
Local Educational Agency (LEA): A Provider's Guide

Page updated: March 2021

This section contains information about how Local Educational Agencies (LEAs) enroll to participate in the Local Educational Agency Medi-Cal Billing Option Program. Also included is information about LEA provider responsibilities, service and reimbursement reports, and models that LEAs may follow to effectively provide Medi-Cal services.

The Provider Participation Agreement (PPA) has an “evergreen” term in lieu of an expiration date. The PPA remains in effect until terminated by either party, pursuant to the terms of the PPA. The Annual Report is due annually on the mandated date of November 30.

Provider Enrollment

«LEAs, as defined in *Welfare and Institutions Code (W&I Code)*, Section 14132.06, may apply to participate in this program by completing and submitting the following documents to the Department of Health Care Services (DHCS):»

- *Provider Participation Agreement (PPA)*: The PPA is a contract between the LEA provider and DHCS that sets out responsibilities relative to participation in the program. «Additionally, the PPA includes terms regarding agreement activation, suspension and termination. The PPA must be signed by authorized representative(s) of the LEA and DHCS.»
- *Annual Report (AR)*: The AR is a report that contains information regarding the LEA's expenditures and activities for the preceding fiscal year, and lists service priorities for the current fiscal year.
- «*Data Use Agreement (DUA)*: LEA providers who designate a third-party billing vendor as their “Custodian of the Files” must also submit a DUA, which is signed by representatives of DHCS, the LEA provider and the vendor. A DUA is required for non-providers (provider representatives, such as a billing vendor) to order and receive Medi-Cal eligibility information on behalf of the LEA provider. If an LEA provider does not utilize services of a third-party billing vendor and performs its own in-house billing, the submission of the DUA is not required.» The DUA is due for renewal at scheduled three-year intervals on November 30.

«These documents are available upon request by emailing LEA@dhcs.ca.gov.»

Provider Responsibilities

LEA provider responsibilities include:

- Complying with *California Welfare and Institutions Code (W&I Code)*, Chapter 7 (commencing with Section 14000); and in some cases, with Chapter 8 (commencing with Section 14200); *California Code of Regulations (CCR)*, Title 22, Division 3 (commencing with Section 50000); and *California Education Code*, Division 1, Part 6, Chapter 5, Articles 1, 2, 3 and 4, and Sections 8800 and 49400; all as periodically amended.
- «Billing only for LEA services rendered by qualified medical care practitioners acting within the practitioner’s defined scope of practice.» A list of the health professionals who are qualified rendering practitioners and the specific qualifications those practitioners must meet are included in the *Local Educational Agency (LEA) Rendering Practitioner Qualifications* section of this manual.
- «Submitting the PPA and annual report by the mandated due date, as required for each LEA provider participating in the LEA Medi-Cal Billing Option Program.»
- If applicable, submitting the DUA by the mandated due date at scheduled three-year intervals. LEAs that designate a third-party billing vendor as their “Custodian of the Files” must submit the DUA. The DUA is required for non-providers, such as billing vendors, to order and receive Medi-Cal eligibility information on behalf of the LEA. If the LEA does not utilize the services of a third-party billing vendor and performs its own in-house billing, the submission of the DUA is not required.
- «Submitting a Cost and Reimbursement Comparison Schedule (CRCS) to DHCS annually by the mandated due date.» See “Cost and Reimbursement Comparison Schedule” in this section for more information.
- Establishing or designating a collaborative interagency human services group (local collaborative) at the county level or sub-county level to make decisions about the reinvestment of funds made available through the LEA Medi-Cal Billing Option Program.
- «Reinvesting LEA funds within school-linked support services, as identified in the PPA.
- Participating in the quarterly Random Moment Time Survey (RMTS), if required. LEAs that deliver services under Model 2, whereby the LEA contracts with health care practitioners or clinics to provide health services to LEA students and the LEA does not employ any health service practitioners, are not required to participate in RMTS. LEAs operating under all other models of service delivery defined in this section are required to participate in RMTS. See “Random Moment Time Survey” in this section for more information about the RMTS process.»

