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United States Government Accountability Office
Washington, DC 20548

October 8, 2010

The Honorable Tom Harkin
Chairman
The Honorable Michael B. Enzi
Ranking Member
Committee on Health, Education, Labor, and Pensions
United States Senate

The Honorable Henry A. Waxman
Chairman
The Honorable Joe Barton
Ranking Member
Committee on Energy and Commerce
House of Representatives

Subject: *School-Based Health Centers: Available Information on Federal Funding*

Many of our nation's children have difficulty accessing needed health care services. In 2008, the Robert Wood Johnson Foundation reported that about 25 percent of children with insurance and about 55 percent of uninsured children did not receive a recommended routine checkup within the previous year. According to the Department of Health and Human Services (HHS), children face growing risks from chronic physical conditions such as asthma and obesity and from mental health disorders such as depression,[1] and yet, as we have reported, their access to services may be impeded by a number of barriers, including a lack of health insurance and a lack of convenient transportation to medical appointments.[2] Access to mental health care services may also be impeded by concerns about stigma—negative attitudes and beliefs often associated with receiving such care—which can be a deterrent to seeking these services.

To help increase children's access to primary health care and other health care services, states and communities have established school-based health centers (SBHC). SBHCs are located on school grounds, provide health care services regardless of ability to pay, and offer a broader range of services than a school nurse generally provides. Almost all SBHCs provide primary care, and they vary in the extent to which they provide other health care services,

[1]See, for example, HHS, Office of the Surgeon General, *The Surgeon General's Vision for a Healthy and Fit Nation 2010* (Rockville, Md., January 2010) and HHS, Assistant Secretary for Planning and Evaluation, *Vulnerable Youth and the Transition to Adulthood* (Washington, D.C., 2009).

[2]GAO, *School-Based Health Centers Can Expand Access for Children*, GAO/HEHS-95-35 (Washington, D.C.: Dec. 22, 1994), *Hurricane Katrina: Barriers to Mental Health Services for Children Persist in Greater New Orleans, Although Federal Grants Are Helping to Address Them*, GAO-09-563 (Washington, D.C.: July 13, 2009), and *Medicaid: State and Federal Actions Have Been Taken to Improve Children's Access to Dental Services, but More Can Be Done*, GAO-10-112T (Washington, D.C.: Oct. 7, 2009).

such as immunizations, behavioral health care,[3] oral health care, health and nutrition education, and reproductive health care. SBHCs improve children's access to health care services by reducing financial and other barriers to care, especially for children who are poor or uninsured. For example, as we reported in our July 2009 report on children's access to mental health care services following Hurricane Katrina, SBHCs in Louisiana have emerged as a key approach to providing access to primary health care and mental health care services.[4]

Although the principal sources of financing for SBHCs overall are state, local, and private funds, some federal program funds have been used by SBHCs to provide health care services to school-aged children. The three key sources of federal grant funds are HHS's Health Center Program, Title X Family Planning program, and Maternal and Child Health (MCH) Services Title V Block Grant program.[5] In addition to receiving grant funding through grantees of these programs, SBHCs may bill Medicaid for certain services provided to children enrolled in Medicaid.[6] SBHCs may also bill private insurance and other types of public programs for covered services, such as the State Children's Health Insurance Program (CHIP).[7] The Patient Protection and Affordable Care Act (PPACA) appropriated additional federal funding for SBHCs. This funding is to be made available through a program established specifically to fund equipment and facilities.[8] HHS also provides partial funding for a biennial survey of SBHCs that is conducted by the National Assembly on School-Based Health Care (NASBHC)—a private nonprofit organization that advocates on behalf of SBHCs.[9] The survey for the 2007-2008 school year was made available to the 1,909 SBHCs in NASBHC's database[10] and included information such as the services SBHCs provided, the types of organizations that sponsored them, the sources of grant funds they received, and the types of insurance they billed.[11]

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[3]Behavioral health care services can include mental health care services and services related to the prevention or treatment of substance abuse disorders.

[4]GAO-09-563.

[5]Block grants transfer a capped amount of federal funds to states or local governments for broad purposes, such as health, usually giving recipients significant discretion on how they allocate their funds.

[6]Medicaid is a joint federal-state program that finances health care coverage for certain low-income adults and children. Medicaid programs vary from state to state.

[7]CHIP is a joint federal-state program that finances health care coverage for children in families whose income, while low, is above Medicaid eligibility requirements. CHIP programs vary from state to state.

[8]Pub. L. No. 111-148, § 4101(a), 124 Stat. 119, 546-547.

[9]In addition to advocacy, NASBHC is involved in several activities intended to promote the establishment and improvement of SBHCs across the country. Some of the activities have been funded, in part, through cooperative agreements with HHS.

[10]NASBHC maintains a database that has all SBHCs known to the organization. NASBHC regularly updates the database by exchanging lists with organizations involved with SBHCs in 19 states and by monitoring news reports to identify newly opened or closed SBHCs. As of November 2009, there were 1,909 SBHCs in the database.

[11]For additional information about the survey, see Jan Strozer, Linda Juszczak, Adrienne Ammerman, *2007-2008 National School-Based Health Care Census* (Washington, D.C., National Assembly on School-Based Health Care, May 2010), http://www.nasbhc.org/atf/cf/%7Bcd9949f2-2761-42fb-bc7a-cee165c701d9%7D/NASBHC%202007-08%20CENSUS%20REPORT%20FINAL.PDF (accessed Aug. 24, 2010).

