

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**FLORIDA RECEIVED UNALLOWABLE
MEDICAID REIMBURSEMENT FOR
SCHOOL-BASED SERVICES**

*Inquiries about this report may be addressed to the Office of Public Affairs at
Public.Affairs@oig.hhs.gov.*



Amy J. Frontz
Deputy Inspector General
for Audit Services

November 2020
A-04-18-07075

Office of Inspector General

<https://oig.hhs.gov>

The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health and Human Services (HHS) programs, as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by the following operating components:

Office of Audit Services

The Office of Audit Services (OAS) provides auditing services for HHS, either by conducting audits with its own audit resources or by overseeing audit work done by others. Audits examine the performance of HHS programs and/or its grantees and contractors in carrying out their respective responsibilities and are intended to provide independent assessments of HHS programs and operations. These audits help reduce waste, abuse, and mismanagement and promote economy and efficiency throughout HHS.

Office of Evaluation and Inspections

The Office of Evaluation and Inspections (OEI) conducts national evaluations to provide HHS, Congress, and the public with timely, useful, and reliable information on significant issues. These evaluations focus on preventing fraud, waste, or abuse and promoting economy, efficiency, and effectiveness of departmental programs. To promote impact, OEI reports also present practical recommendations for improving program operations.

Office of Investigations

The Office of Investigations (OI) conducts criminal, civil, and administrative investigations of fraud and misconduct related to HHS programs, operations, and beneficiaries. With investigators working in all 50 States and the District of Columbia, OI utilizes its resources by actively coordinating with the Department of Justice and other Federal, State, and local law enforcement authorities. The investigative efforts of OI often lead to criminal convictions, administrative sanctions, and/or civil monetary penalties.

Office of Counsel to the Inspector General

The Office of Counsel to the Inspector General (OCIG) provides general legal services to OIG, rendering advice and opinions on HHS programs and operations and providing all legal support for OIG's internal operations. OCIG represents OIG in all civil and administrative fraud and abuse cases involving HHS programs, including False Claims Act, program exclusion, and civil monetary penalty cases. In connection with these cases, OCIG also negotiates and monitors corporate integrity agreements. OCIG renders advisory opinions, issues compliance program guidance, publishes fraud alerts, and provides other guidance to the health care industry concerning the anti-kickback statute and other OIG enforcement authorities.

Notices

THIS REPORT IS AVAILABLE TO THE PUBLIC
at <https://oig.hhs.gov>

Section 8M of the Inspector General Act, 5 U.S.C. App., requires that OIG post its publicly available reports on the OIG website.

OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS

The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

Report in Brief

Date: November 2020

Report No. A-04-18-07075

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

Florida school districts participating in Medicaid as providers certify quarterly that they have used non-Federal education funds for school-based services.

Prior Office of Inspector General (OIG) audits identified significant overpayments to school districts for school-based services. In those audits, we recommended that the States refund to the Federal Government the unallowable reimbursement that was claimed for the Medicaid school-based services. We performed this audit in Florida to determine whether the unallowable reimbursements we identified in other States also occurred in Florida.

Our objective was to determine whether Florida claimed Federal Medicaid reimbursement for school-based services in accordance with Federal and State requirements.

How OIG Did This Audit

Our audit covered the top 15 school districts, which accounted for 73 percent or \$12.2 million of the total amount paid by Florida. We then selected a stratified random sample of 200 payments totaling \$3,417 from a sampling frame of \$11.8 million for review. Using our sample results, we estimated the value of the unallowable payments made to school districts.

Florida Received Unallowable Medicaid Reimbursement for School-Based Services

What OIG Found

Florida did not always claim Federal Medicaid reimbursement for school-based services in accordance with Federal and State requirements. Of the 200 school-based services in our sample, 168 met Federal and State requirements. However, Florida incorrectly claimed reimbursement for the remaining 32 sampled services totaling \$644 because they did not meet one or more Federal requirements as follows: Individual Education Plans or Plans of Care without the required signature, not enough supporting documentation to substantiate services, and provider qualification requirements such as licenses and training courses missing.

