



## SECTION 10

# Third Party Billing

- **Combined Consent to Seek Payment for IEP Health Related Services**
- **Information to Parents and Guardians About the Third Party Payment Program**
- **Consent to Seek Payment for IEP Health Related Services**
- **Third Party Billing for Health Related Services**

# Instructions Combined Consent to Seek Payment for IEP Health Related Services

## Background

Since July 1, 2000, Minnesota law requires all school districts to access payment from third parties for Individualized Education Program (IEP) health related services when the services are otherwise covered by a health plan. This includes both public and private health plans. There are certain requirements that must be met before school districts are able to bill public or private plans. Informing parents and obtaining permission from parents is one of those requirements.

In an effort to assist school districts to access revenue from Medical Assistance (MA) and MinnesotaCare for covered IEP health related services, districts are no longer required to obtain informed consent to bill Minnesota Health Care Programs (MHCP). During the 2002 legislative session, changes were made to the requirements of Minn. Stat. § 125A.21, subdivision 2. This communication provides districts with an updated version of the documents previously developed by Children, Families & Learning for districts to consider for their use. In addition, this communication explains what school districts need to do regarding informing parents and getting permission for third party billing. The statutory language can be found at <http://www.revisor.leg.state.mn.us/stats/125A/21.html>.



*Memo*

Minnesota Department of **Human Services**

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**DATE:** September 12, 2008

**TO:** Special Education Directors, School Administrators and Third Party Billing Coordinators

**FROM:** Genie Potosky  
IEP Services Coordinator

**SUBJECT:** Individualized Education Program (IEP) Services Technical Assistance Guide Update #08-24  
New Third Party Billing Coordinators and Special Education Directors/Administrators Training Available

### **Individualized Education Program (IEP) Services Technical Assistance Guide Update #08-24**

The September 2008 version of the IEP Technical Assistance Guide is available online at [www.dhs.state.mn.us/provider/iep](http://www.dhs.state.mn.us/provider/iep) under Resource Documents/Forms. You will need to

replace the pages in your current guide (if you updated your guide in April 2008) with those listed under update 08-24 at the bottom of the Update Log, page ii.

If you do not have a current version of the IEP Services Technical Assistance Guide, you will probably need to copy the entire September 2008 guide.

## Information & Materials Available

### ✓ IEP Service Web page:

- <http://www.dhs.state.mn.us/provider/iep>

### ✓ Available materials includes:

- IEP Services Technical Assistance Guide
- Minnesota Health Care Programs Manual
- IEP Services Information for Families brochures available in 11 languages
- Provider updates
- MN-ITS Information, paper claims instructions
- HIPAA information
- + more

55

## Minnesota Health Care Programs (MHCP) Individualized Education Program (IEP) Services – “Information for Families” Brochures Available in these languages:

- Arabic
- English
- Hmong
- Khmer (Cambodian)
- Lao
- Russian
- Serbo-Croatian
- Somali
- Spanish
- Vietnamese
- Oromo (Ethiopian language)

56

## Medicaid Questions

- ✓ Contact the Department of Human services if you have questions about Medicaid covered IEP services:
  - Policy (services, documentation, provider qualifications, audits)
  - Billing
  - Rates, payments
  - Provider enrollment

57

## Minnesota Department of Human Services Contacts

- ✓ Provider Call Center (651) 431-2700
  - Option 5-Provider Enrollment 1-800-366-5411
  - Option 1-Provider Help Desk; select Option 3 for IEP Services
  - Option 6-MN-ITS Registration & Password Resets
- ✓ Genie Potosky, IEP Services Coordinator
  - (651) 431-2622
  - genie.potosky@state.mn.us
- ✓ Jesusa Williams, IEP Services Rates
  - (651) 431-2538
  - jesusa.williams@state.mn.us

58

### Two Methods

There are two methods for meeting the necessary requirements for parental approval to initiate billing a public or private health plan (third party). The type of method used depends on the type of health plan(s):

- Children/students covered by Medical Assistance (MA) or MinnesotaCare; or
- Children/students covered by private insurance or by both a public plan (MA/MinnesotaCare) and private insurance.

The revised legislation at Minn. Stat. §125A.21, subdivision 2,(e) permits districts to use the procedures described in Method #1 below for children/students who are covered by both a public plan and a private insurance if DHS obtains federal approval to bypass the requirement to first pursue private health insurance before billing MA. Currently, DHS does have federal approval to bypass private insurance for personal care and special transportation services. Therefore, for children/students who may have both public and private coverage and the only services that are identified in the IEP and meet the requirements for billing MHCP are personal care and/or special transportation, districts may use Method #1.

