



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

**Annual Report
July 2011 – June 2012**



**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 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

Medicaid and School-Based Health Centers

- 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 payors 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.

Grant Approval System

- Monitor and provide quality technical assistance to users of the grants approval system.
- Develop and maintain a mechanism for the review of data entered into the grants approval system and ensure approvals accordingly.

Out-of-County Living Arrangements

- 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

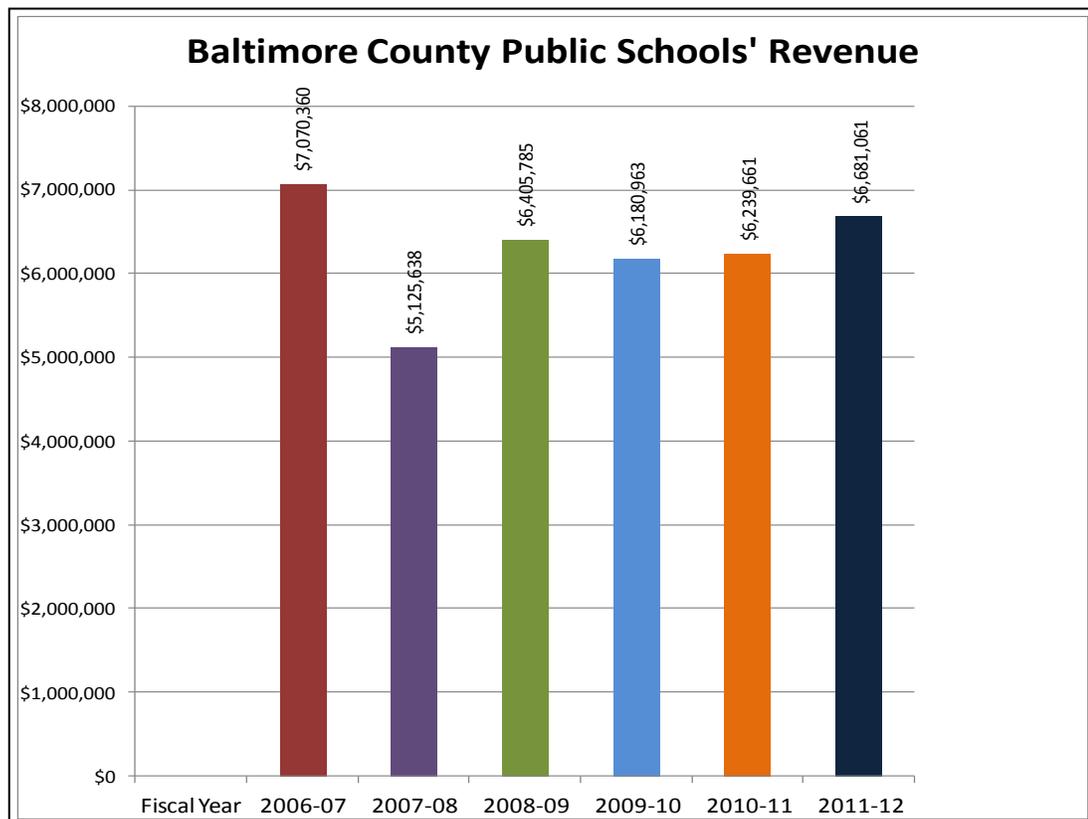
Historical Overview

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.

