

Baltimore County Public Schools

Office of Third Party Billing

Annual Report

2002-2003 School Year

**Report Composed by:
Charles Tyler, Fiscal Supervisor
Office of Third Party Billing
January 2004**

BALTIMORE COUNTY PUBLIC SCHOOLS

**Division of Business Services
Department of Fiscal Services**

**Office of Third Party Billing
Charles Tyler, Jr., Fiscal Supervisor**

**Suzanne Belt
Accountant**

**Debbie Henninger
Autism Waiver Facilitator**

**Kay Crofoot
Administrative Secretary**

**Jane Mullen
Infants & Toddlers Administrative Secretary**

**Amanda Killian
Data Clerk**

**Susan Lidard
Data Clerk**

**Nadine Ruocco
Data Clerk**

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Office of Third Party Billing
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Office of Third Party Billing

Annual Report

July 2002 – June 2003

I. Historical Overview

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). Third Party Billing is a systemwide effort of the BCPS designed to recover health care costs from Medicaid for health care services rendered to BCPS students. Related services are provided and submitted for billing by speech/language pathologists, occupational therapists, physical therapists, audiologists, psychologists, nurses, and social workers. Transportation services provided to special education students were added as a billable service in 1999. Currently, there are 5,509 eligible special education students identified in Baltimore County. These students constitute 40.81% of the Special Education population and 5.12% of the students attending BCPS. Funds recovered from the Third Party Billing program supplement existing programs by creating a host of staff positions, as well as supplies and equipment from several programs. Some of these items are listed below:

STAFF

- 5 speech/language pathologists
- 5 Psychologists
- 54 special education teachers
- 10 school social workers
- 3 pupil personnel workers
- 24 instructional assistants
- 9 interpreters
- 23 health assistants

SUPPLIES & EQUIPMENT

- speech/language therapy
- psychology
- social work
- occupational therapy
- physical therapy
- nursing services
- school-based health centers

Beginning with the 1993-94 school year, Medicaid approved regulations for the billing of case management services. Baltimore County was the first jurisdiction in the state to submit case management claims to Medicaid. Case management data is submitted by special education teachers or speech/language pathologists who coordinate special education services for students. A portion of the case management funds are returned to each school participating in the program based upon the number of case management encounter data forms submitted for case management. Schools have utilized the additional funds for the following staff positions, supplies, and materials.

STAFF

- parent helpers
- instructional assistants
- speech pathologists
- psychologists
- reading specialists
- special education teachers

SUPPLIES & EQUIPMENT

- adaptive equipment
- test forms and kits
- special education curriculum materials
- audio equipment
- speech supplies
- computers, printers, & software
- spellers

II. Major Accomplishments of the Office of Third Party Billing

- Commenced billing for Autism Waiver Services, which generated additional revenue of \$1,183,097 (14%)
- Increased identification of special education Medicaid eligible students by 12.8% over FY 2002 (See Exhibit A)
- Increased total Third Party revenue for BCPS by 26.2% over FY 2002 (See Exhibit F)
- Revised and improved Third Party Billing encounter data form to enhance compliance with regulations
- Conducted training sessions for IEP chairpersons regarding Case Management procedures
- Monitored all case management encounter data forms received from schools in order to determine compliance of schools
- Expanded Medicaid eligibility file for all special education students with assistance of schools
- Provided technical assistance and training to case managers in schools in order to understand Medicaid requirements
- Issued 150 Certificate of Achievement awards to schools (See Exhibit G)
- Updated Case Management, Related Services, and Infants and Toddlers training manuals
- Updated Administrator's Guide to Accessing Third Party Billing Funds
- Held 98 School-Based Training Sessions for 689 Special Education Teachers and Administrators
- Consulted with the Department of Health and Mental Hygiene (DHMH) and the Maryland State Department of Education (MSDE) on Office of Inspector General (OIG) audit findings (See Section IX)
- Updated programming/procedures to comply with the Health Insurance Portability and Accountability Act of 1996, known as HIPAA.

