

Granville Central School District

Medicaid Reimbursements

AUGUST 2021



OFFICE OF THE NEW YORK STATE COMPTROLLER
Thomas P. DiNapoli, State Comptroller

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Report Highlights

Granville Central School District

Audit Objective

Determine whether the Granville Central School District (District) maximized Medicaid reimbursements by claiming for all eligible Medicaid services provided.

Key Findings

The District did not maximize Medicaid reimbursements by claiming for all eligible Medicaid services provided.

- The District lacked adequate procedures to ensure Medicaid claims were submitted and reimbursed.
- Claims were not submitted for 465 eligible services totaling \$18,022. Had these services been claimed, the District would have realized revenues totaling \$9,011, from 50 percent reimbursement of eligible costs.

Key Recommendations

- Establish procedures to ensure all documentation requirements are met to submit Medicaid claims for reimbursement for all eligible services provided.
- Review all unclaimed services and submit any eligible claims for reimbursement.

District officials agreed with our recommendations and indicated they have initiated or planned to initiate corrective action.

Background

The District serves the Towns of Granville, Hebron and Hampton and a portion of the Town of Whitehall in Washington County.

The nine-member elected Board of Education (Board) is responsible for the general management and control of financial and educational affairs.

The Superintendent of Schools is the chief executive officer and, along with other administrative staff, is responsible for the day-to-day management under the Board's direction.

The Director of Pupil Personnel Services oversees the special education program.

Quick Facts

Medicaid Reimbursement	
2019-20	\$284,983
July 1, 2020 – February 28, 2021	\$156,926
2020-21 Appropriations	\$26.1 million
Enrollment	1,021

Audit Period

July 1, 2019 – February 28, 2021

Medicaid Reimbursements

The New York State Education Department and New York State Department of Health (DOH) jointly established the School Supportive Health Services Program (SSHSP) to help school districts obtain Medicaid reimbursement for certain diagnostic and health support services provided to eligible students. Services eligible for Medicaid reimbursement include, but are not limited to, physical, occupational and speech therapies, psychological counseling, skilled nursing services and special transportation.

All SSHSP services are reimbursed using an encounter-based claiming methodology, based on fees established by DOH. Using the fee schedule, districts can submit Medicaid claims for the gross amounts eligible for reimbursement. Districts then receive Medicaid reimbursements for the approved claims. The State's share of Medicaid reimbursements received by a district is generally 50 percent,¹ which is collected by deducting this amount from a district's future State aid payments.

SSHSP services must be provided in the same ratio included on a student's individualized education program (IEP). For example, an IEP will provide for either individual or group therapy minutes per week. However, during the COVID-19 New York State of Emergency (March 1, 2020 with no end date as of February 28, 2021) services delivered via Medicaid telehealth² in a ratio (individual or group) different from the student's IEP are eligible for reimbursement.

Medicaid will reimburse telehealth services provided to Medicaid eligible students where services are provided remotely. These remote telehealth sessions must equal 30 minutes on the day services are provided and there must be live interaction between the therapist and student, or Medicaid cannot be billed.

During the audit period, the District's service providers (providers) included employees, Washington-Saratoga-Warren-Hamilton-Essex Board of Cooperative Educational Services staff and third-party providers. In addition, the District contracted with a vendor to identify Medicaid-eligible students and prepare, submit and resubmit Medicaid claims for reimbursement on the District's behalf.

How Do Officials Ensure Eligible Services Are Claimed and Reimbursed?

A well-designed system for claiming Medicaid reimbursements requires assigning the responsibility for specific activities to ensure each participant understands the

¹ The State's share of Medicaid reimbursements received by a district can be less than 50 percent for claims submitted and reimbursed for certain Medicaid-eligible students due to a temporary incentive. For report purposes, we used 50 percent of Medicaid reimbursements when calculating the District's corresponding revenue.

² Telehealth is the use of computers and mobile devices to remotely access health care services.

overall objectives and their role in the process. In addition, district officials should provide adequate oversight to ensure that all claim reimbursement documentation requirements are met.

To submit Medicaid claims for reimbursement of services provided to Medicaid-eligible students for whom the district officials have developed an IEP, officials must obtain parental consent to bill Medicaid for the services provided, obtain the student's Medicaid client identification number, obtain a written order or referral (prescription) from a qualified provider documenting the medical necessity of the services³ before initiating services and document that the services were provided. Services must be provided by a qualified provider or under the direction or supervision of a qualified provider.

