



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General
Offices of Audit Services

AUG 1 0 2006

Region VII
601 East 12th Street
Room 284A
Kansas City, Missouri 64106

Report Number: A-07-05-03066

K. Gary Sherman, Director
Department of Social Services
Broadway State Office Building
P.O. Box 1527
Jefferson City, Missouri 65102

Dear Mr. Sherman:

Enclosed are two copies of the U.S. Department of Health and Human Services, Office of Inspector General (OIG) final report entitled "Missouri Medicaid Payments for Skilled Professional Medical Personnel." A copy of this report will be forwarded to the HHS action official noted on the following page for review and any action deemed necessary.

The HHS action official will make final determination as to actions taken on all matters reported. We request that you respond to the HHS action official within 30 days from the date of this letter. Your response should present any comments or additional information that you believe may have a bearing on the final determination.

In accordance with the principles of the Freedom of Information Act (5 U.S.C. § 552, as amended by Public Law 104-231), OIG reports issued to the Department's grantees and contractors are made available to the public to the extent the information is not subject to exemptions in the Act that the Department chooses to exercise (see 45 CFR part 5).

If you have any questions or comments about this report, please do not hesitate to call me at (816) 426-3591, extension 274, or contact Greg Tambke, Audit Manager, at (573) 893-8338, extension 30, or through e-mail at Greg.Tambke@oig.hhs.gov. Please refer to the report number A-07-05-03066 in all correspondence.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick J. Cogley", written over a white background.

Patrick J. Cogley
Regional Inspector General
for Audit Services

Enclosures

Direct Reply to HHS Action Official:

Thomas Lenz
Regional Administrator, Region VII
Centers for Medicare & Medicaid Services
Richard Bolling Federal Building
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Kansas City, Missouri 64106

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**MISSOURI MEDICAID PAYMENTS
FOR SKILLED PROFESSIONAL
MEDICAL PERSONNEL**



Daniel R. Levinson
Inspector General

August 2006
A-07-05-03066

Office of Inspector General

<http://oig.hhs.gov>

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OAS FINDINGS AND OPINIONS

The designation of financial or management practices as questionable or a recommendation for the disallowance of costs incurred or claimed, as well as other conclusions and recommendations in this report, represent the findings and opinions of the HHS/OIG/OAS. Authorized officials of the HHS divisions will make final determination on these matters.



EXECUTIVE SUMMARY

BACKGROUND

Pursuant to Title XIX of the Social Security Act, the Federal Government reimburses States for Medicaid-related administrative costs necessary for the proper and efficient administration of their Medicaid State plans. In general, the Federal Government reimburses States for Medicaid administrative costs at a matching rate of 50 percent. However, the Federal Government reimburses States at an enhanced matching rate of 75 percent for the compensation and training of skilled professional medical personnel and their supporting staff. Generally, in order to be eligible for the enhanced rate, skilled professional medical personnel must complete a 2-year program leading to an academic degree or certificate in a medically related program and perform activities that require the use of their professional training and experience.

In addition, directly supporting staff must meet the definition of clerical staff and provide clerical services that are directly necessary for carrying out the responsibilities and functions of skilled professional medical personnel. Skilled professional medical personnel must directly supervise the supporting staff and the performance of the supporting staff's work.

The Division of Medical Services (State agency) of the Department of Social Services administers Missouri's Medicaid program. The State agency employs skilled professional medical personnel and contracts with the Department of Mental Health, the Department of Health and Senior Services, and school districts¹ to conduct Medicaid skilled professional medical administrative activities. The three State departments submit to the Department of Social Services's Division of Budget and Finance a summary report that lists their personnel and travel costs for skilled professional medical administrative activities to be reimbursed. The Division of Budget and Finance consolidates the summary reports and submits the information on the quarterly Form CMS-64, "Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program" to the Centers for Medicare & Medicaid Services (CMS) for reimbursement.

The State agency claimed approximately \$3.5 million (Federal share) for Federal fiscal year (FY) 2003 for skilled professional medical personnel administrative activities. Of that amount, the State agency claimed more than \$2.3 million (Federal share) for State personnel in the three State departments.

OBJECTIVE

Our objective was to determine if the State agency properly claimed payments for skilled professional medical personnel at the enhanced Federal funding rate for FY 2003.

¹We will address school district skilled professional medical personnel costs totaling \$1.2 million (Federal Share) in a separate report (report number A-07-06-03075).

SUMMARY OF FINDINGS

The State agency did not properly claim payments for 67 skilled professional medical personnel at the enhanced Federal funding rate for FY 2003. Specifically, the State agency claimed costs for (1) personnel in positions that did not require medical expertise, (2) personnel who did not meet the educational or licensure requirements, (3) personnel whose staff time was split between different functions, and (4) directly supporting staff who either were not supervised by skilled professional medical personnel or did not meet the definition of directly supporting staff. The State agency also improperly claimed travel expenditures at the enhanced Federal funding rate.

The State agency did not have adequate policies and procedures to monitor and ensure that all costs associated with personnel claimed at the enhanced rate met Federal regulations. It did not have a CMS-approved methodology to allocate costs for personnel whose staff time was split between different functions and ensure that it only claimed Medicaid administrative activities eligible for enhanced reimbursement. As a result, the State agency received \$525,249 (Federal share) of Medicaid enhanced funding overpayments for FY 2003.

RECOMMENDATIONS

We recommend the State agency:

- refund \$525,249 to the Federal Government,
- develop and implement policies and procedures to more closely monitor payments for skilled professional medical personnel and directly supporting staff, and
- develop a CMS-approved methodology to allocate costs for personnel whose staff time is split between different functions.

STATE AGENCY'S COMMENTS

The State agency stated that it “disagree[d] with the recommendations in the draft report that [it] do[es] not believe to be consistent with Section 1903(a)(2) of the Social Security Act or its implementing regulations.” However, the State agency did not comment directly on any of the recommendations, but it did disagree with the majority of the findings. It stated that one employee cited as not meeting the education requirements was a registered nurse and provided the name used for the medical license. The State agency agreed that three other employees did not meet the education requirements. It also agreed that travel costs should not have been claimed at the enhanced rate for three employees.

The State agency's comments are included in their entirety as an appendix; however, we did redact personal information.

OFFICE OF INSPECTOR GENERAL'S RESPONSE

We agree that the personnel costs for the registered nurse were allowable at the enhanced rate and we reduced the recommended recovery amount by \$79 (Federal share).

We continue to recommend that the State agency refund costs claimed based on unallowable personnel costs and activities. We also continue to recommend that it develop and implement policies and procedures to more closely monitor payments for skilled professional medical personnel and directly supporting staff. In addition, it should develop a CMS-approved methodology to allocate costs for personnel whose staff time is split between different functions.

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INTRODUCTION

BACKGROUND

Medicaid Program

Pursuant to Title XIX of the Social Security Act, the Federal Government reimburses States for administrative costs necessary for the proper and efficient administration of their Medicaid State plans. In general, the Federal Government reimburses States for Medicaid administrative costs at a matching rate of 50 percent.

The Federal Government reimburses States at an enhanced matching rate of 75 percent for the compensation and training of skilled professional medical personnel and their supporting staff. Skilled professional medical personnel are physicians, dentists, nurses, and other specialized personnel who have completed 2 years of professional education and training in the field of medical care or appropriate medical practice. Skilled professional medical personnel are in positions whose duties and responsibilities require their professional medical knowledge and skills.

Supporting staff must provide clerical services that are directly necessary for carrying out the professional medical responsibilities and functions of the skilled professional medical personnel and meet the definition of clerical staff. Skilled professional medical personnel must directly supervise the supporting staff and the performance of the supporting staff's work.

The Federal matching rate is prorated for staff time that is split among functions reimbursed at different rates. The skilled professional medical personnel and directly supporting staff costs must be allocated on either the actual percentage of time spent within each function or another methodology that is approved by the Centers for Medicare & Medicaid Services (CMS).

