

## Getting Started on the Medicaid School Program (MSP)

### Overview

Many Ohio school districts are familiar with the Medicaid program called CAFS (Community Alternative Funding System) that operated under the Ohio Department of Mental Retardation and Developmental Disabilities. CAFS enrolled County Boards of MR/DD and later school districts and private agencies utilized CAFS funding to provide Medicaid therapy, psychology, nursing and case management services for children and adults with developmental disabilities and children with Individualized Education Programs and Individual Service Plans. The County Boards or school districts provided the non-federal matching funds under CAFS. Educational Service Centers (ESCs) were important CAFS providers.

The State terminated CAFS at the end of June 2005 because of numerous problems with being unable to comply with federal Medicaid requirements and also because County Boards would have to provide the matching funds for private providers. Among the federal compliance problems in the CAFS program were free choice of providers, habilitation center contracting requirements, requiring plans of care for Medicaid state plan services, bundling of services, and variation of rates of payment.

A coalition of stakeholders filed a lawsuit to continue Medicaid coverage for children receiving special education related-services (such as occupational therapy, physical therapy, speech therapy and psychology). In settling this lawsuit the State agreed to request approval from the federal government to establish a school-based Medicaid program.

Ohio's initial request to the federal Centers for Medicare and Medicaid Services (CMS) was swiftly denied. The Medicaid State Plan Amendment (SPA) was finally approved by CMS in August 2008 retroactive to July 2005.

The difficult work of translating what CMS approved in Ohio's SPA into more detailed requirements was lead by the Ohio Department of Job and Family Services (ODJFS) as Ohio's "Single State Medicaid Agency". For nearly a year ODJFS drafted the operating rules and reviewed them with ODE and key school Medicaid stakeholders. Numerous changes were considered and many were incorporated, particularly those that would ease implementation but not raise possible federal objections.

The MSP emergency rules became effective December 1, 2008 in order that ODJFS, ODE and schools could begin implementing MSP. Proposed final rules were filed with the Joint Committee on Agency Rule Review (JCARR) at nearly the same time and ODFJS held a public hearing on December 30 to solicit public input.

A number of parties provided testimony on the rules. Their concerns included how IDEA requirements could be reconciled with MSP requirements for a "plan of care", whether Evaluation Team Report (ETR) would provide recommendations about the amount, frequency and duration of services to be provided, and the meaning of the exclusion of coverage of services intended to provide "habilitation".

In order that the final rules could go into effect on March 2, 2009 so there would be no gap in MSP coverage, ODE and ODJFS committed to meet with stakeholders to discuss their concerns and where necessary to open up the MSP rules again to make corrections or clarifications. By mid-April, 2009 five stakeholder meetings took place and a package of proposed rule language changes has been developed.

### **MSP Administrative Rules – OAC 5101:3-35**

The Ohio Department of Education has made available on its website [education.ohio.gov](http://education.ohio.gov), (keyword search: Medicaid) the MSP administrative rules. The rules are also available on the Register of Ohio <http://www.registerofohio.state.oh.us/> and on the LAWriter Ohio Laws and Rules website <http://codes.ohio.gov/orc>

The rules are divided into five parts.

**5101:3-35-01 Definitions** is the definitions of terms used in the Medicaid School Program. That includes such terms as General Supervision and Medical Home.

**5101:3-35-02 Qualifications** includes what organizations can become MSP providers, what qualifications the skilled professional staff need to meet, and what MSP providers need to do for cost reporting and cost reconciliation purposes.

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**5101:3-35-03** was first proposed and then eliminated. It had to do with the requirements for the school district to coordinate services with the student's "medical home". The requirement was added to the Medicaid School Program provider agreed with ODJFS.

**5101:3-35-04 Reimbursement** sets forth the provisions for claiming to receive Medicaid reimbursement.

**5101:3-35-05 Services** is very important in that it details what the eligible services are and what is excluded (or not billable through MSP).

**5101:3-35-06 Other MSP Services** defines Targeted Case Management and Specialized Medical Transportation, and the reimbursement of Medical Equipment and Supplies through the school's cost report.

### Current Status of MSP

MSP is now in its beginning stages of implementation. While a sizeable number of MSP providers are now officially enrolled, as yet interim service payments are just starting to be made.

