



Office of Audit Services
Region I
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May 1, 2002

CIN: A-01-01-00005

Dr. William H. Marginson
Acting Superintendent
New Bedford Public Schools
455 County Street
New Bedford, Massachusetts 02740

Dear Dr. Marginson:

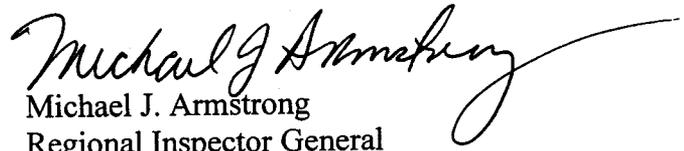
Enclosed are two copies of the U.S. Department of Health and Human Services (HHS), Office of Inspector General, Office of Audit Services' (OAS) report entitled "Medicaid Payments for School-Based Health Services, New Bedford, Massachusetts - July 1999 through June 2000." A copy of this report will be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

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To facilitate identification, please refer to Common Identification Number A-01-01-00005 in all correspondence relating to this report.

Sincerely yours,


Michael J. Armstrong
Regional Inspector General
for Audit Services

Enclosures – as stated

Page 2 – Dr. William Marginson

Directly Reply to HHS Action Official:

Mr. Roger Perez
Acting Regional Administrator
Centers for Medicare & 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

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

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



JANET REHNQUIST
Inspector General

MAY 2002
A-01-01-00005

Office of Inspector General

<http://oig.hhs.gov/>

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OAS FINDINGS AND OPINIONS

The designation of financial or management practices as questionable or a recommendation for the disallowance of costs incurred or claimed as well as other conclusions and recommendations in this report represent the findings and opinions of the HHS/OIG/OAS. Final determination on these matters will be made by authorized officials of the HHS divisions.



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 & 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 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 or counseling. New Bedford Public Schools, a Local Education Agency located in New Bedford, Massachusetts, operated 28 public schools and contracted with 39 private schools during our audit period. Of approximately 14,674 students who attended the New Bedford Public Schools during our audit period, 1,739 students received special education services for which the school system was reimbursed \$2,340,129 (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 New Bedford 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) prescribed in each Medicaid eligible student's IEP for each day the student attended school. We identified internal control weaknesses that need to be corrected to ensure that the New Bedford Public Schools appropriately submits Medicaid claims for school-based health care services. The New Bedford Public Schools billed the Medicaid program for \$264,226 in Federal reimbursements which represented the daily per diem rate for school-based health services on 34 dates when the school was not open to students. In addition, our review of payments contained in randomly selected months for 100 recipients showed that the New Bedford Public Schools billed the Medicaid program: (1) when students were absent, (2) for several students who were not prescribed to receive school-based health services by a current IEP, (3) for several students for which the school system did not locate any

documentation to demonstrate that services prescribed in the IEP were delivered. Relative to our review of the randomly selected months, we estimate that the New Bedford Public Schools were inappropriately overpaid at least \$290,193.

Further, the New Bedford Public Schools did not obtain 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 a significant number of parents of special education students attending the New Bedford Public Schools were informed about or gave consent to sharing their child's confidential information with the State Medicaid Agency in order to bill the Medicaid program.

Recommendations

We recommend that New Bedford Public Schools:

- Establish procedures to ensure that Medicaid billings are based on attendance records that support the students' presence to receive services, days for which the school was open, and students which have a current IEP,
- Develop written policies and procedures requiring service providers to document 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 procedures to ensure that an "authorization" to share information with the DMA to facilitate Medicaid reimbursement is requested in the appropriate language, signed by either a parent or guardian and obtained before claims are submitted to DMA, and
- Refund through the DMA, the \$554,419 (Federal share) that was inappropriately paid by the Medicaid program to the New Bedford Public Schools.

Auditee Response

In their response to the audit report, New Bedford Public Schools officials generally agreed with the procedural recommendations related to establishing policies and procedures regarding Medicaid billing. The auditee did not express agreement or disagreement and elected not to comment on actions that will be taken regarding the refund of the \$554,419 (Federal share) that was inappropriately paid by the Medicaid program to the New Bedford Public Schools. (See Appendix C for New Bedford Public Schools' comments in their entirety.)

