

Minisink Valley Central School District

Medicaid Reimbursements

AUGUST 2022



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

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Report Highlights

Minisink Valley Central School District

Audit Objective

Determine whether the Minisink Valley 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 claiming for all eligible Medicaid services provided.

- Claims were not submitted for reimbursement for at least 3,083 eligible services totaling \$187,932. Had these services been claimed, the District would have realized revenues totaling \$93,966 (50 percent of the Medicaid reimbursements).
- Between July 1, 2020 and December 31, 2021, the District paid a third-party vendor (vendor) \$54,996 to process the District's Medicaid claims. However, officials did not provide the vendor with all of the documentation needed for the vendor to properly file all Medicaid claims and did not adequately oversee the vendor to ensure Medicaid reimbursements were maximized.

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.

Except as specified in Appendix B, District officials agreed with our recommendations and indicated they have begun corrective action.

Appendix C includes our comment on an issue raised in the District's response.

Background

The District serves the Towns of Greenville, Minisink, Mount Hope, Walkkill and Wawayanda in Orange County and parts of the Town of Mamakating in Sullivan 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 (Director) oversees the special education department and programs.

Quick Facts

Payments to Vendor to File Medicaid Claims

July 1, 2020 – December 31, 2021	\$54,996
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Medicaid Reimbursements

July 1, 2020 – December 31, 2021	\$342,705
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Medicaid Eligible

Students	180
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Students Reviewed	30
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Audit Period

July 1, 2020 – December 31, 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 reimbursements for costs incurred from providing certain diagnostic and health support services provided to eligible students through Medicaid reimbursement. Services eligible for Medicaid reimbursement include, but are not limited to, speech, occupational and physical 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 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 December 31, 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, Board of Cooperative Education Services staff, other school districts' 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.

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.

How Do Officials Ensure Eligible Services Are Claimed and Submitted for Reimbursement?

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 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 services 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 documented³ 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.⁴

District 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 for Reimbursement

The District provided Medicaid-eligible services to 180 students during our audit period. The District sought reimbursement for some Medicaid-eligible services for 57 of the eligible students. We reviewed the records of services provided to 10 of the 57 eligible students and found claims totaling \$54,013 that were not submitted for reimbursement. We also reviewed the records of services provided to 20 of the remaining 123 students who received eligible services but claims for such eligible services were not submitted for reimbursement and found claims totaling \$133,919 that were not submitted for reimbursement.

³ 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.

⁴ The claiming window, effective September 5, 2019, is 15 months from the date of service.

Officials should promptly reconcile the claims submitted to the Medicaid reimbursements received to ensure all claims are paid.

Specifically, claims were not submitted for reimbursement for:

- 2,023 of the 2,440 (83 percent) eligible services totaling \$121,487 provided in the 2020-21 school year.
- 1,060 of the 1,085 (98 percent) eligible services totaling \$66,445 provided through December 31 in the 2021-22 school year.

Combined, claims were not submitted for reimbursement for 3,083 of the 3,525 (87 percent) eligible services totaling \$187,932 provided during the audit period (Figure 1). As a result, the District did not realize revenue totaling \$93,966 (50 percent of the Medicaid reimbursements).

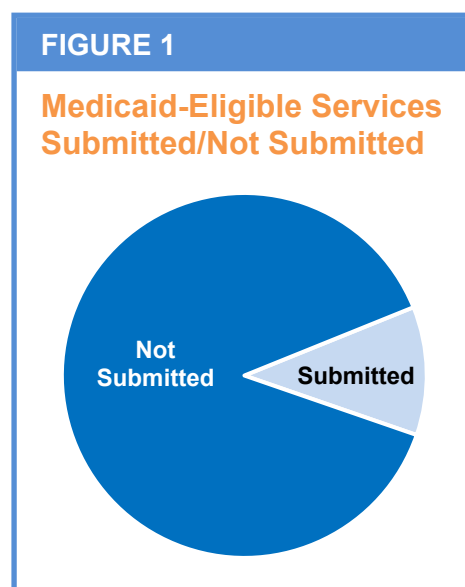
Services provided but not submitted for reimbursement included:

- Speech Therapy.
- Occupational Therapy,
- Psychological Counseling and
- Physical Therapy,

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

Claims were not submitted for reimbursement for the following reasons:

- The District did not obtain the necessary prescriptions (written orders/referrals) for 2,436 eligible services totaling \$150,359.
- Claims for 332 eligible services totaling \$21,445 were not submitted for reimbursement due to: oversight by the vendor to bill eligible services; inconsistent billing; not billing for some eligible services from the last fiscal year; and District officials not providing adequate oversight over the vendor's billing.
- Claims for 140 eligible services totaling \$5,319 could not be submitted for reimbursement because the student received shorter sessions than outlined in the student's IEP.
- Claims for 40 eligible services totaling \$2,257 were not submitted for reimbursement because the supervisor did not sign the session notes.
- The service provider did not sign the session notes resulting in claims for five eligible services totaling \$298 that were not submitted for reimbursement.



