

**Local Educational Agency (LEA) Medi-Cal Billing Option Program (BOP)
Advisory Workgroup (AWG) Meeting
August 1, 2018 Minutes**

Location: Natomas Unified School District (USD)

Attendees: Jose Garcia, SNFD; Cheryl Ward, SNFD; Dmitry Terlesky, SNFD; Rick Record, SNFD; Etta Gross, A&I Financial Audits Branch (FAB); Kate Hancock, A&I FAB; Michelle Brown, A&I FAB; Karen Petruzzi, A&I Audit Review Analysis Section (ARAS); Renzo Bernales, California Department of Education (CDE); Dennis Finnegan, Navigant Consulting; Marna Metcalf, Navigant Consulting; Alma McKenry, Fresno COE; Andrea Coleman, LA USD; Aurelei Alvarez, LACOE; Belinda Brager, Calveras COE; Beth Benne, Pierce College; Brenda Rios, Ontario-Montclair SD; Cara Schukoske, San Diego COE; Catherine Graham, Orange County DOE; Christina Guillen, Napa Valley USD; Christine Wilhite, Butte COE; Coreen DeLeon, Glenn COE; Dean Purser, Los Banos USD; Debbi Conner, Mendocino COE; Heather Plahn, Palmdale SD; Helen Frederickson, Palmdale SD; Irma Roche, Clovis USD; Jackie Swords, Lancaster SD; Janice Holden, Stanislaus COE; Jeanne Harris-Caldwell, Saddleback College; Jennifer Wood-Slayton, Lamont School District; Jeremy Ford, Oakland USD; Julie Ferebee, Palmdale SD; Juliette Dunn, Emery USD; Kevin Simas, Oroville Union HSD; Laura Missimer, San Joaquin COE; Laurie Lane, Winters JUSD; Leslie Agostini, Manteca USD; Linda Ledesma, Lindsay USD; Lora Gonzalez, Yuba County SELPA; Louanne Lee, San Francisco USD; Margaret Roux, Kern Country Superintendent of Schools; Margarita Blumberg, Galt Joint Union HSD; Margarita Bobe, LAUSD; Maria Parra, Ontario-Montclair SD; Maricela Martin, San Bernardino County; Melissa Locketz, Rocklin Unified; Melissa Nguyen, San Diego COE; Michelle Cowert, CCCOE; Michelle Johnson, Panama-Buena Vista Union SD; Michelle Wheeler, Placer COE; Nancy Gilko, Nevada Co Superintendent of Schools; Natasha Slivkoff, Bakersfield City SD; Rebecca Santos, Elk Grove USD; Rhonda Yohman, Madera County Superintendent of Schools; Robin Ericsson, Folsom Cordova USD; Rosalee Hormuth, Orange County DOE; Saleena Santiago, Spring Charter Schools; Sheri Coburn, California School Nurses Organization; Sharon Battaglia, Sonoma COE; Sheri Elkins, Modesto City Schools; Sheri Roberge, Sonoma COE; Tammy Jones, Ventura COE; Terri Dye, Monterey COE; Tracy Piper, Hemet USD; Wendi Yamabe, Saugus Union SD; Wesley Neal, Kern County Superintendent of Schools.

Handouts

Each participant was emailed an electronic copy of the following: August AWG Meeting Agenda; August Department of Health Care Services (DHCS) Status Update Summary; information for the two afternoon group discussions, including a PowerPoint summary of the FY 2017-18 Group Discussion Sessions and instructions for the Reinvestment of Funds discussion; and June 2018 Meeting Minutes.

Purpose

The meeting was convened by DHCS. DHCS welcomed all participants to the meeting and briefly reviewed the purpose of the AWG, which is to improve the LEA BOP. The emphasis of the meeting is to strategize various goals and activities aimed at enhancing

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the Medi-Cal services provided on school sites and access by students to these services, while increasing federal reimbursement to LEAs for the cost of providing these services.

Review of Meeting Minutes

- The AWG reviewed the June 2018 meeting minutes. A typo on page one will be corrected, and the minutes will be posted on the LEA website.
- A LEA stakeholder asked for clarification regarding providers with delinquent cost reports being placed on withhold and the Department's policy on non-compliant LEAs. Although no changes to the minutes were noted, DHCS indicated that they are working on publishing policy related to this area. It was also discussed that DHCS would consider adding language to the CRCS webpage to let LEAs know about timing of CRCS acceptance and auditing.

