



HEALTH IN SCHOOL
Fact Sheet

Medicaid Reimbursement for School Nursing Services

School nursing is an important resource for school children to access health care and preventive health services, particularly for rural and medically underserved children. School nurses provide a broad scope of services ranging from administering screening tests, managing chronic disease and mental health, and educating children about healthy lifestyle choices, to handling life-threatening allergy and asthma events.¹ For many children, the school nurse may be the only health care provider they will see all year.² Because school nurses are trained to understand the complexity of the relationship between physical and emotional well-being and academic success, they play a unique and valuable role in ensuring that students are healthy and able to learn.³

Medicaid is a significant payer for child and adolescent health care in the United States, covering 47% of school aged children as of November 2022.⁴ Given competing priorities for limited resources in schools, school nurses' ability to bill Medicaid enables them to more readily provide important preventive and other health care services, expanding school children's access to health care generally, but particularly in rural and underserved areas where it is needed most.

The “Free Care” Rule

In 1997, the Centers for Medicare & Medicaid Services (CMS) released a guide to provide schools and school districts with information on using Medicaid funding for school health services. For eighteen years, Medicaid could only be billed for health services provided to Medicaid students if the service was included in an Individualized Education Plan (IEP) or if the service was billed through insurance for non-Medicaid students. This was known as the “free care” rule: if a service was provided for free to all students, Medicaid would not accept being billed for students enrolled in Medicaid. This rule reduced funding and likely reduced access to screenings like vision, hearing, and scoliosis, even though such services were established as a Medicaid benefit in 1967 with the passage of Social Security Act Amendments. Such benefits are collectively known as Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services.⁵

“Free Care” Policy Reversal

In 2014, CMS issued a letter to state Medicaid directors clarifying the services considered to be reimbursable by Medicaid in a school-based setting. This guidance allowed school districts to expand their school-based Medicaid programs to cover more students and potentially bring in additional, sustainable federal funding for states. The “free care” policy reversal letter clarified that schools could seek reimbursement for covered services provided to all students enrolled in Medicaid—not just those with IEPs. This began a monumental shift in the way CMS views school-based health services. It allowed screenings and other medical services to be reimbursable for all Medicaid-eligible students.⁶



The Bipartisan Safer Communities Act

Congress recently made some big changes to the law with the Bipartisan Safer Communities Act of 2022 (BSCA).⁷


Section 11003 of the BSCA, entitled “*Supporting Access to Health Care Services In Schools*,” requires updates to outdated billing guides and provides more assistance to states, local education agencies (LEAs), and school-based entities seeking Medicaid reimbursement for school-based services (SBS). Specifically, the law:

- **Requires the Secretary of Health and Human Services (HHS), in consultation with the Secretary of Education, to issue guidance to support the delivery of services to students covered by Medicaid and CHIP in school-based settings.** The guidance, which was required to be issued within one year of enactment of the law, must include:
 - Updates to the 2003 Medicaid School-Based Administrative Claiming Guide, 1997 Medicaid and Schools Technical Assistance Guide, and any other relevant guidance currently in effect;
 - Clarification that school-based entities can receive reimbursement for Medicaid-covered services rendered to Medicaid-enrolled students in an Individualized Education Program (IEP) and via the existing [free care policy reversal](#), under which states can expand their school Medicaid programs to Medicaid covered students without an IEP;
 - Strategies and tools to reduce administrative burden and simplify billing for LEAs, including by aligning direct service billing and school-based administrative claiming payment systems;
 - A comprehensive list of best practices, as well as state and local examples of how to finance and expand [EPSDT](#) and telehealth services and implementing the free care policy reversal in states that have not yet taken up the option; and
 - Examples of types of providers that states may choose to cover as qualified school-based health providers for purposes of Medicaid reimbursement and best practices for helping to get those providers enrolled in Medicaid to receive such reimbursement.
- **Requires the Secretary of HHS, in consultation with the Secretary of Education, within one year of enactment, to establish a technical assistance center**, for the purposes of:
 - Expanding the capacity of state Medicaid agencies, LEAs, and school-based entities to provide assistance under Medicaid;
 - Reducing administrative burden and supporting these entities in receiving reimbursement for Medicaid-covered services;
 - Ensuring ongoing collaboration between HHS and the Department of Education; and
 - Providing information to state and local education agencies on how to utilize funding.
- **Provides \$50 million for fiscal year 2022 for the Secretary of HHS to award grants to states to implement, enhance, or expand the provision of assistance through school-based entities under Medicaid or CHIP.**

