



North Carolina Medicaid Administrative Claiming (MAC) Program for School-Based Services

Financial and Business Services Summer
Conference Training

Research Triangle Park, North Carolina

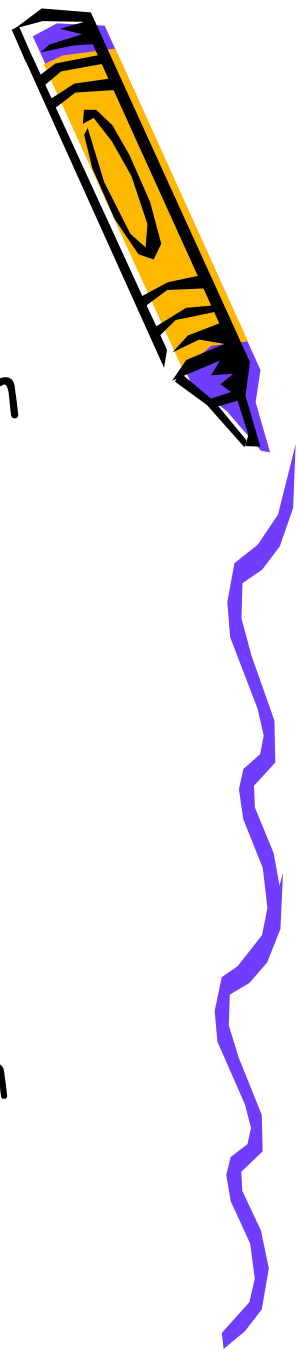
July 25, 2013



Overview

Medicaid Administrative Claiming Program Overview (MAC Program)

- MAC claims
- MAC Certification Form
- Random Moment Time Study (RMTS)
 - RMTS Documentation
 - RMTS Oversight and Monitoring
- MAC Claim Record Retention
- MAC Claim Desk Review Issues
- FFS Certification of Non-Federal Match Form
- Questions

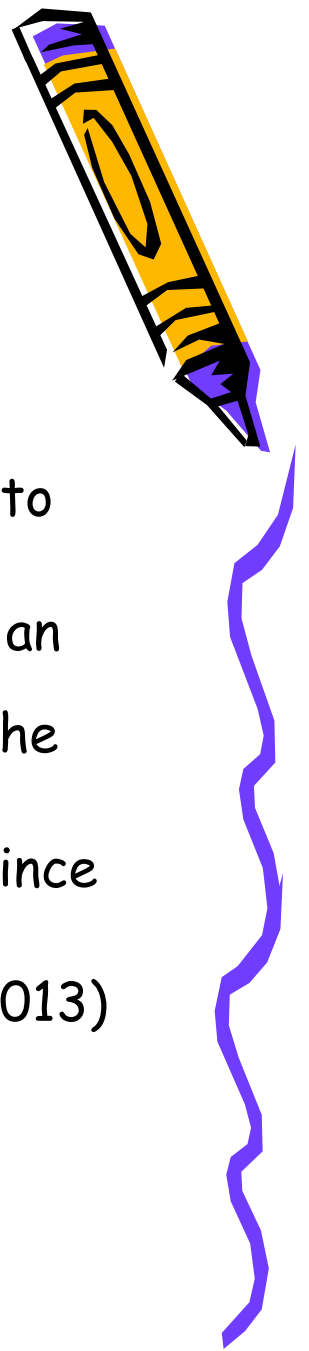




MAC Program Overview

- Since 1999 NC has been participating in the MAC program to assist schools in partially funding the activities and services they are required to perform to address the unmet health needs of students.
- Reimbursable activities include those directed to individuals and families to provide information about the Medicaid Program, encourage individuals to apply, and assist in obtaining Medicaid services from available resources and providers of medical care.





