

**Local Education Agency (LEA) Medi-Cal Billing Option Program  
Advisory Workgroup Meeting  
June 1, 2016 Minutes**

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

**Attendees:** 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; 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; Aurelei Alvarez, LACOE; Belinda Brager, Calaveras USD; Brian Bateria, San Mateo COE; Carolyn Nunes, San Diego COE; Catherine Graham, Orange County DOE; Cathy Bennett, Sacramento City USD; Christine Wilhite, Butte COE; Colleen Emswiler, Thermalito; Cynthia Marquez, Greenfield Union SD; Debbi Conner, MCOE; Debbi Wood, Bakersfield City SD; DeeDee Lowery, Napa Valley USD; Diane Rey, Santa Ana USD; Elizabeth McAnnally, William S. Hart USD; Francisca Montes, Manteca USD; Helen Frederickson, Palmdale SD; Janice Carter-Lourensz, Montebello USD; Janice Holden, Stanislaus COE; Jeremy Ford, Oakland USD; Julie Ferebee, Palmdale SD; Karol Castillo, Folsom Cordova USD; Kristi Kobayashi, Montebello USD; Laura Missimer, San Joaquin COE; Laurie Lane, Winters Joint USD; Leslie Agostini, Manteca USD; Linda Ledesma, Lindsay; Lisa Eisenberg, California School-Based Health Alliance; Marciela Martin, San Bernardino Co.; Margaret Roux, Kern County Superintendent of Schools; Margarita Bobe, LAUSD; Mary Olmstead, Amador COE; Melissa Locketz, Rocklin USD; Michelle Cowart, Contra Costa COE; Nikki Brindle, Sacramento COE; Patrice Breslow, San Diego USD; Patty Morris, Siskiyou COE; Paul Pham, Torrance USD; Randy Nakamura, Hayward USD; Robert Stout, Alameda COE; Rose Medeiros, Modesto City Schools; Sharon Kuhfal, Pleasanton USD; Sheri Coburn, San Joaquin COE; Susanna Reyes, Arvin Union SD; Tammy Jones, Palmdale SD; Tammy Jones, Ventura COE; Tanya Perry, Bear Valley USD; Therese Tiab, Monterey COE; Tracy Cole, Natomas USD; Wendi Yamabe, Saugus Union SD.

**Handouts**

Each participant was emailed an electronic copy of the following: June Workgroup Meeting Agenda; June DHCS Status Update Summary; April 2016 Meeting Minutes; June 2016 Breakout topics and instructions.

**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

**Local Education Agency (LEA) Medi-Cal Billing Option Program  
Advisory Workgroup Meeting  
June 1, 2016 Minutes**

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 April meeting minutes. One stakeholder noted that the breakout session minutes were vague and suggested additional detail be added to this portion of the minutes. DHCS noted that they would consider this suggestion for future meeting minutes. The meeting minutes were approved, with several minor additions noted by stakeholders. DHCS will edit the April meeting minutes and post them on the LEA Program website.

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

- Chris Drouin continues in the role of interim Acting Director for the Special Education Division.
- CDE noted an active bill (Senate Bill 123) that impacts the LEA Medi-Cal Billing Option Program and encouraged stakeholders to review the legislation. This bill addresses several of the findings/recommendations of the California State Auditor (available at <https://www.auditor.ca.gov/reports/2014-130/summary.html>).

**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 now finalizing field audits.
  - FY 2012-13 – All minimal audits have been issued; limited and field audits currently underway.
  - FY 2013-14 – Within the next month, FAB expects the minimal audits to be issued and will then move forward with limited and field audits.
- A workgroup member asked about the status of audit appeals. A&I noted that there are 3-4 formal appeals and 1-2 informal appeals in process. A workgroup member asked about the process if an informal appeal is not resolved in favor of the LEA. FAB noted that the provider has the right to request a formal appeal, which will be heard by an Administrative Law Judge.

**Local Education Agency (LEA) Medi-Cal Billing Option Program  
Advisory Workgroup Meeting  
June 1, 2016 Minutes**

**DHCS SNFD Status Updates**

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

- As of May 26, 2016, 545 LEAs have submitted the PPA and 541 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, 542 LEAs have submitted the 2015-18 DUA and 538 LEAs have submitted Attachment E.
- DUA language is being revised for use with both the LEA and SMAA Programs. A PPL on this subject has been drafted by the DHCS SMAA Program and is under management review. Stakeholders voiced concern that the proposed draft is overreaching by indicating that LECs/LGAs own the eligibility files, too. Workgroup members noted that they have provided edits to the SMAA Program regarding the draft PPL; DHCS will consider these edits and SNFD will also be reviewing the PPL prior to publication.

