Local Education Agency (LEA) Medi-Cal Billing Option Program
Advisory Workgroup Meeting
April 1, 2015 Meeting Minutes

Location: Natomas Unified School District (USD)

Attendees: Rick Record, Safety Net Financing Division (SNFD); Cheryl Ward, SNFD; Stephanie Magee, SNFD; Dmitry Terlesky, SNFD; Martin Alverez, A&I Financial Audits Branch (FAB); Vongayi Chitambria, A&I FAB; Renzo Bernales, California Department of Education (CDE); Kevin Harris, Navigant Consulting; Marna Metcalf, Navigant Consulting; Alma McKenry, Fresno COE; Aurelie Alvarez, LACOE; Belinda Brager, Calaveras USD; Brian Baterina, San Mateo COE; Carolyn Nunes, San Diego COE; Cathy Bennett, Sacramento City USD; Christine Wilhite, Butte COE; Christyal Salinas, New Haven USD; Debbi Robottaro, Mendocino COE; Debbie Geer, Glenn COE; Debbie Wood, Bakersfield City SD; Diane Rey, Santa Ana Unified SD; Janice Holden, Stanislaus COE; Laurie Lane, Winters Joint USD; Margarita Bobe, LAUSD; Mary Olmstead, Amador COE; Michelle Cowart, Contra Costa COE; Randy Nakamura, Hayward Unified; Robert Stout, Alameda COE; Rose Medeiros, Modesto City Schools; Sharon Kuhfal, Pleasanton USD; Sheri Coburn, San Joaquin COE; Dr. Sherry Purcell, LAUSD; Tammy Jones, Ventura COE; Teresa Olivares, San Bernardino City USD; Thomas Locker, Martinez USD; Tracy Cole, Natomas USD; Wendi Yamabe, Saugus Union SD.

Handouts

Each participant was emailed an electronic copy of the following: Workgroup Meeting Agenda, February 2015 Meeting Minutes, April DHCS Status Update Summary, LEA Workgroup Breakout Group Instructions and Supporting Documents.

Purpose

The meeting was convened by DHCS. The Department welcomed all participants to the meeting and briefly reviewed the purpose of the Workgroup, which is to improve the Local Educational Agency (LEA) Medi-Cal Billing Option 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 February meeting minutes. One minor edit was suggested, which will be incorporated and the minutes will be posted on the LEA Medi-Cal Billing Option Program website.

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California Department of Education (CDE), Special Education Division (SED) Updates

- CDE reported responding to questions regarding consent to bill Medi-Cal from out-of-state billing vendors. CDE provided these vendors with references regarding informed consent and noted that information is available on the AB 114 website that addresses informed consent requirements per the Office of Special Education Programs (OSEP).
- CDE noted that they reviewed the draft Interagency Agreement (IA) from DHCS, and submitted follow up questions to DHCS. Based on responses from DHCS, CDE is restructuring sections of the draft IA and will make the revised draft available for DHCS review.

DHCS A&I Updates and Presentation

- A&I Financial Audits Branch (FAB) gave a brief overview of the CRCS audits in process for FYs 09/10, 10/11 and 11/12. For these three fiscal years, all minimal audits have been issued and limited and field audits are being finalized. For FY 12/13, A&I FAB noted that approximately 50 minimal audits have been completed, and the remaining minimal audits will be completed by summer 2015. Once the FY12/13 minimal audits are completed, A&I FAB will scope out additional limited/field audits.
- FAB provided a review of the three types of audits, as follows:
    - Minimal audit – reconciliation of the as-filed CRCS interim units/reimbursement and the paid claims processing system information for the respective fiscal year. This audit generally takes three hours to complete by FAB. All filed CRCS reports for FYs 09/10, 10/11, 11/12, and 12/13 will receive a minimal audit.
    - Limited audit – A&I requests and reviews additional documentation submitted by the provider. A limited audit takes approximately 60 hours to complete and is generally not conducted on-site at the LEA.
    - Field Audit – A&I conducts a site visit to the LEA and reviews additional documentation. A field audit generally takes 150 hours to complete.
- In the case of a limited or field audit, a formal exit conference will take place at the conclusion of the audit and adjustments are documented in a 15-day letter (sent via e-mail to the LEA contact). As indicated in the 15-day letter, the provider has 15 days to respond if they don't agree with the proposed adjustments; otherwise, the audit will be finalized and issued by FAB. Workgroup members noted concerns with the lack of a process to inform LEAs that the audit has been completed. A&I noted that they have addressed communication breakdowns that have occurred in the past and have made internal corrections to their process to resolve this issue.
- LEAs currently incur a one percent withhold on paid claims to fund 14 auditor positions required to staff the workload on the CRCS reconciliation. The one percent withhold is currently limited to $650,000 per fiscal year; any unused funds will be returned to the LEAs. A&I gave a presentation to the Workgroup on the current $650,000 funding cap and proposed that the cap be increased to $820,000, the amount approved in the initial Budget Change Proposal (BCP).

