

# Random Moment Time Study (RMTS) and Medicaid Administrative Claim (MAC) Program Training

September 2008



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# 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.
- The MAC program is separate from but complimentary to the direct service (FFS) program.



# MAC Overview (cont'd)

- 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 \$124.3M in claims are either pending or have been paid since 1999.



# Random Moment Time Study

- Overview
- The purpose of the time study is:
  1. **Identify the proportion of administrative time allowable and reimbursable under the MAC program.**
  2. **Identify the proportion of direct service time allowable and reimbursable under Medicaid to be used for Direct Service cost reporting to enable the State of North Carolina to conduct a cost settlement at the end of the fiscal year in the FFS program.**



# Random Moment Time Study (cont'd)

- The federal government has developed an established tradition of using time studies as an acceptable basis for cost allocation.
- A time study reflects how workers' time is distributed across a range of activities. A time study is not designed to show how much of a certain activity a worker performs; rather, it reflects how time is allocated among different activities.



# RMTS Methodology

- **North Carolina received approval of RMTS by the Centers for Medicare and Medicaid Services (CMS) with an effective date of October 1, 2007.**
- **RMTS greatly reduces the amount of time staff is required to spend on the actual time study.**
- **Participants are not required to understand Medicaid codes or complete a Time Study for a full week!**
- **The entire RMTS process now takes only a few minutes for sampled participants.**
- **Central coders use the data provided to select the appropriate Medicaid code, which helps ensure consistency and accuracy of Medicaid coding and reimbursement.**



# RMTS Process

- LEAs participating in the MAC and FFS programs are required to participate in the time study if performing Medicaid related activities and seeking reimbursement.
- 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
- No Time Study is conducted for the Summer quarter (July-September) since most schools are out of session.
- An average of the previous three quarter's time studies will be used to calculate a claim for the July-September period.



# RMTS Process (cont'd)

The LEA or their Contractor must:

- Ensure Time Study participants and LEA Program Contacts are trained each quarter
- Create and verify the eligible staff pool for time studies and update it each quarter.
- Import eligible school district staff information into a random moment generator database



# RMTS process (cont'd)

- Randomly select staff/moments to be sampled based on calendar and workday parameters
- Generate RMTS forms for each moment (paper or electronic)
- Generate and provide a master list of selected moments to the LEA coordinators as a master control list
- Notify selected staff no more than 5 days of his or her sampled moment



# RMTS process (cont'd)

- Distribute time study forms and collect completed time study forms (paper or electronic)
- Develop compliance reports to identify delinquent RMTS
- Utilize a centralized coding process to code the RMTS activity descriptions
- Code completed time study moments
- Calculate activity percentages for each of the activity codes



# RMTS Methodology

- The sampling objectives will be to determine the activity percentages within a two percent (2%) confidence interval at a ninety-five (95%) confidence level.
- The original sample population (including over sampled moments) should be sufficient to allow for invalid moments.
- Invalid moments are moments not returned by the district or moments that were not accurately coded.



# RMTS Methodology (cont'd)

- A minimum of fifteen percent (15%) of additional moments should be sampled each quarter to guarantee a two percent (2%) confidence interval with a ninety –five percent (95%) confidence level.
- LEAs must submit completed moments no more than 5 business days after the moment has passed.



# Documentation (RMTS)

- 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.



# Documentation cont'd

- Each LEA will maintain documents, reports, and records to support its Medicaid administrative claims. Documentation includes, but is not limited to:
  - Time study sampling methodology,
  - Verification of training of time study participants
  - Methodology to support calculation of claim
  - Time study Form
  - Copy of quarterly MAC claim and all claim backup documentation



# RMTS Oversight and Monitoring

- To assist in reaching the statewide goal of 85% compliance, LEAs will be monitored to ensure they are properly returning sample moments and the return percentage for each quarter will be 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, they 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 September 30, 2007 and December 31, 2007, the LEA will not be able to claim for the Fiscal Year Ending September 30, 2008, and will need to return any interim payments sent to the LEA for the fiscal year under the Direct Services Program.



# RMTS Oversight and Monitoring cont'd

- On a quarterly basis, DMA will be monitoring to identify LEAs who are billing Fee for Service and also to verify the LEA has participated in the quarterly time study.
- 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 will be monitoring 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 reviews include, but are not limited to, analysis of the required documentation and various reports maintained to verify costs billed.
- On-site reviews are being scheduled and conducted as well.
- LEAs are randomly selected for both the desk and on-site reviews.



# Record Retention

- Records should be maintained for a period of no less than five (5) years or if an audit has started, the records shall be retained until the audit is completed and all exceptions are resolved.
- All records shall be available upon request from DMA, the State Auditor, CMS, or any duly authorized representative for audit purposes.



# MAC Claim Review Issues

- Personal Activity Logs (PAL) are not being maintained at the district level
- Some instances of federal funds included in the claims
- Job descriptions do not include health related language to identify MAC-related activities being performed by the position.



# References and Links

- DMA School-Based Medicaid Administrative Claiming (MAC Contact):

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# Thanks for coming !

Take care....

Call me if you need help!