These deficiencies occurred because Florida did not have formal policies and procedures to ensure that the claims school districts submitted were adequately documented. In addition, Florida did not adequately monitor for compliance with Federal and State requirements school-based services claims that the school districts submitted.

On the basis of our sample results, we estimated that Florida claimed at least \$1.4 million in unallowable costs during our audit period.

What OIG Recommends and Florida Comments

We recommend that Florida refund \$1.4 million to the Federal Government, work with CMS to review Medicaid claims for school-based services after our audit period and refund any overpayments, and improve its policies and procedures to ensure that it is adequately monitoring school-based service claims to ensure compliance with Federal and State requirements.

In written comments on our draft report, Florida did not concur with our recommendations. Florida said that it had a strong oversight process, but there were always opportunities for improvement and that it follows the guidance in the Handbook and works with the school districts to provide technical assistance and oversight. In addition, Florida contended that we included claims data in the sampling frame for services not performed at the schools.

We maintain that our findings and recommendations are valid. In addition, based on our discussions with Florida, we did not include claims within the sampling frame that contractors or community providers billed.

TABLE OF CONTENTS

INTRODUCTION.....	1
Why We Did This Audit.....	1
Objective.....	1
Background.....	1
The Medicaid Program.....	1
Medicaid Coverage of School-Based Services.....	1
Federal and State Requirements.....	2
Florida’s Medicaid to School Program.....	2
How We Conducted This Audit.....	3
FINDINGS.....	3
Individualized Education Plans or Plans of Care Lacked the Required Signatures.....	4
Insufficient Documentation.....	4
Provider Qualification Requirements Not Met.....	5
The State Agency Did Not Have Formal Policies and Procedures To Ensure That the Claims School Districts Submitted Were Adequately Documented.....	6
Estimate of Unallowable Claimed School-Based Service Costs.....	6
RECOMMENDATIONS.....	6
STATE AGENCY COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE.....	6
APPENDICES	
A: Audit Scope and Methodology.....	8
B: Related Office of Inspector General Reports.....	10
C: Statistical Sampling Methodology.....	11
D: Sample Results and Estimates.....	13
E: Federal and State Requirements.....	14
F: State Agency Comments.....	15

INTRODUCTION

WHY WE DID THIS AUDIT

Prior Office of Inspector General (OIG) audits identified significant overpayments to school districts for school-based services. In those audits, we recommended that the State agencies refund to the Federal Government the unallowable reimbursement that was claimed for the Medicaid school-based services. (See Appendix B for a list of related reports.) Our analysis of recent Medicaid claims data in Florida indicated that overpayments for school-based services may still be occurring. We performed this audit in Florida to determine whether the unallowable reimbursements we identified in other States also occurred in Florida.

OBJECTIVE

Our objective was to determine whether the Florida Agency for Health Care Administration (State agency) claimed Federal Medicaid reimbursement for school-based services in accordance with Federal and State requirements.

BACKGROUND

The Medicaid Program

Pursuant to Title XIX of the Social Security Act (the Act), the Medicaid program provides medical assistance to certain low-income individuals and individuals with disabilities. The Federal and State Governments jointly fund and administer the Medicaid program. At the Federal level, the Centers for Medicare & Medicaid Services (CMS) administers the program. Each State administers its Medicaid program in accordance with a CMS-approved State plan. Although the State has considerable flexibility in designing and operating its Medicaid program, it must comply with applicable Federal requirements.

Medicaid Coverage of School-Based Services

Section 1903(c) of the Act permits Medicaid payment for covered services provided to children under the Individuals with Disabilities Education Act (IDEA) through a child's individualized education plan (IEP).

Federal and State rules¹ require, as described below, that school-based services be (1) referred or prescribed by a physician or another appropriate professional, (2) provided by an individual who meets Federal qualification requirements, (3) fully documented, (4) furnished to be billed, and (5) documented in the child's IEP.

¹ CMS's *Medicaid and School Health: A Technical Assistance Guide; Florida Medicaid Certified School Match Program Coverage and Limitation Handbook*.

