FAQ School-Based Apple Health (Medicaid) Modernization Update For For District Leaders (Superintendents, Fiscal Staff, Program Leads)

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 the biggest change?

The system shifts from fee-for-service billing to a **cost-based reimbursement model using Certified Public Expenditures (CPE)**.

How does the funding structure change?

- **Current system:** 50% federal / 50% state-funded match, limited to billed services
- **Modernized system:** No state match required; districts certify their own allowable costs (CPE) to draw down federal funds

Does this reduce funding to districts?

No. This creates **greater funding opportunity** by:

- Reimbursing total allowable costs, not just billed services
- Expanding eligible services and provider types
- Including administrative activities and contracted supports
- Adding Apple Health (Medicaid) for Kids eligible students

States using this model have significantly increased federal reimbursement.

What is the opportunity for Washington?

Washington currently draws down about $15M annually. States with similar student populations draw substantially more using cost-based systems.

What is MAC and why is it important?

Medicaid Administrative Claiming (MAC) is a **critical early opportunity**:

- Reimburses staff time for activities that are already happening
- Uses Random Moment Time Study (RMTS) and quarterly claiming, the same structure as modernization
- Builds readiness for the future system

MAC is a **low-lift, high-impact way** to begin accessing federal funding now and prepare for transition.

What will districts need to do?

- Participate in RMTS
- Track allowable costs across programs
- Strengthen coordination between fiscal, health, and program teams

What support is available?

Office of the Superintendent of Public Instruction (OSPI) and the Health Care Authority (HCA) will provide:

- Training and technical assistance
- Implementation tools and guidance
- Phased transition support

What is the key takeaway?

This is a **major opportunity to bring more federal funding into schools** while simplifying processes. MAC is the foundation and a great opportunity for districts to utilize or maximize.