

# Audit Report

## COOR Intermediate School District Medicaid School Based Services Program

July 1, 2010 – June 30, 2011



Office of Audit  
January 2014



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GOVERNOR

STATE OF MICHIGAN  
**DEPARTMENT OF COMMUNITY HEALTH**  
OFFICE OF AUDIT  
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DIRECTOR

January 27, 2014

Mr. Rug Dozzi  
COOR Area Intermediate School District  
11051 North Cut Road  
Roscommon, Michigan 48653

Dear Mr. Dozzi:

Enclosed is our final report for the Michigan Department of Community Health (MDCH) Medicaid School Based Services Program audit of the COOR Area Intermediate School District for the period July 1, 2010 – June 30, 2011.

The final report contains the following: Description of Agency; Background; Funding Methodology; Purpose and Objectives; Scope and Methodology; Conclusions, Findings and Recommendations; and Corrective Action Plans. The Corrective Action Plans include the agency's response to the Preliminary Analysis.

Thank you for the cooperation extended throughout this audit process.

Sincerely,

Scott Werner, Manager  
Special Audits Section  
Office of Audit

Enclosure

cc: Pam Myers, Director, Office of Audit  
John Lambert, Auditor, Office of Audit  
Cindy Linn, Manager, Medicaid Program Policy Division  
Kevin Bauer, Specialist, Medicaid Program Policy Division  
Steve Ireland, Manager, Rate Review Section  
Jane Reagan, Department Specialist, Michigan Department of Education

## TABLE OF CONTENTS

	Page
Description of Agency .....	1
Background .....	1
Funding Methodology .....	2
Purpose and Objectives .....	3
Scope and Methodology .....	3

### Conclusions, Findings and Recommendations

#### Internal Controls

1. Validity of Direct Medical Claims .....	4
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#### Financial Reporting

2. SBS Medicaid Encounter Reporting .....	5
3. MAER Medical Staff Cost Report .....	6
4. Federal Funds .....	8
5. Lack of Oversight of Financial Data Reported .....	8
6. MAER Transportation Cost Report .....	10
Corrective Action Plans .....	11

## **DESCRIPTION OF AGENCY**

The COOR Area Intermediate School District (COOR ISD), one of 57 intermediate school districts (ISDs) in Michigan, was established in 1962. ISDs are regional service agencies that offer support services to school personnel that are best delivered regionally. COOR ISD is a publicly funded school district regulated by the state and federal government.

The COOR ISD administrative offices are located in Roscommon, Michigan, serving the six public school districts primarily in Crawford, Ogemaw, Oscoda, and Roscommon. The COOR ISD Board of Education consists of seven members serving six year terms.

## **BACKGROUND**

Effective July 1, 2008, the Center for Medicare & Medicaid Services (CMS) made changes to the Medicaid School Based Services (SBS) Program. Under the new SBS Program, the Michigan Department of Community Health (MDCH) provides SBS reimbursement to school districts that provide Medicaid covered health and health-related services. There are two components of the SBS program that include:

- Direct Medical Services (includes specialized transportation, personal care services, and targeted case management services)
- Medicaid Administrative Outreach (AOP)

Those beneficiaries who are served by the SBS program are individuals with physical and/or behavioral disabilities, ages 0-21, who meet the eligibility requirements of the Federal Individuals with Disabilities Education Act (IDEA) Statute and the Michigan Board of Education Administrative Rule for Special Education. Medicaid covers some medical services included in an Individualized Education Program (IEP) or Individualized Family Service Plan (IFSP) for Medicaid eligible students including:

- Medically necessary services included in a Medicaid covered category
- Services that are included in the Medicaid State Plan

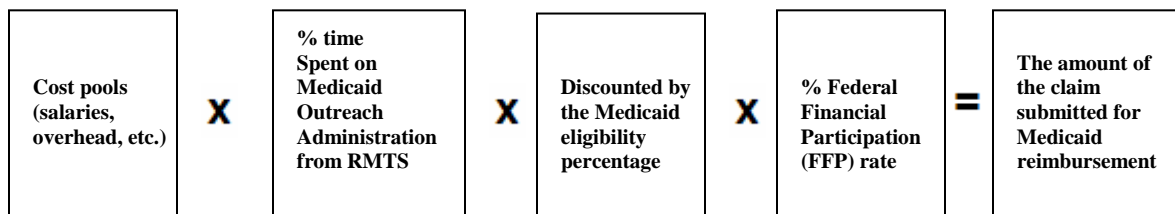
For an enrolled school district to receive reimbursement, the services provided must meet all Federal and State Medicaid regulations and provisions, including those for provider qualifications, comparability of services, and the amount, duration, and scope of services.

