

**BALTIMORE COUNTY PUBLIC SCHOOLS**

**DATE:** December 4, 2007

**TO:** **BOARD OF EDUCATION**

**FROM:** Dr. Joe A. Hairston, Superintendent

**SUBJECT:** **THIRD PARTY BILLING ANNUAL REPORT – 2006-2007**

**ORIGINATOR:** J. Robert Haines, Deputy Superintendent

**RESOURCE  
PERSON(S):** Barbara Burnopp, Chief Financial Officer

**INFORMATION**

The attached is an update on the Office of Third Party Billing for the 2006 –2007 school year. Information provided includes a historical overview, major accomplishments, revenues and expenses, training reports, and next steps for the Third Party Billing Program.

Attachment I – Third Party Billing Annual Report Executive Summary  
Attachment II – Third Party Billing Annual Report 2006-2007

## Third Party Billing Executive Summary

The Third Party Billing Program commenced in the spring of 1992 as a collaborative effort between Baltimore County Public Schools (BCPS) and the Baltimore County Department of Health (BCDH). The Third Party Billing Program is a systemwide effort of BCPS designed to recover health care costs from Medicaid for health care services rendered to BCPS students.

Funds recovered from the Third Party Billing Program supplement existing program budgets by funding staff positions and supplies and equipment for several programs designed to enhance special education and health-related services.

The Office of Third Party Billing provides annual school-based training sessions to all service providers, offers incentive programs for schools designed to maximize the recovery of funds, conducts self-monitoring of the program to minimize audit findings, coordinates state monitoring visits conducted by the state health department and the Maryland State Department of Education (MSDE), coordinates visits by external Medicaid auditors (OIG), and works collaboratively with other LEAs and MSDE on statewide issues that impact the Third Party Billing Program.

Since 2000, the Medicaid program has undergone several changes at the federal and state levels. Since fiscal year 2004, BCPS has seen a reduction in revenue that we are working to stabilize. Detailed below are some of the factors that have caused a decrease in the revenue generated by the Third Party Billing Program:

1. Related service consent

The Third Party Billing Registration Form was amended to include the parental consent for related services. Each form must be signed and completed by the parent annually before BCPS can bill for related services.

2. Shrinking base of students

The Office of Third Party Billing recorded a loss of 65 students due to students graduating and leaving the system and fewer elementary school students becoming Medicaid-eligible.

3. Rate changes

The MSDE, in conjunction with the Department of Health and Mental Hygiene, has decreased billing rates for services provided. The rates have decreased from \$82 to \$45 per service. The state felt that this action was prudent based upon the audit of the Office of the Inspector General of the United States from 2005.

In order to address the revenue reduction, the superintendent will likely request that funds be moved into the operating budget for fiscal year 2009. The movement of these positions from the Third Party Billing budget to the operating budget may be necessary to maintain the same level of services delivered to students.



**Division of Business Services  
Department of Fiscal Services  
Office of Third Party Billing**

**Annual Report  
July 2006 – June 2007**



**SUPPORTING  
STUDENT ACHIEVEMENT  
THROUGH THE GENERATION  
OF ADDITIONAL REVENUE**

## **Mission Statement**

In accordance with the Baltimore County Public Schools' *Blueprint for Progress* Performance Goal 8, the Office of Third Party Billing is dedicated to strengthening and expanding special education and health related services for students in Baltimore County Public Schools (BCPS) through the reimbursement of funds collected from Medicaid and other third party payors.