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

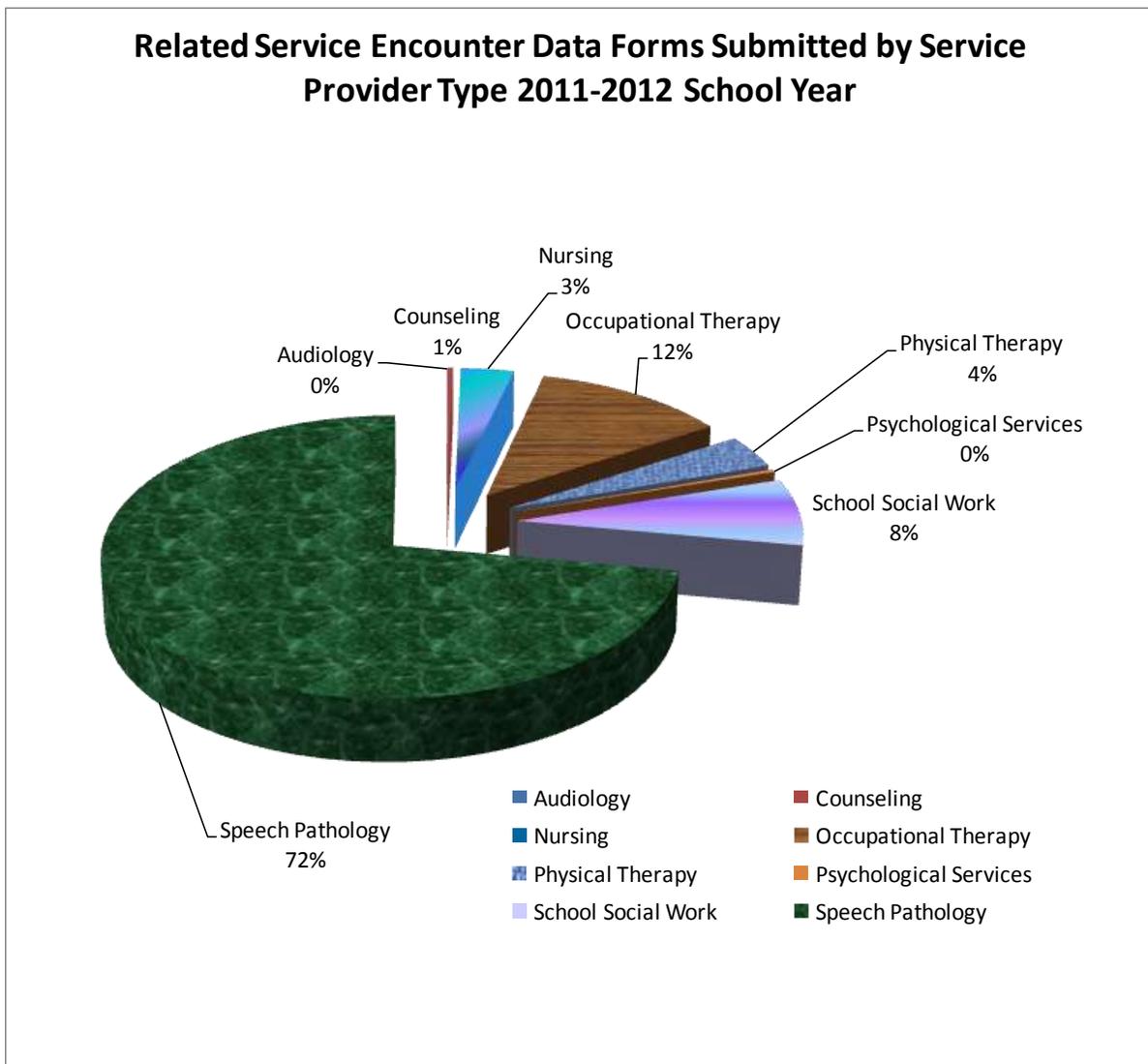
Office of Third Party Billing Facts 2011-2012 School Year

- Generated \$6.6 million in Medicaid and other health-related revenue for FY2012 – the second highest of all Maryland school systems and the most by BCPS since FY2007.
- 5,405 special education students (40.7% of total) qualified for the Third Party Billing program.
- 5.1% of the total BCPS' student population qualified for the Third Party Billing program.



Billable Services

BCPS can bill Medicaid for services provided by a 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 case management services, transportation services, and autism waiver services provided. The Office of Third Party Billing generated \$2.0 million in related service funds for FY2012. Below is a distribution of related service encounter data forms submitted by service provider type for the 2011–2012 school year.