In addition to the Medicaid and CHIP-related provisions under Section 11003, the Bipartisan Safer Communities Act also includes \$1 billion in grant funding for school-based programs run by the Department of Education. This includes \$500 million for fiscal years 2022 through 2026 for the [School Based Mental Health Services Grant program](#) – which supports the number of qualified mental health service providers that provide school-based mental health services – and \$500 million for the [Mental Health Services Professional Demonstration Grant program](#) – which focuses on supporting training for school-based mental health service providers.⁸

Agency Guidance Implementing the BSCA

On August 18, 2022, CMS issued an informational bulletin announcing that it would issue an updated SBS guide, including an update to the existing Medicaid School-Based Administrative Claiming Guide and Medicaid and Schools Technical Assistance Guide in accordance with Section 11003 of the Bipartisan Safer Communities Act.⁹



On May 18, 2023, HHS, through CMS, released the Comprehensive Guide to Medicaid Services and Administrative Claiming, a 184-page guidance document implementing the new law.¹⁰ The guidance outlines flexibilities that states can adopt to make it easier for schools to get paid for critical health services delivered to children enrolled in Medicaid and the Children’s Health Insurance Program (CHIP). The new guidance provides states with the first explicit instructions from CMS regarding which services are eligible for Medicaid reimbursement. For example, on page 41, the guidance states that “federal funds for Medicaid services, including SBS, are only available when all of the following requirements are met:

- The individual receiving the service is an enrolled Medicaid individual;
- The service is a covered Medicaid service, provided in accordance with the approved Medicaid State plan, including all medically necessary services as required under the EPSDT benefit provided to EPSDT-eligible students;
- The billing provider for the service is a participating Medicaid provider and meets all applicable federal and State provider qualification requirements;
- The Medicaid State plan contains a payment methodology that is consistent with efficiency, economy, and quality of care;
- TPL requirements for the service are met (note: for Medicaid-covered services identified in a beneficiary’s IEP, Medicaid can be the primary payer);
- Medicaid payment does not duplicate payments from other third-party sources for the same service;
- The State Medicaid agency and provider maintain auditable documentation of services and Medicaid cost reporting to support claims for FFP;
- The State Medicaid agency must provide the non-federal share of the payment for Medicaid services from a permissible source; and
- All other applicable program requirements for the service, payment, and associated claiming are met.”

The guidance also includes blueprints for several different reimbursement models, in order to give states the ability to improve their Medicaid programs in the ways that best fit their schools. These blueprints, along with \$50 million in federal aid and a soon-to-be-formed technical assistance center, will give states the knowledge and support needed to maximize their reimbursement for school-based services.¹¹

Also, through this guidance, CMS and the Department of Education state that schools can and should offer a greater amount of EPSDT services to all students in the school. The BSCA required HHS to review each state’s implementation of EPSDT services under Medicaid by June of 2024, and then every 5 years going forward. Additionally, HHS will issue guidance to states on both the requirements for EPSDT services, and best practices for ensuring that children have access to comprehensive health services across all settings, not only school-based ones.¹²

Finally, the guidance provides an outline to help increase access and funding for SBS, explicitly detailing options open to states.¹³ The different options to pay for SBS under an approved Medicaid state plan are detailed on pages 44-47 of the guidance. These include 1) FFS Payment Rates and Community Payment Rates; 2) Payments to Non-School Providers for Services Provided in Schools; 3) Prospective Cost-Based Rates Specific to Schools; and 4) Reconciliation to the Cost of Medicaid Services Provided in Schools.¹⁴

Department of Education Proposed Rule

On May 18, 2023, the Department of Education published a Notice of Proposed Rulemaking under the Individuals with Disabilities Education Act (IDEA) that would streamline consent provisions when billing for Medicaid services provided through a student’s IEP.¹⁵ This would result in a uniform process applicable to all Medicaid enrolled children, regardless of disability. The proposed rule would amend 34 CFR Part 300.

