

Healthy Students, Promising Futures

October 17, 2023

School Medicaid Expansion: How (and How Many) States Have Taken Action to Increase School Health Access and Funding

This brief provides an analysis of states that have expanded their school Medicaid program to cover services outside of an IEP/IFSP using the “free care” policy reversal.

The Policy Path to School Medicaid Expansion

In 2014, the Centers for Medicare and Medicaid Services (CMS) issued a [letter to state Medicaid directors](#) announcing a policy shift that would allow states more flexibility in their school-based Medicaid program: Schools could now bill Medicaid for all covered health services delivered to all students enrolled in Medicaid.

The original policy, dating back to 1988, prohibited Medicaid reimbursement for school health services *if* those same services were provided free of charge to the general student population (this was known as the [“free care” rule](#)). Exceptions applied to services outlined in a student’s Individual Education Plan (IEP) or Individualized Family Service Plan (IFSP).

CMS reinforced the updated policy in an [August 2022 Informational Bulletin](#) encouraging states to promote schools as a setting for providing all medically necessary services (as defined under the [Early and Periodic Screening, Diagnostic and Treatment](#) benefit) to children and adolescents enrolled in Medicaid.



Many states, however, had codified the original policy in their state Medicaid plan, thereby limiting the extent to which school districts could leverage additional reimbursement options. And states and school districts weren't too eager to make changes without clear CMS guidance.

That guidance came in May 2023, when CMS published "[Delivering Services in School-Based Settings: A Comprehensive Guide to Medicaid Services and Administrative Claiming](#)," and, simultaneously, an [informational bulletin](#) that introduces and summarizes the Guide.

Designed to help states expand their school Medicaid program to allow reimbursement for more students and services, the Guide outlines policy options and flexibilities for simplifying Medicaid billing and easing the administrative burden on local education agencies (LEAs). It also features examples of the types of providers that can participate in Medicaid — and that could be added to the state's list of school health providers and services eligible for Medicaid reimbursement.

With the release of these two documents, CMS has repeatedly encouraged states to expand their school Medicaid program and allow school districts to bill for *all* medically necessary Medicaid-covered services provided to *all* Medicaid-enrolled students.

Additional information on school Medicaid is available in HSC's
["Guide to Expanding Medicaid-Funded School Health Services"](#)

Benefits to States and Students

Healthy Schools Campaign (HSC) has long advocated for states to invest in their school Medicaid program and take full advantage of available federal funding; it's an opportunity to bring in additional, sustainable resources to expand access to health services.

States that already have expanded billing are experiencing a [significant financial boost](#). Funds can be used to reinvest in school health services — helping to cover the salary of a newly added counselor, for example. This is how the school Medicaid program benefits all students, not just those enrolled in Medicaid.

On the flip side, not billing for Medicaid-eligible services provided in schools means leaving federal dollars on the table. When that happens, school districts and state taxpayers bear the entire cost of services. This makes Medicaid a very important source of funding for school health services — and for state health and education budgets overall.

Tracking State Activity

CMS characterizes a state as having expanded its school Medicaid program *only* if the state submitted a state plan amendment (SPA) to CMS for approval to cover services outside of an IEP. By CMS' measure, as of October 2023, 17 states have expanded their school Medicaid program (see table, pg. 3).

CMS: States That Have Expanded School Medicaid		
Arkansas	Illinois	Nevada
Arizona	Indiana	New Mexico
California	Kentucky	North Carolina
Colorado	Louisiana	Oregon
Connecticut	Massachusetts	Virginia
Georgia	Michigan	

HSC’s definition is more expansive. From HSC’s perspective, it doesn’t matter if the state formally amended its state Medicaid plan or changed state policy through legislative or administrative action. If a state has opted to reimburse a school district for delivering health services outside an IEP, that state is counted as having expanded school Medicaid services.

As of October 2023, HSC counts 25 states that meet that criteria (see table).

