

**TOOL KIT FOR BILLING INDIANA MEDICAID
FOR HEALTH-RELATED INDIVIDUALIZED
EDUCATION PROGRAM SERVICES PROVIDED
BY SCHOOL CORPORATIONS**

**MEDICAID
BILLING
TOOL KIT**

**A Tool Kit for Public School Corporations
Indiana Department of Education**

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Indiana Department of Education, Division of Exceptional Learners
in collaboration with the
Indiana Family and Social Services Administration, Office of Medicaid Policy and Planning and
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1.3. TOOL KIT UPDATES

1.3.1. Updating Changes

The [Medicaid Billing Tool Kit](#) is updated as needed to incorporate changes that impact school-based Medicaid claiming. The entity responsible for updating the Tool Kit will be determined by the Indiana Department of Education. Updates are coordinated with the Indiana Office of Medicaid Policy and Planning, appear in red font and will be communicated when there is a change in the applicable:

1. Federal law, including statute, regulation or policy
2. State law, including statute, promulgated rule or policy
3. Provisions of the Indiana Medicaid State Plan
4. Indiana Department of Education (DOE) policies and Medicaid program policies (communicated to Medicaid-enrolled school corporations through Medicaid publications such as provider bulletins, newsletters, remittance advice banner messages, etc.) as well as the IDOE School-based Medicaid Web page and Medicaid in Schools Community on the Learning Connection.

Tool Kit updates are posted on the [IDOE School-based Medicaid Web Page](#). The effective dates of policy and program changes are noted in the Update Log.

1.3.2. Update Log

The Tool Kit Update Log accompanies updates and serves as a reference for school corporations to track and accurately incorporate changes into locally maintained copies of the Tool Kit. The log lists updates by “Update Number,” describes the “Topic” of the updated information, and gives the “Section Number” of the affected portion of the Tool Kit. The log also lists, by page number, the updated page or pages to be incorporated into the Tool Kit (“Page Number(s) Added”) as well as the outdated page or pages to be removed from the Tool Kit (“Page Number(s) Deleted”). The Tool Kit Update Log also shows the “Effective Date” on which any new or changed policies or procedures take effect.

1.3.3. Publication Date

The publication date of the Tool Kit replacement pages will appear in the bottom left corner of each page. School corporations are encouraged to check this date periodically in the online version of the Tool Kit to ensure locally maintained copies are current.

1.4. HOW TO USE THE UPDATE LOG

1.4.1. Introduction

To help ensure that their Medicaid-qualified providers of medical services and staff or contractors who bill claims comply with Medicaid program requirements, Medicaid-participating school corporations are encouraged to share Tool Kit updates with all who furnish and submit claims for Medicaid-covered IEP/IFSP services. *An electronic copy of the latest Medicaid Billing Tool Kit* is accessible on the [IDOE School-based Medicaid Web page](http://www.doe.in.gov/achievement/individualized-learning/school-based-medicaid) at <http://www.doe.in.gov/achievement/individualized-learning/school-based-medicaid>.

1.4.2. Explanation of the Update Log

Update Number: these are sequential and include the publication date of the update.

Topic: briefly describes the topic of the information updated.

Section Number: the section of the Tool Kit affected by the update.

Page Number(s) Added: updated pages to be incorporated into the Tool Kit.

Page Number(s) Deleted: outdated pages to be removed from the Tool Kit.

Effective Date: the date on which changes or additions take effect.

Use the Update Log, IDOE newsletters and Tool Kit updates to stay current on policy and procedures that impact school-based Medicaid claiming. If you maintain a hard copy of *The Medicaid Billing Tool Kit*, follow these recommendations for keeping it current:

- Notice of immediate changes may be communicated via IDOE Learning Connection announcements and bulletins to Directors and may precede your receipt of related Tool Kit updates. Until reflected in a Tool Kit Update, make note of any recent change and file the announcement or bulletin for reference.
- Upon notification of a Tool Kit update, remove superseded Tool Kit pages and add newly updated pages as directed in the accompanying Update Log (see sample Update Log on page 1-4-2). Discard or file page(s) that have been replaced.
- Verify receipt of all updates by periodically checking the online Tool Kit, listed under Manuals on the IDOE School-based Medicaid page:
<http://www.doe.in.gov/achievement/individualized-learning/school-based-medicaid>.

