

NORTH CAROLINA

SCHOOL BASED MEDICAID ADMINISTRATIVE CLAIMING

(MAC) PLAN

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IMPLEMENTING SCHOOL BASED MEDICAID ADMINISTRATIVE CLAIMING (MAC) IN NORTH CAROLINA

Introduction

North Carolina has operated a Medicaid Administrative Claiming (MAC) program since 1999. The current program methodology was based upon two existing Cost Allocation Plans that received draft approval in March 2003. New federal guidelines for the program were issued in May 2003 that impacted the North Carolina program. The purpose of this plan is to meet the new federal requirements that went into effect for the October-December 2003 quarter. This plan will describe the methodology the state is using to implement the new guide for the October-December 2003 quarter and forward on a prospective basis, along with defining the requirements that all participants are following.

A. OVERVIEW

Local Education Agencies (LEAs) participating in the Medicaid Administrative Claiming Program (MAC) in North Carolina must meet very specific requirements. Every agency, which intends to draw down MAC reimbursement, must have an authorized interagency agreement, and participate in the MAC uniform time study and claiming methodology described in this document.

Program Organization:

The North Carolina Division of Medical Assistance (DMA/DHB) / Division of Health Benefits (DHB) will enter into agreement with the North Carolina Department of Public Instruction (DPI). Note: Effective August 1, 2018, the North Carolina Division of Medical Assistance (DMA/DHB) transitioned to the North Carolina Division of Health Benefits (DHB); references herein convey from DMA to DHB.

- DPI will serve as payment distribution agent for the Local Education Agencies (LEA) participating in MAC.
- DPI will provide project administration and general oversight to the LEAs.
- DPI will provide technical assistance and claims review functions for the LEAs participating in MAC.
- LEAs participating in MAC will enter into agreement with DPI to become MAC participants.
- DMA/DHB will oversee administration of the MAC, including payment of claims, issuing financial policy, and review of DPI monitoring efforts.

Purpose

The purpose of entering into agreement with DPI is to assist the agency in administering their respective duties in support of the North Carolina State Medicaid Plan in the most effective manner possible. The school setting offers unique advantages and opportunities to reach at-risk children and families to inform and encourage them to enroll in the Medicaid program, as well as to provide assistance to students in accessing medical services. The common interest of the State, as reflected through the efforts of DMA/DHB, DPI, and the LEAs is to ensure more effective and timely access to care for individuals and the most appropriate utilization of Medicaid-covered services. Promoting activities and behaviors that reduce the risk of poor health and poor outcomes for the State's most vulnerable student population is also a major consideration.

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B. Agreements Needed to Implement MAC

1. The Agreement between DMA/DHB and DPI

To implement MAC, DMA/DHB will enter into an agreement with DPI to serve as MAC payment distribution agent for the LEA. This agreement must be effective the first day of the quarter in which the first administrative claim is produced. The interagency agreement will be submitted as **Appendix A**.

2. Agreements between DPI and LEA

DPI will enter into agreements with LEAs, who are Medicaid providers to perform MAC activities. As with the agreement between DPI and DMA/DHB, each agreement with a local school district must be effective the first day of the quarter in which the first administrative claim is produced. Continued participation in MAC will be dependent on maintaining compliance on a continual basis with the DPI agreement. A blank copy of the interagency agreement between DPI and a local school district will be submitted as **Appendix B**.

A local school district may choose to implement the MAC program as a single, stand-alone district or may choose to join or form a consortium with other LEAs. Both stand-alone programs and consortiums must have a designated representative from each district responsible for managing the MAC program. A contract with a third-party provider to administer the MAC program is permissible; however, programs that contract with a third-party provider must still designate a contact person in the school district who must be familiar with the program and its requirements.

C. Responsibilities of the State MAC Manager

The State MAC Manager, a DMA/DHB employee known under this MAC plan as the “DMA/DHB MAC Manager”, will be responsible for management of the MAC Program as follows:

- Ensures that the MAC cost allocation plan meets federal guidelines,
- Oversees the monitoring plan for administrative claiming by all school districts.
- Conducts periodic reviews of monitoring activities by the DPI.
- Develops financial policy for the school districts to follow in administrative claiming, and resolves any deferral actions or adjustments required by federal or state reviews.

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D. Responsibilities of the DPI MAC Coordinator

The DPI MAC Coordinator will be responsible for the coordination of the MAC Program, as follows:

- Managing the implementation of the MAC initiative for DPI,
- Working closely with local school district's MAC coordinators in fulfilling his/her responsibilities,
- Coordinating all correspondence and requests for information concerning the MAC Program from the LEAs,
- Ensuring that all districts participating in MAC Program meet participation requirements including the conditions found in the MAC interagency agreements between DMA/DHB and DPI,
- Ensuring that participating LEAs receive thorough and comprehensive training on the MAC Program: the time study methodology process and activity codes,
- Ensuring that MAC claims are developed to meet audit requirements, and that claims are calculated properly, and
- Ensure the development and implementation of the monitoring and oversight plan for the LEA.

E. Responsibilities of the Local School District MAC Coordinator

The Local Education Agency MAC Coordinator, an LEA employee(s) known under this MAC plan as the "LEA MAC Coordinator", will be responsible for the components of the MAC Program, as follows:

- Identifying the appropriate staff to participate in the MAC Program,
- Informing the staff participants of any changes in the MAC plan, policy compliance, staff training, financial submission and MOA provisions,
- Ensures that the school districts participate as active Medicaid Providers to claim administrative costs, and
- Verify that school districts bill for Medicaid direct services outlined in the IEP Plan in order to claim costs for administrative activities related to the care and coordination for the Medicaid direct services is complete and accurate.
- Ensures that the school districts staff receive a thorough, comprehensive and timely training on the MAC Program and the associated time study methodology process and the activity codes,
- Ensures that MAC claims are developed to meet audit requirements;
- Ensures that MAC claims are calculated properly; and
- Oversees the development and implementation of the monitoring and oversight plan for the LEA.

F. Strategies for Implementing MAC

The following strategies have been developed for implementing MAC

DMA/DHB (through the State MAC Manager) will:

- Provide leadership in development and implementation of the MAC Program
- Provide policy guidance and technical assistance to DPI.
- Establish an advisory board consisting, of but not limited to, DHHS employees to discuss implementation process and issues.

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- Revise the Plan annually based upon current legislation, changes in operational procedures, or recommended improvements in effectiveness by the advisory board.

DPI (through the DPI MAC Coordinator) will:

- Oversee administrative claiming activities from the LEA.
- Oversee Provider Training for time study
- Oversee selection of staff participants for time study.
- Provide on-going assistance and support concerning implementation issues, on-going MAC operation and inquiries from MAC participants to assure statewide consistency.
- Review claims for accuracy and Certified Public Expenditures (CPE)
- Coordinate responses to questions from the school districts with DMA/DHB

G. Components of MAC

1. Introduction

The federal government permits state Medicaid agencies to claim reimbursement for activities performed that are necessary for the “proper and efficient administration” of the State Medicaid Program. Historically, the Centers for Medicare and Medicaid Services (CMS) provided limited latitude to states in determining the activities for which they may seek reimbursement. Over time, CMS has identified a series of activities that must be claimed administratively. Among these are outreach, utilization review, care planning and coordination, eligibility determination and activities that determine an individual's need for care.

