

Johnson City Central School District

Special Education Services and Medicaid Reimbursements

JUNE 2022



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

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Report Highlights

Johnson City Central School District

Audit Objective

Determine whether Johnson City Central School District (District) officials ensured students received services in accordance with their individualized education programs (IEPs) and that the District claimed all Medicaid reimbursements to which it was entitled.

Key Findings

Officials did not always ensure students received services in accordance with their IEPs and did not ensure that all Medicaid-eligible claims were submitted and reimbursed. Officials indicated remote and hybrid learning challenges impacted their ability to provide required services.

- Of the 2,683 required sessions, therapists documented 605 as scheduled and missed, but did not document another 506 sessions. As a result, 41 percent of the required services may not have been received.
- Two of the 15 therapists did not schedule make-up sessions, and some therapists did not always document scheduled sessions, particularly when students were habitually absent.
- Therapists did not always document complete information for Medicaid-eligible services. As a result, the District did not realize revenue totaling up to \$42,330.

Key Recommendations

- Establish procedures to ensure providers schedule appropriate sessions for students with IEPs.
- Establish procedures to ensure all documentation requirements are met to submit Medicaid claims for reimbursements for all eligible services.

District officials disagreed with some of our findings and recommendations but indicated they took certain corrective action. Appendix C includes our comments on issues raised in the District's response letter.

Background

The District serves the Towns of Chenango, Dickinson, Maine and Union in Broome 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 the District's day-to-day management under the Board's direction.

The Director of Special Services oversees the special education program.

Quick Facts

Medicaid Reimbursements for 2019-20 Services	\$151,298
Students with IEPs	295
Enrollment	2,196
2020-21 Appropriations	\$56.1 million

Audit Period

July 1, 2019 – December 31, 2020.

We extended our audit period forward to August 27, 2021 to review Medicaid reimbursements submitted.

Special Education Services and Medicaid Reimbursements

An IEP is the tool that helps ensure a student with a disability has access to the general education curriculum and is provided the appropriate learning opportunities, accommodations, adaptations, specialized services and support needed for the student to progress toward achieving the learning standards and to meet his or her unique needs related to the disability.

The IEP must specify the special education program and/or services needed by the student. Special education services include consultant teacher services, integrated co-teaching services, resource room programs and special classes. Related services include, but are not limited to, speech, occupational or physical therapy and psychological counseling services.

The New York State Education Department and the 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. Related services eligible for Medicaid reimbursement include, but are not limited to, speech, occupational or physical therapy and psychological counseling services.

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

How Do Officials Ensure Students Receive Special Education Services?

School districts must take steps to ensure student IEPs are implemented as recommended by the Committee on Special Education.² School district officials should ensure that IEPs are implemented as soon as possible following the meeting at which the IEP is developed. School district officials can ensure IEPs are properly implemented by identifying staff who will be responsible for providing recommended services and support and providing copies of IEPs to the students'

1 The State's share of Medicaid reimbursements received by a school 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 amount of revenue.

2 The Committee on Special Education is a multidisciplinary team established in accordance with the provisions of New York State Education Law, Section 4402, as necessary to ensure timely evaluation and placement of students.

teachers and service providers. Officials should also establish procedures to ensure providers properly document that they have scheduled, and when necessary rescheduled, appropriate sessions with students.

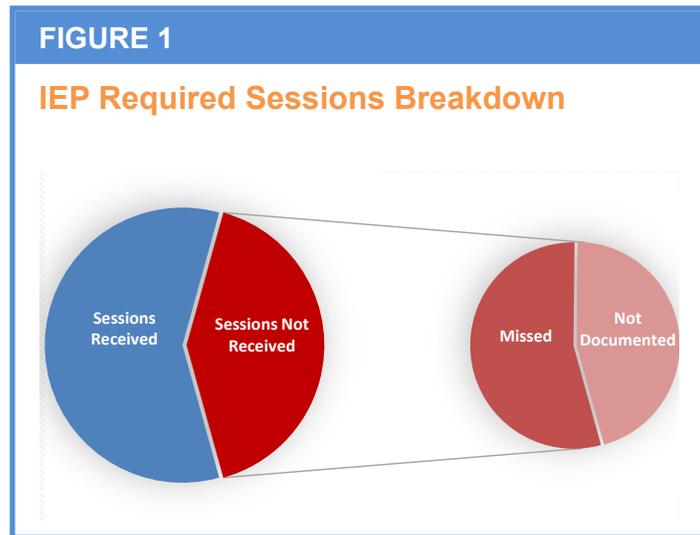
Officials Did Not Always Ensure Students Received Related Services in Accordance With IEPs