CHAPTER 2: PURPOSE, BACKGROUND, AND PROGRAM INFORMATION

2.1. PURPOSE AND BACKGROUND

2.1.1. Purpose

This Tool Kit is intended for use by school corporations enrolled in the Indiana Medicaid program. It outlines specific Indiana Medicaid program requirements for billing Medicaid-covered IEP or IFSP services. It also educates school corporations about policies and procedures governing Medicaid payment for Medicaid-covered IEP and IFSP services, coverage parameters and limitations, as well as provider qualifications and Medicaid billing requirements for such services. In addition, this Tool Kit provides descriptions and instructions on how and when to complete forms and other documentation necessary for Medicaid billing and audit purposes.

This Tool Kit must be used in conjunction with billing instructions and other pertinent information in the Indiana Health Coverage Programs (“IHCP”) Provider Manual. The IHCP Provider Manual, which includes sample claim forms and further instructions, is available online at www.indianamedicaid.com. Each school corporation receives a copy of the IHCP Provider Manual upon enrolling as a Medicaid provider and will also receive periodic Provider Manual updates from the Medicaid agency or its contractor.

2.1.2. Background

Indiana Code § 12-15-1-16 (Page C2) requires school corporations to enroll in the Medicaid program. The purpose of this statutory requirement is to encourage school corporations to claim available Medicaid reimbursement for Medicaid-covered IEP and IFSP services.

School corporations must ensure students with disabilities receive all appropriate services regardless of whether Medicaid reimbursement is available for the services.

2.1.3 Medicaid Billing and Reimbursement for Covered IEP Services

The Medicaid program is a state and federally funded medical assistance program. Medicaid-enrolled school corporations may use their Medicaid provider numbers only to bill for Medicaid-covered special education services in an **IEP** or **IFSP** (*not* including services in a Non-Public School Service Plan or 504 Plan) and **not** for primary or preventive care furnished by a school-based health center or clinic. Medicaid-covered IEP services include: evaluations and re-evaluations; occupational, physical and speech therapy services; audiology services; nursing services; behavioral health services; and IEP specialized transportation.

Medicaid recognizes the IEP or IFSP as the Medicaid prior authorization for IEP/IFSP services provided by a school corporation’s Medicaid-qualified provider. Managed care pre-certification by the student’s primary medical provider is not required. A school corporation cannot use its Medicaid provider number to bill Medicaid for covered services that are not in or necessary to develop the student’s IEP or IFSP. *Non-IEP/IFSP services are subject to all Medicaid Prior Authorization and Managed Care approval/referral requirements.*

2.1.4. Differences among Public Health Insurance Benefit Programs in Indiana

To minimize the stigma associated with public benefits programs, Indiana uses a generic term, “Hoosier Healthwise,” to refer to most public health coverage benefits available to children. Typically, a child’s family income is a deciding factor in determining health coverage program eligibility. Some children qualify for Medicaid despite family income levels that exceed the program’s federal poverty level-based income standards, and some Medicaid-eligible children may also qualify to receive home and community-based waiver services. Those not eligible for Medicaid may qualify for **C**hildren’s **H**ealth **I**nsurance **P**rogram benefits.

The following table summarizes Medicaid and “CHIP” benefit packages available to Hoosier children and the covered services associated with each package. As noted below and in Appendix D of the [Medicaid Billing Guidebook](#), some IHCP benefit packages limit coverage to a specific number or type of services [see Guide Section 3.4.3., How to Verify Eligibility]. **Children eligible for limited benefit packages are not entitled to the full scope of Medicaid-covered services under the Indiana Medicaid State Plan.**

Claiming reimbursement for IEP services provided to children with limited or “capped” public health coverage benefits poses a potential FAPE violation if accessing those benefits results in a cost (**exhausted benefits**) to the student or student’s family. **Note:** children who qualify for limited benefits typically constitute a very small percentage of a school’s student population, and the district’s billing agent or staff responsible for program eligibility verification can readily identify and filter these out when submitting Medicaid claims for IEP services.

More information about Indiana Health Coverage Programs is available online at <http://provider.indianamedicaid.com/about-indiana-medicaid/member-programs.aspx>. Click the links for additional details on each program.

