

## CA POLICY BRIEF June 2011

# AB 3632 Suspension Update

From 1984 until 2010 the state of California required county mental health (CMH) departments to participate with school districts and County Offices of Education (COEs) in the delivery of IEP directed mental health services to special education students.

The mandate was originally passed in 1984 by Assembly Bill (AB) 3632, but in the fall of 2010, the state suspended this requirement. Governor Brown's [May Revision](#) of the state budget bill proposes a permanent elimination of the mandate, releasing CMH departments from responsibility for providing services to special education students in order to benefit from their IEPs.

This would place sole responsibility for managing these students' access to mental health services with the school districts, COEs or SELPAs.

These agencies now face two fundamental questions:

1. How best to coordinate access to IEP mental health services for special education students<sup>1</sup>; and
2. How to pay for these services.<sup>2</sup>



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### Background

Public schools must provide health and social services to students with disabilities as part of their federal mandate to provide a free, appropriate education. According to the [Individuals with Disabilities Education Act](#) (IDEA), schools must develop individualized education plans (IEP) for all special education students, which include a list of services necessary for the student's education. Essentially, this means that schools are responsible for making available all services included in students' IEPs.

In general, schools have either employed staff to provide these services directly on site, or they have contracted with local organizations and agencies to provide services onsite or at other locations. There are two Medicaid funding programs that can partially reimburse schools (up to 50 percent) for some of the costs associated with providing these services: the LEA Direct Billing program and School-based Medicaid Administrative Activities (SMAA).

### LEA Billing for Provision of IEP Mental Health Services

The LEA Billing program reimburses schools for up to 50 percent of the cost of eligible, medically necessary, IEP mental health services. Funding is provided on a fee-for-service basis, and service

<sup>1</sup> Common mental health IEP services provided by counties under the AB 3632 mandate vary by individual COE or SELPA contract agreements with CMH, but can include behavioral health services such as therapy, day treatment, case management, rehabilitation, medication assistance, and residential placement for emotionally disturbed students.

<sup>2</sup> Although Governor Brown's most recent budget proposes a total of \$389 million in funding for school mental health services, additional funds will likely be needed.

eligibility requirements, such as provider qualifications, appear in the [LEA Provider Manual](#) published by the California Department of Health Care Services (DHCS). In general, Local Educational Agencies (LEAs) may bill Medi-Cal for partial reimbursement of Medi-Cal covered direct services that are either provided directly or through a contract with a local provider.<sup>3</sup>

The following chart lists the mental services that are reimbursable to LEAs, as performed by qualified practitioner(s). Corresponding [rate information](#) appears on the DHCS website.

Qualified Practitioners	Reimbursable Services
Licensed psychologists Licensed educational psychologists Credentialed school psychologists	IEP/IFSP psychological assessments Non-IEP/IFSP psychosocial status assessments and health education/anticipatory guidance Psychology and counseling treatments, including individual and group treatments
Licensed clinical social workers Credentialed school social workers Licensed marriage and family therapists	IEP/IFSP psychosocial status assessments Non-IEP/IFSP psychosocial status assessments and health education/anticipatory guidance Psychology and counseling treatments, including individual and group treatments
Credentialed school counselors	IEP/IFSP psychosocial status assessments Non-IEP/IFSP psychosocial status assessments and health education/anticipatory guidance
Licensed physicians/ psychiatrists	Non-IEP/IFSP health education/anticipatory guidance Psychology and counseling treatments, including individual and group treatments
Registered credentialed school nurses	Non-IEP/IFSP health education/anticipatory guidance

### LEA Billing for Coordinating Access to IEP Mental Health Services (through SMAA)

The School-based MAA program reimburses LEAs for part of the cost of referring and coordinating access to IEP mental health services. There are no provider-type restrictions for staff participating in SMAA, and cost reimbursement is based on the time staff spend making referrals and coordinating access to services for students.

### Forthcoming Publications: In-Depth Look at Supplemental Funding Solutions

Unfortunately, neither the LEA Billing or SMAA programs currently match the funding previously available to county mental health departments for mental health services. Paradigm is currently

<sup>3</sup> Contracted providers must either provide services already available from the LEA, or sign over billing rights to the LEA.



researching how additional funding sources may help, such as California Children's Services (CCS) and the Early Periodic, Diagnosis, Screening and Treatment (EPSDT) program. We welcome any input from clients regarding this issue. Please send comments or questions to: [policy@paradigm-healthcare.com](mailto:policy@paradigm-healthcare.com).

### Additional Resources

**CSHC.** Information about community based organizations and health providers interested in working with schools is available from the [California School Health Centers Association](#).

**DRC.** [Disabilities Rights California](#) is a nonprofit closely monitoring AB 3632 developments.

**LAO.** Analysis of the Governor's proposal to eliminate the mandate on county mental health departments to is available from the [California Legislative Analyst's Office](#).