Missouri Medicaid Program

The Division of Medical Services (State agency) of the Department of Social Services administers Missouri's Medicaid program. The State agency employs skilled professional medical personnel and contracts with the Department of Mental Health, the Department of Health and Senior Services, and school districts² to conduct Medicaid skilled professional medical administrative activities. The three State departments submit to the Department of Social Services's Division of Budget and Finance a summary report that lists their personnel and travel costs for skilled professional medical administrative activities to be reimbursed. The Division of Budget and Finance consolidates the summary reports and submits the information on the quarterly Form CMS-64, "Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program" to CMS for reimbursement.

²We will address school districts skilled professional medical personnel costs totaling \$1.2 million (Federal Share) in a separate report (report number A-07-06-03075).

The State agency claimed approximately \$3.5 million (Federal share) for Federal fiscal year (FY) 2003 skilled professional medical personnel administrative activities. Of that amount, the State agency claimed more than \$2.3 million (Federal share) for State personnel in the three State departments.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

Our objective was to determine if the State agency properly claimed payments for skilled professional medical personnel at the enhanced Federal funding rate for FY 2003.

Scope

We reviewed \$2.3 million (Federal Share) of the State's claim pertaining to the State skilled professional medical personnel, which represented the portion related to employees of the Departments of Social Services, Mental Health, and Health and Senior Services. Within these three departments, the State agency designated 84 employees as skilled professional medical personnel. It included travel costs at the enhanced rate for three additional employees not designated as skilled professional medical personnel. The State agency claimed approximately \$3.5 million (Federal share) in total for skilled professional medical personnel administrative activities for FY 2003 including \$1.2 million related to school districts.

We did not perform a detailed review of the State agency's internal controls. We limited our internal control review to obtaining an understanding of the State agency's policies and procedures used to claim skilled professional medical personnel costs.

We performed fieldwork at the three State Departments' offices in Jefferson City, MO, and at one school district between June and September 2005.

Methodology

To accomplish our objective, we:

- reviewed the State agency's policies and procedures concerning Medicaid administrative claiming for skilled professional medical personnel activities;
- reconciled the State agency's quarterly Form CMS-64, which consisted of summary reports submitted by each of the three State departments, to supporting documentation;
- interviewed State agency employees to better understand how they administered the Medicaid program;
- reviewed summary reports for the three departments to determine if personnel and travel costs were properly recorded;

- reviewed medical licensure, certification information, and position descriptions to ensure the personnel costs claimed at the enhanced rate met Federal requirements; and
- interviewed skilled professional medical personnel and directly supporting staff to determine what activities they performed.

We limited our review to determining whether the State agency's quarterly claims for skilled professional medical personnel at the enhanced Federal matching rate were allowable. For costs that did not meet enhanced Federal matching requirements, we accepted the costs claimed at the Federal matching rate of 50 percent.

We performed our audit in accordance with generally accepted government auditing standards.

FINDINGS AND RECOMMENDATIONS

The State agency did not properly claim payments for 67 skilled professional medical personnel at the enhanced Federal funding rate for FY 2003. Specifically, the State agency claimed costs for (1) personnel in positions that did not require medical expertise, (2) personnel who did not meet the educational requirements, (3) personnel whose staff time was split between different functions, and (4) directly supporting staff who either were not supervised by skilled professional medical personnel or did not meet the definition of directly supporting staff. The State agency also improperly claimed travel expenditures at the enhanced Federal funding rate.

The State agency did not have adequate policies and procedures to monitor and ensure that all costs associated with personnel claimed at the enhanced rate met Federal regulations. It did not have a CMS-approved methodology to allocate costs for personnel whose staff time was split between different functions and ensure that it only claimed Medicaid administrative activities eligible for enhanced reimbursement. As a result, the State agency received \$525,249 (Federal share) of Medicaid overpayments for FY 2003.

SKILLED PROFESSIONAL MEDICAL PERSONNEL REQUIREMENTS

Federal Regulations for Skilled Professional Medical Personnel

Federal regulations (42 CFR § 432.50 (c)(3)) state that: "The allocation of personnel and staff costs must be based on either the actual percentages of time spent carrying out duties in the specified areas or another methodology approved by CMS." Paragraph (d)(1) also states that the enhanced rate of 75 percent is available to skilled professional medical personnel and directly supporting staff if the following criteria are met:

- (i) The expenditures are for activities that are directly related to the administration of the Medicaid program, and as such do not include expenditures for medical assistance;

- (ii) The skilled professional medical personnel have professional education and training in the field of medical care or appropriate medical practice. ‘Professional education and training’ means the completion of a 2-year or longer program leading to an academic degree or certificate in a medically related profession. . . .
- (iii) The skilled professional medical personnel are in positions that have duties and responsibilities that require those professional medical knowledge and skills.
- (iv) A State-documented employer-employee relationship exists between the Medicaid agency and the skilled professional medical personnel and directly supporting staff.
- (v) The directly supporting staff are secretarial, stenographic, and copying personnel and file and records clerks who provide clerical services that are directly necessary for the completion of the professional medical responsibilities and functions of the skilled professional medical staff. The skilled professional medical staff must directly supervise the supporting staff and the performance of the supporting staff’s work.

According to 50 Federal Register 46656, November 12, 1985,

Professional medical expertise must be necessary to fulfill the responsibilities of the skilled professional medical personnel's position. . . . The law did not intend to provide 75 percent FFP [Federal Financial Participation] merely to any staff person who has qualifying medical education and training and experience, without regard to his actual responsibilities. Rather, the function performed by the skilled professional medical personnel must be one that requires that level of medical expertise in order to be performed effectively. Consequently, 75 percent FFP is only available for those positions that require professional medical knowledge and skills, as evidenced by position descriptions, job announcements, or job classifications.

In accordance with 50 Federal Register 46657, November 12, 1985,

FFP must be prorated for split functions of skilled professional medical personnel and directly supporting staff. If the skilled professional medical personnel or directly supporting staff time is split among different functions, some of which do not qualify for 75 percent FFP, the skilled professional medical personnel or directly supporting staff costs must be allocated among the various functions. The allocation must be based on either the actual percentage of time spent within each function or another methodology that is approved by [CMS].

“Clerical staff is interpreted to mean secretarial, stenographic, and copying personnel, and file and records clerks that provide direct support to the skilled professional medical personnel. It does not include the cost of other subprofessional staff who do not perform clerical functions,” according to 50 Federal Register 46656, November 12, 1985. The Federal Register also states that:

Direct support means the provision of clerical services, which are directly necessary to the completion of the professional medical responsibilities and functions of skilled professional medical personnel. There must be documentation showing that the clerical services provided by the supporting staff are directly related and necessary to the execution of the skilled professional medical personnel's responsibilities. In order for the clerical services to be directly related to the skilled professional medical personnel's responsibilities, the skilled professional medical personnel must be immediately responsible for work performed by the clerical staff and must directly supervise (immediate first-level supervision) the supporting staff and the performance of the supporting staff's work.

Federal Cost Principles

Office of Management and Budget (OMB) Circular A-87, Attachment A, part (C)(1)(a), states that costs must "Be necessary and reasonable for proper and efficient performance and administration of Federal awards," and part C(1)(j) states that costs must "Be adequately documented."

Federal Regulations Concerning Reimbursement for Other Costs

Federal regulations (42 CFR § 433.15(b)(5)) state that the Federal Government will pay States for 75 percent of the costs of "compensation and training of skilled professional medical personnel and staff directly supporting those personnel if the criteria specified in 42 CFR § 432.50(c) and (d) are met." Further, 42 CFR § 433.15(b)(7) states that the Federal Government will pay 50 percent of the costs of "all other activities the Secretary finds necessary for proper and efficient administration of the State plan."

UNALLOWABLE ACTIVITIES INCLUDED BY THE STATE AGENCY

Medical Knowledge and Skills

Contrary to 42 CFR § 432.50(d)(1)(iii), the State agency claimed personnel costs at the enhanced rate for three employees in positions that did not require them to have medical knowledge or skills. Examples of the employees' duties included managing and administering the System of Care program, and administering the budget for Children's Services. The position descriptions stated that non-medical degrees, such as master's degrees in education, business, public administration, criminal justice, chemistry, or biology, could meet the positions' education requirements.

