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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO HUMAN SERVICES -- MEDICAL ASSISTANCE -- EARLY AND  
PERIODIC SCREENING, DIAGNOSTIC AND TREATMENT

Introduced By: Senators DiMario, Valverde, Kallman, Lauria, Murray, and Felag

Date Introduced: May 02, 2025

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 40-8-18 of the General Laws in Chapter 40-8 entitled "Medical  
2 Assistance" is hereby amended to read as follows:

3           **40-8-18. Local education agencies as EPSDT providers.**

4           (a) It is the intent of this section to provide reimbursement for early and periodic screening,  
5 diagnosis, and treatment (EPSDT) services through local education agencies for children who are  
6 eligible for medical assistance. A local education agency's participation as an EPSDT provider is  
7 voluntary. Further, it is the intent that collaboration among the department of human services  
8 (DHS), the department of elementary and secondary education, and local education agencies  
9 (LEAs) will result in state and local funds being used to maximize federal funding for such EPSDT  
10 services.

11           (b) The services available to eligible children under Title XIX of the Social Security Act,  
12 42 U.S.C. § 1396 et seq., for early and periodic screening, diagnosis, and treatment (EPSDT) may  
13 be provided by local education agencies.

14           (c)(1) Voluntary participation as an EPSDT provider shall require the local education  
15 agency to provide the state match to obtain federal financial participation for EPSDT services and  
16 associated administrative costs by certifying to the department of human services that sufficient  
17 qualifying local funds (local certified match) have been expended for the services and  
18 administrative costs; provided, however, that a local education agency shall not be required to

1 provide the local certified match for those EPSDT services for which the department of human  
2 services, or another state agency, agrees to provide the state match to obtain federal financial  
3 participation for EPSDT services.

4 (2) The local certified match shall be established in the local education agency pursuant to  
5 federal Title XIX provisions. Failure of the local education agency to provide the local match shall  
6 result in the penalties described in subsection (f).

7 (3) The department of human services shall pay the local education agency from the federal  
8 matching funds for EPSDT services pursuant to fee schedules established by rules and regulations  
9 of the department of human services, and for associated administrative costs pursuant to  
10 administrative cost reimbursement methodologies to be approved by the federal government, upon  
11 certification of the local match by the local education agency in accordance with federal Title XIX  
12 provisions. Payments made to the local education agency pursuant to this section shall be used  
13 solely for educational purposes and shall not be made available to local communities for purposes  
14 other than education. The local fiscal effort to support education referred to in subsection (d) shall  
15 not be reduced in response to the availability of these federal financial participation funds to the  
16 local education agency. These federal financial participation funds must supplement, not supplant,  
17 local maintained fiscal effort to support education.

18 (4) For the purposes of this subsection, the term “local education agency” shall include any  
19 city, town, state, or regional school district or the school for the deaf or the William M. Davies, Jr.  
20 career and technical high school, the Metropolitan Career and Technical Center, any public charter  
21 school established pursuant to chapter 77 of title 16, any educational collaborative established  
22 pursuant to chapter 3.1 of title 16, or the department of children, youth and families (DCYF).

23 (d)(1) Each community shall maintain local fiscal effort for education. For the purpose of  
24 this subsection, to “maintain local fiscal effort” means each community shall contribute local funds  
25 to its school committee in an amount not less than its local contribution for schools in the previous  
26 fiscal year.

27 (2) Further, state support for education shall not be reduced from the prior fiscal year in  
28 response to local community participation in the EPSDT program.

29 (e) The department of human services and the department of elementary and secondary  
30 education shall effect the interagency transfers necessary to comply with the provisions of this  
31 section. The department of elementary and secondary education and the department of human  
32 services are authorized to promulgate any and all regulations necessary to implement this section.  
33 All local school agencies becoming EPSDT providers shall be required to comply with all  
34 provisions of Title XIX of the Social Security Act, 42 U.S.C. § 1396 et seq., relative to

responsibilities of a Medicaid provider.

(f) Failure of the local education agency to establish a local certified match under this law sufficient to support its claims for reimbursement of EPSDT services and associated administrative costs will result in the withholding of state funds due that community in accordance with § 16-7-31 in an amount equal to the federal financial participation funds denied by the federal government as a result thereof. The withheld funds will be transferred to the department of human services.

(g) The department of human services, with the aid of the department of education, shall determine which healthcare-related services are eligible for federal Medicaid reimbursement for health-related services provided by local education agencies to children eligible for early periodic screening, diagnosis, and treatment. The department of human services, with the assistance of the department of administration, shall also develop the following resources in furtherance of the goal of recouping the maximum amount of administrative costs associated with the services:

(1) A time-study training manual that outlines how to complete a time study by school personnel to enhance recovery of administrative costs; and

(2) A claiming manual that outlines the financial information and claim submission requirements that are needed to complete the claim.

(h) Services provided by school social workers and certified school psychologists who are certified by the department of elementary and secondary education shall be included as healthcare-related services eligible for federal Medicaid reimbursement pursuant to this section. These school social workers and certified school psychologists shall be eligible to participate in time studies as local education agency employees and contractors.

(i) The general assembly encourages the executive office of health and human services and the department of elementary and secondary education to collaborate and pursue pathways to expand opportunities for local education agencies to bill and obtain federal Medicaid reimbursement for eligible services delivered in schools.

(1) By January 1, 2026, the executive office of health and human services shall apply to the Centers for Medicare and Medicaid Services for a state plan amendment that authorizes the state to provide for reimbursement for all medically necessary behavioral health services provided in a school setting to all individuals enrolled in Medicaid or the Children's Health Insurance Program regardless of whether the services are provided under an individualized educational program or individualized family service plan.

(2) After the state plan amendment is approved, eligible services provided in a school setting by any school Medicaid allowable licensed or credentialed mental health provider shall be reimbursable.

- 1           (3) Local education agencies shall use the funds reimbursed for school-based behavioral  
2 health services to support school-based behavioral health programs and services.
- 3           (4) Local education agencies shall reinvest the funds reimbursed to support school-based  
4 behavioral programs and services.
- 5           (5) Upon obtaining federal approval, the executive office of health and human services  
6 shall update its regulations and provider manuals to reflect the changes to the program and provide  
7 comprehensive and advanced training to local education agencies.
- 8           (6) The executive office of health and human services shall notify the office of the senate  
9 president and the office of the speaker of the house of the occurrence of the following:
- 10           (i) The submission of the state plan amendment to the Centers for Medicare and Medicaid  
11 Services.
- 12           (ii) Receipt of approval for the state plan amendment.
- 13           (iii) The submission of a cost allocation plan amendment following the approval of the  
14 state plan amendment.
- 15           (iv) Receipt of approval of the cost allocation plan amendment.
- 16           SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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RELATING TO HUMAN SERVICES -- MEDICAL ASSISTANCE -- EARLY AND  
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1           This act would require the executive office of health and human services to apply to the  
2   Centers for Medicare and Medicaid Services for a state plan amendment that authorizes the state to  
3   provide for reimbursement for all medically necessary behavioral health services provided in a  
4   school setting to all individuals enrolled in Medicaid or the Children's Health Insurance Program  
5   regardless of whether the services are provided under an individualized educational program or  
6   individualized family service plan. School districts would be required to use the funds reimbursed  
7   for school-based behavioral health services to support school-based behavioral health programs  
8   and services.

9           This act would take effect upon passage.

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