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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 & 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 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, 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 is in compliance with all Chapter 766 requirements (the Massachusetts special education law)
- Assemble and complete documentation that any Medicaid covered service in the IEP has been delivered 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.

New Bedford Public Schools, a Local Education Agency located in New Bedford, Massachusetts, operated 28 public schools and contracted with approximately 39 private schools during our audit period. Of approximately 14,674 students who attended the New Bedford Public Schools during our audit period, 1,739 students received special education services for which the school system submitted reimbursement claims to the Commonwealth of Massachusetts' Medicaid program. The New Bedford Public Schools developed the billing program and performed the billing functions in-house.

Objective, Scope and Methodology

The objective of our audit was to determine whether costs claimed for school-based health services by the New Bedford 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 New Bedford Public Schools' internal controls relative to recipient and provider eligibility, payment rates and billing processes, and reviewed contracts with out-of-district schools.
- Identified all individual claims made for days when the New Bedford 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 and emergency days. We did not review claims for a residential placement or preschool placement.
- Selected from a population of 13,726 recipient/months (Federal share totaling \$2,340,129), a simple random sample of 100 recipient/months representing claims totaling a Federal share of \$17,585 in Medicaid claims paid during the period July 1999 through June 2000 for school-based health services in the New Bedford Public Schools.
- Obtained and analyzed information from New Bedford Public Schools and out-of-district schools' records which supported New Bedford 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, principals and teachers from the New Bedford Public Schools and out-of-district schools.

Our audit was conducted in accordance with generally accepted government auditing standards. We performed our fieldwork at the New Bedford Public Schools in New Bedford, Massachusetts and other contracted out-of-district schools in Massachusetts during the period May through December 2001. See Appendix C for New Bedford Public Schools' comments in their entirety.

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) prescribed in each Medicaid eligible student's IEP for each day the student attended school. We identified internal control weaknesses that need to be corrected to ensure that the New Bedford Public Schools appropriately submits Medicaid claims for school-based health care services. The New Bedford Public Schools billed the Medicaid program for \$264,226 in Federal reimbursements which represented the daily per diem rate for school-based health services on 34 dates when the school was not open to students. In addition, our review of payments contained in randomly selected months for 100 recipients showed that the New Bedford Public Schools billed the Medicaid program: (1) when students were absent, (2) for several students who were not prescribed to receive school-based health services by a current IEP, (3) for several students for which the school system did not locate any documentation to demonstrate that services prescribed in the IEP were delivered. Relative to our review of the randomly selected months, we estimate that the New Bedford Public Schools were inappropriately overpaid at least \$290,193.

Further, the New Bedford Public Schools did not always obtain 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 a significant number of parents of special education students attending the New Bedford Public Schools were informed about or gave consent to sharing their child's confidential information with the State Medicaid Agency in order to bill the Medicaid program.

REVIEW OF MEDICAID CLAIMS

Contrary to Massachusetts Medicaid requirements, New Bedford Public Schools billed the Medicaid program for the daily per diem rate for school-based health services on dates when the school was not open to students. Further, New Bedford Public Schools billed the Medicaid program for days when students were absent and did not receive any services and/or for several students who were not prescribed to receive school-based health services by a current IEP.

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. The Local Education Agency 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

In this regard, each school district must maintain accurate attendance records. A school system is never eligible for Federal reimbursement for students who are absent, whatever the reason.

Days Schools Were Not Open To Students

We reviewed 100 percent of claims for days when the New Bedford 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 and emergency days. From the universe of 63,139 individual claims submitted by the New Bedford Public Schools during our audit period, we found 15,532 claims that included at least one day when school was not in session. As a result, we found that \$264,226 (Federal share) was paid to New Bedford Public Schools in error for these days when the student was not in school.

School officials apprised us that they intended to exclude non-school days when designing the computer program for school-based health billing, but there was a programming error. In addition, there are no written policies and procedures in place for the Billing Clerk.

Review of Sample Claims

As part of our review of the appropriateness of payments to the New Bedford Public Schools under the Medicaid program for school-based health care services, we reviewed payments totaling \$17,585 (Federal share) for a random sample of months for 100 recipients paid during the period July 1999 through June 2000. We excluded payments for days when the New Bedford Public Schools were not in session as this was addressed in the section above.

