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

Annual Report
July 2014 – June 2015

Supporting Student Achievement
Through the Generation and Retention of
Revenue from Third Parties
Baltimore County Public Schools
Office of Third Party Billing
Mission Statement

The Office of Third Party Billing of Baltimore County Public Schools (BCPS) is dedicated to strengthening student achievement through the reimbursement of funds collected from Medicaid and other third parties.

Key Goals and Objectives for the Office of Third Party Billing

- Train school-based staff to identify and document services provided to Medicaid-eligible special education students who receive case management and related services to ensure the success of the Third Party Billing program.
- Provide quality fiscal management for all funds generated through the Third Party Billing program to ensure compliance with state and federal regulations.
- Collaborate with the other BCPS offices to ensure the accuracy, effectiveness, and efficiency of the billing systems.
- Ensure that all billing data and supporting documentation are in compliance with federal and state regulations, and effectively bill Medicaid and other third party payers for services provided in schools.
- Administer the BCPS Autism Waiver program.
- Monitor data and provide timely feedback to schools regarding encounter data submitted for services provided at the schools.
- Provide outreach efforts to families who do not have insurance and are interested in applying for Medical Assistance.
- Collaborate with the Maryland social services agencies and BCPS Office of Pupil Personnel Services to ensure accuracy in the Out of County Living Arrangement program data, billings, and collection.
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 major changes to the Medicare program, it also permitted the billing of school-based health services to Medicaid.

In 1992, the Office of Third Party Billing of Baltimore County Public Schools (BCPS) began to recover health care costs from Medicaid for health care services provided to BCPS’ students. The Infants and Toddlers program can also bill Medicaid. The Office of Third Party Billing commenced Infants and Toddlers program billing in 1994, and school-based health center billing in 1998.

The office assumed responsibility for the Autism Waiver program in 2004 and the Out of County Living Program in 2008.

Office of Third Party Billing Facts
2014–2015 School Year

- Generated $7.2 million in Medicaid and other health-related revenue for the 2014–2015 school year – the second highest of all Maryland school systems.
- 5,981 special education students (44% of the total special education population) qualified for the Third Party Billing program.
- 5.3% of the total BCPS’ student population qualified for the Third Party Billing program.
Third Party Billing Program Revenue

Over the past few years, third party billing revenue has begun to increase slowly, even with the increase in federal regulatory changes and a decrease in billing rates as set forth by the Department of Health and Mental Hygiene (DHMH). The revenue increase can be attributed to changes in the economic outlook nationally, shifting student populations, the diligence of school staff in processing third party billing registration forms from families, and efforts made by the Office of Third Party Billing to increase outreach to families who may qualify for Medicaid.

During 2014–2015 school year, the Office of Third Party Billing generated a total of $7,277,907 in revenue from health-related services, including $112,399 in school-based health center reimbursement.
Billable Services

BCPS can bill Medicaid for services provided by a qualified speech-language pathologist, occupational therapist, physical therapist, psychologist, social worker, nurse, counselor, or audiologist if the child has an Individualized Education Plan (IEP), with a related service detailed, and has an active Medical Assistance number in the state of Maryland. BCPS also bills Medicaid for services provided for case management, transportation, and the autism waiver. Data for billing is captured through completion of service encounter data forms. The Office of Third Party Billing generated $2.1 million in related service funds for the 2014-2015 school year. Below is a distribution of related service encounter data forms submitted by service provider type for the 2014–2015 school year.
Transportation

In 1999, the Centers for Medicare and Medicaid Services clarified that billing for transportation services could only occur on days when a child received a related service on the same date. Additionally, the transportation must be on a specialized bus. Currently, BCPS has 254 special buses. The Office of Transportation prepares log sheets for the drivers and collects them monthly. This data is then entered into a database and compared to the encounter data submitted by related service providers and the daily student attendance data. All data matches are then billed to Medicaid for payment. In 2014–2015 school year, BCPS generated $211,000 in reimbursement for transportation services.

Case Management

Case management is a service that is also billable to Medicaid by school districts. The service reflects the coordination of all services in the student’s IEP, and is typically conducted by the special education teacher or speech pathologist. The service includes activities such as parental communication, IEP team meetings, and consultative services. These services may be billed on a monthly basis. A portion of the revenue generated is provided to schools to purchase supplies, materials, professional development, and contractual services. Detailed below is a graphical representation of how schools utilized these funds in FY2015.

FY2015 Expenditures - Case Management Funds Distributed to Schools

- Contractual Salary, $113,764
- Staff Development, $7,074
- Contracted Services, $15,125
- Supplies (ordered via purchase requisition), $274,835
- Supplies (ordered via declining balance card), $582,329
Infants and Toddlers Program

The Infants and Toddlers program is a joint initiative between BCPS and the Baltimore County Department of Health, and currently serves children from birth through age three. The Infants and Toddlers program serves approximately 1,074 children, 54% of whom meet the requirements for billing. The Office of Third Party Billing has increased its productivity by making electronic encounter data forms available to all Infants and Toddlers program sites and providers.
Training

The Office of Third Party Billing provides an array of training sessions to BCPS’ employees. These sessions include related service provider training sessions, IEP chair training sessions, and school-based training sessions. During the 2014–2015 school year, the Office of Third Party Billing provided 100 school-based case management training sessions.

