

## EARLY AND PERIODIC SCREENING, DIAGNOSTIC, AND TREATMENT (EPSDT): A Brief History



### EARLY PERIODIC SCREENING, DIAGNOSIS, AND TREATMENT: A BRIEF HISTORY

Congress established the Medicaid program as Title XIX of the Social Security Act in 1965 to provide medical care to people living in poverty who had no other options for paying for health services (For more background about Medicaid, see Section 2). Medicaid is an important source of coverage for all children, especially children and youth with special health care needs (CYSHCN). As of 2021, approximately 45% of CYSHCN rely, in whole or part, on publicly funded health care coverage.<sup>1</sup>

In 1967, Medicaid was amended to include the Early Periodic Screening, Diagnosis, and Treatment (EPSDT) benefit because many military draftees and children enrolled in the Head Start program were being diagnosed with disabilities or chronic conditions that could have been prevented or identified earlier with regular health screenings (the Early and Periodic part of EPSDT).<sup>2</sup> EPSDT is the only entitlement benefit for child health services in the United States. The Omnibus Budget Reconciliation Act of 1989 (OBRA '89) expanded EPSDT to ensure that children and youth with mental and developmental disabilities in all states receive coverage of the services to which they are entitled under this benefit.”<sup>3</sup>

### WHAT IS EPSDT?

As discussed in Section 5, every Medicaid program must provide the EPSDT benefit to enrolled children and youth under age 21. This federally mandated benefit ensures that all children and youth under age 21 who are enrolled in Medicaid receive preventive screenings and comprehensive health services in the amount, scope, and duration they need to develop and thrive.



Every Medicaid program must provide the **Early and Periodic Screening, Diagnostic, and Treatment (EPSDT)** benefit to enrolled children under age 21. This federally mandated benefit ensures that all children younger than 21 years old who are enrolled in Medicaid receive preventive screenings and comprehensive health services in the amount, scope, and duration they need to develop and thrive.

1. Child and Adolescent Health Measurement Initiative. 2020-2021 National Survey of Children's Health (NSCH) data query. Data Resource Center for Child and Adolescent Health supported by the U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA), Maternal and Child Health Bureau (MCHB). Retrieved 1/31/22 from <https://www.childhealthdata.org/browse/survey/results?q=9314&r=1>

2. The Commonwealth Fund. (2005). EPSDT: An overview. Washington, DC: The Commonwealth Fund. [https://www.commonwealthfund.org/publications/other-publication/2005/sep/epsdt-overview?redirect\\_source=/publications/data-briefs/2005/sep/epsdt--an-overview](https://www.commonwealthfund.org/publications/other-publication/2005/sep/epsdt-overview?redirect_source=/publications/data-briefs/2005/sep/epsdt--an-overview)

3. Centers for Medicare & Medicaid Services. Mandatory & Optional Medicaid Benefits. Retrieved April 28, 2021, from <https://www.medicare.gov/medicaid/benefits/list-of-benefits/index.html>

EPSDT provides all medically necessary services, including services that are not otherwise provided under the state's overall Medicaid plan.<sup>4</sup> Notably, the law establishing EPSDT did not include a specific definition of medical necessity.<sup>5</sup> Rather, Section 1905 (r)(5) of the Social Security Act requires that the EPSDT benefit cover "Such other necessary health care, diagnostic services, treatment, and other measures described in section 1905(a) to correct or ameliorate defects and physical and mental illnesses and conditions discovered by the screening services, whether or not such services are covered under the state plan."<sup>6</sup>

In the absence of a federal definition of medical necessity, states can adopt their own definition as long as it is not more restrictive than the federal law. Consequently, definitions of medical necessity vary by state Medicaid program.<sup>7</sup> In general, medically necessary services are those that:

- Improve health or lessen the impact of a condition,
- Prevent a condition, or
- Cure or restore health.

Each state has a Medicaid state plan, which specifies the mandatory (required by federal law) and optional (services that the state has decided to cover beyond what is required by federal law) covered benefits.

When the Children's Health Insurance Program (CHIP) was created in 1997, it did not include the EPSDT benefit. However, states can choose to use their CHIP funding to expand Medicaid eligibility to children who qualify for CHIP. In states where children's access to Medicaid is expanded with CHIP funds, all children must receive EPSDT. Regardless of how a child or youth qualifies for Medicaid (e.g., income, disability), once

eligible, they are entitled to EPSDT and all medically necessary services are covered until they reach age 21.