### **Key Goals and Objectives for the Office of Third Party Billing**

- Educate school-based staff to identify and document services provided to Medicaid-eligible special education students who receive speech, occupational therapy, physical therapy, psychological, nursing, social work, audiological, transportation, and case management services in the BCPS.
- Provide quality technical assistance and training to school-based staff for successful implementation of the Third Party Billing Program at each school.
- Provide quality fiscal management for all funds generated through the Third Party Billing Program to ensure compliance with the requirements of the Maryland State Department of Health and Mental Hygiene (DHMH) and federal regulations from the Centers for Medicaid and Medicare Services (CMS).
- Collaborate with the Offices of Special Education, Grant Accounting, Infants and Toddlers, Psychological Services, Health Services, School Social Work Services, and the Department of Technology, in order to ensure the accuracy, effectiveness, and efficiency of the program for all types of customers.
- Effectively monitor billings to Medicaid to ensure the integrity of the billing system, as well as the accuracy of the data collected.
- Review encounter data forms for accuracy, completeness, and compliance with federal and state regulations.
- Monitor data and provide timely feedback to schools regarding encounter data submitted.
- Continually assess the program in order to determine if the mission of the program is being met.
- Effectively bill Medicaid and other third party payors for services provided in school-based health centers.
- Effectively administer and monitor the effectiveness of the implementation of State of Maryland Autism Waiver Program.
- Increase stakeholder and customer awareness and understanding of the Third Party Billing program in an effort to maximize the collection of reimbursable funds.
- Conduct internal audits of encounter and billing data to ensure compliance with Medicaid regulations.
- Increase the research of rejected claims to maximize recovery of funds.

# **Baltimore County Public Schools Office of Third Party Billing**

## **Historical Overview**

In 1988, President Reagan signed into law Public Law 100-360, the Medicare Catastrophic Act.

While the law made sweeping changes to Medicare, it also allowed the billing of school-based health services to Medicaid.

Since 1992, BCPS Office of Third Party Billing Program has been working to recover health care costs from Medicaid for health care services rendered to BCPS students.

## **Office of Third Party Billing Facts 2006-2007 School Year**

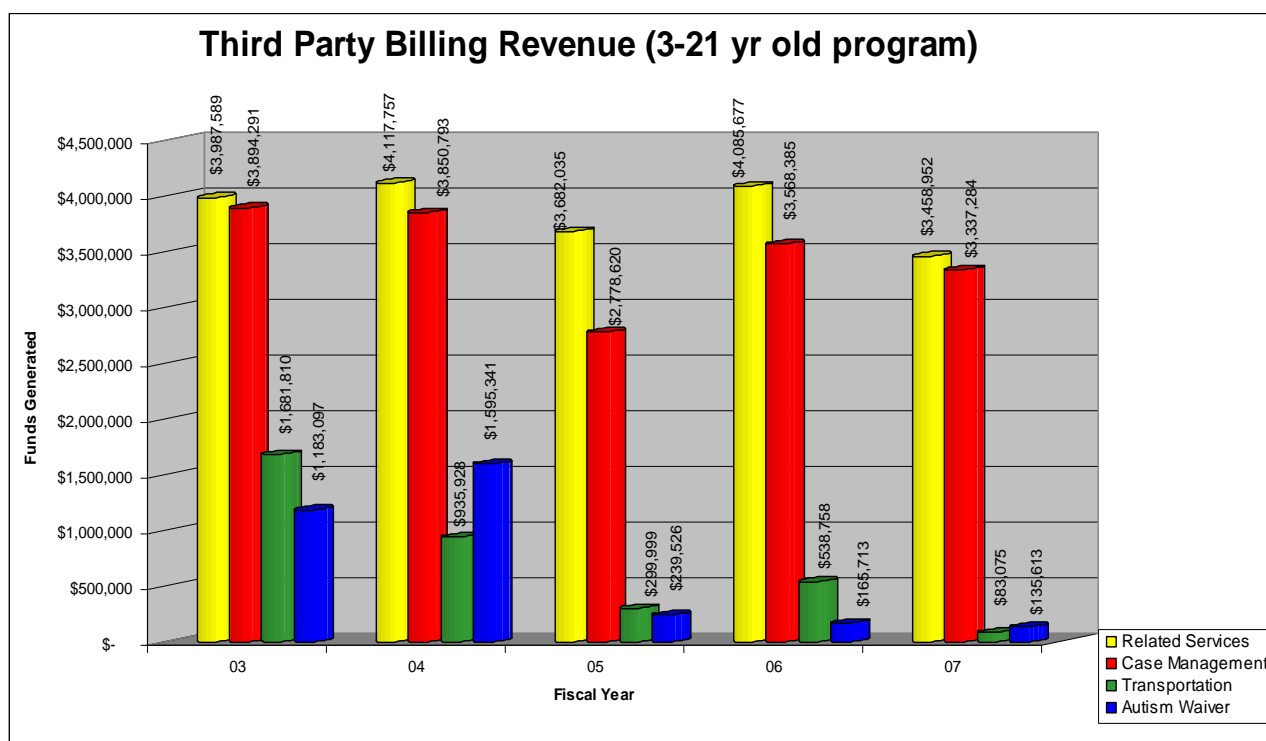
- Generated \$7.1 million in revenue for FY 2007 – the 2<sup>nd</sup> highest of all Maryland school systems
- 5,004 special education students (37% of total) qualified for third party billing
- 5% of the total BCPS student population qualified for the Third Party Billing Program