At the beginning of the school year, therapists determine the schedules for their assigned students. The therapists inform students of their schedules during their initial meetings. Therapists are supposed to enter every session, including rescheduled sessions, in the special education software, regardless of whether the student attended or not. We identified 33 students whose IEPs required them to receive 53 related services during the audit period (some students received more than one service). We reviewed therapists' calendars, attendance records and special education software documentation to determine whether these students received the number of required sessions for physical therapy, speech therapy, occupational therapy and/or counseling services.

During the audit period, 1,111 of 2,683 required sessions (41.5 percent) for services in accordance with their IEPs were not documented as received. Specifically, of the 2,683 required sessions, therapists documented 605 sessions (22.5 percent) as missed, for a variety of acceptable reasons (refer to Appendix A for details on services not received). However, an additional 506 sessions (19 percent) were not documented at all (See Figure 1).

More than one half of our audit period was during the pandemic when the District transitioned to remote and hybrid learning.³ Officials said remote and hybrid learning created new challenges to meet the students' needs in a virtual environment when related services were typically done in person. For example, students did not always sign on to virtual sessions. Therapists told us that they may not document missed sessions and one therapist said she did not record sessions for habitually absent students,

Officials should also establish procedures to ensure providers properly document that they have scheduled, and when necessary rescheduled, appropriate sessions with students.



³ Approximately 75 percent of the undocumented sessions occurred during remote and hybrid learning.

regardless of whether they were scheduled. Our review of attendance records and therapists' progress notes indicated that 10 of those students had a pattern of habitual absences totaling more than 200 undocumented sessions. In addition, we used supporting documents from another therapist, who was not documenting sessions, to determine which sessions occurred.

When sessions were missed, the majority of therapists made efforts to make up sessions with students. However, two of the 15 therapists did not make efforts to schedule make-up sessions. The Director of Special Services told us that she expects the therapists to act professionally and meet the requirements of the students' IEPs. However, she does not provide direct oversight of therapists' scheduling. As a result, the District is not always ensuring students have always received all of the services required by their IEPs.

Without procedures in place to document all sessions and reschedule missed sessions, District officials cannot ensure that students were provided all required services.

How Do Officials Ensure Eligible Services Are Claimed and Reimbursed?

A well-designed system for claiming Medicaid reimbursements requires assigning responsibility for specific activities to ensure each participant understands the overall objectives and their role in the process. In addition, school district officials should provide adequate oversight to ensure that all claim documentation requirements are met.

To submit Medicaid claims for reimbursement of services provided to Medicaid-eligible students, officials must obtain parental consent to bill Medicaid for the services provided, obtain prescriptions from a qualified ordering provider detailing the medical necessity of the services and document that the services were provided.

In addition, services provided must be in accordance with the student's IEP and properly documented as close to the conclusion of the service encounter as practicable. For example, session notes must include essential information such as: student's name, specific type of service provided, the setting in which the service was rendered, date and time the service was rendered, the signature of the service provider and dated signature/credentials of the supervising provider, as applicable. Generally, claims are required to be submitted within 12 months of the dates the services were provided. 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

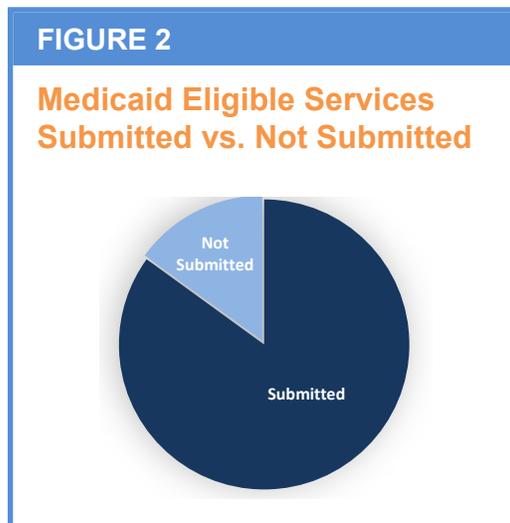
District officials obtained parental consent to submit Medicaid claims for reimbursement of services provided to 178 of 206 Medicaid-eligible students who received services during the audit period. We reviewed the records of services provided to these students and found that officials generally received prescriptions for services and services were in accordance with the students' IEPs. However, the District was not reimbursed for 945 of 6,295 (15 percent) eligible services provided which would have resulted in a reimbursement totaling \$24,551 during the audit period as of August 27, 2021 (See Figure 2).

