

# Cedar Hill Independent School District BOARD OF TRUSTEES

Meeting Date: August 13, 2012

Presented by: Mr. Horace Williams, Superintendent of Schools

Subject: School Medicaid Administration Agreement

## Action Item

### **BOARD GOAL:**

Align the budget process to achieve district goals.

### **BACKGROUND INFORMATION:**

The Special Education Department currently utilizes a Computer Automation Systems (CAS) web-based program as its data management and IEP compliance system. CAS has developed a program component that will align IEP compliance with Medicaid compliance thereby maximizing the revenue recovered through the Texas Medicaid Recovery Program.

### Important Points:

1. Billing is interfaced with the IEP "prescriptions". The system will not allow billing to take place outside of the parameters of what is authorized in the student's IEP. This is the #1 reason for the recommendation. Our current paper-based system does not ensure compliance. There is nothing to ensure that providers are only billing for the services "prescribed" in the IEP. This will eliminate any possibilities of fraudulent billing.
2. Billing is dependent upon having valid parental consent. Without it, billing will not be submitted.
3. Billing is dependent upon the service documentation entered by the providers. No one in CHISD or CAS will have the ability to change a provider's documentation nor can anyone else sign on as a provider to enter claims.
4. In addition, there are approximately 40 rules that are built into the system that are checked for each claim submitted. Without passing each rule, a claim will not be submitted. Examples of these rules include:
  - The system will not bill transportation claims unless a valid therapy service claim is paid on the same day.
  - Claims cannot be submitted if allowable group size is exceeded.
  - Services cannot be billed if school was not in session. This is the #1 mistake made by school districts. Paper-based systems allow for human error.
5. With our current paper-based system, we are unable to generate any type of compliance report. This system will ensure that we are

maximizing our potential revenue by billing for each Medicaid allowable service in the student's IEP.

- Over the last three years, CHISD reimbursements have averaged \$282,000; however, there is significant disparity among each year's total. We cannot generate a report that gives us any information regarding this trend. Over this three year period, we have paid an average \$17,000 (6%) to MCST for billing/claims services.
- Other Texas Districts utilizing this web-based service report an increase in revenue. A conservative estimate shows that CHISD is eligible for approximately \$325,000 - \$350,000 in Medicaid reimbursements.\* With a 7% fee, this would equate to approximately \$19,500 - \$24,500 being paid to CAS. This equates to an increased revenue of \$40,500 - \$60,500.

\*State law now requires school districts to obtain parental consent prior to seeking Medicaid reimbursement for the services provided. This consent is required each school year.

**RECOMMENDATION:**

Approve School Medicaid Administration Agreement.

**BOARD ACTION REQUIRED:**

Motion to approve School Medicaid Administration Agreement between CHISD and Computer Automation Systems.

**POLICY AUTHORIZATION:**

CH (LEGAL)

CH (LOCAL)

EHBA (LEGAL)

**CONTACT PERSON:**

Mike McSwain, Chief Financial Officer

Kellie Spencer, Director of Special Education

**FUNDING SOURCE:**

199 (Local)

**ENCLOSURES:**

Proposal for CHISD

School Medicaid Administration Agreement