Federal and State Requirements

In August 1997, CMS issued a school-based guide entitled *Medicaid and School Health: A Technical Assistance Guide* (the Guide). According to the Guide, Medicaid may cover school-based services included in a child's IEP if all relevant statutory and regulatory requirements are met. Specifically, the Guide (page 15) provides that a State may cover services included in a child's IEP as long as (1) the services are listed in section 1905(a) of the Act and are medically necessary; (2) all Federal and State regulations are followed, including those specifying provider qualifications; and (3) the services are included in the State plan or available under the Early and Periodic Screening, Diagnostic, and Treatment Medicaid benefit. Covered services may include, but are not limited to, physical therapy, occupational therapy, speech pathology/therapy services, psychological counseling, nursing, and transportation services.

Florida Medicaid Certified School Match Program Coverage and Limitation Handbook (the Handbook),² is the primary State guidance for administering and operating the school-based health program.

Florida's Medicaid to School Program

In Florida, the State agency administers the Medicaid program. Florida school districts participating in Medicaid as providers certify quarterly that they have used non-Federal education funds for health care services. Medicaid then reimburses the Federal share of its payment for the health care service to the school district provider. This unique reimbursement method is termed "certified match reimbursement."

For the State to receive Medicaid reimbursement for services provided to students under the school-based health program, a student must meet the following criteria:

- be Medicaid eligible on the date of service;
- be under age 21;
- be considered disabled under the State Board of Education Rule definitions;
- be entitled to school district services under the IDEA, Part B or Part C;
- have the Medicaid services referenced in the IEP or Family Support Plan; and
- have the Medicaid services recommended by school district employees or contract staff meeting the requirements in the Handbook (the Handbook, page 1-4).

² The State's regulations require compliance with the Handbook and specifically incorporate the Handbook by reference (Florida Administrative Code § 59G-4.035).

HOW WE CONDUCTED THIS AUDIT

The State agency paid \$16,782,585 for school-based services during our audit period, July 1, 2016, through June 31, 2017. Our audit covered the top 15 school districts, which accounted for 73 percent or \$12,206,720 of the total amount paid by the State agency. We removed all payments less than \$4 resulting in a sampling frame of \$11,796,647 paid to these school districts. We then selected a stratified random sample of 200 payments totaling \$3,417 for review. Using our sample results, we estimated the value of the unallowable payments made to school districts.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains the details of our audit scope and methodology, Appendix B contains a list of related OIG reports, Appendix C contains the details of our statistical sampling methodology, Appendix D contains our sample results and estimates, and Appendix E contains Federal and State requirements.

FINDINGS

The State agency did not always claim Federal Medicaid reimbursement for school-based services in accordance with Federal and State requirements. Of the 200 school-based services in our sample, 168 met Federal and State requirements. However, the State agency incorrectly claimed reimbursement for the remaining 32 sampled services totaling \$644 because they did not meet one or more Federal requirements as follows:

- For four speech pathology, four behavioral, and eight related transportation services totaling \$207, the State agency provided IEPs or plans of care without the required provider signature.
- For five behavioral, one physical therapy, and five speech pathology services totaling \$290, the State agency did not provide enough documentation to support these services.
- For one speech pathology, two related transportation, and two nursing services totaling \$147, the State agency presented neither the provider licenses nor documentation to support that the health aides who provided the services completed the training necessary to meet Medicaid provider qualification requirements.

On the basis of our sample results, we estimated that the State agency claimed at least \$1,441,107 in unallowable costs during our audit period.

INDIVIDUALIZED EDUCATION PLANS OR PLANS OF CARE LACKED THE REQUIRED SIGNATURE

For speech pathology services, the plan of care or IEP must be signed, titled, and dated by a speech-language pathologist prior to billing Medicaid for services. The signature must be legible, and all stamped signatures must be initialed and dated by the person whose signature is stamped (the Handbook, page 4-4).