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- Claims for two eligible services totaling \$69 were not submitted for reimbursement at the correct number of units. For example, occupational therapy services are billed in 15-minute units. However, the District submitted a 30-minute occupational therapy session at one unit instead of two units.

There were also claims for 86 eligible services totaling \$7,159 that were submitted for reimbursement but were rejected by Medicaid because the claims were duplicates. In addition, claims for 42 eligible services totaling \$1,026 are pending with Medicaid because the District's service provider must, but did not, register with the State before these claims can be processed. We also could not determine whether eligible services were provided to one student because service providers did not maintain session notes, and we identified several other students that did not have session notes for any of the services they received.

The failure to submit claims occurred because officials did not establish any procedures to ensure that all documentation requirements were met or that claims were filed for all eligible services provided. For example, the providers were responsible for recording the service encounters in the IEP software with limited oversight. Additionally, Special Education department staff were not provided guidance or properly trained on how to collect the necessary documentation for Medicaid reimbursements.

Furthermore, the District did not regularly review reimbursement reports provided by the vendor or provide adequate oversight over the vendor to ensure billing was completed accurately and on a regular basis. Although the District's contract with the vendor expired in June 2020, the District continued to use the vendor's services and was responsible for overseeing the services provided. Due to employee turnover in the Special Education department, the former Director indicated that they were unsure whose responsibility it was to ensure the vendor is accurately and timely submitting reimbursement claims. 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.

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 submitted for reimbursement by the vendor on the District's behalf by regularly reviewing reimbursement reports provided by the vendor or provide adequate oversight over the vendor to ensure billing was completed accurately and on a regular basis.

-
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 unclaimed services identified in this report, determine whether these services are reimbursable and submit any eligible claims for reimbursement.
 5. Review records for the Medicaid-eligible students not reviewed in our audit testing to determine whether the District is entitled to additional reimbursements for unclaimed services.
 6. Provide timely and adequate oversight to ensure providers document all service encounters in the IEP software.
 7. Actively monitor contract expiration dates so there is sufficient time to renegotiate the contract in advance of the contract's expiration.

Appendix A: Eligible Services Claims Not Submitted for Reimbursement

Figure 2: Eligible Service Claims Not Submitted for Reimbursement

Type of Service	2020-21		2021-22		Totals	
	Number of Services	Claim Amount	Number of Services	Claim Amount	Number of Services	Claim Amount
Speech Therapy	1,113	\$66,400	551	\$32,112	1,664	\$98,512
Occupational Therapy	470	31,720	305	21,833	775	53,553
Psychological Counseling	321	15,694	148	6,682	469	22,376
Physical Therapy	52	3,400	123	10,091	175	13,491
Totals	1,956	\$117,214	1,127	\$70,718	3,083	\$187,932

Appendix B: Response From District Officials



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RE: Minisink Valley Central School District Response and Corrective Action Plan to the New York State Comptroller “Medicaid Reimbursements Report of Examination” 2022M-80

Dear Ms. Disko-McCagg:

Please accept the following as Minisink Valley’s Corrective Action Plan to the above referenced audit. For each recommendation included in the report, information on our corrective action plan(s) already taken or which is in the process of being implemented is provided.

The district values the role and function of a State Comptroller Audit. It provides the necessary third-party review of our financial operations which will confirm to our community that the district is committed to the prudent and proper use of taxpayer dollars. We believe the audit’s findings show we are doing that and we trust this reassures our community that funds are being managed judiciously.

Your thorough, wide-angle lens review of our financial operations confirmed 99.9 percent of our budget is in compliance with the State Comptroller’s detailed auditing standards, protocols, processes and procedures. However, the audit identified an issue with Medicare reimbursement. This finding represented 0.09 percent of the district’s annual budget. The audit revealed the district did not submit for Medicaid reimbursement for a small number of claims, which would have realized \$93,966 in revenues. The district agrees with these findings. We are grateful to your audit staff for bringing this to our attention and for providing us with sound recommendations to recapture that reimbursement in addition to securing future reimbursement.

See Note 1 Page 12

We believe we always follow best practices in our daily financial operations and internal controls. At the same time, we always look for continuous quality improvement in all our operations. This recent audit provides us with valuable information and an opportunity to further improve our solid financial operations and internal controls.

Recommendations with corrective action plans:

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

Corrective Action:

a.) Parental consent for Medicaid Reimbursement is currently included in the Consent for Initial Services. Moving forward the consent for Medicaid Reimbursement will be provided:

- i.) When a classified student is being registered in the district.
- ii.) At each Annual Review meeting for students without consent on file.
- iii.) When a child is initially classified.