The Health Care Safety Net Act of 2008 required that we study the economic costs and benefits of SBHCs.[12] However, we informed cognizant committee staff that data on economic costs and benefits were unavailable. In this report, we describe (1) what is known about federal grant funds received by SBHCs, and (2) what is known about Medicaid reimbursements received by SBHCs.

To describe what is known about federal grant funds received by SBHCs, we analyzed data from NASBHC's survey of SBHCs for the 2007-2008 school year, including data identifying the demographics of SBHC patients, services provided by SBHCs, types of organizations that sponsor SBHCs, and sources of federal grant funding for SBHCs. NASBHC conducted the survey from October 2008 through October 2009. Of the 1,909 SBHCs in its database to which it made the survey available, 1,224 SBHCs (64 percent) responded. We based our analyses on the 1,224 SBHCs that responded to the survey, while NASBHC based its analyses on the 1,096 SBHCs that indicated that primary care services was one of the service types they provided. As a result, certain percentages in this report differ from those reported by NASBHC. We could not examine data on the amounts of federal grant funds that SBHCs received because NASBHC did not ask SBHCs for this information. We interviewed HHS officials from the offices that administer the three grant programs that have been key sources of federal funds: the Health Resources and Services Administration's (HRSA) Bureau of Primary Health Care, which administers the Health Center Program, the program that provides Section 330 grant funds[13] to certain federally qualified health centers (FQHC);[14] the Office of Population Affairs, which administers the Title X Family Planning program; and HRSA's MCH Bureau, which administers the MCH Services Title V Block Grant program. We reviewed documentation for the three programs that are the key sources of federal grant funds that SBHCs use, such as information about program grantees collected by the administering agency. We also reviewed legislation related to funding for SBHCs and peer-reviewed and other articles related to SBHCs. In addition, we contacted other federal agencies that administer programs for school-aged children to determine whether SBHCs were involved in any of their programs. The other federal agencies are HHS's Substance Abuse and Mental Health Services Administration, Centers for Disease Control and Prevention, and Administration for Children and Families' Office of Community Services; and the Department of Education's Office of Safe and Drug-Free Schools. In addition, we interviewed individuals knowledgeable about SBHCs, including NASBHC officials and individuals identified by NASBHC as having extensive experience in managing or sponsoring SBHCs.

To describe what is known about Medicaid reimbursements received by SBHCs, we analyzed data from NASBHC's survey, including types of insurance that SBHCs billed. However, NASBHC did not ask SBHCs to report on reimbursements they received. We also interviewed officials from HHS's Centers for Medicare & Medicaid Services (CMS), which administers Medicaid at the federal level, and individuals knowledgeable about SBHCs, including NASBHC officials and individuals identified by NASHBC as having extensive experience in managing or sponsoring SBHCs.

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[12]Pub. L. No. 110-355, § 2(b)(2), 122 Stat. 3988, 3988-89.

[13]Section 330 of the Public Health Service Act, as amended, authorizes federal grants to public agencies or nonprofit entities to offer comprehensive primary and preventive health care to medically underserved populations. 42 U.S.C. § 254b.

[14]FQHCs are health centers that have received a "Federally Qualified Health Center" designation from CMS. FQHCs enjoy certain federal benefits, such as enhanced Medicaid reimbursement rates that are based on actual costs of providing services. All Section 330 grantees are designated as FQHCs, but not all FQHCs receive Section 330 grants.

We assessed the reliability of NASBHC's survey data by interviewing knowledgeable NASBHC officials, reviewing related documentation, and performing data reliability checks such as examining the data for missing values. After taking these steps, we determined that the data we used were sufficiently reliable for our purposes. The findings in this report are not generalizable to all SBHCs.

We conducted this performance audit from February 2010 through October 2010, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Results in Brief

Over 40 percent of the SBHCs that responded to NASBHC's survey (538 of the 1,224) reported receiving funds from at least one federal grant source. The most common source was HHS's Health Center Program. Of the 538 SBHC survey respondents that reported receiving federal grant funds, 255 said they received funds from the Health Center Program, 138 said they received funds from HHS's Title X Family Planning program, and 86 said they received funds from HHS's MCH Services Title V Block Grant program. The amount of federal funding that SBHCs receive is not known, however, because SBHCs generally receive the funds from a sponsoring organization that is the federal grantee, and the federal agencies that administer the programs generally collect information at the grantee level and not at the SBHC level.

Although SBHCs may bill Medicaid for services provided, the amounts of Medicaid reimbursements that SBHCs receive overall and that specific SBHCs receive are unknown. According to a CMS official, CMS collects or maintains claims data on the basis of certain categories described in Title XIX of the Social Security Act, including clinic services and FQHC services, and because SBHC services is not one of these categories, CMS claims data cannot be used to determine the amount of reimbursements received for services provided in SBHCs. Although CMS's claims data cannot be used to identify SBHC Medicaid reimbursements, some information on SBHCs' billing of Medicaid is available from NASBHC's survey. According to the survey, 72 percent of all SBHC respondents reported billing Medicaid. According to NASBHC officials and some individuals involved with managing or sponsoring SBHCs, some SBHCs may not bill Medicaid for services because infrastructure costs and personnel expenses associated with implementing and maintaining a Medicaid billing system could exceed the reimbursements the SBHC would receive and many services SBHCs provide are not covered by Medicaid.