Education Requirements

The State agency claimed personnel costs at the enhanced rate for six employees who did not meet the 2-year education requirements pursuant to 42 CFR § 432.50(d)(1)(ii). Specifically, one employee had a master's degree in public administration, a master's degree of arts, and a

bachelor's degree in political science; one had a master's degree in hospital administration, a bachelor's degree in biology, and an associate's degree in liberal arts; and one had a high school diploma.

Two employees had master's degrees in psychology but did not have licenses to practice as psychologists. Therefore, they did not meet the requirements of Departmental Appeals Board Decision Number 1033, dated April 1989, which "concluded that a Ph.D. in psychology together with a State license to practice as a psychologist meets the educational limitation for SPMP [skilled professional medical personnel] status."

The sixth employee had a master's degree in social work with a concentration in planning and administration. However, Departmental Appeals Board Decision Number 1024, dated March 1989, states that a 2-year graduate degree in social work meets the education and training requirements for medical social work if it has specifically included health and/or medical applications. Because the employee's degree concentrated in planning and administration, the employee did not qualify as a skilled medical professional.

Split Functions

Contrary to 50 Federal Register 46657, November 12, 1985, the State agency claimed personnel costs at the enhanced rate for 36 employees whose staff time was split between different functions. Some of the functions were not reimbursable at the enhanced rate. The State agency did not have in place a CMS-approved methodology to allocate the different functions as required (50 Federal Register 46657). The State agency claimed 100 percent of the employees' time as Medicaid administration. However, some of the employees' time was ineligible for reimbursement at the enhanced rate because it was unrelated to skilled professional medical personnel administrative activities. Because we could not determine the amount of time spent on allowable activities, we disallowed the enhanced portion of the claim.

Some of the functions the State agency improperly claimed included home visits, which consisted of helping families with paperwork, determining what services they were eligible for, explaining who provided the services needed, and contacting agencies in order to provide such services. Other examples included supervisory duties; reviewing updates on budgets and State plan amendments; following up and collecting overpayments; reviewing cases that dealt with individuals denied Medicaid; and reviewing claims denied because of a billing issue. The State agency also assisted families by contacting agencies that cover non-Medicaid services, such as housing and utilities.

In addition, some individuals interviewed indicated that they did not spend all of their time working with Medicaid recipients or on Medicaid-related issues, while others indicated that not all of their duties required medical expertise. The State agency did not maintain any documentation to support the skilled professional medical personnel functions performed, time spent on functions unrelated to Medicaid, or functions that did not require medical expertise.

Directly Supporting Staff

Contrary to 50 Federal Register 46656, November 12, 1985, the State agency claimed personnel costs at the enhanced rate for 11 directly supporting staff who were not directly supervised or whose performance evaluations were not conducted by skilled professional medical personnel. In addition, the State agency claimed personnel costs at the enhanced rate for eight employees who did not meet the definition of directly supporting staff.

Improper Travel Costs

Contrary to 42 CFR § 433.15(b)(5) and (7), the State agency improperly claimed travel expenditures at the enhanced rate. The State agency improperly claimed network allocation costs as a travel expenditure. The network allocation expenses were for personnel costs of the Information Technology staff, which were not allowed at the enhanced rate.

The State agency also included travel costs for personnel and activities that were not claimable at the enhanced rate. In addition, it included travel costs for three other employees who were not classified as skilled professional medical personnel or directly supporting staff.

SUMMARY

The State agency did not properly claim payments for 67 skilled professional medical personnel at the enhanced Federal funding rate for FY 2003. Specifically, the State agency claimed costs for (1) personnel in positions that did not require medical expertise, (2) personnel who did not meet the educational requirements, (3) personnel whose staff time was split between different functions, and (4) directly supporting staff who either were not supervised by skilled professional medical personnel or did not meet the definition of directly supporting staff. The State agency also improperly claimed travel expenditures at the enhanced Federal funding rate.

STATE AGENCY DID NOT ADEQUATELY MONITOR MEDICAID ADMINISTRATIVE CLAIMS

The State agency did not properly claim payments for 67 skilled professional medical personnel at the enhanced Federal funding rate for FY 2003 because it did not have adequate policies and procedures to monitor and ensure that all personnel costs claimed at the enhanced rate met Federal regulations. It did not have a CMS-approved methodology to allocate split functions and did not ensure that it only claimed Medicaid administrative activities eligible for enhanced reimbursement.

EFFECT OF UNALLOWABLE CLAIMS PAID AT THE ENHANCED RATE

Because the State agency did not properly claim payments for employees at enhanced Federal funding rates, it received \$525,249 (Federal share) in overpayments for FY 2003 (see the following table).

Table: FY 2003 Unallowable Activities

Number of Unallowable Personnel	Amount of Unallowable Activity	Reason for Disallowance
3	\$4,706	Medical Expertise Not Required
6	34,008	Education Requirement Not Met
36	388,123	Split Functions and No Allocation Methodology
19	89,912	Directly Supporting Staff Issues
3	8,500 ³	Improper Travel Costs
67	\$525,249	Total Disallowance

RECOMMENDATIONS

We recommend the State agency:

- refund \$525,249 to the Federal Government,
- develop and implement policies and procedures to more closely monitor payments for skilled professional medical personnel and directly supporting staff, and
- develop a CMS-approved on methodology to allocate costs for personnel whose staff time is split between different functions.

STATE AGENCY’S COMMENTS

The State agency stated that it “disagree[d] with the recommendations in the draft report that [it] do[es] not believe to be consistent with Section 1903(a)(2) of the Social Security Act or its implementing regulations.” However, the State agency did not comment directly on any of the recommendations, but it did disagree with the majority of the findings. It stated that one employee cited as not meeting the education requirements was a registered nurse and provided the name used for the medical license. The State agency agreed that three other employees did not meet the education requirements. It also agreed that travel costs should not have been claimed at the enhanced rate for three employees.

The State agency’s comments are included in their entirety as an appendix; however, we did redact personal information.

³Amount includes \$8,295 for travel costs improperly claimed plus \$205 for network allocation costs improperly claimed as travel costs. The \$8,295 includes travel costs for 3 employees the State agency did not classify as skilled professional medical personnel or directly supporting staff plus the 23 employees whose staff time the State agency did not properly allocate between different functions.

MEDICAL KNOWLEDGE AND SKILLS

State Agency's Comments

The State agency disagreed that it claimed personnel costs at the enhanced rate for employees in positions that did not require medical knowledge and skills. It stated that we relied upon State of Missouri Merit Job Classifications to determine work duties, which it believes does not reflect the actual work duties of the individual staff. The State agency stated we should have used the position description or Performance Planning and Progress Discussion Form, which shows the staff's actual duties and responsibilities.

Office of Inspector General's Response

Based on the information provided by the Comptroller for the Department of Mental Health and the job duties described by the skilled professionals, the three positions disallowed at the enhanced rate did not require medical knowledge and skills. For example, the Program Specialist could have a degree in criminal justice or business administration. Some of the duties described by the skilled professionals did not require medical knowledge. For example, the Special Assistant Official and Administrator positions are involved in the budget process. Since the State agency did not use an approved methodology to allocate personnel costs for activities that did not meet Federal requirements, we were unable to determine which portion of the personnel costs might be eligible for reimbursement at the enhanced rate. Therefore, we continue to recommend that the State agency refund the personnel costs associated with claimed activities that did not require medical knowledge.

EDUCATION REQUIREMENTS

State Agency's Comments

The Department of Mental Health disagreed that it claimed personnel costs for employees who did not meet the 2-year education requirement. The State agency stated that the three people disallowed were fully licensed to practice professional clinical social work. The State agency quoted Missouri Revised Statutes as evidence that the three employees met the education requirements because they have master's degrees and performed 3,000 hours of supervised clinical experience with a licensed clinical social worker.