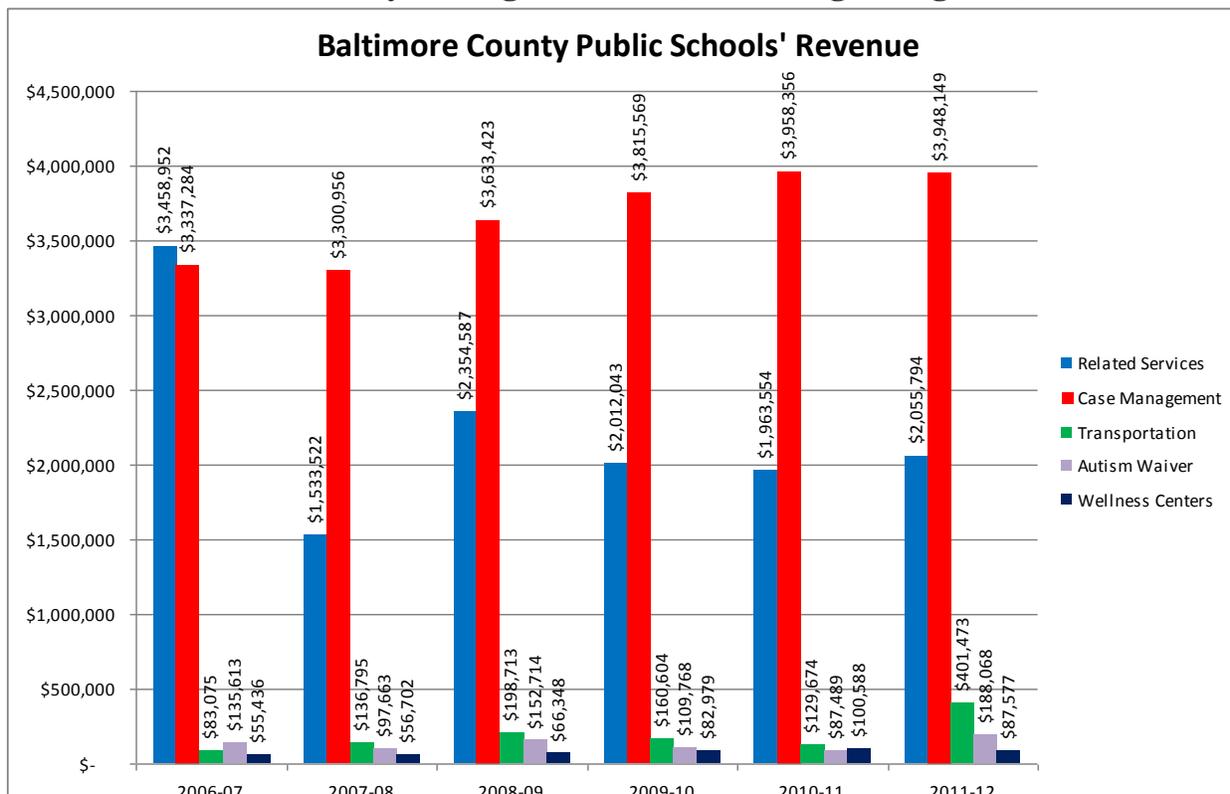


Third Party Billing Program Revenue

Over the past few years, third party billing revenue has decreased due to a variety of federal regulatory changes and a decrease in allowable hourly billing rates. In FY2009, some of those regulations were rescinded, and the Office of Third Party Billing revenue increased by \$1.28 million over FY2008. Additionally, the state changed procedures regarding billing rates in the middle of FY2010 which resulted in a slight decrease in revenue. Despite changed regulations for FY2012, revenue has increased to \$6.7 million, the highest amount by BCPS since FY2007. This increase can be attributed to changes in the economic outlook nationally, 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.

For FY2012, the Office of Third Party Billing generated a total of \$6,681,061 in revenue from health-related services, including \$87,577 in school-based health center reimbursement, as compared to a total of \$6,239,661 generated in FY2011.

Third Party Billing Revenue (School Age Program)



