

Module 4:
Audit and Review
of LEA Claims

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Training Objectives

Participants will:

- Understand Federal role and types of audits
- Understand Audits & Investigations' (A&I) role and types of State audits
- Understand documentation requirements to support LEA claims
- Understand where to locate additional information to answer future questions

Module 4: Audit and Review of LEA Claims

Section 1: Federal Audits

Module 4: Audit and Review of LEA Claims

Federal Audits - Overview

- Conducted by the Office of the Inspector General (OIG)
 - OIG is responsible for audits, investigations and inspections of the programs run by the Federal Department of Health and Human Services (HHS)
 - CMS is an agency within HHS, and is responsible for administering the Medicare and Medicaid programs
- OIG focus in recent years on school-based services

Module 4: Audit and Review of LEA Claims

Federal Audits - Documentation Guidelines

- CMS Technical Assistance Guide:
 - *“A school, as a provider, must keep organized and confidential records that detail client specific information regarding all specific services provided for each individual recipient of services and retain those records for review.”*

CMS Guide available on the LEA Program website at:

www.dhcs.ca.gov/provgovpart/Pages/FederalLawsandRegulations.aspx

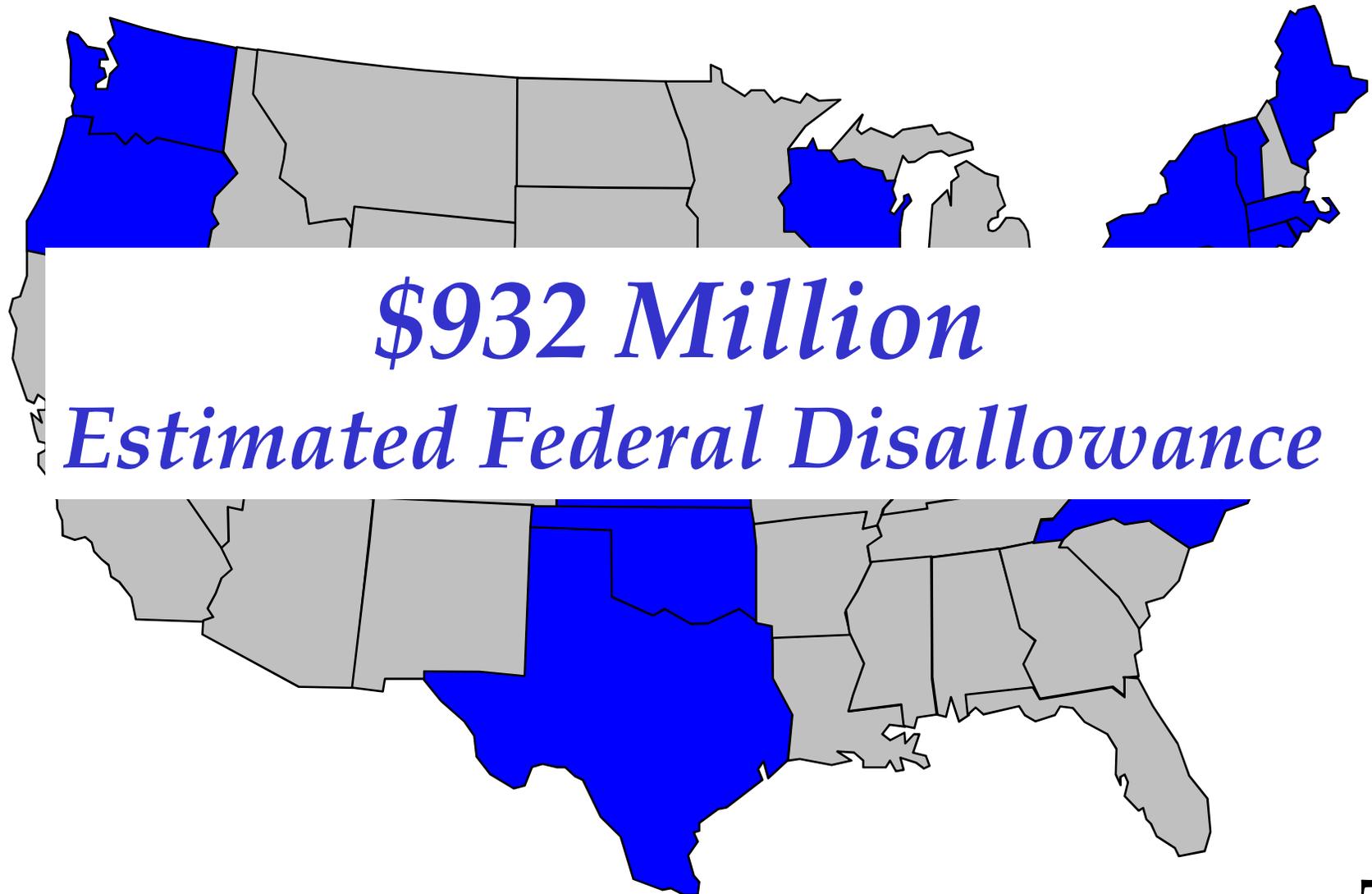
Module 4: Audit and Review of LEA Claims

Federal Audits - Documentation Guidelines (*con't*)

- Schools must prepare an IEP for each child, which specifies all special education and related services needed by the child
(*IDEA, Part B*)
- The school should ensure that the child's IEP is being carried out as written
(*US Department of Education Guide to the IEP*)

Module 4: Audit and Review of LEA Claims

Federal Audits - States Investigated by OIG



Module 4: Audit and Review of LEA Claims

Federal Audits - OIG Investigation Findings

- Unqualified Personnel
- Insufficient Documentation
- Improper Billing of IEP Services
- Improper Billing of Free Care Services
- Unauthorized Services
- Inadequate Reimbursement Methodology
- Non-Compliance with State/Federal Requirements

State Audits

Audits and Investigations (A&I) Department of Health Care Services

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Learning Objectives - To Understand:

- WHO? • Who is A&I?
- WHY? • Why does A&I Review LEA's?
- Why So Much A&I Focus on LEA's Lately?
- Why are LEA's Held to a "Medical Model?"



Learning Objectives - To Understand:

WHAT?

- What are the Legal and Regulatory Requirements for LEA Billing and Documentation?
- What Are Auditors Looking For?



Learning Objectives - To Understand:

WHAT?

- What Are Some Examples of Improper Billing?
- What Should be found in Student Records?
- What are the Consequences of Improper Billing or Insufficient Documentation?



Learning Objectives - To Understand:

- HOW? How Does A&I Decide Which Claims to Audit?

How Can LEA's Be More Confident of Passing Audits?



WHO Is A&I?

The Three Branches of A&I

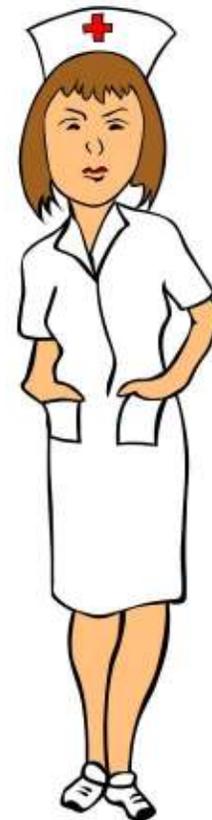
- **Medical Review Branch (MRB)**
Reviews medical records and medical facilities
Doctors, nurses, auditors, statisticians
- **Financial Audits Branch (FAB)**
Audits financial records, cost reports, etc.
Auditors, CPA's, accountants, statisticians
- **Investigations Branch (IB)**
Investigates allegations of fraud and abuse
Law enforcement officers and investigators



WHO Is A&I?