2. Elements of a Claim

A uniform MAC methodology will be used by all participating LEAs. This methodology contains the following elements:

- Certification of state and/or local funds for total allowable expenditures eligible for FFP.
- A uniform set of time study activity codes approved by CMS;
- Set procedures for determining the Medicaid percentage in each participating school district;
- Plan for allocating and determining local school district cost;
- A uniform invoice for documenting the cost of claimable activities under Medicaid administration; and

3. Identifying the Scope of Claimable Activities - Time Study Codes

All LEA's participating in MAC allocates their time among a common set of activity codes through the use of a time study. The activity codes that will be used are based upon the CMS federal guidelines released in May 2003. These activity codes are to be used uniformly by all LEAs and school districts participating in the MAC program.

a. Staff Activity and FFP Codes

The indicators below, which follow each code, provide the application of the Federal Financial Participation (FFP) rate, the allowability or non-allowability designation, and the proportional Medicaid share status of the code. In order to maintain coding objectivity by time study participants, time study sheets used by employees will not

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include references to rates of FFP, proportional or total Medicaid, or whether such codes are allowable, or unallowable under Medicaid.

- **Application of FFP rate
50 percent**

Refers to an activity, which is allowable as administration under the Medicaid Program and claimable at the 50 percent FFP rate.

U - Unallowable Activities

Refers to an activity, which is unallowable as administration under the Medicaid program. This is regardless of whether or not the population served includes Medicaid eligible students.

- **Application of Medicaid Share**

TM (Total Medicaid) Refers to an activity, which is 100 percent allowable as administration under the Medicaid program.

PM (Proportional Medicaid) Refers to an activity, which is allowable as administration under the Medicaid program, but for which the allocable share of costs must be determined by the application of the proportional Medicaid share (the Medicaid eligibility rate – “MER”). The Medicaid share is determined as the ratio of Medicaid eligible school age children to total students or some other approved methodology. MER data consist of eligibility information using the first and last month of the quarter to which it relates.

- **Reallocated Activities**

R Refers to those general administrative activities performed by time study participants which must be reallocated across the other activity codes on a pro rata basis. These reallocated activities are reported under Code 10, General Administration.

b. Medicaid-Covered Services

The purpose of the Medicaid administration project is to ensure the access of eligible individuals to Medicaid services. The State Medicaid Plan allows the public schools to provide selective health related services. The services listed below represent only those that are provided and paid for in the schools – however, there are additional services that are reimbursable in the community. MAC administration includes time the districts spend helping individuals access these district services (below) as well as others which may not be available in the schools but which districts help coordinate.

- Audiology
- Physical Therapy
- Occupational Therapy
- Psychological Services
- Speech Therapy
- Nursing Services

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- Vision Screening Services

c. Uniform Code Titles

CODE 1.a	Non-Medicaid Outreach
CODE 1.b.	Medicaid Outreach
CODE 2.a.	Facilitating Application to NON-Medicaid Programs
CODE 2.b.	Facilitating Medicaid Eligibility Determination
CODE 3.	School Related and Educational Activities
CODE 4.	Direct Medical Services (Subcodes in Appendix A listed below) 4a Not Covered as IDEA/IEP/IFSP/IHP/BIP/504 Plan Service 4b Covered as IEP/IFSP Service 4c Covered as IHP/BIP/504 Plan Service
CODE 5.a.	Transportation for Non-Medicaid Services
CODE 5.b.	Transportation-Related Activities in Support of Medicaid Covered Services
CODE 6.a.	Non-Medicaid Translation
CODE 6.b.	Translation Related to Medicaid Services
CODE 7.a.	Program Planning, Policy Development and Interagency Coordination Related to NON-Medical Services
CODE 7.b.	Program Planning, Policy Development, and Interagency Coordination Related to Medical Services
CODE 8.a.	Non-Medical/Non-Medicaid Related Training
CODE 8.b.	Medical/Medicaid Related Training
CODE 9.a.	Referral, Coordination and Monitoring of Non-Medicaid Services
CODE 9.b.	Referral, Coordination and Monitoring of Medicaid Services
CODE 10.	General Administration
CODE 11.	Non Paid, Non Work

d. Time Study Activity Codes: Descriptions and Examples

CODE 1.a. NON-MEDICAID OUTREACH - U

All school staff should use this code when performing activities that inform individuals about their eligibility for non-Medicaid social, vocational and educational programs (including special education) and how to access them; describing the range of benefits covered under these programs and how to obtain them. Both written and oral methods may be used. Include related paperwork, clerical activities or staff travel required to perform these activities.

1. Informing families about wellness programs and how to access these programs.
2. Scheduling and promoting activities that educate individuals about the benefits of healthy life-styles and practices.
3. Conducting general health education programs or campaigns that address life-style changes in the general population (e.g., dental prevention, anti-smoking, alcohol reduction, etc.).

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4. Conducting outreach campaigns that encourage persons to access social, educational, legal or other services not covered by Medicaid.
5. Assisting in early identification of children with special medical/dental/mental health needs through various child find activities.
6. Outreach activities in support of programs that are 100 percent funded by state general revenue.
7. Developing outreach materials such as brochures or handbooks for these programs.
8. Distributing outreach materials regarding the benefits and availability of these programs.

CODE 1.b. MEDICAID OUTREACH – TM/50 Percent FFP

School staff should use this code when performing activities that inform eligible or potentially eligible individuals about Medicaid and how to access the program. Such activities include bringing potential eligible into the Medicaid system for the purpose of the eligibility process. Outreach may only be conducted for the populations served by the LEA, i.e., students and their parents or guardians. The following are examples of activities that are considered Medicaid outreach:

1. Informing Medicaid eligible and potential Medicaid eligible children and families about the benefits and availability of services provided by Medicaid (including preventive treatment, and screening) including services provided through the EPSDT program.
2. Developing and/or compiling materials to inform individuals about the Medicaid program (including EPSDT) and how and where to obtain those benefits. Note: This activity should not be used when Medicaid-related materials are already available to the schools (such as through the Medicaid agency). As appropriate, school developed outreach materials should have prior approval of the Medicaid agency.
3. Distributing literature about the benefits, eligibility requirements, and availability of the Medicaid program, including EPSDT.
4. Assisting the Medicaid agency to fulfill the outreach objectives of the Medicaid program by informing individuals, students and their families about health resources available through the Medicaid program.
5. Providing information about Medicaid EPSDT screening (e.g., dental, vision) in schools that will help identify medical conditions that can be corrected or improved by services offered through the Medicaid program.
6. Contacting pregnant and parenting teenagers about the availability of Medicaid prenatal, and well baby care programs and services.
7. Providing information regarding Medicaid CAROLINA ACCESS / managed care programs and health plans to individuals and families and how to access that system.
8. Encouraging families to access medical/dental/mental health services provided by the Medicaid program.

