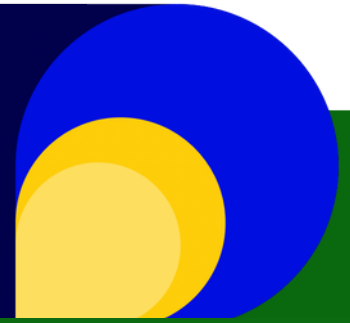


Medicaid Reimbursement for School Health Services



April 2025

Federal Medicaid reimbursement can provide a sustainable source of funding to reinvest in the health and wellbeing of students.

Since 1988, Medicaid has reimbursed states for medical services provided in a school-based setting for students with an Individualized Education Program (IEP). In 2014, the Center for Medicaid Services (CMS) clarified that states can also be reimbursed for eligible services provided to all Medicaid-enrolled students. On May 18, 2023, CMS released long-awaited new guidance that allows states to adopt changes to reduce the administrative burden for schools, making it easier to get Medicaid reimbursement for school-based health services.

But states must take action to take advantage of reduced red tape to receive federal funds.

The federal reimbursement depends on the state's federal medical assistance percentage (FMAP) rate, but is never lower than 50%—or half the cost of any billable service. As a result, Medicaid billing can provide significant new revenue to support services.



The Healthy School Campaign brief, “Financial Impact of Expanding School Medicaid,” states:

“Expanding billing for more students means more federal revenue to the state and more district reimbursement. And since most schools already deliver some of these services (and pay for them with education dollars), bringing in federal reimbursement can replace scarce education money and help stretch resources further.”

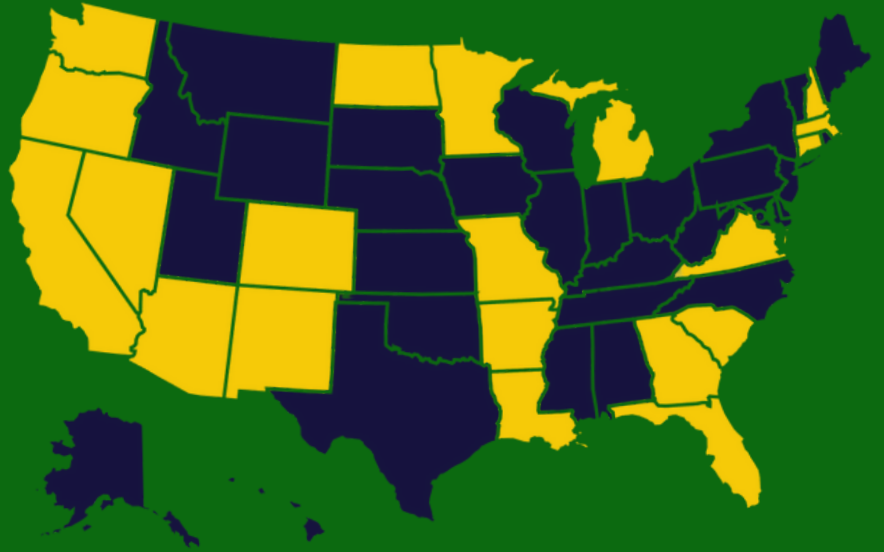
To learn more, contact: **Jeff Taylor, Mayforth Group** | jtaylor@mayforthgroup.com

inseparable.us

State Implementation

Twenty-five states
have implemented
Medicaid programs to cover
school-based services:

- Arizona
- Arkansas
- California
- Colorado
- Connecticut
- Delaware
- Florida
- Georgia
- Illinois
- Kentucky
- Louisiana
- Massachusetts
- Michigan
- Minnesota
- Missouri
- Nevada
- New Hampshire
- New Mexico
- North Carolina
- North Dakota
- Oregon
- South Carolina
- Tennessee
- Virginia
- Washington



After Louisiana began covering school nursing services in its Medicaid program, its financial analysis showed a 35% increase in federal revenue. The state then revised its school Medicaid plan to include all eligible providers and services.⁵



Michigan estimates an increase in \$14 million from billing for services delivered by school psychologists, a provider group that previously was unable to bill Medicaid.⁶

