



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

**Annual Report
July 2012 – June 2013**



**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

- 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.
- 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

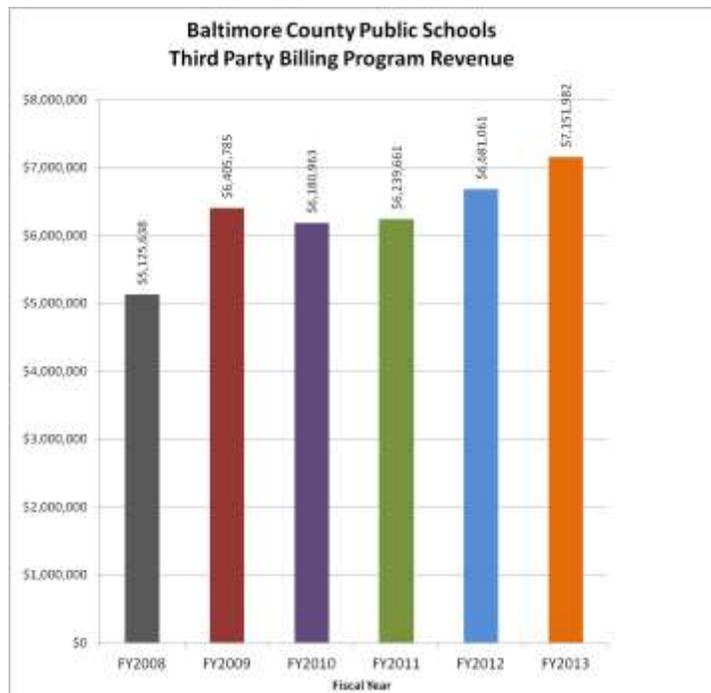
In 1988, President Reagan signed into law Public Law 100-360, the Medicare Catastrophic Act. While the law made major changes to the Medicare program, it also permitted the billing of school-based health services to Medicaid.

Since 1992, the Office of Third Party Billing at Baltimore County Public Schools (BCPS) has been working to recover health care costs from Medicaid for health care services provided to BCPS' students.

In 2008, the Office of Third Party Billing assumed responsibility for billing for the Out of County Living Arrangement Program.

Office of Third Party Billing Facts 2012-2013 School Year

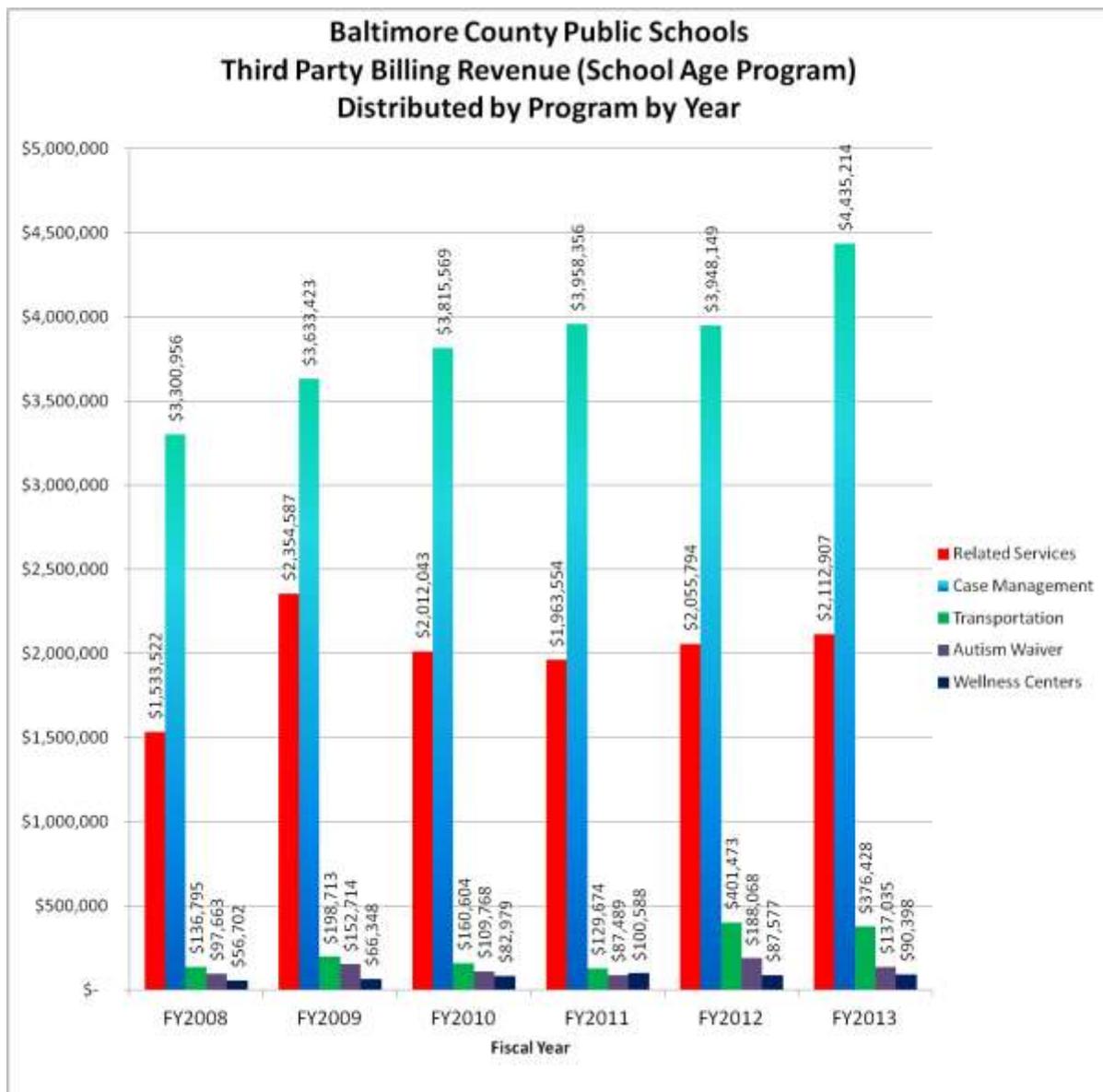
- Generated \$7.2 million in Medicaid and other health-related revenue for FY2013 – the second highest of all Maryland school systems and the most by BCPS since FY2007.
- 5,884 special education students (42.9% of the total special education population) qualified for the Third Party Billing program.
- 5.6% of the total BCPS' student population qualified for the Third Party Billing program.