For behavioral services, qualified providers of behavioral services who have at least a master's degree and are licensed or certified must sign, title, and date the IEP, Family Support Plan (FSP) or separate document indicating that behavioral services are needed for the Medicaid-eligible student prior to the time that claims for behavioral services are submitted to Medicaid (the Handbook, page 6-5).

For transportation services, transportation can only be reimbursed when a Medicaid-covered service other than transportation is rendered, and when the other service provided is referenced in the student's IEP or FSP (the Handbook, page 5-3).

For four speech pathology, four behavioral, and eight related transportation services totaling \$207, the State agency provided IEPs or plans of care without the required qualified provider's signature indicating that these services were needed.

INSUFFICIENT DOCUMENTATION

Services claimed for Federal Medicaid reimbursement must be supported by adequate documentation (section 1902(a)(27) of the Act; CMS State Medicaid Manual § 2497).

Section 1903(c) of the Act allows Medicaid payment for covered services provided to children in accordance with a child's IEP. Furthermore, page 41 of the Guide states: "A school, as a provider, must keep organized and confidential records that details client-specific information regarding all specific services provided for each individual recipient of services and retain those records for review."

In addition, the Handbook (page 1-8) requires school districts to maintain a record for each Medicaid-eligible student that includes documentation of all Medicaid reimbursable or required services, and services billed to Medicaid must be referenced in the student's IEP or FSP.

For 11 of 200 services totaling \$290 in our sample, the State agency did not provide sufficient documentation to support these services. Specifically:

- For five behavioral services totaling \$236, the State agency did not provide the IEPs that covered the date of service.
- For one physical therapy service totaling \$33 and three speech pathology services totaling \$13, the State agency provided insufficient documentation to substantiate the services. For example, the documentation was missing one or more of the following elements:

- type of service,
 - whether the therapy was part of a group session,
 - length of time,
 - description of service provided,
 - progress notes,
 - progress toward established goals, and
 - signature and title of the provider.
- For two speech pathology services totaling \$8, the State agency did not provide any supporting documentation of the services provided.

PROVIDER QUALIFICATION REQUIREMENTS NOT MET

Federal regulations (42 CFR § 440.110) require physical, occupational, and speech therapy services providers to meet personnel qualifications. The State plan requires school-based treating therapists to meet the requirements contained in 42 CFR section 440.110 and requires speech therapists or speech-language pathology assistants to be licensed or certified and under the supervision of a licensed speech therapist (Florida SPA #16-31).

For speech pathology services, the plan of care must be signed, titled, and dated by a speech-language pathologist prior to billing Medicaid for services (the Handbook, page 4-4).

The State Plan (Florida SPA #97-10) and the Handbook (page 5-3) state that transportation may only be reimbursed when a Medicaid-covered service other than transportation is rendered and referenced in the student's IEP or FSP.

For nursing services, the State Plan (Florida SPA #16-31) and Handbook (page 8-3) state that a school health aide providing nursing services must have completed the following training courses through or by the school district:

- cardiopulmonary resuscitation,
- first aid,
- medication administration, and
- patient-specific training.

For one speech pathology service reimbursed at \$22, the State agency did not provide the license for the speech-language pathologist who signed the IEP.³ For two transportation services related to speech-pathology services totaling \$16, the State agency did not furnish the providers' licenses covering the dates of service.

³ For this speech pathology service, the State agency also did not provide a plan of care or IEP.

For two nursing services totaling \$109, the State agency did not furnish documentation to support that the health aides who provided the services completed the training necessary to meet Medicaid provider qualification requirements.

THE STATE AGENCY DID NOT HAVE FORMAL POLICIES AND PROCEDURES TO ENSURE THAT THE CLAIMS SCHOOL DISTRICTS SUBMITTED WERE ADEQUATELY DOCUMENTED

These deficiencies occurred because the State agency did not have formal policies and procedures to ensure that the claims school districts submitted were adequately documented. In addition, the State agency did not adequately monitor for compliance with Federal and State requirements school-based service claims that the school districts submitted. During our audit period, the State agency reviewed only two claims out of thousands that each school district submitted from each procedure code.