- The proposed rule would amend regulations under Part B of the IDEA that govern the Assistance to States for the Education of Children with Disabilities program, including the Preschool Grants program.
 - Specifically, the proposed rule would amend the IDEA Part B regulations to remove the requirement for public agencies to obtain parental consent prior to accessing for the first time a child’s public benefits or insurance (e.g., Medicaid, Children’s Health Insurance Program (CHIP)) to provide or pay for required IDEA Part B services.

- As there are no comparable consent requirements prior to accessing public benefits for children without disabilities, the removal of this consent requirement would align public benefits consent requirements for children with disabilities to those for children without disabilities and ensure equal treatment of both groups of children.
- The proposed rule does not alter any of the parental consent provisions required by IDEA nor do they impact the parental consent obligations under the Family Educational Records and Privacy Act (FERPA).¹⁶
- Additionally, the proposed rule does not alter the requirement that IEP services must be delivered at no cost to the child's family, the requirement that IEP services cannot diminish other Medicaid-reimbursable services, nor Medicaid's position as payor of first resort for IEP and Individualized Family Service Plan services.¹⁷
- Rather, the proposed rule would help cut red tape that schools and districts face in billing Medicaid and meet their obligations to ensure students with disabilities receive a free, appropriate public education in accordance with their IEP.¹⁸

Currently, Section 300.154(d)(2)(iv) requires a public agency to obtain a one-time consent from the parent, after providing written notification, before accessing the child's or the parent's public benefits or insurance for the first time. This consent must specify PII that may be disclosed, the purpose of the disclosure, and the agency to which the disclosure may be made. The consent also must specify that the parent understands and agrees that the public agency may access the child's or parent's public benefits or insurance to pay for IDEA Part B services.¹⁹

The proposed rule would rescind the current § 300.154(d)(2)(iv), which would remove the requirement for parental consent prior to accessing a child's or parent's public benefits or insurance for the first time.

How do state laws address Medicaid coverage for school nursing services?

Across the country, states treat Medicaid coverage for school nursing services differently. Few state laws specifically provide for Medicaid coverage for school nursing services not provided in accordance with a student's Individualized Education Program (IEP), although some states do address these specific coverage decisions in either informal state policies or Medicaid state plan amendments (SPAs). A Medicaid state plan is an agreement between a state and the federal government describing how that state administers its Medicaid programs.²⁰ Massachusetts allows school nurses to bill Medicaid for *all* Medicaid-eligible services through the SPA approved by the Centers for Medicare & Medicaid Services (CMS) in July 2017.²¹ Other states, such as Florida and Kentucky, only address Medicaid reimbursement for school-based health care services that are provided to students with certain disability classifications, including students with an IEP.²² Many states, such as Connecticut, have promulgated guidance documents that outline reimbursable services by the type of practitioner that may provide the service. Following are examples of several state policies regarding Medicaid coverage of school nursing services. This is not an exhaustive list, but is designed to illustrate the many ways that states have chosen to address Medicaid billing for school nursing services.

Medicaid Billing for School Nursing Services Addressed by Statute

- **Florida:** Medicaid will reimburse school districts for physical, occupational, and speech therapy services, behavioral health services, mental health services, transportation services, Early Periodic Screening, Diagnosis, and Treatment (EPSDT) administrative outreach for the purpose of determining eligibility for exceptional student education, and any other such services, for the purpose of receiving federal Medicaid financial participation. Medicaid will not, however, reimburse school districts for family planning, immunizations, or prenatal care.²³
- **Connecticut:** Medicaid will reimburse school districts for "eligible special education and related services" provided at school through the Medicaid School Based Child Health Program administered by the state Department of Social Services.²⁴



