



Rensselaer City School District

Medicaid Reimbursements

2024M-42 | July 2024

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Report Highlights

Rensselaer City School District

Audit Objective

Determine whether the Rensselaer City School District (District) officials claimed Medicaid reimbursements to which the District was entitled.

Key Findings

District officials did not submit claims for all Medicaid-eligible services provided to Medicaid-eligible students and did not correct and resubmit rejected claims. The District also lacked adequate procedures to ensure Medicaid claims were submitted and reimbursed.

As a result, claims were either not submitted or reimbursed for just over 1,260 eligible services totaling \$46,338. Had the District claimed all eligible services, it would have realized revenue totaling \$23,169.

Key Recommendations

- Establish procedures to ensure all documentation requirements are met to submit Medicaid claims for reimbursement for all eligible services provided.
- Review all unclaimed services and submit any eligible claims for reimbursement.
- Correct and resubmit rejected claims for eligible services.

District officials generally agreed with our recommendations and indicated they planned to initiate corrective action.

Audit Period

July 1, 2021 – October 31, 2023

Background

The District, located in the City of Rensselaer in Rensselaer County, is governed by an elected five-member Board of Education (Board) that is responsible for managing and controlling the District's financial and educational affairs. The Superintendent of Schools is the District's chief executive officer and is responsible for the District's day-to-day management under the Board's direction.

The Director of Pupil Personnel Services (Director) oversees the special education department which includes developing and implementing individualized education programs (IEPs) for students enrolled in special education programs. The District contracted with a third-party vendor to submit claims for Medicaid reimbursement.

Quick Facts

2022-23	
Special Education Expenditures	\$4.7 million
Special Education Students Receiving Medicaid-Eligible Services	121
Enrollment	1,103

Medicaid Reimbursements

How Should Officials Ensure Eligible Services Are Claimed and Reimbursed?

School district (district) officials should design an effective system for claiming Medicaid reimbursements to help ensure that the district receives all Medicaid reimbursements to which it is entitled. Officials should clearly assign responsibilities for specific activities to ensure each participant understands the overall objectives and their role in the process. In addition, district officials should develop written procedures and provide adequate oversight to ensure that all claim reimbursement documentation requirements are met.

To submit Medicaid claims for reimbursement of services provided to Medicaid-eligible students – for whom district officials have developed an IEP – officials must first obtain parental consent, and the student’s Medicaid client identification number, to bill Medicaid for the eligible services provided. Eligible services include physical, occupational and speech therapies; psychological counseling; skilled nursing; and special transportation. Before initiating services, officials must obtain a written order or referral (prescription) from a qualified provider documenting the medical necessity of the services.¹ Officials must ensure that the services are provided according to each student’s IEP and are properly documented (e.g., in session notes, special transportation logs, medication administration records or evaluation reports).

Officials Did Not Ensure Claims for All Eligible Services Were Submitted and Reimbursed

District officials obtained parental consent to submit Medicaid claims for reimbursement of services provided to 71 eligible students in 2021-22 and 65 eligible students in 2022-23. We reviewed the records of services provided to 16 students in 2021-22 and in 2022-23, for a total of 32 students, and determined that not all claims were submitted and reimbursed for eligible services provided.

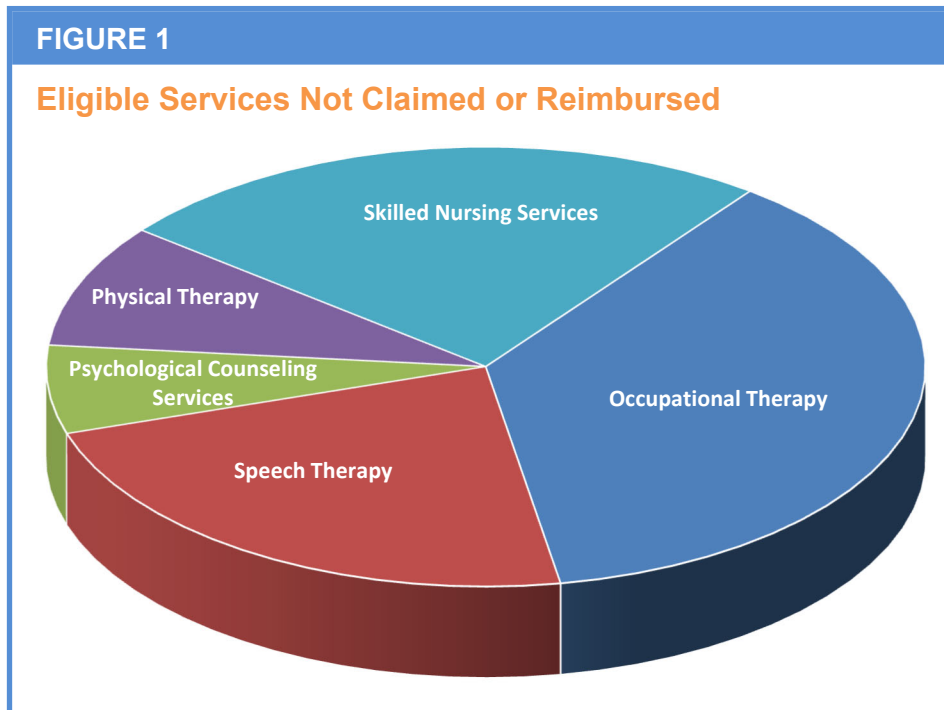
Claims were not submitted and reimbursed for:

- 409.5² of the 1,682 (24.4 percent) eligible services totaling \$15,198 provided in 2021-22.
- 854 of the 1,634 (52.3 percent) eligible services totaling \$31,140 provided in 2022-23.

1 District officials must document the medical necessity for special transportation services and medical evaluations within a student’s IEP.

2 Some services included two different billing codes (0.5 service per billing code); We excluded 80 services with pending Medicaid status totaling \$3,333.

Combined, claims were not submitted and reimbursed for 1,263.5 of the 3,316 (38.1 percent) eligible services totaling \$46,338 provided during 2021-22 and 2022-23 (Figure 1).³ As a result, the District did not realize revenue totaling \$23,169 (50 percent of the Medicaid reimbursements).⁴



Claims were either not submitted or reimbursed for the following reasons:

- Claims submitted for 678.5 services totaling \$27,286 were rejected by Medicaid because of submission errors and these claims were not corrected and resubmitted for reimbursement during the audit period.
 - For example, 514.5 services totaling \$19,389 were rejected because the administrative assistant to special education (assistant) did not affiliate the providers with the District through the Medicaid website.
- Claims for 523 services totaling \$14,748 were not submitted for reimbursement even though all documentation requirements were met. Officials could not explain why the claims were not submitted.

³ Refer to Appendix A for a summary of the number of services, by type, that District officials did not claim.

⁴ New York State's share of Medicaid reimbursement is generally 50 percent, but it can be less than 50 percent due to possible changes in the federal reimbursement share. For this report, we used 50 percent of Medicaid reimbursements for the State's share when calculating the District corresponding reimbursement.

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- For example, 311 skilled nursing services totaling \$2,668 were properly documented on paper logs but they were not entered into the special education software system and submitted.
 - Fifty-five services totaling \$3,278 were not properly documented.
 - For example, providers did not always record service codes, session notes or sign the notes, as required.
 - Prescriptions for seven services totaling \$1,026 were not obtained.

The failure to submit claims occurred because officials did not establish procedures to ensure that all documentation requirements were met and all services were entered in the special education system. For example, the assistant did not monitor the recorded service encounters in the special education system and did not ensure all provided services were entered.

In addition, the Director and the assistant did not review the documentation of claims to ensure claims submissions were complete. As a result, officials had no way to ensure that claims were submitted for all eligible services provided or any rejected claims were corrected and resubmitted for reimbursement.

What Do We Recommend?

District officials should:

1. Establish procedures to ensure all documentation requirements are met to submit Medicaid claims for reimbursement for all eligible services provided.
2. Ensure all eligible services are entered in the special education system.
3. Review documentation of submitted claims in the special education system.
4. Reconcile the amounts claimed for Medicaid reimbursement with the amounts received and determine whether any rejected claims may be resubmitted.
5. Review all the unclaimed services identified in this report and submit any eligible claims for reimbursement.
6. Correct and resubmit the rejected claims identified in this report for reimbursement.

Appendix A: Eligible Service Claims Not Submitted or Reimbursed

Figure 2: Eligible Service Claims Not Submitted or Reimbursed

Type of Service	Number of Services Provided	Estimated Reimbursements
Occupational Therapy	467.5	\$21,880
Speech Therapy	288	13,647
Psychological Counseling Services	82	4,445
Physical Therapy	115	3,698
Skilled Nursing Services	311	2,668
Total	1263.5	\$46,338^a

a) Had District officials submitted claims for these services, the District could have received \$23,169 (50 percent of the Medicaid reimbursements).

