

School-Based Medicaid Program (SBMP) Update for OT, PT, & SLP

February 1, 2021

[The MassHealth School-Based Medicaid Program \(SBMP\)](#) is a reimbursement mechanism to offset local education agency (LEA) costs for providing certain health care services and administrative activities in a school setting. Congress granted access to Medicaid reimbursement in 1988 due to shortages in IDEA funding. The SBMP allows participating LEAs to seek cost-based reimbursement for providing medically necessary Medicaid services (direct service) to eligible MassHealth-enrolled children who have parental consent. This includes administrative activities such as outreach and activities that support direct service delivery.

In Massachusetts, the SBMP underwent an expansion in July 2019 to include additional billable healthcare services (e.g., nursing, ABA services) ([MassHealth School-Based Medicaid Program Bulletin 31 May 2018 Expansion to Include Reimbursement for Additional Health-r](#)). The Massachusetts Tri-Alliance of School Therapists has been working collaboratively on behalf of school therapists with the School-Based Medicaid Program (SBMP) along with DESE and other stakeholders to clarify the medical necessity determination and documentation requirements that have caused confusion since this expansion took effect. This collaborative effort has resulted in some helpful changes and clarifications. The state has revised and reissued guidance for LEAs and school providers. We strongly encourage school-based therapists to read the updated guidance linked below and to explore the other resources in the [SBMP Resource Center](#).

What has changed or been clarified?

[Direct Service Claiming \(DSC\) Guide \(updated August 2020\)](#): Newly updated with numerous changes including clarification on SBMP therapy services provided in the school setting. For example, this statement is now included in a section outlining reimbursable service requirements "This may include services that are provided to help students access the curriculum when provided because of an underlying medical (physical or behavioral health) need." (DSC Guide 2020, p.10)

[Top 5 Things Providers Need to Know for School Year 2020-2021](#): A new document based on collaboration with the Tri-Alliance and other stakeholders provides essential information for school therapists and LEAs.

Some things to remember

1. Decisions about student service delivery should not be influenced by Medicaid cost recovery/reimbursement. Medicaid should have no bearing on the IEP process. If a therapy service in a student's IEP happens also to be reimbursable by Medicaid, the therapist submits interim claiming.
2. The therapist determines whether a service is medically necessary and billable.
3. An intervention plan is required for SBMP and provides the required information for Medicaid reimbursement that is not typically included in an IEP. Note: The Intervention Plan is part of ethical professional practice and a requirement for licensed therapists for use whenever providing services (i.e., for all students).
4. LEAs must remain compliant with the Family Educational Rights and Privacy Act (FERPA) and the Health Insurance Portability and Accountability Act (HIPAA) for all required documentation. SBMP documentation must remain available for at least 6 years in the event of an audit.

What comes next?

1. Read and understand these documents from the School-Based Medicaid Program (SBMP) carefully:

- [Direct Service Claiming \(DSC\) Guide, Effective Date: July 1, 2019, Updated August 2020](#)
(be sure to get the most recent version of this document)
- [Top 5 Things Providers Need to Know for School Year 2020-2021](#)

2. Read and understand your state practice act/license requirements, including those related to documentation. In addition to the educational documentation requirements based on DESE regulations, school-based therapists must meet the documentation requirements for their Allied Health or Speech-Language Pathology license. Each discipline has a unique set of requirements. For example, the Massachusetts Board of Allied Health Professionals requires PTs to update their Intervention Plans every 90 days.

- [Occupational Therapy](#)
- [Physical Therapy](#)
- [Speech-Language Pathology](#)

3. Read and understand your professions' Code of Ethics and other practice requirements. Recommendations for school-based practice and documentation can be found on the following professional websites:

- Occupational Therapy- [AOTA.org](#)
- Physical Therapy- [APTA.org](#)
- Speech-Language Pathology- [ASHA.org](#)

4. Discuss these requirements/changes/clarifications with other therapists within and outside of your LEA, e.g., consider situations when student services may or may not fit the guidelines for medical necessity.

5. Discuss these requirements/changes/clarifications with your administration.

The Massachusetts Tri-Alliance of School Therapists is working to support Massachusetts school-based OTs, PTs, and SLPs.

This document, with embedded links, can be accessed at [maot.org](#), [aptaofma.org](#), and [mshahearsay.org](#)