HEALTHY SCHOOLS CAMPAIGN

Healthy Students, Promising Futures

# School Medicaid: Documenting Medical Necessity Through Plans of Care

## April 29, 2022

*This guidance provides a general overview. Schools are encouraged to contact their state Medicaid and education departments to learn more about documenting services.*

Though state Medicaid eligibility and benefits vary from state to state, all children under age 21 enrolled in Medicaid are entitled to the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit, which requires states to provide access to Medicaid-eligible services that are deemed medically necessary. These services, as defined under the EPSDT benefit, include: "Health care services or supplies that are needed to diagnose or treat an illness, injury, condition, disease, or its symptoms and that meet accepted standards of medicine."

States may develop their own definition of medical necessity, but it may not contradict or be more restrictive than the federal mandate. For more information, the National Academy of State Health Policy provides a state-by-state analysis of medical necessity under the EPSDT benefit.

## Documenting Medical Necessity

Written documentation of medical necessity, signed by a qualified provider, is required for all school health services submitted for Medicaid reimbursement, regardless of where the service is delivered. At each appointment, the rendering provider needs to document the student's name, date, time and location. This applies to all settings, including medical offices and hospitals, as well as schools.

Documentation of medical necessity can be fulfilled in a number of ways, such as in an individualized education plan (IEP), through a doctor's order, or through an individual health plan (IHP) that the school implements. Some districts may keep the documentation as part of the student's record, others may use an electronic health record or billing system. Either way, the assumption is that the documentation exists for all services billed to Medicaid.

Many school districts use a plan of care (POC) to organize a student's health information and to document medical necessity. The term represents both formal documentation methods, such as IHPs, as well as methods developed by school districts. For the purposes of this brief, a POC is a written document that describes the services a student needs, measures student progress and meets state standards for billing Medicaid.

# What's Included in a Plan of Care

Written documentation of medical necessity, signed by a qualified provider, is required for all school health services submitted for Medicaid reimbursement, regardless of where the service is delivered. At each appointment, the rendering provider needs to document the student's name, date, time and location. This applies to all settings, including medical offices and hospitals, as well as schools.

There is no federal Medicaid requirement for — or definition of — a plan of care. Federal policy simply requires the appropriate documentation of medical necessity. In general, a POC describes the services a student needs, along with the frequency, type of care, and providers.

Multiple conditions usually can be documented in the same POC, but each service must be documented separately and have supporting evidence. The care prescribed must be: in accordance with acceptable medical standards of practice; appropriate to ameliorate the health condition identified in the plan; and signed by a qualified provider.

Though a POC must include sufficient information to meet the state's definition of medical necessity, there is no standardized template. Some state Medicaid agencies provide guidance to school districts about the required information. (See Appendix A for the type of information required by some states.)

School districts, in partnership with their legal counsel and billing vendor, if appropriate, must determine how they will collect and maintain documentation. (Examples of currently used plans of care are available in Appendix C.)

Medicaid billing is done with the assumption that documentation is in place to demonstrate medical necessity according to state rules. While only some state Medicaid agencies require direct approval of a student POC, Medicaid agencies may review documentation for specific claims during a review or formal audit, looking to ensure that frequency, duration and scope of services, as well as all other documentation of medical necessity, are present.

Missing, incomplete, or otherwise insufficient documentation in a student's POC can result in significant repayment for the school district.

***State Examples***

**New Hampshire:** A "care plan" means a written health care plan, including, but not limited to, an individualized education program or a 504 plan, which is maintained in the student's file and documents and supports the medical necessity of all claims to NH Medicaid for FFP [federal financial participation]. —*Medicaid to Schools Technical Assistance Guide*

**Nevada:** A POC is defined as a medical document developed after an assessment by a qualified health professional acting within their scope of practice. Serves as documentation of medical necessity for all services being provided to the student. —*Medicaid Services Manual*

## Development of Plans of Care

Documentation of medical necessity is required for all students for whom the district will bill Medicaid – including those with individualized education plans (IEP), 504 plans, and general education students in states that have expanded their school Medicaid programs to provide reimbursement outside of an IEP.

It is commonly understood that Medicaid will reimburse for medically necessary health services outlined in a student's IEP or IFSP. However, the services are *not automatically considered medically necessary*. An IEP or IFSP can serve as documentation for medical necessity if it meets the state's requirements; if not, additional documentation is required. This is also the case with a student's 504 plan – it's not automatically considered sufficient, but it may serve as documentation if it meets the state's requirements.

