

FAQ School-Based Apple Health (Medicaid) Modernization Update For State Leaders and Policymakers

The Washington State Health Care Authority (HCA) and the Office of the Superintendent of Public Instruction (OSPI) are modernizing school-based Apple Health (Medicaid) services, with implementation beginning in summer 2027.

This modernization will:

- Simplify Medicaid claiming
- Reduce administrative burden for schools and staff
- Expand eligible services and provider types
- Use Random Moment Time Study (RMTS) for all staff instead of individual service billing

These updates align with guidance from the Centers for Medicare & Medicaid Services (CMS), including [*Delivering Services in School-Based Settings: A Comprehensive Guide to Medicaid Services and Administrative Claiming*](#).

School Apple Health modernization is designed to:

- Bring more federal funding into Washington schools
- Reduce administrative burden on staff
- Expand access to student health and behavioral health services
- Strengthen the connection between student well-being and academic success

OSPI and HCA are working in close partnership to provide **ongoing support, training, and clear guidance** to districts and partners, ensuring a smooth and successful transition.

Questions?

- **Visit:** [HCA's School-based services webpage](#)
- **Visit:** [OSPI's Washington Apple Health: School-based services webpage](#)



What is School Medicaid modernization?

A transition to a **cost-based reimbursement model** that aligns with federal guidance and supports increased federal funding for school-based Apple Health (Medicaid) services.

How does the state match change?

- **Current system:** State provides a 50% match through appropriated funds
- **Modernized system:** No centralized state match pool; districts certify public expenditures (CPE) to generate the non-federal share

Does this reduce funding to schools?

No. It changes the financing structure, but **increases the overall funding opportunity** by allowing reimbursement for a broader set of costs and services for all students.

Why is cost-based reimbursement more effective?

- Reflects actual costs of delivering services
- Expands beyond services limited by individualized education program (IEP)
- Reduces administrative burden
- Aligns with school operations

What is the fiscal opportunity?

States using this model have significantly increased federal drawdown. Washington has substantial opportunity to increase current funding levels.

What is needed for successful implementation?

- Continued Office of the Superintendent of Public Instruction (OSPI) and Health Care Authority (HCA) coordination with need to sustain grant-funded positions that support statewide infrastructure, coordination, technical assistance, and long-term implementation success
- Investment in systems and training
- Support for district readiness and capacity

What does success look like?

- Increased federal revenue into schools and stronger school district fiscal health
- Support for student access to health and behavioral health services
- Stronger alignment between education and student supports that allow for equitable educational opportunities