

***Billing for Medicaid  
School Based Services  
on Your Own***

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# *Objectives:*

Participants will gain an understanding of:

- 1) the history of Medicaid billing in Minnesota that led to the development of a computerized billing solution,
- 2) the advantages of a web-based data collection system (vs. a fax-paper-to-billing vendor process;),
- 3) The time and cost-saving advantages of having local control over the data collection process,

# *Objectives:*

Participants will gain an understanding of:

- 4) how claims are submitted directly to state payers using HIPAA EDI 837 health care claims,
- 5) how districts electronically receive and process HIPAA EDI 835 health care claim payments (i.e., electronic RAs), and
- 6) the reporting and auditing advantages of electronic claims processing.

## *How It All Started . . .*

- In the mid-1990s, a few districts began billing public and private insurances to help cover the growing cost of special education.
- These districts lobbied the MN legislature for statutory changes to facilitate school billing.
- This caught the attention of legislators who were seeking revenue sources other than taxation to fund education.

## *How It All Started . . .*

Beginning July 1, 2000, districts shall seek reimbursement from insurers and similar third parties for the cost of services provided by the district whenever the services provided by the district are otherwise covered by the child's health coverage.

M.S. 125A.21

# *3<sup>rd</sup> Party Billing Task Force*

A Third-Party Billing Task Force was formed and charged with developing a billing system that:

- Complied with all insurance billing requirements,
- Was acceptable to all stakeholders,
- Could be implemented by all MN school districts,

# *3<sup>rd</sup> Party Billing Task Force*

And to . . .

- Develop the procedures, forms and other materials necessary to bill insurers,
- Develop training materials for schools to utilize in training their staff, and
- Provide the initial training to districts across the state.

# *3<sup>rd</sup> Party Billing Task Force*

The Task Force, by consensus, established the following additional goals:

- That school billing should have no impact on the child's nor family's current nor future medical coverage.
  - Copays
  - Service caps
  - Lifetime limits



# *3<sup>rd</sup> Party Billing Task Force*

The Task Force, by consensus, established the following additional goals:

- The school billing process should have no impact on the type nor amount of services a child receives.
  - Decisions about IEP services must continue to be made by IEP Teams.
  - Schools must not become responsible for non-educational medical services.

# *3<sup>rd</sup> Party Billing Task Force*

The Task Force, by consensus, established the following additional goals:

- To simplify the billing process as much as possible,
- To keep paperwork requirements to an absolute minimum, and
- To create a process that neither required nor prohibited the use of billing agencies.

# *Key Features*

- Health-related IEP services are “carved-out” of the traditional MA billing system
  - Services are billed directly to DHS
  - Have not impact the child’s medical coverage
- Copays and deductibles are waived.
- Parent consent is *not* required in order to bill MA (but don’t forget FERPA!)

# *Key Features*

- Each service provider has only one service code.
- Only one time unit is reported - daily contacts.
- Physician orders are required only:
  - once per school year
  - for PCA and specialized nursing services.

# *Key Features*

- For students covered by both public and private insurance, private insurance denial is required only once per school year.
- Although School Psychologists are classified as “Mental Health Practitioners” in MN:
  - Test administration may be billed to MA without supervision by a “Mental Health Professional.”

*An Example*

# Minnesota Department of Human Services

## IEP/IFSP Services Activity Log

<b>Student's Name</b> <u>Steve Student</u> <b>Date of Birth</b> <u>7/7/94</u> <b>School</b> <u>Downtown Middle</u>	<b>Type of Service Provided (Service Code) - Check one:</b> Physical Therapy (T1018-U1)      Occupational Therapy (T1018-U2) Speech-Language/Hearing Therapy(T1018-u3) Mental Health Services(T1018-U4) Nursing Services (TU-1018-U5) <input checked="" type="checkbox"/> Personal Care Assistant/Paraprofessional Services (T1018-U6) Oral Language Interpreter Services (T1013)
--	---

