Local Educational Agency (LEA) Billing and Reimbursement Overview

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This section contains information about reimbursable services for the Local Educational Agency (LEA) Medi-Cal Billing Option Program and how to bill for those services. Included is information about non-reimbursable services, when to bill Other Health Coverage (OHC), and identification of the services each type of practitioner may bill. Also included is information about the type of claim form on which to bill, claim completion instructions and where to submit the claim.

Introduction

‹‹LEA providers may bill for medically necessary services rendered to Medi-Cal eligible students. LEA services may be billed on the paper *UB-04* claim or submitted electronically through ASC X12N 837 v.5010 Claims. See "ASC X12N 837 v.5010 Claims" in this section for more information.››

Medical Necessity

Diagnostic or treatment services are considered medically necessary when used to correct or ameliorate defects, physical and mental illness and conditions discovered during a regular (periodic) or inter-periodic screen (*Welfare and Institutions Code*, Section 14059.5[b][1] and *California Code of Regulations* [CCR], Title 22, Sections 51184[b] and 51340[e][3]).

Billing Code List

A complete list of procedure codes that are reimbursable to LEAs for assessment, treatment, Targeted Case Management (TCM) and specialized medical transportation services is included in the *Local Educational Agency (LEA) Billing Codes and Reimbursement Rates* section of this manual.

Restrictions

Time billed for treatments should include only direct service time. Indirect service time has been included in the reimbursement rate and should not be billed.

‹‹Other Health Coverage Requirements››

Medi-Cal may reimburse LEA providers for services provided to Medi-Cal eligible students regardless of whether there is any charge for the service to the student or the community at large.

Other Health Coverage (OHC) is any non-Medi-Cal private health coverage plan or policy that provides or pays for health care services. This includes commercial health insurance companies. Medi-Cal Managed Care Plans (MCPs) are not considered OHC.

A student with a third-party resource is one who is qualified for Medi-Cal benefits and also has OHC. In order to determine if a student has a third-party resource, the LEA may reference the LEA tape match file for OHC information for each Medi-Cal student. Additional information about eligibility verification and ways to verify eligibility is available in the *Local Educational Agency (LEA) Eligible Students* section of this manual.

‹‹Coverage may also include Medi-Cal covered health care services in a student's Individual Service Plan per section 504 of the Rehabilitation Act of 1973. For students with an Individualized Health Services Plan (IHSP), including a "504 Plan," LEAs must bill OHC prior to billing Medi-Cal.››

The following chart clarifies when OHC insurers must be billed.

‹‹**When to Bill OHC Insurers Table**››

Insurance Status of Student	Services Provided to Students Authorized in an IEP/IFSP or Under Title V	‹‹**Services Provided to All Other Students Under an IHSP**››
Medi-Cal only	Bill Medi-Cal	Bill Medi-Cal
Medi-Cal and OHC	Bill Medi-Cal	Bill OHC, then Medi-Cal
No Medi-Cal, has OHC	‹‹May bill OHC (In this scenario it is optional for LEAs to bill OHC; because the student is not Medi-Cal eligible there is no requirement to bill OHC for services rendered.)››	May bill OHC

Note: The reference to Title V is in the *Social Security Act*: Grants for States for Maternal and Child Welfare

Insurance Status: Medi-Cal Only

The LEA may bill Medi-Cal for services provided to eligible students, regardless of whether those services are provided without charge to all other students.

Example 1: A Medi-Cal eligible student with no OHC is provided speech therapy that is documented in the student's IEP/IFSP. The LEA provider may bill Medi-Cal for reimbursement for those services.

Example 2: A Medi-Cal eligible student with no OHC receives a vision assessment that is administered to all students in the school. ‹‹The student does not have an IEP/IFSP. The LEA provider may bill Medi-Cal for reimbursement.››

Insurance Status: Medi-Cal and OHC

Medi-Cal covered services provided to students with OHC under an IEP/IFSP may be billed to Medi-Cal for reimbursement, regardless of whether those services are provided to all other students. The LEA provider does not have to bill OHC first.

