NEW JERSEY DEPARTMENT OF HEALTH SERVICES, DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES (DMAHS)

MEDICAID ADMINISTRATIVE CLAIMING
&
SPECIAL EDUCATION MEDICAID INITIATIVE
COST SETTLEMENT PROCESS GUIDE

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MEDICAID ADMINISTRATIVE CLAIMING & COST SETTLEMENT PROCESS GUIDE

Overview

The New Jersey Department of Human Services (DHS), Division of Medical Assistance and Health Services (DMAHS) and individual Local Education Agencies (LEA) share in the responsibility for promoting access to health care for students in the public school system and coordinating students' health care needs with other providers, thereby preventing costly or long-term health care problems for at risk students. Many of the activities performed by LEA staff meet the criteria for Medicaid administrative claiming. The primary purpose of the Medicaid Administrative Claiming (MAC) Program is to reimburse LEAs for these activities where allowed in this guide. The time study outlined in this guide will be used to calculate the MAC claims and will also be used to calculate the Cost Settlement amount for the Special Education Medicaid Initiative (SEMI) program.

I. Definition

The MAC program, administered by the New Jersey Department of Human Services (DHS), Division of Medical Assistance and Health Services (DMAHS), allows LEAs to be reimbursed for some of their costs associated with school-based health and outreach activities which are not claimable under the Medicaid Fee-For-Service (FFS) program known as the Special Education Medicaid Initiative (SEMI) program. The school-based health and outreach activities funded under MAC include: referrals of students/families for Medicaid eligibility determinations; providing healthcare information; coordination and monitoring of health services for students; and interagency coordination of services.

Unlike the FFS program, individual claims for each administrative service rendered to or on behalf of a student are not required under the MAC program. However, it is necessary to determine the amount of time LEA staff members spend performing Medicaid-related administrative activities. Time spent by LEA staff on Medicaid administrative activities is captured through the use of random moment time studies. Time study results are then used in a series of calculations to determine the percentage of LEA costs that can be claimed under MAC. MAC reimbursement to LEAs is made from Medicaid federal funds. LEAs are required to maintain documentation of the selected moments for audit purposes.

Medicaid Administrative Claiming Program and Direct School Based Services Guide

This guide serves as the Implementation Plan and as a guide to the LEAs who choose to participate in the SEMI program and the MAC program. It contains the policies and procedures which LEAs will follow to submit an administrative claim to Medicaid for reimbursement. It also addresses audit requirements. In the event the Implementation Plan is revised, the effective date of the revision will be indicated at the bottom of each updated page.

IMPLEMENTING MEDICAID ADMINISTRATIVE CLAIMING

Overview

LEAs participating in the New Jersey MAC program must meet a specific set of requirements. These requirements are as follows:

- A signed LEA Assurances and Application for Certification with DMAHS
- Time studies completed at prescribed time intervals,
- Statistically valid time study results,
- Cost determinations and allocations performed, and
- Period-based Medicaid administrative claims prepared and submitted to DMAHS. Periods are defined dates that LEAs will be in session and for which their staff members are compensated.

All participating LEAs will be included in the statewide sample for administrative claiming and/or direct FFS programs. Personnel and cost data will be compiled from each individual LEA. Medicaid eligibility data will also be applied to each individual LEA. Activity percentages derived from the statewide sample will be applied to each LEA to determine the reimbursement amount.

DMAHS and the LEAs share a common interest in ensuring more effective and timely access to care and the most appropriate utilization of Medicaid-covered services. Promoting activities and behaviors that reduce the risk of poor health and poor health outcomes for the state's most vulnerable populations is also a major consideration. The school setting provides opportunities to reach children and their families to encourage and assist them in enrolling in the Medicaid program. This setting also affords an opportunity for the LEAs to deliver direct medical services to Medicaid eligible members. LEAs can create a framework within their own unique environments that allows a seamless health care delivery system for children and helps eliminate many of the barriers to access.

Monitoring of administrative claiming records is required by DMAHS and the Centers for Medicare and Medicaid Services (CMS). MAC payments are the federal share of funds paid for administrative services provided on behalf of Medicaid eligible school children and their families. LEA personnel deliver these services and the LEAs are responsible for payment for services rendered. The LEAs payments to providers are inclusive of the state and federal shares. The MAC claim identifies the federal and state shares of the payment thus allowing the federal share funds to be returned to the schools through the claiming process.

