

Local Education Agency Medi-Cal Billing Option Program
Ad Hoc Workgroup Meeting
February 2, 2011 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. Alan Eng	DHCS, Audits and Investigations Financial Audits Branch (A&I FAB)
4. Stephen Fukasawa	DHCS, A&I FAB
5. Debbie Lee	DHCS, A&I FAB
6. Cori Miglietto	DHCS, A&I FAB
7. Matthew Hill	California Department of Education (CDE), Special Education
8. Anysia Drumheller	Butte County Office of Education (COE)
9. Maureen Carl	Contra Costa COE
10. Michelle Cowart	Contra Costa COE
11. Lisa Chaney	Fresno COE
12. Roni Tunick	Los Angeles COE
13. Margie Bobe	Los Angeles USD
14. Sherry Purcell	Los Angeles USD
15. Caitlin Pendley	Madera USD
16. Laura Baynham	Mendocino COE
17. Tracy Cole	Natomas USD
18. Jeremy Ford	Oakland USD
19. Cathy Bennett	Sacramento City USD
20. Marlene Burrue	San Joaquin COE
21. Laura Missimer	San Joaquin COE
22. Janice Holden	Stanislaus COE
23. Kevin Harris	Navigant Consulting, Inc.
24. Gloria Eng	Navigant Consulting, Inc.
25. Julia Hanke	Navigant Consulting, Inc.

Handouts

Each participant was e-mailed an electronic copy of the Workgroup Meeting Agenda, December 2010 Meeting Minutes and received a copy of the Upcoming Rate Adjustments Timeline, updated February 2011 LEA Workgroup New Services Matrix, and State of Colorado Department of Education letter regarding Medicaid school based health and related services – nature of funds.

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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 Meeting Minutes

The Workgroup reviewed the December Meeting Minutes during the meeting and suggested changes regarding the 2.5 percent withhold process. DHCS will make any appropriate updates and post the minutes on the LEA website. For future Workgroup meetings, DHCS will continue to send the previous Meeting Minutes at least one week in advance for Workgroup review.

DHCS SNFD Update

DHCS SNFD Staffing Reorganization

- DHCS SNFD recently underwent a redesign of the branch and staffing reorganization to provide equitable staffing across all programs
 - There will be two health care specialists for the branch with Medi-Cal policy expertise that will directly report to Geri
 - The LEA Program has been assigned two analysts and a manager
- When the statewide hiring freeze is lifted, positions that are currently vacant will be filled

SB 231 Fees

- The 2.5 percent SB 231 withhold was reinstated as of January 17, 2011
- DHCS will track the LEA Program reimbursement and turn off the withhold when the total withhold amount reaches \$1.5 million or at the end of the FY 2010-11

LEA Administrative One Percent Withhold

- One percent administrative fee goes into a fund for the entire Medi-Cal department and the LEA Program is given an allocation of the funds
- DHCS is in process of determining if they can set up a separate special fund for the LEA one percent administrative fee to facilitate fund tracking
 - The best way may be to add legislation language
- Laura to look for the original Budget Change Proposal language for the Workgroup

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Audits and Investigations (A&I) Withhold

- The A&I one percent withhold has not yet been initiated
- Hewlett-Packard (HP) is currently working on the necessary changes in the paid claims processing system
- Once initiated, an Erroneous Payment Correction (EPC) will be required to collect the withhold retroactively to the beginning of FY 2010-11
- The Workgroup discussed LEAs who are not claiming in FY 2011-12, but claimed in FY 2010-11 and the potential interest incurred on outstanding Accounts Receivables (A/Rs) set up due to the EPC
- The Workgroup discussed informing LEAs of the timing of the EPC, however, DHCS does not know when the withhold and EPC will be implemented

Remittance Advice Detail (RAD) Code 9909

- LEA claims should no longer be denying for beneficiaries age 21 and older and receiving RAD code 9909 as of October 25, 2010
- An EPC to retroactively pay claims erroneously denied with RAD code 9909 was initiated in late January 2011
- Impacted LEAs should have received an EPC letter in the mail from HP

Procedure Codes 92551/92552

- LEA claims with billed procedure codes 92551 and 92552, non-IEP/IFSP Hearing Assessment, and IEP/IFSP service modifiers (TM or TL) are invalid procedure code/modifier combinations and are erroneously being paid
- DHCS is working with HP to update the claims processing system to limit payment to procedure codes 92551 and 92552 with only the appropriate modifiers