Benefit Package	Coverage
Package A—Standard Plan (Medicaid)	All Medicaid-covered State Plan services for eligible children and families.
Package B—Pregnancy Plan	Coverage limited to pregnancy-related and urge care only for some pregnant females.
Package C—Children’s Health Insurance Program (“CHIP”)	<i>Limited</i> preventive, primary and acute care services for eligible children under 19 years.
Package E—Emergency Services	Emergency services <i>only</i> for children not born in the U.S. (including undocumented aliens).
Package P—Presumptive Eligibility for Pregnant Women	Ambulatory prenatal services <i>only</i> for pregnant women while eligibility is being determined.
<i>CareSelect</i> —Standard Plan (Medicaid) for complex needs	All Medicaid-covered State Plan services for eligible children and adults with complex medical needs.

Information in this Tool Kit does not necessarily apply to services furnished to a student eligible for the Children’s Health Insurance Program (“CHIP”).

Medicaid provider qualifications to provide specific services for which the school corporation will bill Medicaid. However, it is not necessary for the persons performing the services to be individually enrolled as Indiana Medicaid providers.

It is the school corporation's responsibility to ensure that its staff and contractors who provide Medicaid services meet applicable Indiana Medicaid provider qualifications, state licensure and practice standards, and applicable provisions of federal laws and regulations. All Medicaid providers, including school corporations, must ensure that their staff who provide Medicaid-covered services do not appear on the U.S. Department of Health and Human Services Office of Inspector General's "List of Excluded Individuals and Entities (LEIE)" <http://www.oig.hhs.gov/fraud/exclusions.asp> or the federal System for Award Management's "Excluded Parties List System (EPLS)" <https://www.epls.gov/>. See Appendix C for a copy of Indiana Medicaid's latest (2009) Provider Bulletin on this topic.

Medicaid provider qualifications for each type of covered IEP/IFSP health-related services are discussed in each service-specific Tool Kit chapter. A summary of Medicaid provider qualifications is included in Appendix B and pertinent excerpts from Indiana Medicaid's covered-services rule are provided in Appendix C. School corporations must periodically review applicable laws and rules to ensure that school practitioners are complying with the most current versions. [Note: Instructions on how to check for updates are provided in Appendix I.] Additionally, a Medicaid-participating school corporation is responsible for ensuring that its employees or contractors who provide Medicaid services:

- (1) are performing within the scope of practice of their state licensure and certification; and
- (2) have not been banned from Medicaid participation (please refer to the information in the blue text box above concerning methods to identify "Excluded" parties).

2.5. GENERAL SERVICE REQUIREMENTS

2.5.1. Introduction

Medicaid reimbursement is only available to school corporations for services that are identified in an eligible student's IEP/IFSP, furnished by a Medicaid-qualified provider and for which there is an order or referral from a physician/other licensed practitioner of the healing arts acting within the scope of his or her state licensure. Each service-specific section of this Tool Kit addresses Medicaid requirements including but not limited to: provider qualifications; procedure codes; reimbursement limitations; documentation requirements; and plan of care requirements.

While other school-based Medicaid services may be billed by school-based clinics separately enrolled in Medicaid, only health-related IEP or IFSP services can be billed by the school corporation on the school corporation's Medicaid provider (NPI) number. Medicaid-covered IEP evaluation and treatment services are face-to-face, health-related services provided to a student or group of students who is/are *eligible to receive services under IDEA*. Covered services must be medically necessary, included in the Indiana Medicaid State Plan, and required to develop or listed in a student's Individualized Education Program (IEP) or Individualized Family Service Plan (IFSP). Examples include:

1. Speech/language pathology and audiology services
2. Nursing services provided by an R.N.
3. Health-related, including mental health, assessments/evaluations
4. Physical and occupational therapy
5. Psychological testing, evaluation and therapy services
6. IEP-required special transportation services **on dates of another covered IEP service**

See Appendix E for typical examples of covered services billed by school corporations.

Medicaid recognizes the student's IEP/IFSP as the Medicaid prior authorization (PA); no further PA or Primary Medical Provider (PMP) certification is required for IEP services provided to an eligible student by a school corporation's Medicaid-qualified provider in accordance with Medicaid requirements.

2.5.2. The Federal Free Care Prohibition

Historically, the Centers for Medicare and Medicaid Services ("CMS"), the federal agency that oversees states' administration of the Medicaid program, has interpreted federal law as prohibiting Medicaid payment for services provided free of charge. **Federal policy exempts IEP/IFSP services from this prohibition on paying for "free care."**

Medicaid reimbursement IS available for covered IEP/IFSP services regardless of the fact that such services are provided free of charge.