Annual Report Requirements

«The annual report contains data concerning expenditures and activities for the preceding fiscal year (July 1 through June 30) and service priorities for the current fiscal year, as identified in *California Code of Regulations*, Title 22, Section 51270.

Continued enrollment in the LEA Medi-Cal Billing Option Program is contingent upon annual submission of the annual report by the mandated due date of November 30, following the close of the immediately preceding state fiscal year.

The annual report is comprised of the following documents:»

- *Local Educational Agency (LEA) Medi-Cal Provider Enrollment Information Sheet*: This form is used by DHCS to create and update the Provider Master File (PMF), which is used by the Medi-Cal program to identify currently enrolled, valid Medi-Cal providers, and to identify the services for which they are eligible to receive reimbursement.
- *The LEA Consortium Billing Form*: This form is only required if the LEA is part of a billing consortium where more than one LEA bills under the same NPI number.
- *Certification of State Matching Funds for LEA Services*: This document certifies that the State funds match for LEA payments will be made from LEA funds rather than the State General Fund.
- *Financial Statement Data Report*: This report summarizes revenues received, if any, from the LEA Medi-Cal Billing Option Program during the prior fiscal year for which the LEA is reporting, and lists how the LEA has reinvested those funds.
- *Statement of Commitment to Reinvest*: This statement certifies that a local collaborative has been formed, lists the students participating in the collaborative, describes the collaborative decision-making process and lists anticipated service funding priorities for the current fiscal year.

«Furthermore, the LEA certifies that reinvested funds will remain within school-linked support services, pursuant to the PPA.»

Where to Submit Reports

«Required documents may be submitted to DHCS by any of the following three ways:»

- The LEA may submit the PPA/annual report digitally using the electronic signature feature found on the digital forms. The completed documents must be emailed to *LEA.AnnualReport@dhcs.ca.gov*.
- The LEA may digitally submit a printed copy of the PPA/annual report by printing and completing the forms, obtaining hand signatures, and then scanning and emailing the documents in PDF format to *LEA.AnnualReport@dhcs.ca.gov*.
- «The LEA may mail a signed hard copy to:»

California Department of Health Care Services
«Local Governmental Financing Division
LEA Medi-Cal Billing Option Program Unit
1501 Capitol Avenue, MS 2628»
Sacramento, CA 95899-7436

Cost and Reimbursement Comparison Schedule (CRCS)

Under the LEA Medi-Cal Billing Option Program, LEA providers must annually certify in a Cost and Reimbursement Comparison Schedule (CRCS) that the public funds expended for services provided have been expended as necessary for federal financial participation pursuant to the requirements of *Social Security Act*, Section 1903(w) and *Code of Federal Regulations* (CFR), Title 42, Section 433.50, et seq. for allowable costs. «The CRCS is used to compare each LEA's actual costs for LEA services to the interim Medi-Cal reimbursement for the respective fiscal year.»

CRCS reports are based on a comparison of LEA health service costs to interim Medi-Cal reimbursements for each fiscal year, July 1 to June 30. «An annual paid claims summary report will be posted on the LEA Program website prior to the date that the CRCS is due to DHCS. The annual paid claims summary report includes information needed to complete the CRCS.»

Current CRCS versions are available at the LEA Program website.

«LEAs are required to annually submit the CRCS by the mandated due date to *LEA.CRCS.Submission@dhcs.ca.gov*.

LEAs that received no Medi-Cal reimbursement during the reporting fiscal year may submit a *Certification of Zero Reimbursement* form in lieu of a complete CRCS.»

Continued enrollment in the LEA program is contingent upon the annual submission of the CRCS. «If a CRCS is not received by or prior to the mandated due date, LEA payments may be withheld until the CRCS has been received and accepted for processing.»

