



JAN 22 2003

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Report Number: A-01-02-00003

Dr. Joseph P. Burke
District Superintendent
Springfield Public Schools
195 State, Box 1410
Springfield, Massachusetts 01102

Dear Dr. Burke:

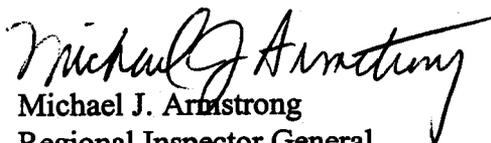
Enclosed are two copies of the U.S. Department of Health and Human Services (HHS), Office of Inspector General, Office of Audit Services' (OAS) report entitled "Medicaid Payments for School-Based Health Services, Springfield, Massachusetts - July 1999 through June 2000." A copy of this report will be forwarded to the action official noted below for his/her review and any action deemed necessary.

Final determination as to actions taken on all matters reported will be made by the HHS action official named below. We request that you respond to the HHS action official within 30 days from the date of this letter. Your response should present any comments or additional information that you believe may have a bearing on the final determination.

In accordance with the principles of the Freedom of Information Act (5 U.S.C. 552, as amended by Public Law 104-231), OIG, OAS reports issued to the Department's grantees and contractors are made available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act which the Department chooses to exercise. (See 45 CFR Part 5.)

To facilitate identification, please refer to Report Number A-01-02-00003 in all correspondence relating to this report.

Sincerely yours,


Michael J. Armstrong
Regional Inspector General
for Audit Services

Enclosures - as stated

Direct Reply to HHS Action Official:

Ms. Lynda Silva

Acting Regional Administrator

Centers for Medicare and Medicaid Services

U.S. Department of Health and Human Services

John F. Kennedy Federal Building, Room 2325

Boston, Massachusetts 02203-0003

**cc: Frank McNamara, Director, Internal Control and Audit, Division of Medical Assistance,
Executive Office of Health and Human Services, Commonwealth of Massachusetts
John Robertson, Associate Vice Chancellor, Center Director, Center for Health Care
Financing, University of Massachusetts Medical School**

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**MEDICAID PAYMENTS FOR
SCHOOL-BASED HEALTH SERVICES
SPRINGFIELD, MASSACHUSETTS
- JULY 1999 THROUGH JUNE 2000 -**



JANET REHNQUIST
Inspector General

January 2003
A-01-02-00003

Office of Inspector General

<http://oig.hhs.gov>

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EXECUTIVE SUMMARY

Background

The Medicaid program was established by Title XIX of the Social Security Act and is jointly funded by the federal and state governments to provide medical assistance to pregnant women, children, and needy individuals who are aged, blind or disabled. Within broad federal guidelines, states design and administer the program under the general oversight of the Centers for Medicare and Medicaid Services. In Massachusetts, the Division of Medical Assistance (DMA) is the state agency responsible for administering the Medicaid program. The DMA contracts with the University of Massachusetts Medical School, Center for Health Care Financing, Municipal Medicaid to administer the school-based health services portion of the Medicaid program.

School-based health services reimbursable under the Medicaid program are provided by or through the Massachusetts Department of Education or a local education agency to students with special needs pursuant to an Individualized Education Plan (IEP). Services are provided in the school setting or another site in the community and include speech therapy, physical therapy, occupational therapy, audiological services, behavior management and/or counseling. Springfield Public Schools, a local education agency located in Springfield, Massachusetts, operated 42 public schools and contracted with 42 private schools during our audit period. Of approximately 25,900 students who attended the Springfield Public Schools during our audit period, 2,196 students received special education services for which the school system was reimbursed \$2,187,563 (federal share) under the Commonwealth of Massachusetts' Medicaid program.

Objective

The objective of our audit was to determine whether costs claimed for school-based health services by the Springfield Public Schools through the Commonwealth of Massachusetts were reasonable, allowable and adequately supported in accordance with the terms of the state Medicaid plan and applicable federal regulations. The audit period included Medicaid payments made during the period July 1, 1999 through June 30, 2000.

Summary of Findings

In Massachusetts, claims for school-based health services are based on a daily per diem rate for the prototype (level-of-service) developed in each Medicaid eligible student's IEP. Each school district must have accurate attendance records, a valid IEP for each student, an appropriate and accurate prototype, qualified Medicaid health care providers, and evidence that any Medicaid covered service in the IEP has been delivered before the Medicaid claim is submitted for federal reimbursement.

While our review indicated that Springfield Public Schools and its billing agent had implemented many internal control procedures, we also found that further improvements can be made in internal controls.

The Springfield Public Schools need to improve their system of controls to ensure that school-based health records are assembled and maintained to support the dates and types of services provided and that all providers possess the required licenses. Our review of payments contained in randomly selected months for 100 recipients showed that in 48 of the 100 sample months the Springfield Public Schools billed the Medicaid program: (1) for several students for which the school system did not locate any documentation to demonstrate that services prescribed in the IEP were delivered, (2) when personnel did not possess required qualifications, and (3) when students were absent. Relative to our review of the randomly selected months, we estimate that the Springfield Public Schools were inappropriately overpaid at least \$558,676 (federal share).

In addition, the Springfield Public Schools billed the Medicaid program for \$15,358 (federal share), which represented the daily per diem rate for school-based health services on 25 dates when the school was not open to students.

The Federal Family Education and Privacy Act, Individuals with Disabilities Education Act, Chapter 766 (the Massachusetts special education law), and DMA instructions (*Operational Guide for School Districts*, revised May 1995), require written authorization to share educational information with the DMA. However, the Springfield Public Schools did not require an "authorization" signed by either a parent or guardian to share information with the DMA for the purpose of submitting claims for Medicaid reimbursement for school-based health services. In this regard, 90 of 100 sample months tested did not have the signed authorization forms. Accordingly, we have no assurance that the parents of special education students attending the Springfield Public Schools were informed about or gave consent to sharing their child's confidential information with the state Medicaid agency. This requirement does not preclude the state agency from billing Medicaid for school-based health services.

Internal controls need to be strengthened in the Springfield Public Schools to ensure that they appropriately submit Medicaid claims for schools-based health services.

Recommendations

We recommend that the Springfield Public Schools:

- Develop written policies and procedures requiring service providers to document all health services delivered to Medicaid recipients which details client specific information regarding all specific services actually provided for each individual recipient of services and retain those records for review,
- Develop written policies or procedures requiring that all service providers for which Springfield Public Schools intends to bill Medicaid have the required licenses,
- Strengthen procedures to ensure that Medicaid billings are based on accurate attendance records that support the students' presence to receive services and days for which the school was open, and

- Refund through the DMA, the \$574,034 (federal share) that was inappropriately paid by the Medicaid program to the Springfield Public Schools.