CODE 2.a. FACILITATING APPLICATION FOR NON-MEDICAID PROGRAMS - U

This code should be used by school staff when informing an individual or family about programs such as: Temporary Assistance for Needy Families (TANF), Food Stamps, Women, Infants, and Children (WIC), day care, legal aid, and other social or educational programs and referring them to the appropriate agency to make application.

1. Explaining the eligibility process for non-Medicaid programs, including IDEA.

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2. Assisting the individual or family collect/gather information and documents for the non-Medicaid program application.
3. Assisting the individual or family in completing the application, including necessary translation activities.
4. Developing and verifying initial and continuing eligibility for the Free and Reduced Lunch Program.
5. Developing and verifying initial and continuing eligibility for non-Medicaid programs.
6. Providing necessary forms and packaging all forms in preparation for the non-Medicaid eligibility determination.

CODE 2.b. FACILITATING MEDICAID ELIGIBILITY DETERMINATION - TM/50 PERCENT FFP

School staff should use this code when assisting an individual in the Medicaid eligibility process. Include related paperwork, clerical activities, or staff travel required to perform these activities. This activity does not include the actual determination of Medicaid eligibility.

1. Verifying an individual's current Medicaid eligibility status for purposes of the Medicaid eligibility process.
2. Explaining Medicaid eligibility rules and the Medicaid eligibility process to prospective applicants.
3. Assisting individuals or families to complete a Medicaid eligibility application.
4. Gathering information related to the application and eligibility determination for an individual, including resource information and third party liability (TPL) information, as a prelude to submitting a formal Medicaid application.
5. Providing necessary forms and packaging all forms in preparation for the Medicaid eligibility determination.
6. Referring an individual or family to the local Assistance Office to make application for Medicaid benefits.
7. Assisting the individual or family in collecting/gathering required information and documents for the Medicaid application.
8. Participating as a Medicaid eligibility outreach outstation, but does not include determining eligibility.

CODE 3. SCHOOL-RELATED AND EDUCATIONAL ACTIVITIES -U

This code should be used for school-related activities, including social services, educational services, teaching services, employment and job training, and other activities that are not Medicaid-related. These activities include the development, coordination, and monitoring of a student's education plan. Include related paperwork, clerical activities, or staff travel required to perform these activities.

1. Providing classroom instruction (including lesson planning).
2. Testing, correcting papers.
3. Developing, coordinating, and monitoring the Individualized Education Program (IEP) for a student, which includes ensuring annual reviews of the IEP are conducted, parental sign-offs are obtained, and the actual IEP meetings with the parents. (If appropriate, this would also refer to the same activities performed in support of an Individualized Family Service Plan (IFSP).)

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4. Compiling attendance reports.
5. Performing activities that are specific to instructional, curriculum, and student-focused areas.
6. Reviewing the education record for students who are new to the school district.
7. Providing general supervision of students (e.g., playground, lunchroom).
8. Monitoring student academic achievement.
9. Providing individualized instruction (e.g., math concepts) to a special education student.
10. Conducting external relations related to school educational issues/matters.
11. Compiling report cards.
12. Carrying out discipline.
13. Performing clerical activities specific to instructional or curriculum areas.
14. Activities related to the educational aspects of meeting immunization requirements for school attendance.
15. Compiling, preparing, and reviewing reports on textbooks or attendance.
16. Enrolling new students or obtaining registration information.
17. Conferring with students or parents about discipline, academic matters or other school related issues.
18. Evaluating curriculum and instructional services, policies, and procedures.
19. Participating in or presenting training related to curriculum or instruction (e.g., language arts workshop, computer instruction).
20. Translating an academic test for a student.

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CODE 4. DIRECT MEDICAL SERVICES -U

School staff should use this code when providing care, treatment, and/or counseling services to an individual. This code also includes administrative activities that are an integral part of or extension of a medical service (e.g., patient follow-up, patient assessment, patient counseling, patient education, parent consultations, billing activities). This code also includes all related paperwork, clerical activities, or staff travel required to perform these activities. Subcodes of Direct Medical Services (4a, 4b, and 4c) and their examples are identified in Appendix A.

CODE 5.a. TRANSPORTATION FOR NON-MEDICAID SERVICES -U

School district employees should use this code when assisting an individual to obtain transportation to services not covered by Medicaid, or accompanying the individual to services not covered by Medicaid. Include related paperwork, clerical activities or staff travel required to perform these activities. This activity includes scheduling or arranging transportation to social, vocational, and/or educational programs and activities.

CODE 5.b. TRANSPORTATION-RELATED ACTIVITIES IN SUPPORT OF MEDICAID COVERED SERVICES –PM/50 Percent FFP

School district employees should use this code when assisting an individual to obtain transportation to services covered by Medicaid. This does not include the provision of the actual transportation service or the direct costs of the transportation (bus fare, taxi fare, etc.), but rather the administrative activities involved in providing transportation. Include related paperwork, clerical activities or staff travel required to perform these activities. This activity includes scheduling or arranging transportation to Medicaid covered services.

CODE 6.a. NON-MEDICAID TRANSLATION -U

School employees who provide translation services for non-Medicaid activities should use this code. Include related paperwork, clerical activities or staff travel required to perform these activities.

1. Arranging for or providing translation services (oral or signing services) that assist the individual to access and understand social, educational, and vocational services.
2. Arranging for or providing translation services (oral or signing services) that assist the individual to access and understand state education or state-mandated health screenings (e.g., vision, hearing, and scoliosis) and general health education outreach campaigns intended for the student population.
3. Developing translation materials that assist individuals to access and understand social, educational and vocational services.

CODE 6.b. TRANSLATION RELATED TO MEDICAID SERVICES – PM/50Percent FFP

Translation may be allowable as an administrative activity, if it is not included and paid for as part of a medical assistance service. However, translation must be provided either by separate units or separate employees performing solely translation functions for the school and it must facilitate access to Medicaid covered services. Please note that a school district does not need to have a separate administrative claiming unit for translation. School employees who provide Medicaid

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translation services should use this code. Include related paperwork, clerical activities or staff travel required to perform these activities.

1. Arranging for or providing translation services (oral and signing) that assist the individual to access and understand necessary care or treatment covered by Medicaid.
2. Developing translation materials that assist individuals to access and understand necessary care or treatment covered by Medicaid.

CODE 7.a. PROGRAM PLANNING, POLICY DEVELOPMENT, AND INTERAGENCY COORDINATION RELATED TO NON-MEDICAL SERVICES - U

School staff should use this code when performing activities associated with developing strategies to improve the coordination and delivery of non-medical services to school age children. Non-medical services may include social services, educational services, vocational services, and state or state education mandated child health screenings provided to the general school population. Employees whose position descriptions include program planning, policy development and interagency coordination may use this code. However, it is a state option whether or not the position descriptions need to be explicit with respect to these specific functions. Include related paperwork, clerical activities or staff travel required to perform these activities.