Background

SBHCs vary in their characteristics, geographic location, and the types of federal funds they receive.

SBHC Characteristics

SBHCs are located in school buildings or on school grounds, and they require parents to provide written consent for their children to receive services. SBHCs may employ multiple types of providers, including nurse practitioners, physicians, and social workers. Most SBHCs receive support for their operations from a sponsoring organization that serves the school's

community, such as a local health department, community health center,[15] hospital, or school system. (See enclosure I for additional information on characteristics of the 1,224 SBHCs that responded to NASBHC's survey.)

SBHC Locations

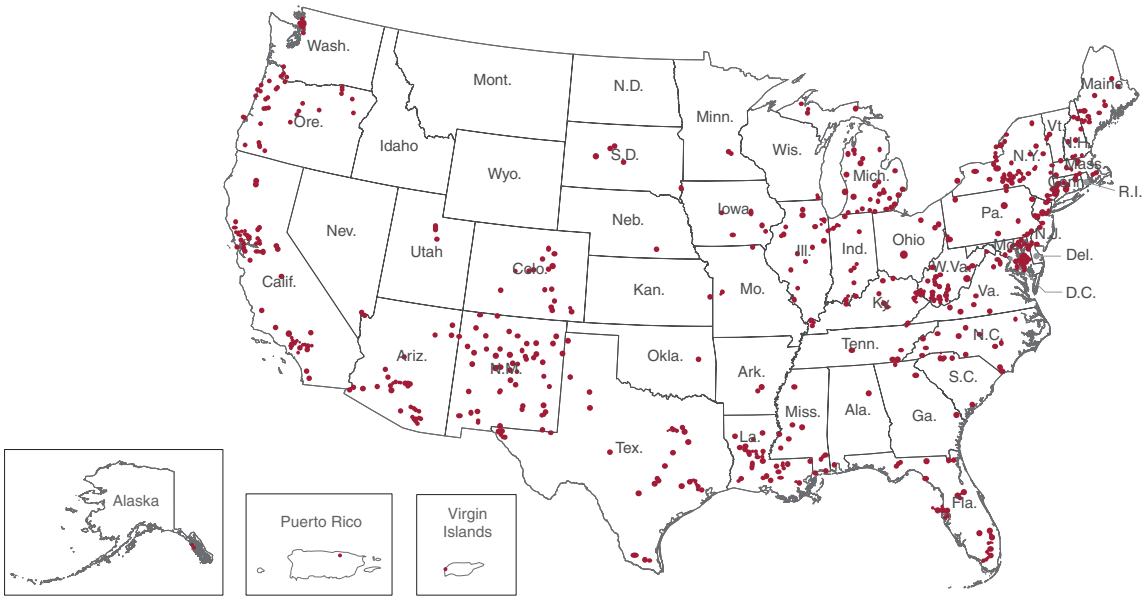
Of the 1,909 SBHCs in NASBHC's database as of November 2009, the largest numbers of SBHCs were in Florida, New York, and California. Five states had no SBHCs.[16] The southeast region of the country had the highest number of SBHCs (671); the west, northeast, and midwest regions had 453, 446, and 336 SBHCs, respectively.[17] (See fig. 1 for the locations of the 1,909 SBHCs in NASBHC's database.)

[15]In this report, we define community health centers as health care providers, including but not limited to FQHCs, that offer primary health care and other health care services to all individuals in a community regardless of an individual's ability to pay.

[16]The five states without SBHCs in November 2009 were Hawaii, Idaho, Montana, North Dakota, and Wyoming.

[17]In addition, Puerto Rico had two SBHCs, and the U.S. Virgin Islands had one.

Figure 1: School-Based Health Centers in the National Assembly on School-Based Health Care's (NASBHC) Database



Alabama	5	Indiana	87	Nebraska	1	Rhode Island	2
Alaska	3	Iowa	16	Nevada	6	South Carolina	7
Arizona	81	Kansas	2	New Hampshire	1	South Dakota	6
Arkansas	4	Kentucky	20	New Jersey	40	Tennessee	21
California	160	Louisiana	64	New Mexico	79	Texas	70
Colorado	45	Maine	26	New York	206	Utah	5
Connecticut	79	Maryland	71	North Carolina	49	Vermont	5
Delaware	28	Massachusetts	59	Ohio	17	Virgin Islands	1
District of Columbia	4	Michigan	90	Oklahoma	11	Virginia	19
Florida	245	Minnesota	16	Oregon	51	Washington	20
Georgia	3	Mississippi	31	Pennsylvania	28	West Virginia	50
Illinois	62	Missouri	3	Puerto Rico	2	Wisconsin	8

Source: NASBHC.

Notes: NASBHC maintains and regularly updates a database that has all SBHCs known to the organization. NASBHC regularly updates the database by exchanging lists with organizations involved with SBHCs in 19 states and by monitoring news reports to identify newly opened or closed SBHCs. As of November 2009, there were 1,909 SBHCs in the database.

