

Medicaid in Education Alert

New York State Office of Health Insurance Programs (OHIP)
New York State Education Department
Preschool/School Supportive Health Services Program (SSHSP)
Medicaid in Education Units

Issue #13-10

TO: All SSHSP Medicaid Providers

FROM: NYS OHIP SSHSP & NYSED
Medicaid in Education Units

DATE: August 28, 2013

SUBJECT: Clarification of Federal Guidelines for Medicaid
Reimbursement of Transportation for SSHSP

The purpose of this Alert is to inform SSHSP providers that the New York State Department of Health recently received clarification from the Centers for Medicare and Medicaid Services (CMS) regarding federal guidelines pertaining to Medicaid reimbursement of SSHSP transportation services. CMS criteria are outlined in a State Medicaid Director letter dated May 21, 1999, which references their 1997 [*Medicaid and School Health Technical Assistance Guide*](#).

CMS clarified that its policy specifically excludes Medicaid reimbursement for transportation from home to school and from school to home when a student with a disability is transported in an unmodified vehicle. For Medicaid reimbursement purposes, CMS defines a regular school bus as any unmodified vehicle that transports students to and from school.

A specially modified vehicle is one where the vehicle has a physical feature to accommodate a specific student with a disability. A bus with a wheelchair lift is an example of a specially modified vehicle.

Examples that do not qualify a vehicle as a specially modified vehicle for purposes of Medicaid reimbursement include the following:

- Air conditioning;
- Seat belts;
- A bus aide; or
- Installed video equipment.

In addition, the “size/type” (full-size, small, suburban-style, or other size/type) does not determine whether or not transportation is Medicaid reimbursable. Whatever the size/type of the vehicle, it must be specialty modified to meet the medical needs of the student with a disability to be Medicaid reimbursable.

For dates of service on or after **September 1, 2013**, in order for transportation to be Medicaid reimbursable, the following criteria must be met:

- The specific medical need for special transportation to accommodate the student’s disability must be documented in the student’s Individualized Education Program (IEP); and
- An explanation as to how the transporting vehicle has been specially modified to serve the needs of that student with a disability must be documented in the IEP; and
- The student must be traveling to or from a Medicaid reimbursable service other than special transportation.

Reminder: All Medicaid documentation, including bus/transportation logs (attendance), must be maintained for each one-way trip.

Special circumstances where transportation is Medicaid reimbursable, regardless of the type of vehicle used, are when:

- A student resides in an area that does not have school bus transportation (such as those areas in close proximity to a school) but has a medical need for transportation that is noted in the IEP and the student is traveling to or from a Medicaid reimbursable service; and
- A student is transported from school or home directly to and/or from a provider in the community for the exclusive purpose of accessing an SSHSP service, (e.g., BOCES or other contracted provider), and transportation is noted in the IEP. If the student is transported to a provider located in the community and is then transported directly back to school or directly home, both one-way trips are Medicaid reimbursable.

Other than these two exceptions, transportation on a regular (unmodified) bus or other vehicle to/from school must not be billed to Medicaid.

Note: The New York State Education Department (NYSED) field memorandum, dated March 2005, titled *Special Transportation for Students with Disabilities*, is NYSED’s guidance to be used when determining the need for special transportation services when developing an IEP. This memo reflects special education policy only, and cannot be used to determine if or when special transportation is Medicaid reimbursable. To determine if Medicaid reimbursement is available for a special transportation service, that service must meet the criteria established by CMS and outlined in this Medicaid Alert. This guidance replaces guidance previously issued to SSHSP providers for Medicaid reimbursement of special transportation services.

If you have any questions or comments regarding this Alert, please contact the NYS Education Department, Medicaid Unit at medined@mail.nysed.gov .