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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 services rendered to Medi-Cal eligible students. LEA services may be billed on the paper *UB-04* claim or submitted electronically through Computer Media Claims (CMC). (See "Computer Media Claims [CMC] in this section for more information.)

Medical Necessity

Diagnostic or treatment services are considered medically necessary when used to correct or ameliorate defects and physical and mental illness and conditions discovered during a regular (periodic) or inter-periodic screen.

California Code of Regulations, 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 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.

Medi-Cal will not reimburse providers for services that are mandated by state law.

Free Care and Other Health Coverage Requirements

Med-Cal will not reimburse LEA providers for services provided to Medi-Cal recipients if the same services are offered for free to non-Medi-Cal recipients. LEA providers must use specific methods to ensure the care is not considered free, allowing Medi-Cal to be billed.

For LEA services provided to Medi-Cal eligible students to be reimbursable, the LEA must:

1. Establish a fee for each service provided (it could be sliding scale to accommodate individuals with low income);
2. Collect Other Health Coverage (OHC) information from all those served (Medi-Cal and non-Medi-Cal); and
3. Bill other responsible third party insurers.

The following chart clarifies when OHC insurers must be billed:

Insurance Status of Student	Services Provided to Students Authorized in an IEP/IFSP or Under Title V*	Eligible Services Provided to All Other Students
Medi-Cal only	Bill Medi-Cal	Bill Medi-Cal
Medi-Cal and OHC	Bill OHC, then Medi-Cal	Bill OHC, then Medi-Cal
No Medi-Cal, has OHC	Don't have to bill OHC	Must bill OHC

* Title V of the *Social Security Act* – Grants for States for Maternal and Child Welfare

The LEA must request OHC information for all students served, obtain a 100 percent response rate, and bill OHC insurers of Medi-Cal and non-Medi-Cal students prior to billing Medi-Cal. For Medi-Cal eligible students, OHC information can be obtained from the data layout displayed during the Internet eligibility verification process. Additional information about this Medi-Cal Web site Internet option and ways to verify eligibility is available in the *Local Educational Agency (LEA): Eligible Students* section of this manual.

If any parent refuses to allow the OHC to be billed, and the LEA service is still provided, it is considered free care and precludes the LEA from billing Medi-Cal for that type of service to any student.

Example Many schools have a school nurse on staff to provide necessary health services to all students without charging them for the care provided. The school must not bill Medi-Cal for LEA services provided by the school nurse that are not authorized in an IEP, IFSP or under Title V if the nurse provides LEA services to all students (not solely Medi-Cal eligible) without also billing OHC for non-Medi-Cal students.

Exceptions to the Free Care Requirement Medi-Cal covered services, provided under an IEP, IFSP or Title V, are exempt from the free care requirement. Although the services are exempt from the free care requirement, the LEA provider still must bill OHC insurers of Medi-Cal students for reimbursement before billing Medi-Cal.

Example A Medi-Cal eligible student with OHC is provided speech therapy that is documented in the student's IEP/IFSP. The LEA provider must pursue recovery from the OHC insurers for reimbursement before billing Medi-Cal.

State Mandated Assessments: Not Reimbursable LEAs are legally obligated to provide and pay for services that are mandated by state law, such as state mandated screenings. Services provided by LEAs that are mandated by state law are not reimbursable and must not be billed to Medi-Cal.

Examples Example: A child is referred by a teacher for a vision assessment (outside of the mandated periodicity schedule) because he may not be seeing the blackboard clearly. Because the vision test is not mandated by state law, Medi-Cal may be billed for services rendered to this child if the LEA performs all of the following:

- Requests OHC information for all students served
- Obtains a 100 percent response rate
- Bills all OHC insurers of Medi-Cal and non-Medi-Cal children for this service

Example: An IEP child receives a non-IEP assessment that is mandated by state law. Medi-Cal must not be billed, because this assessment is state mandated and is given free of charge to any student.

Other Health
Coverage Denials

If the OHC carrier denies a claim, the denial notice is valid and 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. That is, a claim will be processed by the Department of Health Care Services (DHCS) Fiscal Intermediary (FI) only if the denial reason listed on the *Explanation of Benefits* (EOB) or denial letter is a valid denial reason according to Medi-Cal standards.

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.