During the 2014–2015 school year, the Office of Third Party Billing began a pilot program to offer online training sessions for schools. Eighteen (18) schools took advantage of this new method of training which includes a presentation and electronic training for case managers to document all billable services electronically. Twenty-five (25) schools were in the pilot program and documented services electronically. These services are then downloaded into the billing system and processed for payment.

Accountability

A major reason for the continued success of the Third Party Billing program is accountability. To assist schools and related services office heads that are accountable for the submission of case management encounter data forms, the Office of Third Party Billing places accountability reports in an electronic shared directory for IEP chairs to review on a monthly 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. On a quarterly basis, this report is distributed to principals. The dissemination of this information usually leads to a large increase in the encounter data submitted to the Office of Third Party Billing, and allows principals to effectively manage the third party billing process in their school.

The Office of Third Party Billing began to perform school compliance reviews during the 2009–2010 school year. The review of the Third Party Billing program is designed to improve compliance and assist schools to become prepared for audits performed in conjunction with the Office of Internal Audit. Forty-five (45) schools are selected for the reviews annually. The results of these reviews showed several positive changes, as well as schools that need improvement to prevent actual audit findings when the Interagency Medicaid Monitoring Team and other federal and state agencies review BCPS’ records.
School-Based Health Center Billing

BCPS continues to provide and bill for school-based health center services. BCPS bills private insurance companies and Medicaid for school-based health center services provided in fourteen (14) schools.

The school-based health centers are staffed jointly by BCPS and the Baltimore County Department of Health, and are designed 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.

One major challenge in the billing process is to secure payment from private insurance companies. In order to receive payment on a rejected claim, research must be conducted, billing documents reviewed, the company contacted, and adjustments made. The substantial amount of follow-up required makes the documentation of the service critical to appeal the claims that are denied payment by third party insurers and Managed Care Organizations.
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 MSDE and DHMH in order to offer support at home and in the community to this extremely challenging population. This program offers services including 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 are filled on a first-come, first-served basis with an eight-year registry wait in the state. The waiver program is currently capped at 1,000 participants statewide. Openings only become available when a child reaches the age of twenty-one (21), moves out of the state, is no longer enrolled in school, or no longer meets eligibility requirements.

The Office of Third Party Billing provides three (3) part-time autism waiver facilitators that assist families on the waiver program with obtaining services. BCPS bills DHMH for autism waiver service coordination and generated $197,000 in revenue during the 2014–2015 school year.

![BCPS Autism Waiver Students Chart](chart.png)
Out of County Living Arrangement Program

In 2008, the Office of Third Party Billing assumed responsibility for billing for the Out of County Living Arrangement program (OCLA). The intent of the OCLA program is to determine which students are placed in Baltimore County through a social services placement, primarily foster care, and bill that home jurisdiction for the cost of educating the student. Baltimore County has more foster homes than any other jurisdiction in the state. The state of Maryland also contributes toward the cost of educating these students. During school year 2014–2015, the office billed other school districts for 347 students and generated $3,316,464 million. The majority of OCLA students (72%) come to Baltimore County from Baltimore City. Following is a chart of the jurisdictions where students come to BCPS.

In recent years, the number of students eligible for the Out of County Living Arrangement program has declined. This is due to the decrease in foster care homes and group homes in Baltimore County. Additionally, the Baltimore City Department of Social Services has been making a concerted effort to preserve the family unit in the home if possible.
Outreach Endeavors

The Office of Third Party Billing hired a contractual outreach worker in 2011 to assist families with applying for Medical Assistance and to follow-up on referrals from school-based personnel. Many of the referrals come from the school social worker, nurse, or school-based health care staff. The outreach worker contacts the family and arranges a face-to-face meeting in order to assist in the application process. During the 2014–2015 school year, 411 students received Medical Assistance benefits with the help of the outreach worker.
Summary

The Office of Third Party Billing generates revenue for the school system from Medicaid billing for special education students who have Medical Assistance, from third party insurers for students who receive health services in school-based health centers, and payments from districts outside BCPS where students attend BCPS through the OCLA program. In BCPS, the Medicaid revenue from this program is used to support and enhance special education and health-related services in accordance with state of Maryland policy.

While revenue from Medicaid has fluctuated over the years due to federal and state regulatory changes, the Office of Third Party Billing continues to work with schools and offices in order to determine ways to sustain and enhance these revenue sources. The office will also continue to provide training and assistance to school- and office-based case managers and related service providers, conduct audits to ensure compliance with applicable regulations, and provide outreach services to families eligible for Medical Assistance. During the 2015–2016 school year, the office plans to increase accountability by capturing all billing data electronically. The office will continue to offer an online approval system for schools to access third party billing funds and increase the availability of the declining balance card to schools. In addition, the office will research using electronic signatures for staff in an effort to reduce paperwork and provide documentation electronically to auditors.