

**Local Education Agency (LEA) Medi-Cal Billing Option Program  
Advisory Workgroup Meeting  
August 10, 2016 Minutes**

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

**Attendees:** Michelle Kristoff, Safety Net Financing Division (SNFD); Rick Record, SNFD; Cheryl Ward, SNFD; Dmitry Terlesky, SNFD; Stephanie Magee, SNFD; Martin Alvarez, A&I Financial Audits Branch (FAB); Olga Barajas, A&I FAB; Lindy Summers-Bair, M.D., A&I Medical Review Branch (MRB); Renzo Bernales, CDE; Andrea Pederson, Navigant Consulting; Kevin Harris, Navigant Consulting; Marna Metcalf, Navigant Consulting; Alest Walker, California School Board Association; Alma McKenry, Fresno COE; Amanda Dickey, CCSESA; Andrea Coleman, LAUSD; Ann Vessey, Riverside COE; Anne Rigali, Guadalupe Union SD; Aurelei Alvarez, LACOE; Belinda Brager, Calaveras USD; Brian Baterina, San Mateo COE; Cathy Bennett, Sacramento City USD; Christine Wilhite, Butte COE; Coreen DeLeon, Glenn COE; Cynthia Marquez, Greenfield Union SD; Debbi Wood, Bakersfield City SD; Elizabeth McAnnally, William S. Hart USD; Francisca Montes, Manteca USD; Helen Frederickson, Palmdale SD; Jackie Swords, Lancaster SD; Janice Holden, Stanislaus COE; Jennifer Wood-Slayton, Lamont SD; Jodi Allen, Dry Creek Joint Elementary SD; Julie Ferebee, Palmdale SD; Karen Davis, Arvin Union SD; Karol Castillo, Folsom Cordova USD; Laura Missimer, San Joaquin COE; Leslie Agostini, Manteca USD; Leticia Saldana, Riverside COE; Linda Torres, Natomas USD; Lisa Eisenberg, California School-Based Health Alliance; Lora Gonzalez, Yuba COE; Maricela Martin, San Bernardino Co.; Margaret Roux, Kern County Superintendent of Schools; Margarita Bobe, LAUSD; McKenzie Palomino, San Joaquin COE; Melissa Locketz, Rocklin USD; Natasha Slivkoff, Bakersfield City School District; Nikki Brindle, Sacramento COE; Patty Morris, Siskiyou COE; Randy Nakamura, Hayward USD; Rebecca Santos, EGUSD; Robert Stout, Alameda COE; Sheri Coburn, San Joaquin COE; Tammy Jones, Palmdale SD; Tammy Jones, Ventura COE; Teresa Olivares, SBCUSD; Therese Tiab, Monterey COE.

**Handouts**

Each participant was emailed an electronic copy of the following: August Workgroup Meeting Agenda; August DHCS Status Update Summary; June 2016 Meeting Minutes; June 2016 breakout session result grids.

**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.

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**Review of Meeting Minutes**

The Workgroup reviewed the June meeting minutes. One stakeholder commented that the RMTS updates were located in two sections of the meeting minutes. DHCS noted that the RMTS topic was initially discussed during the June status updates and again as a general topic later in the June meeting. DHCS indicated that they would merge the RMTS information in future meeting minutes. The meeting minutes were approved and will be posted on the LEA Program website.

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

- Kristin Wright has been appointed as Director of the Special Education Division and will begin her assignment on September 1.
- CDE noted that they continue to be involved in senate and assembly bill analyses, including evaluation of the following active bills: Senate Bill 123, which addresses several of the findings/recommendations of the California State Auditor (available at <https://www.auditor.ca.gov/reports/2014-130/summary.html>); Senate Bills 884 and 1113, which address special education mental health services that were impacted by AB 114, which ended the State mandate on county mental health agencies to provide mental health services to students with disabilities.
- CDE provided an update on a recent meeting in Washington, D.C. called by the Department of Health and Human Services (DHHS), the Department of Education and the Centers for Medicare and Medicaid Services (CMS).
  - The intent of the meeting was to discuss a new federal initiative for states to declare a vision for health services provided to kids in schools. The meeting attendees discussed school-based services being one access point for EPSDT services, and encouraged states to inventory their own delivery infrastructure of EPSDT services to Medicaid-eligible children.
  - California's representatives at the meeting will now be tasked with reviewing California's laws, regulations and policies, in order to identify obstacles to providing EPSDT services to children. Representatives that attended the Washington, D.C. meeting noted that they will be working to inventory programs and identifying State laws/policies that are more stringent than federal laws/policy.
  - DHCS staff were invited to attend the August meeting but given very short notice and were unable to attend. A follow-up meeting has been proposed for December; DHCS will be invited to this meeting, as well.
  - A National Alliance for Medicaid in Education (NAME) board member mentioned that NAME representatives were at the Washington, D.C. meeting, as well. It was noted that the NAME Conference in September