However, the Department of Health and Senior Services agreed that three individuals did not have the appropriate education to qualify for reimbursement at the enhanced rate. The State agency disagreed that a fourth individual did not meet the education requirements. The fourth individual was a registered nurse.

Office of Inspector General's Response

We agree that two Department of Mental Health employees were licensed clinical social workers with master's degrees in psychology. However, according to Departmental Appeals Board Decision Number 1033, the employees needed a Ph.D. in psychology and a State license to practice as psychologists. The third employee had a master's degree in social work with a concentration in planning and administration. Departmental Appeals Board Decision Number 1024 stated that to meet the education requirements, social work training must include health and/or medical applications. Therefore, we continue to recommend that the State agency refund the amount associated with employees who did not meet the education requirements.

We commend the Department of Health and Senior Services for agreeing that three individuals did not meet the education requirements. We agree that the fourth person did meet the education requirements and reduced the recommendation by \$79 (Federal share).

SPLIT FUNCTIONS

State Agency's Comments

The State agency stated that it based personnel costs claimed at the enhanced rate on actual costs for duties requiring medical knowledge. The State agency described the primary staff duties for which we disallowed the enhanced portion of the personnel costs. Some of the duties the State agency mentioned included (1) reviewing and assessing managed care plan quality care outcomes, (2) reviewing and analyzing medical records in conjunction with medical providers' paid claims, (3) establishing criteria on which system edits are based for payment or denial of drug claims, and (4) supervising staff.

The State agency stated that CMS approved the payment methodology and reviewed the CMS-64 claims on a quarterly basis without questions or requests for supporting documentation. The State agency also stated that the "payroll system requires each person to have a default labor distribution profile (LDPR) assigned." For staff claimed as skilled professional medical personnel, it based the default profile on the actual coding of time by staff and calculated the percentages for the profile accordingly. The State agency stated that since the allocation was based upon the actual percentage of time spent within each function, CMS did not need to approve the methodology for allocating these costs.

Office of Inspector General's Response

While we agree that some of the tasks performed by the skilled professionals may be allowable at the enhanced rate, not all of the activities claimed were allowable. We were unable to determine the amount of time spent on unallowable activities; therefore, we continue to recommend that the State agency refund the enhanced portion of the skilled professional medical personnel costs in which the staff's time was not properly allocated.

We reviewed the cost allocation plan, approved by CMS, and determined that the State agency did not include how it planned to allocate skilled professional medical personnel costs. We also reviewed time sheets for a sample of skilled professional medical personnel in two departments and determined that the staff allocated their time between the various programs. However, the time sheets did not show the tasks performed by the staff, such as time spent supervising and reviewing updates on budgets. Therefore, we continue to recommend the State agency develop a CMS approved methodology to allocate costs for those personnel whose staff time is split between different functions.

DIRECTLY SUPPORTING STAFF

State Agency's Comments

The Department of Social Services did not concur that eight Medicaid technicians did not meet the requirements for directly supporting staff because skilled professional medical personnel directly supervised the staff. It stated "CMS gives the State agencies latitude to design programs in the most efficient manner, including use of upper level clerical/technical support staff in lieu of licensed health care professionals when appropriate." The duties for seven of the Medicaid technicians included: answering telephone hotline, responding to faxes, and manually pricing exception claims.

In addition, the State agency stated that although a skilled medical professional did not perform the evaluations for directly supporting staff, a skilled medical professional provided direct supervision. It also stated that Federal regulations do not require skilled professional medical personnel to provide performance evaluations. Instead, Federal regulations require that skilled professional medical personnel supervise performance of support staff's work, which it stated occurred. Some of the clerical staffs' duties included; entering risk assessment information into a database, mailing forms to the appropriate case management agency and making the nurse's travel arrangements. The State agency stated that activities were directly related and necessary to the execution of the skilled professional medical personnel's responsibilities.

Office of Inspector General's Response

We agree that skilled professional medical personnel directly supervised the Medicaid Technicians; however, direct supervision was only one of the requirements. According to 50 Federal Register 46656, clerical staff is secretarial, stenographic, and copying personnel. The Federal Register "did not include the cost of other subprofessional staff not performing clerical functions."

We agree that directly supporting staff performed some work for skilled professionals; however the staff also worked for a non-skilled medical professional. In addition, there was no evidence, such as performance evaluations, to support the skilled medical professional directly supervised the directly supporting staff. The Deputy Director and other administrative support staff conducted the performance evaluations for the directly supporting staff.

Federal regulations state that skilled professional medical personnel "must directly supervise the

supporting staff and the performance of the supporting staff's work." According to the CMS Financial Management Review Guide, the best evidence of direct supervision would be that the skilled medical professional is officially responsible for conducting and signing the directly supporting staff's performance appraisal as the immediate first-level supervisor. Generally, we determined that senior administrative staff or other non-skilled medical personnel were the first line supervisors and conducted the performance evaluations for the directly supporting staff. The Guide also states that none of the directly supporting staff would qualify for enhanced match in a unit that is supervised by non-skilled medical personnel, but which has skilled medical personnel in it.

We continue to recommend that the State agency refund the enhanced portion of personnel costs associated with directly supporting staff.

IMPROPER TRAVEL COSTS

State Agency's Comments

The Department of Health and Senior Services stated that the disallowance for employees under "Split Functions" was not appropriate; therefore, the travel costs associated with the employees were allowable.

The State agency agreed that it should not have claimed travel expenses for three employees at the enhanced rate.

The Department of Health and Senior Services stated that it billed Department of Social Services for skilled professional medical personnel at the enhanced rate, which included network allocation costs. The Department of Health and Senior Services claimed the network costs at the 50-percent rate and not the enhanced rate. It stated that the total network costs were \$410.60 and the amount claimed was \$205.30. The State agency stated that since it did not claim the costs at the enhanced rate, the network costs should not be disallowed.

Office of Inspector General's Response

We continue to believe that travel expenses associated with employees discussed in "Split Functions" should not be reimbursed at the enhanced rate. Therefore, we continue to recommend the State agency refund \$8,272.

We commend the State agency for agreeing that travel costs (\$23 amount disallowed) associated with three employees should not have been claimed at the enhanced rate.

According to documentation provided by the Division of Budget and Finance, the total network allocation costs for the period in question was \$818. The Department of Health and Senior Services claimed the enhanced portion of the network allocation costs (\$614) as travel costs and

were reimbursed. We disallowed the enhanced portion of the costs or \$205. Unless the State agency provides other documentation, we continue to recommend it refund the enhanced portion of the network allocation costs.

We also continue to recommend that the State agency develop and implement policies and procedures to more closely monitor payments for skilled professional medical personnel and directly supporting staff.

APPENDIX



**MISSOURI
DEPARTMENT OF SOCIAL SERVICES**

P. O. BOX 1527
BROADWAY STATE OFFICE BUILDING
JEFFERSON CITY
65102-1527
TELEPHONE: 573-751-4815, FAX: 573-751-3203

Matt Blunt
GOVERNOR
K. Gary Sherman
DIRECTOR

RELAY MISSOURI
for hearing and speech impaired
TEXT TELEPHONE
1-800-735-2886
VOICE
1-800-735-2486

April 28, 2006

Patrick J. Cogley
Regional Inspector General for Audit Services
Office of Inspector General
Federal Office Building
601 East 12th Street, Room 284A
Kansas City, Missouri 64106

Re: Report number A-07-05-03066

Dear Mr. Cogley:

This letter is in response to the recommendation in the draft report entitled "Missouri Medicaid Payments for Skilled Professional Medical Personnel" dated February 15, 2006.

