



Unlocking Funding Potential: Maximizing Federal & State Reimbursements

October 23rd, 2025

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Subd (2) (a) Beginning July 1, 2000, districts **shall** seek reimbursement from insurers and similar third parties for the cost of services provided by the district whenever the services provided by the district are otherwise covered by the child's health coverage. Districts shall request, but may not require, the child's family to provide information about the child's health coverage when a child with a disability begins to receive services from the district of a type that may be reimbursable, and shall request, but may not require, updated information after that as needed.

MDE will cite districts if they are not attempting to bill.

Protections for Families and Children for Other MHCP Health Care Services

- MHCP payments for IEP health-related services **do not count against prior authorization caps** for home care services; do not affect waiver Brain Injury (BI), Community Alternative Care (CAC), Community Access for Disability Inclusion (CADI) and Developmental Disabilities (DD) caps or the amount of services available under the waiver; **and do not count against service limits or thresholds**. CADI, CAC, TBI and DD waivers provide home and community-based services to certain children with disabilities. These waiver programs have limits on the amount of services a child can use in a year.
- IEP-related services **are not included in calculating Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) parental fees**. The TEFRA parental fee is a sliding fee based on income, family size and whether the child lives at home. The parental fee cannot exceed the cost of the child's MA and county expenditures. The Minnesota Department of Human Services (DHS) contact number for TEFRA is 651-431-3806.
- MHCP payments for IEP services **do not affect MinnesotaCare premiums**.

IEP/IFSP Medicaid reimbursement is a carved out separate pot of federal funds.

Subd. 3. Use of reimbursements. School districts must reserve third-party revenue and must spend the reimbursements received only to:

- (1) retain an amount sufficient to compensate the district for its administrative costs of obtaining reimbursements;
- (2) regularly obtain from education- and health-related entities training and other appropriate technical assistance designed to improve the district's ability to access third-party payments for individualized education program or individualized family service plan health-related services; or
- (3) reallocate reimbursements for the benefit of students with individualized education programs or individualized family service plans in the district.

Do not make this mistake. You are receiving federal the federal share from DHS, if you use it pay for the related service providers, you can no longer bill for their services.



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The team

SpEd Administrators

Beginning with enrollment, DHS requires a SpEd Administrator to be an authorized agent. They lead the development of the Medicaid process.

MA coordinator

Your MA coordinator is responsible for updating eligibility, submits claims and reports the district's time and encounter data to DHS each year.

SEDRA contact

Costs for staff eligible to provide services are entered into SEDRA. Missing or incorrect information directly affects your Medicaid rates

Plan Managers

The service plan is the authorization for Medicaid reimbursement. Plan managers may also play a key role in PCA documentation.



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Eligible services

Initial Evaluations, Reevaluations and Health-Related Assessments:

Medical Assistance (MA) will reimburse the federal share of the cost of covered health-related evaluations and assessments under the Individuals with Disabilities Education Act (IDEA) when conducted for the sole purpose of identifying the health-related needs for a child's IEP or IFSP or to determine the need for continued coverage. That is, if the school is evaluating a child for the sole purpose of identifying the health related needs of that child for the child's IEP or IFSP, MA will cover the time spent performing that evaluation or assessment **even if the service does not get added to the IEP or IFSP or result in an IEP or IFSP.**

MHCP will cover the following:

- Face-to-face health-related assessments used to identify rehabilitative services to restore or improve the condition of the child to the child's best possible functional level
- Interpreting health-related assessment results
- Writing a report of the health-related assessment results

- Interpreter services
- Children's Therapeutic Services and Supports (CTSS) IEP Services Provided in School (previously referred to as mental health services) - separate application
- Mental Health Services in Special Education (MH-SPED) (School Social Work Services)
- Nursing Services
- Occupational Therapy Services
- Personal Care Assistance Services
- Physical Therapy Services
- Speech and Language Pathology and Audiology Services
- Special Transportation Services
- Assistive Technology (AT) Devices

