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# **School Health and Related Services (SHARS)**

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**STAR Kids Managed Care Advisory Committee  
June 15, 2022**

# SHARS Program Overview (1 of 2)

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- School Health and Related Services (SHARS) are Medicaid services provided by Local Education Agencies (LEAs) in Texas to Medicaid-enrolled students
- SHARS is jointly overseen by the Texas Education Agency (TEA) and the Health and Human Services Commission (HHSC)
- SHARS allows LEAs, including independent school districts and public charter schools, to obtain Medicaid reimbursement for certain medically necessary health-related services documented in a student's Individualized Education Program (IEP) as constructed by the student's Admission, Review, & Dismissal (ARD) committee



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# SHARS Program Overview (2 of 2)

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- Centers for Medicare & Medicaid Services (CMS), an agency within the U.S. Department of Health and Human Services (HHS), oversees the Medicaid program at the federal level and approves the Medicaid state plan, including Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefits such as those covered through the SHARS program
- SHARS are paid for by Texas LEAs with a federal match (or Federal Medical Assistance Percentage (FMAP), approximately 60%)
  - HHSC utilizes a small amount for administrative costs, approximately 1%.



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# How is SHARS Reimbursed? (1 of 2)

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## **SHARS reimbursement is provided for students who:**

- Are 20 years of age or younger and enrolled in Medicaid
- Meet eligibility requirements for special education described in the Individuals with Disabilities Education Act (IDEA)
- Have IEPs that prescribe the needed services



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# How is SHARS Reimbursed? (2 of 2)

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## To be reimbursed for delivering Medicaid services, CMS requires LEAs to:

- Submit an interim claim and bill for services as they are delivered
  - Claims must be submitted within 365 days from the date of service, or no later than 95 days after the end of the Federal Fiscal Year (FFY) (January 3), whichever comes first
- Complete annual cost reporting
- Undergo cost reconciliation and cost settlement processes as conducted by HHSC
- Participate in the Random Moment Time Study (RMTS)



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# What does SHARS cover?

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## SHARS covers the following services:

- Audiology services
- Counseling services
- Nursing services
- Occupational therapy (OT)
- Personal care services (PCS)
- Physical therapy (PT)
- Physician services
- Psychological services, including assessments
- Special Transportation Services
- Speech therapy (ST)



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# IDEA Part B and TEA

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## IDEA:

- Outlines requirements for IEPs
- State plan is approved by the United States Department of Education (USDE)
- Is administered by the State Education Agency, Texas Education Agency (TEA)
- Funds are allocated by state
- USDE and TEA provides oversight of IDEA compliance



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# Medicare Catastrophic Coverage Act of 1988

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**Amended 1903(c) of the SSA to permit Medicaid payment for services under IDEA through a child's IEP or IFSP:**

“Nothing in this title shall be construed as prohibiting or restricting, or authorizing the Secretary to prohibit or restrict, payment under subsection (a) for medical assistance for covered services furnished to a child with a disability because such services are included in the child's individualized education program established pursuant to part B of the Individuals with Disabilities Education Act or furnished to an infant or toddler with a disability because such services are included in the child's individualized family service plan adopted pursuant to part C of such Act.”