We disagree with the recommendations in the draft report that we do not believe to be consistent with Section 1903(a)(2) of the Social Security Act or its implementing regulations. The intent of the statutory provision for an enhanced FFP rate of 75% for skilled professional medical personnel and their directly supporting staff is intended to encourage State agencies to employ personnel who have the professional medical expertise necessary to develop and administer Medicaid programs that are medically sound as well as administratively efficient. In implementing this provision, the Centers for Medicare and Medicaid Services (CMS) has recognized that professional medical knowledge "is needed to shape the medical aspects of the program, including the determination of which medical services should be included in a well-balanced medical benefit program, coordination of available medical resources, and establishment of working relationships with the professional medical community." (50 Federal Register 46652, 1985)

The use of skilled professional medical personnel and their directly supporting staff in the Missouri Medical Assistance (Medicaid) Program is consistent with the statutory intent and meets the requirements under Federal regulation 42 CFR 432.50 (d) (1). Except for the minor exceptions noted below, (i) costs are for activities directly related to the administration

****AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER****
services provided on a nondiscriminatory basis

of the Medicaid program; (ii) the skilled professional medical personnel have the requisite professional education and training in a medical field; (iii) their professional medical expertise is necessary to fulfill the responsibilities of their position effectively; (iv) an employer-employee relationship exists between the State agency and the skilled professional medical personnel and directly supporting staff; and (v) the directly supporting staff provide clerical services that are directly necessary for carrying out the professional medical responsibilities and functions of the skilled medical personnel.

We note that in a number of circumstances the draft report determined that certain positions did not require professional medical expertise based on the job classification of the position. We note that CMS, in adopting its rules, has explained that "positions that require professional medical knowledge and skills" is not limited to job classification but may be evidenced by "position descriptions, job announcements, or job classifications." (50 Federal Register 46652)

This letter is formatted to follow the outline of the audit addendum that was provided to the Department of Social Services/Division of Medical Services (DSS/DMS) as a result of inquiries regarding which agency and personnel were referred to in the February 15, 2006 draft audit. The audit addendum contained the detail necessary for the agencies to respond.

1. Medical Knowledge and Skills

The State agency claimed personnel cost at the enhanced rate for three employees in positions that did not require them to have medical knowledge or skills.

Department of Mental Health Response: The Department of Mental Health (DMH) disagrees that personnel costs was claimed at the enhanced rate for employees in positions that did not require medical knowledge or skills. The Office of Inspector General (OIG) relied upon State of Missouri Merit Job Classification to determine work duties. This is a broadly defined job classification which covers a number of staff across multiple state agencies. It does not reflect the actual work duties of an individual staff person. The appropriate document that provides a staff person's actual job duties and responsibilities as established specifically for the Division of Alcohol and Drug Abuse, DMH, is the State of Missouri, Office of Administration, Division of Personnel, position description. The position description for [redacted] is identical to the other position descriptions for Clinical Review staff. This position requires licensure or certification as medical personnel.

OIG relied upon the State of Missouri Merit Job Classification to determine job duties. As indicated, this document does not reflect the actual job duties or functions of a staff person. actual job duties are contained in the Performance Planning and Progress

Discussion Form. This document specifically identifies that reviews clinical charts and provides clinical feedback and consultation to the State agency.

OIG relied upon the State of Missouri Merit Job Classification to determine job duties. As indicated, this document does not reflect the actual job duties or functions of a staff person.

is a Ph.D. Psychologist and her job duties and responsibilities are reflected in her Performance Planning and Progress Discussion Form.

2. Education Requirements

The State agency claimed personnel costs at the enhanced rate for seven employees who did not meet the two-year education requirements.

Department of Mental Health Response: DMH disagrees that personnel costs were claimed for employees who did not meet the two-year education requirements. In reference to the three staff referred to in the following state response:

the State of Missouri has fully licensed these individuals to practice professional clinical social work. This licensure satisfies the regulation that explicitly defines professional education and training as being "demonstrated by possession of a medical license, certificate or other documents issued by a recognized National or State medical licensure or certifying organization." The State has licensed these professionals to practice in the healing arts; is it the intent of OIG to ignore or even negate that license?

The three staff in question:

are licensed as clinical social workers by the State of Missouri. Missouri Revised Statutes, Chapter 337, Section 227.615 indicates that "each applicant for licensure as a clinical social worker shall furnish evidence...that: (1) The applicant has a master's degree from a college or university program of social work accredited by the council of social work education or a doctorate degree from a school of social work acceptable to the committee." In addition, the applicant for licensure as a clinical social worker must "have completed three thousand hours of supervised clinical experience with a licensed clinical social worker acceptable to the committee... in no less than twenty-four months and no more than forty-eight consecutive calendar months." All the requirements of the skilled medical personnel regulation are met for these staff as demonstrated by their licensure as clinical social workers.

Department of Health and Senior Services Response: The Department of Health and Senior Services (DHSS) agrees that three individuals listed for DHSS do not have the appropriate education to qualify for the reimbursement at the enhanced rate. Apparently errors were made in the coding of time into the SAM II Human Resources system. However, one individual listed for DHSS, is listed as being an LPN (only

one-year program), but is actually a registered nurse (RN) and has been since September 22, 1995. This individual's full name is [redacted] and she goes by [redacted]. Her last name was previously [redacted]. Please refer to Attachment 1 from the Missouri Division of Professional Registration for supporting RN registration information for this individual. Given this individual is a RN she, therefore, does have the appropriate education to qualify for the reimbursement at the enhanced rate.

3. Split Functions

The State agency claimed personnel costs at the enhanced rate for 36 employees whose staff time was split between different functions. Some of the functions were not reimbursable at the enhanced rate.

Department of Social Services Response: DSS believes DMS personnel costs claimed at the enhanced rate were based on actual costs for duties and responsibilities requiring medical knowledge and skills. CMS approved the payment methodology provided in Missouri's Cost Allocation Plan. CMS regional office staff has reviewed the CMS-64 claims for payment on a quarterly basis without question or requests for supporting documentation. If there are questions regarding the quarterly claiming methodology, an opportunity should be provided to the state to make changes prior to any disallowances.

RN V: His duties focused on reviewing and assessing managed care plan quality of care outcomes, including provision of appropriate medical treatment for Medicaid recipients based on diagnosis and patient history. [redacted] also served as the DMS representative in recipient hearings. Medical expertise and training was essential to accomplishing these responsibilities.

RN III: [redacted] performs in-depth retrospective review and analysis of medical records in conjunction with medical providers' paid claims. Medical expertise and knowledge is essential to interpreting clinical documentation to substantiate appropriateness of actual billed charges and education of providers as needed to ensure program integrity.

Pharmaceutical Consultant: [redacted] is a Registered Pharmacist whose primary duty is to utilize her pharmaceutical expertise to establish clinical criteria on which system edits are based for payment or denial of drug claims. Other responsibilities entail provision of pharmacy provider education and consultation with other staff on nearly all aspects of retail pharmacy operation and appropriate billing of services.

RN IV: [redacted] duties for the specified time period were identical to [redacted] as described above.

RN III and IV: With the exception of hearing officer duties, duties for the specified time period were identical to as described above.

RN IV: directly supervises the Prior Authorization hotline staff (seven Medicaid Technicians) and is responsible for all aspects of the daily hotline operation. These staff respond to telephoned and faxed requests from physicians, pharmacists, or their designated office staff for overrides of denied drug claims. performs an extensive six-months of training for her staff, directs and oversees all of their work, is available for consultation as needed by the Medicaid Technicians, and consults clinically with other nurses, physicians, or pharmacists regarding specific patient cases as needed. Medical expertise and knowledge is utilized in all aspects of duties to ensure that Medicaid recipients receive medically necessary and appropriate medications. also serves as back up on an "as needed basis" to in her duties described directly below.

, RN V: is responsible for clinical review and determination of Exceptions requests from providers for otherwise non-covered services. Her reviews consist of determining whether the requested service is medically essential, life-sustaining, or will result in improved quality of life for the patient. Education and experience in nursing and related medical expertise is essential to reviewing these requests for approval or denial. must be aware of new treatments or medical equipment and technology in order to make independent decisions on whether the State will pay for the non-covered service. directly supervised one Medicaid Technician, at the time of this audit. In addition, on an as-needed basis, serves as back up to in her duties noted above.