Main Functions of A&I's Medical Review Branch

- Doctors, nurses, pharmacists, and auditors Review Medical Records and Medical Facilities to assure that services are:
 - ✓ Documented as claimed
 - ✓ Referred, prescribed, supervised, and performed as required by laws and regulations (This usually serves to document medical necessity.)
 - ✓ Performed by qualified practitioners
 - ✓ Performed up to community standards of care



WHY Does A&I Have to Review LEA's?

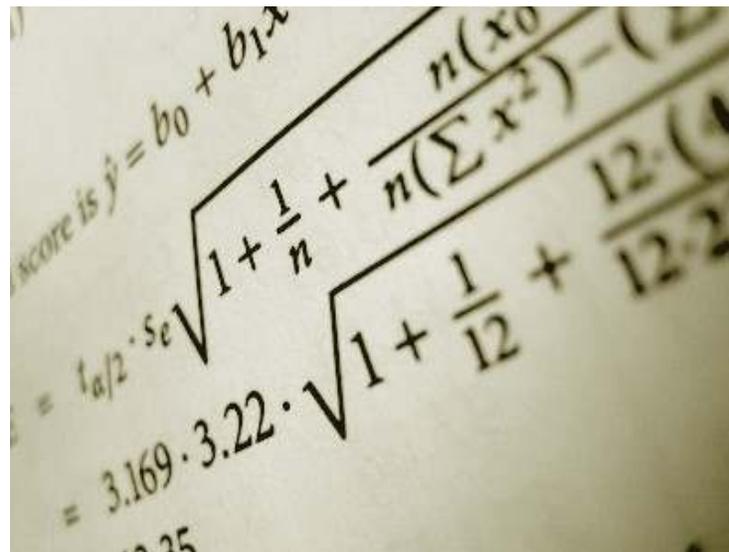


- A&I has the responsibility to audit all Medi-Cal provider types to be sure that federal and state money is spent appropriately.
- LEA's are Medi-Cal Providers.
- Electronic Claims are paid with no supporting documentation.
- Most providers are trustworthy and honorable, a few are not.



Why Has There Been So Much Recent Focus on LEA's?

- In 2004, Medi-Cal began to conduct the Annual Medi-Cal Payment Error Study (MPES);
- A high percentage of errors were found among LEA Providers.
- In 2006, LEA's were identified as an area of high risk in the Medi-Cal program.



score is $\hat{y} = b_0 + b_1x$

$= t_{\alpha/2} \cdot s_e \sqrt{1 + \frac{1}{n} + \frac{n(x_0 - \bar{x})^2}{n(\sum x^2) - (\sum x)^2}}$

$= 3.169 \cdot 3.22 \cdot \sqrt{1 + \frac{1}{12} + \frac{12 \cdot (x_0 - \bar{x})^2}{12 \cdot \sum x^2 - (\sum x)^2}}$

Why So Much Recent Focus on LEA's?, (continued)

- **State Controller's Office (SCO) Review**
 - Based on the 2006 MPES results, A&I requested the SCO to conduct a review of the LEA Program.
 - SCO findings were similar to those of A&I's Medi-Cal Payment Error Study of 2006.
 - The Complete MPES 2006 report can be found at:
http://www.dhcs.ca.gov/formsandpubs/publications/Documents/ANI_MPES_2006_Report.pdf

Why So Much Focus On LEA's...What Problems Were Found in LEA Billing and Documentation?

1. No Service performed at all on date of service claimed
2. Service not included in IEP, yet TM modifier used to bill
3. No examination by a medical practitioner
4. Audiology thresholds not recorded

Problems Found in LEA Billing and Documentation? (continued)

5. Services provided free to all other students were billed to Medi-Cal (i.e., “Free Care Rule”)
6. Services performed by unqualified practitioner
7. Services not supported by prior authorization (prescription/ referral/ recommendation or standard protocols)

Problems Found in LEA Billing and Documentation? (continued)

8. Inadequate information on the IEP (52% of claims)
 - Dates of service not covered in the IEP
 - Signatures missing
 - No assessment to document the treatment goals
 - Medical service claimed was not included in IEP
 - Frequency and Duration of Treatment not in IEP

Problems Found in LEA Billing and Documentation? (continued)

9. No treatment authorization/written referral (61% of claims)
10. Physician-based standards for speech therapy were too broad and general to establish medical necessity
11. Lack of documentation supporting nature and extent of services (55% of claims)

Problems Found in LEA Billing and Documentation? (continued)

12. Licensed or certified staff rendering the service not identified (22% of claims)
13. Medical Necessity not established
14. Inadequate documentation of transportation services

The Complete MPES 2006 report can be found at:

http://www.dhcs.ca.gov/formsandpubs/publications/Documents/ANI_MPES_2006_Report.pdf

Why Are Schools Held to a “Medical Model?”

This is a Frequently Asked Question:

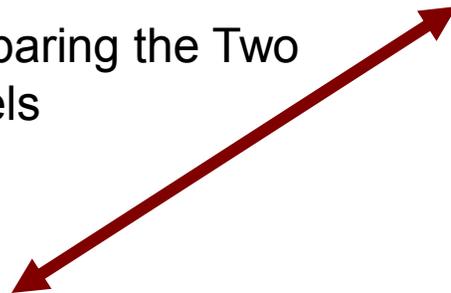
“We are a school. Why are we being held to a Medical Model by auditors?”



What is the “Medical Model?”



Comparing the Two Models



Medical Model

- Services authorized by persons with medical licenses
- Services meet medical needs (i.e., treating a diagnosis)

Educational Model

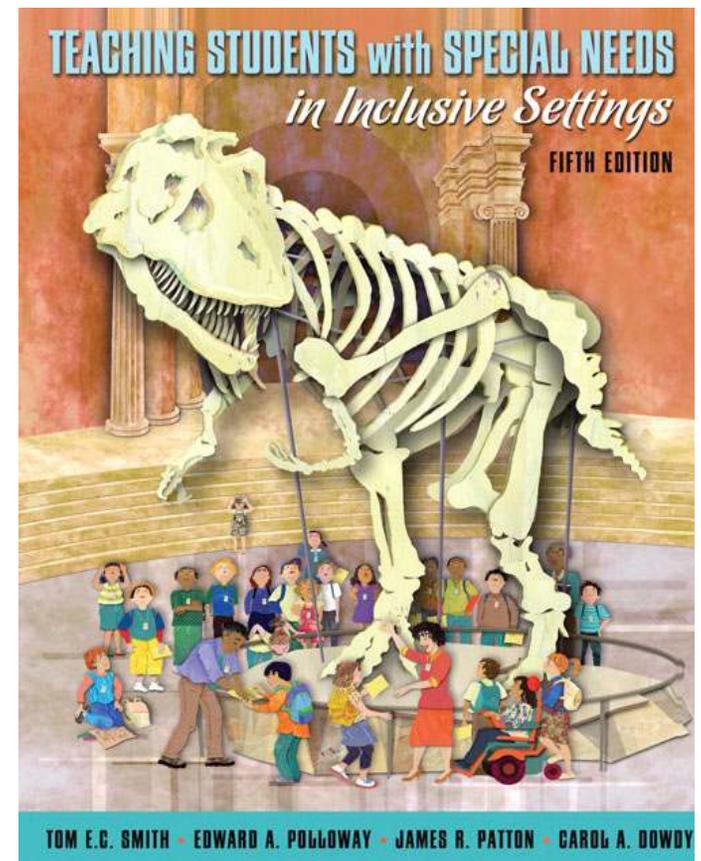
- Services authorized by persons with credentials
- Services meet educational needs of student



Why Are Schools Held to a “Medical Model?” (continued)

The purpose of the LEA Program is to:

- Provide comprehensive health services to eligible Medi-Cal students and, when applicable, to their families.
- Allow Local Education Agencies to become Medi-Cal providers and bill the Medi-Cal program for the health services provided by the medical professionals they employ.
- Facilitate reinvestment in health and social services for students and their families



What Laws and Regulations Apply to LEA's for the Medi-Cal Billing Option?