Third Party Billing Program Revenue

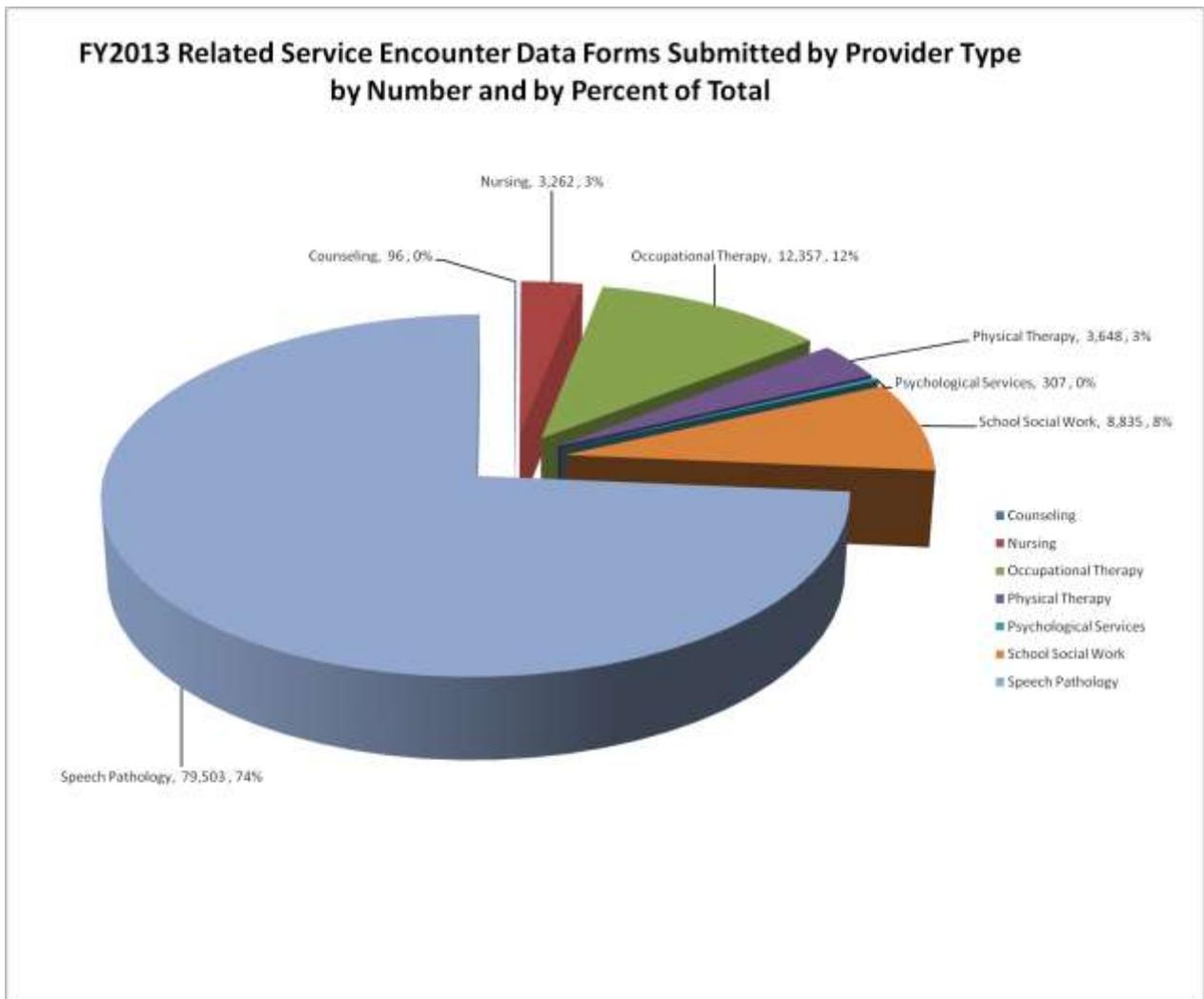
Over the past few years, third party billing revenue has begun to increase, even with the increase in federal regulatory changes and a decrease in allowable hourly billing rates. This increase can be attributed to changes in the economic outlook nationally, the diligence of school staff in processing 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.

