

DATE: May 11, 2026

PPL NO. 26-002

TO: Local Educational Agency (LEA) Coordinators for the Local Educational Agency Medi-Cal Billing Option Program (LEA BOP)

SUBJECT: **SPECIALIZED MEDICAL TRANSPORTATION REQUIREMENT UPDATE IN THE LEA BOP**

PURPOSE: This Policy and Procedure Letter (PPL) informs all LEA BOP providers of the updated specialized transportation requirement in LEA BOP.

REFERENCE: [Centers for Medicare and Medicaid Services \(CMS\) 2023 Delivering Services in School-Based Settings: A Comprehensive Guide to Medicaid Services and Administrative Claiming, Section VI \(G\)\(1\)](#) and [Local Educational Agency \(LEA\) Service: Transportation \(Medical\)](#).

BACKGROUND:

The *Local Educational Agency (LEA) Service: Transportation (Medical)* section of the LEA BOP Provider Manual outlines the requirements for billing specialized medical transportation. It states that specialized medical transportation must be 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), and requires all of the following conditions to be met on the day of service for the transportation service to be reimbursed:

1. The student must receive a medically necessary LEA BOP-covered service (other than transportation) on the day that specialized transportation is claimed.
2. The covered medical service (other than transportation) must meet all requirements to be a billable LEA BOP service.
3. Both the covered service and the transportation must be authorized in the student's Individualized Education Program (IEP) or Individualized Family Services Plan (IFSP).



In May 2023, CMS released *Delivering Services in School-Based Settings: A Comprehensive Guide to Medicaid Services and Administrative Claiming*. Among the new requirements outlined in the guide is a provision related to specialized medical transportation services. Specifically, the specific adaptation must be documented in the students' IEP/IFSP as a medically necessary service. School-Based specialized transportation is defined as transportation to a medically necessary service (as outlined in the IEP of a Medicaid-enrolled child) provided in a specially adapted vehicle that has been physically adjusted or designed to meet the needs of the individual student under IDEA (e.g., special harnesses, wheelchair lifts, ramps, specialized environmental controls, etc.) to accommodate students with disabilities in the school-based setting. Special physical adaptations could also include air conditioning and specialized suspension systems.

LEA BOP providers must meet all the conditions above, including the new requirement to document the medical need for the specific adaptation(s) in the students' IEP/IFSP to ensure compliance with federal requirements and to enable access to federal funding.

POLICY:

Effective July 1, 2026, to bill for specialized medical transportation services, the medical need for the specific adaptation(s) must be documented in the students' IEP/IFSP. LEAs must store and maintain supporting transportation documentation within their audit file.

LEAs will determine the best location to document the medical need for the specific adaptation(s) in the students' IEP/IFSP. Some suggestions may include, but are not limited to, the following:

- Special factor page
- Notes section

If you have any questions regarding this PPL, please contact the LEA BOP at LEA@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY

Charles Anders, Division Chief
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