

# Medicaid and Schools Program Administrative Activity Claims

August 2024

# Welcome and Housekeeping Notes

My name is Emily Hall. My team at ForHealth Consulting at UMass Chan Medical School administers the Medicaid and Schools Program in collaboration with DMAS in Virginia.

I am joined by Catina Claytor-Frye, Medicaid Coordinator from Arlington Public Schools, who will be leading today's training.



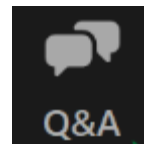
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Please take a moment to locate the Q&A feature on the Zoom toolbar where you can post questions.

# Learning Objectives

- Understand what work activities School Division staff do that the Medicaid program considers to be reimbursable “Medicaid Administrative Activities.”
- Understand how the reimbursement process works for AAC.
- Know the timeframes and deadlines for claiming AAC.
- Understand the allowable expenditures for reimbursement in the AAC program.
- Gain some helpful tips and tools to ensure that your school division is maximizing your AAC reimbursement while meeting all program requirements.


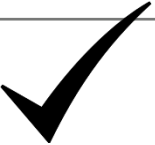



# What is Administrative Claiming?

Medicaid Administrative Activities Claiming (AAC) is a joint state-federal program which offers reimbursement for the costs incurred by school divisions to help enroll eligible children (and families) in the Medicaid program, and to assist children who are already enrolled in Medicaid to **access** the benefits available to them.



Hmmm... what exactly does that mean?

# What is Administrative Claiming?

Are these activities reimbursed in AAC?	Yes	No
1. Completing the supporting paperwork around documenting and billing for the provision of direct health services, such as PT, OT, Speech Therapy, Nursing and mental/behavioral health services		
2. Administrative support for the Special Education department, such as maintaining student IEP files, scheduling IEP meetings		
3. Work medical practitioners (such as PTs and OTs) do related to IEP meetings and forms, such as writing IEPs or participating in IEP meetings		
4. Obtaining parental consent to bill Medicaid		
5. The direct provision of medical care to a student, i.e. providing a speech therapy session to a student		

# What is Administrative Claiming?

School-Based Administrative Claiming is a federal reimbursement program that recognizes the important role that public schools play in

- identifying and enrolling children and families in the Medicaid program,
- assisting families when applying for Medicaid,
- supporting families to stay enrolled in Medicaid.

Additionally, schools are uniquely situated to assist children in accessing benefits and services available to them.

It is in the interest of both the Medicaid program and the school systems that children come to school healthy and ready to learn.

# What is Administrative Claiming?

Administrative Claiming provides reimbursement for work that **improves access to health care:**

- Medicaid outreach & application assistance
- Specialized transportation scheduling/arranging
- Translation services related to **health** care service delivery
- Program planning and policy development related to the delivery of **health** services
- Referral, coordination and monitoring of **health** services

**Note:** Work related to the provision of health care services (including time preparing to deliver services and time spent documenting services) is reimbursed through the annual Direct Service Cost Report

