

Local Education Agency
Ad Hoc Workgroup Meeting
June 2, 2010 Meeting Minutes

Location: Natomas Unified School District (USD)

ATTENDEES:

Name	Organization/Title
1. Geri Baucom	DHCS, Safety Net Financing Division (SNFD)
2. Bob Baxter	DHCS, SNFD
3. Rob Williams	DHCS, SNFD
4. Steve Perez	DHCS, SNFD
5. Lonnie King	DHCS, SNFD
6. Laura Baynham	Mendocino County Office of Education (COE)
7. Sherry Purcell	Los Angeles USD
8. Margie Bobe	Los Angeles USD
9. Cathy Bennett	Sacramento City USD
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. Jeremy Ford	Oakland USD
17. Matthew Hill	California Department of Education, Special Ed.
18. Kevin Harris	Navigant Consulting, Inc.
19. Julia Hanke	Navigant Consulting, Inc.

Handouts

Each participant received a folder with copies of the following: Agenda and LEA Workgroup April 2010 Meeting Minutes.

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 April Meeting Minutes

The Workgroup reviewed the April 2010 Meeting Minutes and clarified any questions. The Workgroup and DHCS approved the minutes with minor changes and DHCS will post the minutes on the LEA website.

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Workgroup Subcommittee Reports

Communications Subcommittee

- The Subcommittee is working on increasing communications with the County Office Finance Subcommittee (COFS) as a method of disseminating Cost and Reimbursement Comparison Schedule (CRCS) information and updates to LEAs
- The Workgroup discussed possible methods for outreach to non-active LEA Program participants and dissemination of CRCS information to LEAs regarding possible CRCS non-submission penalty
- The Workgroup noted that high turnover due to LEA budgetary constraints require continual program outreach and education
- DHCS will identify non-compliant LEAs who did not submit a CRCS and send out information regarding CRCS resources, deadlines and possible penalty

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 and show DHCS Audits and Investigations Medical Review Branch real world examples
 - The Subcommittee will continue to 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
 - DHCS is currently focused on LEA Program compliance with the CRCS and will begin researching new services as soon as possible
- The Workgroup discussed what types of services require opening a State Plan Amendment (SPA) and what risks are involved in the SPA process

At the September meeting, the co-chairs have requested that the Workgroup revisit the subcommittee structure and determine the needs for Fiscal Year 2010-2011.

DHCS Audits and Investigations (A&I) Financial Audits Branch (FAB)

Evie Correa and Alan Eng of A&I FAB attended the meeting to discuss A&I's role in the CRCS intake and audit process and the A&I Budget Change Proposal.

CRCS Intake and Pilot Audit

- The Financial Audits Branch of A&I is separate from the Medical Review Branch (MRB) that LEAs may be more familiar with. The MRB is focused on program,

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- medical and service documentation; FAB is focused on the financial side and ensuring that payments made to LEAs in accordance with program policy
- Currently, CRCS forms are submitted to A&I FAB and are forwarded to Navigant Consulting, Inc. to be preliminarily reviewed via the import application and then back to A&I FAB when the CRCS has been accepted as complete.
 - A&I FAB is now in the early stages of developing a pilot audit for the LEA CRCS forms. Pilot audits are expected to be within the next couple of months.
 - To conduct the pilot audit, A&I will request LEA volunteers or nominate LEAs to serve as pilot audits
 - Pilot audits should be representative of the various types and sizes of LEAs
 - Auditors will conduct LEA site visits and a financial review of the CRCS, review supporting LEA accounting/financial records and ensure that the LEA services incurred
 - The ultimate goal is to have auditors learn more about the LEA Program and LEA operation and to have LEAs learn what is required for CRCS audits
 - When the pilot audits have been completed, A&I will distribute the audit process to all auditors involved with the LEA Program
 - The pilot audit is a learning process for all groups involved, therefore LEAs who volunteer have the opportunity to shape A&I's knowledge of LEA Program operation
 - There will be three levels of CRCS audit conducted by A&I - minimal, desk and field reviews
 - The Workgroup discussed various logistics with A&I including storage and retrieval of documentation, LEA schedules especially during school breaks and timing of notification for selected pilot audits. A&I assured the Workgroup that the pilot audit will serve to learn and address the differences with a non-clinical setting.
 - The LEA Provider Manual needs to be updated regarding documentation retention
 - LEAs are to keep, maintain and have available CRCS supporting financial and service documentation a minimum of three years from CRCS submission or until the audit process of the CRCS has been completed

A&I Budget Change Proposal

- A&I discussed the Budget Change Proposal (BCP) that requests 14 new auditor positions and would increase the administrative withhold percentage for LEAs
 - These positions would handle the CRCS reconciliation process
- After discussions with DHCS, A&I and LEA representatives, LEAs will incur an additional one percent withhold to fund the new auditor positions.
 - The one percent withhold will cap at \$650,000 the first year
- Accounting of the fund would be furnished quarterly and any leftover funds at the end of the fiscal year will be returned to the LEAs
- A&I will not be able to hire any new staff until the budget is passed

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DHCS SNFD Update

LEA Program Website

- The May 2010 CRCS Webinar presentation slides and recording have been posted on the LEA Program website. FAQs from the May Webinar will follow shortly.

Overpayment Interest Paid

- DHCS identified all LEAs who were impacted by interest charged on outstanding Accounts Receivable (A/R) that require refunds
 - Two LEAs have successfully been reimbursed
 - All other LEAs requiring reimbursement greater than \$10 will be reimbursed on the last check write in June

Fiscal Year 2009-10 Rate Inflation

- As of April 26, 2010 claims are paying with inflated FY 2009-10 interim rates. An updated schedule of maximum allowable rates per service is available on the LEA Program website.
- Claims with dates of service from July 1, 2009 through April 26, 2010 will be retroactively adjusted via an Erroneous Payment Correction (EPC)

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")
- Hewlett Packard (HP) has proposed three potential solutions to allow claims for beneficiaries age 21 and older:
 - Add the extra modifier as stated in the Medi-Cal Bulletin.
 - This is not feasible as the LEA Program already uses the maximum available modifier positions.
 - Add a new utilization control based on beneficiary birthdates
 - Waive the age requirement for all LEA claims
- Currently DHCS is working with HP to determine a temporary solution to allow claims to be reimbursed, while a more permanent solution is researched and implemented.

Interim Reimbursement and Units of Service (IRUS) Report

- IRUS reports cannot be generated until after the close and final check write of the FY 2008-09
- DHCS will work with HP to ensure IRUS report data is accurate
- DHCS has also requested to have IRUS reports run on a quarterly basis by date of service and date of payment as an alternative to the CP-0-888 report

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- DHCS will finalize the specifications for the reports after the FY 2008-09 IRUS reports are generated and finalized

DHCS Administrative and SB 231 Fees

- Currently, LEAs are not being charged the 2.5 percent SB 231 withhold
- The 1 percent administrative fee provides funding for staff positions in the program at DHCS, FI-COD, A&I and provides for EPC development;
 - At the end of the fiscal year any funds remaining funds collected are deposited in the DHCS general fund
- These program fees are not costs that can be included on your LEA CRCS form; while it is a program expense, it is not related to the direct provision of health services.

Rate Rebasing

- DHCS would like to use CRCS data to rebase LEA rates ideally for FY 2010-11 so that another inflation cycle would not be required.

Next Meeting

Wednesday, September 1, 2010 10:30am – 3:00pm at Natomas USD