2-Year Claiming Limit

- In order to remain in federal compliance, DHCS is implementing policy directive to deny payment for any LEA claim beyond two years of the date of service to ensure compliance in this area
- The scope is very limited and should not impact LEAs because LEA claims should be submitted within 12 months of the date of service

American Recovery and Reinvestment Act (ARRA) Adjustments

- The increase to the Federal Medical Assistance Percentage (FMAP) was extended until June 30, 2011; however, the ARRA-enhanced FMAP rate (currently 11.59%) will be subject to gradual reductions on a quarterly basis until the enhancement is eventually terminated on June 30, 2011.
 - For the period of January 1, 2011 – March 31, 2011 the increase in FMAP will be adjusted to decrease by approximately 3 percent.
 - For the period of April 1, 2011 – June 30, 2011 the increase in FMAP will be adjusted to decrease by approximately 2 percent.

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- On July 1, 2011, the California ARRA enhancement will be terminated and the standard California FMAP rate of 50 percent will be resumed.
- The adjusted FMAP rates for California have not yet been finalized. Once they are finalized, DHCS will implement an EPC to adjust claims with a Date of Service from January 1, 2011 to June 30, 2011.
- The Workgroup discussed how the SB 231 withhold, one percent administrative fee, and A&I one percent withhold will impact the ARRA adjustments and rates

Rate Rebasing

- DHCS reviewed and analyzed FY 2007-08 CRCS costs and LEA Program reimbursement rates have been rebased using the submitted CRCS cost data and inflated to the FY 2010-11 rate year
- Most practitioner's costs per hour have slightly increased, which indicates that inflation factors have generally kept up with actual costs incurred by LEAs
- LEAs are currently reimbursed at the FY 2009-10 reimbursement rates and will continue receiving those rates until the rate table updates are implemented in the claims processing system
- Rebased rates will be implemented retroactively to FY 2010-11 when the ARRA FMAP adjustments have been finalized
 - This timing will reduce the ARRA and rate rebasing EPC impact on LEAs
- The Workgroup requested that the rebased rates be posted on the LEA website

FY 2009-10 Annual Report Form Changes

- DHCS converted the LEA Annual Report into Excel format to facilitate electronic submission and intake. The Workgroup would like a tool to be developed to assist LEAs in the completion of the Annual Report.
 - DHCS requested ideas from the Training Subcommittee on how best to provide Annual Report training for LEAs
 - The Training Subcommittee will review the Annual Report
- The Workgroup requested more information regarding the Annual Report and why it is necessary since LEAs complete the CRCS
 - The Annual Report:
 - Is an annual recertification of LEA participation
 - Provides DHCS an estimate of how much the fiscal year LEA Program cost will be for federal budgeting
 - Recertifies the LEA collaborative and fund distribution
- The Workgroup has previously discussed redundancies in information requested between the Annual Report and CRCS and would like to know if the Annual Report can be modified to remove duplicative information and/or if combining the Annual Report and CRCS is an option
- DHCS will research if the Annual Report has specific requirements set forth in the State Plan Amendment (SPA)

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RAD Code 9921 “Fiscal Year”

- Workgroup members stated that they are receiving assessment claim denials with RAD Code 9921 “Fiscal Year”
 - The Workgroup has provided sample RADs and DHCS will request FI-COD and HP to research

SPA 05-010, Speech-Language Equivalency

- DHCS’ intent is to resubmit SPA 05-010 once the LEA Program is in full compliance with SPA 03-024
 - The SPA is subject to CMS review and approval prior to LEA Program implementation

Frequently Asked Questions (FAQs)

- The Workgroup discussed whether the FAQs posted on the LEA website are considered guidance or policy
 - FAQs are intended to clarify policy in the LEA Provider Manual
 - DHCS has requested that if any FAQs cause confusion, that the FAQ should be brought to DHCS’ attention
- DHCS is in the process of reviewing and consolidating the various FAQ documents that are currently posted on the LEA website
 - FAQs will be also be reviewed for content that could potentially be added to the LEA Provider Manual

LEA Reimbursement Funds

- The Workgroup requested clarification on usage of LEA Program reimbursement funds. The Workgroup discussed some of the California regulations that outline LEA requirements:
 - 22 CCR Section 51270 outlines requirements for LEA providers, which include the requirement to reinvestment
 - California Education Code Section 8804(g) defines support services
 - California Education Code Section 8806 defines collaborative groups
- DHCS to e-mail the LEA Workgroup the California regulations
- The Workgroup discussed the interpretation of reinvestment of funds and how LEAs can use the monies
- DHCS stated LEA Program reimbursements are not categorized as federal grant funds or federal funds that can be used to match another federal program

