

“You Owe the Government 1.5 Million”:

How to Document Medical Necessity to Maximize Medicaid Reimbursement

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Historical Background

- SHARS Inception:
 - Congress amended the Social Security Act in 1988 to allow Medicaid coverage of health-related services provided to children under IDEA.
 - The State agency (THHSC) administers the Medicaid program in Texas
 - The Texas Medicaid State plan amendment 06-0005 (effective 9/2006), refers to SBHS as “School Health and Related Services” (SHARS), that are delivered by school districts.
 - Implementation requires the partnership between Texas Education Agency (TEA) and Texas Health and Human Services Commission (HHSC)

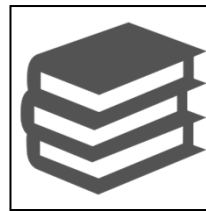
Historical Background

- Early Goals:
 - Offset the costs of health services provided in schools
 - Support compliance with federal IDEA requirements
 - The School-based health services program (later SHARS) permits children to receive health-related services without having to leave school

Why it matters:



Provides financial support to school districts to offset costs associated with providing medically necessary services for eligible students who receive special education services



Helps improve student outcomes

Growth and Impact Over Time

Expansion:

- Increase in eligible services (e.g., speech therapy, occupational therapy, physical therapy, counseling)
- Growth in participating districts

Challenges:

- Complexity of billing and compliance requirements
- Audit risks and potential repayment

Key Components of SHARS

Eligibility:

- Students enrolled in Medicaid who also have an Individualized Education Program (IEP)

Reimbursable Services:

- Therapy services (speech, OT, PT)
- Nursing, counseling, and transportation for eligible students
- Personal care services
- Other direct costs (salary and benefits, materials, supplies, travel)

Documentation Requirements:

- Service logs, progress reports, and Medicaid billing compliance

So...what was the problem?



Audit Findings Impacting School Districts



Office of the Inspector General
(OIG) audit 2010



Report received in 2017
highlighted significant findings

Audit Findings Impacting School Districts

“Not all of the direct medical service costs that the Texas Health and Human Services Commission (State agency) claimed for Medicaid School Health and Related Services (SHARS) were reasonable, adequately supported, and otherwise allowable in accordance with applicable Federal and State requirements.”

Audit Findings Impacting School Districts

- Of the 3,101 random moments coded as an IEP-covered direct medical service, 274 were coded incorrectly
- As a result of these errors, the State agency received ***\$18.9 million*** in unallowable Federal reimbursements for the SHARS program during the period October 2010 through September 30, 2011

**Audit Findings
Impacting
School
Districts**

These errors occurred because the State agency did not always follow its policies and procedures to ensure that the costs claimed for direct medical services were accurate and supported.

**Audit Findings
Impacting
School
Districts**

Additionally, the State agency's random moment sampling was not in accordance with applicable Federal requirements.

Errors

- Overbilling – claims filed in excess of the services provided
- Units billed were not supported (documentation)
- Billed services were not included in the IEP
- Billed services were not supported (documentation)
- Incorrect procedure code was billed
- Billed for an unallowable SHARS service
- Documentation did not validate the minutes billed
- IEP did not support medical necessity
- IEP stated transportation services not needed



Changes in SHARS Impacting School Districts

- Office of the Inspector General (OIG) audit 2010
- Report received in 2017 highlighted significant findings
 - Major changes were required within a narrow timeframe without adequate notice
 - “Coding changes”
 - Coding changes were retroactively applied to FY2022
 - Result - loss of millions of dollars to school districts as “repayment”

Recent State Changes to SHARS

- Policy updates to comply with Federal guidelines established in 1996
- Adjustments to SHARS Reimbursement Rates:
 - Removal of the UD *Group* modifier for Personal Care Services
 - Documentation of “medically necessary” services in the IEP.

Covered services

- Audiology
- Counseling
- Nursing
- Occupational therapy
- Personal care services
- Physician services
- Physical therapy
- Psychological services
- Special transportation services
- Speech therapy

Personal Care Services

- Medical support services provided to students who require assistance with activities of daily living (ADLs) and instrumental activities of daily living (IADLs) because of a physical, functional, cognitive, or behavioral limitation related to a disability or chronic health condition.

Personal Care Services

- PCS are medically necessary only when the student's physical, functional, cognitive, or behavioral limitation related to the student's disability or chronic health condition inhibits the student's ability to accomplish ADLs or IADLs.
- ADLs are activities that are essential to daily self-care
- IADLs are activities related to independent living in the community

Medically Necessary PCS

- ADLs
 - Dressing
 - Bathing
 - Eating
 - Locomotion/mobility
 - Personal hygiene
 - Positioning
 - Toileting
 - Transferring
- IADLs
 - Escort
 - Meal preparation
 - Medication assistance
 - Money management
 - Telephone use or other communication

Personal Care Services

- PCS are not educational in nature and may not be reimbursed for activities that teach the student academic or functional skills.
- PCS does not include:
 - ADLs or IADLs that a typically developing child of the same chronological age could not safely and independently perform without adult supervision
 - Services that provide direct intervention when the student has the physical, behavioral, and cognitive ability to perform the activities without adult supervision
 - Services used for respite care, childcare, or restraint of a student
 - Stand-by supervision related to safety
 - Teaching a life skills or vocational curriculum

Personal Care Services

- PCS facilitate the completion of ADLs and IADLs through direct intervention or indirect intervention, which includes but is not limited to:
- Hands-on assistance
- Performing the tasks for the student
- Cueing or redirecting the student to perform a task

NOTE: PCS are not intended to teach the student how to independently perform the task.

Documenting “Medical Necessity”

- PLAAFPs
- One-to-one (individual)
- Minutes (time) must be documented in the IEP
- ADL – Activities of Daily Living (eating, bathing, dressing, toileting)
- IADL – Instrumental Activities of Daily Living
- Session note/documentation must accurately reflect the amount of time documented in the IEP

Key Takeaways

- Accuracy of documentation
- Medically necessary services are provided one-to-one (individual)
- PCS minutes (time) must be documented in the IEP
- PLAAFPs

- DOCUMENT, DOCUMENT, DOCUMENT

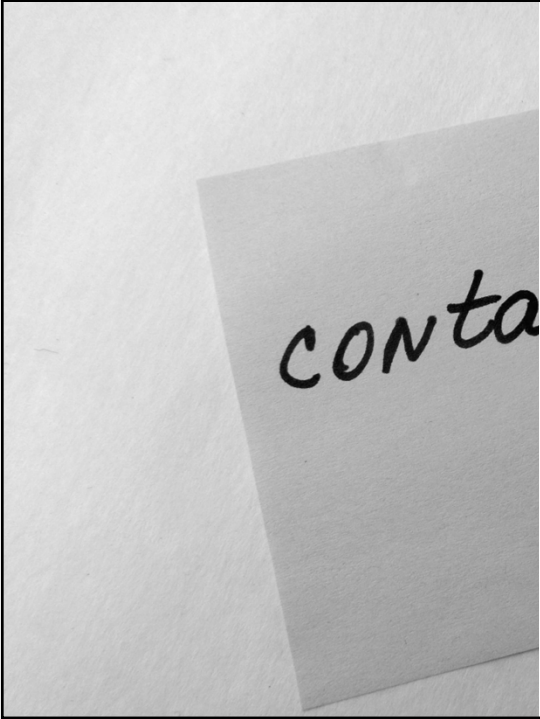
Questions?



References

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