



# Understanding Medicaid & Oregon's Recovery High Schools



Recovery schools, funded by the School State Fund (SSF) and Statewide Education Initiatives Account (SEIA), provide students with a specialized high school education tailored to meet the needs of students in recovery from substance use and co-occurring mental health challenges.

## Not All Medicaid is the Same

When people hear “Medicaid,” they often think of medical or mental health treatment covered through a **Coordinated Care Organization (CCO)** or other certified treatment provider through Oregon Health Plan (OHP). But **School Medicaid** is very different from Medicaid coverage through a CCO. While policymakers are looking to Medicaid as a potential sustainable funding stream for Recovery Schools, the structure of Medicaid does not align with this goal.

## What is School Medicaid?

- **School Medicaid** is a distinct set of services officially called [School-Based Health Services \(SBHS\)](#) Medicaid by the Oregon Health Authority (OHA).
- An education agency enrolled with OHA as a School Medical Provider may bill for health services with parental consent for students who are Medicaid-enrolled and receiving Medicaid-covered services identified in an Individual Plan of Care (IPOC).
- Health services must be provided, documented, and supervised by Medicaid-enrolled licensed practitioners within their scope of practice and in compliance with board rules.
- Covered health services must be provided by licensed medical or mental health professionals employed or contracted by the education agency — and does **not** include **SUD treatment organizations or primary providers in recovery schools: Certified Recovery Mentors (CRM) or Certified Drug and Alcohol Counselors (CADC)**.
- Examples: Occupational therapy, speech therapy, physical therapy, school nurse services, and specified licensed mental health counseling.

## What is SUD Treatment Medicaid?

- Substance Use Disorder (SUD) treatment through traditional/state plan/Oregon Health Plan Medicaid covers **clinical treatment** for substance use, such as counseling, therapy, or recovery treatment services.
- These services must be provided through an [Oregon Health Authority \(OHA\)–certified treatment program](#), not directly by a school.
- Providers like CADCs and CRMs can bill Medicaid *but only under a licensed SUD treatment program* — not under School Medicaid rules.
- Examples: Individual or group therapy, peer recovery support, case management for SUD, crisis intervention.

Key Differences at a Glance		
	School Medicaid (SBHS)	SUD Treatment Medicaid
Who bills?	School Districts, ESDs	OHA-certified treatment providers
Who is served?	Medicaid enrolled students receiving covered health services on an IPOC.	Any eligible Medicaid member with SUD needs
Who provides services?	Licensed school-based health staff	Licensed therapists, CADCs, peer mentors under treatment program rules
Core purpose?	Increased access to school health services	Provides clinical treatment for substance use disorders

## Why This Matters for Recovery Schools

- **Recovery High Schools are schools, not treatment centers.** They provide a comprehensive high school education resulting in an Oregon High School Diploma in a supportive environment offering peer support, accountability, and a recovery-focused culture — **not clinical treatment**.
- Most core recovery staff (CADCs, CRMs) cannot bill under School Medicaid rules.
- Becoming an OHA-certified SUD treatment program would require significant licensing, compliance, and oversight — shifting schools away from education and into healthcare operations. This is not the intent of HB 2767 (2023).
- Recovery schools operated by public charter schools do not meet OHA's criteria to participate in SBHS Medicaid billing.
- Small recovery schools typically don't have the student volume or infrastructure to sustain fee-for-service billing. Implementation of a Medicaid program takes time and resources. In small recovery schools, with minimal practitioners billable under SBHS Medicaid, with minimal covered direct service minutes, the administrative cost would likely outweigh potential reimbursement.

## Bottom Line

**Medicaid in schools is not a realistic primary funding source for Oregon's Recovery High Schools.** Recovery Schools need stable per-pupil funding — just like other public schools — so they can provide the services and hire the staff which make recovery schools effective.

## Questions?

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