MAC Program Overview

- The MAC program is separate from but complimentary to the direct service (FFS) program.
- The MAC program allows school systems to function as an “administrative arm” of the State Medicaid Agency in support of the proper and efficient administration of the State Medicaid Plan.
- More than \$204 Million in MAC claims have been paid since April 1999.
- In the last State Fiscal Year (July 1, 2012 - June 30, 2013) MAC claims were paid in the amount of \$8,263,868.55.



MEDICAID



- Medicaid is an entitlement program.
- For every federal dollar you receive from Medicaid, it must be matched with state and/or local funds.
- Medicaid receipts must be matched with state and/or local funds, in the school's existing budget, that are not being used to match any other federal funds the school may have received.



MAC Claims



- Effective with the January-March 2013 period, MAC claims will be submitted electronically to DPI and DMA.
- DMA will require Local Education Agencies (LEAs) to submit financial files electronically beginning with the January-March 2013 claiming period.
- LEAs are required to maintain Detail Expenditure Worksheets at the detail level broken out by cost pools 1 and 2 and job category for all expenditures included in MAC claims.
- MAC claim expenditures should agree to amounts reported on MAC Certification forms and Detail Expenditure Worksheets.



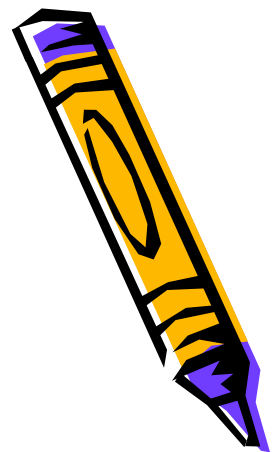
MAC Certification Form



- The MAC Certification Form is submitted as part of the quarterly claim.
- The purpose of the form is to certify actual cash expenditures reported in the quarterly claim
- On a quarterly basis the Chief Financial Officer or an appropriate designee certifies the accuracy of the submitted financial information and availability of sufficient state and local revenues to meet federal match requirement guidelines as outlined in 42 CFR 433.51.



MAC Certification Matching Funds



- Please be careful when designating the State and/or Local Match to ensure you are not using Federal funds to match Federal receipts.
 - For example, using the DPI Chart of Accounts, Fund Code 2 is Local Current Expense Fund; however, Program Report Codes (PRCs) 300-399 are Federal Grants/Funding Sources Not Allotted by DPI.



Medicaid Administrative Claiming Form (MAC)

This form serves as both the invoice and the certification of expenditures of total computable and non-federal funds.

INSTRUCTIONS: Complete items 1 through 5, sign and date below. This form must be submitted with your claim. See back of page for explanations.

SCHOOL SYSTEM _____

MEDICAID PROVIDER NUMBER _____ QUARTER: _____
(MO/YY – MO/YY)

NPI NUMBER _____

1. TOTAL EXPENDITURES \$ _____
2. TOTAL CLAIMABLE MEDICAID ADMINISTRATIVE EXPENDITURES (MAC) \$ _____
3. TOTAL CLAIMABLE INDIRECT COSTS \$ _____
4. TOTAL CLAIMABLE COSTS = (#2 + #3) \$ _____
5. REIMBURSEMENT REQUESTED (#4 x 0.50) \$ _____

NON FEDERAL MATCH FUNDS provided by school. Designate the source and amount of funds in your school budget you are using to match the federal funds received from Medicaid. The total amount of the state funds you identify must equal the amount shown in item #5 above.

SOURCE	AMOUNT
_____	_____
_____	_____
_____	_____

VERIFICATION OF FUNDS BY _____ Date: _____
Signature of School Fiscal Budget Officer

Name (Please Print) _____

Title _____

I certify that (Line 1 above), to the best of my knowledge, the Medicaid Administrative Claiming (MAC) for the Quarter ending _____ represents actual expenses accumulated under our provider agreement with the North Carolina Department of Public Instruction (DPI). The claim amount is solely related to our provider agreement with DPI and does not duplicate any Federal claims for reimbursement, nor are the funds used to match other federal funds, unless expressly allowed by federal regulation.

