Department of Education
Office Of Medicaid Services
Rehabilitation And Related Services
Memorandum of Agreement (MOA) Overview

2022 – 2023

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Intent of Training

The intent of this training is to:

- refresh school districts of the MOA requirements,
- provide a general overview of the MOA for new district staff, and
- remind districts of some key components of the MOA.

Note: This is not a comprehensive training. Please review your contract in its entirety to ensure all contract requirements are known and met.

Training Overview

1. Scope of Services
2. Quality Assurance (QA)
3. Conditions for Reimbursement
4. Records and Audits
5. Termination of Contract
6. Appeal Procedures

Scope of Services

Scope of Services

Your district agrees to furnish the following rehabilitative and related health care services to Medicaid eligible school children:

- Rehabilitative Therapy Services
  - Speech-Language Pathology, Audiology, Physical Therapy, Occupational Therapy, Orientation and Mobility, and Nursing Service for Children Under 21, Approved Rehabilitative Service that may be delivered via Telemedicine.
- Rehabilitative Behavioral Health Services (RBHS)
  - Diagnostic Assessment, Follow-Up Mental Health Assessment, Psychological Testing & Evaluation, Service Plan Development (SPD), Psychotherapy, Behavior Modification (B-Mod), Family Support Services (FS), Psychosocial, Rehabilitation Services (PRS)
  - SCDHHS must give written approval for districts to render RBHS (with the exception that all districts can render Diagnostic Assessments and Psychological Testing & Evaluation).

Scope of Services (Cont.)

- Services shall be provided in accordance with all applicable South Carolina Department of Health and Human Services (SCDHHS) policies and procedures.
- Services shall be provided by or under the direction of appropriately licensed and/or certified personnel. Personnel must be:
  - employed by the school district,
  - providing services under an appropriate subcontract with the school district, or
  - enrolled as a private Medicaid provider and providing services which have been prior authorized by the school district.

Quality Assurance (QA)

Quality Assurance (QA)

QA provides a means by which the Local Education Agency (LEA) participates in the review of the Medicaid programs of the LEA or subcontractor by the South Carolina Department of Education (SCDE) to evaluate quality of services, adherence to Medicaid policy and procedure, and contract compliance.

Quality Assurance (QA) (Cont.)

The Rehabilitation and Related Services MOA identifies three types of reviews that may take place:

1. SCDE QA Review
    a) Part I: School District Internal Self Assessment (ISA)
    b) Part II: SCDE Onsite/Desk Review
2. School District QA Self-Assessment
3. SCDHHS QA Review

SCDE QA Review

- The SCDE QA review is typically conducted at least once each fiscal year (i.e., July 1st to June 30th) during the contract period.
- The review should be scheduled on or before March 31st.
- All reviews are to occur by May 31st of the fiscal year.

SCDE QA Review (Cont.)

There are two components to the QA reviews conducted by the SCDE:

1. School District's ISA
2. SCDE's onsite/desk review

School District's ISA

The ISA must be completed at least 14 days prior to the district's SCDE review and shall consist of the following components:

- examination of a random sampling of records,
- selection of a sample that must include at least one (1) record from each service area,
- examination of records related to School-District Administrative Claiming (SDAC) and Special Needs Transportation (SNT),
- assessment of compliance with Medicaid standards, policies and procedures,
- evaluation of credentials of staff involved in the provision of Medicaid related services, and
- review of the Medicaid billing operation.

School District's ISA(Cont.)

- Districts must utilize the most currently approved QA review tool (i.e., checklist) to conduct the internal self-assessment. Review tools are available on the OMS webpage.
- Districts must complete the self-assessment and submit a summary report of all findings at least 14 days prior to SCDE's onsite review.
- Districts do not have to wait until notification of SCDE's QA review is received to begin completing their ISA.
- The summary report of all self-assessment findings must include
  - assessment of the quality of Medicaid-related services,
  - compliance with Medicaid regulations and policies, and
  - identified deficiencies and corrective actions.

