

710 - SCHOOL BASED CLAIMING PROGRAM

EFFECTIVE DATES: 07/03/19, 10/01/21, 09/13/24¹

APPROVAL DATES: 06/13/19, 08/03/21, 10/29/24²

I. PURPOSE

This Policy applies to the AHCCCS Medicaid School Based Claiming (MSBC) Program, specifically, the Direct Service Claiming (DSC) Program that provides direct Medicaid reimbursement for certain Medicaid services provided by a participating Local Education Agency (LEA). This Policy establishes requirements for the coverage of DSC services.

II. DEFINITIONS

Refer to the [AHCCCS Contract and Policy Dictionary](#) for common terms found in this Policy including but not limited to:

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| DIRECT SERVICE CLAIMING (DSC) | INDIVIDUALIZED EDUCATION PLAN (IEP) | INDIVIDUALIZED FAMILY SERVICE PLAN (IFSP) |
| LOCAL EDUCATION AGENCY (LEA) | MEMBER | PRIOR AUTHORIZATION (PA)³ |

For purposes of this policy, the following terms are defined as:

QUALIFIED PROVIDER

An individual who provides qualifying covered services and who meets all the applicable licensure/certification requirements, is enrolled with AHCCCS and has obtained an AHCCCS provider Identification (ID) number and is employed by or working under contract with a participating Local Education Agency (LEA) or one of its individual schools.

Additional definitions are located on the AHCCCS website at: [AHCCCS Contract and Policy Dictionary](#).

¹ [Date Policy is effective](#)

² [Date Policy is approved](#)

³ [Adding an identification table of terms used in this Policy that can be found in the AHCCCS Contract and Policy Dictionary](#)

III. POLICY

Through the DSC Program, AHCCCS provides coverage of certain Medicaid 1905(a) benefits/services rendered to Title XIX Medicaid eligible student beneficiaries (“students”) that require physical and/or behavioral health services identified as medically necessary in an Individualized Education Program (IEP), Individualized Family Service Plan (IFSP), or other medical plan of care. DSC Program services must be rendered by qualified providers.

1. Other medical plans of care include:
 - a. A Section 504 Plan: A plan that is developed to ensure a child who has a disability identified under the law and is attending an elementary or secondary educational institution receives accommodations that will ensure their academic success and access to the learning environment as specified in the Rehabilitation Act of 1973, as amended, 29 U.S.C. ~~§~~⁴ 794 (Section 504), ~~or~~
 - b. Any other documented individualized health or behavioral health plan, or where medical necessity has been otherwise established.

Students and/or Health Care Decision Maker (HCDM)/Designated Representative (DR) shall be allowed the freedom of choice to receive services from any willing and qualified provider. Students shall receive services delivered in the least restrictive environment consistent with the nature of the specific services and the physical and mental condition of the student. Participation in DSC by students is optional. ~~AHCCCS health plans and ALTCS program~~The Contractors shall continue to provide medically necessary services to all Title XIX members enrolled with AHCCCS and a health plan or program Contractor.

A. GENERAL REQUIREMENTS

All the following requirements shall be met for the service to be considered a DSC covered service.

1. ~~The~~ DSC qualified providers shall be registered with AHCCCS prior to providing services to students enrolled in a participating LEA and shall carry liability insurance as required by the AHCCCS Provider Participation Agreement (PPA).
2. Medicaid 1905(a) covered services are reimbursable when provided by DSC qualified providers to Early and Periodic Screening, Diagnostic and Treatment Program (EPSDT) aged students that require physical and/or behavioral health services identified as medically necessary in an IEP, IFSP, or other medical plan of care. Members ages 21 to 22 who are enrolled in AHCCCS Title XIX services are covered within the same service limitations that apply to all eligible AHCCCS members aged 21 and older.