### **Method #1:**

#### **Children/Students Covered Only by Medical Assistance (MA) or MinnesotaCare**

Effective March 27, 2002, before a district can bill MHCP for covered IEP health related services, the district must:

1. Give the parent/guardian initial and annual written notice that at a minimum includes the following:
  - The district intends to bill MA or MinnesotaCare and get reimbursed for IEP health related services;
  - The parent has a right to ask for and get a copy of all records shared by the district with the Department of Human Services (DHS) to obtain payments for IEP health related services; and
    - The parent has a right to withdraw their permission from the district to ending the districts ability to share information with DHS access third party revenue.
2. Obtain a written release of information from the parent/guardian to share education records to share required information with DHS to obtain third party revenue.

## **Method #2:**

### **Children/Students Covered by Private Insurance or by both MA/MinnesotaCare and Private Insurance**

No changes have been made regarding informed consent. School districts are still required to annually:

1. Give parents/guardians enough information to make an informed decision about letting the district access the student's private or private/public health plan combination. The information must include:
  - Parent/guardian refusal to permit the district to access the child's private or private/public health plan(s) does not change or stop services in the student's IEP. The student will receive all of the services and there is no cost to the parent.
  - The district must ask about the student's health coverage but parents are not obligated to give the information.
  - The premiums of the private health plan may increase because the plan is paying for services given in a school setting.
  - The district can pay certain private health plan costs such as copayments, deductibles and premium increases related directly to IEP health related services.
  - Lifetime limits, service limits and prior authorization thresholds for those services paid by a private plan can be affected.
  - The parent/guardian can revoke an informed consent, in writing, at any time.
2. Obtain written consent and release of information to share education records to the extent necessary to obtain third party payments at least annually. This must be done before the district can:
  - Bill private insurance;
  - Bill private insurance and MA/MinnesotaCare; or
  - Ask private insurance and bill MA/MinnesotaCare.

## **Combined Format**

There are situations where the district may know or suspect a child or student does not have private health insurance and is covered only by MA or MinnesotaCare. In those situations, the district may choose to use the simple notice/letter with release format offered in a separate communication. For other children or students the district will not know anything about the type of health coverage the child/student may have. In 2002, the Minnesota Department of Education (MDE) distributed a memo with documents related to informed consent and release

of information. These forms have been updated for clarity, ease of completion, and to include requirements for the Health Insurance Portability and Accountability Act.

Districts may choose to use the Information to Parents and Guardians along with either the combined Consent form or with the stand alone MHCP only letter format. The Information to Parents and Guardians can be distributed in its entirety or specific sections can be chosen to give to parents. Sections #1 and #5 should be given to all parents and guardians. Certain sections of the Information to Parents and Guardians correspond to certain sections of the Consent to Seek Payment form. These forms can be mailed to parents/guardians, provided in person at a meeting, or discussed after an annual IEP meeting.

## **Information to Parents and Guardians About the Third Party Payment Program**

### **Introduction**

The first section provides background information about why the district is asking for permission to access payments from a third party for health related services. It also explains some of the rights of parents and their children in relation to third party payments and special education. All parents or guardians should be given Section #1. This section is written at a 9.8 grade level of readability.

### **Public Insurance**

Section #2 supplies information about MA/MinnesotaCare and health related services. It is directed at parents or guardians of children and students who have MA or MinnesotaCare and are not covered by any other health plan. It can be used in conjunction with the Minnesota Health Care Programs Only letter to provide additional information or it can be used with the Consent to Seek Payment forms. It can be given along with Section #1 and #5 to parents/guardians of children and students with only public coverage. This section is written at a 7.5 grade level of readability.

### **Coverage by Both**

This section offers information for those children and students who are covered by both MA or MinnesotaCare and a private health plan. This will most often be a child who is disabled and eligible for MA under the TEFRA Option or a home and community based waiver. Some children may be eligible for MA because one parent is absent from the home. These children may also be covered by both. Sections #1, #3, and #5 can be given to parents/guardians of children and students who have both public and private coverage. This section is written at an 8.4 grade level of readability.

## Private Insurance

Section #4 presents information for those children and students who are covered by only a private health plan. This section can be given to parents and guardians along with #1 and #5 when the district knows the child or student is only covered by private insurance. However, districts are reminded that they should never assume a child or student is only covered by private insurance. Children and students, regardless of parental income and assets may be eligible for MA because they are disabled, in foster placement, or a subsidized adoption. This section is written at a 7.8 grade level of readability.

## More Information

Some parents and guardians may have questions. This section permits the district to provide the name of a district staff person and how to reach that person. In addition, it gives other resources outside of the education system for the parent or guardian to contact.

### ***Consent to Seek Payment for IEP Health Related Services***

This form can be used by districts to obtain necessary permission to share education records with public and/or private health plans and informed consent to bill or ask private health plans about coverage and to bill public plans when a child or student is also covered by a private plan. The form is divided into six sections. Districts may choose to give the form to parents/guardians in its entirety or to supply only the portion(s) of the form that corresponds to the type or types of coverage the child has. If a district does not know the type of coverage, the district will want to use the entire form.

The district may want to mail this form along with the Information to Parents and Guardians. The district may want to include the Notice of Procedural Safeguards. The Notice of Procedural Safeguards is a requirement for children/students who are covered only by Medical Assistance or MinnesotaCare and the district is giving the parent/guardian initial or annual notice.

