

Audit Report

Copper Country Intermediate School District Medicaid School Based Services Program

July 1, 2010 – June 30, 2011



Office of Audit
December 2014



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
OFFICE OF AUDIT
400 S. PINE; LANSING, MI 48933

NICK LYON
DIRECTOR

December 18, 2014

Mr. Ken Maki
Ms. Jennifer Roose
Copper Country Intermediate School District
809 Hecla Street
Hancock, Michigan 49930

Dear Mr. Maki and Ms. Roose:

Enclosed is our final report for the Michigan Department of Community Health Medicaid School Based Services Program audit of the Copper Country 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

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
2. Quality Assurance Plan	5

Reporting

3. SBS Medicaid Encounter Reporting	6
4. Lack of Oversight of Financial Data Reported.	7
5. MAER Medical Staff Cost Report	8
6. Federal Funds	9
7. Inclusion of Unallowable Expenditure	10
8. MAER Transportation Cost Report	10

Corrective Action Plans	12
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DESCRIPTION OF AGENCY

The Copper Country Intermediate School District (Copper Country 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. Copper Country ISD is a publicly funded school district regulated by the state and federal government.

The Copper Country ISD administrative offices are located in Hancock, Michigan, serving the 14 public school districts primarily in Baraga, Houghton, and Keweenaw. The Copper Country ISD Board of Education consists of seven members.

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

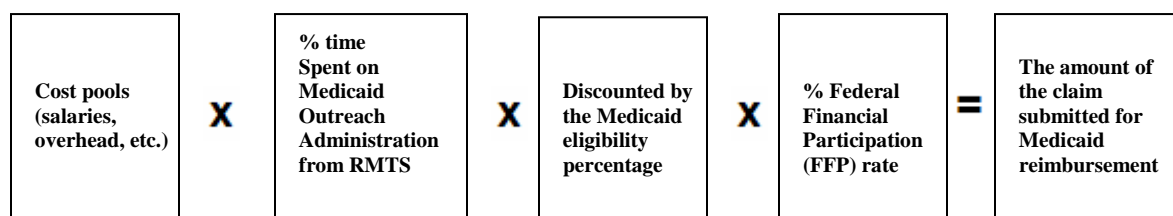
For an enrolled school district to receive reimbursement, the services provided must meet all Federal and State Medicaid regulations and provisions, including those for provider qualifications, comparability of services, and the amount, duration, and scope of services.

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

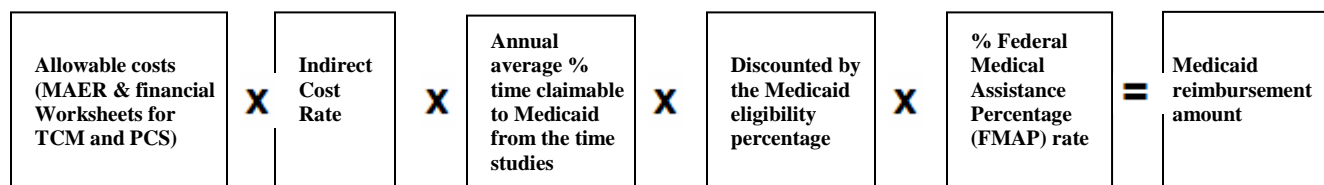
Staff salaries and related costs are reported directly to a hired contractor, the Public Consulting Group (PCG), by each of the LEAs. PCG combines the costs, applies various allocation percentages and submits the AOP claim directly to MDCH for review, processing and payment each fiscal quarter. Claim 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 Copper Country 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 the Copper Country Intermediate School District and its LEAs that were used to develop the Medicaid claim were reasonable, allocable and allowable under 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 Copper Country 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 Copper Country 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 Copper Country ISD and its LEAs selected for testing.