⁴ Revised to align with Section 504 of The Rehabilitation Act, changes made throughout Policy

3. Assessment, diagnostic, and evaluation services are covered under the DSC Program only when DSC covered services are included in the student's IEP, IFSP, or other medical plan of care as a result of the assessment, diagnostic or evaluation service, and the services are documented in the health record. If an assessment, diagnostic, or evaluation service is provided as part of the eligibility determination process for the DSC Program, it is covered if the student is indeed determined to be eligible for the DSC Program and receives a DSC covered service. If the student is not determined to be eligible for the DSC Program, or the evaluation results in a service that is not covered under the DSC Program, the assessment, diagnostic, or evaluation service is not covered.⁵

~~3.1. If an assessment, diagnostic, or evaluation service is provided as part of the eligibility determination process for the DSC Program, it is covered if the student is indeed determined to be eligible for the DSC Program and receives a DSC covered service. If the student is not determined to be eligible for the DSC Program, or the evaluation results in a service that is not covered under the DSC Program, the assessment, diagnostic, or evaluation service is not covered.~~

4. For a covered service to be reimbursed under the DSC program, it shall be determined by a qualified provider to be medically necessary and shall be included in the student's IEP, IFSP, or other medical plan of care.

5. The appropriate qualified provider for each service identified in the IEP, IFSP, or other medical plan of care shall document the scope, frequency, and duration of the service to be provided, and sign and date the IEP, IFSP, or other medical plan of care.

6. Services shall be provided in accordance with the IEP, IFSP, or other medical plan of care. EPSDT services (e.g., routine vision & hearing screening) are not required to be present in an IEP, IFSP or other medical plan of care but must be documented in the student's medical record.⁶

~~6.7.~~ The services shall be provided during a regular school day within a LEA unless the student's IEP, IFSP, or other medical plan of care specifies an approved alternative setting due to the student's medical condition. Approved alternative settings include a clinic, medical professional office or other medical facility, another school, or the student's residence.

~~7.8.~~ Prior Authorization (PA) is not required for a DSC assessment, evaluation, diagnostic, or treatment service if it is provided as part of the DSC eligibility determination process, or when the service is included in the student's IEP, IFSP, or other medical plan of care and provided in a LEA setting. However, claims for reimbursement for eligible services are subject to a pre-payment review.

⁵ Added sub bullet to main sentence for better flow

⁶ Added clarification related to Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services outside of a plan of care.

For complete information regarding billing for services, and available training or technical assistance related to the DSC Program, contact the AHCCCS contracted Third Party Administrator (TPA).

~~8.9.~~ For DSC services provided via telehealth, all providers shall be an AHCCCS registered provider and licensed in Arizona by the governing board for the profession or specialty or may provide services via telehealth if all requirements for the provision of telehealth are met, including board registration as specified in A.R.S. § 36-3606 and AMPM Policy 320-I.

B. HEALTH AND FINANCIAL RECORDS

1. An Electronic Health Record (EHR) shall be kept at the school for each AHCCCS student who receives services through the DSC Program. The EHR shall be maintained by the service providers who render services to the student. The EHR shall provide accurate documentation of the student's health care needs that will be addressed through the program, changes in the student's health status, and medically necessary services that have been provided.
2. The EHR shall be well organized and comprehensive, with complete detail to promote effective student care and quality review. Each EHR shall be kept up-to-date and include the following:
 - a. A copy of the student's current, IEP, IFSP, or other medical plan of care that includes DSC covered services with outcome-oriented goals. An IEP, IFSP, or other medical plan of care is considered current and valid when the date of service falls within the date span reflected on the IEP, IFSP, or other medical plan of care and the IEP, IFSP, or other medical plan of care has been signed and dated by the appropriate qualified providers for each claimable service. The IEP, IFSP, or other medical plan of care shall contain a "prescription" or recommendation from the appropriate qualified provider for each medical service under their direction and include details regarding the scope, frequency, and duration of services,
 - b. Quarterly summary reports of the student's progress toward treatment goals for each eligible service, which shall be completed, signed, and dated with the date of service delivery by the appropriate qualified provider, and
 - c. A clinical note providing a description of service modalities provided, the date, and the time spent providing the service. The note shall be signed and dated by the qualified provider at the time the service is provided with the date of service delivery.
3. Medical records shall be documented on hard copy or in an EHR format:
 - a. ~~Hard Paper~~ copy medical records shall be written legibly in blue or black ink, signed, and dated by the rendering qualified provider for each entry.
 - b. The EHR shall include the name of the qualified provider who made the entry and the date for each entry.
 - c. If revisions to information are made, a system shall be in place to track when, and by whom they are made. In addition, a back-up system shall be maintained that tracks initial and revised information. If a medical record is physically altered:
 - i. For hard copy medical records, the stricken information shall be identified as a correction and initialed by the rendering qualified provider altering the record, along with the date when the change was made; correction fluid or tape is not allowed,

