

Setting Staff Up for Success: Using the Mental Health in Special Education (MH-SPED) Toolkit to Navigate Medicaid in Education



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Ten Minnesota Commitments to Equity

1. **Prioritize equity.**
2. **Start from within.**
3. **Measure what matters.**
4. **Go local.**
5. **Follow the money.**
6. **Start early.**
7. **Monitor implementation of standards.**
8. **Value people.**
9. **Improve conditions for learning.**
10. **Give students options.**

Items 2, 4, 5, 7 and 9 are emphasized.

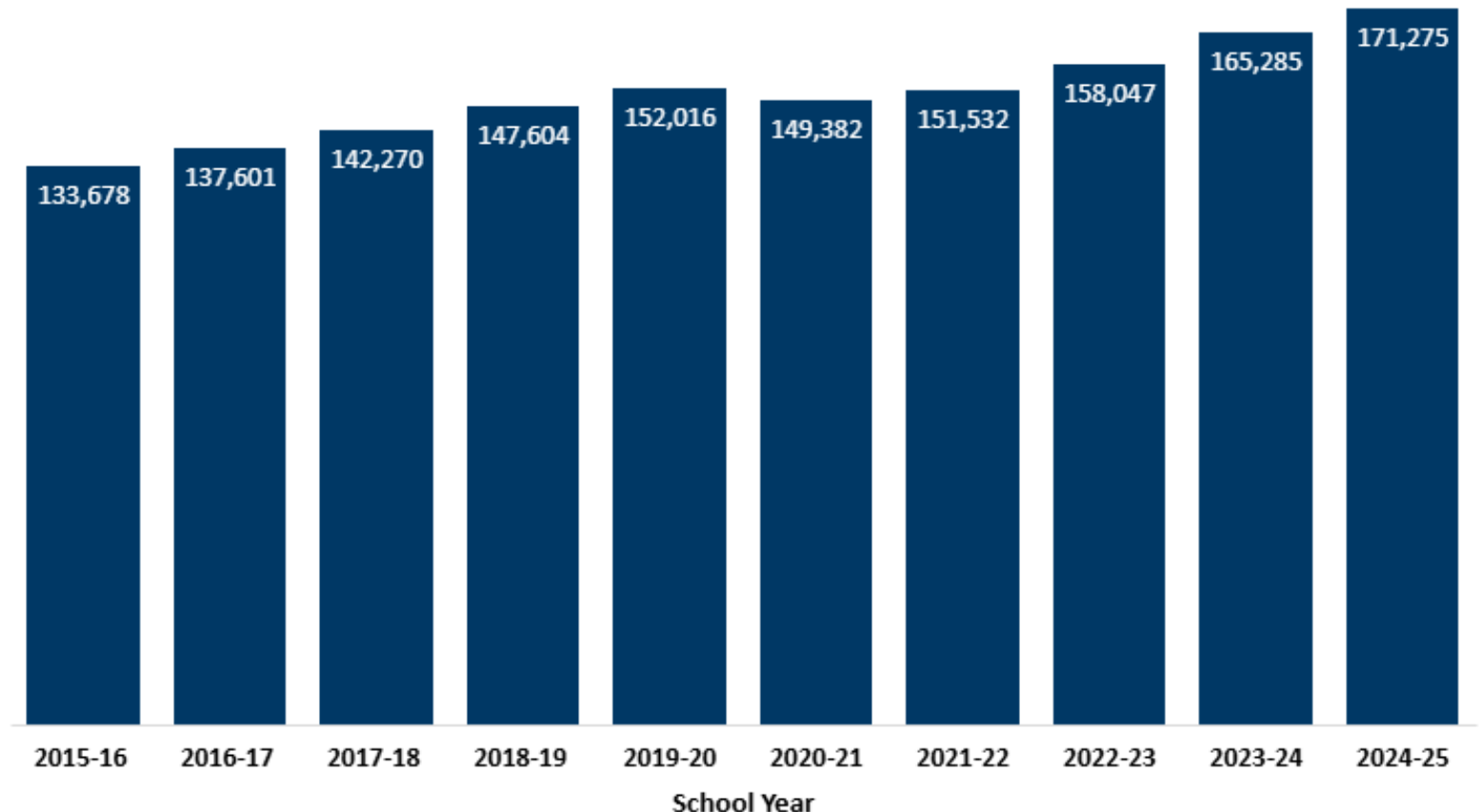


Learning Targets

- **Understand the intent and framework of the Mental Health in Special Education (MH-SPED) benefit** and how it expands access to Medicaid-funded mental health services within special education systems.
- **Identify key administrative responsibilities and compliance considerations** for aligning special education due process with Medicaid in Education (third-party reimbursement) requirements.
- **Use the MH-SPED Toolkit to guide implementation** by leveraging its flowchart, resources, and templates to establish consistent district-level processes.
- **Develop leadership strategies to support staff readiness and accountability** for accurate documentation, service delivery, and reimbursement under MH-SPED.
- **Foster collaboration** between teams, ensuring sustainable structures that promote equity, compliance, and improved access to student mental health services.

