

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

April 7, 1999

LB 548

reimbursable under federal funds...with federal funds as administrative outreach services under the federal Medicaid Program. Accessing these federal dollars is the main goal for LB 548. As originally proposed, LB 548 would have required separate administrative outreach claiming for all administrative outreach costs. This created a problem since the administrative component was already bundled under the established rate for the three therapies mentioned above. The Department of Health and Human Services had already jumped through all of the hoops and received the necessary approval from Healthcare Financing Associations, the federal agency charged with the Medicaid program. They did not want to have to back out the administrative costs and refigure their reimbursement rate mechanism. Federal Medicaid Fund paid to school districts for the special education services they provide to their students, that's for five years of age and up, reduces the General Fund appropriation to the Department of Education for the state special education aid. In turn, the amount held back, or offset from Department of Education budgets, are used to access federal dollars for services coordination for eligible infants or toddlers with disabilities. LB 548 originally would have exempted the federal funds paid to schools for administrative outreach services from the offset statute. AM1079 redrafts LB 548 to continue application of the offset statute. Federal Medicaid funds paid to school districts under the current billing system will remain subject to the offset statute and continue to provide the match for accessing federal dollars for service coordination for infants and toddlers under the early intervention act. As I mentioned earlier, the main issue of LB 548 is accessing federal funds to help schools pay for the administrative services they provide to Medicaid eligible students. The main difference under AM1079 from the original proposal of the bill is that it will now seek to access federal funds only for those administrative outreach services not currently reimbursed. This will allow the current billing system with its administrative component to remain intact. Another significant change in AM1079 is simply that it amends the statute which creates a statewide billing system for accessing federal Medicaid funds for special education and related services provided by school districts. The original bill had four stand-alone sections. Since LB 548 seeks to utilize the statewide system for accessing Medicaid funds, the