

# MEDICAID SCHOOL-BASED TRANSPORTATION FAQ

1. What is the definition of specialized transportation?

Per KY Regulation 907 KAR 1:715 (1):

(32) "Special transportation" means a special arrangement, special equipment, or a special vehicle:

- a) Which is appropriate for the child's disability; and
- b) The need for which is described in the child's individualized education plan.

2. What is the Center for Medicare and Medicaid Services (CMS) definition of Medical Necessity for transportation claims?

Per I.D.E.A, There is no federal definition of medical necessity for Medicaid Services in general. Services required under the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program are subject to a federal provision that speaks to medical necessity. According to 42 USC S. 1396d(a)(4)(b), Medicaid will pay for EPSDT services that are, "necessary health care, diagnostic services, treatment and other measures to correct or ameliorate defects and physical and intellectual deficiencies and conditions discovered by screening services, whether or not such services are covered under the state plan." This provision provides a basic definition of medical necessity for services provided under federal EPSDT requirements.

3. What would CMS look for in an Individualized Education Program (IEP), what conditions must be met and how much detail needs to be in the IEP, Evaluation, etc. to support the transportation claim?

Per a conversation with CMS, when reviewing the claim, CMS would look at least student attendance records, specialized transportation requirement, transportation-matching specific medical service, matching DOS, the reason for medical service, and the transportation log.

4. What are the exact requirements to bill transportation in the School-based program?

Per CMS, School Based Transportation is reimbursable only on the day a child receives, as part of their IEP, a specific medical service, provided by the school, requiring "specialized transportation that accommodates a disability" and

specialized transportation is listed in the IEP. Example, the child receives speech therapy while in school and rides a regular school bus. Specialized transportation is therefore not needed and the ride is not reimbursable.

5. Is transportation reimbursable for transporting a child with speech, hearing or intellectual disabilities?

Per CMS, Receiving a medical service in school as part of the IEP does not automatically make the ride to school reimbursable. The child must have a disability that necessitates a specially adapted vehicle.

6. If a special education/physically disabled student is transported on a special adapted vehicle, can general population/non-Medicaid/non-physically disabled student/students be transported on the vehicle and the ride be reimbursable by Medicaid?

Per CMS, The presence of other children does not negate Federal Financial Participation (FFP) for the child covered for School Based Transport. Specially adapted vehicles may have riders who are not eligible for Medicaid or who are not eligible for school based transportation on a given day. However, only claims that are pro-rated (see example below) for the portion of the ride allocated to the Medicaid beneficiary receiving the specialized transportation, are reimbursable by Medicaid.

Example: If one (1) non-physically disabled child rides the specially adapted vehicle with one (1) physically disabled child that has a medical service and transportation in the IEP on the date of service, the cost of the ride must be divided by the two (2) children; if there are two (2) non-physically disabled children plus the physically disabled child, the cost must be divided by three (3); additional number of children riding the specially adapted bus must be calculated accordingly.

7. What does special arrangement, per KY Regulation 907 KAR 1:715 (1)(30) mean?

“Special Arrangement” does not mean a different route that a non-specially adapted school bus takes to pick up a child. Clarification of “special arrangement”, per DMS, means a special arrangement for a specially adapted vehicle for the child’s disability to transport to a place of service (ex., therapy off school grounds).

8. Is transportation reimbursable for the disabled child to ride to school on a specially adapted vehicle on a day when the child does not have a medical service?

No

9. Is transportation reimbursable if a caretaker/attendant must ride with the disabled child in a non-specially adapted vehicle on the date of service (DOS) for a medical service?

NO, the presence of a caretaker/attendant does not convert a non-specially adapted vehicle into a specially adapted vehicle.

10. Is a Taxi considered a specialized vehicle?  
No

11. What is the definition of "Medical Necessity"?

Per I.D.E.A., There is no federal definition of medical necessity for Medicaid Services in general. Services required under EPSDT are subject to a federal provision that speaks to medical necessity. According to 42 USC S. 1396d(a)(4)(b), Medicaid will pay for EPSDT services that are, "necessary health care, diagnostic services, treatment and other measures to correct or ameliorate defects and physical and intellectual deficiencies and conditions discovered by screening services, whether or not such services are covered under the state plan." This provision provides a basic definition of medical necessity for services provided under federal EPSDT requirements.

12. Is a service in the IEP considered medically necessary by the Commonwealth of KY?

Per KY Regulation 907 KAR 1:715, section 3,  
(1)A school based service that is included in an IEP, authorized by an IEP team or ARC and provided in accordance with this administrative regulation shall:  
(a)Be considered medically necessary; and  
(b)Not be subject to additional Medical Prior- authorization requirements.

13. If the service is listed in the IEP, does this necessarily mean that it is considered Medically Necessary by the Center for Medicare-Medicaid (CMS)?

No. DMS considers a service listed in an IEP as meeting medical necessity standards. DMS understands that CMS would review an IEP for medical necessity if auditing an LEA.

14. If Medicaid only covers medically necessary services, how can schools bill a medical source for educationally relevant services?

907 KAR 1:715 Section 3(1)(a)(b) outlines Kentucky's state criteria for medical necessity of school based services. These are the reimbursable services.