3. Are individualized, specific, and consistent with symptoms or confirmed diagnosis of the illness or injury under treatment, and not in excess of the Medicaid-eligible student's needs.
4. Are not experimental or investigational.
5. Are reflective of the level of services that can be safely furnished, and for which no equally effective and more conservative or less costly treatment is available statewide.
6. Are furnished in a manner not primarily intended for the convenience of the Medicaid-eligible student, the Medicaid-eligible student's caretaker, or the provider.

2.5.7. Treatment Plans

Treatment Plans

A treatment plan, or plan of care, is required for all Medicaid-covered IEP/IFSP services and must be reviewed every sixty (60) days—exception: please see Chapter 7 concerning requirement for mental health treatment plan review. The IEP or IFSP may qualify as the treatment plan if it meets Medicaid's criteria (please review the Plan of Care sections in each service-specific Chapter of this Tool Kit). Such plans should *include the amount, frequency, duration and goals of the services to be provided.*

Please note: bill Medicaid only in accordance with the service frequency described in the student's IEP. For example, if the IEP (or care plan incorporated by reference into the IEP) describes the frequency of speech therapy as three times per week, do not claim Medicaid reimbursement for a fourth session delivered within one week.

2.5.8. Diagnosis Code

Medicaid requires that the applicable diagnosis code, based on the *International Classification of Diseases, 9th Revision Clinical Modification (ICD-9-CM)*^{*}, published by the American Medical Association (AMA), 2005, and any subsequent revisions thereto, be entered on the CMS-1500 claim form. For behavioral health services, a diagnosis from the *Diagnostic and Statistical Manual of Mental Disorders – Fourth Edition (DSM-IV)*, published by the American Psychiatric Association, 1994, and any updates thereto, must be entered on the claim form. A student's diagnosis and corresponding code must be contained in the student's record. ^{*}ICD-10 will be implemented October 1, 2013.

2.5.9. Place of Service Code

On the CMS-1500 (medical) claim form, school corporations must enter the Place of Service (POS) code that most appropriately describes the location where the student received the service. Appropriate POS codes for school corporation services include:

Place of Service Code	Description	Usage
03	School	Use when the service is provided to the student anywhere on school grounds (e.g., in the school building or school clinic)
12	Home	Use when the service is provided to the student at his or her home or at the residential facility where the student is placed
99	Other location	Use when none of the above apply (e.g., if the service is provided during a school trip, or on the school bus).

For audit purposes, school corporations must ensure that there is appropriate documentation to support the use of the POS code.

Examples of supporting documentation:

1. For POS Code 03, attendance records must show that the child was at school when the service was provided.
2. For POS Code 99, attendance and other school activity records (e.g., permission slips for field trips) must show that the child was on a school field trip when the service was provided.
3. For POS Code 12, attendance records must reflect that the child was not on campus but receiving services at his or her home/residential facility.

School corporations generally provide IEP or IFSP health-related services on the school grounds (i.e., in the school building or clinic). In some circumstances, the services may be provided in the child’s home. In rare occasions, it may be necessary to provide a service during a field trip or while the student is being transported. Appropriate use of the POS code can be helpful in an audit situation.

2.5.10. Procedure Codes and Fees

Appendix E of this Tool Kit contains a list of CPT Codes most commonly billed or that may be billed by school corporations when the services are authorized in a student’s IEP or IFSP. The dollar amount of Medicaid reimbursement for each of the CPT Codes can be obtained at www.indianamedicaid.com, by clicking on “Fee Schedule”.

Please note that the Office of Medicaid Policy and Planning (OMPP) limits certain Medicaid provider types to billing only a specific set of procedure codes. As of this Tool Kit Update’s release date, a school corporation provider-specific procedure code set has not been established. If OMPP restricts billing by school corporation Medicaid providers in this manner, the school billing code set will be available at www.indianamedicaid.com/ihcp/Bulletins or by clicking on “Code Sets” at www.indianamedicaid.com.

