

# **Montana Medicaid Administrative Claiming Program**

## **A Guide for Financial Documentation**

A Guide for Finance Personnel

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*Updated March 2015*

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## **Introduction**

Congratulations. Your district has made the decision to participate in the Montana Medicaid Administrative Claiming (MAC) Program and as such will be taking advantage of reimbursement that is available from Medicaid for administrative activities associated with health services provided to students in schools. This Coordinator's guide will give you an overview of the MAC Program, detail the role of the MAC Coordinator and provide the forms necessary to complete the documentation required for program participation.

The State of Montana, Department of Public Health and Human Services (DPHHS), Child and Adult Health Resources, is the state agency that is responsible for developing and implementing the MAC Program. The DPHHS has contracted with MAXIMUS to develop and administer the program.

## **Overview of Medicaid in Schools**

Schools have been able to provide and obtain reimbursement from Medicaid for health services provided to students since the early 1990s. There are several pieces of legislation and regulations that make this possible:

- Title XIX of the Social Security Act.
- Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Program - This is a special program for Medicaid beneficiaries under 21 years of age. The purpose of EPSDT is to ensure that through periodic check ups and early detection, children's health problems are prevented and/or ameliorated.
- The Medicare Catastrophic Coverage Act - Enacted in 1988, this act contains provisions that permit state Medicaid programs to provide reimbursement for medical services provided as part of a child's Individualized Education Plan (IEP).
- Individuals with Disabilities Education Act (IDEA) – This act provides for the provision of related services that may be health-related, to support the education of students with disabilities.
- Medicaid School-Based Administrative Claiming Guide developed by the Center for Medicare and Medicaid Services (CMS) specifically to provide guidance for this program, May 2003.

Medicaid can be an important source of funding for schools, particularly because the cost of providing special education can greatly exceed the federal assistance provided under the Individuals with Disabilities Education Act (IDEA). Children who qualify for IDEA are frequently eligible for Medicaid services. Although Medicaid is traditionally the "payer of last resort" for health care services, it is required to reimburse for IDEA related medically necessary services for eligible children before IDEA funds are used.

There are currently two Medicaid programs available to schools in Montana. They are the Direct Services Program and the MAC Program. This guide specifically addresses implementation processes for the MAC Program.

## **Overview of Medicaid Administrative Claiming (MAC) Program**

The MAC program allows school districts and cooperatives to be reimbursed for some of the costs associated with administration of school-based health services as well as outreach activities, which are not claimable under other the Medicaid Direct Services Program. In general, the types of school-based health and outreach activities funded under MAC are to:

- Locate, identify and refer individuals needing health/mental health related services,
- Assist families in accessing Medicaid services through education and public awareness, and
- Seek appropriate providers and care for individuals.

A key focus of the MAC program is the Early Periodic Screening, Diagnosis and Treatment (EPSDT) Program, which is used to ensure a comprehensive, preventative health care program for Medicaid eligible children aged of 3 through 20.

In order to administer this program the following must occur:

1. Districts and cooperatives must sign up to participate in the program (*Memorandum of Understanding*)
2. Clinicians who perform the activities that are reimbursable through this program must be identified (*Participant Listing*)
3. A sampling of the work done by these clinicians must be obtained (*Time Study*)
4. Data from the school districts and cooperatives regarding monies spent to maintain the staff members that provide these services must be collected (*Financial Data Collection*)

This guide addresses the documentation requirements for developing the financial data that must be submitted at the end of each claiming quarter. Another guide will address the requirements for participant listings and time study.

## **MAC Program Time Frames**

It is necessary to implement time frames for receiving financial data at the end of each quarter. In order to submit a claim to Medicaid, financial data must be submitted no later than one month after the end of each quarter. For example, the financial data for the October – December 2014 quarter should be submitted no later than January 31, 2015. By doing so, you can be assured that your school districts claim is calculated and submitted to Medicaid promptly and that your district receives reimbursement as soon as possible.