The purpose of this guide is to outline a comprehensive approach and time study for use with both administrative and FFS cost claiming.

Interagency Participation Agreement

Each LEA participating in MAC must sign a LEA Assurances and Application for Certification. This agreement, included as Appendix 1, identifies each party's responsibilities and must be

signed before DMAHS can request federal reimbursement. The address for submission of a signed agreement is:

Receiving School Monitoring/SEMI
DOE, Office of Special Education Programs
P.O. Box 500
100 Riverview Plaza, Building 100
Trenton, NJ 08625-0500

After the DMAHS signature is affixed, a signed copy will be returned to the LEA.

MAC Reimbursement

Federal Medicaid reimbursement under the MAC program will be made to LEAs implementing a program that meets the requirements in this guide.

Description of Current Administrative Activities Paid by Medicaid

Several New Jersey state and local agencies are performing administrative services for the New Jersey Medicaid population and receiving Federal reimbursement for services which may be similar to those being considered for reimbursement in the school setting. Although local health departments, early intervention networks, etc. are performing outreach and referral for Medicaid eligibility activities, these activities are not addressing the needs pertinent to the Medicaid eligible school population for school-based services. The additional activities performed at the school site are needed by the DMAHS to ensure that all children are appropriately referred for Medicaid eligibility determinations and, if Medicaid eligible, are linked to medically necessary Early Periodic Screening, Diagnosis, and Treatment (EPSDT) services.

Coordination of Activities

LEA staff must not knowingly perform activities that are already being offered or provided by DMAHS, the New Jersey Department of Education (DOE), or other entities providing outreach, referral and assistance to Medicaid eligible and potentially eligible children and their families. The LEAs should constantly strive to become knowledgeable of Medicaid and health care resources in their communities and develop mechanisms to coordinate activities.

Examples of activities that should be coordinated include activities such as primary care case management or disease management. To avoid duplication of these functions, school personnel should, when needed, develop coordination mechanisms between the LEAs and the appropriate entities, and DMAHS. Activities provided/conducted by another governmental component should also be coordinated. For example, it is not necessary for EPSDT educational materials, such as pamphlets and flyers that have already been developed by DMAHS, to be redeveloped by schools. LEAs should coordinate and consult with the DMAHS to determine the appropriate activities related to EPSDT and to determine the availability of existing materials. Information on coordination activities and resources will be provided to the LEAs during training events.

LEA STAFF ACTIVITIES INCLUDED UNDER MEDICAID ADMINISTRATIVE CLAIMING

Overview

As stated previously in this guide, some of the activities routinely performed by LEAs are activities that could be eligible for Medicaid reimbursement under the MAC program. The purposes of this chapter are to: define LEA activities that are included in MAC time studies; and specify which activities are Medicaid reimbursable. The following chapter defines the type of school staff members eligible to have their activities claimed by LEAs as MAC reimbursable activities. It is important to note that 100% of LEA staff time is considered during MAC time studies but only certain staff activities are actually eligible for Medicaid reimbursement, as defined in this chapter.

LEA Job Activities

The New Jersey DMAHS has adopted the parallel coding structure recommended by CMS as stipulated in the revised May 2003 CMS Administrative Claiming Guide. This coding structure will be applied to all MAC claims filed commencing October 1, 2011. Each MAC activity is assigned a numeric or a combination numeric/alpha code. These codes are used on time study forms for the purpose of determining the percentage of LEA staff time spent on each activity. Some activities, which are ineligible for MAC reimbursement, such as direct health care services billed under the SEMI program, are included in the list because all job activities must be considered when time sampling is conducted. Thus they are designed to capture reimbursable and non-reimbursable MAC activities.

MAC Activities List

The major categories of MAC activities are:

CODE 1.a. Non-Medicaid Outreach
CODE 1.b. Medicaid Outreach
CODE 2.a. Facilitating Application for Non-Medicaid Programs
CODE 2.b. Facilitating Medicaid Eligibility Determination
CODE 3. School Related and Educational Activities
CODE 4.a Direct Medical Services – Not Covered as IDEA/IEP Services
CODE 4.b. Direct Medical Services – Covered as IDEA/IEP Services
CODE 4.c. Direct Medical Services – Covered on a Medical Plan of Care, Not Covered as IDEA/IEP 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/Medicaid Services**
CODE 8.a. **Non-Medical/Medicaid 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. **Not Scheduled to Work**

Definition of LEA Job Activities

Detailed definitions of each of the categories of job activities used in the MAC program are contained later in this document. This information should be made available to staff involved with the time study process. Medicaid does not pay for administrative expenditures related to, or in support of, services that are not included in New Jersey's State Medicaid plan or services which are not reimbursed under Medicaid. However, EPSDT services must be offered to a child whether or not New Jersey has included such services in its State Medicaid plan. Administrative expenditures related to, or in support of EPSDT are reimbursable under Medicaid.