## Third Party Billing Program Revenue

Over the past three years, third party billing revenue has decreased. This is due to many factors including a decrease in students who are eligible for the program, new federal and state requirements for parental consent prior to the billing of services, and the efforts by regulatory agencies, to decrease billing rates for services.

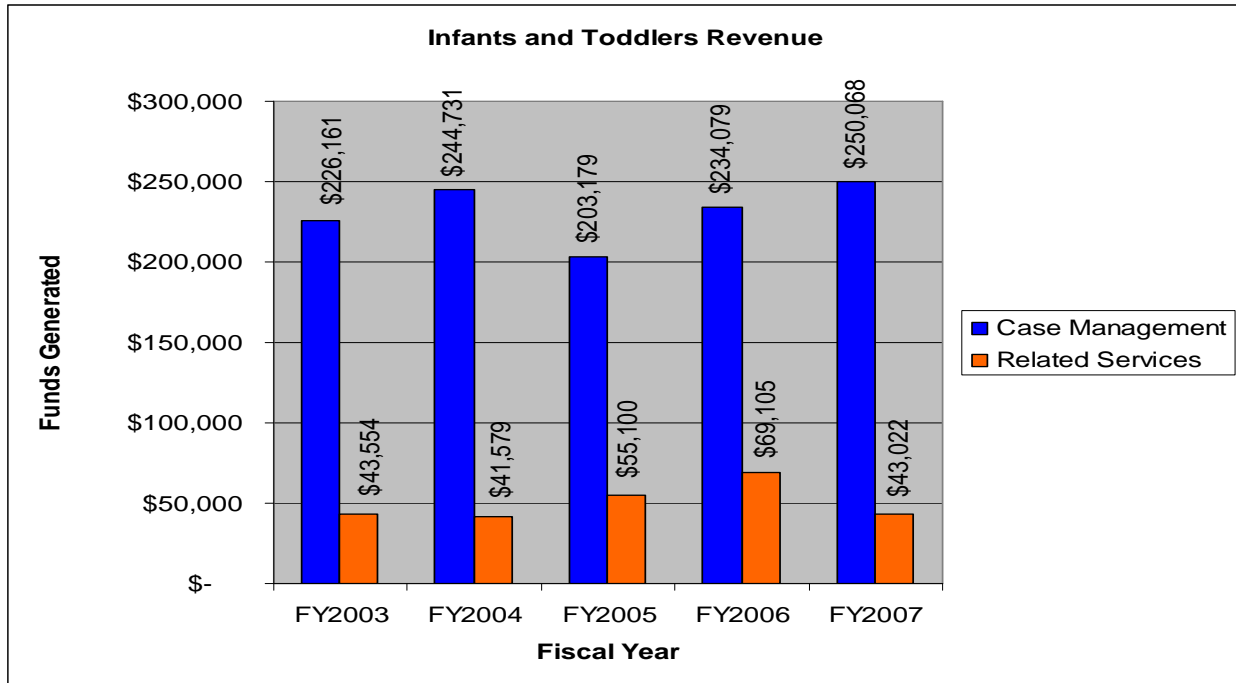
For fiscal year 2007, the Office of Third Party Billing generated a total of \$7,080,042 in revenue, including \$55,436 in school-based health center reimbursement.