School Medicaid Population: Child Count

Child Count is a count of Minnesota youth, ages birth through 21, who are eligible for and receiving special education and related services based on the Minnesota Automated Reporting Student System (MARSS)



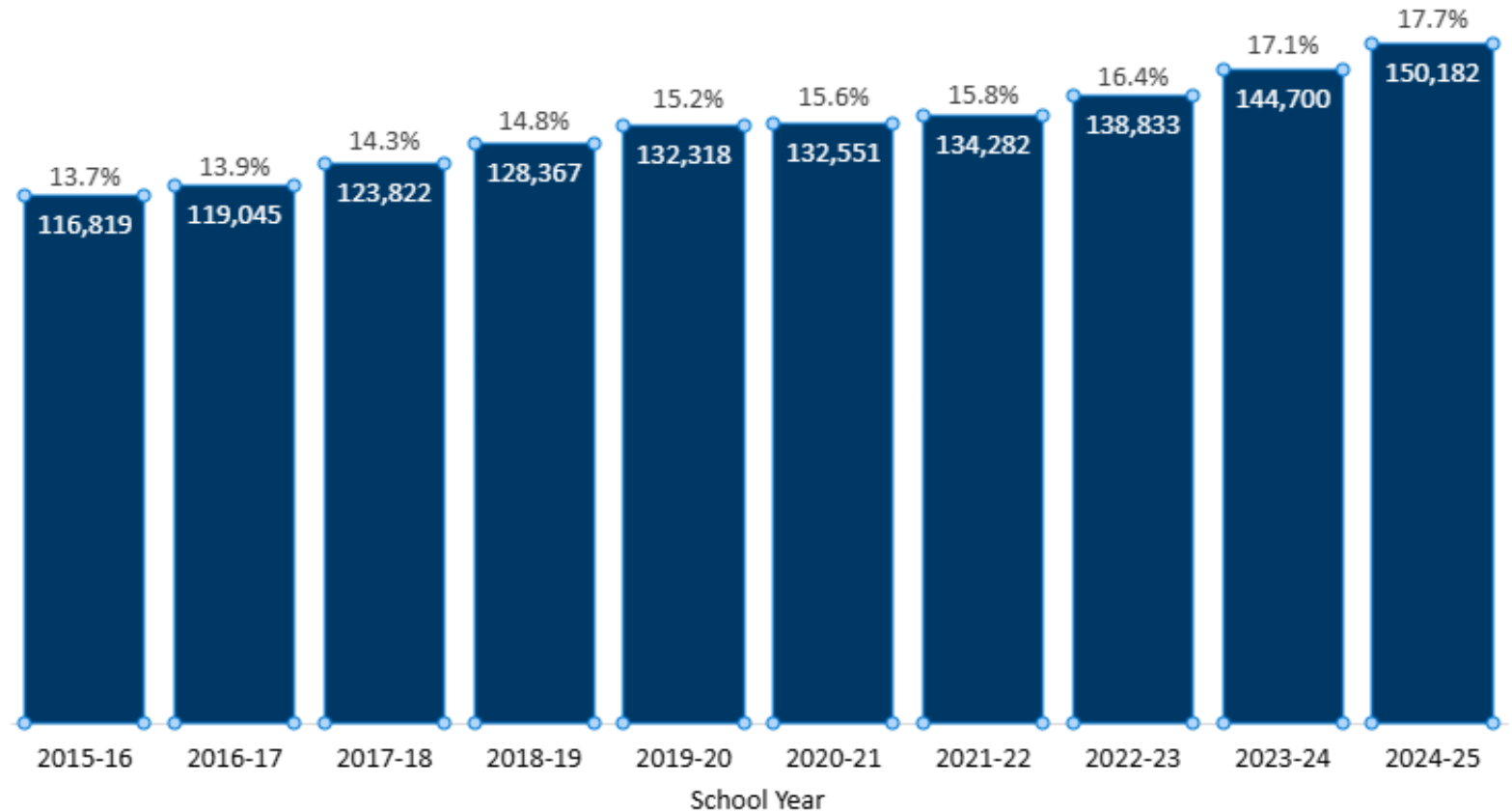
School Medicaid Population: Child Count

Largest segment of the school Medicaid population is students with disabilities age 6 to 22