A number of implementation issues are still to be resolved; in particular, those raised by the stakeholder groups who testified on the final rules and exactly how the back claiming of services will occur.

A number of school districts have been working with third party agencies for quite some time in anticipation of the Medicaid School Program, in assembling documentation of their skilled health professionals' activities and anticipating that they would be able to submit claims for services provided all the way back to the middle of 2005. For schools that participated in the CAFS program, there is basic familiarity with how Medicaid in the school's work. Nonetheless, it is important for them not to take for granted that MSP will work exactly the same as CAFS.

Several third party administrators have received training on the Random Moment Time Study (RMTS) process and are working with selected school districts and a sample of professionals on a pilot time study for the week of April 27, 2009. The pilot will help ODE and the contractor refine the time study process, including the types of pre-defined answers that will be available, so that the actual time study implementation in October, 2009 will be a smoother process.

### ODJFS & ODE Partnership

As Ohio's "Single State Medicaid Agency", the Ohio Department of Job and Family Services (or ODJFS) has the responsibility for making sure that any part of the state's Medicaid program meets the federal Medicaid requirements. Over the period of several years, ODJFS negotiated with the federal Centers for Medicare and Medicaid Services (also known as CMS) on the elements that would be necessary for CMS to approve coverage of Medicaid services provided through schools. The part of ODFJS responsible for Medicaid is called Ohio Health Plans.

The administrative rules for operating the Medicaid School Program were developed by ODJFS along with ODE and various stakeholders through a lengthy process of collaboration and at times through clarifying with CMS staff about what was necessary for Medicaid compliance.

On an ongoing basis ODJFS will enroll Medicaid School Program providers, establish the eligible codes for interim payment and the fees, and make payments for services billed.

ODJFS provides oversight of the administration of the Medicaid School Program by the Ohio Department of Education. Staff of the two state agencies has developed a close working relationship, which will continue as MSP begins its full-scale operation.

ODE, with frequent consultation with ODJFS, is developing an annual cost report, as well as detailed cost report instructions, that participating school districts will begin using for the period of October 1, 2009 to September 30, 2010.

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ODE is responsible for overseeing the contract for the time study, which is an essential part of the cost report, and for preparing reports to CMS on the time study training and implementation process.

ODE is also preparing MSP training materials and developing an ongoing plan for training.

Communication with school districts is vital if MSP is to be successful. This communication includes transmitting information on Medicaid requirements to school districts, fielding questions from the districts and third party administrators regarding these requirements and providing technical assistance when necessary about the integration of Medicaid and special education components. The [Schoolmedicaid@ode.state.oh.us](mailto:Schoolmedicaid@ode.state.oh.us) e-mail address is a convenient way to ask questions.

Besides special mailings to local MSP coordinators, superintendents and treasurers, ODE maintains a web page [education.ohio.gov](http://education.ohio.gov) (keyword search: Medicaid) featuring updates, bulletins and the MSP administrative rules.

### **What is MSP?**

One of the most important things to understand about the Medicaid School Program is that it is a cost-based reimbursement program for eligible services provided under Ohio Medicaid. Most MSP services are reimbursed at a rate per procedure that is the greater of the provider's charge or Medicaid's maximum allowed for that procedure. There is no later comparison of what Medicaid paid and what the provider's actual cost to deliver the service was. A provider conceivably could make a profit. More likely, given the Ohio Medicaid fees, the provider would be paid less than what he would have received from a private health insurer. MSP is different in that a participating school district ultimately can't receive more than its cost but also won't have to accept less than its cost despite how much the Ohio Department of Job and Family Services paid on "interim" billings.

The purpose of the interim billings, which are by eligible procedure, is to provide local school districts cash flow for the services they provide. Interim billings are by standardized procedure codes that also are used for skilled professional services provided in the community. Unlike CAFS, where the codes were by 15 minute increments depending upon the type of professional service and the age of the individual receiving the service, MSP billing codes are more specific about the actual service provided.

Because MSP is a cost-based reimbursement program, how are the costs determined? The simplest answer is by an annual cost report that school districts submit to the Ohio Department of Education. The first period this new cost report will be in place runs from October 1, 2009 through September 30, 2010. At this time the MSP cost report is still being developed by ODE with the assistance of ODJFS. It is expected that the cost report will contain the salaries and fringe benefits of staff performing direct services, case management and Medicaid administrative activities.

