**Medical Necessity in the Wyoming School-Based**

**Services Program**

**OVERVIEW**

The Wyoming School-Based Services (SBS) Program was authorized through the [School-Based Services Act (SF0079).](https://www.wyoleg.gov/Legislation/2021/SF0079) This program authorizes Local Education Agencies (LEAs) to receive reimbursement for health-related services provided by qualified practitioners to Medicaid eligible students with an Individualized Education Plan (IEP) or Individualized Family Service Plan (IFSP). Eligible services for reimbursement must be medically necessary and documented in the student’s IEP or IFSP. Services in the IEP/IFSP are not automatically considered medically necessary by Medicaid, and the IEP/IFSP itself may not be considered sufficient to establish medical necessity for the purposes of Medicaid reimbursement. LEAs are responsible to ensure that all claims submitted for Medicaid reimbursement are medically necessary.

Medically Necessary Services are:

* Wyoming Medicaid SBS Program covered services, as defined in the Wyoming Medicaid State Plan;
* Provided within the regulations of the Wyoming Medicaid State Plan;
* Provided in an appropriate setting;
* Performed by Medicaid enrolled providers within their scope of licensure and/or certification;
* Required for the diagnosis, prevention, and/or treatment of illness, disability, infirmity, or impairment and which are necessary to improve, restore, or maintain health and wellbeing; and
* Recognized as standard medical care, based on national standards for best practices and safe, effective, quality care.

**WHAT IS MEDICAL NECESSITY?**

In order to receive Medicaid reimbursement, LEAs may only bill for medically necessary services and must ensure that all services meet all state and federal requirements of demonstrating medical necessity. Medical necessity refers to the appropriateness of medical intervention and treatment for certain medical conditions. The services provided must be medically necessary and must be necessary for the treatment of the recipient’s specifically identified medical condition and meet the needs specified in the student’s IEP or IFSP.

All covered services must meet medical necessity standards under [Wyoming Statutes 26-40-102(a)(iii)](https://wyoleg.gov/statutes/compress/title26.pdf):

“Medical necessity, means:

1. A medical service, procedure or supply provided for the purpose of preventing, diagnosing or treating an illness, injury, disease or symptom and is a service, procedure or supply that:
2. Is medically appropriate for the symptoms, diagnosis or treatment of the condition, illness, disease or injury;
3. Provides for the diagnosis, direct care and treatment of the patient's condition, illness, disease or injury;
4. Is in accordance with professional, evidence based medicine and recognized standards of good medical practice and care; and
5. Is not primarily for the convenience of the patient, physician or other health care provider.
6. A medical service, procedure or supply shall not be excluded from being a medical necessity under this section solely because the service, procedure or supply is not in common use if the safety and effectiveness of the service, procedure or supply is supported by:
7. Peer reviewed medical literature, including literature relating to therapies reviewed and approved by a qualified institutional review board, biomedical compendia and other medical literature that meet the criteria of the National Institutes of Health's Library of Medicine for indexing in Index Medicus (Medline) and Elsevier Science Ltd. for indexing in Excerpta Medicus (EMBASE); or
8. Medical journals recognized by the Secretary of Health and Human Services under Section 1861(t)(2) of the federal Social Security Act.”

Federally, medical necessity is defined as: “Health care services or supplies needed to diagnose or treat an illness, injury, condition, disease or its symptoms and that meet accepted standards of medicine.”[[1]](#footnote-1) In the Code of Federal Regulations (CFR), “Prior Determination of Medical Necessity” means an individual decision by a Medicare contractor, before a physician's service is furnished, as to whether or not the physician's service is covered consistent with the requirements of section 1862(a)(1)(A) of the Social Security Act relating to medical necessity.”[[2]](#footnote-2) The Social Security Act defines "medically necessary" in terms of what Medicare will pay for: "No Medicare payment may be made for any expenses which are not reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member."

**MEDICAL NECESSITY AND THE IEP/IFSP**

The Individuals with Disabilities Education Act (IDEA), formerly called the Education of the Handicapped Act, authorized Federal funding to states for two programs that impact Medicaid payment for services provided in schools. Section 411(k)(13) of the Medicare Catastrophic Coverage Act of 1988 (P.L. 100-360) amended section 1903(c) of the Act to permit Medicaid payment for medical services provided to children under IDEA through a child’s IEP/IFSP. This amendment was enacted to ensure that Medicaid would cover the health-related services under IDEA.

Under Part B of the IDEA, LEAs must prepare an IEP for each child which specifies all special education and “related services” needed by the child. The Medicaid program can pay for some of the “health related services” required by Part B of IDEA in an IEP, if they are among the services specified in Medicaid law. If medical evaluations or assessments are conducted to determine a child’s health-related needs for purposes of the IEP, payment for some or all of the costs may be available under Medicaid. However, if the evaluations or assessments are for educational purposes, Medicaid reimbursement is not available. Medicaid payment is only available for the part of the assessment that is medical in nature and provided by qualified Medicaid providers. In addition, reimbursement for non-medical services, such as special instruction, is not a reimbursable service through Medicaid.

Part H of IDEA provides for early intervention programs that include all of the available developmental services needed by the infant or toddler with special health needs and the development of an IFSP. Many of the health services included in IFSPs can be covered by Medicaid as well.

While services must be medically necessary to receive Medicaid reimbursement, the services may also help students achieve educational goals and access the curriculum. Therefore, so long as the services are medically necessary (and meet all other requirements), they are eligible for Medicaid reimbursement.

**DETERMINATION OF MEDICAL NECESSITY**

Determination of medical necessity is related to the student’s IEP and IFSPs and services specified there are from the ordering, prescription, or referral by a physician or other licensed provider within the provider’s scope of practice under state law. Within the LEA, medical necessity is determined based off of the provider delivering service to the student. A list of the services and providers who are eligible to determine medical necessity in the Wyoming SBS Program is below:

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| **Services** | **Providers**  |
| Occupational Therapy | Occupational Therapist |
| Occupational Therapy Assistant |
| Nursing/Health Services | Registered Nurses (RN) |
| Advanced Practice Registered Nurses (APRN) |
| Licensed Practical Nurses (LPN) |
| Speech-Language and Hearing Services | Audiologist  |
| Speech Therapist |
| Physical Therapy | Physical Therapist  |
| Physical Therapy Assistant  |
| Psychology and Counseling Services | Clinical Psychologist  |
| Licensed Clinical Social Worker (LCSW) |
| Licensed Marriage and Family Therapist (LMFT) |
| Licensed Professional Counselor (LPC) |
| Licensed Behavior Analyst |

If you have additional questions regarding the SBS Program, please contact the Wyoming Department of Health via email at wdh-schoolbasedservices@wyo.gov or justin.browning1@wyo.gov or by phone at (307) 777-7491.

For more information on Wyoming’s SBS Program visit <https://health.wyo.gov/healthcarefin/medicaid/school-based-services/>

1. <https://www.healthcare.gov/glossary/medically-necessary/> [↑](#footnote-ref-1)
2. 42 CFR § 410.20 [↑](#footnote-ref-2)