Charter Schools

Administrative claiming is allowed for charter schools on the same basis as individual public schools if the charter school has a contract with the LEA in which it is located and includes administrative activities. Charter Schools are funded through state and local funds. They are considered "public schools" and therefore are eligible to Certify Public Expenditures (CPE).

MAC Interface with the Special Education Medicaid Initiative (SEMI) Program

The Special Education Medicaid Initiative (SEMI) Program provides reimbursement for only Medicaid eligible students with SEMI services referenced in their Individualized Education Programs (IEPs). MAC activities and reimbursement are not limited to IEP students or services. Student Medicaid eligibility status is not captured during the time study process. If an LEA is enrolled as a SEMI provider and is billing Medicaid for covered services, the same services will not be reimbursed under the MAC program.

The program and time study have been designed to capture data for both the MAC and SEMI programs. The activity codes utilized in the time study have been designed to ensure that there is no duplication of reimbursement between the two programs.

Allocable Share of Costs

Since many school-based medical activities are provided to both Medicaid and non-Medicaid eligible students, the time applicable to these activities must be allocated to both groups. Once time is allocated to the appropriate activity codes, costs are then associated with those codes and some of the costs must be discounted by the Medicaid percentage. Discounting involves the determination of a proportional share of Medicaid students to the total students and the total costs applicable to a specific activity in a particular school or LEA. Development of the

proportional Medicaid share (also referred to as the Medicaid percentage) should relate to the Medicaid eligibility rate in the LEA submitting the claim. Claims will be developed on an LEA-wide basis based upon a statewide pool of staff that is sampled. Through the use of time studies which contain specific activity codes, the cost of school personnel is distributed to certain activities (time study codes) to determine the administrative cost allocable to the Medicaid program. The IEP Ratio will be utilized to allocate the proportional Medicaid share for the Cost Settlement of the SEMI program annually. The Medicaid Eligibility ratio (MER) applies to the MAC program.

Unallowable Activities:

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

Application of Medicaid Share:

Total Medicaid refers to an activity which is 100 percent allowable as administration under the Medicaid program.

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 percentage). The Medicaid share is determined as the ratio of Medicaid eligible students to total students and is referred to as the Medicaid Eligibility Rate (MER) applies to the MAC program. The IEP ratio is defined as the ratio of Medicaid Eligible Special Education Students with a SEMI billable service on the IEP to total Special Education Students with a SEMI billable service on the IEP.

Reallocated Activities:

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

Overview

When staff members perform duties related to the proper administration of New Jersey's Medicaid program, federal funds may be drawn as reimbursement for the federal share of the costs of providing these administrative services. To identify the cost of providing these services, a time study of staff must be conducted. The time study identifies the time and subsequent costs spent on Medicaid administrative activities that are allowable and reimbursable under the Medicaid program. **Only staff included in the sample universe will be eligible to have costs reported during the financial collection process.**

Staff Activity and 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 should not 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 that is allowable as administration under the Medicaid program and claimable at the 50 percent non-enhanced FFP rate.

75 percent — Refers to an activity that is allowable as administration under the Medicaid program and claimable at the 75 percent enhanced FFP rate.

Unallowable Activities

U — Refers to an activity that is unallowable as administration under the Medicaid program. This is regardless of whether or not the population served includes Medicaid eligible individuals.

Application of Medicaid Share

TM — (Total Medicaid) refers to an activity that 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 allowable share of costs must be determined by the application of the proportional Medicaid share (the Medicaid eligibility rate (MER) or the IEP Ratio). The Medicaid share is then determined

by applying the MER or the IEP Ratio to the appropriate student populations.

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. 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 unrestricted indirect cost rate.