Medicaid Billing for School Nursing Services Addressed in Administrative Regulations

- **Maryland:** Medicaid will reimburse for certain services provided by school nurses who are Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) certified providers.²⁵ While Medicaid will also reimburse for certain services provided in a school-based health center, registered nurses are not listed as among the reimbursed providers by regulation.²⁶
- **Kentucky:** Medicaid will reimburse school districts for Medicaid-covered school nursing services provided in accordance with a student's IEP.²⁷
- **Mississippi:** Medicaid will reimburse public schools or certified public school districts for EPSDT School-Health Related Services or Health Related Early Intervention Services from Medicaid.²⁸
- **Oregon:** Medicaid will reimburse publicly funded education agencies for nursing services listed in an IEP.²⁹

Medicaid Billing for School Nursing Services Addressed in State Medicaid Plan Amendment

- **Massachusetts:** School nurses may obtain reimbursement for all services eligible under Medicaid.³⁰

Medicaid Billing for School Nursing Services Addressed in Informal Policies

- **California:** Medi-Cal will reimburse a local education agency (LEA) for the school nursing services not authorized in a student's IEP or the services authorized by an Individualized Family Services Plan (IFSP) which are limited to a maximum of 24 services (assessments and treatments) per 12-month period.³¹
- **Texas:** Medicaid will reimburse an LEA and shared service arrangements³² the school nursing services listed in an IEP.³³
- **New York:** Medicaid will reimburse school districts and certain schools for skilled nursing services listed in an IEP.³⁴
- **Virginia:** Medicaid will reimburse school divisions for the school nursing services listed in IEP and EPSDT.³⁵

Most states that allow reimbursement for school nursing services do so for nurses practicing in school-based health centers or for services listed in student IEPs. As most school nurses do not work within school health centers and the scope of school nursing services extends well beyond those listed in IEPs, state laws that expressly allow Medicaid billing for preventive and health care services provided by school nurses represent an opportunity to expand school children's access to health care and to improve child and adolescent health. Given the important role that school nurses play in both health and education of children, states should consider expanding Medicaid coverage for school nursing services via amending state laws.³⁶



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The Network for Public Health Law is a national initiative of the Robert Wood Johnson Foundation. This document was developed by Max Breene, JD Candidate '24, at the University of Maryland Francis King Carey School of Law, with direction and assistance from Kerri McGowan

Lowrey, JD, MPH, Deputy Director, of the Public Health Law Network Eastern Region. The Network for Public Health Law provides information and technical assistance on issues related to public health. The legal information and assistance provided in this document does not constitute legal advice or legal representation. For legal advice, please consult specific legal counsel.

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¹ Erin D. Maughan & Beth E. Jameson. Celebrating 21st-Century School Nursing Practice. NASN school nurse (Print), 35(3), 133–135 (2020). <https://doi.org/10.1177/1942602X20913908>.

² Kerri McGowan Lowrey, How the Law can Help Realize the Potential of School Nursing in Public Health, the Network for Public Health Law (June 6, 2017), <https://www.networkforphl.org/news-insights/how-the-law-can-help-realize-the-potential-of-school-nursing-in-public-health/>.

³ *Id.*

⁴ Ann B. Conmy et al., Children’s Health Coverage Trends: Gains in 2020–2022 Reverse Previous Coverage Losses 2 (Assistant Secretary for Planning and Evaluation: Office of Health Policy 2023),

<https://aspe.hhs.gov/sites/default/files/documents/77d7cc41648a371e0b5128f0dec2470e/aspe-childrens-health-coverage.pdf>.

⁵ Jason Coker, It’s Time to Make Changes to Your State’s School-Based Medicaid Program, EisnerAmper (Jun 19, 2023),

<https://www.eisneramper.com/insights/education-insights/state-school-medicaid-plan-changes-0623/#:~:text=The%20E2%80%9Cfree%20care%20policy%20reversal,views%20school%2Dbased%20health%20service>

⁶ *Id.*

⁷ *Id.*

⁸ Bipartisan Safer Communities Act, Pub. L. No. 117–159, § 11003, 136 Stat. 1313, 1317-19 (2022).