Individuals providing direct services, targeted case management or Medicaid administrative activities must participate in a time study that will determine the statewide percentage that will be applied to their salary and fringe benefits.

### **Medicaid and IDEA**

The district responsibility for IDEA does not change. Schools must still adhere to the Operating Standards for Ohio Educational Agencies serving Children with Disabilities as well as the federal statute, The Individuals with Disabilities Education Act or IDEA and the federal regulations that interpret IDEA.

Medicaid requirements do not change what a child is entitled to through IDEA, which includes the entitlement to recommended therapy services. For example, a therapy which exceeds what is in the IEP or for which no progress is shown may continue to be provided even though it may not be reimbursable by Medicaid.

### **Who can be a MSP Provider? 5101:3-35-02**

City school districts, local school districts, exempted village school districts, publically funded community schools and the state schools for the deaf and for the blind can enroll with the Ohio Department of Job and Family Services to become MSP providers. Unlike the CAFS (Community Alternative Funding System), Medicaid School Program providers do not include County Boards of Mental Retardation/Developmental Disabilities, Educational

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Service Centers, Head Start agencies and private agencies. The MSP provider may contract with any of these entities to provide services to their students.

### **What are MSP Providers expected to do?**

The school district must:

- Obtain and maintain a current valid Medicaid provider agreement from ODJFS.
- Employ or contract for at least one of the following state licensed practitioners as defined in MSP rule 5101:3-35-02
  - Occupational therapist
  - Physical therapist
  - Speech-language pathologist
  - Audiologist
  - Clinical counselor or counselor
  - Psychologist or school psychologist
  - Independent social worker or social worker
  - Registered nurse
- Ensure all employees and contractors who have in-person contact with children for the provision of services undergo and successfully complete criminal records checks.
- Provide services in accordance with MSP rules 5101:3-35-05 and 5101:3-35-06.

Local school districts participating in the Medicaid School Program have several responsibilities to consider when deciding whether participation is worthwhile. Reading the MSP administrative rules and trying to understand what is and is not eligible for Medicaid reimbursement is necessary.

Each MSP provider will be required not only to participate in the Random Moment Time Study but also to complete an annual cost report. They must also contract with an authorized entity to perform an agreed upon procedures review of the cost report and to document adjustments to the cost report.

The MSP provider should develop a process by which parents are informed that Medicaid may be billed for reimbursement of certain IEP-related medical services received by the child and that this in no way will impact the ability to receive Medicaid services outside the school system. Parents must provide written consent before the district can release information to bill Medicaid.

### **How to apply to be a MSP Provider**

A school district that is interested in becoming a MSP provider should first obtain a National Provider Identifier also referred to as a NPI number. Either call ODJFS to obtain a paper application at 1-800-465-3203 or access and submit the application electronically at: <https://nppes.cms.hhs.gov/NPPES>.

Once the NPI number is obtained, the school district may submit a Medicaid provider application to ODJFS for approval to become a MSP provider. The Medicaid application can be accessed on-line at <http://jfs.ohio.gov/OHP/bpo/pnms/providerDocuments/Organizations.stm>. The application cannot be submitted on-line. However, because it is an interactive form, it can be completed on-line, and the completed application printed, signed and submitted through the mail for consideration.

All questions about the Medicaid Provider Application or any aspect of the Medicaid provider enrollment process can be referred to ODJFS, Provider Enrollment Customer Service at 1-800-686-1516.

When the school district enters into the agreement with ODJFS, it also makes a commitment to coordinate services with the medical home of the child for whom claims for Medicaid reimbursement will be submitted. The medical home is a physician, physician group practice, or an advance practice nurse with a current Medicaid provider agreement or a provider with a contract with an Ohio Medicaid managed care plan. This provider serves as an ongoing source of primary and preventative care and provides assistance with care coordination for the patient. The school district would then obtain release of information that would allow notation of child's primary health care provider and/or managed care plan in IEP and establish bilateral protocol with the medical home to exchange information regarding child's health services.

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Once the Medicaid provider application is approved by ODJFS, it becomes the contract between the school district and the Ohio Department of Job and Family Services. The contract is referred to as the Medicaid Provider Agreement, and as a part of this contract or agreement, the school district agrees to comply with the terms of the provider agreement, state statutes, Ohio Administrative Code rules, and federal statutes and rules.

