The attached is an update on the Office of Third Party Billing for the 2009–2010 school year. Information provided includes a historical overview, major accomplishments, revenues and expenses, training reports, and next steps for the Third Party Billing Program.
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, and works collaboratively with other local education agencies and MSDE on statewide issues that impact the Third Party Billing program.

Since 2000, the Medicaid program has undergone changes at the federal and state levels. In several instances, revenue has decreased due to a wide variety of federal and state changes. At the state level, the billing rates have been decreased by approximately 50% for services. MSDE and the Department of Health and Mental Hygiene (DHMH) unilaterally decreased the billing rates in 2006 after the Office of the Inspector General’s audit of the State of Maryland.

At the federal level, the Center for Medicare and Medicaid Services (CMS) proposed two rules in 2007 that were designed to eliminate case management and transportation billing. In June 2009, CMS reversed the rules allowing school districts to continue to bill Medicaid for services.

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

Annual Report
July 2009 – June 2010

SUPPORTING STUDENT ACHIEVEMENT THROUGH THE GENERATION OF ADDITIONAL REVENUE
Mission Statement

In accordance with the Baltimore County Public Schools’ (BCPS) *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 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

- Train school-based staff to identify and document services provided to Medicaid-eligible special education students who receive speech, occupational and physical therapy, and 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 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, Transportation, and the Department of Technology in order to ensure the accuracy, effectiveness, and efficiency of the program.
- Assess the program in order to determine if the mission of the program is being met.
- Bill Medicaid and other third party payors for services provided in school-based health centers.
- Administer and monitor the State of Maryland Autism Waiver Program in Baltimore County.
- Increase stakeholder and customer awareness and understanding of the Third Party Billing program in an effort to maximize the collection of reimbursable funds.
- 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.
- Conduct reviews of encounter and billing data to ensure compliance with Medicaid regulations.
- Research 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, the BCPS Office of Third Party Billing has been working to recover health care costs from Medicaid for health care services provided to BCPS students.

Office of Third Party Billing Facts
2009-2010 School Year

- Generated $6.2 million in Medicaid and other health-related revenue for FY 2010 – the second highest of all Maryland school systems
- 5,110 special education students (37.9% of total) qualified for the Third Party Billing program
- 4.8% of the total BCPS student population qualified for the Third Party Billing program
Third Party Billing Program Revenue

Over the past six years, third party billing revenue has decreased due to a variety of federal regulatory changes and a decrease in allowable hourly billing rates. In FY 2009, some of those regulations were rescinded and the Office of Third Party Billing revenue increased by $1.2 million over FY 2008. Nonetheless, the state changed procedures regarding billing rates in the middle of FY 2010 which has resulted in a slight decrease in revenue for FY 2010.

For fiscal year 2010, the Office of Third Party Billing generated a total of $6,183,963 in revenue from health-related services, including $82,979 in school-based health center reimbursement, as compared to a total of $6,339,437 generated in FY 2009.

Third Party Billing Revenue (school age program)
Federal Audits

The Office of the Inspector General of the United States (OIG) has audited Maryland’s school-based Medicaid program on two occasions, once in 2001 and again in 2005. With the 2001 review of the state, the OIG visited eight school systems and determined that five of the school systems had findings. Those findings were appealed to the Federal Departmental Appeals Board and subsequently reduced.

The DHMH paid the cost of the findings and is working with MSDE to recover all of the funds from the five school systems which had audit findings. Four of the school systems, including BCPS, have appealed the action citing that the audit was a review of the entire state and that any penalties should be apportioned accordingly. The administrative law judge agreed that the state’s methodology for apportioning the return of funds to the four school systems was “arbitrary and capricious,” and the matter was remanded to the secretary of DHMH in September 2009. To date, DHMH has not acted on the matter.

Infants and Toddlers Program

The Infants and Toddlers program is a joint initiative between the BCPS and the Baltimore County Department of Health, and currently serves children from birth through age three. The Infants and Toddlers program serves approximately 1,031 children, 49% of whom meet the requirements for billing. While the number of students in the program has remained consistent, the percentage of children who meet the requirements for billing increased by 12% over FY 2009. 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 efforts to audit the documentation maintained by program staff. During the past year, the Office of Third Party Billing has increased its productivity by making electronic encounter data forms available to all Infants and Toddlers sites and providers.
Training

In 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 Plan (IEP) chair training sessions, and school-based training sessions. During the 2009-2010 school year, the Office of Third Party Billing provided 109 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 board president and the superintendent. 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 services office heads that 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 the 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.

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.

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 by the Office of Internal Audit, the MSDE/DHMH Interagency Medicaid Monitoring Teams, as well as other various federal and state audits. Thirty (30) schools, six (6) in each geographic area, were selected for the initial reviews. The results of these initial reviews show that some of the schools need improvement to prevent audit findings. The Office of Third Party Billing will be working with these schools and providing additional training during the 2010-2011 school year.

School-Based Health Center Billing

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 fourteen sites.

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

The Office of Third Party Billing bills Medicaid and private insurance companies for the school-based health center services that are provided to our students. One major challenge in the billing process is to ensure payment from the insurance company. In order to receive payment on a rejected claim, research must be conducted and 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.
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. 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. Originally begun with only 150 statewide openings, the waiver program currently is capped at 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.

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<th>Students Eligible for the Autism Waiver</th>
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Declining Balance Cards

In 2009, the Office of Third Party Billing collaborated with the Offices of Accounting and Purchasing in order to develop an easier mechanism for schools to access Third Party Billing funds while ensuring that purchases are tracked adequately for audit purposes. Commenced as a pilot program, 50 schools were selected to participate in the program. Each participating school selected one staff member to be responsible for the purchases. For 2009-2010, the pilot was expanded to 100 schools. These staff members were required to attend a training specifically for the declining balance VISA procurement card. Schools used their declining balance cards to make 1,494 purchases for a total of $302,898. Due to the success of the pilot, the program has been expanded to all schools for FY 2011.
Out of County Living Arrangement Program

In September 2008, the Office of Third Party Billing assumed responsibility for the Out of County Living Arrangement Program (OCLA). The intent of the OCLA program is to determine which students reside in Baltimore County through a social services placement, primarily foster care, and bill their home jurisdiction for the cost of educating the student. The state of Maryland also contributes toward the cost of educating these students. During FY 2010, the office billed other local education agencies for 811 students and generated $6.9 million.

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, students who receive health services in school-based health centers and have related insurance coverage, and social services-placed students who reside in Baltimore County while another LEA is responsible for the cost of their tuition. Over the years, the federal and state governments have changed the process and mechanisms for Medicaid billing. In BCPS, the revenue from this program is used to support and enhance special education and health-related services in accordance with state of Maryland policy.

Revenue was decreasing due to federal and state regulatory changes. At the federal level, the CMS proposed two rules that were to eliminate case management and transportation billing. Congressional action delayed and subsequently eliminated these regulations, allowing BCPS to continue to generate revenue. At the state level, the billing rates have been decreased and are now contingent upon the DHMH review of community billing rates.

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