In addition, the services must be in accordance with the student's IEP and properly documented⁴ as close to the conclusion of the service encounter as practicable. Claims are required to be submitted within a claiming window based on the date the services are provided.⁵

Officials should promptly reconcile the claims submitted to the Medicaid reimbursements received to ensure all claims are paid. Any rejected or disallowed amounts should be reviewed by officials to determine whether these claims can be resubmitted for reimbursement.

Officials Did Not Ensure All Claims for Eligible Services Were Submitted and Reimbursed

District officials obtained parental consent to submit Medicaid claims for reimbursement of services provided to 94 eligible students during our audit period. We reviewed the records of services provided to 25 of these students and found that claims were not submitted and reimbursed for all eligible services provided.

3 The medical necessity for special transportation services and medical evaluations can be documented in the student's IEP.

4 Services must be documented in a session note, special transportation log, medication administration record or evaluation report. For example, session notes must be completed by all qualified providers furnishing ongoing therapy services authorized in a student's IEP for each service delivered. Session notes must include the student's name, specific type of service provided, whether the service was provided individually or in a group, the setting in which the service was rendered, date and time the service was rendered, a brief description of the student's progress made by receiving the service during the session, name, title, and signature/credentials of the servicing provider and dated signature/credentials of the supervising provider, as applicable.

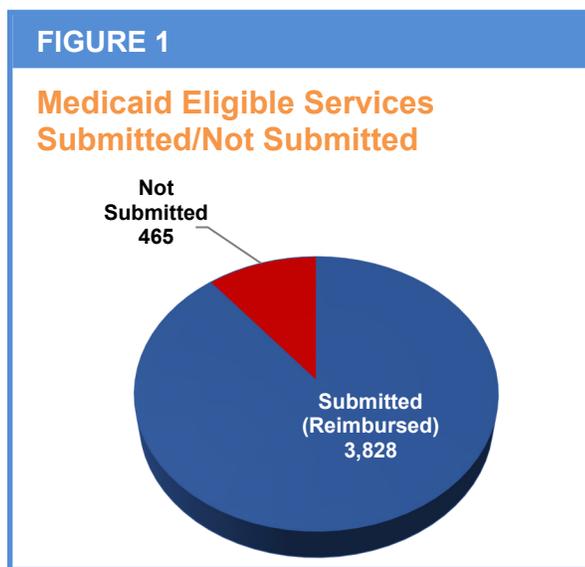
5 The claiming window was temporarily extended from 18 months to 21 months from the date of service for services provided on and after July 1, 2017. Effective September 5, 2019, the window was changed from 21 months to 15 months from the date of service.

Claims were not submitted and reimbursed for:

- 166 of the 2,764 (6 percent) eligible services totaling \$7,167 for the 2019-20 school year.
- 299 of the 1,529 (20 percent) eligible services totaling \$10,856 for the 2020-21 school year through February 28, 2021.

Combined, claims were not submitted and reimbursed for 465 of the 4,293 (11 percent) eligible services for our audit period totaling \$18,022 (Figure 1). As a result, the District did not realize revenue totaling \$9,011 (50 percent for the Medicaid reimbursement).

... [T]he District did not realize revenue totaling \$9,011 (50 percent for the Medicaid reimbursement).



Services provided but not claimed included:

- Speech Therapy
- Physical Therapy
- Occupational Therapy
- Psychological Counseling
- Skilled Nursing
- Special Transportation.

Appendix A contains a comprehensive table of the number of services, by service type, the District did not claim in each school year.

Claims were not submitted and reimbursed for the following reasons:

- Claims for 194 transportation services totaling \$5,704 were not billed because the District did not record eligible trips on the days Medicaid services were provided in the billing application.
- Claims for 91 services totaling \$4,068 were not submitted for reimbursement during the COVID-19 State of Emergency period. We found that the most often used un-reimbursable billing code recorded in the application was "0000," which was used during telehealth sessions when the student was provided services at a different ratio than outlined in the IEP. During the COVID-19 emergency period, these services should have been submitted for reimbursement. In accordance with SED guidance, we calculated these services based on the actual service provided.

-
- Claims for 85 services totaling \$3,631 provided by an out-of-District provider were not billed because the District did not record the session notes in the computerized billing application.
 - Claims for 17 services totaling \$1,003 were rejected for payment because the attending service provider's identifier number recorded in the billing system was not recognized by Medicaid. During our audit, this error was identified as an issue within the billing system and these eligible services were resubmitted to Medicaid for payment.
 - Claims for 21 services totaling \$833 were not reimbursed due to various recording errors and/or missing filing deadlines. For example, nine services were incorrectly entered to the billing application.