Appendix B: Response From District Officials



RENSSELAER CITY SCHOOL DISTRICT
25 Van Rensselaer Drive, Rensselaer, New York 12144

Gary G. Gifford, Chief of Municipal Audits
One Broad Street Plaza • Glens Falls, New York 12801-4396

Dear Gary G. Gifford, Chief Examiner

The following corrective action plan has been developed in order to update and refine the procedures and practices employed by the district with regard to the Medicaid reimbursement process. The updated procedures are designed to address findings in report 2024M-42 that was generated from the audit. The District is in agreement with the findings and recommendations of the report as we seek to maximize all opportunities for revenue for the district. It is, however, important to contextualize findings by noting that the average reimbursement rate for Medicaid claims for districts in the region is approximately 60% due to the complexity of the claiming process for school-based service. The Rensselaer City School District currently holds a 70% reimbursement rate which illustrates that despite the opportunities for improvement, considerable effort and structures are already in place to maximize reimbursement.

In order to address procedures to ensure all documentation requirements are met to secure Medicaid reimbursement, the district has already implemented additional measures to obtain the One-Time Consent for Medicaid Claiming. The consent request is now included with the consent for all initial CSE evaluations as well as follow up requests at each Annual Review meeting for previously identified students. In addition, the Consent for Medicaid Claiming will now be included in the district registration packet.

A system of Quarterly Reviews has been developed by the Director of Pupil Personnel Services in order to ensure that all services are entered into [REDACTED] for claiming. Using the [REDACTED] Toolkit, the Quarterly Reviews will occur at the close of each marking period and include the following: 1.) Confirm that all providers have appropriate NPI Affiliations in the system; 2.) Review Related Service (RS) logs to ensure that they are being completed and entered into [REDACTED] by district providers, including Skilled Nursing logs; 3.) Verify that the outside providers in the various Day Treatment programs have submitted their RS logs and that they have been entered into [REDACTED]

As the District contracts with [REDACTED] to enter Medicaid claims and support the process of identifying and resubmitting rejected claims, a joint meeting was conducted on 5/24/24 to review and update the roles and responsibilities between the District and [REDACTED]. Documentation of this agreement was written and includes clarification of timelines and communication procedures between the District and [REDACTED]. Additional internal processes have been established to allow for timely review of compliance

with the updated procedures, which are as follows: 1.) An October 25th deadline has been established for all scripts to be entered in the system so that it can be reviewed by the Director of Pupil Personnel Services; 2.) Dedicated work time for the PPS Secretary to complete Medicaid related tasks; 3.) Use of the [REDACTED] Toolkit for Quarterly Review of submitted claims, unclaimed services, and the timely correction and resubmission of rejections, and; 4.) Provide monthly Remittance Report information to the Business Office to reconcile the expected Medicaid payment with what was billed and identify any pending claims that need to be addressed within the timeline.

Upon completion and approval by the audit committee and BOE, the district will submit this corrective action plan to the State Comptroller's Office for review and acceptance. If any feedback is given from the OSC, the district will relay this information back to the audit committee for a second review.

Respectfully,

Joseph Kardash
Superintendent

Jennifer Haggerty
Board of Education President

Appendix C: Audit Methodology and Standards

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed District officials and third-party Medicaid billing provider representatives, and reviewed records and reports to gain an understanding of procedures related to claiming Medicaid reimbursements and documented any associated effects of deficiencies in those procedures.
- We reviewed parental consent forms obtained by District officials to submit Medicaid claims for reimbursement of services provided to 71 eligible students in 2021-22 and 65 eligible students in 2022-23. We reviewed records of services provided to a judgmental sample of 32 students, who received services in 2021-22 and 2022-23 (16 students in each year), to determine whether claims were submitted to Medicaid and reimbursed for all eligible services provided to these students. We selected our sample based on the variety and frequency of prescribed services documented in the students' IEPs (students requiring more services more frequently and students requiring less services less frequently) and based on the location where services were provided (in-district and out-of-district). For eligible services for which claims were not submitted and reimbursed, we determined the reason and calculated the amount of the Medicaid reimbursements not received and the corresponding unrealized revenue.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law, Section 2116-a (3)(c) of New York State Education Law and Section 170.12 of the Regulations of the Commissioner of Education. To

the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. The CAP should be posted on the District's website for public review.

Appendix D: Resources and Services

Regional Office Directory

www.osc.ny.gov/files/local-government/pdf/regional-directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

www.osc.ny.gov/local-government/publications

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

www.osc.ny.gov/local-government/fiscal-monitoring

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management

www.osc.ny.gov/local-government/publications

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

www.osc.ny.gov/local-government/resources/planning-resources

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders

www.osc.ny.gov/files/local-government/publications/pdf/cyber-security-guide.pdf

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

www.osc.ny.gov/local-government/required-reporting

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers

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Contact

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Division of Local Government and School Accountability
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<https://www.osc.ny.gov/local-government>

Local Government and School Accountability Help Line: (866) 321-8503

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