Administrative Office Support Assistant (AOSA): is directly supervised by both and both of whom are licensed clinical pharmacists. primary responsibility is to serve as clerical support to both of these individuals, including answering the telephone, scheduling appointments, typing, copying, faxing, emailing, and assisting with all aspects of meetings conducted by must use her medical knowledge to provide clinical information to callers, frame and categorize pharmaceutical study information, and prioritize responses to pharmaceutical manufacturers inquiring about unit policy.

Pharmaceutical Consultant: is a registered and licensed Doctor of Pharmacy (Pharm.D.) who is primarily responsible for supervising all functions of the Pharmacy and Clinical Services Unit of the DMS. He utilizes clinical pharmaceutical knowledge and expertise in all aspects of directing the unit, including decision-making regarding reimbursement issues, budgetary issues, systems issues, policy issues, and all other program related aspects in which the unit is involved. He is

essential clinical back-up for the Division Director,
and assists in many clinical areas affecting the Division as a whole.

RN III: duties are identical to
as described above.

Department of Health and Senior Services Response: The State of Missouri's payroll system requires each person to have a default labor distribution profile (LDPR) assigned. The system assumes the person's salary will be paid based upon the percentages in the LDPR unless their time is overridden to a different LDPR. If staff work on a specific grant, they will override the default LDPR and use the LDPR assigned to that grant or activity. Staff code time is based upon the tasks on which they worked. The program unit determines the default LDPR for each person. For staff claimed as skilled professional medical personnel, the default LDPR was based upon the actual coding of time by staff, and the percentages for the LDPR were calculated accordingly.

The nursing staff in the Bureau of Special Health Care Needs (BSHCN) have several LDPR codes to use in recording their time. One of these codes is for the Healthy Children and Youth Skilled Medical activities. This is the code used by skilled medical professional personnel such as nurses in the administration of the Medicaid Healthy Children and Youth (HCY) Administrative Case Management Program. A description of these functions is provided below. As a result, payment for that time period is charged to Medicaid at the enhanced rate. If they perform other activities or functions not related to the skilled nursing function, they use other codes (LDPRs) that reflect the activity being performed. Therefore, the skilled medical function is reported at 100% and is not a split function. This is the actual percentage of time spent carrying out these duties.

For personnel costs claimed at the enhanced rate for skilled professional medical personnel, it has been determined that 13% of the personnel costs claimed at the enhanced rate was paid from the default LDPR. The remaining 87% of the personnel costs claimed at the enhanced rate was directly related to activities that require professional medical knowledge and skills.

The personnel costs claimed at the enhanced rate were based on actual costs performed by staff whose duties and responsibilities require professional medical knowledge and skills. The default LDPR was based on actual coding of time by staff. Since staff did work on other activities, the default LDPR reflected these other activities and the actual time spent on these various activities, including the enhanced rate activities, was used to determine the percentages. In addition, override LDPRs were used when duties were related to a specific grant.

FFP must be prorated for split functions of skilled professional medical

personnel and directly supporting staff (50 Federal Register 46657, November 12, 1985). If the skilled professional medical personnel or directly supporting staff time is split among different functions, some of which do not qualify for 75% FFP, the skilled professional medical personnel or directly supporting staff costs must be allocated among the various functions. The allocation must be based on either the actual percentage of time spent within each function or another methodology that is approved by CMS.

Since the allocation for the default LDPR was based upon the actual percentage of time spent within each function, CMS did not need to approve the methodology for allocating these costs. Therefore, the personnel costs claimed at the enhanced rate are allowable costs.

According to OIG auditors, they used state merit job descriptions, the CMS Review Guide, and information provided to them by staff interviewed to determine whether various work tasks required skilled medical professionals to complete them. The audit report states:

Some of the functions the State agency improperly claimed included home visits, which consisted of helping families with paperwork, determining what services they were eligible for, explaining who provided the services needed, and contacting agencies in order to provide such services. Other examples included supervisory duties; reviewing updates on budgets and State plan amendments; following up and collecting overpayments; reviewing cases that dealt with individuals denied Medicaid; and reviewing claims denied because of a billing issue. The State agency also assisted families by contacting agencies that cover non-Medicaid services, such as housing and utilities.

In addition, some individuals interviewed indicated they did not spend all of their time working with Medicaid recipients or on Medicaid-related issues, while others indicated that not all of their duties required medical expertise. The State agency did not maintain any documentation to support the skilled medical personnel functions performed, time spent on functions unrelated to Medicaid, or functions that did not require medical expertise.

The OIG auditors stated at the exit conference they used state merit job descriptions for the skilled medical professionals as a resource to determine whether the job duties performed required a skilled medical professional. In DHSS' case, that would mean they reviewed the Community Health Nurse III, Community Health Nurse IV, Community Health Nurse V, and Community Health Nurse Consultant. Each of these job descriptions, as is implied in the title of the classification and stated as requirement in the job description document, require individuals in this classification to be registered nurses and to have varying years of experience of working as a community health nurse. Therefore, this information further supports our

position that the individuals acting in these classifications are, in fact, required to be nurses to carry out their public health functions.

DHSS is concerned with the auditors using a CMS Review Guide and information from interviews with staff as resources to determine whether the job duties performed required a skilled medical professional. The CMS Review Guide is not in regulation and, as such, state agencies have not been allowed to review it and provide any comments/concerns/suggested enhancements associated with the guide to CMS prior to utilization. As such, it is not appropriate for OIG to use this resource to make a determination as whether such job duties are, or are not, skilled medical in nature. In addition, DHSS is uncertain why OIG auditors refused to provide a listing of questions they intended to ask staff interviewed and also refused to allow a DHSS staff member to be present during the interviews with staff. This information and the allowance of a DHSS staff member to be present during interviews would enable DHSS to ensure the questions posed to staff were not leading in nature and that staff responses to questions were not taken out of context.

During the exit conference, DHSS requested information from the OIG auditors as to a listing of the questions posed during the interviews, the context in which the questions were posed, and the full responses provided by the staff being interviewed. OIG auditors responded that they would provide some additional information concerning this matter to DHSS; however, to date, this information has not been provided by OIG to DHSS. Based on this information, DHSS is very concerned the auditors may have misunderstood, and/or taken some staff responses provided during interviews out of context, and as such does not concur with the findings related to split functions.

DHSS' financial system, which allows for the use of LDPRs and overrides for performing various functions coupled with the department's time accounting policies and time keeping training provided to staff, ensures staff are coding the time they work on various functions properly. It is not appropriate for OIG to disallow the enhanced match for all of our skilled medical professionals based on alleged statements during some interviews with staff. Regardless of subjective statements that may have been made by staff or interpreted during interviews with OIG auditors, the merit classifications of these staff alone require skilled medical professionals to carry out these vital public health functions and do meet the criteria set forth in regulation for claiming the enhanced skilled medical match.

Description of the nurse's role in the administration of the Medicaid Healthy Children and Youth (HCY) Administrative Case Management Program

BSHCN employs registered nurses who are qualified according to the Community Health Nurse III qualifications as set forth by the Office of Administration (Attachment 2 - Job Description) to perform the functions of administrative case management.

The HCY program in Missouri is a comprehensive, primary, and preventive health care program for Medicaid eligible children. The program is also known as Early and Periodic Screening, Diagnosis and Treatment (EPSDT). The Social Security Act authorizes Medicaid coverage of medical and dental services necessary to treat or ameliorate defects and physical and mental illness identified by an HCY screen. These services are covered by Medicaid regardless of whether the services are covered under the state Medicaid plan. Services identified by an HCY screening that are beyond the scope of the Medicaid state plan may require a plan of care identifying the treatment needs of the child with regard to amount, duration, scope, and prognosis. Prior authorization (PA) of services may be required for service needs and for services of extended duration. The HCY program is designed to link the child and family to an ongoing health care delivery system.

