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**STATEMENT**

**OF**

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**ON BEHALF OF**

**THE NATIONAL ASSOCIATION OF SCHOOL NURSES**

**BEFORE THE**

**COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM**

**U.S. HOUSE OF REPRESENTATIVES**

**CONCERNING**

**THE ADMINISTRATION'S REGULATORY ACTIONS ON MEDICAID:  
THE EFFECTS ON PATIENTS, DOCTORS, HOSPITALS, AND STATES**

**PRESENTED ON**

**NOVEMBER 1, 2007**

Mr. Chairman, Mr. Davis, and Members of the Committee, I am Denise Herrmann, a practicing School Nurse from St. Paul, Minnesota, who is privileged to be here today representing the National Association of School Nurses (NASN) on the critical issue of Medicaid funding regulations. I commend the Committee for bringing attention to the fact that the Centers for Medicare and Medicaid Services (CMS) has been issuing Proposed Rules, that if promulgated, will negatively impact the lives of school children and the practice of school nursing.

Through my testimony, I hope to explain how School Nurses are involved with Medicaid Administration Claiming (MAC) in the areas of eligibility, enrollment, and referrals. Perhaps the best way for you to learn how vitally important Medicaid funding is to the lives of children and their families is for me to share some experiences we have gathered from School Nurses who are practicing our profession throughout this country.

NASN's membership of over 14,000 School Nurses are performing duties today that go well beyond what school nursing was like 30-40 years ago when health care costs were affordable and children with chronic health conditions were not "main-streamed." Today, because of Federal laws like the Individuals with Disabilities Education Act, there are children attending school in wheel chairs, on tube feedings, ventilators, central lines, pumps and other complex technologies. School Nurses are there to meet their needs and CMS should acknowledge the level of administrative health care activities that are part of providing services for students. Medicaid Administrative Claiming activities legitimately occur in schools and should be reimbursed. Some school districts use the revenue they receive from MAC to fund School Nurse positions because the laws require that all children have a right to public education. Children with diabetes, asthma and epilepsy have better attendance because a School Nurse can help them be healthy and safe at school. I think you will agree with the research that supports that **Healthy Children Learn Better**. Knowing that healthy children learn better, School Nurses are doing everything they can within the Medicaid regulations to enroll eligible children and make appropriate medical referrals.

School Nurses are knowledgeable about Medicaid **eligibility** in their states, so that they can best serve students and parents who need assistance in applying for Medicaid. Parents routinely ask their School Nurse: "Where do I go to begin the process of applying for Medicaid? How do I know my child is eligible? How do I enroll?" Our School Nurses located in Chairman Waxman's district tell us that just in this past month, 18 families have been enrolled in health insurance through the assistance of the case management work of School Nurses. This type of work performed by the School Nurses is an appropriate use of Medicaid Administrative Claiming and it helps children access much needed medical and dental health care and keeps them out of the expensive and time consuming emergency care at facilities such as the Harbor-UCLA Medical Center.

School Nurses help enroll children in the State Medicaid programs so that they can stay healthy and attend school. Here is an **enrollment** scenario that happens regularly in my practice in St. Paul.

**Nurse** “Good afternoon, Mrs. Smith, it’s Denise, the School Nurse calling about your son Tommy. He is in my office for the second time today because of his asthma. He is coughing a lot today and the emergency inhaler is not working well. In fact, he says he has been coughing more for the last few weeks. Has he been taking his daily medications to prevent an asthma attack?”

**Parent** “No he hasn’t, I ran out of his preventive medication about one month ago and I can’t afford the refill. It cost \$120.”

**Nurse** “I see. Is Tommy still covered by insurance?”

**Parent** “No. His father and I are working, but our jobs don’t offer health insurance. I was hoping he could get by without it. Please keep him in school. I can’t afford to miss any more work.”

**Nurse** “I can understand how hard this is, but remember when he was hospitalized last year before starting his preventive medication. We want to prevent that from happening again. I can help you enroll in a program that provides health insurance for children just like Tommy.”

Health needs and problems are not something children can leave at home. When they come to school, their health needs and problems come with them. They spend 6-8 hours per day at school. The School Nurse is a reliable and trusted health care provider and parents feel comfortable consulting with the School Nurse. It is the School Nurse who is often the child’s first and only access into the health care system. We provide frontline care and if society wants children to “not be left behind,” then we need to be there to help them be healthy and stay in school so they can achieve academic success.

Since the role of a School Nurse is to help students stay healthy and attend school, a typical **referral** example can be found in the story of the 2<sup>nd</sup> grade student with type 1 diabetes. Amanda needed insulin injections 4-6 times per day and tested her blood sugar levels 6-8 times per day. The child left our district for 6 months to live with her father. When Amanda returned to school she no longer had health insurance.