During FY2013, the Office of Third Party Billing generated a total of \$7,151,982 in revenue from health-related services, including \$90,398 in school-based health center reimbursement, as compared to a total of \$6,681,061 generated in FY2012.



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 services provided for case management, transportation, and autism waiver. The Office of Third Party Billing generated \$2.1 million in related service funds for FY2013. Below is a distribution of related service encounter data forms submitted by service provider type for the 2012–2013 school year.



Federal Medicaid Audits

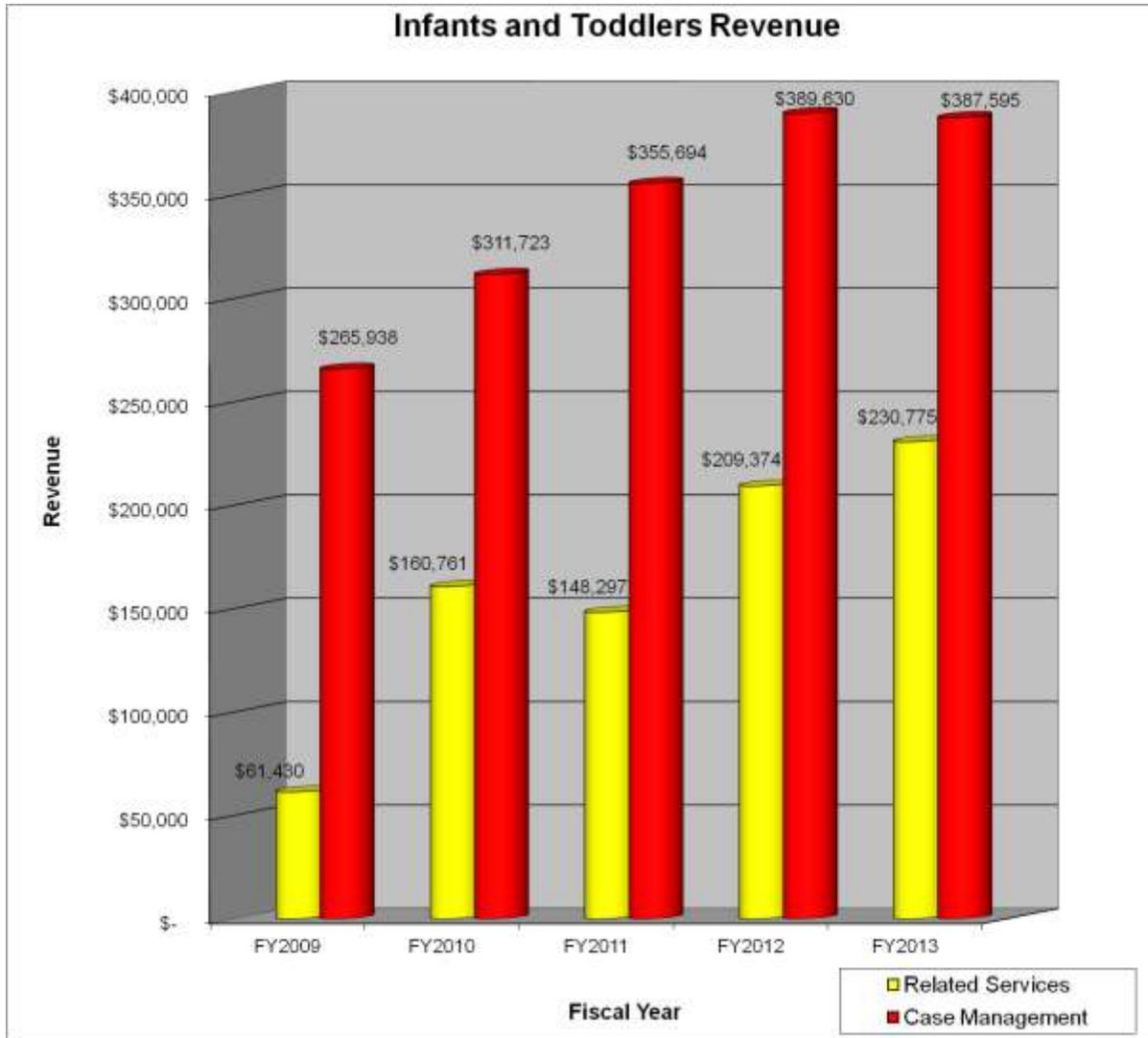
The Office of the Inspector General of the United States (OIG) has audited Maryland's school-based Medicaid program on two occasions; in 2001 and in 2005. With the 2001 review, the OIG visited BCPS and seven other school systems and determined that BCPS and four other school systems had audit findings. 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, correspondence was received 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 1,045 children, 49% of whom meet the requirements for billing. Over the past three years, the Infants and Toddlers program revenue for related services has increased due to additional services provided to students through the extended option, as well as heightened awareness of staff and increased documentation. 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.