1. Identifying gaps or duplication of non-medical services (e.g., social, vocational educational and state mandated general health care programs) to school age children and developing strategies to improve the delivery and coordination of these services.
2. Developing strategies to assess or increase the capacity of non-medical school programs.
3. Monitoring the non-medical delivery systems in schools.
4. Developing procedures for tracking families' requests for assistance with non-medical services and the providers of such services.
5. Evaluating the need for non-medical services in relation to specific populations or geographic areas.
6. Analyzing non-medical data related to a specific program, population, or geographic area.
7. Working with other agencies providing non-medical services to improve the coordination and delivery of services and to improve collaboration around the early identification of non-medical problems.
8. Defining the relationship of each agency's non-medical services to one another.
9. Developing advisory or work groups of professionals to provide consultation and advice regarding the delivery of non-medical services and state-mandated health screenings to the school populations.
10. Developing non-medical referral sources.
11. Coordinating with interagency committees to identify, promote and develop non-medical services in the school system.

**CODE 7.b. PROGRAM PLANNING, POLICY DEVELOPMENT, AND INTERAGENCY COORDINATION RELATED TO MEDICAL SERVICES
PM/50 Percent FFP**

The school staff should use this code when performing activities associated with the development of strategies to improve the coordination and delivery of medical/dental/mental health services to school age children, and when performing collaborative activities with other agencies and/or

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providers. Employees whose position descriptions include program planning, policy development and interagency coordination may use this code. This code refers to activities such as planning and developing procedures to track requests for services. Include related paperwork, clerical activities or staff travel required to perform these activities.

1. Identifying gaps or duplication of medical/dental/mental services to school age children and developing strategies to improve the delivery and coordination of these services.
2. Developing strategies to assess or increase the capacity of school medical/dental/mental health programs.
3. Monitoring the medical/dental/mental health delivery systems in schools.
4. Developing procedures for tracking families' requests for assistance with medical/dental/mental services and providers, including Medicaid. (This does not include the actual tracking of requests for Medicaid services.)
5. Evaluating the need for medical/dental/mental services in relation to specific populations or geographic areas.
6. Analyzing Medicaid data related to a specific program, population, or geographic area.
7. Working with other agencies and/or providers that provide medical/dental/mental services to improve the coordination and delivery of services, to expand access to specific populations of Medicaid eligible, and to increase provider participation and improve provider relations.
8. Working with other agencies and/or providers to improve collaboration around the early identification of medical/dental/mental problems.
9. Developing strategies to assess or increase the cost effectiveness of school medical/dental/mental health programs.
10. Defining the relationship of each agency's Medicaid services to one another.
11. Working with Medicaid resources, such as the Medicaid agency and Medicaid managed care plans, to make good faith efforts to locate and develop EPSDT health services referral relationships.
12. Developing advisory or work groups of health professionals to provide consultation and advice regarding the delivery of health care services to the school populations.
13. Working with the Medicaid agency to identify, recruit and promote the enrollment of potential Medicaid providers.
14. Developing medical referral sources such as directories of Medicaid providers and managed care plans, which will provide services to targeted population groups, e.g., EPSDT children.
15. Coordinating with interagency committees to identify, promote and develop EPSDT services in the school system.

CODE 8.a. NON-MEDICAL/NON-MEDICAID RELATED TRAINING -U

School staff should use this code when coordinating, conducting, or participating in training events and seminars for outreach staff regarding the benefit of the programs other than the Medicaid program. For example, training may include how to assist families to access the services of education programs, and how to more effectively refer students for those services. Include related paperwork, clerical activities, or staff travel required to perform these activities.

1. Participating in or coordinating training that improves the delivery of services for programs other than Medicaid.
2. Participating in or coordinating training that enhances IDEA child find programs.

CODE 8.b. MEDICAL/MEDICAID RELATED TRAINING PM/50 Percent FFP

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School staff should use this code when coordinating, conducting, or participating in training events and seminars for outreach staff regarding the benefits of medical/Medicaid related services, how to assist families to access such services, and how to more effectively refer students for services. Include related paperwork, clerical activities, or staff travel required to perform these activities.

1. Participating in or coordinating training that improves the delivery of medical/Medicaid related services.
2. Participating in or coordinating training that enhances early identification, intervention, screening and referral of students with special health needs to such services (e.g., Medicaid EPSDT services). (This is distinguished from IDEA child find programs.)
3. Participating in training on administrative requirements related to medical/Medicaid services.

CODE 9.a. REFERRAL, COORDINATION, AND MONITORING OF NON-MEDICAID SERVICES -U

School staff should use this code when making referrals for, coordinating, and/or monitoring the delivery of non-Medicaid, such as educational services. Include related detailed and specific paperwork, clerical activities or staff travel required to perform these activities.

1. Making referrals for and coordinating access to social and educational services such as child care, employment, job training, and housing.
2. Making referrals for, coordinating, and/or monitoring the delivery of state education agency mandated child health screens (e.g., vision, hearing, and scoliosis).
3. Making referrals for, coordinating, and monitoring the delivery of scholastic, vocational, and other non-health related examinations.
4. Gathering any information that may be required in advance of these non-Medicaid related referrals.
5. Participating in a meeting/discussion to coordinate or review a student's need for scholastic, vocational, and non-health related services not covered by Medicaid.
6. Monitoring and evaluating the non-medical components of the individualized plan as appropriate.

Educational Case Management. Note that case management as an administrative activity involves the facilitation of access and coordination of educational program services. Such activities may be referred to as Referral, Coordination, and Monitoring of non-Medicaid Services. School staff should use this code when making referrals for, coordinating, and/or monitoring the delivery of NON-Medicaid covered services.

CODE 9.b. REFERRAL, COORDINATION, AND MONITORING OF MEDICAID SERVICES PM/50 Percent FFP

School staff should use this code when making referrals for, coordinating, and/or monitoring the delivery of medical (Medicaid covered) services. Referral, coordination and monitoring activities related to services in an IEP are reported in this code. Activities that are part of a direct service are not claimable as an administrative activity. Furthermore, **activities that are an integral part of or an extension of a medical service (e.g., patient follow-up, patient assessment, patient counseling, patient education, patient consultation, billing activities) should be reported under Code 4, Direct Medical Services.**

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Note -. Activities related to the development of an IEP should be reported under Code 3, School Related and Educational Activities. Include related detailed and specific paperwork, clerical activities, or staff travel necessary to perform these activities.

