

New Hampshire Medicaid to Schools Monthly Collaborative Meeting – January 2026

Documentation and Preparing for an Audit

Key Takeaways

Below is a list of the key takeaways from the discussion held among partners at the January 2026 NH Medicaid to Schools (MTS) Collaborative meeting.

Keep student files organized.

Organization is crucial. Being highly organized in your documentation makes the audit process easier for both you and the auditors.

- **Use a spreadsheet or a grid to track each student's documentation.**
Include location (at the school or the district office). This will be helpful when working with third-party billing agencies and ensure quick access to the documentation during an audit.
- **Maintain physical files for each student and create files for each category to quickly identify missing documentation.**
Create a set of standard subfolders for each student file by documentation category (e.g., consent, IEP). List these subfolders on a facesheet for each student.
- **Document procedural safeguards.**
Track parents' receipt of annual written notification regarding their rights and protections.
- **Include your IEP rationale in all notes and templates.**
Explicitly state the rationale for health services in the IEP, and include them in special education staff notes and templates. Create a manual for special education staff that includes where to put the rationale for services. This may also be useful for the NH Department of Education, relevant processes, and audits.

Consider how to store documentation.

School districts must determine how they plan to store documents and incorporate them into standard operating procedures.

- **Digital or physical files.**

Schools can use third-party vendors to store digital records and/or maintain paper copies. The New Hampshire Special Education Information System (NHSEIS) is also available to support digital IEP recordkeeping.

- **Retain original documents for at least 6 years.**

Do not shred original documents (even if you store files digitally). Auditors can request documentation for at least 6 years (He-W 589.06 (j)).

- **Maintain copies of staff credentials and records of checks against the List of Excluded Individuals/Entities (LEIE).**

- Procedures for contracting services should include processes to ensure all required documentation is collected and stored.
- Work with the Human Resources department to collect copies of high school diplomas and/or transcripts as part of the new-hire process. This applies to staff required to hold that level of education for Medicaid billing (i.e., paraprofessionals/rehab assistants, bus drivers).
- A binder is recommended for storing copies of current, temporary, and expired provider licenses. Do not discard regardless of employment status.

- **Create an invoice checklist for Out-of-District Contractors.**

Incorporate this into your contracts with them. Invoices for out-of-district services must include:

- the student's name,
- service type,
- dates/units/minutes/hours of service,
- group size,
- provider rate, and
- provider/supervisor names and signatures.

- **Keep track of rates and rate methodologies.**

Contracted rates for providers and invoices may be requested during an audit.

- Be sure that face sheets for invoices meet Medicaid requirements.
- If you work with a third-party billing agency, discuss who is responsible for tracking rate methodologies.

- **Maintain the school calendar.**

Track school cancellations and delays, as this will be crucial for MTS documentation.

Understand the different types of audits.

There are 3 types of audits schools may experience related to the MTS program.

- **Payment Error Rate Measurement (PERM) Audits:**

This program is run by the Centers for Medicare and Medicaid Services (CMS). It assesses the accuracy of payments made under Medicaid and the Children's Health Insurance Program (CHIP). The CMS PERM contracts an outside vendor for these audits and typically requests a sample of logs and documentation for services provided to a student on a specific day.

- **Financial Compliance Audits:**

This program is run by the NH Financial Compliance Unit (FCU) and is more in-depth than the PERM audit. These audits request documentation for a specific three-month period and sample 10% of students, with a cap of 20. No clinical review is required. Recoupment is required. Audits are based on rotation.

- **Program Integrity Audits:**

This program is run by the NH Bureau of Program Integrity (BPI) and is the most in-depth audit. These audits ask for documentation for a specific one-year time frame and sample a minimum of 20 students. A clinical review is required. Recoupment is circumstantial. Audits are based on referrals or billing anomalies.

Other suggestions to support a successful audit process.

- **Communicate with your auditor.**

Auditors want to see your organization succeed. Back-and-forth communication between the school and the auditor is common, and questions are encouraged.

- **Utilize a team-based approach to audits.**

Maintain communication and collaborate with your third-party biller (if applicable), legal counsel (if applicable), business office, human resources, and special education leadership to provide all necessary documentation.