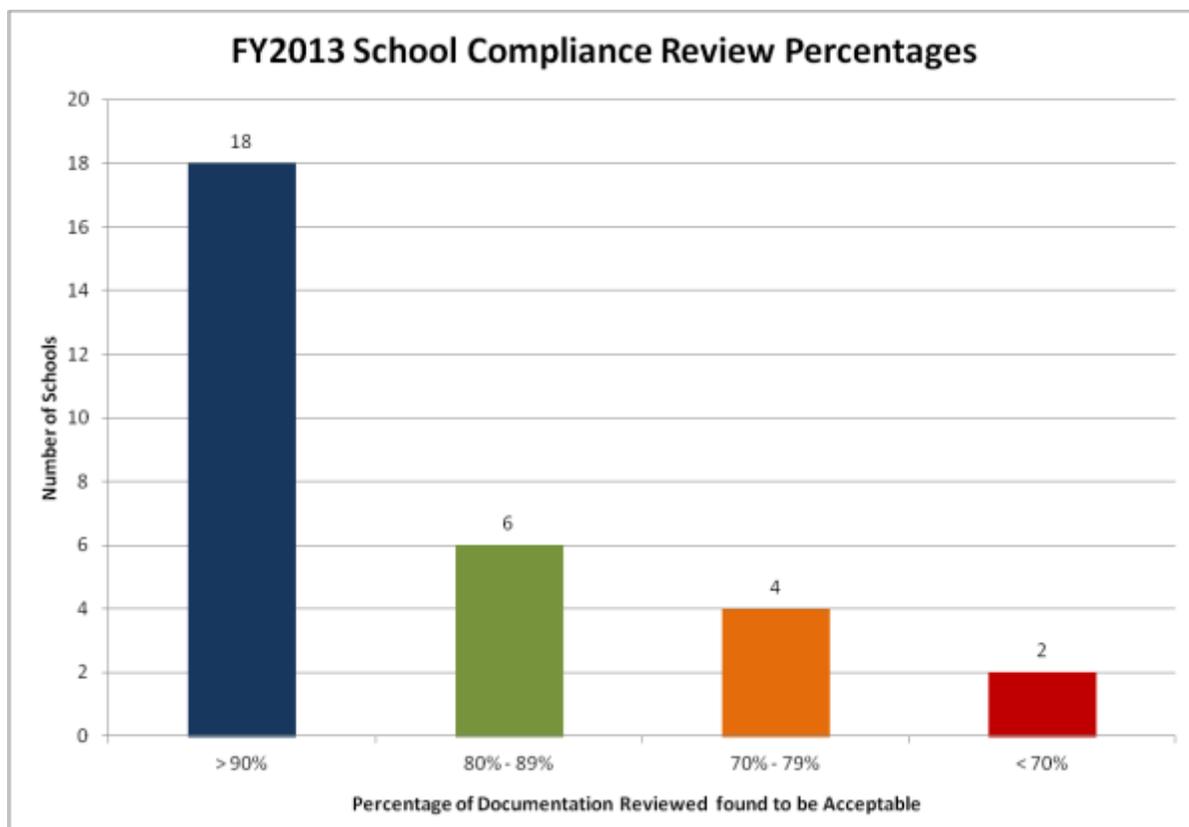
Training

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 2012-2013 school year, the Office of Third Party Billing provided 114 school-based case management training sessions.

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 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, 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 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 audited schools with an overall