
MEDICAID SCHOOL PROGRAM Information Bulletin, MSP-004

January 29, 2009

There still are a number of details and information that has yet to be determined regarding the new Ohio Medicaid School Program. Just last week a new set of revised rules were made public that made a major change to the potential eligible participating districts, and established revised timelines regarding the back-claiming period, and the official start date of the program. Even as new information is made available, it is very important that everyone fully understands how the Medicaid School Program is going to work with their particular agency. Everyone has their opinions, and while HBS does not claim to be the single expert with this program, we do feel an obligation to our clients to make them aware of potential conflicting information regarding the Medicaid School Program. Below we would like to touch on four important areas of the program.

Back-claiming Period

The initial back-claiming period for MSP will be the two-year period of 10/01/07 – 9/30/09. HBS is ready to start submitting claims for this period as soon as your district receives its State Provider Number, which should be sent out sometime over the next few weeks. While there still seems to be a possibility to go all the way back to 07/01/05; in HBS' 20 years of Medicaid billing, we have never seen a Federal Medicaid Program allow retroactive claiming back past more than two years. If districts are permitted to go back to 2005, that is wonderful, but we have always said that we felt it highly unlikely that CMS would go back further than two years. Based on the approved back-claiming period, the official start date of the program will be 10/01/2009.

Participation of Educational Service Centers in Back-claiming

A shocking change in the new rules was the inclusion of ESC's as approved providers in the back-claiming for MSP. We agree that back-claiming through the ESC's will be much easier than sorting out back claims by LEA, but we must caution you on what we see as a potential problem. The most important step in the MSP claiming is the completion of the year-end Cost Settlement. It is imperative that an allowable cost is incurred for every service that's billed to Medicaid. Our concern is that ESC's that billed their Local Schools for 100% of the therapy costs they provided would now not have a legitimate cost to include on their Cost Report. An ESC could bill and collect interim reimbursement, but could owe it all back at the end of the year during the final settlement process. Without a special waiver from CMS, ESC's billing Medicaid for costs already reimbursed from another agency would not be legal. This would be like a doctor billing a patient and then also billing the patient's insurance company. We are very skeptical of ESC's legal ability to legitimately claim back-claiming reimbursement until something official comes out from CMS.

MR/DD Boards and the Ohio Medicaid School Program

MR/DD Boards also lost the Medicaid funding for their school-aged programs in 2005 when the CAFS program was shut down, and they are currently not eligible for inclusion in the new MSP. Some MR/DD Boards are now looking at passing those costs on to the resident school districts. School Districts are permitted to seek Medicaid reimbursement for these services, if the district has a contract with the MR/DD Board and incurs a cost for the services. However, back-claiming is not possible for any prior years where costs and contracts were not in

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existence. You cannot accrue expenses back into a period that has already been closed, so any claiming of MR/DD services are limited to periods where there is a contract in place and the district incurs a cost.

National Provider Identification Number and State Provider Number

At this point we recommend that every School District and Educational Service Center obtain an NPI number and a State provider number before February 28, 2009. This will secure your opportunity for any potential back-claiming in this program. These rules could change yet again and CMS could waive certain exceptions that could change many aspects of the program. Every School District in Ohio should participate in this program, go through an entire year including cost settlement, and then decide if it is worthwhile for them to continue participation.

Although these changes and uncertainties can be frustrating at times, the program is moving forward and some dollars should be flowing into Ohio schools soon. We will continue to keep you up to date with the latest information, and are ready to serve you with all of your Medicaid billing needs.

Please let us know if you have any comments, questions, or concerns.

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