Year	Birth to 2	3 to 5	6 to 22	Total
2020-21	4,890	11,941	132,551	149,382
2021-22	5,596	11,654	134,282	151,532
2022-23	6,105	13,110	138,832	158,047
2023-24	6,410	14,178	144,697	165,285
2024-25	6,549	14,527	150,199	171,275

School Medicaid Population: Child Count

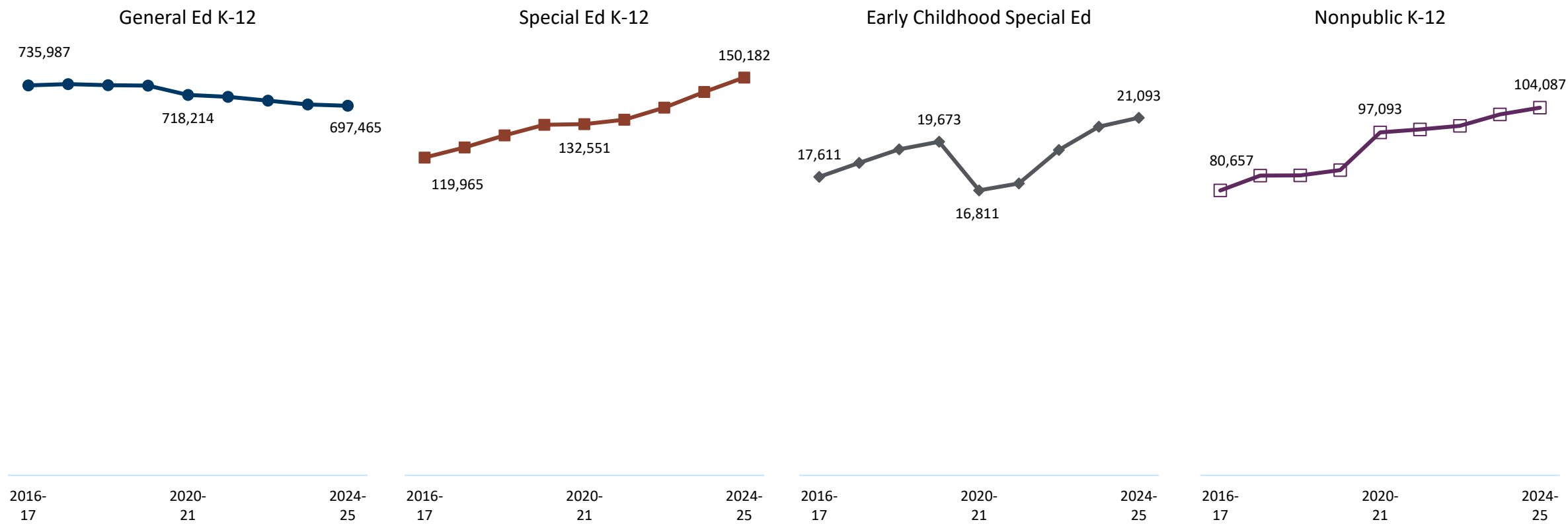
As a percentage of K-12 enrollment, the number and percentage of students with disabilities has been annually increasing



