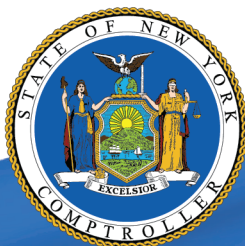


Ogdensburg City School District

Medicaid Reimbursements

JULY 2022



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

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Report Highlights

Ogdensburg City School District

Audit Objective

Determine whether the Ogdensburg City 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 1,365 eligible Medicaid services provided totaling \$65,254, which resulted in the District not realizing \$32,627 in revenue.
- The District lacked adequate procedures to ensure that Medicaid claims were submitted in a timely manner, necessary documentation requirements were met, and disallowed claims were reviewed and resubmitted when appropriate.

Key Recommendations

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

District officials agreed with our recommendations and indicated they have initiated corrective action.

Background

The District serves the City of Ogdensburg and the Towns of Lisbon and Oswegatchie in St. Lawrence County.

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

The Superintendent of Schools (Superintendent) 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 Special Education (Director) oversees the special education program. The Secretary to the Superintendent (Secretary) is responsible for preparing, submitting and resubmitting Medicaid claims for reimbursement. The Business Manager (Manager) is responsible for recording Medicaid revenues.

Quick Facts

Medicaid Reimbursements

2019-20	\$753
2020-21	\$41,245
2021-22 Appropriations	\$49.4 million
Enrollment	1,536

Audit Period

July 1, 2019 – March 25, 2022

Medicaid Reimbursements

The New York State Education Department and New York State Department of Health (DOH) jointly established the School Supportive Health Services Program (SSHSP) to help school districts obtain Medicaid reimbursement for certain diagnostic and health support services provided to eligible students. Services eligible for Medicaid reimbursement include, but are not limited to, speech, occupational and physical 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, school districts can submit Medicaid claims for the gross amounts eligible for reimbursement. School districts then receive Medicaid reimbursements for approved claims. The State's share of Medicaid reimbursements received by a school district is generally 50 percent,¹ which is collected by deducting this amount from a school district's future State aid payments.

During the audit period, the District's service providers (providers) included employees and St. Lawrence-Lewis Board of Cooperative Educational Services staff. Generally, providers documented service encounters in the Medicaid billing system (system).

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, school 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 school district officials have developed an individualized education program (IEP), officials must obtain:

- Parental consent to bill Medicaid for the services provided,
- The student's Medicaid client identification number, and
- 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. The medical necessity for special transportation services and medical evaluations can be documented in the student's IEP.

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 revenue.

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 as close to the conclusion of the service encounter as practicable. For example, session notes for therapy services 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. In cases where the provider is being supervised, the supervisor must complete and document an initial face-to-face visit.

Services must be provided in the same ratio included on a student's IEP. For example, an IEP will provide for either individual or group therapy minutes per week. However, during the COVID-19 pandemic state of emergency, which started March 7, 2020, 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 for services provided remotely. For Medicaid to be billed, 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.

Claims are required to be submitted within a claiming window based on the date the services are provided. Effective September 5, 2019, the claiming window was changed from 21 months to 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. Officials should review any rejected or disallowed amounts to determine whether these claims can be resubmitted for reimbursement.

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

District officials obtained parental consent to submit Medicaid claims for reimbursement of services provided to 20 eligible students in 2019-20 and 29 eligible students in 2020-21. We reviewed the records of services provided to all of these students and determined that claims were not submitted for all eligible services provided.

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

Claims were not submitted and reimbursed for:

- 866 of the 875 (99 percent) eligible services totaling \$42,613 provided in 2019-20.
- 499 of the 1,458 (34 percent) eligible services totaling \$22,641 provided in 2020-21.

Officials did not submit claims for 1,318 eligible services provided and did not resubmit 47 claims for reimbursement that Medicaid rejected. Combined, the claims not submitted and reimbursed were for 1,365 of the 2,333 (59 percent) eligible services totaling \$65,254 for the two school years (Figure 1). As a result, the District did not realize revenue totaling \$32,627 (50 percent of the Medicaid reimbursements). Services provided but not submitted and reimbursed included:

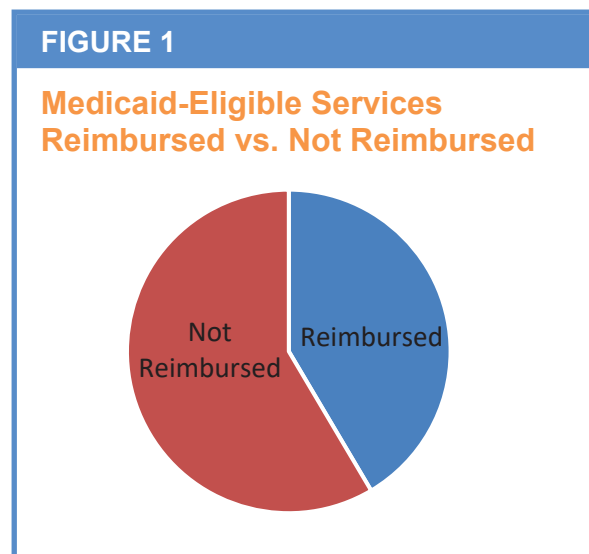
- Speech Therapy,
- Physical Therapy,
- Occupational Therapy,
- Psychological Counseling and
- Skilled Nursing.

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

Claims were not submitted and reimbursed for the following reasons:

- Claims totaling \$42,613 were not filed timely.
 - Claims for 866 services provided in 2019-20 were not filed timely. According to the Secretary, Medicaid claims are submitted bi-annually but because of the COVID-19 pandemic and other responsibilities, the 2019-20 service claims were not filed until July 22, 2021. The Secretary was unaware of the 15-month claiming window.
- Encounters totaling \$13,875 were not properly documented.
 - Encounters for 305 services in 2020-21 were not properly documented because supervisors did not always document initial face-to-face sessions, and providers did not always record and sign all session notes in the system.

...[T]he District did not realize revenue totaling \$32,627 (50 percent of the Medicaid reimbursements).



-
- Claims totaling \$6,596 were not billed.
 - Claims in 2020-21 for 106 skilled nursing and psychological counseling services totaling \$2,691 and 36 therapy sessions in July and August 2020 totaling \$3,905 were not billed because the Superintendent did not ensure that these services and sessions were entered by the providers and tracked in the system.
 - Claims totaling \$1,752 were rejected for payment.
 - Claims for 47 services were rejected for payment because of various submission errors. Service providers' identifier numbers were not recognized by Medicaid because they were not registered in the electronic New York State Medicaid System (eMedNY). Also, some session notes were not signed by the providers' supervisors. These claims were not corrected, resubmitted and reimbursed during the audit period. Officials were unable to resubmit 35 of these 47 claims totaling \$1,304 for reimbursement because the claiming period expired.
 - Claims totaling \$418 were not submitted for reimbursement.
 - Claims for five services were not submitted for reimbursement during the COVID-19 pandemic state of emergency period. The provider erroneously marked these claims as "not billable" because the student was provided services at a different ratio than outlined in their IEP. During the COVID-19 pandemic state of emergency period, these services were eligible for reimbursement and should have been claimed.

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

The Secretary reported to the Superintendent for administrative purposes. However, the Superintendent did not directly oversee the Secretary's work related to the Medicaid claiming process or designate anyone, such as the Director or Manager, to oversee the process.

Additionally, officials did not establish adequate procedures to ensure that all claiming deadlines and documentation requirements were met. The providers recorded the details of service encounters in the system with limited to no oversight and not all services were tracked in the system.

The Secretary received notifications of the total amount of claims submitted and a report showing how many submitted claims were reimbursed or rejected. However, the Superintendent did not ensure the Secretary reconciled Medicaid claims submitted with the reimbursements received and did not establish a process to review the rejected or disallowed claims in a timely manner to correct and resubmit claims when necessary. Due to the lack of oversight and established procedures, the District did not maximize Medicaid reimbursements.

As a result of the audit, the District has resubmitted 74 claims totaling \$5,301 and has received reimbursements for 41 additional claims totaling \$2,837, or \$1,419 in total revenue, as of the end of the audit period.

What Do We Recommend?

The Superintendent should ensure:

1. Procedures are established to ensure Medicaid claims are submitted in a timely manner and all documentation requirements are met to claim reimbursements for all eligible services.
2. Adequate oversight is provided over the Medicaid claiming and reimbursement process.
3. All eligible services are tracked in the system for reimbursement.
4. All providers are properly registered in eMedNY.

The Secretary should:

5. 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.
6. Review all the unclaimed services identified in this report and submit any eligible claims for reimbursement.