Date of Service			Time Spent (Face-to face services)	Number of Children in Group	Service Description  (Results, response, progress notes, checklist for PCA/paraprofessional services; description must relate to IEP/IFSP goals/objectives; supervisor's signature/notes, etc.)
M	D	Y			
10	1	05	21 min.		Toileting (10 min a.m., 11 min. p.m.)
10	1	05	32 min.		Positioning (32 times @ 1 min. each)
10	1	05	29 min.	2	Eating (6 min. a.m. snack, 23 min. lunch)

Service Provider's Signature/Title: \_\_\_\_\_

Typed/printed name: \_\_\_\_\_

# Minnesota Department of Human Services

## IEP/IFSP Services Trip Log

Student's Name <u>Steve Student</u>						Type of Service Provided (Service Code)					
Date of Birth <u>7/7/94</u>						Special Transportation (T1018-U8)					
School <u>Downtown Middle</u>											
Date of Service			Miles from pick-up (home) to drop-off (school)	Miles from pick-up (school) to drop-off (home)	Date of Service			Miles from pick-up (home) to drop-off (school)	Miles from pick-up (school) to drop-off (home)		
M	D	Y			M	D	Y				
4	4	06	6	6	4	5	06	6	6		
4	6	06	6	6							

Service Provider's Signature/Title: \_\_\_\_\_

Typed/printed name: \_\_\_\_\_



# *The Birth of MA Forms*

- A majority of MN school districts were already using SpEd Forms to complete special ed due process paperwork.
- Staff were comfortable using SpEd Forms.
- SpEd Forms already contained the billable IEP health-related services and student information necessary to bill MA.
- The first step was to computerize the MA billing forms.



# SpEd Forms

Select Another Student

Menu

Quit

Working with BillyBob Student

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Student Sharing

Edit Setup

Special Education	MA Forms	ESL	504 Plan	History
[2007-08 (Testing only)   2006-07]				
Referral Review and Assessment Determination				Review of Existing Data
Notice of An Educational Evaluation/Reevaluation Plan*				Evaluation Report* <i>with ER Forms!</i>
Notice of District's Proposed Action or Denial* & associated forms				Notice of a Team Meeting*
Service Plans				
IEP - Expanded (+ Transition Goals, Adaptations, Progress Report) <i>Active</i>				IFSP*
				Individual Interagency Intervention Plan (IIIP)*
Additional Forms				
Access Log				Communication Log
Notice of Procedural Safeguards Parental Rights for Special Education*				Authorization for Release of Information*



# SpEd Forms

Select Another Student | Menu | Quit

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Student Sharing | Edit Setup

Special Education	MA Forms	ESL	504 Plan	History
<input type="checkbox"/> MA Billing Setup				
<input type="checkbox"/> 1. Activity Logs			<input type="checkbox"/> 2. Trip Logs	
<input type="checkbox"/> <input type="checkbox"/> 3. MA Parental Consent			<input type="checkbox"/> <input type="checkbox"/> 4. Parent Information Sheet	
<input type="checkbox"/> <input type="checkbox"/> 5. MHCP Only Parent Notice			<input type="checkbox"/> 6. Revoke MHCP Release	
<input type="checkbox"/> <input type="checkbox"/> 7. Letter to Parent			<input type="checkbox"/> 8. Physician Statement of Need	
<input type="checkbox"/> 9. Third Party Liability			<input type="checkbox"/> 10. Annual Physician Release	
<input type="checkbox"/> 11. IEP/IFSP Services Record (face-to-face)			<input type="checkbox"/> 12. Letter to Physician	
<input type="checkbox"/> 13. Physical Therapy Referral				

[View the Online User Guide for MA Forms](#)



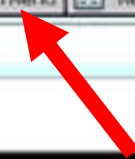
# MA Forms Student Billing Setup

abc Save Form Menu Menu

Jump to...

Saved to server 8:54:43 PM.