When approved as a MSP provider, the district should contact the Ohio Department of Education (ODE), and provide them with the contact information (name, phone number and email address) for the persons designated by the school district as the MSP Coordinator and Assistant Coordinator. The MSP Coordinator will be the contact person for the time study. The school district may delegate that responsibility to a third party administrator who also handles the MSP billings on behalf of the district. This information will be used by ODE to initiate the school districts participation in the random moment time study process that is an integral component of the MSP.

The MSP Coordinator is responsible for attending MSP trainings; training the local district professionals who will be providing MSP services and therefore will be included in the time study; and will oversee the local time study process.

Coordinator/Assistant Coordinator must attend training (about an hour and a half) on RMTS online system.

### MSP Services

MSP Services are provided through a qualified MSP provider, recommended based on the evaluation/assessment by a qualified Medicaid practitioner, delivered by an appropriate licensed practitioner to a Medicaid eligible child, and included in an Individualized Education Program (IEP), or included in the assessment/evaluation to determine the appropriateness of developing an IEP.

#### **Direct Services 5101:3-35-05**

##### Occupational Therapy Services

- Evaluation and re-evaluation to determine the current sensory and motor functional level and identify appropriate therapeutic interventions
- Therapy to improve functioning and teach skills and behaviors crucial to independent and productive level of functioning
- Application and instruction in the use of orthotic and prosthetic devices

##### Physical Therapy Services

- Evaluation and re-evaluation to determine the current level of physical function and identify appropriate therapeutic interventions
- Therapy with or without assistive devices, for preventing, correcting, or alleviating impairment
- Application and instruction in the use of orthotic and prosthetic devices

##### Speech-Language Pathology

- Evaluation and re-evaluation to determine the current level of speech-language and treatment
- Therapy with or without devices for preventing, correcting, or alleviating impairment
- Application and instruction in the use of assistive devices

##### Audiology

- Evaluation and re-evaluation to determine the current level of hearing and to identify appropriate treatment

##### Nursing Services

- Assessment/evaluation to determine the current health status of the child to facilitate treatment
- Administering medications prescribed by a Medicaid authorized prescriber
- Implementation of nursing procedures which may include tube feeds, bowel and bladder care, colostomy care, catheterizations, respiratory treatment and other services prescribed

##### Mental Health Services

- Diagnosis and rehabilitative treatment
- Assessment and diagnostic services
- Psychological and neuropsychological testing
- Rehabilitative treatment for purpose of treating, correcting, or alleviating mental/emotional impairment.

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### Assessment/Evaluation

- Initial assessment/evaluation that is part of the multi-factored evaluation (MFE) conducted for a Medicaid eligible child without an IEP or for a two year old child with a disability to determine whether or not an IEP is appropriate
- Re-assessment/re-evaluation conducted thereafter and identified in the eligible child's IEP

Reimbursement for initial assessment/evaluation is limited to one per continuous 12 month period per child unless prior authorization from ODJFS is obtained. Reimbursement is not contingent on the child being determined eligible for special education services. Re-assessment/re-evaluation must be no more than twelve-months from the date of the prior assessment/evaluation and no sooner than six months for services identified on eligible child's IEP.

The recommendation shall be signed by the qualified practitioner who conducted the assessment/evaluation and include a description of the services and supports which are needed to address the findings from the assessment/evaluation.

### **Other MSP Services 5101:3-35-06**

#### Targeted Case Management (TCM)

- Includes assessment, care planning, referral & linkage, monitoring & follow-up activities
- Must be provided to assist a Medicaid eligible child to access medical, social, educational and other needed services (not just education)
- Must be indicated in the IEP in amount, frequency, and duration along with the name of the case manager
- Services provided through an IEP only for eligible children with developmental disabilities
- TCM cannot be claimed if County MR/DD is providing TCM
- Service unit is fifteen minutes

#### Specialized Medical Transportation

- Specified in the child's IEP as a related service
- Provided a specially adapted vehicle in accordance with the requirements for ambulette services in rule 5101:3-15-02 of the Administrative Code.
- Transport to and from a Medicaid eligible service (Home to school or school to home is not a covered service)
- Service unit is per trip

#### Medical Equipment and Supplies

- Medically necessary for the care and treatment of the eligible child
- Must be indicated in the IEP
- Must only be used in school
- Reimbursement is only through the annual cost report

### **Who is an eligible child?**

#### An eligible child

- Is enrolled in a public school district, community school or state school,
- Is between the age of three to twenty-one,
- Has an individualized education program (IEP), and
- Is approved for Medicaid services through ODJFS.