III. Special Education Medicaid Population

Presently, the BCPS has 5,509 Medicaid eligible special education children for whom encounter data forms are collected and claims submitted to Medicaid. This figure constitutes 5.12% of the children currently receiving special education services. Exhibit A denotes the increase in BCPS students who are eligible for the Third Party Billing program by fiscal year. The increase from the 2001-2002 school year was 625, a 12.8% increase. This accomplishment is directly correlated to the heightened effects of Principals, IEP Chairs, Special Educators, and Related Service providers to secure additional Medicaid information from parents. The Office of Third Party Billing has also modified its own internal process and procedures in order to assist in the Medicaid determination process. On a weekly schedule, the data in the student data tracking system is matched against the data in the Third Party Billing system. The result is a report of students who are new to special education. This list is then checked using the electronic verification system in order to determine Medicaid eligibility. Schools are then informed regarding the status of

the student and can submit encounter data forms for reimbursement. Exhibit B shows the process for a Third Party Billing registration.

IV. School Based Training Sessions

One of the trademarks of the Office of Third Party Billing is to provide a wide array of training sessions to BCPS employees. These sessions include related service provider training sessions, IEP chair training sessions, and school-based training sessions.

Related service provider training sessions are usually refresher meetings designed to communicate new information regarding billing procedures to returning employees. As needed, separate training sessions are held for related service providers who are new to BCPS. These training sessions are more intensive, and are designed for employees who have a varied knowledge of billing requirements and procedures. Each attendee receives a Related Service Training Manual, which is revised annually in order to ensure accurate information for school-based staff. Enclosed, as Exhibit C, is a chart of the percentage of related service encounter data forms received by discipline.

Training for all IEP chairs is completed annually. The sessions are designed to provide an overarching approach to the Third Party Billing program. In addition, the sessions show the IEP chairs how to ensure accountability in the submission of case management encounter data forms.

The Office of Third Party Billing also provides school-based training sessions. Such meetings allow the special education teachers and other service providers the opportunity to ask detailed questions in a small group setting. All meeting attendees receive a Case Management Training Manual, which is revised on an annual basis. Exhibit D delineates the training sessions provided during the 2002-2003 school year.

For the 2002-2003 school year, the Office of Third Party Billing provided a survey to all School-Based Training session participants. The results of the survey are attached as Exhibit E.

Based upon the various comments made by the participants in the training sessions, the Office of Third Party Billing implemented some changes, including providing the survey to training participants no later than 2 weeks after the session and developing a list of common mistakes for those who are new to completing Third Party Billing forms.

V. Third Party Billing Revenues and Expenditures

A graph of Third Party Billing revenues is attached as Exhibit F. For fiscal year 2003, the Office of Third Party Billing generated a total of \$10,746,787 in revenue, a 26.2% increase over fiscal year 2002. This includes \$1,183,097 as a result of initiating billing for the Autism Waiver Program.

VI. Incentive Programs

The Office of Third Party Billing has a strong incentive program in place in order to increase the potential reimbursement for services, and to hold schools and offices accountable for the documentation of services.

One of the largest components of the incentive program is the return of a portion of the case management funds to each school. The Principal, IEP Chair, and Case Managers are given the opportunity to determine how the returned funds can be utilized to support, expand, and enhance special education and health related services in their school. The funds that are allocated are based upon a percentage of the data submitted. This process ensures equity in the distribution based upon the number of Special Education Medicaid eligible students at each school. Individual schools have received from \$25 to \$30,000 annually in funds for their special education program through this initiative.

An additional incentive for schools is the Certificate of Achievement. 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 many of these awards can be seen displayed in the school lobby and showcases. A chart delineating the number of schools that have received this award in the past six years is attached as Exhibit G.

VII. Accountability

A major reason for the success of the Third Party Billing program is accountability. The Office of Third Party Billing holds schools and related service office heads accountable for the submissions of encounter data forms. On a bimonthly basis, all principals receive a report from the Office of Third Party Billing. This report shows each case management encounter data form submitted, the procedure code, date of service, and provider name. The school-based staff can use this report as a receipt to ensure that all data were received, and also 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.

The Office of Third Party Billing also produces reports on encounter data forms submitted for all related service office heads. This report allows the office head to monitor the staff at each school. In many instances, the submission of encounter data forms can be linked directly to the caseloads of many providers. The use of real-time data as a monitoring tool is an important factor in holding staff accountable for documenting services rendered to special education Medicaid eligible students.