Federal Medicaid Audits

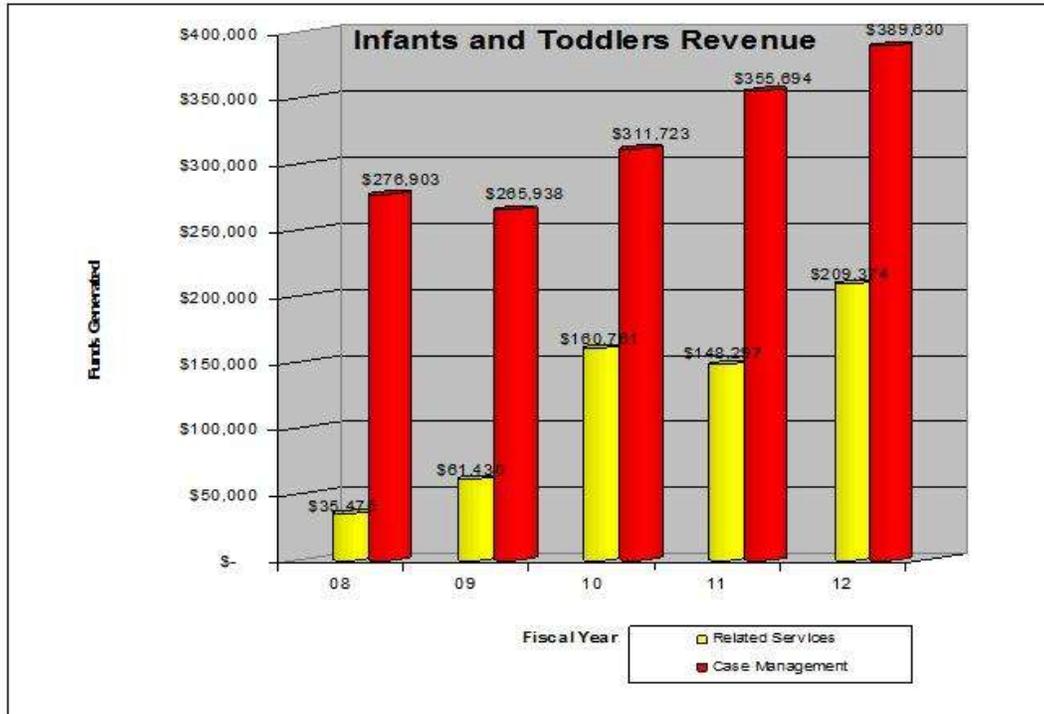
The Office of the Inspector General of the United States (OIG) has audited Maryland's school-based Medicaid program on two occasions; in 2001 and in 2005. With the 2001 review, the OIG visited BCPS and seven other school systems and determined that BCPS and four other school systems had audit findings. Those findings were appealed by the state to the Federal Departmental Appeals Board and subsequently reduced.

The Department of Health and Mental Hygiene (DHMH) repaid the cost of the findings and worked with the Maryland State Department of Education (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.

In May 2011, the DHMH assigned an independent hearing examiner to review the case. The hearing examiner determined that the four school districts were overcharged by MSDE and DHMH. In June 2012, we received correspondence from the assistant state superintendent of the Office of Special Education that indicated that BCPS was overcharged by \$846,000. BCPS is still awaiting final resolution and the return of funds.

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 1,106 children, 52% 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 5% over FY2011. 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. 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.

