


<p>Date: June 1, 2018</p> <p>To: June Sellers, Executive Director of Student Support Services, Hartford Public Schools</p> <p>From: Joseph Caruso, CPA, Deputy Chief Auditor</p> <p>Tele: (860) 757-9955</p>		<p>Hartford Public Schools Office of Academics School-Based Child Health Medicaid Program Audit Report 1817</p>
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I. EXECUTIVE SUMMARY

In accordance with our audit plan for the fiscal year ending June 30, 2018, we completed an examination in May 2018 of the billing and collection of fees for the School-Based Child Health Medicaid Program of the Hartford Public Schools. The purpose of the examination was to evaluate and test internal accounting and operating controls, the accuracy and propriety of transactions processed, the degree of compliance with established operating policy and procedures, and to recommend improvements where required. The results of our examination were reviewed with J. Sellers, Executive Director of Student Support Services, Hartford Public Schools; D. Fleig, Chief Financial Officer, Hartford Public Schools; M. Colman, Finance Director, Hartford Public Schools; L. DiBlasi, Medicaid Coordinator, Hartford Public Schools; and, other responsible members of operating management. The summary which follows includes only exceptions disclosed and recommended operating improvements. Management has planned actions and timeframes to address the recommendations in this report. We thank the Hartford Public Schools Office of Academics management and staff for their cooperation and courtesies extended to us during our audit.

We are pleased to report that controls and tests of processes relating to School-Based Child Health Services billing and collections were found to be satisfactory. We recommend Hartford Public Schools seek reimbursement for special education transportation costs to generate more Medicaid reimbursement revenue.

Background

The School-Based Child Health Services (SBCHS) program was established by the State of Connecticut to provide diagnostic, evaluative, and rehabilitative treatment services to Medicaid eligible special education students. The SBCHS services, which are provided by municipalities to students with special health related service needs identified in their Individual Education Plans (IEP), are reimbursable under the Federal Government funded Medicaid program. The Connecticut Department of Social Services (DSS) is responsible for administering SBCHS, which includes setting rates and establishing the frequency and type of reimbursable services as directed by the state plan. The Office of Special Education Services under the umbrella of the Office of Academics (OA) is responsible for providing appropriate services to students, recording services provided to students in the Frontline IEP/Medicaid system (Hartford's contracted electronic IEP and Medicaid billing

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vendor), and billing and collection of covered services from the State of Connecticut under the Medicaid program. During the fiscal year ending (FYE) June 30, 2016, the Hartford Public Schools (HPS) was reimbursed more than \$950K for SBCHS related services for over 1,800 Medicaid eligible students receiving at least one Medicaid eligible service. In addition to the regular monthly billing, the Medicaid program reimburses HPS each quarter for administrative expenses directly related to the SBCHS program. The additional reimbursement for the FYE June 30, 2016 amounts was approximately \$223K, but were not paid by DSS until 01/02/2018. Quarterly Administrative Cost Settlement reimbursements are based on the administrative costs to the district in providing Medicaid eligible services. The Annual Cost Report is used as a true-up/reconciliation for claims paid during the school year against annual expenses/costs associated with the program that are reported in the ED001. It should be noted that amounts included in the HPS annual proposed budgets are based upon the prior year's reimbursements as it is difficult to estimate what future reimbursements will be. Therefore, SBCHS Medicaid funds are included with projected figures when budgeting.

Scope

The scope of our examination included various tests and reviews of Medicaid reimbursements submitted to DSS during the fiscal year ended June 30, 2016, along with regular monthly billings during the current FYE June 30, 2018. The following audit procedures performed included, but were not limited to, the following:

- Reviews and evaluations of policies, procedures and related internal operating and accounting controls;
- Reviews and tests of the FYE June 30, 2016 Annual Direct Medical Services Cost Report, Quarterly Administrative Activity Claim Reports during the FYE June 30, 2016;
- Reviews and tests of the billing and collection processes;
- Reviews of cash receipts process and related internal controls; and,
- Analysis of monthly billings for reasonableness and consistency.

II. DETAIL FINDINGS

Transportation Reimbursements

According to the DSS, claiming reimbursement for special education transportation is optional. The HPS, like the majority of districts throughout the state of Connecticut, has elected to not claim for special education transportation reimbursements. As explained by both HPS and the State of Connecticut DSS Reimbursement & Certificate of Need personnel, the requirements now involved to track and report allowable special education transportation expenses make it difficult and, as a result, HPS checks off the box indicating "We will not file for Transportation-related Cost Reimbursement." Another reason for not pursuing reimbursable special education transportation costs are due to the lack of clarity of the program's allowable expenses. As the fiscal year tested is the first year of the newer program rules, it is difficult

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to estimate an actual reimbursable special education transportation amount. OA management agrees that more revenue could be generated once they understand the details of the allowable special education transportation cost reimbursement. We recommend OA management, when ready, to calculate a reimbursable special education transportation and submit it to DSS.

Management Action Plan

Due Date: September 30, 2018

Responsible Person: Laurie DiBlasi, Medicaid Coordinator, Hartford Public Schools

The Medicaid Coordinator, along with the Executive Director of Support Services, Director of Transportation, and Director of Finance will continue to explore feasible ways to include the Transportation Costs in the Annual Cost Report starting with including the applicable Total Special Ed. Transportation and Total Medicaid Eligible numbers in the 2018/19 quarterly Snapshot requests. The Transportation Director will run a pilot project by submitting the lists of Special Ed. students with special transportation accommodations recommended in their IEP to the contracted bussing vendor to see if they can provide all the necessary support documentation required by DSS to allow HPS to ultimately include the Special Ed. transportation costs in the Annual Cost Report.

Medicaid Enrollment

Certain claims (i.e. speech, occupational and physical therapy, etc.) and related fees that would normally be billable to DSS are not being billed. This is a result of some parents not completing and submitting documentation required to support Medicaid eligibility. During our audit, we noted that 58.4% of qualified Medicaid students have completed the necessary documentation, a rate that is steadily improving each year. OA management should continue to improve upon this percentage to the greatest extent possible to maximize Medicaid Reimbursement revenue.

Management Action Plan

Due Date: September 30, 2018

Responsible Person: Laurie DiBlasi, Medicaid Coordinator, Hartford Public Schools

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The Medicaid Coordinator, along with the Executive Director of Support Services, will continue to explore different avenues in an effort to increase the number of parental consents on file. These include running more regular reports identifying students with missing parental consents forms; creating monthly notifications to all staff involved in upcoming PPT meetings with the students we are missing parental consents for; hiring an additional support person for the School Based Child Health department to assist with some of the day to day operations which will free up the Medicaid Coordinator to work on decreasing the number of missing parental consents and increase potential billing avenues not yet being tapped into.

Distribution

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