(b) As a condition for participation, LEA Providers shall comply with the following requirements:

(4) LEA Providers shall adhere to and comply with all federal and state third party liability requirements prior to billing Medi-Cal, including but not limited to policy directives issued by the federal Department of Health and Human Services and Health Care Financing Administration and those standards found in 42 United State Code Section 1396a(a)(25); 42 Code of Federal Regulations Section 433.139; Welfare and Institutions Code, Sections 14005, 14023.7, 14124.90; and Title 22, California Code of Regulations, section 51005 and Article 15 commencing with Section 50761.

What Laws and Regulations Apply to LEA's for the Medi-Cal Billing Option?

(c) LEA Providers shall maintain records as necessary to fully disclose the type and extent of services provided to a Medi-Cal beneficiary.

(d) LEA Providers shall maintain records showing that all LEA Practitioners, which it employs or with which it contracts, meet and shall continue to meet all appropriate licensing and certification requirements.

What Laws and Regulations Apply to LEA's for the Medi-Cal Billing Option? (continued)

(e) LEA Providers shall review each publication of the "suspended and ineligible list" of Medi-Cal providers periodically published and distributed by the Department. LEA Providers may not bill for services rendered by any practitioners found on this list during the suspended or ineligible period.

(f) LEA Providers shall adhere to and comply with all federal Health and Human Services and Health Care Financing Administration requirements with respect to billing for services provided by other health care professionals under contract with the LEA.

(g) The LEA Provider shall ensure that its practitioners provide only those services which are within their appropriate scope of practice.

What Laws and Regulations Apply to LEA's for the Medi-Cal Billing Option?

- LEA's should carefully review the record keeping guidelines in California regulations [22CCR 51476]
- Additional record keeping requirements of the Medi-Cal program are found in the *Provider Regulations (prov reg)* section, Part 1 of the Medi-Cal Provider Manual
- Additional Billing and Service Requirements are Found in the LEA Sections of the Medi-Cal Provider Manual

What Laws and Regulations Apply to LEA's for the Medi-Cal Billing Option?

In other words, LEA's Must Comply with the Same Laws and Regulations as Other Health Care Providers.

The Medi-Cal Provider Manual has multiple sections that apply specifically to LEA's:

- (LEA) (loc ed)
- (LEA) A Provider's Guide (loc ed a prov)
- (LEA) Billing and Reimbursement Overview (loc ed bil)
- (LEA) Billing Codes and Reimbursement Rates
(loc ed bil cd)
- (LEA) Billing Examples (loc ed bil ex)
- (LEA) Eligible Students (loc ed elig)
- (LEA) Individualized Plans Overview (loc ed indiv)
- (LEA) Rendering Practitioner Qualifications (loc ed rend)
- (LEA) Service: Hearing (loc ed serv hear)



What Laws and Regulations Apply to LEA's for the Medi-Cal Billing Option?

Medi-Cal Provider Manual sections that apply specifically to LEA's, Continued:

- (LEA) Service: Nursing (loc ed serv nurs)
- (LEA) Service: Occupational Therapy
(loc ed serv occu)
- (LEA) Service: Physical Therapy
(loc ed serv phy)
- (LEA) Service: Physician Billable Procedures
(loc ed serv physician)
- (LEA) Service: Psychology/Counseling
(loc ed serv psych)
- (LEA) Service: Speech Therapy (loc ed serv spe)
- (LEA) Service: Targeted Case Management (loc ed serv targ)
- (LEA) Service: Transportation (Medical) (loc ed serv trans)
- (LEA) Service: Vision Assessments (loc ed serv vis)



What Laws and Regulations Apply to LEA Medi-Cal Providers? (continued)

What does Medi-Cal Cover?

- (a) Health care services. . . which are reasonable and necessary to protect life, to prevent significant illness or significant disability, or to alleviate severe pain through the diagnosis or treatment of disease, illness or injury are covered by the Medi-Cal program, subject to utilization controls . . .

*California Code of Regulations:
Title 22, §51303, General Provisions*

This is another way of saying that Services must be “Medically Necessary.”

What Laws and Regulations Apply to LEA Medi-Cal Providers? (continued)

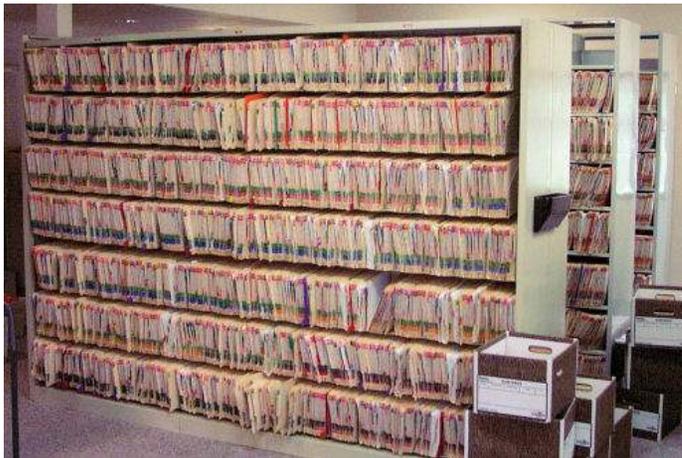
- **Keeping and Availability of Records:**

Each provider shall keep, maintain, and have readily retrievable, such records as are necessary to fully disclose the type and extent of services provided to a Medi-Cal beneficiary. [22CCR 51476(a)]

=====
		Note: LEAs are responsible for ensuring proper billing,		
		and maintaining adequate supporting		
		documentation. A&I audits providers, not billing		
		vendors. LEA's need to keep records of instructions		
		to billers (i.e. superbills). Billing by percentage is		
		illegal.		
=====

What Laws and Regulations Apply to LEA Medi-Cal Providers? (continued)

- Medi-Cal Providers must maintain all records and supporting documents of billed services for a minimum of three years,* (more if under review or audit) [22CCR 51476]
- Services must be documented at or near the time of service, prior to claim submission



Paper or
Electronic
Records



* Three year period is based on date of service

What Laws and Regulations Apply to LEA Medi-Cal Providers? (continued)

Warning: The Biller Cannot be Paid based on a Percentage of Claims **42 CFR Sec. 447.10**

(f) Business agents. Payment may be made to a business agent, such as a billing service or an accounting firm, that furnishes statements and receives payments in the name of the provider, if the agent's compensation for this service is—

- (1) Related to the cost of processing the billing;
- (2) **Not related on a percentage or other basis to the amount that is billed or collected; and**
- (3) Not dependent upon the collection of the payment.

What Laws and Regulations Apply to LEA Medi-Cal Providers? (continued)

- **WARNING: Biller Cannot Be Paid based on a Percentage of Claims**
- **22CCR 51502.1 (a)(1)**
"Biller" includes any employee, officer, agent or director of the entity which will bill on behalf of a provider pursuant to a contractual relationship with the provider which **does not include payment to billers on the basis of a percentage** of amount billed or collected from Medi-Cal.
- (d) A biller shall be determined to be ineligible for electronic claim submission if The biller has:...(4) **Entered an agreement for compensation with any provider based upon percentage or other variable related to the amount billed or collected from the Medi-Cal, ...** in violation of state or federal law.
- (e) The agreement between a provider and a biller shall be in **writing...must in no case contain an agreement for compensation of the biller based on a formula which has as a factor the percentage of the amount billed or collected...**

What Are Auditors Looking For?