Amanda’s diabetes was out of control. Her blood sugar values were up and down. She went from very high blood sugars that over time lead to serious complications such as blindness and loss of limb, to very low blood sugars that could be life threatening. The mom had no supplies to test Amanda’s blood sugar and only enough insulin for one week; she had no money to purchase insulin and supplies.

The School Nurse worked closely with the local clinic to obtain insulin samples, syringes, test strips and to manage the diabetes to prevent hospitalization over the next five months until Amanda was covered by health insurance. Case management to assist students in accessing cost-effective health services is what School Nurses do every day. Eliminating Medicaid reimbursement to school districts for case management services [as

defined in 1915(g)(2)] will eliminate services for children. Children without insurance do not have a “safety net,” if School Nurses can no longer help children with life-threatening chronic diseases manage their diseases through referral and follow-up services.

Many families served by School Nurses live day-to-day and are stressed in making ends meet. They lack what many of us take for granted. They do not have reliable transportation or money for public transportation. They have no telephones, let alone computers for communication. Some are homeless, and others share close living quarters with other families. Some are unable to read, and many are undereducated. Applying for Medicaid is an overwhelming task. School Nurses identify the children who are most vulnerable and then help them find the best way to receive health care. Without Medicaid reimbursement for that type of school nursing activity, fewer needy children will receive health care services.

Numbers and Regulations can be tedious and faceless. Let me tell you about one little girl with a heart condition, whose story I consider to be a real success. I can also tell you that the successful outcome would not have happened if the Proposed Rule to eliminate Medicaid Administrative Claiming by schools was in place. This past year, a father brought his daughter to our district to enroll in school. I’ll call her Anne. The family had recently moved to our state and they had no health insurance. During the health interview, the father revealed that Anne had a heart condition and lately had not been feeling well. The Nurse began the paperwork to get Anne enrolled in Medicaid so she could see a cardiologist. Over the next six months, the father stopped by the Nurse’s office every 2-3 weeks with additional questions or paperwork that needed to be completed for the Medicaid application. In the meantime, the Nurse found a cardiologist who would see Anne while the Medicaid eligibility was pending. [Remember - there are many health institutions that will not even see you if you don’t have insurance.] It took 6 months for Anne to finally get approved for Medicaid and by that time her father was back into the Nurse’s office, because he needed to do more paperwork for the six months renewal to maintain eligibility. Today Anne is healthy and doing very well in school. Her fear of living with a life-threatening heart problem has greatly diminished. Without the School Nurse’s persistence and intervention, Anne would have continued to suffer emotionally, physically, and scholastically. In addition, the family would have had to pursue much more expensive health care, such as hospitalization, or emergency room visits for a condition that was treatable by outpatient physician care.

Now that I have shown you the ways that School Nurses use MAC to conduct duties related to case management of children in need, you will understand why NASN is in disagreement with the CMS position that the school-based administrative activities performed by School Nurses fail to meet the statutory test under section 1903(a) (7) of “being necessary...for the proper and efficient administration of the State plan.” By performing the health-care related administrative activities, School Nurses help to improve children’s health, reduce inappropriate emergency room visits, and reduce expensive unnecessary hospitalizations. Children with health care needs don’t just disappear. With proper assessment and preventative care, School Nurses are doing

everything they can to keep children in school and out of hospitals and emergency care situations.

A recent NASN study on School Nurse Staffing indicates that seventy-five percent of US Public schools employ School Nurses. Schools in 47 states do some type of Medicaid claiming for health care services provided at school so the child can stay in school – and their parents can remain at work. By eliminating Medicaid administrative claiming reimbursement, the “safety net” that has been woven by School Nurses on behalf of our Nation’s youngest and most vulnerable citizens could harm children and lead to a significant decrease in the number of School Nurse positions. Who would be there with the medical background and the knowledge of the Medicaid process to advocate for the health care of students who have no control over whether or not their family has health coverage?

CMS states there is evidence of “fraud” as a reason for changing school-based Medicaid claiming, although no evidence is presented. In my twenty years of experience as a School Nurse, I have no personal knowledge of a school district conducting improper billing for the purpose of Medicaid claiming. Having **clear and consistent procedures** from CMS and state Medicaid agencies that are compatible with the education laws is the best way to prevent any fraud and abuse of the system. Even if there are examples of isolated improper billings, it has never been shown to be for the purpose of fraud, but rather confusion with a complex system and lack of direction. In fact, the GAO Report issued in April 2000 on Medicaid in Schools indicated that a lack of direction from CMS was a significant contributor to the errors found in state audits.

Children represent half of all Medicaid enrollees, but account for only 17% of total program spending (Kaiser Commission September 2007). Therefore, children are by no means “draining the fund.” On behalf of the National Association of School Nurses, I implore this Committee to do whatever they can to let CMS know the harm that would occur by changing certain Medicaid regulations for administrative claiming. It is painfully obvious to School Nurses as we work within these public systems, that by eliminating the federal financial participation for school-based administrative claiming, the health needs of innocent children will go unmet and the preventable consequences will be long lasting for families and our society.