DHSS maintains that the duties performed by the community health nurses are related to Medicaid recipients and are Medicaid related issues. The activities performed by the community health nurses when coding to the skilled professional medical LDPR are:

- Assessment for adequacy of medical care
- Assessment for adequacy of services provided
- Act as a liaison with multiple disciplines regarding the medical aspects of the program
- Assistance in establishing a medical home for clients
- Assistance with making appointment for primary care and screening services or evaluations and treatment services
- Development of interdisciplinary/multidisciplinary teams and coordinating required medical services
- Identification of the kind, amount, intensity and duration of services that are required to meet goals
- Identification of potential providers of service
- Prior authorization of services identified as medically necessary such as private duty nursing, personal care assistance and home health services
- Monitoring services to assure client stability and/or progress
- Regular re-assessment of the care plan and services

To accomplish the listed activities, the nurses complete regularly scheduled home visits with the clients and their caregivers. This affords the opportunity to assess the client, assess the environment and support systems in place,

and identify needs. They communicate regularly with other health care professionals by phone, correspondence, and in person. They also review physician medical records, home health agency client records, nursing notes, and other related medical documentation. The result of the complete and accurate assessment of the client and resources leads to appropriate authorization of services.

Department of Mental Health Response: DMH disagrees that it claimed personnel costs that are not reimbursable at an enhanced rate. is a trained clinical psychiatrist. One of his job duties as reflected in the DMH claim is clinical case reviews which require a medical degree. Given that only 2.9% of salary is claimed and he spends a significant amount of his time providing medical consultation to the State agency, this claim is lower than warranted. Further detail is required from the OIG to support their finding.

is an RN-IV responsible for the supervision of Community RN-IIIs located throughout the state. The RN-IIIs are responsible for assessing medical needs of individuals who participate in the Medicaid Home and Community Based Waivers. and the RN-IIIs consult with service coordinators and provider staff to recommend "best practice care" to meet the medical needs of individuals participating in the waiver. She is responsible for writing policy and regulations related to medical care and monitoring care for persons participating in the waivers. She also trains other RNs and division and provider staff on medically related issues. Further detail is required from the OIG to support their finding.

4. Directly Supporting Staff

The State agency claimed personnel costs at the enhanced rate for 11 directly supporting staff who were not directly supervised or whose performance evaluations were not conducted by skilled professional medical personnel. In addition, the State agency claimed personnel costs at the enhanced rate for eight employees who did not meet the definition of directly supporting staff.

Department of Social Services Response: DSS does not concur with this finding. The eight Medicaid Technicians listed in the report were working under the immediate supervision of skilled professional medical personnel, and the same skilled professional medical personnel conducted their performance evaluations. CMS gives the State agencies latitude to design programs in the most efficient manner, including use of upper level clerical/technical support staff in lieu of licensed health care professionals when appropriate.

Seven of the Medicaid Technicians listed

worked directly under

answering the telephone hotline, responding to faxes, and utilizing pre-approved criteria to assist providers inquiring about prior authorized or clinically edited drug claims. One Medicaid Technician, served directly under RN V to manually price Exceptions claims, perform data entry, and serve as essential back-up and support for All eight of these Medicaid Technicians served as an extension to the functions performed by and in that without these direct support staff, the State would be pressed to hire additional registered nurses at a significantly higher salary to perform these functions. The provision of an enhanced rate for these individuals is significantly less expensive to the federal government than an enhanced rate for additional registered nurses and a much more efficient use of staff, especially given the scarcity of nurses.

In addition, the State would emphasize that the position of Medicaid Technician is only one-step above that of a Medicaid Clerk IV in the Missouri Merit System, and the distinction between the responsibilities of the two positions is very subtle. The services provided by the above noted Medicaid Technicians are directly necessary to the completion of the professional medical responsibilities and functions of skilled professional medical personnel. Documentation is available, if requested, showing that the services provided by these supporting staff are directly related and necessary to the execution of the skilled professional medical personnel's responsibilities. The skilled professional medical personnel are immediately responsible for work performed by the Medicaid Technicians.

Department of Health and Senior Services Response: Five of the seven DHSS staff worked on the Medicaid Prenatal Case Management Program. This program was managed and directed by a Community Health Nurse Consultant. The primary purpose of the program was to carry out quality assurance activities for prenatal case management for those agencies doing fee-for-service care as identified by Medicaid. The nurse provided oversight and technical assistance. The clerical staff directly supported the nurse in doing this function, and their performance appraisals include the specific performance expectations relating to the Prenatal Case Management program, such as "Case Management Forms Processing and Data Entry" for "Provide clerical support for Prenatal Case Management" for "Open, sort, and date stamp Risk Appraisals for Pregnant Women..." for The clerical staff received risk assessment forms from physicians and public health agencies, entered this information into a data base, generated reports for the nurse, and sorted and mailed these forms to the appropriate case management agency. In addition, staff provided support for the nurse in making travel arrangements and processing reports. These are all directly related and necessary to the execution of the skilled professional medical personnel's responsibilities.

During the time covered by the audit, clerical staff within the Bureau of Family Health were not organizationally assigned to the Consultant

Community Health Nurse. Therefore, the individual who was assigned supervision on the organizational chart signed staff appraisals. However, the nurse provided direct supervision of these staff when they performed activities for the Prenatal Case Management program. The nurse was responsible for management of all aspects of the program and had authority to direct the work of the clerical staff. Also she was designated as an individual who could assign and evaluate work on the position description and contributed to the performance appraisals of these staff pertaining to the Prenatal Case Management program.

Time was charged to this program through the SAM II Human Resources system as staff worked on this program. DHSS is not able to duplicate the dollar amounts provided in the report. DHSS would need to see the OIG's calculation in order to agree or disagree with the numbers presented.

Two of the seven DHSS staff worked in the Bureau of Special Health Care Needs. Apparently errors were made in the coding of time into the SAM II financial system for During the time covered by the audit, was organizationally assigned to a Community Consultant Health Nurse, as her performance expectations indicate "Serve as secretarial support for the Infants & Toddlers Life Stage as well as for the Consultant Community Health Nurse in the central office, who was then the manager for the Physical Disabilities Waiver program." However, during this same period all clerical staff in the bureau were organizationally assigned to two AOSAs, who completed their performance appraisals with input from staff they worked directly for.

Department of Mental Health Response: DMH disagrees with this finding that employees did not meet the definition of directly supporting staff. provided direct clerical support to skilled professional medical personnel. Her services were necessary for them to complete their duties. Although they did not provide formal "performance evaluations" as indicated in the OIG comments, such "performance evaluations" are not required in regulation (CFR 432.55 (iii)(v)). Instead, regulation requires that skilled medical staff supervise performance of support staff's work, which in fact was the case.

5. Improper Travel Costs – Department of Health and Senior Services

We disallowed 25% (\$8,295) of the travel costs claimed by the Department of Health and Senior Services for personnel and activities that were not claimable at the enhanced rate.

In addition, it included travel costs for three other employees who were not classified as skilled professional medical personnel or directly supporting staff.

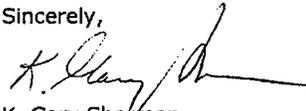
Department of Health and Senior Services Response: The disallowance for the employees under "split functions" is not appropriate (see response above). Therefore, the travel associated with these individuals is allowable. DHSS is not able to duplicate the dollar amounts provided in the report. Additional information is needed to verify the dollar amounts.

DHSS agrees that travel should not have been reimbursed at the enhanced rate. The funding distribution on the expense reports was in error.

On the November 6, 2003, billing to DSS for the enhanced rate for skilled professional medical personnel, network allocation costs were claimed. DHSS claimed these costs at the 50% rate and not the enhanced rate of 75%. Total costs during that reporting period was \$410.60, and the amount requested for reimbursement was \$205.30. The billing mistakenly did not note that these costs were at the 50% rate and not the 75% rate. Since these costs were not claimed at the enhanced rate, the network costs should not be disallowed.

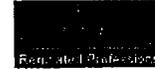
Please feel free to contact Q. Michael Ditmore, M.D., Director, Division of Medical Services in writing at P.O. Box 6500, Jefferson City, Missouri 65102 if you have additional questions.