HSC: States That Have Expanded School Medicaid		
Arkansas	Kentucky	New Mexico
Arizona	Louisiana	North Carolina
California	Massachusetts	North Dakota *
Colorado	Michigan	Oregon
Connecticut	Minnesota *	South Carolina *
Florida *	Missouri *	Tennessee *
Georgia	Nevada	Virginia
Illinois	New Hampshire *	Washington *
Indiana		

**HSC identifies these states as having expanded their school Medicaid program, in addition to the states CMS has identified.*

All Expansions Are Not the Same

There is significant variation among these states. Some have completed comprehensive expansions (i.e., permitted their school Medicaid plan to cover all medically necessary services), while other states have chosen to expand coverage outside of an IEP only for certain groups of students or types of services.

For example, Connecticut expanded its school Medicaid program to cover all medically necessary services but only for students with 504 plans. By contrast, South Carolina expanded its school Medicaid program to cover only behavioral health services but did so for *all* Medicaid-enrolled students.

According to HSC's analysis, states that have expanded school Medicaid can be assigned to one of three primary buckets:

1. Expanded school Medicaid to cover all medically necessary services provided to all Medicaid-enrolled students.

These states have comprehensive policies to cover all medically necessary services outside of an IEP for all students (subject to medical necessity documentation and/or plan of care).

What's Next: These states now have the opportunity to fully implement these expansions, bring more LEAs into the school Medicaid program, expand the types of providers and services eligible for reimbursement, implement new billing flexibilities to reduce the administrative burden, and look for other ways to further increase student access to school-based healthcare.

2. Expanded school Medicaid to cover a *comprehensive but defined* package of physical and behavioral health benefits/services to all Medicaid-enrolled students.

These states do not cover *all* medically necessary services under EPSDT but have expanded coverage to include some additional physical and behavioral health services outside of an IEP. The package is defined in the state plan.

What's Next: These states now have the opportunity to cover all medically necessary services and consider the additional opportunities identified above.

3. Expanded school Medicaid to cover specific services provided to some students.

These states have expanded school Medicaid to cover certain benefits outside of an IEP but only for specific groups of students.

What's Next: These states now have the opportunity to expand coverage to all medically necessary services provided to all Medicaid-enrolled students and consider the additional opportunities identified above.

Other Ways of Increasing Student Access

HSC's list does not include states that have expanded the ability of community-based providers to cover services in a school setting. For example, Oklahoma implemented a [state plan amendment](#) allowing community-based providers to deliver services in the schools. While this is an important and innovative way to increase access to student health services, it does not meet HSC's definition of expanding school Medicaid because reimbursement goes to the community provider, not the school district. We do not count these states as expanding the school Medicaid program, and they are not listed in the tables on the previous page.

Conclusion

States have the opportunity to strengthen and improve their school Medicaid programs and to expand reimbursement to cover services outside of the IEP. HSC encourages all states to allow school districts to bill Medicaid for all medically necessary services provided to all students covered by Medicaid — and to fully implement these provisions through guidance, training and partnerships with LEAs and state education agencies.

How States Expanded School Medicaid Programs

This section looks at how each state expanded its school Medicaid program along with key policy highlights and resources.

Key to Abbreviated Terms

BIP - Behavior Intervention Plan

IEP - Individualized Education Plan

IFSP - Individualized Family Service Plan

IHP- Individualized Health Plan

IPOC - Individualized Plan of Care

ITP - Individualized Treatment Plan

Eligible / Reimbursable / Covered [services] — terms referring to health services that can be billed to Medicaid (aka Medicaid-billable)

Arkansas

Bottom Line

Arkansas expanded its school Medicaid program to cover mental health services delivered to all Medicaid-enrolled students.

Policy Highlights

Arkansas provider manual allows coverage of up to 10 therapeutic sessions for all Medicaid-enrolled students before a primary care physician referral is required.

Action Taken to Expand School Medicaid

- No SPA needed to expand school Medicaid

State Resources

- [Medicaid in the Schools](#) - Department of Education
- [Direct Billing: School-Based Mental Health](#) - Department of Education
- [School-Based Mental Health](#) - Department of Human Services

Arizona

Bottom Line

Arizona expanded its school Medicaid program to cover all medically necessary services identified in a 504 plan, other individualized health or behavioral health plan, or where medical necessity has otherwise established.