1. Making referrals for and/or coordinating medical or physical examinations and necessary medical/dental/mental health evaluations.
2. Making referrals for and/or scheduling EPSDT screens, interperiodic screens, and appropriate immunization, but NOT to include the state-mandated health services.
3. Referring students for necessary medical health, mental health, or substance abuse services covered by Medicaid.
4. Arranging for any Medicaid covered medical/dental/mental health diagnostic or treatment services that may be required as the result of a specifically identified medical/dental/mental health condition.
5. Gathering any information that may be required in advance of medical/dental/mental health referrals.
6. Participating in a meeting/discussion to coordinate or review a student's needs for health-related services covered by Medicaid.
7. Providing follow-up contact to ensure that a child has received the prescribed medical/dental/mental health services covered by Medicaid.
8. Coordinating the delivery of community based medical/dental/mental health services for a child with special/severe health care needs.
9. Coordinating the completion of the prescribed services, termination of services, and the referral of the child to other Medicaid service providers as may be required to provide continuity of care.
10. Providing information to other staff on the child's related medical/dental/mental health services and plans.
11. Monitoring and evaluating the Medicaid service components of the IEP as appropriate.
12. Coordinating medical/dental/mental health service provision with managed care plans as appropriate.

Case Management. Note that case management as an administrative activity involves the facilitation of access and coordination of services covered under the state's Medicaid program. Such activities as Administrative Case Management are referred to as Referral, Coordination, and Monitoring of Medicaid Services. - School staff should use this code when making referrals for, coordinating, and/or monitoring the delivery of Medicaid covered services. Include related paperwork, clerical activities or staff travel required to perform these activities.

CODE 10. GENERAL ADMINISTRATION -R

The time study participants should use this code when performing activities that are not directly assignable to program activities. Include related paperwork, clerical activities, or staff travel required to perform these activities. Note that certain functions, such as payroll, maintaining inventories, developing budgets, executive direction, etc., are considered overhead and, therefore, are only allowable through the application of an approved indirect cost rate. Below are typical examples of general administrative activities, but they are not all inclusive.

1. Completing the MAC time study.
2. Taking lunch, breaks, leave, or other paid time not at work.

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3. Establishing goals and objectives of health-related programs as part of the school's annual or multi-year plan.
4. Reviewing school or district procedures and rules.
5. Attending or facilitating school or unit staff meetings, training, or board meetings.
6. Performing administrative or clerical activities related to general building or district functions or operations.
7. Providing general supervision of staff, including supervision of student teachers or classroom volunteers, and evaluation of employee performance.
8. Reviewing technical literature and research articles.
9. Other general administrative activities of a similar nature as listed above that cannot be specifically identified under other activity codes.

CODE 11: Non Paid, Non Work U

Non-paid time/non-work time is time during the school work day for which a participant in the time study is not working AND is not being compensated, for example, staff that work only on Tuesdays and Thursdays would use this code to complete time study entries for the other three days, or if a staff person takes an unpaid day (s) off during the time study.

H. Using a Time Study to Allocate Costs

To identify allowable Medicaid administrative costs within a given program, staff members who spend a portion of their time performing the above administrative activities will participate in the time studies. Generally, time study participants include staff members who are in direct contact with the client or service population and/or develop/manage the programs by which students receive their health services. The purpose of determining the "claimability" of MAC activities is to allocate or assign the costs to an appropriate funding source.

I. The Time Study Methodology and Sampling Approach

The MAC Time Study Methodology describes factors for an acceptable methodology to determine the distribution of time dedicated to the performance of administrative functions by North Carolina schools.

The following is intended to provide the basic time study methodology criteria DMA/DHB requires and a general understanding of the basic principles and approach of the methodology. It is not intended to include all of the individual detailed work activities to perform the time study.

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1. Sampling Approach

DMA/DHB is accepting a sampling approach. The sample must meet federal requirements for statistical validity of 95% confidence with +/-5% error. The following sampling requirements must be met:

- The sample must be randomly selected
- The sample pool must include all staff who are eligible to participate in the time study
- It is strongly recommended that programs work with statisticians to develop and/or certify the statistical validity of the sampling methodology.
- Methodology and records for each quarter's time study sample must be documented and maintained in the audit file.

Appendix C lists the most likely personnel categories that may be utilized in the administrative costs claim.

The participating school district is required to provide a complete roster of school district personnel who will meet the qualifications of the personnel categories who participate in the time studies. (A roster of employees of the school district as well as contracted personnel who perform administrative activities).

2. Random Moment Time Study

Effective July 7, 2008, CMS approved the North Carolina School Based Random Moment Time Study (RMTS) Methodology (6-30-2008). This RMTS has been updated to incorporate expanded services pursuant to CMS guidance on Free Care (dated December 15, 2014) and is listed as ATTACHMENT F.

The MAC program will operate on a federal quarter basis. These federal quarters are:

- Quarter 1 = October – December
- Quarter 2 = January – March
- Quarter 3 = April – June
- Quarter 4 = July – September

Time studies will be conducted for Quarters 1, 2 and 3. The fourth quarter will consist of an average of the 1st three quarter time studies applied against actual 4th quarter expenditures.

The time study must be conducted each quarter for the randomly selected sample participant group, with the exception of the 4th quarter, which will be the average of the previous 3 quarters.

a) State of Emergency Exception Section

In the event that there is a "state of emergency" or other disaster declared in the State of North Carolina that results in prolonged school closures that impact the statistical validity of the RMTS as defined the Sampling Requirements (RMTS) section of this methodology under sampling precision and confidence level, DHB will apply the summer quarter claiming methodology to statistically invalid quarters occurring during the "state of emergency" including the quarter in which the state of emergency is declared and the quarter in which the state of emergency period ends. This means no RMTS will be run during the impacted quarter(s) and claiming will be based on the average of the quarters that were completed. North Carolina will notify CMS within 15 days of determining that a quarter is statistically invalid, including the reason for the determination, along with details and dates of the declaration of emergency.

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3. Time Study Training

All time study participants will be required to participate in training. The following training guidelines must be met:

- The training must be provided quarterly.
- Any staff participating in a quarterly time study must receive training prior to that quarter's time study – regardless of how many training sessions a person may have previously attended.
- Programs must maintain documentation, by quarter, that all staff participating in the quarter's time study received training.
- Programs may use a variety of training methodologies. Some of these methods include, but are not limited to, on-site trainings, video conferencing, web-based, CD's, videos, and self-study guides.
- Time study staff must not be told which time study codes are reimbursed and which are not reimbursed.
- All training materials used by districts/vendors must be submitted for review to DMA/DHB.
- Districts/vendors are encouraged to use and distribute any materials provided by the state regarding the MAC program and time study.

4. Criteria for Acceptable Claim Methodology

The following is intended to provide the basic claim methodology criteria Medicaid requires. It describes an approach and methodology, which are acceptable to calculate the actual, allowable federal reimbursement amount for administrative activities performed. The following criteria do not include all of the individual detailed work activities expected in performing the claim calculation.

The specific financial data points, such as ledger program and object codes, are to be based upon the financial recording systems used by North Carolina schools.