Springfield Public Schools Response to the Draft Report

While Springfield Public Schools agreed with certain findings concerning attendance, they strongly disagree with the findings related to service documentation and provider qualifications. Further, Springfield Public Schools rejects the Office of Inspector General's (OIG) assertion concerning internal control weaknesses.

We have made changes, where appropriate, to our final report to address Springfield Public Schools concerns. Springfield Public Schools' response to our draft report is summarized in the body of our report and attached in APPENDIX C.

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INTRODUCTION

Background

The Medicaid program was established by Title XIX of the Social Security Act and is jointly funded by the federal and state governments to provide medical assistance to pregnant women, children, and needy individuals who are aged, blind or disabled. Within broad federal guidelines, states design and administer the program under the general oversight of the Centers for Medicare and Medicaid Services (CMS). In Massachusetts, the Division of Medical Assistance (DMA) is the state agency responsible for administering the Medicaid program. The DMA contracts with the University of Massachusetts Medical School, Center for Health Care Financing, Municipal Medicaid to administer the school-based health services portion of the Medicaid program.

School-based health services reimbursable under the Medicaid program are provided by or through the Massachusetts Department of Education or a local education agency (LEA) to students with special needs pursuant to an Individualized Education Plan (IEP). Services are provided in the school setting or another site in the community and include speech therapy, physical therapy, occupational therapy, audiological services, behavior management and/or counseling. The IEP describes the special education and related services, including school-based health services, which the student requires. An IEP must be in compliance with the Individuals with Disabilities Education Act (IDEA), P.L. 94-142, as amended, and in compliance with requirements of regulations implementing Chapter 766 of the Acts of 1972, M.G.L., Chapter 71B, as amended.

To seek Medicaid reimbursement of school-based health services, school districts must:

- Have a Provider Agreement with the DMA
- Determine whether the student is enrolled in the Medicaid program
- Provide services pursuant to a valid IEP that are in compliance with all Chapter 766 requirements (the Massachusetts special education law)
- Assemble and complete documentation that the Medicaid covered service in the IEP has been delivered by a qualified provider before the Medicaid claim is submitted to UNISYS (the DMA Medicaid claims agent) for federal reimbursement
- Comply with the Massachusetts Department of Education and DMA requirements concerning the authorization to share information with the DMA
- Submit a claim for reimbursement that details the student, dates of attendance, CMS procedure codes (level-of-service) and rates. (School districts submit claiming documents to UNISYS in order to obtain federal reimbursement.)

Massachusetts reimburses school districts for school-based health services based on the number of days in attendance times a statewide per diem rate for the program prototype per the student's IEP. According to the Massachusetts state Medicaid plan, the per diem rate is based on the Medicaid fee-for-service rate for each service and a statistically representative utilization rate for those services.

Springfield Public Schools, a LEA located in Springfield, Massachusetts, operated 42 public schools and contracted with approximately 42 private schools during our audit period. Of approximately 25,900 students who attended the Springfield Public Schools during our audit period, 2,196 students received special education services for which the school system submitted reimbursement claims to the Commonwealth of Massachusetts' Medicaid program. The Springfield Public Schools contracted with Public Consulting Group, Inc. (PCG) to prepare and submit its Medicaid claims for school-based health services.

Objective, Scope and Methodology

The objective of our audit was to determine whether costs claimed for school-based health services by the Springfield Public Schools through the Commonwealth of Massachusetts were reasonable, allowable and adequately supported in accordance with the terms of the state Medicaid plan and applicable federal regulations. Specifically, our audit included, but was not limited to, recipient and provider eligibility, payment rates and billing processes. The audit period included Medicaid payments made during the period July 1, 1999 through June 30, 2000.

To accomplish our audit objective, we:

- Reviewed federal and state laws, regulations and guidelines pertaining to the Medicaid program and special education related to school-based health services. We also reviewed the Commonwealth of Massachusetts State Plan Amendment 92-14 that describes the Department of Public Welfare's procedure for reimbursing school-based special needs services.
- Obtained an understanding of Springfield Public Schools' internal controls relative to recipient eligibility, provider qualifications, payment rates, and billing processes.
- Identified all individual claims made for days when the schools were not in session, including holidays (e.g., Thanksgiving, Christmas and Memorial Day), winter and spring vacations, professional in-service days, and snow and emergency days. We did not review claims for a residential placement or preschool placement.
- Selected from a population of 17,991 recipient/months (federal share totaling \$2,187,563), a simple random sample of 100 recipient/months representing claims totaling a federal share of \$12,021 in Medicaid claims paid during our audit for school-based health services in the Springfield Public Schools.
- Obtained and analyzed information from Springfield Public Schools and out-of-district schools' records which supported Springfield Public Schools' claim for Medicaid reimbursement, including student eligibility for Medicaid, parental consent to bill Medicaid, student IEPs, student attendance and provider qualifications.
- Held discussions with officials from the Springfield Public Schools.

Our audit was conducted in accordance with generally accepted government auditing standards. We performed our fieldwork at the Springfield Public Schools in Springfield, Massachusetts during the period December 2001 through October 2002.

FINDINGS AND RECOMMENDATIONS

In Massachusetts, claims for school-based health services are based on a daily per diem rate for the prototype (level-of-service) developed in each Medicaid eligible student's IEP. While our review indicated that Springfield Public Schools and its billing agent had implemented many internal control procedures, we also found that further improvements can be made in internal controls. The Springfield Public Schools did not design a system of controls to ensure that school-based health records were assembled and maintained to support the dates and types of medical services provided and all providers possess the required licenses. In this regard, each school district must have accurate attendance records, a valid IEP for each student, an appropriate and accurate prototype, qualified Medicaid health care providers, and evidence that any Medicaid covered service in the IEP has been delivered before the Medicaid claim is submitted for federal reimbursement.

Relative to our review of Medicaid claims in randomly selected months, we estimate that the Springfield Public Schools were inappropriately overpaid at least \$558,676 (federal share). In addition, the Springfield Public Schools billed the Medicaid program for \$15,358 (federal share), which represented the daily per diem rate for school-based health services on 25 dates when the school was not open to students.