Uniform Codes

Staff should document time spent on each of the following coded activities:

CODE 1.a. Non-Medicaid Outreach –U
CODE 1.b. Medicaid Outreach – TM/50 Percent FFP
CODE 2.a. Facilitating Application for Non-Medicaid Programs U
CODE 2.b. Facilitating Medicaid Eligibility Determination – TM/50 Percent FFP
CODE 3. School Related and Educational Activities – U
CODE 4.a. Direct Medical Services – Not Covered as IDEA/IEP Services - U
CODE 4.b. Direct Medical Services – Covered as IDEA/IEP Services - IEP Ratio
CODE 4.c. Direct Medical Services – Covered on a Medical Plan of Care, Not Covered as IDEA/IEP service – MP Ratio
CODE 5.a. Transportation for Non-Medicaid Services – U
CODE 5.b. Transportation-Related Activities in Support of Medicaid Covered Services – PM/50 Percent FFP
CODE 6.a.Non-Medicaid Translation – U
CODE 6.b. Translation Related to Medicaid Services – PM/75 Percent FFP
CODE 7.a. Program Planning, Policy Development, and Interagency Coordination Related to Non-Medical Services – U
CODE 7.b. Program Planning, Policy Development and Interagency Coordination Related to Medical/Medicaid Services – PM/50 Percent FFP
CODE 8.a. Non-Medical/Medicaid Training – U
CODE 8.b. Medical/Medicaid Related Training – PM/50 Percent FFP
CODE 9.a. Referral, Coordination, and Monitoring of Non-Medicaid Services – U
CODE 9.b. Referral, Coordination, and Monitoring of Medicaid Services – PM/50 Percent FFP
CODE 10. General Administration – R

CODE 11. Not Scheduled to Work- Not Included in the distribution or invalid.

Medicaid Covered Services

The purpose of the MAC program is to ensure access of eligible individuals to Medicaid services. The following list identifies the services covered under the SEMI program.

- Audiology
- Counseling
- Nursing
- Nutrition
- Orientation and Mobility
- Occupational Therapy
- Physical Therapy
- Speech Therapy

The following activity codes, as approved by CMS, have been adopted for usage in the MAC program.

Code 1.a. - Non-Medicaid Outreach –U

This code should be used by all LEA staff when performing activities that inform individuals about non-Medicaid social, vocational, and educational programs (including special education) and how to access them; describing the range of benefits covered under these non-Medicaid social, vocational and educational 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.).
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

LEA staff should use this code when performing activities that inform eligible or potentially eligible individuals about Medicaid and how to access it. Activities include bringing potential eligible individuals into the Medicaid system for the purpose of determining eligibility and arranging for the provision of Medicaid services. LEAs may only conduct outreach for the populations served by their affiliated schools, i.e., students and their parents or guardians. Examples include:

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 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.

Activities which are not considered Medicaid outreach under any circumstances are: (1) general preventive health education programs or campaigns addressing lifestyle changes, and (2) outreach campaigns directed toward encouraging persons to access social, educational, legal or other services <u>not</u> covered by Medicaid.

Code 2.a. - Facilitating Application for Non-Medicaid Programs – U

LEA staff should use this code 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. The following are examples:

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

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

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 any other school related activities that are not health related, such as social services, educational services and teaching services; employment and job training. 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. Examples include:

1. Providing classroom instruction (including lesson planning).
2. Testing, correcting papers.
3. Developing, coordinating, and monitoring the academic portion of 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 academic portion of 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).)
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.

CODE 4.a. - Direct Medical Services – Not Covered as IDEA/IEP Service (FFS – Non IEP) - U

This code should be selected when LEA staff members (employees or contract staff) are providing direct client care services for which medical necessity has not been determined. This code includes pre and post activities associated with the actual delivery of the direct client care services, e.g., paperwork or staff travel required to perform these services.

Examples of activities reported under this code:

All non IDEA and/or non-IEP direct client care services as follows:

1. Providing health/mental health services.
2. Conducting medical/health assessments/evaluations and diagnostic testing and preparing related reports.
3. Providing personal aide services.
4. Performing developmental assessments.
5. Developing a treatment plan (medical plan of care) for a student if provided as a medical service.
6. Administering first aid
7. Making referrals for and/or coordinating medical or physical examinations and necessary medical evaluations as a result of a direct medical service.

CODE 4.b. - Direct Medical Services – Covered as IDEA/IEP Service (FFS – IEP) – IEP Ratio

This code should be selected when LEA staff members (employees or contracted staff) provide direct client services as covered services delivered by LEAs under the FFS Program for students with an IEP/IFSP. These direct client services may be delivered to an individual and/or group in order to ameliorate a specific condition and are performed in the presence of the student(s). This code includes the provision of all IDEA/IEP medical (i.e. health-related) services. It also includes functions performed pre and post actual direct client services (when the student may not be present), for example, paperwork, or staff travel directly related to the direct client services.