## **Cost Data – Federal/Special Funding**

In reporting your expenditures each quarter for federal claiming purposes, it is not permissible to include any cost for which you may already be receiving federal dollars. Therefore, it is imperative that you report only those costs for employees who are not 100% federally funded. Please note, if a selected employee is jointly funded, you should report the appropriate (non-Federal) portion of his/her salary and related expenses for claiming purposes.

## **Certification Of State and Local Expenditures**

Montana Medicaid Administrative Claiming Program's approved methodology from CMS states: "On a quarterly basis individual school districts will certify that they have expended sufficient qualifying state and local funds on MAC activities to support federal/state matching requirements consistent with 42 CFR 433.51." The following statement has been added to the last page of the invoice in order to remain in agreement with the methodology from CMS.

*I, as district/cooperative financial officer am charged with the duties of supervising the administration of the provision and billing for the Medicaid Administrative Claiming activities provided under Title XIX (Medicaid) of the Social Security Act, as amended. I hereby certify that the school district has expended the state and local share of public, nonfederal funds needed to match the federal share of medical claims billed to the state Medicaid agency for Medicaid Administrative Claiming services provided to eligible students during the dates covered by this invoice. This is consistent with the requirements of 42 CFR 433.51, Public Funds as the State Share of Financial Participation. These funds are separately identified and supported in our accounting system. This certification is solely related to our Memorandum of Understanding between this district/cooperative and the Montana Department of Public Health and Human Services. The amount required for certification of match is equal to the state and local share amount shown above.*

The invoice will include the amount of Federal dollars received by your district, the amount of dollars expended on the program and the requirements of state and local match required. When completed, the original should be mailed or scanned and faxed to DPHHS and a copy of the invoice statement should be retained at the district for a period of six years and three months for audit purposes.

State and local match funds must be free and unrestricted in their use. Local match must be specifically identified for the administrative claiming invoice and not used as any other match for other Federal grants or programs.

## Financial Data – Quarterly Reporting Steps

Listed below are the cost data requirements and steps to follow each quarter. Each of the data elements listed are necessary to prepare the Medicaid administrative claim, while maintaining an appropriate audit trail related to costs reported for Medicaid administrative activities.

1. With this guide, you will receive an electronic file containing the required cost reporting information that will be submitted electronically, each quarter, to the [rsteyaert@mt.gov](mailto:rsteyaert@mt.gov) email address. The required Excel worksheets are titled as follows:
  1. Cover Sheet (Tab 1)
  2. Salary and Benefits (Tab 2)
  3. Cost Data (Tab 3) and
  4. District Code (Tab 4)

These worksheet templates fulfill the cost reporting requirements necessary to support a Medicaid Administrative Claiming Invoice for payment. The worksheet templates have been designed as a tool to aid your school district in meeting quarterly reporting requirements. Please save a copy of this template to be used each quarter.

2. Expenditures are collected on a quarterly basis at the completion of each calendar quarter. All data should only pertain to the quarter in which it is actually expensed. Use of estimated, budgeted or annual costs will not be accepted for claiming purposes.
3. Prior to the start of each quarter, you will be asked to work with a designated MAC Coordinator, responsible for choosing the staff to be included on the Participant Listing and included in the statewide sample pool for the random moment time study. You will be asked to assist with the identification of the appropriate fund and function codes that employees are expensed from. At this time, it is extremely important to identify those employees who may be 100% funded by Federal funds and exclude them for cost reporting purposes. However, if an employee is jointly funded, they may be included in the sample pool and the appropriate portion (non-federal) of their salary, benefits and related expenditures should be reported for claiming purposes.
4. On this template, you will be reporting a salary and a fringe benefit cost for every employee listed on Participant Listing worksheet, regardless if they received a time study observation form during that quarter. The pertinent data that identifies staff that participate in this program was included on the Participant Listing worksheet completed by the MAC Coordinator prior to the beginning of the quarter. You should copy and paste the appropriate information from the Participant Listing for this quarter to the Financial Data Collection worksheet. The staff on the Financial Data Collection worksheet should match the staff listed on the Participant List. See additional detailed steps for completing these worksheets below in Section II.