Furthermore, the Springfield Public Schools did not require an "authorization" signed by either a parent or guardian to share information with the DMA for the purpose of submitting claims for Medicaid reimbursement for school-based health services. Accordingly, we have no assurance that the parents of special education students attending the Springfield Public Schools were informed about or gave consent to sharing their child's confidential information with the state Medicaid agency. This requirement does not preclude the state agency from billing Medicaid for school-based health services.

REVIEW OF MEDICAID CLAIMS

Review of Sample Claims

As part of our review of the appropriateness of payments to the Springfield Public Schools under the Medicaid program for school-based health services, we reviewed payments totaling \$12,021 (federal share) for a random sample of months for 100 recipients paid during the period July 1, 1999 through June 30, 2000. We excluded payments for days when the Springfield Public Schools were not in session as this is addressed in the section below.

We found that for payments contained in 44¹ of the 100 sample months reviewed, the Springfield Public Schools claimed \$4,309 for school-based health services when: (1) the Springfield Public Schools did not maintain sufficient documentation that services prescribed in the IEP were delivered (30 sample months), (2) school-based health services were rendered by providers that did not have the qualifications required by DMA Medicaid regulations (8 sample months), and (3) the student was absent and did not receive services for at least one day (12 sample months). The individual sample units total more than 44 because some sample units had more than one condition. While some sample units had more than one condition, we did not question more than 100 percent of the claim. (See APPENDIX A.) As a result, we estimate that the Springfield Public Schools were overpaid at least \$558,676 (federal share). (See APPENDIX B.)

Documentation of Services Delivered

For 30 of the 100 sample months reviewed, the Springfield Public Schools claimed the daily per diem rate for school-based health services amounting to \$3,714 for which the school system did not maintain any documentation that services prescribed in the IEP were delivered. Specifically, the school system could not locate case/encounter notes for dates of service or progress notes spanning the sample month. The Springfield Public Schools provided some of the therapies with their own staff and also contracted with AGH Associates, Inc. (AGH) to provide occupational and physical therapies, including 6 of the 30 sample months. Springfield Public Schools provided other services in the IEP.

The CMS's *Medicaid and School Health: A Technical Assistance Guide*, dated August, 1997, page 40, states:

...A school, as a provider, must keep organized and confidential records that details client specific information regarding all specific services provided for each individual recipient of services and retain those records for review ... Relevant documentation includes the dates of service....

In addition, the Commonwealth of Massachusetts' *Operational Guide for School Districts*, revised May 1995, requires that in addition to attendance records, schools assemble and complete documentation that any Medicaid covered service in the IEP has been delivered before the Medicaid claim is submitted to UNISYS for federal reimbursement.

Further, in the provider agreement the Springfield Public Schools entered into with the DMA, the Springfield Public Schools agreed to "... keep such records as are necessary to disclose fully the extent of the services to recipients and to preserve these records for a minimum period of six years...." Relative to the six services provided by AGH, in a contract with Springfield Public Schools, AGH agreed to provide detailed documentation indicating that services were delivered including student's name, type and duration of service, and service provider. However, AGH did not always provide Springfield Public Schools with the required documentation. Springfield

¹ Springfield Public Schools claimed two sample months for beneficiaries at a rate lower than the level of service indicated by the student's IEP. These errors resulted in under-billings that are included in APPENDIX A. We do not address this finding in the body of our report.

Public Schools officials apprised us that since September 2001 they have been performing the services with their own staff.

Springfield Public Schools did not have written policies or procedures in place requiring service providers (their staff) to document and maintain services delivered to Medicaid recipients. In this regard, for the students included in the 30 months reviewed, for which the Springfield Public Schools could neither locate case/encounter notes for dates of service nor progress notes spanning the sample month, the Springfield Public Schools could not provide the required documented assurance that services prescribed in the IEP were delivered.

Medicaid Provider Qualifications

For 8 of the 100 sample months reviewed the Springfield Public Schools claimed \$771 in daily per diem rates for school-based health services rendered by providers that did not have the qualifications required by DMA Medicaid regulations. We did not determine whether the providers were qualified for six sample months because Springfield Public Schools did not identify the service providers or provide us with any evidence that services were actually delivered. We reviewed the qualifications for 40 providers that were employed by the Springfield Public Schools and AGH to provide health services to special education students during our audit period. We found that 12 of the 40 providers (30 percent) did not have the qualifications (licenses) required by Massachusetts Medicaid regulation. The services rendered by these 12 providers are not reimbursable under the Medicaid program.

Discipline	Springfield Public Schools	AGH Associates, Inc.
Speech/Language Therapist	3	-
Occupational Therapist	-	1
Counseling	8	-

The CMS’s *Medicaid and School Health: A Technical Assistance Guide, dated August, 1997*, pages 15 and 16, states:

...In order for schools or school providers to participate in the Medicaid program and receive Medicaid reimbursement, they must meet the Medicaid provider qualification...It is not sufficient or a State to use Department of Education provider qualifications for reimbursement of Medicaid-covered school health services...Some Medicaid provider qualifications are dictated by the Federal Medicaid program by regulation, while other provider qualifications are established by the state...Where a school or school district provides a variety of Medicaid covered services, the school must meet all Federal and state provider qualifications associated with each service it provides....

Further, State Medicaid Plan, Supplement 2 to Attachment 4.19-B (dated June 20, 1992), states that direct care providers employed or contracted by school districts must comply with all qualifications for that provider type, including any state licensure and certification requirements.

Medicaid payment for speech therapy, occupational therapy and counseling will be made for services that meet the applicable requirements as set forth in the Commonwealth of Massachusetts, Division of Medical Assistance, *Therapist Manual, Psychologist Manual, and All Providers Manual*. Specifically, the All Providers Manual Section 450.212 (A) (4) states: "To be eligible to participate in MassHealth as any provider type, a provider must: be fully licensed, certified, or registered by the agency or board overseeing the specific provider type..."

The contract between Springfield Public Schools and AGH required that its providers must be licensed in accordance with Massachusetts Board of Allied Health Professions. However, Springfield Public Schools did not have written policies or procedures in place requiring that its service providers for which Springfield Public Schools intended to bill Medicaid had the licenses required by DMA. Further, school officials advised us that they believed counseling services did not have to be delivered by licensed psychologists.

Student Absences

The LEA is entitled to bill Medicaid the per diem for each day the student attended school.