2.6. PARENTAL/GUARDIAN AUTHORIZATION

2.6.1. Informing the Parent per IDEA Requirements

School corporations must inform a student's parent/guardian of the "Free and Appropriate Public Education" (FAPE) provisions of IDEA, 34 CFR § 300.142. Federal regulations at 34 CFR § 300.154[d][2][iv][A] also require LEAs to obtain parental consent to bill Medicaid each time that access to public benefits or insurance is sought. (See 34 CFR § 300.9 for the federal definition of "consent.") As clarified by the Office of Special Education Programs, U.S. Department of Education, this regulation requires LEAs to obtain parents' consent to bill Medicaid one time for all the specific services and duration of services identified in a student's Individualized Education Program (IEP). Therefore, consent to bill Medicaid must be obtained annually, and at any time the IEP is revised to include additional services or increased frequency of services for which Medicaid is to be billed. Note that federal law requires all Medicaid providers to bill available third party insurance prior to billing Medicaid. Therefore, if the student has third party insurance coverage, the school corporation cannot bill Medicaid for covered IEP or IFSP services unless it bills the available third party insurance first. See also Chapter IV, Section 8 of the [Medicaid Billing Guidebook](#).

When obtaining parental consent to bill Medicaid for health-related IEP services, the school corporation must inform parents that refusal to consent does not relieve the public agency of its responsibility to ensure that all required services are provided at no cost to the parent. (See example consent forms at Appendix F.)

Indiana also requires school corporations to comply with state rules governing the use of public and private insurance proceeds, as set out in Title 511 of the Indiana Administrative Code, Article 7, Rule 33, Section 4, which provides as follows:

511 IAC 7-33-4: Use of Public and Private Insurance Proceeds

Sec.4.(a) A public agency may use Medicaid or other public benefits or insurance programs in which a student participates to provide or pay for services required under this article, as permitted under the public benefits or insurance program. With regard to services required to provide a free appropriate public education to a student with a disability under this article, the public agency:

- (1) may not:
 - (1) require a parent to:
 - (i) sign up for or enroll in public benefits or insurance programs in order for the student to receive a free appropriate education; or
 - (ii) incur an out-of-pocket expense, such as the payment of a deductible or copay amount incurred in filing a claim for services provided, but may pay the cost that the parent otherwise would be required to pay; or
 - (2) use a student's benefits under a public benefits or insurance program if that use would:
 - (i) decrease available lifetime coverage or any other insured benefit;

program by federal statute, regulations, or policy under Title XIX or Title XXI of the Social Security Act, or any other public benefits or insurance program.

Note also: Discussion of HIPAA and FERPA in Tool Kit Chapter 10 and Third Party Liability requirements in Chapter IV, Section 8 of the [Medicaid Billing Guidebook](http://www.doe.in.gov/sites/default/files/individualized-learning/medicaid-billing-guidebook.pdf) available online at <http://www.doe.in.gov/sites/default/files/individualized-learning/medicaid-billing-guidebook.pdf>.

2.6.2. Methods for Obtaining Parental Consent to Bill Medicaid for Services

Each year, school corporations must obtain signed authorizations from parents/guardians prior to verifying a student's Medicaid eligibility or seeking Medicaid reimbursement for Medicaid-covered IEP/IFSP services.

Consent, as used in Article 7, is defined at 511 IAC 7-32-17 (see Tool Kit Appendix C). [Appendix F](#) provides a sample parental consent form that may be used or modified for use by school corporations. As an alternative, school corporations may include the consent statement on their IEPs or IFSPs.

Note: [Appendix G](#) provides copies of two letters from the U.S. Department of Education, Office of Special Education and Rehabilitation Services, which provide guidance on parental consent requirements.

2.6.3. Release of Progress Notes to Physician

School corporations are strongly encouraged to provide the student's Primary Medical Provider (PMP) with progress notes. Such release must be in compliance with the privacy requirements of the Family Educational Rights and Privacy Act (FERPA), 34 Code of Federal Regulations, Part 99 (34 CFR Part 99). In other words, **school corporations must obtain a signed authorization from parents/guardians prior to releasing progress notes to the student's PMP.**

2.7. AUDIT REQUIREMENTS

2.7.1. Provider Records

A school corporation must have copies on file of each of its employed and contracted providers' medical licenses, certifications, **excluded entity [Section 2.3.4.]** and criminal background check results, and other documentation that verifies that each provider meets the Medicaid provider qualifications for the services he or she renders and for which the school corporation bills Medicaid. Such records must be retained for 7 years and made available upon request to federal or state auditors or their representatives.

2.7.2. Documentation

Each school corporation must retain sufficient documentation to support each of its claims for reimbursement for Medicaid-covered IEP/IFSP services. Please note that a copy of a completed claim form is not considered sufficient supporting documentation. Such documentation must be retained for 7 years and available to federal and state auditors or their representatives. Refer to Chapter 10, Monitoring Medicaid Program Compliance, for service-specific documentation checklists for self-auditing purposes.

