

Subject: Request for Transparency and Collaboration in Medicaid Cost Settlement Process

Dear Committee Members,

Thank you for the opportunity to speak on behalf of the schools affected by the cost settlement calculation error made by KDHE.

As schools are increasingly tasked with providing comprehensive physical and mental health services to all students, it is critical that Medicaid-allowable services align with the actual support being delivered. Despite the growing need, we are not fully utilizing available federal funding. Research consistently shows that healthy students learn better, behave better, and engage more effectively—outcomes we all strive for.

This situation underscores a broader concern: Kansas restricts Medicaid billing to students with disabilities, while neighboring states allow billing for a wider range of student health needs. As a result, they receive two to three times more Medicaid revenue. We are leaving critical funding on the table—funds that could support essential health services for all students.

We recognize that Medicaid cost settlement is a complex process. However, as the districts are held accountable for the funding received, the District deserve full data transparency. Currently, districts are excluded from key components of the calculation, such as the numerator used to verify Medicaid-eligible students who received services. This lack of information from KDHE prevented us from validating data and any ability to identify errors early.

Wichita was directly affected by the calculation error spanning four consecutive years which resulted in a \$3.2 million recoupment. Had we been provided with full calculation data, the discrepancy could have been resolved in the first year. We requested a corrective action plan be provided to school districts to ensure this will never happen again. To date, this request has not been fulfilled.

Without full transparency, this could happen again. Another example is the administrative claiming component of Medicaid funding. District staff complete the Random Moment Time Study (RMTS), yet the data is never presented back to the district, even though it is used to calculate our quarterly payment. We are expected to accept these results without access to the underlying data yet, held accountable for any errors.

Perhaps this error by KDHE is a sign that it's time to reevaluate how to Maximize Medicaid Revenue to support all Kansas students. It has been over fifteen years since any meaningful changes have been made.

Please allow school districts to participate directly in these conversations, so we are never again in a position to fund another institution's mistake.

Thank you for your time and consideration. I welcome any questions you may have.

Sincerely,

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