The following provider manual sections contain OHC codes, information about identifying student OHC and other general OHC billing information that LEAs need to submit Medi-Cal claims:

- *Other Health Coverage (OHC) Codes Chart* in the Part 1 manual
- *Other Health Coverage (OHC) Guidelines for Billing* in the Part 1 manual
- *Other Health Coverage (OHC)* section in this manual

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.

**Practitioner Services
Reimbursable to LEAs**

The two charts on following pages in this section are quick reference guides to help LEA providers identify the qualified rendering practitioners who may perform each LEA service. The charts also list additional service requirements; for example, when supervision is required.

- *Practitioner-Performed Assessment Services Reimbursable to LEAs*
- *Practitioner-Performed Treatment and TCM Services Reimbursable to LEAs*

Practitioner-Performed Assessment Services Reimbursable to LEAs

Practitioner	IEP/IFSP ASSESSMENTS							NON-IEP/IFSP ASSESSMENTS						
	Psychological	Psychosocial Status	Health	Health/Nutrition	Audiological	Speech-Language	Physical Therapy	Occupational Therapy	Psychosocial Status	Health/Nutrition	Health Education/Anticipatory Guidance	Hearing ⁽¹⁾	Vision ⁽¹⁾	Developmental
Registered Credentialed School Nurse			X ⁽⁶⁾							X ⁽⁶⁾	X ⁽⁶⁾		X ⁽⁶⁾	
Licensed Physician/Psychiatrist				X ⁽⁶⁾						X ⁽⁶⁾	X ⁽⁶⁾	X ⁽⁶⁾	X ⁽⁶⁾	
Licensed Optometrist													X ⁽⁶⁾	
Licensed Clinical Social Worker		X ⁽⁵⁾							X ⁽⁵⁾	X ⁽⁵⁾				
Credentialed School Social Worker		X ⁽⁵⁾							X ⁽⁵⁾	X ⁽⁵⁾				
Licensed Psychologist	X ⁽⁵⁾								X ⁽⁵⁾	X ⁽⁵⁾				
Licensed Educational Psychologist	X ⁽⁵⁾								X ⁽⁵⁾	X ⁽⁵⁾				
Credentialed School Psychologist	X ⁽⁵⁾								X ⁽⁵⁾	X ⁽⁵⁾				
Licensed Marriage and Family Therapist		X ⁽⁵⁾							X ⁽⁵⁾	X ⁽⁵⁾				
Credentialed School Counselor		X ⁽⁵⁾							X ⁽⁵⁾	X ⁽⁵⁾				
Licensed Physical Therapist							X ⁽³⁾							X ⁽³⁾
Registered Occupational Therapist								X ⁽³⁾						X ⁽³⁾
Licensed Speech-Language Pathologist						X ⁽⁴⁾						X ⁽⁴⁾		X ⁽⁴⁾
Speech-Language Pathologist						X ⁽²⁾⁽⁴⁾						X ⁽²⁾⁽⁴⁾		X ⁽²⁾⁽⁴⁾
Licensed Audiologist					X ⁽⁴⁾							X ⁽⁴⁾		
Audiologist					X ⁽²⁾⁽⁴⁾							X ⁽²⁾⁽⁴⁾		
Registered School Audiometrist												X ⁽⁴⁾		

- Notes: (1) State mandated assessments (hearing, vision and scoliosis) are not reimbursable under the LEA Program.
(2) Requires supervision. **A speech-language pathologist with a valid Preliminary or Professional Clear Services Credential in speech-language pathology does not require supervision.**
(3) Requires a written prescription by a physician or podiatrist, within the practitioner's scope of practice. In substitution of a written prescription, a registered credentialed school nurse, teacher or parent may refer the student for the assessment.
(4) Requires a written referral by a physician or dentist, within the practitioner's scope of practice. In substitution of a written referral, a registered credentialed school nurse, teacher or parent may refer the student for the assessment.
(5) Requires a recommendation by a physician, registered credentialed school nurse, licensed clinical social worker, licensed psychologist, licensed educational psychologist, or licensed marriage and family therapist, within the practitioner's scope of practice. In substitution of a recommendation, a teacher or parent may refer the student for the assessment.
(6) Requires a recommendation by a physician or registered credentialed school nurse. In substitution of a recommendation, a teacher or parent may refer the student for the assessment.

General Note: Credentialing requirements for licensed practitioners employed by LEAs are described in the *Local Educational Agency (LEA) Rendering Practitioner Qualifications* section of this manual.

