Local Educational Agency Medi-Cal Billing Option Program Quarterly Meeting

Afternoon session:
1:00 p.m. – 3:00 p.m.

DHCS
CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

October 2026

Documentation and Audit Readiness

DHCS
CALIFORNIA DEPARTMENT OF
HEALTH CARE SERVICES

Overview of the Cost and Reimbursement Comparison Schedule (CRCS)

What is the Cost and Reimbursement Comparison Schedule (CRCS)?

- A report that compares allowable costs to all reimbursements received during the fiscal year.
- Used to estimate an LEA's costs of providing covered services.
  - Sets a "cost ceiling" or maximum reimbursable amount for LEA BOP qualifying services provided throughout the year.
- Uses allocation statistics to apportion total costs:
  - FMAP (Title XIX, Title XIX Enhanced, Title XXI)
  - Direct Medical Service Percentage (DMSP)
  - Medicaid Enrollment Ratio (MER)
  - Indirect Cost Rate (ICR)

The Cost Settlement Process

- Two possible outcomes of the cost settlement process:
  - Overpayment: LEA owes DHCS due to overclaiming or data entry mistakes (payment made to DHCS via future withheld claims).
  - Underpayment: DHCS owes the LEA.
- DHCS audits each LEA's CRCS and determines a payment (or recoupment) as **final settlements**.

Note: In the case of a reported underpayment, LEAs may receive a 60% Interim settlement payment 12 months after the CRCS is accepted. This is not the final settlement.

Overview of the CRCS Audit Process

What is a CRCS Audit?

- **Cost Report Audit:** To comply with Code of Federal Regulations (CFR), Title 42, Section 433.51, the Audits and Investigations (A&I) team conducts audits of LEA BOP cost reports to:
  - Verify completeness and accuracy of the cost report.
  - Verify that the costs that were claimed are compliant with federal and state laws.
  - Evaluate documentation and adherence with LEA BOP requirements.
- Cost reports are evaluated to determine the type of audit:
  - **Minimal** – Review of reported versus final Medi-Cal payments and analysis of specific data elements in a desk audit format.
  - **Limited** – Expanded to include review of specific areas. LEA submits supporting documentation for expanded review in a desk audit format.
  - **Field** – On-site comprehensive review of costs, supporting documents, statistics, and other specific areas.

Why Audits Matter



- Safeguard program integrity by ensuring that LEAs only claim allowable costs for LEA BOP covered services provided by qualified practitioners.
- Require documentation that substantiates billed services and reported costs, protecting federal dollars for LEAs.
- Strengthen confidence that federal funds are being used appropriately which helps maintain continued federal participation in the LEA BOP.

Review of Allocations Statistics

Allocation Statistics: these are available on the LEA BOP CRCS webpage

- **Federal Medical Assistance Percentages (FMAPs):** Represents how much of the LEA's total reimbursement is attributable to aid codes in each FMAP grouping. LEAs use the *FMAP Grouping Percentages Report* to find this information.
- **Direct Medical Service Percentage (DMSP):** Results from the Random Moment Time Study (RMTS) used to allocate total service costs and net of federal funds. This can be found at the top of the CRCS webpage (linked on the left).
- **Indirect Cost Rate (ICR):** The department approved indirect cost rates for LEAs (also available on California Department of Education website).
- **One-Way Trip Ratio** (applicable only to LEAs that will be claiming specialized medical transportation on their CRCS): LEAs use the *Specialized Medical Transportation Report* to assist in identifying their billable one-way trips.

Review of Allocation Statistics (Continued)

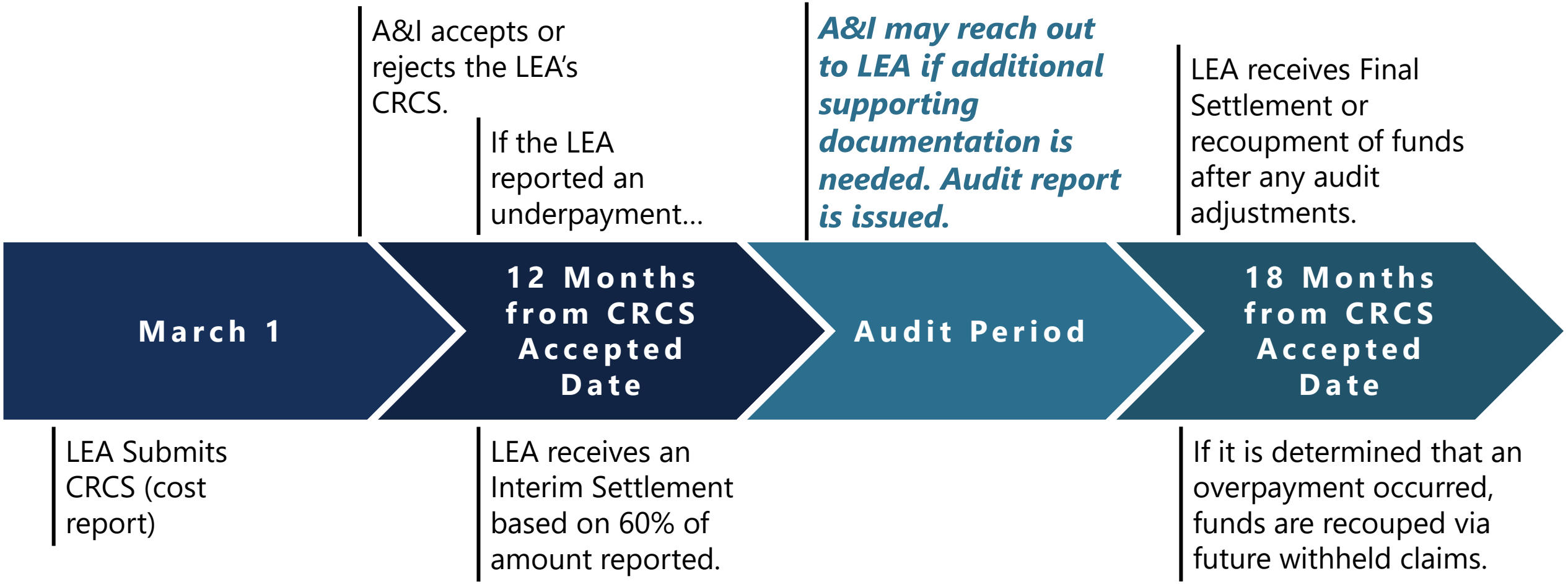
- **Medi-Cal Enrollment Ratio (MER)** (another allocation statistic):
  - Reflects the percentage of students in the LEA that are enrolled in Medi-Cal.
  - For the FY 2025-26 CRCS (due in March 2027), these counts will be obtained from the DHCS data match process.
  - In order to comply with the 2023 CMS School-Based Guidance, DHCS is working out details on a new process to get the MER in collaboration with the California Department of Education (CDE).
  - For the FY 2026-27 CRCS (and beyond), DHCS will provide the MER for each participating LEA.

Other Possible Audit Areas

There are reports available to assist LEAs on the LEA BOP CRCS webpage

- **Interim Reimbursements for Submitted Claims:** LEAs use the *Annual Reimbursement Report* which provides the total interim reimbursements made to the LEA.
- **Children and Youth Behavioral Health Initiative (CYBHI) Fee Schedule Payments:** LEAs use the *CYBHI Fee Schedule Payments Report* to assist inputting the payment amounts received for any practitioner costs listed on CRCS that also billed CYBHI.
- **Program Administration Withhold Amount:** LEAs use the *Program Administration Withhold Report* to find the total amount withheld for program administration for the fiscal year.
- **Prior year findings and high-risk areas** (e.g., salaries and benefits costs of practitioners that have not submitted claims, contractor costs)

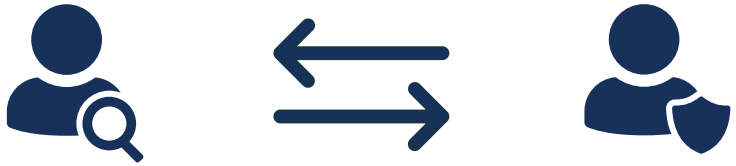
Audit Process Flow Chart



Note: During the audit period, if the LEA has not provided sufficient documentation as requested, timeline may be extended no more than three (3) months.

Communication During the Audit Period

DHCS Points of Contact:
The auditor that is assigned to the audit is the primary point of contact.



LEA Points of Contact:
The CRCS contact person will be the primary point of contact.

- The assigned auditor reaches out to confirm LEA's contact person and sends correspondence along with any documentation requests.
- Providers are encouraged to reach out and discuss any questions/concerns with the auditor.
- The auditor will answer any clarifying questions, assist with any concerns, and provide most recent updates related to the current audit.