The school corporation must maintain the following records:

1. A copy of the student's IEP or IFSP and any addenda that are incorporated by reference into the IEP or IFSP, such as the student's health plan, behavior plan, nutrition plan, etc. To be eligible for Medicaid reimbursement under the school corporation's Medicaid provider number the service must be part of the IEP or IFSP. Services in a health or service plan that are not incorporated into the student's IEP or IFSP process are not eligible for Medicaid reimbursement under the school corporation's Medicaid provider number.
2. Medical or other records, including x-rays or laboratory results that are necessary to fully disclose and document the extent of services provided. Such records must be legible and include, at a minimum, all of the following, including the signature(s) of the service provider and the supervising practitioner if required:
 - a. Identity of the student who received the service.
 - b. Identity, title and employment records of the provider or the employee who rendered the service.
 - c. The date that the service was rendered.
 - d. A narrative description of the service rendered. Also note place of service if other than on-site/at school (see Tool Kit Section 2.5.9. for details).
 - e. The diagnosis of the medical condition of the student to whom the service was rendered.
 - f. Evidence of physician involvement and personal patient evaluation for purposes of documenting acute medical needs, if applicable.
 - g. Progress notes about the necessity and effectiveness of treatment.
3. When the student is receiving therapy, progress notes on the medical necessity and effectiveness of therapy as well as on-going evaluations to assess progress and

Password protection should restrict medical records access to authorized personnel only. Each authorized provider should have a unique, confidential password that must be changed at least every 60 days. Authentication is recommended to ensure data integrity. For example, when a provider makes an entry in a medical record, an electronic signature linked to the password is appended onto the medical record with the date and time. This signature creates an electronic fingerprint that is unique to the provider and verifies when the data was entered or modified.

The database should also provide an audit trail. Each time a medical record is entered into the database, a permanent record should be created. This original document should be retrievable without edits or alterations and allow a side-by-side comparison between the original record and the modification. An electronic signature with a date and time stamp must be on the original record and any modified records. The author of any changes should be linked and easily identifiable to the original record.

School corporations that use the medical service log screens in the statewide electronic IEP (IndianaIEP or IIEP) can choose among a variety of means to save service log data in a format that can be transferred to the district's Medicaid billing agent vendor of choice. Included in the IIEP Standard Report options is a Service Log Report that can be generated and saved in a variety of electronic formats, including Excel or Access, then shared with a Medicaid billing agent via password protected CD, encrypted e-mail or secured access e-mail site. A district may also elect to grant the billing agent IIEP access and an administrator role that will permit the billing agent to generate, save and extract the Service Log report data from the system. Please review Pages F12-F14, Appendix F, for additional details about sharing IIEP Service Log data.

2.7.4. Records Retention Requirement

Records retention requirements *differ* for Special Education and Medicaid records. In addition to requirements for retaining Special Education records, Medicaid-participating school corporations must maintain, **for a period of seven (7) years from the date Medicaid services are provided**, such medical and other records, including but not limited to progress notes, practitioner service documentation, clinician/therapist attendance records, licensure/certification and student attendance, as are necessary to fully disclose and document the extent of the services provided to Medicaid-enrolled students. A copy of a claim form is insufficient documentation to comply with this requirement.

2.7.5. Recoupment

Failure to appropriately document services and maintain records may result in recoupment of Medicaid reimbursement.

Note Also: See Chapter IX of the [Guide](#) for Records Maintenance requirements.

School corporations are enrolled in Indiana’s Medicaid program as “billing providers.” Rendering providers (e.g., therapists, psychologists, etc. who are furnishing medically necessary services pursuant to a student’s IEP/IFSP) are not required to enroll in the Medicaid program (or obtain an individual Medicaid provider number) in order for the school corporation to bill Medicaid for the services these practitioners provide. However, the rendering practitioner must meet the qualifications for the *Medicaid* provider type and specialty, and she or he must maintain service records that identify who provided the service. The school corporation enters its Medicaid provider number in the billing provider field on the CMS-1500 claim or 837P format and, if opting to enter a rendering provider number, should use the school corporation provider number in that field as well.