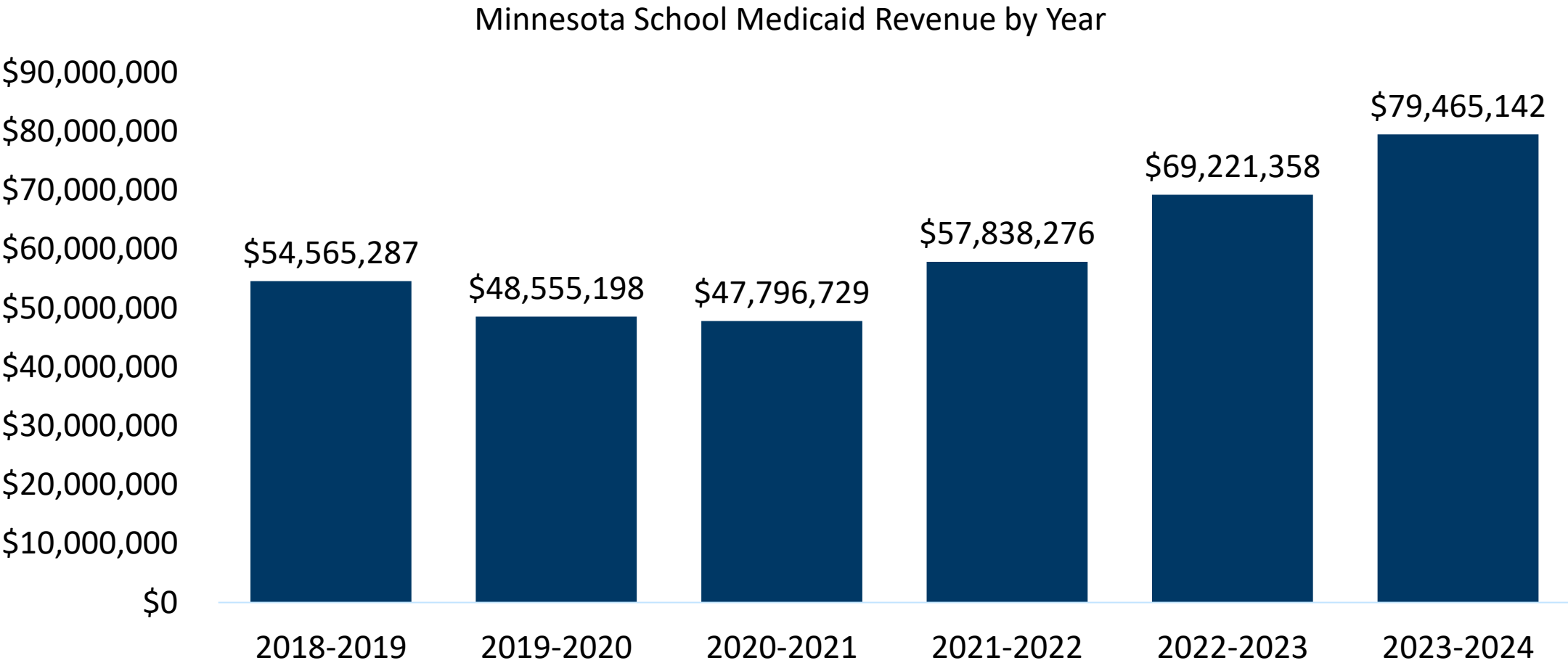
School Enrollment Trends

COVID-19 pandemic impacted student enrollment differently: Enrollments of special education (K-12 and early childhood) students are increasing while general education student enrollments continue to decline

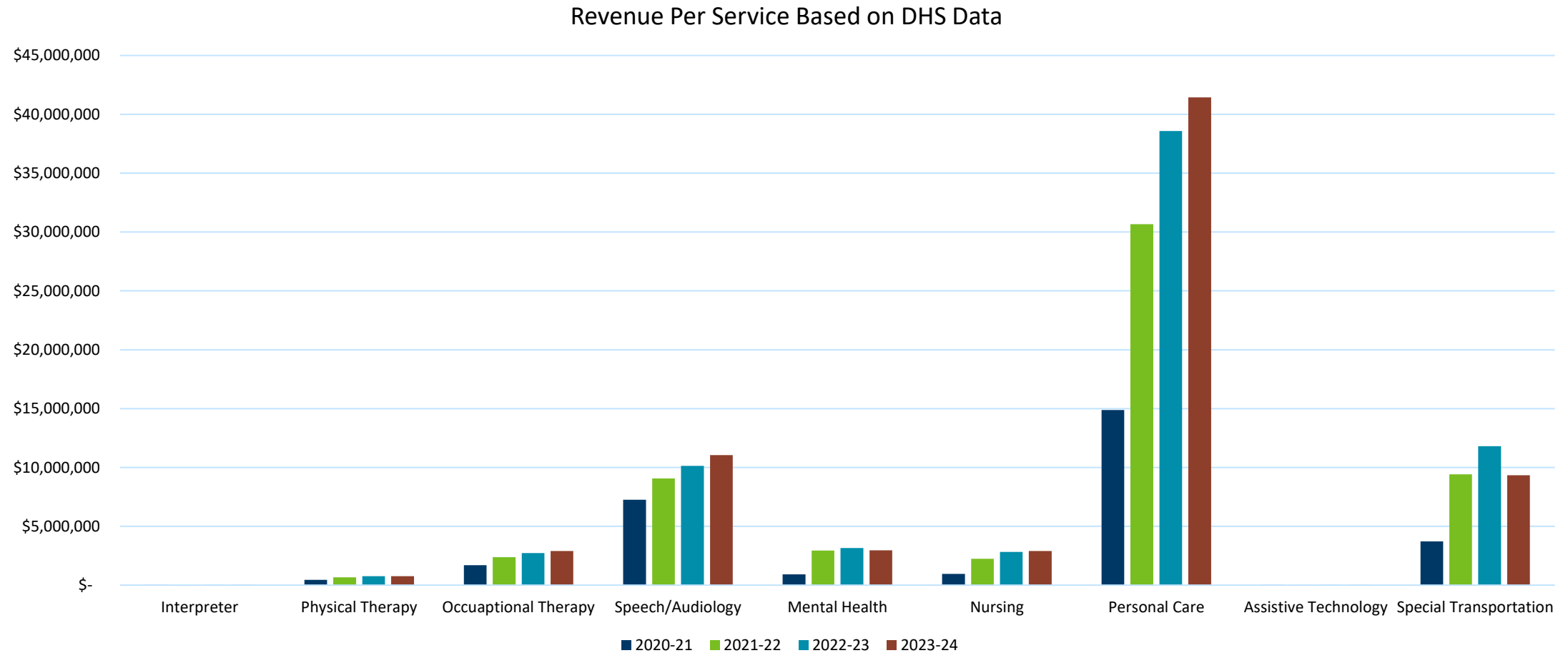
General education counts are October 1 and special education counts are December 1 of each school year