- Last year, for the first time, A&I expenditures exceeded the cap by over $27,000. This overage was paid by the State General Fund. In the future, A&I would like to ensure that funds are available through the LEA withhold on paid claims, and that State General Fund expenditures are not required to fund the A&I positions.
- A&I noted that their proposal to increase funding would not take place until FY16/17.
- A&I indicated that there are several reasons for the proposed increase: (1) the number of LEAs has increased substantially, from 392 for FYE 6/30/07 to 530 for FYE 6/30/13; (2) the pay increase between the Auditor I and Auditor III positions, as auditors are promoted; and the fact that all 14 positions are now filled, whereas in previous years some positions remained vacant.
- The Workgroup expressed concern with the additional funding request, particularly now that the CRCS backlog from prior years has been cleared. The Workgroup asked that A&I conduct further analysis for presentation at the June Advisory Workgroup Meeting regarding the scope of work moving forward and whether they believe they can support all 14 positions. In addition, the Workgroup requested that A&I provide the staffing level projections moving forward and forecast the highest possible budget, assuming promotions (highest staffing per A&I would be 10 Auditor IIIs, 2 Auditor IVs and 2 Managers). A&I agreed to provide additional information at the June 2 meeting.

DHCS SNFD Status Updates

FY 2012-15 Provider Participation Agreement (PPA) / FY 2013/14 Annual Report (due 11/30/14)

- SNFD reported that to date they have received 479 Annual Reports.
- Regarding the PPA, SNFD has received and processed nine new LEA PPAs and one additional PPA have been returned to the provider for corrections.
- SNFD reported that they are considering an “Evergreen” PPA format, whereby the PPA would be in effect until the agreement is terminated by either party. SNFD anticipates that the implementation of the Evergreen PPA would take place in FY 2015/16.

FY 2012/13 Cost and Reimbursement Comparison Schedule (CRCS)

- SNFD continued to contact the 34 LEAs with a delinquent FY12/13 CRCS. In addition, SNFD is following up with an additional 15 LEAs have delinquent CRCS reports for years prior to FY12/13, some of which have delinquent reports for multiple years.
- SNFD is researching a way to simplify the CRCS reporting requirement for LEAs with zero interim reimbursement. Instead of having these LEAs submit the entire report (populated with zeros), SNFD would like to implement a one-page certification for these LEAs, who are mostly new providers.

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Miscellaneous LEA Website Updates

- The Random Moment Time Study (RMTS) page is posted under *Program Information*: http://www.dhcs.ca.gov/provgovpart/Pages/LEA_RMTS.aspx. This page contains the Implementation Advisory Group (IAG) meeting summaries, as well as a stakeholder feedback tool at http://lea-medical-rmts.surveyanalytics.com/. Workgroup members suggested that the feedback tool be more prominently displayed on the page so that it is easier to locate.

Erroneous Payment Correction (EPC) 24350

- EPC 24350 has been issued to correct payment discrepancy for 92507 GN TM claims submitted on or after 7/1/12. These claims were erroneously paid at the older, uninflated rate.
- LEAs began receiving payments on RAD date 3/16/15 with RAD code 0883: Retroactive Price Correction. The announcement is posted on the LEA Program website at: http://www.dhcs.ca.gov/provgovpart/Pages/LEAClaimsProcessing.aspx.

System Development Notice (SDN) 14002

- SDN instructed Xerox to exempt cost settlements, over-collected withhold reimbursements and electronic health record provider incentive payments from the withhold process. SNFD attended the internal walk-thru at Xerox on 2/26/15, and the SDN is on schedule and expected to be implemented by Fall 2015.

