

QUESTAR III
PUTTING STUDENTS FIRST

Scotia-Glenville Central School District:
FY 2022/23 Medicaid Audit

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November 11, 2022

Board of Education
Scotia-Glenville Central School District
900 Preddice Parkway
Schenectady, NY 12302

We have completed the review of controls for the Scotia-Glenville Central School District. Our engagement was designed to evaluate the adequacy of internal controls over Medicaid to ensure they are appropriately designed and operating effectively and efficiently. And, to provide a report with recommended changes for strengthening controls and reducing identified risks.

The purpose of the review was to evaluate the internal controls that the District has in place to prevent errors, detect fraud, and ensure that financial reporting is accurate and that the District assets are safeguarded.

RELIABILITY OF INFORMATION

In performing our engagement, we obtained a sample from the population of Medicaid eligible students to test the accuracy and reliability of information provided by District personnel.

As noted, the purpose of our engagement was to assist you in improving the process by which you monitor and manage the risks that face the District. Any comments and recommendations in the attached report are the responsibility of the district to implement, accept the risk as identified, or implement alternative controls that will mitigate the risk to a level that is acceptable by the District. Ultimately, it is your responsibility to assess the adequacy of your risk management system.

DISTRIBUTION OF THE REPORT

This report is intended solely for the information and use of the Board of Education and management of Scotia-Glenville Central School District and should not be used for any other purpose.

We appreciate the opportunity to serve you and thank the individuals in your organization for their cooperation. Over time, it will be necessary to reassess your risks to ensure that they have not changed and to ensure that your risk management system is functioning properly. Through our ongoing involvement with you as a client and our knowledge of your district and its processes, we are in a unique position to assist you with that process. Please contact us at any time should you desire such services.

Sincerely,

Mark Beaudette
Internal Audit Manager
Questar III

Executive Summary

Objectives and Scope

The Scotia-Glenville Central School District asked us to examine the District’s Medicaid process. Key objectives included evaluating if the District adheres to the School Supportive Health Services Program (SSHSP) regulations.







The audit covered Medicaid Claims and session notes that were made from July 1, 2021 to June 30, 2022. Our fieldwork concluded on November 10, 2022.

Acknowledgements

We would like to thank the staff of the Scotia-Glenville Central School District for their courteous and prompt assistance during our audit.

Conclusion

Six observations were noted and are summarized below. Our recommendations are detailed in the report.

Reference	Observation	Risk
1	District not claiming for Psychological Counseling Services	 High
2	Doctors not properly registered in eMedNY as referring providers	 High
3	No documented session notes in IEP Direct to support students IEP	 Medium
4	Providers used an unclaimable CPT code, but session notes appeared to have all elements of a claimable session	 Medium
5	Various issues with session notes	 Low
6	No Medicaid BOE policy	 Low

FY 2022/23 SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT MEDICAID AUDIT REPORT

ENTITY NAME	Scotia-Glenville Central School District
REPORT DATE	November 10, 2022
PROCESS REVIEWED	Medicaid
PERSONNEL INTERVIEWED	Catie Magil, Director of Pupil Personnel Services Sheri Tyrell, Treasurer Alexis Shaffer, Medicaid Coordinator Erika Vorce, SpecEd Solutions Medicaid Claim Consultant
SCOPE OF WORK	<p>We reviewed the Medicaid policies and procedures and conducted interviews with key personnel to obtain an understanding of the processes used by the District for Medicaid. In addition, we performed the following test work:</p> <ul style="list-style-type: none"> • We selected a sample of 10 students from a population of 64 Medicaid eligible students receiving reimbursable special education services that could be claimed for Medicaid reimbursement during FY 2021/22. We evaluated the students' special education files for compliance with the School Supportive Health Services Program (SSHSP). In addition, we verified the District's reported session notes and submitted claims for Medicaid reimbursement; • Verified that all District providers are certified/licensed and have a valid National Provider Identifier (NPI) and ensured providers that were not licensed worked Under the Direction of or Under the Supervision of (UDO/USO); • We examined documents prepared by the District's outsourced vendor, SpecEd Solutions, to ascertain the total population of submitted claims for FY 2021/22 and the related amounts paid to the District.
SCOPE RESTRICTIONS	None were noted.
AUDIT OBJECTIVES	<ul style="list-style-type: none"> • Evaluate internal controls related to Medicaid Compliance for operating efficiency and effectiveness; • Evaluate Medicaid claim submission process; • Review student files for parental consent forms, order/referral and Individualized Education Program (IEP) recommendations; • Evaluate the order/referral matches the IEP and the Medicaid reimbursable sessions are being claimed; and • Review provider session notes, required to be maintained for Medicaid reimbursements, are contemporaneous, accurate and complete for each encounter.