15-Day Letter



» After the auditor has identified adjustments that are needed, a 15-Day Letter is issued to the LEA before the final audit report is sent that includes:

- Summary of findings
- Copy of the proposed audit adjustment(s)
- Copy of the audit work papers in support of the adjustments
- Medi-Cal Paid Claims Summary Reports (PCSR) (when a payment data adjustment is proposed by A&I)



» The LEA has 15 calendar days from the receipt of the letter to present additional information concerning the audit findings.

15-Day Letter (Continued)

- **Summary of findings:** Summary of the audit report that includes a comparison between the reported and audited allocation statistics and settlement amount.
- **Copy of the proposed audit adjustment(s):** An explanation of each of the audit findings with the reported and adjusted amount and reason for the proposed change.
- **Copy of the audit working papers in support of the adjustments:** A&I's support detailing the documentation used, calculations made, and legal authority for proposed audit adjustments.
- **Medi-Cal Paid Claims Summary Report (PCSR):** Used to make adjustments to reported interim reimbursement and reported funding percentages.

Review of Roles and Responsibilities During an Audit

DHCS:

- Communicate with the LEA point of contact(s) regarding audit adjustments.
- Request documentation if needed to complete the audit.
- Provide the LEA with the 15-Day Letter.
- Complete the audit and provide the LEA with a final audit report, which provides the final settlement or recoupment amount.

LEA:

- Communicate with DHCS auditor in a timely manner.
- Provide available documentation during audit period upon request.
- Review the 15-Day Letter and if needed, provide relevant information regarding the audit findings within 15 calendar days.
- Include billing vendor as needed.

LEA Key Partners During an Audit

- Utilize key partners during your LEA's CRCS audit, such as:
  - LEA BOP Coordinators and/or CRCS contact person
    - LEA BOP Coordinators are the primary and secondary contacts that are listed on the LEA's Annual Report that are responsible for administering the program. The CRCS contact person is the LEA contact listed on the CRCS.
  - Billing Vendor (if your LEA has one)
    - May assist in providing documentation to support costs of eligible covered services.
  - Fiscal/Business Team
    - May assist with pulling reports such as salary and benefit data for practitioners that were included on the cost report.
  - Special and General Education Departments
    - May assist with providing service documentation necessary during an audit.

Key Takeaways

- The CRCS is a required document for comparing allowable costs to LEA reimbursements and determining final settlements for LEA BOP covered services.
- The audit process evaluates completeness, accuracy, and compliance of cost reports which is essential for protecting an LEA's federal reimbursement.
- Effective and timely communication between LEAs and DHCS auditors is critical during the audit period.
- LEAs may utilize key partners to support the audit process: LEA BOP coordinators and/or the CRCS contact person at the LEA, billing vendors, fiscal/business teams and colleagues in the LEA's Special Education and General Education Departments.

Knowledge Check



- How many days does the LEA have to review the proposed audit findings before the audit is finalized?

A) One (1) week
B) 15 calendar days
C) One (1) month
D) Unlimited time

Answer

- A) One (1) week
- **B) 15 calendar days**
- C) One (1) month
- D) Unlimited time

Documentation Associated with the Cost Report (CRCS)

Documentation Associated with the Cost Report (CRCS)

MER:

- Total student enrollment data
- Medi-Cal enrollment data match

Costs incurred by LEA:

- Payroll records
- Equipment purchase orders
- Other costs: materials and supplies, travel and conferences, dues and memberships and communications

Service claiming for interim reimbursements:

- Date of service
- Name of student
- Name of Agency providing service
- Name of Person providing service
- Place of service
- Nature, extent, and units of service (e.g., reports, logs, etc.)

Documentation requirements for TCM: Local Educational Agency (LEA) Service: Targeted Case Management

Medicaid Enrollment Ratio (MER) Documentation

- The MER represents the percentage of an LEA's total enrolled students that are eligible for federal financial participation (FFP).
- DHCS is working with the California Department of Education (CDE) to maintain current MER functionality moving forward.
  - As of July 1, 2026, the data match process is no longer operational.
  - DHCS has been working with the CDE on a process to collect student enrollment data that will be used to match Medicaid enrollment data.
- It is required to obtain the data needed to calculate the MER and report it accurately, as this information will be reviewed during an audit.

Documentation: Practitioner Costs and Other Costs

- Supporting documentation that shows the costs that were reported by the LEA may include:
  - Practitioner costs
    - Payroll, salaries and benefits
  - Equipment costs
    - Purchase orders and depreciation
  - Materials and supplies, travel and conferences, dues and memberships, as well as communications expenditures
    - Related to the direct provision of health services

Documentation and Billing for Transportation Services

- Specialized medical transportation services are covered when all the following conditions are met:
  - Provided in an approved mode of transportation (litter van, wheelchair van, or specially adapted vehicle).
  - The covered medical service (other than transportation) must meet all requirements to be a billable LEA BOP service.
  - Both the covered service and the transportation must be authorized in the student's Individualized Education Program (IEP) or Individualized Family Services Plan (IFSP).
- **Effective July 1, 2026**, to bill for specialized medical transportation services, the **medical need** for the specific adaptation(s) must be documented in the student's IEP/IFSP.
  - LEAs claiming for specialized transportation must maintain supporting documentation within their audit file.
- PPL: Specialized Medical Transportation Requirement

Documentation and Billing for Transportation Services Continued

- **One-Way Trip Ratio**: total one-way specialized medical transportation trips provided on a day when Medi-Cal allowable services pursuant to an IEP/IFSP were provided, divided by the total number of IEP/IFSP one-way specialized transportation trips.
  - Costs allocated to specialized medical transportation services will require documentation to validate amount on CRCS.
  - LEAs billing for mileage should maintain a transportation log that includes mileage, origination point and destination point for each student, student's full name and the date the transportation was provided.

Key Takeaways for Documentation Associated with the CRCS

- Documentation is essential to support reported costs and ensure compliance with federal and state requirements.
- LEAs must maintain records to validate the practitioners included on the CRCS, including practitioner qualifications, salaries and benefits, equipment costs, and transportation costs and allocation statistics.
- Accurate documentation is important to verify the expenditures are eligible for federal matching funds.
- Retention is critical: Records must be kept for at least ***ten years*** from the cost report submission date – or longer if under audit.
- CRCS Form 6299 Instructions

Components of Documentation



Documentation Guidelines

- Claims to the federal government must be supported by documentation that allows oversight agencies to verify the expenditures tied to the claim.
- Pursuant to the California Code of Regulations, Title 22, Section 51476, supporting information must be documented and include at a minimum the following:
  - Date of service
  - Name of student
  - Name of agency rendering the service
  - Name of person rendering the service
  - Nature, extent, and units of service
  - Place of service

CMS Documentation for Audit Support

- Along with the minimum required documentation, CMS recommends additional documentation included but not limited to:
  - Attendance records
  - Prior authorizations
  - Medical Plans of Care
  - Provider agreements
  - Provider licensure/certification
  - Medical records
  - Clinical notes of services provided
  - Transportation logs
  - Payroll records
- Maintaining additional documentation beyond the minimum required amount assists LEAs in the event of an audit.

Documentation: Qualified Practitioners

- The LEA must maintain documented evidence of each rendering practitioner's qualifications, such as:
  - License
  - Registration
  - Certification
  - Credential
- Provider Manual: LEA: Rendering Practitioner Qualifications section (*loc ed rend*) contains all qualification requirements.

Documentation: TSP List

- For each quarter of the fiscal year, LEAs must maintain their certified Participant Pool 1 TSP list that was used to include practitioners in the RMTS.
- Only practitioners who were included on the certified quarterly TSP list may have costs claimed on the CRCS for the respective quarter.
  - Practitioner costs that are included on the CRCS when the practitioner is not on the TSP list will be disallowed.
- TSP lists are included in the CRCS supporting worksheets.

Parental Consent

- For IDEA students, the following must be completed before accessing public benefits or insurance for the first time (34 CFR Section 300.154(d)):
  - Obtain a one-time written consent from the parent/guardian.
  - Provide written notification to the child's parent/guardian (completed before obtaining one-time written consent, and annually thereafter).
- For non-IDEA students, the Medi-Cal application provides the consent to bill. However, LEAs should consult with their legal counsel to confirm compliance with FERPA before submitting claims.
- LEAs must keep records of parental consent and notification and ensure documentation is updated and accessible.