Federal Grant Funds Received by SBHCs

While state, local, and private funds have been the primary sources of financing for SBHCs, certain federal grant programs have also been a source of funding for some SBHCs. Table 1 describes the three key federal grant programs that, while not targeted specifically to SBHCs,

are sources of funds for these centers.[18] An SBHC may receive the federal grant funds from a sponsoring organization, such as a community health center or a local health department, that is a federal grantee. An FQHC that is a Health Center Program grantee may provide services at one or more delivery sites, and such sites can include SBHCs. Similarly, a Title X Family Planning grantee may provide services at one or more delivery sites, and such sites can include SBHCs. An SBHC may receive MCH Services Title V Block Grant funds directly from the state or from a sponsoring organization, such as a local health department, that has received funds from the state.

Table 1: Key Federal Grant Programs from Which School-Based Health Centers (SBHC) May Receive Funding

Federal grant program	Administering HHS component	Program description
Health Center Program	Health Resources and Services Administration's (HRSA) Bureau of Primary Health Care	Grantees are private, nonprofit, or public agency health care providers that offer primary and preventive health care services, which include preventive oral health care services and may include other oral health care services and behavioral health care services, to federally designated medically underserved populations or to individuals residing in federally designated medically underserved areas.[a]
Title X Family Planning program	Office of Population Affairs	Grantees are public or private nonprofit organizations, and funds are used to provide comprehensive family planning and related preventive health services.[b]
Maternal and Child Health (MCH) Services Title V Block Grant program	HRSA's MCH Bureau	Grantees are states and jurisdictions, and funds are used to implement a wide range of maternal and child health programs that meet national and state needs, such as increasing the number of children immunized against disease.[c]

Source: GAO analysis of information from HHS.

[a]Health Center Program grantees provide services at one or more delivery sites, and such sites can include SBHCs.

[b]Title X Family Planning grantees provide services at one or more delivery sites, and such sites can include SBHCs.

[c]Some states that receive MCH Services Title V Block Grant funds may direct funding to SBHCs in the state or to other entities, such as local health departments, that use SBHCs as delivery sites.

Medicaid Billing

In addition to receiving federal grant funds, SBHCs may bill Medicaid. State Medicaid offices assign services to certain categories—including clinic services and FQHC services. These categories are listed in Title XIX of the Social Security Act.[19] Because SBHC services are not specifically identified as one of these categories, a state Medicaid office assigns services provided by an SBHC to one of these categories for billing purposes. For example, SBHC services could be categorized as clinic services or FQHC services.

[18]Previously, there was one federal program targeted specifically to SBHCs. In September 1994, HRSA launched the Healthy Schools/Healthy Communities (HSHC) Program. The HSHC Program provided Section 330 grant funds to plan and develop 88 SBHCs that would offer comprehensive primary and preventive health care, including behavioral and oral health care services, to children at high risk for poor health. After fiscal year 2006, HRSA no longer allocated funds to this program. According to HRSA, while the agency continued to recognize school-aged children as an underserved population served by health centers, in fiscal year 2006 the agency decided to no longer identify SBHCs as a separate Health Center category because Section 330 of the Public Health Service Act does not include explicit authorization for a separate SBHC program and the agency determined that it could continue funding SBHCs through Health Center Program grantees.

[19]SSA § 1905(a), codified at 42 U.S.C. § 1396d(a).

The Patient Protection and Affordable Care Act

The recently enacted Patient Protection and Affordable Care Act authorized two new federal grant programs targeted specifically to SBHCs.[20] For one of the two federal SBHC programs, the act requires HHS to award grants to SBHCs or sponsoring entities for equipment and facilities and appropriates $200 million for the program over 4 years. The act prohibits use of these funds for personnel and health care services. In October 2010, HRSA's Bureau of Primary Health Care issued a funding opportunity announcement for awarding approximately $100 million to an estimated 200 SBHCs for facility renovations, construction, and the purchase of moveable equipment. For the second program, the act requires HHS to award grants to SBHCs for providing comprehensive primary care services (including primary health care services, mental health care services, and referrals to dental services), managing and operating centers, acquiring and leasing equipment, training SBHC staff, and paying SBHC staff salaries.[21] Grants for the second program are to be used by SBHCs to supplement other operational funds and may not be awarded to an entity that has received Health Center grant funding for the same grant period. The act authorizes, but does not appropriate, funds for the second program, and as of early September 2010, no appropriations had been made.

Over 40 Percent of SBHC Survey Respondents Received Some Type of Federal Grant Funding, and the Health Center Program Was the Most Common Source