## FUNDING METHODOLOGY

The AOP and Direct Medical Services program are companion programs. 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 Direct Medical Services program reimburses schools for the cost of providing direct medical services to the special education Medicaid student population.

### AOP

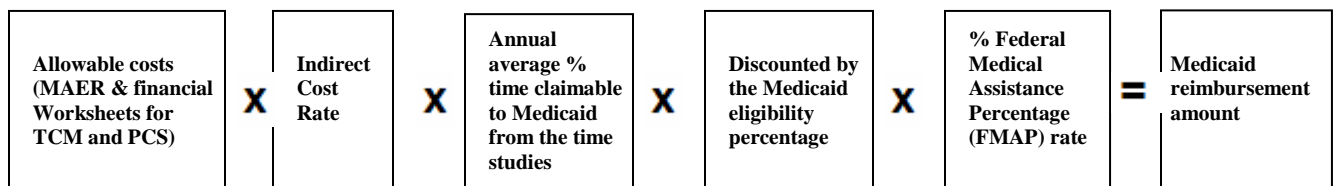
Staff salaries and related costs are reported directly to a hired contractor, the Public Consulting Group (PCG), by each of the LEAs. PCG combines the costs, applies various allocation percentages and submits the AOP claim directly to MDCH for review, processing and payment each fiscal quarter. Claim 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 actually spent on Medicaid-type activities is identified by a Random Moment Time Study (RMTS) that is also conducted by PCG. Reallocation of administrative activities found in the RMTS and certain other allocation percentages are applied to the Medicaid activities where appropriate. For most activities, the final amount claimed for Medicaid reimbursement is equal to:



### Direct Medical Services

SBS providers are required to submit Direct Medical Services claims for all Medicaid covered allowable services. These claims do not generate a payment, but are required by 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.

SBS providers receive their funding from the interim monthly payments that are based on prior year actual costs and that are reconciled on an annual basis to the current year costs. Cost reporting and reconciliation are based on the school fiscal year which is July 1 through June 30 of each year. The final amount claimed for Medicaid reimbursement is equal to:



The cost settlement is accomplished by comparing the interim payments to the annual Medicaid allowable costs. Any over/under settlement payments are made. 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 by the total ISD-reported special education one-way transportation trips. The Medicaid reimbursable amount is obtained by multiplying the number of “allowable” one-way trips paid by the Medicaid Invoice Processing system per ISD. An “allowable” one-way trip is provided to a Medicaid-eligible beneficiary and fulfills all of the following requirements:

- Documentation of ridership is on file;
- The need for the specialized transportation service is identified in the IEP or IFSP; and
- A Medicaid-covered service is provided on the same date of the trip

The cost settlement is accomplished by comparing the interim payments to the annual Medicaid allowable specialized transportation costs. Any over/under settlement payments are made. This settlement amount will be included with the Direct Medical Services cost settlement payment/recovery.

## **PURPOSE AND OBJECTIVES**

The purpose of our audit was to review that School Based Service costs reported by the ISD and its LEAs were in compliance with Federal and State laws and regulations and that internal controls for the Direct Medical Services and the Administrative Outreach Program were effectively established and implemented. Our work is summarized by the following objectives:

- 1.) To assess whether the COOR Area Intermediate School District and its LEAs effectively established and implemented internal controls over the development of School Based Service Medicaid claims.
- 2.) To assess whether the School Based Service costs and services reported by COOR Area Intermediate School District and its LEAs were in compliance with Federal and State laws and regulations.