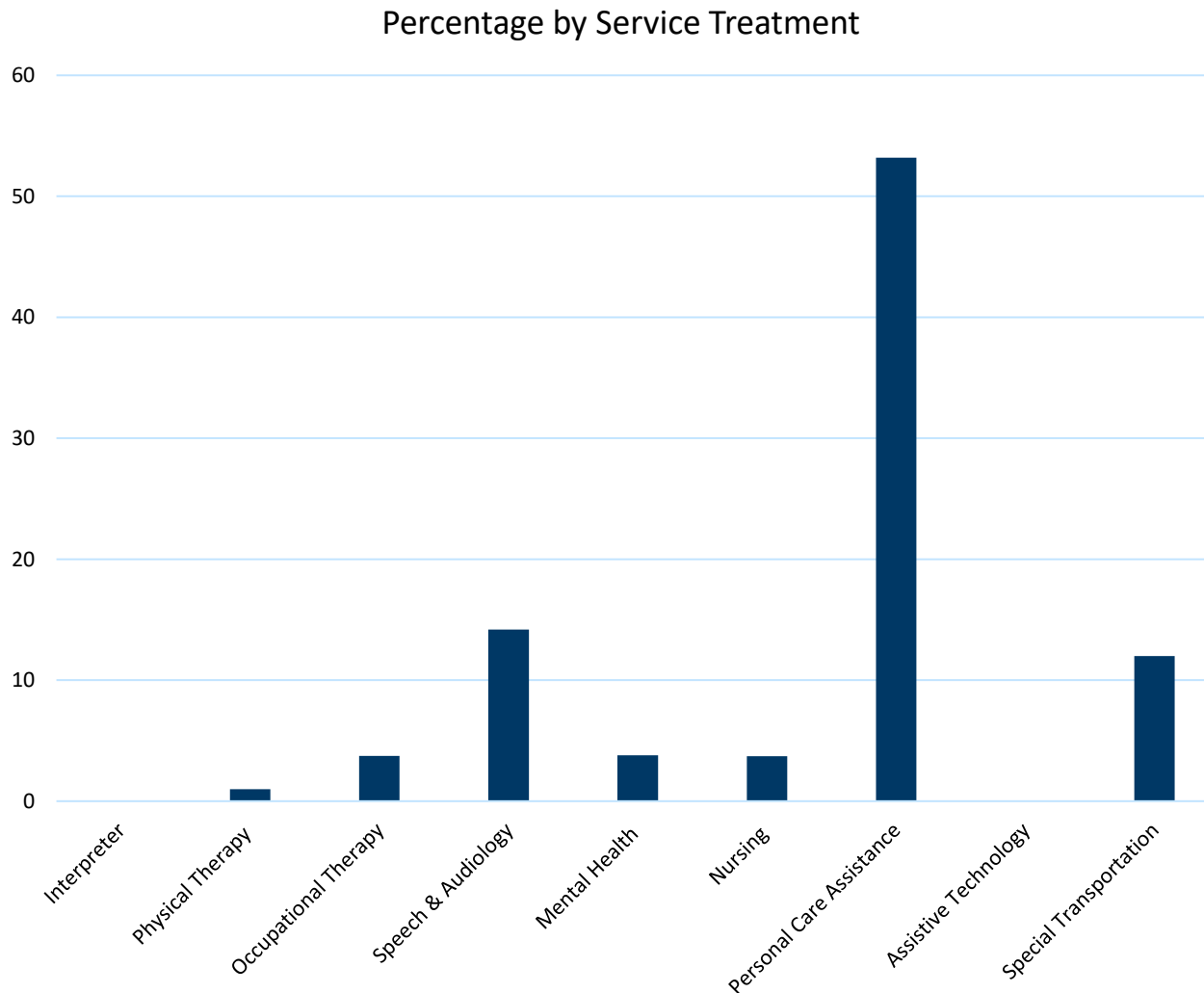
School Medicaid Trends: Revenue Based on UFARS Data