- ii. For EHRs, the provider shall establish a method for indicating the author, date, and time of added and/or revised information, and
 - iii. Ensure that the information has not been inadvertently altered.
 - d. Any transmission of, or accessibility to, information included in a student's medical record shall conform to current AHCCCS policies, and Health Insurance Portability and Accountability Act ([HIPAA](#)) requirements.
4. The LEA shall submit to the AHCCCS contracted TPA, in an AHCCCS approved format, an annual cost report for the reconciliation process. Each report shall be certified by the LEA administrator prior to submission to the AHCCCS contracted TPA.
5. Each participating LEA shall maintain appropriate financial documentation that verifies state/local funds were expended for each type of service provided to students enrolled in the DSC Program. In addition, LEAs are responsible for meeting all the requirements specified in the School Based Claiming Participation Agreement entered into with the AHCCCS contracted TPA.
6. Medical records shall be accessible and available to AHCCCS, the Centers for Medicare and Medicaid Services (CMS), the AHCCCS contracted TPA and health care providers serving the student. On a periodic and ongoing basis as appropriate, a review of medical records by AHCCCS, CMS, or contracted TPA will be conducted to assess the medical necessity of services, the appropriateness of services provided and the completeness of the medical records for AHCCCS students receiving services through the DSC Program. Records reviewed may include IEP, IFSP, or other medical plans of care, attendance records, evaluations and/or assessments, clinical notes, progress notes, services logs, provider qualification documentation, and any additional documentation needed to support the claim.

C. COVERED SERVICES

The following medically necessary covered services are reimbursable when provided to students eligible for the DSC Program when rendered by a qualified provider within their scope of practice:

1. **Audiology Services:**
 - a. Audiology is a DSC covered service, within certain limitations, to evaluate hearing loss and rehabilitate individuals with hearing loss that may not be improved by medication or surgical treatment. Audiology services provided under the DSC program may include:
 - i. Medically necessary services regarding the diagnosis or treatment of eligible students, and
 - ii. Individual and group instruction/treatment, which may include auditory training, ST, reading, and audiometry.
 - b. Audiological services shall be provided by Audiologists licensed with the Arizona Department of Health Services (ADHS) and meet the requirements in 42 CFR 440.110.
2. **Behavioral Health Services:**
 - a. Behavioral health services provided under the DSC Program may include:
 - i. Assessments,
 - ii. Individual, group, and family therapy and counseling,

- iii. Psychological and developmental testing,
- iv. Neurobehavioral status examinations and neuropsychological testing, and
- v. Cognitive skills training.
- b. Qualified provider shall be licensed or certified as follows:
 - i. Psychiatrists shall be licensed per requirements in ~~A.R.S. §~~ 36-501,
 - ii. Psychologists shall be licensed per requirements in ~~A.R.S. §~~ 32-2061,
 - iii. Licensed Clinical Social Workers (LCSW), Licensed Professional Counselors (LPC), Licensed Marriage and Family Therapists (LMFT), and Licensed Independent ~~Addiction~~~~Substance Abuse~~ Counselors (LISAC)⁷ shall have current licensure by the Arizona Board of Behavioral Health Examiners as a LCSW, LPC, LMFT or LISAC, and
 - iv. Board-Certified Behavior Analyst (BCBA) or Board-Certified Behavior Analyst-Doctoral (BCBA-D) shall be licensed per requirements ~~A.R.S. §~~ 32-2091 and services are provided in accordance with AMPM Policy 320-S.
- 3. Nursing Services:
 - a. AHCCCS covers nursing services provided to eligible students when rendered by qualified providers within their scope of practice. The following qualified providers are eligible to provide nursing services under the School Based Claiming Program:
 - i. School-based Registered Nurse (RN) and Licensed Practical Nurse (LPN):
 - 1) Shall be licensed according to ~~A.R.S. §~~ 32-1601,
 - 2) Shall follow the IEP, IFSP, or other medical plans of care and provide care to students within the scope of their practice (~~A.A.C. R4-19-401~~ et. seq.), and
 - 3) Shall provide direct nursing services and may also provide training and oversight of school-based health aides and bus aides.
- 4. Personal Care Services:
 - a. Personal care services are a range of human assistance services provided to: Individuals with disabilities and chronic conditions, or individuals with physical illnesses and conditions and/or behavioral health problems and conditions, which enables them to accomplish tasks that they would normally do for themselves if they did not have a disability, chronic condition, physical illnesses, and conditions and/or behavioral health problems and conditions. Assistance may be in the form of hands-on assistance or cueing so that the person performs the task by themselves. Personal care services include assistance in meeting essential personal physical needs, including but not limited to:
 - i. Eating/feeding,
 - ii. Toileting/diapering/maintaining continence,
 - iii. Personal hygiene/grooming,
 - iv. Mobility/positioning/transfers,
 - v. Use of assistive devices, and
 - vi. Safety monitoring.
 - b. Personal care services shall be provided by a qualified provider as specified in 42 CFR 440.167, who has been trained to provide the personal care services required by the individual. Services may be provided by school-based health aides and bus aides who meet the following requirements:
 - i. Shall be specially trained in general care and approved by the LEA,

