

Schools and Medicaid

Information and Answers for Families



Why are schools getting money from Medicaid?

The Individuals with Disabilities Education Improvement Act (IDEA) says Medicaid will pay for some Individual Education Program (IEP) services. The law encourages school systems to recover cost of certain services provided to Medicaid-eligible children. Financial resources help schools teach children.

How do schools use the money they receive from Medicaid?

Each local school system determines how the money is used. Many schools use money from Medicaid to fund training, equipment, or materials to support programs for children. NC Department of Public Instruction (NCDPI) encourages schools to use Medicaid dollars for Exceptional Children programs.

IDEA references - [34 CFR §§300.9 and 300.154]
FERPA reference - [20 U.S.C. § 1232g; 34 CFR Part 99]

What will Medicaid pay for in schools?

School systems can recover cost for medically-related services included in the student's IEP. Some school services Medicaid pays for include: audiology; nursing services; occupational therapy; physical therapy; speech therapy; psychological and counseling services.

Do schools need parental consent to recover cost from Medicaid?

Schools are required by the Family Educational Rights and Privacy Act (FERPA) and IDEA to get informed parent consent before releasing personal information about students. Parents need to understand why and when schools provide information about their child to the state Medicaid agency. Schools need parental consent to help offset the cost of required IEP services.

When schools recover cost from Medicaid, will it cost our family anything?

No. Schools cannot require parents to pay for services a child requires at school. Schools cannot use Medicaid benefits if it lowers lifetime coverage, results in cost for other services that would be covered, increases the family's cost, causes the family to lose benefits, or puts the family at risk of losing benefits.

Does this process change services my child will receive at school or in the community?

No. Schools must provide all IEP services even if the school does not recover cost from Medicaid. Medicaid services received outside of school are authorized separately from IEP services. If outside services have been affected, families are encouraged to contact their local EC Director.

Where can I get more information about this?

Contact your Exceptional Children (EC) Director or the NCDPI Medicaid Consultants