are Not Receiving Preventive Health Services.](#)
- ⁴ It is important to note that while California covers immigrant children who are undocumented through Medi-Cal, the federal government will not reimburse the state for services delivered to these students. They would still be eligible to receive services in schools—but they would be funded through state-only financing.
- ⁵ [See Harbage Consulting & California School-Based Health Alliance. \(May 2017\). Enhancing Services for Students: California Local Education Agency Medi-Cal Reinvestments.](#)

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