Adults aged 21 and over do not receive EPSDT. For example, dental benefits are covered for children and youth under age 21 as part of EPSDT, but are an optional service for adults. Many states do not include adult dental benefits in their Medicaid state plans.

Because EPSDT requires state Medicaid programs to cover any service that is deemed medically necessary, each child or youth should receive the care they need, whether or not the services are ordinarily provided under the Medicaid state plan.<sup>8</sup> The comprehensive and individualized nature of EPSDT is particularly important for children and youth with special health care needs (CYSHCN), who by definition require more health care services than other children and youth their age due to their health conditions and need for specialized health care services.

### COVERED SERVICES

EPSDT requires that Medicaid-eligible children and youth receive regular, periodic screenings at age-appropriate intervals. States are required to cover certain mandatory benefits in their Medicaid state plan.<sup>9</sup> Medicaid must

- Provide physical, mental, developmental, dental, hearing, vision, and other tests to screen for and identify potential health problems;
- Perform follow-up diagnostic tests to rule out or confirm a health risk or diagnosis; and
- Treat, control, correct, or reduce the identified health problems.

The table on the next page provides examples of mandatory benefits that states must provide to all

4. Centers for Medicare & Medicaid Services. (2014). EPSDT—A Guide for States: Coverage in the Medicaid Benefit for Children and Adolescents. Retrieved May 12, 2021, from [https://www.medicaid.gov/sites/default/files/2019-12/epsdt\\_coverage\\_guide.pdf](https://www.medicaid.gov/sites/default/files/2019-12/epsdt_coverage_guide.pdf)

5. Perkins, J., & Youdelman, M. (2013). Q & A: Defining Medical Necessity. Retrieved May 12, 2021, from <https://healthlaw.org/resource/q-a-defining-medical-necessity/>

6. Social Security Act, §1905(a)(5). Retrieved May 12, 2021, from [https://www.ssa.gov/OP\\_Home/ssact/title19/1905.htm](https://www.ssa.gov/OP_Home/ssact/title19/1905.htm)

7. National Academy for State Health Policy. (2021). State Definitions of Medical Necessity under the Medicaid EPSDT Benefit. Retrieved January 3, 2023, from <https://nashp.org/state-definitions-of-medical-necessity-under-the-medicaid-epsdt-benefit/>

8. The Commonwealth Fund. (2005). EPSDT: An Overview. Retrieved May 12, 2021, from <https://www.commonwealthfund.org/publications/other-publication/2005/sep/epsdt-overview>

9. Centers for Medicare & Medicaid Services. Benefits. Retrieved May 12, 2021, from <https://www.medicaid.gov/medicaid/benefits/index.html>

enrollees and optional benefits that they can choose to provide to adults.<sup>10</sup> As noted above, if a service is deemed medically necessary for a child or youth, the state must provide it under the EPSDT benefit, even if it is not included in the Medicaid state plan.

## THE ELEMENTS OF EPSDT

<b>E</b> arly	Assess and identify problems as early as possible
<b>P</b> eriodic	Check children's health status at regular, periodic, age-appropriate intervals
<b>S</b> creening	Provide physical, mental, developmental, dental, hearing, vision, and other screening tests to detect potential problems
<b>D</b> agnosis (aka Diagnostic)	Perform diagnostic tests to follow up (rule out or confirm) when screening identifies a risk or potential problem
<b>T</b> reatment	Control, correct, or reduce health problems found

## EPSDT AND PARENT EDUCATION

In addition to covering a broad array of health care services, EPSDT requires Medicaid programs to provide parent education regarding the EPSDT benefit. Unlike in private insurance, under EPSDT, Medicaid not only has to cover services, but also has to tell parents about the EPSDT benefit and help them access services that are covered under it, such as:

- Transportation
- Assistance with scheduling appointments
- Other assistance in accessing covered services
- Assistance in securing uncovered services, particularly those offered by state Women, Infants, and Children (WIC) and Title V programs

Mandatory Medicaid Services	Optional Medicaid Services
EPSDT	Prescribed drugs
Physician services	Clinic services
Inpatient hospital services	Physical & occupational therapy and related services
Outpatient hospital services	Speech, hearing, and language services
Family planning services and supplies	Respiratory care
Nurse midwife and certified pediatric nurse practitioner services	Dental services
Laboratory and X-ray services	Prosthetic devices
Home health services	Private duty nursing services
Services at federally qualified health centers & rural health clinics	Services in an intermediate-care facility serving individuals and inpatient psychiatric services for individuals under age 21
Transportation	Case management

