

Local Education Agency
Ad Hoc Workgroup Meeting
September 1, 2010 Meeting Minutes

Location: Natomas Unified School District (USD)

ATTENDEES:

| Name | Organization/Title |
|-------------------------|--|
| 1. Geri Baucom | DHCS, Safety Net Financing Division (SNFD) |
| 2. Rob Williams | DHCS, SNFD |
| 3. Steve Perez | DHCS, SNFD |
| 4. Michelle Farrow | DHCS, Provider Enrollment Division (PED) |
| 5. Evie Correa | DHCS, Audits and Investigations Financial Audits Branch (A&I FAB) |
| 6. Alan Eng | DHCS, A&I FAB |
| 7. Stephen Fukasawa | DHCS, A&I FAB |
| 8. Cori Miglietto | DHCS, A&I FAB |
| 9. Laura Baynham | Mendocino County Office of Education (COE) |
| 10. Sherry Purcell | Los Angeles Unified School District |
| 11. Margie Bobe | Los Angeles USD |
| 12. Cathy Bennett | Sacramento City USD |
| 13. Marlene Burruel | San Joaquin COE |
| 14. Greg Englar | Sonoma COE |
| 15. Michelle Cowart | Contra Costa COE |
| 16. Maureen Carl | Contra Costa COE |
| 17. Janice Holden | Stanislaus COE |
| 18. Roni Tunick | Los Angeles COE |
| 19. Christine Mott | Fresno USD |
| 20. Anysia Drumheller | Butte COE |
| 21. Cynthia White-Piper | San Bernardino USD |
| 22. Matthew Hill | California Department of Education, Special Ed. |
| 23. Gloria Eng | Navigant Consulting, Inc. |
| 24. Julia Hanke | Navigant Consulting, Inc. |

Handouts

Each participant received a folder with copies of the following: Agenda and LEA Workgroup June 2010 Meeting Minutes. In addition, A&I provided a handout with general LEA documentation and accounting questions.

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.

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Review of June Meeting Minutes

The Workgroup reviewed the June 2010 Meeting Minutes and clarified any questions. The Workgroup and DHCS approved the minutes with no additional changes and DHCS will post the minutes on the LEA website.

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

Evie Correa, Alan Eng, Cori Miglietto and Stephan Fukasawa of A&I FAB attended the meeting to discuss A&I's plans for the CRCS pilot audits and gain a better understanding of how LEAs operate and the documentation that would be available from LEAs to substantiate information reported on CRCS forms.

FY 2006-07 and 2007-08 CRCS Pilot Audit

- A&I FAB and the Workgroup discussed the various LEA operational processes, including obtaining accounting, fiscal and claim records, determining Medi-Cal services for a student, determining student eligibility, and billing for services
 - The Workgroup members stated that processes, documentation and storage will vary widely between LEAs
- In addition, the Workgroup discussed that there would need to be adequate lead time for LEAs to obtain student files and records prior to CRCS audits
- A&I will be going to Sacramento City USD for their first pilot audit at the end of the month

CRCS Non-Submission Penalties

- A&I will be implementing their standard practice for Medi-Cal providers who do not submit cost reports timely
 - Withhold 20 percent on future paid claims
- A&I is required to notify non-compliant LEAs via letters prior to implementing the 20 percent withhold penalty
- A&I and SNF will determine the timeframe in which LEAs have the ability to submit their CRCS form without penalty. Eventually, if the LEA has not submitted a CRCS form, a 100 percent withhold penalty will be placed on paid claims.

A&I Budget Change Proposal

- The ability for A&I to hire new auditor positions as part of the Budget Change Proposal is contingent on State budget approval and is subject to the current statewide hiring freeze .

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DHCS Provider Enrollment Division (PED)

Michelle Farrow of DHCS PED attended the meeting to discuss the LEA application process, updating provider information, and the Targeted Case Management (TCM) Category of Service (COS) assignment.