Fields in red must be completed before billing.



Student Information	Parent / Primary Policy Holder Information
MARSS Number: 12345678	Relationship: Father
MA Eligible: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	First Name: BubbaRae
Signature on File <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Last Name: Student
Consent to Release Private Data <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Gender: <input checked="" type="checkbox"/> M <input type="checkbox"/> F
Soc. Security #: 111-11-11	Date of Birth: 8 / 19 / 1972
MHCP Number: 12345678	Group Number: 123456789
Insurance: Medical Assistance	Primary ID: abcdefg
First Name: BillyBob	Insured ID: hijklmnop
Last Name: Student	Insurance Company: The Blues
Address: 1234 5th St.	Insurance Type: GP: Group Policy
City State Zip: Northfield   MN   55057	Claim File Indicator: BL: Blue Cross/Blue Shield
Date of Birth: 8 / 19 / 1994	Comments:
Gender: <input checked="" type="checkbox"/> M <input type="checkbox"/> F	
Serving District: Northfield Public Schools	
School: Longfellow School	
MA Setting: 03: School	





# SpEd Forms

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Working with BillyBob Student

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Student Sharing | Edit Setup

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<a href="#">EN</a> MA Billing Setup				
<a href="#">EN</a> 1. Activity Logs			<a href="#">EN</a> 2. Trip Logs	
<a href="#">EN</a> <a href="#">SP</a> 3. MA Parental Consent			<a href="#">EN</a> <a href="#">SP</a> 4. Parent Information Sheet	
<a href="#">EN</a> <a href="#">SP</a> 5. MHCP Only Parent Notice			<a href="#">EN</a> 6. Revoke MHCP Release	
<a href="#">EN</a> <a href="#">SP</a> 7. Letter to Parent			<a href="#">EN</a> 8. Physician Statement of Need	
<a href="#">FN</a> 9. Third Party Liability			<a href="#">FN</a> 10. Annual Physician Release	
<a href="#">EN</a> 11. IEP/IFSP Services Record (face-to-face)			<a href="#">EN</a> 12. Letter to Physician	
<a href="#">EN</a> 13. Physical Therapy Referral				

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# MN Department of Human Services MA Parental Consent

Jump to...

Your child's school is asking for your help to access more funding for our children with special needs. The district is required to ask you for this information. We hope you will give it your careful consideration. You are not required to fill out this form. If you do or do not fill out this form, the services of your child's Individualized Education Program (IEP) will not change in any way.

## Section 1: Complete this section if your child is eligible for special education and receives health related services.

Child's Last Name:	<input type="text" value="Student"/>	First Name:	<input type="text" value="BillyBob"/>	Middle Initial:	<input type="text" value="J"/>
Child's Home Address:	<input type="text" value="1234 5th St."/>		Birthdate:	<input type="text" value="8 / 19 / 1994"/>	
	<input type="text" value="Northfield"/>	<input type="text" value="MN"/>	<input type="text" value="55057"/>		
Parent Name (1):	<input type="text" value="Bubba and SallyJo Student"/>		Parent Name (2):	<input type="text"/>	
Parent Address (1):	<input type="text" value="1234 5th St."/>		Parent Address (2):	<input type="text"/>	
	<input type="text" value="Northfield"/>	<input type="text" value="MN"/>	<input type="text" value="55057"/>		
Parent Phone Number (1):	<input type="text" value="555-1111"/>	home	<input type="text"/>	work	<input type="text"/>
			Parent Phone Number (2):	home	work
				<input type="text"/>	<input type="text"/>

## Section 2: Complete this section if your child only has Medical Assistance (MA) or MinnesotaCare (MC).

### Medical Assistance/MinnesotaCare Release

District #0659 will bill MA or MC for health related services given to my child. To do this, the district will give required information for payment to the Minnesota Department of Human Services (DHS). This information includes my child's name, date of birth, MA/MC member number, dates covered services are given, and a code for the type of service. If DHS audits the payments made to the district for my child, the information released may also include my child's IEP, IEP health related services



