

DEPARTMENT OF SOCIAL SERVICES

DIVISION OF MEDICAL SERVICES

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Dear School District Medicaid Provider:

Recently, we have received inquiries concerning school-based health services provided to Medicaid eligible children in school districts pursuant to the Individuals with Disabilities Education Act (IDEA). Specifically at issue are services paid by Medicaid where the child may also have private health insurance.

According to the federal Centers for Medicare and Medicaid Services (CMS), Medicaid is the payer of first resort for medical services provided to children with disabilities pursuant to IDEA. The South Dakota Medicaid program has been, and will continue to be, the payer of first resort since the school district is paid directly for the services provided, even in cases where private health insurance exists.

However, Medicaid agencies must also seek recovery from liable third-party resources, including private health insurance for services provided to children under IDEA. Through guidance from CMS it was determined the Department must seek payment from private health insurance for these services.

You may have recently received requests from private health insurers asking for additional information regarding services provided to particular children. Please respond appropriately to the inquiries. Thank you in advance for your cooperation.

Please contact myself or Dave Schiefen, Office of Recoveries and Fraud Investigations Administrator, if you have any questions.

Sincerely,

Larry Iversen
Medicaid Director

cc: Dave Schiefen, ORFI