July 26, 2006

RE: Elimination of Medicaid Reimbursement to Schools for Administrative and Transportation Expenses

The Honorable Mark McClellan
Administrator
Centers for Medicare & Medicaid Services
Hubert Humphrey Building, Room 314-G
200 Independence Avenue
Washington, DC  20201

Dear Administrator McClellan:

The Council for Exceptional Children (CEC) is the largest professional organization of teachers, administrators, parents, and others concerned with the education of children with disabilities, giftedness, or both. CEC is writing to voice its opposition to the proposal by the Centers for Medicare & Medicaid Services (CMS) to eliminate the reimbursement that school districts receive for administrative and transportation expenses from the Medicaid program. CEC is requesting that you take action to ensure that this proposal by the CMS does not become final.

Under current law, Medicaid reimburses school districts that provide health care services delivered by health professionals to students with disabilities. Dennis Smith, director of CMS’ Center for Medicaid and State Operations, told state Medicaid directors in June that expedited rule making will be issued soon to eliminate schools’ administrative and transportation reimbursement claims. The elimination of this reimbursement would inevitably shift the financial responsibility of medically necessary related services to individual school districts across the nation.

CEC strongly opposes the current CMS proposal that would eliminate administrative and transportation claiming, and we encourage you to prevent this proposal from moving forward.

Thank you for your consideration of our request to repeal the CMS proposal to eliminate Medicaid reimbursement of school services. CEC looks forward to your response to our request.

Sincerely,

Deborah A. Ziegler      Daniel R. Blair
Associate Executive Director     Senior Director for Public Policy
Policy and Communication Services

CC: President Bush
   Margaret Spellings, Secretary of Education
   John Hager, Assistant Secretary, Office of Special Education and Rehabilitative Services
   Alexa Posny, Director, Office of Special Education Programs
   Dennis Smith, Director, Center for Medicaid and State Operations