<p>KEY PROGRAM CONTROLS</p>	<p>The District has created the following key program controls designed to meet business obligations, provide accountability, and promote operational effectiveness & efficiency:</p> <ul style="list-style-type: none"> • The District keeps hardcopy files on basic student information (i.e. IEP, psychological evaluations, prescriptions/referrals). The District will not submit claims without all required documents; • The District uses Frontline IEP Direct, which is a web-based software program designed to create and maintain the student's IEP and the provider's session notes; • The District hired SpecEd Solutions to assist with the Medicaid reimbursement process; • The providers maintain session notes for all students regardless of their Medicaid eligibility; • Whenever the District receives a reimbursement from Medicaid the District Treasurer performs a reconciliation of the total amount of claims that were submitted versus the amount of money the District actually received. The Treasurer will follow up with the SpecEd Solutions representative regarding any discrepancies in the dollar amounts; and, • Each year, all providers must sign off acknowledging that they read the State Education Department Medicaid Handbook. Signatures are submitted to the Director of Pupil Personnel Services.
<p>ADDITIONAL INFORMATION</p>	<p>The District does not submit claims for special transportation. The representative at SpecEd Solutions noted there are only 4 students who would currently be eligible. We noted staff in the District have determined that this would not be a cost beneficial practice.</p>
<p>OBSERVATIONS AND RECOMMENDATIONS</p>	<p><u>Observation 1:</u> Three students in our sample had psychological counseling sessions in their IEP but the District did not claim for these services in fiscal year 2021/22 due to not having properly licensed providers. The total estimated claimable dollar amount if all the sessions took place between the three students was \$11,000. During conversations with staff, we noted the District is anticipating on claiming for psychological counseling services in fiscal year 2022/23.</p> <p><i>Recommendation: The District should evaluate whether or not it would be cost beneficial to claim for psychological counseling services.</i></p> <p><u>Observation 2:</u> During conversations with the Medicaid Claim Consultant, she noted during fiscal year 2021/22 that students had scripts that were signed by doctors that were not registered by eMedNY as referring providers. Due to this, the District was unable to submit \$7,600 of claims for reimbursement for these students' services. The Medicaid Claim Consultant notified the District of the issue; however, the District was unable to create new scripts for the students.</p>

Recommendation: The District should ensure that all physicians who are signing off on the students' scripts are properly registered with eMedNY as referring providers.

Observation 3: During our testing of 10 student's session notes, we identified where there were no session notes on file, but according to the student's IEP the student should have received services. We noted the following instances of this:

- A student only had three documented session notes after November 19, 2021, but their IEP called for school counseling sessions twice per month until June 10, 2022.
- A student did not have any session notes recorded past 3/22/22 but the students IEP called for group school counseling services twice per month until 6/10/22.
- A student did not have any session notes recorded past 3/21/22 but the student IEP called for school counseling sessions one time per week until 6/10/22.
- According to a student's IEP they should have received school counseling services from 7/1/21 – 8/11/21 one time per week. There were no session notes on file to support if the student received the services.
- According to a student's IEP they should have received both group and individual music therapy sessions from 9/20/21 – 6/10/22 but there were no session notes on file to support if these sessions occurred.
- A student's IEP called for small group speech language therapy sessions for 30 minutes once every six days. When reviewing the session notes we noted every session the student had for this service (6) was under 30 minutes long.
- A student's IEP called for psychological counseling sessions 1 time per week from 9/8/21 to 6/24/22 but there were no session notes on file to support if these sessions occurred.

The providers noted they did not complete the session notes due to the services provided not being claimable. In addition, some providers noted they kept the session notes manually on paper. Regardless of if the service is claimable or not; providers should be providing services in accordance with the students IEP.

Recommendation: The District should ensure that students are receiving services per their IEP. The providers should maintain session notes for each student's session. If the student did not attend a session(s), the provider should note that in the session note.

Observation 4: Session notes specifically document that the service provider delivered certain diagnostic and/or treatment services to a student

on a particular date. Session notes must be contemporaneous and completed by all qualified providers furnishing the services authorized in a student's IEP for each Medicaid service delivered; and must include key information to be allowable for Medicaid reimbursement. We noted from our testing of session notes reported in IEP Direct five instances where a provider coded a session with CPT code 00000, but each session appeared to have all elements of a claimable session. This impacted the District's ability to optimize Medicaid reimbursement. The total estimated lost cost for this was \$399.

Recommendation: The District should ensure that session notes are meeting SSHSP guidelines to ensure they are claimable.