The scope of our audit was generally limited to determining whether the costs reported by the Copper Country 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 Copper Country 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 Copper Country Intermediate School District and to four of 13 LEAs including Baraga Area Schools, Public Schools of Calumet, Laurium, & Keweenaw, Houghton-Portage Township Schools, and Lake Linden-Hubbell Public 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 January to April 2014.

CONCLUSIONS, FINDINGS, AND RECOMMENDATIONS

INTERNAL CONTROLS

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

Conclusion: The Copper Country Intermediate School District and its LEAs were only moderately effective in establishing and implementing internal controls over the development of School Based Service Medicaid claims. We did identify a material weakness related to internal controls over the Validity of Direct Medical Claims (Finding 1). In addition, we also identified reportable deficiencies regarding the Quality Assurance Plan (Finding 2).

Finding

1. Validity of Direct Medical Claims

The internal controls of Copper Country 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 12 (24%) invalid claims in the 50 sampled claims we reviewed including:

- Four claims were invalid because the IEP was not complete and did not contain appropriate annual goals and short-term objectives.
- Four claims were invalid because the services were not supported with appropriate prescriptions or referrals.
- Three claims were invalid because the provider notes were insufficient and vague.
- One claims were invalid because the student was absent on the date of service.

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

Recommendation

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

Finding

2. Quality Assurance Plan

The internal controls of Copper Country ISD did not ensure compliance with the Medicaid Provider Manual regarding the Quality Assurance Plan.

The Medicaid Provider Manual, School Based Services, Section 3.1 states:

SBS providers must have a written quality assurance plan on file...The purpose of the quality assurance plan is to establish and maintain a process for monitoring and evaluating the quality and documentation of covered services, and the impact of Medicaid enrollment on the school environment.

Our review of Copper Country's Quality Assurance Plan indicated:

- Only the duties performed by the contracted biller for Copper Country ISD. Although, many of the controls and duties performed by the contracted biller are important, nothing in the provided quality assurance plan indicated the controls and duties performed by the intermediate school district.

- The standard of established coordination and collaboration exists to develop plans of care with other providers was not addressed in the provided Quality Assurance Plan.

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

Recommendation

We recommend that Copper Country ISD improve internal controls to ensure compliance with the Medicaid Provider Manual regarding the Quality Assurance Plan.

REPORTING

Objective: To assess whether the School Based Service costs and services reported by the Copper Country Intermediate School District and its LEAs that were used to develop the Medicaid claim were reasonable, allocable and allowable under Federal and State laws and regulations.

Conclusion: We determined that the Copper Country Intermediate School District and its LEAs were only moderately effective in reporting costs that were reasonable, allocable, and allowable under Federal and State laws and regulations. We did identify a material weakness related to SBS Medicaid Encounter Reporting (Finding 3). In addition, we also identified reportable deficiencies regarding Lack of Oversight of Financial Data Reported (Finding 4), MAER Medical Staff Cost Report (Finding 5), Federal Funds (Finding 6), Inclusion of Unallowable Expenditure (Finding 7), and MAER Transportation Cost Report (Finding 8).

Finding

3. SBS Medicaid Encounter Reporting

An analysis of the SBS Medicaid claim population suggests that Copper Country ISD did not report all SBS Medicaid claims through the CHAMPS system as required.

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 33 sampled Copper Country ISD students disclosed that:

- Students requiring Speech Therapy treatment did not have their monthly Medicaid Treatment Plan requirements met 70% of the time based on reported encounters in

CHAMPS. Nearly 43% 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 Physical Therapy treatment did not have their monthly Medicaid Treatment Plan requirements met 47% of the time based on reported encounters in CHAMPS. Nearly 33% of these instances included months in which the student did not have a single valid session reported in CHAMPS with a Physical Therapist.
- Students requiring Occupational Therapy treatment did not have their monthly Medicaid Treatment Plan requirements met 30% of the time based on reported encounters in CHAMPS. Nearly 27% of these instances included months in which the student did not have a single valid session reported in CHAMPS with an Occupational Therapist.