1. Is the service billable? (i.e. should it have been free?)
2. Is the service medically necessary?
3. Is the actual rendering provider appropriately certified/licensed?
4. Is the rendering provider appropriately supervised?



What Are Auditors Looking For?

5. Is the required prescription/referral in the file?
6. Is the nature and extent of the service documented?
7. Is the service documented at the level claimed?
8. Is the service performed according to an IEP/IFSP?
9. Does the service meet minimum standards of quality?



What Are Auditors Looking For?



Auditors like to See:

- Documents that could stand alone if found on the floor. (Of course it's not written that way in the law, but think about it...)
- Examples: Name of LEA, name of student, date, name and title of rendering provider, etc.

What Are Auditors Looking For: Documentation For Encounters

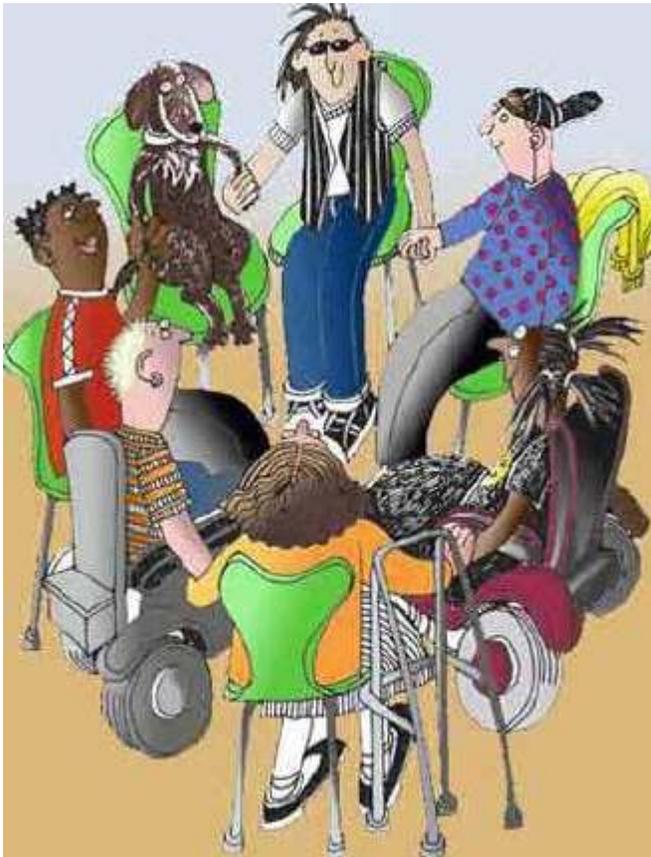
Documentation for each service encounter must contain the following basic information:

- Date of Service
- Full name of Student with Medi-Cal ID/Birth Date, etc.
- Name of School/District
- Units of Service (Minutes, Miles, etc.)
- Place of Service
- Name and Title of Rendering Practitioner (i.e. the person actually providing the service)
- Signature of Rendering Provider



What Are Auditors Looking For: Documentation For Encounters

- An extremely important element was missing from the last slide. What is it???



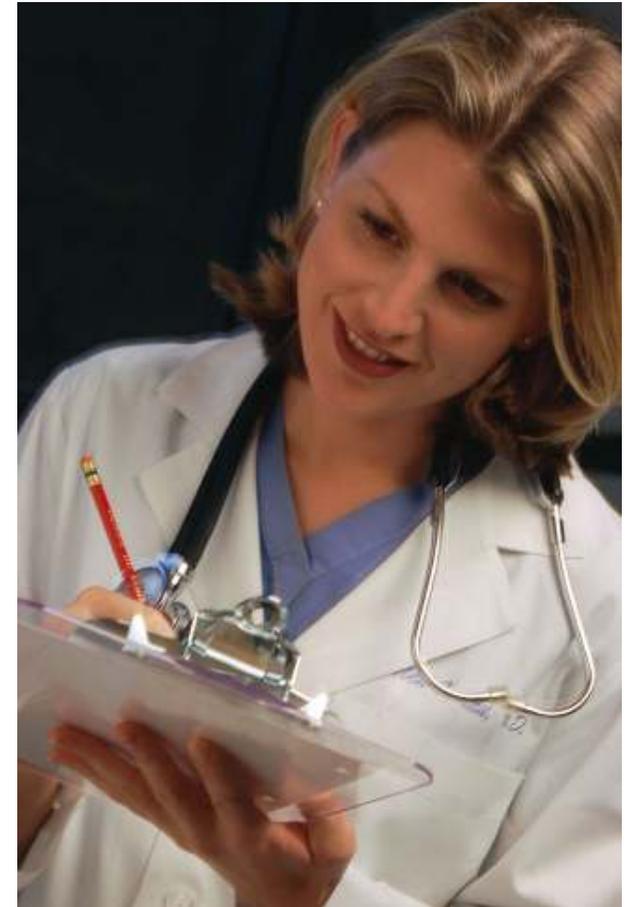
**The Nature
and Extent
of the Service**

What IS “Nature and Extent”

- Documentation of the Nature and Extent of a service answer questions such as:
 - What Was Done?
 - What was given and how much (such as tube feeding/medications/physical therapy)?
 - How much time was spent/miles driven?
 - How did the Student respond?
 - What is the professional thinking based on this session?
 - What options were/will be considered?
 - What is the professional’s next plan?

Professional Documentation of “Nature and Extent”

- Medical Professionals all learn in school how to document the nature and extent of their services. Medical notes are often written in “SOAP” format, i.e:
 - S = Subjective (Patient/Student’s thoughts and feelings)
 - O = Objective (Observations)
 - A = Assessment (Analysis/Diagnosis)
 - P = Plan (Note that the IEP contains overall goals. This plan is more specific, more immediate, has step-wise goals to meet the overall goal.)



Documents that Support “Nature and Extent”

- Supporting documentation describing the nature and extent of service may include:
 - Student’s IEP/IFSP (Progress report may reference it)
 - Progress and Case Notes
 - Provider Contact Logs
 - Nursing and Health Aide Logs
 - Transportation Trip and Mileage Logs
 - Assessment Reports (Progress report may reference it)
 - Hearing Thresholds and Visual Acuity
 - Protocols

Billing and Legal Documentation

- Examples of other documentation that may/will be requested:
 - Claim Forms
 - Billing Logs
 - OHC Information
 - Claims Denials from OHC Insurance Carriers
 - Copies of licenses/credentials of rendering providers
 - Copies of Supervisory Agreements (such as speech pathologist)

Documentation of Prescriptions/Referrals

- LEAs must maintain documentation in the student's files for:
 - Written prescriptions, referrals and recommendations by health service practitioners for treatments
 - Referrals from a health professional, parent, teacher or registered credentialed school nurse for assessments

Documentation of Prescriptions/Referrals for Assessments

- Written prescriptions and referrals for Assessments must be maintained in the student's files and include:
 - School/District name
 - Student's name
 - Type of Assessment Needed
 - Parent, teacher or practitioner observations and reason(s) for assessment
 - Name, Title, and Signature of prescribing/referring practitioner
 - Date