5. Please input the total “district-wide” expenditure amounts at the fund/function/object level listed on the Cost Data (Tab 3) worksheet. The cost elements should represent what your school district has expended in total and should reflect “all” functional district cost that support the Medicaid program, not just those costs applicable to the staff listed on your district’s Participant Listing.
6. Keep in mind that the template has been developed using the “standard” Chart of Accounts used by the State of Montana. Your fund, function and object codes may vary. You may customize this worksheet by adding a fund column or function rows. Federal dollars, major construction (function 4XXX) and debt service (function 5XXX) should be excluded from expenditures prior to submission. **Amounts included on the worksheet should represent a full quarter of actual district-wide cost activity minus the salary and benefits for the staff included on the Participant Listing.** The invoice has pre-set formulas and will calculate an expenditure amount per employee and apply that cost on your behalf, based on the number of employees that you list on the Cover Sheet (Tab 1) of the workbook.
7. [Please transmit all completed data to: rsteyaert@mt.gov.](mailto:rsteyaert@mt.gov)
8. For audit purposes, please retain all data used in reporting actual quarterly costs for a period of six years and three months. This includes a copy of the data template that was submitted.

## Financial Data – Salaries and Fringe Benefits (Tab 2)

As mentioned above, in this process you will be asked to report the quarterly salaries and fringe benefits for every employee included on the Participant Listing as determined by Step 3, Section I above. Simply report the salaries and benefits for these employees after you have copied the necessary data from the quarter's Participant List. The following positions may have been included on the Participant Listing:

1. Administrators for Special Education
2. Audiologists and Audiology Assistants
3. Bilingual Specialists
4. Counselors
5. Diagnosticians
6. Dietitians
7. Home to School Coordinators/ Liaisons for Special Education
8. Interpreters
9. Licensed Practical Nurses or School Health Aides
10. Medicaid Billing Clerks (if they are performing activities that are reimbursable by MAC)
11. Occupational Therapists and Assistants
12. Orientation and Mobility Specialists
13. Physical Therapists and Assistants
14. Program and Staffing Specialists (including staff like Mobility, Behavioral and Transportation Paraprofessionals)
15. Psychologists and Interns
16. Recreation Therapist
17. Registered Nurses
18. Respiratory Therapists
19. Social Workers
20. Speech-language Pathologist and Aides
21. Student Services Personnel
22. Work-Study Coordinator

Note: Report the total salary and benefits for each position (regardless if the employee received a time study observation form or not) identified on the Participant List for that quarter insuring that the fund and function information is completed for each entry. Please insure that all Federal dollars have been deducted from stated amounts.

### Direct Support Personnel

In addition to the staff listed on the district's participant listing, you may report salaries and benefits of support personnel that were not sampled but who provide direct support to one or more staff members on the Participant Listing. Direct support personnel have a direct reporting and supporting relationship to the individuals identified on the Participant Listing. Direct support employees' job responsibilities are primarily clerical and administrative in nature. A direct supporting relationship exists if a staff member on the participant list determines the schedule and work activities of the person in the support role. An organizational chart, job description, evaluation form or expenditure/payroll report should be used to verify the reporting relationship.



**Do not include direct support personnel on the Participant Listing.** For example, if you include a Special Education Administrator on the Participant Listing and that administrator's secretary directly supports the administrator's work, then you do not need to include the secretary on the Participant Listing. When gathering the financial data, you would include the salary and benefits for the secretary in the columns labeled "direct support personnel salary" and "direct support personnel benefits" **on the same row as Special Education Administrator that they support.** You may want to insert a comment in the cell naming the direct support personnel for audit purposes.