Service Documentation

- LEA providers must keep, maintain and have available records that fully disclose the type and extent of LEA services provided to Medi-Cal recipients.
- Supporting documentation may include but is not limited to:
  - Progress and Case Notes
  - Contact Logs
  - Nursing and Health Aide Logs
  - Specialized Medical Transportation Trip and Mileage Logs
  - Assessment Reports

Nature and Extent of Service

- Documentation must fully disclose the nature, extent, and units of services and answer questions such as:
  - **What was done and why?** May reference IEP/IFSP/IHSP (care plan) goals or protocols.
  - **How much?** Time, miles, feeding, medication.
  - **How long?** Time in and out, units of service provided.
  - **How is the student progressing or did they respond to intervention?** Context is important, add information to progress notes, treatment logs.
  - **Was any intervention or additional action taken or planned?** Include next steps or additional follow up, when needed.

Authorization Requirement: Assessments

- **Assessments**: Must be authorized by a licensed practitioner within the scope of practice or parent/teacher.
- Documentation for assessments includes:
  - Student's name
  - Parent, teacher, or practitioner observations
  - Reason for assessment
  - Signature of parent/teacher/prescribing referring practitioner*
  - Practitioner title
  - Date

Authorization Requirement: Screenings

- **Screenings**: May be authorized by the Periodicity Schedule.
  - Example: Depression and Suicide Risk Screenings for Adolescence ages 12 -21.

	ADOLESCENCE									
AGE	12y	13y	14y	15y	16y	17y	18y	19y	20y	21y
Depression and Suicide Risk Screening	x	x	x	x	x	x	x	x	x	x

- An 'X' in the table indicates that a screening is recommended for the corresponding age group.
- Per SPA Guidance, screenings may be based on:
  - Bright Futures/American Academy of Pediatrics Recommendations for Preventive Pediatric Health Care (Periodicity Schedule) or health screenings that are required for all students by the California Education Code, or Health and Safety Code.

Treatment Authorization Documentation

- **Treatments**: Must be authorized by a licensed practitioner within scope of practice.
- Written authorization for treatments includes:
  - Student's name
  - Practitioner observations and reason(s) for treatment
  - Signature and title of practitioner
  - Date
- Treatment services must be documented in an IEP/IFSP/IHSP or Other Care Plan to be reimbursable

Authorization Requirement: Treatments

- **All billable LEA treatment services require** either a prescription, referral or recommendation from a licensed practitioner.
- The following services require a **prescription or referral** by a licensed practitioner who is a Medi-Cal enrolled Ordering, Referring or Prescribing (ORP) practitioner:

Treatment Service	Type of Authorization	Qualified ORP Practitioner(s)
Nursing (by RNs/LVNs)	Prescription	Physician
Occupational Therapy	Prescription	Physician; Podiatrist; Dentist
Physical Therapy	Prescription	Physician; Podiatrist; Dentist
School Health Aide	Prescription	Physician
Respiratory Therapy	Prescription	Physician
Speech Language/ Audiology	Referral	Physician; Dentist *Note: If the referral is provided by a licensed SLP, the LEA must develop and implement Physician-Based Standards.*
Nutrition	Referral	Physician *(Note: If medical nutrition therapy is being provided, a physician prescription is required)*

Authorization for Treatments *(continued)*

- The following services require a **recommendation** by a licensed practitioner (does not need to be an enrolled ORP practitioner):

Treatment Service	Qualified Recommending Practitioner(s)
Orientation and Mobility	Physician; Orientation and Mobility Specialist or other licensed practitioner within scope of practice
Psychology/Counseling	Licensed Clinical Social Worker; Licensed Educational Psychologist; Licensed Marriage and Family Therapist; Licensed Psychologist; Licensed Professional Clinical Counselor; Physician; Registered Credentialed School Nurse

- Prescriptions, referrals and recommendations are valid for **one year** from the date of issue and cannot be retroactively applied to services provided before that date.
- In addition to the licensed practitioner authorization, all treatments must be documented in an IEP, IFSP, or other care plan to be reimbursable.

Physician Authorizations

- **Physician authorizations** may be obtained from any of the following:
  - Student's primary care physician;
  - Physician employed by the LEA;
  - Physician contracted by the LEA;
    - ✓ Contracted physician does not need to personally evaluate the student.
    - ✓ Contracted physician must review the student's records prior to authorizing services.
    - ✓ Contracted physician must have a working relationship with the LEA and treating practitioner.
    - ✓ Contract must be between the LEA and the physician (not a billing vendor and a physician).
  - Physician Assistant (PA) or Nurse Practitioner (NP)
    - ✓ When under physician supervision, per standard medical practice
    - ✓ Policy detailed in the Physician Service section of the LEA Provider Manual: loc ed serv physician).

Knowledge Check



» Which of the following services **requires** an IEP, IFSP, or other care plan?

A) Assessments
B) Screenings
C) Treatment Services
D) All of the above

Answer

- A) Assessments
- B) Screenings
- **C) Treatment Services**
- D) All of the above

Sufficient vs Insufficient Documentation

Example: Sufficient vs Insufficient

Speech Language Pathologist: Jane Doe	
Service/Treatment Log	*Service log provided showing Jane Doe provided speech services for John Smith. The service log includes the dates of service, session length and progress notes.*
Care plan	*IEP provided showing John Smith requires speech services twice a week to improve articulation.*
Assessment	*N/A*

Is the documentation provided sufficient?

- Yes, the documentation clearly shows the nature and extent of the service through the service log. The IEP provided proves that the service is authorized and eligible to receive reimbursement through LEA BOP.

Example: Sufficient vs Insufficient

Registered Credentialed School Nurse: Will Williams	
Service/Treatment Log	*N/A*
Care plan	*N/A*
Assessment	*Will Williams performed a vision screening for a second-grade student. The type of screening, date of service, screening results, and follow up were noted in the student file.*

Is the documentation provided sufficient?

- Yes, the documentation reflects the nature and extent of vision screening. Note that vision screenings are authorized at certain grade intervals so no practitioner-specific recommendation for the screening is necessary.

Example: Sufficient vs Insufficient

THCA: Billy Bob	
Service/Treatment Log	*Treatment log provided showing Billy Bob performed 15 minutes of gastric tube feeding for student Michael Jordon. The treatment log did not include the signature of the supervising practitioner.*
Care plan	*Nursing plan was provided showing that Michael Jordan is* required *to receive gastric tube feeding services.*
Assessment	*N/A*

Is the documentation provided sufficient?

- No, the documentation is not sufficient. Although the treatment log shows the nature and extent of the service and the nursing plan supports the need for gastric tube feeding, the treatment log did not include a supervising practitioner's signature. Trained Health Care Aides must be supervised to perform these services in LEA BOP.

Example: Sufficient vs Insufficient

Licensed Psychologist: John Johnson	
Service/Treatment Log	*N/A*
Care plan	*N/A*
Assessment	*Initial psychological assessment report was provided showing that the licensed psychologist John Johnson performed an IEP assessment on a student. The report included parent interviews, the time and place of the assessment, observation notes, test results, and the parent recommendation to conduct the assessment.*

Is the documentation provided sufficient?

- Yes, the assessment report substantiates the reimbursable service, which does not require a care plan because assessments occur prior to development of care plans. Only treatment services require a care plan to be reimbursable.

Example: Sufficient vs Insufficient

Speech Language Pathologist: Clark Kent	
Service/Treatment Log	*Service log provided showing Clark Kent provided speech services for Louis Lane. The service log included the dates of service, session length, and progress notes.*
Care plan	*N/A*
Assessment	*Assessment report provided showing that Bruce Wayne performed an initial IEP speech assessment for Louis Lane.*

Is the documentation provided sufficient?

- No, the supporting documentation is not sufficient. Although both an assessment report and service log were provided, the practitioner listed on the assessment report is different from the service log. For Clark Kent's costs to be eligible on the CRCS, a care plan for Louis Lane that outlines speech language therapy details would need to be provided.

