

# Kentucky Department of Education

## Division of Budgets and Financial Management Medicaid School Based Programs

### School-Based Speech-Language Services and Medicaid Billing

Speech-Language school-based services are an important part of providing appropriate services to students who require speech or language-based instruction and interventions. Medicaid reimbursement for Speech-Language services allows school districts to pay for specific therapy provided by American Speech Hearing Association (ASHA) certified speech-language pathologists. This document provides speech-language pathologists with a reference tool on the Medicaid billing requirements for school-based speech-language billing. Please see the Kentucky Department of Education School-Based Health Services Guide (SBHS) for more information.

According to the American Speech-Language-Hearing Association (ASHA) Medicaid Payment for School-Based Services Frequently Asked Questions, Medicaid recognizes the importance of school-based speech-language pathology and audiology services, although Medicaid is a medical assistance program. The federal Medicaid program actually encourages states to use their Medicaid programs to help pay for certain health care services delivered in the schools, if federal regulations are followed.

Section 1903 (c) of the Social Security Act was amended in 1988 to allow Medicaid coverage of health-related services provided to children under the Individuals with Disabilities Education Act (IDEA). Part B of IDEA allows children with disabilities to receive special education and related services, such as speech-language pathology services, when they are recommended in the child's Individualized Education Program (IEP). The Centers for Medicare and Medicaid Services (CMS) authorize Medicaid reimbursement for some or all of the costs of health-related services provided under IDEA when the services are: (1) provided to Medicaid-eligible children; 2) *medically necessary*; 3) delivered and claimed in accordance with all other Federal and State regulations; and 4) included in the state plan.

According to the Medicaid School-Based Administrative Claiming Guide- 2003 (p.54), Medicaid covers related services included in an IEP under the following conditions:

- The services are *medically necessary* and included in a Medicaid covered category (speech therapy, physical therapy, etc.);
- All other federal and state Medicaid regulations are followed, including those for provider qualifications, comparability of services and the amount, duration and scope provisions;
- The services are included in the state's plan or available under EPSDT; and
- The medical services are provided to a Medicaid eligible student.

The 2010 technical assistance guide from the Kentucky Department of Education's Medicaid School-Based Health Services (SBHS) provides the following information about what is a billable Medicaid service (at page 15.) Speech-Language services must be *medically necessary*

and *appear in the child's Individualized Education Plan* to be reimbursed by Medicaid. These are professional services involving the assessment and treatment of speech and language disorders that are not responsive to medication or surgical treatment. The following services are billable through Medicaid:

- Assessment:  
Assessment services may include formal or informal testing, medical history interviews, or clinical observation, as appropriate for chronological or mental age for all the following areas of functioning, and shall yield a formal evaluation report. Examples of assessment services include, but are not limited to:
  - Receptive and expressive language
  - Auditory processing and discrimination,
  - Perception and memory
  - Augmentative communication
  - Vocal quality
  - Resonance patterns
  - Speech sound production and use (phonetic and phonologic)
  - Pragmatic language
  - Rhythm or fluency
  - Oral mechanism
  - Swallowing assessment
  - Hearing screening
  - Feeding assessment

Reimbursement shall not be allowed for routine or group screenings.

- Treatment:  
Treatment services may include one or more of the following areas, as appropriate, and may be provided individually or in a group setting, as appropriate:
  - Articulation therapy
  - Language therapy
  - Receptive and expressive language
  - Augmentative communication treatment or instruction
  - Auditory processing dysfunction
  - Disorders of fluency
  - Voice therapy
  - Oral motor dysfunction; swallowing therapy

Medicaid billable services must be provided by Qualified Practitioners. A speech-language pathologist is an individual meeting applicable requirements of 42 CFR 440.110, including the possession of a current Certificate of Clinical Competence from the American Speech Hearing Association (ASHA).

According to ASHA, Medical Necessity for speech-language pathology and audiology services (2004 page4), documentation is needed to establish medical necessity.

The state Medicaid office allows medical need to be based on a physical or “mental” disability. Documentation of medical need may be provided in a variety of ways. A speech language pathologist’s report providing the etiology of the student’s communication disorder is the clearest way to establish medical need. Examples of etiologies that address the student’s medical need include:

- Vocal nodules
- Hearing loss
- Limited tongue mobility
- Functional abnormalities in the brain
- Language disorders, secondary to autism
- Intellectual disabilities
- Apraxia of speech

If the etiology of the communication disorder is “unknown,” other evidence is required to establish medical need. This evidence may include:

- 1) Medical history including pertinent medical history that influences the speech-language or audiology treatment, a brief description of functional status of the patient prior to the onset of condition requiring speech-language pathologist, and relevant prior speech-language treatment.
- 2) Date of onset of speech, language and related disorder diagnosis.
- 3) Social and developmental history of the student.
- 4) Evaluations, in addition to those from speech/language pathologists.
- 5) Conference Summary Reports that are part of the Admissions and Release Committee’s deliberations regarding the student’s disabilities and need for speech therapy.
- 6) Physician referral.
- 7) Initial assessment and date, the procedure used by the speech-language pathologist to diagnose speech, language, and related disorders, and the date the initial assessment is completed by the billing provider.
- 8) Plan of treatment and date established.
- 9) Progress notes or updated patient status reports concerning the patient’s current functional communication abilities/limitation

Medicaid reimbursement is allowed for students who have articulation issues; however, there must be a physical or mental disability that is the cause of the problem. A statement by a speech-language pathologist of “Articulation, etiology unknown,” without evidence of medical need, will not support a claim for Medicaid reimbursement.

## Resources

American Speech-Language-Hearing Association (ASHA)

<http://www.asha.org/practice/reimbursement/medicaid/claimsFAQ.htm#2>

<http://www.asha.org/uploadedFiles/practice/reimbursement/mednecfinal3.pdf>

“Medicaid and School Health: A Technical Assistance Guide,” issued by Centers for Medicaid and Medicare Services in August 2003.

[http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Financing-and-Reimbursement/Downloads/2003\\_SBS\\_Admin\\_Claiming\\_Guide.pdf](http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Financing-and-Reimbursement/Downloads/2003_SBS_Admin_Claiming_Guide.pdf)

Kentucky Department of Education School-Based Health Services (SBHS)

<http://education.ky.gov/specialed/Pages/School-Based-Medicaid-Services.aspx>