

Local Education Agency  
Ad Hoc Workgroup Meeting  
**April 7, 2010 Meeting Minutes**

**Location:** Natomas Unified School District (USD)

**ATTENDEES:**

<b>Name</b>	<b>Organization/Title</b>
1. Geri Baucom	DHCS, Safety Net Financing Division (SNFD)
2. Rob Williams	DHCS, SNFD
3. Steve Perez	DHCS, SNFD
4. Lonnie King	DHCS, SNFD
5. Laura Baynham	Mendocino County Office of Education (COE)
6. Sherry Purcell	Los Angeles USD
7. Margie Bobe	Los Angeles USD
8. Cathy Bennett	Sacramento City USD
9. Anysia Drumheller	Butte COE
10. Marlene Burrue	San Joaquin COE
11. Greg Englar	Sonoma COE
12. Michelle Cowart	Contra Costa COE
13. Tracy Cole	Natomas USD
14. Janice Holden	Stanislaus COE
15. Roni Tunick	Los Angeles COE
16. Matthew Hill	California Department of Education, Special Ed.
17. Gloria Eng	Navigant Consulting, Inc.
18. Julia Hanke	Navigant Consulting, Inc.

**Handouts**

Each participant received a folder with copies of the following: Agenda and LEA Workgroup February 2010 Meeting Minutes. In addition meeting participants received copies of the Proposed Key Cost and Reimbursement Comparison Schedule (CRCS) Dates for Spring 2010, CRCS Submission and Resubmission Process Flowchart, LEA Workgroup Issue Track, and Services Subcommittee Formal Request.

**Purpose**

The meeting was convened by DHCS. The purpose of the Workgroup is to improve the Local Educational Agency (LEA) Program. The emphasis of the meeting is to strategize various goals and activities aimed at enhancing the Medi-Cal services provided on school sites and access by students to these services, while increasing federal reimbursement to LEAs for the cost of providing these services.

**Review of February Meeting Minutes**

The Workgroup reviewed the February 2010 Meeting Minutes and clarified any questions. The Workgroup and DHCS approved the minutes with minor changes and

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DHCS will re-post the minutes on the LEA website. The Workgroup agreed that meeting minutes should be sent and reviewed the week before the next Workgroup meeting so they can be finalized and posted on the LEA website prior to the meeting. The Workgroup also requested that the Workgroup meeting agenda be finalized and sent out one week prior to the meeting.

### **DHCS SNFD Update**

#### ***Cost and Reimbursement Comparison Schedule (CRCS)***

- LEAs are sending technical questions regarding the first round CRCS rejection letters and how to correct errors on CRCS forms
  - DHCS and NCI will continue to draft responses to LEA CRCS questions
  - Other non-CRCS specific policy questions will be answered on a flow basis
- NCI provided CRCS submission statistics for the CRCS forms that were reviewed through the CRCS import application as of February 2010
  - FY 2006-07: 51 accepted, 15 accepted electronic copy/rejected hard copy, 108 rejected
  - FY 2007-08: 55 accepted, 14 accepted electronic copy/rejected hard copy, 113 rejected
- CRCS acceptance and rejection letters were e-mailed to the CRCS contact identified on the CRCS form beginning March 19, 2010
- DHCS intends to contact LEAs that have not submitted CRCS forms to date and the Workgroup discussed potential ways to contact those LEAs who are non-compliant
  - Targeted SELPA e-mail blast
  - Vendor outreach
- The Workgroup also discussed LEA ramifications for not complying with CRCS submission requirements for LEAs who have not submitted any CRCS and/or submitted CRCS form that was rejected by DHCS
  - DHCS is currently determining potential penalties, which may include withholding future claims payments using Accounts Receivables (A/Rs)
- The Workgroup also discussed the breakdown of the CRCS submission process and how the CRCS forms are submitted and reviewed by DHCS and NCI. In addition, the Workgroup went over key CRCS submission deadlines.
  - FY 2008-09 CRCS reports will be due November 30, 2010
- Suggestions for future CRCS submission process
  - LEAs are concerned with the timing and distribution of the Interim Reimbursement and Units of Service (IRUS) reports and would like the reports available more than 30-days prior to CRCS submission deadline
    - Due to the one year claims run out, the FY 2008-09 IRUS report cannot be compiled until after the close of the fiscal year
  - LEAs can currently begin preparing and aggregating their practitioner costs and hours information for their CRCS prior to receiving the IRUS report

