

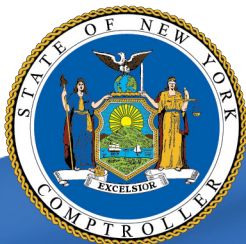
# Schuylerville Central School District

## Medicaid Reimbursements

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**DECEMBER 2021**

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

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# Report Highlights

## Schuylerville Central School District

### Audit Objective

Determine whether the Schuylerville Central School District (District) maximized Medicaid reimbursements by submitting claims for all eligible Medicaid services provided.

### Key Findings

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

- Claims were not submitted and reimbursed for 382 eligible Medicaid services provided. Had these services been claimed, the District could have realized revenues totaling \$6,375.
- The District lacked adequate procedures to ensure Medicaid claims were submitted and reimbursed.
- Service providers (providers) did not document all service encounters in the Medicaid billing system (system).

### 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.
- Ensure providers document all service encounters in the system.

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

### Background

The District serves the Towns of Northumberland, Saratoga, Stillwater and Wilton in Saratoga County, and Easton, Fort Edward and Greenwich in Washington County.

The seven-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 day-to-day management under the Board's direction.

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

#### Quick Facts

##### Medicaid Reimbursements

2019-20	\$27,554
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July 1, 2020 – April 30, 2021	\$29,030
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2020-21 Appropriations	\$37.5 million
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Enrollment	1,465
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### Audit Period

July 1, 2019 – April 30, 2021

# Medicaid Reimbursements

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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 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 reimbursements. Districts then receive Medicaid reimbursements for approved claims. The State's share of Medicaid reimbursements received by a district is generally 50 percent,<sup>1</sup> which is collected by deducting this amount from a district's future State aid payments.

During the audit period, the District's providers included employees and third-party providers. In 2019-20, the former Director was responsible for approving the claims in the system to be submitted for reimbursement by the system vendor on the District's behalf. In 2020-21, the current Deputy Treasurer (Deputy) was responsible for this duty.

## 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 overall objectives and their role in the process. In addition, district officials should provide adequate oversight to ensure that all claims 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 individualized education program (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 services before initiating services and document that the services were provided.

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<sup>1</sup> 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.

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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 documented<sup>2</sup> 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.<sup>3</sup>

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 18 eligible students in 2019-20 and 22 eligible students in 2020-21. We reviewed the records of services provided to all these students and found that claims were not submitted and reimbursed for all eligible services provided.

Claims were not submitted and reimbursed for:

- 73 of the 605 (12 percent) eligible services totaling \$3,488 provided in 2019-20.
- 309 of the 965 (32 percent) eligible services totaling \$9,262 provided in 2020-21 through April 30, 2021.

Officials failed to submit claims for 375 eligible services provided and did not resubmit seven claims for reimbursement that Medicaid rejected. Combined, the claims not submitted and reimbursed were for 382 of the 1,570 (24 percent) eligible services totaling \$12,750 provided during the audit period (Figure 1). As a result, the District did not realize revenue totaling \$6,375 (50 percent of the Medicaid reimbursements).

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... [T]he District did not realize revenue totaling \$6,375 (50 percent of the Medicaid reimbursements).

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2 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.

3 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.

Services provided but not submitted and reimbursed included:

- Speech Therapy,
- Occupational Therapy,
- Physical Therapy and
- Skilled Nursing.

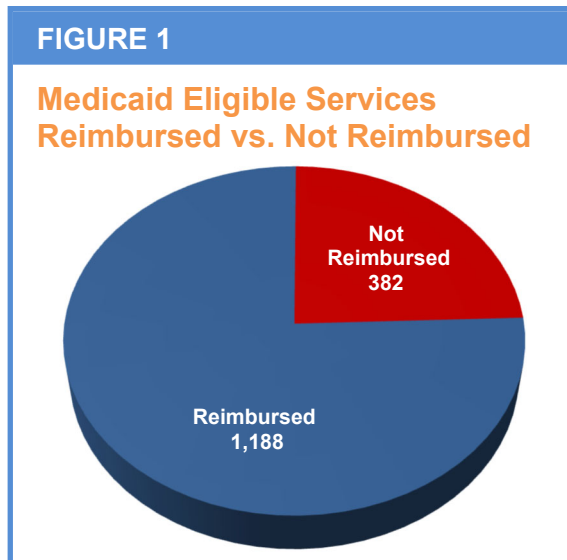
Appendix A contains a comprehensive table of the number of services, by service type, the District did not claim in each year.