Exceptions for a two year old child with a disability being transitioned from early intervention services who need assessments to determine whether or not an IEP is appropriate and children who have been identified through OAC 3301-51-03 Child Find.

### **Who can deliver MSP services to eligible children? 5101:3-35-05**

Licensed professionals acting within the scope of their practice under Ohio law who hold current license through their state boards must provide all professional services billed to Medicaid. These professionals include:

- Occupational Therapist and Occupational Therapy Assistant

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- Physical Therapist and Physical Therapy Assistant
- Speech-Language Pathologist and Speech-Language Pathology Aide
- Audiologist and Audiology Aide
- Registered Nurse and Licensed Practical Nurse
- Clinical Counselor
- Independent Social Worker or Social Worker
- Psychologist
- School Psychologist

A licensed psychologist can be a psychologist who has a valid license through the state board of psychology or a license/certification through the Ohio Department of Education. Services not provided by licensed practitioners may still be provided through the IEP but will not be eligible for Medicaid reimbursement.

### Who can be a TCM case manager?

- A licensed registered nurse who holds a current, valid license issued under section 4723.09 of the Revised Code, and who is employed or contracted with the MSP provider; or
- An individual with a baccalaureate degree with a major in education or social work, and who is employed or contracted with the MSP provider; or
- An individual who has earned credit in course work equivalent to that required for a major in a specific special education area, and who is employed or contracted with the MSP provider; or
- A person who is employed or contracted with the MSP provider, and who has a minimum of three years personal experience in the direct care of an individual with special needs

### Role of Other Entities

School districts can contract with other entities to provide IEP-related skilled professional services. Those contracts would need to specify the services being provided (e.g. OT, PT, Speech-Language Pathology, Nursing), the estimated number of students with IEPs to be provided each of those services, the total units (e.g. an hour, a trip) of each service expected to be provided, the cost per unit of service (e.g. \$ per hour, \$ per trip) and the total amount of the contract. In this way, the contract amounts can be included in the district's annual cost report and thus draw federal reimbursement. In subsequent years, the MSP provider will be required to competitively bid such services in order for their costs to be included in the annual cost report.

It is important to note that the professionals working in ESCs, County Boards of MR/DD, or contracted MSP independent providers are not anticipated to be included in the time study; therefore, they will not influence the time study percentages for direct services, targeted case management and Medicaid administration. Service must be provided and paid to the contractor before the MSP provider can submit an interim claim to Medicaid for federal reimbursement.

### MSP Documentation Requirements

#### Plan of Care 5101:3-35-05 (F) and 5101:3-35-0 (D)

MSP services shall be listed in a plan of care (POC) that is included in the eligible child's IEP. The POC shall:

- Be based on the initial assessment/evaluation or reassessment/reevaluation
- Include specific services to be used, and the amount, duration and frequency of each service
- Include specific goals to be achieved, including the level or degree of improvement expected
- If applicable, reference and identify the location of the prescription (e.g. medications, equipment or supplies)
- Be signed by the qualified practitioner who recommends the service as a result of the assessment/evaluation.

The assessment/evaluation done as part of an initial Evaluation Team Report (ETR) or subsequent three year reevaluation will be documented in *Part A: Individual Evaluator's Assessment* of the current ETR forms or in *Part 1: Individual Evaluator's Assessment* of the new ETR forms. The practitioner will provide a summary of their findings and the child's current level of abilities, describe the medical needs of the child, and describe the services and supports which are needed to address the findings. The practitioner must sign the assessment/evaluation.

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For annual reassessment/reevaluations that are not part of an ETR, the practitioner must provide the same information required on the ETR form but may use their own format. The new ETR form must be used for all ETRs written beginning with the first school day of the 2009-2010 school year. The new ETR and IEP forms and annotation guidance documents are available at <http://www.edresourcesohio.org/>.