The claims for these sessions were not submitted or were not resubmitted, to Medicaid and reimbursed because of various therapist documentation errors. These errors included missing dates, supervision errors and timeliness of approvals.

In addition, therapists did not document sessions in the Medicaid-billing software for 20 students. These students had eligible, reimbursable services in their IEPs, but had no recorded sessions in the Medicaid-billing software.

We confirmed with the Director of Special Services that these students were enrolled at the District and should have been receiving services. Based on eligible services in students' IEPs and students attending all sessions, had therapists documented these sessions for these 20 students, and assuming no errors with the reimbursement submissions, the District could have potentially been reimbursed for 851 sessions resulting in reimbursement of \$17,779.

This occurred because officials did not establish adequate procedures to ensure that all sessions were properly entered into the Medicaid-billing software and claim reimbursement documentation requirements were met. In addition, the providers were responsible for recording the details of service encounters in the Medicaid-billing software with limited or no oversight from the Director of Special Services. As a result, the District did not realize revenue totaling up to \$42,330 (50 percent of the eligible Medicaid reimbursements not received).⁴



...[T]he District was not reimbursed for 945 of 6,295 (15 percent) eligible services provided. ...

...[T]he District did not realize revenue totaling up to \$42,330. ...

⁴ \$17,779 (50 percent of \$35,558) plus \$24,551 (50 percent of \$49,102)

What Do We Recommend?

District officials should:

1. Establish procedures to ensure providers schedule the appropriate sessions for students with IEPs.
2. Establish procedures to ensure all documentation requirements are met to submit Medicaid claims for reimbursements for all eligible services.
3. Review all unclaimed services and submit any eligible claims for reimbursement.

The Director of Special Services should:

4. Improve oversight of therapists to help ensure that required services are provided and properly documented.

Appendix A: Services Not Received During the Audit Period

Figure 3: Services Not Received During the Audit Period

Type of Service	Required Students' Services ^a	Required Sessions	Sessions Scheduled ^b	Sessions Not Received	Sessions Not Scheduled	Percentage of Sessions Not Scheduled
Speech Therapy	18	1,146	847	564	28	7%
Occupational Therapy	16	823	716	348	107	13%
Physical Therapy	7	410	382	88	299	26%
Counseling Services	12	304	232	111	72	24%
Totals	53	2,683	2,177	1,111	506	19%

a) The IEPs for the 33 students reviewed showed that they were required to receive 53 related services during the audit period.

b) Includes rescheduled sessions

Appendix B: Response From District Officials

Johnson City Central School District

666 Reynolds Road
Johnson City, NY 13790
www.jcschools.com



Educational Excellence for a Changing Tomorrow

Johnson City School District

Response to OCS Audit

May 2022

Background information District finds relevant to Audit:

*In March of 2020, the Johnson City School District had to pivot to online learning without prior notice due to the Covid-19 global health pandemic.

*Staff had no prior training on teaching remotely, and device availability was limited.

*Parents and students had not experienced remote learning, which caused numerous barriers in the provisioning of special education services.

*Schedules did not mirror a typical school day and were constantly changing throughout the audit period due to instructional modality changes (due to COVID-19).

*The focus of the audit was ensuring students received their services in accordance with their IEPs and the district claiming all Medicaid reimbursements to which it was entitled. The period of time for the audit was July 1, 2019-Aug 27,2021.

*The district received the audit report late, less than one day before the Audit findings meeting. As a result, the district was not allowed adequate time to review the findings to prepare effective and meaningful feedback.

*The district fully cooperated and made all materials and resources available to the auditor.

See Note 1 Page 12

Section I: Information regarding student learning during set time periods

July 1, 2019-February 2020

*This period was prior to the global pandemic; however, it is important to note that the district was tracking an increase in student absences.

March 2020-June 2020

*As was the case in all districts, JCCSD had to transition to remote learning overnight.