## **SCOPE AND METHODOLOGY**

Within the limitations described below, our audit included reviews of the claims development process and the costs claimed by COOR ISD and its LEAs for the year ended June 30, 2011.

The scope of our review of the claims development process was limited to the parts of the process that were not monitored by others. The RMTS and the assignment of sampled moments to activities are monitored by PCG and were excluded from the scope of this audit. We also accepted the federally approved indirect cost rate without review; but verified that the approved rate was used in claim calculations and applied only to costs in the specified base. We did not

audit the procedures used to calculate the percentage of Medicaid eligible students in COOR ISD since these procedures apply to all ISDs and were reviewed and approved by CMS. School districts are subject to Federal Single Audit requirements and the independent auditors' report on internal controls was used to identify weaknesses that might affect our review; none were reported for COOR ISD and its LEAs selected for testing.

The scope of our audit was generally limited to determining whether the costs reported by the COOR ISD and its LEAs were reasonable, allocable and allowable under Federal and State laws and regulations and that proper internal controls were in place to develop Medicaid claims under the SBS program. This included reviewing payroll documentation at the COOR ISD and its LEAs, as well as reviewing IEP/IFSPs and all required supporting documentation for a sample of Direct Medical Services claims to ensure compliance with applicable Federal and State laws and regulations. Our audit included site visits to the COOR Area Intermediate School District and to one of six LEAs including West Branch-Rose City Area Schools.

We verified that costs were directly related to individuals included in the RMTS, incurred during the sample period, did not contain duplicate costs, were not claimed as costs of other Federal projects and were otherwise allowable under the federal regulations in Office of Management and Budget (OMB) Circular A-87 (located at 2 CFR Part 225). Fieldwork was performed from July to November 2013.

## **CONCLUSIONS, FINDINGS, AND RECOMMENDATIONS**

### **INTERNAL CONTROLS**

**Objective:** To assess whether the COOR Area Intermediate School District and its LEAs effectively established and implemented internal controls over the development of School Based Service Medicaid claims.

**Conclusion:** The COOR Area Intermediate School District and its LEAs were ineffective in establishing and implementing internal controls over the development of School Based Service Medicaid claims. We identified a material weaknesses related to internal controls over Validity of Direct Medical Claims. (Finding 1)

#### **Finding**

##### **1. Validity of Direct Medical Claims**

The internal controls of COOR ISD did not ensure compliance with the Medicaid Provider Manual regarding the validity of Direct Medical Services claims.

The Medicaid Provider Manual, School Based Services, Section 6.1.A states:

*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).*

Our testing identified 42 (56%) invalid claims in the 75 sampled claims we reviewed including:

- Twenty-four claims were invalid because the services were not supported with appropriate prescriptions, referrals, and authorizations.
- Eleven claims were invalid because the services were not supported with appropriate supervision or supervision was not provided.
- Three claims were invalid because the services were not supported with attendance records, were absent on the date of service, or school was closed due to a snow day.
- Three claims were invalid because the IEP was not complete and did not contain Annual Goals as required or the IEP did not contain the related service.
- One claim was invalid because the provider notes were insufficient and vague.

Noncompliance with the Medicaid Provider Manual could result in adjustments, disallowances, and/or future reductions of Medicaid funding.

### **Recommendation**

We recommend that COOR ISD improve internal controls to ensure compliance with the Medicaid Provider Manual regarding the validity of Direct Medical Services claims.

## **FINANCIAL REPORTING**

**Objective:** To assess whether the School Based Service costs and services reported by COOR Area Intermediate School District and its LEAs were in compliance with Federal and State laws and regulations.

**Conclusion:** We determined that the COOR Area Intermediate School District and its LEAs were ineffective in reporting costs that were in compliance with Federal and State laws and regulations. We identified two instances of material noncompliance and misstatement related to SBS Medicaid Encounter Reporting (Finding 2) and the MAER Medical Staff Cost Report (Finding 3). In addition, we also identified reportable deficiencies regarding Federal Funds (Finding 4), Lack of Oversight of Financial Data Reported (Finding 5), and MAER Transportation Cost Report (Finding 6).

