Occupational Therapy

Office of Medicaid Services

2025–2026

SOUTH CAROLINA
DEPARTMENT OF EDUCATION

Purpose of Training

- To provide a better understanding of Medicaid policy requirements specific to Occupational Therapy (OT) services.
- This training does not replace Medicaid policy and therefore, district staff are responsible for reviewing the LEA Provider Manual in its entirety for a comprehensive overview of policy requirements and expectations.

Occupational Therapy Services

In accordance with 42 CFR §440.110 (b) (1), occupational therapy means services prescribed by a physician or other LPHA within the scope of his or her practice under state law and provided to a beneficiary by or under the direction of a qualified occupational therapist. It includes any necessary supplies and equipment.

Occupational Therapy (OT) Services (Cont.)

- Occupational therapy involves the use of purposeful activity interventions and adaptations to enhance functional performance.
- It is a channel to improve or restore functional abilities for maximum reduction of physical or mental disability and a route to restore person(s) to his/her best possible functional level.
- OT services are related to self-help skills, adaptive behavior, fine and gross motor skills, visual, sensory motor, postural and emotional development that have been limited by a physical injury, illness or other dysfunctional condition.

Qualified Staff

- An occupational therapist is a person licensed to practice occupational therapy by the South Carolina Board of Occupational Therapy. In accordance with 42 CFR §440.110(b)(2)(i)(ii), a qualified occupational therapist is:
    - (i) Certified by the National Board of Certification for Occupational Therapy; or
    - (ii) a graduate of a program in occupational therapy approved by the Committee on Allied Health Education and Accreditation of the American Medical Association and engaged in the supplemental clinical experience required before certification by the National Board of Certification for Occupational Therapy.

Qualified Staff (Cont.)

- An Occupational Therapy Assistant is an individual who is currently licensed as a certified occupational therapy assistant by the South Carolina Board of Occupational Therapy who works under the direction of a qualified occupational therapist pursuant to 42 CFR §440.110(b)(2)(i) or (ii).
- Occupational therapy assistants shall perform their duties in accordance with applicable licensure requirements only after examination and evaluation of the child and development of a treatment plan have been completed by a licensed occupational therapist.

Reimbursable Occupational Therapy Services

Medicaid reimburses for the following services when provided by or under the direction of qualified staff for which the beneficiary has been referred:

- occupational therapy evaluation,
- individual and group occupational therapy,
- *fabrication of orthotics, and
- *fabrication of thumb and finger splints.

*Note: Payment for these procedures includes both time and cost of the materials.

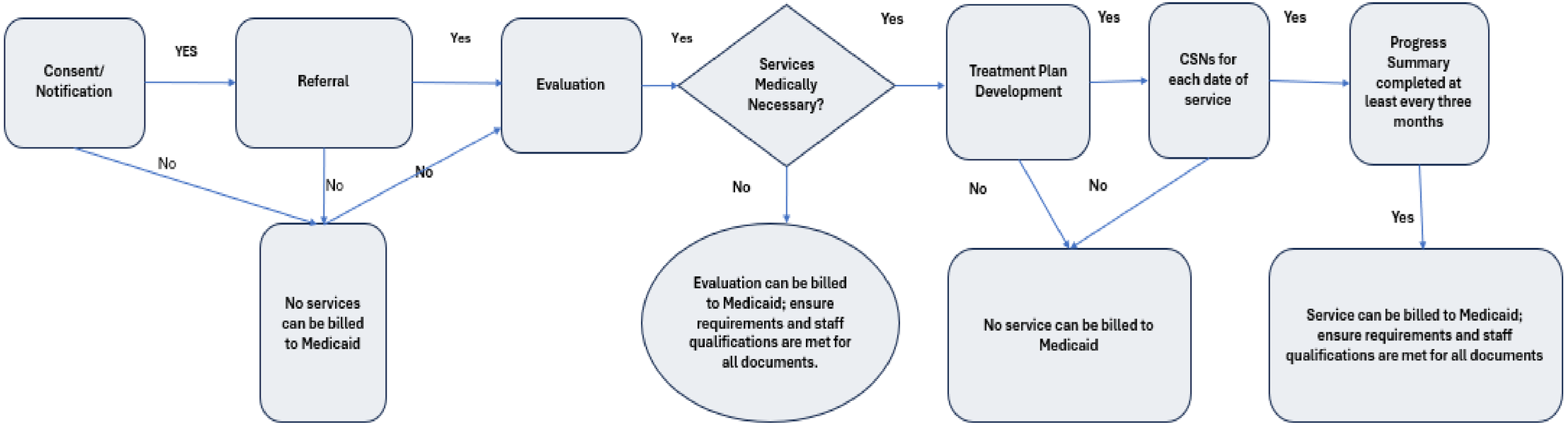
Individual or Group Occupational Therapy Services

- Individual or group occupational therapy involves the development and implementation of specialized occupational therapy programs that incorporate the use of appropriate interventions, occupational therapy equipment needs and adaptations of physical environments.
- Occupational therapy performed directly with one student should be documented and billed as individual occupational therapy.