...Include in the span of dates [dates for which reimbursement is sought] only those days that the recipient was present in school. Do not bill for [emphasis added] weekends, sick days, vacations, or holidays unless the recipient is in a residential placement and was present in school..... Massachusetts - *UNISYS Municipal Medicaid Billing Guide*, page 9

For 12 of the 92 sample months reviewed, the Springfield Public Schools claimed the daily per diem rate for school-based health services for 44 days amounting to \$364 when the students were absent and did not receive services for at least one day. We did not compare the Springfield Public Schools attendance records for the remaining eight sample months to the days PCG billed Medicaid, as Springfield Public Schools was unable to provide us attendance records. The Springfield Public Schools provided PCG, its billing agent, with student absences – rather than with dates when the students were in attendance. The method of only providing students absences did not provide PCG with all days when students were not in school, e.g., some holidays and suspensions.

Days Schools Were Not Open to Students

The LEA is entitled to bill Medicaid the per diem for each day the student attended school.

...Include in the span of dates [dates for which reimbursement is sought] only those days that the recipient was present in school. Do not bill for [emphasis added] weekends, sick days, vacations, or holidays unless the recipient is in a residential placement and was present in school..... Massachusetts - *UNISYS Municipal Medicaid Billing Guide*, page 9

We reviewed 100 percent of claims for days when the Springfield Public Schools were not in session, including holidays (e.g., Thanksgiving, Christmas and Memorial Day), winter and

spring vacations, professional in-service days, and snow. From the universe of 77,497 individual claims submitted by the Springfield Public Schools during our audit period, we found 1,262 claims that included at least one day when school was not in session. As a result, we found that \$15,358 (federal share) was paid to Springfield Public Schools in error for 25 dates (1,967 days) when the student was not in school. PCG official apprised us that through their quality assurance checks they initiated the review and voiding procedures in September 2000, prior to our audit, relative to the majority of the days schools were not open to students identified in our review. PCG officials further apprised us they are working with DMA officials to void these claims. The remaining days billed inappropriately were generally due to data entry errors.

Recommendations

We recommend that the Springfield Public Schools:

- Develop written policies and procedures requiring service providers to document all health services delivered to Medicaid recipients which details client specific information regarding all specific services actually provided for each individual recipient of services and retain those records for review,
- Develop written policies or procedures requiring that all service providers for which Springfield Public Schools intends to bill Medicaid have the required licenses,
- Strengthen procedures to ensure that Medicaid billings are based on accurate attendance records that support the students' presence to receive services and days for which the school was open, and
- Refund through the DMA, the \$574,034 (federal share) that was inappropriately paid by the Medicaid program to the Springfield Public Schools.

AUDITEE RESPONSE AND ADDITIONAL OIG COMMENTS

Springfield Public Schools' response to our draft report is attached in APPENDIX C. While Springfield Public Schools agreed with certain findings concerning attendance, they strongly disagree with the findings related to service documentation and provider qualifications. Further, Springfield Public Schools rejects the Office of Inspector General's (OIG) assertion concerning internal control weaknesses. We have summarized the Springfield Public Schools comments by topic below.

Documentation of Services Delivered

Auditee Response The Springfield Public Schools states that claims for Medicaid-eligible students are based on attendance and a valid IEP and not on specific services provided on specific dates. The Commonwealth of Massachusetts' *Operational Guide for School Districts*, revised May 1995, sets forth what records a school district must submit and maintain to support a claim for Medicaid reimbursement. Springfield Public Schools states that they have satisfied these requirements, and OIG must resolve its differences with other oversight agencies in this

area, rather than penalize the Springfield Public Schools. The Springfield Public Schools further states that they have been following all guidance provided from state and federal oversight agencies, including their Provider Agreement with DMA and the 1997 CMS Technical Assistance Guide.

Additional OIG Comments Based on the current Massachusetts claiming methodology, we agree that not every IEP must have a health related service prescribed in the student's IEP and that claims are based on attendance rather than the specific dates of service. However, for the IEPs that contained a health related service there should be documentation of the health related services provided. Specifically, the Provider Agreement between DMA and Springfield Public Schools required the provider to keep such records as necessary to disclose fully the extent of the services to recipients and to preserve these records for a minimum period of six years. Furthermore, the provider agreed to furnish federal and state officials with such information, including copies of medical records, regarding any services for which payment was claimed.

For the IEPs that prescribe one or more health related service(s), we found the claim to be appropriate if at least one of the health related services was supported by service documentation. We accepted any documentation that indicated that services were delivered to recipients during our sample month including quarterly progress reports that covered our sample month. However, we did not accept documentation dated prior to our sample month since there was no assurance that services continued into the sample month. Furthermore, we did not accept IEPs, assessments or evaluations as documentation that services were provided since they identify only those services that a child should receive and not the services that the child actually received.

Medicaid Provider Qualifications

Auditee Response Springfield Public Schools does not concur with our finding related to provider qualifications. Springfield Public Schools states that the Commonwealth has not issued any specific guidelines for school-based providers. Furthermore, Springfield Public Schools did not agree with OIG disallowing certain types of providers for counseling services.

Additional OIG Comments According to CMS's *Medicaid and School Health: A Technical Assistance Guide*, dated August 1997, Medicaid regulations require that provider qualifications be uniform and standard. This means that states cannot have one set of provider qualifications for school providers and another set of provider qualifications for all other providers. The guide states that schools should check with the state Medicaid agency to determine specific state requirements regarding provider qualification for participation in the Medicaid program. We followed this process to identify the provider qualifications discussed in this area.

Based on our further review of Massachusetts regulations we found that Licensed Independent Clinical Social Workers and Licensed Certified Social Workers are eligible to participate in Medicaid. We have changed our report to consider these payments as appropriate.

Student Absences

Auditee Response While Springfield Public Schools acknowledged that they inadvertently billed for several days that students were not in attendance, they disagreed with certain claims that OIG reported as student attendance errors.

Additional OIG Comments We have reviewed the additional attendance information that Springfield Public Schools submitted and have made changes to the draft report where appropriate. For four of the claims, Springfield Public Schools informed us that the errors were data entry errors and that the students were present during the days in question. However, Springfield Public Schools did not provide us with sufficient evidence to support that the students were actually present.

Springfield Public School's Re-calculation of the Monetary Findings

Auditee Response Springfield Public Schools believes that the monetary findings cited in the OIG's report are miscalculated. Therefore they recalculated the monetary findings as identified in our Appendix A to include only those errors they agreed with amounting to overpayments totaling \$600.83. Furthermore they omitted service documentation and provider qualification errors.