### **Finding**

#### **2. SBS Medicaid Encounter Reporting**

The COOR ISD did not appropriately report all SBS Medicaid encounters through the CHAMPS system as required. Failure to appropriately report all SBS Medicaid encounters in CHAMPS creates documentation inconsistencies and questions regarding whether a



medical service actually occurred or was properly administered as dictated by the Medicaid Treatment Plan.

The Medicaid Provider Manual, School Based Services, Section 6.1 includes:

*The Centers for Medicare & Medicaid (CMS) requires Michigan SBS providers to submit procedure specific fee for service claims for all Medicaid allowable services. These claims do not generate a payment but are required by CMS in order to monitor services provided, the eligibility of the recipient, and provide an audit trail.*

Our review of SBS Medicaid encounters reported in CHAMPS for 22 sampled COOR ISD students disclosed that:

- Students requiring Speech Therapy treatment did not have their monthly Medicaid Treatment Plan requirements met 85% of the time based on reported encounters in CHAMPS. Nearly 50% of these instances included months in which the student did not have a single valid session reported in CHAMPS with a Speech Therapist.
- Students requiring Occupational Therapy treatment did not have their monthly Medicaid Treatment Plan requirements met 75% of the time based on reported encounters in CHAMPS. Nearly 52% of these instances included months in which the student did not have a single valid session reported in CHAMPS with an Occupational Therapist.
- Students requiring Physical Therapy treatment did not have their monthly Medicaid Treatment Plan requirements met 68% of the time based on reported encounters in CHAMPS. Nearly 46% of these instances included months in which the student did not have a single valid session reported in CHAMPS with a Physical Therapist.

In reference to the above findings, the COOR ISD contends that some medical services were appropriately provided, but just did not meet criteria to be reported in CHAMPS. We did not verify this through any testing as the encounters were not reported in CHAMPS.

### **Recommendation**

We recommend that the COOR ISD appropriately report all SBS Medicaid encounters through the CHAMPS system as required.

### **Finding**

#### **3. MAER Medical Staff Cost Report**

COOR ISD and West Branch-Rose City Area Schools did not comply with the Medicaid Provider Manual regarding the accuracy of financial data reported on the MAER Medical Staff Cost Report. The collective errors resulted in an overstatement of reported expenditures by \$439,254.

The Medicaid Provider Manual, School Based Services, Section 2 outlines the Medicaid covered services that can be billed by the ISD. This section includes a definition of the allowable covered service as well as procedure codes that may be billed for the services. For the specific reporting of expenditures related to Direct Medical Services and Special Education Transportation, the Medicaid Provider Manual, School Based Services, Section 5.1 states:

*The financial data reported for the Direct Medical Services (salaries, benefits, supplies, etc.) must be based on actual detailed expenditure reports obtained directly from the participating ISD's financial accounting system.*

Our review of payroll costs disclosed:

- COOR ISD reported payroll expenditures for Psychologists, Speech Therapists, and O&M Specialists from the “AOP Staff Pool” in the MAER Medical Staff Cost Report. Expenditures from the “AOP Staff Pool” are not allowed to be reported in the MAER Medical Staff Cost Report. This resulted in an overstatement of reported expenditures by \$273,223.

COOR ISD reported purchased services expenditures and other expenditures for Physical Therapists, Occupational Therapists, Psychologists, Speech Therapists, Social Workers, and O&M Specialists in the MAER Medical Staff Cost Report. Staff pool listing errors and calculation errors resulted in an overstatement of reported expenditures by \$30,711.

- West Branch-Rose City Area Schools reported payroll expenditures for Social Workers in the MAER Medical Staff Cost Report. Calculation errors resulted in an overstatement of reported expenditures by \$95,131.

West Branch-Rose City Area Schools reported purchased services expenditures for Psychologists and Speech Therapists in the MAER Medical Staff Cost Report. The costs associated with Psychologists came from an employee in the “AOP Staff Pool.” Expenditures from the “AOP Staff Pool” are not allowed to be reported in the MAER Medical Staff Cost Report. The costs associated with the Speech Therapists came from an employee not in any staff pool. The collective errors resulted in an overstatement of reported expenditures by \$40,189.