The Local Educational Agency (LEA) may claim federal Medicaid funds for costs of administrative activities in support of the Medicaid Program. In order to be reimbursed with federal funds for allowable expenditures, the LEA must document and provide proof that allowable expenditures originate from non-federal sources spent on behalf of Medicaid eligible individuals and that these funds have not been used to match any other federal funds. The LEA may not claim FFP for the costs of administrative activities that have been or should have been reimbursed through an alternative mechanism or funding source. The LEA must provide assurances of non-duplication to the Division of Medical Assistance.

The MAC Cost Allocation Plan states that the FFP reimbursement request is to be submitted to DMA for expenditures made in a calendar quarter (Ex: Jan-Mar, April-June, July-Sept, Oct-Dec).

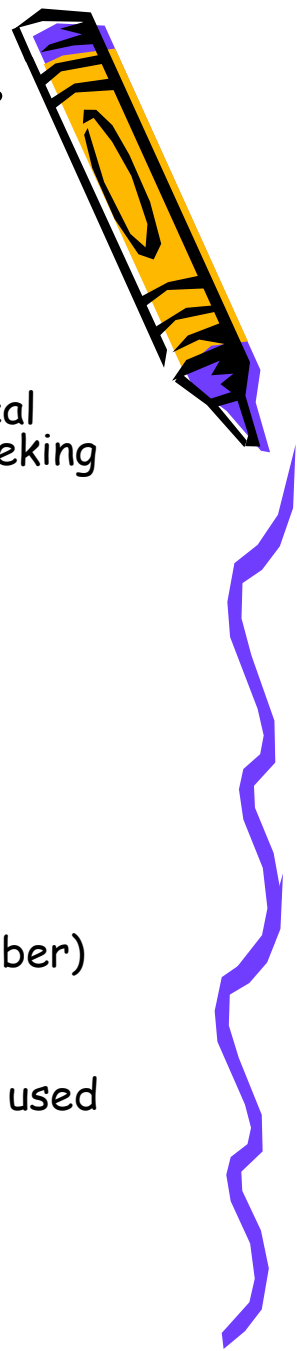
All requests for MAC must be certified as being accurate and in compliance with the requirements for claiming Medicaid Funds. The School Fiscal or Budget Officer must sign the MAC claim form.

Procedure for Completing MAC Form

1. Total Expenditures – Total Expenditures in all categories of cost pools for the quarter.
2. Total Claimable MAC – Total expenditures in support of the Medicaid Program, supported with documentation that verifies Medicaid allowable administrative expenses. Supporting documentation should include summaries of cost pool units from the time study and allowable expenditures for a district for the quarter.
3. Total Claimable Indirect Costs – Total Indirect Costs in support of the Medicaid Program, supported with documentation that verifies Medicaid allowable Indirect Costs. The supporting documentation should include the calculation of the District's Federal Unrestricted Cost Rate applied to Total Gross Claimable Expenditures to allocate total indirect costs.
4. Total Claimable Costs – Sum of Lines Two (2) and Three (3).
5. Multiply amount from line Four (4) by 50% and put on line Five (5).
6. Non Federal Match Funds: This is explained on the form. Please identify the "match" funding source(s). The total amount of state funds must equal the amount shown in item #5 on the form.
7. The School's Fiscal Budget Officer must sign and date the form, verifying the accuracy and completeness of the amounts listed.
8. The certification form, along with the supporting documentation from Items 2 and 3, is attached to the actual claim, and mailed to the Department of Public Instruction for processing and subsequent payment.



RANDOM MOMENT TIME STUDY (RMTS)



- The Centers for Medicare and Medicaid Services (CMS) requires Local Education Agencies (LEAs) performing MAC related activities and seeking reimbursement to participate in a CMS-approved time study.
- Time studies are conducted on a quarterly basis.
- The quarters are as follows:
 - October 1 -December 31
 - January 1 -March 31
 - April 1 -June 30
- A time study is not conducted for the Summer quarter (July-September) since most schools are out of session during this time.
- An average of the previous three quarter's time study results will be used to calculate a MAC claim for the July-September quarter.