## EPSDT AND AUTISM SERVICES

Historically, there has been wide variation in how states provide Medicaid services to children and youth with autism. For example, some states did not cover applied behavioral analysis (ABA), stating it was not an evidence-based treatment. Other states did provide ABA, but only through a Home and Community-Based Services waiver program that limited the number of children and youth who could receive the service and often included other restrictions such as age and household income. In July 2014, the Centers for Medicare & Medicaid Services (CMS) issued a

10. Centers for Medicare & Medicaid Services. Benefits. Retrieved May 12, 2021, from <https://www.medicaid.gov/medicaid/benefits/index.html>

**Clarification of Medicaid Coverage of Services to Children with Autism.**<sup>11</sup> This document noted that ABA was one of several evidence-based treatments for improving the physical and mental development of children and youth with autism spectrum disorders and, as such, should be covered under EPSDT for those children and youth for whom it is deemed medically necessary.

### EPSDT AND YOUTH IN TRANSITION TO ADULT CARE

Children and youth enrolled in Medicaid are entitled to the EPSDT benefit until they reach age 21. However, states are required to provide Medicaid to eligible children and youth only until they reach age 19, unless

- They qualify for Medicaid because they have enrolled in the Supplemental Security Income (SSI) program upon reaching age 18, or
- The state has implemented the Affordable Care Act (ACA) Medicaid expansion for adults.

A separate provision of the ACA allows parents to continue to cover their young adult children on their private health plans until the children reach age 26.<sup>12</sup> Youth ages 19 and 20 who do not have the option to be covered under their parents' health plans may qualify for Medicaid if

- They live in a state that expanded Medicaid, and
- Their income is less than 138% of the federal poverty level (FPL).<sup>13</sup>

Some states, rather than expanding Medicaid, have approval from CMS to use Medicaid funds to enroll individuals in private health plans in the marketplaces (also known as exchanges) created by the ACA. As these plans do not provide EPSDT, 19- and 20-year-olds with marketplace coverage receive EPSDT through wraparound Medicaid coverage.<sup>14</sup>

### EPSDT AND YOUTH AGING OUT OF FOSTER CARE

The ACA includes a provision to extend Medicaid to young people who have aged out of the foster care system in their state of residence until they reach age 26, regardless of income. However, these young adults receive the EPSDT benefit only until they reach age 21.<sup>15</sup> Individuals aged 21 to 25 do not receive the EPSDT benefit. In addition, states are allowed, but not required, to extend Medicaid to young adults who have aged out of the foster care system in one state and then moved to another. According to the most recently published data, the following 13 states provide Medicaid coverage to former foster care youth until age 26, regardless of the state in which they were in foster care:

California	New Mexico
Georgia	New York
Kentucky	Pennsylvania
Louisiana	South Dakota
Massachusetts	Wisconsin
Michigan	Virginia
Montana	

11. Centers for Medicare & Medicaid Services. Clarification of Medicaid Coverage of Services to Children with Autism. Retrieved April 28, 2021, from <https://www.medicare.gov/Federal-Policy-Guidance/Downloads/CIB-07-07-14.pdf>

12. Centers for Medicare & Medicaid Services. Young Adults and the Affordable Care Act: Protecting Young Adults and Eliminating Burdens on Families and Businesses. Retrieved April 28, 2021, from [https://www.cms.gov/CCIIO/Resources/Files/adult\\_child\\_fact\\_sheet](https://www.cms.gov/CCIIO/Resources/Files/adult_child_fact_sheet)

13. The Affordable Care Act sets the income eligibility limit for the Medicaid expansion population at 133% of the federal poverty level (FPL), but then instructs states to disregard a standard 5% of income when calculating eligibility. Throughout this tutorial we use 138% of FPL to account for the 5% Modified Adjusted Gross Income (MAGI) disregard. Affordable Care Act §2001(a); Health Care and Education Reconciliation Act, Pub. L. No. 111-152 §1004(e). <https://www.govinfo.gov/app/details/PLAW-111publ152>

14. Schwartz, S. (2014). Where Does EPSDT Stand in Post-ACA Medicaid Expansion 1115 Waivers? Center for Children and Families, Georgetown University Health Policy Institute. Retrieved May 12, 2021, from <https://ccf.georgetown.edu/2014/01/30/where-does-epsdt-stand-in-post-aca-medicaid-expansion-1115-waivers/>