- Mental health professional, Mental health practitioner under the supervision of a mental health professional or Clinical trainee
- Registered Nurse (RN), Licensed School Nurse (LSN), Public Health Nurse (PHN) or Licensed Practical Nurse (LPN)
- Occupational therapist (OT)/Occupational therapy assistant (OTA)
- Physical therapist (PT)/Physical therapy assistant (PTA)
- Speech Language Pathologist (SLP)/Speech Pathology Assistants (SLPA), (Educational) Speech Language Pathologist (SLP) or Clinical fellowship licensee
- Audiologist
- PCA/Paraprofessional



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Eligible students

- Must be under 22 years old or have not graduated from the 12th grade
- Must have a current IEP or Individualized Family Service Plan (IFSP) that identifies the covered IEP health-related service to be provided (except evaluations)
- Must be actively enrolled in one of the following MHCP major program codes:
 - Medical Assistance (MA)
 - NM – These covered services are similar to MA services for certain non-citizens and children with Children's Health Insurance Program eligibility types CB (infants from birth to 2 years old) or PC (pregnant women)
 - Refugee Medical Assistance (RM)

We can still submit claims for students that have Medicaid AND private insurance as long as a denial from the private insurance has been obtained.

CMS does NOT require a denial from private insurance but MN does!

- States may suspend or terminate efforts to seek reimbursement from a liable third party if they determine that the recovery would not be cost-effective pursuant to 42 C.F.R. § 433.139(f), including for IDEA or 504 plan services. *This could ease administrative burden at schools.* (Reimbursement is delayed and even lost.)
- States may exempt certain items or services from TPL requirements when submission of claims for those items or services would always result in denial. (It has for the last 25 years. Not even one private insurance company has ever said they would pay a claim.)
- States may elect not to identify or follow up on specific diagnoses and trauma codes, based on experience that the codes have proven not to identify liable third parties nor generate collections.



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**Signed or informed
consent**

Do school districts still need to obtain informed consent from parents for third-party billing after July 1, 2013?

Yes, school districts must always obtain parental consent before submitting bills to MA for special education services. School districts may obtain parent consent in two ways:

- 1) with school district consent forms (e.g. the MDE recommended form); and
- 2) the Minnesota Health Care Programs (MHCP) application.

The two options for obtaining consent impose different timelines for billing, with school district consent forms making immediate billing possible, and the MHCP application option requiring a waiting period after receiving the revised (2013) Procedural Safeguards, up to one year, during which parents at some point re-enroll in MA and provide their informed consent at that time.

Part C IFSP student cannot use the informed consent process because the Part C notice of procedural safeguards does not include the required Medicaid language.

Some district options for obtaining consent:

- A. Including the consent to share data with the student registration packet.
- B. Annual mailing of the consent to share data form to all special education students with the information from the notice of procedural safeguards on the back.
- C. Including the consent to share data form with the service plan meeting. If the plan manager is to present the consent, key points they would need to know:
 - MN statute dictates the district must seek reimbursement.
 - The student's services and lifetime limits, in and out of school are not affected, this is a separate pot of federal funds.
 - If parents have questions refer to the MA coordinator.

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**Documentation for all or
only eligible students**

To document on all students, or only students that are Medicaid eligible?

	All students	Only MA eligible students
Pros	No backdating No tracking down staff Privacy can be maintained Increased reimbursement	Saves staff time
Cons	Increase in staff documentation time	Monitoring staff Missed claims Confidentiality



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Rates

NUMBER OF MINUTES IN A SCHOOL DAY 450
NUMBER OF DAYS IN A SCHOOL YEAR 196
NUMBER OF HOURS IN A SCHOOL YEAR 1,470

ELIGIBLE SERVICE	TOTAL SALARIES	TOTAL FTE	TOTAL CONTRACTED SERVICES COST	TOTAL FTE
-----	-----	-----	-----	-----
PHYSICAL THERAPY	1,219,132.92	14.07	0.00	0.00
OCCUPATIONAL THERAPY	3,102,652.48	38.17	260.00	0.00
SPEECH LANGUAGE/HEARING THERAPY	7,556,561.04	90.11	58,024.13	1.06
NURSING	570,653.45	7.16	165,027.75	1.85
MENTAL HEALTH	6,691,115.50	80.97	0.00	0.00
PERSONAL CARE	18,709,830.05	553.63	0.00	0.00
INTERPRETER	194,632.79	4.42	16,081.71	0.16