Policy Highlights

With this policy change, reimbursable services must be identified as medically necessary and can include: speech-language pathology services, occupational therapy services, physical

therapy services, nursing services, specialized transportation services, behavioral health services, personal care services, audiological services and physician services.

Action Taken to Expand School Medicaid

- Submitted two SPAs to CMS in 2021
- SPAs approved in 2021 (expansion) and October 2021 (reimbursement methodology)

State Resources

- [SPA approval letter from CMS](#) (school Medicaid expansion)
- [SPA approval letter from CMS](#) (update reimbursement methodology)
- [SPA submission](#)
- [Arizona Medicaid state plan amendments](#) - search 2021 amendments

California

Bottom Line

California expanded its school Medicaid program to cover all Medicaid-enrolled students. The state added a specific set of benefits, including a wide range of physical, behavioral and mental health services, by expanding the definition of "LEA services" under the EPSDT section of the state plan.

Policy Highlights

California passed legislation in 2015 to expand Medicaid reimbursement. The state submitted a SPA in 2015 to expand the scope of services and types of eligible providers covered in schools, and to allow reimbursement for all Medicaid-enrolled students.

Additional services include respiratory therapy, personal care services, and orientation and mobility assessment. New provider types include registered associate clinical social workers, personal care assistants, and licensed occupational and physical therapy assistants, among others.

The SPA also revises the payment methodology from fee-for-service to Random Moment Time Study (RMTS).

Action Taken to Expand School Medicaid

- Legislation passed in 2015
- Submitted SPA to CMS in 2015
- SPA approved in 2020

State Resources

- [SPA approval letter from CMS](#)
- [Bill text: SB 276](#)
- [Local Educational Agency Medi-Cal Billing Option Program: Onboarding Handbook](#) - Department of Health Care Services (DHCS)
- [LEA Medi-Cal Billing Option Program: Implementation Training](#) - DHCS
- [Local Educational Agency Medi-Cal Billing Option Program Provider Manual](#) - DHCS

Other Resources

- [Expansion of School-Based Health Services in California: An Opportunity for More Trauma-Informed Care for Children](#) - Futures Without Violence and Healthy Schools Campaign

Colorado

Bottom Line

Colorado expanded its school Medicaid program to cover all medically necessary services delivered to all Medicaid-enrolled students and added licensed school psychologists as qualified providers.

Policy Highlights

Colorado conducted a six-week expansion study with eight participating school districts. The study was based on a time study that looked at a number of factors, including Medicaid eligibility, time study response and notification time, and existing allowable providers as well as other potential eligible provider groups.

Based on the results of the expansion study, the state moved forward with submitting a SPA in 2019, followed by a second SPA in 2021 to add licensed school psychologists.

Action Taken to Expand School Medicaid

- Conducted RMTS expansion study January-February 2019
- Submitted SPA to CMS in 2019 to expand school Medicaid
- SPA approved in 2020
- Submitted SPA to CMS in 2021 to add licensed school psychologists
- SPA approved in 2022

State Resources

- [SPA approval letter from CMS](#) (school Medicaid expansion)
- [SPA approval letter from CMS](#) (licensed school psychologists)
- [School Health Services Program Manual: Covered Services](#) - School Health Services Program (a joint effort between the Colorado Department of Education and Department of Health Care Policy and Financing)
- [Training: School Health Services Program Free Care Plans of Care](#) - Department of Health Care Policy and Financing

Other Resources

- [Case Study: Understanding the Financial Impact of Expanding Medicaid Funded School Health Services in Colorado](#) - Healthy Schools Campaign

Connecticut

Bottom Line

Connecticut expanded its School Based Child Health (SBCH) Medicaid program to include health services in a student's 504 plan and to add coverage of certain services.

Policy Highlights

In addition to expanding coverage to 504 plans, Connecticut added behavior modification services for students on the autism spectrum and personal care services.