⁹ Margaux Johnson-Green & Anne Dwyer, Bipartisan Safer Communities Act Greenlights Updated School-Based Medicaid Guidance, TA Center and Grant Funding, Georgetown University McCourt School of Public Policy: Center for Children and Families (July 18, 2022), <https://ccf.georgetown.edu/2022/07/18/bipartisan-safer-communities-act-greenlights-updated-school-based-medicaid-guidance/>.

¹⁰ Daniel Tsai, Information on School-Based Services in Medicaid: Funding, Documentation and Expanding Services, Center for Medicaid and CHIP Services (August 18, 2022), https://www.medicaid.gov/sites/default/files/2022-08/sbscib08182022_2.pdf.

¹¹ The Centers for Medicare and Medicaid Services (CMS), Delivering Services in School-Based Settings: A Comprehensive Guide to Medicaid Services and Administrative Claiming (2023), <https://www.medicaid.gov/sites/default/files/2023-07/sbs-guide-medicaid-services-administrative-claiming-ud.pdf>.

¹² Abe Saffer, New Medicaid guidance for school-based services, new opportunities, American Occupational Therapy Association (June 5, 2023), <https://www.aota.org/advocacy/advocacy-news/2023/new-medicaid-guidance-for-school-based-services-new-opportunities>.

¹³ *Id.*

¹⁴ *Id.*

¹⁵ The Centers for Medicare and Medicaid Services (CMS), Delivering Services in School-Based Settings: A Comprehensive Guide to Medicaid Services and Administrative Claiming (2023), <https://www.medicaid.gov/sites/default/files/2023-07/sbs-guide-medicaid-services-administrative-claiming-ud.pdf>.

¹⁶ Assistance to States for the Education of Children With Disabilities, 88 Fed. Reg. 31659 (proposed May 18, 2023) (to be codified at 34 C.F.R. pt. 300), <https://www.federalregister.gov/documents/2023/05/18/2023-10542/assistance-to-states-for-the-education-of-children-with-disabilities>.

¹⁷ U.S. Department of Education, Biden-Harris Administration Takes Action to Help Schools Deliver Critical Health Care Services to Millions of Students (May 18, 2023), <https://www.ed.gov/news/press-releases/biden-harris-administration-takes-action-help-schools-deliver-critical-health-care-services-millions-students>.

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ 34 C.F.R. § 300.154(d)(2)(iv) (2023).

²¹ Medicaid, Medicaid State Plan Amendments, <https://www.medicaid.gov/medicaid/medicaid-state-plan-amendments/index.html>.

²² Massachusetts’s State Plan Amendment submitted to CMS (July 1, 2016), <https://www.medicaid.gov/State-resource-center/Medicaid-State-PlanAmendments/Downloads/MA/MA-16-012.pdf>; Healthy Students, Promising Futures, CMS Approves State

Plan Amendment for Massachusetts, Creating New Opportunity for School-based Medicaid (Dec. 12, 2017), https://healthystudentspromisingfutures.org/wp-content/uploads/2019/07/CMS-Approves-MA-SPA-Brief_FINAL_12-12-17.pdf.

²² An Individualized Education Program is a plan or program developed to ensure that a child who has a disability identified under the law and is attending an elementary or secondary educational institution receives specialized instruction and related services. School Nursing Services that might be mentioned in an IEP include, but are not limited to: early identification and assessment of disabilities in children; counseling services, including rehabilitation counseling, etc. Center for Parent Information and Resources, All About the IEP, Sep. 8, 2017. <http://www.parentcenterhub.org/iep/>. Mental Department of Health and Mental Hygiene, Center for Maternal and Child Health, Role of the School Nurse in Implementing Section 504 and Individualized Education Program Services-Maryland State School Health Guideline (Dec. 2007).