- f. Documentation: Medicaid reimbursements are subject to audit. School corporations must maintain supporting documentation for IEP services claims for seven years from the date the service was provided. See additional details in Tool Kit Chapters 3 through 9 and Section 1 of Chapter 10.

2.8.2. Things to Consider When Contracting with a Billing Agent

Most Medicaid-participating school corporations contract with a billing agent vendor to assist with preparation and submission of their Medicaid claims for health-related IEP services. When contemplating this type of contractual arrangement it may be helpful to consult other school corporations with experience in this area. Listed below are a few general questions to consider when entering into a billing arrangement. See also: Appendix E of the companion “*Medicaid Billing Guidebook*” available online at: <http://www.doe.in.gov/sites/default/files/individualized-learning/medicaid-billing-guidebook.pdf>.

1. What are the specific responsibilities of the school corporation and the billing agent?
2. Is there a clause in the proposed contract for mutual or unilateral discontinuance?
3. Does the school corporation establish a schedule for the billing agent to submit claims or required reports? Is there a penalty for non-compliance?
4. To what extent will the agent refund money to the district if any claims are disallowed or result in a refund to the Medicaid program?
5. If the agent is to be paid on a contingency fee basis, is the fee based on a percentage of the federal share (not total) of the school corporation’s Medicaid reimbursements?

CHAPTER 10: MONITORING MEDICAID PROGRAM COMPLIANCE

10.1. AUDITS: EXTERNAL AND INTERNAL

To guard against fraud and verify proper use of public funds, various entities audit Medicaid program expenditures. These include federal agencies within the U.S. Department of Health and Human Services, such as the Centers for Medicare and Medicaid Services (CMS) and the Office of the Inspector General (OIG) or their contractors (e.g., “MIC” Medicaid Integrity Contractors), as well as state agencies, including the State Board of Accounts, the State Inspector General, and the state Medicaid agency (Office of Medicaid Policy and Planning, “OMPP”) or its contractors. See also [Medicaid Billing Guidebook](#) Section 9.4.

In the case of a Payment Error Rate Measurement (“PERM”) audit, the federal government takes a sample of all claims paid by the state Medicaid agency to determine the accuracy of the state’s payments to Medicaid providers. If a school corporation’s claim(s) should be included in the sample, the school corporation will be required to provide supporting documentation for only th(os)e claim(s) sampled to assess the state’s payment error rate. See also IHCP BT200735: <http://provider.indianamedicaid.com/ihcp/Bulletins/BT200735.pdf>.

Via desk reviews and on-site audits, Indiana Medicaid’s Surveillance and Utilization Review (SUR) contractor monitors compliance with billing requirements, provides education to correct any improper coding or billing practices, and recovers any identified Medicaid overpayments. Outlined below are the basic elements that are reviewed when SUR conducts an audit. Indiana Medicaid and the Department of Education recommend using this basic information to develop or strengthen a self-audit process. Self-auditing is one way to reduce the risk of adverse findings and repayments/interest penalties in the event that your school corporation is selected for a state or federal audit. See also IHCP Provider Manual Pages 13-13 to 13-18 [July 1, 2010] <http://provider.indianamedicaid.com/media/23692/chapter13.pdf>.

10.1.1. Required Documentation

IMPORTANT REMINDER: Medicaid records retention requirements (7 years) DIFFER from Special Education records retention requirements (5 years). Medicaid SUR reviewers consider the following documents essential to support Medicaid claims for IEP services:

- assessments or evaluations
- appropriate orders or referrals for the services provided
- student IEPs and any health plans referenced in student IEPs
- documentation of any required oversight by a licensed therapist, HSPP, etc
- practitioner credentials, certifications, licenses
- service logs and therapist/nurse notes
- practitioner and student attendance records

See the service-specific self-audit tools on Pages 10-1-6 through 10-1-19.

In addition, SUR reviewers recommend maintaining and regularly updating the following types of internal records, which may be requested during an audit.

APPENDIX C

Indiana Laws, Rules and Policies Affecting Medicaid Reimbursement for IEP Services

Appendix C contains copies of Indiana Medicaid, Department of Education, Professional Licensing and Medical Board laws, rules and policies relevant to Medicaid billing for health-related IEP/IFSP services provided by public school corporations. A brief description in a blue text box precedes each group of documents.