RMTS Documentation



- Documentation of sampled moments must be sufficient to provide answers to the time study questions needed for accurate coding:
 - Who was with you?
 - What were you doing?
 - Why were you performing this activity?
 - Was the service covered in the student's IEP/IFSP?
 - In addition, sampled staff will certify the accuracy of their response prior to submission.



RMTS Oversight and Monitoring



- DMA requires an 85% compliance response rate.
- To assist in reaching the statewide goal of 85% compliance, LEAs are monitored to ensure they are properly returning sampled moments and the return percentage for each quarter is analyzed.
- If an individual district has non-returns greater than 15% and greater than five (5) moments for a quarter, the LEA will receive a warning letter.
- If the same LEA is in default (as previously defined) the next quarter, after being warned, the LEA will not be able to participate in the time study for a one year period of time.
- For instance, if an LEA has non-returns greater than 15% and greater than five (5) moments for the quarter ended December 30, 2012 and March 31, 2013, the LEA will not be able to claim for the Fiscal Year Ending September 30, 2013.



RMTS Oversight and Monitoring



- If DMA determines an LEA is in default (not participated in the time study) payments will be suspended until the problem is corrected.
- DMA staff monitors RMTS on a regular basis to ensure compliance with both federal and state rules and regulations.
- DMA staff began conducting desk reviews of MAC claims in January 2008. The desk review includes, but is not limited to, analysis of the required documentation and various reports maintained to verify costs billed.
- LEAs are randomly selected for reviews.
 - Each district should be reviewed once every three (3) years.



MAC Claim Supporting Documentation

Each LEA should maintain documents, reports, and records to support its Medicaid administrative claims. Documentation includes, but is not limited to:

- Copy of MAC Participation Agreement. If in consortium, a copy of the agreement between your district and the Cumberland County School Board, if not in consortium, a copy of the agreement between the district and the Department of Public Instruction (DPI).
- Copy of the LEA MAC Program Local Oversight Plan (aka POP).
- Time study sampling methodology.
- Verification of quarterly training of time study participants.
- Methodology to support calculation of claim.
- Copy of RMTS Responses to Sampled Moments during the claiming quarter.



MAC Claim Supporting Documentation

- Copy of quarterly MAC claim and all claim backup documentation including the following:
 - Participant Listing or roster of eligible staff
 - Complete financial file from the district's accounting system for all staff expenditures reported in the claim (salaries and benefits for employees and contract expenditures for contracted staff) at the **detail level**
 - Copies of the Detail Expenditure Worksheets for reporting eligible claim expenditures (**broken out by cost pool and job category i.e. Physical Therapist, Occupational Therapist, School Counselors, Special Education Administrators, etc.**)
 - Copies of contracts for all contract staff and copies of position descriptions for school employees listed on the Participant Listing



MAC Claim Supporting Documentation

- Financial files (from the school's accounting system) to verify claim expenditures for travel, training, material and supplies.
 - Please ensure the financial files show the complete funding source(s) using the DPI Chart of Accounts.
- MAC Certification Form
- Copy of quarterly time study results

There has been a lot of confusion between the LEA FFS Cost Report (FFS Cost Settlement) and the MAC Program Desk Reviews. These are two separate program reviews.



MAC Claim Record Retention



- Records should be maintained for a period of no less than five (5) years or, if your district has been notified of an upcoming audit or review within the 5 year period, the records for the period of the review shall be retained until the audit is completed and any or all Findings have been resolved.
- All records shall be available upon request from DMA, the State Auditor, CMS, or any duly authorized representative for audit purposes.



MAC Claim Desk Review Issues

- Federal funds included in MAC claims.
- Job descriptions for staff listed on the MAC roster do not include the necessary health-related language to identify MAC-related activities performed by the positions listed on the MAC roster.
- Copies of contracts for contracted staff with claim expenditures are not being maintained at the district level.
- Copies of contracts should be included in the MAC claim supporting documentation file. Contracts should specify administrative duties at a separate or additional cost not recoverable through the FFS program.