In reference to the above findings, the Copper Country ISD contends that medical services were appropriately provided, but just did not meet criteria to be reported in CHAMPS or had other extenuating circumstances. We did not verify this through any testing as the encounters were not reported in CHAMPS.

Recommendation

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

Finding

4. Lack of Oversight of Financial Data Reported

Copper Country Intermediate School District, Baraga Area Schools, Public Schools of Calumet, Laurium, & Keweenaw, Houghton-Portage Township Schools, and Lake Linden-Hubbell Public 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 error resulted in an overstatement of reported expenditures of \$50,846.

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:

- Copper Country Intermediate School District reported salaries and benefits in the Eligible Cost/Cost Pool Summary Reports. The costs reported for salaries and benefits were greater than the actual expenditures in the financial accounting system and resulted in an overstatement of reported expenditures by \$42,432.

Copper Country Intermediate School District also reported contracted staff in the Eligible Cost/Cost Pool Summary Reports. 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 \$8,447.

Copper Country Intermediate School District also reported materials and supplies in the Eligible Cost/Cost Pool Summary Reports. The costs reported for materials and supplies were less than the actual expenditures in the financial accounting system and resulted in an understatement of reported expenditures by \$5,111.

- Baraga Area Schools reported salaries and benefits in the Eligible Cost/Cost Pool Summary Reports. The costs reported for salaries and benefits were greater than the actual expenditures in the financial accounting system and resulted in an overstatement of reported expenditures by \$2,668.

Baraga Area Schools also reported dues and fees in the Eligible Cost/Cost Pool Summary Reports. The costs reported for dues and fees were greater than the actual expenditures in the financial accounting system and resulted in an overstatement of reported expenditures by \$535.

- Public Schools of Calumet, Laurium, & Keweenaw reported salaries and benefits in the Eligible Cost/Cost Pool Summary Reports. The costs reported for salaries and benefits were greater than the actual expenditures in the financial accounting system and resulted in an overstatement of reported expenditures by \$2,060.
- Houghton-Portage Township 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 \$1,971.
- Lake Linden-Hubbell Public 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 \$2,156.

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

Recommendation

We recommend that Copper Country Intermediate School District, Baraga Area Schools, Public Schools of Calumet, Laurium, & Keweenaw, Houghton-Portage Township Schools, and Lake Linden-Hubbell Public 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

5. MAER Medical Staff Cost Report

Copper Country Intermediate School District did not comply with the Medicaid Provider Manual regarding the accuracy of financial data reported on the MAER Medical Staff Cost Report. The error resulted in an overstatement of reported expenditures by \$43,260.

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 that Copper Country Intermediate School District reported purchased services expenditures for Speech Therapists, RN-LPNs and PT-PTAs not in the Staff Pool Listing in the MAER Medical Staff Cost Report. Staff pool listing errors resulted in an overstatement of these reported expenditures by \$43,260.

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

Recommendation

We recommend that Copper Country Intermediate School District 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

6. Federal Funds

Public Schools of Calumet, Laurium, & Keweenaw and Lake Linden-Hubbell Public 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 \$28,170.

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 the payroll costs disclosed:

- Public Schools of Calumet, Laurium & Keweenaw allowed federal funds to be included in the Eligible Cost/Cost Pool Summary Reports. Four employees had federal funds of \$18,611 included in their salary and benefits.
- Lake Linden-Hubbell Public Schools allowed federal funds to be included in the Eligible Cost/Cost Pool Summary Reports. One employee had federal funds of \$9,559 included in their salary and benefits.

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

Recommendation

We recommend that Public Schools of Calumet, Laurium & Keweenaw and Lake Linden-Hubbell Public 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

7. Inclusion of Unallowable Expenditures

Public Schools of Calumet, Laurium, & Keweenaw did not comply with federal laws and regulations regarding allocable costs pertaining to staff salaries and benefits.

