

What is Medicaid?

Medicaid is a federal/state health insurance program administered by the states and funded from federal and state revenues. The program assists states in the provision of adequate medical care to eligible persons. The Medicaid program varies from state to state, and states can make alterations in their programs from year to year. Within broad national guidelines, each state establishes its own eligibility standards; determines the type, amount, duration and scope of services; sets payment rates; and administers its own program.

What is EPSDT?¹

Early and Periodic Screening Diagnostic and Treatment (EPSDT) is a mandatory Medicaid service that was developed to provide preventive services and treatment to children enrolled in Medicaid. The components of EPSDT are as follows:

Early: Assessing a child's health early in life so that potential diseases and disabilities can be prevented or detected in the early stages, when they can be most effectively treated;

Periodic: Assessing a child's health at key points in her/his life to assure continued healthy development;

Screening: Using tests and procedures to determine if children being examined have conditions requiring closer medical (including mental health) or dental attention;

Diagnostic: Determining the nature and cause of conditions identified by screenings and those that require further attention; and

Treatment: Providing services needed to control, correct, or reduce physical and mental health problems.

EPSDT services for eligible children include:

- Screening services, including the following:
 - a comprehensive physical and mental health assessment,
 - a regularly scheduled physical examination,
 - laboratory tests, including blood lead level,
 - dental services, including restoration of teeth and maintenance of dental health,
 - immunizations, and
 - health education.
- Vision testing and services, including eyeglasses,
- Hearing testing and services, including hearing aids,
- Referral to mental health practitioners for follow-up screening and diagnosis,
- Assistance with transportation and scheduling of appointments, and
- Any other health care service covered by Medicaid necessary to correct or improve illnesses and conditions found in screening, even if the service is not included in a state's Medicaid plan but could have been elected by the state.

When was EPSDT established and why?

First enacted by Congress in 1967, EPSDT was designed to ensure that children enrolled in Medicaid receive comprehensive services before conditions become serious enough to impair their growth and development. In 1989, Congress strengthened the EPSDT program by requiring states to provide medically necessary treatment even if the treatment is an optional service that the state has chosen not to provide for the rest of the Medicaid population.

Who is eligible for EPSDT?

EPSDT services are available to all children under age 21 who are eligible for Medicaid. If a family receives adoption assistance under the federally funded title IV-E program, then the adopted child is automatically eligible for EPSDT services. Adopted children in families receiving state-funded adoption assistance are also eligible for EPSDT services if they receive Medicaid.

Who can provide EPSDT services?

A physician, nurse practitioner, pediatrician, or other type of health care provider who is certified by the state Medicaid program to be a Medicaid provider may provide EPSDT services. Certified health care providers can be located at local child care or Head Start programs, school-based health centers, state or local health departments, managed care organizations (MCO), physician offices, Indian Health Service Centers or Community Health Centers .

A child may need more than one provider to receive the full range of EPSDT services for which he or she is entitled. If more than one provider is needed to complete the full range of EPSDT services to a child, these services should be coordinated to ensure the child receives all the necessary services and to avoid duplication. However, most children who have a family health care provider will receive most of their EPSDT screening, diagnostic, and treatment services from the same provider.

When are services available?

Each state sets a timetable as to when screening services are available. Screening services are always available between regularly scheduled exams if there is reason to suspect an illness or condition.

Diagnostic services are covered whenever a screening examination indicates the need to conduct a more in-depth evaluation. The purpose of diagnosis is to determine the nature, cause, and extent of the problem found by the screening examination. This diagnosis may then result in development of a plan for treatment.

Treatment services are covered whenever they are medically necessary to correct or improve abnormalities, physical or mental illnesses, or other conditions discovered through an EPSDT screening.

¹The federal law for EPSDT can be found at: 42 C.F.R. §441.50, and §441.55-441.60

Required State Activities

- Seek out eligible children and families to:
 - encourage their participation in Medicaid/EPSDT
 - inform them of the availability and benefits of preventive services,
 - provide assistance with scheduling appointments and transportation, and
 - help families use health resources effectively and efficiently;
- Assist families in finding EPSDT providers;
- Assure that providers assess health needs through initial and regular periodic examinations; and
- Assure that detected health problems are diagnosed and treated early before those problems become more complex and their treatment more costly.

Three ways states may limit services:

By law, states may limit services in three ways.

- 1) States can cover only medically necessary services. While each state ultimately decides what services will be covered as medically necessary, this decision cannot ignore the assessment of the treating physician. The decisions must be made on a case-by-case basis.
- 2) States may establish limits on EPSDT services (e.g., a limit of 10 physical therapy visits) but states may not deny necessary health care. The application of such a limit must be determined on a case-by-case basis.
- 3) States may limit EPSDT treatment settings or providers to the most cost-effective means possible.

Regardless of the limitations states impose, they must cover certain services including immunizations, hearing aids, eyeglasses, relief of pain and infections, restoration of teeth and maintenance of dental health (including medically necessary orthodontic care).

Determining what is medically necessary

For a service to be covered, it must be deemed ‘medically necessary.’ Each state determines what is ‘medically necessary.’ Determinations are to be made on a case-by-case basis and must include the judgments of the treating physician.

A state’s determination of what is ‘medically necessary’ under EPSDT must include an individual determination of whether it promotes the child’s overall growth and development, prevents disability, or permits a child to achieve or maintain maximum functional status. Treatment may not be delayed until a child’s condition reaches a certain level of severity. This method provides

consistent care for a child’s treatment needs and allows states flexibility in determining cost-effective settings for treatment.

EPSDT and Managed Care

States have the authority to enter into contractual agreements with managed care entities to carry out Medicaid services. Services not contracted to private entities remain the direct responsibility of the state Medicaid agency.

States and managed care plans often must coordinate and contract with providers outside of the managed care plans’ provider networks to ensure that EPSDT services are provided. States may ‘carve out’ (not include) an EPSDT covered service within a managed care plan. When a service is carved out, managed care plans are not obligated to provide the service. EPSDT beneficiaries may then go to any other Medicaid provider to receive the carved out service.

When a state Medicaid agency enters a contract with a Medicaid provider, the state agency is still responsible for ensuring that federal regulations for EPSDT services are followed.

EPSDT: Bridging the Gap in Medicaid Coverage from State to State

When a family with a child receiving adoption assistance moves from one state to another, the family may find that services that were provided in their previous state of residence for their child are not covered under Medicaid in their new state. Although all states have Medicaid programs, the services offered in individual states vary greatly.

For example, if a child receiving speech therapy through Medicaid in State A (the adoption assistance state) moves to State B where speech therapy is not a covered service under Medicaid, the family could request this service through EPSDT. State B can accept State A’s determination that speech therapy is ‘medically necessary’ or can require that the child be screened in State B. If State B determines that speech therapy is medically necessary for the child, State B can provide the service to the child through EPSDT.

EPSDT can provide children consistency in receiving health care services when moving from state to state. It provides a mechanism for children to receive any medically necessary service allowed under Medicaid, even if that service is not included in a particular state’s Medicaid plan. EPSDT is a valuable service for families with Medicaid-eligible children who move to a new state.

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