Medicaid Reimbursement -

Review of APS FY17 Cost Summary Report as of February 2018

Objective

Goal is to outline the required steps, review the current billing process and understand future plans for Medicaid reimbursement for certain APS school based services. FY17 is the first fiscal year for this activity at APS. $253,664 total reimbursements (direct billing and quarterly payments) were received for FY17 as of February 4, 2018. An additional $320,620 is due APS with the submission of the FY17 Medicaid Cost Report, for a FY17 total of $574,284. (Grey highlight indicate new information since September 2017.)

Types of items that have potential for Medicaid reimbursement are the following (yellow highlights are items currently billed by APS to Medicaid):

- Nursing services
- Physical therapy
- Occupational therapy
- Speech pathology
- Psychological
- Personal Care
- Audiologist
- Medical Evaluation
- Transportation – specialized vehicles with Medicaid students

Scope

Interviewed Medicaid Coordinator and Supervisor, Special Education for overview, summary of progress to date and future plans.

Reviewed selected reports filed for Medicaid reimbursements and references from Department of Medical Assistance Services (DMAS).

Background – updated as of December 1, 2017 for FY17

- 3762 APS students have special needs that may require APS services.
- 1328 APS Special Education students are Medicaid eligible per Student Medicaid Eligibility Matching system provided by UMass.
- 793 APS Medicaid eligible students received physical therapy (PT), occupational therapy (OT) or speech therapy services, the initial eligible services targeted by APS for reimbursement. 433 (54.6%) of these students provided written parental

consent to participate in Medicaid reimbursement; 360 students did not provide written parental consent (320 with no consent form; 40 parents refused to sign consent form).

Areas of current focus for maximum potential reimbursement:

Parental approval for release of student information is at 54.6%; goal is to increase to 100%. This is an ongoing effort. For example, forms may be present in student file, but need to be submitted to the Medicaid Coordinator.

Accelify recordkeeping system software was purchased in 2017 to ease recordkeeping and reporting process. This will facilitate the recording, collection and summarization of data for Medicaid billing. The software will be used by the related service providers to document all services provided to students with IEPs. The vendor will then bill directly the Department of Medical Assistance Services (DMAS) for reimbursable services.

Staff training on items to track for reimbursement. Staff need to prepare annual plan of care for each student by type of service. Records of each therapist visit by student, date and location need to be prepared each month for reimbursement.

Summary of Progress on 10 Steps for Medicaid reimbursement

1. Determine Medicaid Eligibility Status

Instruction Guide for Medical and Transportation Services Cost Report offers two options. APS uses Option 1: Student Medicaid Eligibility Matching system provided by UMass (Virginia Department of Medical Assistance Services contractor).

PROGRESS:

1328 APS students are Medicaid eligible.

2. Eligibility Percentages

School Division counts the number of students with IEP's on December 1st of the fiscal year of the cost report who are eligible for Medicaid at the same time as the certified count of special education students. Cost report system calculates percentages of students in each eligibility category compared to the total number of students with IEP's, regardless of parental consent, as the time of the December 1st child count.

PROGRESS:

Medicaid Coordinator reported that 793 students that received OT, PT and Speech services during FY17 are Medicaid eligible as of December 1, 2017.

3. Parental Consent

Parental consent to bill Medicaid for services is required under the Federal Educational Rights and Privacy Act (FERPA). School division is required to obtain parental consent to bill for services. Medical records of all the Medicaid students with parental consent counted in the eligibility statistics are subject to audit.

PROGRESS:

Medicaid Coordinator has consent forms for 54.6% of the APS students who are Medicaid eligible. (54.6% of 793 students = 433 students with signed parental consent on file.)

As this is a school-based process, there may be consent forms that still need to be forwarded. The support of all school principals and special education department chairs and cooperation of school-based staff is needed to ensure that schools ask for signed consent, collect the signed forms, and promptly forward them to the Medicaid Coordinator.

Medicaid Coordinator plans to work on increasing return of parental consent forms over the next year. As long as parental consent was received by November 2017, APS billed for services received during FY17.

4. Random Moment Time Study (RMTS).

School Divisions seeking reimbursement for the cost of services must participate in the time study during the Oct – Dec, Jan – Mar and Apr to Jun quarters. All staff involved in the delivery of billed services must participate in the random moment time study conducted to determine administrative billing percentages. System randomly selects staff to participate.

PROGRESS:

2017 VA RMTS Participation Compliance Status Report for APS indicated that 139 APS staff participate in the RMTS. 80% response is the minimum required and APS is at 95%.

5. Determine which health-related direct services provided by the school division will be tracked and included for direct billing. Therapist must be licensed to meet state standards and Medicaid requirements.