# Additional Resources on Administrative Activities

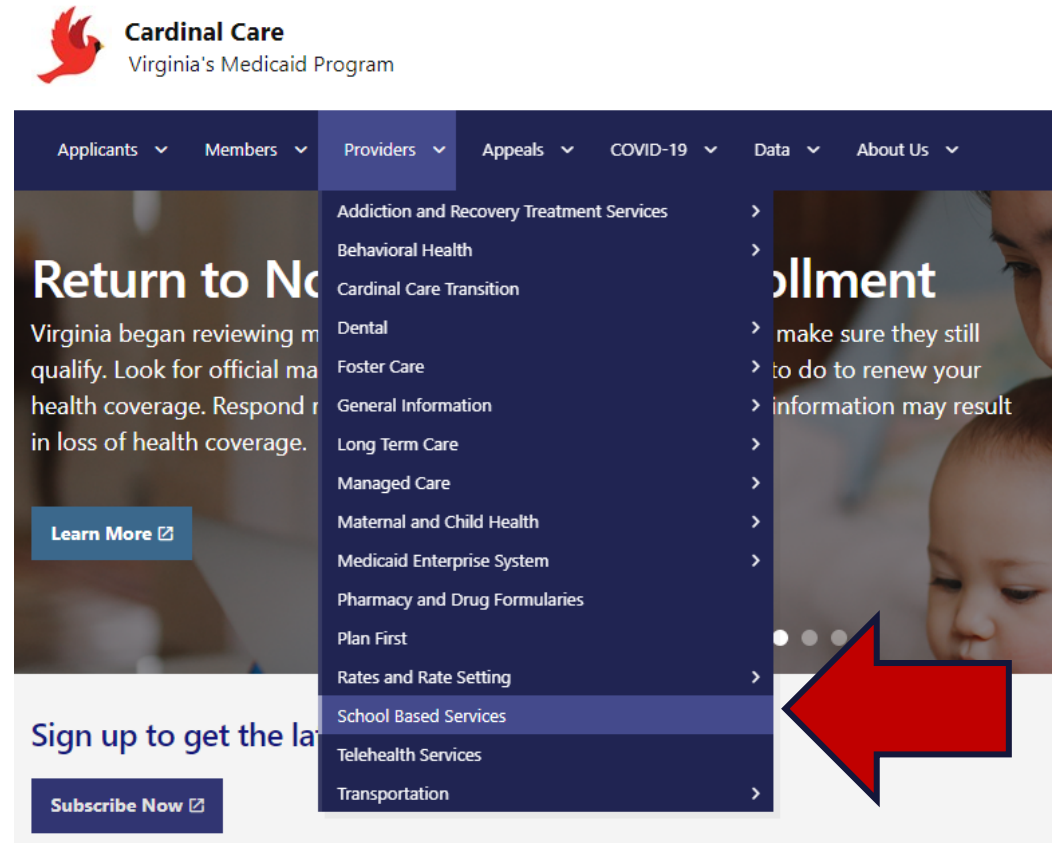
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<https://www.dmas.virginia.gov>