PART-I STUDENTS TRANSPORTED TO AND FROM SCHOOL - REGULAR TERM					
	PUBLIC DISTRICT STUDENTS	PUBLIC CHARTER STUDENTS	NONPUBLIC SCHOOL		
WALKERS - N/A	2,577	0	0		
REGULAR - EARLY CHILDHOOD DISABLED	0	0	0		
REGULAR - ELEMENTARY	3,831	0	150		
REGULAR - SECONDARY	3,246	0	112		
TOTAL REGULAR	7,077	0	262		
EXCESS (SECONDARY 1-2 MILE & HAZARD RIDERS)	2,385	0	0		
DISABLED	464	1	0		
DESEGREGATION	0	0			
INELIGIBLE/NONRESIDENT	210	0	0		
SPECIAL TRANSPORTATION	35	0	0		
SHELTER CARE FACILITY	0	0			
=====					
PART II - SCHOOL BUS OWNERSHIP					
DISTRICT-OWNED:	0	CONTRACTOR-OWNED:	142	NONPUBLIC-OWNED:	
DISTRICT-OWNED SPEC. ED:	0			0	
=====					
PART III - ANNUAL MILEAGE, HOURS, OR ROUTES					
DISTRICT-OWNED MILES:	0	CONTRACTOR-OWNED MILES:	1,922,995		
DISTRICT-OWNED HOURS:	0	CONTRACTOR-OWNED HOURS:	0		
DISTRICT-OWNED ROUTES:	0	CONTRACTOR-OWNED ROUTES:	0		
=====					
PART IV - TRANSPORTATION EXPENDITURES (FROM UFARS)					
FINANCE DIMENSION 711	0.00	FINANCE DIMENSION 718	0.00	FINANCE DIMENSION 725	17,045.56
FINANCE DIMENSION 713	0.00	FINANCE DIMENSION 719	0.00	FINANCE DIMENSION 726	0.00
FINANCE DIMENSION 714	0.00	FINANCE DIMENSION 720	4,315,759.76	FINANCE DIMENSION 728	558,759.78
FINANCE DIMENSION 715	0.00	FINANCE DIMENSION 721	0.00	FINANCE DIMENSION 733	600,195.48
FINANCE DIMENSION 716	0.00	FINANCE DIMENSION 723	4,900,434.73	FINANCE DIMENSION 737	108,511.32
FINANCE DIMENSION 717	55,871.57	FINANCE DIMENSION 739	0.00		

Time/Encounter data for 2022-2023

Times are in minutes

Service type	Tot. time	Encounters	Avg time
Physical therapy	17,046	508	33
Occupational therapy	44,796	596	75
Speech therapy/Audiology	363,280	22,447	16
Mental health services	104,779	451	232
Nursing services	341,905	12,045	28
PCA services	5,061,482	37,818	133
Special transportation	0	10,643	0

Time/Encounter data for 2023-2024

Times are in minutes

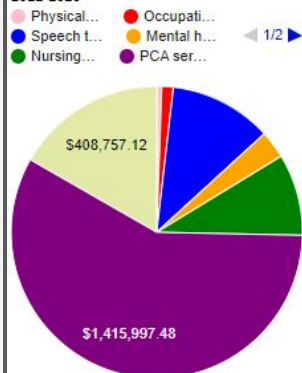
Service type	Tot. time	Encounters	Avg time
Physical therapy	17,644	470	37
Occupational therapy	50,615	872	58
Speech therapy/Audiology	500,646	31,590	15
Mental health services	132,814	533	249
Nursing services	488,370	16,788	29
PCA services	4,669,854	37,931	123
Special transportation	0	11,703	0

