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103 Local Education Agencies (LEAs)

Changes in federal law have made it possible for state education agencies to finance health-related education services through Medicaid and private insurance companies. Medicaid works with the State Department of Education, Special Education Services (SES), and the Local Education Agencies (LEAs) throughout the state to reimburse for these services.

Background Information

In 1975, the Individuals with Disabilities Education Act, formerly the Education for All Handicapped Children Act (P.L. 94-142) was signed into law, guaranteeing every child the right to a free, appropriate public education (FAPE) and related services in the least restrictive environment possible. Section 300.301 (a) (b) of the 34 Code of Federal Regulations states the following:

- Each State may use whatever state; local, federal, and private sources of support are available in the State to meet the requirements of this part. For example, when it is necessary to place a handicapped child in a residential facility, a State could use joint agreements between agencies involved for sharing the cost of that placement.
- Nothing in this part relieves an insurer or similar third party from an otherwise valid obligation to provide or to pay for services provided to a handicapped child.

In 1986, a General Accounting Office report recommended that Medicaid law be amended to allow Medicaid to pay for related services they typically would have covered if P.L. 94-142 were not in effect (GAO HRD 86-62BR). Congress acted on this recommendation through the Medicare Catastrophic Coverage Act (P.L. 100-360), which was signed into law on July 1, 1988.

A provision of P.L. 100-360 amended Section 1903 of the Social Security Act specifying that Medicaid was not restricted from covering services furnished to a child with disability simply because the services are included in the child's Individualized Education Program (IEP) or Individualized Family Service Plan (IFSP). Congress further clarified that federal Medicaid matching funds are available for the cost of health services that are furnished to a child with disabilities, even though the services are included in the child's IEP or IFSP.

Regulations implementing the Individuals with Disabilities Education Act of 2004 require that school districts secure parental permission prior to billing Medicaid for services provided by the school districts. The regulation can be found at 34CFR 300.154(d).

In summary, Congress has established that while State education agencies are financially responsible for educational services, in the case of a Medicaid-eligible child, State Medicaid agencies remain responsible for the "related services" identified in a child's IEP if the services are covered under the State's Medicaid plan.

In November 1989, the Omnibus Budget Reconciliation Act of 1989 (OBRA '89) was passed requiring Medicaid to cover all medically necessary services allowed under Section 1905(a) to "correct and ameliorate defects and physical and mental illnesses and conditions discovered by the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) screening, regardless of whether these services are included in the Medicaid State Plan." This act provides a mechanism for the local education agencies, through their professional staff, to bill Medicaid for health-related services that meet Medicaid's criteria for reimbursement.

Participation

Effective 10/1/03, the scope of services that can be billed through the LEA will be expanded. Refer to Section 103.6 for details on covered services. The LEA will need to have qualified subcontractors or employees in place to perform direct services. The LEA will bill the appropriate code identifying the procedure performed. Refer to Chapter 2, Becoming a Medicaid Provider, for general enrollment instructions and information. Failure to provide accurate and truthful information or intentional misrepresentation might result in action ranging from denial of application to permanent exclusion.

The LEA must verify that no practitioner providing service has been terminated, suspended, or barred from the Medicaid or Medicare Program. The lists of terminated, suspended and barred practitioners are available on Medicaid's website at www.medicaid.alabama.gov.

Federal requirements mandate providers re-enroll periodically with the Alabama Medicaid program. Providers will be notified when they are scheduled to re-enroll. Failure to re-enroll and provide appropriate documentation to complete enrollment will result in an end-date being placed on the provider file. Once a provider file has been closed for failure to timely re-enroll, providers will have to submit a new application for enrollment.

LEA National Provider Identifier

A provider who contracts with Alabama Medicaid as an LEA is added to the Medicaid system with the National Provider Identifiers (NPI) provided at the time application is made. Appropriate provider specialty codes are assigned to enable the provider to submit requests and receive reimbursements for LEA-related claims.

NOTE:
The 10-digit NPI is required when filing a claim.

The qualifications for direct service providers are delineated in the scope of services. It is the responsibility of the LEA to ensure that direct service providers meet these qualifications. RNs, LPNs and School nurses must practice within the scope of the Standards of Nursing Practice as defined in Rule 610-X-6. Other practitioners must meet their own licensing requirements and practice within the scope of those licenses or credentials.