FY 2013/14 LEA Program Annual Accounting of Funds Summary Report

- DHCS presented the finalized Annual Accounting of Funds Summary Report.
- The FY 13/14 summary is posted on the LEA Program website at: http://www.dhcs.ca.gov/provgovpart/Pages/LEAClaimsProcessing.aspx.
- SNFD expects the settlement timing to take place in Fall 2015, similar to last year's reconciliation of funds. SNFD noted that LEAs owing funds to the State over the last two fiscal years will have that amount offset from the FY 13/14 amount due back to the LEA or added to the amount the LEA owes DHCS for FY 13/14.

SNFD Site Visits/Technical Assistance

- Technical assistance will be provided to new LEAs, LEAs who are out of Program compliance, or those requesting assistance. The first two site visits are expected to take place prior to June 30, 2015.
- SNFD requested volunteers from the Advisory Workgroup who would like to receive technical assistance, and will follow-up with those LEAs in the coming weeks. LEAs that would like to request a technical assistance site visit may do so via LEA@DHCS.CA.GOV.

Termination of Speech-Language Pathology (SLP) CPT Code 92506 and Implementation of CPT codes 92521-24 and 92557

- SNFD spoke with the Centers for Medicare & Medicaid Services (CMS) on 3/4/15 and received approval of the rate methodology to pro-rate the existing 92506 rate between the four new CPT codes (92521-24). Workgroup members requested a table of the new rates and SNFD committed to sending that out via email. This information will also be sent to all LEAs via a Policy and Procedure Letter (PPL), expected to be issued by SNFD in summer 2015.
- Workgroup members noted the importance of getting the information out to LEAs as soon as possible, allowing time for LEAs to modify their internal billing systems and train staff.
- Workgroup members also noted that the rate for speech services should be re-visited in a future rate study, now that the LEAs will bill by component. In addition, Workgroup members expressed concern that auditors need to be trained on the new billing methodology, since one report might encompass several components (each billed separately under the new rate structure).
- Expected implementation of the new CPT codes is January 1, 2016.

Telehealth

- SNFD spoke with CMS on 3/4/15 and received approval to implement telehealth as a modality to deliver Speech Language Pathology services, but did <u>not</u> receive approval for implementation of the facility fee and transmission costs.
    - Facility fee and transmission cost would need to be added to the CRCS to be claimable.
    - 50% FFP of $22.94 facility fee and $0.24 per minute for transmission cost would likely represent a very small portion of total LEA reimbursement.
- NCI is updating the rate table to include the telehealth modality in Speech Language Pathology, but not the facility fee or transmission cost. SNFD will seek input from LEA stakeholders to determine if the facility fee and transmission costs should be included as a reimbursable expense and be added to the CRCS.
- SNFD is working with stakeholders to determine whether to change language in Welfare and Institutions Code Section 14132.72 to coincide with language in SPA 05-010, and thereby allowing telehealth claiming by practitioners according to State Plan requirements for Speech Language Pathologists.

Random Moment Time Study (RMTS)

- Two Implementation Advisory Group (IAG) meetings have taken place in Sacramento (2/25/15 and 3/19/15). IAG meeting summaries are posted on the LEA website at: http://www.dhcs.ca.gov/provgovpart/Pages/LEA_RMTS.aspx.
- A stakeholder feedback tool has been developed and is posted on the LEA website at: http://lea-medical-rmts.surveyanalytics.com/. The IAG would like stakeholder feedback on RMTS and encourages LEAs to participate in the process by summarizing their concerns on the feedback tool.

- IAG members would like the Advisory Workgroup's feedback on TCMS; this will be the subject of today's breakout session.

Transportation Regulations

- SNFD reported that they sent the proposed regulation package to the California Department of Education on 3/17/15 for their review and sign off, per the Department of Finance request. SNFD noted that CDE has completed its review and recently sent a response to DHCS.
- SNFD will follow-up with DHCS Legal to review CDE's responses and provide an update at the June Advisory Workgroup Meeting.

State Plan Amendment (SPA) 12-009 regarding Targeted Case Management (TCM)

- DHCS will sunset the existing TCM reimbursement methodology effective 6/30/15, and will include new TCM reimbursement methodology in the new RMTS SPA.
- TCM will be the subject of today's breakout session.

Reports to the Legislature

- April 2012 to May 2013 Report - DHCS is currently responding to State Auditor questions, and the report is with DHCS management for final review and approval.
- April 2013 to May 2014/April 2014 to May 2015 – SNF noted that these two years will be combined into a single report.
    - NCI is currently gathering data from other states via the State Survey.