Time/Encounter data for 2024-2025

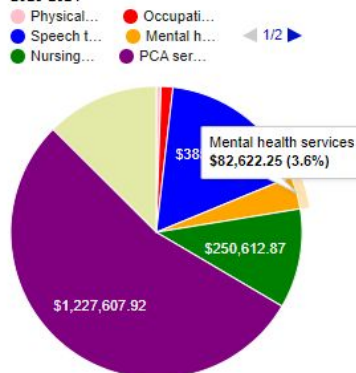
Times are in minutes

Service type	Tot. time	Encounters	Avg time
Physical therapy	6,227	195	31
Occupational therapy	13,566	192	70
Speech therapy/Audiology	170,149	10,782	15
Mental health services	22,000	104	211
Nursing services	112,565	6,094	18
PCA services	1,792,554	13,948	128
Special transportation	0	3,228	0

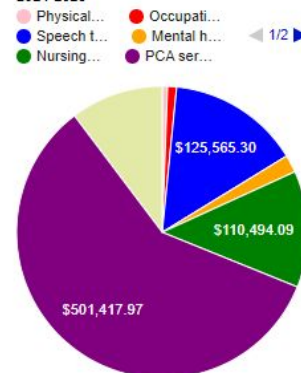
Annual reimbursement by service for 2022-2023

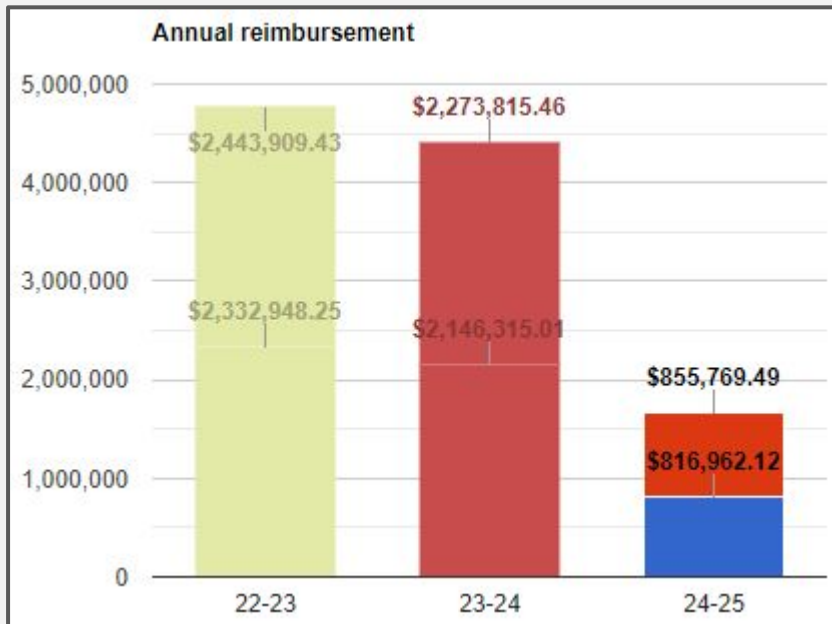


Annual reimbursement by service for 2023-2024



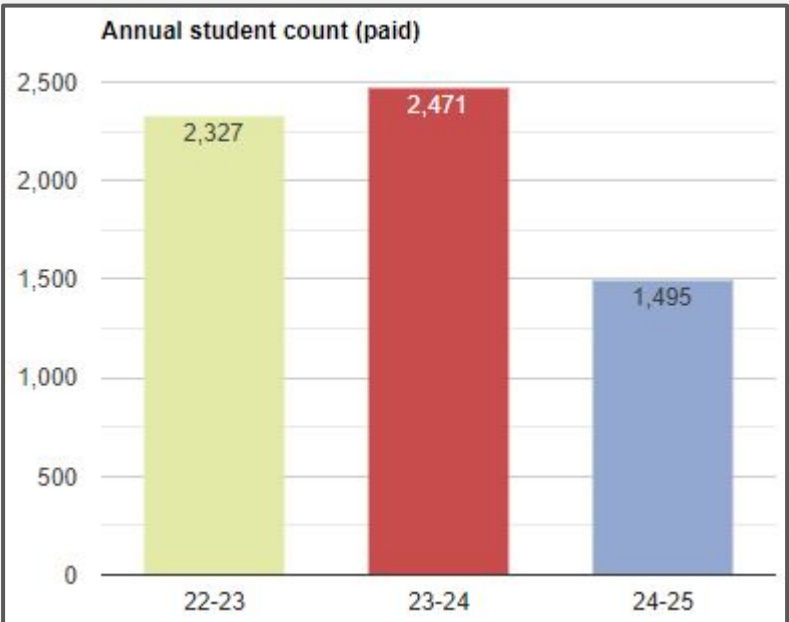
Annual reimbursement by service for 2024-2025