Noncompliance with the Medicaid Provider Manual could result in adjustments, disallowances, and/or future reductions of Medicaid funding.

### **Recommendation**

We recommend that COOR ISD and West Branch-Rose City Area Schools report future costs in compliance with the Medicaid Provider Manual to ensure accuracy of financial data reported on the MAER Medical Staff Cost Report.

## **Finding**

### **4. Federal Funds**

West Branch-Rose City Area Schools did not comply with the Medicaid Provider Manual regarding the inclusion of federal funds to expenditures pertaining to staff salaries and benefits. The error resulted in an overstatement of reported expenditures of \$6,964.

Noncompliance with the Medicaid Provider Manual could result in sanctions, disallowances, and/or future reductions of Medicaid awards

Medicaid Provider Manual, School Based Services, Section 5.2 states:

*Providers are not allowed to report any costs that are federal funds, State flow-through funds, or non-federal funds that have been committed as local match for other federal or State funds or programs.*

*Claims for approved Medicaid School Based Service functions may not include expenditures of:*

- *Federal funds received by the district directly*
- *Federal funds that have been passed through a State or local agency*
- *Non-Federal funds that have been committed as local match for other Federal or State funds or programs*

Our review of sampled employees in West Branch-Rose City Area Schools' payroll disclosed that federal funds were included in the Eligible Cost/Cost Pool Summary Reports. One employee had federal funds of \$6,964 included in their salary, along with appropriate earnings.

## **Recommendation**

We recommend that West Branch-Rose City Area Schools report future costs in compliance with the Medicaid Provider Manual regarding the inclusion of federal funds to expenditures pertaining to staff salaries and benefits.

## **Finding**

### **5. Lack of Oversight of Financial Data Reported**

COOR ISD and West Branch-Rose City Area Schools did not comply with the Medicaid Provider Manual regarding the accuracy of financial data reported on the Eligible Cost/Cost Pool Summary Reports. The collective errors resulted in an understatement of reported expenditures of \$91,112.

The Medicaid Provider Manual, School Based Services, Section 2 outlines the Medicaid covered services that can be billed by the ISD. This section includes a definition of the allowable covered service as well as procedure codes that may be billed for the services.

For the reporting of expenditures related to Administrative Outreach Program, the Medicaid Provider Manual, SBS Administrative Outreach Program Section 2.4 states:

*The financial data reported (salaries, benefits, supplies, etc.) must be based on actual detailed expenditure reports obtained directly from the participating ISDs' financial accounting system.*

Our review of payroll costs disclosed:

- COOR ISD reported contracted staff costs in the Eligible Cost/Cost Pool Summary Reports. For one employee, the costs reported for contracted staff were greater than the actual expenditures in the financial accounting system and resulted in an overstatement of reported expenditures by \$1,658.

COOR ISD reported materials and supplies, travel and training, and dues and fees in the Eligible Cost/Cost Pool Summary Reports. The costs reported were less than the actual expenditures in the financial accounting system and resulted in an understatement of reported expenditures by \$4,404.

- West Branch-Rose City Area Schools reported contracted staff costs in the Eligible Cost/Cost Pool Summary Reports. For one employee, the costs reported for contracted staff were greater than the actual expenditures in the financial accounting system and resulted in an overstatement of reported expenditures by \$3,198.

West Branch Rose City Area Schools reported travel and training in the Eligible Cost/Cost Pool Summary Reports. The costs reported were less than the actual expenditures in the financial accounting system and resulted in an understatement of reported expenditures by \$742.

West Branch-Rose City Area Schools reported salaries and benefits in the Eligible Cost/Cost Pool Summary Reports. The costs reported for salaries and benefits were less than the actual expenditures in the financial accounting system and resulted in an understatement of reported expenditures by \$90,822.

Noncompliance with the Medicaid Provider Manual could result in adjustments, disallowances, and/or future reductions of Medicaid funding.

### **Recommendation**

We recommend that West Branch-Rose City Area Schools report future costs in compliance with the Medicaid Provider Manual to ensure accuracy of financial data reported on the Eligible Cost/Cost Pool Summary Reports.