# SpEd Forms

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Working with BillyBob Student

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Student Sharing | Edit Setup

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<a href="#">EN</a> MA Billing Setup				
<a href="#">EN</a> 1. Activity Logs			<a href="#">EN</a> 2. Trip Logs	
<a href="#">EN</a> <a href="#">SP</a> 3. MA Parental Consent			<a href="#">EN</a> <a href="#">SP</a> 4. Parent Information Sheet	
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<a href="#">EN</a> <a href="#">SP</a> 7. Letter to Parent			<a href="#">EN</a> 8. Physician Statement of Need	
<a href="#">FN</a> 9. Third Party Liability			<a href="#">FN</a> 10. Annual Physician Release	
<a href="#">EN</a> 11. IEP/IFSP Services Record (face-to-face)			<a href="#">EN</a> 12. Letter to Physician	
<a href="#">EN</a> 13. Physical Therapy Referral				

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La escuela de su hijo(a) está pidiendo su ayuda para obtener más fondos para nuestros niños con necesidades especiales. El distrito debe pedirle a usted la siguiente información. Esperamos que lo considere detenidamente. Usted no está obligado a llenar este formulario. Si decide no llenarlo, los servicios del IEP de su hijo(a) no cambiarán de ninguna manera.

**Sección 1: Llene esta sección si su hijo(a) es elegible para educación especial y recibe servicios relacionados con la salud.**

Apellido del Niño(a):	Student	Nombre:	BillyBob	Inicial del 2º Nombre:	J
Fecha de Nacimiento:	8 / 19 / 1995				
Dirección del Niño(a):	1234 5th St.				
Ciudad:	Northfield	Estado:	MN	Código Postal:	55057
Nombre del Padre y/o Madre:	Bubba and SallyJo Student				
Dirección del Padre y/o Madre:	1234 5th St.				
Ciudad:	Northfield	Estado:	MN	Código Postal:	55057
Teléfono del Padre y/o Madre:	555-1111				

**Sección 2: Llene esta sección si su hijo está cubierto por MA o MinnesotaCare.**

A. Mi hijo está cubierto por Medical Assistance (MA) o MinnesotaCare y no está cubierto por ningún otro seguro.

Autorizo al Distrito Escolar #0659 a compartir expedientes de educación con el médico de mi hijo(a) y con el Departamento de Servicios Humanos de Minnesota. El distrito sólo puede compartir los expedientes de educación necesarios para obtener pago por los servicios relacionados con la salud del IEP. Entre los expedientes que pueden ser compartidos están: Programas de Educación Individualizada (IEP's), documentación de los servicios relacionados





# SpEd Forms

Select Another Student | Menu | Quit

Working with BillyBob Student

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Student Sharing | Edit Setup

Special Education	MA Forms	ESL	504 Plan	History
<input type="checkbox"/> EN MA Billing Setup				
<input type="checkbox"/> EN 1. Activity Logs			<input type="checkbox"/> EN 2. Trip Logs	
<input type="checkbox"/> EN <input type="checkbox"/> SP 3. MA Parental Consent			<input type="checkbox"/> EN <input type="checkbox"/> SP 4. Parent Information Sheet	
<input type="checkbox"/> EN <input type="checkbox"/> SP 5. MHCP Only Parent Notice			<input type="checkbox"/> EN 6. Revoke MHCP Release	
<input type="checkbox"/> EN <input type="checkbox"/> SP 7. Letter to Parent			<input type="checkbox"/> EN 8. Physician Statement of Need	
<input type="checkbox"/> FN 9. Third Party Liability			<input type="checkbox"/> FN 10. Annual Physician Release	
<input type="checkbox"/> EN 11. IEP/IFSP Services Record (face-to-face)			<input type="checkbox"/> EN 12. Letter to Physician	
<input type="checkbox"/> EN 13. Physical Therapy Referral				