For Medi-Cal covered services provided to students with OHC that are not part of an IEP/IFSP, the LEA must bill other responsible third-party insurers prior to billing Medi-Cal regardless of whether those services are provided to all other students.

> Example 1: A Medi-Cal eligible student with OHC is provided audiology services documented in the student's IEP/IFSP. The LEA provider may bill Medi-Cal without pursuing OHC.

> Example 2: A Medi-Cal eligible non-IEP/IFSP student with OHC receives a general health assessment that is administered to all students at the school. The LEA provider must pursue and bill that student's OHC prior to billing Medi-Cal.

> Example 3: A Medi-Cal eligible non-IEP/IFSP student with OHC receives an individual nursing service that is medically necessary. The LEA provider must pursue and bill that student's OHC prior to billing Medi-Cal.

Insurance Status: OHC Only, No Medi-Cal

All medical services provided by the LEA to non-Medi-Cal students who have private third-party health insurance may be billed to the respective OHC insurer, regardless of whether the services are provided to all other students.

> Example: A non-Medi-Cal student with OHC is provided physical therapy by a LEA practitioner. The LEA Provider may bill the third-party insurer for reimbursement.

‹‹In the above example, because the student is not covered by Medi-Cal, it is optional for the LEA to bill OHC in an attempt to recover costs related to service(s).››

Third-Party Liability Recoupment

In most circumstances for services provided to Medi-Cal eligible students with OHC, Medi-Cal is the payer of last resort. OHC must be billed prior to Medi-Cal. However, for services provided to students authorized in an IEP/IFSP, Medi-Cal is the primary payer. In such instances where legally liable commercial insurance is available, the Department of Health Care Services (DHCS) may bill commercial insurance carriers to recoup funds paid by DHCS to the LEA provider. DHCS will not cost avoid against claims (initially deny claims due to OHC) or offset claims to LEA providers in an effort to recoup funds.

As a result of the recoupment process, commercial insurance carriers may issue an *Explanation of Benefits* (EOB) to the parent of the insured student.

Other Health Coverage: Denials of Claims and Non-Response

If the OHC carrier denies a claim and the denial notice is valid, the notice may be submitted with Medi-Cal claims for one year from the date of the denial for that student and procedure. LEA providers are subject to the same denial criteria as other Medi-Cal providers. A claim will be processed by the California MMIS Fiscal Intermediary only if the denial reason listed on the EOB or denial letter is a valid denial reason according to Medi-Cal standards, or there is no response from the OHC carrier.

If a response from the OHC carrier is not received within 90 days of the provider's billing date, the provider may bill Medi-Cal. A copy of the completed and dated insurance claim form must accompany the Medi-Cal claim. LEA must state "90 day response delay" on the billing claim form.

Legitimate denial reasons may include, but are not limited to:

- Service not covered

- Patient not covered

- Deductible not met

Non-legitimate denial reasons generally involve improper billing, such as submitting a late, incorrect or illegible claim.

‹‹See *Other Health Coverage (OHC) Guidelines for Billing* in the Part 1 manual for additional information about OHC codes, information about identifying student OHC and other general OHC billing information.››

Managed Care Plans

Information about reimbursement of services for students who are members of Medi-Cal Managed Care Plans (MCPs) is available in the *Local Educational Agency (LEA): A Provider's Guide* section of this manual.

Service Limitations

‹‹LEAs are authorized to bill for services for Medi-Cal eligible students with or without an Individualized Education Plan (IEP) or Individualized Family Services Plan (IFSP). However, all LEA treatment services require some type of care plan, whether it be an IEP, IFSP or IHSP.›› LEA providers must use the appropriate billing CPT or HCPCS code based on the student's plan of care or assessment needs.

‹‹Service limitations vary depending on the type of service received. Service limitations specific to each service type are included in the various *Local Educational Agency (LEA) Service* sections of this manual.›› For example, service limitations related to physical therapy treatments are located in the *Local Educational Agency (LEA) Service: Physical Therapy* section.

