

# PUBLIC SCHOOLS OF NORTH CAROLINA

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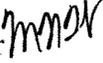
DEPARTMENT OF PUBLIC INSTRUCTION June St. Clair Atkinson, ED.D., *State Superintendent*

WWW.NCPUBLICSCHOOLS.ORG

October 24, 2008

## MEMORANDUM

TO: Directors, Exceptional Children Programs  
Directors, Charter Schools

FROM: Mary N. Watson, Director   
Exceptional Children Division

RE: Medicaid Cost Recovery for CAP/C Waiver Students

North Carolina Medicaid has agreed to exempt school services from CAP/C budgets, which allows LEAs to recover costs for services provided at school to students with CAP/C waivers. This is a reversal of previous policy. Please see attached memo from the North Carolina Division of Medical Assistance. Questions or comments can be directed to NCDPI Medicaid Consultants Laurie Ray at [laurie\\_ray@med.unc.edu](mailto:laurie_ray@med.unc.edu) or Lauren Holahan at [lauren\\_holahan@med.unc.edu](mailto:lauren_holahan@med.unc.edu).

MNW/LH/LR/pp

Attachment

## EXCEPTIONAL CHILDREN DIVISION

MARY N. WATSON, *Director*

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North Carolina  
Department of Health and Human Services  
**Division of Medical Assistance**  
**Clinical Policy & Programs**  
*Facility and Community Care*  
2501 Mail Service Center - Raleigh, N.C. 27699-2501

Michael F. Easley, Governor  
Dempsey Benton, Secretary

Tara R. Larson, Acting Director

**MEMORANDUM**

**To:** CAP/C Supervisors and Case Managers  
**From:** Teresa Piezzo RN, BC, HCI Manager  
**Date:** October 20, 2008  
**Re:** Memo # 2008-13  
CAP/C and Schools

A recent change in Medicaid policy allows schools to bill Medicaid for Nurse Services provided in the school as part of the child's IEP. Previously, the school system was responsible for this cost; therefore the cost of these nursing services was placed in the "other" column of the CAP/C cost summary.

The Division of Public Instruction (DPI) and the Division of Medical Assistance (DMA, specifically the CAP/C unit) met to discuss the impact of this policy on both the CAP/C budgets and the laws regarding Free and Appropriate Public Education (FAPE). A decision has been reached to continue to place these services in the "other" column of the cost summary, despite the Medicaid payment for those services. Therefore **all nurse, therapy, and delegated services provided in the school as part of the child's IEP will be paid by Medicaid, but will go in the "Other" column of the cost summary.**

These school-based services will be reimbursed according to the fee schedule for Local Educational Agencies (LEAs), which can be found on the web with the other fee schedules at <http://www.dhhs.state.nc.us/dma/fee/fee.htm>. Please note the difference in codes and unit rates. The school system will not bill T1000 for nursing services; they will bill either T1002 (RN services) or T1003 (LPN services). Both of these rates are significantly below the T1000 rate. For delegated services, they will bill S5125, but that also is a lower rate than the CAP/C rate for S5125. Delegated services in the school system do NOT include Nurse Aide services; they are tasks delegated to teachers and teacher aides, for example.

The school systems do not bill private insurance.

A standard school year is 180 days, or 36 weeks. The length of an extended school year will vary according to the school system and the recipient.

Although the cost of school services will not be included in the budget, it is still considered to be part of a child's formal support system. No child on CAP/C may receive more than 18 hours per day of formal support (school, CAP/C, and private insurance).

Therapy services should also be placed in the "other" column of the cost summary according to the LEA fee schedule or according to CAP/C's estimated rate of \$53.81/visit.

Example

John is a hospital level of care CAP/C recipient. He has a trach. His IEP allows an RN to be with him 1:1 during the school day to perform suctioning and other respiratory support. It also allows speech therapy services one time per week. He was found to be ineligible for extended school year. His parents both work Monday through Friday, so John has been approved for 18 hours of formal support on weekdays, and 10 hours of formal support on weekends.

His cost summary would be written as follows:

SERVICE	CODE	PROVIDER AGENCY	FREQUENCY OR AMOUNT PER MONTH	P C R	ON BUDGET FROM/TO	COST/UNIT SOURCE	AVERAGE MONTHLY COST		
							MEDICAID	OTHER	S
school nursing RN	T1002	County Schools	6hrs/day x 180 days			27.56/hr <input type="checkbox"/> <MMA <input type="checkbox"/> Other		2,480.40	
in-home nursing	T1000	Nurse Agency	12h/d M-F 10h/d SS			37.72/hr <input type="checkbox"/> <MMA <input type="checkbox"/> Other	12,975.68		
STI nurse school holidays	T1000	Nurse Agency	6 hrs/day x 73 days			37.72/hr <input type="checkbox"/> <MMA <input type="checkbox"/> Other	1,376.78		
speech therapy	92507	County Schools	1x/week X 36 weeks			75.00/visit <input type="checkbox"/> <MMA <input type="checkbox"/> Other		225.00	

His 24 hour coverage schedule would be written as follows

Monday	MN-8A CAP/C, 8A-2P school, 2P-6P CAP/C, 6P-MN parents
Tuesday	MN-8A CAP/C, 8A-2P school, 2P-6P CAP/C, 6P-MN parents
Wednesday	MN-8A CAP/C, 8A-2P school, 2P-6P CAP/C, 6P-MN parents
Thursday	MN-8A CAP/C, 8A-2P school, 2P-6P CAP/C, 6P-MN parents
Friday	MN-8A CAP/C, 8A-2P school, 2P-6P CAP/C, 6P-MN parents
Saturday	MN-8A CAP/C, 8A-10P parents, 10P-MN CAP/C
Sunday	MN-8A CAP/C, 8A-10P parents, 10P-MN CAP/C

His alternate 24 hour coverage schedule during school holidays would be written as follows:

Monday	MN-6P CAP/C, 6P-MN parents
Tuesday	MN-6P CAP/C, 6P-MN parents
Wednesday	MN-6P CAP/C, 6P-MN parents
Thursday	MN-6P CAP/C, 6P-MN parents
Friday	MN-6P CAP/C, 6P-MN parents
Saturday	MN-8A CAP/C, 8A-10P parents, 10P-MN CAP/C
Sunday	MN-8A CAP/C, 8A-10P parents, 10P-MN CAP/C

Representatives from the school system at the state level will be available at the October 29, 2008 CAP/C conference call to answer your questions regarding CAP/C and schools.