ESTIMATE OF UNALLOWABLE CLAIMED SCHOOL-BASED SERVICE COSTS

The State agency incorrectly claimed Medicaid reimbursement for 32 sample items totaling \$644. On the basis of our sample results, we estimated that the State agency claimed at least \$1,441,107 in unallowable costs during our audit period.

RECOMMENDATIONS

We recommend that the Florida Agency for Health Care Administration:

- refund \$1,441,107 to the Federal Government,
- work with CMS to review Medicaid claims for school-based services after our audit period and refund any overpayments, and
- improve its policies and procedures to ensure that it is adequately monitoring school-based service claims to ensure compliance with Federal and State requirements.

STATE AGENCY COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

State Agency Comments

In written comments on our draft report, the State agency did not concur with our recommendations. The State agency said that it had a strong and comprehensive monitoring and oversight process in place and that it monitored every school district twice per year.

Regarding our first recommendation, the State agency said that it confirms the licenses of individuals and, in lieu of actual signatures on plans of care, it allows school districts to use electronic signatures or attach a document with a signature. The State agency also said that it had concerns that the claims data provided to us included claims with non-school-based services and that we did not remove those claims from our sampling frame, thereby affecting

the error rate and projected amount of unallowable costs. The State agency said that it could not provide an estimated completion date to refund the overpayments until we clarify that we did not include the non-school-based services from the sample.

In regard to our second recommendation, the State agency stated that it has and will continue to monitor and provide oversight to its school districts on Medicaid school-based services and increase its technical assistance and feedback.

For the third recommendation, the State agency offered that there were always opportunities for improvement, as with any process, and that it follows the guidance in the Handbook and works with the school districts to provide technical assistance and oversight.

Office of Inspector General Response

We maintain that our findings and recommendations are valid. In response to the first recommendation and the State agency's concern that we included non-school-based service claims in our sampling frame, we worked with the State agency to identify the proper sampling frame. We did not include claims related to services that contractors or community providers performed outside of the school setting.

In addition, for the claims in error, the State agency did not provide us with adequate supporting documentation, such as separate signature pages, and the providers' licenses in effect during the dates of service for which it claimed Medicaid reimbursement.

For the second recommendation, we maintain that the State agency should work with CMS to review Medicaid claims for school-based services after our audit period and refund any overpayments as there may be similar instances of overpayment outside of our audit period that should be refunded.

For the third recommendation, the State agency's efforts were insufficient to ensure claims were adequately documented. In this respect, the State agency reviewed only a small portion of the thousands of claims that each school district submitted during our audit period. Therefore, we maintain that the State agency should improve its policies and procedures to make sure that it is adequately monitoring school-based service claims to ensure compliance with Federal and State requirements.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

The State agency paid \$16,782,585 for school-based services during our audit period, July 1, 2016, through June 31, 2017. Our audit covered the 15 school districts that received the highest amounts of payments for that period, which accounted for 73 percent or \$12,206,720 of the total amount paid by the State agency. We removed all payments less than \$4 resulting in a sampling frame of \$11,796,647 paid to these school district providers. We then selected a stratified random sample of 200 payments totaling \$3,417 for review.

We did not review the overall internal control structure of the State agency or its Medicaid program. Rather, we reviewed only those internal controls related to our objective. We limited our audit to determining whether the State agency claimed Federal Medicaid reimbursement for payments that it made to school districts for school-based services in accordance with Federal and State requirements.

Our audit allowed us to establish reasonable assurance of the authenticity and accuracy of the data obtained from the State agency. Although we performed a completeness test, we do not attest to the completeness of the file.