-SSA 1903(c), Payments to States

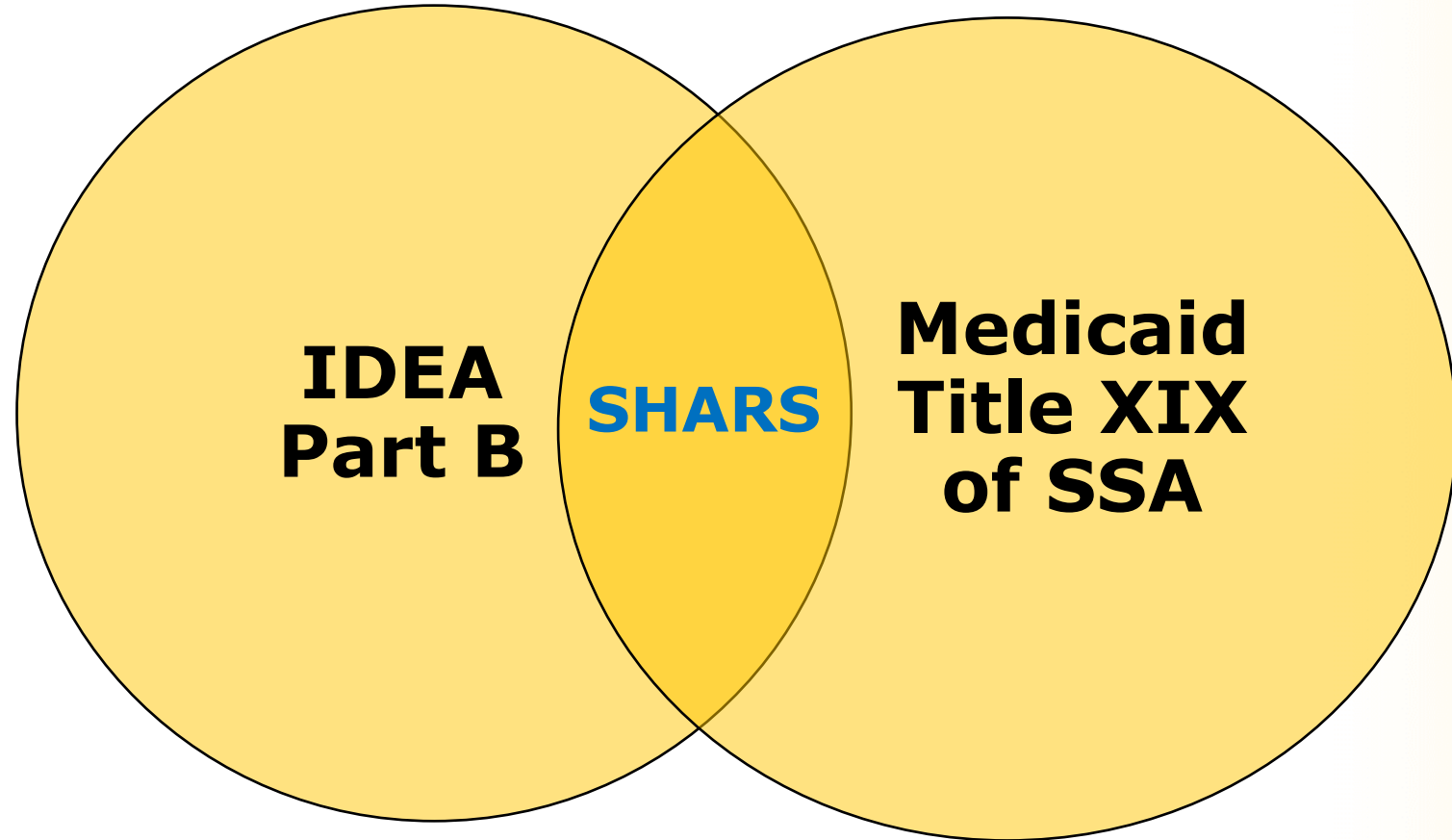


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# Nexus of Two Funding Statutes

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# Policy vs. Rates in Texas Medicaid

**HHSC: Texas SHARS Program**

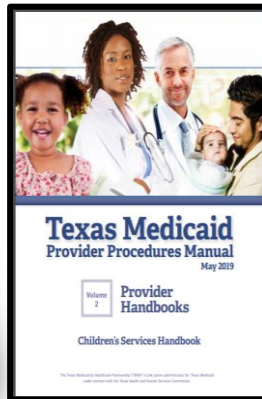
**Medical Policy  
Medicaid & CHIP  
Services - Office of  
Policy**

**Rates  
Provider Finance  
Department (PFD)**

**Texas  
Medicaid  
Provider  
Procedures  
Manual  
(TMPPM)**

**Random  
Moment  
Time Study  
(RMTS)**

**Reimbursement**



\* SHARS Handbook  
Effective 11/1/2021



Approved 4/25/07. Revised 08/21/09

**TEXAS TIMESTUDY  
IMPLEMENTATION GUIDE FOR DIRECT SERVICES AND  
MEDICAID ADMINISTRATIVE CLAIMING  
EFFECTIVE APRIL 25, 2007**

