School Health and Related Services (SHARS) - Cost Report and Audit Advice

Presented by HHSC Rate Analysis and the Texas Education Agency
Agenda

• SHARS Overview
• Audits
  • Federal Audits
  • State Audits
• Cost Reporting
• Resources
• Contact Information
• Questions??
General Information

• Medicaid services provided by school districts in Texas to Medicaid-eligible students are known as School Health and Related Services (SHARS).

• SHARS allows local school districts, including public charter schools, to obtain Medicaid reimbursement for certain health-related services documented in a student's Individualized Education Program (IEP).
SHARS reimbursement is provided for students who meet all of the following requirements:

• Are 20 years of age and younger and eligible for Medicaid
• Meet eligibility requirements for special education described in IDEA
• Have IEPs that prescribe the needed services
The oversight of SHARS is a cooperative effort between the Texas Education Agency (TEA) and Health and Human Services Commission (HHSC).

The purpose of program oversight is to
1. Identify unallowable costs
2. Clarify state/federal policies
3. Identify and address compliance issues
4. Maintain program integrity for continued participation
5. Monitor program progress/trends
The SHARS program and SHARS providers can be subject to both state and federal audits.

Federal Audits

• Generally ordered by Centers for Medicare and Medicaid Services (CMS)
• Conducted by Health and Human Services - Office of Inspector General (HHS OIG)
• Occur approximately every 2 - 3 years
• Scope of Audit
• 2011 HHS OIG Audit status
State Audits

HHSC RAD Cost Report Review Unit (CRRU)

- 50-60 auditors statewide located in 4 satellite offices
- Any and all information submitted by a district in its SHARS Cost Report may be reviewed by CRRU auditors
- CRRU will attempt to review 100% of cost reports submitted for federal fiscal year (FFY) 2015
Common CRRU Audit Review Findings

• Shared Services Arrangement (SSA) staff costs reported incorrectly

• Edit explanations often insufficient to explain cause of variance identified by the edit logic

• Benefits are reported in aggregate totals as “Other Benefits” rather than by each of the identified benefit types

• Documentation does not support costs reported on the cost report or allocation ratios (e.g. IEP ratio, One-Way Trip Ratio, and Specially-Adapted Vehicles Ratio)
SHARS State Audits

HHSC Inspector General – Research, Analysis, and Detection Unit (IG RAD)

- Conducts reviews of SHARS provider billing activity utilizing the department’s Surveillance and Utilization Review System (SURS) application. Commonly known as SURS Desk Reviews.

- Section 456.23 of Title 42, Code of Federal Regulations states that agencies are required to have a post-payment review process that allows State personnel to develop and review:
  1. recipient utilization profiles,
  2. provider service profiles,
  3. exception criteria; and
  4. identifies exceptions so that the agency can correct misutilization practices of recipients and providers
SHARS State Audits

• OIG RAD works in conjunction with TMHP clinical specialists to evaluate a sample of the provider’s documentation to verify all Texas Medicaid Provider Procedure Manual (TMPPM) requirements have been met, including Billing Requirements, Provider qualifications, and Supporting information such as medical necessity, completeness of records, physician prescription for certain services, required IEP documentation, etc...

• Providers are recouped for any paid services that are determined to be non-compliant with all program requirements.
Texas Education Agency Audits – Compliance Monitoring

TEA conducts compliance reviews of the IEP documentation districts should maintain to support the services delivered by staff that are submitted to TMHP for reimbursement.

- Conducted throughout the year and generally focus on the claims submitted during a 3 month period

- HHSC provides TEA staff the billing data necessary to conduct these audits

- Superintendents receive a letter requesting information and are given 30 days to submit documents

- Results are issued within the quarter
Common TEA Audit Findings

- Medicaid numbers not included as required on supporting documentation
- Signatures/initials missing from service logs/session notes
- Claims submitted for reimbursement on days student was absent
- Parental consent not obtained
- Unable to confirm annual written notification requirement was met
Recommendations for preparing and submitting a SHARS Cost Report

1. Attend Cost Report Training each year and review Cost Report Training presentation
2. Review cost report instructions
3. Gather financial information for positions reported on participant list well in advance
4. Throughout the year, save and reconcile all R&S Reports and COF Statements provided by TMHP
5. Verify that each position that costs are reported for in the cost report provided SHARS direct medical services to Medicaid students
6. Review all pre-loaded information in cost report for accuracy
7. Address edit questions whenever prompted
8. Got questions? Consult the SHARS Rate Analyst
9. Before submitting your cost report, confirm that the district has supporting documentation that justifies the costs reported in the cost report
10. Review your cost report immediately after submission and take advantage of the correction period if adjustments need to be made
Top SHARS Cost Report Concerns
• Accuracy of preparer entered ratios
• Unallowable costs being included as "Other"
• Rising Personal Care Services costs
• Misclassified costs
• Appendix A costs
2014 SHARS Cost Report – Cost Categories

- **Audiology & Hearing**
  - $130,246,224 (14.110%)
- **Counseling Services**
  - $924,930 (0.100%)
- **Nursing Services**
  - $88,054,566 (9.540%)
- **Occupational Therapy (OT)**
  - $29,221,168 (3.166%)
- **Personal Care Services**
  - $27,951 (0.003%)
- **Physician Services**
  - $7,965,795 (0.863%)
- **Psychological Services**
  - $87,627,449 (9.493%)
- **Speech and Language Services (SLP)**
  - $8,245,668 (0.893%)
- **Transportation Services (not only Specialized Trans)**
  - $117,781,376 (12.760%)
- **Transportation Services (only Specialized Trans)**
  - $15,709,957 (1.702%)
- **Total**
  - $437,245,092 (47.370%)
Federal Portion of District Medicaid Allowable Costs
Per SHARS Cost Report Data

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<th>Fiscal Year</th>
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SHARS Resources

HHSC RAD SHARS Website: [http://legacy-hhsc.hhsc.state.tx.us/rad/acute-care/shars/](http://legacy-hhsc.hhsc.state.tx.us/rad/acute-care/shars/)
- SHARS FAQs
- Cost Report Instructions
- Appendix A
- Cost Report Training Presentation

- Parental Consent Information
- Compliance Review Guide
- SHARS Self-Monitoring Tool

Texas Administrative Code:
# Contact Information

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<thead>
<tr>
<th>SHARS Contacts</th>
<th>Phone</th>
<th>Email</th>
</tr>
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<tbody>
<tr>
<td>HHSC Rate Analysis – SHARS Help Line</td>
<td>(512) 730-7400</td>
<td><a href="mailto:ra_shars@hhsc.state.tx.us">ra_shars@hhsc.state.tx.us</a></td>
</tr>
<tr>
<td>HHSC Policy and Development</td>
<td>(512) 462-6278</td>
<td><a href="mailto:HHSC_Oversight@hhsc.state.tx.us">HHSC_Oversight@hhsc.state.tx.us</a></td>
</tr>
<tr>
<td>TEA Office of Academics – Special Populations</td>
<td>(512) 936-6403</td>
<td><a href="mailto:SHARSprogram@tea.texas.gov">SHARSprogram@tea.texas.gov</a></td>
</tr>
<tr>
<td>Fairbanks LLC</td>
<td>(888) 321-1225</td>
<td><a href="mailto:info@fairbanksllc.com">info@fairbanksllc.com</a></td>
</tr>
<tr>
<td>TMHP Contact Center</td>
<td>(800) 925-9126</td>
<td><a href="https://secure.tmhp.com/accountactivation/default.aspx?pn=email">https://secure.tmhp.com/accountactivation/default.aspx?pn=email</a></td>
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Thank you