«Random Moment Time Survey (RMTS)»

Beginning July 1, 2020, a Random Moment Time Survey (RMTS) will be incorporated into the LEA Medi-Cal Billing Option Program reimbursement methodology, retroactive to July 1, 2015. The survey is a federally approved technique of polling a statistically valid sampling of randomly selected moments that are assigned to randomly selected participants. A moment is equal to one minute of a selected participant's work schedule. Under the LEA Program RMTS, employed health service practitioners who are qualified to provide LEA Program services will be included in the pool of randomly selected participants.

The purpose of the time survey is to identify the proportion of direct service time allowable and reimbursable under the LEA Medi-Cal Billing Option Program. Time surveys, which are administered on a quarterly basis between October and June, will be used to determine an average direct medical services percentage that will be applied to LEA costs reported on the CRCS, facilitating the cost settlement process. For more information about the survey process and requirements, providers should refer to the *California School-Based Random Moment Time Survey Manual*, which details the school-based survey process. For more information, providers can refer to the "School Based Claiming Random Moment Time Survey" page on the DHCS website (www.dhcs.ca.gov).»

LEAs Responsible for Maintaining Evidence of Practitioner Qualifications

«Information about LEA provider responsibility to maintain documented evidence of rendering practitioners' qualifications is included under "Documenting Practitioner Qualifications" in the Part 2, *Local Educational Agency (LEA) Rendering Practitioner Qualifications* provider manual section.»

Models of Service Delivery for Employed or Contracted Practitioners

«LEAs may employ or contract with qualified medical care practitioners to provide LEA services to Medi-Cal enrolled students and their families. The following models describe the types of arrangements in which LEAs may choose to provide Medi-Cal services.»

Model 1: Direct Employment of Health Care Practitioners

The school (or school district) itself employs health professionals such as physicians, nurse practitioners and nurses or operates a clinic (that is, has direct supervision and control over the clinic activities). The arrangement between schools and providers governs how and by whom Medicaid is billed for services and to whom payment may be made. Where the school employs the staff that provides health services (or operates a clinic), the school can enter a provider agreement with the Medicaid program and receive Medicaid payments for the covered services provided.

«Employed health service practitioners who are qualified to provide LEA Program services will be included in Participant Pool 1, as a Time Survey Participant in the random moment time survey.»

Model 2: Contracting of Health Care Practitioners or Clinics

«The school (or school district) contracts with all health practitioners or clinics to furnish services.» Under this type of arrangement, the health practitioner or the clinic (not the school) is the provider of services and payments under Medicaid must be made, with limited exceptions, only to the provider of the services.

However, federal Medicaid requirements permit Medicaid providers to voluntarily reassign their right to payment to a government entity, such as a school district. Consequently, if the school and the provider are willing to work out an agreement under which the provider reassigns payment to the school, the school may both bill and receive payment directly from the state Medicaid agency.

«LEAs operating under Model 2 are not required to participate in the quarterly random moment time survey, because they do not directly employ any health service practitioners.»

Model 3: Direct Employment and Contracting with Health Care Practitioners to Supplement Services

The school (or school district) uses a combination of employed health professionals and contract health professionals to furnish services. In general, when a school provides a service through employed staff and contracts with additional health professionals to supplement the care and services being provided by its own employees, the school can qualify as the provider and receive payment from the state Medicaid agency for the services being provided by both the employed and contract health staff. A key element in making the determination that the school is the provider is that the school itself provides the service through its own employees and includes certain contract health professionals only to supplement that which it is already providing. For example, the school may employ one physical therapist and contract with other physical therapists to supplement the services provided. No additional provider agreements are required for contracted providers under this type of arrangement.

«Contracted health professionals under Model 3 are not required to participate in the quarterly random moment time survey. However, employed health professionals rendering services to LEA students under Model 3 must participate in the quarterly random moment time survey.»

