

**Local Education Agency Medi-Cal Billing Option Program  
Ad Hoc Workgroup Meeting  
October 1, 2014 Meeting Minutes**

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

**Attendees:** John Mendoza, DHCS; Michelle Kristoff, DHCS, Safety Net Financing Division (SNFD); Rick Record, SNFD; Cheryl Ward, SNFD; Jesse Galbraith, SNFD; Bruce Lee, California Department of Finance; Martin Alvarez, DHCS, A&I Financial Audits Branch (FAB); Vongayi Chitambira, A&I FAB; Renzo Bernales, California Department of Education (CDE); Marna Metcalf, Navigant Consulting; Alma McKenry, Fresno COE; Angel Burnell, Adelanto Elementary SD; Aurelie Alvarez, LACOE; Barbara Coon, Trinity COE; Belinda Berger, Calaveras USD; Brian Baterina, San Mateo COE; Caroline Thibodeau, Milpitas Unified SD; Carolyn Nunes, San Diego COE; Cathy Bennett, Sacramento City USD; Christine Wilhite, Butte COE; Debbi Rebottaro, Mendocino COE; Debbie Wood, Bakersfield City SD; Deborah Messervey, Nevada COE; Diane Rey, Santa Ana Unified SD; Dorothy Raab, Santa Cruz COE; Dr. Eileen Whelan, Tulare, COE; Edgar Manalo, San Jose USD; Janice Holden, Stanislaus COE; Jennifer Jones, Orchard Elementary; Jeremy Ford, Oakland USD; Judy Eldridge, Santa Rosa City SD; Kathy Palmer, Selma Unified SD; Laura Missimer, San Joaquin COE; Linda Ledesma, Lindsay Unified SD; Lorena Jung, San Jose Unified SD; Margarita Bobe, LAUSD; Marcie James, San Francisco Unified SD; Mary Olmstead, Amador COE; Melissa Lovick, Downey Unified SD; Michelle Cowart, Contra Costa COE; Ramona Rogers, Horizon Charter Schools; Randall Nakamura, Hayward Unified SD; Robert Nacario, Galt Joint Union Elementary SD; Robert Stout, Alameda COE; Rose Medeiros, Modesto City Schools; Sandra Butler-Roberts, Monterey COE; Sarah Kappler, New Haven Unified SD; Sharon Kuhfal, Pleasanton USD; Sharon Turner, Nevada COE; Sherri Coburn, San Joaquin COE; Dr. Sherry Purcell, LAUSD; Susan Dunn, Standard SD; Teresa Olivares, San Bernardino City USD; Toby Hopstone, East Side Union HSD; Tracy Cole, Natomas USD; Wendi Yamabe, Saugus Union SD.

**Handouts**

Each participant was emailed an electronic copy of the following: Workgroup Meeting Agenda, August 2014 Meeting Minutes, October DHCS Status Update Summary, August 2014 LEA Workgroup Breakout Sessions Summary and Results Grids; 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.

**Local Education Agency Medi-Cal Billing Option Program  
Ad Hoc Workgroup Meeting  
October 1, 2014 Meeting Minutes**

**Review of Meeting Minutes**

The Workgroup reviewed the August meeting minutes. The minutes were approved and will be posted on the LEA Medi-Cal Billing Option Program website.

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

- The AB 86 workgroup (BIP) is complete. CDE continues to provide support for the field as needed for the transition created by AB 114 and will schedule Work Group meetings on an as-needed basis. At this time there are no scheduled meetings.

**DHCS A&I Updates**

- A&I FAB gave a brief overview of their role in the LEA Medi-Cal Billing Option Program, which is to review the filed CRCS documents on an annual basis. FAB personnel noted that in the past they have mainly reconciled payment data to the Cost and Reimbursement Comparison Schedule (CRCS) worksheets, with occasional minimal reviews and field audits. However, moving forward, additional limited and full field audits will be conducted on CRCS Reports. FAB noted that the audits are complete for FYs 06/07, 07/08 and 08/09, and that some field audits are still in process for FYs 09/10, 10/11 and 11/12. Out of all of the audits that have been issued by FAB, only one provider appeal is currently in process. FAB will begin reviewing the FY 12/13 CRCS reports once they are submitted this Fall.
- A&I FAB also discussed how their role differs from that of A&I's Audit and Review Analysis Section (ARAS), whose primary responsibility is to accept and follow-up on the as-submitted CRCS Reports. ARAS is currently following-up with delinquent LEAs on FY 09/10, 10/11 and 11/12 CRCS reports, placing providers on withhold until the cost reports are submitted. In the last two months, A&I FAB noted that an additional six reports have been received since ARAS sent letters to LEAs notifying them of the withhold.
- A&I FAB addressed questions regarding the process of accepting CRCS reports at ARAS. Workgroup members noted that it would be beneficial to receive an email acknowledgment from ARAS, upon receipt of the CRCS. In addition, workgroup members indicated that they would like an update on the ARAS process of CRCS acceptance at the next meeting. FAB noted that for the November 30 submission, ARAS will be following the cost report acceptance process in regulations, and treating LEA providers like any other provider going forward.
- Workgroup members brought up instances where an audit took place but results were not formally communicated to the LEA. A&I FAB indicated that they are in the process of issuing audits, which can be time consuming due to the supervisor/colleague review and signature process. FAB noted that the three-year statute of limitations is approaching on the FY 09/10 CRCS Reports so those audits are priority and will be issued first.