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will include a presentation on this topic and conference attendees will discuss next steps. CMS representatives are expected to be part of the NAME Conference and address federal initiatives related to health care in schools.

**DHCS A&I Updates - FAB**

- A&I provided an update on the status of CRCS audits:
  - FY 2011-12 - All minimal audits have been completed and FAB is currently wrapping up limited/field audits. 51 limited/field audits are in process of being issued. Exit conferences have been held in 41 of these 51 audits.
  - FY 2012-13 – All minimal audits have been issued; approximately 100 limited and field audits currently underway.
  - FY 2013-14 – minimal audits have been completed. Approximately 10% of these will be expanded to limited/field audits (FAB is currently in process of scoping the audits). The minimal audits that are not selected for further review will be issued this fall. FAB noted that, if necessary, they will attempt to audit two years during the audit (FY13/14 and 14/15).
- A&I provided an update on audit appeals, noting that 14 Report of Findings have been issued in the last five years. Two appeals are currently in process, one formal appeal has been scheduled and the second formal appeal is complete and awaiting findings. Three informal appeals are in the process of being scheduled.

**DHCS SNFD Status Updates**

**Provider Participation Agreement (PPA) and FY 2014-15 Annual Report Submissions (due November 30, 2015)**

- As of August 3, 2016, 546 LEAs have submitted the PPA and 542 LEAs have submitted the FY 2014-15 Annual Report.

**2015-2018 Data Use Agreement (DUA) and Attachment E Submissions (due November 30, 2015)**

- As of May 26, 2016, 543 LEAs have submitted the 2015-18 DUA and 539 LEAs have submitted Attachment E.
- DHCS continues to research DUA language for use within both the LEA and SMAA Programs and will provide future guidance.

A workgroup member asked whether they are in compliance if they submitted the previous version of the DUA. DHCS confirmed that LEAs that submitted the last published version are compliant with the submission requirement, and that SNF is still researching a joint PPA for LEA/SMAA.

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

- FY 2013-2014: as of August 3, 2016, A&I has accepted 556 submissions
  - 528 DHCS Form 237- *Medi-Cal Cost and Reimbursement Comparison Schedule*
  - 28 DHCS Form 2437a- *Certification of Zero Reimbursements for LEA Services*
- 10 LEAs did not submit the FY 2013-14 CRCS as of August 3, 2016.
- The Department gave an update on delinquent CRCS Reports for prior fiscal years. A total of 16 LEAs are on 100% withhold:
  - 10 for FY 2013-14
  - 3 for FY 2012-13
  - 1 for FY 2011-12
  - 2 for FY 2009-10
- DHCS is currently reaching out to LEAs with delinquent CRCS reports and providing CRCS resources. In addition, DHCS may schedule technical assistance site visits in FY 2016-17 to LEAs with delinquent CRCS reports.

**LEA Website Updates and E-blasts**

- E-blast June 13, 2016: Posted PPL 16-010 Implementation of Electronic Signature Policy, May 2013 LEA Report to the Legislature, and two EPC letters
- E-blast June 28, 2016: Posted PPL 15-024R which revised Telehealth implementation guidelines; updated Documentation and Records Retention Requirements FAQs
- E-blast June 28, 2016: SLP Codes and Telehealth implementation and billing guidance updates
- E-blast July 7, 2016: Posted PPA and AR and announced due dates
- E-blast July 25, 2016: Posted PPL 16-012 Notification of Third-Party Liability Recoupment Requirements; FY 2015-16 Reimbursement Rates announcement
- E-blast August 4, 2016: Posted CRCS and announced due date; updated Nursing/THCA FAQs
- Website updates July 8 and July 12, 2016: Minor updates five FAQ sections
- Website update July 22, 2016: Minor updates to Onboarding Handbook and LEA Tool Box