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Finalize

**Billing Information**

MARSS ID: 12345678

MHCP ID: 12345678

Address: 1234 5th St., Northfield MN 55057

Student's Name:

BillyBob Student

Date of Birth:

8 / 19 / 1994

Log Date:

8 / 18 / 2007

Serving District:

Northfield Public Schools

School:

Longfellow School

Type of Service Provided:

Speech Therapy

Date of Service	Time Spent Providing Service	Number of Children in Group	<b>Services Description</b> (Results/Response/Progress notes relating to IEP/IFSP, checklist for PCA/paraprofessional services; other service provided (oral language interpreter services); goals/objectives if appropriate; supervisor's signature/notes, etc.)
8 / 18 / 2007 Face-to-Face <input type="checkbox"/> Not billable	20 minutes	1	--- Type in a description or select from these preset options --- Worked on increasing use of grammatical sentences containing "is." BillyBob was able to imitate 50% of 4-5 word sentences while looking at book. Continue to work on stated objectives with read-along sent home for practice.  Duplicate for (number of days) <input type="checkbox"/> Duplicate Delete

8/2002

Add activity

Signature:

Service Provider

Supervisor (If Applicable)

Name:

Title:

# *The Next Step . . .*

- Districts were already using MA Forms to collect billing details
- Districts asked if it would be possible to directly bill from MA Forms:
  - make the process more efficient by reducing paperwork shuffling and double-entry;
  - eliminate the fees billing agencies charged to process claims; and
  - maximize school control over the process.

# *Research*

- Contacted MN DHS to learn how they preferred to receive claims.
- DHS was in the process of moving from a modem based system to a system based on the standards set forth by HIPAA:  
<http://www.hhs.gov/ocr/hipaa/>
- Our subsequent research led us to the “Transactions and Codes Set Standards” required by HIPAA.

# *HIPAA - “Transactions and Codes Set Standards”*

- Establishes national standards used to exchange health care information.
- Consolidated dozens of transmission methods used by states and health care organizations to exchange data.
- Made transfer of health care information easier because they promote data security, programming excellence and consistency.

# *Useful Transactions Standards*

- ASC (Accredited Standards Committee) X12  
Tech lingo for an ANSI (American National Standards Committee) EDI (Electronic Data Interchange) standard.
- ASC X12N 270/271  
Checks the eligibility of students.
- ASC X12N 837  
Submits claims to the payer (DHS).
- ASC X12N 835  
Details remittances.

# An X-12 Transaction

```
ISA*03*QKQMA07      *00*                *ZZ*NNNNNNNNNN
*ZZ*610442
*070823*0906*U*00401*000000025*1*T*:^GS*HS*NNNNNNNNNN
*610442*20070823*0906*25*X*004010X092A1^ST*270*0001^BHT
*0022*13*0001*20070823*0906^HL*1**20*1^NM1*PR*2*MEDI-
CAL*****46*610442^HL*2*1*21*1^NM1*1P*1*****SV*PROV0002
9^REF*4A*2450117^HL*3*2*22*0^TRN*1*1111111111*900000000
0^NM1*IL*1**^REF*EJ*1111111111^DMG*D8*19500201^DTP*102*
D8*20050401^DTP*472*D8*20050407^EQ*30^HL*4*2*22*0^TRN*1
*4444444444*9000000000^NM1*IL*1**^REF*EJ*4444444444^DMG
*D8*19500201^DTP*102*D8*20050401^DTP*472*D8*20050407^EQ
*30^HL*5*2*22*0^TRN*1*2222222222*9000000000^NM1*IL*1**^
REF*EJ*2222222222^DMG*D8*19500201^DTP*102*D8*20050401^D
TP*472*D8*20050407^EQ*30^HL*6*2*22*0^TRN*1*3333333333*9
000000000^NM1*IL*1**^REF*EJ*3333333333^DMG*D8*19500201^
DTP*102*D8*20050401^DTP*472*D8*20050407^EQ*30^SE*40*000
1^GE*1*25^IEA*1*000000025^
```

# *270/271*

- The standard used to check eligibility.
- Requires basic student information attached to the state DHS ID.
- Returns dates the students are eligible.



