

Third Party Billing: Billing for health services included in your child's Individualized Education Program (IEP) or Individualized Family Service Plan (IFSP)

What are IEP/IFSP health-related services?

These services are developmental, corrective and supportive services. They are required to help a child with a disability access and benefit from regular and special education. These services are written in the IEP/IFSP and provided during school hours.

Possible services include:

- Medical assessment
- Speech-language pathology
- Audiology
- Mental health services
- Physical therapy
- Occupational therapy
- Nursing services
- Personal care assistance (PCA) services
- Assistive technology devices
- Specialized transportation
- Interpretive services

What is third party billing for IEP/IFSP health-related services, and how does it affect my child?

- Third party billing is when your child receives health services at school, and the school bills your insurance for those services.
- The school must inform you about their intention to bill your insurance. They cannot contact your insurance without your permission.
- The school must provide services whether or not they can bill your insurance.
- Your child's IEP team should develop the IEP/IFSP before billing is even considered. One or both parents are always a part of the IEP team.

What is the difference between private health insurance and public health insurance?

- Private health insurance is usually provided through your employer. It can also be insurance that you have purchased.
- Public insurance is offered by the government through federal and state tax-funded programs. This includes Medical Assistance (Medicaid), Tax Equity and Fiscal Responsibility Act (TEFRA), waivers, or MinnesotaCare.

Private insurance

- Each private insurance plan offers different coverage. Very few, if any, private insurers pay for school-provided IEP/IFSP health-related services. You can contact your insurer's customer representative and ask if school-provided services are covered (billing code T1018).
- The school must inform you that it is required to ask for payment from insurers. It cannot bill your insurance company unless you agree.
- It is extremely rare for a private insurer to pay the school. If they do, it is possible that your premium could go up. This might affect your benefits.
- If a private insurer pays the school, the school is responsible for any out-of-pocket costs. These might include co-pays or deductibles.

Public insurance – coverage and consent

- Public insurance (Medicaid, TEFRA, waivers) covers school-provided IEP/IFSP health-related services that meet the same standards as health services provided in community settings.
 - **Covered services include:**
 - Occupational therapy
 - Physical therapy
 - Speech-language therapy and audiology
 - Clinical psychology services such as Children's Therapeutic Services and Supports (CTSS)
 - Nursing services
 - School psychological services
 - Personal care assistance (PCA) services
 - Assistive technology devices
 - Specialized transportation services
 - Oral and sign language interpreters needed to assist with any of the above
- The school must inform you of its intent to bill public insurance. They must obtain your written consent.
- Your child's current or lifetime benefits are not affected. This means that the IEP/IFSP services do not count against service limits.

Example: *Ann has two hours of occupational therapy (OT) services at home each week. These services are covered by public insurance. Her IEP says that she needs one hour of OT services at school each week. Ann's parents have agreed to let the school bill public insurance for the school OT hours. Public insurance cannot refuse to pay for or reduce Ann's home OT hours, because it pays for the OT at school. This means that public insurance covers three hours of OT services per week for Ann.*

- You may withdraw consent for billing at any time; your child's services at school cannot be affected.
- The school cannot ask you to sign up for public insurance just so it can bill for the health services in your child's IEP/IFSP.

Medical Assistance (MA)/TEFRA

- If a child is eligible for MA/TEFRA a private school can ask you to sign up for this insurance, which allows the school to bill MA/TEFRA for IEP/IFSP health-related services.
- Agreeing to allow your school to bill MA/TEFRA helps schools cover the expense of providing services for your child.

Private insurance and public insurance – coverage and consent

- If your child has *both private and public insurance*, the school is required to first bill your private insurance. Once the private insurer denies payment for school-provided health services, the school may bill public insurance.
- The state asks private insurers if they cover school provided IEP/IFSP health-related services. The state does this statewide on behalf of all schools. Generally, the private insurance has a policy of not covering school-provided services. They then send a denial letter that is used by all schools. At this time, private insurance companies do not cover school-provided services.
- The school must inform you that it has to ask insurers to pay for IEP/IFSP health-related services. They must obtain your consent to contact your insurer in writing.

Assessment for IEP/IFSP health-related services

- The IEP/IFSP team develops the IEP before billing is considered. The team includes one or both parents. You may invite anyone else to attend team meetings. The IEP team decides what services are appropriate for your child. Billing can't be a consideration when choosing necessary services.
- The entire IEP team makes any changes to the IEP health services. Your signature is required for the plan to go into effect.
- Any changes to third party billing do not affect the IEP health-related services your child receives.

Consent for third party billing

- The school must tell you the following about third party billing:
 - They are required to inform you of their intent to bill, and seek your permission
 - How your child's insurance might be affected
 - Which records will be released and to whom
 - That you have the right to copies of any records
 - That you may withdraw your consent at any time
- The school may use its own consent form or use the permission that is granted as a part of your on-line application for Medical or Minnesota Care.
- Once you consent, the school must provide annual notice to you. This notice must include your right to withdraw consent.
- Withdrawing your consent will not affect IEP health-related services your child receives.

Out-of-pocket costs for parents

You cannot be required to make any out-of-pocket payments such as copays, or deductibles, to insurance companies or school for services provided as part of the IEP.

Records and privacy

- You have the right to ask for and receive a copy of all information given to any party for IEP health-related services.
- The school can only share information with appropriate parties in order to receive payment for IEP services, to be audited, or to check the quality of services your child is receiving.

Other frequently asked questions

What happens if the physician who reviews my child's IEP/IFSP decides health-related services are not necessary at school?

- Medical orders from a physician are required for medications and treatments. If the health care provider discontinues the medical orders, those medications and treatments are no longer provided. The school cannot bill for those services.
- For health-related services that do not require medical orders, the IEP/IFSP team determines what services are medically necessary. The child must be able to access regular and special education, maintain health and be safe at school.
- Health care providers' recommendations are considered by the IEP/IFSP team. The team decides what services are to be provided to your child.

What if my child's physician says that my child needs special education services?

- Decisions regarding what services will be provided is part of the IEP/IFSP process. Your child's doctor may be invited to be part of that team and contribute to the process. The team decides what services will be provided.

My child does not have an IEP but receives accommodations under Section 504. Do these billing rules apply?

- No. Currently, seeking reimbursement only pertains to IEP/IFSP health-related services. This is required by the Individuals with Disabilities Education Act (IDEA). This means billing applies only to students who have an IEP or IFSP.

Where can I get more detailed information about Third Party Billing?

- Department of Human Services: <https://mn.gov/dhs>
- Department of Education: <https://education.mn.gov/mde/index.html>
- MN statute: revisor.mn.gov/statutes/?id=125A.74
- PACER Center: PACER.org/health/billingForIEP.asp

For more information, contact PACER's Health Information Center

(952) 838-9000

(800) 537-2237

PACER@PACER.org

PACER.org/health