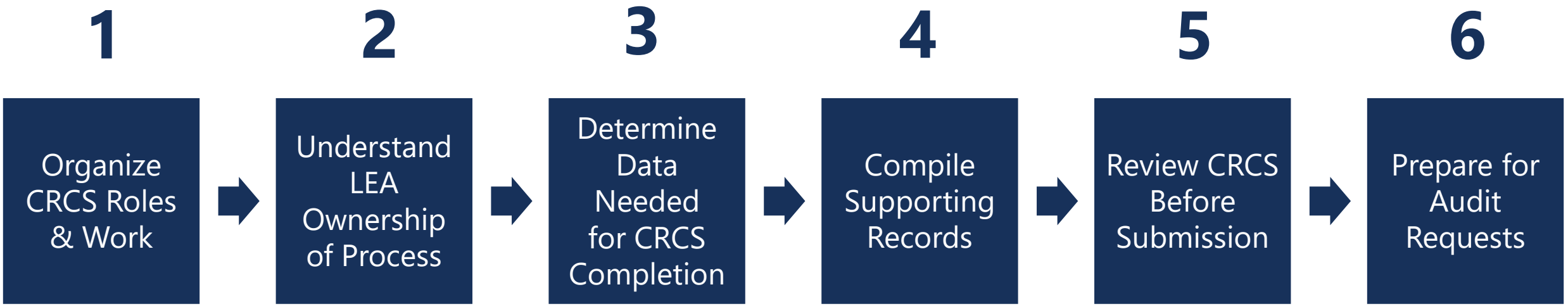
Key Takeaways

- **All LEA services billed to LEA BOP require authorization**:
  - **Assessments**: Authorized by a practitioner within the scope of practice OR parent/teacher.
  - **Screenings**: Authorized under the EPSDT Periodicity Schedule, Education Code, Health and Safety Code OR a licensed practitioner within the scope of practice.
  - **Treatments**: Authorized by a practitioner who is authorized to Order, Refer, or Prescribe (ORP) services.
  - **Specialized Medical Transportation**: Authorized via the IEP/IFSP.
  - **Targeted Case Management (TCM):** Authorized via the IEP/IFSP/IHSP.
- Authorizations must be maintained in the student's files.
- Retain necessary records for a minimum of ten years from the date of submission of the LEA Cost and Reimbursement Comparison Schedule (CRCS).

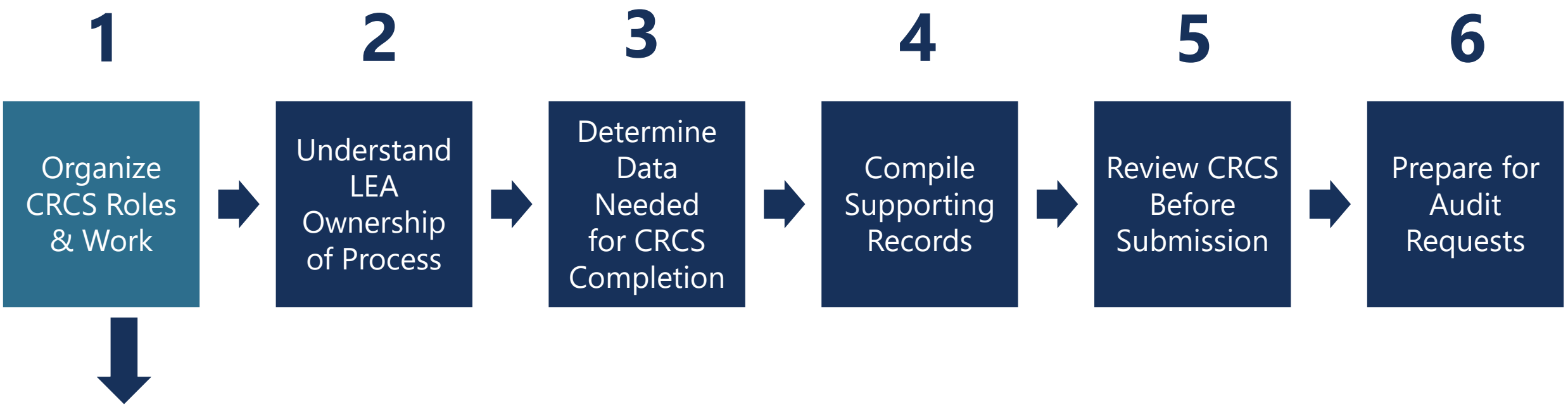
Supporting Audit Readiness

Audit Readiness: Overview

Audit readiness is built on **six** connected practices:



Organize CRCS Roles & Work



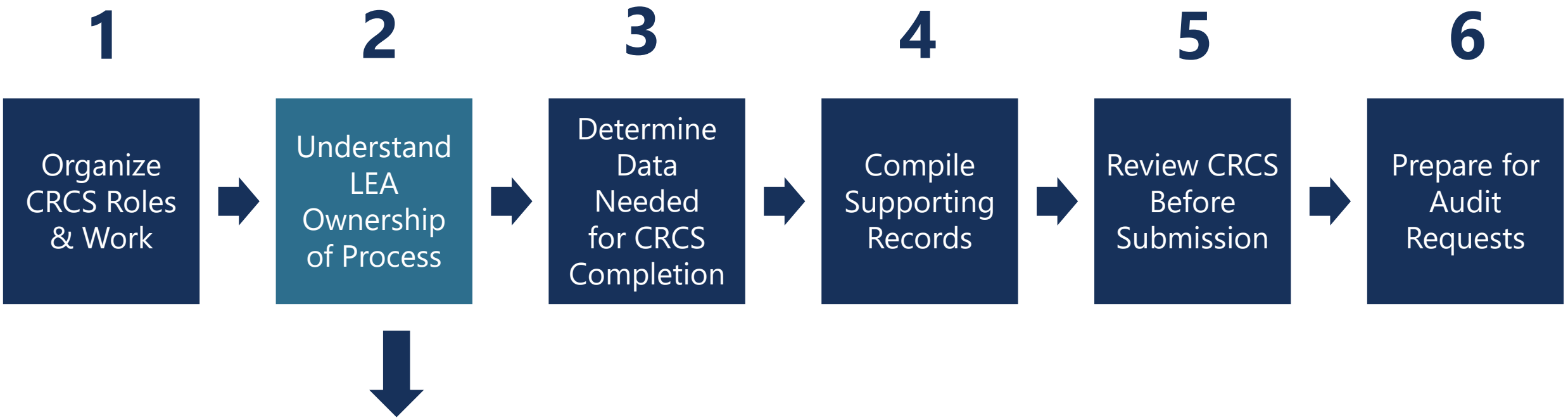
Coordination of CRCS roles and responsibilities can help reduce inaccuracies, missed deadlines, and dependencies on a single person.

Organize CRCS Roles & Work

» LEAs can organize CRCS roles and work by:

1. **Identifying a CRCS lead & back-up:** Determine who will be responsible for overseeing the completion and submission of the CRCS. Identify a back-up person in case the lead is unavailable.
2. **Clarifying responsibilities:** Coordinate individual(s), departments, and/or entities that support the CRCS completion. Communicate required deadlines.
3. **Equipping the team for success:** Communicate CRCS procedures, roles, and deadlines to all involved parties. Provide additional training, if needed.

Understand LEA Ownership of Process



While vendor assistance or participation in a consortium may shift some CRCS roles and responsibilities, it is important for all parties to understand that ***the billing LEA maintains ultimate responsibility for the accuracy and completeness of the CRCS****.*

Understand LEA Ownership of Process

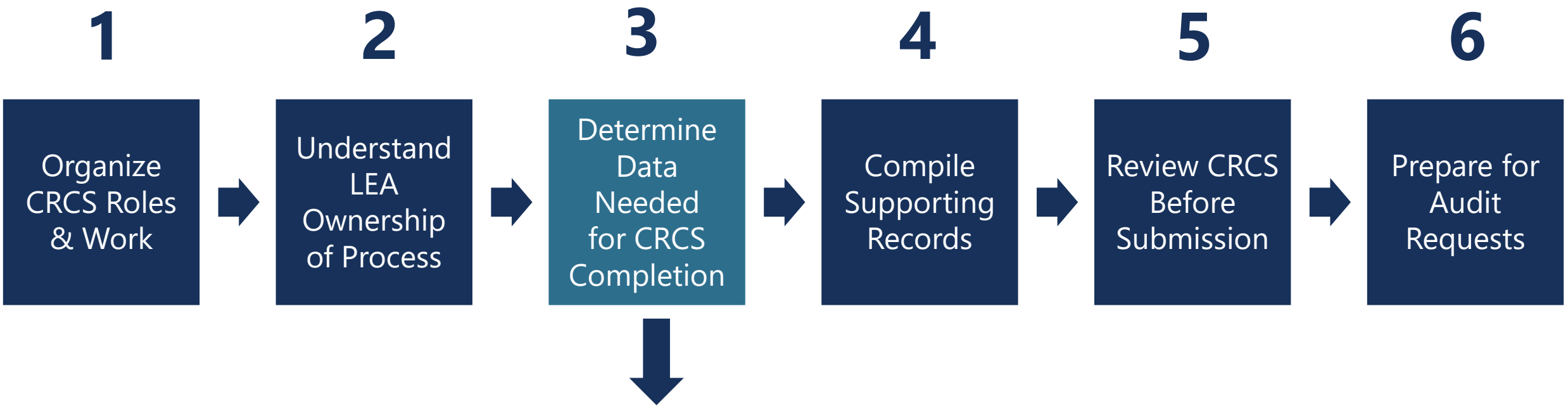
» LEAs can promote understanding of LEA ownership by:

1. **Defining vendor/consortium roles and responsibilities:** Document LEA, vendor, and/or consortium responsibilities for completing the CRCS.

