



Minnesota Department Of Education

Third Party Reimbursement

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What is Third Party Reimbursement

- Schools are reimbursed by Medicaid when a child has a disability and an IEP or IFSP, requires health-related services to benefit from special education, and is eligible under a Minnesota Health Care Program (which includes Medical Assistance (MA), MinnesotaCare and other public, government health programs)
- Helps to access funds to support Minnesota schools in building capacity to provide better health and behavioral health services to students.

Third Party Reimbursement

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- State law **mandates** schools to seek reimbursement otherwise covered by the child's health coverage this includes Medicaid. Minnesota statute [\(125A.21\)](#)
- Medicaid is the “payer of first resort” meaning the financial responsibility of State Medicaid Agency precedes that of local education agency [\(34 CFR §300.154\(a\)\(1\)](#)
- There is no cost to the state as schools are only reimbursed with federal funds.

Third Party Federal Regulations

There is *no* cost to the family

Federal & State laws protect families & students when schools seek reimbursement (bill) from Medical Assistance or MinnesotaCare.

Accessing a child's public benefits can not-

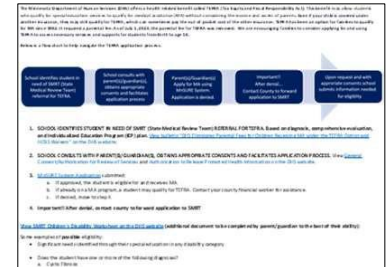
- Decrease available lifetime coverage
- Result in the family paying for services that would otherwise be covered for the child outside of the time the child is in school;
- Increase premiums or lead to the discontinuation of benefits or insurance; or
- Affect community-based waiver programs
- Require parents to incur an out-of-pocket expenses 34 C§300.154

Updates

New in Minnesota

- State Special Education reimburses at roughly 61% (with roughly an additional 17% coming in the next year due to the cross subsidy reduction aid) while MA covers 50% of the cost.
- From up to the age of 21 to up to the age of 22 or have not graduated from the 12th grade [DHS IEP manual](#)

More Updates



TEFRA- MN health-related benefit called the Tax Equity and Fiscal Responsibility Act (TEFRA) program.

- This benefit could allow students who have been identified with a special education disability qualify for medical assistance
 - Without considering the income and asset limits of parents,
 - Even if your child is covered under another insurance
 - Effective in July 2023 the parental fee has been removed
- The school can help facilitate by having complete comprehensive evaluations and IEP and assisting the parent with application and communication with the students financial worker.

Why does it matter?



State and Federal Medicaid Data

According to Minnesota Data from 2021-2022 School Year

- 151,532 students are identified as having a disabilities based on [MDE child count](#)
- 67% of students with an EBD disability in Minnesota have free or reduced lunch.
- 44,502 children enrolled in MHCP in 2021-2022 were billed for IEP services
- Minnesota schools in SY 2021-22 received over 56 million in federal Medicaid revenue for IEP/IFSP services .

Nationally

- In 2021 more than [\\$5.98 billion in payments for School-Based health care services to school districts](#)

Good to know about Third Party Reimbursement

- Medicaid, MA (medical assistance) Third Party Reimbursement, Third Party Billing
- Don't be confused...
 - Billing the child's MA
 - District using their third party funds
- School only receive the federal Medicaid share of the cost of the service
- Schools must use state special education funds to pay for device prior to billing the student MA
- [Special Education Funding Guide - Third Party Reimbursement](#)

What IEP services can be billed to Medicaid?

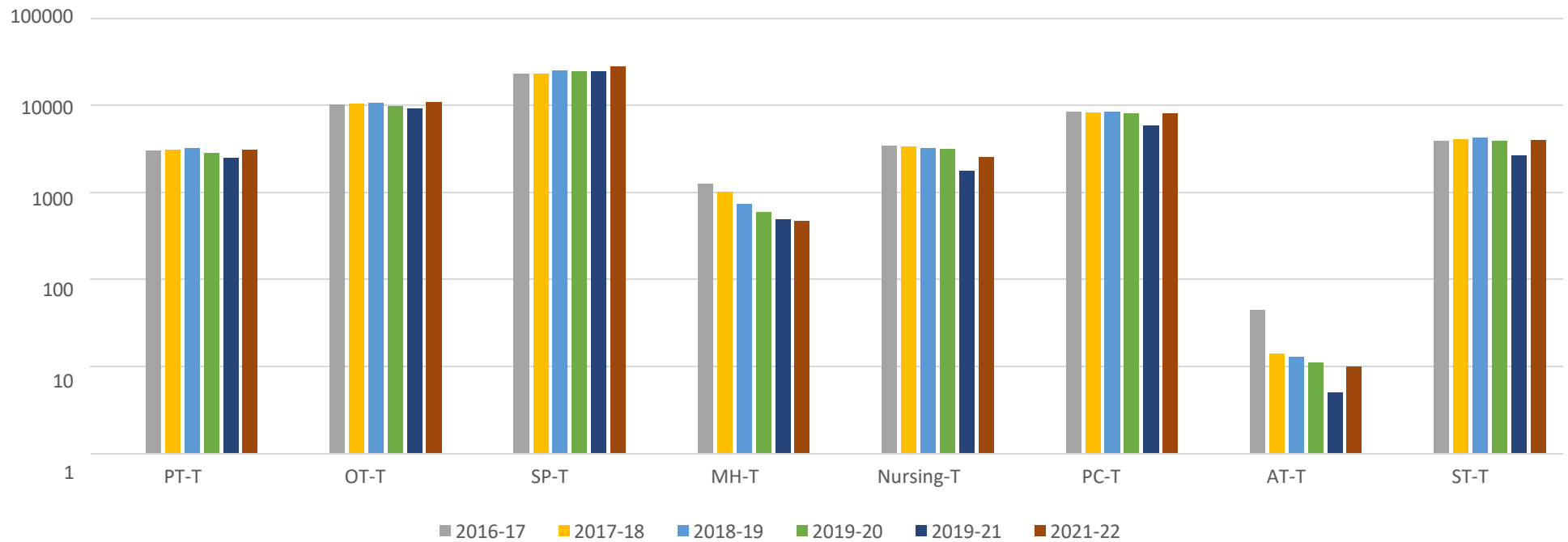
- Assistive Technology Devices
- Interpreter services
- Mental health/CTSS
- Nursing Services
- Occupational Therapy services
- Physical Therapy services
- Personal care assistance Services
- Special transportation services
- Speech language pathology services
- Audiology services