## Infants and Toddlers Program

The Infants and Toddlers Program is a joint initiative between the BCPS and the Baltimore County Department of Health (BCDH) and serves children from birth through age three. The Infants and Toddlers Program serves approximately 940 children, 42% of whom meet the requirements for billing. BCPS handles all of the billing for the services provided. Over the past three years, the Infants and Toddlers Program revenue for case management services has increased due to the efforts of the quality assurance specialist who works with the Infants and

Toddlers' administrative secretary as they visit Infants and Toddlers sites to perform audits. In addition, during the past year, the Office of Third Party Billing has increased its productivity through updating its electronic technology and making technology available to all Infants and Toddlers sites and providers.



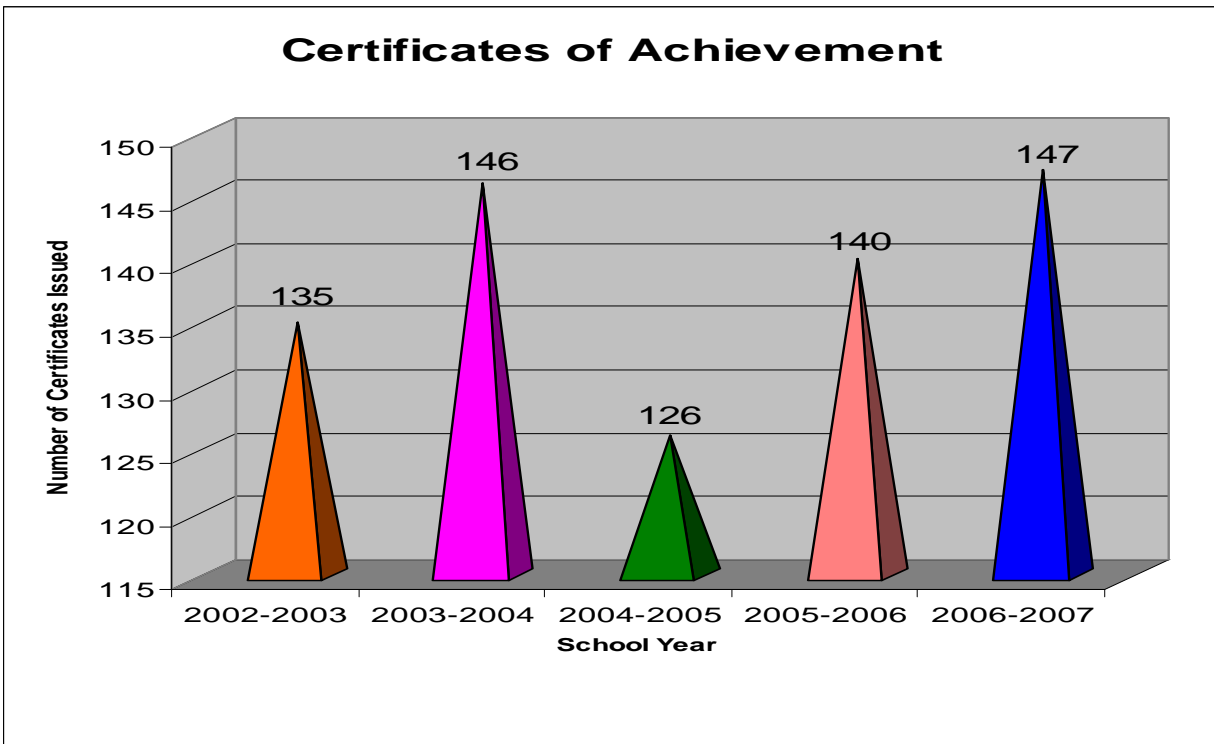
## Training

In direct support of the *Blueprint for Progress*, Indicator 8.4, the Office of Third Party Billing provides an array of training sessions to BCPS employees. These sessions include related service provider training sessions, Individualized Education Program (IEP) chair training sessions, and school-based training sessions. During the 2006-2007 school year, the Office of Third Party Billing provided 114 School-based Case Management training sessions.