Student count by eligibility status

Eligibility	Students
Eligible	2,488
Not Eligible	526
Patient DOB does not match	577
Invalid/Missing subscriber/insured ID	171
Invalid/Missing subscriber/insured name	3
None selected	36



Claim data by month					
Month	Total claims	Paid	Unsent	Unpaid	Not billable
05/2024	16,058	12,458	608	1,491	2,220
06/2024	1,830	1,323	212	294	242
07/2024	222	52	148	162	10
08/2024	119	21	49	56	43
09/2024	13,506	7,191	3,960	4,424	2,242
10/2024	15,734	8,172	5,021	5,631	2,315
11/2024	12,146	6,149	4,319	4,830	1,497
12/2024	11,904	4,938	4,961	5,794	1,419
01/2025	14,900	3,873	8,599	9,892	1,568
02/2025	13,048	2,083	9,046	10,219	1,157
03/2025	9,190	481	7,536	8,136	869
04/2025	7,303	11	6,832	6,922	576
05/2025	558	0	498	498	70



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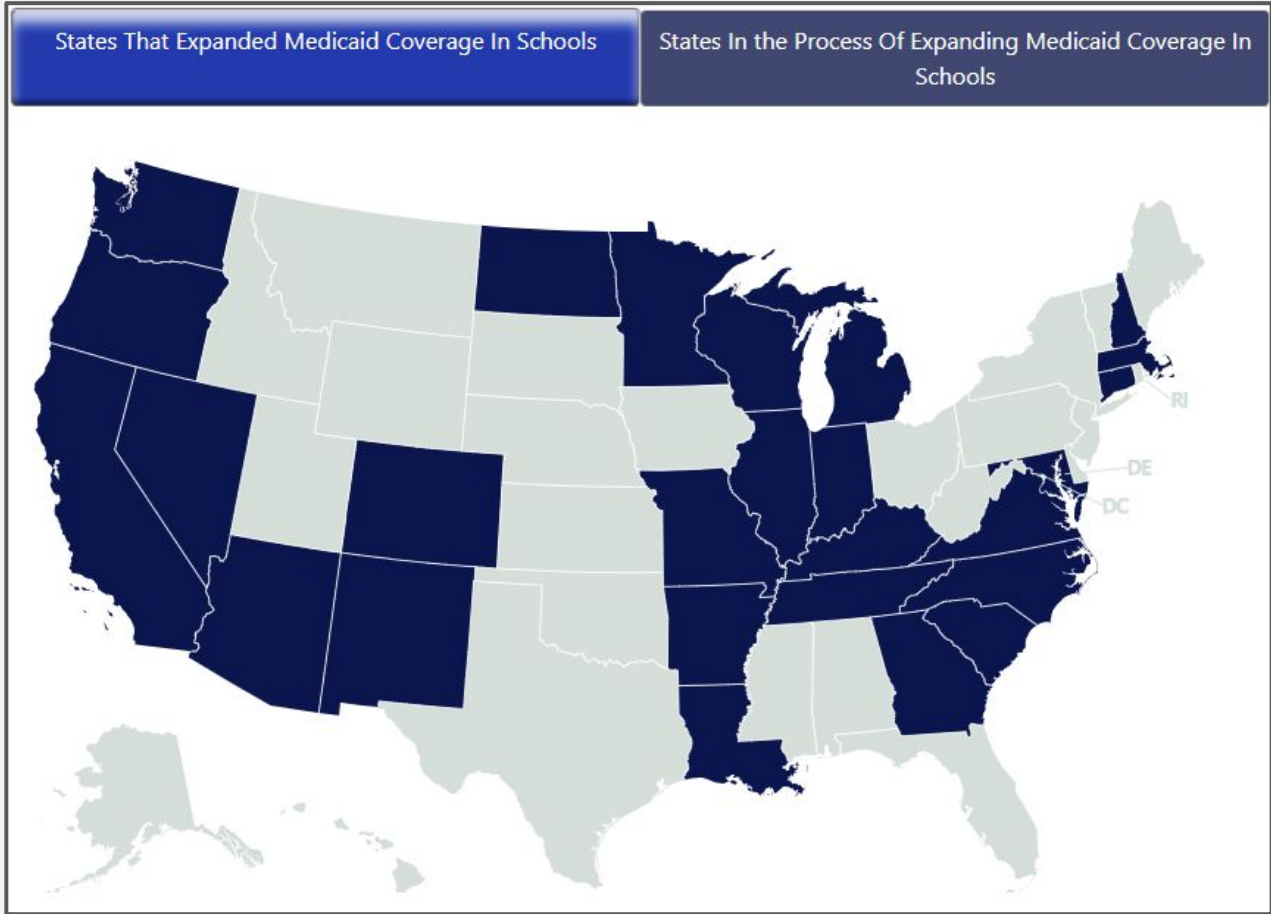
Health checks