Examples of activities reported under this code**:**

All IDEA/IEP direct client services with the Student/Client present including:

1. Providing health/mental health services as covered in the student's IEP.
2. Conducting medical/health assessments/evaluations and diagnostic testing and preparing related reports as covered in the student's IEP.

The list of services corresponds to all of the services outlined in the State Plan. **This includes:**

1. Audiologist services including evaluation and therapy services (only if included in the student's IEP).
2. Physical Therapy services and evaluations (only if included in the student's IEP).
3. Occupational Therapy services and evaluations (only if included in the student's IEP).
4. Speech Language Therapy services and evaluations (only if included in the student's IEP).
5. Counseling services, including therapy services (only if included in the student's IEP).
6. Orientation and Mobility services and evaluations (only if included in the student's IEP).
7. Nursing services and evaluations (only if included in the student's IEP), including skilled nursing services on the IEP and time spent administering/monitoring medication only if it is included as part of an IEP and documented in the IEP.
8. Nutrition Services include the management and counseling for students on special diets for genetic metabolic disorders, prolonged illness, deficiency disorders or other complicated medical problems. Nutritional support through assessment and monitoring ofthe nutritional status, and teaching related to the dietary regimen."

This code also includes pre and post time directly related to providing direct client care services when the student/client is not present. Examples of pre and post time activities when the student/client is not present include: time to complete all paperwork related to the specific direct client care service, such as preparation of progress notes, translation of session notes, review of evaluation testing/observation, planning activities for the therapy session, travel to/from the therapy session, or completion of billing activities.

General Examples that are considered pre and post time:

1. Pre and post activities associated with physical therapy services, for example, time to build a customized standing frame for a student or time to modify a student's wheelchair desk for improved freedom of movement for the client.
2. Pre and post activities associated with speech language pathology services, for example, preparing lessons for a client to use with an augmentative communicative device or preparing worksheets for use in group therapy sessions.
3. Updating the medical/health-related service goals and objectives of the IEP.
4. Travel to the direct service/therapy.
5. Paperwork associated with the delivery of the direct care service, as long as the student/client is not present. Such paperwork could include the preparation of progress notes, translation of session notes, or completion of billing activities.
6. Interpretation of the evaluation results and/or preparation of written evaluations, when student/client is not present. (Assessment services are billed for testing time when the student is present, for interpretation time when the student is not present, and for report writing when the student is not present.)

CODE 4.c. - Direct Medical Services – Covered on a Medical Plan of Care, Not Covered as IDEA/IEP service – MP Ratio

This code should be selected when LEA staff members (employees or contracted staff) provide direct client services as covered services delivered by LEAs under the FFS Program when documented on a Medical Plan other than an IEP/IFSP or for services in which medical necessity has been determined. These direct client services may be delivered to an individual and/or group in order to ameliorate a specific condition and are performed in the presence of the student(s). This code includes the provision of medical (i.e. health-related) services outlined on a medical plan other than an IEP/IFSP or for which medical necessity has been determined. It also includes functions performed pre and post actual direct client services (when the student may not be present), for example, paperwork, or staff travel directly related to the direct client services.

Examples of activities reported under this code**:**

All Medical Plan direct client services with the Student/Client present including:

1. Providing health/mental health services as covered in the student's medical plan other than an IEP/IFSP.
2. Conducting medical/health assessments/evaluations and diagnostic testing and preparing related reports as covered in the student's medical plan other than an IEP/IFSP.
3. Services for which medical necessity has been determined.

The list of services corresponds to all of the services outlined in the State Plan. **This includes:**

1. Audiologist services including evaluation and therapy services (only if included in the student's medical plan).
2. Physical Therapy services and evaluations (only if included in the student's medical plan).