- Providers
  - School Based Services

✓ *User Guide for Administrative Claiming- Updated January 2024*

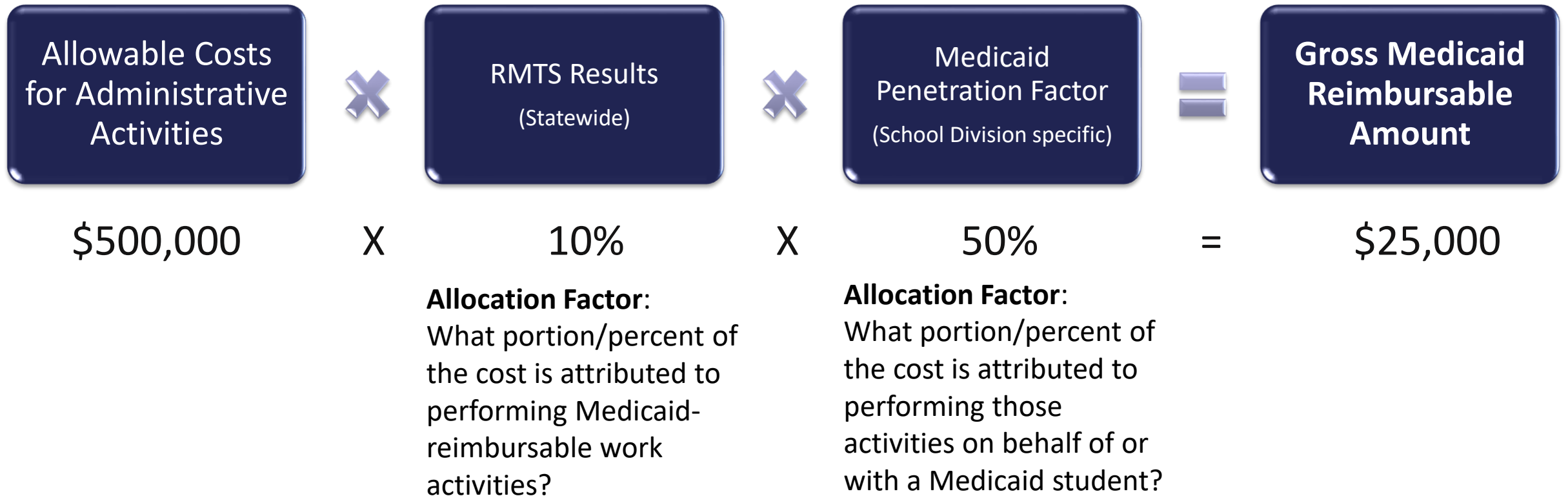
✓ *RMTS Coordinator Training May 2024*





# AAC Overview

## Cost-Based Reimbursement Methodology



# Claiming Timeline and Deadlines

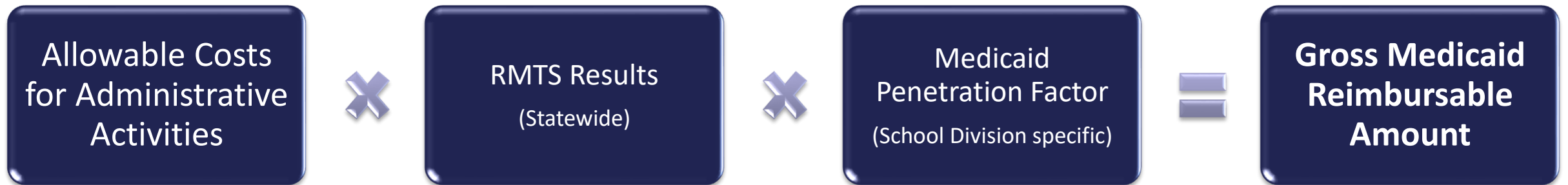
- Administrative Activity Claims (AAC) should be submitted quarterly:

Qtr	Claiming Period	Earliest Claim Deadline	Earliest Certification Deadline	Latest Claim Deadline	Latest Certification Deadline
1	7/1/24 - 9/30/24	1/15/25	1/22/25	7/15/26	7/22/26
2	10/1/24 - 12/31/24	4/15/25	4/22/25	10/15/26	10/22/26
3	1/1/25 - 3/31/25	7/15/25	7/22/25	1/15/27	1/22/27
4	4/1/25 - 6/30/25	10/15/25	10/22/25	4/15/27	4/22/27

- Claims must be filed within seven (7) quarters
- Only claims submitted by **October 15th** following the close of the fiscal year will be used to pre-populate information into the cost reports

# What data is needed to submit an AAC?

Remember the Cost-Based Reimbursement Methodology



## Allowable Costs:

- Staffing Costs (salaries & benefits)
- Materials & Supplies
- Capital Costs
- ✓ Indirect Costs

## ✓ RMTS Results:

- Percent of staff time allocated to AAC work activities

✓ **UMass Chan takes care of these for you!**

## Medicaid Penetration Factor:

- Percent of your division's students who are enrolled in Medicaid/FAMIS

# What data is needed to submit an AAC?

Allowable costs related to performing Medicaid Administrative activities are:

- **Salary and employer-paid benefit costs** for staff who performed the work
  - Employer-paid benefit costs include:
    - Medicare
    - Health Insurance
    - Retirement
    - Dental Insurance
    - Social Security
    - Other benefits
- **Material and supply costs** related to the performance of Medicaid administrative activities
  - Costs for health supplies must be excluded
  - Costs for educational supplies must be excluded
- **Capital Costs**

# Where/How to gather cost data

In most school divisions, the Medicaid Coordinator files the claim. But most coordinators need support and assistance to do so.

Information Needed	Who will provide the information?	How much time do they need to prepare?	What's the correct data source?	How will the information be verified?
Staff salary	Payroll?	1 week?	Payroll system?	Payroll reports?
Employer paid benefits	HR? Payroll?	10 days?	Payroll system?	Payroll reports?
Staff funding source & FTE	Business office?	1 week?	General Ledger?	GL reports?
Material & supply costs	Accounts Payable?	2 weeks?	Paid invoices?	GL reports?
Capital costs	Business office?	2 weeks?	Financial reports?	Financial reports?

# Rules for Reporting Expenditures

**For all expenditures that are allowable in the claim, these things are always true:**

- All costs are claimed in the period related to the service date of the costs (not cash-based accounting)
- All expenditures that were funded by a Federal Grant (including IDEA & CARES funding) must be excluded
- All expenditures that were a required match for a Federal Grant must be excluded
- All costs used to calculate the Indirect Cost Rate must be excluded. (Those costs are reimbursed through the application of the ICR to the claim)
- Only expenditures funded from State/Local funding sources can be claimed

# Reporting Costs in the Correct Period

- All costs are claimed in the period relative to the **service date** of the costs (not cash-based accounting)
- Also, the Medicaid Program is a **reimbursement** program, which means that expenditures must have already been incurred (**paid**) to be claimed.
- Example:

Expense	Service Date/Period	Date Paid ("check date")	Claim Quarter
Staff Salary	9/13-9/24 (workdays)	9/28	Q1 (7/1-9/30)
Supplies	9/20 (order received)	1/26	Q1 (7/1-9/30)
Health Insurance	October (coverage effective)	9/15	Q2 (10/1-12/31)