Claims were not submitted and reimbursed for the following reasons:

- Prescriptions for 206 services totaling \$3,217 were either not obtained (201 services) or obtained after services were provided (five services).
- Claims for 99 services totaling \$4,977 were not submitted for reimbursement even though all documentation requirements were met. Officials could not explain why the claims were not submitted.
- Encounters for 70 services totaling \$4,428 were not properly documented.
  - For example, providers did not always record the correct manner the service was provided (individually or in a group) and the supervising provider did not always sign the notes, as required.
- Claims for seven services totaling \$128 were rejected by Medicaid because of submission errors and these claims were not corrected, resubmitted and reimbursed during the audit period.

The failure to submit claims occurred because officials did not establish adequate procedures to ensure that all documentation requirements were met. For example, the providers recorded the details of service encounters in the system with limited or no oversight.

In addition, officials did not receive or review any documentation of the claims approved in the system by the former Director and current Deputy to be submitted for reimbursement by the vendor on the District's behalf. As a result, officials had no way to ensure that claims were submitted for all eligible services provided or any rejected or disallowed claims were resubmitted.



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... [O]fficials did not establish adequate procedures to ensure that all documentation requirements were met.

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## Providers Did Not Properly Document All Service Encounters

Providers did not document all service encounters in the related services logs in the system, which were used by the former Director and current Deputy to approve corresponding claims to be submitted for reimbursement.

We reviewed the same students included in our review of claims for reimbursement and found that, for 17 of 18 students (94 percent) in 2019-20 and 10 of 22 students (45 percent) in 2020-21, at least one of the Medicaid-eligible services included in their IEP (e.g., speech therapy) was not documented in the system as being provided throughout the service period specified in the IEP.

While officials told us the scheduled services were provided to all these students, officials could not submit claims for each service provided because certain providers did not record all their provided services in the system. The unrecorded services included, but were not limited, to the following:

- One provider did not record speech therapy services provided to 10 Medicaid-eligible students during November 2019 or after January 23 through June 17, 2020 and another provider did not record any speech therapy services provided to two additional Medicaid-eligible students during the 2019-20 school year. If all scheduled services were provided to these students, the District could have received Medicaid reimbursements totaling \$28,074 and realized potential revenues of \$14,037 (50 percent of the Medicaid reimbursements).
- Except for November and December 2020, one provider did not record speech therapy services provided to three Medicaid-eligible students during the 2020-21 school year. If all scheduled services were provided to these students, the District could have received Medicaid reimbursements totaling \$12,330 and realized potential revenues of \$6,165 (50 percent of the Medicaid reimbursements).

Although the Director did not provide an explanation for the providers' failure to record these services, he confirmed they were not documenting all service encounters in the system. This occurred because the providers recorded the details of service encounters in the system with limited or no oversight. As a result, the District did not maximize Medicaid reimbursements and realize all potential revenues by submitting claims for all eligible services provided.

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... [T]he District did not maximize Medicaid reimbursements and realize all potential revenues by submitting claims for all eligible services provided.

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## 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 documentation of claims approved in the system and submitted for reimbursement by the vendor on the District's behalf.
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.
4. Review all the unclaimed services identified in this report and submit any eligible claims for reimbursement.
5. Correct and resubmit the rejected claims identified in this report for reimbursement.
6. Ensure providers document all service encounters in the related service log in the system.



# Appendix A: Eligible Service Claims Not Submitted or Reimbursed

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**Figure 2: Eligible Service Claims Not Submitted and Reimbursed**

Type of Service	2019-20		July 1, 2020 – April 30, 2021		Totals	
	Number	Claim Amount	Number	Claim Amount	Number	Claim Amount
Speech Therapy	3	\$317	48	\$3,567	51	\$3,884
Occupational Therapy	53	2,706	27	1,788	80	4,494
Physical Therapy	17	465	47	2,177	64	2,642
Skilled Nursing	0	0	187	1,730	187	1,730
<b>Totals</b>	<b>73</b>	<b>\$3,488</b>	<b>309</b>	<b>\$9,262</b>	<b>382</b>	<b>\$12,750</b>

# Appendix B: Response From District Officials



Saratoga Battle Monument  
at Schuylerville  
OLD SARATOGA 1777

## SCHUYLERVILLE CENTRAL SCHOOL DISTRICT

14-18 Spring Street  
Schuylerville, N.Y. 12871  
Phone (518) 695-3255  
FAX (518) 695-6491

December 1, 2021

Office of the New York State Comptroller  
Division of Local Government and School Accountability  
One Broad Street Plaza  
Glens Falls, NY 12801

Dear Mr. Gifford,

The Schuylerville Central School District would like to acknowledge receipt of the preliminary draft report of the audit entitled *Medicaid Reimbursements*. We would like to thank you for your thorough and complete examination of our entire business office, spanning four months.

