

An Audit Perspective To SBS – Student Claims

John Lambert, SBS Auditor

Michigan Department of Community Health
2014 MDCH SBS Conference – Traverse City, MI
August 22, 2014



Topics of Discussion

- Audit Process
 - From Selection to Final Report
- “Answering Questions” & “Recreating the Service”
 - Transportation Example
- Common Errors among State & Federal Audits
 - Missing Documentation
 - Attendance Issues
 - Provider Notes
- Questions



Role of SBS Audit

- The State of Michigan SBS Audit section is responsible for conducting external compliance audits of Intermediate School Districts funded by MDCH.
- Our work is summarized by the following objectives:
 - To assess whether the ISD and its LEAs effectively established and implemented internal controls over the development of School Based Service Medicaid claims.
 - To assess whether the School Based Service costs and services reported by the ISD and its LEAs were in compliance with Federal and State laws and regulations.



Audit Process

- Planning Phase

- Sets the foundation for the entire audit process

- Audit Fieldwork Phase

- Marks the beginning of the formal audit activities.

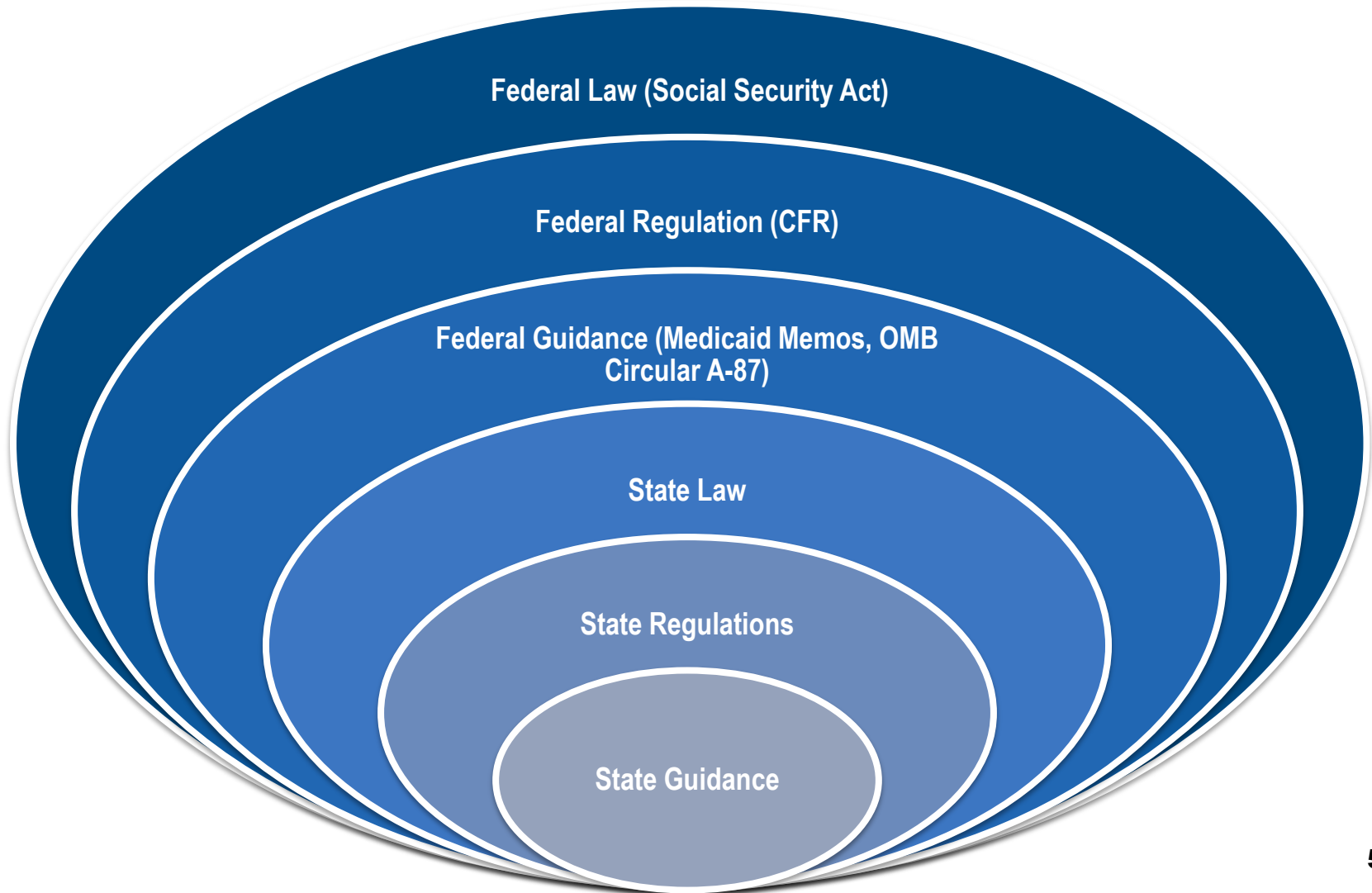
- Driven by scope and objectives and other agreements set forth in the planning phase.