Covered AT devices

Covered AT devices

- Hearing amplification devices –
 - for example, FM systems
- Dedicated speech generating devices (“locked” for a specific use or purpose)
- Communication picture books
- Communication charts and boards
- Mechanical devices
- Electronic devices
- Electronic tablets
- Communication software application
- Carrying cases or mounting
- Other accessories that are medically necessary
- Mobility devices – for example, wheelchair walkers
- Positioning devices – for example, standing boards

Unduplicated Recipients by Service and Year



AT Devices can be reimbursed when?

- Medically necessary – Test, assessments, evaluation report, and diagnosis/condition that requires use of the device.
- Documented assessments and trial notes dated before the date of service or purchase if the equipment needed.
- Identified in the IEP or IFSP dated before the date of service or purchase.
- Used only by the child for whom the device is purchased or rented.
- Used as needed in the school, home and community.
- Equipment billed to a student's MA belongs to the child
- MHCP will cover only one same or similar device, except when the item is too cumbersome or hard to transport. Items too cumbersome to transport may include a stander, Hoyer lift and certain toilet seats.

Authorization requirements

The IEP team authorizes services included in an IEP or IFSP. A signature of a physician, advanced practice registered nurse (APRN), nurse practitioner or physician assistant is not required for approval of the IEP or IFSP or for assistive technology devices. The IEP team determines the need for IEP services.

Note: Only a speech-language pathologist is able to order a communication device, including dedicated electronic devices, once the order is approved by the IEP team.

Informed Consent

Before billing a student's public or private insurance the school must obtain a parent's informed consent to share information with the Minnesota Department of Human Services (DHS), the agency that administers Medicaid, for billing purposes and before disclosing your child's personally identifiable information.

School districts may obtain parent consent in two ways:

- 1) with school district consent forms (e.g. the [MDE recommended form](#)); or
- 2) the Minnesota Health Care Programs (MHCP) application. (**part B only and additional waiting period**)

Federal regulations require school districts to provide specific information to parents *before* obtaining their consent to bill Medical Assistance and submitting bills, and annually thereafter in the district's [Procedural Safeguards](#) document. 34 CFR §300.154(d)(2)(iv)(A)

Informed (part B and part C) consent is only required one time.

[DHS Parent Bulletin](#)

How can district use their Third Party Funds?

School districts must spend the Medicaid reimbursements on (125A.21):

- 1) administrative costs of obtaining reimbursements;
- 2) training and other appropriate technical assistance designed to improve the district's ability to access third-party payments
- 3) reimbursement for the benefit of students with IEP or IFSP in the district

Reminders for billing

- Billing process
- Communication in your district is key
- Is the student eligible for Medical assistance?
- Device is medically necessary?
- Is the device [covered](#)?
- Do you have [informed consent](#)?
- Device is described on the IEP and approved/authorized by the IEP team?
 - Audiologist, OTR, PT, SLP, RN
- Used only by the child for whom the device was purchased or rented for?
- Device billed to a students MA belongs to the student
- Funds district receives from third party reimbursement belongs to the district

What are the benefits of Third Party Reimbursement?

- **Sustainable:** Accessing federal Medicaid funds is a sustainable revenue source that build the schools physical and behavioral health capacity and expand community supports.
- **Increased Access:** School physical and behavioral health providers provide consistent and reliable access for students and their behavioral health needs.
- **Equitable:** Federal Medicaid funding increases health equity across schools by allowing additional Medicaid reimbursement to schools who have a higher Medicaid population.
- Schools can play an important role in bridging equity gaps among students in low-income and rural communities where access to health care services may be more limited.
- **Cost Effective:** This is of no cost to the state as schools are only reimbursed with federal funds.
- Schools are one of the most cost-effective ways of providing physical and behavioral health services to our students.

Questions?





Thank you!

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