District officials were unable to provide a reason why the remaining 57 eligible services totaling \$2,783 were not submitted for reimbursement.

The failure to submit claims occurred because officials did not establish adequate procedures to ensure that all documentation requirements were met or that claims were filed for all eligible services provided. For example, providers recorded the details of service encounters with unbillable codes and out-of-District manual service records were not received in a timely manner and entered in the billing application for timely reimbursement.

What Do We Recommend?

District officials should:

1. Establish procedures to ensure all documentation requirements are met to submit Medicaid claims for reimbursement for all eligible services provided.
2. Review all the unclaimed services identified in this report and submit all eligible claims for reimbursement.
3. Reconcile the amounts claimed for Medicaid reimbursement with the amounts received and review any rejected or disallowed claims to determine whether they may be resubmitted.

... [O]fficials
did not
establish
adequate
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documentation
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were met ...

Appendix A: Eligible Service Claims Not Submitted or Reimbursed

Figure 2: Eligible Service Claims Not Submitted or Reimbursed

Type of Service	2019-20				July 1, 2020 – February 28, 2021				Totals	
	In-Person		Telehealth		In-Person		Telehealth			
	Number	Claim Amount	Number	Claim Amount	Number	Claim Amount	Number	Claim Amount	Number	Claim Amount
Special Transportation	10	\$294	0	\$0	194	\$5,704	0	\$0	204	\$5,998
Speech Therapy	24	1,119	63	2,723	75	3,253	7	710	169	7,805
Occupational Therapy	6	447	1	75	16	899	2	37	25	1,458
Physical Therapy	20	1,211	1	69	0	0	0	0	21	1,280
Psychological Counseling	12	558	17	454	5	252	0	0	34	1,264
Skilled Nursing	12	217	0	0	0	0	0	0	12	217
Totals	84	\$3,846	82	\$3,321	290	\$10,108	9	\$747	465	\$18,022

Appendix B: Response From District Officials

Granville Central School District
Office of Special Education Services
61 Quaker Street
Granville, NY 12832
Phone: 518.642.1051

August 10, 2021
Office of State Comptroller
Atten: Gary Gifford
One Broad St. Plaza
Glens Falls, NY 12801 - 4396

RE: Granville Central School District Response and Corrective Action Plan to New York State Comptroller
"Medicaid Reimbursements" Audit 2021M-90

Dear Mr. Gifford,

Please accept the following as a written response and Corrective Action Plan to the audit report referenced above. For each recommendation included in the audit report the following is our corrective plan(s) taken or proposed. The district agrees with the audit finding that the district did not realize the revenue which totaled \$9,011. Since the completion of the audit and to date, the district has recouped \$6873 of the amount identified before the audit.

On behalf of the Granville School District I would like to extend our appreciation to your staff for their professionalism and the support they displayed through this process.

Unit Name: Granville Central School
Audit Report Title : Medicaid Reimbursements
Audit Report Number: 2021M-90

For Each of the three recommendations in the audit report the following is our corrective action(s) taken or proposed.



1) Establish Procedures to ensure all documentation requirements are met to submit Medicaid claims for reimbursement of Medicaid claims for reimbursement of services provided.

- a) Parental consents continue to be part of our registration packet when obtained they will be documented in [REDACTED] and uploaded in the repository for easy access by CSE staff.

Implementation date: Continuing

Person responsible: CSE Secretary Staff, PPS Director

- b) Currently when a recommendation is made for a related service for a student with a script is requested from the student's physician via fax from CSE staff. When the script is obtained it is linked to Medicaid in [REDACTED] by CSE staff. The actual hard copy is put in a binder in the CSE Office. The Related Service Providers are notified (via e-mail or phone) that a script has been received and that services can begin. Licensed Speech therapists within the district write the script for speech therapy. The Licensed Clinical Social Worker or the PPS Director signs the script for Counseling.

Implementation date: Continuing

Person responsible: CSE Secretary Staff, PPS Director

- c) Transportation claims for the previous month will be entered into the [REDACTED] by the 5th of each month based on the attendance records from the bus garage by the district Medicaid third party vendor. The bottom of the attendance sheet will be documented that the claims have been entered with an initial and a date.

Implementation date: Immediately

Person responsible: CSE Secretary Staff, PPS Director

- d) Private out of District Schools with Medicaid eligible students session notes will be requested in writing to return all session notes to Granville Central School by the 5th day of each month so that notes can be entered into [REDACTED] If they do not submit the notes by the 5th of the month A phone call will be made directly with a reminder. A log of calls and session note returns will be kept in a binder appropriately marked.