# Reporting Costs in the Correct Period

Expense	Service Date/Period	Date Paid ("check date")	Claim Quarter
Staff Salary	9/13-9/24 (workdays)	9/28	Q1 (7/1-9/30)
Supplies	9/20 (order received)	1/26	Q1 (7/1-9/30)
Health Insurance	October (coverage effective)	9/15	Q2 (10/1-12/31)

- What happens if I file my Q1 claim on 1/15, before the supply invoice has been paid?  
Do I:
  - Claim the supply cost in my Q2 claim
  - ✓ Amend my Q1 claim (in the following quarter) to add the costs, after the invoice has been paid
  - I don't get to claim this cost, it cannot be reimbursed now



# What Staff are Included in the AAC?

Staff who are expected to perform Medicaid reimbursable work activities were identified by each school division **prior to the start of the quarter** and were included in the Random Moment Time Study (RMTS) participant list for the quarter.

The three Job Pools for the RMTS are:

**Pool 1:** Administrative Services Only

**Pool 2:** Nursing, Psychological & Medical Services

**Pool 3:** Therapy Services

**All three** Job Pools are included in Administrative Claiming

**Note:** Only Pools 2 and 3 are included for Direct Services reimbursement through the annual Cost Report

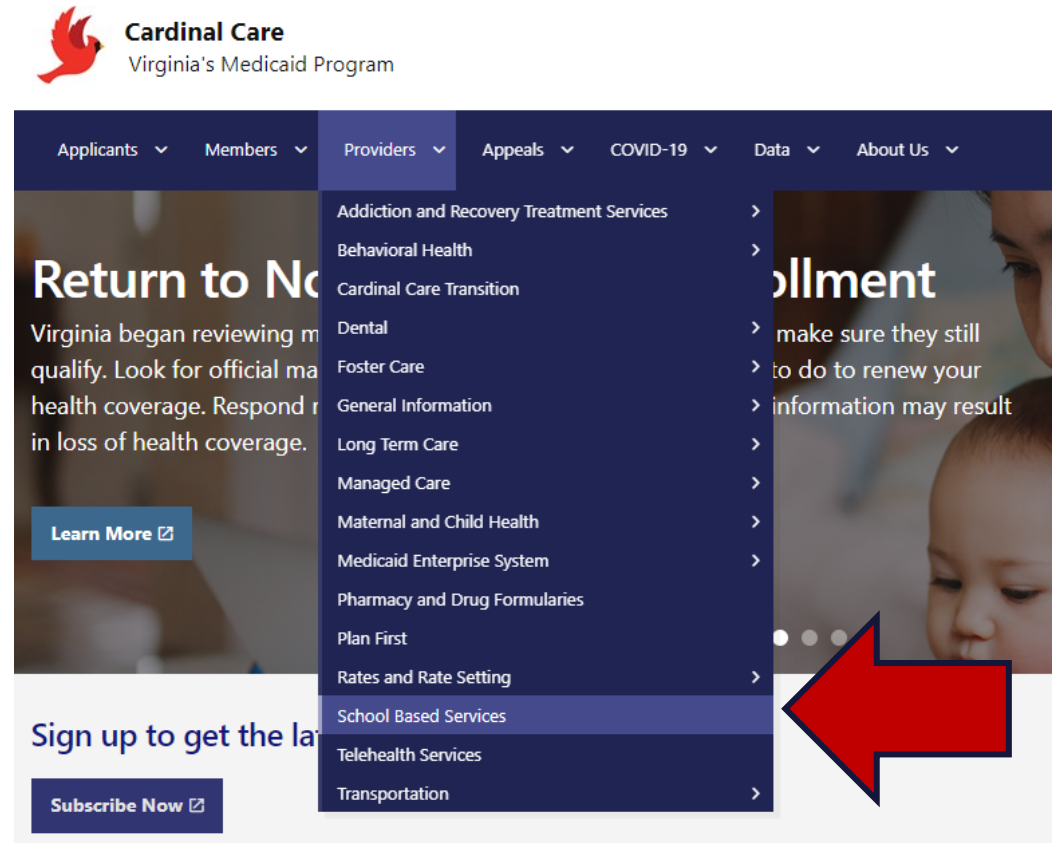
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✓ *User Guide for Administrative Claiming- Updated January 2024*



