

Health Information and Advocacy Center Fact Sheet:

Billing for health services included in your child's individualized educational program or individualized family service plan.

Is it true that my child's school must bill my insurance for health services provided to my child at school as part of her IEP?

No. Schools are required to try to obtain reimbursement from private and public health insurance for health-related services included in your child's individualized education program (IEP). However, they can bill your insurance only if you give your written consent. This means that they have to ask you for information about your insurance and obtain your permission to bill your insurance. You do not have to consent. If you do not agree, then the school cannot bill your insurance.

What happens if I do not give permission for the school to bill my insurance?

Even if you do not permit the school to bill your insurance, your child must still receive all of the services in the IEP at no cost to you. Under the Individuals with Disabilities Education Act (IDEA), your child is entitled to a free and appropriate public education. If your child needs health-related services at school to obtain a free and appropriate public education, you cannot be required to pay for it. The amount and type of IEP services your child receives cannot be tied to whether the school can bill your insurance. Your child's IEP team-which always includes you, the parent-should develop the IEP before billing is even considered.

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

Private health insurance is coverage you have through your employer or that you purchase yourself. Public insurance is offered by the government through a tax-funded program. If your child is covered under Medical Assistance or Minnesota Care, then your child has public insurance.

IEP health-related services

What are IEP health-related services?

IEP related services are the developmental, corrective, and supportive services required to help a child with a disability benefit from special education. They are written into the child's IEP and may include speech-language pathology, specialized transportation, audiology, psychological services, physical and occupational therapy, school health services (including school nurse services), and medical consultation.

What IEP health-related services are covered by public insurance?

Public insurance covers certain health-related services including occupational therapy, physical therapy, speech-language therapy, clinical psychological services, nursing services, school psychological services, school social work services, personal care assistants, assistive technology devices, and specialized transportation services.

What IEP health-related services are covered by private insurance?

Each private insurance plan offers different coverage for health related services. You can find out whether the services in your child's IEP are covered by your child's private insurance by checking in the written health benefit plan contract. Your insurer's customer representative can provide a copy of that contract and should be able to tell you if the services are covered under your plan.

Informed consent**How do I give consent for the school to bill my child's insurance?**

You give your consent by signing a written form given to you by the school. The form must explain what the school plans to do, tell you how your child's insurance might be affected, list the records that will be released, and tell you to whom the records will be released. The form must also explain that your consent is voluntary and that you can take it away at any time.

What if I sign the consent form but then change my mind later?

You can withdraw your consent for the school to bill your child's insurance at any time. If you do, then the school must stop billing your child's insurer. The school must continue to provide the IEP services to your child at no cost to you. The IEP health services cannot be decreased or stopped just because the school no longer bills insurance for the services. Any changes to your child's IEP are made by the entire IEP team, which includes you.

Example: Sam's IEP says that he is to have 30 minutes of speech therapy every week. In September, Sam's parents gave permission for the school to bill Sam's insurance for the speech therapy. In December they changed their mind and wrote the school to say that they no longer wanted the school to bill insurance. The school had to stop billing insurance in December. The school was still required to provide Sam with 30 minutes of speech therapy each week. The school cannot try to change the IEP to remove or decrease the amount of speech therapy services that Sam receives even though they can no longer bill Sam's insurance.

Private insurance**My child is covered under private insurance. If I give permission for the school to bill private insurance, will it affect my child's overall insurance benefits?**

Yes, if you let the school bill your child's private insurance, your child's overall benefits may be affected. The premiums may go up, you may have to meet prior authorization requirements, and the lifetime limits of your child's insurance may be reached earlier than they would have if the school had not billed private insurance. Special education services are supposed to be free. If you let the school bill your private insurance, you may have fewer benefits available to your child under your health plan.

Example: Ann's private insurance plan covers up to \$1 million in health insurance claims. This means that after private insurance pays \$1 million in claims, Ann's parents have to pay all additional bills. If Ann's parents give consent for the school to bill their private insurance, any claims the insurance pays for services provided at school as part of the IEP count toward the \$1 million limit. This means that Ann will have less coverage available for health services provided outside of school. If Ann's parents do not give consent for the school to bill, then they will have more coverage available for health services provided outside of school.

If the school uses my child's insurance will I have to pay the copayments or any other expenses?

No. The school must pay any copayments or other out-of-pocket expenses you may have as a result of the billing. This is because the school is required to provide your child a free and appropriate public education.

Example: Sam's parents have agreed to let the school bill private insurance for the physical therapy services provided as part of his IEP. Their private insurance requires a 20 percent copayment every time Sam receives physical therapy. The school must pay the copayment to the private insurance company or reimburse Sam's parents for the payment. Sam's parents do not have to make any out-of-pocket payment in order for Sam to receive his IEP services at school.

What if my child's insurer says that it will not pay because the IEP health services are not medically necessary?

If the health-related services are part of your child's IEP, then the school must provide those services to your child. It must do so even if your insurer says the services are not medically necessary.

Example: Ann's private insurance requires prior authorization before Ann receives physical therapy services or it will not pay the claims. Prior authorization means that Ann's parents have to ask the insurer for coverage permission before the services begin. Ann's IEP says that she is to have 45 minutes of physical therapy services at school. Ann's private insurer said that it would not cover the claims for school physical therapy hours because the services are not "medically necessary." Ann's school must still provide her the 45 minutes of physical therapy services each week and cannot stop or decrease the services just because insurance will not pay for them.