Action Taken to Expand School Medicaid

- Submitted SPA to CMS in 2016
- SPA approved in 2017

State Resources

- [SPA approval letter from CMS](#)
- [Medicaid School Based Child Health: User Guide](#) - Department of Social Services

Florida

Bottom Line

Florida expanded its school Medicaid program to cover all medically necessary services delivered to all Medicaid-enrolled students. In addition to removing the IEP restriction, the SPA allows charter and private schools to bill Medicaid for services delivered to all Medicaid-enrolled students.

Policy Highlights

CMS' approval of Florida's SPA in 2017 set the stage for expansion to all Medicaid-enrolled students. However, the IEP restriction was codified in state statute and needed to be removed in order to implement the SPA. Florida passed legislation in June 2020 removing this language and allowing for implementation.

Action Taken to Expand School Medicaid

- Submitted SPA to CMS in 2016
- SPA approved in 2017
- Legislation passed in 2020

State Resources

- [SPA approval letter from CMS](#)
- [Bill text: HB 81](#)

Other Resources

- [Medicaid Changes Provide New Opportunities to Access Millions More in Federal Dollars to Expand School-Based Health Services in Florida](#) - Florida Policy Institute

Georgia

Bottom Line

Georgia expanded its school Medicaid program to cover school nursing services delivered to all Medicaid-enrolled students.

Policy Highlights

The SPA removes the IEP requirement for school nursing services and also revises the payment methodology from fee-for-service to Random Moment Time Study (RMTS).

Action Taken to Expand School Medicaid

- Submitted SPA to CMS in 2017
- SPA approved in 2021

State Resources

- [SPA approval letter from CMS](#)

Other Resources

- [Medicaid and CHIP in Schools: Promoting Student Health Access, Coverage and Insurance Literacy](#) - Voices for Georgia's Children

Illinois

Bottom Line

Illinois expanded its school Medicaid program to cover all medically necessary services allowed under the state's comprehensive EPSDT benefit provided to all students enrolled in Medicaid. Eligible services can be documented in a student's 504 plan, Individualized Health Care Plan (IHCP), or by other methods, such as a doctor's order.

Policy Highlights

In addition to removing the IEP restriction, Illinois updated its list of healthcare provider types permitted to bill Medicaid for providing services within a school setting. The list now includes licensed clinical professional counselors, licensed marriage and family therapists and school psychologists.

The SPA expands fee-for-service (FFS) claiming outside of IEP/IFSP services to any Medicaid-enrolled student and transitions the state's reimbursement methodology to a cost settlement model.

Action Taken to Expand School Medicaid

- Submitted SPA to CMS in 2021
- SPA approved in 2023

State Resources

- [SPA approval letter from CMS](#)
 - [CMS press release](#)
- [Illinois Medicaid School-Based Health Services \(SBHS\) Program Changes / Frequently Asked Questions: School Health and Mental Health Service Providers](#) - State Board of Education
- [Program Announcement: Expanded Medicaid Reimbursement for School Districts Providing Physical and Behavioral Health Services for Students](#) - Department of Healthcare and Family Services

Other Resources

- [Illinois Receives Federal Approval to Expand Access to School Health Services, Ensuring More Funding for Schools and Kids](#) - Healthy Schools Campaign
- [Background and Additional Details about Illinois Department of Healthcare and Family Service Public Notice: School-Based Health Services Reimbursement Methodology](#) - Healthy Schools Campaign

Indiana

Bottom Line

Indiana expanded its school Medicaid program to cover medically necessary school nursing services for students with 504 plans, psychologist testing services, and school-based transportation for qualified Medicaid-enrolled children.

Policy Highlights

In 2021, Indiana passed legislation requiring the state Medicaid agency to submit a SPA to remove the IEP restriction and to allow school psychologists to refer for services.

In addition, school psychologist testing services covered by a range of providers are reimbursable when they are medically necessary and required to determine the health-related services a school shall provide under an educational program or plan as required by IDEA or Section 504.

Action Taken to Expand School Medicaid

- Legislation passed in 2021
- Submitted SPA to CMS in 2023
- SPA approved in 2023

State Resources

- [SPA approval letter from CMS](#)
- [Bill text: HB 1405](#)

Kentucky

Bottom Line

Kentucky expanded its school Medicaid program to cover medically necessary services provided to all Medicaid-enrolled students. The state's technical assistance guide clarifies that all medically necessary services are covered.