Sincerely,



K. Gary Sherman
Director

KGS/tsf
Enclosures



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- directions
- disclaimer
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- mission
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Licensee Name:	
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Practitioner DBA Name:	
Certification Type:	
Classification:	
Licensee Number:	
Original Issue Date:	9/22/1995
Expiration Date:	4/30/2007

Current Discipline Status: None

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Division of Personnel

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State of Missouri
Office of Administration

home enu

Division of Personnel: Employee Services

- Employee Services
- Labor Relations
- Pay, Leave & Reporting
- Planning & Development

Annual Salary Range: \$32,580 - \$46,356

Index No: 4372

Twice-A-Month Salary Range: \$1,357.50 - \$1,931.50

Pay Grade: A24

COMMUNITY HEALTH NURSE III

DEFINITION

This is advanced professional community health nursing practice in the promotion and provision of nursing services in community health programs.

An employee of this class is responsible for the educational, investigative and community organization activities connected with community health nursing programs. Work involves providing nursing services in homes, schools and clinics in the community. Work normally includes the training and supervision of ancillary nursing personnel and may include supervision of lower ranking community health nurses. An employee of this class is normally assigned to a local or district health unit. Work is performed with considerable independence within established policies with professional guidance and supervision provided by a higher ranking community health nurse; administrative direction may be received from a designated administrative officer.

Any one position may not involve all of the specified duties or knowledges, skills and abilities, nor are the listed examples exhaustive.

EXAMPLES OF WORK

Assesses nursing needs of individuals and families, and develops nursing care plans to assure continuity of patient care which includes case management.

Gives skilled nursing service in homes; demonstrates and teaches family members the appropriate care to be given to patients.

Gives treatments and medications with physician's orders.

Participates in case-finding, referral and follow-up; coordinates activities with other professional disciplines.

In a small local health unit, may plan, develop and supervise nursing services; serves as administrator of the unit if designated.

Participates in surveys for community health planning and utilizes resource data available.

Serves as a health resource to teachers and other school personnel; participates in health education activities utilizing audio-visual aids, mass media, etc.

Organizes group services which may be provided in a variety of settings such as health service clinics; participates in recruiting, training and supervising volunteer workers.

Plans and conducts orientation and staff development activities.

<http://www.oe.mo.gov/pers/ClassSpecs/4372.htm>

3/15/2006

Division of Personnel

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Participates in epidemiological investigations in the home, school or community.

Performs other related work as assigned.

EXAMPLES OF KNOWLEDGES, SKILLS AND ABILITIES

Considerable knowledge of the principles and practices of professional nursing.

Working knowledge of the principles and practices of community health nursing.

Working knowledge of family dynamics.

Working knowledge of inter-professional relationships in the implementation of programs.

Working knowledge of available local community resources and ability to apply problem-solving techniques to community health needs.

Working knowledge of communicable disease control and epidemiology.

Some knowledge of the programs and objectives of a state health agency.

Ability to understand and follow directions.

Ability to maintain records and to prepare reports.

Ability to interpret and comply with federal and state public health laws and regulations and departmental programs, policies and procedures relative to community health nursing.

Ability to communicate effectively.

Ability to establish and maintain effective working relationships with patients, professional staff, other employees and the general public.

EXPERIENCE AND EDUCATION QUALIFICATIONS (The following entrance requirements are used to admit or reject applicants for merit system examinations, or may be used to evaluate applicants for employment in positions not requiring selection from merit system registers. When applicable, equivalent substitution will be allowed for deficiencies in experience or education.)

Possession of a Master's Degree in Nursing or Public Health from an accredited college or university.

OR

One year of professional nursing experience; and graduation from an accredited four-year college or university with a Bachelor's Degree in Nursing.

OR

Three years of professional nursing experience, two years of which must have been in community health nursing; and completion of a nursing program at an accredited diploma school of nursing or completion of an Associate of Arts Degree program in an accredited school of nursing.

NECESSARY SPECIAL REQUIREMENT

Possession of a current license to practice as a Registered Nurse in the State of Missouri at the time of

<http://www.oe.mo.gov/pers/ClassSpccs/4372.htm>

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appointment.

SPECIAL NOTE

Successful completion of an approved nurse practitioner course of not less than three months' duration with six months' preceptorship in the specialized areas of gerontology, community, family, maternal or child health; or nursing certification from the American Nurses' Association or another certifying organization approved by the Department of Health in the specialized areas listed above may be substituted for one year of the general professional or community health nursing experience.

(Rev. 2/1/93)

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<http://www.oe.mo.gov/pers/ClassSpecs/4372.htm>

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Attachment 2

Annual Salary Range: \$32,580 - \$46,356
Twice-A-Month Salary Range: \$1,357.50
- \$1,931.50

Index No: 4372
Pay Grade: A24

COMMUNITY HEALTH NURSE III

DEFINITION

This is advanced professional community health nursing practice in the promotion and provision of nursing services in community health programs.

An employee of this class is responsible for the educational, investigative and community organization activities connected with community health nursing programs. Work involves providing nursing services in homes, schools and clinics in the community. Work normally includes the training and supervision of ancillary nursing personnel and may include supervision of lower ranking community health nurses. An employee of this class is normally assigned to a local or district health unit. Work is performed with considerable independence within established policies with professional guidance and supervision provided by a higher ranking community health nurse; administrative direction may be received from a designated administrative officer.

Any one position may not involve all of the specified duties or knowledges, skills and abilities, nor are the listed examples exhaustive.

EXAMPLES OF WORK

Assesses nursing needs of individuals and families, and develops nursing care plans to assure continuity of patient care which includes case management.

Gives skilled nursing service in homes; demonstrates and teaches family members the appropriate care to be given to patients.

Gives treatments and medications with physician's orders.

Participates in case-finding, referral and follow-up; coordinates activities with other professional disciplines.

In a small local health unit, may plan, develop and supervise nursing services; serves as administrator of the unit if designated.

Participates in surveys for community health planning and utilizes resource data available.

Serves as a health resource to teachers and other school personnel; participates in health education activities utilizing audio-visual aids, mass media, etc.

Organizes group services which may be provided in a variety of settings such as health service clinics; participates in recruiting, training and supervising volunteer workers.

Plans and conducts orientation and staff development activities.

Participates in epidemiological investigations in the home, school or community.

Performs other related work as assigned.

EXAMPLES OF KNOWLEDGES, SKILLS AND ABILITIES

Considerable knowledge of the principles and practices of professional nursing.

Working knowledge of the principles and practices of community health nursing.

Working knowledge of family dynamics.

Working knowledge of inter-professional relationships in the implementation of programs.

Working knowledge of available local community resources and ability to apply problem-solving techniques to community health needs.

Working knowledge of communicable disease control and epidemiology.

Some knowledge of the programs and objectives of a state health agency.

Ability to understand and follow directions.

Ability to maintain records and to prepare reports.

Ability to interpret and comply with federal and state public health laws and regulations and departmental programs, policies and procedures relative to community health nursing.

Ability to communicate effectively.

Ability to establish and maintain effective working relationships with patients, professional staff, other employees and the general public.

EXPERIENCE AND EDUCATION QUALIFICATIONS (The following entrance requirements are used to admit or reject applicants for merit system examinations, or may be used to evaluate applicants for employment in positions not requiring selection from merit system registers. When applicable, equivalent substitution will be allowed for deficiencies in experience or education.)

Possession of a Master's Degree in Nursing or Public Health from an accredited college or university.

OR

One year of professional nursing experience; and graduation from an accredited four-year college or university with a Bachelor's Degree in Nursing.

OR

Three years of professional nursing experience, two years of which must have been in community health nursing; and completion of a nursing program at an accredited diploma school of nursing or completion of an Associate of Arts Degree program in an accredited school of nursing.

NECESSARY SPECIAL REQUIREMENT

Possession of a current license to practice as a Registered Nurse in the State of Missouri at the time of appointment.

SPECIAL NOTE

Successful completion of an approved nurse practitioner course of not less than three months' duration with six months' preceptorship in the specialized areas of gerontology, community, family, maternal or child health; or nursing certification from the American Nurses' Association or another certifying organization approved by the Department of Health in the specialized areas listed above may be substituted for one year of the general professional or community health nursing experience.

(Rev. 2/1/93)