Additional OIG Comments We do not agree that Appendix A to our report should exclude findings related to documentation and provider qualification and certain attendance findings. Also, while our draft report included IEP findings, we have eliminated these finding from our final report. Further, disagreement on these issues merely result in a different cost questioned. It does not invalidate the statistical results reported by the OIG because the sample selection was random and the calculated cost questioned was based on standard statistical methodology.

Days Schools Were Not Open to Students

Auditee Response Springfield Public Schools agreed with OIG's finding of \$15,358 that was inappropriately paid for days when schools were not open to students. Specifically, Springfield Public Schools states that most of these errors were because of snow day, which prior to the audit, they already identified and initiated making adjustments for these claims.

Internal Controls

Auditee Response Springfield Public Schools states that they have extensive internal controls in place to ensure service delivery and to submit valid claims. They believe that the OIG's assertion that Springfield Public Schools lacks internal controls is based on a very small error rate and is simply untrue.

Additional OIG Comments We acknowledge that Springfield Public Schools have made a good faith effort to institute comprehensive internal controls. However, we found that improvements are still needed to ensure that Medicaid claims are billed in accordance with program

requirements. We reported what we found to aid Springfield Public Schools in making further improvements to its internal controls.

General Comments

Auditee Response In their response, Springfield Public Schools states that their claims were over 98 percent in compliance during the audit period. However, they believe that the OIG has written a negative report based primarily on its disagreement with guidelines approved by other oversight agencies.

Furthermore, in 1995 CMS audited several Massachusetts LEAs, including Springfield Public Schools. CMS did not make any changes to the claiming methodology nor require or recommend that schools maintain any specific additional documentation beyond what is required in the Commonwealth of Massachusetts' *Operational Guide for School Districts*, revised May 1995. Springfield Public Schools believes that this underscores the fact that OIG is asking them to produce retrospective service documentation in a manner never intended by the program creators or previous auditors.

Additional OIG Comments CMS agrees with the service documentation requirements identified by the OIG and that the requirements were applicable for our audit period. Further, CMS's audit in 1995 did not include service documentation or provider qualifications in the scope of the audit. Rather, the CMS audit included attendance, prototype, and Medicaid eligibility. Therefore, Springfield Public Schools should not have assumed that they were operating in compliance with all state and federal guidelines.

OTHER MATTERS

We found that for 90 out of 100 sample months that we reviewed, the Springfield Public Schools did not obtain "authorization" signed by either a parent or guardian to share information with the DMA for the purpose of submitting claims for Medicaid reimbursement for school-based health services. Springfield Public Schools provided us with authorization forms for 10 sample months. Not obtaining written authorization to share educational information with the DMA is contrary to the Federal Family Education and Privacy Act, IDEA, Chapter 766 (the Massachusetts special education law), and DMA instructions, (*Operational Guide for School Districts*, revised May 1995).

On behalf of the Springfield Public Schools, PCG mails parental consent forms to the Springfield Public School students, however, the policy followed by the PCG is to have the parents/guardian sign and return the consent forms only if they do not want Medicaid billed for School Based Health Services provided to their child. Furthermore, the PCG sends out the consent forms in English and Spanish only. Based on this "passive consent" methodology, PCG assumes that the parent/guardian approves of the use of the student's Medicaid number if it has not received a notice to the contrary. Regarding the 10 "authorizations" that the Springfield Public Schools did provide us, school officials apprised us that parents of new enrollees are requested to sign an authorization form.

We have concerns about PCG assuming that parents/guardians have authorized the use of students' Medicaid numbers, because PCG did not receive a notice to the contrary. In this regard, PCG's passive consent method appears to overlook situations where PCG does not have a written consent document because the parent/guardian did not: (1) receive the consent document from the school department, (2) understand the consent document, or (3) appropriately adhere to the instructions in the consent document. We believe that PCG should discontinue using passive consent to verify that parents/guardians approve of PCG transferring student information to the DMA.

Without such a change, there is no assurance the parents of special education students attending the Springfield Public Schools were informed about or gave consent to sharing their child's confidential information with the state Medicaid agency. This requirement does not preclude the state agency from billing Medicaid for school-based health services. In response to our draft report, Springfield Public Schools states that their procedures to inform parents are extensive, including mailing letters to the child's home address via certified mail and operating a toll free line specifically for the parent or guardian to call if they have any questions or concerns regarding the notice. Springfield Public Schools also states that it is important to note the information being shared is not health data. Rather, it is "directory information" and includes items such as name, address, telephone number, and date of birth. The students' medical conditions are not disclosed by the transmission notice because of the use of non-revealing codes. The decision the parent makes regarding consent has no bearing whatsoever on services delivered to the students. Springfield Public Schools respects the privacy rights of its students, and believes that the policy fully complies with Federal Education Rights and Privacy Act.

RESULTS OF STATISTICAL SAMPLE

Sample Size	100
Value of Sample	\$12,021
Number of Errors	44
Value of Errors	\$4,309
Population Size	17,991
Value of Population	\$2,187,563

Point Estimate	\$775,232
Confidence Level	@ 90 %
Lower Confidence Limit	\$ 558,676
Upper Confidence Limit	\$991,788
Sample Precision	+/-27.93%

Based on our statistical sample, we are 95 percent confident that the amount overpaid was at least \$558,676 (federal share).

APPENDICES

SCHEDULE OF SAMPLE ITEMS

Sample Number	Documental on			Provider Qualifications			Attendance			Prototype			Totals	
	Error	Days	Dollars	Error	Days	Dollars	Error	Days	Dollars	Error	Days	Dollars	Error	Dollars
1							yes	1	\$ 5.57				1	\$ 5.57
2	yes	8	\$ 44.56							yes	8	\$ (52.96)	1	\$ 44.56
3														
4														
5														
6														
7	yes	13	\$ 72.41	yes	13	\$ 72.41							1	\$ 72.41
8							yes	1	\$ 5.57				1	\$ 5.57
9	yes	19	\$ 231.61										1	\$ 231.61
10														
11														
12	yes	16	\$ 89.12	yes	16	\$ 89.12							1	\$ 89.12
13														
14														
15	yes	12	\$ 146.28										1	\$ 146.28
16	yes	10	\$ 121.90										1	\$ 121.90
17	yes	15	\$ 83.55										1	\$ 83.55
18							yes	15	\$ 83.55				1	\$ 83.55
19														
20	yes	20	\$ 111.40	yes	20	\$ 111.40							1	\$ 111.40
21														
22														
23	yes	15	\$ 83.55										1	\$ 83.55
24														
25														
26	yes	15	\$ 182.85										1	\$ 182.85
27	yes	1	\$ 12.19										1	\$ 12.19
28														
29														
30	yes	17	\$ 205.36										1	\$ 205.36
31							yes	1	\$ 12.19				1	\$ 12.19
32														
33														
34	yes	18	\$ 100.26										1	\$ 100.26
35	yes	11	\$ 134.09										1	\$ 134.09
36														
37														
38	yes	18	\$ 100.26										1	\$ 100.26
39														
40														
41				yes	13	\$ 72.41							1	\$ 72.41
42							yes	2	\$ 11.14				1	\$ 11.14
43							yes	1	\$ 5.57				1	\$ 5.57
44	yes	13	\$ 72.41	yes	13	\$ 72.41							1	\$ 72.41
45							yes	3	\$ 16.71				1	\$ 16.71
46														
47														
48														
49														
50														
51	yes	13	\$ 72.41							yes	13	\$ (86.06)	1	\$ 72.41
52														
53														
54														
55														
56														
57														
58														
59														
60	yes	14	\$ 77.98	yes	14	\$ 77.98							1	\$ 77.98