VIII. HIPAA Compliance

In 1996, President Clinton signed into law the Health Insurance Portability and Accountability Act, known as HIPAA. The HIPAA regulations include two components: the privacy component and the electronic data transaction component. With the privacy component, all records that contain medical information must be kept and maintained in a manner to ensure that privacy is not breached. In order to comply with the Federal regulations, the Office of Third Party Billing instituted procedures for staff to lock all file cabinets containing medical information, and has also implemented a process where screen saver passwords have been placed on computers so that information cannot be accessed if a user is away from his or her desk.

The second component of HIPAA compliance is the electronic data transaction component. This change requires BCPS to use a new format for billing, which has been approved by the Federal Government. The format change will allow for a standard billing across the nation. The DHMH will play a significant role in the process when school systems begin testing the data interchange. BCPS has been asked to pilot the testing with DHMH as the school system and state become compliant with the regulations. All entities have until January 2004 to comply with the Federal HIPAA regulations. The Office of Third Party Billing has been working with the Department of Information Technology to ensure compliance with the HIPAA regulations.

IX. Office of the Inspector General Audit

In December 2001, the Office of Third Party Billing was visited by the auditors from the Office of the Inspector General (OIG). This visit was a part of an audit of the State of Maryland with regard to Medicaid dollars billed by school systems. The OIG auditors visited eight jurisdictions in the State of Maryland, including: Alleghany, Anne Arundel, Baltimore City, Baltimore, Harford, Montgomery, Prince George's and Wicomico.

In May 2003 the OIG shared its final report with MSDE and DHMH. The BCPS staff and our Assistant County Attorney worked diligently to assist the MSDE and DHMH to respond to the draft and final reports from the OIG.

Third Party Billing and the BCPS law office have worked with MSDE to evaluate responses to the audit, as many of the findings of the audit appear to be questionable due to a general lack of guidance as well as some broad federal policies and procedures.

As of the printing of this report, final resolution of the audit and amounts to be paid back were still unresolved.

The OIG disclosed six (6) basic errors that were prevalent across the State of Maryland:

- Provider not qualified
- Written case management services provided
- Student not present for service
- Services not authorized on IEP
- No authorized Medical Assistance service on the billing date
- Insufficient documentation

X. Self-Monitoring of Processes

The Office of Third Party Billing has a very rigorous process for monitoring all encounter data that is received in the office. For example, all encounter data forms are reviewed for errors, and the erroneous forms returned to providers for corrections. In addition, the computer database verifies the accuracy of the date of the service and verifies that the services are actually included in the IEP of the student.

Based upon the OIG audit, the MSDE has mandated that each local education agency set up a self-monitoring process, and have it approved by the MSDE. The Office of Third Party Billing has worked collaboratively with the Office of Internal Audit and MSDE to develop a more comprehensive self-monitoring process. The results of the self-monitoring work performed by the Office of Third Party Billing and the Internal Auditors are enclosed as Exhibit H.

XI. School-Based Health Center Billing

BCPS has been billing for School-Based Health Center Services provided to students since 1995. BCPS bills private insurance companies and Medicaid annually for School-Based Health Center services. Exhibit I details the number of services provided by School-Based Health Centers annually since 1995. Exhibit J details the funds generated by School-Based Health Center Services.

XII. Administrative Claiming

The MSDE and DHMH have worked collaboratively since 1999 to develop and implement an Administrative Claiming program. In early 2001, the Centers for Medicare and Medicaid Services (CMS) approved the State of Maryland plan for Administrative Claiming. The State of Maryland halted implementation phase of the Administrative Claiming program due to comments made by the OIG Auditors in 2002. Currently, the Administrative Claiming program is being overhauled at the Federal level.

XIII. Therapeutic Behavioral Aides

The MSDE is working with the DHMH in order to approve new regulations for the billing of Therapeutic Behavioral Aide services. In order for the service to be reimbursable, the Therapeutic Behavioral Aides must be supervised by a school Psychologist, social worker, or counselor, the service must be detailed on the IEP, and have a behavioral plan in effect.

The Therapeutic Behavioral Aides must be trained in the principles of behavioral management and appropriate methods of preventing or decreasing maladaptive behaviors relevant to the behavioral needs of the student.

The MSDE and DHMH are expecting that the regulations for billing will be approved in early 2004. The amount of revenue anticipated from billing for these services has not yet been determined.

