
Montcalm Area Intermediate School District and its Local Education Agencies

School Services Program
Student Claims Compliance Audit

For the Period July 1, 2019, through June 30, 2020

Final Report - Issued March 2023

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 15, 2023

Daniel Brant, Associate Superintendent of Special Education
Montcalm Area Intermediate School District
621 New Street
PO Box 367
Stanton, Michigan 48888

Dear Mr. Brant:

Enclosed is our final report for the Michigan Department of Health and Human Services (MDHHS) audit of the Montcalm Area Intermediate School District (MAISD) Medicaid School Services, Student Claims Compliance for the period July 1, 2019, through June 30, 2020.

The final report contains the following: Executive Summary, Exceptions, Recommendations and Corrective Actions, Funding Methodology, Scope and Methodology, and Glossary Abbreviations and Terms.

Thank you for the cooperation extended by your agency 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
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c: Tricia Root, MAISD
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EXECUTIVE SUMMARY

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

Exception 1 Page 2	Insufficient Supporting Documentation for Group Therapy Claims
Criteria	Medicaid Provider Manual, School Based Services, Sections 1.6 and 11.2
Invalid Claims	3 (7.5%) of 40
Corrective Action	MAISD provided training for staff and transitioned to Michigan PowerSchool, which contains a field to document the number of students.
Completion Date	December 2022
Person Responsible	Teresa Boyer, Supervisor of Accountability and Improvement

Exception 2 Page 3	Insufficient Supporting Documentation for Supervision of Limited Licensed Providers
Criteria	Medicaid Provider Manual, School Based Services, Section 2.4A, Section 2.5 and Section 1.4
Invalid Claims	2 (5.0%) of 40
Corrective Action	MAISD provided training to staff and transitioned to Michigan PowerSchool which has a feature built-in to document supervision along with follow up guidance on documenting oversight.
Completion Date	February 2023
Person Responsible	Teresa Boyer, Supervisor of Accountability and Improvement

Exception 3 Page 5	Insufficient Treatment Plans for a Direct Medical Claim
Criteria	Medicaid Provider Manual, School Based Services, Section 1.7
Invalid Claims	1 (2.5%) of 40
Corrective Action	MAISD provided additional training to staff and created a process for obtaining and maintaining signatures.
Completion Date	December 2022
Person Responsible	Teresa Boyer, Supervisor of Accountability and Improvement

Exceptions, Recommendations, and Corrective Actions

Exception 1 Insufficient Supporting Documentation for Group Therapy Claims

Condition

MAISD did not document the number of students present in a group therapy session.

Criteria

The Medicaid Provider Manual, School Based Services, Section 1.6 states:

Group therapy must be provided in groups of two to eight.

The Medicaid Provider Manual, School Based Services, Section 11.2 states:

Student Claims Audit Activities To Be Performed By MDHHS Office of Audit Staff...Verification that group therapy was provided in groups of two to eight.

Exception

During our review, we noted three (7.5%) of the 40 claims sampled where MAISD did not have sufficient documentation to support the number of students present for group therapy claims.

Recommendation

We recommend that MAISD implement procedures and controls to document the number of students present in a group therapy session in accordance with the Medicaid Provider Manual.

Agency Corrective Action Plan

Montcalm Area ISD has provided additional training around Group Size for documentation, as well as controls to ensure the documentation of the number of students present for group therapy claims. Specifically:

- MAISD transitioned from Ed Plan to Michigan PowerSchool Special Education (MIPSE) in July 2020. MPSE has a documentation spot for Group Size in Service Capture for all logs that are completed.
- Training around group size and documentation was provided to All OT, PT, O&M, MAISD SLP and MAISD SSW on 8/11/22.
- The same training was provided to ALL county wide SSW and SLP in October 2022.
- MAISD created and shared individual service provider tip sheets, including guidance on group size, in Fall 2022.

Completion Date

Completed December 2022

Responsible Individual

Teresa Boyer, Supervisor of Program Accountability, and Improvement

Exception 2 Insufficient Supporting Documentation for Supervision of Limited Licensed Providers

Condition

MAISD did not have sufficient documentation to show supervision of limited license providers.

