

# Medicaid in Education Alert

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

Issue #12-03

**TO:** All SSHSP Medicaid Providers

**FROM:** NYS OHIP SSHSP & NYSED  
Medicaid in Education Units

**DATE:** March 1, 2012

**SUBJECT:** Federal Guidelines for Medicaid Coverage of Initial Evaluations – **Effective April 1, 2012**

The Centers for Medicare and Medicaid Services (CMS) has clarified federal Medicaid requirements for coverage and reimbursement of initial evaluations for psychological counseling, physical therapy, occupational therapy, and speech therapy under the Preschool/School Supportive Health Services Program (SSHSP).

An initial evaluation is the evaluation(s) that is done prior to the development of a student's first Individualized Education Program (IEP). The initial evaluation(s) is not Medicaid reimbursable unless an IEP is developed which includes a recommendation for ongoing services in that same therapy type. In addition, all other Medicaid requirements must be met:

- The written order/referral (dated prior to the evaluation) must be on file,
- The evaluation must be completed by a Medicaid qualified provider,
- The evaluation must be documented, and
- The evaluation must be included in the IEP.

For detailed examples of initial evaluation processes, refer to **Attachment #1, "WHEN ARE INITIAL EVALUATIONS MEDICAID REIMBURSABLE?"**

**This policy applies only to initial evaluations for psychological counseling, physical therapy, occupational therapy, and for speech therapy.** At this time, there is no change to how Medicaid will reimburse for evaluations and re-evaluations for students who already have an IEP in place. This policy is effective for dates of service on or after April 1, 2012. Discussions with CMS regarding evaluations and re-evaluations for students with existing IEPs are ongoing.

The policy for Medicaid reimbursement of medical, medical specialist, and audiological evaluations has not changed. These evaluations continue to be Medicaid reimbursable as long as a written order (as required) is on file prior to the evaluation, the evaluation was completed by a Medicaid qualified provider, the service is documented, and the evaluation is reflected in the student's IEP.

If you have any questions or comments regarding this alert, please contact your local Regional Information Center representative or the NYS Education Department, Medicaid Unit at [medined@mail.nysed.gov](mailto:medined@mail.nysed.gov).

# PRESCHOOL/SCHOOL SUPPORTIVE HEALTH SERVICES PROGRAM (SSHSP) WHEN ARE INITIAL EVALUATIONS MEDICAID REIMBURSABLE?