School Medicaid Trends: Revenue Per Service Based on DHS Data



School Medicaid Reimbursement: Percentage by Service Treatment



- Minnesota schools received over \$79 million in Medicaid reimbursement for health-related services in the 2023-24 school year
- **Mental health services are significantly underrepresented, accounting for 3.8%**

Moving Revenue to Results

- Goal: Make meaningful impacts for students
- Strategy: Build capacity and accessibility
- What doesn't work:
 - Shifting costs from one bucket to another
 - Spending without a clear purpose (slush fund)
- **What does work: Spending third party funding on efforts that...**
 - Are important or high value
 - Can be tracked and measured
 - Are built and set up to last

Minnesota Student Survey

Minnesota Student Survey data suggests that mental health problems may be more pervasive and significant for students with disabilities than other students. There is a strong association between disability and certain mental health problems.

MH-SPED is a response aimed at improving school capacity to deliver the mental health services students with disabilities need.

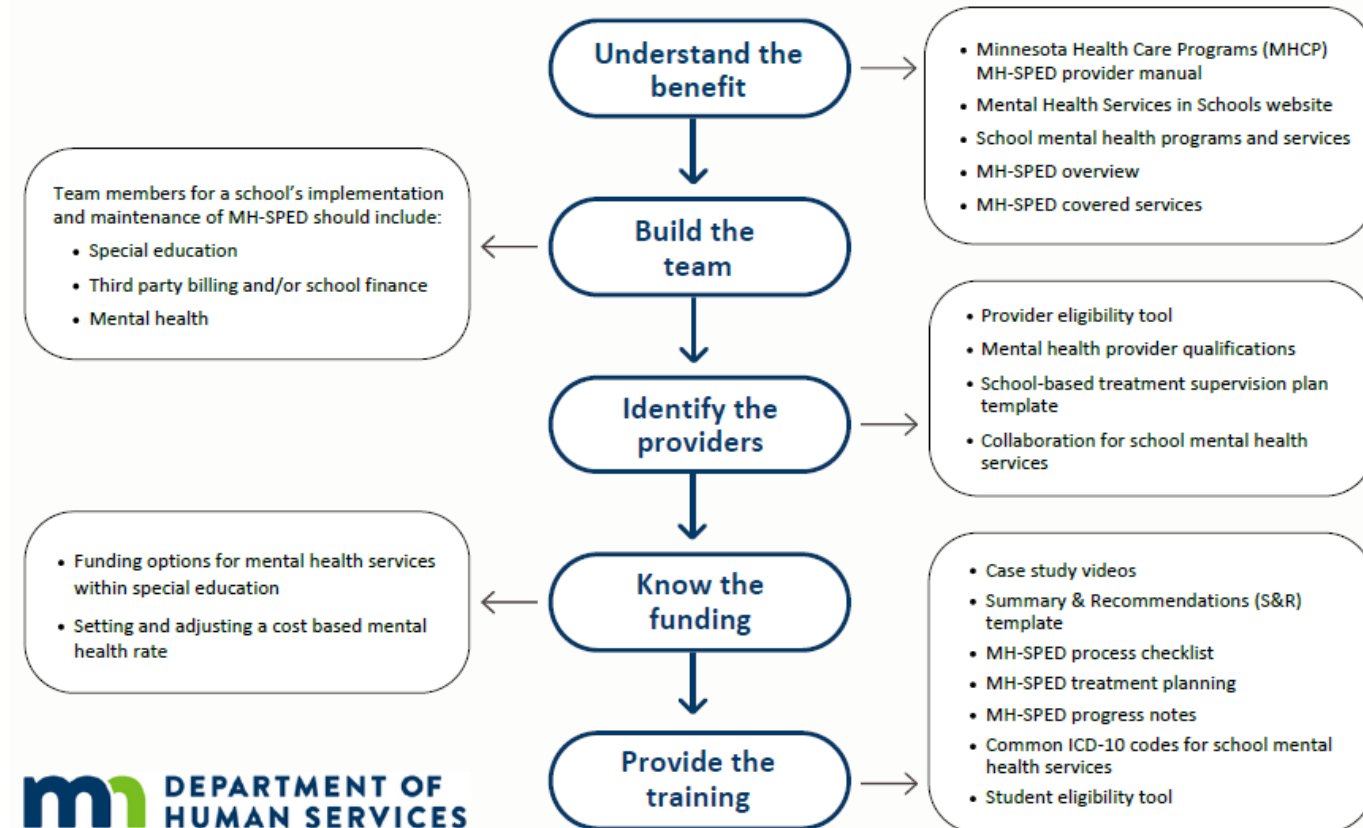
Mental Health Indicators by IEP status and Region	Metro Students with IEP's	Greater Minnesota Students with IEP's
% with long-term mental health, behavioral or emotional problems	46.6%	44.4%
% engaged in self-injury behavior at least once in the past year	29.9%	29.8%
% that have ever seriously considered attempting suicide*	31.6%	32.7%
% that have ever actually attempted suicide*	14.8%	16.4%
Little interest or pleasure in doing things**	64.6%	61.1%
Feeling down, depressed or hopeless**	55.2%	52.8%
Feeling nervous, anxious or on edge**	69.7%	65.3%
Not being able to stop or control worrying**	56.8%	54.4%