## **Finding**

### **6. MAER Transportation Cost Report**

COOR ISD did not comply with the Medicaid Provider Manual regarding the accuracy of financial data reported on the MAER Transportation Cost Report. Calculation errors contributed to the errors noted in the review of transportation costs. The error resulted in an understatement of reported expenditures by \$76,543.

The Medicaid Provider Manual, School Based Services, Section 2 outlines the Medicaid covered services that can be billed by the ISD. This section includes a definition of the allowable covered service as well as procedure codes that may be billed for the services.

For the specific reporting of expenditures related to Direct Medical Services and Special Education Transportation, the Medicaid Provider Manual, School Based Services, Section 5.1 states:

*The financial data reported for the Direct Medical Services (salaries, benefits, supplies, etc.) must be based on actual detailed expenditure reports obtained directly from the participating ISD's financial accounting system.*

Our review of transportation costs in COOR ISD disclosed:

COOR ISD reported transportation costs under the multiple lines of the MAER Transportation Cost Report. The costs reported under the “Employee Benefits” and “Tire/Batteries” lines were greater than the actual expenditures in the financial accounting system. The costs reported under the “Gasoline,” “Oil/Grease,” and “Vehicle Repair Parts” lines were less than actual expenditures in the financial accounting system. The collective errors resulted in an understatement of reported expenditures by \$76,543.

Noncompliance with the Medicaid Provider Manual could result in adjustments, disallowances, and/or future reductions of Medicaid funding.

## **Recommendation**

We recommend that COOR ISD report future costs in compliance with the Medicaid Provider Manual to ensure accuracy of financial data reported on the MAER Transportation Cost Report.

## Corrective Action Plan

**Finding Number:** 1

**Page Reference:** 4

**Finding:** **Validity of Direct Medical Claims**

**Recommendation:** We recommend that COOR ISD improve internal controls to ensure compliance with the Medicaid Provider Manual regarding the validity of Direct Medical Services claims.

### **COOR ISD**

**Comments:** COOR ISD agrees with the findings and recommendations

**Corrective Action:** COOR ISD, along with Public Consulting Group, will provide training for all districts participating in the program to assure that the ISD and LEAs understand program policies regarding the development and implementation of services recommended in the IEP.

The ISD staff, as well as the LEAs, will be required to attend annual trainings prior to submission which will include Medicaid Provider Manual updates.

COOR ISD will revise billing procedures so that all services submitted for reimbursement are supported by appropriate referrals from a physician.

COOR ISD will revise billing procedures so that all services submitted for reimbursement that require supervision have the appropriate supervision logged.

### **Anticipated**

**Completion Date:** May 2014 and annually thereafter.

## Corrective Action Plan

**Finding Number:** 2

**Page Reference:** 5

**Finding:** **SBS Medicaid Encounter Reporting**

**Recommendation:** We recommend that the COOR ISD appropriately report all SBS Medicaid encounters through the CHAMPS system as required.

### **COOR ISD**

**Comments:** COOR ISD believes there is a difference between provisions of IEPs not being met and services not being reported in CHAMPS.

Services are logged by providers in EdPlan (ie: a student case management system) and then submitted to our Medicaid biller who then submits them to CHAMPS. As noted, some of these services, although provided and submitted to our Medicaid biller, did not meet submission criteria for reimbursement and were not submitted to CHAMPS for reimbursement. A review of those logs not submitted to CHAMPS allowed us to determine what our corrective action plan should be.

### **MDCH Office of Audit Epilogue:**

The COOR ISD contended that some (but not all) services were provided, but did not meet submission criteria to CHAMPS. (*MDCH Office of Audit did not verify this response with any testing as the alleged services were never initially reported in CHAMPS.*) Given the significant lack of SBS Medicaid encounters reported in CHAMPS noted in the finding, the MDCH Office of Audit continues to conclude that the COOR ISD did not appropriately report all SBS Medicaid encounters through the CHAMPS system as required. Failure to appropriately report all SBS Medicaid encounters in CHAMPS creates documentation inconsistencies and creates questions whether a medical service actually ever occurred or was properly administered as dictated by the Medicaid Treatment Plan.