What if my child's private insurer says it will not pay because the health services are not a benefit covered under the health plan?

If the health-related services are part of your child's IEP, then the school must provide those services to your child. It must do so even if they are not a covered benefit under your plan.

Example: Sam's private insurance does not provide any coverage for personal care attendant (PCA) services. Sam's IEP says that he is to receive 10 hours of PCA services every week. Sam's school must provide the PCA services to Sam even though it is not covered by his private insurance. Also, the school cannot discontinue or decrease the PCA services just because it cannot bill his insurance.

Public insurance

My child is covered under public insurance, not private insurance. Will our public insurance benefits be affected if I give consent for the school to bill?

No. If you give permission for the school to bill your child's public insurance, your child's benefits cannot be affected. This means that the IEP services will not count against service limits. Also, the services are excluded from prior authorization, payment, and service requirements.

Example: Ann has 20 hours of PCA services at home each week. These services are covered by public insurance. Her IEP says that she is to have 20 hours of PCA services at school. Ann's parents have agreed to let the school bill public insurance for the school PCA hours. Public insurance cannot refuse to pay for Ann's home PCA hours or reduce the hours of home service just because it pays for the PCA at school. This means that public insurance will be responsible for a total of 40 hours per week of PCA time.

If the school bills my child's public insurance will I have to pay anything?

No. If the school bills your child's public insurance you cannot be required to make any out-of-pocket payments. Your child is entitled to a free and appropriate public education. This means that all services in your child's IEP must be provided at no cost to you.

Can the school make me sign up for public insurance so it can bill for the IEP health services?

No. 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. The school is required to provide your child with a free and appropriate public education. If your child requires health services as part of the IEP, the school must provide those services regardless of whether it can bill for those services.

My child is covered under TEFRA. Will our parental fee go up if the school bills for IEP health services?

No. If your child's school bills TEFRA for IEP health services, your parental fee cannot be affected.

Private insurance and public insurance

What if my child is covered under both private insurance and public insurance?

Can I give permission for the school to bill only one?

If your child has both private and public insurance, then the school must bill the private insurance first. If the private insurer tells the school that it will not cover the health service, then the school may bill public insurance. The school cannot try to bill public insurance alone, even if you give your permission for it to do so. This means that if you want the school to bill insurance for your child's IEP health services, then you must give permission for the school to bill private insurance alone or to bill both private and public insurance. But you can not give permission to bill only public insurance.

Example: Sam is covered under both Blue Cross and Blue Shield (private insurance) and TEFRA (public insurance). His IEP says that he is to receive 30 minutes of physical therapy per week. In order for the school to bill insurance for the physical therapy services, the parents must give consent for the school to bill Blue Cross. They may also give consent for the school to bill public insurance. The school must try to bill Blue Cross first. The school can bill public insurance only if Blue Cross denies coverage.

IEP records

Will my child's entire IEP be sent to the insurer?

The school can give the insurer only the information in your child's IEP that the insurer needs to see to decide matters of coverage and payment. The insurer can use the information only to make decisions regarding coverage and payment and for any other use permitted by law. This means that in most cases the school should not send your child's entire IEP to the insurer. In all cases, the school must get your permission before it sends out any portion of your child's IEP.

Physician review

What happens if the doctor who reviews my child's IEP decides the health-related services are not necessary?

If the services are part of your child's IEP, then they must be provided to your child. If the doctor decides that the health services are not medically necessary, the school cannot bill for them, but your child must still receive them. The IEP team, not a doctor, decides what services are to be provided to your child.

Other questions

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

Whether or not your child receives special education services or specific health-related special education services is not up to your child's private doctor alone. The decision is made as part of the IEP process. The services to be provided as part of the IEP are decided by the IEP team. Your child's doctor may be invited to be part of that team and contribute to the process.

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

No. These laws apply only to special education services provided under the Individuals with Disabilities Education Act (IDEA). This means they apply only to students who have an IEP.

Points to remember

The IEP team-which includes you and anyone else you invite-develops the IEP before billing is addressed. This means that the IEP team must decide what services your child needs before anyone thinks about whether the school can bill insurance for the health-related services.

You decide whether the school can bill your child's insurance for the health-related services provided at school as part of the IEP. You do not have to give your consent.

You can withdraw your consent for the school to bill your child's insurance at any time. If you do so, the school must continue to provide the IEP health services to your child and cannot decrease them just because they are no longer reimbursed by your insurance. Any changes to the IEP health services are made by the entire IEP team, which includes you.

If you give consent for the school to bill private insurance, your child's overall benefits may be affected. This means your child may not have as much coverage for health services provided outside of school or you may pay more for them.

If you give consent for the school to bill public insurance, then your child's benefits cannot be affected. This means that public insurance for services provided outside the school will not be changed at all.

You cannot be required to make any out-of-pocket payments for services provided as part of the IEP. This means that you cannot be required to make any payments to your insurer or the school for health-related services that are provided at school as part of the IEP.

Fact sheet provided by the Health Information & Advocacy Center, a project of PACER Center, Inc.

© 2000 by PACER Center, Inc., 8161 Normandale Blvd., Minneapolis, Minnesota 55317
Voice: (952) 838-9000 - TTY: (952) 838-0190

Toll-free in Greater Minnesota: (800) 537-2237 - Fax: (952) 838-0199 - pacer@pacer.org
- www.pacer.org. This fact sheet contains information about ERISA (29 USC 18 and CFR 2560). It is provided for informational purposes only and it is not intended to constitute legal advice.