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

- A representative from CDE attended the meeting and provided the following updates:
 - CDE continues work on the English Language Proficiency Assessments for California (ELPAC) assessment, a statewide English language proficiency (ELP) test. The Initial ELPAC became operational on July 1, 2018.
 - CDE and the Department of Social Services (DSS) continue to work together to implement Continuum of Care Reform (CCR). An update was provided on issues surrounding support for foster youth.
 - CDE provided an update on local control accountability plans and the California School Dashboard. CDE noted that additional components are being added to assist the California Collaborative for Educational Excellence (CCEE) to help districts not meeting their targets. Three primary potential structures were noted: regional leads (assist CDE on indicators), content level experts (provide technical assistance to LEAs) and designating six to ten Special Education Local Plan Areas (SELPAs) to be special education experts (provide technical assistance at the local level to assist LEAs with making progress on indicators over time). More information can be found on the State Board of Education website at www.cde.ca.gov/be/mt/ms/index.asp or the CCEE website at <https://ccee-ca.org/about-ccee.asp>.

DHCS A&I Updates - FAB

- A representative from A&I provided an update on the status of the Cost and Reimbursement Comparison Schedule (CRCS) audits by Fiscal Year End (FYE) date:
 - FYE 2013 – completed
 - FYE 2014 – Approximately 540 reports were filed; 443 audits have been completed (a change of 52 since the June 2018 AWG meeting)

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- FYE 2015 audits have not been started at this point.
- Currently, there are six formal appeals in process and four informal appeals.

DHCS Safety Net Financing Division (SNFD) Status Updates

● **Annual Report (AR) Submissions**

- As of July 25, 2018, 488 LEAs have submitted the FY 2016-17 AR.
- The FY 2017-18 AR and instructions have been published on the DHCS website. No notable revisions were made to the AR for the upcoming year.
- All currently enrolled LEAs must submit the FY 2017-18 AR to DHCS by November 30, 2018.

● **FY 2018-19 Provider Participation Agreement (PPA)**

- The FY 2018-19 PPA and instructions have been published on the DHCS website. No notable revisions were made to the PPA for the upcoming year.
- Currently enrolled LEAs with active evergreen PPAs do not need to submit a new PPA in FY 2018-19.

● **FY 2018-21 Data Use Agreement (DUA)**

- All current FY 2015-18 DUAs are set to expire on December 1, 2018.
- The FY 2018-21 DUA and instructions will be published on the DHCS website in August 2018. No notable revisions have been made to the DUA for the new three-year term.
- All currently enrolled LEAs (with their billing vendors) must submit the FY 2018-21 DUA to DHCS by November 30, 2018.

● **Cost and Reimbursement Comparison Schedule (CRCS) and Certification of Zero Reimbursement Reports Update**

- FY 2015-16: As of July 24, 2018, A&I received 515 and accepted 493 submissions.
 - 477 DHCS Form 2437 - *Medi-Cal Cost and Reimbursement Comparison Schedule*
 - 16 DHCS Form 2437a - *Certification of Zero Reimbursements for LEA Services*
- FY 2014-15: As of July 24, 2018, A&I received 533 CRCS and accepted 522 submissions.
 - 509 DHCS Form 2437 - *Medi-Cal Cost and Reimbursement Comparison Schedule*
 - 13 DHCS Form 2437a - *Certification of Zero Reimbursements for LEA Services*
- Delinquent CRCS Reports: 58 LEAs are on 100% withhold.
- The FY 2016-17 CRCS and Certification for Zero Reimbursements will be published on the DHCS website in August 2018, and all LEAs who

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participated in the program in FY 2016-17 must submit the appropriate document by November 30, 2018.

- The FY 2016-17 Annual Reimbursement Report is expected to be published in September 2018.

• **Policy for Non-Compliant LEAs**

- SNFD policy, for LEAs who fail to submit a CRCS report by the mandated due date, is under review by DHCS.

• **LEA Website Updates and E-blasts**

- E-blast July 27, 2018: Audit Impact Summary; Data Updates; Provider Manual Update; April Meeting Minutes (note that due to technical issues this e-blast may deliver on August 1, 2018)
- E-blast July 2, 2018: PPA/AR
- E-blast June 18, 2018: ORP Requirements - Follow Up
- Limited E-mail to Advisory Workgroup Attendees June 7, 2018: MOU Questionnaire
- Website Updates July: [EPC Letters](#); [Summary of LEA Claims Expenditures by State Fiscal Year](#)

• **Provider Manual Update – loc ed a prov**

- Changed support withhold percentage to 2%
- Aligned “Models of Service Delivery” language to language in [“Medicaid and School Health: A Technical Assistance Guide”](#)

• **Erroneous Payment Correction (EPC) 44140 - FY 2016-17 Rate Inflation**

- EPC to reprocess claims submitted by LEAs, for dates of service (DOS) July 1, 2016 through June 30, 2017, using the updated reimbursement rates implemented with the FY 2016-17 Inflated Rates on October 26, 2017 (180 day EPC)
 - Awaiting confirmation that this EPC has been installed into production.
 - An LEA representative confirmed that they have been receiving these adjustments.