Practitioner-Performed Treatment and TCM Services Reimbursable to LEAs

Practitioner	Physical Therapy	Occupational Therapy	Speech Therapy	Audiology (including Hearing Check)	Psychology and Counseling	Nursing Services	School Health Aide Services	Targeted Case Management
Registered Credentialed School Nurse						X		X
Certified Public Health Nurse						X ⁽⁶⁾		X
Licensed RN and Certified Nurse Practitioner						X ⁽⁵⁾		X
Licensed Vocational Nurse						X ⁽¹⁾		X
Trained Health Care Aide							X ⁽¹⁾	
Licensed Physician/Psychiatrist					X			
Licensed Clinical Social Worker					X ⁽⁴⁾			X
Credentialed School Social Worker					X ⁽⁴⁾			X
Licensed Psychologist					X ⁽⁴⁾			X
Licensed Educational Psychologist					X ⁽⁴⁾			X
Credentialed School Psychologist					X ⁽⁴⁾			X
Licensed Marriage and Family Therapist					X ⁽⁴⁾			X
Credentialed School Counselor								X
Licensed Physical Therapist	X ⁽²⁾							
Registered Occupational Therapist		X ⁽²⁾						
Licensed Speech-Language Pathologist			X ⁽³⁾					
Speech-Language Pathologist			X ⁽¹⁾⁽³⁾					
Licensed Audiologist				X ⁽³⁾				
Audiologist				X ⁽¹⁾⁽³⁾				
Program Specialist								X

Notes: (1) Requires supervision. **A speech-language pathologist with a valid Preliminary or Professional Clear Services Credential in speech-language pathology does not require supervision.**

(2) Requires a written prescription by a physician or podiatrist, within the practitioner's scope of practice.

(3) Requires a written referral by a physician or dentist, within the practitioner's scope of practice.

(4) Requires a recommendation by a physician, registered credentialed school nurse, licensed clinical social worker, licensed psychologist, licensed educational psychologist, or licensed marriage and family therapist, within the practitioner's scope of practice.

(5) Licensed registered nurses and certified nurse practitioners who do not have valid credentials require supervision.

(6) Certified public health nurses who do not have valid credentials require supervision, except when providing specialized physical health care services as specified in *California Education Code*, Section 49423.5.

General Notes: MEDICAL TRANSPORTATION AND MILEAGE ALSO ARE REIMBURSABLE TO LEAs PURSUANT TO STANDARDS IN CALIFORNIA CODE OF REGULATIONS (CCR), TITLE 22, SECTION 51491(h).

Credentialing requirements for licensed practitioners employed by LEAs are described in the *Local Educational Agency (LEA) Rendering Practitioner Qualifications* section of this manual.

Service Limitations

LEAs are authorized to bill for the services as outlined in the preceding charts for students with or without an Individualized Education Plan (IEP) or Individualized Family Services Plan (IFSP). LEA providers must use the appropriate billing CPT-4 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) Services* 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.

LEA services not authorized in a student's IEP or IFSP are limited to a maximum of 24 services (assessment, treatment and transportation) per 12-month period for a recipient without prior authorization. For non-IDEA (Individuals with Disabilities Education Act) students, LEAs may obtain prior authorization for LEA services rendered beyond 24 services per 12-month period from:

- California Children's Services program
- Short-Doyle program
- Medi-Cal Field Office (*Treatment Authorization Request*)
- Prepaid health plan (including Primary Care Case Management)

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: Targeted Case Management*

Medical Transportation and Mileage

Information about 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 allow accurate processing and enable the approval of additional LEA services beyond 24 services per 12-month period. (Information about service limitations is located under the heading “Service Limitations” in this section.)

	National Modifier	
<u>Modifier</u>	<u>Description</u>	<u>LEA Program Usage</u>
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)

Modifiers TL and TM also must be used to indicate LEA services rendered to a student who is a member of a Medi-Cal managed care plan or who is receiving TCM services and the services are authorized in the student’s IEP or IFSP.

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.