SCDE QA Review

The district agrees to provide SCDE with the following:

- a quiet working space,
- all necessary documents as requested,
- access to requested staff during the course of the QA review, and
- identification of necessary steps that will be implemented to prevent reoccurrence of any deficiencies noted in the QA review.

SCDE QA Review (Cont.)

The SCDE will review a representative sample of files during the visit, including but not limited to:

- at least two (2) files for each Rehabilitative Service,
- at least one (1) file for each Behavioral Health Service,
- follow at least one (1) claim back to its source, and
- pulling at least two (2) random files upon arrival (in addition to the ones pulled by the district prior to SCDE arrival).

SCDE QA Review - Report

- Within four (4) weeks of completing the review, the SCDE will send a report that will outline:
  - deficiencies,
  - areas of improvement, and
  - strengths of the program.
- An exit conference will be held to discuss the findings of the review.

SCDE QA Review - Corrective Action Plan (CAP)

A written corrective action plan must be completed and sent to the SCDE within four (4) weeks of receipt of the QA report when 100% of records reviewed do not contain following:

- a Release of Information form signed by the child's parent, guardian or other responsible party,
- an evaluation report with recommendations,
- an Individualized Education Plan (IEP) or Intensive Family Service Plan (IFSP) when the evaluation recommends therapy,
- documentation that accurately describes the services rendered and supports the billing of those services to Medicaid,
- a written referral for those services signed by another Licensed Practitioner of the Healing Arts (LPHA), and
- contain timely summaries of progress.

SCDE QA Review – 90-Day Follow-up

- SCDE will conduct appropriate follow-up within ninety (90) days of SCDE's written QA report.
- SCDE will submit QA results and corrective action plans to SCDHHS at minimum, annually and/or as requested by SCDHHS.

QA Self-Assessment Process

If the SCDE does not conduct the annual on-site QA Review, then the LEA must ensure the provision of quality Medicaid services by conducting an internal QA review.

Note: This is not the same as the ISA that districts must carry out if the SCDE does conduct an onsite review.

QA Self-Assessment Process (Cont.)

Districts must conduct an internal QA review that must consist of the following components:

- examination of a random sample of clinical records; o sample must be representative of all the rehabilitative services being rendered by the district,
  - sample must be representative of all the rehabilitative services being rendered by the all subcontractors (if applicable),
  - must include at least ten (10) records per service, and
  - must also be representative of all professional staff involved in service delivery.
- assessment of compliance with Medicaid standards, policies, and procedures,
- evaluation of staff credentials to ensure that Medicaid requirements are met,
- review of the Medicaid billing operations, and
- exit conference with appropriate staff to discuss findings and develop a CAP if necessary.

QA Self-Assessment Process – District Agreement

Districts have agreed to and must

- utilize SCDHHS & SCDE approved review tools (i.e., checklists) for internal QA reviews and onsite subcontractor QA reviews and
- take necessary steps to prevent the reoccurrence of any deficiencies noted in the district's QA review or in the subcontractor's QA review.

QA Self-Assessment Process – Corrective Action Plan (CAP)

A written corrective action plan must be completed and sent to the SCDE within four (4) weeks of receipt of the QA report when 100% of records reviewed do not contain following:

- a Release of Information form signed by the child's parent, guardian or other responsible party,
- an evaluation report with recommendations,
- an Individualized Education Plan (IEP) or Intensive Family Service Plan (IFSP when the evaluation recommends therapy,
- documentation that accurately describes the services rendered and supports the billing of those services to Medicaid,
- a written referral for those services signed by another Licensed Practitioner of the Healing Arts (LPHA); and
- contain timely summaries of progress.

QA Self-Assessment Process – District Report

District must submit a summary report of all findings to the SCDE no later than May 31st .

- The summary report of all self-assessment findings must include:
  - assessment of the quality of Medicaid-related services,
  - compliance with Medicaid regulations and policies,
  - identified deficiencies, o corrective actions, and
  - any technical assistance requested from the SCDE.
- The review tool and written corrective action plan, if any, may be submitted as the summary report.