Model 4: Mix of Employed and Contracted Providers

This model is similar to model 3 in which the school (or school district) uses a mix of employed and contracted providers. This model is used where the school provides some services directly but wishes to contract out entire service types without directly employing even a single practitioner in a service category. The school may establish itself as an organized health care delivery system under which it provides at least one service directly, such as case management, but provides additional services solely under contract. Under this model, payment may be made to the school on behalf of those contracted providers who have voluntarily agreed to enter into this arrangement with the school.

It is also important that the service being provided by the school or school district employees is the same service that the contract health professionals provide. In other words, if a school or school district operates a clinic and employs most of the necessary health professionals to provide clinic services but contracts with a physician to provide services and direction of the clinic, in order for the school to be considered the provider of the services, the services furnished by the physician could not be billed to the Medicaid agency as physician services but must be billed as clinic services. That is, the contract physician is simply supplementing the service that the school/school district is providing.

«Under section 1902(x) of the *Social Security Act*, every physician contracted or employed by the school must have a unique physician identifier which appears on Medicaid claims for services under the direction of that physician.» This is true whether or not the physician practices independently or in a clinic setting, and whether or not the physician is a Medicaid provider.

«Contracted health professionals under Model 4 are not required to participate in the quarterly random moment time survey. However, employed health professionals rendering services to LEA students under Model 4 must participate in the quarterly random moment time survey.

Ordering, Referring or Prescribing (ORP) Practitioners

All LEA treatment services require a prescription, referral or recommendation from a qualified medical care practitioner. Each services section of this provider manual defines which practitioners are authorized to order, refer or prescribe (ORP) services. ORP practitioners must have a National Provider Identifier (NPI) Type 1, and must be individually enrolled as a Medi-Cal ORP provider. These requirements apply to all Models of Service delivery.

When billing Medi-Cal for services provided as a result of an order, referral or prescription, the ORP practitioner's NPI Type 1 number must be included on the claim.

Information regarding enrolling employed or contracted practitioners as a Medi-Cal ORP provider can be accessed at the Medi-Cal Provider Enrollment Division website at <http://www.dhcs.ca.gov/provgovpart/Pages/PED.aspx>, which also links to the Provider Application and Validation for Enrollment (PAVE) website. Applicants may use the online PAVE Portal to electronically enroll as a Medi-Cal ORP provider. Alternatively, applicants may access the *Medi-Cal Ordering/Referring/Prescribing Provider Application/Agreement/Disclosure Statement for Physician and Non-Physician Practitioners* (DHCS 6219) at http://files.medi-cal.ca.gov/pubsdoco/prov_enroll.asp»

Managed Care Plans

Managed Care Plans (MCPs) include Prepaid Health Plans (PHPs), County Health Initiatives, Special Projects and Primary Care Case Management (PCCM) contractors.

Services rendered under the LEA Program to students who are also members of a Medi-Cal MCP are:

- «Reimbursable to the LEA for students whose Individualized Education Plans (IEPs), Individualized Family Services Plans (IFSPs) or Individualized Health and Support Plans (IHSPs) authorize the service and the service is documented as medically necessary.» MCPs are not capitated for LEA services.
- «Reimbursable to the LEA for services rendered to Medi-Cal enrolled students.»

Coordination with MCPs to Avoid Duplication of Services

LEAs may contract with managed health care providers to render health care services separate and distinct from LEA services if mutually agreeable terms can be reached that do not create additional costs for the State or duplication of services.

Note: The term “MCP” is used interchangeably with “HCP” (Health Care Plan). For example, recipient eligibility messages use HCP, while manual pages use both HCP and MCP. Additional information about MCPs is included in the *MCP* sections of the Part 1 provider manual.

Other Health Coverage (OHC) requirements apply to services rendered to students who are members of a Medi-Cal MCP and billed to the LEA Program.

Documentation and Records Retention Requirements

LEA providers must keep, maintain and have available records that fully disclose the type and extent of LEA services provided to Medi-Cal recipients. «The required records must be made at or near the time the service was rendered (*California Code of Regulations*, Title 22, Section 51476).»