⁷ Revised to align with 2024 AZ Senate Bill 1062 amending ARS 32-3321

- ii. Shall follow the IEP, IFSP, or other medical plans of care for each student,
- iii. Supervised by a nurse, or other appropriate licensed personnel employed by or contracted with the LEA,
- iv. Training received by the health and bus aides related to the specific needs of the student shall be documented by the LEA, and
- v. Shall have current certification in first aid and Cardiopulmonary Resuscitation (CPR). Certification in first aid and CPR shall meet the following standards:
 - 1) Training in first aid and CPR shall be provided or sponsored by a nationally recognized organization (e.g. American Heart Association, American Red Cross, etc.), using an established training curriculum,
 - 2) Training sessions shall be in-person, for the participant to demonstrate learned skills such as mouth-to-mouth resuscitation and chest compressions. Web-based training without the benefit of on-site return demonstration of skills is not acceptable, and
 - 3) Certificates of completion of first aid and CPR training and subsequent recertification training shall be provided to the LEA and to AHCCCS upon requesting provider registration as an AHCCCS provider.

The LEAs are required to submit prepayment review requests for personal care services prescribed that are 150 minutes and greater via the on-line AHCCCS contracted TPA Portal.

5. Physical Therapy (PT) and Occupational Therapy (OT)

For the purposes of the DSC program, Physical Therapists and Occupational Therapists may operate as both ordering and rendering providers. Claims submitted for services provided by a Physical Therapist or Occupational Therapist require the referring/ordering/_prescribing provider National Provider Identification (NPI) when submitting claims.

- a. PT and OT services that may be provided under the DSC Program include:
 - i. Therapy evaluations and re-evaluations,
 - ii. Therapeutic procedures, exercises, and activities to develop strength, endurance, range of motion, and/or flexibility, and to improve functional performance. Services may be provided on an individual or group basis,
 - iii. Neuromuscular re-education to develop, improve or maintain movement, balance, coordination, kinesthetic sense, posture, and proprioception,
 - iv. Gait training and stair climbing,
 - v. Massage necessary to effect change or improve function (e.g. effleurage, petrissage or tapotement),
 - vi. Manual therapy techniques (e.g. mobilization/manipulation),
 - vii. Orthotics fitting and training for upper or lower extremities,
 - viii. Prosthetic training, for upper or lower extremities,
 - ix. Wheelchair management/propulsion training,
 - x. Physical performance test or measurement (e.g. musculoskeletal, functional capacity) along with a written report,
 - xi. Therapeutic activities for development of cognitive skills including compensatory training and/or sensory integrative activities to improve attention, memory, problem solving,
 - xii. Application of a modality such as manual electrical stimulation, and