QA Self-Assessment Process – SCDE Summary

The SCDE must submit a summary report of all findings to SCDHHS following the internal QA reviews conducted by districts no later than June 30th.

- The summary report of all self-assessment findings must include:
  - assessment of the quality of Medicaid-related services,
  - compliance with Medicaid regulations and policies,
  - identified deficiencies,
  - corrective actions, and
  - any technical assistance requested from the SCDE.
- The review tool & written corrective action plan, if any, may be submitted as the summary report.

SCDHHS QA Reviews

- SCDHHS can choose to review a school district at any time.
- SCDHHS has the option to conduct an onsite or desk review of all school districts.
- SCDHHS will arrange for an onsite QA review directly with the school district if SCDHHS decides to conduct a review.

SCDHHS QA Reviews Components

SCDHHS' onsite QA review will consist of the following components:

- examination of a random sample of the Provider's records.
  - sample must be representative of all services and
  - districts must include at least five (5) records per service
- an interview of the appropriate staff, and
- an exit conference with appropriate staff to discuss findings and suggest corrective actions as appropriate.

SCDHHS QA Reviews Follow-up

- After the SCDHHS Review is conducted, the following will take place:
  - a written summary/report of SCDHHS' findings and recommendations will be provided within 60 days of completing the review and
  - an information conference will be requested (if needed).
- Districts must submit a CAP to the SCDHHS within 45 days of receiving SCDHHS' summary/report.

Conditions for Reimbursement

Reimbursement

Districts must be aware of and comply with the following SCDHHS requirements to receive reimbursement:

- No payment by SCDHHS shall be made for services unless the district has strictly conformed to the policies and procedures. SCDHHS shall not participate in any costs which are not allowable under Medicaid laws, rules, or regulations or SCDHHS policy.
- Districts may subcontract but subcontractors must conform to policies and procedures also.
- Claims must be submitted within twelve (12) months from the date of service.
- Services must be billed on the CMS 1500 claim form using correct procedure code and fee.
- Districts must accept reimbursement at the FMAP rate in effect at the time of payment.
- Districts must adhere to prior authorization requirements.
- Districts are solely responsible for any costs that are not in accordance with the Medicaid State plan and SCDHHS policies and regulations.

Third-Party Liability

Districts must comply with the following SCDHHS requirements:

- Advise SCDHHS of any third-party payer information or resources within ten (10) calendar days of acquiring the information.
- Must make all reasonable efforts to pursue payment under any health insurance policy which covers a Beneficiary.
- Third-party proceeds or payment must be shown on the Medicaid claim form when submitted to SCDHHS.
- Any contacts or requests for beneficiary specific claims information or medical records that the district receives from any attorney or insurer should be directed to SCDHHS.
- Must make all financial records available for SCDHHS or its designee to determine if third-party payments have been refunded to Medicaid.
- Failure to collect available third-party payments may result in SCDHHS' recoupment of payments.

Cost Report

- Cost reports should include actual allowable, necessary and reasonable cost and service delivery information.
- Districts may submit the cost report electronically via email to the SCDHHS Division of Ancillary Reimbursements and mail the General information page with original signatures.
- The SCDHHS Financial and Statistical Report for Rehabilitative Behavioral Health Services must be completed and mailed to SCDHHS by November 30th of the subsequent state fiscal year for all services and procedure codes not reimbursed by a Fee for Service (FFS) methodology.
- Failure to file any given report within specified time frames may result in all future reimbursements being withheld until such time as said report is received.
- Delay in submission of cost reports may also delay future amendments when cost information is needed to determine future reimbursement rates.