103.1 Records and Samples

Providers of service are required to keep the following records and, upon request, furnish these records to authorized State representatives of the Alabama Medicaid Agency, the Department of Health and Human Services, the State Examiners of Public Accounts, the State Attorney General, the Comptroller General, the General Accounting Office, and the State Department of Education:

- A copy of the original and all updates of the Individualized Education Program (IEP), including parental signature. The IEP should be updated yearly.
- Description of specific professional services and activities provided with the date, the duration of services and activities rendered, and the name and title of the professional providing services and activities
- Dated updates/progress notes describing the student's progress, or lack thereof, signed or initialed by the professional providing services and activities
- The School's Official Attendance Record
- Discharge notes from services completed/treatment summary

All records shall be completed promptly, filed, and retained for a minimum of five years from the date of services or until all audit questions, appeal hearings, investigations, or court cases are resolved, whichever is longer.

NOTE:
Failure to furnish records upon request may result in recoupment of funds paid.

103.1.1 Progress Notes

Medicaid highly recommends that therapists follow the SOAP method for recording appropriate documentation. The letters SOAP outline the four parts of documentation:

Subjective comment
Objective or goal
Assessment
Plan: Continue, Add, or Delete

An example of a progress note developed using the SOAP method would be:

Date	*Student progressing in all areas. Auditory discrimination tasks are improving (50 to 70%). Single word level production for new goals continues to be difficult. Continue present plan.*
	Signature of Therapist

After the initial date of treatment, it is recommended that the therapist also SOAP all additional visits.

Date	*Showed marked improvement aud-dis (l) and blends; otherwise about the same. Encouraged to continue notebook. Continue present plan.*
	Signature of Therapist

NOTE:

Progress notes must be written after each service. Each progress note must be dated and signed or initialed. Electronic signatures on electronic medical records are acceptable.

103.1.2 Recipient Signature Requirement

Medicaid recognizes that the parents do not take their children to school each day; therefore, it would be impossible to obtain a parental signature for each date of service. To meet Medicaid's recipient signature requirement, the LEA must have the following:

- An IEP signed by the parent or responsible guardian that indicates the services the student will receive (for example, speech therapy three times a week for nine months)
- An attendance record that reflects the student was in attendance for the date of service

103.2 Prior Authorization and Referral Requirements

Services provided through an LEA do not require EPSDT, prior authorization or Patient 1st referral.

103.3 Cost Sharing (Copayment)

Copayment does not apply to services provided through LEA providers.

103.4 Completing the Claim Form

To enhance the effectiveness and efficiency of Medicaid processing, providers should bill Medicaid claims electronically.

➢ Electronic claims submission can save you time and money. The system alerts you to common errors and allows you to correct and resubmit claims online.

Providers who bill Medicaid claims electronically receive the following benefits:

- Quicker claims processing turnaround
- Ability to immediately correct claim errors
- Online adjustments capability
- Enhanced access to eligibility information

Refer to Appendix B, Electronic Media Claims Guidelines, for more information about electronic filing.

NOTE:

NOTE: When an attachment is required, a hard copy CMS-1500 claim form must be submitted.

This section describes program-specific claims information. Refer to Chapter 5, Filing Claims, for general claims filing information and instructions.

103.4.1 Performing and Billing National Provider Identifiers

BILLING: In block 33 of the CMS-1500 claim form, enter the billing provider NPI and the billing provider's name.

PERFORMING: In block 24J of the CMS-1500 claim form, enter the School District's individual NPI.

The 10-digit NPI reflects services provided, per school district. A separate NPI will not be needed for each specialty that is providing services at each school district.

103.4.2 Place of Service

Claims should be filed with Place of Service (POS) Code 11 – office.

103.4.3 Time Limit for Filing Claims

Medicaid requires all claims for local education agencies to be filed within one year of the date of service. Refer to Section 5.1.5, Filing Limits and Approved Exceptions, for more information regarding timely filing limits and exceptions.