### Financial Data – Cost Data (Tab 3)

As discussed in Step 5, Section I above, report all operating expenditures applicable to district-wide operations at the fund and function level on the Cost Data worksheet for expenditures that support the Medicaid program. You should report expenditures for any of the following functions and objects for which employee costs may be charged for financial reporting purposes:

- 1000 Instruction (function code)
  - 100 – Personal Services - Salaries (object code)
  - 200 – Personal Services - Employee Benefits
  - 300 – Purchased Professional & Technical Services
  - 400 – Purchased Property Services
  - 500 – Other Purchased Services
  - 600 – Materials and Supplies
  - 800 – Other Expenditures

Please continue to report all "object codes" (100 – 800) as listed above for all applicable function codes listed below:

- 2100 – 2600 - Support Services (all)
- 2700 – All Other Functions (as necessary)
- **Note: there is no code 700 available for this program**

Although other function codes are utilized state wide, it is not necessary to report costs for any function codes not listed above. Please remember that you only need to report costs for those functions that support the Medicaid program.

These dollars should be divided by the following funds:

- |                             |                                 |
|-----------------------------|---------------------------------|
| 01 – General Fund           | 24 – Metal Mines Tax Reserve    |
| 10 – Transportation         | 25 – State Mining Impact        |
| 13 – Tuition                | 28 – Technology                 |
| 14 – Retirement             | 29 – Flexibility                |
| 15 – Miscellaneous Programs | 82 – Interlocal Agreement Funds |
| 21 – Comp Abs               |                                 |

In this section, please report expenditures for all employees, including contracted employees, without regard for their direct participation in the MAC program. On the cover sheet template, the total number of employees in the district/cooperative was documented. A proportionate amount of expenditures will be used to calculate your claim based on the number of employees listed on the Participant Listing for the associated quarter.

### **Audit Documentation Requirements**

Each participating school district or cooperative must maintain a separate audit file for each quarter they participate in the MAC program. The following documentation is required:

- Any computations or allocation used in reimbursement calculation
- Copies of quarterly participant listing, financial documentation, and invoice
- A detailed listing of all revenues offset from the claim, by source
- Copies of all training materials given to staff
- Names of attendees and instructors for the training session given for that quarter
- A copy of the remittance report
- A copy of the summary of RMS time study observation forms
- Organization charts, job descriptions or other documents establishing a supervisory relationship between participants and direct support personnel.

### **Records Retention**

The above audit files must be retained by each school district for a period of six years three months after each quarterly claim is filed to Medicaid, unless an on going audit or resolution of an audit exception is in process.

## **Checklist**

*Use the following checklist to ensure that you have completed all aspects of the financial data collection process.*

- \_\_\_ Has the Participant Listing workbook been discussed with the district MAC Coordinator to eliminate any staff that are 100% federally funded?
- \_\_\_ Have all staff on the Participant Listing been included on the Salary and Benefits worksheet? Do the staff on the Salary and Benefits worksheet match the staff on the Participant List?
- \_\_\_ Did you use the District Code from the tab at the bottom of the financial data collection template (not your “legal entity” code)?
- \_\_\_ Have all costs attributed to personnel (identified by the school district who perform the reimbursable functions) been included in the total cost pool identified on the Salary and Benefits Collection worksheet, including the costs attributable to the direct support staff, if applicable?
- \_\_\_ Have the salary and benefits for those staff on the Salary and Benefits worksheet been subtracted from the cost data?
- \_\_\_ Have all Federal dollars been removed from your reported cost data?
- \_\_\_ Have copies of all supporting financial data documentation been retained for audit purposes?
- \_\_\_ [Has the Financial Data Collection workbook been submitted to: rsteyaert@mt.gov?](mailto:rsteyaert@mt.gov)
- \_\_\_ Has the completed Medicaid Administrative Claiming Program Invoice been signed by the district/coop financial officer verifying the Certification of State and Local Expenditures for the quarter?
- \_\_\_ Have you made a copy of and mailed the original signed invoice back to DPHHS?
- \_\_\_ Have copies of all certification of match documentation been retained for audit purposes? (Certification of Match is on the Invoice)
- \_\_\_ Have you used revenue source 3357 Montana Administrative Claiming (MAC) Medicaid Program to record this reimbursement?

## **Questions**

If you have questions concerning the financial data submission process, please contact:

**Rena Steyaert, MAC Program Officer**

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[Information regarding School-Based Medicaid Services,  
including manuals, fee-schedules, and guides can be found at  
https://medicaidprovider.mt.gov/](https://medicaidprovider.mt.gov/)