- Missing evaluations
All evaluations by all providers are eligible
- Missing students
Not knowing a student is eligible, multiple Medicaid IDs, not using the MA dashboard
- Missing services
Not knowing some indirect services are reimbursable
- Rates are too high and reimbursement will be recouped
Not understanding how IEP rates are calculated



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School-Based Community Services (SBCS)



SpEd Forms **School-Based Community Services (SBCS)**

School-based community services (SBCS) are certain medically necessary services Minnesota Health Care Programs (MHCP) will reimburse when provided to children in the school by a qualified health care provider employed or contracted by the school. Effective July 1, 2021, Minnesota public schools will be able to bill for these services.

SBCS are optional. They are not new or expanded services but are part of the Medical Assistance (MA) benefit package. Schools have the option in providing these services to help students that are not receiving health-related services through an Individualized Education Program (IEP) or an Individualized Family Service Plan (IFSP) or when the services are not identified in the IEP.

SBCS can be billed to fee-for-service or managed care organizations and receive 100 percent reimbursement. Fee-for-service is for MA members who are not enrolled in a health plan.

SpEd Forms School-Based Community Services (SBCS)

- Schools need to enroll with a separate NPI.
- Providers must have an NPI.
- Schools and providers need to be credentialed with MCOs and bill the MCO.
- Most MCOs require claims be sent through a clearinghouse which charge a monthly or per claim fee.
- SBCS services are NOT carved out.
- SBCS claims will go against the student's lifetime limits and they may incur fees or co-pays from the MCO.

Think about the number of students in your district receiving mental health or nursing services that are not on an IEP.

On the current fee schedule, T1018 is currently \$41.84.

Billing for Public Health Clinic, PHNC and School-Based PHNC Services

Electronically bill using [MN-ITS 837P](#).

Public health nurses must bill using the NPI of the PHNC.

Code	Description	Unit	Qualifying Information
T1015	Clinic visit/encounter, all-inclusive	1 visit	<ul style="list-style-type: none">MHCP allows one visit per date of serviceAdministration of injections is included in the clinic visit. Bill appropriate HCPCS code for drug



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What you can do

Regarding eliminating the private insurance denial

Email: Julie.Neururer@state.mn.us

Regarding carving out non-IEP services

Email: Julie.Neururer@state.mn.us



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Resources

<https://spedforms.com/user-resources/>

[DHS Provider Manual](#)

[MDE Medicaid in Education](#)

<https://healthystudentspromisingfutures.org/>



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Thank you!