**LEA Provider Manual Updates – APPROVED AND DUE TO PUBLISH 8/15/16**

- New Telehealth section (Telehealth background and requirements)
- Loc ed serv spe (telehealth modality to deliver Speech Therapy services, including modifier GT; replace code 92506 with 92551, 92552, 92553, 92554)
- Loc ed serv hear (replace 92506 with 92557)
- Loc ed bil cd (replace 92506 with 92551-92554 and 92557)
- Loc ed bil (free care policy, OHC denial policy)

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**FY 2015-16 Inflation Rate Adjustment**

- SPA 03-024 requires annual rate inflation using the Implicit Price Deflator, which requires updating the rate table Xerox uses to adjudicate claims.
  - The Implicit Price Deflator applicable to the FY 2015-16 rate year decreased .00178
- There will be no annual rate adjustment for the FY 2015-16 reimbursement rates since there was not an inflation increase.

**Fair Share Reimbursements/Collections for FY 2013-14**

- DHCS received data from Xerox and is compiling the Fair Share reimbursement or collection for each LEA for FY 2013-14.
- Will include carry over collections from LEAs for FY 2011-12 and FY 2012-13.
- Will include reimbursement of erroneously collected withholds associated with EHR payments and CRCS cost settlement payments.
- A stakeholder commented on whether summary level data would be posted to the LEA Program website containing cost reconciled total reimbursement amounts. DHCS is currently working with A&I to get this information and SNF intends to provide the data per fiscal year, if available.

**Annual Accounting of Funds Summary Report for FY 2014-15**

- DHCS has completed the draft report.
- Xerox is processing the FY 2014-15 paid claims data by date of payment. Once the paid claims data is received and verified, DHCS will finalize the report.

**Termination of SLP CPT Code 92506 and Implementation of CPT Codes 92521-24 and 92557**

- Xerox terminated CPT code 92506 as of July 1, 2016.
- Xerox is updating the rate table and utilization controls for a July 1, 2016 effective date, but will not complete implementation until October 2016.
  - LEAs may hold claims with dates of service from July 1, 2016 until implementation, then bill retroactively to July 1, 2016 after Xerox completes implementation
  - LEAs may bill now using new CPT codes, which will be denied by Xerox and reprocessed via an EPC once implementation occurs
- LEA Provider Manual updates are due to be published mid-August 2016
- Will be a subject of 2016 Fall Training (workgroup sub-committee will review training slides)

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**Telehealth**

- Xerox is updating the rate table to include the Telehealth modifier for a July 1, 2016 effective date, but will not complete implementation until October 2016.
  - LEAs may hold claims with dates of service from July 1, 2016 until implementation, then bill retroactively to July 1, 2016 after Xerox completes implementation
  - LEAs may bill now using new CPT codes and modifier GT, which will be denied by Xerox and reprocessed via an EPC once implementation occurs
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**SPA 15-021 (New Services and RMTS Implementation)**

- On July 18, 2016, DHCS had a conference call with CMS to review the remaining set of Requests for Additional Information (RAIs). DHCS informed CMS that they are working on the draft CRCS which will include transportation costs, Targeted Case Management services, and the Random Moment Time Survey methodology.

**Third Party Liability Recoupment**

- On July 1, 2016, DHCS published Policy and Procedure Letter (PPL) 16-012 clarifying the Department's third party liability recoupment requirements.
- DHCS Third Party Liability Recovery Division (TPLRD) resumed other health coverage (OHC) recovery efforts on August 1, 2016.
- DHCS has requested proof of parents receiving any Explanation of Benefits (EOB) or bills requiring a co-payment or out-of-pocket payment for share of cost for services provided by the LEA, and has not received any to date. Therefore, DHCS is unable to determine the extent parents are impacted by the TPLRD requirement to pursue OHC recovery in cases where the student has dual eligibility (Medi-Cal and OHC).
- Workgroup members noted that when parental consent to bill Medi-Cal is rescinded, it does negatively impact LEA reimbursement. SNF indicated that they designed and sent an OHC survey and received 17 responses, only a few of which responded that parental consent was rescinded due to the TPLRD activities. Without evidence that TPLRD activities are creating barriers to reimbursement for LEAs, DHCS cannot move forward on this issue. The workgroup requested the survey be resent in November, after the Fall Medi-Cal enrollment period, to all LEAs currently on the listserv. The Department agreed with this suggestion and will provide LEAs 30 days to respond to the survey, which will be due in December 2016. Before sending the survey, the Department will add questions to further scope out the impact of the TPLRD activities.