• **EPC 42455 - RAD 0008 Claims Denials**

- Some LEAs received RADs with denial code 0008 “The provider of service is not eligible for the type of services billed”. This denial code was erroneously associated with speech assessments and dates of service after July 1, 2016.
 - EPC completed in June 2018, with approximately \$22,600 paid to LEAs.

• **EPC 47506 - CPT Codes 92521, 92523, and 92557 Claims Denials**

- An EPC has been initiated for claims for CPT codes 92521, 92523 and 92557 that were submitted on October 27, 2017 and after, which were

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incorrectly denied, may have included a request for Resubmission Turnaround Documents (RTD).

- Conduent fixed the claims processing error in November.
 - LEAs were instructed via e-blast to either resubmit claims via RTD or disregard the RTDs and the claims will deny, and be included in an EPC with no further action required by the LEA.
 - Conduent is establishing this EPC criteria.
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- **Operating Instruction Letter (OIL) 355-17 - Physical Therapy (PT) and Occupational Therapy (OT) Assessment Current Procedural Terminology (CPT) Codes 97001-97004**
 - System implementation of code changes (delete existing codes and replace with new codes) implemented on schedule with an effective date of July 1, 2018.
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- **OIL 112-18 - Increase 1.5% Withhold to 2%**
 - Withhold increase implemented on schedule, with an effective date of July 1, 2018.
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- **OIL 144-18 - Implement Other Health Coverage (OHC) Policy**
 - The 90-day timeframe for pursuing third party liability has been changed to a 45-day timeframe, per Senate Bill 276.
 - DHCS is evaluating the feasibility of implementing a System Development Notice at this time.
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- **OIL 101-18 - Rate Table Updates Related to SPA 15-021**
 - OIL to change the LEA Rate Table to include new services and new practitioners
 - Implementation date TBD based on SPA 15-021 approval
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- **OIL 058-18 – Remove Non-IEP and Non-IFSP Utilization Controls**
 - OIL to remove the limitation that LEAs may only bill up to 24 non-IEP/IFSP services per fiscal year for a Medi-Cal eligible student
 - Implementation date TBD based on SPA15-021 approval
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- **OIL # TBD – Aid Code Updates**
 - An OIL to update the '0109 Table' that identifies the ineligible and eligible aid codes for the LEA BOP, is pending approval.
 - Updated aid codes are based on the following factors: funding source, service description, and benefits.
 - The LEA BOP Provider Manual will be updated to list aid codes that are ineligible for Medi-Cal reimbursable LEA services.

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- **FY 2015-16 Fair Share Analysis**
 - LEAs were over withheld approximately \$1.1 million on the FY 2015-16 1.5% withhold (449 LEAs).
 - LEAs were under withheld \$154,222 on the FY 2015-16 1.5% withhold (96 LEAs).
 - Reimbursements and recoupments are expected to take place in Fall 2018.

- **Transportation Provider Manual Updates**
 - A Transportation PPL, which will include the March 2018 Provider Manual transportation updates, is expected to publish in August 2018.
 - The Transportation Billing Guide is being updated and expected to publish in August 2018.

- **SPA 15-021 (New Services and RMTS Implementation)**
 - DHCS continues to work with CMS regarding the Memorandum of Understanding (MOU) requirements.
 - On July 19, 2018, DHCS provided Local Educational Consortiums and Local Governmental Agencies with the proposed RMTS implementation timeline, for their review.
 - SNFD is drafting PPLs and Provider Manual updates related to SPA 15-021.
 - DHCS noted that there are currently two outstanding items: notification and response period and the MOU with Managed Care.
 - Regarding the notification/response period, on June 22, 2018, DHCS responded to CMS regarding the Time Study RAI. DHCS is awaiting CMS' response on the proposed 1-day notification and a 4-day response time (CMS had previously proposed no notification and a 2-day response time).
 - ✓ An LEA asked DHCS if they could increase the oversample (currently 15%) to account for the reduced notification/response period. The Department indicated that they would investigate this as a possibility to assist the LEAs in meeting the 85% compliance threshold.
 - Regarding the MOU, SNFD is working with Managed Care to develop a simple document outlining responsibilities of the LEA and the Managed Care Organizations (MCOs).
 - ✓ DHCS will propose an effective date of July 1, 2020 to CMS so that LEAs and MCOs have time to execute the MOU. This date will require approval by CMS, however, and is subject to change.
 - ✓ The MOU will be a requirement for LEA BOP participation. DHCS would like the MOU to be an Evergreen document.
 - DHCS plans to formally resubmit the SPA as soon as these two items are discussed with CMS.