Policy Highlights

The SPA removed the "services included in an IEP only" restriction. A second SPA covered changing from fee-for-service (FFS) reimbursement to a cost reimbursement methodology.

Action Taken to Expand School Medicaid

- Submitted SPA to CMS in 2019 to remove IEP restriction
- SPA approved in 2019
- Submitted SPA in 2020 to implement cost reimbursement methodology
- SPA approved in 2021

State Resources

- [SPA approval letter from CMS](#) (school Medicaid expansion)
 - [Cabinet for Health and Family Services press release](#)
- [SPA approval letter from CMS](#) (cost reimbursement methodology)
 - [Notice of intent to submit SPA on cost reimbursement methodology](#)
- [Kentucky School Based Services Technical Assistance Guide](#) - Department for Medicaid Services in collaboration with the Department of Education
- [Medicaid Letter to Superintendents](#) - Department of Education

Other Resources

- [Kentucky Medicaid plan amendment to provide increased access to health services for students](#) - Northern Kentucky Tribune
- [Schools can get new Medicaid money for both physical and behavioral health](#) - Kentucky Health News

Louisiana

Bottom Line

Louisiana expanded its school Medicaid program to cover all medically necessary EPSDT services delivered to all Medicaid-enrolled students.

Policy Highlights

The 2015 SPA allows school districts to bill for school-based nursing services delivered to all Medicaid-enrolled students. The 2020 SPA allows school districts to bill for all medically necessary services delivered to all Medicaid-enrolled students.

Action Taken to Expand School Medicaid

- Submitted SPA to CMS in 2015 to expand reimbursement for school nursing services
- SPA approved in 2015
- Submitted SPA to CMS in 2019 to expand reimbursement for all medically necessary services
- SPA approved in 2020

State Resources

- [SPA approval letter from CMS](#) (school nursing services)
- [SPA approval letter from CMS](#) (all medically necessary services)
 - [State Plan Redlined Pages](#)
 - [CMS Response](#)
- [School-Based Medicaid Services](#) - Department of Education

Massachusetts

Bottom Line

Massachusetts expanded its school Medicaid program to cover an expanded list of health services provided to all Medicaid-enrolled students. The services are a comprehensive but defined benefit package.

Policy Highlights

Massachusetts expanded services covered in a school-based setting to include speech-language pathology, occupational therapy and physical therapy; mental and behavioral health services; skilled nursing services; audiology services; personal care services; medical nutritional counseling; certain physical and behavioral health screenings; fluoride varnish treatment; and ABA therapy services for students with an autism spectrum disorder (ASD) diagnosis.

Notably, CMS approved a new formula for the state share as calculated by CMS. The new formula incorporates two categories of Medicaid-enrolled students: those with IEPs and those without IEPs.

State legislation is pending that will ensure Medicaid reimbursement from school-based services is reinvested in school nursing programming and services.

Action Taken to Expand School Medicaid

- Submitted SPA to CMS in 2016
- SPA approved in 2017; implementation began in 2019-2020 school year
- Legislation introduced in January 2019 - currently pending

State Resources

- [SPA approval letter from CMS](#)
- [School-Based Medicaid Program Resource Center](#) - MassHealth
- [Direct Service Claiming Program Guide](#) - MassHealth
- [Bill text: HB 465](#) and [SB 676](#) (identical language, different titles in House and Senate)

Other Resources

- [CMS Approves State Plan Amendment for Massachusetts, Creating New Opportunity for School-based Medicaid](#) - Analysis by Community Catalyst, Healthy Schools Campaign and National Health Law Program

Michigan

Bottom Line

Michigan expanded its school Medicaid program to cover reimbursable services to all Medicaid-enrolled students with documented medical necessity.

Policy Highlights

The SPA expands coverage of services to Medicaid-enrolled students with proper documentation of need.