- Report Preparation Phase

- Final formal stage of the audit.

Reference Materials for Audit

(CMS Policy on Medicaid in Schools – September 2010)





Planning Phase

- Typical activities include:
 - ☐ Conduct the audit entrance meeting
 - ☐ Develop scope and objectives
 - ☐ Develop audit plan
 - ☐ Perform risk assessment
 - ☐ Select items to be audited



ISD Selection Process

Examples –

- ☐ Amount of money received
- ☐ Cost variances from year-to-year
- ☐ MDCH Settlement Issues (suspended payments?)
- ☐ Single Audit findings
- ☐ Other Relevant Information



Audit Fieldwork Phase

- Typical activities include:
 - ☐ Obtain data
 - ☐ Analyze data
 - ☐ Identify exceptions
 - ☐ Conduct periodic agency update meetings
 - ☐ Issue audit memorandums (preliminary findings)
 - ☐ Analyze auditee reaction and additional evidence
 - ☐ Conduct field closeout meeting to discuss preliminary findings



Report Preparation Phase

- Typical activities include:
 - Submit preliminary report
 - Conduct internal quality assurance process
 - Obtain preliminary response
 - Agree/Disagree, Corrective Action, Comments
 - Conduct exit meeting
 - Finalize report



Sampling & Requested Info

- Random Sample of Student Claims
- Information given to auditee
 - ☐ First Name, Last Name
 - ☐ Beneficiary ID
 - ☐ Date of Service
 - ☐ Procedure Code
 - ☐ Line TCN
- Requested Info – See “Recreate the Service”



“Answering Questions”

- Is the service medically necessary?
- Is the service billable? (i.e. should it have been free?)
- Is the actual rendering provider appropriately certified/licensed?
- Is the rendering provider appropriately supervised?
- Is the required prescription/referral in the file?
- Is the nature and extent of the service documented?
- Is the service performed according to an IEP/IFSP?



“Recreate the Service”

- IEP/IFSP
- Official Attendance Records
- Prescription/Referral/Authorization
- Licensure/Certification
- Provider Notes
- Transportation/Bus/Trip Logs
- Personal Care Services Logs
- Provider Supervision
- Et Cetera ...



Is the service medically necessary?

(MI Medicaid Provider Manual)

A Medicaid service provided by an ISD is determined medically necessary when all of the following criteria are met:

- Addresses a medical or mental disability;
- Needed to attain or retain the capability for normal activity, independence or self care;
- Is included in the student's IEP/IFSP treatment plan; and
- Is ordered, in writing, by a physician or other licensed practitioner acting within the scope of his/her practice under State law. Students who require speech, language and hearing services must be referred. The written order/referral must be updated at least annually.



