Medicaid Cost Recovery in Public Schools

Laurie Ray, MPT, PhD
UNC-Chapel Hill
NC Department of Public Instruction

Objectives

Participants will be able to:

1. Describe the relationship between the Medicaid program and public schools
2. List the regulations and legislation that govern our practice in public schools
3. Define medical necessity and extrapolation
4. Understand professional responsibilities of physical therapists in the respective contexts of public schools related service provision and Medicaid service provision

Medicaid, an Introduction…

A National Public Health Insurance Program, established by Congress in 1965 through Title XIX of the Social Security Act

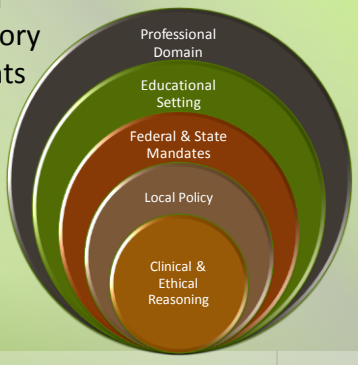
- Serves low income working families, elderly and individuals with disabilities
- Joint Federal (Centers for Medicare & Medicaid Services=CMS) and State program (Division of Health and Human Services or the like)
- Services provided vary from state to state – based on Medicaid State Plan
- Only covers medically necessary services

Medicaid & Education:

- Congress passed section 411(k)(13) of the Medicare Catastrophic Coverage Act of 1988 (P.L. 100-360) to amend section 1903(c) of the Social Security Act in 1988 to permit Medicaid payment for medical services provided to children under the Individuals with Disabilities Education Act through a student's individualized education plan (IEP).
- Reimburses some school based health related services
- Includes administrative costs (MAC) and direct medical services (FFS)
- Allows LEAs to recover costs (due to IDEA funding shortfall)
  - 40% promised in 1975
  - 16.1% in 2011

http://www.disabilityscoop.com/2011/07/22/lawmakers-full-funding-idea/13577/

Professional and Regulatory Requirements



Professional Responsibility: Code of Ethics for the Physical Therapist

Principle #5: *(Core Values: Professional Duty, Accountability)*

Physical therapists shall fulfill their legal and professional obligations.

5A. Physical therapists shall comply with applicable local, state, and federal laws and regulations.

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American Physical Therapy Association
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Professional Responsibility

- ☞Ethical Practice
- ☞Federal Educational Regulations

(ESEA, IDEA, FERPA, Rehabilitation Act, ADA)

- ☞State Licensure
- ☞State Educational Policy
- ☞Local Educational Policy

Professional Responsibility to…

- Promote understanding disability as a natural part of human experience
- Provide appropriate evaluation
- Serve as resource of PT expertise for communities of practice
- Advocate
- Develop IEPs & POCs
- Serve as a role model for our profession
- Provide skilled service
- Provide documentation
- Ensure a safe & positive learning environment
- Demonstrate sound clinical reasoning
- Collaborate effectively
- Ensure efficacy of practice
- Ensure appropriate expenditure of public funds

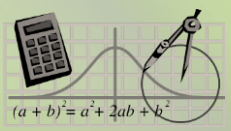
National Updates: FERPA

FERPA/OSERS change:

- Informed parental consent was required 'each time' insurance is accessed to recover costs for school-based health services
  - Onerous
  - Strict interpretation
- NAME
- Now one-time informed consent will stand unless revoked, with annual notice delivered to parents/families

Extrapolation

- Gaining prevalence in various states
- Method (usually polynomial) to apply knowledge from prior claims
- Specifies:
  - Criteria
  - Time frame
  - Range of application



Medicaid and School Health: A Technical Assistance Guide (August 1997)

"…a State may cover services included in a child's IEP as long as:

(1) the services are listed in section 1905(a) of the Act <u>and</u> are medically necessary;

(2) all Federal and State regulations are followed, including those specifying provider qualifications; and

(3) the services are included in the State plan or available under the Early and Periodic Screening, Diagnostic, and Treatment Medicaid benefit.