percentage of 80% or below, additional training is required. The Office of Third Party Billing will be working with these schools and providing additional training during the 2013-2014 school year.



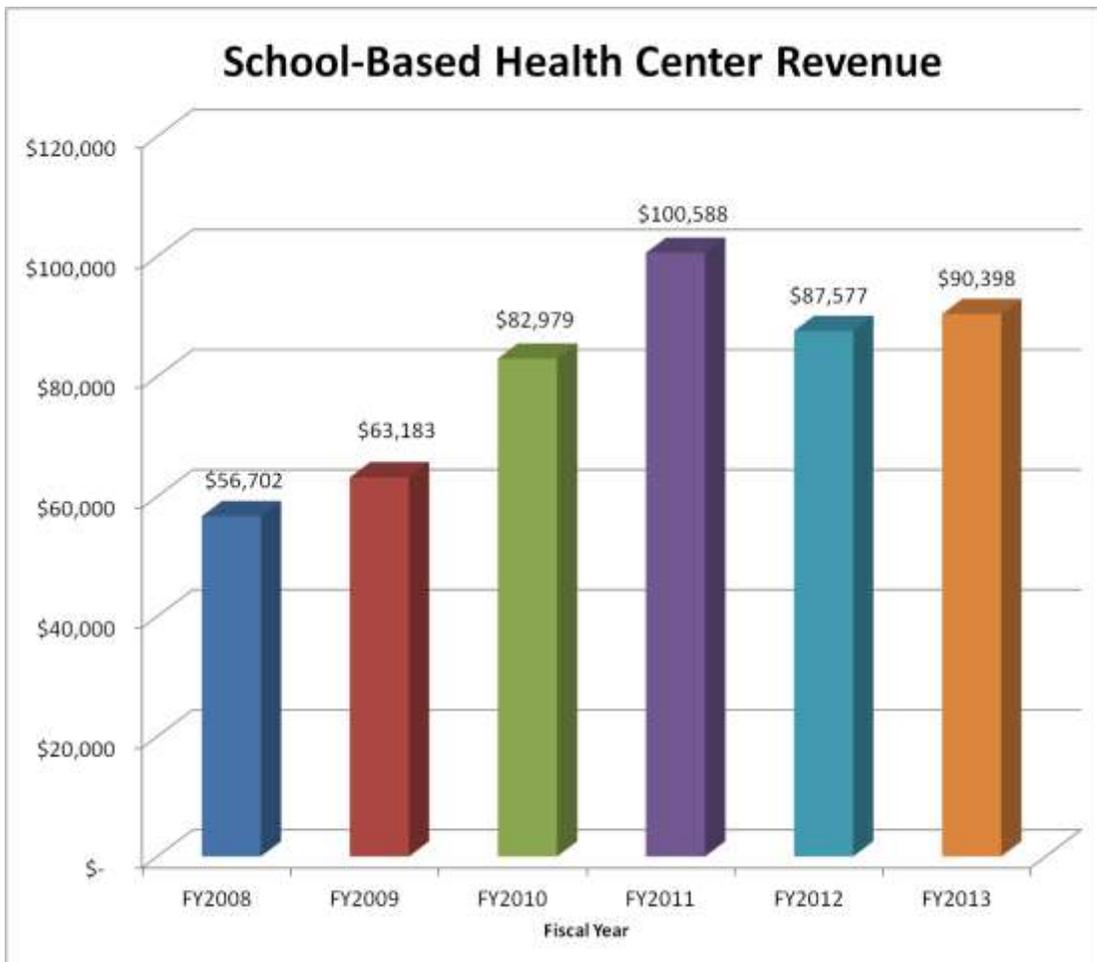
School-Based Health Center Billing

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 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 to require school districts that 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.