*New building schedules had to be created in order to account for online classes-this impacted provision of special education services.

*The change in schedule impacted access to students for services, so alternate schedules for both special education services and related services had to be created for each student.

*Throughout this time period, special education providers and related services providers had to adjust their schedules based on parent/student participation and needs. Adjustments were made daily.

*Many families did not have access to technology or know how to use it initially. Staff had to provide alternate solutions. These solutions include: packets of work mailed home or dropped off, phone calls to review work, emails to discuss activities and strategies, video calls, etc.

*Many families struggled to manage the schedules due to having multiple children in the home with varying schedules.

*Each student had a Continuity of Education plan developed which detailed the services contained in the IEP as well as a plan to deliver services through this new mode of learning. All plans were made available to the auditor during the audit. These documents also captured student progress, dates of attendance in sessions and parent communication.

*Teachers provided support at night and over the weekends to students and their families.

*Over 500 CSE meetings were held remotely during this time period. The staff adjusted to the new modality but the time required for these meetings was often longer than a typical CSE meeting due to lack of experience for both the school staff and the families. Decisions for the 2020-2021 IEPs were made without knowing the status of what school would look like for summer of 2020 and the 2020-2021 school year.

*JCCSD staff had to balance these meetings with provision of service while they balanced weekly schedule changes and parent and student availability due to Covid-19.

July 2020-August 2020

*This was the first summer session after the pandemic started.

*Historically most JCCSD students who are eligible for 12-month programming receive those programs and services through BOCES.

*During this time period BOCES was not offering in-person summer programming.

*The only option available was remote learning for eligible students. Many parents opted not to participate in summer services. They felt that this was not the best learning mode for their students, and many stated that their students needed a break from computer learning.

*The district worked with the families and with BOCES to come up with solutions and learning options (fewer sessions, packets sent home with teacher check ins, ideas and activities for parents to work on at home).

*It is important to note that the CSE decisions that were being made during the Spring of 2020 for Summer of 2020 were done so in anticipation of in-person learning. In-person learning did not occur; delivery of service did not match which resulted in a finding that all students did not receive services on their IEP.

See Note 2 Page 12

September 2020-June 2021

*During this time period, parents had a choice in how their students would learn due to the ongoing concerns with Covid-19 and school guidance that NYSED provided.

*All special classes in the district had the option to attend school 5 days a week. Other students had the option to be taught hybrid (a combination of 2-3 days a week in person learning and 2-3 days a week online learning). Parents also had the option to have their children learn fully remote.

*In addition, students were subject to DOH rules for isolation and quarantine (if exposed or tested positive for Covid-19).

* At the beginning of this school year, all special education teachers and related service providers created Continuity of Learning plans for each student based on mode of learning selected and the student's IEP.

*Parents had the options to change mode of instruction throughout the year (move from hybrid to remote, move from remote to hybrid).

*All of this resulted in schedules that changed numerous times over the year. This created a very difficult scheduling situation and also made it extremely challenging to provide any type of make ups sessions.

*In addition, when students switched to remote learning (for whatever reason) parents did not always ensure that they were accessing their online classes or sessions.

*As the year progressed, students' schedules continued to change, which also had to be balanced with staff absences (regular and due to Covid-19).

July 2021-August 2021

*This was the second summer session after the pandemic started.

*Historically most JCCSD students who are eligible for 12-month programming receive those programs and services through BOCES.

*During this time period BOCES was only offering in-person programming. We had several families that still did not feel comfortable with in-person learning and elected not to have their students attend summer programing.

See
Note 2
Page 12

*Due to the timing of annual reviews, the district was not able to go back to CSE to adjust individual IEPs (taking summer off).

Section II: Response to Audit Sections

1. Officials did not always ensure students received services in accordance with their IEPs.

*The district does not agree with this statement. Due to the extraordinary circumstances the district feels that staff and district leaders came up with creative solutions during the pandemic to provide for students' needs.

*There was a variety of information provided during the audit that detailed student provision of service and attendance.

See
Note 3
Page 12

*As noted in Section I, students' school schedules continued to change over the two-year audit period. This resulted in teachers and therapists continually changing schedules. Tracking of these changes was a challenge. Unfortunately, teachers did not track everything they provided. Staff were working outside of their normal hours and much of that work was undocumented.