IEP/IFSP Assessments

The number of IEP and IFSP assessments that providers may perform is limited by service type. Information about the limits, and additional IEP and IFSP information is located in the *Local Educational Agency (LEA): Individualized Plans* section of this manual.

Initial and Additional Treatment Services

Information about initial and additional treatment services is located in the following sections:

- *Local Educational Agency (LEA) Service: Hearing*
- *Local Educational Agency (LEA) Service: Occupational Therapy*
- *Local Educational Agency (LEA) Service: Physical Therapy*
- *Local Educational Agency (LEA) Service: Physician Billable Procedures*
- *Local Educational Agency (LEA) Service: Psychology/Counseling*
- *Local Educational Agency (LEA) Service: Speech Therapy*

Treatment Services Billed in 15-Minute Increments

Information about treatment services billed solely in 15-minute increments (with no initial or additional treatment services) is located in the following sections:

- *Local Educational Agency (LEA) Service: Nursing*

- ‹‹*Local Educational Agency (LEA) Service: Nutrition*

- *Local Educational Agency (LEA) Service: Orientation and Mobility*

- *Local Educational Agency (LEA) Service: Respiratory Care*››

- *Local Educational Agency (LEA) Service: Targeted Case Management*

Medical Transportation and Mileage

‹‹Information about specialized medical transportation and mileage is located in the *Local Educational Agency (LEA) Service: Transportation (Medical)* section.››

Modifiers

Modifiers are codes added on a claim line with the procedure code to indicate that the procedure was altered by some specific circumstance, but not changed in its definition or code. For LEA billing purposes, the interpretation of some modifiers may differ slightly from the national description. An overview of the variety of modifiers that may be submitted on LEA claims follows. (Only select procedure codes and circumstances require modifiers.)

Note: To help providers bill for services, the "Billing Codes and Services Limitations" charts in each of the *Local Educational Agency (LEA) Service* sections provide a guideline for the modifier(s) that must be submitted with each procedure code.

Individualized Plan Modifiers

‹‹The modifiers below indicate on a claim whether the service rendered was covered under an IEP or IFSP.››

Table of Individualized Plan Modifiers

Modifier	National Modifier Description	LEA Program Usage
TL	Early Intervention/ Individualized Family Services Plan (IFSP)	Service is part of an IFSP
TM	Individualized Education Program	Service is part of an Individualized Education Plan (IEP)

Telehealth Modifier

Qualified services by interactive telehealth must be billed with modifier 95 (synchronous telemedicine service rendered via a real-time interactive audio and video telecommunications system). Only the portion(s) of the telehealth service rendered from the distant site are billed with modifier 95.

Table of Telehealth Modifiers

Modifier	National Modifier Description	LEA Program Usage
95	Telehealth	Service provided via synchronous telehealth rendered from distant site

Qualified services provided at originating site (in-person with the student) during telehealth transmission are billed according to standard Medi-Cal practices (without a 95 modifier).

Refer to the *Local Educational Agency (LEA): Telehealth* section of this manual for telehealth guidelines, definitions and billing information.

Practitioner Modifiers

A practitioner modifier identifies the type of practitioner who rendered a service. Modifiers used for the LEA Program are broadly interpreted in some cases.

Table of Practitioner Modifiers

Modifier	National Modifier Description	LEA Program Usage
‹‹AE	Registered dietician	Registered dietician››
AG	Primary physician	‹‹Licensed physician››
AH	Clinical psychologist	‹‹Licensed psychologist, licensed educational psychologist, credentialed school psychologist and clinical psychologist››
AJ	Clinical social worker	‹‹Licensed clinical social worker and credentialed school social worker››
‹‹CO	Outpatient occupational therapy services furnished in whole or in part by an occupational therapy assistant	Licensed occupational therapy assistant
CQ	Outpatient physical therapy services furnished in whole or in part by a physical therapist assistant	Licensed physical therapist assistant››
GN	Service delivered under an outpatient speech-language pathology plan of care	‹‹Licensed speech-language pathologist and credentialed speech-language pathologist››
GO	Service delivered under an outpatient occupational therapy plan of care	‹‹Licensed occupational therapist››
GP	Service delivered under an outpatient physical therapy plan of care	‹‹Licensed physical therapist››

