IDAHO DEPARTMENT OF
HEALTH & WELFARE

C.L. "BUTCH" OTTER – Governor
RICHARD M. ARMSTRONG – Director

LESLIE M. CLEMENT - Administrator
DIVISION OF MEDICAID
Post Office Box 83720
Boise, Idaho 83720-0036
PHONE: (208) 334-5747
FAX: (208) 364-1811

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Dear Medicaid Service Provider:

The purpose of this letter is to clarify the implementation expectations regarding services to school-age children. We have received many comments and questions regarding our policy clarification about the appropriate use of Medicaid coverage for children. I hope that this letter will help respond to some of those issues.

I have sent a letter to parents, explaining how Medicaid funds are used to meet the needs of their children through school-based services and through community-based services. The letter describes the differences between the two services:

1. School-based services provided through an Individualized Education Plan (IEP) that are identified for the needed purpose of achieving an education.
2. Community-based services provided through a Medicaid Individualized Service Plan (ISP) that are identified to meet other medical, rehabilitative, and health-related services that are not for educational purposes.

Because children have been accessing services through various avenues, we provided the following guidance for ensuring their children maximize their educational benefits while using Medicaid benefits appropriately:

For Children with IEPs

- If the IEP includes all the educational services a child receives, parents don't need to make any changes. In these cases, it appears there are no educational services provided outside of the IEP.
- If the child is receiving educational services outside of the public school, we are encouraging parents to work with the school to expand the IEP to include those services. We would expect provider agencies to work in earnest with the families they serve and the schools, to have those educational services appropriately reflected on the IEP and not included on the community-based service plan.

For Children without IEPs

- If parents think their child may qualify for an IEP, we are encouraging parents to work with the school to establish an IEP. The school is obligated to have a plan in place within 60 days of school enrollment. As stated above, we would expect provider agencies to work in earnest with families and schools to have services with an educational objective to be identified on an IEP.

For Children with Approved Department Plans

- Department-approved plans will be honored. Plans that have been prior-authorized by the Department have already been determined to meet the necessary criteria and may continue for the established plan duration. At regularly scheduled reviews of the prior-authorized plans, the Department will continue to determine whether services meet necessary requirements and will make sure the services are not educational services, which are not covered by Medicaid.

  As you know, there are services that are not subject to prior-authorization. We would expect all services would comply with Medicaid rules and we will be reviewing documentation to ensure compliance during agency surveys.

We also informed parents that we realize there may be exceptions and unique situations that need to be individually addressed. In Medicaid, we rely on the Early, Periodic, Screening, Diagnosis, and Treatment (EPSDT) process to look at cases where a child may need a service that Medicaid typically does not cover. If parents identify a unique need, we will be asking for information that provides us with the information about why the Medicaid coverage rules and limits should not apply to their child. While you may be requested by the parent to provide documentation, the request for EPSDT reviews need to come from the family.

I hope this information is helpful to your agency and I appreciate the efforts that are already underway to make any necessary changes.

Sincerely,

LESLIE M. CLEMENT
Administrator

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