Remember ... Role of IEP

- IEP may only serve as basis for medical necessity if IEP team providers are qualified to make that determination in accordance with their scope of practice (**CMS Policy on Medicaid Schools – October 2012**)
- IEP may contain both educational and Medicaid services
- To be covered by Medicaid, occupational, physical, and speech, language and hearing therapy must address a beneficiary's medical need that affects his/her ability to learn in the classroom environment. MDCH does not reimburse for therapies that do not have medically related goals (i.e., handwriting, increasing attention span, identifying colors and numbers, enhancing vocabulary, improving sentence structure, and reading).



Is the service billable?

Should it have been free?

- Services provided as part of a regular classroom activity are not reimbursable.
- Art, music and recreation therapies are not covered services.
- Section 504 of the Rehabilitation Act of 1973 requires local school districts to provide or pay for certain services to make education accessible to handicapped children. These services are described in an individualized service plan and provided free of charge to eligible individuals. Medicaid reimbursement is not allowed for these services.



Is the actual rendering provider appropriately certified/licensed?

- Therapy providers must meet requirements of 42 CFR 440.110
- Staff Certifications/Licensures
 - Status: Active, Lapsed, Null & Void, Pending
 - Issue/Expiration Date
 - Type of License (May need supervision)
 - “Under the Direction of” versus “Supervision of”
- Do staff qualifications meet current license, certification and program requirements?
 - LARA & MDE (License/Certification Verification)

Status: Active

VERIFY A LICENSE/REGISTRATION

Name and Address

Name : [REDACTED]

Address : [REDACTED]

Profession and License/Registration Information

Profession : Occupational Therapists

Type : Occupational Therapist

Permanent ID #

[REDACTED]

Status

Active

Issue Date

10/28/1994

Expiration Date

05/31/2015

Complaints and Disciplinary Action

Open Formal Complaints : None

Disciplinary Action : None

Images

Document Type

Complaint Number

Document Year

No Images Found for record

Status: Lapsed

VERIFY A LICENSE/REGISTRATION

Name and Address

Name : [REDACTED]

Address : [REDACTED]

Profession and License/Registration Information

Profession : Physical Therapy

Type : Physical Therapist

Permanent ID #

Status

Issue Date

Expiration Date

[REDACTED]

Lapsed

02/04/2010

07/31/2012

Complaints and Disciplinary Action

Open Formal Complaints : None

Disciplinary Action : None

Images

Document Type

Complaint Number

Document Year

No Images Found for record

Status: Null & Void

VERIFY A LICENSE/REGISTRATION

Name and Address

Name : [REDACTED]

Address : [REDACTED]

Profession and License/Registration Information

Profession : Social Workers

Type : Masters Ltd Social Worker

Permanent ID #

Status

Issue Date

Expiration Date

[REDACTED]

Null & Void

10/11/2010

04/30/2013

Complaints and Disciplinary Action

Open Formal Complaints : None

Disciplinary Action : None

Images

Document Type

Complaint Number

Document Year

No Images Found for record

Status: Pending

VERIFY A LICENSE/REGISTRATION

Name and Address

Name : [REDACTED]

Address : [REDACTED]

Profession and License/Registration Information

Profession : Nursing

Type : RN

Permanent ID #

Status

Issue Date

Expiration Date

Pending

Pending

Complaints and Disciplinary Action

Open Formal Complaints : None

Disciplinary Action : None

Images

Document Type

Complaint Number

Document Year

No Images Found for record



Is the rendering provider appropriately supervised? (MI Medicaid Provider Manual)

- Certain specified services may be provided under the direction of or under the supervision of another clinician.
- For the supervising clinician, "under the direction of" means that the clinician is supervising the individual's care which, at a minimum,
 - includes seeing the individual initially,
 - prescribing the type of care to be provided,
 - reviewing the need for continued services throughout treatment,
 - assuring professional responsibility for services provided,
 - and ensuring that all services are medically necessary.



Continued ...

- “Supervision of” limited-licensed mental health professionals consists of the practitioner meeting regularly with another professional, at an interval described within the professional administrative rules, to discuss casework and other professional issues in a structured way.
 - This is often known as clinical or counseling supervision or consultation.



Is the required prescription/referral provided?