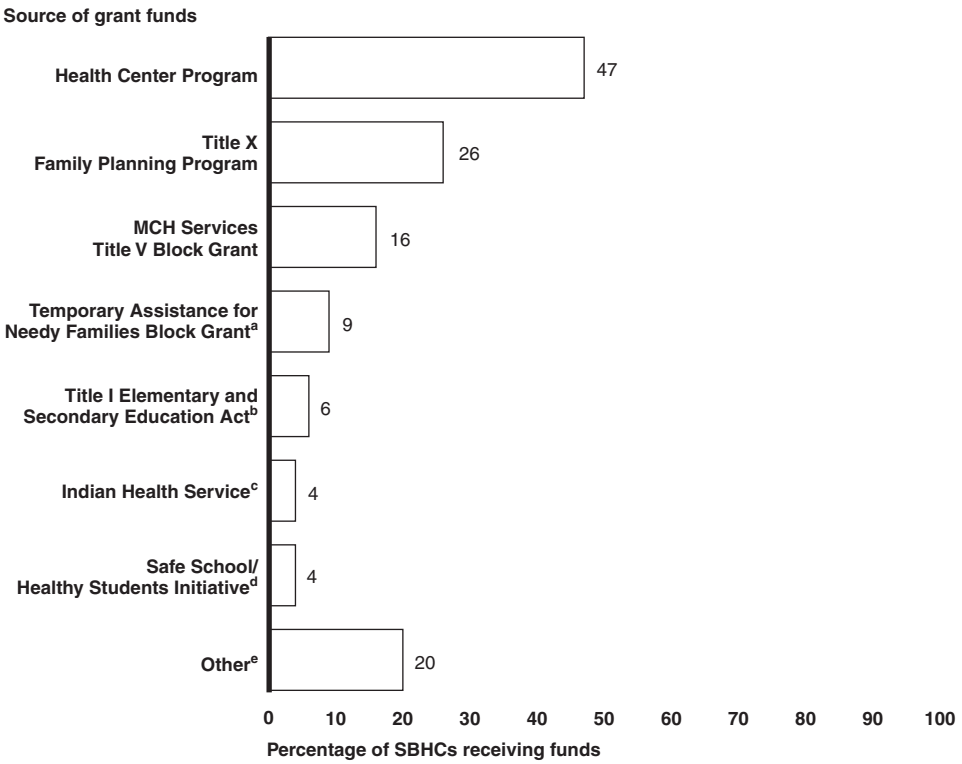
About 44 percent of the SBHCs that responded to NASBHC's survey (538 of the 1,224) reported receiving funds from at least one federal grant source. (Enclosure I provides information on characteristics of the 538 SBHC survey respondents that reported receiving federal grant funding.) Of the 1,909 SBHCs in NASBHC's database as of November 2009, 685 did not respond to the survey, and, as a result, it is not known whether any of these 685 SBHCs received any federal grant funds.

The most common source of federal grant funds for SBHC survey respondents was HRSA's Health Center Program. According to NASBHC's survey, 47 percent of the SBHCs that reported receiving federal grant funds (255 of the 538) stated that they received funds from the Health Center Program. Twenty-six percent of the SBHCs that reported receiving federal grant funds (138 of the 538) stated that they received funds from the Title X Family Planning program, and 16 percent (86 of the 538) stated that they received funds from the MCH Services Title V Block Grant program. However, according to a NASBHC official, it is possible that some SBHC respondents that received Title V funds did not report receipt of those funds because the states may have combined the Title V funds with other funds without their knowledge. Figure 2 provides information on the federal grant programs from which the 538 SBHCs reported receiving funds.

[20]Pub. L. No. 111-148, §§ 4101, 10402(a), 124 Stat. 119, 546-550, 975.

[21]Pub. L. No. 111-148, § 4101(b), 124 Stat. 119, 547-50 (to be codified at 42 U.S.C. § 280h-5). Under certain circumstances, the Secretary of HHS may waive the requirement that the SBHC provide all required comprehensive primary health care services. The Secretary also has the discretion to award grants for certain construction-related costs.

Figure 2: Sources of Federal Grant Funds for School-Based Health Center (SBHC) Survey Respondents That Reported Receiving Federal Funds



Source: GAO analysis of data from the National Assembly on School-Based Health Care's (NASBHC) survey of SBHCs for the 2007-2008 school year.

Note: NASBHC collected data for its survey from October 2008 through October 2009. NASBHC has 1,909 SBHCs in its database; of those, 1,224 SBHCs (64 percent) responded to the survey. Of the SBHCs that responded to the survey, 538 reported receiving federal grant funding.

[a]The Temporary Assistance for Needy Families Block Grant program is designed to help needy families reduce their dependence on government benefits and move toward economic independence. HHS's Administration for Children and Families oversees the program and awards block grants to states, territories, and tribes.

[b]Title I of the Elementary and Secondary Education Act authorizes federal grants, which are administered by the Department of Education, to help states improve the educational opportunities of disadvantaged children. The funds are allocated through state education agencies to school districts using a statutory formula.

[c]NASBHC's survey for the 2007-2008 school year did not ask SBHCs to identify the specific program(s) administered by HHS's Indian Health Service. The Indian Health Service administers programs to help ensure that comprehensive, culturally acceptable personal and public health services are available and accessible to American Indian and Alaska Native people.

[d]The Safe Schools/Healthy Students Initiative is a discretionary grant program that provides funding to local education agencies to build partnerships with local law enforcement and juvenile justice agencies, social and mental health services agencies, community organizations, and parents to plan and implement comprehensive and coordinated programs, policies, and service delivery systems that promote mental, emotional, and behavioral well-being and prevent violence and drug use among children and youth. The program is jointly funded and administered by HHS's Substance Abuse and Mental Health Services Administration, the Department of Education, and the Department of Justice.

[e]Other federal grant funding reported by SBHC respondents includes, but is not limited to, abstinence-only education and Title XX Social Services Block Grants; less than 1 percent of SBHC respondents indicated receiving either of these sources of federal grant funds. Also, SBHCs did not indicate the specific abstinence-only education funds they received. The Title XX Social Services Block Grant provides funding to grantees for services such as family planning.

