



Commonwealth of Massachusetts
Executive Office of Health and Human Services
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MassHealth
Municipally Based Health Services
Bulletin 13
April 2008

TO: Municipally Based Health Service Providers Participating in MassHealth
FROM: Tom Dehner, Medicaid Director *TD*
RE: Changes in Department of Education Placement Categories

Background

This bulletin provides instruction on the service codes and modifiers that municipal-based health-service providers participating in MassHealth should use with updated special-education placement categories recently issued by the U.S. Department of Education (DOE) for children aged three to five years, including the rates payable for these codes.

Changes

The U.S. DOE changed the placement categories and their definitions for students aged three to five with disabilities for the 2006–2007 school year. The changes are effective for all school districts in the Commonwealth for the 2007-2008 school year. For your convenience, the table below lists the new placement categories, the service codes and modifiers for these categories, the code and modifier descriptions, and the corresponding rates.

New DOE Placement Categories for Ages Three to Five for the '07-'08 School Year	MassHealth Service Code and Modifier	Code Description	Modifier Description	Rate
In regular early-childhood program 40% to 79% of the time	T1018-U1	School-based individualized education program (IEP) services, bundled	Use for full or partial inclusion program	\$12.41/day
In regular early-childhood program less than 40% of the time	T1018-U2	School-based individualized education program (IEP) services, bundled	Use for substantially separate classroom	\$26.95/day
Substantially separate class	T1018-U2	School-based individualized education program (IEP) services, bundled	Use for substantially separate classroom	\$26.95/day

Changes (cont.)

New DOE Placement Categories for Ages Three to Five for the '07-'08 School Year	MassHealth Service Code and Modifier	Code Description	Modifier Description	Rate
Public separate day school	T1018-U3	School-based individualized education program (IEP) services, bundled	Use for day school	\$50.62/day
Private separate day school	T1018-U3	School-based individualized education program (IEP) services, bundled	Use for day school	\$50.62/day
Residential facility	T1018-U4	School-based individualized education program (IEP) services, bundled	Use for residential school, PL1 only or PL2, documenting cost-shared residential placement	\$52.67/day
In regular early-childhood program at least 80% of the time	T1018-U5	School-based individualized education program (IEP) services, bundled	Use for home-based or center-based early childhood program	\$120.79/week

Questions

If you have any questions about the information in this bulletin, please contact the University of Massachusetts Medical School at 1-508-856-7640, or e-mail your inquiry to **Schoolbasedclaiming@umassmed.edu**.
