



Non Public Payment Unit

Policy and Procedures for Processing Invoices Received from Private Providers of Special Education and Related Services

January 2009

These procedures apply to all private providers of special education services (herein collectively referred to as “providers”) that serve *Petties* class members¹.

¹ Being “All [DCPS] students currently placed in private special education schools or receiving special education and/or related services from a private third party provider, all [DCPS] students placed in public schools who currently are receiving related services from private providers, and all [DCPS] students who have been determined by an administrative decision or by agreement with the DCPS to be eligible to receive services from private providers (including private placements)”. *Class cert*, filed 4/4/1995.

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I. District of Columbia Uniform Interagency Policies and Procedures

1. Interagency Common Purpose

The common purpose of all District of Columbia policies and procedures guiding payment of nonpublic special education providers is that there be effective and efficient procedures in place to ensure that all invoices submitted by providers of services are reviewed, processed and paid in a timely manner, and that services provided to the children of the District of Columbia are not interrupted.

2. Legal Authority

The Individuals with Disabilities Education Act (IDEA), 20 U.S.C. 1400, et seq., mandates that states and schools districts must make available a free and appropriate education (FAPE) to all disabled students between the ages of three and twenty one. States and Local Education Agencies must ensure that each student receiving special education services has an Individual Education Program (IEP) that identifies the special education and related services that must be provided to meet his/her individual needs. *Nikita Petties, et al., vs. The District of Columbia, et al.*, Civil Action No. 95-0148 (PLF), in particular the Payment Order of 11.8.04, governs payment for services to Class members.

3. The District of Columbia Public Schools (LEA) and the Office of the State Superintendent of Education (SEA)

The Office of the State Superintendent of Education (OSSE) is the independent State Education Agency (SEA) for the District of Columbia. The OSSE was created by the District of Columbia Public Education Reform Amendment Act of 2007 (DC Act 17-38) and was officially launched on June 12, 2007. Prior to that date, the District of Columbia Public Schools (DCPS) performed both Local Education Agency (LEA) and SEA functions. All invoices covered by the *Petties* Order were processed and paid by DCPS.

Local Education Agencies, including DCPS and Independent Public Charter Schools, are responsible for payment of all tuition/related services invoices of nonpublic providers serving children enrolled in schools within their LEAs. Additionally, IDEA provides that LEAs are responsible for locating, identifying and evaluating children with disabilities enrolled by their parents in private, including religious, elementary schools located in the school district served by the LEA (20 USC 1412(a)(10)(A); CFR 300.145 – 147).

Payment of all other tuition/related services invoices of nonpublic special education providers is a State (SEA) function. These invoices include, but are not limited to, invoices of nonpublic special education schools serving District children (including the educational components of residential treatment facilities in which District children may be placed by

other District agencies); and invoices of related service providers serving children not attending a school within an LEA. Beginning January 5, 2009, the OSSE shall be responsible for processing and paying invoices for special education services performed from October 1, 2008 onwards.

4. Notification of Providers

The present complete Policy and Procedure document and *Petties* Payment Order will be posted on the OSSE's website (www.osse.dc.gov).

At the beginning of each fiscal year, the Chief Financial Officers of the OSSE and DCPS will send a joint letter to all providers advising them of the *Petties* payment order and payment process.

5. Contracts

The District of Columbia paying agencies shall establish contracts with nonpublic provider schools or programs serving District students consistent with the requirements of the "Placement of Students with Disabilities in Nonpublic Schools Amendment Act of 2006", effective March 14, 2007, (DC ST § 38-2561.12) and the *Petties* Order. At a minimum, such contracts must include:

- an identification of the range of services the vendor may provide;
- the rate for each service;
- the term/time period during which the rates apply;
- an affirmation that vendors shall be responsible for ensuring compliance with all District of Columbia standards for licensure as required under Federal Medicaid guidelines;
- any other terms as may be required under Federal Medicaid guidelines;
- administrative mechanism for dispute resolution

6. New Providers

New providers must complete the Master Supplier Information Collection form, contained within the "forms" section of this Policy, and ensure that all required tax forms, including IRS form W9, have been completed and submitted to the appropriate paying agency (DCPS and/or the OSSE), before submitting the first invoice.