Criteria

Medicaid Provider Manual, School Based Services, Section 2.4 states:

*Speech, language and hearing services may be reimbursed when provided by...a limited licensed speech language pathologist, **under the direction of** a fully licensed SLP or audiologist. All documentation must be reviewed and signed by the appropriately licensed supervising SLP or licensed audiologist.*

Medicaid Provider Manual, School Based Services, Section 2.5 states:

*Psychological, counseling, and social work services may be reimbursed by...A limited licensed master's social worker **under the supervision of** a licensed master's social worker.*

Medicaid Provider Manual, School Based Services, Section 1.4 states:

- ***“Under the direction of”** means that clinician is supervision 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. “Under the direction of” requires face-to-face contact by the clinician at least at the beginning of treatment and periodically thereafter.*
- ***Under the “Supervision of”** limited-licensed mental health professional 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.*

Exception

During our review, we noted two (5.0%) of the 40 claims sampled did not have sufficient documentation to show oversight of limited licensed professionals. Of the two claims identified, one was a limited licensed speech language pathologist, and one was a limited licensed master social worker.

Recommendation

We recommend that MAISD implement controls and procedures to ensure that all limited licensed providers are receiving the appropriate oversight and that required documentation of oversight is maintained, in compliance with the Medicaid Provider Manual.

Agency Corrective Action Plan

Montcalm Area ISD has provided additional training to ensure all limited licensed providers are receiving appropriate oversight and required documentation of this oversight is maintained. Specifically:

- MAISD transitioned from Ed Plan to Michigan PowerSchool Special Education (MIPSE) in July 2020. MIPSE has an “events” feature built-in to document supervision.
- MIPSE provided specific guidance around using the “events” feature to document supervision of Limited Licensed staff in the county on 8/11/22 and October 2022. This guidance was relayed to all local districts.
- MAISD created Service Capture Documentation guidance, including supervision of limited licensed staff and shared this guidance on 8/11/22 to all SE across the county.
- Training on providing appropriate oversight and documentation in MIPSE using the “events” feature was provided to All OT, PT, O&M, MAISD SLP and MAISD SSW on 8/11/22 and additionally to ALL county wide SSW and SLP in October 2022. During this training suspected Medicaid Audit Findings were shared.
- Follow up reminders and guidance have been provided regarding oversight and documentation of oversight in January 2023 and February 2023.

Completion Date

Completed February 2023

Responsible Individual

Teresa Boyer, Supervisor of Program Accountability and Improvement

Exception 3

Insufficient Treatments Plans for a Direct Medical Claim

Condition

MAISD did not have a sufficient treatment plan for a Direct Medical claim.

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 one (2.5%) of the 40 claims sampled did not have an IEP/IFSP or Treatment Plan signed by qualified staff for a direct medical claim. The IEP for this claim was for a transfer student.

Recommendation

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

Agency Corrective Action Plan

Montcalm Area ISD has provided additional training to ensure all treatment plans are signed, titled, and dated by the qualified staff and maintained.

- MAISD transitioned from Ed Plan to Michigan PowerSchool Special Education (MIPSE) in July 2020. MIPSE supervision has built-in signature features, and all signatures are uploaded by providers into the MIPSE system.
- The claim that did not have a qualified signature was for personal care. As a result, MAISD created guidance for adding personal care to the IEP, creating a personal care authorization, obtaining signatures from qualified staff, and maintaining this documentation. This guidance was distributed to local directors and ISD supervisors Fall 2022 to be shared with all SE staff and to be used for training.
- MAISD Programs created a process for obtaining, and maintaining the Personal Care Authorization signatures in February 2022, with local districts to use as a template.

Completion Date

Completed December 2022

Responsible Individual

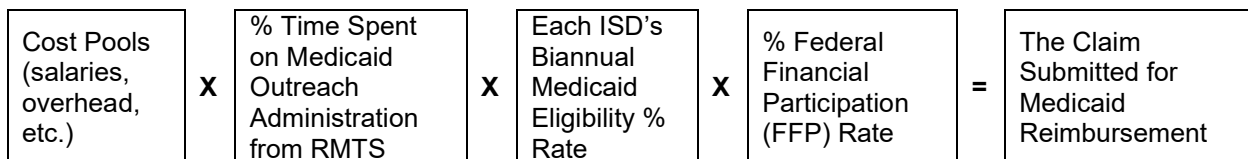
Teresa Boyer, Supervisor of Program Accountability and Improvement

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:



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 MAISD and LEA's records and activities related to Medicaid student claims for the period July 1, 2019, through June 30, 2020.

Our audit procedures included the following:

- Performed audit procedures remotely for MAISD and its eight LEAs.
- 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.
 - o Reviewed transportation claim documentation:
 - To verify Transportation Logs contained details for the student on the date of service.
 - Reviewed Student Encounter documentation to verify that a valid medical service was provided on the same day.

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
IDEA	Individuals with Disabilities Education Act
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

SCHOOL ABBREVIATIONS	
MAISD	Montcalm Area Intermediate School District