103.4.4 Diagnosis Codes

The *International Classification of Diseases - 9th Revision - Clinical Modification* (ICD-9-CM) manual lists required diagnosis codes. These manuals are updated annually, and providers should use the current version. The ICD-9-CM manual may be obtained by contacting the American Medical Association, P.O. Box 10950, Chicago, IL 60610. The diagnosis code must come from the direct provider of service unless a diagnosis code is listed.

NOTE:
ICD-9 diagnosis codes must be listed to the highest number of digits possible (3, 4, or 5 digits). Do not use decimal points in the diagnosis code field.

103.4.5 Required Claim Attachments

To enhance the effectiveness and efficiency of Medicaid processing, your attachments should be limited to the following circumstances:

- Claims With Third Party Denials

Refer to Section 5.7, Required Attachments, for more information on attachments.

103.5 Covered Services

Covered services are face-to-face health related services provided to a student, group of students, or parent/guardian on behalf of the student. Covered services are listed in the Alabama State Plan of Medical Assistance and are medically necessary for the development of the IEP or fully documented in the IEP. An IEP must be completed in order for services to be billed. Covered services are:

- Intake/Evaluation
- Audiology Services
- Developmental Diagnostic Assessments
- Vision Screening
- Hearing Screening
- Occupational Therapy
- Physical Therapy
- Behavioral Health Services
- Health Aide Services
- Speech/Language Services

The CPT manual lists most required procedure codes. Certain CPT codes must be billed with the SE modifier as indicated. The services in this section may be covered by Medicaid when provided by an authorized provider according to an IEP. **Annual limitations are based on calendar year.**

The following paragraphs provide a detailed list of covered services, grouped by service.

103.5.1 Intake/Evaluation

Service Description: The intake evaluation presents psychological, social functioning and medical needs for development of an initial treatment plan for subsequent treatment and/or evaluation. The intake evaluation considers: family history, educational history, medical background, and a description of the significant problems of the child. Services must be specified in the treatment plan (IEP).

Professional Qualifications: Multidisciplinary team as identified by the needs of the child that may include the following professionals as licensed under Alabama law: psychologist, professional counselor, certified social worker, marriage and family therapist, or registered nurse.

Procedure Code:

Procedure Code/ Modifier	***Description***	***Daily Limits***	***Annual Limits***
90801 SE	Intake/evaluation, utilize dx code V62.9	1	1

103.5.2 Audiology Services

Service Description: Audiology services necessary for the development or the student's IEP or documented in the IEP included, but are not limited to evaluations, tests, tasks and interviews to identify hearing loss in a student whose auditory sensitivity and acuity are so deficient as to interfere with normal functioning.

Professional Qualifications: Must meet the licensure and/or certification requirements of the State of Alabama, the Code of Federal Regulations, the Alabama Medicaid Agency Administrative Code, and the Alabama Medicaid Provider Manual.

Procedure Codes:

Procedure Code/ Modifier	*Description*	*Daily Limits*	*Annual Limits*
92551 SE	Screening test, pure tone, air only	1	12
92552 SE	Pure tone audiometry (threshold); air only	1	12
92553 SE	Pure tone audiometry (threshold); air and bone	1	12
92555 SE	Speech audiometry threshold	1	12
92556 SE	Speech audiometry threshold with speech recognition	1	12
92567 SE	Tympanometry (impedance testing)	1	12
92592 SE	Hearing aid check; monaural	1	12
92593 SE	Hearing aid check; binaural	1	12

103.5.3 Developmental Diagnostic Assessments

Service Description: Administration of a standardized objective and/or projective tests of an intellectual, personality or related nature in a face-to-face interaction between the client and the professional and interpretation of the test results to determine medical/mental needs.

Professional Qualifications: Testing may be performed by the following professionals who are licensed under Alabama law: psychologist, professional counselor, certified social worker, or registered nurse with a master's degree in psychiatric nursing.

AND

Have documentation of training at the pre-service or in-service level on administering developmental assessments and meet any additional requirements of the specific test publishers.

Procedure Codes:

Procedure Code/ Modifier	*Description*	*Daily Limits*	*Annual Limits*
96101 SE	Developmental Diagnostic – administered by a physician or psychologist, first hour; face-to-face	1	12
96102 SE	Developmental Diagnostic – administered by a technician, first hour; face-to-face	1	12
96103 SE	Developmental Diagnostic – administered by a computer	1	12

103.5.4 Vision Assessments

Service Description: Vision assessments may be performed on students 3 through 20 years of age once a year unless additional screenings are medically necessary.