SCHEDULE OF SAMPLE ITEMS

Sample Number	Documentation			Provider Qualifications			Attendance			Prototype			Totals	
	Error	Days	Dollars	Error	Days	Dollars	Error	Days	Dollars	Error	Days	Dollars	Error	Dollars
61														
62														
63														
64	yes	19	\$ 105.83										1	\$ 105.83
65														
66														
67	yes	17	\$ 94.69										1	\$ 94.69
68														
69							yes	2	\$ 11.14				1	\$ 11.14
70														
71														
72							yes	3	\$36.57				1	\$ 36.57
73														
74														
75														
76														
77	yes	20	\$ 446.40										1	\$ 446.40
78							yes	12	\$146.28				1	\$ 146.28
79														
80														
81	yes	13	\$ 158.47										1	\$ 158.47
82							yes	1	\$ 5.57				1	\$ 5.57
83														
84														
85														
86														
87	yes	14	\$ 77.98										1	\$ 77.98
88							yes	2	\$ 24.38				1	\$ 24.38
89	yes	14	\$ 77.98										1	\$ 77.98
90				yes	13	\$ 158.47							1	\$ 158.47
91														
92														
93	yes	12	\$ 146.28										1	\$ 146.28
94	yes	15	\$ 182.85										1	\$ 182.85
95														
96	yes	13	\$ 72.41										1	\$ 72.41
97	yes	21	\$ 116.97	yes	21	\$ 116.97							1	\$ 116.97
98	yes	12	\$ 66.84										1	\$ 66.84
99	yes	19	\$ 224.99										1	\$ 224.99
100														
	30	437	\$ 3,713.88	8	123	\$ 771.17	12	44	\$ 364.24	2	21	\$(139.02)	44	\$ 4,309.00

¹ Springfield Public Schools claimed two sample months for beneficiaries at a rate lower than the level of service indicated by the student's IEP. We do not address this finding in the body of our report.

² While some sample numbers had more than one condition, we did not question more than 100 percent of

RESULTS OF STATISTICAL SAMPLE

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Point Estimate	\$775,232
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Lower Confidence Limit	\$ 558,676
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Sample Precision	+/-27.93%

Based on our statistical sample, we are 95 percent confident that the amount overpaid was at least \$558,676 (federal share).



Rpt. No: A-01-02-00003

Central Office
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APPENDIX C

Page 1 of 8

THE PUBLIC SCHOOLS of SPRINGFIELD, MASSACHUSETTS

Dr. Joseph P. Burke
Superintendent of Schools

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November 26, 2002

Report #A-01-02-00003

Michael Armstrong
Department of Health and Human Services
Office of Inspector General, Office of
Audit Services
JFK Federal Building, Room 2425
Boston, MA 02203

Dear Mr. Armstrong:

Enclosed are Springfield Public School's comments regarding the recent audit conducted by your office. We appreciate the time and effort that has been put into this audit, and as always we strive for full compliance.

We disagree with specific elements of your report, particularly the negative implications regarding service documentation and provider qualifications. We believe that most of the issues cited stem from your office's disagreement with the Massachusetts Municipal Medicaid Program methodology, which Springfield Public Schools have been following under the direction of other oversight agencies. Your office recognizes in its audit report that Springfield claims for school-based health services based on a per diem rate for the prototype (level-of-service) developed in each Medicaid eligible student's IEP. The per diem billing rates were calculated by the state Medicaid agency using statewide cost and utilization survey data. This methodology neither anticipates nor mandates that students receive daily, weekly, or monthly health-related services.

There has been no intentional effort to circumvent required federal guidelines. The Springfield Public Schools commits to working with the federal government to effectively implement documentation and accounting practices and standards. We look forward to whatever clarifying interpretations of guidance from the Massachusetts Medicaid Program office and from the federal government that will facilitate the success of future audits.

Sincerely,

JOSEPH P. BURKE
Superintendent of Schools

JPB:jb

Enclosure



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THE PUBLIC SCHOOLS of SPRINGFIELD, MASSACHUSETTS

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Response to Office of Inspector General Audit: A-01-02-00003 "Medicaid Payments for School-Based Health Services"

Springfield Public Schools

November 2002

SUMMARY

The Massachusetts Municipal Medicaid Program provides a small but valuable percentage of revenue to help Springfield deliver and pay for health-related services to its students with disabilities. Springfield Public Schools (SPS) recognizes the value of periodic audits and supports the OIG goal of full compliance. We have complied with all requests for information and meetings, and have been cooperating with OIG since they first began this audit in May 2001, some 17 months ago.

We appreciate the OIG review and acknowledge that record-keeping procedures related to certain Individual Education Plans (IEPs) needed improvement during the period under audit. We also acknowledge that we inadvertently billed for several days that students were not in attendance. We recognized these issues before the OIG audit began, and have taken steps so that these items do not cause future claiming problems. Despite these errors, *we wish to stress that our claims were over 98% in compliance during the period in question.*

We have reviewed the other OIG findings thoroughly, and strongly disagree with them. We have also been informed of the findings in other school districts being audited, where results are strikingly similar. From this analysis, it is clear to us that OIG has taken issue with the Massachusetts Municipal Medicaid Program *methodology*. The OIG have applied standards of how they believe the program should be operated, and audited accordingly. In doing so, they are holding schools to "requirements," and subsequently issuing "findings" on rules that have never been in place. OIG has every right to analyze the program and recommend changes. However, such changes should be made going forward, and should not result in a financial penalty to Springfield.