Providers must ensure that each provider of these services has met all certification and/or licensure requirements (local, state and/or federal) to provide such services. Copies of these certification or licensure documentation should be provided to the OSSE, in the case

of nonpublic schools, and to the paying agency or agencies, in all other cases, in addition to the providers' qualifications to provide these services.

Any invoice received prior to all above documentation having been submitted will not be processed or paid until all documentation has been received.

7. Monthly reporting

The Offices of the General Counsel of DCPS and the OSSE, respectively, will distribute to the Special Master and the Plaintiffs' Counsel, by the 15th of each month, the following three reports:

- CFO's monthly Invoice Payment Tracking Report, identifying the total number of invoices paid and disputed.
- Special Education Program Invoice Dispute Tracking Report, prepared by the OSSE Department of Special Education and DCPS OSE respectively, identifying each dispute that month.
- List of Providers

8. Alternative Payments

The availability of advance payments may be allowed in certain circumstances, at the discretion of the paying agency and consistent with local law, rules and regulations. All alternative payments are governed by the *Petties* Payment Order then in effect.

9. Submission of invoices

All invoices must be submitted to the CFO of the paying agency by U.S. mail, express mail or hand delivery. Receipts will be provided for hand deliveries, on request. Addresses for submission of invoices are contained in the "Contacts and Addresses" section of this Policy. **Under no circumstances will invoices be sent directly to an individual employee, faxed or emailed. These documents will not be accepted or processed.**

Upon notification from the OSSE and/or DCPS that electronic invoice submission is available, invoices may be electronically submitted.

10. Duplicate invoices and previously adjudicated/paid invoices

An invoice, or any portion thereof, which is the duplicate of another invoice already in process, received during the payment process period for the first invoice, is null and void and will not be processed or paid.

An invoice, or any portion thereof, received for services already adjudicated through the dispute process then in effect is null and void and will not be processed or paid.

An invoice, or any portion thereof, received for services already paid in full is null and void and will not be processed or paid.

11. Content of invoices

Nonpublic schools. All invoices must include the following information for each student:

- Student's name, date of birth and student ID number provided by the District of Columbia.
- The tuition rate and time period covered by the rate (i.e., semester, month) for special education schools and residential facilities. For residential facilities, costs of room and board must be clearly separated out from tuition and related services costs on each invoice.
- For Medicaid eligible students, Itemization of the related services provided by the school or agent/contractor of the school, including date of service, location of service, any required medical documentation related to the diagnosis or medical condition of the recipient, length of time required for service if relevant, each specific unit of service provided (e.g., per hour, day, week, month), the frequency of each specific service (e.g., number of hours, days), the rate per unit of service (e.g., cost per hour) and the total cost of services provided. Evaluations/assessments must be clearly labeled as such and separated from other related services.
- The number of days invoiced and dates the student attended school (attendance report).
- The student's Medicaid or private insurance number, if provided by the parent to the school.
- A copy of the Hearing Officer's Determination, Settlement Agreement, or other legally binding document that designates payment be made by the District of Columbia.

Providers are asked to use the following forms:

- “Annual School Cost Sheet” by June 1 with the costs for the coming school year, including Extended School Year (ESY) for the following summer
- “Monthly Billing Cover Sheet ” with each invoice submission
- “Standard Detail Invoicing Form (08-09)” as part of the invoice submission
- “Change in Service Form” each time a student’s IEP or eligibility has changed (e.g. changes in types and/or amounts of services)

These forms are available on the OSSE website (www.osse.dc.gov).