Individual or Group Occupational Therapy Services (Cont.)

- Occupational therapy performed for two or more students should be documented and billed as group occupational therapy.
- A group may not consist of more than six students.
- Group therapy is not reimbursable when billing for services rendered via telehealth.

Occupational Therapy Sequence of Documentation



Consent

Consent is the act of providing express permission, in writing, for some particular action to take place. To comply with legal requirements and the guidelines established by the Health Insurance Portability and Accountability Act (HIPAA), the Individuals with Disabilities Education Act (IDEA), and the Family Educational Rights and Privacy Act (FERPA), the person providing written consent must be fully informed of all information, in his or her native language, relevant to the activity for which consent is sought and understand the activity for which consent is sought. For the purposes of Medicaid, consent refers to express permission to medically assess/evaluate, provide treatment, share information to a third-party, and bill Medicaid and/or third-party insurance providers for covered services within the guidelines established by the State Medicaid program, HIPAA, IDEA, and FERPA.

Consent (Cont.)

- A consent form must be signed by the parent/guardian on behalf of the child.
- The General Consent form can be found at the Office of Medicaid Services (OMS) webpage.

Release of Information

- A Release of Information form must be signed and dated by the student (if 18 or older), the student's parent or guardian and be present in the clinical record.
- A Release of Information form authorizes the release of any medical information necessary to process Medicaid claims.
- The release has been incorporated into the OMS' Medicaid General Consent form.

Occupational Therapy Referral

Referrals must be made by a licensed provider working within the scope of his or her licensure. The following licensed practitioners of the healing arts (LPHA) may refer for occupational therapy services:

- Licensed Physician,
- Medical Doctor (M.D.),
- Doctor of Osteopathy (D.O.),
- Advanced Practice Registered Nurse (APRN),
- Licensed Physician Assistant (P.A.),
- Licensed Occupational Therapist (O.T.), and
- Licensed Independent Social Worker – Clinical Practice (LISW-CP).

The health professional must be currently licensed in South Carolina and located within the South Carolina Medicaid Service Area (SCMSA).

Referral Requirements

The referral must be:

- present in the student's file and cover the year in review.
- signed, titled, and dated by a LPHA.
- completed by a LPHA other than the direct provider of service.
- dated prior to the evaluation or reevaluation.
- dated prior to the annual IEP/IFSP/ITP.
- dated prior to the first date of service rendered in the year in review.

Occupational Therapy Evaluation/Reevaluation

Evaluation

An occupational therapy evaluation is a comprehensive evaluation that should be conducted in accordance with the American Occupational Therapy Association and South Carolina Board of Occupational Therapy guidelines, the physician or other LPHA referral, the occupational therapist's professional judgement and the specific needs of the student.

The evaluation should include a review of available medical history records and an observation of the patient and interview, when possible.

The evaluation must include diagnostic testing and assessment and a written report with recommendations.

Reevaluation

Any evaluation performed subsequently to the initial evaluation and related to the disorder is considered a reevaluation.

A reevaluation must be completed after receiving an updated referral from another LPHA.

A reevaluation must be conducted annually (every 12 months) for each beneficiary; however, a reevaluation can be within a six-month time frame.

The reevaluation must include diagnostic testing and assessment and a written report with recommendations.

Evaluation and Reevaluation Requirements

The evaluation/reevaluation must:

- be present in the student's file and cover the year in review.
- include the name, title, date and signature of the Occupational Therapist.
- include diagnostic testing and assessment.
- include a written report that identifies the need for rehabilitative therapy services with recommendations.
- be dated prior to the IEP/IFSP/ITP.
- be dated prior to the first date of service rendered in the year in review.

Treatment Plan (IEP, IFSP, ITP)

- For Medicaid purposes, the Individualized Education Program (IEP), Individualized Family Service Plan (IFSP), and Individualized Treatment Plan (ITP), serve as a written document that mandates the provision of specific services to students with disabilities.
- The IEP, IFSP, and ITP detail the medical plan to administer medically necessary assessments, treatments, procedures, medications, and/or other covered services.
- The IEP, IFSP, and ITP should be reviewed and updated according to the level of progress. If a determination is made during treatment that additional services are required, these services should be added to the treatment plan.

Treatment Plan Requirements

The treatment plan must:

- be present in the student's file and cover the year in review.
- be signed, titled, and dated by the Occupational Therapist.
- be dated prior to the first date of service in the year in review.
- list Occupational Therapy services and specify problems to be addressed.
- have long term goals that address the physical and/or functional impairment, deficit, limitation or clinical condition.
- list short-term objective(s) (only applicable when the ITP is used as the treatment plan and for SC-ALT students).
- list the type of intervention(s) to be utilized.
- document the amount, type, frequency and duration of services to be provided.
- list the criteria for achievement.

