



Iowa Department of Human Services

INFORMATIONAL LETTER NO. 1935-MC-FFS

DATE: August 17, 2018

TO: Area Education Agency, Home Health Agency, Infant and Toddler, and Local Education Agency

APPLIES TO: Managed Care (MC) and Fee-for-Service (FFS)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Early and Periodic Screening, Diagnostic and Treatment (EPSDT) and School-Based Services under the Individuals with Disabilities Education Act (IDEA)

EFFECTIVE: Immediately

The IME has collaborated with the Iowa Department of Education to provide guidance in regards to the federal requirements related to health care services required under EPSDT and the school-based services under the IDEA. This informational letter clarifies the relationship and services between the two programs.

Medicaid EPSDT:

The EPSDT benefit provides comprehensive and preventive health care services for children under age 21 who are enrolled in Medicaid. EPSDT is key to ensuring that children and adolescents receive appropriate preventive, dental, mental health, and developmental, and specialty services.

- *Early:* Assessing and identifying problems early
- *Periodic:* Checking children's health at periodic, age-appropriate intervals
- *Screening:* Providing physical, mental, developmental, dental, hearing, vision, and other screening tests to detect potential problems
- *Diagnostic:* Performing diagnostic tests to follow up when a risk is identified, and
- *Treatment:* Control, correct or reduce health problems found

Individuals with Disabilities Education Act (IDEA):

IDEA provides a free appropriate public education to children with disabilities. IDEA requires schools to find and evaluate students suspected of having disabilities, at no cost to parents. Evaluation may result in determination that there is a need for 504 services or for Individualized Education Program (IEP) services. Schools must provide a student with special education and/or related services (like speech therapy and counseling) if there is a need for IEP services to meet the student's unique needs. The goal is to help students make progress in school.

IDEA covers individuals from birth through high school graduation or age 21 (whichever comes first). It provides early intervention services up to age 3, and special education for older kids in

public school. Schools must get the parent's consent before providing IEP services to the child and prior to billing Medicaid for covered services.

Medicaid Funding for School-Based Services:

IDEA authorizes federal funding to states to permit Medicaid payment for medical services provided to Medicaid-eligible children under IDEA through a child's IEP or Individualized Family Service Plan (IFSP).

School districts must prepare an IEP for each child which specifies all special education and related services determined by the child's IEP as needed by the child. The Medicaid program can be billed for the health related services required by the IEP, if they are among the services specified in the Medicaid state plan or available through the EPSDT benefit. Examples of such services include:

- physical therapy
- speech pathology services
- occupational therapy
- psychological services
- medical screening and assessment services
- private duty nursing services

All services must be specific to a Medicaid-eligible student who has an IEP. A treatment plan is required for direct services, based on professional assessment of the student's needs. The treatment plan must indicate measureable goals and objectives and the type and frequency of services provided. The Medicaid payable services are covered when they are included in the child's IEP or linked to a service in the IEP.

Schools may choose to contract with healthcare agencies to provide the needed services. Contracted services are the responsibility of the school and the contracted providers should bill the school and not Medicaid for services written in the student's IEP. While the IEP might order nursing services, the school is not obligated to use the private duty nursing agency that provides services in the student's home before and/or after school. In addition, an IEP might require health paraprofessional services supervised by the school nurse if private duty nursing services are not medically necessary. If rejected by the IEP team, the private duty nursing agency cannot fail to provide services at the other authorized times of day.

Health-related services coverable under an IEP/IFSP are still subject to the Medicaid requirements and procedures for coverage of services including amount, duration and scope, comparability and medical necessity. In addition, schools or their health practitioners who seek to bill the Medicaid program for reimbursement for school-based services must meet federal and state Medicaid provider qualifications.

Collaboration between School Health Providers and Medicaid Managed Care Organizations (MCOs):

Iowa Medicaid has carved-out school-health services from managed care (MC) and reimburses school-based services under Medicaid FFS. The responsibility of a member's primary and preventive healthcare services is reimbursed by the MCO of the enrolled member.

Schools and MCOs are encouraged to establish relationships and work together to meet the health care needs of individuals enrolled in MC. The delivery of medical services should be

coordinated by the school-based providers and the MC entities in order to ensure children receive necessary services and care is not duplicated. When possible, schools should include the child's MCO case manager when the IEP is created. In addition, the MCO case manager should contact the school when developing the member's care plan to ensure that all the member's needs are met.

As stated previously, health care services written in the IEP are the responsibility of the school and the school should bill Medicaid for those services. Health care services provided outside of the IEP are the responsibility of the child's MCO and health care providers should bill the MCO for those services.

If you have questions, please contact the IME Provider Services Unit at 1-800-338-7909 or email at imeproviderservices@dhs.state.ia.us.