Please note that the methodology and calculated financial data are to be fully consistent with the requirements of the U.S. Office of Management and Budget (OMB) Circular A-87.

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The claiming methodology must meet eleven principal factors. They include:

- Submission of Claims
- Financial Data Source
- Time Allocation
- Offsetting Federally Funded Revenues
- Allocation of Salaries and Benefits of Direct Personnel and Contracted (Direct) Personnel Expenditures
- Allocation of Salaries and Benefits of the Direct Support Staff
- Material and Supply Cost
- Other costs which can be documented
- Sampling Methodology for Participating School District's Medicaid Eligibility Rates
- Identification of "Discounted" and "Non-Discounted" Administrative Activities
- Claim Certification

Details of these factors are given in **APPENDIX D**.

5. Submitting a Claim for Medicaid Administration

The MAC Program cost calculation has five components:

- Cost pool construction
- Allowable Medicaid administrative time
- The Medicaid Enrollment Rate (MER)
- The FFP
- Indirect cost rate (ICR)

6. Calculating the Claim

In very general terms, the federal share of the claim for Medicaid administration is calculated by:

Cost Pool Total	Multiplied by
% time claimable to Medicaid administration	Multiplied by
The Medicaid Enrollment Rate (MER) (where applicable)	Multiplied by
1 + Indirect Cost Rate (this percent is added to the value of the calculation at this stage in the process) equals the amounts of the claim request	Multiplied by
% FFP (50%)	

a) **Cost pools**

Cost pools are explained in **APPENDIX E**

b) **% Time Claimable to Medicaid Administration**

The time study results are utilized to determine the amount or percent of time spent by school district personnel doing the identified outreach, care and coordination functions.

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- c) **The Medicaid Enrollment Rate (MER)**
The amount of the claim is affected by the MER. This factor is a critical component of the claim. MER data consist of eligibility information using the first and last month of the quarter to which it relates. See **APPENDIX E**.
- d) **Federal Financial Participation (FFP) Rate**
After the results of the time study are multiplied by the cost pool total, they are then multiplied by the 50% FFP
- e) **Indirect Cost Rate (ICR)**
Indirect costs will be claimed as a part of the MAC Program. The State will use a consistent method to calculate the unrestricted ICR as outlined in OMB Circular A-87. Claims for the school district's indirect costs are only allowable when the entity has an approved indirect cost rate.

II. THE TIME STUDY

Overview

The purpose of determining the allowabilty of the administrative activities, listed in Section I, is to allocate their costs to an appropriate funding source. This is why accurate coding and consistent quality assurance at all levels is critical. In most agencies, it is uncommon to find staff whose activities are limited to just one or two specific claimable functions. Staff members normally perform a number of activities, some of which are claimable and some of which are not claimable. Sorting out the portion of worker activity that is claimable to MAC and to NON-Medicaid service programs requires an allocation methodology that is objective and empirical (i.e., based on documented data). Staff time is accepted as the basis for allocating staff costs. The federal government has developed an established tradition of using time study as an acceptable methodology for cost allocation.

Effective July 7, 2008, CMS approved the North Carolina School Based Random Moment Time Study (RMTS) Methodology (6-30-2008). This RMTS has been updated to incorporate expanded services pursuant to CMS guidance on Free Care (dated December 15, 2014) and is listed as ATTACHMENT F.

III. TIME STUDY PARTICIPANTS

A. Introduction

Deciding which workers participate in the time study is different than deciding which worker's costs to include in the cost pool allocated by the time study.

B. Time Study Principles

The primary principles to remember are these:

- A time study is a sampling of a participant's activities designed to provide a basis to allocate the administrative costs of the agency and its staff;
- An approved sample (a sample must be statistically valid) of the staff whose costs are included in the invoice must complete a time study during the sample period. The corollary to the first principle is that only paid time should be included, since what is being allocated is cost. Unpaid

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time spent by non-salaried staff does not cost the agency, so that time is not to be included in the time study sample. Thus, unpaid time spent by non-salaried staff after their paid shift “catching up on paperwork” or uncompensated “work taken home” by a conscientious worker is not to be time studied.

- A district must participate in Fee for Service to be considered eligible to receive reimbursement for applicable MAC activities. FFS participation is defined as the district submitting FFS claims during the quarter for which MAC reimbursement is requested. For example, for the October-December 2003 MAC claims, a district will be considered participating in FFS if they submitted FFS claims for the same October-December 2003 quarter. DMA/DHB will be providing quarterly FFS participation reports to indicate which districts submitted FFS claims. These DMA/DHB reports will serve as the official documentation to determine which districts are eligible to receive full reimbursement for their MAC activities for the same quarter. MAC claim adjustments will be permitted if the FFS services are submitted for the same quarter at a later date. There are some administrative activities that are not associated with a covered Medicaid service that are covered if they are performed within the school districts. Activities such as Medicaid Outreach and Referral are reimbursable regardless of whether or not FFS was billed for these services. Beginning with the quarter April 1, 2020, the FFS participation requirement is end-dated in this plan and no longer applicable for districts to be eligible for full reimbursement of their MAC activities for the same quarter.

IV. RECORD KEEPING, DOCUMENTATION AND AUDITS

A. Record Retention

Federal regulations (42 CFR 433.32) require that records need to be maintained for 3 years from the date of submission of a final expenditure report. The LEAs are currently required to follow the Records Retention and Disposition Schedule for LEAs, issued by the N.C. Dept. of Cultural Resources. Similarly, this schedule is consistent with the federal requirements. The state’s recommendation is for programs to maintain the administrative claiming documentation for five (5) years. Litigation, Audits or State amended expenditure reports extend the normal retention period.

1. LEA

Each participating district will maintain a quarterly audit file containing, at a minimum, the following information. If the district participates independently, they must also maintain the documentation outlined in the third party provider section below:

- a roster of eligible individuals, by category, submitted for inclusion in the participant sample pool
- financial data used to develop the expenditures for the claim calculations
- a copy of the district’s certification form
- Training verification

2. Third Party Providers

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Some MAC programs may have chosen to contract with outside providers to administer their MAC program. These vendors must also meet any required documentation requirements necessary, including:

- a copy of the contract with the districts (does not need to be in each quarterly file)
- a list of the participating districts in the quarterly time study
- documentation of the sampling methodology to select the time study participants
- a list of all eligible time study participants, by category, documenting those actually selected to participate in the time study
- original time studies for the quarter
- time study results for the quarter
- financial information submitted by the member districts for claim calculations, including certification statements
- a copy of the final claim, stand alone or consortium
- documentation of the district indirect rates used for claim calculations
- documentation of the district MER used for claim calculations

3. RMTS Documentation

The RMTS central coding is an integral part of the time study process and is therefore subject to the same documentation and retention requirements as any other part of the MAC quarterly time study or claiming process. Failure to adequately maintain this supporting documentation could result in the invalidation of a time study and disallowance of the claim for reimbursement.