2. **Reviewing vendor-prepared work:** Work with your vendor to understand calculations and methodologies, ask questions and compare current and prior years to be informed of expected funding changes.

3. **Maintaining oversight of auditor communication:** Keep up to date with communication from your DHCS auditor to understand audit requests. Work with your vendor or consortium and respond timely.

Determine Data for CRCS Completion



A clear process for determining the appropriate data to include on the CRCS is imperative for promoting an accurate and complete CRCS.

Determine Data for CRCS Completion

» LEAs can determine what data to include on the CRCS by:

1. **Reconciling salary/benefit information against quarterly TSP Lists:**
   - Compare quarterly TSP Lists with quarterly salary/benefit information to confirm the CRCS only includes quarterly salaries/benefits for employees listed on the corresponding quarterly TSP List. Document this reconciliation!
   - If an employee is not included on a quarterly TSP List, their costs cannot be claimed for that quarter on the CRCS.
2. **Reviewing TSP funding from federal or non-qualifying sources:**
   - Determine whether TSP salaries/benefits have a non-qualifying funding source (such as federal funding or funds explicitly tied to federal grants). Funds from non-qualifying sources are netted out on the CRCS.
   - If the LEA also participates in CYBHI, determine whether any TSPs received fee schedule payments for services provided during the FY, and report those payments on the CRCS to net them out and prevent duplicate payments.

Determine Data for CRCS Completion *(continued)*

3. **Ensuring that documentation exists to support the provision of LEA BOP covered services that <u>were eligible to bill</u>:**

   - Required licensure/certification/supervision to bill for the covered service.

   - The practitioner has records (in a portal or hard copy) that support Medicaid claiming:

     - Date of service
     - Name of recipient
     - Medicaid identification of student (if Medicaid eligible student)
     - Person/agency providing the service
     - Nature/extent or units of service
     - Authorization of a medically necessary covered service
     - Service logs to support that the covered service was provided to student

   - **If the LEA does not have the above evidence that supports eligible covered services were provided, do not report practitioner costs.**

Determine Data for CRCS Completion *(continued)*

4. **Compiling data used to determine allocation statistics:**
   - Determine Medi-Cal Enrollment Ratio (MER) counts.
   - Make sure that you are using the correct fiscal year column when you determine the CDE-approved Indirect Cost Rate.
   - Confirm you are inputting the correct regional Direct Medical Service Percentage that is published by DHCS.
   - Utilize DHCS-provided reports and compare to internal records. If your LEA relies on internal data that differs from DHCS reports, save this data to support the figures on your CRCS.
   - Determine Transportation One-Way Trip counts *(only if reporting specialized transportation costs on the CRCS)*.

Working files that are used to develop allocation statistics must be maintained in the LEA audit file.

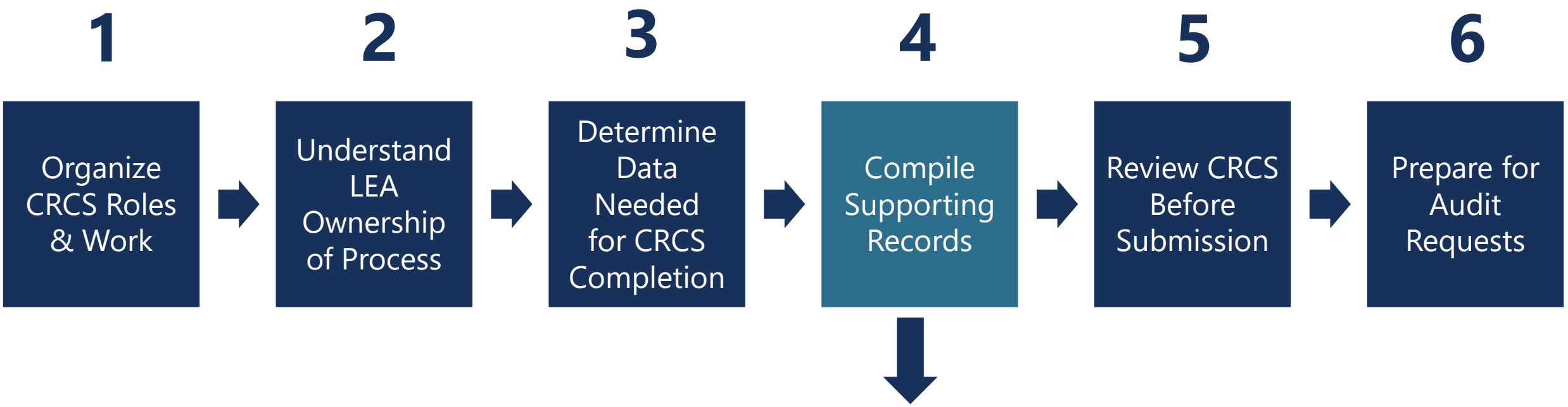
Determine Data for CRCS Completion *(continued)*

5. **Determining eligible contractor costs:**
   - Maintain contracts that include description of contracted services and applicable rate for the CRCS reporting period.
   - Ensure services provided by contractors follow rules for LEA BOP claiming (e.g., licensure/certification, authorization, service logs, etc.).
   - Ensure that your LEA can access supporting documentation for claimed contractor costs, even if your LEA no longer contracts with that agency.
   - Confirm that administrative contractors (e.g., legal, machine repair, etc.) are not included on the CRCS.

Determine Data for CRCS Completion *(continued)*

6. **Determining other health-related costs:**
   - Materials/supplies, travel/conferences, dues/memberships should have a health-related purpose and have supporting purchase orders/invoices.
   - Depreciation schedules should be maintained for each asset *(when depreciation is reported on the CRCS)*.
   - Transportation costs should be limited to specialized medical transportation that is provided to IEP students in **specially adapted vehicles** *(when transportation is reported on the CRCS)*.

Compile Supporting Records



Organization of all records that support data and information included on the CRCS is critical for a smooth audit and ultimately retaining federal funding.

Compile Supporting Records

» LEAs can maintain strong supporting records by:

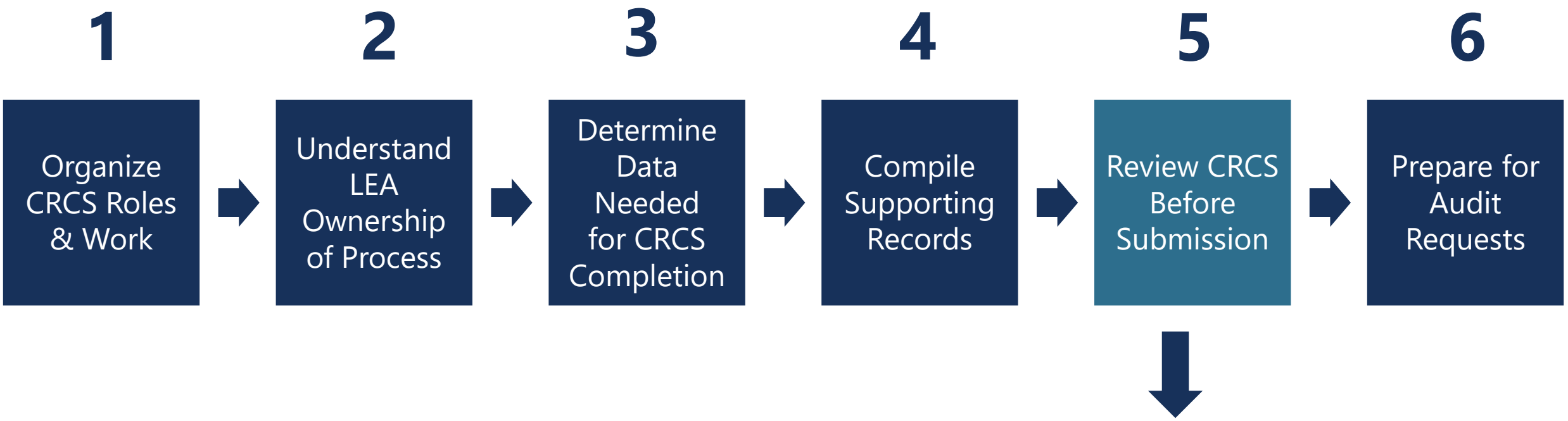
1. **Compiling timely documentation to support CRCS figures:** This includes retaining relevant records to support data listed on the CRCS, including (but not limited to):
   - ✓Qualifying TSPs, including quarterly salary & benefit information
   - ✓Medi-Cal Enrollment Ratio (MER) input and output files
   - ✓Contractor costs, including contractor eligibility to provide Medi-Cal services
   - ✓Proof of practitioner supervision (as applicable)
   - ✓DHCS-provided figures

Compile Supporting Records *(continued)*

2. **Documenting adjustments between source data and reported data:**
   - When data from LEA internal records is modified for CRCS reporting, LEAs should maintain working files that clearly document each adjustment and its rationale.
   - All CRCS figures should be supported by the LEA's internal data and LEA working files that document any adjustments to reported costs.
   - For example, an LEA's payroll report shows annual salaries of $95,000 for a practitioner but only $75,000 is reported on the CRCS.

