



DEPARTMENT OF HEALTH & HUMAN SERVICES

T-221

T-221

Health Care  
Financing Administration

Refer to DMD : SOB-5

Region II  
Federal Building  
26 Federal Plaza  
New York NY 10278

SEP 13 1993

MEDICAID STATE OPERATIONS LETTER # 93-67

FROM: Associate Regional Administrator  
Division of Medicaid

TO: State Agencies Administering the Medicaid Program

SUBJECT: Medicaid Reimbursement for Transportation to School-  
Based Health Services

Recent activity regarding the provision of **school-based** health services has resulted in increasing questions about HCFA **policy on the availability of Medicaid reimbursement for these services.** This is to advise you of our policy concerning Medicaid reimbursement for transportation to schools where **school-based** health services are provided.

HCFA policy is that Medicaid funds **are available for services** provided in schools when the types of services rendered are specified in Medicaid law and provided to eligible individuals. The service must be medically necessary **and included in the State's Medicaid State Plan or available as a result of the Early and Periodic Screening, Diagnosis and Treatment Service.**

Medicaid policy **on coverage of transportation services** is described under several authorities. Federal regulations specify that transportation costs can be covered as optional medical services or as administrative expenses. Transportation can be considered as an optional Medicaid service in **accord** with regulations at 42 CFR 440.170 (a), if included in the State's approved **Plan (or available under EPSDT)** and when determined to be **necessary to secure medical** --examinations and treatment. **Assurance of transportation to and from providers is a mandatory State Plan requirement (42 CFR 431.53) and eligible for Federal matching at the administrative rate.**

Transportation services under Medicaid **are available for the purposes of transporting a recipient to a facility or individual whose primary service is medical in nature.** Medicaid funds are not available for reimbursement for transporting Medicaid recipients to schools on a normal school day, even though school-based health services are provided in the school during part of the day. Education is the primary purpose for attending school; any medical services rendered in schools are secondary.

The same principle applies when a Medicaid beneficiary is transported to other types of programs (such as vocational rehabilitation, sheltered workshop etc.) and receives some medical service during the course of the day at the site.

If you have any questions, please contact Jane Salchli at (212) 264 7775.

  
Arthur J. O'Leary