**Local Education Agency Medi-Cal Billing Option Program  
Ad Hoc Workgroup Meeting  
October 1, 2014 Meeting Minutes**

- A&I FAB noted staff changes, indicating that Michael Donohue is transitioning out of his position and that Vongayi Chitambira will be the new manager.

**DHCS SNFD Status Updates**

**FY 2013/14 Rate Inflation**

- SNFD reported that the Department has requested Xerox initiate an Erroneous Payment Correction (EPC) to correct payment of claims prior to the 7/28/14 implementation date of FY 2013/14 inflated reimbursement rates. The Department is awaiting an interim response from Xerox and does not currently have a timeline for EPC implementation.

**FY 2012/13 Rate Inflation – Adjustment of Claims EPC**

- The EPC began running on 7/3/14 and claims were adjusted for all LEAs, with the exception of four providers with technical issues. The Department noted that the technical issue has been resolved and this EPC should be completed within the next week.

**FY 2012/13 Rate Inflation – EPC for Incorrect Payment Rate (92507 GN TM)**

- The Department has requested Xerox initiate an EPC to correct payment discrepancies for 92507 GN TM, due to an incorrect end date in the claims processing system. This EPC will impact payment for claims with dates of service in FY 2012/13, which were erroneously paid at the FY 2011/12 rate.

**FY 2012/13 Quarterly Reimbursement Report**

- The Report is being finalized and is projected to be posted on the LEA Program Website by October 10, 2014. LEAs will be notified via e-blast when the Report is posted.

**2.5% and 1% Withhold Over-collections and Under-collections**

- The Department has instructed Xerox to refund LEAs the over-collections of A&I and NCI withholds for FYs 2011/12 and 2012/13. The Department indicated that they expect the over-collected withholds to be paid out by October 31, 2014. Workgroup members indicated that a specific RAD Code explaining the payment would be helpful to LEAs.
- The under-collected withholds for FYs 2011/12 and 2012/13 will be offset from the FY 2013/14 Annual Accounting of Funds. Workgroup members inquired as to when the Annual Accounting of Funds will be available; the Department indicated that the reconciliation report should be finalized early in 2015, possibly by the February workgroup meeting.

**Cost Settlement Withholds**

- DHCS indicated that they approved a System Development Notice (SDN) for Xerox to exempt cost settlements, over-collected withholds and electronic health record provider

**Local Education Agency Medi-Cal Billing Option Program  
Ad Hoc Workgroup Meeting  
October 1, 2014 Meeting Minutes**

incentive payments from future withholds. The preliminary estimated implementation date for this SDN is August 21, 2015.

**Delinquent CRCS Withholds**

- SNFD has sent email notification to 30 LEAs with a delinquent CRCS for FYs 2009/10, 2010/11 or 2011/12 that they are on 100 percent withhold until delinquent reports are submitted. SNFD is still in the process of following-up with 12 LEAs, for which no current email or phone contact information is available.

**FY 2012-15 Provider Participation Agreement / FY 2013/14 Annual Report**

- The Department has extended the due date to November 30, 2014, and projects that the Report will be posted on the website by October 3, 2014. LEAs will be notified via e-blast when the Report is posted.
- The Department discussed the new DUNS Number requirement on the LEA Medi-Cal Provider Information Enrollment Sheet. The DUNS Number is a unique nine-digit identification number provided by Dun & Bradstreet and must be provided to DHCS. Since the DUNS Number is a new requirement, SNFD will notify LEAs via e-blast and provide an explanation of the change. Workgroup members noted that many LEAs may have an existing DUNS Number and that they should check internally with their Business Departments before requesting a new number.

**FY 2014/15 Targeted Case Management (TCM) Labor Survey**

- The Department reported that the Survey is posted on the LEA Program Website and is due on October 10, 2014 for LEAs claiming LEA TCM Services. To date, the Department has received 22 surveys.
- Workgroup members expressed concern for the potential for duplicate billing between SMAA and LEA in an RMTS environment, and suggested that the survey may be a tool to see which districts are billing to TCM. They also noted that the Department should consider this in future RMTS roster development.

**FY 2012/13 CRCS**

- The Department reported that the CRCS is posted on the LEA Program Website and is due on November 30, 2014.

**2014 LEA Medi-Cal Billing Option Program Documentation Training FAQs**

- The Department reported that updated FAQs were posted on the LEA Program Website on September 2, 2014. In addition, a skin integrity FAQ was posted to the Website on September 25, 2014.