B. Certification of Expenditures

Medicaid is an entitlement program, which requires a state/local match. In North Carolina, the program is designed so that funds used for activities, which have historically been done by the school district can be used as the state/local match. In this way, federal funds are obtained without additional program expenditures by the State or school districts. In other words, schools use state and or local expenditures to draw federal Medicaid funds.

On a quarterly basis, LEAs certify total computable (total expenditures in all categories of cost pools for the quarter) and non-federal funds (funds not used to match other federal dollars) were expended on the MAC related activities and that non-federal funds are available to support the federal Medicaid share of allowable costs. The finance officer or superintendent of the districts will be required to certify the accuracy of the submitted claim and the type of required funds. The certification statement for each school district will be included as part of the claim submission to DMA/DHB and must meet the requirements of 42 CFR 433.51.

C. Audit Considerations

Audit and Monitoring Requirements

School districts are required to comply with OMB Uniform Guidance. Audits must be performed to ensure that all policies and procedures are being complied with and that all claims submitted have been submitted utilizing these proper procedures.

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V. Contact Person

For further guidance on programmatic issues pertaining to Medicaid School Base Administrative Claiming please contact the following individual:

Lawrence Gerst
Division of Health Benefits
2501 Mail Service Center
Raleigh, NC 27699-2501
Phone: (919) 814-0026
Email: Lawrence.gerst@dhhs.nc.gov
Fax: (919) 814-0031

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VI.
GLOSSARY OF TERMS

<u>Terms</u>	<u>Definition</u>
BIP	Behavior Intervention Plan
CMS	Centers for Medicare and Medicaid Services
COTA	Certified Occupational Therapy Assistant
DHB	Division of Health Benefits
DHHS	Department of Health and Human Services
DMA	Division of Medical Assistance
DPI	Department of Public Instruction
EPSDT	Early and Periodic, Screening, and Diagnostic Treatment
FFP	Federal Financial Participation Rate
ICR	Indirect Cost Rate
IDEA	Individuals with Disabilities Education Act
IEP	Individualized Education Program
IFSP	Individualized Family Service Plan
IHP	Individual Health Plan
LEA	Local Education Agency
MAC	Medicaid Administrative Cost Claiming Program
MER	Medicaid Enrollment Rate
MOA	Memorandum of Agreement
OMB	Office of Management and Budget
OT	Occupational Therapy
PM	Partial Medicaid
PT	Physical Therapy
R	Reallocated Activities
RMTS	Random Moment Time Study
SPMP	Skilled Professional Medical Personnel
TANF	Temporary Assistance for Needy Families
TM	Total Medicaid
TPL	Third Party Liability
U	Unallowable Activities
WIC	Women, Infants, and Children

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APPENDIX C - Participant Categories

The list below identifies the most likely school district personnel categories that may perform administrative functions. LEA may elect not to time study any of the below groups or individuals in a group if they determine that the group or individuals do not provide administrative functions, but the school district must also not include any of their cost in the appropriate cost pool. Cost pools will only consist of those individuals who provide administrative functions or who provide support to eligible staff members, i.e., clerical staff for participants in the program.

Cost Pool 1 (Direct Service & Administrative Providers)

Licensed Audiologist
Licensed Speech / Language Therapist
Licensed Speech / Language Therapist Assistants
Licensed Occupational Therapists
COTAs (Certified Occupational Therapy Assistants)
Licensed Physical Therapists
Licensed Physical Therapy Assistants
School Nurses, RN
School Nurses, LPN
Licensed Clinical Social Workers
Licensed Psychologist
Licensed Psychological Associate
Licensed School Psychologist

Cost Pool 2 (Administrative Service Providers Only)

School Social Workers
School Counselors
Psychologist Interns
School Early Identification Personnel
Early Intervention/Special Education Placement
Special Education – Support Technicians
Pupil Support – Technicians
Special Education Administrators
Pupil Support Services Administrators
School Bilingual Assistants
Health Services Special Education Teachers
Interpreters & Interpreter Assistants
And other groups/individuals that may be identified by the school district

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APPENDIX D - Detail of the Principal Factors

1. Submission of Claims

The participating school districts are to submit quarterly financial information for approved MAC functions. The claim should be submitted to DMA/DHB on or before the one hundred twentieth (120) calendar day after the close of the fiscal quarter.

The following elements of the claim must be provided before payment processing will be completed:

- A list of participating school systems in the claim
- Expenditure summarized by Cost Pools
- The quarterly financial results used to calculate the claim
- Signed certification statements for each LEA

2. Financial Data Source

The financial data (e.g., salaries, benefits, supplies, etc.) used to calculate the claim will be based upon actual detailed expenditure reports obtained directly from the participating school district's financial accounting system. The financial accounting system is based upon generally accepted accounting standards.

3. Time Allocation

A time allocation methodology (time study) is necessary to determine the appropriate distribution of time dedicated to MAC activities during the claiming period. The time study captures information that clearly distinguishes allowable administrative costs from non-allowable expenses. The Random Moment Time Study Methodology details the sampling approach, and time study activity definitions to be used in administering the time study.

Each quarter's time study is to be administered to a statistically valid sample of randomly selected school district personnel who have been identified as potentially providing MAC functions. A listing of possible personnel categories is in **APPENDIX E**.

4. Offsetting Federally Funded Revenues

Because the MAC Program represents claims for federal reimbursement, any other federal revenues (and its required non-federal match) related to the administrative functions and positions should not be included to avoid duplicate claiming for federally funded positions. Only local and appropriate State funding sources will be included in the claim calculation.

5. Allocation of Salaries and Benefits of Direct Personnel and Contracted (Direct) Personnel Expenditures

Actual salaries and benefits of the personnel performing the allowable administrative activities (for the claiming period) will be obtained from the participating school district's financial accounting system. State and local expenditures related to the performance of administrative activities by contract personnel will also be obtained from the school district's financial system. The categories of personnel (cost pools) who will participate in the time study are listed in **APPENDIX E**. These costs will be allocated to the MAC staff based on the quarterly time study results.

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6. Allocation of Salaries and Benefits of the Direct Support Staff

Actual salaries and benefits of the direct support staff (for the claiming period) need to be obtained from the participating school district's financial accounting system. Examples of direct support staff may include clerical personnel. However, a detailed review of school district operations needs to be performed to identify and isolate categories of direct support staff (DSS) for this allocation and calculation. Salaries and benefits of the direct support staff need to be allocated to the claim based on direct staff time study results, as derived from the time study conducted during the same claiming period. The personnel in this cost pool category have a direct reporting and supporting relationship with the direct personnel.

7. Materials and Supply Costs

Material and supply costs related to the school district departments/divisions performing MAC activities are to be included in the claim, based on actual detailed expenditure reports obtained from the participating school district's financial accounting system. Materials and supply costs may be allocated to the claim based on the ratio of time spent by the direct personnel on activities, as derived from the time study conducted during the same claiming period. The materials and supply costs may not include items identified in the indirect costs (defined below), such as central business office operations, general building maintenance and repair costs, or any cost classified as an indirect cost.