**Corrective Action:** COOR ISD will revise procedures so that services submitted for billing to CHAMPS are supported with prescriptions from a physician. We will include in our process an NPI check so we confirm that it is from a physician rather than a physician's assistant.

COOR ISD will revise training materials and train staff regarding the importance of submitting services for billing to CHAMPS.

### **Anticipated**

**Completion Date:** May 2014 and annually thereafter.

## Corrective Action Plan

**Finding Number:** 3

**Page Reference:** 6

**Finding:** **MAER Medical Staff Cost Report**

**Recommendation:** We recommend that COOR ISD and West Branch-Rose City Area Schools report future costs in compliance with the Medicaid Provider Manual to ensure accuracy of financial data reported on the MAER Medical Staff Cost Report.

### **COOR ISD**

**Comments:** COOR ISD agrees with the findings and recommendations.

**Corrective Action:** COOR ISD, along with Public Consulting Group, will provide training for all districts participating in the program to assure that the ISD and LEAs understand program policies regarding completion of the MAER. The ISD accounting staff, as well as the LEAs, will be required to attend an annual training at COOR ISD in the fall prior to report submission which will include Medicaid Provider Manual updates.

COOR ISD will review LEA's MAER reports prior to submission to ensure accurate completion

### **Anticipated**

**Completion Date:** May 2014 and annually thereafter.



## Corrective Action Plan

**Finding Number:** 4

**Page Reference:** 8

**Finding:** **Federal Funds**

**Recommendation:** We recommend that West Branch-Rose City Area Schools report future costs in compliance with the Medicaid Provider Manual regarding the inclusion of federal funds to expenditures pertaining to staff salaries and benefits.

### **COOR ISD**

**Comments:** COOR ISD agrees with the findings and recommendations.

**Corrective Action:** COOR ISD, along with Public Consulting Group, will provide training for all districts participating in the program to assure that the ISD and LEAs understand program policies regarding completion of the MAER, as well as the financial quarterlies, specifically regarding the inclusion of federal funds. The ISD accounting staff, as well as the LEAs, will be required to attend an annual training at COOR ISD in the fall prior to report submission which will include Medicaid Provider Manual updates.

COOR ISD will review LEA's MAER reports prior to submission to ensure accurate completion

### **Anticipated**

**Completion Date:** May 2014 and annually thereafter.

## Corrective Action Plan

**Finding Number:** 5

**Page Reference:** 8

**Finding:** **Lack of Oversight of Financial Data Reported**

**Recommendation:** We recommend that West Branch-Rose City Area Schools report future costs in compliance with the Medicaid Provider Manual to ensure accuracy of financial data reported on the Eligible Cost/Cost Pool Summary Reports.

### **COOR ISD**

**Comments:** COOR ISD agrees with the findings and recommendations.

**Corrective Action:** COOR ISD, along with Public Consulting Group, will provide training for all districts participating in the program to assure that the ISD and LEAs understand program policies regarding completion of the financial quarterlies. The ISD accounting staff, as well as the LEAs, will be required to attend an annual training at COOR ISD in the fall prior to report submission which will include Medicaid Provider Manual updates.

### **Anticipated**

**Completion Date:** May 2014 and annually thereafter.

## Corrective Action Plan

**Finding Number:** 6

**Page Reference:** 10

**Finding:** **MAER Transportation Cost Report**

**Recommendation:** We recommend that COOR ISD report future costs in compliance with the Medicaid Provider Manual to ensure accuracy of financial data reported on the MAER Transportation Cost Report.

### **COOR ISD**

**Comments:** COOR ISD agrees with the findings and recommendations.

**Corrective Action:** COOR ISD, along with Public Consulting Group, will provide training for all districts participating in the program to assure that the ISD and LEAs understand program policies regarding completion of the MAER, specifically regarding the MAER transportation report. The ISD accounting staff, as well as the LEAs, will be required to attend an annual training at COOR ISD in the fall prior to report submission which will include MAER updates.

COOR ISD will review LEA's MAER reports prior to submission to ensure accurate completion

### **Anticipated**

**Completion Date:** May 2014 and annually thereafter.