*Throughout the audit, as the district was made aware of the findings, the Director worked with special education staff and related service providers (ex. August 2020 meeting with staff) to update the way they collect attendance, and progress, to ensure provision of services.

*During the audit period, due to schedules that changed weekly, teachers did not often record makeup sessions when they occurred. Teachers did their best to schedule student services during this period based on the IEPs and the Continuity of Learning plans that were developed.

2. Officials did not ensure that all Medicaid-eligible claims were submitted and reimbursed.

*The district understands that Medicaid billing was not maximized based on the total number of sessions that could have been billed. There are several factors that impacted the ability to do this consistently.

*When schools moved to remote learning in March of 2020, little to no guidance was provided in regard to Medicaid billing.

*The staff focused on providing service to students through any mode possible (i.e. remote instruction, individualized packets with phone calls to parents, video calls with modeling).

*Guidance was eventually provided that allowed teletherapy (remote) as a modality but it required a full 30-minute session. If students were seen in different increments because it was more manageable for the family (2-15-minute sessions versus 1 – 30-minute session) it was not considered billable under the guidance. If the district worked creatively with the family to provide support such as sending home individual work packets and setting up review phone meetings, this too was not billable.

* The district acknowledges that the documentation could have been more consistent but feels that students were receiving services during this time.

*Based on the guidance, staff did not enter all sessions into the billing system especially when they became aware of the guidance and confirmed that that session was not billable.

*When the district became aware that some students did not have session notes entered for billable sessions received, corrections were made and those sessions have since been billed and recouped.

*Parents do not have an obligation to return a consent or script for related services. The district has a process in place to collect these initially and continually, but cannot force a parent to comply. Numerous attempts were made to obtain both consents and scripts during the audit period. If the consent or script were not able to be obtained the services were not billable.

See
Note 4
Page 12

*Also, during the pandemic, many families were not seeking routine healthcare, so scripts were difficult for some families to obtain.

*Several therapists did attempt and provide make-up sessions. The make-up session was only billable if it occurred in the same time period.

*Chronic absenteeism impacted the district's ability to bill Medicaid.

Thank you for allowing us to submit our response to the audit.

Eric Race
Superintendent
Johnson City School District

Appendix C: OSC Comments on the District's Response

Note 1

Due to a storm related three-day power outage, we contacted District officials prior to the scheduled exit discussion to confirm the exit discussion could take place. Officials did not raise concerns with proceeding with the scheduled meeting. We also reached out to officials after the exit discussion, as a courtesy, to solicit any additional concerns or feedback but they did not respond. In addition, officials had 30 days from the date they received the draft report to respond to our findings and recommendations with a written response letter. Officials did not ask for a response extension and provided the District's response on the due date.

Note 2

Our audit did not address summer session programming.

Note 3

We reviewed all documentation that was provided to us by District officials including session notes, therapists' calendars, attendance records and continuity plans. In those instances where we were provided information to support that sessions were held, such as attendance records, we counted that as a session even if the session was not documented in the software.

Note 4

Our audit excluded the services for which the District did not receive consents or scripts.

Appendix D: 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 to gain an understanding of IEPs and the Medicaid claims reimbursement process.
- Out of the 295 students with IEPs for the 2019-20 and 2020-21 (September 2020 through December 2020) school years, we selected a random sample of 45 students. We reviewed the attendance and scheduling system, special education system and service provider records to determine whether students in our sample received the recommended programs and services in accordance with their IEPs.
- District officials obtained parental consent to submit claims for 178 of the 203 Medicaid-eligible students for the 2019-20 school year and 178 of the 206 Medicaid-eligible students for the 2020-21 school year (September 2020 through December 2020). We reviewed records of services provided to 175 Medicaid-eligible students in 2019-20 and 177 Medicaid-eligible students in 2020-21 for whom parental consent was obtained and who received eligible services to determine whether claims were submitted, and the District was reimbursed for all eligible services provided. For eligible services for which claims were not submitted and reimbursed, we determined the reason and calculated the amount of Medicaid reimbursements not received and the corresponding amount of 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 E: Resources and Services

Regional Office Directory

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

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

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

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

www.osc.state.ny.us/local-government/publications

Training – Resources for local government officials on in-person and online training opportunities on a wide range of topics

www.osc.state.ny.us/local-government/academy

Contact

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