- xiii. Orientation and mobility.
 - b. The provider of PT and OT services shall be a qualified provider and be licensed as follows:
 - i. Occupational Therapists shall be licensed by the Arizona Board of Occupational Therapy Examiners, or a certified Occupational Therapists Assistant (under the supervision of the Occupational Therapist according to A.A.C. R4-43-401 et seq) licensed by the Arizona Board of Occupational Therapy Examiners, and
 - ii. Physical Therapists shall be licensed by the Arizona Board of Physical Therapy, or a PT assistant (under the supervision of the PT, according to A.A.C. R4-24-301 et seq) certified by the Arizona Physical Therapy Board of Examiners.
6. Speech Language Pathology Services:
- For the purposes of the DSC program, Speech Therapists may operate as both ordering and rendering provider. Claims submitted for services provided by a Speech Therapist require the referring/ordering/prescribing provider NPI when submitting claims:
- a. Speech Therapy (ST) services that may be provided under the DSC Program include:
 - i. Evaluation of speech, language, voice, communication, auditory processing, and/or aural rehabilitation status,
 - ii. Treatment of speech, language, voice, communication, and/or auditory processing disorders, including aural rehabilitation. Services may be provided on an individual or group basis,
 - iii. Laryngeal function studies,
 - iv. Evaluations or treatment of swallowing or swallowing dysfunction, oral function for feeding, and
 - v. Aural rehabilitation following cochlear implant, including evaluation of aural rehabilitation status and hearing, therapeutic services, with or without speech processor programming.
 - b. The provider of ST services shall be a qualified provider and be licensed as follows:
 - i. The ST qualified provider shall meet the federal requirements of 42 CFR 440.110, and services may be provided by the following professionals within their scope of practice:
 - 1) A qualified Speech-Language Pathologist (SLP) licensed by the ADHS, or
 - 2) A SLP who has a temporary license from ADHS and is completing a clinical fellowship year. They shall be under the direct supervision of an ~~American Speech-Language-Hearing Association (ASHA)~~⁸ certified speech-language pathologist. AHCCCS registration will be terminated at the end of two years if the fellowship is not completed at that time, or
 - 3) A qualified Speech-Language Pathologist Assistant (SLPA) (under the supervision of the SLP and according to A.R.S. § 36-1940.04 and A.A.C. R9-16-501 et seq) licensed by the ADHS. The SLPA shall be identified as the treating provider and bill for services under their individual NPI number (a group ID number may be utilized to direct payment). SLPAs can only perform services under the supervision of a SLP and within their scope of service as defined by regulations.

⁸ Alignment with ADHS; removed requirement of direct supervision of American Speech language Hearing Association (ASHA) certified speech pathologist for Speech Language Pathologist (SLP) who has a temporary license from ADHS.

7. Transportation
 - a. Transportation to and from school may be claimed as a Medicaid service when all the following conditions are met:
 - i. Special transportation is specifically listed in the IEP/IFSP as a required service,
 - ii. The student requires transportation in a vehicle adapted to serve the needs of an individual with a disability. The student could otherwise be transported in a regular school bus, but behavioral challenges necessitate transport separately from the other general population students, and
 - iii. A DSC reimbursable medical service is provided on the day that specialized transportation is billed.
 - b. For a transportation claim to be reimbursed, there shall be a paid-related service claim on file or a third-party liability denial of a related service claim,
 - c. Transportation services are billed in units of one-way trips. The LEA shall be registered with AHCCCS as a transportation provider and shall meet the same provider qualifications as all AHCCCS Medicaid transportation providers, and shall:
 - i. Submit proof of insurance,
 - ii. Maintain on file:
 - 1) Copies of the front and back of the driver's license for each transportation provider and the LEA's proof of insurance,
 - 2) A trip log, which contains:
 - a) The student's name,
 - b) Date the student was transported,
 - c) Mileage transported from point of origin to destination, not to include additional mileage related to multiple pickups, and
 - d) Driver's initials verifying that student was provided transportation.
 - d. The following transportation exclusions are specific to the DSC Program:
 - i. Transportation services will not be covered when:
 - 1) The student is transported on a regular school bus with eligible students who are attending the school,
 - 2) The student does not receive a DSC reimbursable service during the school day,
 - 3) Transportation services are for educational purposes only,
 - 4) Transportation is provided in an adapted vehicle with specialized equipment or supervision, but the child's medical condition does not require the specialized services, or
 - 5) Transportation is provided by a parent, relative, or friend.
8. Physician Services (Medical Doctor [MD]/Doctor of Osteopathic [DO]), and Nurse Practitioner (NP) Services:
 - a. Physician and NP services are intended to diagnose, identify, or determine the nature and extent of a student's medical or other health related condition to include the following:
 - i. Evaluation and consultation with providers of covered services for diagnostic and prescriptive services including participation in a multidisciplinary team assessment,
 - ii. Record review for diagnostic and prescriptive services, and
 - iii. Diagnostic and evaluation services to determine a student's medically related condition that results in the student's need for services.