School districts have figured out how to document medical necessity for services covered in an IEP. There is a formal process for the care team and parents to develop and agree to a treatment plan. For states that have expanded their school Medicaid billing programs outside of an IEP or an ISFP to all students enrolled in Medicaid, the services delivered to those students must also be documented as medically necessary. These states have made changes in their program documents to reflect alternative documentation options.

For example, Colorado's School Health Services program manual states: "Covered health services are available to a Health First Colorado-enrolled beneficiary under the age of 21 for whom the service is medically necessary and documented in an Individualized Education Program (IEP), an Individualized Family Service Plan (IFSP) or other medical plan(s) of care." (A full list of the guidance language for states that have expanded their school Medicaid programs is available in Appendix B.)

The information needed to document medical necessity in these students' POC will be the same as required for a student with an IEP or a 504 plan. The plans of care must be signed by a qualified provider, operating under the scope of their license and in compliance with the state's requirement for authorization of school-based services.

## Implementing Plans of Care for Students Without an IEP or 504 Plan

While the documentation process is substantively similar, the reality of implementing a POC is trickier for students without an IEP or 504 plan. There's no case manager tasked with getting the needed paperwork and signatures, or responsible for coordinating with parents. And as most states do not provide reimbursement for the administrative services required to implement a POC, the staff time and cost burden of doing this additional paperwork falls on the school.

***State Examples***

**Michigan:** In a bulletin to school-based service providers, the Michigan Department of Health and Human Services stated: "Only qualified staff may initiate, develop or change the student's POC. The POC must be signed, titled and dated by the qualified staff prior to billing Medicaid for services. The POC must be retained in the student's school clinical record."

**Nevada:** State Medicaid covers a "medical team conference" – an interdisciplinary team that discusses a student's health needs. It is a covered service that is billable when it meets the criteria as outlined in the School Health Services Provider Type 60 Billing Guide. This code can be used to cover the development of the POC.

Schools can, however, tap into existing internal processes to mitigate the impact of developing a POC for students added through school Medicaid expansion. For example, schools might have an existing process in place for developing an IHP for students that do not meet the legal requirement of an IEP but require medical support from a nurse. These plans require gathering similar data, including diagnosis, scope and duration of services, and communicating with the child's parents or guardian. States that are working to expand access to services beyond an IFSP or IEP may pursue modifying existing IHP processes to lessen the burden of developing a model POC.

## Guidance for School Districts

State Medicaid departments often provide guidance on the specific elements that must be included in a POC, though school districts can develop their own forms. In some cases, states will share forms that have been developed and used successfully by a school district to provide an example of a model plan of care. In other cases, a state may choose not to create a template because it does not want to dedicate staff time to answer questions about completing or adapting the template. The state might instead limit its advice to a very detailed list of elements to include in the billing manual.

> *Instead of developing a model POC, the Colorado Medicaid agency shared the template used by Jefferson County as a form that, when correctly completed, collects the information required to document medical necessity.*

State Medicaid departments may provide information about documenting medical necessity in provider and billing manuals and in supplementary trainings, such as PowerPoint presentations. These trainings are a critical opportunity for school districts and individual school providers to learn the documentation requirements.

School health providers need guidance from their districts on how, where and when to document services in a POC. School districts may consider the tools that contracted billing vendors provide that could help with documenting plans of care and medical necessity. Some of these vendors already have tools to assist with documenting nursing, behavioral health and rehabilitative services. Simple adjustments to existing familiar systems can offer a more seamless transition for schools.

> ***State Examples***
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> **Colorado:** Department of Health Care Policy and Financing training for providers on plans of care includes the following: 1) Providers should be trained on all other medical plans of care that standalone and document medical necessity; and 2) Providers should be able to answer time study questions with specificity about the services on the standalone POC they are delivering to students (i.e., Is the service you provided part of the child's medical POC where medical necessity has been otherwise established?).

It is also important to acknowledge the potential role that state education agencies can play in supporting school districts as they design and implement plans of care. An education agency can develop templates or share successful school district examples, provide additional training on the importance of documentation and medical necessity, and connect with school providers. In partnership with the state Medicaid agency, an education agency can provide important assurance and guidance to school districts as they implement their plans of care.