We found that for payments contained in 44 of the 100 months reviewed, the New Bedford Public Schools claimed \$3,328 for school-based health services when: (1) the student was absent and did not receive services for at least one day (39 sample months), (2) the student did not have a current IEP (4 sample months), and (3) the New Bedford Public Schools did not maintain sufficient documentation that services prescribed in the IEP were delivered (11 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 New Bedford Public Schools were overpaid at least \$290,193 (Federal share). (See APPENDIX B.)

Student Absences

For 39 of the 100 sample months reviewed, the New Bedford Public Schools claimed the daily per diem rate for school-based health services amounting to \$2,134 when the students were absent and did not receive services for at least one day, and when certain grades were not in session because of staggered openings or closings. Specifically, the attendance record used to bill Medicaid differed from the New Bedford Public School Master Attendance Roster. We did not review the original attendance records maintained by individual teachers as the New Bedford Public Schools does not retain these records.

The attendance software used by the New Bedford Public Schools assumes that all students were in attendance 100 percent of the time unless an absence is entered in the system. The New Bedford Public Schools did not have a system in place to ensure that all attendance records were received from out-of-district schools, and/or entered into the computer attendance program before the reimbursement claim was prepared or reconciled with the Master Attendance Roster. The New Bedford Public Schools' Medicaid Billing Clerk used the attendance data in the computer system at a point in time when she was ready to prepare the claim for reimbursement.

When individual teachers or schools (in-district or out-of-district) did not submit student absences or the absences were not entered, or not entered timely, in the computer system, the attendance data used by the Medicaid office would be incorrect. In this regard, officials at three of the six out-of-district schools we visited apprised us that New Bedford Public Schools did not require attendance data and they did not submit it. The other three out-of-district schools submitted attendance data with the monthly invoice to New Bedford Public Schools. The contracts with the out-of-district schools did not contain any requirement to submit attendance data to New Bedford Public Schools.

Individualized Education Plan

For four of the sample months reviewed, the New Bedford Public Schools claimed the daily per diem rate for school-based health services amounting to \$826 based on an invalid IEP. Accordingly, reimbursement should not have been sought. The New Bedford Public Schools did not have computer edits to ensure that Medicaid claims were submitted only for students which had a currently effective IEP. For example:

- A claim submitted by the New Bedford Public Schools was made for services delivered March 2000 for one student, however, school officials apprised us the student left the program in October 1995 – 52 months earlier.
- The IEP which school officials provided us to document support services for a January 2000 claim for one student was not in effect that month. School officials apprised us that the IEP was lost shortly after the Team meeting and not forwarded to the Speech/Language Pathologists. Further, school officials apprised us that services were not delivered until a new IEP was developed in September 2001 – 21 months after New Bedford Public Schools submitted the claim for school-based health services. The school

system classified this subsequent IEP as the initial IEP, as this was the first IEP under which the student received services.

- The IEP supporting services for a November 1999 claim for one student was required to be reviewed in October 1998 – 12 months before New Bedford Public Schools submitted the claims for school-based health services. In this regard, the period covered by the IEP was October 1997 through October 1998. School officials apprised us that the IEP has not been reviewed as of March 2002. Further, school officials could not locate any documentation that services were delivered during November 1999.
- The IEP supporting services for an October 1999 claim for one student was required to be reviewed in June 1999 – 4 months before New Bedford Public Schools submitted the claim for school-based health services. In this regard, the period covered by the IEP was June 1998 through June 1999. School officials apprised that during September 2000 the parent requested that the student be re-registered for the special education program after having previously signed out – 11 months after the New Bedford Public Schools submitted the claim for school-based health services. School officials did not apprise us when the parent signed the student out of the special education program. School officials apprised us that the IEP has not been reviewed as of March 2002. Further, school officials could not locate any documentation that services were delivered during October 1999.

Documentation of Services Delivered

For 11 of the sample months reviewed, the New Bedford Public Schools claimed the daily per diem rate for school-based health services amounting to \$1,947 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 CMS's *Medicaid and School Health: A Technical Assistance Guide, 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 New Bedford Public Schools entered into with the DMA, the New Bedford 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 four years...." Notwithstanding the agreement, school officials apprised us "that case notes, on the whole, have not been kept from one year to the next year"

Accordingly, for the students included in the 11 months reviewed, for which the New Bedford Public Schools could neither locate case/encounter notes for dates of service nor progress notes

spanning the sample month, we have no assurance that services prescribed in the IEP were delivered.