# Claiming Staff Salary & Benefits costs

## Live Demonstration:

Follow along with the instruction guide to:

- Export a list of staff who participated in RMTS and are available for claiming
- Re-organize the staff data so that it's ready to copy into the salary & benefit upload template
- Complete the upload template
- Upload salary & benefit costs into the claim
- Option to use online data entry screens

# Reminder about Funding Sources

## AAC Salary and Benefit funding sources must be identified

- Percentage of State/Local funding
- Percentage of IDEA funding
- Percentage of Federal funding
- Percentage of Other funding
- The total of the 4 components above must equal 100%
- If the 'other' percentage is greater than zero then a narrative description is required

# Capital Costs

The Administrative Activity Claims allow for an allocation of Capital Costs to be added to the other reported expenditures in the reimbursement calculation.

Report capital costs with Quarter 1 AAC – same data will automatically carry forward into remaining 3 quarterly claims

## **Capital costs include:**

- Acquisition Costs of Fixed Assets
- Acquisition Costs of Major Moveable Assets
- Net Interest Expense associated with financing/loans for school building acquisition, construction, remodeling and equipment

To allocate the costs, also report the actual division-wide (all personnel and district payroll) salaries and fringe benefits (employer portion only) for the prior fiscal year, excluding any federally funded portions.

# Capital Costs

## Key cost principles and regulations to keep in mind:

- All costs claimed must comply with the “Super Circular” - OMB Uniform Administrative Requirements, Cost Principle, and Audit Requirements for Federal Awards (2 C.F.R. §200)
- Reported costs “must be supported by adequate property records, and physical inventories must be taken at least once every two years to ensure that the assets exist and are usable, used, and needed” (2 C.F.R. §200.436).
- Per 2 C.F.R. § 200.12 and § 200.33, capital assets reported in this section “means tangible assets currently in use in operations having a useful life of more than one year which are capitalized in accordance with Generally Accepted Accounting Principles (GAAP)” (§ 200.12) and have a per-unit acquisition cost of \$5,000 or more (§ 200.33).

# Capital Costs

## Acquisition Costs of Fixed and Major Moveable Assets:

Report the **accumulated acquisition cost** of building and fixed assets

- Do not report an insurance valuation or replacement cost
- Do not depreciate the cost
- Exclude the cost of fully depreciated assets (more than 50 years old for fixed assets; more than 15 years old for major moveable assets)
- Exclude the cost of land
- Exclude portion of the cost of buildings and equipment paid or donated by the Federal Government
- Exclude rent or lease payments

# Capital Costs – Net Interest Expense

## **Net Interest Expense associated with financing/loans for school building acquisition, construction, remodeling and equipment:**

Report the net interest expense associated with school building acquisition, construction, remodeling and equipment for the prior fiscal year, where the financing is provided by a bona fide third party external to the municipality or school division.

Report the accrued interest paid minus accrued interest earned as the accrued net interest expense.



# Capital Costs

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## Live Demonstration:

- Complete the “annual data” section of a Q1 AAC
- See that the annual data is pre-populated into Q2-4

# Annual Costs: Calculate Capital % Rate

**Capital Percentage Rate:** The percentage (allocation factor) of capital costs attributable to what is used by the staff included in the claim.

School Based Cost	Amount	Use Allowance %	Total
Building and Fixed Valuation	\$ 187,462,863.99	2.00	\$ 3,749,257.28
Major Moveable Valuation	\$ 5,867,734.34	6.67	\$ 391,377.88
School Wide Interest Expense	\$ 2,338,274.49		\$ 2,338,274.49

<b>SubTotal Capital:</b>	<b>\$ 6,478,909.65</b>
<b>Total District Salary + Benefit:</b>	<b>\$ 95,720,256.46</b>
<b>SubTotal Capital / Total District Salary + Benefit:</b>	<b>6.769%</b>

# Annual Cost Calculation: Apply Capital % Rate

## Claim Summary Report:

Description		Amounts
Job Position Code 1		\$2,621.41
Job Position Code 2		\$5,604.03
Job Position Code 3		\$4,143.42
<b>SubTotal Job Positions :</b>		\$12,368.86
Capital Costs	6.769%	\$837.25
<b>SubTotal Gross Claim Amount</b>		\$13,206.11
Indirect Costs	10.50%	\$1,386.64
<b>Grand Total Claim (Gross)</b>		\$14,592.75
<b>Grand Total Claim (Net)</b>		\$7,296.37

# Materials & Supplies Calculation

Material and supply costs **related to the performance of Medicaid administrative activities** may be claimed.

