Division of Business Services
Department of Fiscal Services
Office of Third Party Billing

Annual Report
July 2016 – June 2017

Supporting Student Achievement
Through the Generation and Retention of Revenue from Third Parties
Baltimore County Public Schools
Office of Third Party Billing
Mission Statement

The Office of Third Party Billing of Baltimore County Public Schools (BCPS) is dedicated to strengthening student achievement through the reimbursement of funds collected from Medicaid and other third parties.

Key Goals and Objectives for the Office of Third Party Billing

- Train school-based staff to identify and document services provided to Medicaid-eligible special education students who receive case management and related services to ensure the success of the Third Party Billing program.
- Provide quality fiscal management for all funds generated through the Third Party Billing program to ensure compliance with state and federal regulations.
- Collaborate with other offices within BCPS to ensure the accuracy, effectiveness, and efficiency of the billing systems.
- Ensure that all billing data and supporting documentation are in compliance with federal and state regulations, and effectively bill Medicaid and other third party payers for services provided in schools.
- Administer the BCPS Autism Waiver program.
- Monitor data and provide timely feedback to schools regarding encounter data submitted for services provided at the schools.
- Provide outreach efforts to families who do not have insurance and are interested in applying for Medical Assistance.
- Collaborate with the Maryland social services agencies and BCPS Office of Pupil Personnel Services to ensure accuracy in the Out-of-County Living Arrangement program data, billings, and collection.
Historical Overview

In 1988, President Reagan signed into law Public Law 100-360, the Medicare Catastrophic Act. While the law made major changes to the Medicare program, it also permitted the billing of school-based health services to Medicaid.

In 1992, the Office of Third Party Billing of Baltimore County Public Schools (BCPS) began to recover health care costs from Medicaid for health care services provided to BCPS’ students. The Infants and Toddlers program can also bill Medicaid. The Office of Third Party Billing commenced Infants and Toddlers program billing in 1994 and school-based health center billing in 1998.

The office assumed responsibility for the Autism Waiver program in 2004 and the Out-of-County Living Arrangement (OCLA) program in 2008.

Office of Third Party Billing Facts
2016–2017 School Year

- Generated $7.07 million in Medicaid and other health-related revenue for the 2016–2017 school year – the second highest of all Maryland school systems
- 4,691 special education students (32.8% of the total special education population) qualified for the Third Party Billing program
- 4.2% of the total BCPS’ student population qualified for the Third Party Billing program
Third Party Billing Program Revenue

Third Party Billing revenue has declined slightly. This can be attributed to changes in the economic outlook nationally, shifting student populations, as well as the impact of the Federal Government perspective on the Affordable Care Act.

During the 2016–2017 school year, the Office of Third Party Billing generated a total of $7,069,621 in revenue from health-related services.
Billable Services

BCPS can bill Medicaid for services provided by a qualified speech-language pathologist, occupational therapist, physical therapist, psychologist, social worker, nurse, counselor, or audiologist if the child has an Individualized Education Program (IEP) with a related service detailed and an active Medical Assistance number in the state of Maryland. BCPS also bills Medicaid for case management, transportation, and autism waiver services. Data for billing is captured through completion of service encounter data forms. The Office of Third Party Billing generated $2.20 million in related service funds for the 2016–2017 school year. Below is a distribution of related service encounter data forms submitted by service provider type for the 2016–2017 school year.

![Graph showing distribution of related service encounter data forms submitted by provider type for the 2016–2017 school year.]

- Speech Pathology/Audiology encounters: 77,329, 73%
- Counseling encounters: 96, 0%
- Nursing encounters: 1,220, 1%
- Occupational Therapy encounters: 15,046, 14%
- Physical Therapy encounters: 7,982, 3%
- Psychological Services encounters: 342, 0%
- School Social Work encounters: 5,223, 9%
**Transportation**

In 1999, the Centers for Medicare and Medicaid Services clarified that billing for transportation services could only occur on days when a child received a related service on the same date. Additionally, the transportation must be on a specialized bus. Currently, BCPS has 253 specialized buses. The Office of Transportation prepares log sheets for the drivers and collects them monthly. This data is then entered into a database and compared to the encounter data submitted by related service providers and the daily student attendance data. All data matches are then billed to Medicaid for payment. In the 2016–2017 school year, BCPS generated $179,827 in reimbursement for transportation services.

**Case Management**

Case management is a service that is billable to Medicaid by school districts in the state of Maryland. The service reflects the coordination of all services in the student’s IEP, and is typically conducted by the special education teacher or speech pathologist. The service includes activities such as parental communication, IEP team meetings, and consultative services. These services may be billed on a monthly basis if they are provided. A portion of the revenue generated is returned to schools to purchase supplies, materials, professional development, and contractual services. Detailed below is a graphical representation of how schools utilized these funds in FY2017.
Third Party Billing Expenditures

The Office of Third Party Billing manages the revenue and expenditures from Medicaid funds for the school system. These funds are inclusive of money provided to schools, offices, the Office of Third Party Billing, as well as an administrative fee paid to the Maryland State Department of Education. Detailed below is a breakdown of the use of these funds in fiscal year 2017.
Infants and Toddlers Program

The Infants and Toddlers program is a joint initiative between BCPS and the Baltimore County Department of Health and currently serves children from birth through age three. The Infants and Toddlers program serves approximately 1,074 children, 54% of whom meet the requirements for billing. The Office of Third Party Billing has increased its productivity by making electronic encounter data forms available to all Infants and Toddlers program sites and providers.
Training

The Office of Third Party Billing provides an array of training sessions to BCPS’ employees. These sessions include related service provider training sessions, IEP chair training sessions, and school-based training sessions. During the 2016–2017 school year, the Office of Third Party Billing provided 127 school-based case management training sessions. The documentation of all special education services is now completed electronically using the TIENET service capture module. As a result, the office has shifted its focus on training from all special education staff to newly hired special education staff.