New Bedford Public Schools did not have written policies or procedures in place requiring service providers to document services delivered to Medicaid recipients. In this regard, teachers (service providers) apprised us that they were not aware of the need to document delivery of services.

Recommendations

We recommend that the New Bedford Public Schools:

- Establish procedures to ensure that Medicaid billings are based on attendance records that support the students' presence to receive services, days for which the school was open, and students which have a current IEP,
- Develop written policies and procedures requiring service providers to document 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, and
- Refund through the DMA, the \$554,419 that was inappropriately paid by the Medicaid program to the New Bedford Schools for periods when the schools were not open to students, when students were otherwise absent or not qualified to justify reimbursement, or the school system did not maintain sufficient documentation that services prescribed in the IEP were delivered.

Auditee Response

In their response to the audit report, New Bedford Public Schools officials generally agreed with the procedural recommendations related to establishing policies and procedures regarding Medicaid billing. The auditee did not express agreement or disagreement and elected not to comment on actions that will be taken regarding the refund of the \$554,419 (Federal share) that was inappropriately paid by the Medicaid program to the New Bedford Public Schools. (See Appendix C for New Bedford Public Schools' comments in their entirety.)

AUTHORIZATION TO BILL MEDICAID

We found that in 38 of the 100 sample recipient months that we reviewed, the New Bedford Public Schools did not obtain 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. 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) provided to the school system. New Bedford officials told us that they did attempt to obtain the authorizations either at the Team Meeting to develop the IEP and/or in a mailing to the parents or guardian explaining that parental/guardian permission is required for the schools to bill Medicaid.

We also found that authorization forms for 6 out of the 62 remaining sample items, where New Bedford Public Schools did obtain authorizations to share information, were not in the primary language of the students’ homes, as recorded on the IEP. New Bedford officials told us that the language of the authorization form was English, Spanish or Portuguese depending on the primary languages spoken in the home. We found, however, six cases where Spanish was the primary language spoken in the home, per the IEP, but the authorization forms signed were written in English.

Accordingly, we have no assurance that a significant number of parents of special education students attending the New Bedford Public Schools were informed about or gave consent to sharing their child’s confidential information with the State Medicaid Agency in order to bill the Medicaid program.

Recommendations

We recommend that the New Bedford Public Schools develop procedures to ensure that the “authorization” signed by either a parent or guardian to share information with the DMA to submit claims for Medicaid reimbursement is obtained before claims are submitted to DMA. We also recommend that the “authorization” sought from the parent or guardian be in the primary language of the students’ homes, as recorded on school records, confirmed at the Team Meeting to develop the IEP and recorded on the IEP – whether the authorization form is given to the parent/guardian at the Team meeting or subsequently mailed.

Auditee Response

New Bedford Public Schools officials concurred with the recommendations. (See Appendix C for New Bedford Public Schools’ comments in their entirety.)

Results of Statistical Sample

Sample Size	100
Value of Sample	\$ 17,585
Number of Errors	44
Value of Errors	\$ 3,328
Population Size	13,726
Value of Population	\$ 2,340,129

Point Estimate	\$ 456,768
Confidence Level	@ 90 %
Lower Confidence Limit	\$ 290,193
Upper Confidence Limit	\$ 623,344
Sample Precision	+/-36.47 %

Based on our statistical sample, we are 95 percent confident that the amount overpaid is at least \$290,193 (Federal share).

APPENDICES

SCHEDULE OF SAMPLE ITEMS

Sample Number	Inaccurate Attendance			Invalid IEP			Documentation		Totals	
	Error	Days	Dollars	Error	Days	Dollars	None	Dollars	Error	Dollars*
44	Yes	20	212.12				Yes	212.12	1	212.12
45	Yes	11	245.52						1	245.52
46	Yes	3	16.71						1	16.71
47	Yes	3	5.57				Yes	100.26	1	100.26
48										
49										
50										
51										
52										
53										
54	Yes	5	27.85						1	27.85
55										
56	Yes	4	22.28						1	22.28
57	Yes	4	22.28						1	22.28
58										
59	Yes	6	133.92						1	133.92
60							Yes	265.15	1	265.15
61										
62	Yes	1	12.19						1	12.19
63										
64										
65										
66										
67										
68										
69							Yes	265.15	1	265.15
70										
71										
72										
73	Yes	2	11.14				Yes	89.12	1	89.12
74										
75	Yes	2	53.03						1	53.03
76	Yes	1	53.03						1	53.03
77										
78				Yes	18	100.26	Yes	100.26	1	100.26
79										
80										
81										
82										
83										
84										
85	Yes	5	36.57						1	36.57
86	Yes	5	27.85	Yes	18	100.26	Yes	100.26	1	100.26
87	Yes	1	12.19						1	12.19