The district acknowledges the auditor's findings, which state the district did not maximize Medicaid reimbursements by submitting claims for all eligible Medicaid services provided. For the three findings included in the report, the district will be taking corrective actions detailed below.

### **Audit Finding/Recommendation #1:**

**Finding:** Claims were not submitted and reimbursed for 51 of the 382 eligible Medicaid services provided. Had these services been claimed, the district could have realized revenues totaling \$6,375.

**Recommendation:** Establish procedures to ensure all documentation requirements are met to submit Medicaid claims for reimbursement for all eligible services provided.

**Corrective Action:** The district will implement a well-designed system for claiming Medicaid reimbursements. The responsibility of specific activities will be assigned to individuals to ensure each participant understands the overall objectives and their role in the process. In addition, district officials will provide adequate oversight to ensure that all claims reimbursement documentation requirements are met.

- o Medicaid Coordinator: The employee has been working closely with [REDACTED] as well as receiving additional training to become knowledgeable in all areas of Medicaid reporting and reimbursement.

- 
- Assistant Superintendent of Business & Medicaid Coordinator attended a Medicaid training.
  - All service providers, nurses, and the Director of Pupil Personnel Services met in September to review expectations. Webinars were provided to all service providers.
  - The district's independent contractor, Advanced Therapy (Occupational Therapy and Physical Therapy), has been contacted to ensure Medicaid submittal is accurate and updated. If they are not compliant, the district will find another independent contractor.
  - Medicaid Coordinator and CSE secretary will conduct monthly audits, ensuring Medicaid submittal is accurate and updated.
  - Service providers will provide release time to ensure appropriate Medicaid submittal.

### **Audit Finding/Recommendation #2:**

**Finding:** The district lacked adequate procedures to ensure Medicaid claims were submitted and reimbursed.

**Recommendation:** Review all unclaimed services and submit any eligible claims for reimbursement.

**Corrective Action:** To submit Medicaid claims for reimbursement of services provided to Medicaid-eligible students for whom the district officials have developed an individualized education program (IEP), officials will obtain parental consent to bill Medicaid for the services provided; obtain the student's Medicaid client identification number, and obtain a written order or referral (prescription) from a qualified provider documenting the medical necessity of the services before initiating services and document that the services were provided.

- Consent forms are being sent to all qualifying students by the CSE secretary.
- CSE secretary informs all providers that a Medicaid consent form has been established, as well as when the district is in receipt of a script.

**Recommendation:** 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.

**Corrective Action:** This is part of the monthly audit; each provider will be given updates on claims that are paid, as well the claims that need to be resubmitted.

### **Audit Finding/Recommendation #3:**

**Finding:** Service providers did not document all service encounters in the Medicaid billing system.

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**Recommendation:** Ensure providers document all service encounters in the system.

**Corrective Action:** The district's occupational/physical therapy is provided by a contracted agency; the district's speech therapy is provided by an in-district employee. Services will be provided by a qualified provider or under the direction or supervision of a qualified provider. In addition, the services will be in accordance with the student's IEP and properly documented 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. All services will be documented on a weekly basis by each provider listed below:

- Speech Therapist
- Occupational Therapist/Physical Therapist
- Skilled Nursing

The district's corrective actions address all of the recommendations included in the Comptroller's report, with implementation already underway in an effort to improve current practices. We would like to thank the Comptroller's Office for its time, guidance, and thorough work during this audit.

Sincerely,

Ryan Sherman, Ed.D  
Superintendent of Schools

## Appendix C: Audit Methodology and Standards

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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 18 eligible students in 2019-20 and 22 eligible students in 2020-21. We reviewed records of services provided to all these students during the audit period 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 also reviewed related service logs in the system for these students to determine if scheduled services were documented as being provided throughout the service period specified in the students' IEPs.

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.

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

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### **Regional Office Directory**

[www.osc.state.ny.us/files/local-government/pdf/regional-directory.pdf](http://www.osc.state.ny.us/files/local-government/pdf/regional-directory.pdf)

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

[www.osc.state.ny.us/local-government/publications](http://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](http://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

[www.osc.state.ny.us/local-government/publications](http://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](http://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

[www.osc.state.ny.us/files/local-government/publications/pdf/cyber-security-guide.pdf](http://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](http://www.osc.state.ny.us/local-government/required-reporting)

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