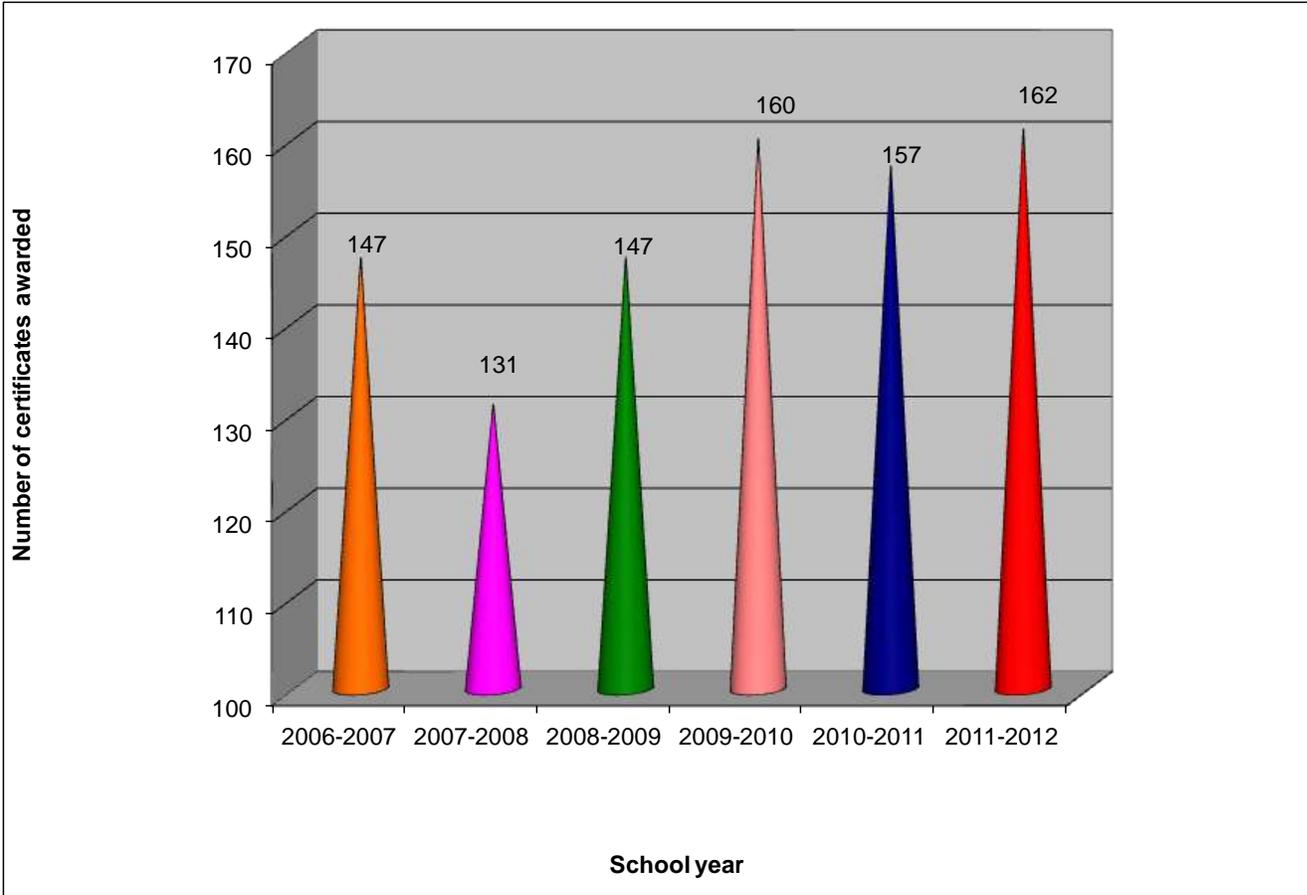


Training

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 2011-2012 school year, the Office of Third Party Billing provided 113 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 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 *case management* 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.

The Office of Third Party Billing also produces reports on *related services* 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 Team, as well as federal and state audits. Thirty (30) 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. A