Mental Health in Special Education (MH-SPED) Toolkit

Implementing Mental Health in Special Education (MH-SPED)

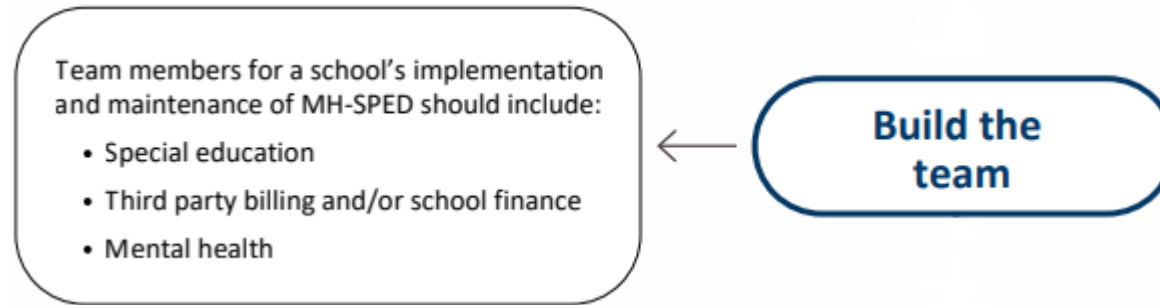
The [Implementing MH-SPED Flowchart](https://mn.gov/dhs/assets/Implementing%20MH-SPED%20Flowchart-Accessible_tcm1053-709391.pdf) helps schools implement Mental Health in Special Education (MH-SPED). The middle column lists the steps for implementation. The arrows pointing from each step lead to information or a link to a resource to help accomplish that specific step. (https://mn.gov/dhs/assets/Implementing%20MH-SPED%20Flowchart-Accessible_tcm1053-709391.pdf)



MH-SPED: Understand the benefit

- A Minnesota Health Care Programs (MHCP) benefit
- Allows schools to seek federal Medicaid funding for eligible mental health services
- Applies to services provided within an Individual Education Program (IEP) or Individualized Family Service Plan (IFSP)
- Integrates mental health services into special education
- Refines current services and processes to better meet students' social, emotional, and behavioral needs
- Covers mental health services such as individual and group psychoeducation (skills) , psychotherapy, psychotherapy for crisis, clinical care consultation, explanation of benefits and DBT (if certified)

MH-SPED: Build the team



MH-SPED implementation succeeds when cross-functional teams work together from the start.