## Certificates of Achievement

In addition to the return of a portion of the case management funds to each school, the Certificate of Achievement is also an incentive for schools. Commenced in 1996, the Office of Third Party Billing produces a Certificate of Achievement for each school that submits 95% or more of its potential case management encounter data. The awards are presented to principals and are

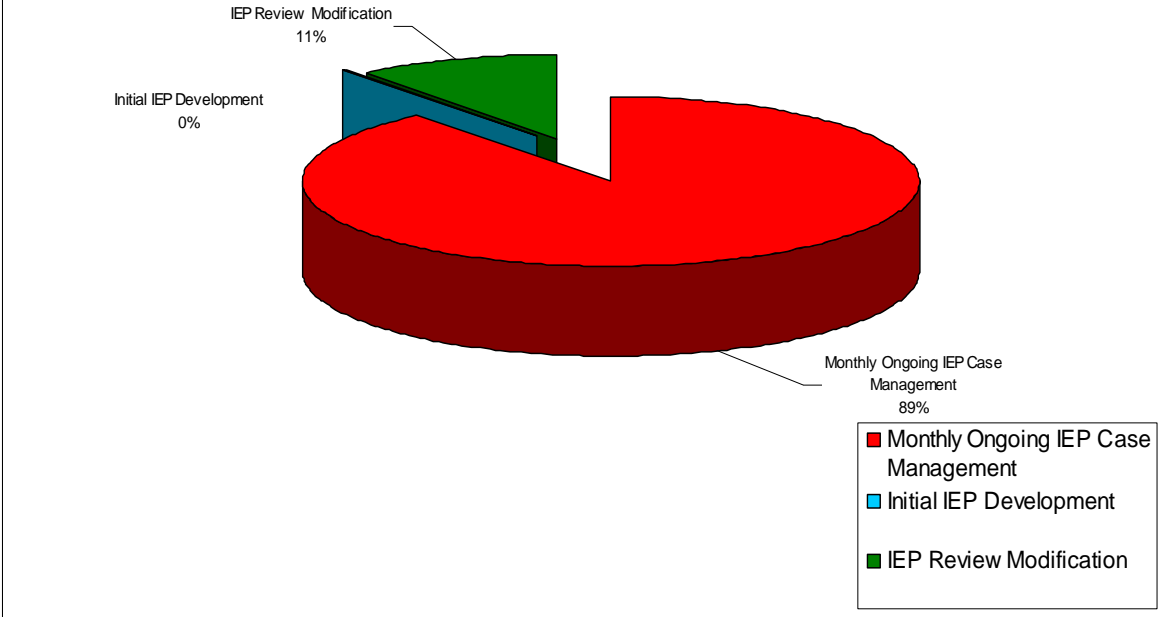
signed by the president of the Board of Education of Baltimore County and the superintendent of schools. Many of these awards are displayed in school lobbies and showcases.