XIV. Autism Waiver Program

During the 2002-2003 school year, many changes were made regarding the BCPS autism waiver program. One of the biggest changes was the movement of the Autism Waiver Facilitator into the Office of Third Party Billing. Since this change, parents of children on the Autism Waiver have seen an increase in responsiveness through the program. The Office of Third Party Billing has also started producing quarterly Autism Waiver newsletters, which are sent to parents and guardians to provide them with current information.

To date, the Autism Waiver program has 101 children enrolled, and has generated \$1,183,097 for day habilitation and service coordination.

For the 2003-2004 school year, the Office of Third Party Billing expects to add 20 additional students to the Autism Waiver program. The Office of Third Party Billing will also implement suggestions based upon a survey of parents conducted in July 2003.

EXHIBITS

Students Eligible for Baltimore County Public Schools Third Party Billing Program by School Year

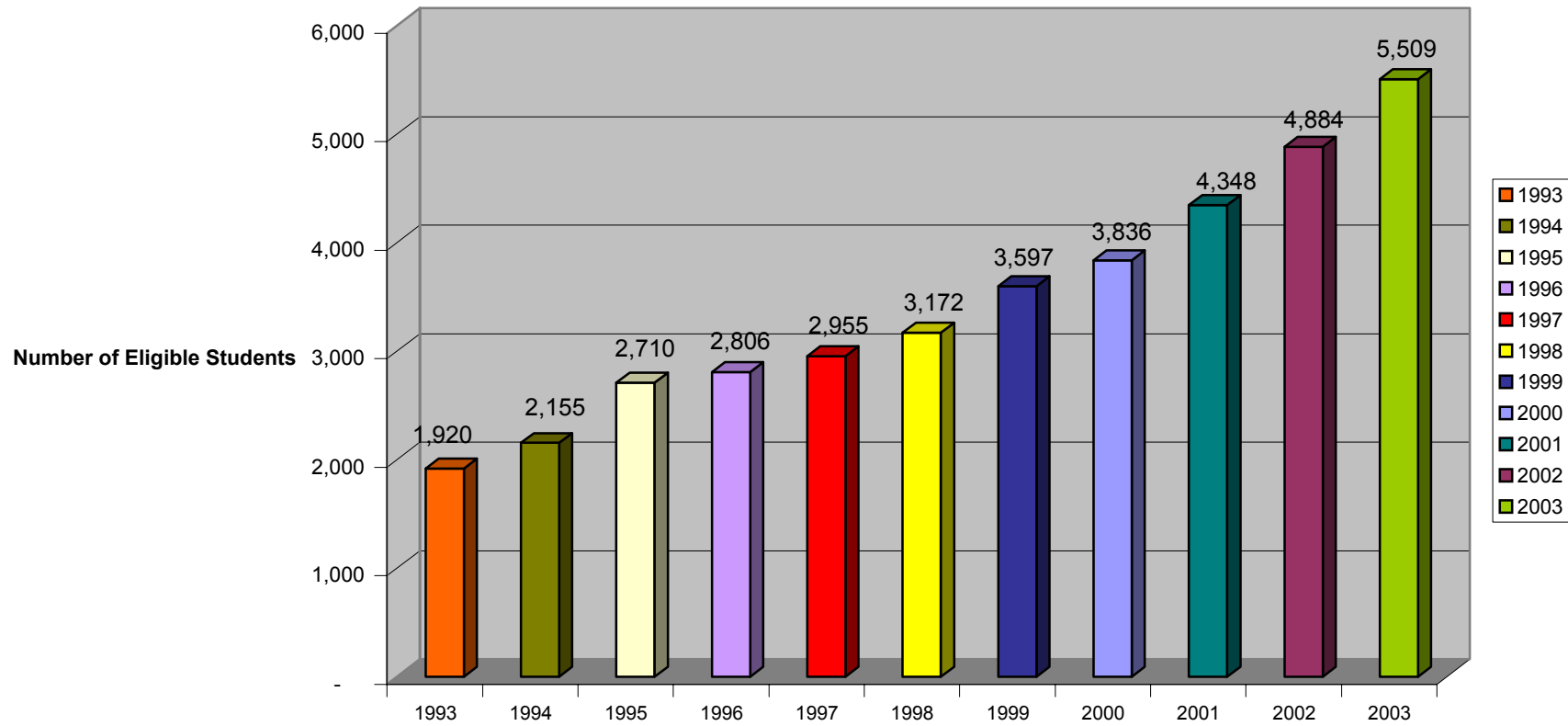
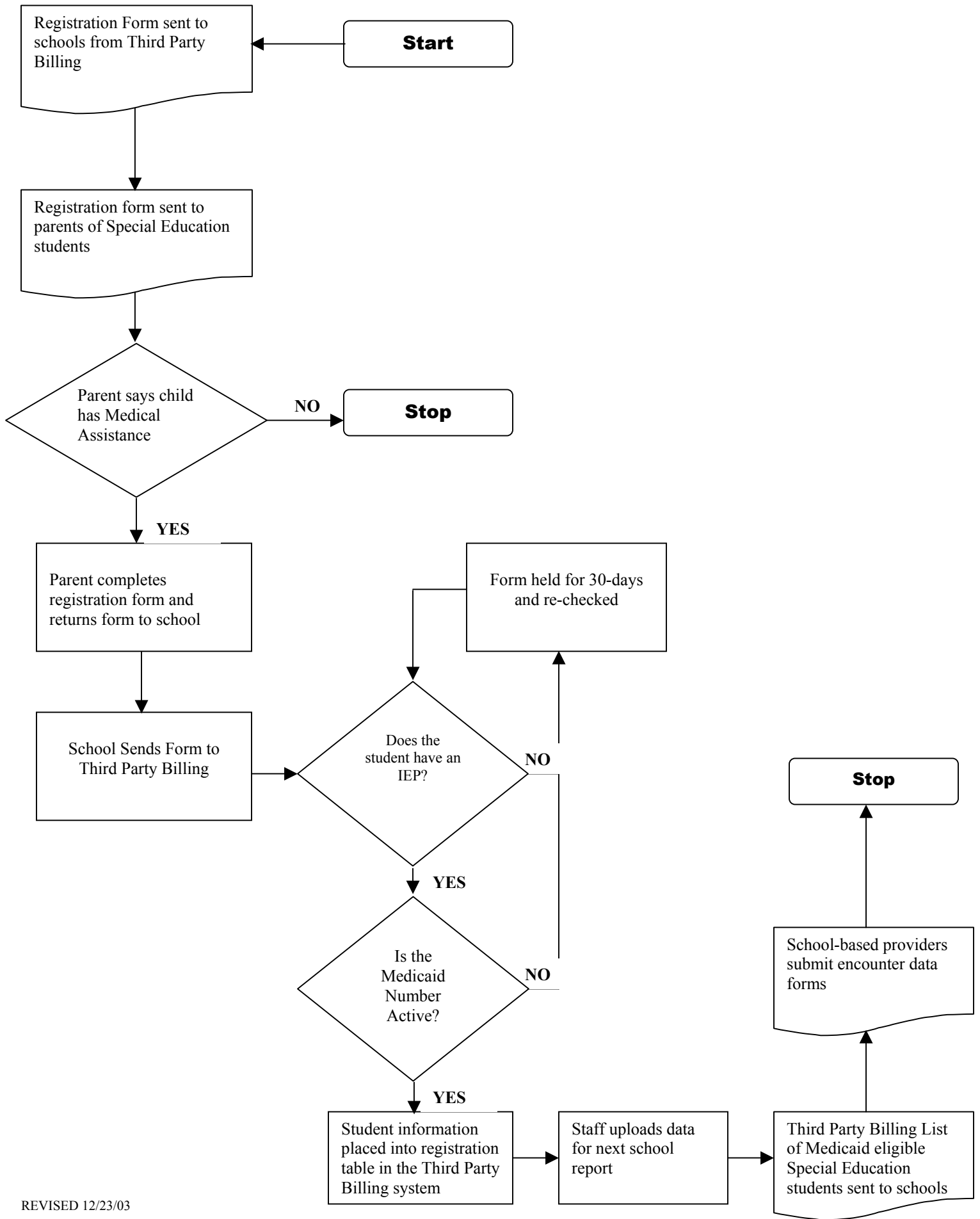


Exhibit A
Exhibit A

Process For A Baltimore County Public Schools Third Party Billing Registration

Exhibit B



Baltimore County Public Schools
Percentage of Related Service Encounter Data Forms Received by
Discipline 2002-2003 school year