detailed audit report is written for each school and is provided to the principal. For the 2012-2013 school year, these reports will also be sent to the assistant superintendent. The Office of Third Party Billing will be working with these schools and providing additional training during the 2012-2013 school year.

School-Based Health Center Billing

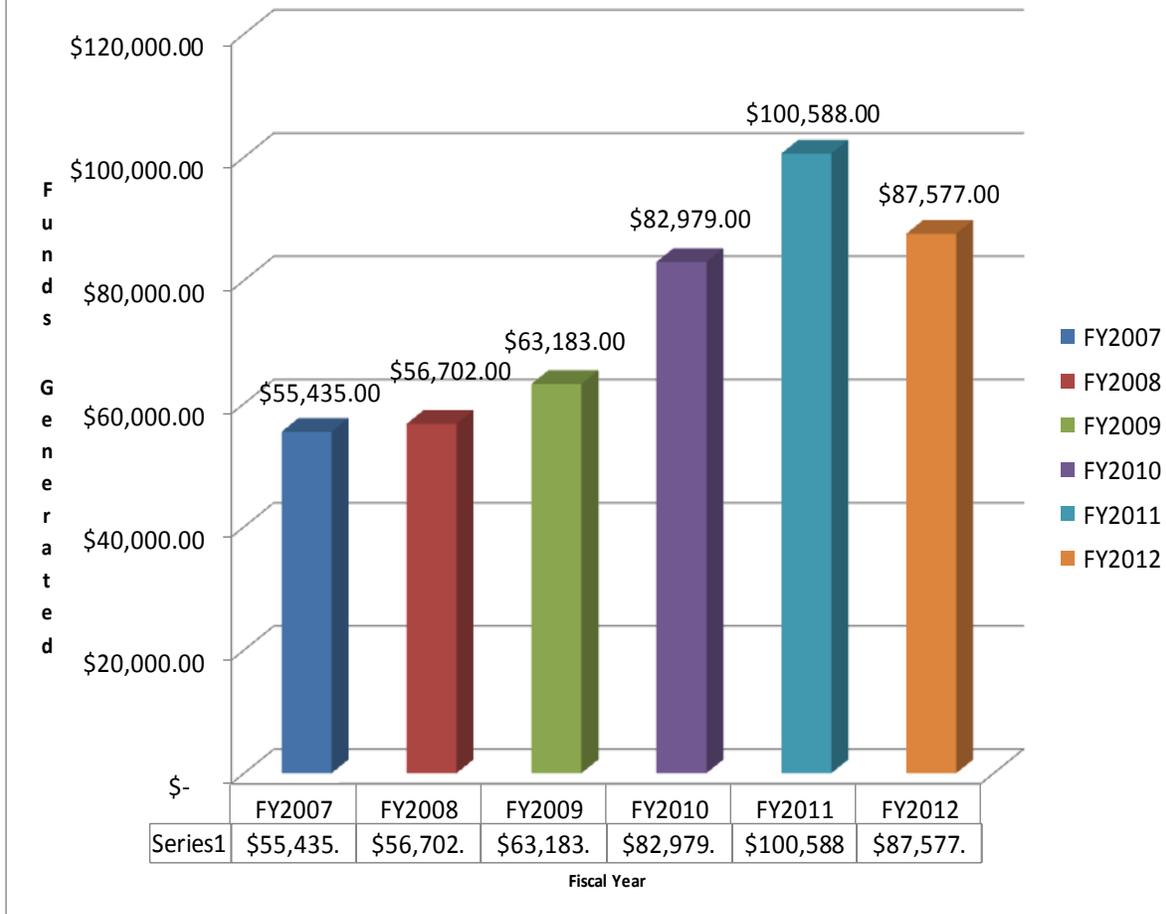
BCPS has been providing and billing for school-based health center services since 1995. BCPS bills private insurance companies and Medicaid for school-based health center services provided in fourteen schools.