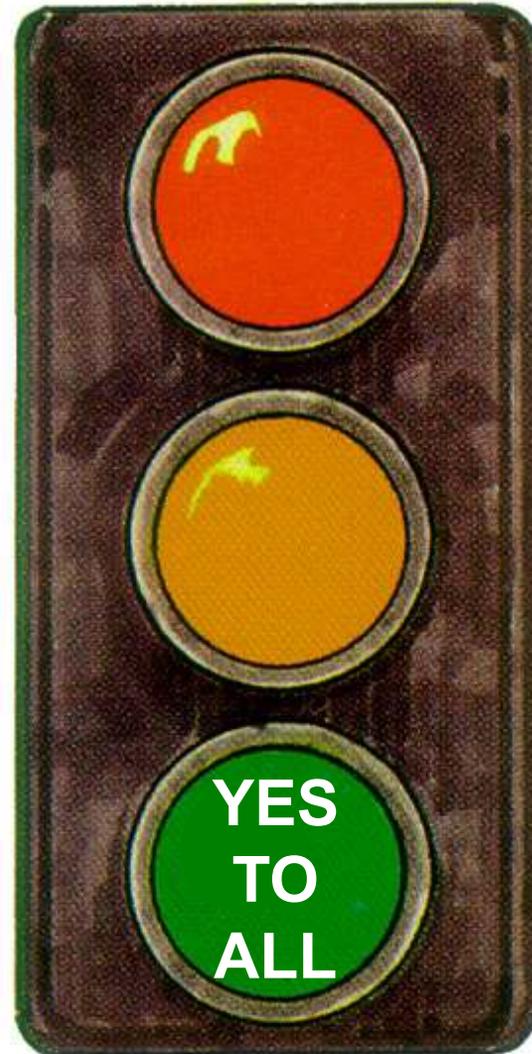
Documentation: Recommendation for Assessment

- Recommendations for Assessments should include a written statement in the student's record including:
 - Parent, teacher or practitioner observations and reason(s) for assessment
 - Signature of recommending person
 - Name and Title of person making the recommendation
 - Date



Which Assessments Can Be Referred by a Parent or Teacher?

- Health/Nutrition?
- Hearing?
- Vision?
- Developmental?
- Speech/Language?
- Nursing?
- Health Education?
- Psychology?
- Occupational Therapy?
- Physical Therapy?
- Psychosocial?



Documentation: Prescriptions/Referrals for Treatment

- Written prescriptions or referrals for Treatments must be maintained in the student's files and include:
 - Student's name
 - Practitioner observations and reason(s) for treatment
 - Specific Treatment needed (especially for medications/feedings)
 - Signature of prescribing/referring practitioner
 - Name and Title of Referring Practitioner
 - Date

Speech Therapy Alternate Referral Option

- LEAs may use a Physician-Based Standards Protocol to meet Speech/Audiology prior authorization requirements
 - Protocols must be reviewed and approved by a Physician no less often than once every two years
- Maintain in each student's file:
 - A copy of the cover letter signed by the physician, including contact information for the physician;
 - Proof that the services rendered are consistent with protocol standards
- Maintain in the LEA's file:
 - Copy of the protocol standards;
 - Contact information for individuals responsible for developing the protocol standards;
 - Contact information for practitioners who have reviewed and rely upon the protocol standards to document medical necessity

Documentation of Recommendations for Treatment

- Recommendations for Treatment services should include a written statement in the student's record from the recommending practitioner .
- The recommendation must include the following:
 - Practitioner observations and reason(s) for treatment
 - Signature of recommending practitioner
 - Type of practitioner
 - Date

Progress Notes (Encounter Reports)

Medical Professionals at A&I look critically at documentation to determine if the patient/student is receiving appropriate care.



*Jane has been in group speech therapy for 6 months.
She keeps to herself. Always looks angry. No change.
Plan: Continue treatment*

[Unsigned]

Questions: Which medical professional evaluated this student? Who is treating her? Why is treatment continuing when she is not making progress? Does she need referral to another professional? What are the goals of her treatment? How will they be measured? What techniques have been used to help her?

Progress Notes that Make Sense

Progress Notes Should Tell a Brief Story. It should be clear that a qualified professional is analyzing information and formulating a plan:



Jane seen individually in speech lab today. 10-10:30 am. Spontaneous speech only 25% intelligible. Upset and teary. Rodney made fun of her. After calming, worked on sentence repetition with focus on "S" sounds. 80% sound like "Th." Able to hear difference between "S" and "Th" 100% of the time. Once slowed down and concentrating, able to correct her own sounds.

Assessment: Encouraging progress made this visit. Rapport finally established.

Plan: Given a story to read aloud to her Mom. Instructions to Mom attached. Next visit 2 weeks to reinforce learning and work on "R" sounds.

[Signed]

Jack Doe, SLP

This note looks good. It tells a clear story. It documents a need, and a plan that makes sense.



Samples of Documentation

Sample Documentation - Example #1, the Claim

Example Claim #1 Student R.F. Medi-Cal Payment Error Study

Billing Provider Type	LOCAL EDUCATION AGENCY		Phone #	
Sample Stratum				
Other Services and Supplies	Rendering ID	Rendering Provider Name	Rendering F	
	Referring ID	Referring Provider Name	Referring Pl	
Billing Prov Specialty	Rendering Prov Specialty	Referring Prov Specialty		
V705	HEALTH EXAM-GROUP SURVEY			
Primary Dx	Primary DX Description			
Secondary Dx	Secondary DX Description			
2/21/2007	T1001	NURSING ASSESS/EVAL		
From DOS	Service Code	Code Description/Generic Name		
2/21/2007	TM		1	\$48.16
Thru DOS	Mod 1	Mod 2	Qty Adj	Paid Amount
				OTHER
				Place of Service

Sample Documentation - Example #1, Documentation

Example Claim #1 Student R.F. Documentation

Describe the present levels of performance in each area that are relevant to educational planning or to determine eligibility in BOTH narrative and standardized format. Do not report test scores only.

HEALTH/VISION/HEARING:

Vision		Hearing	
Date of Screening:	11/20/2006	Status:	1
Acuity: L:	30	Date:	11/20/2006
		250 Hz:	L: 0 R: 0
Tests:	HOTV: <input type="checkbox"/>	500 Hz:	L: 0 R: 0
	SNEL: <input type="checkbox"/>	1000 Hz:	L: 25 R: 25
Health		2000 Hz:	L: 25 R: 25
Date of Screening:	11/20/2006	3000 Hz:	L: 0 R: 0
Height:	48	4000 Hz:	L: 25 R: 25
Weight:	56	5000 Hz:	L: R:
Health/Vision/Hearing section entered into computerized report on 2/21/07, before IEP meeting. RN		6000 Hz:	L: 0 R: 0
		8000 Hz:	L: 0 R: 0

*Date of service claimed 2/21/07.
Actual date of testing: 11/20/06*

Sample Documentation - Example #1, Auditor Findings and Conclusions

Example Claim #1 Student R.F. Conclusions

1. No Health Screening was done on the date of service claimed. Therefore, the claim is not payable.
2. The claim may be perceived as evidence of fraud.
3. Further audit of LEA planned; LEA will be referred to DOJ.

Sample Documentation - Example #2, the Claim

Example Claim #2 Student F.G.

