



# Bedford Central School District

---

## Medicaid Reimbursement

2025M-43 | August 2025

# Contents

**Audit Results . . . . . 1**

    Audit Summary . . . . . 1

**Medicaid Claims Reimbursement Findings and Recommendations . . . . . 3**

    Finding 1 – The Board and District officials did not claim Medicaid  
    reimbursements for eligible services or develop written policies and procedures.. . . . 3

    Recommendations . . . . . 5

**Appendix A: Profile, Criteria and Resources. . . . . 6**

**Appendix B: Eligible Service Claims Not Submitted for Medicaid Reimbursement. . . . 8**

**Appendix C: Response From District Officials. . . . . 9**

**Appendix D: OSC’s Comments on the District’s Response. . . . . 11**

**Appendix E: Audit Methodology and Standards. . . . . 12**

# Audit Results

## Bedford Central School District



### Audit Objective

### Audit Period

Did the Bedford Central School District (District) officials claim all Medicaid reimbursements to which the District was entitled?

July 1, 2022 – June 30, 2024

### Understanding the Program

The District is governed by a seven-member Board of Education (Board) that is responsible for the oversight and general management of financial and educational affairs, including adopting policies.

The Assistant Superintendent for Business (Assistant Superintendent) is responsible for overseeing the District's budget preparation, including appropriations for special education services. The Director of Special Education (Director) oversees the special education department, including developing and implementing Individual Education Plans (IEPs)<sup>1</sup> for students enrolled in special education programs.

The District's 2023-24 special education budgeted appropriations totaled \$18.5 million for therapeutic services such as physical, speech and occupational therapy provided to 658 students with IEPs, 110 of which received services eligible for Medicaid reimbursement. The New York State Education Department (NYSED) and New York State Department of Health (DOH) jointly established the School Supportive Health Services Program (SSHSP) to help school districts (districts) obtain Medicaid reimbursement for certain diagnostic and health support services provided to eligible students. The State's share of Medicaid reimbursements received by a district is generally 50 percent, which is collected by deducting this amount from a district's future State aid payment.

## Audit Summary

According to a District official, the District has never filed claims for Medicaid reimbursement. Although the District provided 2,379 services to students with IEPs that were eligible for Medicaid reimbursement

<sup>1</sup> The IEP is the cornerstone of the special education process for each individual student with a disability. Each student with a disability must have an IEP in effect by the beginning of each school year. An IEP identifies a student's unique needs and how the school will strategically address those needs, including how the school's special education resources will be configured to meet the students with disabilities' needs at that school.

---

totaling \$1.1 million throughout the two-year audit period, District officials did not submit any claims for reimbursement and as a result, forfeited the District's share of reimbursement totaling approximately \$566,000.

The Board did not adopt written policies for Medicaid billing and officials did not establish Medicaid reimbursement filing procedures, including:

- Assigning responsibilities to District officials for specific activities (e.g., obtaining written orders/referrals documenting the necessity of services and submitting Medicaid claims for reimbursement for services provided to eligible students).
- Annually mailing consent-to-bill forms.
- Requiring providers to log session notes.
- Using the District's IEP software subscription.

The report includes four recommendations that, if implemented, will improve the District's Medicaid claim process. District officials disagreed with certain aspects of our findings but indicated they planned to initiate corrective action. Appendix D includes our comments on issues raised in the District's response letter.

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and Office of the State Comptroller's (OSC) authority as set forth in Article 3 of the New York State General Municipal Law (GML). Our methodology and standards are included in Appendix E.

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 GML, Section 2116-a (3)(c) of the 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.

# Medicaid Claims Reimbursement Findings and Recommendations

A district board of education (board) should adopt policies and district officials should develop procedures that provide guidance for properly documenting eligible services rendered as well as procedures for submitting eligible services to Medicaid for reimbursement. Officials should develop an effective system for claiming Medicaid reimbursements to help ensure a district receives all entitled Medicaid reimbursements.

More details on the criteria used in this report, and resources/publications we make available to officials that can help officials improve operations (Figure 2), are included in Appendix A.

## Finding 1 – The Board and District officials did not claim Medicaid reimbursements for eligible services or develop written policies and procedures.