According to NASBHC's survey, almost all of the SBHCs that received funds from federal grant sources (527 of the 538 SBHCs, or 98 percent) also received grant funds from nonfederal sources, including state governments and private foundations. A NASBHC official and individuals involved with managing or sponsoring SBHCs told us that SBHCs used federal grant funds in combination with nonfederal grant funds to support operations. For example, to support their operations, 12 SBHCS sponsored by a health system in Colorado combined federal funds from a MCH Services Title V Block Grant and from a Health Center Program grant with grant funds from the state of Colorado and from private foundations.

The federal agencies that administer the three key federal grant programs collect information primarily at the grantee level and, as a result, do not collect information on SBHCs' receipt of program funds. Because SBHCs that receive Health Center Program grant funds are delivery sites but usually are not themselves program grantees that directly receive program funds,[22] the Bureau of Primary Health Care does not collect information specifically about SBHCs' receipt of Health Center Program funds.[23] Similarly, federal agencies that administer the other key federal grant programs—the Title X Family Planning program and the MCH Services Title V Block Grant program—do not collect information about SBHCs that receive funds from program grantees such as state health departments.

Little Is Known about Medicaid Reimbursements Received by SBHCs

The amounts of Medicaid reimbursements that SBHCs receive overall and that specific SBHCs receive are unknown. According to a CMS official, CMS collects or maintains claims data on the basis of the categories of services described in Title XIX of the Social Security Act, including clinic services and FQHC services,[24] and because SBHC services is not one of these categories, CMS claims data cannot be used to determine the amount of reimbursement received for services provided in SBHCs.

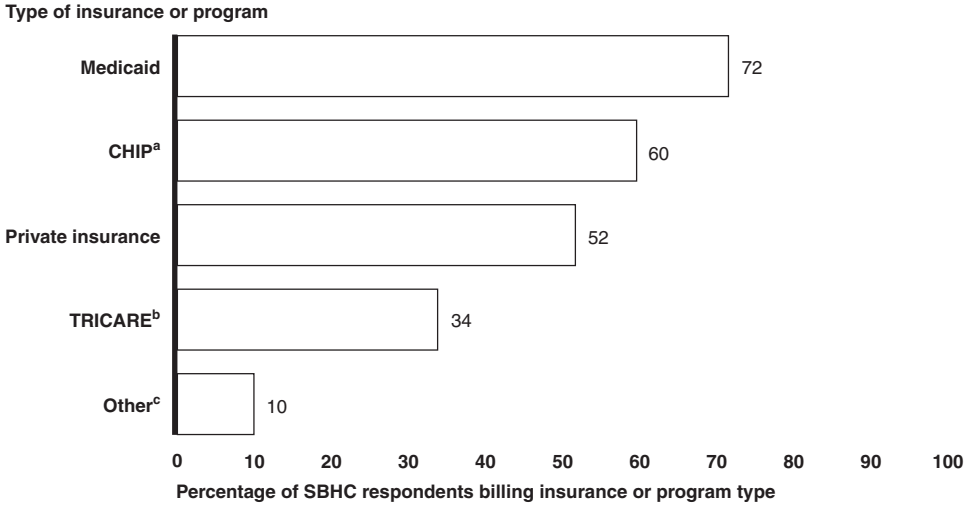
Although CMS's claims data cannot be used to identify Medicaid reimbursements received by SBHCs, some information on SBHCs' billing of Medicaid for services is available from NASBHC's survey. According to the survey, 72 percent of all SBHC respondents reported billing Medicaid. In addition, 60 percent of all SBHC respondents reported billing CHIP, and 52 percent reported billing private insurance. (See fig. 3 for information about types of insurance and programs SBHCs reported billing.)

[22]In June 2010, HRSA identified two Health Center Program grantees that were also SBHCs and therefore received funds directly from the program.

[23]Because the Bureau of Primary Health Care collects data primarily at the Health Center Program grantee level, data for grantees' individual delivery sites are not readily available. For example, as we reported in 2008, the Bureau of Primary Health Care does not collect data on the types of services provided at individual delivery sites. See GAO, *Health Resources and Services Administration: Many Underserved Areas Lack a Health Center Site, and the Health Center Program Needs More Oversight*, GAO-08-723 (Washington, D.C.: Aug. 8, 2008).

[24]SSA § 1905(a), codified at 42 U.S.C. § 1396d(a).

Figure 3: Types of Insurance and Programs School-Based Health Center (SBHC) Survey Respondents Reported Billing



Source: GAO analysis of data from the National Assembly on School-Based Health Care's (NASBHC) survey of SBHCs for the 2007-2008 school year.

Note: NASBHC collected data for its survey from October 2008 through October 2009. NASBHC has 1,909 SBHCs in its database; of those, 1,224 SBHCs (64 percent) responded to the survey. Of the 1,224 survey respondents, 33 percent reported billing patients directly. The survey did not ask SBHCs whether they received reimbursements from Medicaid or any other source, and, as a result, the number of SBHCs that received reimbursements is unknown.

[a]The State Children's Health Insurance Program (CHIP) is a joint federal-state program that finances health care coverage to children in families whose income, while low, is above Medicaid eligibility requirements. CHIP programs vary from state to state.

[b]TRICARE is the Department of Defense's regionally structured health care program whose eligible beneficiaries include active duty personnel and their dependents, medically eligible National Guard and Reserve service members and their dependents, and retirees and their dependents and survivors.

[c]According to NASBHC's survey of SBHCs for the 2007-2008 school year, other insurance and program types that SBHCs reported billing include, but are not limited to, California's Child Health and Disability Prevention Program and Massachusetts' Health Safety Net, which are both state programs that provide funds for health care services to certain uninsured and underinsured children.