Appendix A: Eligible Service Claims Not Submitted or Reimbursed

Figure 2: Eligible Service Claims Not Submitted or Reimbursed

Type of Service	2019-20		2020-21		Totals	
	Number	Claim Amount	Number	Claim Amount	Number	Claim Amount
Speech Therapy	563	\$29,205	231	\$14,486	794	\$43,691
Occupational Therapy	171	7,352	121	3,712	292	11,064
Physical Therapy	132	6,056	41	1,752	173	7,808
Psychological Counseling	-	-	30	1,988	30	1,988
Skilled Nursing	-	-	76	703	76	703
Total	866	\$42,613	499	\$22,641	1,365	\$65,254^a

^a The District did not realize revenue totaling \$32,627 (50 percent of the Medicaid reimbursements).

Appendix B: Response From District Officials

Ogdensburg City School District

1100 State Street
Ogdensburg NY 13669



SUPERINTENDENT OF SCHOOLS

Kevin K. Kendall
(315) 393-0900 Ext. 31901
Fax (315) 393-2767

Medicaid Reimbursements Report of Examination
2022M-52

For each recommendation included in the audit report, the following is our corrective actions.

Audit Recommendations:

The Superintendent should ensure:

Recommendation #1

Procedures are established to ensure Medicaid claims are submitted in a timely manner and all documentation requirements are met to claim reimbursements for all eligible services.

Corrective Action: The timeline for all Medicaid submittals will be reviewed and verified by the Business Manager. The Business Manager will ensure that the duties are being carried out.

Recommendation #2

Adequate oversight is provided over the Medicaid claiming and reimbursement process.

Corrective Action: The Business Manager will have oversight over the process. The Superintendent's Secretary will forward the documentation of the claims submitted and reimbursements to be received to the Business Manager timely. The Business Manager will follow the calendar of timelines to be certain that the claims are being submitted regularly.

Recommendation #3

All eligible services are tracked in the system for reimbursement.

Corrective Action: The Director of Special Education will have oversight of this area. Special Education Clerical Staff will be assigned completion of parental consent, student information and all proper documentation, including prescriptions and transportation needs, all in accordance with the child's IEP. The Superintendent's Secretary will be responsible for the areas of session notes and reporting of anything that is missing to submit in the system.

Recommendation #4. All providers are properly registered in eMedNY.

Corrective Action: The Business Manager will have oversight of this area. The Superintendent's Secretary will be assigned this task and it will be reviewed by the Business Manager.

The Secretary should:

Recommendation #5

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 Superintendent's Secretary will upload the claims and track all that have been rejected or disallowed and determine whether they may be resubmitted. A copy of all documentation will be forwarded to the Business Manager for proper matching of reimbursements received to documentation that was submitted. The Business Manager will also oversee the timeline to ensure that claims are being uploaded timely and regularly.

Recommendation #6

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

Corrective Action: The Superintendent's Secretary will review and submit all past eligible claims and follow all steps set forth above.

The Business Manager will do all cost reporting. All procedures above will be put in place immediately. This procedure will be reviewed regularly and adjusted accordingly.



Kevin K. Kendall, Superintendent of Schools

6/9/22

OGDENSBURG CITY SCHOOL DISTRICT
OGDENSBURG, NEW YORK

SUBJECT: Board Acceptance of Corrective Action Plan for the Office of the State Comptroller Medicaid Audit 2022.

DATE: June 21, 2022

REASON FOR BOARD CONSIDERATION:

As required by the Office of the New York State Comptroller, The Board of Education must approve the corrective action plan of the district in response to the recommendations in the OSC Audit Report for 2022.

FACTS AND ANALYSIS:

The 2022 Audit has been completed by the Office of the State Comptroller. A formal response to the recommendations with a corrective action plan to address the recommendations, must be approved by the Ogdensburg Board of Education and submitted to the State by June 22, 2022.

RECOMMENDED ACTION:

Moved by _____ and supported by _____, that having the recommendation of the Superintendent of Schools, the Board of Education of the Ogdensburg City School District does hereby approve the corrective action plan to be submitted to OSC on this 21st day of June, 2022.

APPROVED FOR PRESENTATION TO THE BOARD:

Superintendent

KKK/kb

Appendix C: Audit Methodology and Standards

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

- We interviewed District officials and service providers 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 20 eligible students in 2019-20 and 29 eligible students in 2020-21. 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. For 2020-21, we reviewed records of services provided to all 29 students to determine whether claims were submitted to Medicaid and reimbursed for all eligible services provided to these students. We also reviewed related session notes in the system for these students to determine whether scheduled services were documented as being provided throughout the service period specified in the students' IEPs.
- We reviewed reports of claims submitted between July 1, 2019 and September 30, 2021 to determine the frequency and timeliness of claims submitted.

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

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

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

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

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

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

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

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