Each service encounter with a Medi-Cal eligible student must be documented according to the *Business and Professions Code* of the specific practitioner type, and include, but not be limited to:

- Date of service
- Name of student
- Name of agency rendering the service
- Name of person rendering the service
- Nature, extent and units of service
- Place of service

Required supporting documentation describing the nature or extent of service includes, but is not limited to the following:

- Progress and case notes
- Contact logs
- Nursing and health aide logs
- Transportation trip logs
- Assessment reports

The student's Medi-Cal identification number does not need to be included on the treatment log but must be retained on the service claim.

«For LEA services that are authorized in a student's IEP, IFSP or IHSP, a copy of the plan that identifies the child's need for health services and the associated assessment reports must be maintained in the provider's files. LEA services must be billed according to the provisions of the student's IEP, IFSP or IHSP, including service type(s), number and frequency of LEA services, and length of treatments, as applicable.»

For audit purposes, LEA Targeted Case Management providers must retain the following:

- Service plan
- «Documentation of case management activities, including:
 - The name of the individual
 - The dates of the case management services
 - The name of the provider agency (if relevant) and the person providing the case management service
 - The nature, content, units of the case management services received and whether goals specified in the care plan have been achieved
 - Whether the individual has declined services in the care plan
 - The need for, and occurrences of, coordination with other case managers
 - A timeline for obtaining needed services
 - A timeline for re-evaluation of the plan»
- Records containing a review of student and/or family progress

LEAs must keep records of current credentials and licenses for all employed or contracted practitioners. Prescriptions, referrals or recommendations must also be documented in the student's files. Other documentation includes claim forms and billing logs, Other Health Coverage (OHC) information, if any, and claim denials from OHC insurance carriers.

Medi-Cal requires LEA providers to:

- Agree to keep necessary records for a minimum of three years from the date of submission of the CRCS to report the full extent of LEA services furnished to the student (W&I Code, Section 14170).
- Keep, maintain and have available CRCS supporting financial and service documentation at a minimum, until the auditing process of the Medi-Cal CRCS has been completed. If an audit and/or review is in process, LEA providers shall maintain documentation until the audit/review is completed, regardless of the three-year record retention time frame.
- Furnish these records and any information regarding payments claimed for rendering the LEA services, on request, to DHCS; Bureau of Medi-Cal Fraud, California Department of Justice; DHCS Audits and Investigations; Office of State Controller; U.S. Department of Health and Human Services; and any other regulatory agency or their duly authorized representatives.
- Certify that all information included on the printed copy of the original document is true, accurate and complete.

In addition, for record keeping purposes LEA providers should carefully review the full text of W&I Code, Chapter 7 (commencing with Section 14000) and, in some cases, Chapter 8. Other record keeping requirements of the Medi-Cal program are found in the *Provider Regulations* section of the Part 1 Medi-Cal provider manual.

Support Cost

«A three percent withhold is levied against LEA reimbursements and covers the following:

- Claims processing and program-related costs
- Audit administration and associated audit costs
- Funding and support for activities outlined in *Welfare and Institutions Code (W&I Code)*, Section 14115.8

The total annual amount withheld is not to exceed three percent of each LEA's total Medicaid payments allocable to LEAs under the LEA Billing Option Program (BOP). The withhold is subtracted from the total reimbursement amount on the Medi-Cal *Remittance Advice Details* (RAD) code 798.»

Service and Reimbursement Report

Each month, LEAs that have submitted Medi-Cal claims receive a service and reimbursement report from the California MMIS Fiscal Intermediary. The report lists the number of services rendered, dollar amounts reimbursed and the procedure codes paid. Fiscal data is listed by month, quarter-to-date and year-to-date on a state fiscal year basis (July 1 thru June 30).

Legend

Symbols used in the document above are explained in the following table.

Symbol	Description
«	This is a change mark symbol. It is used to indicate where on the page the most recent change begins.
»	This is a change mark symbol. It is used to indicate where on the page the most recent change ends.