PROGRESS:

APS currently tracks and bills for physical therapy, occupational therapy or speech therapy services. Some students receive two or three of the three services listed. Approximately 793 APS Medicaid eligible students received these services during FY17.

Other services that may be added include psychological, personal care and transportation services.

6. APS requires that ALL Service providers record services for ALL students using Medicaid approved formats:
    a. Annual plan of care for each student by type of service.
    b. Records for each client appointment must be maintained per Medicaid standards: student name, date, time spent, location and service(s) provided.
    c. Student is at school on date of service.
    d. Service Provider is at school on date of service.
    e. APS follows Medicaid approved reporting, regardless of the client status. This will help ensure that services for any APS Medicaid eligible student can be billed.

PROGRESS:

Medicaid Coordinator noted that most of the 70+ therapists routinely provide required records.

7. Quarterly Personnel Costs

All salary and fringe benefit expenditures submitted to the DMAS (Virginia Department of Medical Assistance Services) contractor (UMass) for school division Administrative Activity Claims (AAC) will be automatically pre-populated into each school division's cost report. Random Moment Time Study reporting determines percentage of time spent on reimbursable Medicaid services.

PROGRESS:

Medicaid Coordinator submitted personnel cost for each FY17 quarter based on information provided by APS Finance and Human Resources Departments.

8. Non-Personnel Costs

Costs incurred during the fiscal year for materials and supplies, employee travel expenses and capital may be reported. Excluded are any costs that are part of the indirect cost rate, funded by federal grants or that are required state or local matches on federal grants.

PROGRESS:

Medicaid Coordinator included on the Annual Medicaid Cost Report due November 30, 2017.

9. Interim Payments

DMAS will make interim payments during the school year based on claims submitted and approved for payments. School divisions may elect to receive reduced interim payments by submitting charges for services below the maximum interim rate. Difference will be made up when annual cost settlement each November is prepared.

PROGRESS:

APS has taken a very conservative approach to its Medicaid Program implementation. For FY18, APS bills at the medium rates of $57.83 per individual session and $19.23 per group session. Submitting at less than the maximum rate helps to ensure that APS will not have to pay back any funds at the time of the annual cost settlement in November.

10. File Annual Cost Report online by November 30th each year

School superintendent certified actual FY17 costs using the *Certification of Public Expenditure* form generated from the cost report after all data has been submitted. Cost settlement based on actual cost of providing services, including therapist salaries.

PROGRESS:

Medicaid Coordinator submitted Annual Medicaid Cost Report due November 30, 2017.

Summary

APS approach to Medicaid reimbursement is conservative.

- Currently, only occupational therapy, physical therapy and speech pathology are tracked for reimbursement. Once the framework for electronic reporting of all services provided is in place, other items may be considered for reimbursement.

- APS follows Medicaid approved reporting for each client appointment, regardless of the client status. This helps set the stage both for current and for future Medicaid billing.
- If client is Medicaid eligible, proof of parental consent is required prior to Medicaid billing.

Monthly claim report is based on each student IEP and approved services.

- Each therapist must be licensed and meet state standards.
- Each therapist provides services, submits therapy logs using Accelify and is required to e-sign services provided by the 7th of the following month.
- Medicaid Coordinator uploads the parental consent file to Accelify monthly and eligibility matching is completed quarterly.
- Accelify submits claims directly to Department of Medical Assistance Services (DMAS) Web Portal on behalf of APS. For FY17, the Medicaid Coordinator submitted claims directly to DMAS Web Portal after receiving paper documentation from the therapists.
- Medicaid Coordinator reviews the remittance from DMAS to confirm submission of claims and corresponding reimbursement. Any denials are investigated to determine if re-submission is an option.
- Lower rates are used for the weekly billing to help ensure there is no over-billing. Actual allowable amounts will be billed once the Annual Cost Report is filed. For FY18, APS will bill at the medium rate for occupational therapy, physical therapy and services.

Billing schedule.

- Direct weekly billing for, Occupational Therapy, Physical Therapy and Speech Pathology services began in November 2016.
- Quarterly administrative claiming was done for the June 2016, Sept 2016, Dec 2016 and March 2017 quarters.
- First Annual Medicaid Cost Report was submitted in November 2017.

Conclusion

Medicaid reimbursement process is proceeding with a thoughtful, controlled process.

FY 2017 is the first fiscal year for this activity at APS. $253,664 total reimbursements have been received for FY17 as of February 4, 2018. With the timely filing of the FY17 Medicaid Cost Report, additional reimbursement of $320,620 is expected by June 2018.