The Office of Management and Budget Circular A-87, Attachment A, section C requires costs charged to a federal award to be allowable, reasonable, and allocable to the federal award in accordance with relative benefits received. General Education expenditures are not

related to Medicaid services and, therefore, cannot be included in the state match expenditures.

Our review of sampled employees in Public Schools of Calumet, Laurium, & Keweenaw's payroll disclosed that General Education expenditures were included in the Eligible Cost/Cost Pool Summary Reports. The costs reported are unallowable expenditures and resulted in an overstatement of reported expenditures by \$5,375.

Noncompliance with federal laws and regulations could result in sanctions, disallowances, and/or future reductions of Medicaid awards.

Recommendation

We recommend that Public Schools of Calumet, Laurium, & Keweenaw report future costs in compliance with federal laws and regulations regarding allocable costs pertaining to staff salaries and benefits.

Finding

8. MAER Transportation Cost Report

Copper Country Intermediate School District 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.

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 disclosed that the Copper Country Intermediate School District reported transportation costs under the multiple lines of the MAER Transportation Cost Report. The costs reported under the "Other Supplies" were less than actual expenditures in the financial accounting system. The error resulted in an understatement of reported expenditures by \$2,615.

Recommendation

We recommend that Copper Country Intermediate School District 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 Copper Country ISD improve internal controls to ensure compliance with the Medicaid Provider Manual regarding the validity of Direct Medical Services claims.

Copper Country ISD

Comments: The Copper Country ISD agrees with the findings and recommendations.

Corrective Action: The CCISD in collaboration with our billing company will conduct internal audits annually in order to maintain the appropriate compliance as stated by the Medicaid Provider Manual.

CCISD has implemented professional development for all service providers to ensure there is an understanding of the requirements for Medicaid FFS in the areas of: Documentation of services, Annual goals and short-term objectives, referral or prescription retrieval and obtaining parental consent. All information provided is in accordance to the information provided in the Medicaid Provider Manual.

Anticipated

Completion Date: This action has been completed.

Corrective Action Plan

Finding Number: 2

Page Reference: 5

Finding: Quality Assurance Plan

Recommendation: We recommend that Copper Country ISD improve internal controls to ensure compliance with the Medicaid Provider Manual regarding the Quality Assurance Plan.

Copper Country ISD

Comments: The Copper Country ISD agrees with the finding and recommendation.

Corrective Action: The CCISD developed a Quality Assurance Plan that addresses internal controls in accordance to the Medicaid Provider Manual.

Anticipated

Completion Date: This action has been completed.

Corrective Action Plan

Finding Number: 3

Page Reference: 6

Finding: SBS Medicaid Encounter Reporting

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

Copper Country ISD

Comments: The Copper Country ISD disagrees with the finding as it is written, but agrees with the recommendation. The Copper Country ISD does not agree with the wording of this finding, because we feel it insinuates that students are not receiving services. In fact, all MDE special education rules and regulations are followed in regards to students receiving special education ancillary services according to the frequency and times listed on their Medicaid Treatment Plans.

There will be instances that services will not be put through the CHAMPS billing system in order to stay compliant with the Medicaid Provider Manual for School Based Services. These instances will in turn show a lower percentage of services being received than what is stated in the Medicaid Treatment Plan. This happens due to the coordination between our ISD and our billing company (PCG) in order to ensure that only claims that meet all levels of qualification are released to the CHAMPS billing system. This is to ensure that all claims meet the rules and regulations provided by the SBS Medicaid Provider Manual. These instances may include but are not limited to the following; absences by the student as well as the provider, missing parental consents for the date of service, missing referrals or prescriptions on the date of service, missing provider credentials on the date of service, TPL and lack of Medicaid eligibility for the student on the date of service.

Corrective Action: The Copper Country ISD will ensure that all SBS Medicaid encounters are reported in the CHAMPS system that meet the qualifications deemed appropriate in the SBS Medicaid Provider Manual. Staff training will occur at a minimum of once per year. The focus of the training will include putting all Medicaid-eligible encounters deemed appropriate into the billing system.