3. **Building a centralized audit file:** Develop a centralized repository or electronic file inventory for maintaining all relevant CRCS records.
   - Organize data by CRCS reporting year.
   - Maintain hard copies in one secure location.
   - Familiarize yourself with how to access files and documentation.
   - Maintain audit requests/responses in the centralized audit file.

Review CRCS Before Submission



A final, comprehensive review of the CRCS before submission can catch errors or inconsistencies and reduce the chance that your CRCS will be rejected.

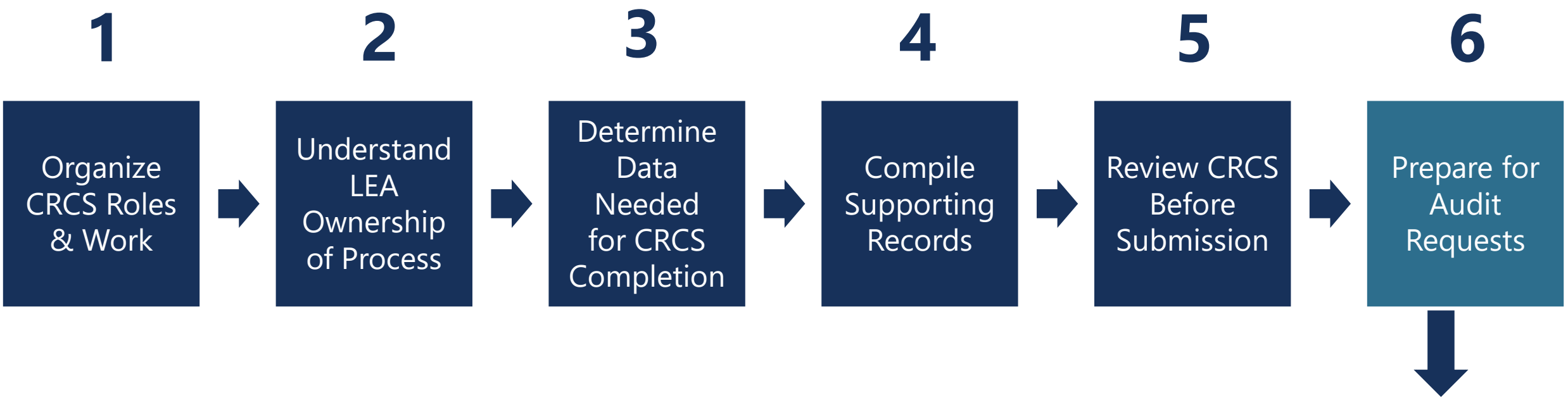
Review CRCS Before Submission

- LEAs can promote CRCS accuracy and completeness before submission by:

1. **Confirming CRCS completeness:** Check the CRCS and confirm that all figures requiring input have data.
2. **Reviewing changes in trends from prior fiscal years:** Compare current CRCS with prior CRCS for reasonableness. Identify and understand any unusual or significant year-to-year changes.
3. **Reviewing prior year audit findings:** Check prior audit for lessons learned and incorporate findings, when applicable.
4. **Creating a standardized review process:** Having a quality control and review process in place is a best practice. The person that signs the CRCS should understand what they are certifying!

Remember! The LEA holds final responsibility for the accuracy and completeness of the CRCS (even if a vendor prepares the report).

Prepare for Audit Requests



Being prepared for audit requests or questions can streamline the audit process for all parties and help the LEA explain and support as-submitted data.

Prepare for Audit Requests

- LEAs can promote audit readiness by:
  1. **Responding to auditor requests in a timely manner:** Maintain a well-organized audit file to facilitate timely responses to auditor requests. Timely responses keep the audit timeline on track, especially during the 15-day review period.
  2. **Promoting compliance with record maintenance requirements:** Maintain all CRCS supporting records & information for a minimum of 10 years from CRCS submission date.
  3. **Retaining access to applicable contractor and vendor records:** Work with contractors and vendors to promote ongoing LEA access to relevant records.
  4. **Understanding auditor documentation requests:** Anticipate the type(s) of documentation your LEA may need to produce during the audit.

Potential Auditor Documentation Requests

- **Supporting LEA BOP covered services with Care Plans:**
  - Remember that Care Plans are not limited to IEPs.
  - LEAs can submit an IEP/IFSP OR any other type of Care Plan (e.g., 504 Plan, Nursing Plan, Individualized Health Plan, treatment plan, etc.) to support an LEA BOP covered service.
  - LEAs may also choose to support practitioner costs using assessments or screenings. Assessments/screenings do not require a supporting Care Plan (only treatment services require Care Plans).
- **Supporting the Medicaid Enrollment Ratio (MER) counts:**
  - MOVEit input files and output files are used as the basis for the MER counts. When additional analysis is conducted, provide supporting working files to tie the source data to the counts on the report.
- **Substantiating costs for practitioners without any interim claims:**
  - Be prepared to show that at least one service by the practitioner met **ALL** LEA BOP billing requirements.
  - Best practice is to submit at least one claim for every practitioner on the CRCS.

Coming Soon! CRCS Readiness Checklist

- DHCS is currently developing a **LEA CRCS Readiness Checklist** to help promote LEA success during a CRCS audit.
  - Many of the tips discussed today will be included on the checklist!
- How to leverage the Readiness Checklist:
  - ✓ Review the checklist early to promote alignment and mitigate last minute changes.
  - ✓ Use the checklist to help identify and address gaps or areas for improvement in audit readiness.
  - ✓ Walk through the checklist as your LEA completes the CRCS to ensure no steps are missed.
  - ✓ Conduct a final review of the checklist prior to CRCS submission.

Recap: Audit Success Best Practices

- ✓ Ensure CRCS responsibilities and deadlines are clearly defined.
- ✓ Gather and maintain all supporting documentation for CRCS figures.
- ✓ Leverage DHCS-provided reports, when applicable. If the LEA chooses to rely on their own records, maintain supporting files.
- ✓ Conduct a final, internal review of the CRCS before submission.
- ✓ Maintain organized and retrievable documentation structures.
- ✓ Establish a clear communication pathway with your LEA's DHCS auditor.
- ✓ Confirm LEA process alignment with the CRCS Readiness Checklist.

Questions?

Resources

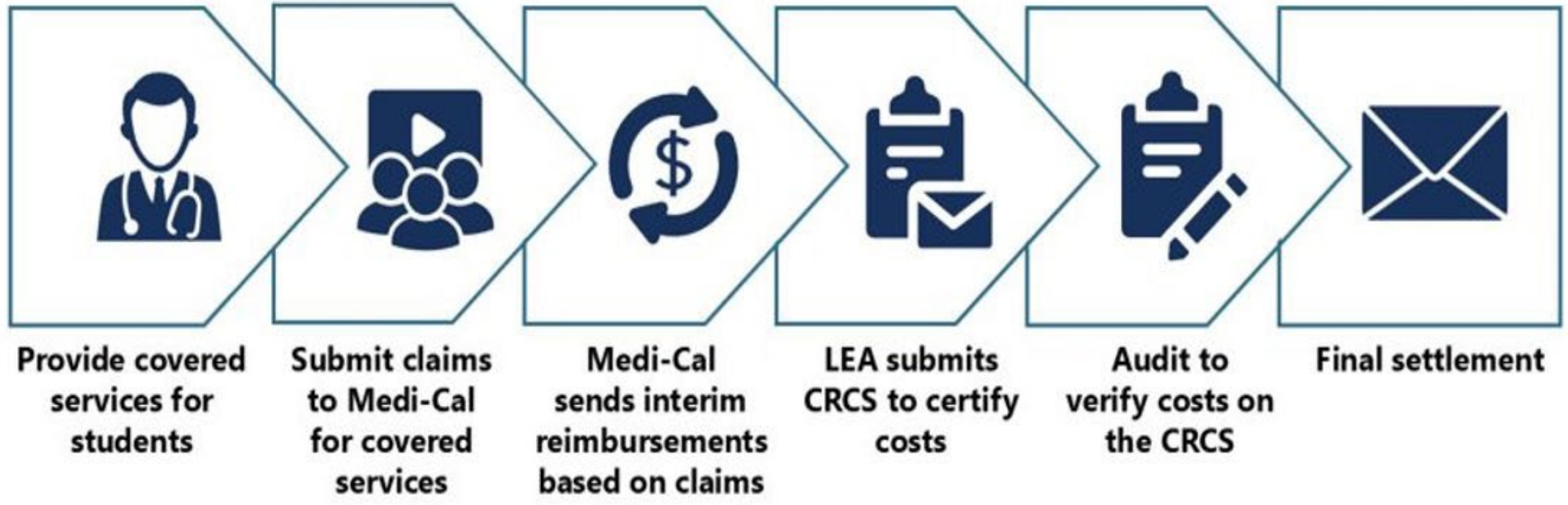
- LEA BOP CRCS webpage
- Code of Federal Regulations
- California Department of Education website
- Local Educational Agency (LEA) Service: Targeted Case Management
- Specialized Medical Transportation Requirement
- CRCS Form 6299 Instructions
- Rendering Practitioner Qualifications
- 34 CFR Section 300.154