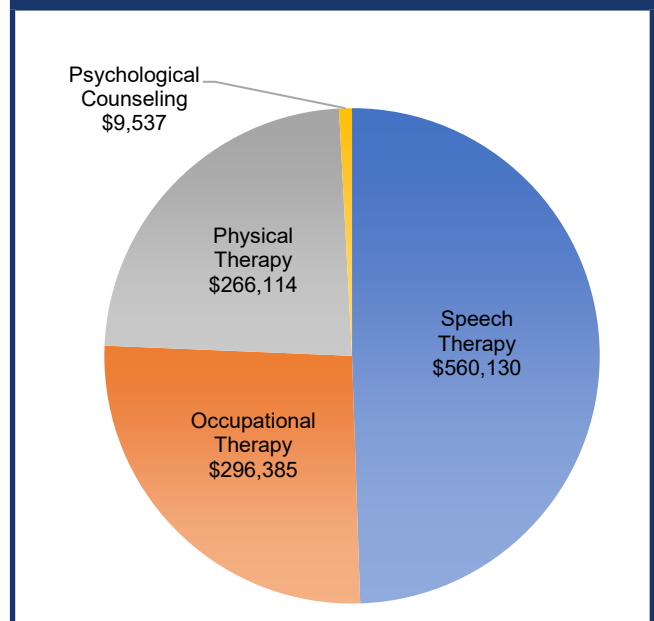
While the District is not required to claim Medicaid reimbursement for services provided to Medicaid-eligible students, doing so can help offset the District's costs of providing the services. District officials did not submit any claims for Medicaid reimbursement totaling approximately \$1.1 million during the 2022-23 through 2023-24 fiscal years (Figure 1). Had District officials submitted these claims, the District could have realized \$566,083 (50 percent) more revenue from provided Medicaid-eligible services.

Appendix B contains a comprehensive table showing services and evaluations that District officials did not claim for reimbursement.

The Board did not adopt any written policies to provide direct instructions for Medicaid billing and officials did not establish Medicaid reimbursement filing procedures, including:

- Assigning responsibilities to District officials for specific activities (e.g., obtaining written orders/referrals documenting the necessity of services and submitting Medicaid claims for reimbursement for services provided to eligible students).
- Annually mailing consent-to-bill forms.
- Accurately logging session notes within the District's billing software.
- Identifying services eligible for Medicaid reimbursement.

**FIGURE 1: Medicaid-Eligible Services Not Claimed or Reimbursed**



---

For example, District officials did not establish procedures for obtaining parental consent needed to claim for reimbursement of services provided to Medicaid-eligible students for whom the District officials developed an IEP. To submit for eligible services, District officials must 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 services' medical necessity before initiating services and documenting that the services were provided.

Due to the lack of policy and procedures, the Director and staff could not determine which special education students who received eligible services were actually eligible to receive Medicaid reimbursement. To determine which students received services that could be eligible for Medicaid reimbursement during the audit period, we compared the District Medicaid eligibility lists to the District's lists of students who received eligible services (i.e., speech, occupational or physical therapy, psychological counseling and evaluations). We identified 110 students who were eligible to receive Medicaid services and who received 2,261 eligible services and 118 evaluations.

In addition, the Director did not have procedures in place for providers to document session notes (see Appendix A for details). Session notes must be completed by all qualified providers for each Medicaid-eligible service delivered. We requested session notes for four students and the service providers told us that they maintained attendance logs, but not session notes. We reviewed the attendance logs and noted that services among the four providers were not logged as required by the Medicaid handbook.<sup>2</sup> We interviewed three providers who told us that the District did not require them to maintain session notes. Instead, an attendance record is kept on the daily services provided and students' progress is documented in quarterly progress notes.

We further determined that the software the District uses to track student IEPs has the capability to generate parental consent forms to bill Medicaid as well as modules installed to maintain session notes and to assist with submitting claims for reimbursement. Prior to our audit, the Director and staff were unaware of these features; and therefore, the software was not fully used.

The Director, who worked with the special education department in different capacities for the past 10 years, told us that the District never filed claims for Medicaid reimbursement. Further, the Assistant Superintendent indicated that the District prepared a cost analysis to determine whether submitting for Medicaid reimbursement was financially beneficial and issued a request for proposals (RFP) for Medicaid reimbursement billing. However, the Assistant Superintendent did not provide us with a cost analysis and only provided an RFP draft copy, with no vendor responses.