# Ideas for Consideration

***Conversations with Healthy Students, Promising Futures Learning Collaborative members resulted in the following ideas when using plans of care:***

- State Medicaid agencies should clearly articulate the information needed to establish medical necessity and the data required to document medical necessity.
- School districts should establish procedures for developing a plan of care for all students who receive health services in school settings.
- School districts should not bill for services until the appropriate documentation is in a student's file unless specifically allowed by policy for crisis situations.
- State Medicaid agencies should explicitly reimburse for the time spent developing plans of care.
- State education and Medicaid agencies should work together to provide significant training to school districts and providers about plans of care.
- State education agencies can support school districts to streamline requirements to an agreed-upon list of must-have elements to meet the needs of all licensed, qualified, Medicaid-approved providers operating under the scope of their license.
- School districts should develop a clear understanding of the information that must be included to meet medical necessity and the specific information that is needed by the clinician responsible for drafting the POC (including nursing, behavioral health, and crisis management).
- School districts should align the POC/documentation requirements for all Medicaid-enrolled students receiving health services.
- School districts should redouble efforts to ensure that a qualified provider has signed the plans of care and to understand state rules regarding appropriate signatures.
- School districts should investigate contracted billing vendors to see if needs can be addressed within existing systems.
- School districts should develop an implementation plan that includes system updates (if needed), staff training, policy and procedures, and an implementation schedule.

# Appendix A

***Selected examples of state Medicaid agency documentation requirements for medical necessity.***

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| Illinois | • Scope, frequency and duration of the service, including unit of frequency (such as 2x30 minutes/week or 3x45 minutes/month) and start and end dates for the service to be provided.<br>• Clinical rationale/justification for the service(s), following standards of clinical practice for each clinical discipline; should be 1-2 sentences that describe why the service is medically necessary to treat the medical (physical or behavioral health) issue(s) and/or a copy of an assessment outlining the disability. |
| Nevada | • Must identify a health condition/diagnosis that requires treatment;<br>• Must identify the type of treatment to be provided and the frequency<br>• Must identify the short-term objectives of the treatment interventions;<br>• Must include a time frame for evaluation of progress;<br>• Must have a start and end date – treatment is only authorized during the time period as written in the POC;<br>• Can be written for no longer than a year;<br>• Can be reviewed and renewed annually or more often as is medically necessary;<br>• IEPs or 504 Accommodation Plans may act as a POC, and an additional plan is not required if they meet all requirements of a POC and document medical necessity of the services provided;<br>• Not all POCs are required to be IEPs or 504-accommodation plans; LEAs/SEAs may need shorter and less formal plans for lower-acuity health conditions;<br>• Multiple conditions can be documented in the same POC for a student who has multiple health conditions/diagnoses – however, each service is to be documented in a specific service area. |
| Colorado | • The POC MUST establish medical necessity by a qualified medical provider; demonstrate frequency (how often and for how long), duration (length of the care plan), scope (the description of the services to be provided), --and who is providing the service. |

# Appendix A (cont.)

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| Massachusetts | • The name of the child to whom the services will be provided;<br>• The patient diagnosis and/or relevant ICD-10 code;<br>• The service(s) being authorized;<br>• The complete date that the care plan was written and signed;<br>• The frequency of the service (including unit of frequency;j e.g., 2x30/week or 3x45/month);<br>• The duration of the service, when appropriate;<br>• Clinical rationale/justification for service(s). This should follow standards of clinical practice for each clinical discipline as defined by clinical licensing boards and professional practice organizations. At a minimum, this should be 1-2 sentences that describe why the service is medically necessary, along with an appropriate level of detail required to describe the POC to be provided to treat the medical (physical or behavioral health) issue(s);<br>• The time period for which services are being authorized;<br>• The printed name and legible signature of practitioner who is licensed, registered, and/ or certified as the relevant licensed professional acting within his or her scope of license, including his or her type of license and license number; and<br>• The authorizing practitioner's contact information, including school address and phone number. |
| New Hampshire | • Have a care plan that is maintained in the student's file that documents and demonstrates the requisite criteria for any Medicaid-covered services provided to the student (IEP, 504 plan, Healthcare plan). |
| Virginia | The Plans of Care (POCs) for ongoing services, which include, at a minimum, the following:<br>• The medical/treating diagnosis or identifying issue to be addressed by the service; Type, amount and frequency of service (depending on the service); Measurable long-term goals (up to one-year duration maximum); Therapeutic interventions; POC goals must relate to the services in the IEP; Signature, title and date (month/day/year) provided by the Department of Medical Assistance Services qualified provider completing the POC. |