LEA BOP and Children and Youth Behavioral Health Initiative (CYBHI) Fee Schedule Program

DHCS
CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

October 2026

LEA BOP Payment Cycle



CYBHI Fee Schedule Program

- Covers **non-IEP behavioral health services** (mental health and substance use disorder services).
- Does **not** cover any physical health services.
- Requires commercial health plans, disability plans, Medi-Cal managed care plans (MCPs), and Medi-Cal Fee-For-Service to **reimburse providers at school sites** for providing non-IEP/IFSP behavioral health services to students.
- Creates **sustainable reimbursement revenue** for certain behavioral health services rendered to students covered by Medi-Cal MCPs, Medi-Cal FFS, health care service plans, and disability insurers.
- Claims are **processed through a third-party administrator** and sent to indicated payer (MCP, commercial, regular Medi-Cal).
- Represents final payment for the service.

Key Differences

	CYBHI Fee Schedule Program	LEA BOP
Eligible Services	Expanded set of outpatient mental health and substance use disorder services *not* furnished pursuant to an IEP/IFSP.	Certain mental & physical health services for both special education and general education students.
Covered Students	Enrolled members of a health plan under 26, enrolled at participating LEAs and Institutions of Higher Education.	Medi-Cal eligible youth under 22 enrolled at participating LEAs.
Obligated MCPs, Health Care Plans, & Insurers	• Medi-Cal FFS • Medi-Cal MCPs • Commercial health care service plans • Disability insurers	• Medi-Cal
Reimbursement	Final payment using a fee-for-service rate with no cost settlement.	Interim payment with cost settlement. LEAs can be paid up to their maximum allowable cost.

*Note: if an LEA does **not** participate in the CYBHI Fee Schedule Program, general education mental health services will still be covered under LEA BOP.*

Key Differences (continued)

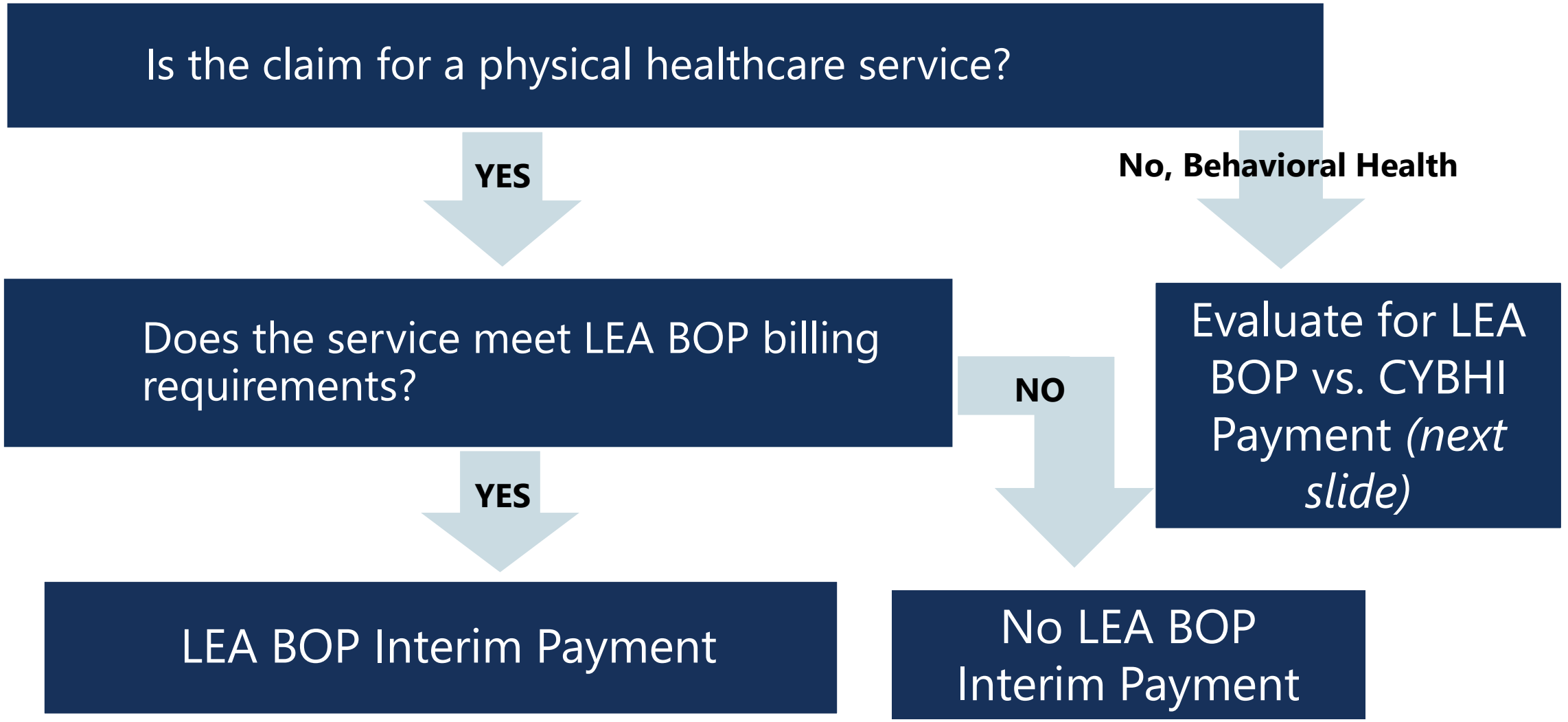
	CYBHI Fee Schedule Practitioners	LEA BOP Mental Health Practitioners
Eligible Practitioners	**All LEA BOP mental health practitioners, plus:** • Alcohol and other drug counselors • Registered psychology associates • Licensed professional clinical counselors* • Associate professional clinical counselors* • Community health workers* • Certified wellness coaches*	• Licensed psychologists • Licensed educational psychologists • Credentialed school psychologists • Licensed clinical social workers • Credentialed school social workers • Licensed marriage and family therapists • Associate marriage and family therapists • Registered associate clinical social workers • Credentialed School Counselors • Licensed physicians • Licensed physician assistants • Registered Nurses (only health education/anticipatory guidance and screenings)

** Note: Practitioners identified with an asterisk will be billable through the LEA BOP upon CMS approval of the upcoming State Plan Amendment, with a pending effective date of July 1, 2026.*