SBHCs that reported receiving Health Center Program funds, and were therefore eligible for enhanced Medicaid reimbursements, were more likely to report billing Medicaid than were other SBHCs. Of the 255 SBHCs that reported receiving Health Center Program funds, 95 percent reported billing Medicaid. Of the remaining 969 SBHCs, 66 percent reported billing Medicaid.

Some SBHCs may choose not to bill Medicaid because the costs to bill exceed the reimbursements the SBHC would receive and many of the services that SBHCs provide are not Medicaid-covered services. Some individuals involved with managing or sponsoring SBHCs told us that infrastructure costs and personnel expenses—such as for following up on denied claims—associated with implementing and maintaining a Medicaid billing system could be higher than reimbursements. For example, a manager of an SBHC in Maryland told us that the SBHC stopped billing Medicaid because the SBHC's costs for purchasing an appropriate Medicaid billing system and for employing staff for billing were higher than the reimbursements that the SBHC received. In addition, an official from an organization that sponsors SBHCs said that many of the services that SBHCs provide may not be covered by a state's Medicaid plan; for example, a nurse who provides health care services to a patient cannot bill Medicaid for time spent counseling parents on how to manage their child's health problems. The individual also said that because of certain states' Medicaid policies that prohibit SBHCs from billing Medicaid for more than one encounter per day, SBHCs may not

receive reimbursements for all Medicaid-covered services provided to patients with multiple health problems.

Agency Comments

We provided a draft of this report to HHS for review, and HHS provided written comments. (HHS's comments are reprinted in enclosure II.) HHS asked us to clarify the difference between federal funding amounts cited in our draft and funding amounts reported in the National Assembly on School-Based Health Care's *School-Based Health Centers: National Census School Year 2007-2008* and to include this information in the report. First, it is important to note that our draft did not discuss federal funding amounts and explained that this information was not available. Rather, we have reported information on numbers of SBHCs that reported receiving federal grant funds and the sources of those funds. Second, differences between data in this report and data in NASBHC's report result from the fact that we based our analyses on all 1,224 SBHCs that responded to the survey, while NASBHC based its analyses on the 1,096 SBHCs that indicated that primary care services was one of the service types they provided. We have added language to the report to clarify this. HHS also provided technical comments, which we incorporated as appropriate.

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We are sending copies of this report to the Secretary of HHS. In addition, the report is available at no charge on GAO's Web site at http://www.gao.gov. If you or your staffs have any questions about this report, please contact me at (202) 512-7114 or bascettac@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in enclosure III.

Cynthia A. Bascetta
Director, Health Care

Enclosures – 3

Characteristics of School-Based Health Centers (SBHC) That Responded to the National Assembly on School-Based Health Care (NASBHC) Survey for the 2007-2008 School Year

SBHC characteristic	SBHCs with characteristic: SBHCs that responded to survey, percentage (*n*=1,224)	SBHCs with characteristic: SBHCs that responded to survey and reported receiving federal grant funding, percentage (*n*=538)
School type		
Combination school[a]	52	50
High school	30	31
Elementary	10	11
Middle school	8	8
Service type provided[b]		
Primary care and mental health	36	37
Primary care, mental health, and other health care services[c]	31	38
Primary care only	16	12
Other[d]	11	7
Sponsor type[e]		
Community health center[f]	28	46
Hospital or medical center	24	10
Local health department	14	13
School system	12	12
Private nonprofit organization	10	9
University	3	1
Mental health agency	<1	<1
Tribal government	<1	1
Other[g]	9	7
Geographic location		
Urban[h]	74	72
Rural	26	28
Students eligible for free or reduced lunch[i]		
0 to 25 percent	31	27
26 to 50 percent	13	14
51 to 75 percent	20	23
76 or more percent	33	33

Source: GAO analysis of data from NASBHC's survey of SBHCs for the 2007-2008 school year.

Note: NASBHC collected data for its survey from October 2008 through October 2009. NASBHC has 1,909 SBHCs in its database; of those, 1,224 SBHCs (64 percent) responded to the survey. Of the SBHCs that responded to the survey, 538 reported receiving federal grant funding. Percentages may not equal 100 due to rounding.

[a]A combination school can contain all three school types (elementary, middle, and high) or two school types (elementary and middle or middle and high).

[b]These service type categories were constructed by NASBHC. The information reported on service types provided includes only SBHC survey respondents that reported providing primary health care services; as a result, the percentages do not equal 100.

[c]According to NASBHC's survey of SBHCs for the 2007-2008 school year, "other health care services" includes services provided by a health educator, social services case manager, or nutritionist.

[d]Other represents some different combination of primary health care services and other types of service.

[e]In general, SBHCs are planned and developed by organizations that may also provide administrative oversight and financial support for the health care services provided by SBHCs, and such organizations are referred to as sponsoring organizations.

[f]In this report, we define community health centers as health care providers, including but not limited to federally qualified health centers, that offer primary health care and other health care services to all individuals in a community regardless of an individual's ability to pay.