Implementation date: Immediately

Person responsible: CSE Secretary Staff, PPS Director

- e) Related Services Providers will be instructed not to use the 0000 code in RS log as Medicaid will filter billable vs non billable codes. The Related service providers are

receiving training from [REDACTED] Medicaid Direct Consultant) to provide them with concise information on their session notes as well as timelines for signing.

Implementation date: Immediately
Person responsible: PPS Director

- f) On a monthly basis and prior to claims being submitted for reimbursement the CSE Secretary will review the documentation submitted to ensure the documentation requirements have been met.

Implementation date: Immediately
Person responsible: CSE Secretary, PPS Director

1. Review all unclaimed services identified in this report and submit eligible claims for reimbursement.

- a. All transportation submissions for the 20 -21 school year will be reviewed based on the attendance sheets for verification that they have been submitted.

Implementation date: Immediately
Person responsible: CSE Secretary, PPS Director

- b. All submissions for the 20 - 21 school year coded 0000 will be reviewed to ensure all eligible claims have been submitted.

- c. All submissions for students in Out of District Private Placements will be reviewed based on their attendance for verification that claims were submitted.

Implementation date: Immediately
Person responsible: CSE Secretary, PPS Director

- d. Review with Special Ed Solutions which claims were rejected and why and ensure that the claims are corrected and resubmitted.

Implementation date: Immediately
Person responsible: CSE Secretary, PPS Director

For the 19 - 20 school year, the audit identified 166 claims that were not submitted for various reasons. For the 20 - 21 school year there were 299 claims that were not submitted. The district is resolving as many of these as possible within the claiming period. The date range of the audit was 9/1 - 2/28 and has recouped transportation claims for \$4,762, as well as \$ 2,111 from other various rejected claims and unsubmitted claims at the time of the audit. All providers reviewed those claims recorded under the 0000 code and invalidated those that could be appropriately claimed and re entered them for submission.

3. Reconcile the amounts claimed for Medicaid reimbursement with the the amounts received and review rejected or disallowed claims to determine whether they may be resubmitted.

- a. The CSE secretary and PPS Director will be responsible for reviewing Medicaid Claims before each billing cycle. The CSE secretary will Reconcile the amounts claimed for Medicaid for reimbursement with the amounts received and review any disallowed claims to determine whether they should be resubmitted.

Implementation date: Immediately

Person responsible: CSE Secretary, PPS Director

Sincerely,

Audrey Hicks
Board Of Education President
Granville Central School

Thomas McGurl
Superintendent of Schools
Granville Central School

Appendix C: Audit Methodology and Standards

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. To achieve the audit objective and obtain valid audit evidence, our audit procedures included the following:

- We interviewed District officials and an employee of the vendor involved with the Medicaid reimbursement process and reviewed records and reports to gain an understanding of procedures related to claiming Medicaid reimbursements and documented any associated effects of deficiencies in those procedures.
- District officials obtained parental consent to submit Medicaid claims for reimbursement of services provided to 94 eligible students during our audit period. We used our professional judgment to select 25 of these 94 Medicaid eligible students who received services for the period June 1, 2019 through February 28, 2021. Our selection included unbilled services using an unbillable code "0000", services that were rejected for payment, and 2020-21 out-of-District unbilled services. We reviewed records of services provided to all these students to determine whether claims were submitted to Medicaid and reimbursed for all eligible services provided to these students. For eligible services for which claims were not submitted and reimbursed, we determined the reason and calculated the amount of the Medicaid reimbursements not received and the corresponding unrealized revenue.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law, Section 2116-a (3)(c) of New York State Education Law and Section 170.12 of the Regulations of the Commissioner of Education. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. The CAP should be posted on the District's website for public review.

Appendix D: Resources and Services

Regional Office Directory

<https://www.osc.state.ny.us/files/local-government/pdf/regional-directory.pdf>

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

<https://www.osc.state.ny.us/local-government/publications>

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

www.osc.state.ny.us/local-government/fiscal-monitoring

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management

<https://www.osc.state.ny.us/local-government/publications>

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

www.osc.state.ny.us/local-government/resources/planning-resources

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders

<https://www.osc.state.ny.us/files/local-government/publications/pdf/cyber-security-guide.pdf>

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

www.osc.state.ny.us/local-government/required-reporting

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers

<https://www.osc.state.ny.us/local-government/publications>

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