8. Indirect Cost

Indirect costs will be claimed as a part of the MAC Program. The State will use a consistent method to calculate the ICR as outlined in OMB Circular A-87, using the approved federal unrestricted rate. Claims for the school district's indirect costs are only allowable when the entity has an approved indirect cost rate.

9. Sampling Methodology for Participating School Districts Medicaid Eligibility Rates

For many of the MAC activities performed, the costs associated with these activities must be adjusted by the Medicaid eligibility rate for the school district. This adjustment factor or "discount" reflects the nature of the administrative activity and the targeted population to which the administrative effort is directed.

The Medicaid percentage is one of the most critical factors in determining the portion of a program's costs that can be claimed to MAC.

The method that can be used for establishing the Medicaid Enrollment Rate (MER) is as follows:

MER consist of eligibility information using the first and last month of the quarter to which it relates. The MER can be determined by computing, within the same time period, the fractional value. The fractional value is identified by dividing the total number of Medicaid eligible school age children (the numerator) for each county by the total Average Daily Membership (the denominator) for each county. This fractional value is applied to the total costs applicable to the DISCOUNT activity codes to determine the costs applicable to the Medicaid administrative activities.

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10. Identification of “Discounted” and “Non-Discounted” Administrative Activities

As mentioned above, the costs associated with some of the MAC activities must be “discounted” or reduced by the Medicaid eligibility rate for the school district, while other activities do not require a “discount”. These specific activities are to be documented and included in the claim calculation work sheets/tables. MAC activities will be divided into two categories:

TM (Total Medicaid) activities which apply to an entire district-wide student population to encourage certain outcomes and do not need to be “discounted” by the Medicaid percentage.

PM (Partial Medicaid) activities which require a Medicaid percentage “discount” due to the nature and specificity of the administrative activity. For example, client assistance to access services, Immunization program management, and family planning referral activities would require a Medicaid percentage “discount”.

11. Claim Certification

The accuracy of the submitted claims must be certified by the participating school district and will be documented on a quarterly certification form. Detailed claim analyses and supporting documentation will be maintained for audit.

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APPENDIX E- Construction of the Cost Pools

The financial data in the MAC claim is derived from two cost pools of personnel and administrative costs. All personnel, both employees or contracted, for which the school district is claiming MAC funding are assigned to one of the two cost pools. These two different cost pools have been established to group similar personnel (for cost purposes) for ease of calculation.

The financial data in a cost pool consist of personnel cost including:

- Salaries and wages
- Total Benefits package
- Travel cost
- Training Cost
- Contracted services cost
- Material and supply cost for the cost pool group
- Any other allowable costs which can be documented and allocated
- Less any other Federal funding (and its required non-federal match) for the cost pool group

These costs are then totaled to get the total cost of the pool. These costs are then utilized to calculate the claim.

Who should be included in a cost pool or the time study?

The general rule for determining whether to include a staff person is:

1. Staff in the participating school district that may spend some part of their work time performing any of the claimable administrative activities described in the list of time study functions; the Staff activities described should be evaluated for participation in the time study.

It is expected that all individuals within a given job class will be included in the appropriate cost pool and time study. School districts have the option of studying clusters of staff with similar functions. For example, all licensed nurses make up a job class but districts may choose to time study only Nurses II and Nurses III.

2. Clerical staff, supervisory staff and administrators, who provide direct support to any of the time study participants may or may not personally perform sufficient amounts of claimable activity to warrant being included in the time study. For those direct support staff that do not participate in the time study, link their costs to the staff they support. For those direct support staff that do provide claimable activity, include them in the time study as you would any other participant.

3. Administrative staff members who provide indirect support to time study participants (such as finance officers, personnel specialists and agency directors) do not participate in the time study and their costs are not included.

It is not possible to anticipate all questions that arise with regard to inclusion in or exclusion from a time study sample. However, district coordinators can decide on the basis of an understanding of the purpose and principles of the time study and with technical assistance from the state level MAC Coordinator.

North Carolina Single MAC Plan-(MAC 00-03)

Original Effective Date: October 1, 2003

Amendment 5 Effective Date April 1, 2020

Amendment 5 was made to revise and correct Amendment 4 to include an end-date of the Fee-for-Service Participation Requirement

Direct service or program staff that do not perform administrative activities (e.g., doctors who provide direct medical services), can be excluded from the time study. In such cases the excluded worker's costs, including salary, benefits, travel, training and his/her proportionate share of overhead and indirect costs, as well as other operating costs, should be excluded from the Cost Pools.

Questions often arise about inclusion of temporary, part-time, unpaid trainees or interns, or volunteer/stipend workers of the agency in the time study. Since voluntary staff members receive no pay, there is no cost to the agency and no basis for claiming reimbursement. The costs of paid part-time or temporary staff may be included in the appropriate cost pool time studied. For example, if a paid employee is hired for only one month of a quarter and was not employed at the time of the time study, his/her costs should nevertheless be included in the appropriate cost pool. There is no simple answer to these questions, but the principle to be followed is that the time study should reflect the costs of activities represented.

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MAC MONITORING PLAN AND QUALITY ASSURANCE

DMA/DHB will oversee monitoring and quality assurance efforts of NC's MAC program. DPI will have primary responsibility for ensuring that Medicaid dollars are appropriately claimed for school-based Medicaid administration.

Documentation

Each LEA, will maintain documents, reports, and records to support its Medicaid administrative claims.

Each LEA will comply with Medicaid record retention requirements. The schools will also make any records available upon request from DMA/DHB, DPI, CMS, or any other duly authorized representative for audit purposes.

Monitoring Objectives

Staff from DMA/DHB and DPI will review the MAC program documents to determine whether or not the LEAs have:

- Complied with federal and state laws, regulations and policies;
- Complied with NC's MAC Plan, including MOAs; and
- Billed DMA/DHB for allowable administrative activities.

Monitoring Plan

Quarterly Reviews

- DPI will verify that they have met their responsibilities outlined in their respective MOAs.
- DMA/DHB will verify that the sampling methodology was submitted, compile results of quarterly reviews, and maintain a monitoring file. In addition, DMA/DHB will sample time study participants to verify that they understood time study instructions and forms and confirm that the sampled participants completed and signed the time study forms.

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Desk Reviews

DMA/DHB and DPI may conduct desk reviews of MAC claims. The desk reviews will include, but are not limited to, analysis of required documentation and various reports.

On-site Visits

On-site visits may be scheduled periodically and conducted by DPI and/or DMA/DHB.

Findings from Monitoring Reviews

Any deficiencies found by DMA/DHB will be reported to DPI with a request for corrective action. If items are not corrected, DMA/DHB will take appropriate actions to ensure correction of the problems. Appropriate action may include suspension of MAC payments.

Erroneous overpayments to providers are subject to restitution. If the provider has been overpaid, he/she will be contacted regarding the repayment schedule.

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