Action Taken to Expand School Medicaid

- Submitted SPA to CMS in 2018
- SPA approved in 2019

State Resources

- [SPA approval letter from CMS](#)
- [Medical Services Administration Provider Bulletin](#) - Department of Health & Human Services
- [Medicaid Provider Manual](#) - Department of Health & Human Services
- [Bill text: SB 149, Section 31n](#)

Other Resources

- [Case Study: Expanding Michigan's School-Based Medicaid Program](#) - Healthy Schools Campaign

Minnesota

Bottom Line

Minnesota expanded its school Medicaid program to cover certain medically necessary services, including mental health services, for all Medicaid-enrolled students.

Policy Highlights

Minnesota Medicaid covers rehabilitation services (occupational therapy, physical therapy, speech-language pathology, audiology) and outpatient mental health services (children's therapeutic services and supports, diagnostic assessments, explanation of findings, family psychoeducation, health behavior assessment/intervention, psychological testing, psychotherapy, psychotherapy for crisis), public health nursing clinic services, and interpreter services when needed during a medical service.

Action Taken to Expand School Medicaid

- No SPA needed; policy effective July 1, 2021

State Resources

- [Medicaid in Education: Third Party Reimbursement](#) - Department of Education (see in particular School-Based Community Services in the Schools, which outlines the new policy that allows districts to bill outside the IEP, and Medicaid for Schol Mental Health Services)
- [School-Based Community Services](#) - Department of Human Services

Missouri

Bottom Line

Missouri's state Medicaid agency, HealthNet, expanded its school Medicaid program to cover behavioral health services delivered to all Medicaid-enrolled students.

Policy Highlights

The policy allows schools to provide and bill for behavioral health services provided to all Medicaid-enrolled students. It also clarifies that community behavioral/mental health providers can provide services in the school setting when a district determines it is appropriate to do so.

Action Taken to Expand School Medicaid

- No SPA needed; adopted policy in April 2018

State Resources

- [MO HealthNet: Behavioral Health Services Manual](#) - Department of Social Services
- [MO HealthNet: Provider Bulletin: Behavioral Health Services in a School Setting](#) - Department of Social Services
- [School-Based Health Center Task Force](#) - Missouri School Boards' Association
- [School-Based Health Resources](#) - School-Based Health Alliance of Missouri

Other Resources

- [Expanding School-Based Medicaid in Missouri](#) - Healthy Schools Campaign

Nevada

Bottom Line

Nevada expanded its school Medicaid program to cover all medically necessary EPSDT services to all Medicaid-enrolled students.

Policy Highlights

Nevada's school Medicaid program is a fee-for-service (FFS) program that covers all medically necessary EPSDT services to the school-based Medicaid program.

Action Taken to Expand School Medicaid

- Submitted SPA to CMS in 2019
- SPA approved in 2019

State Resources

- [SPA approval letter from CMS](#)
- [School Health Services Billing Guide](#)
- [Medicaid Services Manual Changes Chapter 2800 - School Health Services](#) - Division of Healthcare Financing and Policy

New Hampshire

Bottom Line

New Hampshire expanded its school Medicaid program to include services delivered to all Medicaid-enrolled students.

Policy Highlights

New Hampshire passed legislation in 2017, and a temporary rule was implemented in 2018 allowing the state Medicaid agency to reimburse schools for services provided to all Medicaid-enrolled students with a plan of care established by a school district.

The Medicaid to Schools program also allows schools to be reimbursed for such services as children's behavioral health and services under the EPSDT benefit.

Action Taken to Expand School Medicaid

- Legislation passed in March 2017 to expand the school Medicaid program
- Temporary rule put in place in August 2018; final rules have not been published

State Resources

- [Bill text: SB 235](#)
- [NH Medicaid to Schools Training and Technical Assistance Center](#)
- [Medicaid to Schools Resource Page](#) - Department of Health and Human Services
- [Medicaid to Schools Technical Assistance Guide](#) - Department of Health and Human Services

Other Resources

- [History of New Hampshire's Medicaid to Schools program](#) - New Hampshire Fiscal Policy Institute

New Mexico

Bottom Line

New Mexico expanded its school Medicaid program to cover all medically necessary services delivered to all Medicaid-enrolled students.