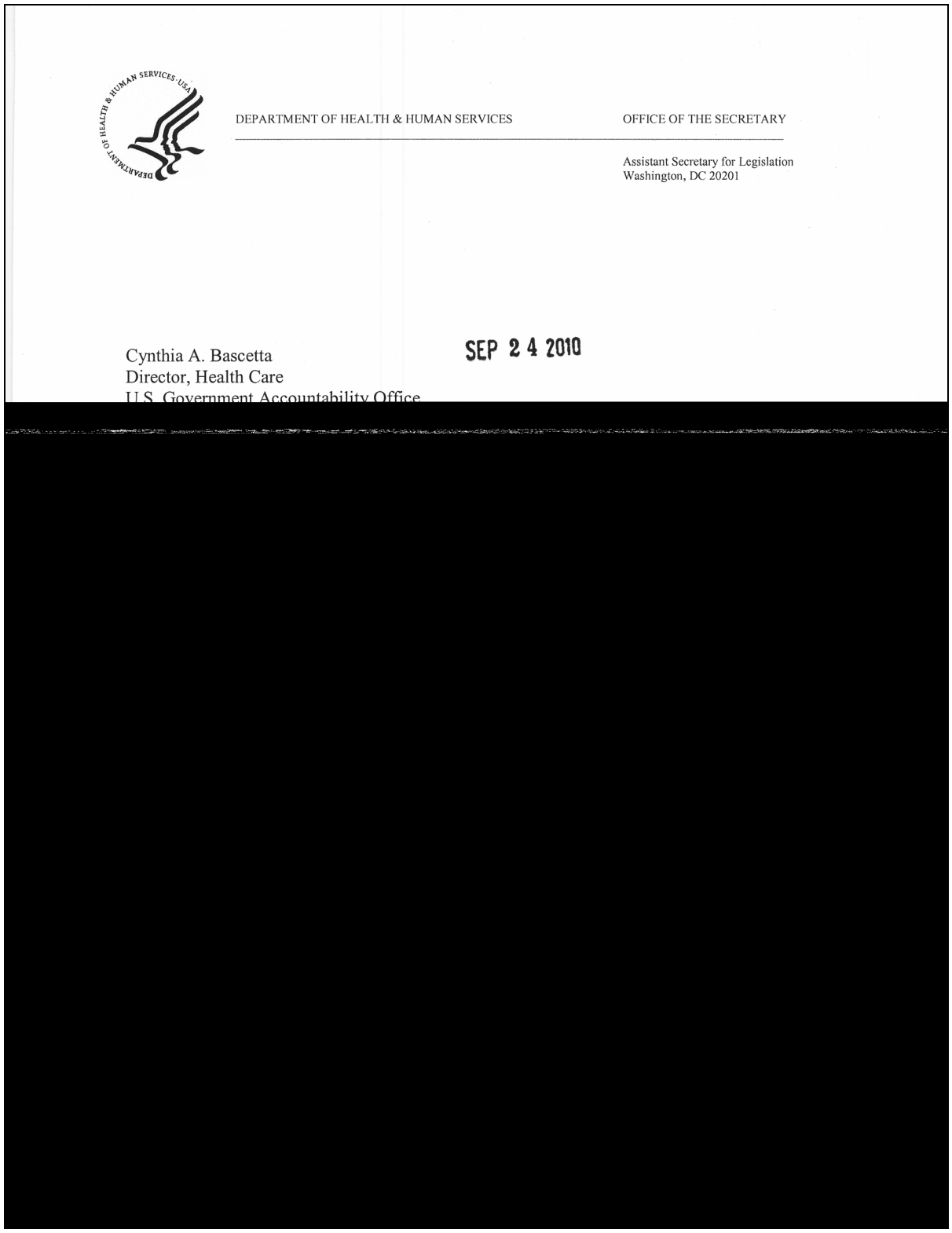
[g]According to NASBHC's survey of SBHCs for the 2007-2008 school year, "other" sponsor types that SBHCs reported include, but are not limited to, diagnostic treatment centers and private companies.

[h]Suburban locations are included in the definition of urban locations.

[i]Some SBHC survey respondents did not provide any information about the number of students eligible for free or reduced lunch, and, as a result, the percentages may not equal 100.

Enclosure II

Comments from the Department of Health and Human Services



DEPARTMENT OF HEALTH & HUMAN SERVICES

OFFICE OF THE SECRETARY

Assistant Secretary for Legislation
Washington, DC 20201

SEP 2 4 2010

Cynthia A. Bascetta
Director, Health Care
U.S. Government Accountability Office

[redacted]

GENERAL COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) ON THE GOVERNMENT ACCOUNTABILITY OFFICE'S (GAO) DRAFT CORRESPONDENCE ENTITLED, "SCHOOL-BASED HEALTH CENTERS: AVAILABLE INFORMATION ON FEDERAL FUNDING" (GAO-11-18R)

The Department appreciates the opportunity to review and comment on this draft correspondence. We are concerned with the difference between federal funding amounts cited in this draft compared to funding amounts reported in the National Assembly on School-Based Health Care's *School-Based Health Centers: National Census School Year 2007-2008*. We believe a section describing the differences in methodology used to determine these funding amounts for the two reports would strengthen this correspondence.

Enclosure III

GAO Contact and Staff Acknowledgments

GAO Contact

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Acknowledgments

In addition to the contact named above, Helene F. Toiv, Assistant Director; Hernan Bozzolo; Kelli A. Jones; Coy J. Nesbitt; Roseanne Price; Jennifer Whitworth; and Zhi Boon made key contributions to this report.

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