Any additional claims being questioned by OIG beyond the small percentage we acknowledge are in error above, are a direct result of OIG disagreements with other

state and federal oversight entities. Indeed, in 1995 we were audited by the Centers for Medicare and Medicaid Services (CMS) and no findings were issued. In fact, several of the areas under review currently were never even raised, though we believed that review to be comprehensive. We believe that the OIG report should be re-written so that the reader may differentiate the issues that OIG has legitimately identified, from the issues that OIG is currently in discussion or disagreement with other oversight agencies. As written, the report is largely negative and we believe it gives the reader a completely wrong impression.

PROGRAM BACKGROUND

Springfield Public Schools has been participating in the Massachusetts Municipal Medicaid Program since the early 1990's, when the program was first developed and approved by the State and Federal governments. This program allows Springfield to receive Federal Medicaid reimbursement for some of the health-related services it provides to its students with disabilities. Examples of reimbursable services include physical, occupational, and speech therapy, as well as nursing and counseling. Massachusetts school districts may submit claims for Medicaid-eligible students based on the student's attendance and their level of need, which is determined by the prototype in each student's IEP. Under a rate-setting formula developed by the state and approved by the Federal government, the amount of the claim is based on this prototype. The funding Springfield receives is a small percentage of its overall school budget, but nevertheless provides an additional source of revenue to assist in providing services to its Special Education population.

DETAILED RESPONSE TO AUDIT FINDINGS

In the following sections, we describe the requirements around and our response to OIG findings related to:

- Service Documentation
- Provider Qualifications
- Internal Controls
- Parental Consent
- Individual Education Plans (IEPs)
- Attendance

In short, we agree with OIG findings as they relate to *certain* Springfield IEPs and *certain* attendance findings. We do not agree with OIG comments or findings regarding service documentation, provider qualifications, internal controls, and parental consent.

AREAS OF DISAGREEMENT

- **Service Documentation**

Massachusetts schools submit claims for Medicaid-eligible students based on attendance and a valid IEP. It is important to note that under the Massachusetts methodology, claims are not based on specific services provided on specific dates. According to the Operational Guide for School Districts, published by the Commonwealth, the Massachusetts Municipal Medicaid Reimbursement System was developed to “minimize local administrative effort.” (Operational Guide, p. 3). Consistent with this goal, “specifically developed composite rates were formulated based upon an analysis of the average hours of health-related services delivered to a ‘typical student.’ These ‘composite rates’ were developed using a stratified sample, and represent the statewide average of health-related services delivered within each prototype multiplied by the Massachusetts Medicaid established rate for each individual health-related system.” (Id.) Accordingly, under this composite rate system, payments are not based on any particular service being provided to any particular student on any particular day. In this context, then, the concept of service documentation is different from that which may be appropriate for other systems of reimbursement. The Operational Guide sets forth what records a school district must submit and maintain to support a claim for Medicaid reimbursement under this system. *Springfield has satisfied these requirements, and OIG must resolve its differences with other oversight agencies in this area, rather than penalize SPS.*

Indeed, Springfield has been following all guidance provided to it from state and federal oversight agencies, including our Provider Agreement with DMA and the 1997 CMS Technical Assistance Guide. We have listened to OIG’s interpretation of this 1997 CMS guide, and we respect their opinion that service documentation is required. However, we would ask that they respect our obligation to follow our state oversight agency’s requirements (described above). We would also like to stress that CMS itself states of their 1997 guide:

“Because Medicaid policy often changes and evolves, this guide should not be considered an authoritative source in itself. The guide is intended to be a general reference . . . in order to determine specific state requirements; schools should contact their state Medicaid agency.” (CMS website, May 2002).

Finally, we wish to point out that in 1995, CMS audited several Massachusetts school providers, including Springfield. In connection with that audit, CMS made no changes to the Massachusetts claiming methodology, nor did it require -- or even recommend -- that schools maintain any specific additional documentation regarding the provision of services beyond that required in the Massachusetts Operational Guide. In fact, throughout the course of the audit, CMS did not even request service documentation information of the nature now being requested. We believe that this further underscores the fact that OIG is asking Springfield to produce retrospective service documentation in a manner never intended by the program creators or previous auditors.

In light of the very nature of the composite rate reimbursement system, the instructions contained in the Operational Guide, and the fact that CMS both approved that guide and in the course of an audit never suggested that any other documentation was

necessary to be maintained, it would be highly inappropriate for Springfield to be criticized, let alone financially penalized after the fact, for not maintaining unspecified additional service documentation. It must also be noted that from the start of the audit in 2001 to present, OIG itself has provided inconsistent guidance as to what service documentation information would in its view be acceptable. In fact, OIG has rejected written information provided to them which supports service delivery. We believe their inconsistent guidance, as well as the rejection of certain information, underscores the fact that service documentation requirements have been, and still are, undefined.

Of course, if other oversight agencies were to deem it appropriate to alter the composite rate methodology, or to specifically impose additional documentation requirements, we would fully comply with any such requirements. However, for claiming that has already occurred, we have provided OIG with all of the documentation which Springfield was required to maintain, consistent with the current Massachusetts Division of Medical Assistance instructions. Although not required to be prepared, maintained, and retained with regard to Medicaid reimbursement, and despite the fact that the period covered by the OIG audit goes back some two to four years, SPS has in fact provided such related records that we have been able to locate (e.g. service logs, progress reports, etc.)

- **Provider Qualifications**

SPS takes similar exception to those instances where OIG is alleging that services were not provided by a qualified provider. SPS has followed all hiring practices required by DOE and our staff are qualified. There have been no specific guidelines issued by the Commonwealth for school-based providers, nor was any issue ever raised regarding this point during the 1995 CMS audit of certain Massachusetts school districts. Accordingly, OIG cannot properly claim that SPS was "out of compliance" in this area. Additionally, in regards to counselors in particular, the proposed findings do not make good fiscal sense and are inconsistent with Medicaid policy around the country. For instance, the report proposes to disallow claims for students who had services provided by a Licensed Independent Clinical Social Worker (LICSW). The report asserts that such services should have been provided by a Psychologist. However, in virtually all other clinical settings, both in Massachusetts and around the nation, Medicaid and other health insurance companies reimburse for such services when provided by a LICSW (or LCSW), because of the quality of the service delivered as well as their reduced cost. We are not aware of any clinical expertise by OIG qualifying it to judge whether services should be delivered by a licensed social worker or a psychologist. On a cost basis, a matter which clearly is within OIG's expertise, the provision of services by a licensed social worker is plainly beneficial to Medicaid, and therefore one which we understand OIG would wish to encourage.