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 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.

During the 2011-2012 school year, the DHMH changed regulations and now requires school districts who bill Medicaid for school-based services to also bill families directly if the child has no insurance. The Office of Third Party Billing worked collaboratively with the Office of Health Services to inform families of uninsured children that they would be billed for services. Additionally, these families were referred to the BCPS' outreach worker in order to determine if they were eligible for Medical Assistance. The school-based health center program generated \$87,500 in revenue for the 2011-2012 school year. The decrease from the 2010-2011 year is attributed to the lapse in an agreement between the Baltimore County Department of Health and Carefirst Blue Cross/Blue Shield. The agreement has since been renegotiated and reinstated.

School-Based Health Center Funds Generated



Transportation

BCPS has billed Medicaid for transportation services since 1998. 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. BCPS has 247 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 FY2012, BCPS generated \$401,473 in reimbursement for transportation services.

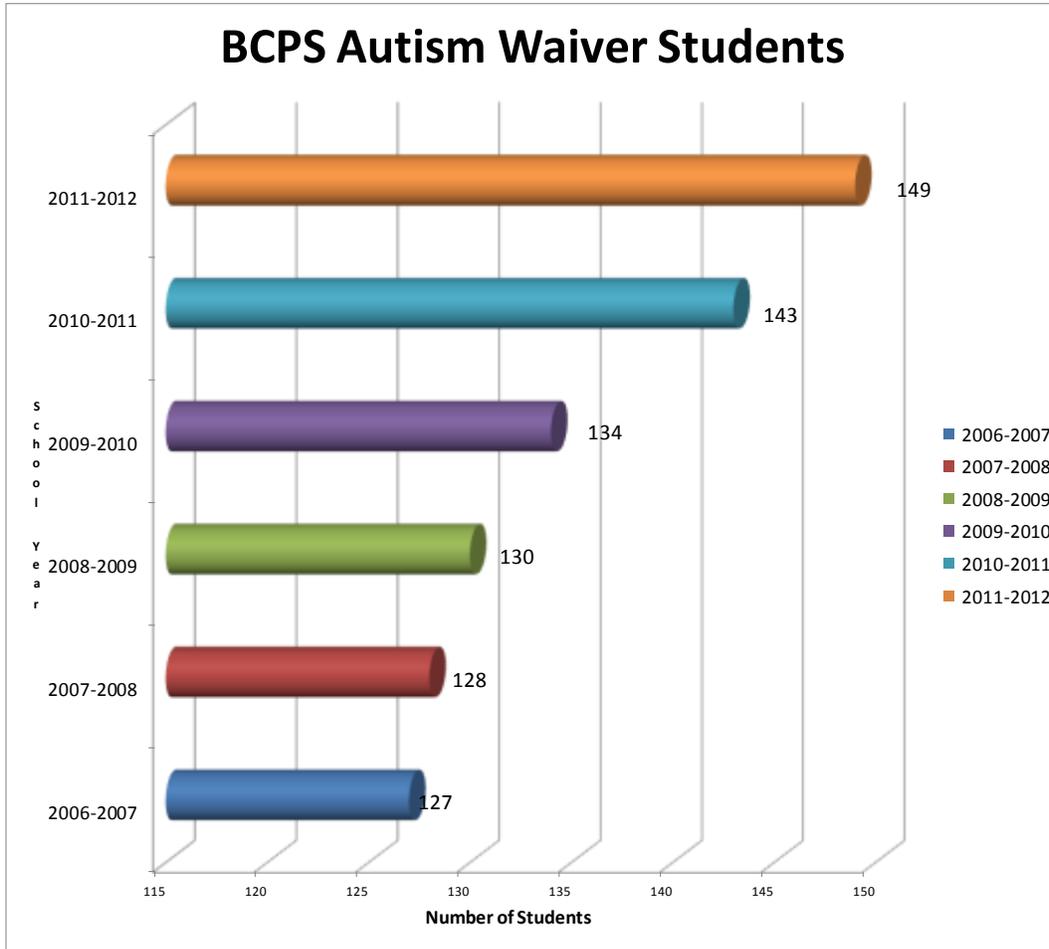
Grant Approval Process

In 2011, the Office of Third Party Billing, in a collaborative effort with the grant compliance specialist in the Office of Financial Reporting, and the Department of Technology, worked to automate an approval process for seeking a grant. The intent is for a potential grant applicant within BCPS to be able to complete the request electronically and receive electronic notification from BCPS management to commence the grant writing process. Based on information provided by the grant seeker and their response to various questions, the system routes the request to various offices for input and/or approval prior to routing to the appropriate department head or assistant superintendent for approval. This process allows managers to be aware of potential grants staff wish to seek, and allows the approval process to be monitored.

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. Originally begun with only 150 statewide openings, the waiver program is currently 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.

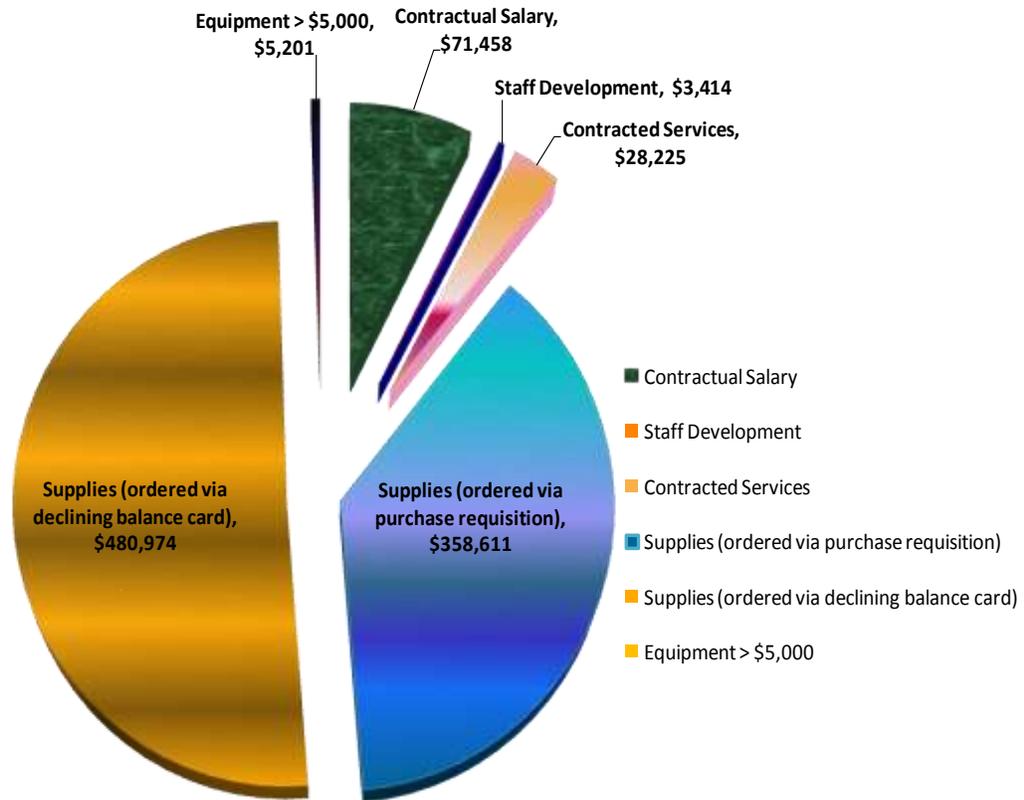
The Office of Third Party Billing provides three part-time autism waiver facilitators that assist families on the waiver with obtaining the available services. BCPS bills DHMH for the service coordination services and generated \$188,068 in revenue during fiscal year 2011-2012.



