



Third Party Billing

There are federal regulations and state laws that give rights to students, who are eligible for special education, and to their parents. The regulations and laws also tell school districts certain actions they must take. One of those actions is to assess the needs of the student. Another is to write the student's Individualized Education Program* (IEP). Sometimes, the assessments and services on the IEP are health related services that may be eligible for payment from Medical Assistance (MA), MinnesotaCare (MNC), or a private insurance plan. Getting payments for health related services can be complex for school districts. It may raise questions from parents. But, third party billing brings extra money to the district. This money can really help the school district to pay for the services we provide for children with special needs. We want to make sure that parents have answers to their questions about third party billing. Following, you will find common questions. If you have questions that are not answered here, you may want to contact:

- * Minnesota Department of Human Services about MA or MNC questions: 651-431-2622;
- * Minnesota Department of Education about third party billing for related services: 651-582-8263;
- * PACER Center for answers from an advocate: 952-838-1347; 1-800-537-2237; 952-838-0190 (TTY)
- * Arc Minnesota for answers from an advocate: 651-523-0823; 1-800-582-5256
- * Your school district about district policies related to third party billing: _____; or
- * Your own health plan.

**When we use the term IEP, we also mean an Individualized Family Service Plan (IFSP) and an Individual Interagency Intervention Plan (IIIP).*

Q. What are health related services?

- A.** Health related services are defined by Congress in the Individuals with Disabilities Education Act (IDEA). They include the support services a child with a disability needs to benefit from special education. They are part of the IEP, but they are not instructional in nature. Health related services support a child's instructional program. Health related services include supports such as:
- * Diagnosis, evaluation and assessment;
 - * Speech, physical and occupational therapy;
 - * Mental health and behavioral services;
 - * Audiology;
 - * Special transportation; and
 - * Health services such as nursing and personal care assistant services.

Q. Why does my child's district want to bill Minnesota Health Care Programs (MHCP) and private health plans for health related services?**

- A.** Federal and state laws are very clear that districts must make sure students get all services identified on the IEP. The law is also clear that students get the services with no cost to parents. But, the law states the district is not responsible to pay for all of the services. In Minnesota, districts are required to try to get non-educational funds to pay for health related services. Some health related services are paid for by public and/or private health plans.

***Minnesota Health Care Programs includes Medical Assistance (MA) and MinnesotaCare (MNC). The term MA includes children who are eligible under fee for service, a Prepaid Medical Assistance Plan (PMAP), waivers, or the TEFRA Option.*

- Q. If my district gets money from MHCP or my private health plan, does the district get less money from the Department of Education for the cost of special education?**
- A.** No, the money a district gets from the Department of Education does not go down because they get paid by MHCP or your health plan. This is why it is important for the district to try to get payment from MHCP or your health plan. It is additional money for the district. Often, districts must ask for extra money from local resources to cover the costs of special education. When districts get paid from third parties, such as MHCP or private health plans, it helps to cover the cost of special education.
- Q. Can my school district bill MHCP if I don't want them to bill?**
- A.** Your district does need your permission to share the information necessary to bill MHCP. To do this, the district must give you an initial and annual notice. This notice is in the Notice of Procedural Safeguards. Your district may also give you the notice in an easier to read form. If the parent or legal representative agrees to share the private information needed for billing, they sign a consent form. The consent to release information can be valid as long as the student is eligible for special education, for up to one year, or until the parent ends the release in writing. There are some things you need to know:
- * The district will bill MA or MNC for covered services on your child's IEP. This includes some assessments done to determine if your child is eligible for special education.
 - * If you ask, the district will send you copies of all the records they share with a third party to get paid.
 - * You can take back your permission to share your child's records at any time. You can't take back permission for records already shared.
 - * If you do not give permission, or you take back your permission, your child's IEP services will not change or stop.
- Q. What things about billing MHCP should I know?**
- A.** One of the most important things to know is that Minnesota's laws currently have protections:
- * Services provided by the district and paid by MA or MNC do not count toward any monthly, annual or lifetime limits for the same or similar services. For example, if your child's IEP includes occupational therapy services, it does not affect therapy service limits your child might need or receive from a rehab agency.
 - * Services provided by the district and paid by MA or MNC do not count toward any home care or waiver caps. For example, if your child's IEP includes staff to assist with eating and toileting, it does not affect the amount of personal care services your child can receive at home.
 - * Services provided by the district and paid by MA or MNC do not affect services your child gets from other providers or those covered by a PMAP.
 - * Services provided by the district and paid by MA do not count toward the amount of a parental fee. If only IEP services are paid by MA, there is no parental fee. If parents of children eligible for MA under the TEFRA Option choose to not use MA for other services, they can request a disparity agreement. This means they do not pay a parental fee, unless services other than IEP services are billed. To find out about getting a disparity agreement, parents can call DHS at 651-431-3801.
 - * Services provided by the district and paid by MA do not count toward a spenddown.
- Q. Can my school district bill my private health plan if I don't want them to bill?**
- A.** No, the district must give you information about what might happen if your district bills for health related services once a year. Then, every year the parent or legal representative must make an informed decision about whether the district should or should not bill a private health plan. Your decision must be in writing. It can be valid for up to one year. You can change your decision at any time in writing. If you give your district permission to bill your health plan, it does not mean the plan will pay the district for related services.