<u>Modifier</u>	<u>National Modifier Description</u>	<u>LEA Program Usage</u>
AG	Primary physician	Licensed physicians/psychiatrists
AH	Clinical psychologist	Licensed psychologists, licensed educational psychologists and credentialed school psychologists
AJ	Clinical social worker	Licensed clinical social workers and credentialed social workers
GN	Service delivered under an outpatient speech-language pathology plan of care	Licensed speech-language pathologists and speech-language pathologists
GO	Service delivered under an outpatient occupational therapy plan of care	Registered occupational therapists
GP	Service delivered under an outpatient physical therapy plan of care	Licensed physical therapists
HO	Masters degree level	Program specialists
TD	RN	Registered credentialed school nurses, registered credentialed school nurses (who are also registered school audiometrists), licensed registered nurses, certified public health nurses and certified nurse practitioners
TE	LPN/LVN	Licensed vocational nurses

Intensity of Service Modifiers

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

<u>Modifier</u>	<u>National Modifier Description</u>	<u>LEA Program Usage</u>
22	Increased procedural services	Additional 15-minute service increment rendered beyond the required initial service time
52	Reduced services	Annual re-assessment
TS	Follow-up service	Amended re-assessment

Computer Media Claims (CMC)

Computer Media Claim (CMC) submission is the most efficient method of submitting Medi-Cal claims. CMCs are submitted via asynchronous telecommunications (modem) or on the Medi-Cal Web site at www.medi-cal.ca.gov. CMC submission bypasses the claims preparation and data entry processes of hard copy claims and goes directly into the claims processing system. CMC submission offers additional efficiency to providers because these claims are submitted faster, entered into the claims processing system faster and paid faster.

CMC submissions require a computerized claims billing system. LEA providers may prepare the CMC submission themselves or contract with a DHCS-approved billing service to prepare and submit their claims. Generally, the claim submission requirements of CMC are the same as for paper claims. Because CMC submission is a “paperless” billing process, there are some special requirements. Additional information is available in the *CMC* 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:

Type of Bill (Box 4). Enter the facility type code “89” in the first two spaces of this field.

Provider Name, Address, ZIP Code (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.

HCPCS/Rates (Box 44). Enter the applicable HCPCS/CPT-4 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.

Total Charges (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.

Payer (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).

Operating NPI (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-9-CM Codes

ICD-9-CM diagnosis codes are identified in the *International Classification of Diseases, 9th Revision, Clinical Modification* (ICD-9-CM) code book that was developed to create international uniformity in diagnosing health conditions. Current copies of the ICD-9-CM code book are available by writing or calling:

Ingenix
P.O. Box 27116
Salt Lake City, UT 84127-0116

Telephone: 1-800-INGENIX (464-3649)

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 – Friday, 8:00 a.m. – 5:30 p.m., CST)

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

Note: ICD-9-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.

“From-Through” Billing	All LEA services except mileage (associated with medical transportation) may be billed on a “from-through” 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	<p>Two claim lines are completed when billing the “from-through” format.</p> <ul style="list-style-type: none"> • Line 1: Enter the service description in the <i>Description</i> field (Box 43) and the initial date on which the procedure was rendered in the <i>Service Date</i> field (Box 45). • Line 2: Indicate the individual dates of service in the <i>Description</i> field (Box 43), the procedure code in the <i>HCPCS/Rate</i> field (Box 44) and the <u>last</u> date of treatment in the <i>Service Date</i> field (Box 45). Enter the total number of units provided in the <i>Service Units</i> field (Box 46). Enter the total amount in the <i>Total Charges</i> field (Box 47). <p>See <i>Figure 4</i> in the <i>Local Educational Agency (LEA) Billing Examples</i> section in this manual for a “from-through” billing example.</p>
Claim Submission and Twelve-Month Billing Limit	<p>LEA claims must be received by the DHCS Fiscal Intermediary (FI) within 12 months following the month in which services were rendered.</p> <p>Claims are submitted to the following address:</p> <p style="padding-left: 40px;">Xerox State Healthcare, LLC P.O. Box 15600 Sacramento, CA 95852-1600</p>
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. <i>Figure 5</i> in the <i>Local Educational Agency (LEA) Billing Examples</i> section of this manual illustrates a retroactive billing example.

**Retroactive Billing From
TCM Date of Certification**

Providers enter their Targeted Case Management (TCM) certification date in the *Remarks* field (Box 80) when billing for TCM services rendered between their certification date and up to a maximum of 12 months retroactively. (LEAs receive a notice from the Medi-Cal DHCS Safety Net Financing Division that contains their certification date and county LEA TCM reimbursement rate).

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. The use of these modifiers indicates the approval of additional LEA services beyond the 24 LEA services per 12-month period limitation.
- 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 the first and second modifiers in the *HCPCS/Rate* field (Box 44) on the claim, if applicable.

If the same procedure code and modifier combination (assessment, treatment, 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.