



Analysis of Estimated SHARS Program Reductions

The School Health and Related Services (SHARS) program in Texas has seen significant changes including a [new time study coding methodology](#), [billing requirements](#), [participant list restrictions](#), and [fewer allowable services](#), impacting Federal Fiscal Year (FFY) 2022-2025 thus far. This analysis examines the impact of these changes on billed claims and cost report submissions, particularly related to the elimination of group billing for [Personal Care Services](#) (PCS). Data from approximately 300 districts, representing about 32.05% of the SHARS program, was used in the statistical model.

Claims Data Overview (FFY 2024 to date)

We analyzed data from various sources, including historical claims data from vendors available for FY24. This data provides insight into the distribution of group and individual PCS claims and helps estimate the financial impact of policy changes.

Federal Fiscal Year	Group PCS Claims	Individual PCS Claims	Other Claims
FFY 2024	91%	3%	6%

This shows that nearly 91% of billed claims come from group services, highlighting significant losses in this area.

Estimated Impact of Reductions

- **Initial Reduction in FFY 2022 (74%):** The pre-audit cost report submission for FFY 2022 was reduced by 74%, resulting in a post-reduction estimate of \$193,925,536.01. This reduction was primarily due to the state's response to the OIG audit and the decrease in allowable moments as part of the direct medical time study percent.
- **Additional Reduction Estimated applied to FFY 2025 (43.02%):** The combined group PCS percentage from all sources is approximately 91%. The effective reduction on the PCS portion, given that PCS claims constitute 47.3% of total claims (data from HHSC FFY 2017), is approximately 43.02%.

Summary of Reduction Percentages

Reduction Type	Percentage
Initial Reduction (FFY 2022)	74%
Additional Reduction (PCS Claims)	43.02%
Total Combined Reduction	85.15%

Updated Cost Report Figures

Year	Pre-Audit Cost Report Submission	Reductions	Final Estimate
FFY 2022	\$744,167,697.84	74% reduction	\$193,925,536.01
FFY 2025	\$744,167,697.84	85.15% total combined reduction	\$110,592,690.78

The table above illustrates the reduction in estimated reimbursement amounts due to policy changes impacting the SHARS program:

- The initial cost report submission for FFY 2022 was significantly reduced by 74% due to the state's response to the OIG audit.
- For FFY 2025, we applied the same initial cost report submission and calculated the estimated reimbursement amount by applying an additional reduction for the elimination of group billing for PCS claims.
- The total combined reduction percentage of 85.15% results in a final estimated amount of approximately \$110.6 million for FFY 2025.

Data used for this analysis includes information from HHSC in an open records request for the FFY 2022 Cost Report and data collected from districts across the state. Cost reports with a value of 0 or less were removed from the calculations.

Conclusion

The SHARS program in Texas has faced dramatic reductions in billed claims and overall cost report settlements. From an initial reimbursement of \$744 million, the program may see substantial reductions, significantly impacting financial support by the end of FFY 2025. The total reduction percentage, when applying both reductions sequentially, is approximately 85.15%, reducing the final estimate to approximately \$110.6 million.

This analysis highlights the critical financial challenges facing the SHARS program and underscores the need for strategic adjustments to manage these changes. It is particularly difficult to accept this reduction given the federal emphasis on increasing funding for school districts. This further policy change undermines that focus and negatively impacts schools and the students, parents, and staff they serve.

Further Analysis Needed: We are working on an open records request to obtain additional data for further analysis. Note that expenses and district participation in the program fluctuate from year to year, making this a broad estimate to support advocacy discussions related to this monumental change in SHARS practices in Texas.

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