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

FY 2006-07 and 2007-08 CRCS Pilot Audit

- A&I has completed Sacramento City USD’s pilot audit, including the exit interview. Santa Barbara COE’s exit interview will be conducted next week.
- A third LEA pilot audit will be completed once budget issues are resolved

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LEA Training

- A&I would like to conduct an LEA training in the spring to address the audit process, findings and CRCS documentation
- The Workgroup stated that since their travel budgets are minimal, they would prefer a web-based training. In addition, they expressed it may be better to combine the A&I training with the annual LEA Program fall training since this is closer to the CRCS deadline
- The Workgroup also suggested utilizing the CDE high speed internet connection to broadcast to other county office of educations. The training can also be recorded and accessible to LEAs that cannot attend.

New LEA Program Auditors

- A&I has not been granted any exemptions to the current statewide hiring freeze and is unable to fill any of the fourteen new auditor positions for the LEA Program at this time
- The new A&I positions will be funded through a one percent withhold on LEA claims up to \$650,000 beginning retroactively for FY 2010-11
 - The Workgroup expressed concern that the withhold will be collected while positions are unfilled
 - The withhold will be held in a separate account so that any unused portion will be returned to the LEAs that were charged

CRCS Overstated Units of Service

- During the pilot audit, DHCS identified a global CRCS issue impacting the IRUS Reports generated for FY 2006-07, 2007-08 and 2008-09
 - The Interim Reimbursement and Units of Service (IRUS) Reports contain overstated "Units of Service" for initial treatment services: psychology counseling (group and individual), speech therapy (group and individual), audiology, physical therapy and occupational therapy
 - DHCS has finalized the initial treatment service corrected claim count updates
 - An initial treatment services summary report for FY 2006-07 and 2007-08 has been posted on the LEA website for informational purposes only so that LEAs may reconcile their internal records and review updated units of service information
 - LEAs can filter the information by selecting their NPI or SS legacy provider number; only the impacted claim lines are included in the summary report

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IRUS Reports

- DHCS provided IRUS Reports to LEAs, as the 2006 SPA implementation resulted in many claims processing issues and EPCs that made it difficult for LEAs to track units and reimbursement information by procedure code and modifier combinations for FYs 2006-07, 2007-08 and 2008-09.
- A&I indicated that the IRUS Reports generated from the paid claims data should eventually be phased out. However, IRUS Reports will stay in place until LEAs are provided training.

Workgroup Subcommittee Reports

Communications Subcommittee

- The Subcommittee continues to target three different groups to help increase LEA communications
 - Special Education Local Plan Area (SELPA) directors
 - County Office Finance Subcommittee (COFS)
 - The Subcommittee continues to write a summary of issues that are important to the financial officers that are passed out during the COFS meetings
 - These summaries will now be forwarded to Workgroup members so they may provide them to their appropriate business managers
 - California County Superintendents Education Services Association (CCSESA)

Training Subcommittee

- The Subcommittee is willing to assist A&I with the development and/or review of the 2011 A&I training
- The Subcommittee will assist DHCS with the planning of the annual LEA training to include:
 - LEA Annual Report
 - CRCS
 - Service documentation examples
 - Medical versus financial service documentation
 - How to prepare for an audit
 - May be best to divide training information by financial and program/policy employees; however LEA personnel may benefit from understanding both sides of the program
 - Recruitment of new LEAs
 - Basic information on joining the program and outreach
 - Recruit LEAs that may not be utilizing the LEA program to their fullest advantage

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Services Subcommittee

- The Subcommittee added orientation and mobility services and interpretive services to the research request submitted to DHCS
- The Workgroup discussed interest in adding interdisciplinary team evaluations
- DHCS and the Subcommittee will set up a conference call to discuss how to best move forward researching new services and gather additional information on IEP/IFSP assessments and interdisciplinary team evaluations
- When the National Alliance for Medicaid in Education (NAME) survey is finalized and released, DHCS will target specific states to contact and gather additional information on the services that the LEA Program does not reimburse
- The Subcommittee requested an update on the LEA Program state regulations package
 - The regulations package was put on hold during a period of proposed CMS changes to school-based services. DHCS is exploring the feasibility and timing of resuming the regulations package

Next Meeting

Wednesday, April 6, 2011 10:30am – 3:00pm at Natomas USD