



Strategy 22

Increase funding to support school nursing

Strategy 22.1 Implement state policies and practices that support schools in billing Medicaid to provide additional funding for school nurses.

Strategy 22.2 The North Carolina Department of Health and Human Services, North Carolina Department of Public Instruction, and North Carolina Department of Insurance should partner to produce a report exploring additional methods of funding school nursing, such as private health insurance and tax revenue. The North Carolina General Assembly should consider these additional options.

Desired Result

Increased financial support for school nurses in North Carolina through:

- Reduction in administrative burdens, enabling schools and public health departments to optimize Medicaid reimbursement for nursing services, and
- Identification of additional avenues to supplement current funding for school nurse salaries and other support to make these positions more competitive.

Why does the task force recommend this strategy?

Currently, school nurses face significant funding challenges and are often overwhelmed by the demands of serving large populations of students. There is an opportunity to help address this challenge with new guidance from the Centers for Medicare & Medicaid Services (CMS), which offers a streamlined approach to Medicaid funding for school health services, reducing administrative burdens while increasing financial support. By prioritizing improvements to the Medicaid reimbursement process for school nurses, North Carolina can improve access to quality health care services for students across the state. In addition, exploring supplementary funding sources is imperative given the indispensable role school nurses play in promoting the health and well-being of students.

Context

IMPORTANCE OF SCHOOL HEALTH SERVICES AND SCHOOL NURSES

School health services are vital for ensuring the health and well-being of students, especially considering the significant amount of time students spend in educational settings. School nurses operate as integral members of a broader interdisciplinary team that includes counselors, social workers, and psychologists. Their role encompasses identifying and addressing acute health needs, managing chronic health conditions, providing health education, and developing policies to cultivate healthy school environments.¹⁸ School nurses serve as key agents in identifying and addressing unmet health needs that can negatively impact a child's mental health, behavior, and academic attendance and performance.¹⁹⁻²² They can also contribute to savings on health care costs by managing conditions from within the school, which can help avoid unnecessarily sending children home or to the hospital.^{22,23} School health services can also bridge the gap for lower-resourced populations, such as those in rural settings where health care provider availability, transportation, and

time off from work present barriers to accessing health care services.^{24,25} Notably, a cost-benefit analysis estimated that for every dollar invested into school nursing, there was a \$2.20 gain in savings through reduced medical care costs and parent and teacher productivity costs.²⁶ Similarly, a Brown University survey indicates that teachers prioritize increased access to school counselors and nurses over salary raises or reduced class sizes, recognizing the invaluable contribution of health care professionals in mitigating teacher burnout and improving overall student well-being.²⁷ However, despite the many important contributions of school nurses, including improving access to health services for students and reducing teacher burnout, only 66% of schools nationally have access to a full-time school nurse.²⁸

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-Lovison VS, Mo CH. Investing in the Teacher Workforce: Experimental Evidence on Teachers' Preferences. Brown University. <https://edworkingpapers.com/sites/default/files/ai22-528.pdf>



17%-19% of students in NC receive services related to chronic health conditions like asthma or diabetes while at school



48% of school nurses serve more than one school;
12% serve more than two schools



60% of schools in NC do not meet the recommended standard* of one school nurse for every 750 students

*Recommended standard adopted by the General Assembly in 2004 as a goal for the state. Source: North Carolina Department of Health and Human Services. North Carolina Annual School Health Services Report Brochure 2020-2021. <https://www.ncdhhs.gov/20-21annualshsbrochurepdf/open>; Hoban, R. What is The Right Number of School Nurses for North Carolina? NC Health News. <https://www.northcarolinahealthnews.org/2018/02/16/school-nurses-number-story/>

CHAPTER 4 - VALUING NURSES AND NURSING CARE

EMPLOYMENT DYNAMICS AND CHALLENGES

Despite their crucial role in promoting the well-being and academic success of students, school nurses encounter significant challenges in their profession. One of the primary hurdles is recruiting an adequate number of nurses. Budgetary limitations lead to comparatively low pay, with one estimate of a median annual wage of \$58,530 for a nurse employed in a public school versus \$75,030 for their peers employed by hospitals.^{29,30}

In North Carolina, 52% of school nurses are directly employed by the local public school unit (PSU) and another 43% are contracted through the local health department. The remaining 5% of school nurses are employed by a hospital or health alliance.³¹ This decentralization results in salary disparities across districts, with wealthier areas having the ability to supplement salaries, making school nurse positions in those regions more competitive.

The role of school nurse requires a significant level of confidence, autonomy, and skill.²⁸ School nurses may feel stretched thin and overworked as they manage high caseloads of students, often traveling between multiple schools, without coverage to take time off work. Additionally, misconceptions surrounding the role persist, with many unaware that school nurses have specialized training and certifications and must possess a diverse skill set encompassing chronic disease management, health education, and population health monitoring.