- Costs for health supplies must be **ex**cluded
- Costs for educational supplies must be **ex**cluded
- Think about what materials and supplies were used by school division staff in performance of reimbursable Medicaid Administrative Activities, such as:
  - Medicaid outreach: brochures, forms, flyers
  - Specialized transportation scheduling: forms, office supplies
  - Program planning and policy development related to the delivery of **health** services: supplies for a meeting, forms, office supplies
  - Referral, coordination and monitoring of **health** services: forms, office supplies

# Materials & Supplies Calculation

Materials & Supplies for AAC claims are calculated using the number of FTEs in your claim over your district-wide number of FTEs for a percentage that is applied to each pool for the amount of materials and supplies you provided.

## Material & Supply Expenditures

Quarterly district expenditure for non-health supplies (\$) :

District wide Total FTE :

Quarterly district expenditure for health supplies (\$) :

\* Received Date :

## Other Supplies : \$ 3,724.74

Job Position Code	FTE	Total District FTE	Percentage	Material Total
1	33.00	1,629	2.03 %	\$ 75.46
2	48.00	1,629	2.95 %	\$ 109.75
3	18.00	1,629	1.10 %	\$ 41.16
<b>Totals</b>	<b>99.00</b>			<b>\$ 226.37</b>

# Medicaid Eligibility Data

## Medicaid Eligibility Percentage:

- Report two student counts based on the results of your Medicaid Eligibility Match completed as of the 1st day of the 3rd month of the quarter (Sept. 1, Dec. 1, March 1, June 1)
  - Total number of students enrolled division wide **as of the prescribed “snapshot” date**
  - Total number of those students (from #1) who were **matched** and determined to have active Medicaid or Medicaid Expansion coverage (do not count FAMIS students)
- Include Medicaid & Medicaid Expansion students
- Do **NOT** include FAMIS students
- Calculated quarterly as of 9/1, 12/1, 3/1 and 6/1

# Medicaid Eligibility Data

	A	B	C	D	E	F	G	H	I	J
1	<b>School Based Medicaid Eligibility Report</b>									
2	<b>Summary Report</b>									
3	<b>Effective Date:</b>	12/01/2016								
4	<b>Run Date:</b>	06/09/2017								
5	<b>Run Time:</b>	08:48:16 AM								
6	<b>School District:</b>	ABC Public Schools								
7	<b>File Name:</b>	SMM_SDVA_4979036_2_2017_99_20170609084814.XFR								
8	<b>Number of Records in SD file:</b>	6563								
9	<b>File Status:</b>	Finalized								
10										
11										
12		<b>AUTO</b>	<b>MANUAL</b>	<b>HISTORY</b>	<b>POSSIBLE</b>	<b>REVIEW</b>	<b>AUTO</b>	<b>MANUALLY</b>	<b>HISTORY</b>	<b>Record</b>
13		<b>MATCHED</b>	<b>MATCHED</b>	<b>MATCHED</b>	<b>MATCH</b>	<b>NEEDED</b>	<b>REJECTED</b>	<b>REJECTED</b>	<b>REJECTED</b>	<b>Count</b>
14	<b>Medicaid</b>	2567	3	176	0	N/A	N/A	N/A	N/A	2746
15	<b>Expansion</b>	347	1	22	0	N/A	N/A	N/A	N/A	370
16	<b>FAMIS</b>	199	0	12	0	N/A	N/A	N/A	N/A	211
17	<b>Total</b>	3113								3327
18										
19										
20	<b>Administrative Claim Data</b>									
21										
22	<b>Total Students</b>	6563								
23	<b>Total Eligible Students (Excluding FAMIS)</b>	3,116								
24										
25	<b>Medicaid Eligibility Rate:</b>	47.48%								
26										
27	<b>Cost Report Data (Q2 Only)</b>									
28										
29	<b>Total Medicaid Students</b>	2,746								
30	<b>Total Expansion Students</b>	370								
31	<b>Total FAMIS Students</b>	211								
32	<b>Total Students</b>	6563								
33										
34	<b>Medicaid Eligibility Rate:</b>	50.69%								

**Medicaid Penetration Rate**

Total school district enrollment for the quarter :