Related service providers (including providers of assessments and compensatory education) invoices must contain the following information:

- Student’s name, date of birth and student ID number provided by the District of Columbia.
- The name of the school attended by the student, at the time the invoiced services were delivered, or an indication that the student is non-attending.
- For Medicaid eligible students, itemization of the related services provided, including date of service, location of service, any required medical documentation related to the diagnosis or medical condition of the recipient, length of time required for service if relevant, each specific unit of service provided (e.g., per hour, day, week, month), the frequency of each specific service (e.g., number of hours, days), the rate per unit of service (e.g., cost per hour) and the total cost of services provided.
- Evaluations/assessments and services provided as compensatory education must be clearly labeled as such and separated from other related services.
- The student’s Medicaid or private insurance number, if provided by the parent to the school.
- A copy of the educational testing (inclusive of all potential testing supporting provision of special education services) report should be included with all invoices for educational testing services.
- A copy of the Hearing Officer’s Determination, Settlement Agreement or other legally obligating document that designates payment be made by the District of Columbia, if such documentation has not previously been provided.

Reimbursements of parents or parents' representatives.

When a reimbursement is requested by a student's attorney/representative, the requestor must enclose with the invoice a written affirmation that he/she has been engaged by the parent to represent the student.

Unless a prior written exception has been provided by the State Superintendent, the Chancellor, or their designees, all reimbursement requests must include all proofs of payment (i.e., credit card receipt, copy of a canceled check, or receipt of payment from provider).

Reimbursements for travel, food and accommodation shall be reimbursed according to federal General Services Administration (GSA) rates for such services and commodities, available at www.gsa.gov.

12. Receipt of Invoices

All provider invoices will be processed by the paying agency as if received on the 5th or 15th of the month (or next business day) following the day of actual receipt, whichever occurs first, and will be due for payment within 30 days (i.e., by the 5 or the 15th of the following month). The 5th or 15th of the month is the "Effective Date of Receipt" for invoices.

For example, any invoice received on or before the 5th of the month will be processed as if received on the 5th. Therefore, if the provider's invoice is received on March 3rd, it will be processed as if received on March 5th, and will be due for dispute by March 25th or payment by April 4th. If your invoice is received on March 6th, however, it will be processed as if received on March 15th, and will not be due for dispute until April 4th or payment by April 14th. Finally, if your invoice is received on March 16th, it will be processed as if received on April 5th, and will not be due for dispute until April 25th or payment by May 5th.

13. Payments

Both the OSSE and DCPS encourage providers to sign up for payment by direct deposit. The District of Columbia Office of the Chief Financial Officer provides District of Columbia vendors with the opportunity to receive payments electronically through the Automated Clearing House (ACH) process. Payments made through the ACH process will be made available to vendors as a direct deposit into their chosen bank account rather than via a check. If a vendor wishes to receive payments via the ACH process, the vendor simply needs to complete a ACH Authorization form (contained within the "forms" section of this

policy) and return the completed form to the address of the paying agency as listed in the “contacts and addresses” section of this policy.

The CFO in the OSSE/DCPS prepares the invoices for payment within 30 days of the “invoice date.” Payments shall be made available for pick up (at the address described in the “Addresses and Contacts” section), direct deposited, or postmarked and mailed within the 30 day period or the next business day after the 30 days.

14. Disputes: General Policy

It is the general policy of the District of Columbia that disputes be avoided, whenever possible, through excellent customer service, particularly conscientious communication with providers with the goal of resolving outstanding issues informally. In particular, it is the policy of the OSSE and DCPS not to raise a dispute for lack of required information, unless and until an attempt has been made to obtain the information informally, but such information has not been provided within two (2) business days.