The parent or guardian may refuse to complete and/or sign some or all of the Consent form. If this happens, the district should document in the student record that Third Party Information was provided and the parent or guardian refused to complete the Consent form. This will satisfy the statutory requirement at Minn. Stat. § 125A.21, subd. 2 for districts to access third party payments. The district should attempt to access third party payments again during the next school year.

## Section 1

This section is generic and should be completed by all parents/guardians, if they choose. It will provide the district with basic information to assist in initiating the third party process. The district may choose to fill in this information ahead of time to help facilitate the process.

## Section 2

This section is for children/students who are eligible for Medical Assistance (MA) or MinnesotaCare. It can serve several purposes:

- Parent/guardian can provide approval for the district to share education records with the Department of Human Services (DHS) and the physician for those children/students who are covered only by MA or MinnesotaCare.
- Parent/guardian of child/student who is covered by both MA/MinnesotaCare and a private plan can give approval to share education records with DHS and the physician if the district will only bill MA/MinnesotaCare for personal care and/or special transportation. This is because the district is not required to contact the private health plan to determine if the plan covers or will pay for these services.

## Section 3

This section can be completed by parents/guardians who have reviewed enough information to make an informed decision to permit the district to ask their private health plan if the plan will pay the district for IEP health related services. The purpose of the request to the private health plan is to obtain a denial so the district can bill MA or MinnesotaCare. If the private plan indicates they will pay the district for the identified IEP health related service(s) the district will not be able to bill MA or MinnesotaCare.

This section also provides approval to share education records with the plan, with the physician and with DHS. Section #3 can be combined with Section #1 for complete information, consent and release.

## Section 4

Section #4 can be used for situations when the child or student is covered only by private insurance and the parent/guardian consents to allowing the district to access payment from the private plan. It can also be used in combination with Section #2 for situations when the child or student is covered by both a public and private plan and the parent/guardian consents to allow the district to access payment from their private plan and the public plan. If the private plan pays the district, the district can bill MA or MinnesotaCare for any portion of the charge not covered by the private plan. If the private plan denies the payment to the district, the district can bill MA or MinnesotaCare for the entire cost of the service.

## Section 5

This section can permit a parent/guardian to tell the district that they do not give their permission to share information with DHS or their private health plan. It also permits a parent to indicate they do not want the district to bill their private health plan for related services.

The district must carefully review this section to determine if a parent has for example given permission to share information with DHS, but not with their private health plan. That would mean the district can only bill MA or MinnesotaCare for IEP health related services that do not

require denial from the private plan. The services that currently can be billed directly to MA or MinnesotaCare with obtaining a denial from private insurance are:

- Personal care
- Special transportation
- Language interpreter

## Section 6

This is a new section and can be provided to parents who contact the district requesting to revoke a release of information or informed consent that has been previously given. Parents need to understand that revocation is only effective from the date the district receives a signed and dated written request. A revocation cannot be retroactive.

MDE Griffin 06-30-04

## **Third Party Billing for Health Related Services**

### **Effects of Billing Third Parties for Health Related Services**

1. Services provided by the district and paid by Medical Assistance (MA) or MinnesotaCare (MC) do not count toward any monthly, annual or lifetime service limits.
2. Services provided by the district and paid by MA do not count toward any caps on waived services.
3. Services provided by the district and paid by MA or MC do not affect services you get from other providers or covered by a Prepaid Medical Assistance Plan (PMAP).
4. Services provided by the district and paid by MA do not count toward the amount of a parental contribution. If only IEP services are billed to MA, there is no parental contribution.
5. To be paid by MA or MC, the district may need to share some records with your public or private health plan and your physician. Records may include your child's IEP, assessment summary, medical orders, documentation of service and progress toward goals. The district can't share this information unless you give your OK. The district can only share the information needed to get paid, for an audit or for checking quality.
6. If your private plan pays the district for health related services and there is a copay or deductible, there is no cost to you. The district will pay the copay and/or deductible.
7. If the district is paid by your private health plan, some service limits and prior authorization limits may be affected.
8. If the district is paid by your private health plan, some annual and/or lifetime limits may be affected.

9. The cost of your private health insurance could go up.
10. If you do not let the district use your public or private health insurance, the district must still give your child all the health related services on his or her IEP at no cost to you.
11. Money the district gets from public or private health plans for IEP health related services must be used to help children with special needs. The money cannot be directed to general education funds.
12. The district can ask you for information about your health coverage, but you do not have to give it to them.
13. The district may share your child's name, date of birth or social security number with the Department of Human Services to see if your child is on MA or MC. You can tell the district not to share this information. You need to do this in writing.
14. The district must start giving services on your child's IEP even if they are waiting to find out if your health plan will pay. The district can't change or stop services if they find out your plan won't pay.

MC Griffin DOE Information to Parents About Billing for Health Related Services 070202 Ivory

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