Because the Board and officials did not develop written policies and procedures to provide specific directions for submitting claims for Medicaid reimbursement, including assigning responsibilities, identifying Medicaid-eligible students and requesting parental consent to bill Medicare, and requiring providers to do session notes, officials missed an opportunity for the District to realize additional revenues of up to \$566,083, which would have benefited District operations and potentially reduced the financial burden for District taxpayers.

---

<sup>2</sup> The Preschool/SSHSP Medicaid Provider Policy and Billing Handbook is a resource provided by NYSED and DOH designed to provide information and guidance to those who coordinate and deliver related services and/or other special education programs and services to children with disabilities in the school districts and counties who participate in the NYS Medicaid Program.

---

## Recommendations

---

1. The Board and District officials should consider filing for Medicaid reimbursement to help offset the costs of providing services to eligible students.
2. The Board and District officials should establish written policies and procedures for filing Medicaid reimbursements, including identifying Medicaid-eligible students and obtaining parental consent forms, and assigning responsibilities to specific individuals.
3. District officials should familiarize themselves with the Medicaid handbook and seek training for staff responsible for Medicaid billing activities to understand the procedures required to submit claims for reimbursement.
4. The Director should require employees to maintain complete session notes showing services provided to special education students, as required for Medicaid reimbursement.

# Appendix A: Profile, Criteria and Resources

---

## Profile

---

The District serves the Towns of Bedford, Mount Kisco, New Castle, North Castle and Pound Ridge in Westchester County. The District is governed by the seven-member Board that is responsible for general management and financial and educational affairs.

The Superintendent of Schools is the chief executive officer and is responsible, along with other administrative staff, for the District's day-to-day management. The Director oversees the special education department, including the development and implementation of IEPs for students enrolled in special education programs. During 2023-24, approximately 3,534 students were enrolled in the District's seven school buildings. The 2023-24 special education budget appropriations totaled \$18.5 million with 658 students with an IEP.

## Criteria – Medicaid Reimbursement

---

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. Services eligible for Medicaid reimbursement include, but are not limited to, physical, occupational, and speech therapies, psychological counseling, skilled nursing, and special transportation. Districts then receive Medicaid reimbursements for approved claims.

District officials should develop an effective system for claiming Medicaid reimbursements to help ensure that a district receives all Medicaid reimbursements to which it is entitled. Officials should clearly assign responsibilities for specific activities to ensure each participant understands the overall objectives and their role. In addition, a board and district officials should develop written policies and procedures to ensure that all claim reimbursement documentation requirements are met.

To submit Medicaid services claims for reimbursement, officials must obtain parental consent to use their child's Medicaid client identification number, and before initiating services, obtain a written order or referral (prescription) from a qualified provider documenting the services' medical necessity and documenting 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 students' IEP and properly documented as close to the service's conclusion as practicable. All qualified providers must complete session notes 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. The District does not use any consultants as providers; all eligible services were provided by District employees.