➢ Covered services may include, but are not limited to, physical therapy, occupational therapy, speech pathology/therapy services, psychological counseling, nursing, and transportation services."

[formatting added]

CMS Audits

Federal and State rules require that school-based health services be:

(1) referred or prescribed by a physician or another appropriate professional,

(2) provided by an individual who meets Federal qualification requirements,

(3) fully documented,

(4) actually furnished in order to be billed, and

(5) documented in the child's IEP.

National Updates: Centers for Medicare & Medicaid Services (CMS) Audits

- Kansas (2006)-did not adjust payments correctly for inflation & had inadequate internal controls
- Maine (2005)-retroactive increase for previously reimbursed school-based health services, went into State budget not back to the schools
- Massachusetts (2004)-Inaccurate allocation of administrative costs & 'double-dipping' with personnel salaries
- Maryland (2007)-included unallowable basic education costs in rate

National Updates: CMS Audits

- Massachusetts (2003)-
  - Insufficient documentation was not always maintained to ensure that services prescribed in the students' individualized education plans (IEP) were delivered;
  - School-based health services rendered by health care providers without the qualifications required by DMA Medicaid regulations;
  - Claims were submitted for students who were absent;
  - IEPs were not available to cover periods in which the Medicaid program was billed; and
  - School-based service type was sometimes billed incorrectly

National Updates: CMS Audits

- Arizona (2010)-
  - Services were not provided or service units were overbilled
  - Documentation requirements were not met
  - Speech therapy provider requirements were not met
  - Unallowable transportation services were provided
  - Prescribing or referring provider requirements were not met
  - Student eligibility requirements were not met

National Updates: CMS Audits

- New Jersey (2006)-
  - Lack of a referral or prescription from a physician or another appropriate medical professional
  - Failure to meet Federal provider qualification requirements
  - Unable to verify that the transportation services billed were rendered
  - Unable to verify that the school health services billed were rendered
  - Services billed were not rendered or not supported
  - Recommendation for school-based health services not included in the child's plan
  - Non-specialized transportation was billed on or after July 1, 1999

National Updates: CMS Audits

- Rhode Island (2004)-
  - Insufficient documentation to ensure that services prescribed in the child's plan were delivered
  - School-based health services rendered by health care providers without qualifications required by the Centers for Medicare & Medicaid Services (CMS)
  - Medicaid regulations
  - Inconsistencies existed between the child's plan and medical services performed
  - Claims were submitted for students who were absent
  - Medicaid was sometimes incorrectly billed, either for an ineligible student or for medical services that were unallowable based on billing regulations

National Updates: CMS Audits

Maine (2013)-

- Documentation did not support a provided service (45/120 months)
- Failure to meet Federal prescription requirements (12/120 months)
- Services provided by unqualified providers (11/120 months)
- Reimbursement for services when students were absent (7/120 months)

☞Portland contested 19 months for documentation (6 accepted); 13 for qualification (7 accepted); 20 for prescription (3 accepted); 1 month absent (not accepted)

Medical Necessity: APTA statement summary

Physical therapy is medically necessary…

- Determined by the licensed physical therapist based on the results of a physical therapy evaluation
- Provided for the purpose of preventing, minimizing, or eliminating impairments, activity limitations or participation restrictions
- Requires the knowledge, clinical judgment and abilities of licensed therapist
- Considers potential benefits and harms to the patient/client
- Is not provided exclusively for the convenience of the patient/client
- Provided using evidence of effectiveness & applicable standards of practice
- If the type, amount, and duration of services outlined in the plan of care increase the likelihood of meeting one or more of these stated goals:
  - improve function,
  - minimize loss of function, or
  - decrease risk of injury and disease

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Medical Necessity: CMS

"reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member"

Comments, Questions??

Thank you for your kind attention!