METHODOLOGY

To accomplish our objective, we:

- reviewed Federal and State laws, regulations, guidance and the CMS-approved Florida State plan;
- gained an understanding of the State agency's internal controls over monitoring claim payments;
- obtained from the State agency a computer-generated data file of school-based services payments for the audit period;
- held discussions with State officials regarding the overall design and specifications of the payment data used to create the population;
- performed various tests of the population to obtain reasonable assurance of its accuracy and completeness;
- divided the population into 4 strata resulting in a sampling frame of 1,362,979 fee-for-service payments totaling \$11,796,647 made to the 15 school districts that received the highest amounts of payments in Florida for school-based services during our audit period;
- selected for review a stratified random sample of 200 payments;

- estimated the value of unallowable payments identified in our sample by using the Office of Inspector General, Office of Audit Services (OIG/OAS) statistical software program; and
- discussed the results of our audit with State agency officials.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX B: RELATED OFFICE OF INSPECTOR GENERAL REPORTS

Report Title	Report Number	Date Issued
<i>Texas Improperly Received Medicaid Reimbursement for School-Based Health Services</i>	<u>A-06-14-00002</u>	8/14/2017
<i>Maine Improperly Claimed Medicaid Payments for School-Based Health Services Submitted by Portland School Department</i>	<u>A-01-11-00011</u>	4/29/2013
<i>Review of Medicaid Payments for School-Based Health Services Made to Manchester, New Hampshire</i>	<u>A-01-10-00014</u>	1/19/2012
<i>Review of Arizona's Medicaid Claims for School-Based Health Services</i>	<u>A-09-07-00051</u>	3/22/2010
<i>Medicaid School-Based Services in Utah – Review of Payment Rates</i>	<u>A-07-06-04069</u>	10/19/2007
<i>Review of Medicaid Claims for School-Based Health Services in New Jersey</i>	<u>A-02-03-01003</u>	5/19/2006
<i>Review of School-Based Health Services in Kansas</i>	<u>A-07-03-00155</u>	2/8/2006
<i>Audit of Medicaid School-Based Services in Texas</i>	<u>A-06-02-00047</u>	12/21/2005
<i>Audit of Medicaid School-Based Services in Oklahoma</i>	<u>A-06-01-00083</u>	4/11/2003

APPENDIX C: STATISTICAL SAMPLING METHODOLOGY

SAMPLING FRAME

The State agency provided 15 electronic data files containing payments for school-based services from July 1, 2016, through June 30, 2017, from their Medicaid Management Information System. We converted those data files into Microsoft Excel files and removed all payments less than \$4.

The resulting sampling frame was a Microsoft Excel workbook containing 1,362,979 fee-for-service payments, totaling \$11,796,647, made to the 15 school districts that received the highest amounts of payments in Florida for school-based services during our audit period.

SAMPLE UNIT

The sample unit was a school-based health fee-for-service payment.

SAMPLE DESIGN AND SAMPLE SIZE

We used a stratified random sample as follows:

Table 1: Payments by Stratum

Stratum	Description	Stratum Size	Frame Dollar Value*	Sample Size
1	School-Based Service Payments \$4.00—\$4.98	808,127	\$3,428,950	55
2	School-Based Service Payments \$4.99—\$16.24	361,906	3,289,675	60
3	School-Based Service Payments \$16.25—\$21.91	142,505	2,915,638	45
4	School-Based Service Payments \$21.92—\$237.75	50,441	2,162,383	40
Total		1,362,979	\$11,796,647	200

* Stratum amounts do not sum to the column totals because of rounding.

SOURCE OF RANDOM NUMBERS

We generated the random numbers using the OIG/OAS statistical software Random Number Generator.

METHOD FOR SELECTING SAMPLE UNITS

We consecutively numbered the payments within each stratum. After generating the random numbers for each stratum, we selected the corresponding frame items.

ESTIMATION METHODOLOGY

We used the OIG/OAS statistical software to calculate our estimates. To be conservative, we recommended recovery of unallowable payments at the lower limit of the two-sided 90-percent confidence interval. Lower limits calculated in this manner are designed to be less than the actual total of unallowable payments 95 percent of the time.