Total number of Medicaid eligible students in the school district for the quarter :

Medicaid Penetration Rate (%) :

\* Received Date :  ▼

# Additional Resources on Medicaid Eligibility Matching

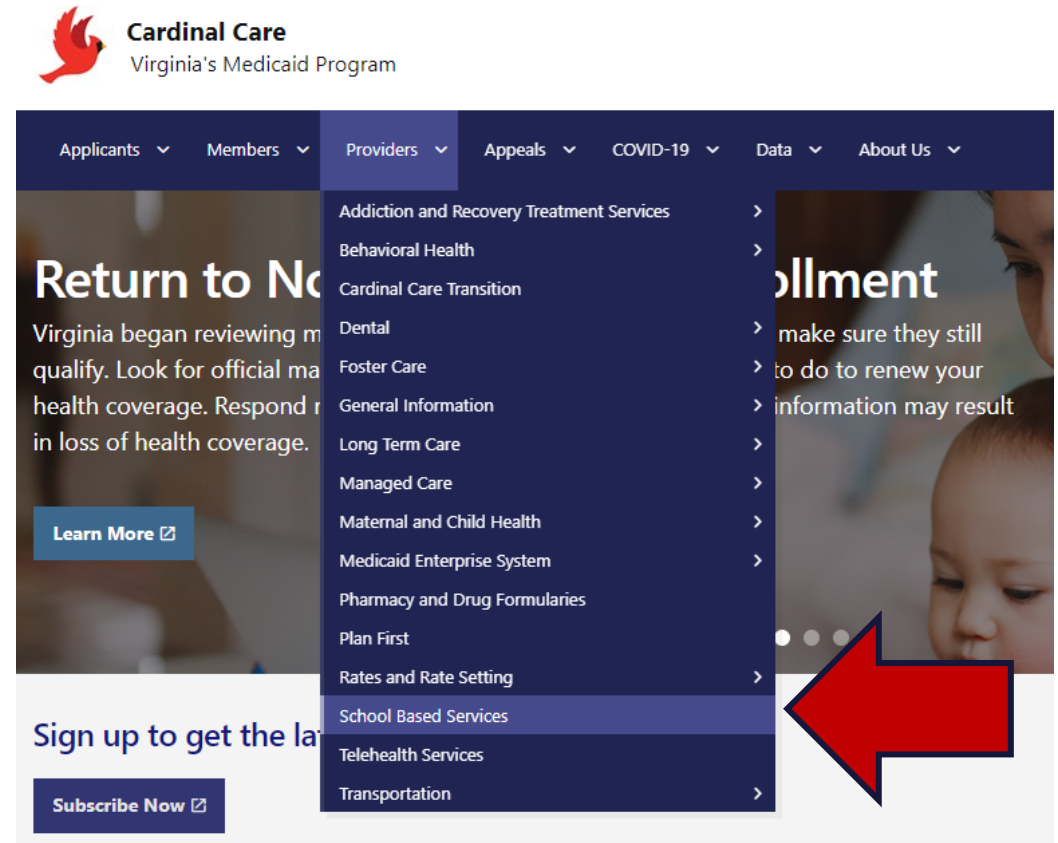
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✓ *Eligibility Matching Training*

✓ *Medicaid Eligibility Matching User Guide*





# Certification of Public Expenditure

- UMass Chan will email the certification letter to you after completing a review of your claim.
- Certification letters should be printed on School Division letterhead, signed by an officer of the school division, such as a Superintendent or appropriate designee, and sent to UMass Chan by the appropriate quarterly deadline (22nd of the submission month) so that your claim can be processed with the quarterly submission.
- Any certification letters received after the deadline will be held and processed in the following quarterly submission.

# Best Practices

## A few tips and best practices to keep in mind:

- Get on a regular quarterly schedule for your claiming; set calendar reminders for due dates to stay on track.
- Identify key people in your school division who will be responsible for the different pieces of information needed for AAC.
- Maintain a claim back-up file where all supporting documentation for your claim is saved for audit purposes.
- Monitor funding changes and grants.
- Salary & benefits – only portion of salary related to the job that qualified for Medicaid.
- When preparing your RMTS participant list, provide actual Employee ID numbers for staff for easy matching of that information to payroll data for gathering salary and benefits for the claim.
- When all else fails – read the instructions! Then call UMass Chan for help.

# Questions?



UMass Chan Support Team:

800-535-6741

RMTSHelp@umassmed.edu