# Third-Party Liability (1 of 4)

**Social Security Act §1902(a)(25) and 42 Code of Federal Regulations (CFR) Part 433 Subpart D requires HHSC to seek reimbursement from legally liable third parties before paying for Medicaid-covered services.**

- 42 CFR §433.135 provides that each applicant or recipient is required to assign the state Medicaid agency (SMA) his or her rights to payment for medical care from any third-party, as a condition of Medicaid eligibility.
- 42 CFR §433.136 defines third parties as programs, entities or individuals who are or may be legally responsible for paying all or part of medical claims for Medicaid recipients, such as private insurers.



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# Third-Party Liability (2 of 4)

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- Social Security Act §1903(c) permits an exception to the third-party liability (TPL) requirement for Medicaid-covered services listed on a Medicaid eligible child's IEP; Medicaid will pay primary to IDEA.
- This means that Medicaid will pay prior to the Department of Education (DOE) for Medicaid-covered services listed in a child's IEP.



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# Third-Party Liability (3 of 4)

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- Most non-SHARS Medicaid services are subject to the payor of last resort reimbursement methodology, which requires initial payment from the third-party insurer prior to Medicaid reimbursement
- For SHARS services, HHSC uses the “pay and recover later” method.
  - This method allows HHSC and its fiduciary agent to pay SHARS interim claims submitted by SHARS providers (school districts) before seeking reimbursement from liable third parties, such as private insurers.



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# Third-Party Liability (4 of 4)

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- Parents or guardians of Medicaid-eligible students receiving SHARS services should not incur out-of-pocket costs as a result of HHSC billing third-parties, because Medicaid pays co-payments and deductibles associated with private insurance.
- Parents or guardians of Medicaid-eligible students receiving SHARS services have the option to withhold parental consent for the school district to bill Medicaid.
  - School districts must ensure that Medicaid-eligible students receiving SHARS services receive a Free Appropriate Public Education (FAPE) regardless of SHARS TPL policies.



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# Upcoming Initiatives (1 of 4)

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## Texas Medicaid Provider Procedures Manual (TMPPM) policy updates

- House Bill (H.B.) 4, 87th Legislature, Regular Session, 2021
  - Telehealth and Telemedicine
- H.B. 706, 86th Legislature, Regular Session, 2019
  - Audiology evaluation and management services for students with Section 504 plan
- H.B. 2658, H.B. 2658, 87th Legislature, Regular Session, 2021
  - Parental Consent



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# Upcoming Initiatives (2 of 4)

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## Texas Medicaid Provider Procedures Manual (TMPPM) policy updates

- National Correct Coding Initiative (NCCI) edits
- Personal Care Services (PCS)
  - Clarifying educational vs direct medical services
- Counseling/Psychological Services
  - Adding existing psychotherapy procedure codes





# Upcoming Initiatives (3 of 4)

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## Texas Administrative Code (TAC) amendments

- H.B. 706 and H.B. 2658
  - 1 TAC Chapter 354
    - §354.1341 Benefits and Limitations
    - §354.1342 Conditions for Participation
  - 1 TAC Chapter 355
    - §355.8443 Reimbursement Methodology for SHARS



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# Upcoming Initiatives (4 of 4)

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## CMS Review

- State Plan Amendment (SPA)
- RMTS Guide

## Training

- SHARS Program Training



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# Resources (1 of 2)

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## Parental Consent

- SHARS Parental Consent to Bill Medicaid provider notice relating to SHARS parental consent requirements issued by HHSC Provider Finance Department on August 16, 2021.
- For further information on parental consent for SHARS, please see the Parental Notice and Consent section of the [Texas Education Agency \(TEA\) School Health and Related Services](#) webpage.



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# Resources (2 of 2)

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## Care Coordination

- For information on care coordination for SHARS, please see the [Texas Medicaid Provider Procedures Manual \(TMPPM\) School Health and Related Services \(SHARS\) Handbook](#)



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# Questions?

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# Thank you

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