Policy Highlights

New Mexico allows schools to seek reimbursement for covered services provided under a 504 Plan, Individual Health Care Plan (IHCP) or other care plan.

Action Taken to Expand School Medicaid

- Submitted SPA to CMS in 2022
- SPA approved in 2023

State Resources

- [SPA approval letter from CMS](#)
- [SPA submission](#)

North Carolina

Bottom Line

North Carolina expanded its school Medicaid program to cover Medicaid-enrolled students with a 504 plan, IHP or BIP.

Policy Highlights

Covered services include nursing services, psychological and counseling services, and occupational, speech/language, audiology and physical therapy services. The SPA also added vision and hearing screening services as a covered service and clarified the definition of hearing services.

Action Taken to Expand School Medicaid

- Submitted SPA to CMS in 2018
- SPA approved in 2019

State Resources

- [SPA letter of approval from CMS](#)
- [Legislative Report on Fiscal Impacts of Expanded Medicaid Coverage for School-Based Health Services](#) - Report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice and Fiscal Research Division

Other Resources

- [North Carolina Secures School-Based Medicaid Services to Keep Kids Healthy and In the Classroom](#) - Community Catalyst
- [Analysis of North Carolina State Plan Amendment for Expansion of School-Based Medicaid](#) - Community Catalyst

North Dakota

Bottom Line

North Dakota expanded its school Medicaid program to cover services delivered to all Medicaid-enrolled students.

Policy Highlights

Medicaid-eligible health services otherwise covered by North Dakota Medicaid may be reimbursed in a school setting so long as they are deemed medically necessary; subject to service authorization requirements and limits; and rendered by practitioners enrolled as North Dakota Medicaid providers who meet the provider qualifications and are delivering services within their authorized scope of practice.

Action Taken to Expand School Medicaid

- No SPA needed

State Resources

- [Provider Guidelines, Manuals and Policies](#) - Department of Health & Human Services; see in particular:
 - [General Information For Providers](#)
 - [General Information For Behavioral Health Services](#)
- [Medicaid Reimbursement Fee Schedules](#) - Department of Health & Human Services

Oregon

Bottom Line

Oregon expanded its school Medicaid program to cover all medically necessary services delivered to all Medicaid-enrolled students.

Policy Highlights

The SPA expands Medicaid-reimbursable services to all Medicaid-enrolled students with a 504 plan or any other documented individualized health or behavioral health plan, or as otherwise determined medically necessary.

Covered services include all medically necessary services delivered by all eligible providers listed in the state plan.

Action Taken to Expand School Medicaid

- Oregon passed legislation in 2017 requiring the state Department of Education to assist schools in funding school nurse services through increased school-based health services Medicaid billing.
- Submitted SPA to CMS in 2019
- SPA approved May 2023

State Resources

- [SPA letter of approval from CMS](#)
- [Bill text: SB 111](#)
- [School-Based Health Services Program](#) - Health Care Authority
- [Medicaid in Education](#) - Department of Education
- [Overview of School Medicaid Billing Pilot Project \(2017-2020\)](#) - Department of Education

South Carolina

Bottom Line

South Carolina expanded its school Medicaid program to cover eligible services delivered to all Medicaid-enrolled students with an IHP or ITP.

Medically necessary school-based behavioral health services are available to all Medicaid beneficiaries under the age of 21 years old and diagnosed with mental health and/or SUD(s).

Policy Highlights

Medicaid reimbursement is available on a fee-for-service (carved out) basis for students with IEP, IFSP, IHP or ITP for the following school-based services: rehabilitative therapy services (audiological, physical therapy, occupational therapy, speech and language pathology); nursing services for children under 21 years.

Medicaid-reimbursed school-based rehabilitative behavioral health services are required to be included in the IEP, IFSP, ITP or IPOC. Rehabilitative behavioral health services are covered for students through managed care (carved in) unless the beneficiary is enrolled in fee-for-service Medicaid.

Services rendered subsequent to and as a result of an anomaly discovered during an EPSDT exam are reimbursable but the exam is not.