Observation 5: According to the Department of Health's and State Education Department's Preschool/School Supportive Health Services Program (SSHSP) Medicaid-in-Education Medicaid Provider Policy and Billing Handbook (update 9) page 26, session notes must be completed by all qualified providers and must include: the date and time the service was rendered; a brief description of the student's progress made by receiving the service during the session; and the name; title; signature; and credentials of the servicing provider. During our testing of our sample of 10 students' session notes, we noted the District is not consistently following this regulation. During our testing, we identified the following:

- Seventy instances where the provider did not sign the session note timely. These dates ranged from 8 to 28 days after the session occurred.
- One provider for three students' sessions and another provider for a student's sessions did not enter a start nor end time on any of the session notes. Due to this we are unable to determine if the session lengths were in accordance with the students' IEPs.
- One provider for a student's sessions did not give a description of the student's progress in most of the session notes.
- One instance where a provider used a CPT code for a session that was a group physical therapy session, but group sessions were not noted in the students IEP; therefore, the session should have been coded 00000.
- Two providers recorded the same session notes for two students' that had two different related service CPT codes. These session notes had the same session start time and end times and the repetition of the session notes occurred throughout some of the school year. According to the State Education Department's SSHSP Questions and Answers question number 126, "...more than one CPT code cannot be reported for the same time period." Due to the providers' incorrect recording of the notes, the District is at risk of the claims being rejected for reimbursement.

FY 2022/23 SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT MEDICAID AUDIT REPORT

	<p><i>Recommendation: The District should ensure that the session notes that are written by providers obtain all SSHSP requirements of a claimable session and that the providers are properly trained on keeping session notes. The District should also ensure providers are signing the session notes as quickly as possible after the session ends.</i></p> <p><u>Observation 6:</u> The District does not have a board policy providing instructions for administering Medicaid reimbursement.</p> <p><i>Recommendation: The Board should approve a Medicaid Compliance policy to provide the basic framework to administer the program. Amending policies/procedures when SSHSP regulations change will reflect current requirements and will demonstrate awareness and proactive compliance with SSHSP requirements.</i></p>
<p>SUBMITTED BY:</p>	<p>Alexa Schaefer Internal Auditor - Questar III BOCES</p>
<p>DATED:</p>	<p>November 10, 2022</p>

Scotia-Glenville School District
Scotia, New York

March 3, 2023

To: Alexa Schaefer

From: Andrew Giaquinto, Business Manager 

Re: Risk Assessment – Corrective Action Plan – Medicaid Audit
Report Date: November 11, 2022

Please see below for the District's response to the Medicaid Audit findings:

Psychological Counseling Services: Contrary to what the report says, we have always had properly licensed social workers with the exception of two who require supervision. The reason the district didn't previously bill for Psychological Counseling Services was by choice or rather misinformation regarding what Medicaid considers to be Psychological Counseling Services. Scotia has been claiming for counseling in the current 22-23 school year. We lost out on some reimbursements back in the fall as the supervision piece took a little bit of time to set up with MOAs.

Session Notes: Unfortunately, select providers are not entering their session notes within the proper timeline of 5 days. The District will issue a reminder email to Speech and Social Workers and let them know that monthly (not quarterly) random reviews will be conducted.

eMedNY Providers: Our process in Scotia is to have each family's physician issue and sign the OT/PT scripts. Social workers and Speech Language Pathologists (SLP) can write their own scripts, but we rely on the student's doctor for OT and/or PT scripts. In several cases, the family doctor is not a registered eMedNY provider. Our proposed resolution to this is to have OT and PT scripts signed by our district physicians. Many districts use their Board approved physicians for this purpose. The doctors come to a district building once a week or every two weeks and sign scripts. This will eliminate the time-consuming task of PPS calling family doctors to obtain scripts and ensures the

district can be reimbursed for services because the district physician is a registered provider in eMedNY.

Board Policy Update: The District is currently working on developing a board policy that provides instructions for administering Medicaid reimbursement. This will be brought to the policy committee for review. Upon their recommendation, it will be brought to the Board of Education for approval.

Lifetime Medicaid Consent: This wasn't mentioned in the audit, but Scotia is losing out on 80-100k because we don't have students' lifetime consents on file. The PPS Department has been working on securing these consents since September. They started with a letter to all families followed up with phone calls, emailing the consent forms, sending the consent forms through Frontline's Collaboration Portal for an e-signature, and sending the forms to teachers to print and send home in children's book bags. They have established a new process where the Medicaid consent form is mailed home with special education consent paperwork when students are first classified or found eligible for special education services. Home visits may be the next step to secure the missing lifetime consents.

Thank you.