The POC will be included within the body of the IEP. The new IEP form must be used for all IEPs written beginning with the first school day of the 2009-2010 school year. Districts that are MSP providers must comply with MSP documentation requirements for all students regardless of their Medicaid eligibility. More guidance on how to include MSP required POC elements into the ETR and IEP will be available at <http://www.edresourcesohio.org/> and the ODE website.

If the MSP practitioner who did the latest assessment/evaluation will not be attending the IEP meeting, they can provide written input into the development of goals and services in advance of the meeting. When MSP services are agreed to and the IEP finalized, the MSP practitioner must then sign the IEP. Medicaid will not reimburse services that go beyond those defined in the IEP.

Services and activities that go beyond the recommendation of the qualified practitioner conducting the assessment/evaluation and/or are provided solely for the purpose of education, special education or special instruction will not qualify for reimbursement.

### Parental Consent

According to federal regulations 34 C.F.R. 300.154 school districts are required to obtain informed parental consent consistent with 34 C.F.R. 300.9 each time that access to public benefits (Medicaid benefits) or insurance is sought. The district needs to plan how it will notify parents of special education students that it intends to submit Medicaid claims for some skilled professional services. When requesting consent to evaluate for an ETR or meeting to write the IEP, prior to providing services, would be excellent times for schools to have parent provide informed written consent.

The school district must also notify parents that the parent refusal to allow access to public benefits (Medicaid benefits) or insurance does not relieve the school district of its responsibility to insure that all required services are provided at no cost to the parents. Districts that are MSP providers must obtain informed Medicaid consent from parents of all students regardless of the student's eligibility for Medicaid.

Parents must provide informed consent in writing. Districts may use their own consent form or ODE sample form. Consent may cover no more than one year of service and must be obtained prior to billing for any MSP eligible service (including assessment/evaluation).

### Progress reports

Progress on IEP goals must be reported to parents at least as frequently as the district sends interim reports or report cards for all children. This IEP reporting requirement is different than the documentation of progress required for MSP. One of the components specified in the documentation requirements for the provision of each service, defined in OAC 5101:3-35-05 (G) or 5101:3-35-06 (E), includes a description of actual progress the eligible child is making/has made toward the stated goals in the POC for each continuous three-month reporting period. The MSP documentation can be a resource for the development of the IEP required parent progress report.

MSP services are ineligible for reimbursement if a child fails to show progress over two successive three-month periods and the documentation does not show that the methods have been modified to improve progress toward IEP goals. Amendments to the IEP can be used to document revisions of services or supports.

### Service delivery 5101:3-35-05 (G)

Documentation for the provision of each service shall be maintained for purposes of supporting the delivery of the service and to provide an audit trail. Documentation shall include:

- Date of the activity (including year)
- Full legal name of the student
- Description of the service or method (including location)
- Duration in minutes or time in/time out.
- Description of progress over 90-day period

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- Signature or Initials of person doing the service

### **Claiming Reimbursement 5101:3-35-04**

#### **Billing Submission**

To receive cost reimbursement for services rendered by an appropriate licensed professional, the MSP provider will need to submit billing. The MSP provider is required to either contract with an EDI (Electronic Data Interchange) trading partner or become an EDI trading partner so that the claims can be submitted to ODJFS using a HIPAA compliant format. Information about EDI and how to become an EDI trading partner can be obtained at: <http://ifs.ohio.gov/OHP/tradingpartners/info.stm>. Providers will be required to use their NPI number when submitting claims.

When submitting claims, the MSP provider should:

- Make sure the service billed for was the actual service delivered, and that the service is one covered through MSP.
- Use the billing code that appropriately matches the description of the service performed by the licensed health professional.
- Include the diagnosis code for the child receiving services. This would most likely be the reason the child is receiving special education services.
- Ensure that back-up documentation includes enough information to support selection of the appropriate service employed and billing code used.

#### **Service Provider Licensing**

The MSP provider is responsible for verifying that the individual providing the service being billed to Medicaid meets the provider qualifications found in the MSP rules. The RMTS contractor also will verify the qualifications. The auditor performing the Agreed Upon Procedures will sample individuals to verify their qualifications.