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

- FY 2013-2014: as of May 25, 2016, A&I has accepted 545 submissions
  - 521 DHCS Form 237- *Medi-Cal Cost and Reimbursement Comparison Schedule*
  - 24 DHCS Form 2437a- *Certification of Zero Reimbursements for LEA Services*
- 21 LEAs did not submit the FY 2013-14 CRCS as of May 25, 2016. DHCS will be following up with these LEAs.
- The Department gave an update on delinquent CRCS Reports for prior fiscal years. A total of 31 LEAs are on 100% withhold.
  - 21 for FY 2013-14
  - 6 for FY 2012-13
  - 4 for prior fiscal years
- 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.

**Site Visit/Technical Assistance**

- DHCS is in process of scheduling site visits.
- Site visits provide technical assistance at the LEA administrative office, via telephone or web-based.
- DHCS encourages LEAs that would like technical assistance to submit a site visit request form.

**Local Education Agency (LEA) Medi-Cal Billing Option Program  
Advisory Workgroup Meeting  
June 1, 2016 Minutes**

**LEA Provider Manual Updates**

- Several sections of the LEA Provider Manual are in process (changes submitted to DHCS Bulletin Headquarters, but not yet published), including:
  - 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 and 92554).
  - Loc ed serv hear (replace 92506 with 92557)
  - Loc ed bil cd (replace 92506 with 92551-92554 and 92557)
- The Department noted that they are in the process of updating loc ed bil (free care policy, OHC denial policy), but this update has not yet been submitted for publication.
  - This section is currently pending SNFD management and inter-departmental review. SNF is hoping to publish the new policy in July 2016 for policy effective in FY 2016-17.
  - The edited version will include policy guidance on non-response by OHC carriers and when the LEA may bill Medi-Cal for services.

**Electronic Health Record (EHR) and CRCS Over-withholds**

- DHCS is verifying Xerox data to determine amounts withheld from EHR and CRCS cost settlement payments to reimburse affected LEA.

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

- DHCS is verifying Xerox data to compile data needed to calculate 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
- Workgroup members expressed concern with the lag in determining the fair share amounts and noted that the delay will impact the 'final' LEA Program reimbursement amounts. The Department assured the LEAs that they are working with Xerox to obtain the data necessary to complete the analysis.
- Stakeholders would like the Department to publish the final statewide cost-settled reimbursement figures and inquired as to what prior year data is available. DHCS noted that they are working with A&I FAB currently on a obtaining a download of 2012 audit results and will present the finalized figures at a future Advisory Workgroup Meeting.

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

- DHCS has completed the draft report.
- Report will be finalized and published on the LEA website once FY 2014-15 paid claims data has been received from Xerox and verified.

**Local Education Agency (LEA) Medi-Cal Billing Option Program  
Advisory Workgroup Meeting  
June 1, 2016 Minutes**

**Random Moment Time Study (RMTS)**

- Nineteen Implementation Advisory Group (IAG) meetings have taken place in Sacramento to date.
- Additional meetings are being scheduled through calendar year 2016.
- A workgroup member asked how the RMTS will look for the LEA Program. DHCS noted that the design of the RMTS is still in process and that the SPA has not yet been approved by CMS. The Department shared the LEA website information that contains information on RMTS and encouraged stakeholders to consistently visit that page for updated information ([http://www.dhcs.ca.gov/provgovpart/Pages/LEA\\_RMTS.aspx](http://www.dhcs.ca.gov/provgovpart/Pages/LEA_RMTS.aspx)). In addition to meeting summaries and general information, SNFD noted that there is a stakeholder feedback tool that can be submitted to the IAG with questions or comments on RMTS.

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

- Xerox is updating the rate table and utilization controls for targeted July 1, 2016 implementation.
- SLP/Telehealth sub-workgroup members have reviewed the Provider Manual updates, which are in process of being submitted for publication.
- The Department noted that one of today's breakout sessions will focus on how to best educate stakeholders of the elimination of CPT Code 92506 and implementation of telehealth services.
- Stakeholders noted the quick timeline until projected July 1, 2016 implementation and inquired about communication to the LEA providers regarding how to incorporate these changes. DHCS committed to sending an e-blast in June to notify providers of upcoming changes and to provide guidance on billing for SLP and audiology services as of July 1, 2016.

**Telehealth**

- Xerox is updating the rate table and utilization controls for targeted July 1, 2016 implementation.
- SLP/Telehealth sub-workgroup members have reviewed the Provider Manual updates, which are in process of being submitted for publication. The e-blast noted above will also provide guidance on billing for speech services provided via telehealth.

