

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS

BT2026158

SEPTEMBER 29, 2026

IHCP clarifies guidance for medically necessary, school-based specialized transportation services

The Indiana Health Coverage Programs (IHCP) is clarifying guidance on when Medicaid reimbursement is available for medically necessary, school-based specialized transportation services. These services must be rendered by personnel employed by, or contractors of, an IHCP-enrolled school corporation provider when the services are medically necessary and provided pursuant to an IHCP-enrolled student's Individualized Education Program (IEP) or other qualifying educational program or plan. School-based specialized transportation services are not covered when provided by a member of the student's family, unless that person is employed by, or a contractor of, the school corporation.



When billing for school-based specialized transportation services, **modifier TM must be** attached to the end of all transportation billing codes to identify the service as a medically necessary Medicaid service rendered pursuant to an approved education program or plan.

For more information on the IEP and other qualifying educational programs or plans and the use of the TM modifier, see the [School Corporation Services](#) provider reference module at in.gov/medicaid/providers.

Definition of school-based specialized transportation

Ordinary school transportation is not targeted at addressing the students' medical needs and is not covered by Medicaid. When at school, there is no further need for transportation. The fact that a provider was at the school and provided care to an IHCP-covered student does not create the need for Medicaid nonemergency medical transportation (NEMT).

School-based specialized transportation is defined as transportation to a medically necessary service (as outlined in the IEP or other qualifying educational program or plan of an enrolled Medicaid beneficiary) provided in a specially adapted vehicle that has been physically adjusted or designed to meet the needs of the individual student under the *Individuals with Disabilities Education Act* (IDEA) (for example, special harnesses, wheelchair lifts, ramps, specialized environmental controls, and so on) to accommodate students with disabilities in the school-based setting.

Note: The presence of only an aide (on a nonadapted bus/vehicle) or simple seat belts do not make a vehicle specially adapted.

Reimbursement for school-based specialized transportation

IHCP reimbursement is available for transporting students receiving services pursuant to IDEA to and from school using the following criteria:

- The student has a written IEP or other qualifying educational program or plan.
- Specialized transportation (and the specific adaptation) is noted in the IEP or other qualifying educational program or plan as a medically necessary service.
- The student is enrolled in the IHCP.
- The student receives an IHCP-covered school-based service on the day that transportation is claimed.
- The service billed represents only the costs associated with the trip on the specially adapted transportation for direct medical services as listed in the IEP or other qualifying educational program or plan (such as a one-way trip).

For example, if an IHCP-enrolled student requires specialized transportation in a vehicle adapted to serve the needs of the disabled, including a specially adapted school bus/vehicle, that specialized transportation may be billed to the IHCP if the need for that specialized transportation is identified in the IEP or other qualifying educational program or plan and the student receives a medically necessary, IHCP-covered school-based service in school on the day that specialized transportation is claimed.

Clarification of IEP and prior authorization requirement

The educational program or plan serves as the prior authorization (PA) for the school-based specialized transportation service; thus, no additional PA is necessary. In addition, if a student resides in an area that does not have regular school transportation (such as those areas in close proximity to a school) and has a medical need for specialized transportation that is noted in the IEP or other qualifying educational program or plan, that specialized transportation may also be billed to the IHCP if the criteria identified above are met. Specialized transportation from the school to a provider in the community also may be billed to the IHCP.

Allowable vehicle types and attendants

School-based transportation services shall be provided using a type of vehicle that is appropriate for the child's disability and which meets the specifications established in:

- *Indiana Administrative Code (IAC)* [575 IAC 1-1-1\(a\) through \(h\)](#)
- [575 IAC 1-5.5](#)

Additional payment is available for an attendant, subject to the limitations in [405 IAC 5-30-8\(1\) and \(2\)](#), provided the student's IEP or other qualifying educational program or plan includes the need for an attendant and all other IHCP requirements are met.

Exemption from certain regulatory requirements

School-based specialized transportation services provided in accordance with [405 IAC 5-30-11](#) must conform to the requirements set out in [Indiana Code IC 20-27](#). The only transportation guidelines and regulations from which school corporations are exempt are as follows:

- PA requirement – The student's IEP or other qualifying educational program or plan serves as the PA for school-based specialized transportation services; thus, no additional PA is required, regardless of the number of one-way trips.
- Copayment requirement – Pursuant to federal law, transportation copayments should not be collected by school corporations for members who receive school-based specialized transportation services.
- Member's signature on documentation – The member's signature is not a documentation requirement for school-based transportation services. However, school corporations are responsible for all other transportation documentation requirements identified in IHCP bulletins and the IHCP [Transportation Services](#) provider reference module at in.gov/medicaid/providers. This includes the member's IHCP Member ID, which may be documented on the trip log by office personnel.

Definition of a trip

The IHCP defines a trip as transporting a member from the initial point of pick-up to the drop-off point at the final destination. The member being transported must be present in the vehicle for IHCP reimbursement to be available. The school-based specialized transportation service must be the least expensive type of transportation that meets the medical needs of the member. Additionally, providers are expected to transport members along the shortest, most efficient route to and from a destination. Providers must bill all transportation services according to the level of care (LOC) rendered, not the vehicle type.

Transportation billing codes

It is anticipated that the most frequently billed school-based-related transportation codes will be those for common ambulatory services (CAS) (also referred to as commercial ambulatory services) and nonambulatory services (NAS). CAS may be provided to a member who is able to walk. Claims for ambulatory members transported in a vehicle equipped to transport nonambulatory members must be billed according to the CAS level of service and rate, and, thus, not billed according to the vehicle type. NAS are transportation services provided to nonambulatory members who must travel in wheelchairs to or from an IHCP-covered service.

Although the first 10 miles of a CAS or NAS trip are automatically deducted from each one-way trip, CAS and NAS providers must bill for all mileage, including the first 10 miles, to ensure proper reimbursement. For trips less than 10 miles, the provider is not required to bill mileage; however, if mileage is billed, the mileage processes as a denied line item. Providers must bill the IHCP for whole units only. Partial mileage units must be rounded to the nearest whole unit. For example, if the provider transports a member between 15.5 miles and 16.0 miles, the provider must bill 16 miles. If the provider transports the member between 15.0 and 15.4 miles, the provider must bill 15 miles.

For a complete list of transportation codes, including covered procedure codes for CAS and NAS, please refer to the *Transportation Services Codes*, accessible from the [Code Sets](#) webpage at in.gov/medicaid/providers.

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