15. Emam, D., & Golden, O. (2014 April). The Affordable Care Act and Youth Aging Out of Foster Care: New Opportunities and Strategies for Action. State Policy Advocacy and Reform Center. Retrieved May 12, 2021, from <https://firstfocus.org/resources/report/affordable-care-act-youth-aging-out-foster-care>

### EPSDT AND MANAGED CARE

Managed care is one of the service delivery models discussed in Section 7 of this tutorial. As of July 2018, 39 states and the District of Columbia were contracting with managed care organizations (MCOs) to manage, provide, or arrange for care to be provided, and coordinate the care of Medicaid enrollees.<sup>16</sup> Children and youth enrolled in Medicaid managed care programs are entitled to the EPSDT benefit. EPSDT services may be provided directly by the MCO. The Medicaid program provides any supplemental services that are not included in the MCO contract.

### EPSDT AND TITLE V

Interagency coordination is a statutory requirement for both the Medicaid and Title V programs. The Title V–Medicaid interagency agreement is often known as the Memorandum of Understanding (MOU). Federal law establishing the EPSDT benefit requires that Medicaid reimburse Title V providers for services they deliver to enrollees, while the Social Security Act requires that Title V programs assist with the coordination of EPSDT.<sup>17</sup> Additionally, Title V programs are required to help identify Medicaid-eligible children.

Each state has a Medicaid interagency agreement/MOU, which outlines the way that their Title V and Medicaid programs will partner to provide medically necessary services under the EPSDT benefit to children and youth enrolled in Medicaid.<sup>18</sup>

States have flexibility with respect to the details of this relationship and can be creative in how they partner to ensure that all children and youth, and CYSHCN specifically, enrolled in Medicaid receive the EPSDT services they need to develop and thrive.

Some innovative ways that Title V and Medicaid programs can form partnerships under EPSDT include:

- Medicaid reimburses Title V for services, such as care coordination, that they provide to Medicaid-enrolled children.
- Quality assurance/improvement.
- In some states, Title V and Medicaid work to streamline their data systems so they can monitor children's insurance status, other needed resources and referrals, and health outcomes.
- While many Title V programs do not enroll children and youth in public benefit programs, others provide important outreach and enrollment activities to make families aware of Medicaid eligibility and may even screen children and youth for eligibility or refer them to Medicaid.
- Title V and Medicaid partner to create new billing codes to reimburse for nutritional supplements or streamline the prior approval process.
- Many Title V programs, such as home visiting, newborn screening, and early intervention programs, conduct parent education about the EPSDT benefit.

16. Kaiser Family Foundation, State Health Facts, Total Medicaid MCOs (July 2018). Retrieved May 12, 2021, from <http://www.kff.org/medicaid/state-indicator/total-medicaid-mcos/>

17. National Center for Education in Maternal and Child Health at Georgetown University. A Review of Title V and Title XIX Interagency Agreements. Chapter 2: Federal Legislation, Regulations, and Policy. Retrieved May 12, 2021, from [https://www.ncemch.org/IAA/resources/C\\_State\\_MCH\\_Medicaid\\_Chapter2.pdf](https://www.ncemch.org/IAA/resources/C_State_MCH_Medicaid_Chapter2.pdf)

18. Current State Title V–Medicaid Interagency Agreements/MOUs can be found at: <https://mchb.tvisdata.hrsa.gov/Home/IAAMOU>



## TEST YOUR KNOWLEDGE

1. **EPSDT is the child health benefit to all Medicaid enrollees under the age of**
  - a. 12
  - b. 19
  - c. 21
  - d. 26
2. **True or False: Children enrolled in Medicaid managed care do not receive EPSDT.**
3. **Name two ways Title V and Medicaid can partner to ensure access to EPSDT for CSHCN.**



## FIND OUT IN YOUR STATE

1. **Has your state established a definition for medical necessity that is *specific to children*?**
2. **Does your Title V program access EPSDT in providing services to Medicaid enrolled children who interact with Title V?**
3. **Does your state enroll CYSHCN in managed care?**

## ANSWER KEY

1. c 2. False 3. False 4. Reimbursement for services provided by Title V to Medicaid enrolled children; Data monitoring and sharing; Outreach and enrollment efforts; Care coordination; Consult about medical necessity determinations

*This document is part of Medicaid and CHIP: A Tutorial on Coverage for Children and Youth with Special Health Care Needs (CYSHCN). The document is available in its entirety at <https://ciswh.org/resources/Medicaid-CHIP-tutorial>*

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