Records and Audits

Maintenance of Records

- Districts must comply with the following SCDHHS requirements:
  - Maintain an accounting system with supporting fiscal records to ensure that claims billed are in accordance with the Contract and all applicable laws, regulations, and policies.
  - Retain all financial and programmatic records, and supporting documents, statistical records and other records relating to the delivery of care or need, for a period of five (5) years after last payment made under the Contract.
  - If any litigation, claim, or other actions involving the records have been initiated prior to the expiration of the five (5) year period, the records shall be retained until completion of the action and resolution of all issues which arise from it or until the end of the five (5) year period, whichever is later.
- The provisions above are applicable to any subcontractor and must be included in all subcontracts.

Inspection of Records

- At any time during normal business hours and as often as SCDHHS, the State Auditor's Office, the State Attorney General's Office, GAO, and USDHHS, and/or any of the designees of the above deem necessary
  - the school districts shall make all program and financial records and service delivery sites open to the representatives during the contract period and for a period of five (5) years after last payment under this Contract; and
  - the entities have the right to audit, review, examine and make copies, excerpts or transcripts from all records, contact and conduct private interviews with the Provider's Beneficiaries and employees, and do on-site reviews of all matters relating to service delivery as specified by this Contract.
  - If any litigation, claim, or other action involving the records has been initiated prior to the expiration of the five (5) year period, the records shall be retained until completion of the action and resolution of all issues which arise from it or until the end of the five (5) year period, whichever is later.
- The provisions above apply to any subcontractor & must be included in subcontracts.

Audits

Notice of Exceptions and Disallowances

Upon completion of an audit, districts will receive a written notice via certified mail that contains the following (as determined by the auditor):

- The adjustment for each exception,
- A statement of the amount disallowed for each exception, and
- The total sum disallowed as a result of the audit and that payment is due to SCDHHS in the full amount of the sums disallowed.

Disallowances - Appeals

- In the event the Provider disagrees with the audit exceptions and disallowances, it may seek administrative appeal of such matters in accordance with the SCDHHS appeals procedures. Judicial review of any final agency decision pursuant to this Contract shall be in accordance with S.C. Code Ann. §1-23-380 (1976, as amended) and shall be the sole and exclusive remedy available to either party except as otherwise provided herein. Provided, however, any administrative appeal shall be commenced by written notice as required by the SCDHHS appeals procedures.
- Thirty (30) days after mailing of the notice of disallowance, all audit disallowances shall become final unless an appeal in accordance with SCDHHS appeals procedures has been filed. Payment shall be due and should be made upon notice of disallowance regardless of the filing of an appeal. Should the amount of the disallowance be reduced for any reason, SCDHHS will reimburse the Provider for any excess amount previously paid.
- Additionally, any issue which could have been raised in an appeal shall be final and not subject to challenge by the Provider in any other administrative or judicial proceeding if no appeal is filed within thirty (30) calendar days of the notice of determination.

Termination of Contract

Termination of Contract

- Contracts may be terminated for the following reasons:
  A. Lack of Funds
  B. Breach of Contract
  C. Loss of Licensure or Certification
  D. SCDHHS or Districts Decision
- In the event of any termination, the party terminating the Contract shall give notice in writing to the other party by certified mail, return receipt requested.
  - Termination due to Sections B and/or D, termination is effective thirty (30) days after the date of receipt unless otherwise provided by law.
  - Termination due to Section A, termination is effective upon receipt notice.
  - Termination due to Section C of this Article, termination is effective upon the date listed in the notice.

Appeals

Appeal Procedures

- If any dispute shall arise under the terms of this Contract, the sole and exclusive remedy shall be the filing of a Notice of Appeal within thirty (30) days of receipt of written notice of SCDHHS' action or decision which forms the basis of the appeal.
- Administrative appeals shall be in accordance with SCDHHS' regulations 10 S.C. Code of State Regs. §126-150, et seq. (2012, as amended), and in accordance with the Administrative Procedures Act, S.C. Code Ann. §1-23-310, et seq., (1976, as amended).
- Judicial review of any final SCDHHS administrative decisions shall be in accordance with S. C. Code Ann. §1-23-380, (1976, as amended).

Questions?

Please review your contract in its entirety and should you have any questions, please submit those questions to MedicaidServices@ed.sc.gov.