Implementation Date: Immediately

Staff Responsible: PPS Director, Secretary to PPS Director

b.) When a recommendation is made for a related service for a classified student a prescription form is provided to the parents to have their doctor complete and fax or email to the PPS office. If the parent is having difficulty obtaining the prescription, the PPS office will fax the prescription form request directly to the doctor's office. When the prescription is received it is scanned and uploaded to a file share folder. A hard copy is placed in the student's file. The related service providers have access to the file share folders and monitor for receipt of prescriptions to begin services. Licensed Speech Language Pathologists within the district write prescriptions for speech therapy. The Licensed Clinical Social Workers, School Psychologists or PPS Director sign scripts for Counseling. For students attending BOCES where prescriptions are not provided, the district has contracted with a Licensed Speech Language Pathologist to provide the prescriptions. ██████████ BOCES does not provide supervision to their Certified Occupational Therapist Assistants or their Physical Therapy Assistants, therefore; Medicaid reimbursement for Occupational Therapy and Physical Therapy is not possible.

Implementation Date: Continuing

Staff Responsible: PPS Director, Secretary to PPS Director

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

Implementation Date: Immediately

Staff Responsible: Director of PPS, Secretary to the Director

2. Review documentation of claims submitted for reimbursement by the vendor on the District's behalf by regularly reviewing reimbursement reports provided by the vendor or provide adequate oversight over the vendor to ensure billing was completed accurately and on a regular basis.

Corrective Action:

The Director of PPS will be meeting with [REDACTED] (vendor) each month to review reimbursement reports to ensure billing was completed accurately and on a regular basis.

Implementation Date: Immediately

Staff Responsible: Director of PPS

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.

Corrective Action:

The Director of PPS and Secretary to the Director will monitor parental consent for Medicaid reimbursement, student information and proper documentation, including all prescriptions and transportation needs, all in accordance with the child's IEP. The Secretary to the Director will also be responsible for monitoring session notes and reporting missing information to submit in the system.

Implementation Date: Immediately

Staff Responsible: Director of PPS, Secretary to the Director

4. Review all unclaimed services identified in this report, determine whether these services are reimbursable and submit any eligible claims for reimbursement.

Corrective Action:

All unclaimed services for the 2020-21 school year have been reviewed by [REDACTED]. Claims for resubmission were determined based on eligibility for back billing and were subsequently submitted for payment. All claims have been addressed at this time and have been resubmitted if eligible for reimbursement.

5. Review records for the Medicaid-eligible students not reviewed in our audit testing to determine whether the District is entitled to additional reimbursements for unclaimed services.

Corrective Action:

The Director of PPS and the vendor have reviewed the records for all Medicaid eligible students not reviewed in the audit and have begun taking action to seek additional reimbursement for unclaimed services. The majority of unclaimed services, based on our review, are students attending [REDACTED] BOCES. The district was unable to claim Speech Services for students attending BOCES because their providers will not complete scripts. The district has contracted with a Licensed Speech Language Pathologist to provide the prescriptions and will be able to claim these services moving forward. Additionally, Orange-Ulster BOCES does not provide supervision to their Certified Occupational Therapist Assistants or their Physical Therapy Assistants, therefore; Medicaid reimbursement for Occupational Therapy and Physical Therapy is not possible.

6. Provide timely and adequate oversight to ensure providers document all service encounters in the IEP software.

Corrective Action:

The Secretary to the Director will monitor that all service encounters that are being entered into [REDACTED] IEP are timely and accurate. The Director will receive a report each month identifying any errors or incomplete documentation of the Related Service Logs. If corrective action is needed the Director will communicate with the Related Service provider to correct the error.

7. Actively monitor contract expiration dates so there is sufficient time to renegotiate the contract in advance of the contract's expiration.

Corrective Action:

The Assistant Superintendent for Business will actively monitor vendor contract dates and will renegotiate contracts in advance of their expiration in order to ensure an active contract is always in place with the vendor(s) working with the district for medicaid reimbursement claiming activities.

On behalf of the Board of Education and the district's Central Administration, thank you to your staff for the professionalism and support given to us during this audit process.

Sincerely, 

Brian C. Monahan
Superintendent

Appendix C: OSC Comment on the District's Response

Note 1

We did not audit the District's financial operations. The audit focused on determining whether the District maximized Medicaid reimbursements. Therefore, the District's statement is not accurate; the audit cannot be used to draw any conclusions on the District's budget.

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 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.
- We reviewed the list of 180 Medicaid-eligible students identified by the vendor. We then randomly selected 10 students of the Medicaid-eligible students that were submitted for reimbursement and 20 students of the Medicaid-eligible students not submitted for reimbursement. We reviewed records of services provided to these students to determine whether claims were submitted to Medicaid and reimbursed for all eligible services provided. For services provided 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 randomly selected 10 students out of the 180 Medicaid-eligible students to determine if the District properly obtained parental consent forms to submit for reimbursement to Medicaid.

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

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