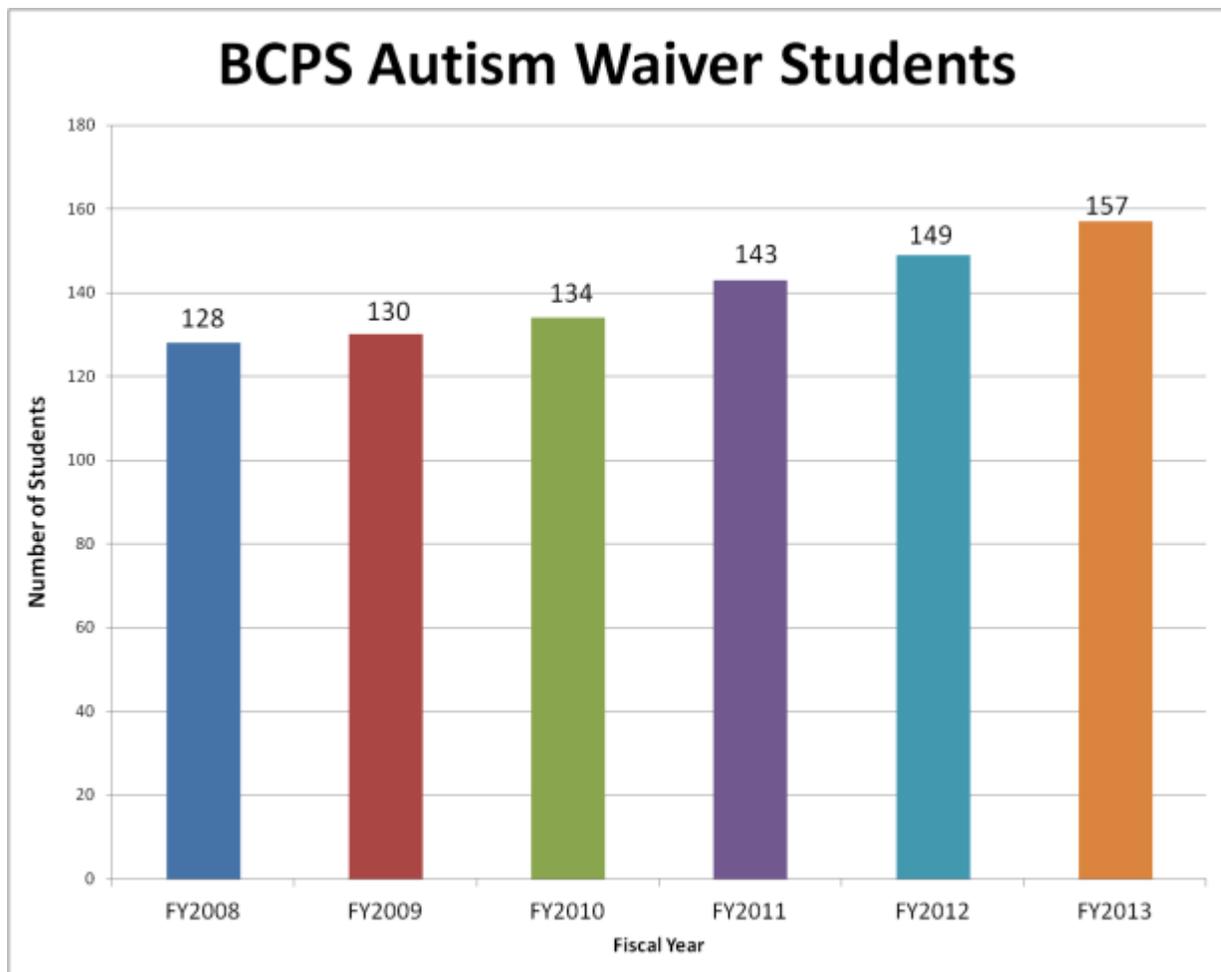
Transportation

BCPS continues to bill Medicaid for transportation services. 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 274 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 FY2013, BCPS generated \$376,428 in reimbursement for transportation services.