Q. What things about billing my private health plan should I know?

A. There are many important things to consider before making a decision about whether your school district should bill your private health plan:

- * If your plan pays the district for covered services, some service limits and prior authorization limits may be affected.
- * If your plan pays the district for covered services, some annual and/or lifetime limits may be affected.
- * If your plan pays the district for covered services, the cost of your private health insurance could go up.
- * If your private plan pays the district for covered services and there is a copay or deductible, there is no cost to you. The district will cover the copay and/or deductible for those services.
- * You can agree to let the district bill your private plan for some, but not all, types of related services on your child's IEP.
- * You can decide your district should not send a bill to your health plan, but allow your district to ask your health plan if the plan would pay the district for services. This is only something to think about if your child is also covered by a public plan like MA. (See next question)

Q. What if my child is covered by a public plan like MA and a private plan?

A. You probably know that when using your child's MA coverage, the doctor or other provider must first bill your private plan to see if they pay for the service. If your private plan denies the payment, then MA can consider whether or not they can pay the claim. School districts must follow the same rules. This could be the type of situation when a parent decides they do not want the district to bill their private health plan for IEP related services. However, the parent might agree the district could find out if the private plan does or does not cover IEP related services. When parents give permission to the district to ask the health plan about coverage, if the plan states they do not cover IEP related service, the district may submit the claim to MA. This assumes the parent or legal representative has given the district an annual informed signed consent.

Q. How does third party billing affect due process?

A. There is nothing about third party billing that has any affect on due process:

- * If you do not let the district share information with DHS or use your private health plan benefits, the district must still make sure your child gets all of the services identified on the IEP.
- * The amount or types of services on your child's IEP does not depend on the ability to get money from a third party. The IEP is written before asking questions about third party options.
- * Once you agree to your child's IEP, the district must start giving services even if the district is waiting to find out if a third party will pay.
- * The district can't change or stop services if they find out a third party won't pay.
- * Districts must follow all privacy regulations. This means that only staff who have a need to know about your health care coverage should have that information.
- * Services will still be provided in the least restrictive environment, even if a third party will pay for services if they are provided in a different setting.
- * Families will not incur any direct costs linked to third party billing

Q. How will I know what my district is being paid for related services?

A. If your district is paid by MHCP for services, the payment will be listed on the Explanation of Medical Benefits (EOMB) you get from the Department of Human Services. The services are described as:

- * School-based IEP services, bundled, physical therapy
- * School-based IEP services, bundled, occupational therapy
- * School-based IEP services, bundled, speech therapy
- * School-based IEP services, bundled, mental health services
- * School-based IEP services, bundled, nursing services

- * School-based IEP services, bundled, PCA/paraprofessional services
- * School-based IEP services, bundled, assistive technology devices
- * School-based IEP services, bundled, special transportation
- * Interpreter Services

Note that all but interpreter services include the word “bundled.” This means that many forms of a service fall into each group. For example, speech therapy includes assessments and evaluations of speech, language and hearing. It also includes treatment services provided by a speech therapist or an audiologist.

The EOMB tells the amount the school was paid. However, the amount on the EOMB is not the money the school gets in a check from MHCP. This is because the check is only for the federal dollars that are paid by MA or MNC. The district gets a little less than 50% of the amount shown on the EOMB. The EOMB is not a bill. You can never owe MHCP or the district for any costs related to your child’s IEP services.

If your district is paid by your private health plan, you should get the same kind of payment report that you do for payments made to other providers.

Q. What happens with the money my district gets from third party billing?

A. Minnesota laws are very specific about the use of money districts get from third party billing. There are several things you should know:

- * If your district gets money from third party billing, it does not reduce any other state aide the district gets for education or special education.
- * Payments from third parties for services given to your child do not go directly to offset costs for your child.
- * Money your district gets for third party billing can only be used for three things:
 1. For the benefit of students with special needs in your district;
 2. To pay for the cost of doing third party billing; and
 3. To get training and help to increase the amount of third party billing.



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This information is available in other forms to people with disabilities by contacting your local school district or the Minnesota Department of Education at the numbers on the first page.

TDD users can call the Minnesota Relay at 711 or 1-800-627-3529. For Speech-to-Speech Relay, call 1-877-627-3848.