SCHEDULE OF SAMPLE ITEMS

Sample Number	Inaccurate Attendance			Invalid IEP			Documentation		Totals	
	Error	Days	Dollars	Error	Days	Dollars	None	Dollars	Error	Dollars*
88										
89	Yes	6	48.76						1	48.76
90										
91										
92										
93										
94										
95										
96										
97										
98										
99										
100										
	39	179	\$2,134.22	4	69	\$825.65	11	\$1,946.83	44	\$3,327.76

* While some sample units had more than one condition, we did not question more than 100 percent of the claim



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WILLIAM H. MARGINSON, Ph. D.
SUPERINTENDENT PROTEMPORE

JIMMY OWENS
ASSISTANT TO THE SUPERINTENDENT
FOR EQUITY AND DIVERSITY

April 16, 2002

Michael J. Armstrong/Joseph Kwiatanowski
Regional Inspector General For Audit Services
Region I
J.F.K. Federal Building Room 2425
Boston, MA 02203

CIN A-01-01-00005
Office of Inspector General, Department of Health and Human Services
Audit Report Medicaid Payments for School Based Health Services, July
1999 through June 2000, New Bedford, MA.

Reply to Audit Report by: Dr. William H. Marginson
Superintendent Protempore
New Bedford Public Schools

RECOMMENDATIONS

A. The New Bedford Public Schools reprogrammed and networked their computers to assure accurate attendance of all claims submitted. Due to a cliche in the software program and the archaic computer equipment two things happened. 1. The software program did not pick up school vacations and holidays, hence holidays and school vacations were inadvertently billed for. Additionally, the New Bedford Public Schools attendance assumes 100% attendance. Many schools submitted attendance 2 to 3 months after the fact. When the accurate attendance was finally submitted we found we had billed for students who in fact were absent. Also specific classroom attendance sheets filled out by the individual teachers were discarded and there was no way to cross check student attendance. The New Bedford Public Schools will develop specific policies and procedures regarding Medicaid billing as indicated by the Inspector General's office.

B. Under state Special Education Law every child on an IEP must have a quarterly report filled out on academic goals and objectives progress. Due to the tremendous turnover of staff, and the inability to get certified special services staff, some quarterly reports were not filled out, inappropriately filled out, or not turned in. Additionally, the special services ancillary staff who keep case notes regarding the service delivered, usually destroy those notes at the end of each school year.

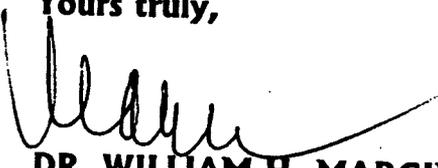
C. The New Bedford Public Schools receives yearly a list of all New Bedford Public School Medicaid eligible students, from which we develop a base of eligible children. The New Bedford Public Schools has a specific process and procedure by which to I.D. eligibility. At each team meeting an LEA Authorization Form is presented to the parents for signature. If the parent is bilingual, an interpreter is provided. Many parents choose not to sign the form. It has been our position that we still process the eligibility and bill for same.

Consent is part of the team process by sharing information with the parents, by providing parent consent forms, and issuing a parent's rights document. Consent is also obtained by the parent signature accepting the IEP.

Obviously the interpreting is not enough documentation or is not clearly documented, hence the New Bedford Public Schools will translate the appropriate authorization forms in the language required.

The New Bedford Public Schools will develop specific procedures to ensure that authorization, signed by either parent to share information with the Division of Medical Assistance is completed. In addition all correspondence will be translated in the language of the home.

It should be noted we have 60-70% mobility rate in New Bedford and a mailing would be a waste of money due to the constant movement. The same applies to IEP signatures.

Yours truly,

DR. WILLIAM H. MARGINSON
Superintendent Protempore

WHM/tc