- Prescription/Referral/Authorization
 - ☐ Signed/Dated by appropriate individual?
 - ☐ Stamped signature?
 - ☐ Is the prescription/referral updated annually?
 - ☐ Does the prescription/referral cover the date of service?
- Is ordered, in writing, by a physician or other licensed practitioner acting within the scope of his/her practice under State law.

Speech Therapy Referral

Speech Therapy Referral

Student: [REDACTED]

D.O.B. [REDACTED]

School District: [REDACTED]

Dear Physician:

This student qualifies as having a speech and language impairment in accordance with the Michigan Revised Administrative Rules for Special Education (June 6, 2002). Through formal assessment the communication disorder that adversely affects educational performance has been determined to be:

☐ Language

☒ Articulation

☐ Fluency

☐ Voice

In order for school districts to bill Medicaid for speech therapy services the Michigan Department of Community Health guidelines state that a referral must be ordered in writing by a physician. A referral means "contact by a physician with the speech pathologist or audiologist providing the services or with an enrolled School Based Services provider for special education and related services."

Feel free to call me at [REDACTED] if you have any questions.

Sincerely,

[REDACTED]
Speech/Language Pathologist

I agree with the proposed referral of, and do hereby refer, this student for speech, language and hearing services (inclusive of assistive technology device services as necessary) to be provided through the [REDACTED] or its local school districts.

Physician Signature

Date

Please return to:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

PCS Authorization

Date: [REDACTED]

Student: [REDACTED]

Date of Birth: [REDACTED]

File Number: [REDACTED]

The Medicaid School Based Services Program in Michigan continues to provide partial reimbursement from Medicaid for services such as Occupational Therapy, Physical Therapy, Speech Therapy, Psychological services, Social Work Services, Orientation and Mobility Services, Transportation, Nursing Services, Case Management, and Assistive Technology Services to students who qualify pursuant to the IEP.

Personal Care Services (PCS) is a new billable service, effective July 1, 2008. PCS are billable by Teachers Aides, Health Care Aides, Bilingual Aides and Program Assistants. Personal Care Services must be specified on the IEP and require authorization by a Physician or other licensed practitioner operating within the scope of their practice, such as Registered Nurse(RN), Certified Occupational Therapist (OT), Licensed Physical therapist (LPT), ASHA CCC Speech Language Pathologist (SLP), or Social Worker.


This child's IEP includes qualifying personal care services assisting with (check necessary items):

- ☒ Eating/Feeding, Meal Preparation
- ☐ Respiratory Assistance
- ☒ Personal Hygiene (Toileting, Grooming, Bathing, Skin Care, Dressing)
- ☒ Transferring, Ambulation, Mobility/Positioning
- ☒ Maintaining continence
- ☒ Assistance with self administered medications
- ☒ Redirection and intervention for behavior
- ☒ Health related functions through hands-on assistance, supervision and cueing

Required Authorization

Name: [REDACTED]

Title: Physical Therapist Date: 10-1-09




Is the nature and extent of the service documented?

- Documentation tells a story which answers questions like:
 - ☐ What was done?
 - ☐ How did the student respond?
 - ☐ What was given and how much (such as tube feeding/medications)?
 - ☐ Group therapy? (How many were in the group?)



Minimum Documentation

- Each claim must include:
 - ☐ Date of Service
 - ☐ Name of Recipient
 - ☐ Medicaid Identification Number
 - ☐ Name of Provider Agency
 - ☐ Person Providing the Service
 - ☐ Nature, Extent or Units of Service
 - ☐ Place of Service



Is the service performed according to an IEP/IFSP?

(MI Medicaid Provider Manual)

The treatment plan, which is an immediate result of the evaluation, must consist of the following components:

- Beneficiary's name;
- Description of the beneficiary's qualifying diagnosis and medical condition;
- Time-related goals that are measurable and significant to the beneficiary's function and/or mobility;
- Long-term goals that identify specific functional achievement to serve as indicators that the service is no longer needed;



Continued ...