### **Accountability**

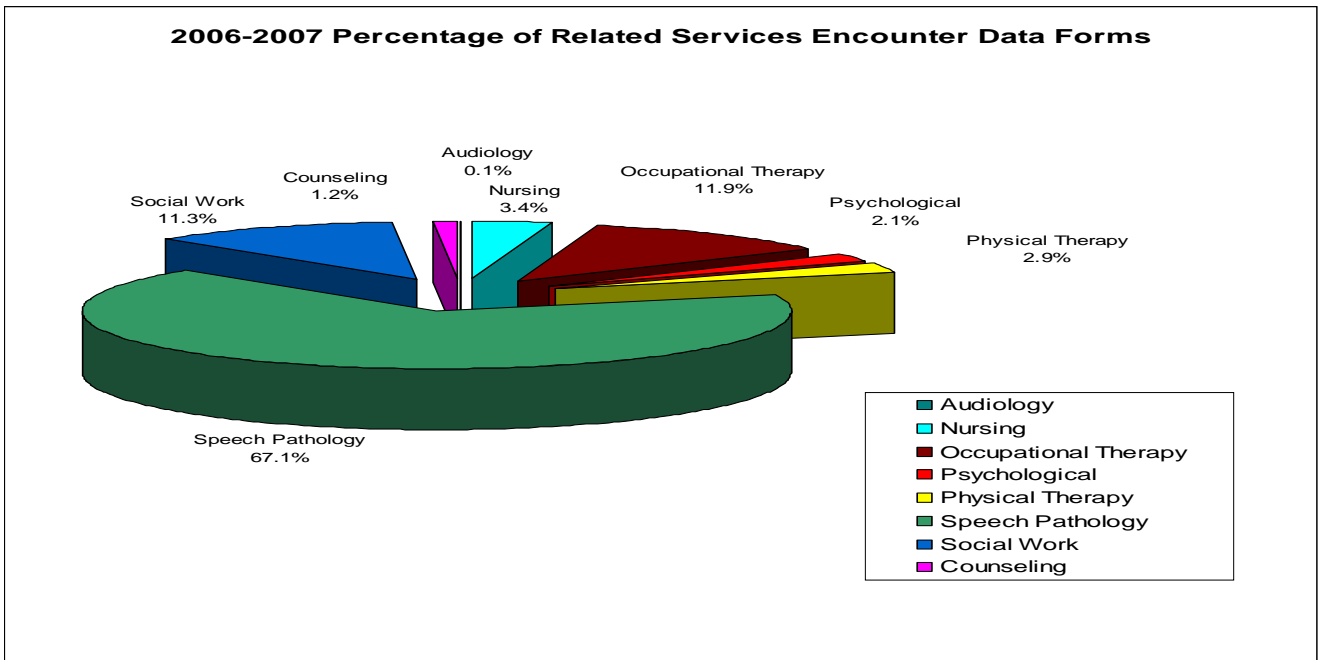
A major reason for the success of the Third Party Billing Program is accountability. To assist schools and related service office heads who are accountable for the submission of encounter data forms, the Office of Third Party Billing sends accountability reports on a bimonthly basis. This report shows each case management encounter data form submitted, and school-based staff can use this report as a receipt to ensure that all data were received and to determine what data have not been submitted. Typically, the dissemination of this information leads to a large increase in the encounter data submitted to the Office of Third Party Billing

### 2006-2007 Case Management Services Provided



The Office of Third Party Billing also produces reports on encounter data forms for all related services office heads. This report allows the office head to monitor the data submitted by the staff at each school. The use of real-time data as a monitoring tool is effective in holding staff accountable for documenting services rendered to special education Medicaid-eligible students.