Table of Practitioner Modifiers (continued)

Modifier	National Modifier Description	LEA Program Usage
HL	Intern	Associate marriage and family therapist
HM	Less than bachelor degree level	Speech-language pathology assistant and registered associate clinical social worker
HO	Master's degree level	Program specialist
TD	RN	Licensed nurses, including registered credentialed school nurses, licensed registered nurses, certified public health nurses and certified nurse practitioners
TE	LPN/LVN	Licensed vocational nurse
U7	Physician assistant	Licensed physician assistant

Intensity of Service Modifiers

Intensity of service modifiers are national modifiers used to identify the type of service rendered, and include the following:

Table of Intensity of Service Modifiers

Modifier	National Modifier Description	LEA Program Usage
22	Increased procedural services	Additional 15-minute service increment rendered beyond the required initial service time
52	Reduced services	Annual reassessment
TS	Follow-up service	Amended reassessment
‹‹CR	Catastrophe/disaster related	Counseling-only visit for COVID-19››

‹‹ASC X12N 837 v.5010 Claims

Electronic Data Interchange (EDI) Submission on the Medi-Cal Provider Portal is the most efficient method of billing and adjudication time is significantly reduced compared to paper claim submission.

ASC X12N 837 v.5010 claim submissions require a computerized claims billing system. LEA providers may prepare the 837 claims submission themselves or contract with a DHCS-approved billing service to prepare and submit their claims. Generally, the 837 claims submission requirements are the same as for paper claims. Because 837 claims submission is a "paperless" billing process, there are some special requirements. Additional information is available in the *Electronic Data Interchange (EDI) 837 Claims Overview* section of the Part 1 Medi-Cal provider manual.››

Claim Submission: UB-04 Claim

LEA services can be billed on a paper *UB-04* claim. Instructions for preparing and submitting the claim are included in the *UB-04 Completion: Outpatient Services* section of this manual.

Explanation of UB-04 Form Items

Items specific to LEA should be completed as follows:

‹‹<u>Type of Bill</u> (Box 4). Enter the two-digit facility type code "89" (special facility – other) and one character claim frequency code "1" as "891".››

<u>Provider Name, Address, ZIP Code</u> (Box 1). Enter the official name of the LEA (for example, school district or county office of education), address and the nine-digit ZIP code in the space provided at the upper left hand corner of the *UB-04* claim.

<u>HCPCS/Rates</u> (Box 44). Enter the applicable HCPCS/CPT code(s). Add modifier(s) if required. Additional information about reimbursable codes and required modifiers is included in the *Local Educational Agency (LEA) Billing Codes and Reimbursement Rates* section of this manual.

<u>Total Charges</u> (Box 47). Enter the usual and customary charges. Additional information about rates is in the *Local Educational Agency (LEA) Billing Codes and Reimbursement Rates* section of this manual.

<u>Payer</u> (Box 50). Enter the words "O/P MEDI-CAL" in Box 50 to indicate the type of claim and payer. List the name of the school district in the *Remarks* field (Box 80).

<u>Attending Provider Name/NPI</u> (Box 76). Enter the NPI of the medical professional who ordered, referred or prescribed the service.

Note: All treatment services must include the NPI of the health service practitioner that has prescribed, referred or recommended the student for LEA treatment services. Box 76 may be left blank if the claim relates to an assessment.

<u>Operating NPI</u> (Box 77). Enter the NPI of the medical professional actually providing the service. For LEA, the independent contractor is defined as a medical professional that is not a direct employee of the LEA and provides health care services to students.

Note: LEAs billing for services rendered by their own employees who do not have individual NPI numbers should leave the *Operating NPI* field blank. LEA employees are paid a salary by the LEA (for example, the district or county office of education).