Medicaid Home and Community-Based Autism Waiver Program

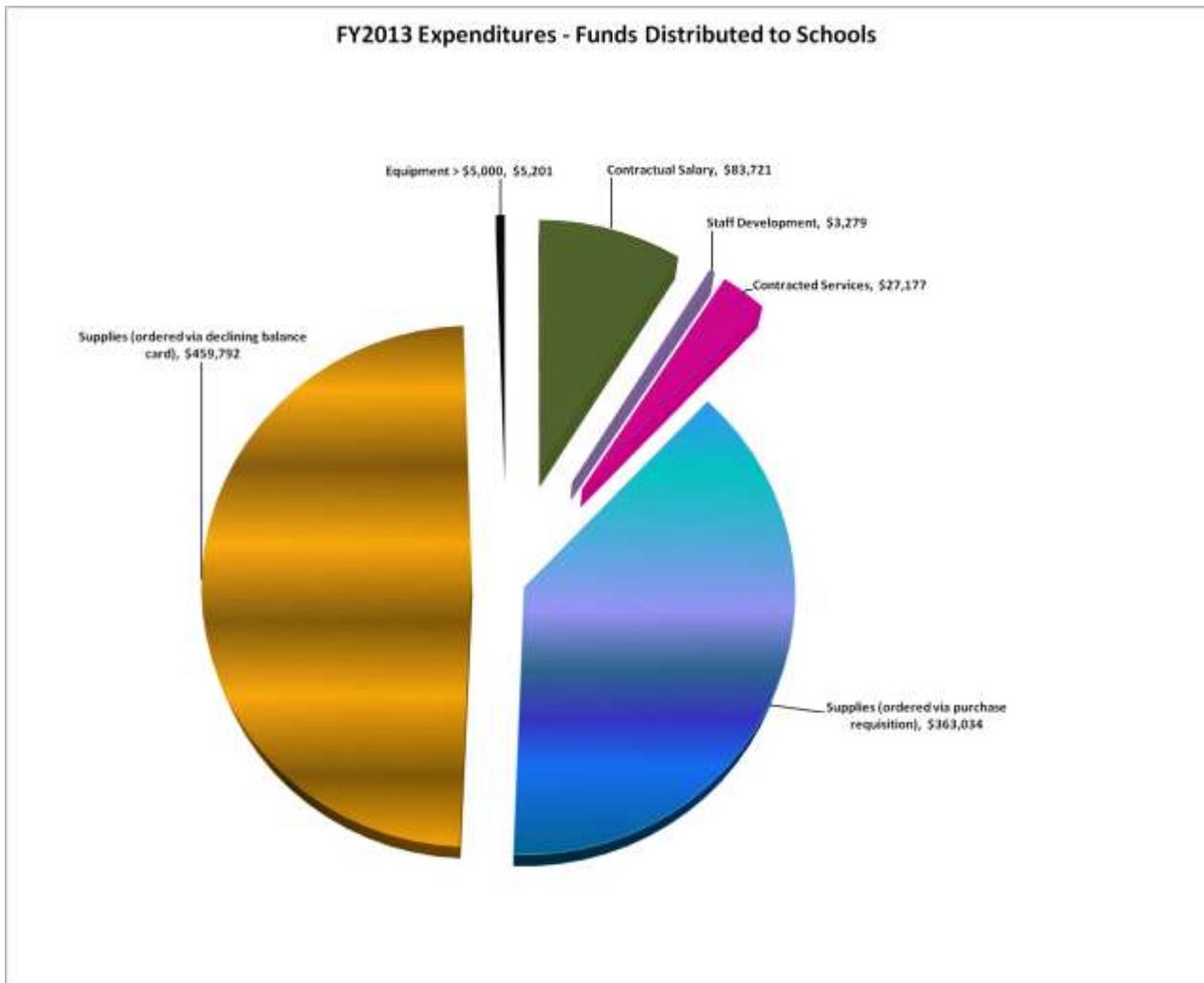
The Medicaid Home and Community-Based Autism Waiver program is a Medical Assistance program that was developed as a joint effort between MSDE and DHMH in order to offer support at home and in the community to this extremely challenging population. This program offers services including intensive individual 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 1,000 participants statewide. 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 program with obtaining the available services. BCPS bills DHMH for the service coordination and generated \$137,035 in revenue during FY2013.