- Anticipated frequency and duration of treatment required to meet the time-related goals;
- Plan for reaching the functional goals and outcomes in the IEP/IFSP;
- A statement detailing coordination of services with other providers (e.g., medical and educational); and
- All services are provided with the expectation that the beneficiary's primary care provider and, if applicable, the beneficiary's case manager are informed on a regular basis.



Transportation Example

3 things to remember about transportation claims

- The need for special education transportation must be specified in the beneficiary's IEP/IFSP treatment plan.
- Medicaid may reimburse for special education transportation when a beneficiary receives a Medicaid-covered service on the same day.
- Federal requirements include documentation for transportation service claims that must be maintained for purposes of an audit trail, such as an ongoing trip log maintained by the provider of the special education transportation.

IEP/IFSP & Medicaid Service

Student: [REDACTED]

Date IEP Begins: [REDACTED]

Individualized Education Program

Ancillary and Other Related Services

Type of Service / Rule	Number of Sessions*	Session Length	Begin Date	End Date *	Location of Services
Physical Therapy R340.1701b(a)	3 times/ mon	20-30 min	02/24/2009	02/22/2010	Special Ed
Nursing Services	1-5 times/ mon	2-4 hr	02/24/2009	02/22/2010	Special Ed
Speech and Language Services R340.1745	3 times/ mon	20-30 min	02/24/2009	02/22/2010	Special Ed

Details for Nursing Services : School nursing services are available depending on the student's medical needs. Student may need medication during school hours. Consultation is also available to family and classroom staff.

Details for Speech and Language Services : Speech and language consultation is available to family and staff.

*All programs and services listed above will begin on the initiation date of the IEP and continue for one calendar year, following the approved school district calendar. Extended school year (ESY) services must be provided only if the IEP Team determines on an individual basis that ESY services are necessary for the provision of a free and appropriate public education. Services will be provided as stated above except when the week or month is shortened due to holiday, vacation, scheduled days, school cancellations or student absence.

The following are programs offered and rejected by the parent because the parent elected to enroll the child in a nonpublic school: None

Transportation

[REDACTED] will be provided transportation via ISD-Special Bus with Lift and Attendant.

Additional Transportation Information: [REDACTED] transports in a wheelchair.



George E. Ford



HHS OIG Response

- **Review of Medicaid Payments for School-Based Health Services Made To Manchester, New Hampshire. (Released January 2012)**
- *Attendance reports did not document adequately that students actually received transportation services. Attendance logs demonstrate only that the students attended school and do not verify the method of transportation. Even if the State agency provided guidance to the contrary, we maintain that attendance reports alone would not verify that a student rode the bus on a particular day.*



Common Findings

- Missing Documentation
- Attendance Issues
 - Student Absent, School Closed (Holiday, Spring/Winter Break, Snow Day)
- Inadequate Progress Notes
 - Vague & Repeat Example
- Prescription/Referral/Authorization Errors



Missing Documentation

- Claim documentation must be sufficient to identify the patient clearly, justify the diagnosis and treatment, and document the results accurately. Documentation must be adequate enough to demonstrate that the service was provided and that the service followed the "approved plan of treatment" (for school-based services, the service must be identified in the child's IEP/IFSP).
- ISDs/LEAs must cooperate fully with any review requested by the MDCH and the CMS and maintain all necessary records for a minimum of seven (7) years



HHS OIG Response

- **Review of Arizona's Medicaid Claims For School-Based Health Services (Released March 2010)**
- *A school, as a provider, must keep organized and confidential records that details client specific information regarding all specific services provided for each individual recipient of services and retain those records for review. ... Relevant documentation includes the dates of service, who provided the service, where the service was provided, any required medical documentation related to the diagnosis or medical condition of the recipient, length of time required for service if relevant, and third party billing information. This information will be necessary in the event of an audit*



Attendance Records

- One of the first questions we ask regarding a service is whether or not the student was actually in attendance on the date of service.
- Was the service billed when the school was closed?
 - Holiday, Spring/Winter Break, Snow Day, etc.
- Official Attendance Records trump other documentation such as Transportation Logs with regards to attendance
 - Example) Student may be marked absent on bus log, but was driven to school by parent