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. This resulted in establishing a process whereby schools are issued a Visa procurement card with a set available spend balance, for a specific period of time. In FY2011, all schools were able to participate in the program. Staff members are required to attend training specifically for the declining balance procurement card. Schools used their declining balance cards to make 2,109 purchases for a total of \$480,974. Following is a chart by expenditure category detailing how schools spent their case management funds in FY2012.

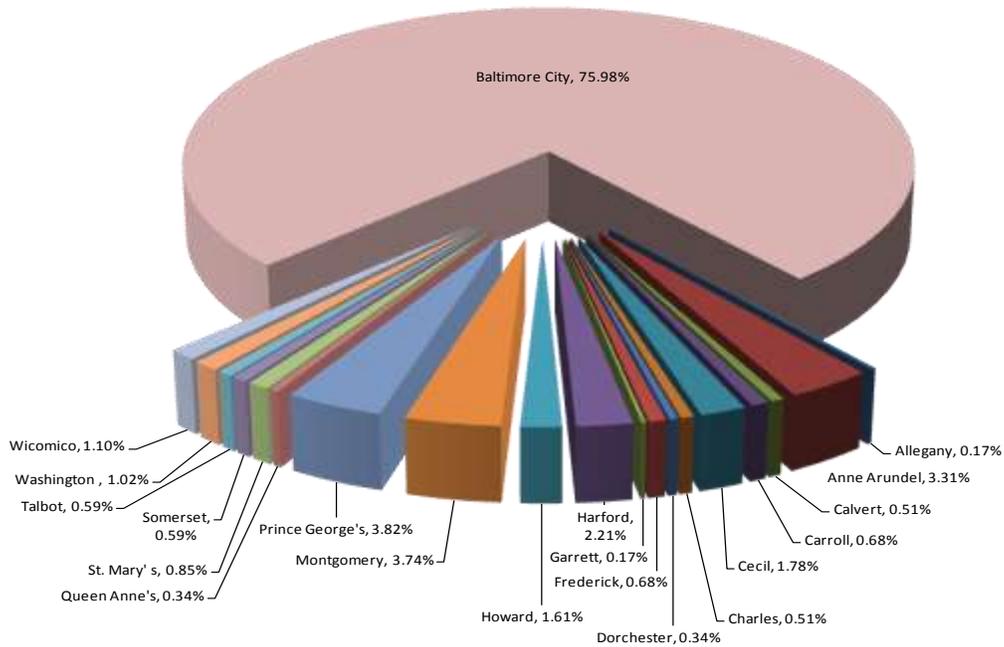
FY2012 Expenditures - Case Management Funds Distributed to Schools



Out of County Living Arrangement Program

In September 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 FY2011, the office billed other LEA's for 648 students and generated \$5.7 million. The majority of OCLA students (76%) come to Baltimore County from Baltimore City. Following is a chart of the jurisdictions where students come to BCPS.

Where Do Out of County Living Arrangement Students Come From?



Outreach Endeavors

In 2010, the Office of Third Party Billing established a contractual outreach worker position. The role of the outreach worker is to assist families to apply for Medical Assistance. The outreach worker accepts and follows-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. The majority of the referrals are during the first three months of the school year. During the 2011-2012 school year, the outreach worker assisted 375 students to receive Medical Assistance benefits.

Summary

The Office of Third Party Billing is charged with generating 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 other LEA's for social services-placed students who reside in Baltimore County while another LEA is responsible for the cost of their tuition. 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.

Revenue from Medicaid has fluctuated over the years due to federal and state regulatory changes. 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. 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, assist with maintaining the grant approval process, and provide outreach services to families eligible for Medical Assistance.