The policy governing the issuance of disputes is as follows:

- The District of Columbia paying agency (the OSSE or DCPS) may dispute any charges submitted on an invoice, or the adequacy of the information provided.
- The paying agency will pay the undisputed amount of the invoice within the same time frame as all other undisputed invoices.
- The paying agency will provide a written dispute notice by facsimile or email, where available, to the provider, within twenty (20) days, and will place such notice in the U.S. mail on the same day.
- The paying agency will include a detailed description of the basis for the dispute including:
 - The name of the student and student ID number;
 - Period of service being disputed;
 - Invoice number;
 - Clear and concise documentation to support the subject dispute; and
 - Any policy or procedure relied upon to support the dispute.
- The dispute notice is effective upon hand delivery to the provider, or three (3) days after the postmark of the notice.
- If a provider disagrees with the amount disputed by the paying agency, it must submit the reasons for its objection in writing, with supporting documentation, to the paying agency at the appropriate address listed in the “Contacts and

Addresses” section of this policy. The objection must reference the invoice number. The written objections document must be postmarked or hand delivered to the appropriate address no later than fourteen (14) calendar days following the effective date of the dispute notice.

- If the provider requires additional time to obtain the required documentation to support its objection, a letter detailing the reasons for the objection and a request for an extension must be submitted to the appropriate address (see “Contacts and Addresses”). This letter must be postmarked or hand delivered to the appropriate address no later than fourteen (14) calendar days following the effective date of the dispute notice. After receipt of the request for an extension, the paying agency will grant the provider a thirty (30) day time period to obtain the required documentation to support the invoice.
- If the paying agency continues to reject the invoice due to incomplete supporting documentation and after the thirty (30) day period has expired, a written rejection or final administrative decision is mailed to the provider.
- If a provider fails to submit a written objection within this timeframe, the amount paid by OSSE/DCPS will be understood to be accepted by the school or provider as payment in full and no additional response is required of OSSE/DCPS.

II. OSSE Internal Procedures

The OSSE utilizes an internal automated management tool for processing of invoices known as the Billing Invoice Tracking System for Special Education (BITSSE).

Upon receipt of invoices, the OSSE CFO staff will follow the following procedure:

- The clerical staff member date-stamps the invoice and enters each invoice by the invoice number, invoice date, date of receipt, vendor name, and invoice amount into an internal tracking log.
- The clerical staff member gives the Billing Resolution Specialist the invoice.
- The OSSE CFO Billing Resolution Specialist scans each invoice and enters the information into the BITSSE. The Billing Resolution Specialist verifies all invoices are date stamped prior to entering the invoice information into the BITSSE.
- The Billing Resolution Specialist verifies and enters invoice information into the BITSSE by completing the following:
 - a) Verifying all required items are included on the invoice; and if not included, contacting the provider to obtain missing information within two (2) business days.
 - b) Entering the information into BITSSE and clicking “approve”.
- The BITSSE system automatically populates the information into the BITSSE inbox of the Special Education program staff member responsible for verifying the validity of the services invoiced (Invoice Verification Specialist). The Invoice Verification Specialist:
 - a) Checks SEDS, and/or the hard copy IEP, Court Order, Settlement Agreement, or Hearing Officer Determination for **each** student invoiced as receiving a service, to determine their eligibility for special education services.
 - b) Reviews cost sheets for updates in rates, students’ eligibility and/or relevant changes that may prompt an adjustment determining whether the invoice is complete.
- In the event the Invoice Verification Specialist determines the invoice is complete and conforms to all items above:
 - a) If the invoice is less than \$100,000, the Invoice Verification Specialist approves the invoice within BITSSE and the invoice is automatically returned to the inbox

of the Billing Resolution Specialist, who forwards the invoice to Accounts Payable.

