
Oakland County Intermediate School District and its Local Education Agencies

Medicaid School Services Program
Student Claims Compliance Audit

For the Period July 1, 2020, through June 30, 2021

Final Audit Report – Issued March 2024

State of Michigan
Department of Health and Human Services
Bureau of Audit
Audit Division





STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

GRETCHEN WHITMER
GOVERNOR

ELIZABETH HERTEL
DIRECTOR

March 6, 2024

Tasha McIntyre, Medicaid Manager
Oakland County Intermediate School District
2805 Pontiac Lake Road
Waterford, Michigan 48328

Dear Ms. McIntyre:

Enclosed is our final report for the Michigan Department of Health and Human Services (MDHHS) Medicaid School Based Services Program audit of the Oakland County Intermediate School District Medicaid School Based Services Program for the period July 1, 2020, through June 30, 2021.

The final report contains the following: Funding Information; Scope and Methodology; Exceptions and Recommendations; and Corrective Action Plans.

Thank you for the cooperation extended throughout this audit process.

Sincerely,

A handwritten signature in cursive script that reads "Tracie Bonner".

Tracie Bonner, Manager
Child Care Fund and Medicaid School Services Program Audit Section
Audit Division

c: Carmella Hizer, Oakland County Intermediate School District
Shannah Havens, MDHHS
Bryce Wooton, MDHHS
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TABLE OF CONTENTS

Executive Summary	1
Exceptions, Recommendations, and Corrective Actions	
1. Insufficient Treatment Plans for Direct Service Claims.....	2
2. Insufficient Supporting Documentation for Personal Care Service Claims	3
3. Insufficient Supporting Documentation for Time Specific Procedures	4
Funding Methodology.....	6
Scope and Methodology	8
Glossary of Abbreviations and Terms	9

EXECUTIVE SUMMARY

Below is a summary of our exceptions, recommendations, and corrective actions.

Exception 1 Page 2	Insufficient Treatment Plans for Direct Service Claims
Criteria	Medicaid Provider Manual, School Based Services, Section 1.7
Invalid Claims	Five (8.33%) of 60
Corrective Action	Policy updates and additional training.
Completion Date	June 30, 2024
Responsible Individuals	Carmella Hizer, Medicaid Specialist Annmarie Boyl, Administrative Assistant

Exception 2 Page 3	Insufficient Supporting Documentation for Personal Care Service Claims
Criteria	Medicaid Provider Manual, School Based Services, Section 2.9
Invalid Claims	Three (5.0%) of 60
Corrective Action	Monthly review of personal care activity logs and additional training.
Completion Date	June 30, 2024
Responsible Individuals	Tasha McIntyre, Medicaid Manager Carmella Hizer, Medicaid Specialist

Exception 3 Page 4	Insufficient Supporting Documentation for Time Specific Procedure Codes
Criteria	Medicaid Provider Manual, School Based Services, Section 10.1
Invalid Claims	One (1.67%) of 60
Corrective Action	Monthly review of time specific claims for time documentation.
Completion Date	June 30, 2024
Responsible Individuals	Carmella Hizer, Medicaid Specialist Wiam Thomas, Medicaid Specialist

EXCEPTIONS, RECOMMENDATIONS, AND CORRECTIVE ACTIONS

Exception 1

Insufficient Treatment Plans for Direct Service Claims

Condition

The ISD did not have signed treatment plans (IEP/ IFSP/Plan of Care) in the beneficiary's clinical record for direct service claims.

Criteria

The Medicaid Provider Manual, School Based Services, Section 1.7 states:

"The treatment plan must be signed, titled and dated by the qualified staff prior to billing Medicaid for services and must be retained in the beneficiary's school clinical record."

Exception

During our review, we identified five (8.3%) of 60 claims where the ISD did not have a signed treatment plan in the student's clinical record. During FY21, the ISD was operating under COVID-19 restrictions. Therefore, some of the signatures were not obtained or were typed in without authentication. There were no exemptions during the COVID-19 health emergency for not having valid signatures on the treatment plans.

- One personal care services claim had a typed signature without authentication on the treatment plan.
- One transportation claim did not have a signature on the treatment plan.
- Two psychotherapy claims did not have a signature on the treatment plan.
- One psychotherapy claim had a typed signature without authentication on the treatment plan.

Recommendation

We recommend that the ISD implement sufficient controls and procedures to ensure treatment plans are signed by the appropriate qualified staff and maintained in the beneficiary's school clinical record in compliance with the Medicaid Provider Manual.

Corrective Action Plan

To ensure that all IEP/IFSP/Plans of Care are signed, titled, and dated by a qualified staff member prior to billing, Oakland Schools Medicaid Department plans on requiring all LEAs that do not have a written signature attached to the document **must** submit the electronic authenticated signature page along with each IEP/IFSP/Plan of Care. Additional mandated training will continue to be provided multiple times throughout the year for current staff and newly hired individuals. This will guarantee that any change in staff will know the proper procedures and protocols pertaining to IEP/IFSP/Plan of Care.