# Appendix B

***State Medicaid agency regulatory language on acceptable plans of care for Medicaid billing in states that have expanded school Medicaid programs.***

*For more information, view "State Medicaid & Education Standards for School Health Personnel: A 50-State Review of School Reimbursement Challenges," prepared by Aurrera Health Group for Healthy Schools Campaign.*

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| **California** | Medicaid-eligible children under age 22 for covered medically necessary services if provided pursuant to an IEP, IFSP or an Individualized Health and Support Plan (IHSP). |
| **Colorado** | Medicaid-eligible children under age 21 for covered medically necessary services provided pursuant to an IEP, IFSP, Section 504 plan, or other individualized health or behavioral health plan, or other medical plan(s) of care, or where medical necessity has otherwise been established. |
| **Delaware** | A treatment plan or IEP is not required for assessment services. School-based treatment services are covered for children with special needs who do not have an IEP but must be documented in the child's treatment plan. |
| **Louisiana** | Medicaid-eligible students for covered medically necessary services recommended by a physician or other licensed practitioner, pursuant to an IEP, Section 504 plan, Individual Health Care Plan (IHCP), IFSP, or where medical necessity has been otherwise established. |
| **Massachusetts** | Medicaid-eligible children between 3 and 22 years of age for medically necessary MassHealth covered services, as delineated in the State Plan, provided pursuant to an IEP, IFSP, Section 504 plan, Individual Health Care Plan (IHCP), or where medical necessity has been met. |
| **Michigan** | Medicaid-eligible children between 3 and 21 for covered medically necessary services provided pursuant to an IEP/ IFSP, a Section 504 plan, or an individualized health care plan. |
| **Missouri** | In addition to the IEP, a POC must be developed and signed by the MO HealthNet enrolled PDN provider for a child receiving school-based PDN IEP services. Services must be provided as indicated in the IEP and POC. (Note: IEP meetings and the development of the POC are not reimbursable). |
| **Nevada** | SHS are medical services provided by a Local Education Agency (LEA) or State Education Agency (SEA) for children who attend public schools in Nevada. SHS are medically necessary services listed in the student's Plan of Care (POC), and/or preventive services that are coverable under Early and Periodic Screening, Diagnostic, and Treatment (EPSDT). Services listed in a POC are designed to meet the health needs of a child and work towards the reduction of a physical or mental impairment and restoration of the child to the best possible functional level. |
| **New Hampshire** | Enrolled districts are eligible for reimbursement of Medicaid, covered medical services in a child's POC. |

# Appendix B (cont.)

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| **North Carolina** | Nursing services are covered as medical treatment in a written Plan of Care (POC) developed by a licensed RN based on an MD, DO, DPM, CNM, PA or NP's written order as required by the NC Board of nursing. |
| **South Carolina** | Medicaid-eligible students under age 21 may receive covered services if medically necessary and provided pursuant to an IEP, IFSP of individualized treatment plan (ITP). |

# Appendix C

***POC templates developed by states and school districts that bill for non-IEP services.***

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| Jefferson County (CO) Public Schools | • Generic ISHP template<br>• Safety Monitoring Health Plan |
| Los Angeles Unified School District | • Depression<br>• Anxiety<br>• Diabetes Type II |
| Louisiana | • Comprehensive Mental Health Treatment Plan Example |
| North Carolina | • Individualized Health Care Plan Template<br>(see: NCPOC-IHP Template under Nursing) |

## Healthy Schools Campaign

Healthy Schools Campaign Healthy Schools Campaign (HSC) engages stakeholders and advocates for policy changes at local, state, and national levels to ensure that all students have access to healthy school environments, including nutritious food, physical activity, and essential health services, so they can learn and thrive. HSC's Healthy Students, Promising Futures initiative supports states and school districts in expanding access to Medicaid-funded school health services. To learn more, visit healthyschoolscampaign.org and healthystudentspromisingfutures.org.