The Claim

Other Services and Supplies	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Referring ID	Referring Provider Name	Referring Phone
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Billing Prov Specialty	Rendering Prov Specialty	Referring Prov Specialty	
<input type="text" value="V573"/>	<input type="text" value="SPEECH THERAPY"/>		
Primary Dx	Primary DX Description		
<input type="text"/>	<input type="text"/>		
Secondary Dx	Secondary DX Description		
<input type="text" value="1/18/2007"/>	<input type="text" value="92508"/>	<input type="text" value="GRP SPEECH/LANG/VOICE TRMT"/>	
From DOS	Service Code	Code Description/Generic Name	
<input type="text" value="1/18/2007"/>	<input type="text" value="GN"/>	<input type="text" value="1"/>	<input type="text" value="\$9.00"/>
Thru DOS	Mod 1	Mod 2	<input type="text" value="OTHER"/>
<input type="text" value="0"/>	<input type="text"/>	<input type="text"/>	Place of Service
Days Supply	Prescription Number	Brand Name and Strength of Drug	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
TAR Number	<input type="text"/>	<input type="text" value="1"/>	of <input type="text" value="1"/>
		Claim Control Number	Record Number
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Surgery Date	#1 Surgery Code	Primary Surgery Description	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
	#2 Surgery Code	Secondary Surgery Description	

Modifier
GN:
Performed
by SLP

Sample Documentation - Example #2, Documentation (continued)

Example Claim #2 Student F.G. Documentation of Speech/Language Plan (No Deficiencies)

Needs:

is eligible for speech/language services to help him better use language successfully at school and in the community

Goals: Standard 1.0 Student will listen critically and respond appropriately to oral communication.	
Objective(s)/Benchmark(s) By 2007, when read a short story, Speech Pathologist.	will respond to questions with 80% accuracy in 4 of 5 trials as evaluated by the
By 2006, when read a short story, by the Speech Pathologist.	will respond to questions with 60% accuracy in 4 of 5 trials as evaluated
By 2007, when read a short story, the Speech Pathologist.	will respond to questions with 70% accuracy in 4 of 5 trials as evaluated by

Served by:

SLP/ Classroom Teacher

Frequency:

At least 1 times per week for 25 minutes either within the classroom, individually, or pulled out in a small group.

Sample Documentation - Example #2, Documentation (continued)

Example Claim #2 Student F.G. Documentation of Speech/Language Plan, Continued

Placement and service recommendations have been developed by the IEP team members listed below. The rationale for placement is based upon adequate assessment information specifying present levels of pupil performance. Program alternatives have been considered relative to the least restrictive environment.

		Agree	Disagree			Agree
[Redacted]	11/08/06	<input checked="" type="checkbox"/>	<input type="checkbox"/>	[Redacted]	11-8-06	<input checked="" type="checkbox"/>
School/Administrator/Designee (signature)	(Date)			Special Education Teacher	(Date)	
		<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
Special Education Administrator/Designee	(Date)			Teacher	(Date)	
		<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
Program Specialist	(Date)			Teacher	(Date)	
[Redacted]	11/8/06	<input checked="" type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
School Psychologist	(Date)			Other (specify)	(Date)	
[Redacted]	11-17-06	<input checked="" type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
Parent/Guardian	(Date)			Other (specify)	(Date)	
		<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
Parent/Guardian	(Date)			Other (specify)	(Date)	
		<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
Pupil	(Date)			Other (specify)	(Date)	
[Redacted]	11-08-06	<input checked="" type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
Speech/Language Pathologist	(Date)			Other (specify)	(Date)	
		<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
Adapted Physical Education Specialist	(Date)			Other (specify)	(Date)	

IEP not signed by M.D.;
No referral or protocol available

Sample Documentation - Example #2, Auditor Findings

Example Claim #2 Student F.G. Deficiencies

1. The IEP and SLP plan were complete and appropriate. However, there was no physician's referral in the student's file.
2. No Standard Protocol for Speech/Language Services in the student's file, or anywhere at the LEA, and no physician's prescription or signature on the IEP.
3. No indication of who actually provided the service (even though attendance roster was signed by SLP.)
4. No documentation of the nature and extent of the service.

Sample Documentation - Example #2, Auditor Conclusions

Example Claim #2 Student F.G. Conclusions

1. Requirements for Physician participation not met. Therefore, the claim is not payable.
2. Requirements for documentation of the service are not met (neither nature and extent of the service, nor who actually rendered the service.) Therefore, the claim is not payable.
3. Further audit of the LEA will be done to determine if there is a pattern of improper billing.

Sample Documentation - Example #3, The Claim

Example Claim #3 Beneficiary M.A. The Claim

Sample Stratum	Other		Referring Provider	
V412	PROBLEMS WITH HEARING		11 Digit Claim Control Number	
Primary Dx	Primary Diagnosis Description		Line Number 01 of 1	
00000	UNK			
Secondary Dx	Secondary Diagnosis Description		Place of Service	
10/4/2006	92552	PURE TONE AUDIOMETRY, THRESHOLD		OTHER
From DOS	Service Code	Code Desc/Generic Name		
10/4/2006	TD		1	
Through DOS	Mod 1	Mod 2	Qty Adj	

Sample Documentation - Example #3, Documentation

Example Claim #3, Bene M.A. Documentation

NURSE: [Redacted]
 School: Jefferson Teacher: Cruse, Erin Room: 52 Grade: 5/4

ELEMENTARY SCHOOL DISTRICT HEALTH SCREENING WORKSHEET

Student's Name	Date		Far Vision		2 nd Screen		Color	Referra		Hearing		500		1000		2000		4000		6000		Dental	CUM	Comments
	#1	#2	R	L	R	L		V	H	R	L	R	L	R	L	R	L	R	L	R	L			
(S)	10/4		20	30				/	/	P											1			
	10/4		30	30				/	/	P											2	10/4		
A, M	10/4		30	30				/	/	P											2	10/4		
	10/4		30	30				/	/	P											2	4	10/7	
(S)	10/4		30	30				/	/	P											1			
(S)	10/4		30	40 ^S				/	/	P											1			
(S)	10/4		20	20				/	/	P											1	4	gl. @ home	
	10/4		20	20				/	/	P											2		10/7	
	10/4		30 ^S	30				/	/	P											2		10/7	
(S)	10/4		30	30				/	/	P											2		10/7	
	10/4		30	30				/	/	P											2		10/7	
(S)	10/4		20	20				/	/	P											2		10/7	
(S)	10/4		30	30				/	/	P											2		10/7	
(S)	10/4		30	30				/	/	P											2		10/7	
(S)	10/4		30	30				/	/	P											2		10/7	
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(S)	10/4		30	30				/	/	P											2		10/7	
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(S)	10/4		30	30				/	/	P											2		10/7	
(S)	10/4		30	30				/	/	P											2		10/7	
(S)	10/4		30	30				/	/	P											2		10/7	
(S)	10/4		30	30				/	/	P											2		10/7	
(S)	10/4		30	30				/	/	P											2		10/7	
(S)	10/4		30	30				/	/	P											2		10/7	
(S)	10/4		30	30				/	/	P											2		10/7	
(S)	10/4		30	30				/	/	P											2		10/7	
(S)	10/4		30	30				/	/	P											2		10/7	
(S)	10/4		30	30				/	/	P											2		10/7	
(S)	10/4		30	30				/	/	P											2		10/7	
(S)	10/4		30	30				/	/	P											2		10/7	
(S)	10/4		30	30				/	/	P											2		10/7	
(S)	10/4		30	30				/	/	P											2		10/7	
(S)	10/4		30	30				/	/	P											2		10/7	
(S)	10/4																							

Sample Documentation - Example #3, Auditor Findings

Example Claim #3, Beneficiary M.A. Deficiencies

1. The hearing assessment was provided by a school nurse, who was not a registered school audiometrist.
2. The Medi-Cal Provider Manual states "LEA providers may only bill for LEA services rendered by qualified medical care practitioners within their defined scope of practice."
3. The Manual states that hearing assessments are claimable when provided by a licensed or credentialed audiologist, licensed or credentialed speech language pathologist, registered school audiometrist, physician or psychiatrist.
4. LEA billing for non-IEP service; no evidence of OHC billing.
5. Title 17, Section 2951 requires that hearing thresholds must be documented in the student's record.
6. The nurse did not document hearing thresholds, only "P".