#### **Diagnosis Codes**

An ICD-9-CM code must be entered on the claim billed to Medicaid and must be part of the documentation maintained by the rendering professional. The diagnosis code should be the reason the service was being delivered. It does not necessarily have to be listed in the child's IEP but must correspond to the condition(s) or limitations documented in the IEP or the ETR.

This topic has generated considerable discussion in the MSP stakeholder group that has been meeting since the adoption of the final MSP rules. A statement on assignment of diagnosis coding on claims is being prepared. Generally, the educational diagnosis assigned to the child is not appropriate for entry on the Medicaid claim. Also, the school district may not have confirmation from a physician of the primary diagnosis (for example, autism). The skilled professional delivering the service should be able to assign an ICD code that corresponds to the particular problem that he/she is addressing.

#### **Billing Codes**

The claim sent to Medicaid must list the billing code corresponding to the service performed. Eligible codes are found in the appendix to the 5101:3-35-04 MSP rule. The billing code must correspond to the service described in the professional's documentation.

#### **Back Claiming**

MSP providers do have the opportunity to receive reimbursement for costs back to 7/1/05. These costs are referenced as "back claims" because the services were provided during a period that is prior to the effective date of the MSP, and reimbursement would be made "back to" a specific date in time.

In order for a provider to participate in back claiming, the MSP provider must:

- Be enrolled as a MSP provider no later than 2/28/09.
- Submit claims for reimbursement during the period 10/1/09-9/30/2010.
- Participate in the RMTS.
- Submit the MSP cost report completed in accordance with the MSP cost reconciliation methodology for the period 10/1/09-9/30/2010 using the RMTS results.

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The terms of the back claim methodology are still being negotiated between ODJFS and CMS. At least one full year of RMTS that meets CMS requirements will be required before settlement of back claims. Thus, final payment amounts may not be realized prior to March 2011.

### **Administrative costs**

Staff performing Medicaid administration must participate in RMTS. Eligible activities include:

- Medicaid Program Outreach
- Facilitating Medicaid Eligibility Determination
- Referral, Coordination and Monitoring of Medical Services
- Program Planning, Development and Interagency Coordination for Medical Services.

Direct service professionals (for example, Occupational Therapists or clinical Social Workers) may perform some Medicaid administrative activities and those activities will generate federal Medicaid reimbursement. On the other hand, some school personnel may not be providing direct professional services or targeted case management but they could be doing Medicaid administrative activities. In order for their Medicaid administrative activities to be reimbursed, those non-direct service school staff must participate in the Random Moment Time Study process.

Fortunately the time study will not require that school personnel understand in detail what the eligible Medicaid activities are but only that they participate in the time study.

### **Cost report**

The MSP provider will submit annual Medicaid School Program (MSP) cost reports. The first report will be for the period of October, 2009 through September, 2010. ODE has developed the cost report and instructions with the assistance of ODJFS and is close to distributing them for stakeholder review.

It is anticipated that MSP providers will employ an independent auditor to review the cost report using "Agreed Upon Procedures" developed by ODE and certify that the district's cost report is compliant with these procedures before the district submits the cost report to ODE.

### **Random Moment Time Study (RMTS)**

The rationale for why a time study needs to be done for public entities that participate in Medicaid but not for private organizations, which may be paid for the same types of Medicaid services, is simple. CMS has reiterated that public entities cannot make a profit on providing Medicaid services; consequently, a time study needs to be used to demonstrate that a reasonable proportion of the salary and fringe benefits of professionals is attributed to their Medicaid activities. On the other hand, for the Medicaid School Program, the time study is important because participating schools are going to be paid their actual (calculated) cost for providing Medicaid services, regardless of how much the school's interim billings were.

For cost report purposes, the time study will include three pools of school district employees. The first pool is composed of employees who meet the qualifications cited in the MSP rules and provide direct skilled professional services such as OT, PT, mental health and nursing—the time study will pick out not only their eligible direct service time but targeted case management or Medicaid administrative activities. The second pool is composed of employees who perform "targeted case management" activities, are named on a child's IEP as the case manager and meet one of the set of qualifications listed in the MSP rules. These individuals may also perform such Medicaid administration activities. The third pool is composed on employees who only perform Medicaid administrative activities but not eligible direct services or targeted case management. The result of the time study is three statewide percentages of Medicaid-eligible time will be derived, one for each pool.