Accountability

A major reason for the continued success of the Third Party Billing program is accountability. To assist schools and related services office heads accountable for the submission of case management encounter data forms, the Office of Third Party Billing places accountability reports in an electronic shared directory for IEP chairs to review on a monthly basis. This report shows each case management encounter data form submitted. School-based staff use this report as a receipt to ensure that all data were received and to determine what data still must be submitted. This report is distributed to principals on a quarterly basis. The dissemination of this information usually leads to a large increase in the encounter data submitted to the Office of Third Party Billing and allows principals to effectively manage the third party billing process in their school.

The Office of Third Party Billing performs school compliance reviews throughout the year. Additionally, the office completes an annual review of Medicaid reimbursements in conjunction with the Office of Internal Audit. The reviews are designed to improve compliance and assist schools in becoming better prepared for audits performed by external government agencies such as the Interagency Medicaid Monitoring Team.
School-Based Health Center Billing

BCPS continues to provide and bill for school-based health center services. BCPS bills both private insurance companies and Medicaid for services provided at health centers in thirteen (13) schools.

The school-based health centers are staffed jointly by BCPS and the Baltimore County Department of Health, and are designed to keep students who may have health-related issues in school. The centers are typically used by students who may not receive health care due to a multitude of barriers, including the lack of health care coverage, parents without adequate transportation, as well as parents who may have to lose time from work in order to take the student to the doctor.

One major challenge in the billing process is to secure payment from private insurance companies. Thorough documentation is essential if a claim is rejected by third party insurers and Managed Care Organizations and must be appealed.
Medicaid Home and Community-Based Autism Waiver Program

The Medicaid Home and Community-Based Autism Waiver program is a Medical Assistance program that was developed as a joint effort between MSDE and the Maryland Department of Health (MDH) in order to offer support at home and in the community to this population facing extreme challenges. This program offers services including intensive individual support services, respite care, environmental accessibility adaptations, family training, and residential habilitation. Eligibility for waiver services is determined at the MDH by technical, financial, and medical criteria, and openings are filled on a first-come, first-served basis with an eight-year registry wait in the state. The waiver program is currently capped at 1,000 participants statewide. Openings only become available when a child reaches the age of twenty-one (21), moves out of the state, is no longer enrolled in school, or no longer meets eligibility requirements.

The Office of Third Party Billing provides four (4) part-time autism waiver service coordinators that assist families on the waiver program with obtaining services.
Out-of-County Living Arrangement Program

In 2008, the Office of Third Party Billing assumed responsibility for billing for the Out-of-County Living Arrangement program (OCLA). The intent of the OCLA program is to determine which students are placed in Baltimore County through a social services placement, primarily foster care, and bill the home jurisdiction for the cost of educating the student. Baltimore County has more foster homes than any other jurisdiction in the state. The state of Maryland also contributes toward the cost of educating these students. During school year 2016–2017, the office billed other school districts for 318 students and generated $2,747,856. The majority of OCLA students (71%) come to Baltimore County from Baltimore City residences. The following chart illustrates the jurisdictions where students reside but attend BCPS through the OCLA program.

In recent years, the number of students eligible for the OCLA program has declined. This is due to the decrease in foster care homes and group homes in Baltimore County. Additionally, the Baltimore City Department of Social Services has been making a concerted effort to preserve the family unit in the home if possible.

Out of County
Outreach Endeavors

The Office of Third Party Billing hired a contractual outreach worker in 2011 to assist families with applying for Medical Assistance and to follow up on referrals from school-based personnel. Many of the referrals come from the school social worker, nurse, or school-based health care staff. The outreach worker contacts the family and arranges a face-to-face meeting in order to assist in the application process. During the 2016–2017 school year, 519 students received Medical Assistance benefits with the help of the outreach worker.
Summary

The Office of Third Party Billing generates revenue for the school system from Medicaid billing for special education students who have Medical Assistance, from third party insurers for students who receive health services in school-based health centers, and payments from school systems outside BCPS where students attend BCPS through the OCLA program. In BCPS, the Medicaid revenue from this program is used to support and enhance special education and health-related services in accordance with state of Maryland policy.

While revenue from Medicaid has fluctuated over the years due to federal and state regulatory changes, the Office of Third Party Billing continues to work with schools and offices in order to determine ways to sustain and enhance these revenue sources. The office will also continue to provide training and assistance to school-based and office-based case managers and related service providers, conduct audits to ensure compliance with applicable regulations, and provide outreach services to families eligible for Medical Assistance. During the 2017–2018 school year, the office plans to increase accountability by continuing to capture all billing data electronically.