Sample Documentation - Example #3, Auditor Conclusions

Example Claim #3 Beneficiary M.A. Conclusions

1. The school nurse is not qualified to provide this test.
2. The documentation was not sufficient to support the service claimed (no hearing thresholds recorded).
3. The claim is not payable.
4. The claim may be perceived as evidence of fraud.
5. Further audit will be done.

Sample Documentation - Example #4, the Claim

Example Claim #4, Beneficiary G.H. The Claim

Sample Stratum	Other		Referring Provider
V5721	ENCOUNTER FOR OCCUPATIONAL THERAPY		
Primary Dx	Primary Diagnosis Description		
00000	UNK		11 Digit Claim Control Number
Secondary Dx	Secondary Diagnosis Description		Line Number 01 of 1
11/12/2006	97110	LEA OCUPATIONAL THERAPY - INTIAL SVS	
From DOS	Service Code	Code Desc/Generic Name	
11/12/2006	GO	TM	OTHER
Through DOS	Mod 1	Mod 2	Place of Service
		Qty Adj	
		1	

*Modifier GO:
Performed by
Registered OT*

Sample Documentation - Example #4, Documentation

Example Claim #4, Beneficiary G.H., Documentation

Provider Monthly Notes - Occupational Therapy Services

Student Contact Information		
Student G H	Date of Birth: [REDACTED]	SSN/ID: [REDACTED]
Gender:	Race:	Primary Language: [REDACTED]
Location: Elementary	Home Phone:	Apartment #:
Address:		

IEP Service Prescription	
Duration - Start Date: [REDACTED]	Duration - End Date: [REDACTED]
Individual Sessions - Frequency: 1x/Weekly	Time Prescribed: 30 Minutes Per Week
Group Sessions - Frequency: x/	Time Prescribed: Minutes Per
Service Delivery Model: Direct	Primary Diagnosis: ()
Confidential: Highly Confidential	Included in the IEP?: Yes
Service Status: Active	Date Closed:
Status Reason:	
Primary Service Provider: Name given but no title.	Service Location:

Form nicely done and filled out, except title of provider. O.T.?

Sample Documentation - Example #4, Documentation (Continued)

Example Claim #4, Beneficiary G.H., Documentation, Cont.

Provider/Asst. Signature and Title	Provider/Asst. Printed Name and Title	Initials
Supervising Provider Signature and Title	Supervising Provider Printed Name and Title	Initials

No signature or Title given

03-Nov-2006	Cancelled: Student Absent	--	Individual	Session activities not specified	Session results not recorded
12-Nov-2006	Completed	30 Mins	Individual	fm, vm, vp	G participated in putty and pick-up sticks activity. He demonstrated difficulty with following rules, fine motor control/discrimination - he did not appear to understand the nuances of the game, even as the game progressed and he had played it 2-3 times.

Student participated and had trouble. What was the nature and extent of the service provided? What treatment? What plan? Would you pay for this?

Sample Documentation - Example #4, Auditor Findings and Conclusions

1. The IEP was not signed.
2. There is evidence that the student was present and participating, but the nature and extent of the occupational therapy service is not documented.
3. The name and title of the person rendering the service is not documented.
4. The Claim is not payable.

Examples of Recent Claims Submitted to EDS

- 3/3/08 Medical Consultant review of 4 claims for T1004 TM School Health Aide Services (LEA provider on PPM), found:
- All 4 of the claims were denied for the following reasons:
 - No physician's prescription for Tube Feedings given to the student
 - No names or signatures on the IEP
 - No description of the service that was performed
 - No name, title, or signature of the health aide.
 - IEP did not describe Health Aide Services planned.

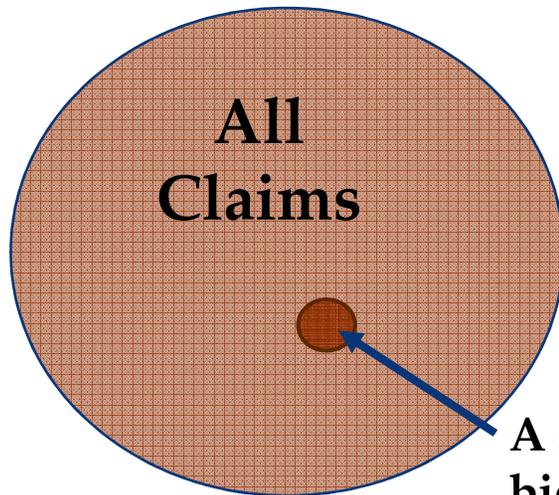
Consequences of Improper Billing

- **Minor Problem Letter** (Kept on file, shows a history with A&I)
- **CMP Warning** (Civil Money Penalties can be charged for submitting improper claims.)
- **PPM** – Post-Service Pre-Payment Audits (All claims must be submitted manually with all documentation attached.)
- **AFR** – Audit for Recovery
- Suspension from Medi-Cal (Provider and/or biller)
- **PCL** – Procedure Code Limitation
- **Referral** to other agencies, including Law Enforcement



How Does A&I Decide Which Claims to Audit?

A “Medical Model” of Claims Sampling

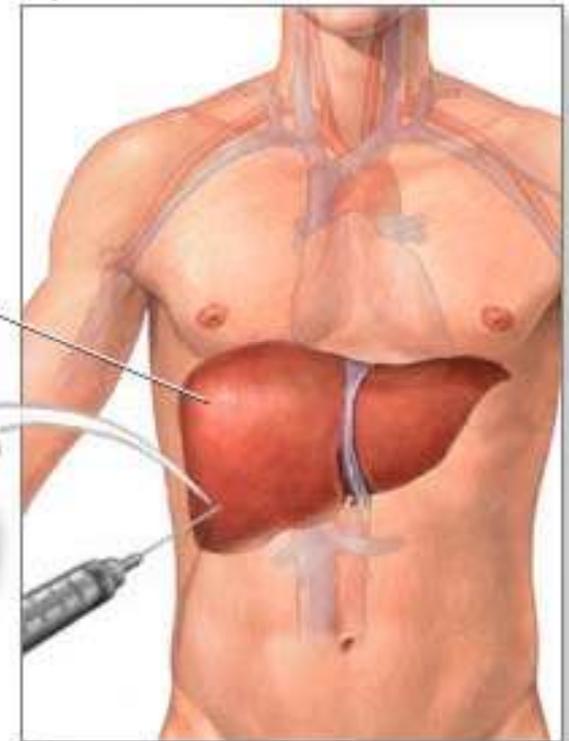


A small sample of claims, like a biopsy, may suggest that there is something wrong with the system.

A small slender core of tissue is removed with a biopsy needle



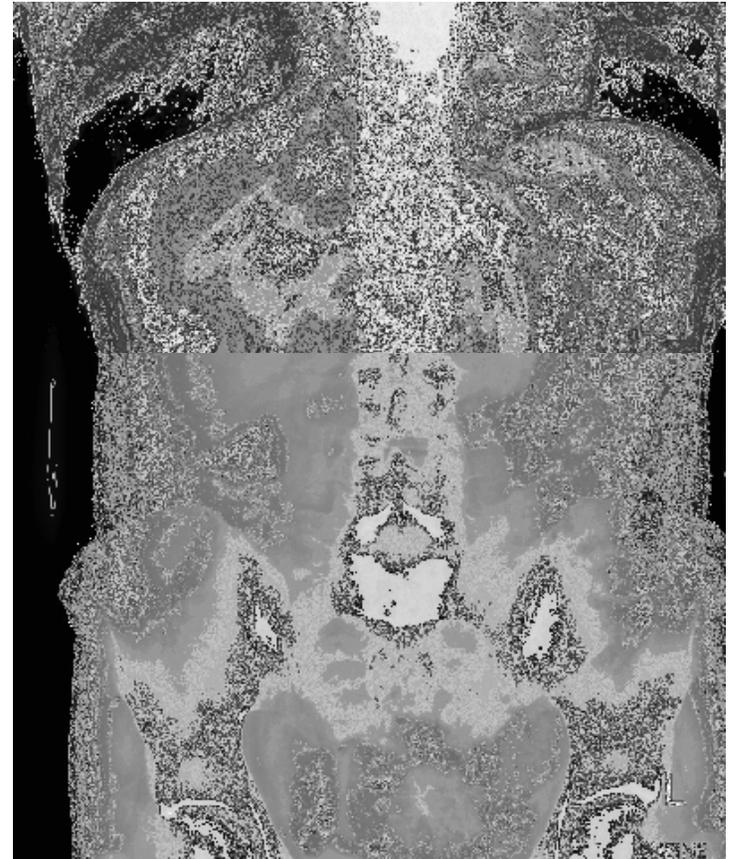
Liver



ADAM.