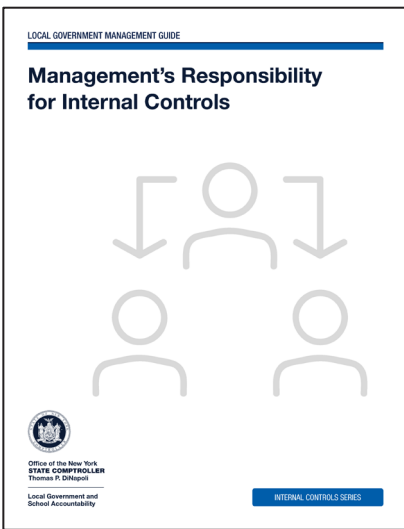
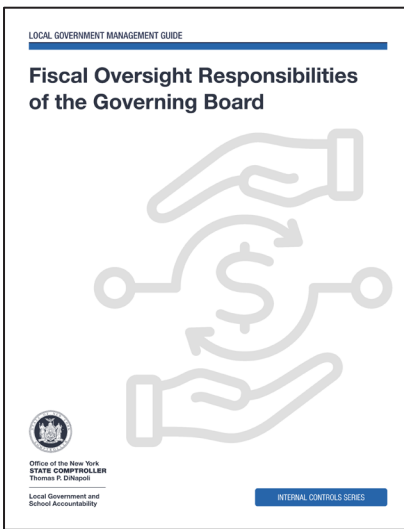
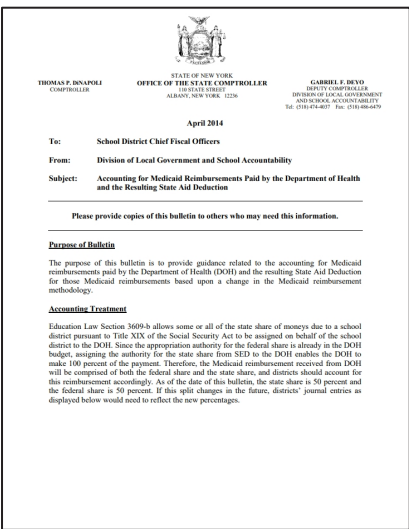


## Additional Medicaid Reimbursement Resources

1. Provider Policy and Billing Handbook, <https://www.oms.nysed.gov/medicaid/handbook/>
2. Yearly Medicaid Alerts, [https://www.oms.nysed.gov/medicaid/medicaid\\_alerts/](https://www.oms.nysed.gov/medicaid/medicaid_alerts/)

**FIGURE 2: OSC Publications**

OSC *Local Government Management Guides* and other information resources are available on our website to help officials understand and perform their responsibilities:

<b>Management's Responsibility for Internal Controls</b>	<b>Fiscal Oversight Responsibilities of the Governing Board</b>	<b>OSC's Accounting for Medicaid Reimbursement Memo</b>
 <p><a href="https://www.osc.ny.gov/files/local-government/publications/pdf/managements-responsibility-for-internal-controls.pdf">https://www.osc.ny.gov/files/local-government/publications/pdf/managements-responsibility-for-internal-controls.pdf</a></p>	 <p><a href="https://www.osc.state.ny.us/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf">https://www.osc.state.ny.us/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf</a></p>	 <p><a href="https://www.osc.ny.gov/files/local-government/publications/pdf/MedicaidReimbursements0414.pdf">https://www.osc.ny.gov/files/local-government/publications/pdf/MedicaidReimbursements0414.pdf</a></p>

In addition, our website can be used to search for audits, resources, publications and training for officials: <https://www.osc.ny.gov/local-government>.

# Appendix B: Eligible Service Claims Not Submitted for Medicaid Reimbursement

Figure 3: Eligible Service Claims Not Submitted for Medicaid Reimbursement

Types of Services	Number of Services	Estimated Eligible Services	Number of Evaluations	Estimated Eligible Evaluations	Total Number	Total Eligible Services
Speech Therapy	1,182	\$555,205	38	\$4,926	1,220	\$560,131
Occupational Therapy	517	\$294,290	23	\$2,095	540	\$296,385
Physical Therapy	560	\$265,073	13	\$1,040	573	\$266,113
Psychological Counseling	2	\$4,877	44	\$4,660	46	\$9,537
<b>Totals</b>	<b>2,261</b>	<b>\$1,119,445</b>	<b>118</b>	<b>\$12,721</b>	<b>2,379</b>	<b>\$1,132,166</b>

# Appendix C: Response From District Officials

---



**BEDFORD CENTRAL SCHOOL DISTRICT**  
*Inspiring and Challenging Our Students*

Dr. Robert Glass  
Superintendent of Schools  
rglass5100@bcsdny.org



---

July 24, 2025

Mr. James L. Latainer  
Chief of Municipal Audits, Newburgh Regional Office  
Local Government and School Accountability  
33 Airport Center Drive,  
Suite 102  
New Windsor, New York 12553

Dear Mr. Latainer:

The Bedford Central School District (BCSD) is pleased to provide this response to the Audit Results provided by your office on June 24, 2025 covering the audit period from July 1, 2022 through June 30, 2024.