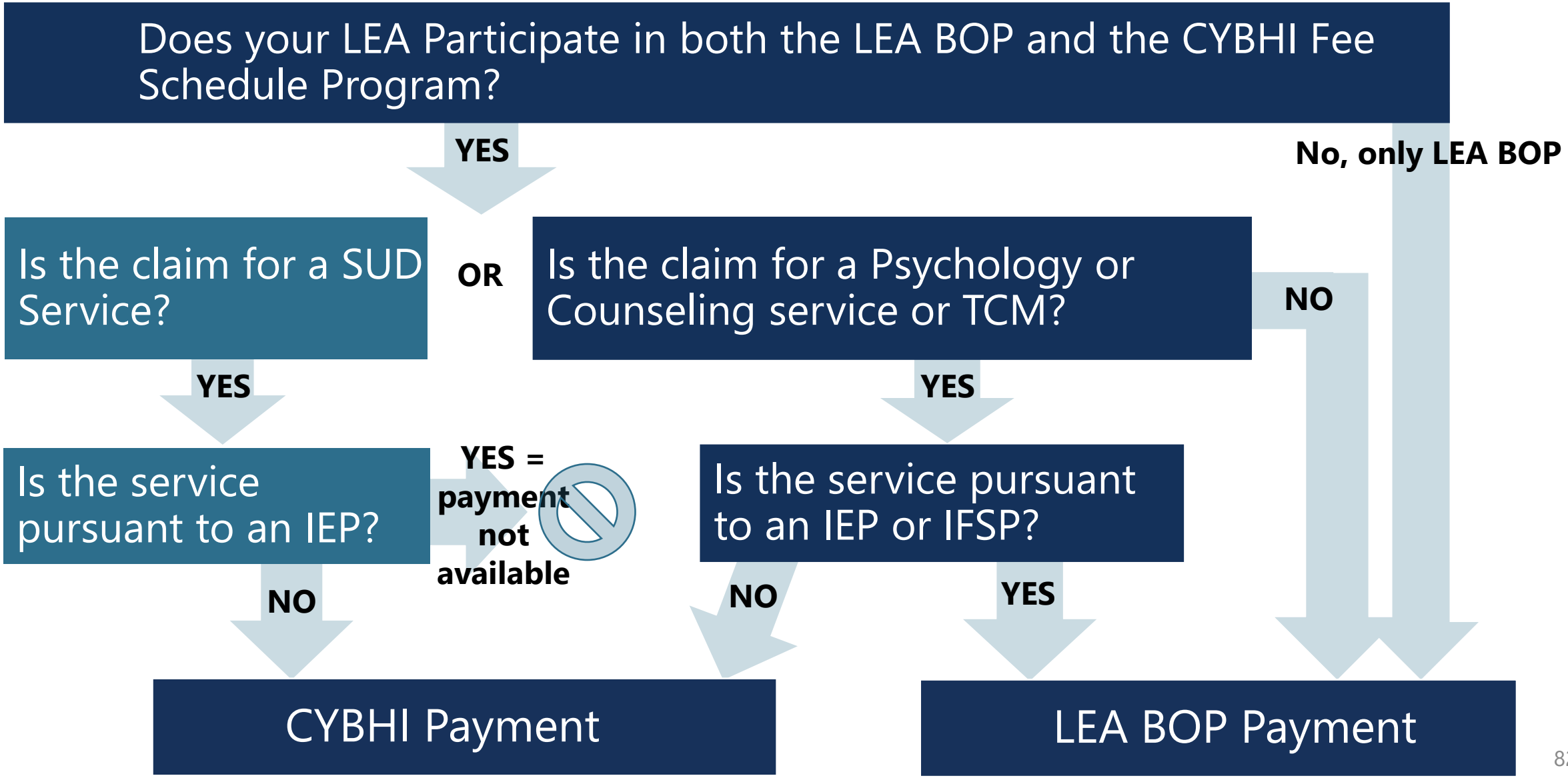
Review of Covered Services
(when an LEA participates in both the CYBHI Fee Schedule Program and LEA BOP)

	CYBHI Fee Schedule	LEA BOP
Physical Health Services	Not Covered	Covered – All populations
Substance Use Disorder Services	Covered when Not Pursuant to an IEP/IFSP	Not Covered
Mental Health Services	Covered when Not Pursuant to an IEP/IFSP	Covered when Pursuant to an IEP/IFSP

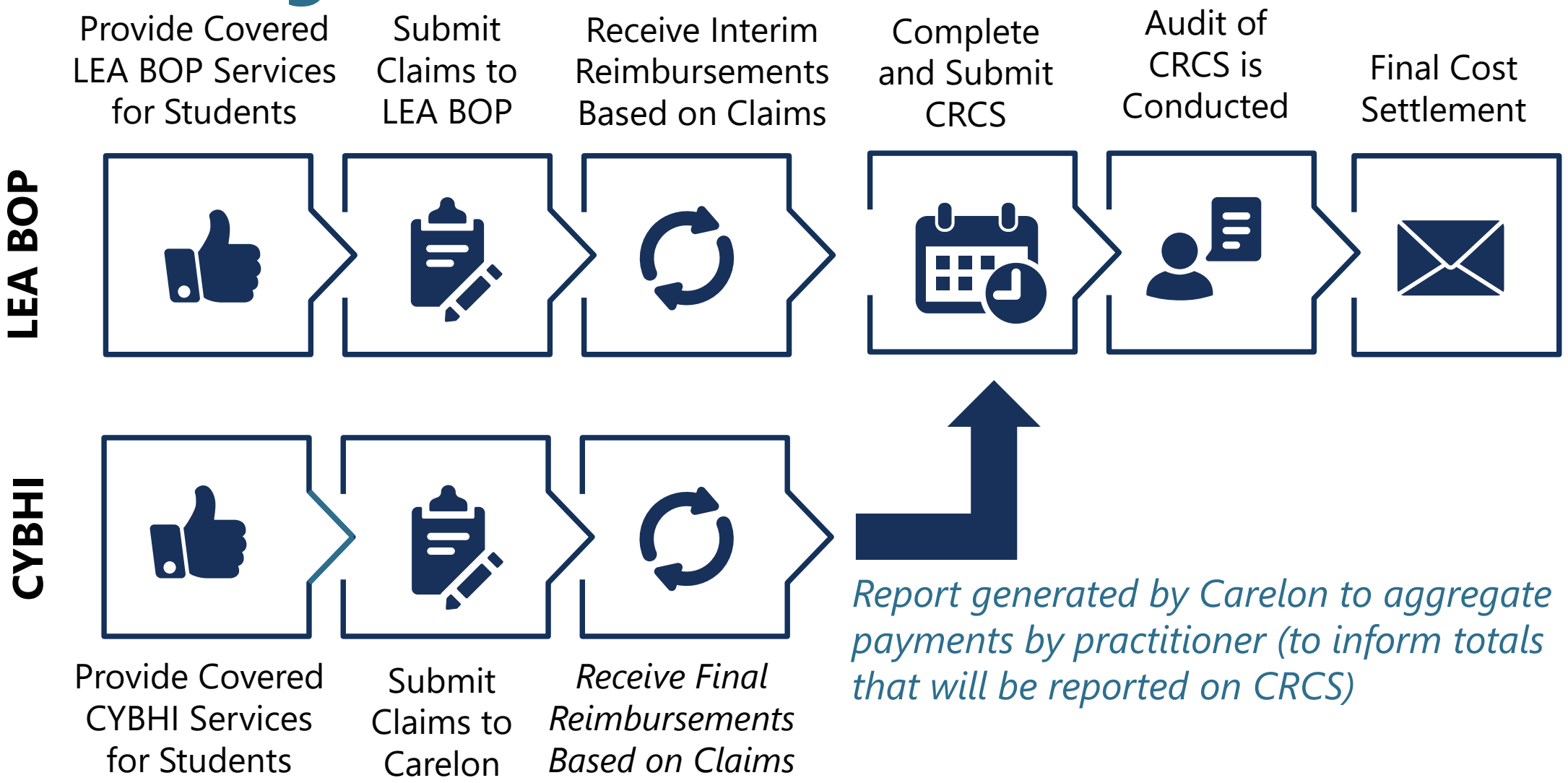
Decision Tree: Physical Health Payments



Decision Tree: Behavioral Health Payments



LEA BOP and CYBHI Fee Schedule Program: Service to Reimbursement



Avoiding Duplication: Part 1 - Claim Payment

When participating in both programs, a specific methodology will determine payment **for behavioral health claims**:

1. IEP/IFSP behavioral health services continue to be reimbursed under LEA BOP.
   - LEA BOP paid claims system will only accept behavioral health claims with a TL (IFSP) or TM (IEP) modifier.
   - All behavioral health claims without a TL or TM modifier will be denied.
2. Non-IEP/IFSP behavioral health services are billed to CYBHI.
   - All CYBHI Fee Schedule claims must include the modifier "U4", which is considered the CYBHI Fee Schedule program identifier.
   - All non-IEP/IFSP psychology/counseling services (or TCM services) billed to LEA BOP will be denied.

Reminder: All physical health services continue to be reimbursed under LEA BOP. All current claiming and billing requirements continue to apply to physical health claims.

Avoiding Duplication: Part 2 – Cost Settlement

- **Avoiding duplication through deduction**.
  - LEAs will reduce salaries, benefits, and applicable contractor costs reported on the CRCS by the **total** CYBHI payments for practitioners that participate in both programs.
  - Same methodology used to remove federal funding on the CRCS.
- LEAs will **not receive any interim payments** for non-IEP/IFSP behavioral health services if they participate in both programs.
- LEAs **may be eligible to claim practitioner costs on the CRCS** when practitioners provide LEA BOP covered services and meet all other Program requirements.

Participation in RMTS

- Random Moment Time Study (RMTS) will not be impacted by the overlap between LEA BOP and CYBHI.
- Continue to put your direct service practitioners on your TSP list if they potentially provide LEA BOP services even if they also provide CYBHI services.
- Moments are coded based on a TSP's response, NOT on the potential for it to be billed to CYBHI.
  - E.g., An LEA BOP covered service receives a Code 2A, regardless of which program paid for the service.

Questions?

Thank You!

If you have any remaining questions, please email LEA@dhcs.ca.gov