**SPA 15-021 (New Services and RMTS Implementation)**

- DHCS continues to work collaboratively with CMS on responding to the Requests for Additional Information (RAIs).
  - DHCS is working with the RMTS Implementation Advisory Group on issues related to onboarding the RMTS methodology for the LEA Program. RMTS meeting updates are posted on the LEA Program website on the RTMS landing page.

**Local Education Agency (LEA) Medi-Cal Billing Option Program  
Advisory Workgroup Meeting  
June 1, 2016 Minutes**

**Explanation of Benefits (EOB)**

- Recently, parents began receiving EOBs from other health coverage (OHC) when those third party insurers issued payment to DHCS for LEA services.
- The EOB is not a DHCS claim or bill and parents typically will not be billed by DHCS or its contracted recovery vendor.
- Services and payments to LEAs will not be impacted by the OHC EOB process.
- The LEA provider should not receive payment from the OHC.
  - In the event the LEA provider does receive payment, the 3/25/16 E-blast includes instructions on where to return checks.
- SNFD provided results of the recent LEA EOB survey sent out by DHCS:
  - 17 of the 84 April workgroup members completed the online survey.
  - Out of the 17 LEAs that completed the survey, four indicated that parents/guardians had received EOBs related to LEA services.
  - No redacted EOBs/bills were sent to DHCS (these were requested in the online survey)
- Stakeholders discussed the impact of Free and Appropriate Public Education (FAPE) on Medicaid's attempt to collect payment from OHC carriers. The CDE representative noted that from an IDEA perspective, the State's vendor that is attempting to collect from OHC is the same as billing a parent for services. CDE noted concern that the written informed consent to bill Medi-Cal may not address private benefits. SNFD noted that due to the Affordable Care Act, health plans are prohibited from putting annual or lifetime dollar limits on most benefits, which should ease parent concern, assuming they are made aware of this provision. LEAs indicated that it would be helpful to have a letter or language from DHCS that would address this issue, especially in cases where parental consent to bill Medi-Cal is in jeopardy of being rescinded.

**Erroneous Payment Correction (EPC) 30188 Adjustment of Claims for LEA Services Due to FY 2014-15 Inflation Rates**

- Affects claims for dates of service beginning July 1, 2014
- Adjusted rates retroactively applied to the respective SFY, based on dates of service, appearing on Remittance Advice Detail (RAD) forms beginning March 3, 2016 with RAD code 0875: LEA Providers retroactive rate adjustment
- In order to qualify for rate increases due to inflation adjustments, LEAs should bill the full Maximum Allowable Rate (no Federal Financial Participation percentage applied to the rate). If LEAs only bill the 50% FFP amount, the paid claims system, in compliance with federal requirements, always limits payment to the lesser of the billed charge or the payment amount.

**Local Education Agency (LEA) Medi-Cal Billing Option Program  
Advisory Workgroup Meeting  
June 1, 2016 Minutes**

**EPC 31395 to Stop LEA TCM Claim Reimbursements after 7/1/15**

- Per Policy and Procedure Letter 15-016, effective 7/1/15, all TCM claiming with dates of service from 7/1/15 forward will be suspended until a rate methodology has been approved by CMS.
- The policy effective date of 7/1/15 was not implemented at Xerox until 12/22/15. As of 12/22/15, all claims submitted with the TCM procedure code are being denied. Claims submitted between 7/1/15 and 12/22/15 should have also been denied.
- TCM claims submitted and paid with dates of service between 7/1/15 and 12/22/15 are being voided.
  - Will implement beginning June 16, 2016 with **RAD code 0819: Void and resubmit of claims reprocessed in error**

**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
- DHCS will request that CMS waive the requirement for a rate adjustment for FY 2015-16

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

- The LEA Legislative Report will be combined for FYs 2013-14 and 2014-15. This Report is currently under review at the Department.

**Senate Bill 276 Update**

- On October 8, 2015, SB 276 was chaptered. One of the components of SB 276 requires a legally liable third party to either reimburse the claim or issue a notice of denial of non-coverage of services or benefits when submitted by an LEA. The bill authorized an LEA to bill the Medi-Cal program if there was no response to a claim for payment of covered services submitted to a legally liable third party within 45 days, pending necessary federal approvals.
- DHCS discussed SB 276 with CMS, who indicated that they would not approve the 45-day period, which would be in contradiction to existing State policy. Medi-Cal has a long-standing policy, approved by CMS in the 1980s, whereby providers may submit a claim to Medi-Cal after a 90-day non-response from legally liable third parties. Accordingly, the LEA Program will adopt the 90-day Medi-Cal policy, and will not move forward with obtaining the necessary federal approval to implement SB 276.
- SNFD will include the 90-day non-response policy in the upcoming edits to Provider Manual section *loc ed bil*, expected to be published in summer 2016. The 90-day non-response criteria will be accepted in lieu of an OHC denial

**Local Education Agency (LEA) Medi-Cal Billing Option Program  
Advisory Workgroup Meeting  
June 1, 2016 Minutes**

letter for payment of a Medi-Cal LEA claim.

