**Section 226.770 Fiscal Provisions**

a) Requirements Related to the Provision of FAPE

1) A school district is responsible for developing students' IEPs and remains responsible for ensuring that children receive all the services described in their IEPs in a timely fashion, regardless of whether another agency will ultimately pay for the services.

2) A school district may look to non-educational entities such as insurance companies and the Medicaid program, to pay for services for which these entities are otherwise responsible. The district must have written consent from parents in order to use their private insurance.

3) Services required by an IEP must be provided at no cost to the child's parents, whether they have public or private insurance. Parents shall be notified that the use of their private insurance proceeds to pay for services is voluntary. In the case of a child who is dually insured (through private insurance and Medicaid), a family shall not be required to draw upon private insurance whose use is a prerequisite to billing Medicaid if that use of insurance will result in financial costs to the family.

4) "Financial costs to the family" include:

A) Out-of-pocket expenses incurred in filing a claim, such as the payment of a deductible or required co-payment, but not including incidental costs such as the time needed to file an insurance claim or the postage needed to mail the claim;

B) A decrease in available lifetime coverage or any other benefit under an insurance policy;

C) Payment by the family for services that would otherwise be covered by Medicaid and that are required for the child outside of the time the child is in school;

D) An increase in premiums or the discontinuation of a policy; and

E) A risk in terms of loss of eligibility for home- and community-based waivers, based on aggregate health-related expenditures.

b) The federal regulations implementing the Individuals with Disabilities Education Act (see 34 CFR 300) establish detailed requirements for the use of federal funds in connection with service to students who are eligible under this Part. School districts and cooperative entities are required to comply with those federal requirements.

c) School districts and cooperative entities shall use federal matching funds received under Medicaid or the All Kids program only to supplement special education programs and services.

d) Computation of Reimbursement Under Section 14-7.03 of the School Code

The amount of reimbursement for which a district shall be eligible under Section 14-7.03 of the School Code shall be computed by determining the actual cost of maintaining the program in accordance with the State Board's rules for Determining Special Education Per Capita Tuition Charge (23 Ill. Adm. Code 130). The total reimbursement for a child who is living in a residential care facility and who has been placed in a nonpublic special education program by the responsible district shall not exceed the amount authorized under Section 14-7.02 of the School Code.

e) Eligibility of Students for Funding Under Section 14-7.03 of the School Code

1) A student who meets the requirements of Section 14-1.11a(5) of the School Code is eligible for reimbursement under Section 14-7.03 of the School Code if that student:

A) is a resident of one of the residential care facilities described in Section 226.320;

B) would not be a resident of that school district except by virtue of placement in one of the residential care facilities described in Section 226.320(a); and

C) has been declared eligible for special education and related services pursuant to this Part.

2) A student who has been declared eligible for special education and related services pursuant to this Part and is living in a State residential unit or county-operated detention center is eligible for reimbursement under Section 14-7.03 of the School Code.

(Source: Amended at 47 Ill. Reg. 2244, effective February 6, 2023)