Anticipated

Completion Date: This action has been completed.

DCH Office of Audit**Epilogue to Comments:**

The DCH Office of Audit reiterates our position that the analysis of the SBS Medicaid claim population suggests that Copper Country ISD did not report all SBS Medicaid claims through the CHAMPS system as required. We acknowledge that there are instances that encounters should not be reported in CHAMPS in order to stay compliant with the Medicaid Provider Manual, however we feel that the number of encounters reported fell significantly below what was expected. We continue to recommend that the Copper Country ISD appropriately report all SBS Medicaid encounters through the CHAMPS system as required.

Corrective Action Plan

Finding Number: 4

Page Reference: 7

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

Recommendation: We recommend that Copper Country Intermediate School District, Baraga Area Schools, Public Schools of Calumet, Laurium, & Keweenaw, Houghton-Portage Township Schools, and Lake Linden-Hubbell Public 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.

Copper Country ISD

Comments: Copper Country ISD, Baraga Area Schools, Public Schools of Calumet, Laurium & Keweenaw, Houghton-Portage Township Schools, and Lake Linden-Hubbell Public Schools agree with the finding and recommendation.

Corrective Action: The Copper Country ISD has implemented professional development at a minimum of once a year for all CCISD/LEA financial managers in order to ensure accuracy of future financial reporting.

Anticipated

Completion Date: This action has been completed.

Corrective Action Plan

Finding Number: 5

Page Reference: 9

Finding: **MAER Medical Staff Cost Report**

Recommendation: We recommend that Copper Country Intermediate School District report future costs in compliance with the Medicaid Provider Manual to ensure accuracy of financial data reported on the MAER Medical Staff Cost Report.

Copper Country ISD

Comments: The Copper Country ISD agrees with this finding and the recommendation.

Corrective Action: The MAER report will be submitted in compliance with the Medicaid Provider Manual. A review of the report will be conducted by the business office before submission.

Anticipated

Completion Date: This action has been completed.

Corrective Action Plan

Finding Number: 6

Page Reference: 9

Finding: Federal Funds

Recommendation: We recommend that Public Schools of Calumet, Laurium & Keweenaw and Lake Linden-Hubbell Public 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.

Copper Country ISD

Comments: The CCISD, Public Schools of Calumet, Laurium & Keweenaw and Lake Linden-Hubbell Public Schools agree with the finding and the recommendation.

Corrective Action: CCISD has implemented professional development at a minimum of once a year for all CCISD/LEA financial managers in order to ensure accuracy of future financial reporting. All reporting will comply with the Medicaid Provider Manual.

Anticipated

Completion Date: This action has been completed.

Corrective Action Plan

Finding Number: 7

Page Reference: 10

Finding: **Inclusion of Unallowable Expenditures**

Recommendation: We recommend that Public Schools of Calumet, Laurium, & Keweenaw report future costs in compliance with federal laws and regulations regarding allocable costs pertaining to staff salaries and benefits.

Copper Country ISD

Comments: The CCISD and Public Schools of Calumet, Laurium & Keweenaw agree with the findings and recommendation.

Corrective Action: The CCISD has implemented professional development at a minimum of once a year for all CCISD/LEA financial managers in order to ensure accuracy of future financial reporting. All reporting will comply with the Medicaid Provider Manual.

Anticipated

Completion Date: This action has been completed.

Corrective Action Plan

Finding Number: 8

Page Reference: 11

Finding: MAER Transportation Cost Report

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

Copper Country ISD

Comments: The Copper Country ISD agrees with the finding and recommendation.

Corrective Action: The MAER Transportation Cost report will be submitted after a review has been conducted by the business office to ensure accuracy of all inclusive information. All reporting will comply with the Medicaid Provider Manual.

Anticipated

Completion Date: This action has been completed.