**SPA 15-021 Update**

- DHCS continues to work with CMS in responding to the Request for Additional Information (RAI). SNFD has implemented a phased approach in responding to RAIs. Although most of the RAIs have been answered and discussed with CMS, the Department is now working on Phase III, which include RAIs that are the most time-intensive or require additional research before responding to CMS. DHCS will have another conference call with CMS in July to discuss the final RAIs.
- 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.
- A stakeholder inquired as to when the SPA (and RMTS) will be implemented. The Department discussed the complexities involved in the implementation of SPA 15-021, which has several major components, including RMTS, free care and new services/practitioners being added to the list of covered services. DHCS will negotiate the implementation once the RAIs have been submitted, but noted that conditional approval of the SPA is likely (e.g., the SPA is approved but RMTS implementation is pending CMS review of training materials, implementation guide, etc.). If this is the case, DHCS will work with CMS to determine whether they can implement certain portions of the SPA, such as free care, before the RMTS implementation period.
- A workgroup member asked if LEAs will be allowed to bill for new services, such as personal care, retroactive to the SPA effective date of 7/1/15. DHCS indicated that this may be a possibility, depending on the outcome of its implementation timeline discussions with CMS. The Department's guidance to LEAs is to continue the status quo with an emphasis on compliance. LEAs should be documenting medical services provided to all children, including students without an IEP/IFSP, as required by law and in accordance with professional standards. DHCS will provide an update on retroactive billing as soon as information becomes available.
- A workgroup member suggested that personal care billing/documentation requirements be a future breakout session, in the event that LEAs may retroactively bill these services back to 7/1/15. DHCS will include this topic as a breakout session in either summer or fall 2016.

**RMTS IAG Update**

- Two IAG meetings have taken place since the last LEA Workgroup meeting, including:
  - May 4 IAG meeting – reviewed draft versions of the CRCS form and instructions, to be implemented after approval of SPA 15-021.
  - May 31 IAG meeting – reviewed SB 123 as it relates to RMTS, developed a technical software “wish list” based on current SMAA software

**Local Education Agency (LEA) Medi-Cal Billing Option Program  
Advisory Workgroup Meeting  
June 1, 2016 Minutes**

experience, and discussed forthcoming TSP Roster guidance for LEAs under RMTS.

- Next meeting in early July will focus on reviewing a draft of the LEA RMTS Implementation Guide.

**Training Update**

- SNFD asked workgroup members for feedback on the format of the Fall LEA training. SNFD provided a recap of last year's session that was conducted in two sessions, a basic morning training and a more in-depth afternoon session that covered auditing issues, RMTS, and policy issues.
- Workgroup members didn't feel it was necessary to re-do the morning session unless new information is added. Stakeholders felt that a link referencing the basic "LEA 101" training could be included in the training invitation so that LEAs that are new (or have new employees) could do the basic training on their own time.
- Stakeholders expressed a desire to see additional information based on common audit findings for the Fall training session, including presentation on acceptable (and unacceptable) treatment logs and documentation.

**MRB Update**

- MRB followed up with workgroup members regarding questions from the April 2016 Advisory Workgroup Meeting. Answers to questions were shown via a slide presentation, with a suggestion to include certain questions into LEA Program FAQs. DHCS will move forward with creating additional FAQs based on MRB's responses.
- MRB presented a THCA treatment log that can be used by LEAs to document medically necessary services provided in 15-minute increments. This log is not a DHCS-sanctioned log, but rather a suggested log that can be edited by each LEA and meets Program documentation requirements, if completed correctly. DHCS will make this log available electronically via the LEA Program website so that LEAs may customize the information for their students receiving THCA services.

**Workgroup Breakout Session**

The goal of the Workgroup breakout sessions are to brainstorm challenges and barriers in smaller workgroups, and use combined expertise to provide guidance to DHCS and suggest planning and solutions. There were two breakout sessions this meeting: (1) LEA Terminology Crosswalk and (2) Identifying training needs for Telehealth and Termination of SLP CPT Code 92506 and Implementation of CPT Codes 92521-24 and 92557

**Next Meeting**

The next meeting will take place on Wednesday, August 10, 2016.