I would like to begin by thanking you and your team for working with BCSD district officials in a thorough and professional manner throughout this process, and for meeting with us at key points in the process prior to issuance of the final report. Your team was courteous, thorough and responsive. The District appreciates the comprehensive review of the District's financial operations that did not find fraud or malfeasance, and that was in compliance with appropriate auditing standards, protocols, processes and procedures. However, the Audit did identify an issue with Medicaid reimbursement.

See  
Note 1  
Page 11

The District agrees with the Audit Finding given the construction of the Audit Objective which focused exclusively on whether District officials claimed "all Medicaid reimbursements to which the District was entitled". Embedded within the wording of this question is the assumption that all districts *should* claim Medicaid Reimbursements and that all Boards of Education *should* have policies and procedures for doing so. However, as noted in the Audit Findings, Medicaid reimbursement is not a requirement, inviting one to wonder whether its optionality relates to the variability of the financial benefit to a given district at a given time.

The BCSD administration had considered at various points between 2014 and 2023 the expected net return for Medicaid billing and made recommendations to the Board of Education, in some cases working with third party companies who assist with the process and assessment. In March 2019 Board of Education Minutes indicate that the Board intentionally decided not to pursue Medicaid reimbursement based on its review of the analysis at that time. The topic of Medicaid billing was again visited and not moved forward in 2022-23 under new leadership in the Business and Special Education offices. The District has consistently recognized that moving forward with Medicaid reimbursement requires confidence that anticipated revenues will exceed any frontloaded commitment of overhead, including collective bargaining implications, additional responsibilities of service providers, administrative personnel to do the accounting of information and processing of billing to Medicaid for reimbursement, training costs. In addition, it is highly unlikely, even with diligent attention and effort, that the Medicaid reimbursements will yield

See  
Note 2  
Page 11

---

Fox Lane Campus  
P.O. Box 180  
Mt. Kisco, New York 10549

---

anywhere near the estimated reimbursement amounts set forth in the report. None of these considerations and costs are recognized in the calculus provided by the Audit Report. Any movement forward without substantial confidence in the value proposition would be putting community taxpayer resources at risk.

Because the premise embedded within the construction of the Audit Objective naturally leads to the Finding that “the Board and District officials did not claim Medicaid reimbursements for eligible services or develop written policies or procedures,” one could assume that revenue was lost to the District because District personnel somehow failed to simply follow an established Medicaid billing process. We feel it important to state that the District consciously decided not to claim Medicaid reimbursements in order to avoid any situation in which the overhead commitment might exceed anticipated revenues. Accordingly, no system for Medicaid billing was established, and we therefore do not believe there was personnel or policy failure within the District.

With regard to the estimated dollar value of Medicaid eligible services and evaluation, we feel compelled to note that the number indicated over the two-year period is a gross number. As stated above, costs for additional personnel and administrative overhead, either third party or employee-based, are commonly required to complete the Medicaid billing process and were not factored into the Audit Finding to produce a net number.

The District appreciates that the Audit Findings point to a one-year tripling in estimated reimbursable amounts between 2022-23 (\$281,167) and 2023-24 (\$850,999). This unanticipated and surprisingly rapid jump suggests that while earlier assessments did not net significant revenue estimates after factoring in added costs, perhaps the more recent landscape has changed the value proposition. The District values the Comptroller’s partnership in finding the opportunities in the referenced years and supports the premise that the District should take another look at Medicaid reimbursement to benefit District operations while potentially reducing the burden to District taxpayers.

On behalf of the BCSD administrative team and Board of Education, please accept my sincere gratitude for your partnership in the Audit process to provide a data-driven approach that helps ensure the efficient use of precious taxpayer funds. We always look for ways to improve our financial operations. We appreciate your team’s approach in working with us and we look forward to submitting for your consideration our Corrective Action Plan (CAP) within the next 90 days.

Please feel free to reach out with any additional questions that may arise going forward, as we remain at your service.

Sincerely,

Robert J. Glass, PhD  
Superintendent, Bedford Central School District

# Appendix D: OSC's Comments on the District's Response

---

## Note 1

The audit objective focused on Medicaid reimbursements. The audit team assessed the risk of fraud occurring that is significant within the context of this audit objective, as required by generally accepted government auditing standards (GAGAS). Therefore, these audit results cannot be used to conclude there is no fraud, theft or professional misconduct in the District's operations.