**Local Education Agency Medi-Cal Billing Option Program  
Ad Hoc Workgroup Meeting  
October 1, 2014 Meeting Minutes**

**LEA Onboarding Handbook**

- SNFD indicated that the Handbook is finalized and will be posted on the LEA Program Website under “Getting Started”. SNFD took Workgroup feedback received in June 2014 into account before finalizing the document. However, the Workgroup noted that there is still confusion in reference to what items are the Department’s responsibilities versus the LEA provider’s responsibilities, due to the wording in the handbook. Workgroup members noted that references to the Department’s responsibilities should be clearly labeled “DHCS” and not the “Program”, which could be misinterpreted by new LEAs. The Department indicated that they will review the Handbook in this context and make changes, as necessary.

**Internal Administrative Functions Chart (August Breakout Group)**

- The Department reviewed the results grid from the August breakout session and discussed the progress made to date.
- The Department reported that the August breakout team members have reviewed the Internal Administrative Functions Chart, which will now be incorporated into the LEA Onboarding Handbook. Workgroup members asked that the final version of the chart be sent out to the entire Workgroup for a two-week comment period, at which point the document will be considered final. SNFD will send the chart to the Workgroup via email this week and ask for comments by mid-October.

**Termination of SLP Code 92506 (August Breakout Group)**

- The Department reviewed the results grid from the August breakout session and discussed the progress made to date.
- SNFD discussed the need to determine a new audiology assessment CPT Code and informed the group that they will be following up with LEA and industry representatives to assess the types of services conducted during the assessment. This information should help SNFD to determine the best code to replace 92506, with regard to the audiology assessments.
- NCI provided a brief overview on the number of LEAs billing for audiology assessments and a breakdown on the types of audiology assessments that were provided in FY 11/12, noting that only 47 LEAs billed for audiology assessment services, most of whom received only a small amount of reimbursement.

**New Services (August Breakout Group)**

- The Department reviewed the results grid from the August breakout session and discussed the progress made to date.
- DHCS continues to research potential new services for the LEA Medi-Cal Billing Option Program.

**Telehealth**

- The Department noted that they received approval to move forward with implementing the revised Telehealth and Speech Therapy sections of the LEA Provider Manual.

**Local Education Agency Medi-Cal Billing Option Program  
Ad Hoc Workgroup Meeting  
October 1, 2014 Meeting Minutes**

- SNFD is currently working to finalize the speech therapy telehealth rate table and establish utilization controls within the claims processing system.

**ICD-10**

- The ICD-10 implementation date has been delayed by the federal government until October 2015.
- SNFD attended the Xerox ICD-10 training overview on September 18, 2014.
- On September 2, 2014, SNFD notified LEAs via eblast that effective September 22, 2014, the UB-04 claims submitted to Medi-Cal require a “9” in the *Diagnosis Code* field (Box 66).
- The Workgroup discussed the impact of ICD-10 implementation on LEAs and noted that it would be helpful for SNFD to develop a ‘crosswalk’ between ICD-9 and ICD-10 diagnosis codes. The Department noted that it would be a huge undertaking to review all of the codes used by LEAs, but that they would consider NCI’s suggestion of reviewing the ‘top 20’ diagnosis codes for LEA providers. The group discussed whether this task should be a topic of a future breakout session, or whether NCI should complete the crosswalking exercise. The Department noted that they will consider the options and provide a status report at the December meeting.

**Random Moment Time Study (RMTS) Methodology (DHCS)**

DHCS provided an update on RMTS as it relates to the LEA Medi-Cal Billing Option Program. The Department continues to roll out the SMAA time study and work with the Centers for Medicare and Medicaid Services (CMS) on finalizing the SMAA RMTS details. Once the SMAA details are finalized, DHCS expects to discuss the Direct Services RMTS with CMS so that the Department can have a clearer understanding of what CMS expects and how the process will work moving forward. CMS has required the Department to develop a “common cost allocation methodology” for the SMAA and Direct Services components, with a required State Plan Amendment (SPA) submission by 9/30/2015. Given this timeline, the SPA effective date would be 7/1/2015 (pending CMS approval), although the Department noted that this is not necessarily the date that the RMTS must be in place for the LEA Program. Currently, there is no implementation date for the Direct Services component of RMTS.

Even though the Department is currently focused on the SMAA RMTS implementation, they will continue to move forward on the design and development of a Direct Services RMTS in the coming months through a school-based RMTS Advisory Committee. DHCS is working with NCI to develop a strong partnership with providers, and expects NCI to contact stakeholders to discuss this group in the coming weeks. DHCS committed to maintaining RMTS as a standing agenda item in the bi-monthly LEA Ad Hoc Workgroup meetings, but noted that the system design will be discussed in meetings that will be held separately from the Ad Hoc Workgroup Meetings.

**Workgroup Breakout Session**

**Local Education Agency Medi-Cal Billing Option Program  
Ad Hoc Workgroup Meeting  
October 1, 2014 Meeting Minutes**

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 recommended that they focus on only one breakout topic and split into two groups to discuss Autism Spectrum Disorder and Behavioral Health Treatment Services.
- Each group was provided a flip chart and pens to document their breakout topic and goals of the topic. The groups met separately and then reconvened and presented their discussion points to the larger group. SNFD/NCI will review the information and recommendations.

**Next Meeting**

- The next meeting will take place on Wednesday, December 3, 2014 at Natomas Unified School District.