Please note the copy of Indiana Health Coverage Programs (IHCP) Provider Bulletin #E98-20 at Page C2. The policy set out in bulletin #E98-20 recognizes the IEP or IFSP as the Prior Authorization for IEP or IFSP health-related services billed by school corporations. This means school corporations are exempt from other Medicaid Prior Authorization or Managed Care provider certification requirements when billing IEP services.

Please watch for recent Medicaid provider policy communications on Medicaid's Web site at <http://provider.indianamedicaid.com/news,-bulletins,-and-banners.aspx> and check the *Indiana Register*, <http://www.in.gov/legislative/register/irtoc.htm>, for any changes to laws and rules that affect Medicaid billing for health-related IEP/IFSP services. See Appendix I for additional resources to help school corporations stay current on Medicaid policy and procedure changes.

<u>Copies of documents included in Appendix C</u>	<u>Page #</u>
Indiana Health Coverage Programs/IHCP School Corp Provider Bulletin #E98-20	C2
IC 12-15-1-16 State Law Requiring School Corporations to Enroll in Medicaid	C3
405 IAC 1-5-1 Medical records; contents and retention	C5
IHCP Provider Bulletin #BT201108, IEP Nursing and Transportation Services	C7
IHCP Provider Bulletin #BT200505, Transportation Billing Guide for All Providers	C12
405 IAC 5-22-2 DRAFT <i>Proposed</i> Medicaid IEP Nursing Services Rule	C33
405 IAC 5-22-5 Indiana Medicaid Reimbursement Rule for Outpatient Therapies	C35
405 IAC 5-22-6 Indiana Medicaid Prior Authorization Rule for Outpatient Therapies	C36
405 IAC 5-22-8 Indiana Medicaid Physical Therapy Services Rule	C38
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405 IAC 5-22-9 Indiana Medicaid Speech Pathology Services Rule	C40
405 IAC 5-22-7 Indiana Medicaid Audiology Services Rule	C41
880 IAC 1-2.1-1 Licensing Board Speech-language Pathology Support Personnel Rule	C43
405 IAC 5-20-1 Indiana Medicaid Mental Health Services Reimbursement Rule	C51
405 IAC 5-20-8 Indiana Medicaid Outpatient Mental Health Services Rule	C52
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515 IAC 2 Independent Practice School Psychologist Endorsement Rule	C58
IC 25-33-1-5.1 Health Service Provider in Psychology (HSPP) Endorsement Law	C62
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405 IAC 5-30-11 DRAFT <i>Proposed</i> Medicaid IEP Transportation Rule	C65
IC 20-27-8 School Bus Driver Requirements Law	C66
575 IAC 1 IDOE School Bus Specifications Rules	C71
IC 9-25-4 Indiana Financial Responsibility Requirements for Vehicles Law	C82
Federal Requirement to Screen for Excluded Individuals, IHCP Bulletin # BT200934	C85

**Indiana Law Requiring All School Corporations to
Enroll as Medicaid Service Providers**

IC 12-15-1-16

School corporation or school corporation's provider; enrollment in Medicaid program; sharing reimbursable costs

Sec. 16. (a) Each:

- (1) school corporation; or
- (2) school corporation's employed, licensed, or qualified provider;

must enroll in a program to use federal funds under the Medicaid program (IC 12-15-1 et seq.) with the intent to share the costs of services that are reimbursable under the Medicaid program and that are provided to eligible children by the school corporation. However, a school corporation or a school corporation's employed, licensed, or qualified provider is not required to file any claims or participate in the program developed under this section.

(b) The office of Medicaid policy and planning and the department of education may develop policies and adopt rules to administer the program developed under this section.

(c) Three percent (3%) of the federal reimbursement for paid claims that are submitted by the school corporation under the program required under this section must be:

- (1) distributed to the state general fund for administration of the program; and
- (2) used for consulting to encourage participation in the program.

The remainder of the federal reimbursement for services provided under this section must be distributed to the school corporation. The state shall retain the nonfederal share of the reimbursement for Medicaid services provided under this section.

(d) The office of Medicaid policy and planning, with the approval of the budget agency and after consultation with the department of education, shall establish procedures for the timely distribution of federal reimbursement due to the school corporations. The distribution procedures may provide for offsetting reductions to distributions of state tuition support or other state funds to school corporations in the amount of the nonfederal reimbursements required to be retained by the state under subsection (c).

As added by P.L.80-1994, SEC.1. Amended by P.L.224-2003, SEC.64.

<http://www.in.gov/legislative/ic/code/title12/ar15/ch1.html>