Clinical Service Note (CSN)

CSNs must be documented in a narrative of each treatment session with the purpose of recording the nature of the student's treatment. CSNs must capture the Medicaid service provided as related to the treatment plan goals and summarize the student's response and participation in treatment.

CSN Requirements

Each CSN must:

- be present in the student's file and support all billed claims.
- be sufficient to support the number of units billed to Medicaid.
- be signed, titled, and dated by the provider of service.
- be cosigned (electronically or handwritten) by the SCLLR licensed supervisor (if applicable).
- reflect a Medicaid billable service that is identified in the student's treatment plan.
- include the date of service.
- be individualized and student specific.
- describe the activities that take place during the session.
- include the student's response to treatment/activities.
- document a Medicaid reimbursable activity related to the goals formulated on the treatment plan.

Progress Summary

- The progress summary is a written note outlining the student's progress that must be completed by the service provider at least every three months from the start date of treatment, or when medically necessary.
- The purpose of the progress summary is to record the longitudinal nature of the student's treatment.
- The progress summary must be written by the provider and be filed in the student's clinical record.
- The progress summary may be developed as a separate document or may appear as a clinical service note (CSN).
- If a progress summary is written as a CSN, the entry must be clearly labeled "progress summary".

Progress Summary Requirements

Progress Summaries must:

- be completed at least every three months from the start date of treatment.
- be signed, titled, and dated by the rendering provider.
- be cosigned (electronically or handwritten) by the SCLLR licensed supervisor (if applicable).
- describe the student's attendance at therapy sessions.
- document the student's progress toward treatment goals.
- establish the need for continued treatment.

Supervision

- Occupational Therapy Assistants shall perform their duties in accordance with the licensure requirements. These licensed individuals must adhere to any provisions as required by the South Carolina Department of Labor, Licensing and Regulation (SCLLR).
- CSNs must be cosigned by the supervisor (unless otherwise indicated for a specific Medicaid reimbursement service).
- The supervising therapist must review and cosign or initial each progress summary completed by the assistant.
- The supervisor must be physically present or accessible by phone/pager.

Services via Telehealth

- Please refer to the SCLLR regarding written telehealth consent requirements. SCLLR requires that some licensed professionals obtain a written consent form for telehealth services.
- If the SCLLR requires written consent to render telehealth services, then the consent must be obtained prior to delivering services. Standard consent forms for Medicaid services must continue to be signed.
- Only individual services are eligible for telehealth and must be billed as individual one-to-one services.
- To indicate that services were rendered via telehealth the district must include the (GT) modifier when billing.

Clinical Records and Maintenance

- LEAs are required to maintain a clinical record on each Medicaid-eligible student that includes documentation of all Medicaid-reimbursable services to justify Medicaid payment.
- Clinical records must be current, meet documentation requirements and provide a clear descriptive narrative of the services provided and progress toward treatment goals.
- Records are key documents for post payment review. In the absence of appropriately completed clinical records, previous payments may be recovered by SCDHHS.
- It is essential that an internal record review be conducted by each LEA to ensure that the services are medically necessary and appropriate both in quality and quantity, and that service delivery, documentation, and billing comply with Medicaid policy and procedure.

Clinical Records and Maintenance Requirements

Medicaid policy requirements for clinical records and maintenance are as follows:

- Each clinical entry must be written in ink or typed.
- Clinical records must be arranged logically.
- All clinical entries must be filed in the student's clinical record.
- A signature sheet must be available that identifies the staff's name, signature, and initials.
- An abbreviation and symbols key must be available.
- Each entry must stand on its own and not include arrows, ditto marks, same as above, etc.
- Errors must be corrected according to policy (i.e., draw one line through the error, enter the correction and add signature/initials and date next to the correction).

Electronic Signatures

The South Carolina Department of Health and Human Services (SCDHHS) Electronic Signature policy guidelines:

- SCDHHS will accept electronic signatures on Medicaid documentation when an electronic health record/system is being utilized.
- Please review the SCDHHS Provider Administrative and Billing Manual to review/identify the requirements and standards specific to electronic signatures.

Note: The electronic signatures must be clearly seen on all documents and must include the provider's name, title, and date.

Personnel Records

School districts are responsible for verifying the staff's credentials via the following authorities:

- South Carolina Department of Labor and Licensing Regulation (SCLLR) for copies of all licenses — license, exclusions, and terminations,
- South Carolina Department of Health and Human Services (SCDHHS) Office of Inspector General (OIG) website — exclusions and terminations,
- Federal Office of Inspector General (OIG) website — exclusions and terminations.

Note: Copies of the date stamped OIG credential checks completed during the review year and copies of all license checks must be kept in the credential file or student's record.

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