CURRENT MEDICAID REIMBURSEMENT FOR SCHOOL HEALTH SERVICES

The process of receiving Medicaid reimbursement for school health services is complex and nursing services are often not included. However, many school nurses are already performing many services that could be reimbursed by Medicaid, such as helping families enroll in Medicaid, coordinating services with community providers for students, vision and hearing screenings, and diabetes and asthma management.³² While Medicaid currently reimburses for some school health services, administrative challenges related to billing systems create barriers for PSUs and local public health departments to contract with Medicaid, which can be a disincentive to accessing these funds, especially for smaller or rural entities.³² In one survey, a quarter of rural school districts indicated they no longer participate in the Medicaid program because they *lost money* due to the cost of complying with paperwork. Even though nurses often provide reimbursable services, PSUs and health departments rarely submit claims for nursing services and instead receive funding from the state. In contrast, other providers of school health services, such as psychologists and occupational therapists, do submit claims to Medicaid to help fund their positions, though their process is also complex and underused.³³

THE TIME IS NOW: NEW CMS GUIDANCE AND STATE SCHOOL ELECTRONIC HEALTH RECORD

In May 2023, CMS released new guidance related to school health services and Medicaid billing with the goal of decreasing administrative burden and increasing reimbursement levels, especially for rural and under-resourced schools.³⁴ **The additional Medicaid funds are estimated to bring in millions of additional federal dollars for school-based services.**³⁵⁻³⁷

Because school Medicaid is carved out of the regular Medicaid program, current state school funding contributions count as the needed matching dollars, meaning **North Carolina will not have to contribute additional Medicaid funds.**³⁸ North Carolina will need to pass a state plan amendment (SPA) to comply with the new rules regardless, presenting an opportunity to examine billing processes to make meaningful and thoughtful changes in support of those who provide school health services. Because schools and public health departments rarely receive Medicaid reimbursement for nursing services, they will need more support to develop billing processes that do not add additional burden to the nurses.

This funding also has the potential to help schools with the students most in need by reducing the administrative burden for them to participate in Medicaid reimbursement. Schools with more students enrolled in the Medicaid program could also receive more funding as reimbursement is partially based on the percentage of students who are Medicaid eligible. Additionally, the Medicaid funding that supports one school nurse can benefit the entire school district, not just the students eligible for Medicaid.

In 2023, North Carolina released a new statewide electronic health record (EHR) for schools. This EHR has the potential to improve care by making information more accessible for students who transfer schools and by streamlining billing. Ideally, nurses should be able to chart students' care as they normally would in the EHR, and billing professionals who are submitting claims on behalf of other professionals should be able to pull data from the EHR for nurses as well.

SPECIFIC RECOMMENDATIONS

When NC Medicaid submits a SPA to reflect the new CMS rules, they should adopt the flexibilities allowed in CMS guidance from May 2023^b regarding Medicaid funding for school-based services.^c Components of the SPA should include:

- More types of providers reimbursed for services
- Coverage for all services within a given provider's scope of practice
- Removal of requirement for physician authorization for medical necessity and defer to scope of practice to authorize services
- Presence of a plan of care by a school nurse, but no formal IEP/504/BIP is required
- Methods to reduce the administrative burden associated with billing
- A small portion of the anticipated increase in federal reimbursement should go toward technical assistance to support administrative costs of billing. (Possible partner for technical assistance is NC AHEC.)

^b The CMS guidance from May 2023 can be found at https://www.manatt.com/Manatt/media/Documents/Articles/CMS-SBHC-Guidance_2023-08_b.pdf

^c Examples of SPAs related to Medicaid and school-based services can be found at <https://www.medicaid.gov/resources-for-states/medicaid-state-technical-assistance/medicaid-and-school-based-services/technical-assistance-materials/index.html>



IDENTIFYING ADDITIONAL FUNDING SOURCES FOR SCHOOL HEALTH

There is an opportunity for private/commercial insurance payers to reimburse for school health services, especially if Medicaid billing can be streamlined as outlined in Strategy 22.1. For instance, in 2023 New York Governor Kathy Hochul pursued legislation requiring commercial insurance providers to reimburse for school-based services at rates comparable to Medicaid.³⁹

Moreover, since state budgets are typically the primary funders of educational services, including school nurses, states such as Colorado, Nevada, California, and Oregon have bolstered educational funding through additional tax revenue, from sources such as recreational marijuana sales, property taxes, and state income tax.⁴⁰⁻⁴⁵

Considerations should be made for equitable distribution of funds to districts with the greatest need. These could include the number of students receiving free or reduced lunch, number of children with medically complex needs, types of interventions needed, experience level, number of students and distance between school buildings, public health needs assessment, etc.

ADDITIONAL OPPORTUNITIES TO SUPPORT SCHOOL NURSES

- Creating a position specifically dedicated to school Medicaid and/or additional positions in the School Health Nurse Consultant Team.⁴⁶
- Support programs such as Every Student Counts, which is working to quantify the unique contributions of school nurses through a robust school health data set (of school-nurse-sensitive indicators) to support school nursing policy decisions.⁴⁷
- Support innovations that can free up time for the existing school nurses so they can help more students. For example, in one California district, school nurses established a telephone triage help line. Nurses rotate the on-call position, typically receiving between 30 and 50 calls per day.^{48,49}

KEY RESOURCE NEEDS



Funding for personnel and technical assistance for research is needed for drafting the SPA, rolling out new billing systems, and ensuring the EHR functions as intended.



Technical assistance is needed for local public school units, public health departments, and school nurses (and other school-based providers) regarding implementation of the new rules.