



Best Practices in Preparing for an Audit

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NAME Conference
Minneapolis, Minnesota

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Introduction

- Minneapolis and St. Paul Public Schools were audited in 2007 for the 2003-04 school year.
- We have experienced both state and federal audits of our Third Party Reimbursement Programs.
- Our purpose today is to share our insights and suggestions regarding audits as they may pertain to your district.



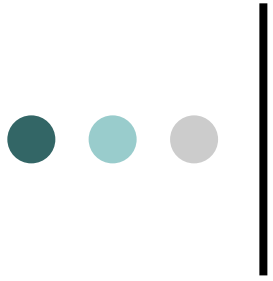
Introduction

- We received email notification that we were part of a Center's for Medicare and Medicaid Service (CMS) audit scheduled in March, 2007.
- While this was not something that we were eager to experience, we planned for this as part of our development of our Third Party Programs.



Introduction

- We decided to work together to use this audit experience as an opportunity to highlight our Third Party Reimbursement Program.
- We knew we could survive this audit!!
- This process began when we set up our Third Party Reimbursement Program.



Pre-Audit



Development Considerations

- The LEA's Third Party Reimbursement program should be designed to have the integrity to meet the criteria of an audit.
- The program should be cost effective and efficient.
- The program should allow the district to generate revenue based on covered reimbursable services.



Development Considerations

- Our districts followed the Minnesota State mandate requiring us to seek reimbursement for IEP Health Related Services.
- We studied and followed Minnesota's DHS IEP Technical Assistance Guide.



What type of infrastructure did we need to be successful?

- The amount of documentation for a large district is overwhelming.
- This led us to determine that a vendor was needed for a web-based software system to assist us in this process.
- Audit requirements are the same with or without a vendor.



What type of infrastructure did we need to be successful?

- A system was needed that could retrieve records within 24 hours.
- A vendor able to store, maintain and manage large volumes of information for historical records was needed.



Infrastructure

- We needed a system that offered consistency for documentation district wide.
- We needed a system that staff could easily learn and use.
- We needed a system that had a strong security system.
 - Electronic signature
 - Password protection
 - Overwrite protection



Infrastructure

- Additionally, we needed secure storage for additional documents required for Third Party such as...
 - Parental consents
 - Medical Orders



Infrastructure

- The districts needed access to technology and support to complete documentation.
 - Computers
 - Palm Pilots
 - Help Desk
 - Training manuals
 - Training



Infrastructure

- We needed district administrative support and directives to develop and carry out the program.
- We needed designated staff and space
 - Coordinator/Manager
 - Clerical
 - Technical Support
 - Internal Billing Support Team



Infrastructure

- Internal quality assurance audits are strongly recommended.



Audit Notification





Audit Process

- Take a deep breath!!



Audit Process

- The district's Special Education Director was notified that there would be a CMS review.
- We were notified by a funding specialist and a financial analyst of the upcoming review by email and telephone.



Audit Process

- We were given a reasonable time frame to respond and schedule the audit.
- They faxed the district a list of students by first and last name, Medicaid number and month and year of requested service information.
 - We asked for student birth dates to verify the correct student requested.



Audit Process

- Information requested included:
 - School attended by student during the month listed (enrollment data).
 - Documentation of services billed to Medicaid for each student for the month listed.
 - Student's IEP file.
 - School attendance records during the month listed.
- Space with phone and computer access.



Audit Process

- A contact person was identified to communicate with the auditors.
- The contact person notified the following regarding the CMS review:
 - Our vendor
 - District Administration
 - Legal Department
 - Third Party Reimbursement support and billing staff including IT
 - Operations



Audit Process

- We scheduled a meeting with our vendor and their legal staff to discuss the coordination of gathering the requested information in preparation for the audit.



Audit Process

○ **Recommendations:**

- Establish a system for sharing the information requested
- Obtain written requests from the auditors for any additional information
- Provide requested information



Audit Process

- Components for Data Sharing System
 - Duplicate files, one for the district and one for the auditors were prepared prior to the auditors arrival
 - Developed a form for each student, listing the data that was requested and released to the auditors
 - Auditors signed the form for each student prior to the release of documents



Audit Process

- An initial meeting was held with district staff and the auditors to discuss what the auditors needed and to review Minnesota rules and regulations with them the first day of the audit.
- The files including requested information were provided to the auditors.



Audit Process

- The contact person remained available during the audit and provided additional requested information and answered questions as they came up.
- The vendor was also available on site to assist during the entire audit.



Audit Process

- We prepared our files to include additional information that we felt might be requested such as:
 - Staff licenses
 - Student evaluations

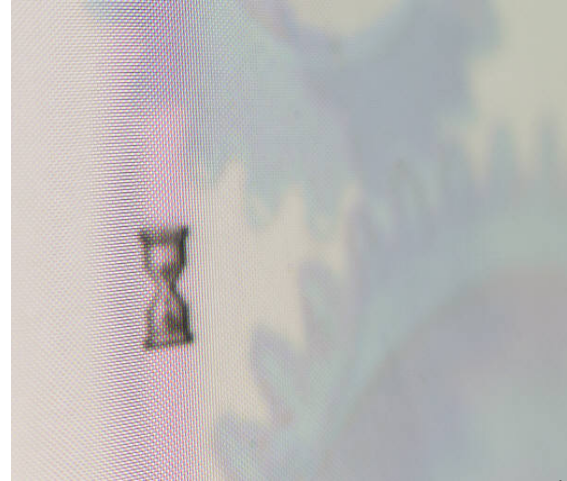


Audit Process

- An exit interview was held with the auditors and district to discuss findings.
- The auditors requested additional information at the exit interview that was collected and provided.
- Our contacts are available should they need to contact us with any further requests.

● ● ● | Post Audit

Waiting.....



Waiting

Waiting