<http://marylandpublicschools.org/about/Documents/DSFSS/SSSP/SHS/SHSGuidelines/RoleofHealthStaffImplementing504Schools.pdf>. Center for Parent Information and Resources, Related Services, Nov. 1, 2017. <http://www.parentcenterhub.org/iep-relatedservices/>.

²³ Fla. Stat. §§393.063 (2023), 409.9071 (2020), 1011.70 (2017), 409.9072 (2016).

²⁴ Conn. Gen. Stat. Ann. § 10-76d(a)(4)-(7) (West 2023); Department of Social Services, Medicaid School Based Child Health Program, User Guide, May 2022, at 1. <https://portal.ct.gov/-/media/Departments-and-Agencies/DSS/Health-and-Home-Care/Reimbursement/School-Based-Healthcare-Program/SBCH-User-Guide-updated-May-2022.pdf>.

²⁵ Md. Code Reg. 10.09.50.04 (2018).

²⁶ Md. Code Reg. 10.09.76.02 (2018) states that a physician, nurse practitioner, physician assistant, dentist, or dental hygienist providing services in an SBHC must be licensed. There is no mention of registered nurses.

²⁷ 907 Ky. Admin Regs. 1:715 (2019).

²⁸ 23-223 Miss. Code R. § 1.1 (2021).

²⁹ Or. Admin. R. 410-133-0120(2)(e) (2016); Oregon Health Authority, School-Based Health Services Program, <https://www.oregon.gov/oha/hsd/ohp/pages/policy-sbhs.aspx>. (Last visited on Oct. 14, 2023).

³⁰ Massachusetts's State Plan Amendment submitted to CMS (July 1, 2016), <https://www.medicaid.gov/State-resource-center/Medicaid-State-PlanAmendments/Downloads/MA/MA-16-012.pdf>.

³¹ Local Educational Agency Billing and Reimbursement Overview, p 6-7, 9, https://mcweb.apps.prd.cammis.medical.ca.gov/assets/87F0BA57-6066-4162-B816-73249C39B971/locedbil.pdf?access_token=6UyVkRRfByXTZEWIh8j8QaYyIPyP5ULO (updated March 2021).

³² According to the Texas Education Agency, "a shared services arrangement (SSA) is an agreement between two or more school districts, open-enrollment charter schools, and/or ESCs" that "may desire to enter into an SSA for the performance and administration of a program," including special education services. See, e.g., Texas Education Agency, Application Guidelines—General and Fiscal Guidelines at 14, <https://tea.texas.gov/finance-and-grants/grants/grants-administration/general-fiscal-guidelinesnew-edgar-revised.pdf>.

³³ Texas Education Agency, School Health and Related Services, <https://tea.texas.gov/academics/special-student-populations/special-education/programs-and-services/school-health-and-related-services> (Last visited Oct. 14, 2023).

³⁴ New York State Department of Health, Medicaid in Education Alert (Mar. 4, 2015), http://www.oms.nysed.gov/medicaid/medicaid_alerts/alerts_2015/15_02_clarification_medicaid_reimbursement_nursing_services_3_4_15.pdf; New York State Plan Amendment 09-61 (Jun. 11, 2010). http://www.oms.nysed.gov/medicaid/resources/state_plan_amendment/nys_spa_09-61.pdf.

³⁵ Virginia Department of Education, Medicaid & Schools, <https://www.doe.virginia.gov/programs-services/student-services/specialized-student-support-services/school-health-services/medicaid-schools> (Last visited Oct. 14, 2023).

³⁶ Maryland Department of Education, School-Based Health Centers, <http://marylandpublicschools.org/about/Pages/DSFSS/SSSP/SBHC/index.aspx>. (Last visited Oct. 14, 2023); Robert Wood Johnson Foundation, Unlocking the Potential for School Nursing: Keeping Children Healthy, In School, and Ready to Learn (Aug., 2010), <https://campaignforaction.org/wp-content/uploads/2016/06/rwjf64263.pdf>; In school year 2007-2008, all 1,455 public schools in Maryland had school health services, usually staffed by a registered nurse; the same year, SBHCs served 72 of the 1455 public schools.