Example 1 – Attendance

Attendance

Homeroom: _____ Counselor: _____

District of Residence: _____ - _____

Course	Expression	9/7-9/11	9/14-9/18	9/21-9/25	9/28-10/2	10/5-10/9	10/12-10/16	10/19-10/23	10/26-10/30	11/2-11/6
		M T W H F	M T W H F	M T W H F	M T W H F	M T W H F	M T W H F	M T W H F	M T W H F	M T W H F
Homeroom E: 09/08/2009 L: 06/19/2010	1(A)	-		E						E
Course	Expression	11/9-11/13	11/16-11/20	11/23-11/27	11/30-12/4	12/7-12/11	12/14-12/18	12/21-12/25	12/28-1/1	1/4-1/8
		M T W H F	M T W H F	M T W H F	M T W H F	M T W H F	M T W H F	M T W H F	M T W H F	M T W H F
Homeroom E: 09/08/2009 L: 06/19/2010	1(A)			-	-			-	-	-
Course	Expression	1/11-1/15	1/18-1/22	1/25-1/29	2/1-2/5	2/8-2/12	2/15-2/19	2/22-2/26	3/1-3/5	3/8-3/12
		M T W H F	M T W H F	M T W H F	M T W H F	M T W H F	M T W H F	M T W H F	M T W H F	M T W H F
Homeroom E: 09/08/2009 L: 06/19/2010	1(A)	U U U	-	-		N N	-			
Course	Expression	3/15-3/19	3/22-3/26	3/29-4/2	4/5-4/9	4/12-4/16	4/19-4/23	4/26-4/30	5/3-5/7	5/10-5/14
		M T W H F	M T W H F	M T W H F	M T W H F	M T W H F	M T W H F	M T W H F	M T W H F	M T W H F
Homeroom E: 09/08/2009 L: 06/19/2010	1(A)	-	E E E	N	-	-	-	U		U
Course	Expression	5/17-5/21	5/24-5/28	5/31-6/4	6/7-6/11	6/14-6/18				
		M T W H F	M T W H F	M T W H F	M T W H F	M T W H F				
Homeroom E: 09/08/2009 L: 06/19/2010	1(A)			-		-				

Attendance Codes:

=Present | U=Absent Unexcused | E=Absent Excused | N=Non-Scheduled Day | ISS=In-School Suspension | OSS=Out-of-School Suspension |

Example 2 - Attendance

Attendance

Homeroom: _____

District of Residence: _____

Course	Expression	9/7-9/11	9/14-9/18	9/21-9/25	9/28-10/2	10/5-10/9	10/12-10/16	10/19-10/23	10/26-10/30	11/2-11/6
Attendance AM	AMA(A)	-	EXE							EXE
E: 09/08/2009 L: 06/19/2010										
Attendance PM	PMA(A)	-	EXE							EXE
E: 09/08/2009 L: 06/19/2010										
Course	Expression	11/9-11/13	11/16-11/20	11/23-11/27	11/30-12/4	12/7-12/11	12/14-12/18	12/21-12/25	12/28-1/1	1/4-1/8
Attendance AM	AMA(A)			-	UNV		UNV	-	-	-
E: 09/08/2009 L: 06/19/2010										
Attendance PM	PMA(A)			-	UNV		UNV	-	-	-
E: 09/08/2009 L: 06/19/2010										
Course	Expression	1/11-1/15	1/18-1/22	1/25-1/29	2/1-2/5	2/8-2/12	2/15-2/19	2/22-2/26	3/1-3/5	3/8-3/12
Attendance AM	AMA(A)	-								
E: 09/08/2009 L: 06/19/2010										
Attendance PM	PMA(A)	-		UNN					UNV	
E: 09/08/2009 L: 06/19/2010										
Course	Expression	3/15-3/19	3/22-3/26	3/29-4/2	4/5-4/9	4/12-4/16	4/19-4/23	4/26-4/30	5/3-5/7	5/10-5/14
Attendance AM	AMA(A)			-	-				UNN	EXE
E: 09/08/2009 L: 06/19/2010										
Attendance PM	PMA(A)			-	-				UNN	EXE
E: 09/08/2009 L: 06/19/2010										
Course	Expression	5/17-5/21	5/24-5/28	5/31-6/4	6/7-6/11	6/14-6/18				
Attendance AM	AMA(A)			-		-				
E: 09/08/2009 L: 06/19/2010										
Attendance PM	PMA(A)		SUS	-		-				
E: 09/08/2009 L: 06/19/2010										