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- Provide simple CRCS process training for LEAs as a refresher and include information regarding CRCS common errors and how to correct errors
- Workgroup members expressed concerns with the accountability of the 1 percent administrative withhold and 2.5 percent SB 231 withhold
- Currently DHCS A&I has a Budget Change Proposal (BCP) in the Legislative Analysis Office (LAO) to add 14 Full-Time Equivalents (FTEs) for the LEA Program to handle the CRCS reconciliation process
  - This would increase 1 percent administrative withhold
  - Workgroup members expressed concern and plan to review BCP via a public records request

***LEA Program Website***

- Updated Workgroup agendas and meeting minutes will be posted on the LEA website
- DHCS also posted the updated paid claims and reimbursement data, including the reimbursement by LEAs and trend analyses. LEAs would also like to have reimbursement figures provided in date of payment format
  - DHCS to determine if reimbursement trends by fiscal year can be completed by date of service and date of payment
- The March 2010 CRCS submission process webinar presentation and FAQs have also been posted on the LEA website

***LEA Deferrals***

- DHCS is working with CMS to release deferrals on LEA Program reimbursement
  - CMS will not consider changes to the LEA Program until the program is fully compliant with the SPA and no further claiming errors occur
    - Includes CRCS submission and reconciliation, rate inflation updates and rebasing interim reimbursements

***Inflation for FY 2009-10***

- An Operating Instruction Letter (OIL) has been submitted to Hewlett-Packard (HP) in order to inflate LEA Program interim reimbursement rates for FY 2009-10 in the claims processing system
- LEAs will receive approximately 0.09 percent increase on their interim reimbursement rates
  - The OIL is estimated to implement in May and an Erroneous Payment Correction (EPC) will be subsequently implemented

***CP-O-888 Report***

- DHCS discussed the CP-O-888 report with HP and determined that it is not cost effective to restructure the current report to add all the modifiers
  - DHCS is recommending that the CP-O-888 report be replaced with quarterly IRUS report

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- Workgroup members agreed that quarterly IRUS report would be sufficient if it provided data by both date of service and date of payment
  - DHCS to discuss with HP if the quarterly IRUS report can be run by date of service and date of payment
- Reports would be mailed to the current mailing addresses as the CP-O-888
- CP-O-888 report would be terminated once the quarterly IRUS report has been established

***Overpayment Interest Paid***

- DHCS is currently working with HP Cash Control to determine a method to identify LEAs who were impacted by interest charged on outstanding A/Rs
  - Refund LEAs that paid 100 percent of A/R
  - Refund LEAs that paid 96.5 percent of the A/R, but still have an outstanding A/R with the remaining 3.5 percent
  - Refund LEAs that were charged seven percent interest on A/R, but only received 96.5 percent of their seven percent charged

***Third Party Liability (TPL)***

- DHCS had a call with CMS Region IX regarding Third Party Liability and Medicaid as a payer of last resort
  - CMS discussed having LEAs ask parents if the student had other insurance coverage during the IEP meetings
  - LEAs reiterated that this is an administrative burden and also a violation of Free Appropriate Public Education (FAPE)
- The Workgroup discussed that TPL and parental consent is currently a national issue
  - LEAnet and National Alliance for Medicaid in Education (NAME) are preparing language regarding Parental Consent

***Remittance Advice Detail (RAD) Code 9909***

- LEA claims are denying for beneficiaries age 21 and older
  - LEA services should be excluded from age limitations when the service is part of an IEP (contains modifier "TM")
- Workgroup members with impacted claims should submit CCNs to DHCS for further research and follow-up with HP

**Workgroup Subcommittee Reports**

***Communications Subcommittee***

- DHCS sent the February CRCS Webinar invitation to LEA CRCS contacts and also via the CDE SELPAs e-mail distribution list

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- The Workgroup requested buffer time of 5 to 10 minutes at the beginning of future webinars to allow for any technical issues to be resolved prior to the training

***Training Subcommittee***

- Self-audit checklist
  - The Subcommittee requested the LEA Workgroup provide examples of relevant and quality LEA service documentation
    - Service documentation is intended to supplement the self-audit checklist
  - The Subcommittee will remain on hold until sufficient documentation examples are provided by Workgroup members

***Services Subcommittee***

- The Subcommittee submitted a formal request for DHCS to begin reviewing and researching new potential services to expand the LEA Program
- The Subcommittee is also researching information on alternative types of assessments and plans to survey other LEAs about the various assessments conducted via SELPA e-mail

***By-laws Subcommittee***

- DHCS Legal's opinion is that the LEA Workgroup does not fall under Bagley-Keene Act and the Workgroup "consults" with DHCS in the form of meetings
  - DHCS Legal will continue to review any further requests for opinion
- Workgroup members agreed it is important to follow the SB 231 guidelines for Workgroup composition

**Next Meeting**

Wednesday, June 2, 2010 10:30am – 3:00pm at Natomas USD