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- A draft RMTS timeline was presented to the AWG, which outlined items to be completed by month from May 2018 to June 2019. This timeline assumes that RMTS will begin on July 1, 2019.
 - DHCS noted that they will discuss backcasting details with CMS regarding the July 1, 2015 to June 30, 2019 period. An LEA suggested that stakeholders provide input on the proposed backcasting methodology before it is submitted to CMS for review/approval. DHCS noted that they will consider using an existing workgroup for this purpose.
 - LEAs requested a walk-through of the proposed draft CRCS in a future AWG meeting.
- **Report to the Legislature for FY 2016-17**
 - The FY 2016-17 LEA Legislative Report was submitted to the Office of Legislative and Governmental Affairs in July 2018.
- **Office of Inspector General (OIG) Audit**
 - DHCS received notification on February 27, 2018, that the LEA BOP is being audited by the OIG.
 - On March 19, 2018, DHCS had an entrance conference with the OIG auditors to discuss the scope of the audit and to review the items listed on the information request.
 - The Department continues to work with the OIG auditors and will make available any report findings from the OIG review.
 - An LEA asked DHCS about the scope of the audit. DHCS confirmed that OIG is currently reviewing FYs 2015-16 and 2016-17; however, DHCS noted that the scope may change in the future.
 - An LEA asked whether LEAs will be visited by the OIG as part of the audit. DHCS confirmed that the OIG has reached out to Sacramento City Unified School District so far and that they may contact other districts, as well. An LEA asked what they should do if they are contacted by OIG. DHCS indicated that LEAs can reach out to DHCS to let them know, but that LEAs work with OIG auditors and respond to requests for information.
 - A stakeholder asked if the OIG is aware of districts appealing audit findings and DHCS confirmed that the OIG is aware of these cases.
- **FY 2018-19 Advisory Workgroup Meeting Dates**
 - Advisory Workgroup meeting dates for FY 2018-19 (first Wednesday of every other month EXCEPT October):
 - October 4, 2018 (Located at 1414 K Street, Sacramento)
 - December 5, 2018 (Natomas USD, 1931 Arena Blvd., Sacramento)
 - February 6, 2019*
 - April 3, 2019*
 - June 5, 2019*
 - * Meeting venue to be confirmed: 1700 K Street, First Floor, Sacramento

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• **Report out on SMAA Summit**

- DHCS and the LECs and LGAs held a summit the day before the AWG meeting to discuss RMTS and SMAA program.
- A Summit participant provided positive feedback and indicated that it was a productive meeting. All LECs/LGAs were in attendance and many RMTS issues were discussed, including coding, the mechanics of RMTS, changes to Code 2, a draft timeline, and a review of updates to the SMAA Manual resulting from the combined SMAA/LEA BOP RMTS.
- The potential for real-time access to the coding report was discussed, and LECs would like to have this included in the SMAA Manual.
- It was noted that the existing system software platform (SSP) vendors will continue to administer the RMTS.

AWG Group Discussion

The goal of the AWG group discussion is to brainstorm challenges and barriers, use combined expertise to provide guidance to DHCS and suggest potential solutions. At this meeting, the group discussed two topics: the FY 2017-18 AWG group discussions and reinvestment of funds.

For the FY 2017-18 group discussions, DHCS gave a presentation that summarized topics discussed at each AWG meeting last year and provided a status on any actions recommended by the AWG. At the end of the presentation, AWG members brainstormed future group discussion topics for FY 2018-19 meetings, including:

- Deep review of FAQs (once SPA 15-021 is approved)
- Coordination of services - LEAs and Managed Care Plans (stakeholders noted that it would be helpful to have Managed Care Division representatives at this meeting)
- MOU implementation
- Random Moment Time Survey and Code 2
- DHCS Compliance Plan Efforts
- Walk-through of draft CRCS and discussion on backcasting, including required documentation to bill for retroactive services
- Prescription requirements by service and supporting regulations
- Record keeping and maintenance, including electronic documents and retention of original signatures (stakeholders noted that A&I should be present for this discussion)
- Review of SPA training before “going live”

The AWG also had a group discussion on reinvestment requirements. During this discussion, DHCS provided background information, including the policy set forth in California Education Code, Section 8804(g). AWG members then provided input about how LEAs are currently reinvesting Program funds, discussed examples of what may or may not qualify as reinvestment, reviewed the structure of the LEA local collaborative and discussed questions regarding reinvestment of funds.

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Next Meeting

The next meeting will be a combined LEA/SMAA meeting on **Thursday**, October 4, 2018. After the combined meeting, the next regularly scheduled LEA AWG meeting will take place on Wednesday, December 5.