Attendance Codes:

=Present | TDY=Tardy | UNV=Unverified | EXC=Excused | SUS=Suspended | SK=Skip | ACT=Activity | CUT=Truant | WAI=Waiver |



HHS OIG Response

- **Review of New Jersey's Medicaid School-Based Health Claims Submitted By Public Consulting Group, Inc. (Released September 2010)**
- *Students must be in attendance on a given day to receive school-based health services on that day. To determine if a student was in attendance on the date of a sampled service, we reviewed the school register to determine if school was in session and the student was marked present. We then compared the school's attendance record to the SEMI service record.*



Inadequate Provider Notes

- Service/Provider notes are vital in determining what actually occurred on the date of service and the result of the service.
- Service/Provider notes should stand alone, so that individuals with basic knowledge can answer simple questions such as:
 - Who was the rendering provider and beneficiary?
 - Is the student making progress? (Should new goals be made?)
 - How does the service relate to the goals and how will they be measured?

Provider Notes - Repeat

██████████ SPECIAL EDUCATION - MEDICAID REPORT - ██████████

██████████
██████████
██████████
SERVICE DATE: 01/05/2010
SERVICE PROVIDED: 02 Group Therapy
STATUS: APPROVED

AREA COVERED:
04 Fine Motor Skills

RESPONSE: 02 Some progress toward objective

NOTE: Student is making steady progress toward goals.

SERVICE DATE: 01/12/2010
SERVICE PROVIDED: 02 Group Therapy
STATUS: APPROVED

AREA COVERED:
04 Fine Motor Skills

RESPONSE: 02 Some progress toward objective

NOTE: Student is making steady progress toward goals.

SERVICE DATE: 01/19/2010
SERVICE PROVIDED: 02 Group Therapy
STATUS: APPROVED

AREA COVERED:
04 Fine Motor Skills

RESPONSE: 02 Some progress toward objective

NOTE: Student is making steady progress toward goals.

SERVICE DATE: 01/26/2010
SERVICE PROVIDED: 80 Student Absent
STATUS: UNBILLABLE

MONTHLY OVERVIEW:
Student is making steady progress toward goals.

Provider Notes – Vague

██████████ SPECIAL EDUCATION - MEDICAID REPORT - ██████████

SERVICE DATE: 02/01/2010
SERVICE PROVIDED: 02 Group Treatment
STATUS: APPROVED

AREA COVERED:
04 Language

RESPONSE: 02 Some progress toward objective

NOTE: concepts

SERVICE DATE: 02/08/2010
SERVICE PROVIDED: 02 Group Treatment
STATUS: APPROVED

AREA COVERED:
04 Language

RESPONSE: 02 Some progress toward objective

NOTE: associations

SERVICE DATE: 02/15/2010
SERVICE PROVIDED: 02 Group Treatment
STATUS: APPROVED

AREA COVERED:
04 Language

RESPONSE: 02 Some progress toward objective

NOTE: concept development

SERVICE DATE: 02/22/2010
SERVICE PROVIDED: 02 Group Treatment
STATUS: APPROVED

AREA COVERED:
04 Language

RESPONSE: 02 Some progress toward objective

NOTE: conferences

MONTHLY OVERVIEW:
██████████ continues to be able to understand and use target concepts in therapy.



Questions?

Contact Information –

- Email: LambertJ4@michigan.gov
- Phone: 517-335-4792
- Fax: 517-241-7122