



Episodic Care for Habilitative Therapy May Violate Federal Law

EPSDT: A Federal Requirement, Not a Recommendation

Under **EPSDT (Early and Periodic Screening, Diagnostic, and Treatment)**, all Medicaid-enrolled children under 21 are entitled to **any service necessary to “correct or ameliorate” a physical or mental condition**—*regardless of whether that service is covered for adults.*

EPSDT is a **federal mandate under Title XIX of the Social Security Act**. States—and the payors they contract with—are legally obligated to provide:

- **Habilitative services**, including speech-language therapy
 - **Ongoing, medically necessary treatment**, without arbitrary caps or timeframes
 - **Individualized care planning** determined by qualified clinicians
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Episodic Care Models Break This Law When Applied Broadly

When episodic care models are applied **as a default**—i.e., care is cut off or paused after a set number of sessions regardless of clinical need—**it violates EPSDT protections.**

This is not a gray area.

- Arbitrary breaks in therapy deny children the ongoing treatment they are **federally entitled to**
- Denials based on episodic scheduling rather than clinical judgment are **not compliant with federal Medicaid law**
- Limiting care in this way can expose insurers and managed care organizations to **legal liability, audits, and corrective action**

Legal Precedent & Enforcement

- **Federal courts** have ruled that treatment cannot be denied or delayed due to cost-saving models or non-clinical criteria
 - **CMS guidance** clearly states that EPSDT obligations supersede state limitations or payer policies
 - Families and advocacy groups are increasingly **filing complaints and triggering investigations** into these practices
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You Are On Notice

If your organization:

- Implements blanket episodic care policies for pediatric habilitative services, and
- Denies continued care based on an arbitrary timeline instead of medical necessity

You are at risk of **federal noncompliance** under EPSDT. CSHA strongly recommend immediate review and correction of internal policies to avoid legal and ethical repercussions.

What Organizations Must Do

1. **Stop applying episodic care as a default model** for pediatric speech therapy
2. **Honor individualized treatment plans** based on qualified provider recommendations
3. **Ensure continued services** when medically necessary, without mandatory “pause” periods
4. **Train utilization teams** on EPSDT requirements and clinical decision-making frameworks