Special Education

- Director
- Administrator
- Case manager
- Related service provider

Third Party Billing/Finance

- Finance manager
- Business manager
- Third party billing coordinator
- SEDRA coordinator

Mental Health

- Mental health lead
- Mental health provider
- Community partner

MH-SPED: Identify the providers

Providers eligible to deliver MH-SPED services	Provider's credentials and qualification category	MH-SPED covered services to be delivered by each eligible provider	Treatment supervisor (if applicable)	Confirm provider's position is state or locally funded	Verify SEDRA allocation and completion of Time and Effort documentation	Identify the student population served by each provider	Next steps (if applicable)
EXAMPLE: Alicia Rivera, school staff	LSW mental health practitioner	Psychoeducation only	Treatment Supervision provided by Norah Smith, LPCC	Position is state funded	SEDRA appropriately allocated. Time and Effort being documented by provider.	Setting 2-3, autism (ASD) program, high school, special and general education	Establish treatment supervision plan
EXAMPLE: Josh Washington, school staff	LGSW clinical trainee	Psychoeducation, Clinical Case Consultation, Psychotherapy for Crisis, Explanation of Findings, and Psychotherapy	Clinical and Treatment Supervision provided by Norah Smith, LPCC	Federally funded, coordinating correction with finance and business office	Not verified	Settings 1 – 2, early childhood, developmental delay, special and general education	Follow up about changing the funding source and check SEDRA allocation and Time and Effort
EXAMPLE: Norah Smith, contracted staff	LPCC mental health professional	Psychoeducation, Clinical Case Consultation, Psychotherapy for Crisis, DBT, Psychotherapy, Explanation of Findings	Not applicable	Verified position is state funded	Verified SEDRA and Time and Effort documenting	Setting 4, emotional behavioral disability (EBD) program, middle school, special education	Norah Smith to establish treatment supervision plans with Alicia Rivera and Josh Washington

[Mental Health in Special Education \(MH-SPED\) provider eligibility tool](#)



Important: The MH-SPED provider eligibility tool does not replace the formal eligibility determination process. It is intended to support accurate, collaborative MH-SPED implementation and billing decisions.

MH-SPED Responsibilities by provider

	Mental Health Professional	Clinical Trainee*	Mental Health Practitioner*
Determining medical necessity for mental health services through the S&R	•	•	
Developing a written plan for services including goals and details of each covered service	•	•	•
Reviewing the plan (IEP) for progress towards goals and updating service provision as needed	•	•	•
Providing covered services according to each provider's scope of practice and service requirements	•	•	•
Completing progress notes for all services provided	•	•	•

*** All tasks listed must be completed under the treatment supervision of a mental health professional.**

MH-SPED: Know the funding



Federally funded providers cannot seek Medicaid reimbursement for eligible services

Cost-based mental health rates:

- Include all mental health providers
- Based on **state special education** expenditures reported in SEDRA
- Should be reviewed for adjustments to account for:
 - Staffing or student changes
 - Budget cuts or new funding sources
 - Adding MH-SPED services

MH-SPED: Provide the training

Summary and
Recommendations
(S&R)

MH-SPED Process
Checklist

MH-SPED IEP as
Treatment Plan

MH-SPED progress
notes

Common ICD-10
Codes

Student Eligibility
Tool

Case Study Videos

❖ Vendor Specific Storage and Documentation Guidance is available.

Due Process and Medicaid Billing

- Reimbursement for health services provided through an IEP or IFSP **does not** change current due process requirements
 - This includes reimbursement for Mental Health in Special Education (MH-SPED)
- Collaborate with your district's program monitoring and review team or due process specialist(s)
- Connect with other health-related service providers to learn their practices and recommendations

Resources

- [School mental health services](#) website
- MDE [Special Education](#) guidance (refer to categories and subcategories on the left-hand side)
- DHS resource supporting MH-SPED: [Mental Health Services in Special Education FAQs 2.26.25 FINAL.pdf](#)
- MDE resource supporting MH-SPED for Part B: [FAQ: Medical Assistance for Mental Health Services in Special Education](#)
- MDE resource supporting MH-SPED for Part C: [Early Childhood Special Education \(ECSE\)](#) > section ECSE Guidance and Resource Documents > Medical Assistance for Mental Health Services in Early Intervention.pdf
- Email questions about special education program monitoring for **school-aged requirements** to mde.special-ed@state.mn.us
- Email questions about Part C and Part B **preschool requirements** to mde.ecse@state.mn.us
- Email questions about MH-SPED Medicaid and clinical guidance to school.based.services.dhs@state.mn.us

Benefits of Third-Party Reimbursement



SUSTAINABILITY

Accessing federal Medicaid funds is a sustainable revenue source that build the schools behavioral health capacity and expand community supports



ACCESSIBILITY

School behavioral health providers provide consistent and reliable access for students and their behavioral health needs



EQUITY

Federal Medicaid funding increases health equity by allowing additional reimbursement to schools who have a higher Medicaid population.



COST EFFECTIVE

Schools are one of the most cost-effective ways of providing behavioral health services to our students as there is no cost to the state as schools are only reimbursed with federal funds.

Thank You!

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