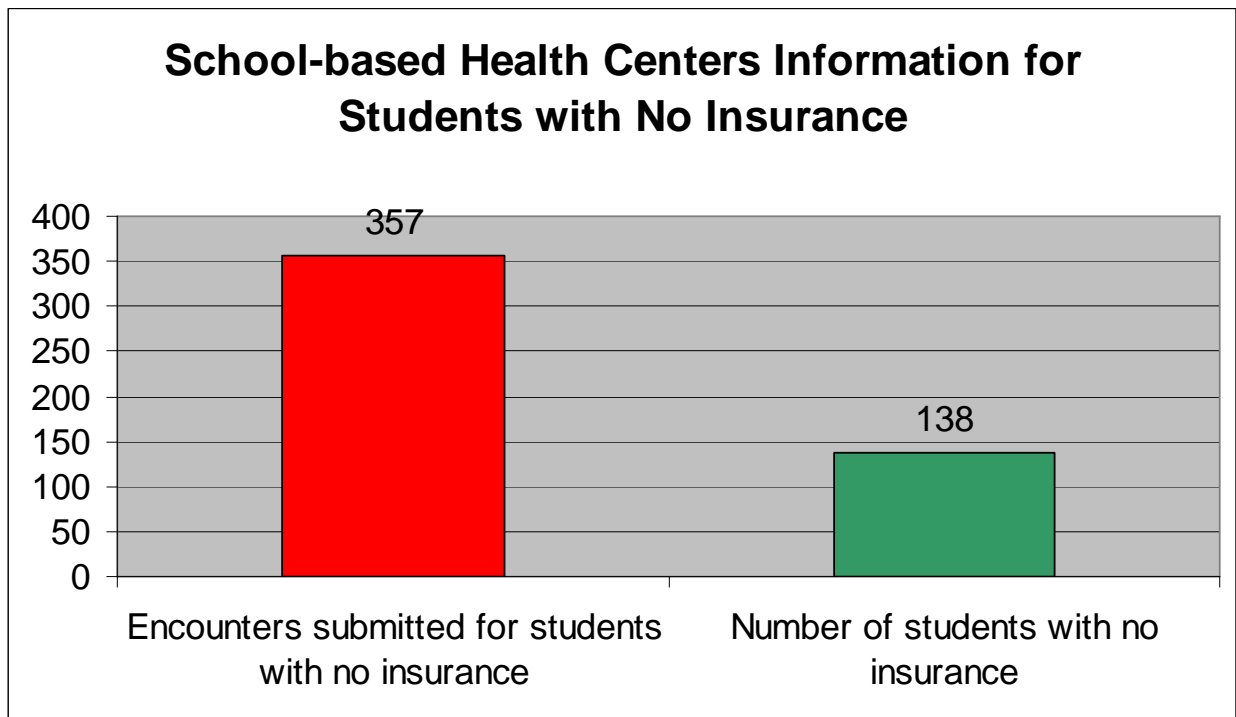
### 2006-2007 Percentage of Related Services Encounter Data Forms



## School-based Health Center Billing

The school-based health centers help to keep students who may have health-related issues in school. The centers are typically used by students who may not receive health care due to a multitude of barriers, including the lack of health care coverage, parents without adequate transportation, as well as parents who may have to lose time from work in order to take the student to the doctor.

Detailed below is a chart of the number of students who are enrolled in school-based health centers in Baltimore County, received at least one service, but have no Medical insurance. The lack of Medical coverage means that 357 services provided to BCPS students could not be reimbursed by Medicaid or private insurers.