LEA Program Application Process

- The Provider Participation Agreement (PPA) is available on the LEA Program website. SNF is working on creating a PDF form that LEAs can complete and submit electronically
 - The PPA form also includes Certification of State Matching Funds for LEA Services, Certification of State Matching Funds for Retroactive LEA Services and Statement of Commitment to Reinvest
- LEAs submit the PPA to the California Department of Education (CDE) for certification and PED reviews for completeness. Once the LEA enrollment information has been entered, a welcome packet is sent by Hewlett-Packard (HP) to the LEA's service address.

Updating Provider Information

- If an LEA needs to change their service address, federal employer identification number or official legal name, the LEA should send a full PPA package directly to PED with clear notation of the information that should be updated. If an original copy of the PPA form can be furnished, the LEA does not need to obtain new signatures.
- Any other LEA provider information that requires updates will require the LEA to complete a DHCS 6209, Medi-Cal Supplemental Changes Form
 - The form is available on both the LEA Program Website (http://files.medi-cal.ca.gov/pubsdoco/provappsenroll/10enrollment_DHCS6209.pdf) and the Medi-Cal Provider Enrollment website

TCM Category of Service

- SNF is working on creating an Excel form for the TCM Labor Survey that may be completed and submitted electronically
- LEAs may choose to resubmit the TCM Labor Survey to have SNF recalculate their category of service as a low, medium or high cost provider

DHCS SNFD Update

Cost and Reimbursement Comparison Schedule (CRCS) Update

- FY 2008-09 CRCS forms have been posted on the LEA Program website CRCS webpage with additional guidance and instructional materials
- The webpage has also been updated to outline submission requirements and modified to assist LEAs find relevant CRCS information
- FY 2006-07 and 2007-08 CRCS information and trainings are still available on the LEA Program website on an archived page

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- The Workgroup also discussed the FY 2006-07 and 2007-08 CRCS submissions statistics; the number of CRCS forms accepted, rejected, and LEAs that have not submitted any CRCS

CRCS Training Updates Webinar

- Tentative date will be the first week of October
- This webinar will focus on the CRCS form updates for FY 2008-09 as opposed to a full CRCS training, which has been conducted in previous trainings. LEAs can still access previous training presentations and webinars on the LEA website for additional detailed information on completing the CRCS forms, common CRCS errors and the flow of the CRCS calculations.
- A&I may present at the webinar, but will have limited updates regarding the pilot audit and reconciliation process
- The Training Subcommittee offered to review the webinar presentation and provide feedback prior to the webinar

CRCS Non-Submission

- The Workgroup expressed concerns that non-submitting LEAs would potentially not notice a 20 percent withhold penalty on their payments
- A&I should be very clear in their preliminary communication that the penalty process may include the following if the LEA does not submit a CRCS:
 - 20 percent withhold applied to paid claims
 - 100 percent withhold applied to paid claims
 - LEA Program termination
- The Workgroup discussed that for small LEAs with low reimbursement, completing the CRCS forms is a huge administrative burden
- The Workgroup suggested analyzing the level of current reimbursement activity of non-submitting LEAs
 - LEAs may still be enrolled in the LEA Program, but no longer actively billing. Therefore, implementing a 20 percent withhold penalty on paid claims would not impact LEAs. A&I should consider contacting the LEA Superintendent or Chief Financial Officer (CFO) to notify them that FY 2006-07 and/or 2007-08 reimbursement may be recouped if a CRCS form is not submitted.

Interim Units and Reimbursement Report (IRUS) Report

- DHCS e-mailed the first test IRUS report successfully
- Beginning next week, SNF clerical staff will e-mail IRUS reports to LEA contacts on file
 - SNF and NCI compiled a master LEA contact information list from multiple sources, including: the LEA Annual Report, FY 2006-07 and 2007-08 CRCS submissions, and past LEA trainings and webinars

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SB 231 Fees

- LEAs will continue to not be charged the 2.5 percent SB 231 withhold for FY 2010-11

