

## *Transforming Rural Health Care Through Medicaid Innovation:*

# Using School-Based Services to Improve Access to Preventive Health Care for Children in Rural Areas

**What's the issue?** Children in rural communities often have less access to [preventive services](#) than their urban peers, due to fewer practicing pediatricians and long travel distances for care. Providing health care services in school settings, where children spend most of their time, is one way to increase sustainable access to health care services for children.

**The Medicaid connection.** In 2023, [40% of children](#) living in rural communities were enrolled in Medicaid and CHIP. Yet, children in rural areas have lower [well-child visit](#) rates than their urban peers. [Federal guidance](#) allows states to provide reimbursement for school-based services (SBS), covered services such as preventive care, physical and occupational therapy, disease management, and behavioral health services, delivered to Medicaid enrollees in school settings.

### TRANSFORMING RURAL HEALTH CARE THROUGH MEDICAID INNOVATION SERIES

This resource is part of a series exploring how states can leverage innovative Medicaid approaches to improve rural health care delivery and strengthen access, workforce capacity, and sustainability in rural communities. [LEARN MORE](#)

## How can states leverage SBS to support priorities of the federal Rural Health

**Transformation (RHT) Program?** States can use SBS to support the RHT Program's improving rural health and ensuring sustainable access priorities. Investments in SBS align with several RHT Program categories, including prevention and chronic disease, provider payments, appropriate care availability, and possibly behavioral health.

**Opportunities and examples.** Delivering health care through SBS, including school-based health centers (SBHCs), can expand children's access to preventive health care by building upon existing infrastructure and resources. Following are examples of ways states are leveraging SBS:

- **Investing in SBS infrastructure.** In [Minnesota](#), the Legislature established a state definition of SBHCs and created time-limited grant funding to support SBHC infrastructure. The state's Department of Health awarded six grants in 2024 to both new and emerging school-based clinics, as well as to established operating clinics.
- **Leveraging partnerships with Medicaid managed care.** In [New Mexico](#), the Department of Health partnered with its Medicaid managed care organizations (MCOs) to deliver preventive and behavioral health services in SBHCs. Through this collaboration, New Mexico created [SBHC standards and benchmarks](#), which offer guidance on clinical best practices, as well as Medicaid requirements for

participation, which are aligned with state and federal clinic standards. Additionally, New Mexico offers a [self-assessment](#) to help sites align with SBHC standards and benchmarks prior to implementation.

- **Strengthening access to care for adolescents.** The [North Carolina](#) Department of Health and Human Services developed the NC School Health Center Program, which funds 30 centers across the state to provide preventive health, medical, behavioral health, and nutrition services to students aged 10 to 19, regardless of insurance status. In FY2024, these centers reported over 53,000 student visits.

**Key considerations for implementation.** Expanding access to primary care through SBS offers significant opportunities to improve care and outcomes for children in rural communities. However, careful considerations around planning and coordination are critical to success:

- **Prioritize collaboration.** Delivering health care services in school settings requires dedicated time and coordination across a wide range of stakeholders including Medicaid agencies, departments of health and education, and local partners such as school districts, MCOs, and health care providers. These partnerships bring together diverse expertise that can generate innovative solutions to improve child health in rural communities.
- **Manage administrative complexity.** Accessing Medicaid reimbursement for SBS can be confusing and time intensive. States often have different requirements for Medicaid providers versus school-based providers, requiring some providers to navigate both processes. Billing and claims can also be particularly challenging in under-resourced areas. The Centers for Medicare & Medicaid Services (CMS) issued [updated guidance](#) in 2023 to help states streamline requirements and build capacity to make it easier for schools to deliver and receive payments for health care services for children.

**Potential impact.** Delivering health care in SBS has been shown to increase the use of [preventive services](#), promote [healthier behaviors](#) among students, support better management of [chronic diseases](#), and expand access to [high-quality care](#). Beyond improved health outcomes, [SBHCs are linked to improved](#) school performance and higher graduation rates.

**What's next?** States that integrate SBS into RHT Program strategies can work with sister agencies and local partners to understand how school-based care is currently implemented and review available data on impact. States can also explore opportunities to integrate other evidence-based health-related interventions into schools, such as expanding the use of community health workers to provide support services.

### Additional resources for more information:

- [CMS School-Based Services Resources](#) – Offers a readiness checklist, sample State Plan Amendments, time study implementation plans, and administrative claiming plans. (CMS)
- [Five Ways Medicaid Can Strengthen Pediatric Screening Through School-Based Health Care](#) – Highlights strategies states can use to bolster screening activities to identify and prevent chronic conditions. (Center for Health Care Strategies, July 2025)

- **Improving Access to Children’s Preventive Care: Medicaid Opportunities in School Settings** – Explores three considerations for states to improve access to care for Medicaid-eligible children through SBS. (*Center for Health Care Strategies, August 2025*)
- **Medicaid Policies that Work for SBHCs** – Highlights three key policies: defining SBHCs as a provider type, waiving prior authorization for SBHCs, and mandating Medicaid managed care reimbursement for SBHCs. (*School-Based Health Alliance*)
- **New FAQs from CMS on School-Based Health Services** – Provides an overview of CMS’ updated frequently asked questions on SBS including clarification around delivering Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) services through schools. (*Georgetown Center for Children and Families, July 2025*)
- **School Medicaid Expansion: How (and How Many) States Have Taken Action to Increase School Health Access and Funding** – Provides an analysis of states that have expanded school Medicaid programs to cover services outside of an Individual Education Plan. (*Healthy Schools Campaign, October 2023*)

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### ABOUT THE CENTER FOR HEALTH CARE STRATEGIES

The Center for Health Care Strategies (CHCS) is a policy design and implementation partner devoted to improving outcomes for people enrolled in Medicaid. CHCS supports partners across sectors and disciplines to make more effective, efficient, and equitable care possible for millions of people across the nation. For more information, visit [www.chcs.org](http://www.chcs.org).