



MEDICAID FUNDING FOR SCHOOL-BASED SERVICES

The federal government provides billions of dollars in Medicaid funds to schools annually to increase access to quality physical, mental, and behavioral health services for eligible students. These funds pay for services to students with disabilities served under the Individuals with Disabilities Education Act (IDEA) and students from low-income families enrolled in Medicaid or CHIP programs. The services can include school-based physical, mental, and behavioral health services, including routine health screenings, preventive care, and physical, speech and occupational therapies, and more.

Most States have Medicaid plans in place that allow for Medicaid to reimburse for health services provided to students with disabilities under IDEA. However, only 16 States have plans that allow for the reimbursement of services to Medicaid-eligible students beyond just those who receive services under the IDEA. This difference is significant: **Having a State plan explicitly allow reimbursement for services to all Medicaid-enrolled students could enable thousands of additional students to gain access to crucial health services and ensure that your State has access to all available funds to support them.**

These federal dollars can directly address student needs, boost student achievement, and help improve life outcomes! Make sure your State takes up this opportunity and taps into these available federal funds.

Step-by-Step: Using Medicaid Funds to Deliver Health Services to All Eligible Students

Your State can take action to expand Medicaid school-based services for **all Medicaid-enrolled students** (not only those who receive school-based services under IDEA) with these steps:

- 1. Your State Educational Agency and your State Medicaid Agency (SMA)** can meet to review your most recent State Plan approved by the Centers for Medicare & Medicaid Services (CMS) related to school-based services. Discuss the changes you need to make to expand school-based Medicaid reimbursement for all Medicaid eligible students.
 - ➔ You can use as a resource the [Comprehensive Guide to Medicaid Services and Administrative Claiming](#) developed by CMS in 2023, which explains how schools can receive payments for these services and meet federal requirements, including the kind of services eligible for reimbursement, the qualified providers who can participate, and details of the billing process.
- 2. Your SMA can file a State Plan Amendment (SPA) with CMS** that documents your State's decisions about the kinds of school-based services that can be reimbursed and the requirements for the professionals that may provide such services.
 - ➔ Reference CMS's [Medicaid State Plan Amendment \(SPA\) Toolkit](#), which provides resources, including guides, templates, and checklists, your SMA can use in developing its SPA.
- 3. Work with the federal [Medicaid and School Based Services Technical Assistance Center](#)** to ensure efficient delivery of and reimbursement for school-based services, share resources with your local educational agency (LEA), and learn how other States are creating best practices while expanding school-based services.
 - ➔ For questions, or to request support with amending your State's SPA, contact the Technical Assistance Center at schoolbasedservices@cms.hhs.gov.

The Benefits of Medicaid Funding for School-Based Services

Nationally, [more than half of all school-aged children and youth](#) are covered by Medicaid. Making health services available in schools for all Medicaid-enrolled students can significantly increase the number of students accessing them and reduce burdens for families. For example, students are [six times more likely to access mental health care](#) when these services are offered in school.

Medicaid pays for \$4-6 billion to school districts for providing school-based services each year and is a large source of funding for many LEAs. For example, Chicago Public Schools receives **\$35-40 million annually** in Medicaid reimbursement. The district expects **\$10 million more** as a result of the federal flexibilities offered in the 2023 CMS claiming guide.

Medicaid can contribute more federal funds toward physical and behavioral health services that students need.

States that expand school-based Medicaid to provide crucial physical, mental, and behavioral health services to all Medicaid-enrolled students may expect to see significant increases in new, sustainable federal resources.

Consider [these examples](#):

Colorado ran a pilot project that estimated the State would receive an additional **\$8 million in federal Medicaid funds per year** by allowing for the claiming and billing of additional school **behavioral health providers** in its State plan.

Georgia's expansion to allow claiming and reimbursement for **school nurses** is estimated to result in **\$48.6 million** in federal revenue to its school-based Medicaid program.

Michigan projects it will see an increase of \$14 million after expanding its program to allow for reimbursement of services provided by **master's degree-level school psychologists**.

Take Action Now!

Currently, only 16 States¹ are maximizing available Medicaid funding by allowing for the reimbursement of school-based services provided to more than just students with disabilities under IDEA who are Medicaid-enrolled. All other States have the opportunity to amend their State plans to include school-based services for all students who are Medicaid-enrolled.

¹ As of January 1, 2024. States with approved plans that provide for reimbursement of school-based services to *all* Medicaid-enrolled students include: Arizona, California, Colorado, Illinois, Kentucky, Louisiana, Massachusetts, Michigan, Nevada, New Mexico, North Carolina, Oregon, and Virginia. States with approved plans that provide for reimbursement of *some* school-based services or for *some students* beyond those with IEPs who are enrolled in Medicaid include: Connecticut, Georgia, and Indiana.