APPENDIX D: SAMPLE RESULTS AND ESTIMATES

Table 2: Sample Results

Stratum	Description	Stratum Size	Frame Dollar Value*	Sample Size	Number of Unallowable Services	Value of Unallowable Payments*
1	School-Based Service Payments \$4.00—\$4.98	808,127	\$3,428,950	55	9	\$38
2	School-Based Service Payments \$4.99—\$16.24	361,906	3,289,675	60	10	109
3	School-Based Service Payments \$16.25—\$21.91	142,505	2,915,638	45	4	75
4	School-Based Service Payments \$21.92—\$237.75	50,441	2,162,383	40	9	421
Total		1,362,979	\$11,796,647	200	32	\$644

* Stratum amounts do not sum to the column totals because of rounding.

**Table 3: Estimated Value of Payments
(Limits Calculated for a 90-Percent Confidence Interval)**

	Total Amount
Overall Point Estimate	\$1,987,879
Lower Limit	1,441,107
Upper Limit	2,534,651

APPENDIX E: FEDERAL AND STATE REQUIREMENTS

FEDERAL REQUIREMENTS

Section 1903(c) of the Act allows Medicaid coverage of health-related services provided to children under the IDEA. Children may receive health-related services that are specified in each child's IEP. Health-related services may include physical, occupational, and speech therapies; and nursing, personal care, psychological, counseling, and social work services.

Section 1905(a) of the Act lists the health-related services eligible for payment by Medicaid.

The Guide, issued in August 1997, contains specific technical information on the Medicaid requirements that govern State agencies seeking Federal reimbursement for covered health-related services provided in a school-based setting.

STATE REQUIREMENTS

The Florida Medicaid State Plan lists the health-related services eligible for payment by Medicaid.

The Handbook, which is the primary State guidance for administering and operating the school-based health program, states that documentation of medical services rendered must be in the Medicaid-eligible student's record or electronically stored. The Handbook contains the requirements that Florida school districts must follow to receive Medicaid reimbursement. In addition, transportation can only be reimbursed when a Medicaid-covered service other than transportation is rendered, and when the other Medicaid or behavioral service provided is referenced in the student's IEP.

APPENDIX F: STATE AGENCY COMMENTS



RON DESANTIS
GOVERNOR

MARY C. MAYHEW
SECRETARY

September 25, 2020

Ms. Lori S. Pilcher
Regional Inspector General for Audit Services
Department of Health & Human Services
Office of Inspector General
Office of Audit Services, Region IV
61 Forsyth Street, SW, Suite 3T41
Atlanta, GA 30303

Dear Ms. Pilcher:

Thank you for your letter of August 26, 2020, requesting us to provide comments on the draft report number A-04-18-07075 entitled *Florida Received Unallowable Medicaid Reimbursement for School-Based Services*. In accordance with your request, we have sent you an electronic copy of our comments.

If you have any questions regarding our response, please contact Pilar Zaki, Audit Director, at 850-412-3986.

Sincerely,

Mary C. Mayhew
Secretary

MCM/sgb

Enclosure: Response to Draft Report # A-04-18-07075

2727 Mahan Drive • Mail Stop #1
Tallahassee, FL 32308
AHCA.MyFlorida.com



Facebook.com/AHCAFlorida
Youtube.com/AHCAFlorida
Twitter.com/AHCA_FL
SlideShare.net/AHCAFlorida

Agency for Health Care Administration
Florida Received Unallowable Medicaid Reimbursement
for School-Based Services

Response to HHS/OIG Draft Report No. A-04-18-07075 dated August 26, 2020

Summary of Findings

The State agency did not always claim Federal Medicaid reimbursement for school-based services in accordance with Federal and State requirements. Of the 200 school-based services in our sample, 168 met Federal and State requirements. However, the State agency incorrectly claimed reimbursement for the remaining 32 sampled services totaling \$644 because they did not meet one or more Federal requirements as follows: Individual Education Plans or Plans of Care without the required signature, not enough supporting documentation to substantiate services, and provider qualification requirements such as licenses and training courses missing.

On the basis of our sample results, we estimated that the State agency claimed at least \$1,441,107 in unallowable costs during our audit period.

Recommendation #1

Refund \$1,441,107 to the Federal Government.