Completion Date

June 30, 2024

Responsible Individuals

Carmella Hizer, Medicaid Specialist

Annmarie Boyl, Administrative Assistant

Exception 2**Insufficient Supporting Documentation for Personal Care Service Claims****Condition**

The ISD did not have sufficient supporting documentation for personal care services claims.

Criteria

The Medicaid Provider Manual, School Based Services, Section 2.9 states:

“Each child’s school clinical record must contain a completed, signed and dated monthly activity checklist.”

“In accordance with 42 CFR 440.167, authorization for Personal Care Services (PCS) may be done by a physician or ‘other licensed practitioner’ operating within the scope of their practice. The state definition of ‘other licensed practitioner’ consists of Registered Nurse (RN), Licensed Occupational Therapist, Licensed Physical Therapist (PT), Master of Social Work (MSW), or fully licensed Speech Language Pathologist (SLP). It is expected that personal care services will be authorized by the appropriate practitioner.”

Exception

During our review, we identified three (5.0%) of 60 claims where the ISD did not have supporting documentation for personal care service claims:

- One PCS monthly checklist was not completed for four days the student was in attendance during the month of the claim.
- One PCS monthly checklist was not completed for five days the student was in attendance during the month of the claim.
- One PCS claim had a PCS authorization with a typed signature without authentication for a qualified medical provider.

Recommendation

We recommend that the ISD implement procedures to document the services provided daily on the monthly activity checklist for students requiring personal care services. In addition, we recommend that the ISD implement processes and procedures to ensure that all students requiring medical services have the appropriate referrals or authorizations on the beneficiary’s clinical record.

Corrective Action Plan

To guarantee that there will not be any discrepancies with respect to having sufficient supporting documentation, **all** LEAs are required to forward a copy of the Personal Activity Log to Oakland Schools Medicaid Department, Medicaid Manager. In the event the student's provider was absent, and a non-staff pool list provider provided services, the non-staff pool list individual will initial the box on the day services were performed on the student's monthly activity logs. Additional mandated training will continue to be provided multiple times throughout the year for staff, including newly hired individuals. This will guarantee that any change in staff will know the proper procedures and protocols instituted.

As for the PCS authorization form missing an authentication page, this will be reviewed by the Oakland Schools Administrative Assistant, Annmarie Boyd, or Medicaid Specialist, Carmella Hizer, upon receiving all IEP/IFSP/Plan of Care documentation.

Completion Date

June 30, 2024

Responsible Individuals

Tasha McIntyre, Medicaid Manager
Carmella Hizer, Medicaid Specialist

Exception 3

Insufficient Supporting Documentation for Time Specific Procedures

Condition

The ISD did not have sufficient supporting documentation to support start and end times for time specific procedures.

Criteria

The Medicaid Provider Manual, School Based Services, Section 10.1 states:

“For services that have time-specific procedure codes, the provider must indicate the actual begin and end times of the service in the school clinical record.”

Exception

During our review, we identified one (1.6%) of 60 claims reviewed was for a time specific procedure code for behavioral health for 45 minutes where the beginning and ending times was not documented.

Recommendation

We recommend that ISD implement processes and procedures for ensuring that actual start and end times are documented for time specific procedure codes.

Corrective Action Plan

On a monthly basis, all time specific claims will be reviewed by Oakland Schools Medicaid Specialist to ensure that a time is referenced. Additionally, Oakland Schools has made modifications to capture this information in the MISTAR program staff utilize. Failure to input this information will prevent the end user from proceeding and submitting the claim for review.

Completion Date

June 30, 2024

Responsible Individuals

Carmella Hizer, Medicaid Specialist
Wiam Thomas, Medicaid Specialist

FUNDING METHODOLOGY

The School Services Program (SSP) includes the Administrative Outreach Program (AOP); Direct Service Claiming (DSC), formerly School Based Services (SBS); and Caring 4 Students (C4S). The AOP provides reimbursement for administrative activities required to identify, manage, refer, and develop programs for children at risk of academic failure due to an underlying health issue, including mental health. The DSC Program reimburses schools for the cost of providing direct medical services to the special education Medicaid student population. The C4S Program provides reimbursement for the cost of providing direct medical services to general education Medicaid student populations, primarily for behavioral health and nursing services.