Professional Qualifications: A person who has been trained on the device by observing a trained employee on a minimum of three patients, verbalization of understanding the procedure and successful completion of the procedure on at least three patients.

Procedure Codes:

Procedure Code/ Modifier	*Description*	*Daily Limits*	*Annual Limits*
99173 SE	Vision Screen, utilize diagnosis code V72.0	1	1

103.5.5 Hearing Assessment

Service Description: Hearing assessments may be performed beginning at 3 years of age. After the initial screening, all children may be assessed once a year unless additional screenings are medically necessary.

Professional Qualifications: A person that has been trained on the device by observing a trained employee on a minimum of three patients, verbalization of understanding the procedure and successful completion of the procedure on at least three patients.

Procedure Codes:

Procedure Code/ Modifier	*Description*	*Daily Limits*	*Annual Limits*
92551 SE	Hearing Screen, utilize diagnosis codes V72.11, V72.12 or V72.19	1	1
92567 SE	Tympanometry (impedance testing) *, utilize diagnosis codes V72.11, V72.12 or V72.19 *must be provided under the direction of an audiologist	1	12

103.5.6 Occupational Therapy

Service Description: Occupational Therapy services, necessary for the development of the students IEP or documented in the IEP include, but are not limited to:

1. Evaluation of problems which interfere with the student's functional performance

2. Implementation of a therapy program or purposeful activities which are rehabilitative, active or restorative as prescribed by a licensed physician,

These activities are designed to:

A. improve, develop or restore functions impaired or lost through illness, injury or deprivation,

B. improve ability to perform tasks for independent functioning when functioning is impaired or lost,

C. prevent, through early intervention, initial or further impairment or loss of function,

D. correct or compensate for a medical problem interfering with age appropriate functional performance.

Professional Qualifications: Must be licensed by the Alabama State Board of Occupational Therapy. Occupational therapy assistants may assist in the practice of occupational therapy only under the supervision of an OT. Occupational therapy assistants must have an Associate of Arts degree and must be licensed by the Alabama State Board of Occupational Therapy. Supervision of certified OT assistants must include one-to-one on-site supervision at least every sixth (6th) visit. Each supervisory visit must be documented and signed by the OT making the visit.

All services must be performed within the scope of services as defined by the licensing board.

Procedure Codes:

Medicaid **does not** cover group occupational therapy. Covered occupational therapy services do not include recreational and leisure activities such as movies, bowling, or skating. Use the following procedure codes for services prescribed by a physician and provided by a qualified occupational therapist:

Procedure Code/ Modifier	***Description***	***Daily Limits***	***Annual Limit***
97003 SE	Occupational therapy evaluation	1	1
97004 SE	Occupational therapy re-evaluation	1	1
97110 SE	Therapeutic procedure, one or more areas, each 15 minutes; therapeutic exercises to develop strength and endurance, range of motion and flexibility*	4	96

*If additional services are needed, provider of service must use modifier 22. Medicaid monitors the use of this modifier. Documentation in medical record must support use of modifier 22 by reflecting continued improvement of condition for which therapy is ordered.

103.5.7 Physical Therapy

Service Description: Physical Therapy services, necessary for the development of the student's IEP or documented in the IEP include, but are not limited to:

1. Evaluations and diagnostic services
2. Therapy services which are rehabilitative, active, restorative. These services are designed to correct or compensate for a medical problem and are directed toward the prevention or minimization of a disability, and may include:
   a. developing, improving or restoring motor function
   b. controlling postural deviations
   c. providing gait training and using assistive devices for physical mobility and dexterity
   d. maintaining maximal performance within a student's capabilities through the use of therapeutic exercises and procedures.

Professional Qualifications: Must be licensed by the Alabama Board of Physical Therapy. Physical therapy assistants may provide services only under the supervision of a qualified physical therapist. PT assistants must be licensed by the Alabama Board of Physical Therapy. Supervision of licensed PT assistants must include one-to-one on-site supervision at least every sixth (6th) visit. Each supervisory visit must be documented and signed by the PT.