- b) If the invoice is for more than \$100,000, the Invoice Verification Specialist forwards the invoice to the Special Assistant for Placement Oversight for approval. If the Special Assistant for Placement Oversight approves the invoice, the invoice is automatically returned to the inbox of the Billing Resolution Specialist, who forwards the invoice to Accounts Payable. Otherwise, the Special Assistant for Placement Oversight raises a dispute according to the procedure below.
 - c) The Accounts Payable staff enters accounting information into the BITSEE (i.e. coding to track expenditure on tuition, counseling, occupational therapy etc) and clicks "approve." When the Accounts Payable staff clicks "approve", a direct voucher is generated.
- In the event the Invoice Verification Specialist determines the invoice requires additional information, the Invoice Verification Specialist, within ten (10) business days of receipt:
 - Shall check with the Billing Resolution Specialist that an attempt was made to obtain the missing information in two business days; if it was not, the attempt must be made.
 - If the attempt was made, but no response was received from the provider, the Invoice Verification Coordinator prepares a Billing Dispute Form for each student identifying the student name, amount of dispute, and reason for the dispute, and the total amount to be disputed and paid. The Invoice Verification Coordinator then prints the Billing Dispute Form and sends it to the Special Assistant for Placement Oversight, who reviews and, within 5 business days, either approves for payment or issues a letter of dispute.

BITSEE has the capability to produce reports, monthly or for any specified time period, covering:

1. Vendor name;
2. CFO receipt date;
3. Invoice number;
4. Period of services;
5. Invoice amount;
6. Disputed amount;
7. Recommended payment amount;
8. Funding source;
9. Assigned Billing Specialist and date of assignment; and
10. Date of return to CFO.

III. DCPS internal procedures

Upon receipt of invoices, the CFO staff prepares a transmittal sheet that identifies each invoice by the invoice number, invoice date, date of receipt, vendor name, and invoice amount. The CFO staff then copies each invoice and forwards copies of these invoices with the transmittal sheet **daily** to the OSE Billing Supervisor or designee.

The OSE Billing Supervisor or designee acknowledges receipt of invoices by signing the CFO transmittal sheet.

The OSE Billing Supervisor or designee prepares and maintains an Invoice Tracking Log for each month that includes but is not limited to:

1. Vendor name;
2. CFO receipt date;
3. OSE receipt date;
4. Invoice number;
5. Period of Services;
6. Invoice Amount;
7. Disputed Amount;
8. Recommended payment amount;
9. Funding source;
10. Assigned Billing Specialist and date of assignment;
11. Date of return to CFO.

The Invoice Tracking Log is saved on the DCPS network OSE Nonpublic Billing Unit (NBU) folder where it can be accessed by NBU staff for reference and reporting.

The OSE Billing Supervisor's designee verifies all invoices are date stamped prior to entering the invoice information into the invoice tracking log.

The OSE Billing Supervisor's designee prepares a Billing Cover Summary Sheet for each invoice and distributes the invoices with an Invoice Billing Receipt form to the assigned Billing Examiner.

The Billing Examiner verifies and signs the Invoice Billing Receipt and completes the following:

- Checks the Billing Cover Summary Sheet and verifies it equals the total amount of the invoice and matches the invoice number;
- Verifies all items in the "Content of Invoices" section of this policy are included on the invoice;

- Checks SEDS, and/or the hard copy IEP, Court Order, Settlement Agreement, and Hearing Officer Determination for **each** student invoiced as receiving a service, to determine their eligibility for the invoiced special education services.
- Reviews cost sheets for updates in rates, students' eligibility and/or relevant changes that may prompt an adjustment determining whether the invoice is complete.

In the event the Billing Examiner determines the invoice is complete and conforms to all items above, the invoice is signed by the Billing Examiner and returned to the Billing Supervisor who approves and forwards the invoices for financial and management approvals.

In the event the Billing Examiner determines the invoice is incomplete, or requires additional information, the Billing Examiner, within ten (10) business days of receipt:

1. Shall contact the vendor and request the additional information immediately be provided within two (2) business days via U.S. mail, e-mail, hand delivery or through facsimile so payment can be made in full; or
2. Prepares a Billing Dispute Form for each student identifying the student name, amount of dispute, and reason for the dispute;
3. Identifies each student on the Billing Summary Cover Sheet by name, amount of dispute, and provides the total amount to be disputed and paid.
4. Signs the invoice and returns it to the Billing Supervisor.