The Random Moment Time Study (RMTS) is preferred by CMS to the weeklong time study that occurs once every quarter as producing more statistically valid results and being less burdensome for the participants. The Ohio State University in collaboration with the University Of Massachusetts School Of Medicine's Center for Health Care Financing has developed an online RMTS program modified for use by Ohio schools. The time study captures what the individual participant is doing at a particular moment in time. The RMTS asks three questions of the participant: Who were you with?, What were you doing?, and Why were you doing this? The participant will have access to standard drop-down answers to each of the three questions and also can type in his or her own answer if the standard answers do not describe the who, what or why questions. The contractor's program can

## **Getting Started on the Medicaid School Program (MSP)**

map standardized answers to the appropriate time study activity code. For non-standard answers the contractor will have two coders look at the answers and assign a code.

The district should plan to have staff participate in the Random Moment Time Study process and to name a time study coordinator. The Time Study Coordinator/Assistant Coordinator will train school district participants, monitor the local process, and submit quarterly reports to ODE. Many school districts will contract with a third party administrator to function as the district's time study coordinator. ODE will be providing districts with a form they can complete to make that designation official but ODE still wants the district to designate a local contact for MSP purposes.

### **Deciding Whether to Participate in MSP**

There are a number of factors that should be considered when deciding whether to participate in the MSP including the:

- Percentage of children with IEPs that are on Medicaid (for Direct Services and Case Management)
- Percentage of children in the school district who are on Medicaid (for Medicaid Administrative Claiming)
- Percentage of time spent on Medicaid-eligible activities.
- Third party administrator costs (may be per claim or for particular activities such as coordination of time study)
- Audit contract costs (to perform Agreed Upon Procedures on the annual cost report)
- Impact on staff time of documentation requirements, time study coordination, etc.

The percentage of children with IEPs who are on Medicaid and the percentage of children in the school district can be determined by the district's third party administrator or EDI trading partner who submits a file of children in special education and/or children residing in the district to ODJFS to match against the Medicaid eligibility files.

The percentage of time spent by district staff on Medicaid-eligible activities will be derived from the statewide Random Moment Time Study.

Third part administrator, audit, and staff documentation costs the district can expect to incur may offset the potential federal revenue that a district might receive through MSP.

Although a school district can determine the salary and fringe benefits of those employees who provide Medicaid-eligible direct professional services and targeted case management, it will not know the percentage of time that is Medicaid-eligible until after the statewide RMTS is completed.

Example: If the district's MSP skilled professional employee salaries and fringe benefits are, \$500,000 for the year. That amount would be multiplied by the percentage of Medicaid-eligible direct services time from the time study (say, 67.5%), the percentage of special education students on Medicaid (say, 30%), and the federal matching percentage for direct services (say, 60%). The projected reimbursement would be \$60,750.

This simple example omits a number of factors (e.g. indirect costs) and the percentages used are hypothetical. Nonetheless, it may help explain the factors that go into the final calculation of the district's MSP costs.

## **Getting Started on the Medicaid School Program (MSP)**

### **Medicaid School Program Common Terms**

CAFS - Community Alternative Funding System

CMS - Centers for Medicare and Medicaid Services

Contractor – non-school district staff providing services on behalf of the school district under a competitively bid contract

County Boards of MR/DD – County Boards of Mental Retardation and Developmental Disabilities

EDI Trading Partner - Electronic Data Interchange Trading Partner

ETR – Evaluation Team Report

IDEA – Individuals with Disabilities Education Act

IEP – Individualized Education Program

Medicaid approved child – child currently approved by ODJFS to potentially receive Medicaid services

Medicaid billing – submission of interim claims for cost reimbursement for medical services provided to eligible children as part of their IEP

Medicaid eligible child – a child for whom Medicaid reimbursement may be sought

Medicaid enrolled child – child currently approved by ODJFS receiving Medicaid services

MSP – Medicaid School Program

MSP eligible services – Medical services listed in the Appendix of OAC 5101:3-35-04

MSP Provider – public school district, community school or state school for the blind or deaf approved by ODJFS to receive cost reimbursement for medical services provided to Medicaid eligible children as part of their IEP

OAC – Ohio Administrative Code

ODE – Ohio Department of Education

ODJFS – Ohio Department of Jobs and Family Services

RMTS – Random Moment Time Study