All services must be performed within the scope of services as defined by the licensing board.

Procedure Codes:

Use the following procedure codes for services prescribed by a physician and provided by a qualified physical therapist. Physical therapy is not covered for groups. Physical therapy services may not be span billed.

Procedure Code/Modifier	***Description***	***Daily Limits***	***Annual Limit***
97001 SE	Physical therapy evaluation	1	1
97002 SE	Physical therapy re-evaluation	1	1
97110 SE	Therapeutic procedure, one or more areas, each 15 minutes; therapeutic exercises to develop strength and endurance, range of motion and flexibility*	4	96

*If additional services are needed, provider of service must use modifier 22. Medicaid monitors the use of this modifier. Documentation in medical record must support use of modifier 22 by reflecting continued improvement of condition for which therapy is ordered.

103.5.8 Behavioral Health Counseling

Service Description: Behavioral health services based on a treatment plan with focused intervention and specific goals designed to maximize strengths and reduce behavioral problems or functional deficits.

These services may be provided in an individual, group or family setting. The number of participants in the group should be limited to assure effective delivery of service.

Professional Qualifications:

A psychologist licensed under Alabama law OR a professional counselor licensed under Alabama law OR a certified social worker licensed under Alabama law OR a registered nurse who has completed a master's degree in psychiatric nursing OR school psychologist certified by the Alabama State Department of Education.

Procedure Codes:

CPT Code/ Modifier	*Description*	*Daily Max*	*Annual Max*
H0025 SE	Behavioral health counseling, billed in 15 minute increments, utilize dx code V62.9	4	1200

103.5.9 Health Aide Services

Service Description: Services provided to an individual to enable a student to independently function within the school setting with emphasis on training and assistance. Examples of these services include: transferring and ambulating, and assistance with food, nutrition and diet activities.

Professional Qualifications: School Health Aide services are provided by staff that have been trained and remain under the direction of skilled professional medical personnel. Aides shall possess a high school diploma or equivalent, completed a course and obtained certification as a nursing assistant and shall posses a current card in first aid and CPR.

Procedure Codes:

Procedure Code/ Modifier	*Description*	*Daily Limits*	*Annual Limits*
T1004 SE	School Health Aide, Billed in 15 minute increments, utilize diagnosis code V65.49	32	9600

103.5.10 Speech/Language Services

Service Description: Speech/language therapy services necessary for the development of the student's IEP or documented in the student's IEP include, but are not limited to:

1. Diagnostic services
2. Screening and assessment
3. Preventive services
4. Corrective services

Speech therapy services may be provided in an individual, group or family setting. The number of participants in the group should be limited to assure effective delivery of service.

Professional Qualifications: Must have a Certification of Clinical Competence in Speech Language Pathology or be eligible for certification and licensed by the Alabama Board of Examiners for Speech, Language Pathology, and Audiology. Speech Therapy Assistants must have a bachelor’s degree in Speech Pathology, and be registered by the Alabama Board of Speech, Language Pathology, and Audiology. The licensed speech pathologist must document direct observation of at least 10% of all clinical services provided by the assistant. Speech therapists may supervise no more than the equivalent of two full-time assistants concurrently.

All services must be performed within the scope of services as defined by the licensing board.

Procedure Codes:

Use the following procedure codes for services provided by a qualified speech pathologist for individuals with speech disorders. Speech therapy services may not be span-billed.

Procedure Code/ Modifier	***Description***	***Daily Limits***	***Annual Limits***
92506 SE	Evaluation of speech, language, voice, communication, and/or auditory processing	1	4
92507 SE	Treatment of speech, language, voice, communication, and/or auditory processing disorder; individual	1	300
92508 SE	Treatment of speech, language, voice, communication, and/or auditory processing disorder; group 2 or more individuals	1	300

103.6 For More Information

This section contains a cross-reference to other relevant sections in the manual.

Resource	Where to Find It
CMS-1500 Claim Filing Instructions	Section 5.2
Patient 1st	Chapter 39
EPSDT	Appendix A
Electronic Media Claims (EMC) Guidelines	Appendix B
AVRS Quick Reference Guide	Appendix L
Alabama Medicaid Contact Information	Appendix N