- **Internal Controls**

We believe that data supports the fact that SPS already has extensive internal controls in place to ensure service delivery and to submit valid claims. We shared multiple items with OIG in an attempt to convey this point, including a 200 page procedure manual:

In addition, our vendor shared its automated claiming program with OIG, which includes multiple safeties for ensuring compliance. No LEA is perfect, and we

acknowledge the inadvertent erroneous claims we submitted. However, we believe that to make the assertion, based on a very small error rate, that Springfield lacks internal controls, is simply untrue.

- **Parental Consent**

Finally, we wish to address the draft OIG recommendation regarding SPS policy in obtaining parental consent. This policy is a Federal Department of Education requirement under the Federal Education Rights and Privacy Act (FERPA). SPS procedures to inform parents are extensive. The first attempt is made to inform parents when they enroll their child at the Parent Information Center. If this effort is unsuccessful, we mail letters to the child's home address via certified mail. We operate a toll free line specifically for the parent or guardian to call if they have any questions or concerns regarding the notice. If a parent or guardian calls to state they do not wish to have such information shared, then SPS does not submit a claim. Additionally, if we receive notice from the Post Office that the letter was not delivered, we do not submit a claim. It is important to note that the information being shared is not health data. Rather, it is "directory information" and includes items such as name, address, telephone number, and date of birth. The requirements for disclosing such information under FERPA are met by the methodology employed by SPS. The students' medical conditions are not disclosed by the transmission notice because of the use of non-revealing codes. It is also important to note that the decision the parent makes regarding consent has no bearing whatsoever on services delivered to the student. Springfield respects the privacy rights of its students, and believes that its policy fully complies with FERPA regulations. Indeed, we provided OIG with a 22 page packet of legal analysis and supporting documentation. In the absence of case law or other precedent to the contrary, SPS believes we are in full compliance with FERPA.

AREAS OF AGREEMENT

- **Attendance**

As mentioned above, Springfield did have inadvertent instances of claiming for certain days when school was not in attendance. Most of these errors were because of snow days. Prior to the OIG audit, we identified these days and had already initiated the process with the State to make adjustments for these claims. We provided OIG such documentation and appreciate their acknowledgement of that fact.

In addition, we have recently provided OIG with additional attendance information which we believe supports our claims for sample numbers 9, 42, 43, 54, 69, and 72.

- **Individual Education Plans** (Office of Audit Services Note - See bottom of page 7)

We acknowledge that in five of the six instances cited by OIG, Springfield did not provide a signed IEP. We regret this lapse in record-keeping, but wish to point out that we claimed under a signed IEP, and that all students received services. We have thorough procedures in place to ensure that we claim for only signed IEPs, including manually checking each IEP before claiming. However, because of the time between the claim submission and the audit, as well as our student mobility rate, we have misplaced the signature page. (The IEP was provided to OIG for four of the five students - only

the *signature* page was missing). We have instituted new procedures, including electronically scanning the signature page of the IEP, to ensure that we will always be able to provide such records in the future. Nevertheless, we were providing services under the Massachusetts "stay-put" provision. We are puzzled that OIG states that they are "unaware" of IEPs through October 2002 because they never requested IEPs for any other time period than the audit month during Fiscal Year 2000.

For the sixth student (sample #26), we recently provided OIG with a signed IEP.

RE-CALCULATED MONETARY FINDINGS

Springfield believes that the monetary findings cited in OIG's report are miscalculated. We have re-calculated the findings based on additional information we have provided to OIG. We have also omitted any "findings" that relate to service documentation or provider qualifications, as these are areas where OIG "findings" are at odds with guidance provided to Springfield by other oversight agencies. Therefore, Springfield cannot possibly be penalized for following the guidance of these agencies.

Total net Federal revenue received:	\$2,187,563
Total errors identified:	\$40,749
Compliance rate:	98%

These numbers are more fully detailed in Appendix A.

CONCLUSION

We appreciate the time and effort associated with this audit, and support the goal of full compliance. We believe that we fulfilled that goal to a large degree, though we acknowledge that 2% of our claims were erroneous. We have taken steps to correct this.

With regards to other areas of the audit, we believe OIG must resolve its differences with other oversight agencies. Springfield is willing to comply with all reasonable requests in the future, but we cannot be penalized retroactively for following existing program guidance. We urge OIG to re-write its report to differentiate areas of legitimate findings from areas where it disagrees with policies and procedures of the Massachusetts Municipal Medicaid Program.

APPENDIX A:

As stated previously, OIG has legitimately identified \$15,358 in claims as a result of Springfield inadvertently claiming for certain students on a snow day. We are currently working with the state to void these claims. This dollar figure is a result of what OIG has called their "100% review" of attendance and calendars.

Additionally, OIG reviewed a random sample of 100 students. Appendix B of the OIG draft report contains a "Results of Statistical Sample" chart which explains the OIG statistical methodology in calculating their findings based on this 100 student sample. We have re-calculated these findings based on what we believe to be actual errors. We have omitted "findings" which we believe to be without merit, including areas OIG has disagreement with other oversight agencies. We have also omitted findings for instances where we have recently provided OIG with additional information to support our claims. The re-calculated results are as follows:

Results of Statistical Sample

Sample Size	100
Value of Sample	\$12,021
Number of Errors	14
Value of Errors	\$600.83
Population Size	64,463
Value of Population	\$2,187,563

Point Estimate	\$108,095
Confidence Level	90%
Lower Confidence Level	\$25,391
Upper Confidence Level	\$190,800
Sample Precision	+/-76.51

Based on our statistical sample, we are 95 percent confident that the amount overpaid is at least \$25,391 (Federal share).

OIG calculated its extrapolated findings using the "Lower Confidence Level" in the chart above. The corrected version of this chart above contains a value of \$25,391 for the "Lower Confidence Level." When added to the \$15,358 OIG identified in their "100% review", the total findings sum to \$40,749. During the audit period, Springfield received a total of \$2,187,563 in revenue, giving Springfield a compliance rate of 98%.

ACKNOWLEDGMENTS

This report was prepared under the direction of Michael J. Armstrong, Regional Inspector General for Audit Services, Region I. Other principal Office of Audit Services staff who contributed include:

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