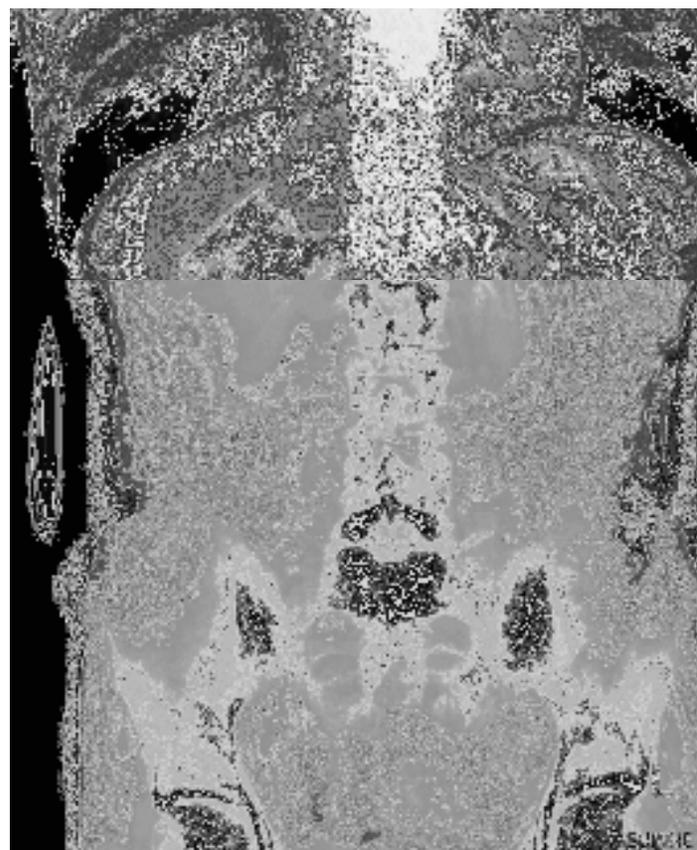
How Does A&I Decide Which Claims to Audit?

- Medi-Cal Payment Error Study Suggests Areas of Vulnerability (i.e. high rate of errors)
- Specific types of providers selected for review as a group (Special Projects)
- **Random Claim Reviews**
- Referral from Provider Enrollment Division: new enrollment, change of address, change of ownership, etc.



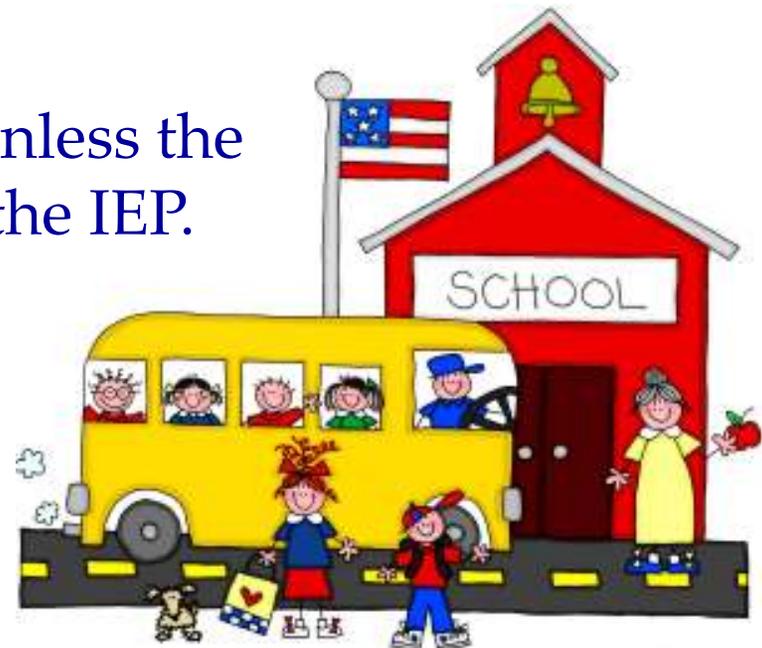
How Does A&I Decide Which Claims to Audit?

- Suspicious claiming patterns
- Outside complaints, usually from Medi-Cal Fraud Hot-line **1-800-822-6222 / stopmedicalfraud@dhs.ca.gov**



How Can LEA's Be More Confident of Passing Audits?

- Assign at least one person to study the billing codes, laws, and regulations and act as liaison with DHCS and EDS.
- Tell the vendor/biller what to bill, not the other way around. Do not pay as a percentage of claims. Keep copies of "superbills."
- Don't use the modifier "TM" unless the service is actually included in the IEP.



How Can LEA's Be More Confident of Passing Audits?



- Do periodic self-audits.
- Sample both student records for completeness and claims for accuracy.
- Periodically check to see that professional licenses/credentials are up to date.
- Reconcile the superbills with the RAD's that come from EDS. (Remittance Advice Details.)
- Correct errors ASAP.

How Can LEA's Be More Confident of Passing Audits?

- Check IEP's for completeness, including signatures.
- Monitor health professionals' documentation to be sure it is complete, legible, and describes the nature and extent of each service.
- Be Sure All Treatment Services have appropriate referrals/prescriptions.
- Keep all referrals, assessments, and records of encounters up to date and in the students' files.



How Can LEA's Be More Confident of Passing Audits?



- Have at least one person attend Billing Training Seminars held by EDS if possible. (See web site for more information)
- You may also schedule a free custom billing workshop. To schedule a custom workshop, call Medi-Cal at 1-800-541-5555 and tell the agent you would like to be contacted by your Regional Representative.

• <http://files.medi-cal.ca.gov/pubsdoco/eo/training.asp>

Module 4: Audit and Review of LEA Claims LEA Documentation - FAQ #1

Do we need to distinguish the documentation we maintain for educational purposes versus the documentation for services billed to Medi-Cal?

YES

All services rendered and billed to Medi-Cal must meet federal, State and program documentation requirements. Documentation for educational purposes may not fulfill these requirements.

Module 4: Audit and Review of LEA Claims

LEA Documentation - FAQ #2

Can written prescriptions, referrals and recommendations be documented in the IEP/IFSP?

YES

It can be documented in the student's IEP/IFSP or included as an addendum. (Of course the IEP/IFSP would have to be signed by the referring person.) If your LEA uses a physician-based standards protocol to meet the State requirement for speech and audiology treatment referrals, a copy of the protocol cover letter must be kept in the student's file.

Module 4: Audit and Review of LEA Claims

LEA Documentation - FAQ #3

What is required for documenting treatment services?

Practitioners should write case/progress notes each time the student is treated and save those notes in the student's file. Each service should be documented with the student's name, date of service, practitioner type, and signature. Notes made documenting the service should be consistent with the practitioner's professional standards.