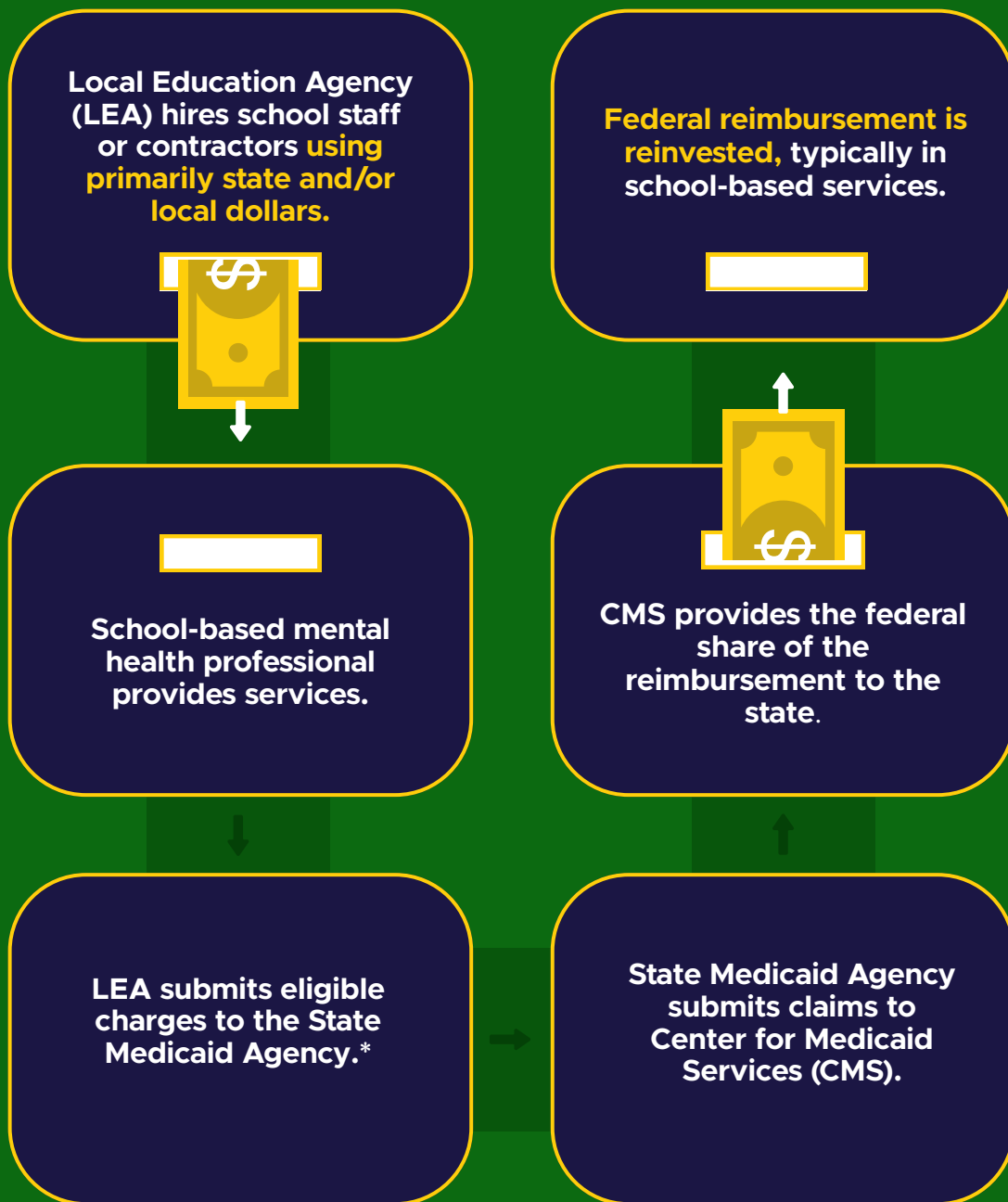


North Carolina's expansion allows districts to access reimbursement for a wide range of services, leading to a 35% increase year-over-year in Medicaid reimbursements.

To learn more, contact: **Jeff Taylor, Mayforth Group** | jtaylor@mayforthgroup.com

inseparable.us

Federal School Medicaid Reimbursement



*The process for how LEAs submit claims and are reimbursed by the State Medicaid Agency may vary by state.

To learn more, contact: **Jeff Taylor, Mayforth Group** | jtaylor@mayforthgroup.com

inseparable.us