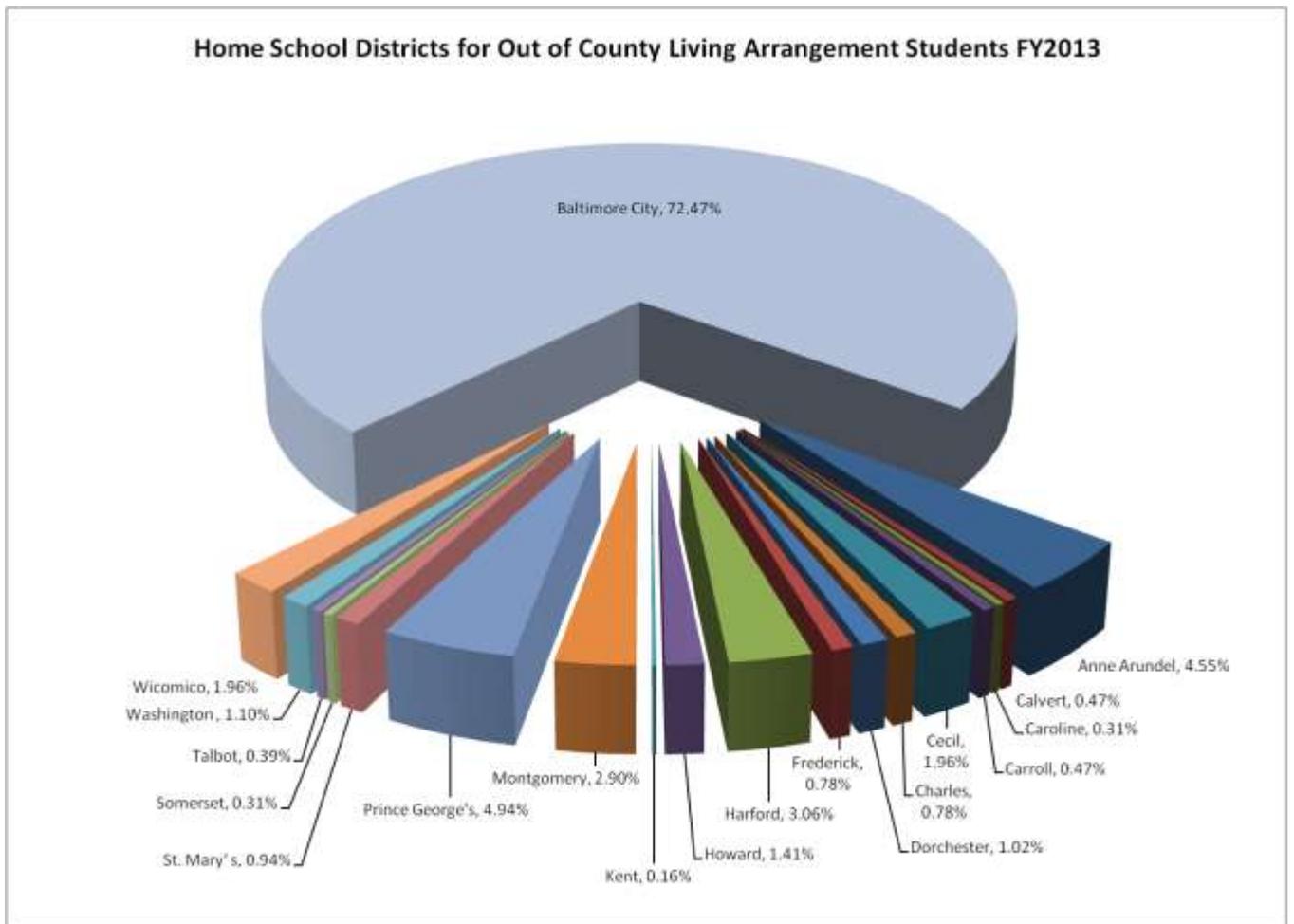
Declining Balance Cards

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 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 2,049 purchases for a total of \$459,792. Following is a chart by expenditure category detailing how schools spent their case management funds in FY2013.



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 FY2013, the office billed other school districts for 632 students and generated \$4.1 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.



Outreach Endeavors

The Office of Third Party Billing has hired a contractual outreach worker 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 2012-2013 school year, 391 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 other school districts' students who reside in Baltimore County. 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 2013-2014 school year, the office plans to increase accountability with the Department of Special Education and Student Support Services to develop a mechanism for capturing billing data electronically. The office will also offer online training sessions for school staff and implement an online approval system for schools to access Third Party Billing funds. In addition, the office will research using electronic signatures for staff in an effort to reduce paperwork.