The Billing Supervisor forwards the invoices to the Dispute Coordinator who reviews the documentation, determines the validity of the dispute, and either prepares a letter of dispute to be mailed and faxed to the provider or recommends payment of the invoice within five (5) business days.

The Dispute Coordinator returns the invoices to the Billing Supervisor or designee who:

1. Updates the invoice status on the Invoice Tracking Log;
2. Forwards the invoices to the OSE Budget Analyst for financial review and approval if less than \$100,000;
3. Forwards the invoices to the OSE Budget Analyst for financial review and approval if greater than \$100,000;
4. Makes additional copies of the invoices and returns them to the Billing Examiner to be entered into QuickBooks, which provides management reports. Once entered into QuickBooks, the additional copies are filed by the Billing Examiner.

5. Prepares an OSE transmittal sheet which is then forwarded with each disputed or approved for payment invoice to the CFO.
6. The CFO staff member receives the invoices and signs the OSE transmittal sheet.

IV. Procedures for Providers Billing Both the OSSE and DCPS/Procedures for Providers Unsure of which Agency to Invoice

Local Education Agencies, including DCPS and Independent Public Charter Schools, are responsible for payment of all tuition/related services invoices of nonpublic providers serving children enrolled in schools within their LEAs. Additionally, IDEA provides that LEAs are responsible for locating, identifying and evaluating children with disabilities enrolled by their parents in private, including religious, elementary schools located in the school district served by the LEA (20 USC 1412(a)(10)(A); CFR 300.145 – 147).

Payment of all other tuition/related services invoices of nonpublic special education providers is a State (SEA) function. These invoices include, but are not limited to, invoices of nonpublic special education schools serving District children (including the educational components of residential treatment facilities in which District children may be placed by other District agencies); and invoices of related service providers serving children not attending a school within an LEA. . Beginning January 5, 2009, the OSSE shall be responsible for processing and paying invoices for special education services performed from October 1, 2008 onwards.

It is the sole responsibility of the provider to deliver its invoices to the appropriate paying agency (DCPS and/or OSSE). Any invoices with commingled services between DCPS and OSSE will be paid only to the extent they are the responsibility of that agency.

Any questions about which agency to bill should be directed to the Customer Service contacts below.

V. Contacts and Addresses

OSSE INVOICES

Postmarked Invoices (U.S. Mail)

Non Public Payment Unit
P.O. Box 77167
Washington, DC 20013-8167

Hand Deliveries/Express Mail

Non Public Payment Unit
Office of the Chief Financial Officer
Office of the State Superintendent of Education
441 4th Street NW, Suite 350 North
Washington, DC 20001

Hand delivered and express mailed invoices and completed direct deposit forms should be delivered to the following address. Payments held for pickup will also be available at this address.

Customer service contacts:

Invoicing: Kalani Edirisinghe: Kalani.Edirisinghe@dc.gov
Phone: (202) 727-8281
Program: Yvonne Smith: YvonneS.Smith@dc.gov
Phone: (202) 481-3758

DCPS

Postmarked Invoices (U.S. Mail)

DCPS Office of the Chief Financial Officer
PO Box 75047
Washington, DC 20013
Attn: Special Education Payment Unit

Hand Deliveries/Express Mail

DCPS Office of the Chief Financial Officer
825 North Capitol Street, NE, 7th floor
Washington, DC 20002
Attn: Special Education Payment Unit

Hand delivered and express mailed invoices and completed direct deposit forms should be delivered to the following address. Payments held for pickup will also be available at this address.

Customer service contacts:

Invoicing: Robert Webster (Robert.Webster@dc.gov)

Program: Gregory Hall (Gregory.Hall@dc.gov)

In the event that any of the preceding contacts or addresses change, DCPS or the OSSE shall notify the Special Master, plaintiffs counsel and each provider, preferably by electronic means, of the precise change and post the change on the OSSE's website (www.osse.dc.gov).