Action Taken to Expand School Medicaid

- No SPA needed; implementation underway

State Resources

- [Local Education Agencies Services Provider Manual](#) - Department of Health and Human Services

Tennessee

Bottom Line

Tennessee expanded its school Medicaid program to cover medically necessary behavioral health services for all Medicaid-enrolled students. All school-based services in Tennessee are reimbursed to the school districts through contracts with managed care companies.

Policy Highlights

Tennessee's school Medicaid program (TennCare) is "carved in" to its Medicaid managed care system. All students with TennCare are enrolled in one of four managed care plans, each of which operates on a statewide basis. School districts likely will have students enrolled in each of the four MCOs and should contract with all four MCOs to maximize the ability to bill for eligible healthcare services.

In order to bill Medicaid, school districts must contract directly with the Medicaid managed care plans, and the managed care plans must cover all medically necessary services in the student's IEP and specific nursing services in an IHP.

As of July 2023, medically necessary, covered behavioral health services are not required to be in the student's IEP to be reimbursed by Medicaid. If *any* Medicaid-enrolled student receives a medically necessary behavioral health service, and if the school has a contract with the student's Medicaid managed care plan, that service can be reimbursed.

Action Taken to Expand School Medicaid

- No SPA needed
- Revised July 2023 billing manual effectuates the policy change and provides clear guidance

State Resources

- [TennCare Billing Manual: Tennessee School Districts](#) - Department of Education

Virginia

Bottom Line

Virginia expanded its school Medicaid program to cover all eligible services for all Medicaid-enrolled students.

Policy Highlights

The SPA allows schools to bill Medicaid for services outside an IEP, including ESPDT services, mental health services, nursing services and others, when medical necessity has been established.

Action Taken to Expand School Medicaid

- Passed legislation (signed into law in March 2021) requiring the state Medicaid agency to pursue a SPA and to provide technical assistance to the state Department of Education and school districts on implementation
- Submitted SPA to CMS in 2021
- SPA approved in 2023

State Resources

- [SPA approval letter from CMS](#)
- [Bill text: SB 1307](#)

Other Resources

- [New legislation set to impact Virginia DMAS](#) (Department of Medical Assistance Services) - State of Reform

Washington

Bottom Line

Washington expanded its school Medicaid program to cover services outside a student's IEP if the school district contracts directly with a managed care organization to do so.

As of May 2023, 7 out of the 9 Educational Service Districts (ESDs) and one school district are licensed behavioral health agencies and are contracted with Medicaid MCOs.

Policy Highlights

Washington allows school districts to contract directly with Medicaid managed care organizations to bill for services outside of an IEP, including behavioral health services. Services delivered through these contracts are reimbursable for all students.

Examples of services that schools may receive reimbursement for include vision and hearing screenings, diabetes and asthma treatment for students with 504 plans, behavioral health services, immunizations, and any other non-IEP/IFSP Medicaid-covered health service.

For mental health services, school districts can become licensed behavioral health agencies in order to provide specific mental health, substance use disorder, problem gambling, or any combination of these types of services.

Note: Washington did not expand the ability of school districts to bill for services outside of a student's IEP, so it is not an expansion of school-based Medicaid through the "free care" policy reversal. However, this does create an important opportunity to increase reimbursement by managed care organizations to school districts for the delivery of school health services.

Action Taken to Expand School Medicaid

- No SPA needed

State Resources

- [Medicaid-Funded School-Based Health Care Services and Supports](#) (summary of programs and information) - Health Care Authority
- [Medicaid School-Based Behavioral Health Services and Billing Toolkit](#) - Health Care Authority

Other Resources

- [Building Cross-Sector Collaboration to Support School Behavioral Health Services: Washington's Children's Regional Behavioral Health Pilot Program](#) - Healthy Schools Campaign

Healthy Schools Campaign

Healthy Schools Campaign (HSC) engages stakeholders and advocates for policy changes at local, state and national levels to ensure that all students have access to healthy school environments, including nutritious food, physical activity and essential health services, so they can learn and thrive. HSC's Healthy Students, Promising Futures initiative supports states and school districts in expanding access to Medicaid-funded school health services. To learn more, visit healthyschoolscampaign.org and healthystudentspromisingfutures.org.

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