Free Care Principle

- On 12/16/14, LEAs were informed via e-blast that CMS issued a letter to clarify existing "ambiguity" concerning Medicaid payment for services provided without charge ("free care").
- DHCS is still researching how this new CMS guidance will affect Medi-Cal Programs in California, including the LEA Program.
    - SNFD is researching and will provide information as it becomes available.
    - SNFD will be working closely with CMS for guidance on implementation.
- LEAs should not be billing for services provided free of charge, unless abiding by the requirements set forth in the LEA Provider Manual (Section *loc ed bil*). Once DHCS finalizes the new process, LEAs will be notified of any changes via e-blast and PPL.

New Services SPA

- SNFD will continue to move forward with incorporating new benefits into the LEA Program, and will submit a SPA by September 30, 2015. This SPA will also include an RMTS methodology for the LEA Medi-Cal Billing Option Program.
- SNFD will not be including "IEP Review Services" in the SPA, based on Pennsylvania's Findings from CMS's Financial Management Review Final Report, which noted that Pennsylvania improperly claimed IEP development and annual/review meetings as direct medical services, and should refund approximately $5M for unallowable FFP.

CMS indicated that *"The state did not follow federal CMS guidance that prohibits claiming costs to Medicaid associated with development and conducting IEP meetings which are the responsibility of IDEA and not as medical assistance. IEP team meetings do not constitute direct medical services."*

- In regards to moving forward with Durable Medical Equipment and assistive technology devices, DHCS queried LEAs at the meeting to ask if they are willing to become licensed DME providers and assume the responsibilities of a DME provider. The consensus was no; in addition, the moratorium on new DME providers would prohibit LEAs from taking on this role at this time. As such, SNFD will be removing DME from the list of potential new services on the upcoming SPA.

ICD-10 Update

- Navigant Consulting provided a presentation on ICD-10 requirements and tips for mapping between ICD-9 and ICD-10. ICD-10 will be effective nationwide on October 1, 2015, including LEA Providers.
- Navigant Consulting provided links to several helpful resources for LEAs, including:

  General Resources:
  - www.cms.gov/ICD10
  - www.roadto10.org
  - http://cdn.roadto10.org/wp-uploads/2014/08/2015-ICD-10-CM-Tabular-List-of-Diseases-and-Injuries.pdf
  - http://www.asha.org/Practice/reimbursement/coding/ICD-10/
    - Includes a mapping tool for speech and audiology related ICD-9 Codes

  California Resources:
  - http://files.medi-cal.ca.gov/pubsdoco/hipaa/hipaa_icd10_home.asp
  - Providers may submit ICD-10-related questions to the ICD-10 mailbox at: ICD-10Medi-Cal@xerox.com

- Navigant Consulting noted that although the CMS General Equivalence Mapping guides provide a crosswalk from an ICD-9 code to one or more ICD-10 codes, the mapping may not be appropriate for the LEA Provider community. In these cases, the ICD-10 Tabular list of Diseases and Injuries (link above in General Resources) may be helpful for LEAs to identify the correct range of potential ICD-10 codes applicable to the student.

Workgroup Breakout Session

The goal of the Workgroup breakout sessions is to brainstorm challenges and barriers in smaller workgroups, and use combined expertise to provide guidance to DHCS and suggest planning and solutions.

- Workgroup members discussed Targeted Case Management Services (TCMS) and how these services fit into the upcoming RMTS environment for the LEA Medi-Cal Billing Option Program. TCMS accounts for $2.4 million of LEA paid claims, less than two percent of total paid claims expenditures for FY 12/13. Only 75 providers billed TCMS in FY 12/13.
- Workgroup members discussed the pros and cons of potential alternatives for TCMS in the LEA Program, including: (1) Remove TCMS as an allowable service in the LEA Medi-Cal Billing Option Program and retain TCMS billing in the SMAA Program; (2) Create a separate TCMS Activity Code to better track services, addressing CMS "double-dipping" concerns; (3) Status quo, but further dissect allowable TCMS for Activity Codes 2/8. A summary of today's breakout session will be taken back to the RMTS Implementation Advisory Group for further discussion later this month.

Next Meeting

The next meeting will take place on Tuesday, June 2, 2015 at Natomas Unified School District.