AOP

Staff salaries and related costs are reported directly to a hired contractor, the Public Consulting Group (PCG), on quarterly financial reports by each of the Local Education Agencies (LEAs). PCG combines the costs per Intermediate School District (ISD), applies various allocation percentages and submits the AOP claim directly to Michigan Department of Health and Human Services (MDHHS) for review, processing, and payment each fiscal quarter. Claim development is based on a “pool” of costs, primarily salaries, incurred by the school districts for individuals that engage in Medicaid-type activities on a regular basis. The percentage of effort spent on Medicaid-type activities is identified by a Random Moment Time Study (RMTS) that is also conducted by PCG. The final amount claimed for Medicaid reimbursement is equal to:

Cost Pools (salaries, overhead, etc.)	X	% Time Spent on Medicaid Outreach Administration from RMTS	X	Each ISD's Biannual Medicaid Eligibility % Rate	X	% Federal Financial Participation (FFP) Rate	=	The Claim Submitted for Medicaid Reimbursement
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Direct Service Claiming and Caring 4 Students

Direct Service Claiming and Caring 4 Students providers are required to submit Direct Services claims for all Medicaid covered allowable services. These claims do not generate a payment but are required by the Federal Centers for Medicare and Medicaid Services (CMS) in order to monitor the services provided, the eligibility of the recipient, and provide an audit trail. These claims are submitted and processed through the Community Health Automated Medicaid Processing System (CHAMPS); however, the procedure code fee screens are set to pay zero.

Providers receive Direct Medical Services funding from interim monthly payments based on prior year actual costs. The interim payments are reconciled on an annual basis to the current year costs by the MDHHS Hospital and Clinic Reimbursement Division (HCRD). Cost reporting and reconciliation are based on the school fiscal year which is July 1 through June 30 of each year. Annually, ISDs and LEAs submit allowable costs to

MDHHS in CHAMPS on the Facility Settlement (FS) system. The final amount claimed for Medicaid reimbursement is equal to:

Allowable Costs (FS & Financials for TCM & PCS)	+	Calculated Indirect Costs	X	Annual Average % Time Claimable to Medicaid from the RMTS	X	Each ISD's Medicaid Eligibility % Rate	X	Federal Medical Assistance Percentage (FMAP)	=	Medicaid Reimbursement
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The cost settlement is accomplished by comparing the interim payments to the annual Medicaid allowable costs. Any over/under settlement payments are made.

Transportation

Specialized transportation costs are the costs associated with the special education buses used for the specific purpose of transporting special education students only. On an annual basis, the cost per trip is calculated by dividing the total reimbursable cost submitted on the Facility Settlement cost report by the total special education one-way transportation trips reported by the ISD in CHAMPS. The Medicaid reimbursable amount is obtained by multiplying the cost per trip by the number of “allowable” one-way trips from CHAMPS. An “allowable” one-way trip is provided to a Medicaid-eligible beneficiary and fulfills all the following requirements:

- Documentation of ridership is on file;
- The need for specialized transportation service is identified in the Individualized Education Program (IEP) or Individual Family Service Plan (IFSP); and
- A Medicaid-covered service is provided on the same date of the trip.

The cost settlement is accomplished by comparing the monthly interim payments to the annual Medicaid allowable specialized transportation costs. The cost settlement amount for the specialized transportation is combined with the cost settlement amounts for Direct Medical, Targeted Case Management (TCM), and Personal Care Services (PCS). Any over/under adjustments are processed as one transaction.

SCOPE AND METHODOLOGY

We examined the ISD records and activities for the period July 1, 2020, through June 30, 2021.

Our audit procedures included the following:

- Performed remote fieldwork for student claims submitted by ISD and its 30 Local Educations Agencies
- Reviewed the Quality Assurance Plan and responses to the Audit Questionnaire.
- Reviewed a sample of Direct Services claims and all required supporting documentation including:
 - o Reviewed IEP/IFSP or treatment plan for details related to services provided:
 - To verify the diagnosis and treatment are medically necessary.
 - To verify that the IEP/IFSP or treatment plan was signed.
 - To verify that the service provided in the claim was identified in the IEP/IFSP or treatment plan.
 - To verify that the student was under the age of 21 years old.
 - To verify the IEP/IFSP or treatment plan contained appropriate short-term and long-term goals.
 - o Reviewed Student Encounter Logs, Personal Care Service Logs, Provider Notes, and Provider Encounter Logs and Transportation logs as applicable for the sample of Direct Services claims.
 - o Reviewed provider Licenses to ensure that all providers had the appropriate credentials and proper documentation of supervision/direction was maintained, if required.
 - o Reviewed Prescriptions, Referrals and Authorizations to ensure they were obtained for services provided and services were authorized by appropriate professionals.
 - o Reviewed Attendance Records to verify student attendance on date of service.

GLOSSARY OF ABBREVIATIONS AND TERMS

GENERAL ABBREVIATIONS	
AOP	Administrative Outreach Program
C4S	Caring 4 Students
CHAMPS	Community Health Automated Medicaid Processing System
CMS	Centers for Medicare & Medicaid Services
DSC	Direct Service Claiming
FFP	Federal Financial Participation
FMAP	Federal Medical Assistance Percentage
FS	Facility Settlement
IEP	Individual Education Plan
IFSP	Individualized Family Services Plan
ISD	Intermediate School District
LEA	Local Education Agency
MDE	Michigan Department of Education
MDHHS	Michigan Department of Health and Human Services
OMB	Office of Management and Budget
PCG	Public Consulting Group
PCS	Personal Care Services
RMTS	Random Moment Time Study
SBS	School Based Services
SSP	School Services Programs
TCM	Targeted Case Management