KNOCK, KNOCK, WHO'S THERE?

KNOCK, KNOCK!

WHO'S THERE?
THE OIG!

Sorry, no one is home!

By
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Office of Third Party Billing
Maryland approved billing for school-based services in 1989.

The Department of Health and Mental Hygiene (DHMH) works directly with the school districts in conjunction with the Maryland State Department of Education (MSDE).

Students must have an Individual Education Program (IEP), have Medical Assistance, and parental approval in order to bill for services.
Services Billable for the State of Maryland

- Service Coordination
- Related Services (Speech, Occupational Therapy, Physical Therapy, Psychology, Audiology, Nursing, Social Work, Counseling)
- Transportation
- Autism Waiver

*All are Fee For Service*

*Maryland does not bill for Administrative Claiming*

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Baltimore County, Maryland

[Map Image]

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Facts

- 26th largest school district in the Nation
- 170 schools
- 105 Elementary Schools
- 27 Middle Schools
- 24 High Schools
- 4 Special Education Schools
- 17,000 employees
- 105,317 students (unofficial student count as of 9/9/2011)
- 13,885 students receiving special education services
- 5,513 Medicaid eligible special education students

BCPS began billing Medicaid for services in 1993.
Cost of Medicaid Billing

What are the operational costs?

Baltimore County Public Schools Medicaid Billing Office Expenditures

<table>
<thead>
<tr>
<th>Year</th>
<th>Staff Costs</th>
<th>Training</th>
<th>Supplies</th>
<th>Equipment</th>
<th>Fixed Charges</th>
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<td>2010-11</td>
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Percentage of Related Services Submitted

Percentage of Service Coordination/Case Management Submitted
How Much Revenue is Generated?

Audits

The State of Maryland and Baltimore County Public Schools has been audited on many occasions.

- OIG Compliance Audit (2001)
- State Audits (annual since 2002)
- OIG Rate Audit (2005)
- PERM audits (2007, 2008)

Audits

What time, effort, and energy is required for an audit?

- Standard State Audit (60 students) – 100 hours of staff time - annually
- OIG Compliance Audit (15 students) – 225 hours of staff time
- OIG Rate Audit – 45 hours of staff time
- PERM Audit (10 students) – 6 hours of staff time
OIG AUDITS

OIG I – State of Maryland Service Audit (2001)

OIG II – State of Maryland Rate Audit (2005)

OIG I – The Onsite Visit

- Three auditors from the regional office in Philadelphia, Pennsylvania
- Reviewed records for 15 students
- Onsite for two weeks
- Visited one school to verify a provider’s note and confirm questionable services

OIG wanted to examine 80% of the dollars generated by Maryland school districts in the 1999-2000 school year. In Maryland, 80% of the funds are generated by 8 of the 24 school districts.
OIG I Findings of the State of Maryland

1. Conduct a review of Medicaid payment rates based on actual medical costs.
2. Review fiscal year service provider audits to identify and resolve Medicaid program FFS provider qualifications.
3. Develop and implement written policies and procedures requiring school-based service providers to document services delivered to Medicaid-eligible students.
4. Medicaid 5107.7.44b (local directors) was misapplied, funds for Medicaid services.
5. Review the state plan to eliminate all references to Medicaid services to ensure parity.

OIG I Response from the State of Maryland

OIG I Results for Local Education Agencies

The creation of the Interagency Medicaid Monitoring Team (2002)

News Articles

Additional scrutiny by federal, state, and local agencies
The Return of the OIG to Maryland (2005)
OIG II Audit

2005 Review of the Billing Rates
• OIG audited all 24 school districts
• Audit took over 8 months to complete
• OIG requested various financial reports from each school district
• OIG calculated rates for each school district based upon actual costs (excluding the cost of education)

OIG II Findings
• All 24 jurisdictions billed using rates higher than calculated by the OIG
• State of Maryland required to repay $33 million
• State of Maryland required to revise all billing rates

OIG II Settlement
The state of Maryland appealed the audit based on the grounds that the state was in the process of revising rates based upon the OIG I audit.

The OIG agreed with the state and waived the financial responsibility.
OIG Reports

Links to audit reports
2001 OIG Audit of the State of MD
2005 OIG Audit of the State of MD

OIG Audits

How do you fight OIG audit findings?
Work collaboratively with your state officials
Appeal to the Departmental Appeals Board
1 ½ year time frame, $65,000.00 legal fees
85 hours of staff time reviewing documents, locating documents, meeting
with/communicating with attorneys

State Intervention

The Introduction of the Interagency Medicaid Monitoring Team
Interagency Medicaid Monitoring Team (IMMT)

- Statewide review of all school-age programs, Infants and Toddlers programs, and non-public school programs.
- Number of students audited is based upon funds generated.
- Documentation of everything is paramount.

**AUDIT REQUIREMENTS**

1. Name of Medicaid Recipient
2. Name of Provider
3. Qualifications of Provider
4. Type and Description of Service
5. Maintenance of Records for 60 Years

The following records must be maintained:
- The IEP or IFSP
- Notes of the IEP/IFSP meeting if a child is found not to be eligible under IDEA
- Notes of the meeting with the multidisciplinary team and family
- The flowsheet within 15 days of the date
- Monthly Medicaid Report Form
- Certificate of Provider Qualification
Interagency Medicaid Monitoring Team Questions

- Was a direct service provided to the child?
- Was the child in attendance?
- Is the service in the Individualized Education Plan (IEP) / Individualized Family Service Plan (IFSP)?
- Was the service provided in excess of the IEP/IFSP?
- Was the service provider qualified?
- Was the service documented properly?
- Did the parent approve of the billing?
- Was the child transported to and from a covered service?
Developing a Framework for Records and Retention

Annual meetings with staff to ensure compliance and accuracy
Annual reviews of policies and procedures by office heads
Schools procuring annual parent approval for billing
Schools assisting in the eligibility determination process

Registration Form

Baltimore County Public Schools

[Image of Registration Form]
Case Management Activity Detail Log

How Much Documentation for Medicaid is Required?

Amount of time school-based staff spend on documentation

• Is the necessary documentation similar to what staff are currently required to do by the school district?
• Use of technology to reduce paperwork
• School based staff state that on an average, an additional 4 minutes per student, per service is needed to ensure appropriate documentation

Results of Audits

Turn to other funding sources to pay for federally mandated services:
Grants
Operating Budget
Redirected resources
Lessons Learned from the Medicaid Audit Experience

1. We are in the business of education. It is very important to be prepared to answer the question, “Why do we continue to do this?”
2. Be creative. There is a solution to every problem/issue.
3. If it isn’t written, it wasn’t done.
4. Fight, fight, fight. Leave no stone unturned.
5. Read EVERYTHING YOURSELF and ask questions!!

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QUESTIONS