

## **Early Intervention Program**

# **Fiscal Audit Procedures for Providers and Municipalities Providing Early Intervention Program Services**



**New York State Department of Health  
Bureau of Early Intervention  
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Providing Early Intervention Program Services*

**TABLE OF CONTENTS**

	Page
Early Intervention Program Fiscal Audit Process	1
Entrance Conference	3
Early Intervention Billing by Providers to Municipalities and Early Intervention Claiming	4

*Fiscal Audit Procedures for Providers and Municipalities  
Providing Early Intervention Program Services*

**EARLY INTERVENTION (EI) PROGRAM FISCAL AUDIT PROCESS**

Public Health Law §2557(3) authorizes the NYS Department of Health (Department) to perform audits, which may include a site visit, of all or any of the following: municipalities, service coordinators, evaluators, or providers of early intervention services. This document provides a general overview of the Early Intervention Program’s routine fiscal audit process for providers. The Department reserves the right to modify, as it deems appropriate, these procedures without notice. There may be variation in audit procedures reflecting differences in local administration of the Early Intervention Program or based upon the need to conduct a specific audit of an entity. Audits will be conducted in accordance with generally accepted government auditing standards contained in the Government Auditing Standards issued by the Comptroller General of the United States and will include a review of internal controls related to the Early Intervention Program.

- A telephone call will be made to the entity (provider or municipality as provider) to be audited four to five weeks before the date(s) of the audit. The entity will be notified also as to the types of records and documents to be examined by the auditors. The municipality(ies) that contracts with the provider for services will be notified of the audit. The municipality will be notified also as to what records and documents are to be examined by the auditors.
- The telephone call to the entity to be audited will be followed up with an “entrance” letter confirming the audit dates and what records and documents are to be made available for the audit, and providing a brief overview of the audit process.
- The municipality(ies) in contract with the provider will receive a letter confirming the date(s) and time(s) of the municipality visit and the types of records and documents that will be reviewed.
- The entrance conference will be conducted at the provider’s site. The municipality(ies) in contract with the provider will be invited to attend the entrance conference.
- Auditors will review applicable records and documents during the audit. Questions that arise will be discussed with municipalities, service providers, or Department EI staff, as appropriate.
- When fieldwork is completed, a report will be prepared and then formally shared with the audited entity at the exit conference. The municipality(ies) in contract with the provider will be invited to attend the exit conference.
- The audited entity (municipality as provider or provider) has 30 days to comment on the audit findings.
- Since the Department may recoup or withhold funds from a municipality based upon audit findings of early intervention providers, the Department will also notify the affected municipality(ies) of the initial results of provider audits as contained in the audit report.

*Fiscal Audit Procedures for Providers and Municipalities  
Providing Early Intervention Program Services*

- If funds are withheld from a municipality as a result of an audit, the Department will notify the State Early Intervention Coordinating Council (EICC) and the chair of the county's Local Early Intervention Coordinating Council (LEICC). No recoveries or claims adjustments to recover questioned costs will be initiated against the municipality until the EICC has been given the opportunity to recommend and vote on alternative recommendations to any recoupment proposed by the Department.
- The Department will consider formal EICC recommendation(s).
- The Department will finalize the audit report and take appropriate follow-up action, including a possible withholding of funds from the municipality. The municipality may seek recovery from the provider.

*Fiscal Audit Procedures for Providers and Municipalities  
Providing Early Intervention Program Services*

**ENTRANCE CONFERENCE**

During the Entrance Conference, auditors will:

1. document the names/titles of all individuals in attendance at the audit;
2. review the scope of the audit with attendees, including:
  - period covered by the audit
  - focus of the audit;
3. review the areas and documents that will be examined; and
4. discuss the audit process.