# 837

- The standard used to transmit claims.
- Each eligible line on an Activity Log is a claim in an 837.
- Includes all information needed by the payer to process the claim.

# 835

- The standard used to receive remittance advices (payment and/or denial information).
- Includes the amount paid, check number, denial codes, etc.
- Allows payment information to be collected and attached to the original service entered by the service provider.
- Makes reporting how much was paid, for what services and when easy.

# *Simplified Billing*

Once the billing coordinator identifies eligible students :

1. Service providers enter eligible services provided to the student onto activity logs,
2. The billing coordinator reviews these services electronically (no double entry!),
3. Services are flagged for inclusion on the next 837 claims file sent to the payer.

# *Advantages of DIY*

- Control over your own data:
  - flexible reporting,
  - local data analysis.
- Reduced transaction costs.
- Local understanding of the process can:
  - prevent ‘accidental’ over-billing and subsequent paybacks,
  - maximize revenue: you know your staff, students and data best.



## MA Forms Annual Rates Reporting

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service) for the IEP service listed.

- 5) Certification: enter the date, and printed name and signature of the special education director or administrator who certifies the information provided is true and accurate.

A	B	C	D	E
Covered IEP Service	Service Provider/s	EDRS Personnel Type Code(s)	Total MA Service Hours	Total MA Encounters
Physical Therapy	Physical Therapists, Physical Therapy Assistants	04	330.57	655
Occupational Therapy	Occupational Therapists, Occupational Therapy Assistants	05	87.25	176
Speech/Language/ Hearing Therapy	Speech Language Pathologists, Audiologists	07, 14	1359.65	3815
Nursing Services	Licensed Nurses	06, 44	445.78	1776
Mental Health Services	Psychologists, Social Workers, Mental Health Behavior Aides	11, 13, 49, 50	14.5	7
Personal Care Assistant/ Paraprofessional Services	Program paraprofessionals	43	27853.78	7272

This information is true and accurate to the best of my knowledge.

Date:

Print:

Signature:

Special Education Director / Administrator

Special Education Director / Administrator



## MA Forms Total Amount Paid Report

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District ID	District Name	Amount Paid
6302	Adelaide	29,641.05
3455	Brisbane	10,052.96
0970	Droome	0,110.77
0922	Cairns	24,159.63
2289	Camooweal	13,224.64
1990	Darwin	345,032.97
3477	Hobart	10,360.50
3692	Katherine	106,466.06
3114	Melbourne	28,061.19
6095	Mooloolaha	14,391.37
1239	Perth	22,043.84
2229	Sydney	91,405.62
Total Amount Paid:		702,950.60

SQL statement in use:

```
SELECT SUM(paid) AS total_paid, districts.district_id, districts.name FROM ma_log_lines  
JOIN ma_logs ON ma_log_lines.log_id=ma_logs.log_id JOIN ma_student ON  
ma_log_lines.student_id=ma_student.student_id JOIN districts ON  
ma_logs.districtserving_id=districts.district_id GROUP BY districts.district_id,  
districts.name HAVING SUM(paid)>0;
```

# *What We Learned*

- Direct billing can be accomplished by creating a computer program consistent with HIPAA requirements.
- Technical assistance provided by billing agencies can be replaced by local support groups and supportive state agencies.
- Every district that initiated direct billing saved time *and* money.

# *If You Wish To Begin Billing On Your Own*

- Identify a district billing coordinator.
- Meet with Billing Coordinators from neighboring districts who also direct bill.
- Develop a working relationship with third-party payers.
- Utilize a computerized program to submit 'batch' claims.