ICD-10-CM Codes

ICD-10-CM diagnosis codes are identified in the *International Classification of Diseases, 10th Revision, Clinical Modification* (ICD-10-CM) code book that was developed to create international uniformity in diagnosing health conditions.

Note: ICD-10-CM codes must be included on the claim or the claim will be denied. Billing instructions are included in the UB-04 Completion: Outpatient Services section of this manual.

Current copies of the ICD-10-CM code book are available by writing or calling:

Optum
2525 Lake Park Blvd.
Salt Lake City, UT 84120

Telephone: 1-800-464-3649

‹‹Website: *https://www.optum360coding.com/*››

Or

PMIC (Practice Management Information Corporation)
Order Processing Department
4727 Wilshire Boulevard, Suite 300
Los Angeles, CA 90010-3894

Telephone: 1-800-MED-SHOP (633-7467) Monday thru Friday,
8:00 a.m. to 5:30 p.m., CST

Fax: 1-800-633-6556 (24 hours daily) For credit card orders or purchase orders

"From-Through" Billing

‹‹All LEA services except mileage (associated with specialized medical transportation) may be billed on a "from-though" basis when the same service(s) are rendered more than once in a month.›› This is to facilitate billing when there is more than one date of service.

Consecutive and Non-Consecutive Days

"From-through" billing may be used for both consecutive and non-consecutive days of service.

Claim Completion Instructions

Two claim lines are completed when billing the "from-through" format.

- Line 1: Enter the service description in the *Description* field (Box 43) and the initial date on which the procedure was rendered in the *Service Date* field (Box 45).

- Line 2: Indicate the individual dates of service in the *Description* field (Box 43), the procedure code in the *HCPCS/Rate* field (Box 44) and the last date of treatment in the *Service Date* field (Box 45). Enter the total number of units provided in the *Service Units* field (Box 46). Enter the total amount in the *Total Charges* field (Box 47).

‹‹See *Figure 3* in the *Local Educational Agency (LEA) Billing Examples* section in this manual for a "from-though" billing example.››

Claim Submission and Twelve-Month Billing Limit

LEA claims must be received by the California MMIS Fiscal Intermediary within 12 months following the month in which services were rendered. Claims are submitted to the following address:

California MMIS Fiscal Intermediary
P.O. Box 15600
Sacramento, CA 95852-1600

Retroactive Billing From Date of Service

LEA services are reimbursable within 12 months of the month of service, as long as the claim is billed within statutory limits. LEAs, therefore, are not subject to the six-month billing guidelines. ‹‹*Figure 4* in the *Local Educational Agency (LEA) Billing Examples* section of this manual illustrates a retroactive billing example.››

Billing Reminders

When billing, providers should remember:

- Only bill for one student per claim form.

- In the HCPCS/Rate field (Box 44) enter the modifier TL (IFSP) or TM (IEP), if applicable, to indicate that the LEA service is authorized in the student's IEP or IFSP.

- In the HCPCS/Rate field (Box 44) enter the practitioner modifier, if applicable, to designate the practitioner who rendered the specific LEA service to the student. Practitioner modifier information for each LEA service is in the *Local Educational Agency (LEA) Billing Codes and Reimbursement Rates* section of this manual.

- ‹‹Enter all applicable modifiers in the *HCPCS/Rate* field (Box 44) on the claim, if applicable.››

‹‹If the same procedure code and modifier combination (assessment, treatment, specialized medical transportation or TCM) is billed on more than one line of a claim or on different claim forms for the same date of service, it will appear that the procedure was billed twice in error.›› To avoid duplicate billing, providers should complete one claim for multiple sessions, entering the number of sessions in the *Service Units* field (Box 46) and the time of each session in the *Remarks* field (Box 80).

Figure 2 in the *Local Educational Agency (LEA) Billing Examples* section of this manual illustrates billing more than one session on the same date of service.

<u>Legend</u>

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.