## Note 2

While District officials indicated a cost benefit analysis was performed to determine the feasibility of Medicaid reimbursement submissions, officials were unable to support this statement during the audit and did not provide a cost benefit analysis with the District's official response to the audit.

# Appendix E: Audit Methodology and Standards

---

We obtained an understanding of internal controls that we deemed significant within the context of the audit objective(s) and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective(s) and obtain valid audit evidence, included the following:

- We interviewed District officials to gain an understanding of the policies and procedures related to claiming Medicaid reimbursements.
- We interviewed service providers to gain an understanding of how services provided to special education students were documented.
- Because the District had no method to determine which students were Medicaid-eligible, we compared a list of students who received eligible services (i.e., speech, occupational, or physical therapy) based on their IEPs to Medicaid eligibility lists and identified 110 students who received services that could be eligible for reimbursement.
- We compared the 110 students who were eligible to receive Medicaid services to the list of students that received related evaluations during the period and identified 118 evaluations that were performed.
- We reviewed 158 IEPs associated with 110 students for years 2022-23 through 2023-24 to determine the number of services provided by each service provider and applied the appropriate billing code based upon the students' needs (goals) stated within the IEPs to calculate the estimated amount reimbursable.
  - For 2022-23, 65 students received 546 eligible services and 51 evaluations, totaling \$275,702, and \$5,465 respectively.
  - For 2023-24, 93 students received 1,715 eligible services and 67 evaluations, totaling \$843,743 and \$7,256 respectively.

We conducted this performance audit in accordance with 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(s). We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective(s).

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 relevant population size and the sample selected for examination.

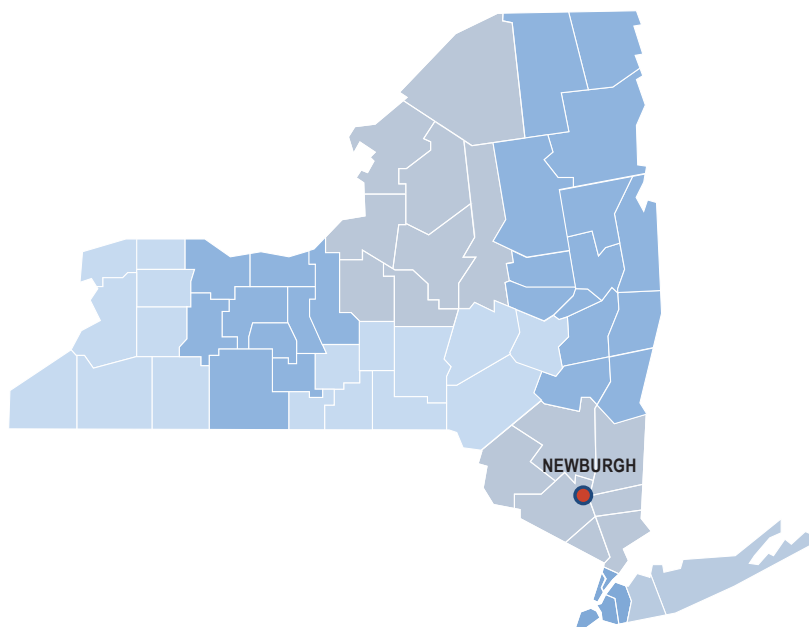
## Contact

**NEWBURGH REGIONAL OFFICE** – James L. Latainer, Chief of Municipal Audits

33 Airport Center Drive, Suite 102 • New Windsor, New York 12553-4725

Tel (845) 567-0858 • Fax (845) 567-0080 • Email: [Muni-Newburgh@osc.ny.gov](mailto:Muni-Newburgh@osc.ny.gov)

Serving: Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, Westchester counties



Office of the New York State Comptroller  
Division of Local Government and School Accountability  
110 State Street, 12th Floor, Albany, New York 12236

Tel: (518) 474-4037 • Fax: (518) 486-6479 • Email: [localgov@osc.ny.gov](mailto:localgov@osc.ny.gov)

<https://www.osc.ny.gov/local-government>

Local Government and School Accountability Help Line: (866) 321-8503