Agency Response and Corrective Action Plan:

The Agency does not concur with this recommendation.

The Agency has a strong and comprehensive monitoring and oversight process, as evidenced by the high percentage of claims that were identified as compliant through this audit. The Agency continues to closely monitor and provide oversight to the Medicaid Certified School Match (MCSM) program. The Agency follows the MCSM handbook which outlines the compliance requirements for school districts and is in alignment with Federal requirements. During 2016-2017, the Agency monitored every school district twice per year. Each monitoring included claim samples from every service for which the school district billed. Each time the Agency found a claim not substantiated by documentation the school district was required to void the claim.

The final report referenced non-compliance with certain documentation requirements, such as evidence of licensure/certification and signatures on plans of care. The Agency confirms licenses of individuals through looking them up on the Department of Health Medical Quality Assurance licensure website to confirm an active license is in place.

In regard to lack of signatures, school districts are allowed to have a process in place for electronic signatures for the plan of care or on an attached document with a signature to serve as a required signature in lieu of the plan of care, as outlined on pages 1-8, 2-9 and 2-10 of the MCSM handbook. In addition, following every monitoring, the Agency conducted an “exit conference” and provided technical assistance and allowed one week from the date of the exit conference to submit additional documentation that was missing, otherwise the claim would be voided and the payment was refunded.

Further, during the course of the audit, the Agency notified the auditors that the initial data provided included claims that were not performed at the school, based on the Place of Service (POS) code included on the claim. In September 2019 the Agency submitted a revised data set to the auditors that excluded these claims. In March 2020 there were further communications with the auditors on the need to remove these claims. However, the \$12,206,720 amount for

Agency for Health Care Administration
Florida Received Unallowable Medicaid Reimbursement
for School-Based Services
Response to HHS/OIG Draft Report No. A-04-18-07075 dated August 26, 2020

the top 15 school districts under the “How We Conducted This Audit” section on Page 3, appears to include the claims identified to the auditors as not performed in the school. The Agency has concerns that these claims were not removed from the population and could have been included in the 200 sample items, thereby affecting the error rate and projected amount of unallowable costs.

Anticipated Completion Date:

It is difficult to determine a completion date for refunding overpayments without the HHS/OIG first clarifying whether the claims in question were removed from the sample.

Recommendation #2

Work with CMS to review Medicaid claims for school-based services after our audit period and refund any overpayments.

Agency Response and Corrective Action Plan:

The Agency does not concur with this recommendation.

The Agency monitors and provides oversight to school-based services regularly through frequent reviews of claims, documentation, and provide technical assistance and feedback to all school districts. The Agency meets with school districts regularly to discuss updates, train districts on the Medicaid Certified School Match handbook requirements, and provide the information required to be in compliance with state and federal guidelines. The Agency will continue to monitor closely and provide oversight to school districts on Medicaid school-based services and increase technical assistance and feedback.

Anticipated Completion Date:

N/A

Recommendation #3

Improve its policies and procedures to ensure that it is adequately monitoring school-based service claims to ensure compliance with Federal and State requirements.

Agency Response and Corrective Action Plan:

The Agency does not concur with this recommendation.

The Agency follows the guidance in the Medicaid Certified School Match Florida handbook. The Agency works with school districts to ensure they follow the MCSM handbook and provides technical assistance and oversight. The Agency contends that we have a strong monitoring and oversight process as evidenced by the high percentage of claims that were identified as compliant through this audit. However, there are always opportunities for improvement with any process, and the Agency will review the MCSM handbook with school districts to ensure that the districts stay aware of federal and State requirements through webinars and continue to provide

Agency for Health Care Administration
Florida Received Unallowable Medicaid Reimbursement
for School-Based Services
Response to HHS/OIG Draft Report No. A-04-18-07075 dated August 26, 2020

technical guidance upon review submissions. The Agency will also utilize the information within this audit to update oversight checklists to ensure all requirements are adhered to and feedback is provided to districts to ensure all documentation and submissions are in compliance.

Anticipated Completion Date:

September 30, 2020