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")
- Since the RAD code 9909 issue impacts other Medi-Cal programs, the LEA Program will be included in the optional benefits exclusion System Design Notice (SDN)
- HP expects to implement the SDN and corresponding claims processing system changes within two months
- An Erroneous Payment Correction (EPC) to retroactively pay claims erroneously denied with RAD code 9909 will be implemented after the system fix

American Recovery and Reinvestment Act (ARRA) Adjustments

- Increased Federal Medical Assistance Percentage (FMAP) was recently extended beyond December 2010
- The FMAP will decrease incrementally per quarter through June 2011 from 61.59 percent back to 50 percent
- DHCS will adjust LEA Program reimbursement rates accordingly

FY 2008-09 Annual Report Form Changes

- DHCS converted the LEA Annual Report into Excel format to facilitate electronic submission and intake
- The new form will be available on the LEA Program website with additional information regarding submission process and deadline
 - Annual Reports will be due October 30, 2010

Records Retention

- The Workgroup discussed that records retention guidelines need to be clarified to LEAs and updated on the LEA website, LEA Provider Manual and FAQs
 - Currently, the LEA Provider Manual reflects that LEAs are required to maintain records for a minimum of the three years from the date of service; in addition, CRCS supporting financial and service documentation must be maintained until the auditing process is complete
- A&I acknowledged that due to the delay of FY 2006-07 and 2007-08 CRCS submissions, LEAs may have issues retrieving service documentation and records because the timing of the reconciliation process is beyond three years from claim date of services

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Frequently Asked Question Discrepancies

- The Workgroup requested clarification on what program policy they should follow if they find a discrepancy between FAQs or website documents and the LEA Provider Manual
 - If an LEA identifies a discrepancy or there is confusion regarding FAQ guidance and program policy published in the LEA Provider Manual, the LEA should e-mail the LEA Program mailbox lea@dhcs.ca.gov
- The Workgroup also requested clarification on FAQs that are not addressed in the LEA Provider Manual
 - FAQs are intended to be guidance and answers to program issues based on policy

California Speech-Language- Hearing Association (CSHA) Update

National Speech-Language Pathologist (SLP) Shortage

- Nationwide, schools are unable to provide IDEA services due to a lack of SLPs. Currently, California is considering reducing credentialing requirements for SLPs in schools.
 - SLPs that provide school-based services and only meet the reduced credentialing requirements would not be reimbursable under the LEA Program; therefore, causing revenue loss for LEAs
- The Workgroup requested a summary of revenue by provider groups statewide to show the financial impact to schools if California reduces school-based SLP credential requirements
 - DHCS will determine if they can summarize reimbursement by practitioner type and post on the LEA website

Workgroup Subcommittee Reports

Communications Subcommittee

- The Subcommittee is planning to present at a future Special Education Local Plan Area (SELPA) meeting to provide additional information about the LEA Program
- The Subcommittee is working on increasing communications with the County Office Finance Subcommittee (COFS)
- The Subcommittee is also working on outreach to begin a relationship with the California County Superintendents Education Services Association (CCSESA)

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

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- The Subcommittee will make one last e-mail request reiterating confidentiality of submitted examples

Services Subcommittee

- The Workgroup discussed the formal request to DHCS to begin reviewing and researching new potential services to expand the LEA Program
- The Workgroup is aware that the CRCS and SPA compliance is the current priority and requested a timeframe that research would begin
 - SNF is addressing staffing changes amidst the Governor's mandated hiring freeze. The earliest potential timeframe for research to begin is January 2011.
- In the meantime, the Subcommittee will continue working on their new services survey

Subcommittee Structure

- The Workgroup discussed whether the current subcommittee structure would be effective for FY 2010-2011
 - The Structures and Bylaws Subcommittee is no longer needed at this time
 - Structures and Bylaws Subcommittee members that are not currently part of another committee were assigned a new subcommittee
- Any LEAs that attend Workgroup meetings are expected to contribute to at least one subcommittee.

Next Meeting

Wednesday, October 6, 2010 10:30am – 3:00pm at Natomas USD