



EQUITY, CULTURE, AND SUPPORT SERVICES
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MEMORANDUM

TO: Karen Janney, Ed.D.
FROM: Joe Fulcher, Ph.D.
SUBJECT: LEA/Medi-Cal Update
DATE: March 4, 2016

Attached is an update and overview on the LEA/Medi-Cal audits and funding. The audit was conducted by the Department of Health Care Services and focused on the 2009-2010 and 2010-2011 school years.

If there are questions, please contact Joe Fulcher or Victor Tapia-Sanchez at 619.407.4920.

Sweetwater Union High School District programs and activities shall be free from discrimination based on age, gender, gender identity or expression, or genetic information, sex, race, color, religion, ancestry, national origin, ethnic group identification, marital or parental status, physical or mental disability, sexual orientation; the perception of one or more of such characteristics; or association with a person or group with one or more of these actual or perceived characteristics.

SUHSD Board Policy 0410.

Attachment #3

Update on LEA/Medi-Cal

Background Information

The Department OF Health Care Services (DHCS) conducted a field audit of the Sweetwater Union High School District's (SUHSD) Medi-Cal LEA program as part of their regular procedures of visiting different districts who participate in the program. DHCS audited the following years: 2009/2010; 2010/2011; and 2011/2012. Audits are conducted throughout the state by DHCS to check for compliance and to ensure that district(s) are administering the program within regulations.

Findings

For school years 2009/2010 and 2010/2011, DHCS auditors concluded the following:

- The district did not have all the IEPs for selected students as part of the audit
- Billable services submitted by the district could not be sustained because the district did not keep required records such as health services logs
- Services were not parallel with the health needs documented on the IEPs
- The district employed a system of submitting claims during these years using attendance sheets, which were missing all of the elements of health services logs, such as treatment notes, supervisor signatures, and times of treatment(s)
- Some services were submitted for safety and hygiene; which are non-billable activities
- When contacted, the third party vendor at the time ("Paradigm") indicated they would bill from attendance sheets and company officials had informed district staff that their primary responsibility was to keep and maintain the required student logs

Exit Interview for the 2011/2012 audit has not been scheduled

The Sweetwater Union High School District went through a field audit the week of February 1, 2016, for fiscal years 2011/2012. DHCS auditors have yet to hold an exit interview with SUHSD representatives to discuss the findings. Usually, exit interviews involve DHCS auditors and SUHSD representatives who work with the Medi-Cal program.

Informal hearing (appeal) scheduled for April 14, 2016

An appeal was submitted to the Department of Health Care Services (DHCS) on September 16, 2015 for the 2009/2010 (see attached). The appeal is based on conflicting regulations between the "California Department of Education" and the "Health and Wellness Institution Code" requiring the maintenance of student records beyond three years after the student has left the district. An informal hearing on the matter will take place on April 14, 2016 at 10:00 a.m. via phone conference. A formal hearing may be requested in the event the district does not prevail. The Health Office is currently consulting with Medical Billing Technologies (MBT), our third party vendor in this matter. MBT was not the third party vendor during the audited years.

Reductions

As a result of these findings, DHCS started withholding 100 percent of our reimbursable claims. District officials convened to address the withholdings and discuss next steps; participants included: Dr. Joe Fulcher, Assistant Superintendent for Equity, Culture and Support Services; Karen Michel, CFO; Doug Martens, Director of Finance; Antonio Gurrola, Budget Analyst to the LEA program; Victor Tapia, LEA Coordinator; and Jessica Amador, Administrative Secretary to the LEA program. The purpose of the

meeting was to examine measures of fiscal sustainability to keep the LEA program functioning with minimal impact to students; the following district reductions were considered and implemented:

(1) Expenditure compliance:

Administrative supplies which include over-the-counter medication and Epi-Pens \$10,000.00.
(Note: Our biggest expenditure in this category are epi pens)

(2) District Reductions

- Health Tech at Southwest High School: Salary - \$38,895; Benefits - \$15,000
- Nurses 10-day extra duty: \$112,000.00
- Resource Center reductions: National City - \$20,000; Community Resource Centers - \$30,000; and Chula Vista - \$30,000.00
- Extra help for school nurses: reduce by 1,200 = \$28,800; benefits: \$7,000
- Only expenditures required to run the program would be funded.

Proposed payment plan (approved by DHCS)

SUHSD submitted a payment plan to DHCS in order to avoid future withholdings at 100 percent and to obtain partial funds for direct services. The payment proposal is to address DHCS's claim of over-payments from fiscal years 2009/2010, and 2010/2011 totaling about 2.5 million dollars. The proposal was approved by DHCS on February 25, 2016 and was submitted to our Chief Finance Officer (CFO) for review and approval. Some of the main points of the agreement include:

- Remove the 100 percent withholdings and allow the district to once again obtain reimbursements
- 30 percent of district reimbursements (about \$270,000.00) will be paid to DHCS annually to offset the amounts DHCS overpaid for school years 2009/2010 and 2010/2011
- Withholdings to date: \$227,000

Other pertinent issues:

- Dr. Serpas from Scripps has donated \$25,000.00 from her \$75,000.00 allocation and requests that it be reinvested into direct services for students such as the resource centers and medications (wants her contribution to remain anonymous). Each resource center collaborative is scheduled to recover \$6,000. The remaining \$6,000 will be used to purchase over-the-counter medications (OTCs) for school sites for the rest of the semester and first half of next school year and AED supplies
- Medi-Cal office is considering participation in a third reimbursement program "Targeted Case Management (TCM)" which would allow the district to recover costs associated with case management
- As a cost saving measure, Health Services changed vendors providing over-the-counter medications (OTCs), which has allowed us to save about \$500.00 per shipment
- As a cost saving measure LEA/MAA coordinator does not submit mileage reimbursements for travel
- Contact has been made with private organizations in order to donate epi-pens and AEDs
- The District is awaiting word from DHCS on a proposed plan which would allow school districts in California to submit reimbursements for hygiene, mobility assistance, and safety (these

services are currently not billable). If allowed, this could potentially translate into additional funds for the district