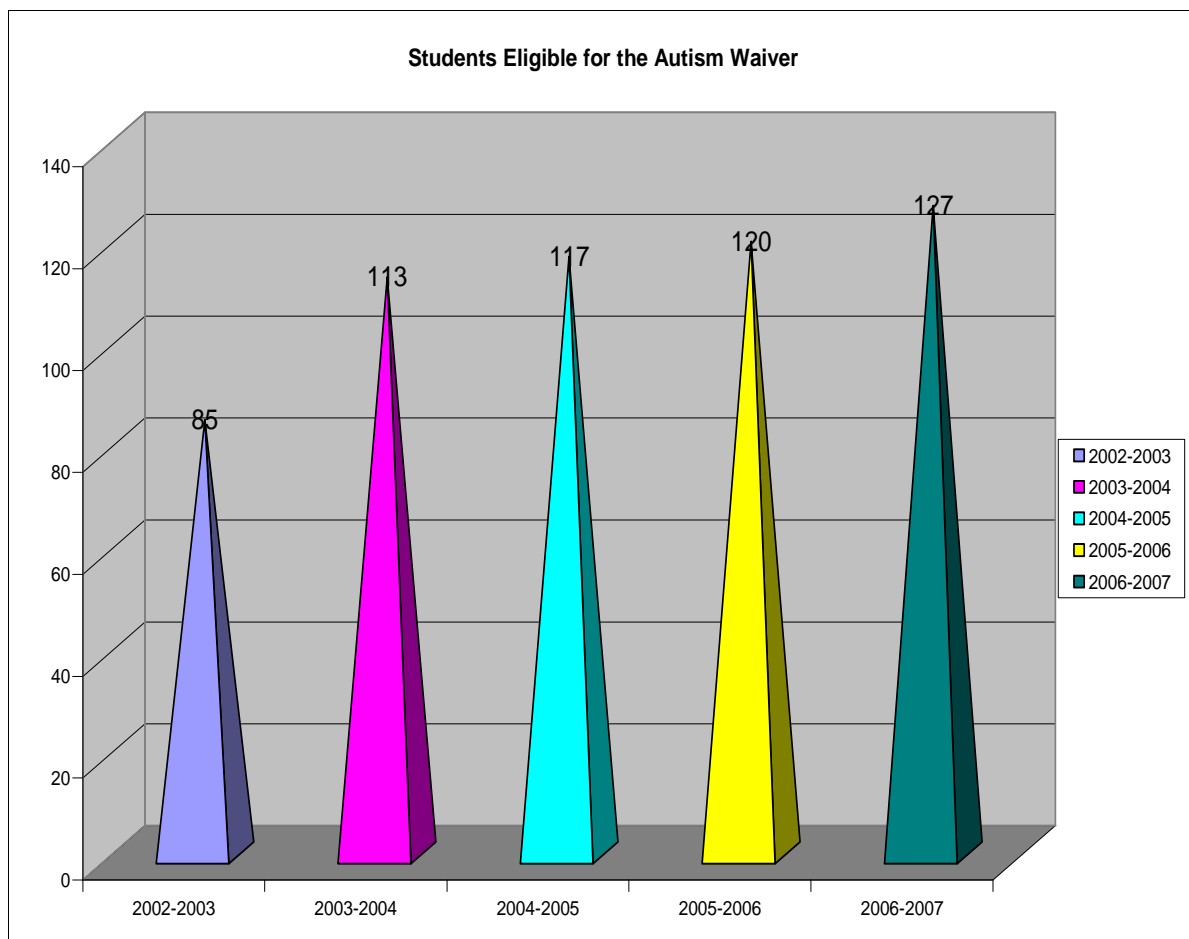
BCPS has been providing and billing for school-based health center services since 1995. BCPS bills private insurance companies and Medicaid annually for school-based health center services provided in the fourteen (14) sites.

## Medicaid Home and Community-based Autism Waiver Program

The Medicaid Home and Community-based Autism Waiver Program is a medical assistance program that was developed as a joint effort between the MSDE and DHMH in order to offer support at home and in the community to this extremely challenging population.

Initially, this program offered services including day habilitation, intensive individual support services, respite care, environmental accessibility adaptations, family training, and residential habilitation. Eligibility for waiver services is determined by technical, financial, and medical criteria, and openings have been filled on a first-come, first-served basis. Originally begun with only 150 openings, the waiver program currently has over 900 participants statewide. There are no plans at this time for increasing the state cap. Openings only become available when a child reaches the age of 21, moves out of the state, or no longer meets eligibility requirements.

Baltimore County has the highest number of children on the autism waiver waiting list.



## **Conclusion**

The Office of Third Party Billing is charged with generating additional revenue for the school system for special education students who have Medical Assistance. Over the years, federal and state governments have changed the process and mechanisms for billing, reducing revenues collected. In BCPS, the revenue from this program is used to support and enhance special education and health-related services through the following:

- 54 special education teachers
- 23 health assistants
- 21 paraeducators
- 11 school social workers
- 6 psychologists
- Office of Third Party Billing staff
- Supplies, materials, and equipment for schools

While the revenue from this program is decreasing, the funding is still a viable source for BCPS.

The Office of Third Party Billing will continue to work with schools and offices in order to determine ways to sustain and enhance this revenue source.