



Childhood Asthma Leadership Coalition

March 21, 2014

Cindy Mann

Deputy Administrator, Centers for Medicare and Medicaid Services and Director, CMSO
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244-1850

Dear Deputy Administrator Mann,

As organizations committed to improving the health and well-being of our nation's children, we are writing to request clarification of Medicaid reimbursement policy related to the provision of preventive services in school-based and public health settings. Specifically, we urge you to issue guidance clarifying the application of the so-called "free care" rule to establish that school districts are eligible to receive Medicaid reimbursement for covered health services provided by a school nurse or other school-based community health worker to Medicaid-enrolled students. This is an essential issue for millions of low-income students across the nation who get their health coverage through Medicaid but often are unable to access important preventive health services.

Questions regarding the "free care" policy stem from a CMS technical assistance guide issued in 1997 which stated that services provided to Medicaid beneficiaries are reimbursable only if all parties receiving services (including those children not eligible for Medicaid) also would be billed. In 2004, the HHS Appeals Board reviewed this issue and found that CMS lacked legal authority to deny payment for services under the "free care" rule as outlined in the 1997 guide (DAB No. 1924). The DAB ruling, which was affirmed in 2005, was based on the fact that the "free care" rule is not included in the State Medicaid Manual nor is it based on regulation. Despite the DAB finding, the "free care" rule continues to be applied today, denying schools the ability to receive payment for critical health services to the detriment of millions of our most needy students.

At a time when the healthcare landscape is shifting toward a focus on prevention and health promotion, the promise of preventive health care must be extended to our students who rely on Medicaid. The Obama Administration has shown tremendous leadership in spearheading and supporting critical investments in preventive health. While we fully support these efforts, we respectfully highlight that a significant portion of the 36 million children who rely on Medicaid are continuing to be left behind because of the lack of clarity and misapplication of the "free care" policy.

We urge the Administration to address this important policy matter by issuing guidance as soon as possible to clarify that covered health services provided to Medicaid-covered children in the school setting are reimbursable under Medicaid. This clarification will not only improve health outcomes for the children who would gain access to preventive health services – such as vaccines, vision and hearing services, and asthma management – it would rightly reinforce the critical role of schools in addressing the health and development needs of our most vulnerable students.

We would welcome the opportunity to meet with you and your staff to discuss this essential issue for children and to explore additional opportunities to collaborate toward the goal of improving health outcomes for children in Medicaid.

Sincerely,

American Lung Association
Asthma & Allergy Foundation of America
Association of Clinicians for the Underserved
First Focus
Green and Healthy Homes Initiative
Healthy Schools Campaign

Merck Childhood Asthma Network
National Association of School Nurses
Regional Asthma and Management Prevention Program
School Based Health Alliance
Trust for America's Health