MAC Claim Desk Review Issues



- Districts are not maintaining copies of MAC participation agreements
- Claim expenditures do not reconcile back to financial ledgers
- Expenditures are being reported for individuals NOT listed on the roster or Participant Listing
- Expenditures used in the calculation of the Unrestricted Indirect Cost Rate (ICR) are being included in the claim.
 - Please use caution and refer to the DPI Chart of Accounts to ensure you are not including any expenditures in MAC claims, which are included in the district's Unrestricted Indirect Cost Rate.
- Only Direct Costs should be included in MAC claims—salaries, benefits, travel, training, materials, and supplies.



FFS Certification of Non-Federal Match Form

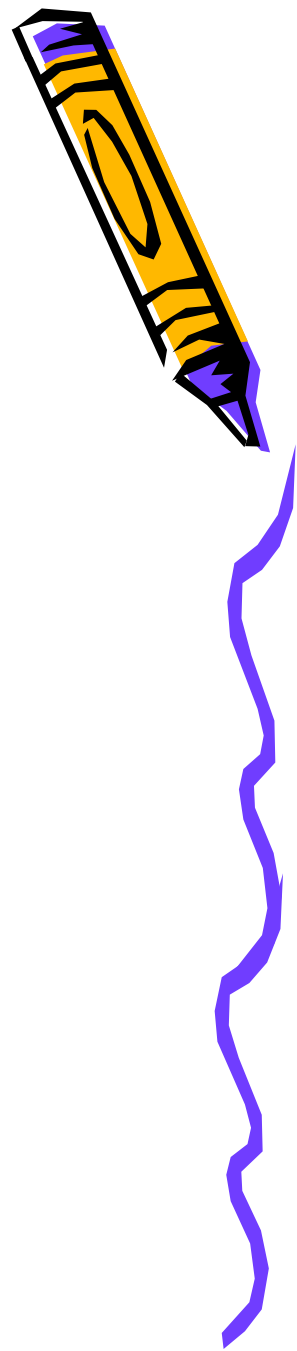


- LEAs are no longer required to submit the FFS *Certification of Non-Federal Match* form to DMA on a quarterly basis.
- Effective with SFY2007-2008, the Centers for Medicare and Medicaid Services (CMS) approved a FFS cost report in the State Plan. In this cost report, the LEA certifies the full year Certified Public Expenditure (CPE); therefore, it is no longer necessary to submit the certifications to DMA on a quarterly basis.

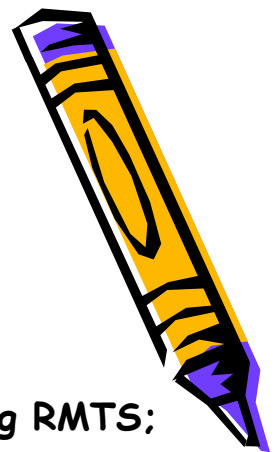


QUESTIONS ?

- MAC Program
- Random Moment Time Study (RMTS)
- MAC Claims
- MAC Claim Supporting Documentation
- Detail Expenditure Worksheets
- MAC Program Record Retention
- Medicaid Reporting:
 - MAC Certification Form
- Desk Reviews



References and Links



- DMA School-Based Medicaid Administrative Claiming (MAC Program including RMTS; MAC Claims, and MAC Desk Reviews):
Sandy Frederick 919-814-0073
Sandy.Frederick@dhhs.nc.gov
- DMA School-Based Medicaid Administrative Claiming (MAC Desk Reviews and RMTS Monitoring):
Monica Brooks 919-814-0074
Monica.Brooks@dhhs.nc.gov
- DPI Medicaid site for updates:
<http://www.ncpublicschools.org/ec/medicaid/>
- Federal Guidelines- MAC:
<http://www.cms.gov/MedicaidBudgetExpendSystem/Downloads/Schoolhealthsvcs.pdf>