**EARLY INTERVENTION SERVICE CLAIMS**

**EXAMINATION OF EARLY INTERVENTION (EI) BILLING BY  
PROVIDERS TO MUNICIPALITIES AND EI  
CLAIMING BY MUNICIPALITIES AS PROVIDERS**

The audit will include an examination of the process of EI billing by providers to municipalities. It will also examine claims submitted to the State by municipalities as providers. During this examination, auditors may interview and observe relevant staff, examine documentation, confirm data or reports generated by the provider or municipality, and identify the internal controls the provider/municipality has in place for their billing/claiming process.

Also, since initial and ongoing service coordinators are responsible for obtaining information that will allow municipalities to successfully claim commercial insurance and Medicaid for reimbursement of early intervention service costs, provider/municipality service coordinators will be examined to determine whether they obtain and report to the county a child's commercial insurance coverage, Child Health Plus and Medicaid enrollment status as required by EI law and regulation.

Areas to be examined include, but are not limited to, the following:

1. service coordination procedures, including identifying a child's commercial insurance coverage, Child Health Plus or Medicaid enrollment status, including:
  - obtaining commercial insurance policy number, Child Health Plus or child's Medicaid number(s) from the family;
  - informing families that commercial insurance, Child Health Plus and Medicaid payment for services is required under the Early Intervention Program and explaining how parent protections apply;
  - notifying promptly the municipality of the child's commercial insurance, Child Health Plus or Medicaid status.
2. bills containing sufficient information for the municipality to claim to commercial insurance, Child Health Plus, and Medicaid (see Early Intervention Memorandum 2003-1, *Guidance on Early Intervention Program Records* and Memorandum 2003-2, *Guidance on Claiming Commercial Insurance for Early Intervention Services*);
3. information requested by the municipality to assist in claiming to commercial insurance, Child Health Plus and Medicaid was provided and/or available;
4. a valid contract existed between the provider and municipality at the time of service;\*
5. the provider/municipality had State approval to deliver the type of early intervention service billed for;
6. services billed were provided by qualified personnel;

\* not applicable to municipality providers

**EARLY INTERVENTION SERVICE CLAIMS**

**EXAMINATION OF EARLY INTERVENTION (EI) BILLING BY  
PROVIDERS TO MUNICIPALITIES AND EI  
CLAIMING BY MUNICIPALITIES AS PROVIDERS (continued)**

7. services were actually provided by the provider and municipality;
8. the frequency, units, and service delivery model (i.e., basic home and community, etc.) corresponded with those authorized in the IFSP;
9. the bill is mathematically correctly;
10. overpayments and underpayments were reported and corresponding adjustments to payments were made; and
11. there are no bills for duplicate or overlapping services.

The following documentation should be available from the municipality(ies) in contract with the provider. (Additional information may be requested during the audit):

1. IFSPs of children included in the audit sample;
2. service authorizations for children included in the audit sample;
3. bills submitted by the provider for services rendered to children in the audit sample;
4. contracts with providers that were in effect during the period of time being audited; and
5. policies and procedures issued by municipalities to providers regarding provision of services, documentation of services, or documentation required for billing that were in effect during the period of time being audited.

The following documentation should be available for examination at the provider site. (Additional documentation may be requested during the audit):

1. written policies for EI billing to municipality(ies), if available;\*
2. contracts with municipality(ies);\*
3. State approval letter;
4. contracts and subcontracts with individuals or entities that deliver early intervention services on behalf of the provider/municipality as service provider;
5. documents submitted to municipality(ies) at the time payment was requested;
6. documents that describe services provided (see the Early Intervention Records guidance document issued by SDOH), which may include:
  - a copy of the IFSP;
  - service authorization numbers provided by the municipality to bill for the service;\*

*Fiscal Audit Procedures for Providers and Municipalities  
Providing Early Intervention Program Services*

- written orders or recommendations from specific medical professionals when required for the services being provided;
  - session notes;
  - progress notes; and
  - service coordination logs that document the accomplishment of required service coordination activities;
7. licenses, certifications, or registration numbers for professionals who delivered diagnostic or treatment services on behalf of the provider/municipality as service provider.

\*not applicable to municipality provider providing services to children and families residing within the municipality.