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**May 2014/May 2015 Combined Legislative Report**

- The LEA Legislative Report is currently under final review and will be posted upon final approval.

**SPA 15-021 Update**

- DHCS continues to work with CMS in responding to the Request for Additional Information (RAI). SNFD has worked through the majority of RAIs with CMS and is finalizing the remaining responses. CMS has informally approved most RAI responses.
- Once all RAIs have been informally vetted through CMS, DHCS will formally submit responses to all RAIs. Once formal RAI submission takes place, the 90-day clock will restart with CMS.
- The revised CRCS includes all new services/practitioners, the RMTS methodology, transportation and Targeted Case Management (TCM).

**RMTS IAG Update**

- Two IAG meetings have taken place since the last LEA Workgroup meeting, including:
  - July 12, 2016 IAG meeting – reviewed a draft version of the LEA RMTS Implementation Guide.
  - August 9, 2016 IAG meeting – reviewed suggested edits/additions to the LEA RMTS Implementation Guide, reviewed edits made to the draft CRCS form and discussed training outlines for the annual LEA Program training (October).
  - Next meeting in early September will focus on reviewing a final draft of the LEA RMTS Implementation Guide and October LEA Program training slides related to RMTS.

**Training Update**

- SNFD asked workgroup members for feedback on proposed training dates of October 11 or 13. The group didn't have substantial problems with either date so DHCS will select a date and move forward with planning. SNFD will send a 'save the date' e-blast once the date is finalized.
- SNFD indicated that they will not present the prior training's morning session (basic "LEA 101"), but will provide a link to that training in the formal training announcement.
- SNFD presented a draft training outline and received stakeholder input on training subjects. One stakeholder noted that a section on parental consent might be helpful, which would also provide an opportunity for DHCS to address/promote the upcoming EOB survey.

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**Paid Claims**

- NCI presented an overview of FY14/15 paid claims information, including reimbursement and utilization trends over time. NCI personnel indicated that further analysis of paid claims by service type is forthcoming, once Xerox provides the detailed paid claims data (data request has been made to Xerox, awaiting results).
- A stakeholder requested a copy of the slides, which DHCS agreed to disseminate to meeting attendees within the next week.

**Workgroup Breakout Session**

SNFD presented the breakout results grids from the June 2016 meeting. Topics discussed included: (1) training needs for telehealth and implementation of CPT codes 92551-92554 (to be considered as DHCS develops training slides), and (2) development of a terminology crosswalk (ongoing work for a sub-group of Advisory Workgroup members).

The goal of the August breakout session is to conduct a planning session for the upcoming year. DHCS presented summary slides on progress made to date on FY15/16 breakout sessions, and suggested possible breakout topics for FY 16/17. Stakeholders added to the list of possible breakout topics for FY 16/17 and prioritized the most important topics. Topics discussed included:

1. New services in SPA 15-021, including specifics on qualifications, supervision requirements, potential CPT codes, utilization controls, etc. The group feels this is a high priority item, once RAIs are approved by CMS. Stakeholders suggested inviting someone from Managed Care to this session so that they can better understand LEA services.
2. Personal Care Services – define covered scope of services, qualifications, supervision requirements, potential CPT codes, utilization controls. Discuss billing for THCA vs personal care services and documentation required for non-IEP services.
3. Free care/OHC – updates and changes due to SPA 15-021
4. Review and updating of LEA Provider Manual (including future RMTS section of the manual)
5. RMTS as it fits into LEA Program
6. Review and updating of LEA FAQs (paring down FAQs, moving policy information into the LEA Provider Manual)
7. Behavioral services – When these non-covered services are included in an IEP, research avenues for services (available mental health and substance abuse services). The group felt it would be helpful if LEAs had guidance on where to turn to support students needing these services.

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8. Credentialing requirements for mental health services (LCSW, MFTs without the PPS credential). Can an unlicensed practitioner (such as a credentialed school psych) be the referral source? Clarify medical necessity requirement. In addition, a workgroup member asked the Department to provide clarification on whether an LCSW or LMFT that evaluates the student can then self-refer that student for treatment services.
9. Maximizing TCM reimbursement
10. 2016 update on technical assistance offered by DHCS (update on what is being discussed at site visits)

**Next Meeting**

The next meeting will take place on Wednesday, October 5, 2016.