3. Occupational Therapy services and evaluations (only if included in the student's medical plan).
4. Speech Language Therapy services and evaluations (only if included in the student's medical plan).
5. Counseling services, including therapy services (only if included in the student's medical plan or when medical necessity has been determined).
6. Orientation and Mobility services and evaluations (only if included in the student's medical plan).
7. Nursing services and evaluations (only if medical necessity has been determined including skilled nursing services on the medical plan and time spent administering/monitoring medication only if it is included as part of a medical plan of care and documented in the plan of care.)
8. Nutrition Services include the management and counseling for students on special diets for genetic metabolic disorders, prolonged illness, deficiency disorders or other complicated medical problems. Nutritional support through assessment and monitoring of the nutritional status, and teaching related to the dietary regimen."
9. All EPSDT covered services such as screenings, immunizations, etc. or services in which medical necessity has been determined.

This code also includes pre and post time directly related to providing direct client care services when the student/client is not present. Examples of pre and post time activities when the student/client is not present include: time to complete all paperwork related to the specific direct client care service, such as preparation of progress notes, translation of session notes, review of evaluation testing/observation, planning activities for the therapy session, travel to/from the therapy session, or completion of billing activities.

General Examples that are considered pre and post time:

1. Pre and post activities associated with physical therapy services, for example, time to build a customized standing frame for a student or time to modify a student's wheelchair desk for improved freedom of movement for the client.
2. Pre and post activities associated with speech language pathology services, for example, preparing lessons for a client to use with an augmentative communicative device or preparing worksheets for use in group therapy sessions.
3. Updating the medical/health-related service goals and objectives of the medical plan of care.
4. Travel to the direct service/therapy.
5. Paperwork associated with the delivery of the direct care service, as long as the student/client is not present. Such paperwork could include the preparation of progress notes, translation of session notes, or completion of billing activities.
6. Interpretation of the evaluation results and/or preparation of written evaluations, when student/client is not present. (Assessment services are billed for testing time when the student is present, for interpretation time when the student is not present, and for report writing when the student is not present.)

Code 5.a. - Transportation for Non-Medicaid Services – U

LEA staff 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 activity.

1. Scheduling or arranging transportation to social, vocational, and/or educational programs and activities.

Code 5.b. - Transportation related to Medicaid Services – PM/50 percent FFP

LEA staff 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 cost of the transportation, but rather the administrative activities involved in providing transportation. Include related paperwork, clerical activities or staff travel required to perform these activities. An example is:

1. Scheduling or arranging transportation to Medicaid covered services.

Note: Staff that may arrange transportation that may be included in the RMTS include, but are not limited to, Program Administrators, Special Education Support or other staff at the district who are responsible for arranging specialized transportation for students to receive medical services. However, job titles of staff that provide these types of services vary by district.

Code 6.a. - Non-Medicaid Translation – U

LEA staff should use this code when providing translation services related to social, vocational or education programs and activities as an activity separate from the activities referenced in other codes. Include related paperwork, clerical activities or staff travel required to perform these activities. Examples include:

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/75 percent 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, it must be provided by separate units or separate employees performing solely translation functions for the LEA and it must facilitate access to Medicaid covered services.

This code should be used by LEA employees who provide translation services related to Medicaid covered services as an activity separate from the activities referenced in other codes. Include related paperwork, clerical activities or staff travel required to perform these activities. Examples include:

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.
3. Providing translation services (oral and signing) that assist the individual to access and understand necessary care or treatment covered by Medicaid.
4. Developing translated materials, including Braille transcriptions, that assist individuals to access and understand necessary care or treatment covered by Medicaid
5. Translation while the school nurse provides covered services to a student whose primary language is Vietnamese.
6. Sign language interpretation during provision of covered services to a deaf child.
7. Transcribing into Braille the fact sheet school nurses use to explain/practice steps/proper technique for using an inhaler.
8. Translation to help a school psychologist follow up with a student's non-English speaking parent on a mental health referral.

Code 7.a. - Program Planning, Policy Development and Interagency Coordination Related to Non-Medical Services – U

LEA staff should use this code when performing activities associated with the development of strategies to improve the coordination and delivery of non-medical/non-mental health services to school age children and when performing collaborative activities with other agencies. Non-medical services may include social, education and vocational services. Only employees whose position descriptions include program planning, policy development and interagency coordination should use this code. Include related paperwork, clerical activities or staff travel required to perform these activities. Examples include:

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

This code should be used by LEA staff 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 providers. 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. This code refers to activities such as planning and developing procedures to track requests for services; the actual tracking of requests for Medicaid services would be coded under Code 9.b., Referral, Coordination and Monitoring of Medical Services. Include related paperwork, clerical activities or staff travel required to perform these activities. Examples include:

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/Medicaid Training – U

This code should be used by LEA staff when coordinating, conducting or participating in training events and seminars for school-based services staff regarding the benefit of the programs other than the Medicaid program such as educational programs; for example, how to assist families to access the services of the relevant programs and how to more effectively refer students for those services. Include related paperwork, clerical activities or staff travel required to perform these activities. Examples include:

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 Specific Training – PM/50 percent FFP

This code should be used by LEA staff when coordinating, conducting or participating in training events and seminars for New Jersey DMAHS and MAC staff regarding the benefits of the Medicaid program, how to assist families in accessing Medicaid services, and how to more effectively refer students for services. Include related paperwork, clerical activities or staff travel required to perform these activities. Examples include:

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, and screening of students with special health needs to such services (e.g., Medicaid EPSDT services). (This is distinguished from IDEA child find programs.)

Code 9.a. - Referral, Coordination and Monitoring of Non-Medicaid Services –U

LEA staff should use this code when making referrals for coordinating and/or monitoring the delivery of non-medical, such as educational services. Include related paperwork, clerical activities or staff travel required to perform these activities. Examples include:

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.

Case Management - Note that case management as an administrative activity involves the facilitation of access and coordination of program services. Such activities may be provided under the term Case Management or may also be referred to as Referral, Coordination, and Monitoring of non-Medicaid Services.

Case management may also be provided as an integral part of the service and would be included in the service cost. 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 Medicaid covered medical services. Referral, coordination and monitoring activities related to medical 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 4A - Direct Medical Services - Not Covered as IDEA/IEP Services, 4B- Direct Medical Services - Covered as IDEA/IEP Services or 4C- Direct Medical Services – Covered on a Medical Plan of Care, Not Covered as IDEA/IEP service. Examples include:

1. Identifying and referring adolescents who may be in need of Medicaid family planning services.
2. Making referrals for and/or coordinating medical or physical examinations and necessary medical/dental/mental health evaluations.
3. Making referrals for and/or scheduling EPSDT screens, interperiodic screens, and appropriate immunization, but NOT to include the state-mandated health services.
4. Referring students for necessary medical health, mental health, or substance abuse services covered by Medicaid.
5. 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.
6. Gathering any information that may be required in advance of medical/dental/mental health referrals.
7. Participating in a meeting/discussion to coordinate or review a student's needs for health-related services covered by Medicaid.
8. Developing, coordinating, and monitoring the medical portion of the Individualized Education Program (IEP) for a student, which includes the medical portion of the actual IEP meetings with the parents, time spent developing the medical services plan on the IEP, and writing of the medical service goals of the IEP. (If appropriate, this would also refer to the same activities performed in support of an Individualized Family Service Plan (IFSP) or other medical plan.)
9. Providing follow-up contact to ensure that a child has received the prescribed medical/dental/mental health services covered by Medicaid.
10. Coordinating the delivery of community based medical/dental/mental health services for a child with special/severe health care needs.
11. 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.
12. Providing information to other staff on the child's related medical/dental/mental health services and plans.
13. Monitoring and evaluating the Medicaid service components of the IEP and/or medical plan as appropriate.

14. Coordinating medical/dental/mental health service provision with managed care plans as appropriate.

Note: A "referral" is considered appropriate when made to a provider who can provide the required service, will accept the student as a patient, and will accept the student's source of payment for services.

Case Management. Note that case management as an administrative activity involves the facilitation of access and coordination of program services. Such activities may be provided under the term Case Management or may also be referred to as Referral, Coordination, and Monitoring of non-Medicaid Services.

Case management may also be provided as an integral part of the service and would be included in the service cost. School staff should use this code when making referrals for, coordinating, and/or monitoring the delivery of NON-Medicaid covered services.

Code 10. - General Administration – R

Time study participants when performing activities that are not directly assignable to program activities should use this code. 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. Taking lunch, breaks, leave, or other paid time not at work.
2. Establishing goals and objectives of health-related programs as part of the school's annual or multi-year plan.
3. Reviewing school or district procedures and rules.
4. Attending or facilitating school or unit staff meetings, training, or board meetings.
5. Performing administrative or clerical activities related to general building or district functions or operations.
6. Providing general supervision of staff, including supervision of student teachers or classroom volunteers, and evaluation of employee performance.
7. Reviewing technical literature and research articles.
8. Other general administrative activities of a similar nature as listed above that cannot be specifically identified under other activity codes.

Code 11. - Not Scheduled to Work – U

This code should be used if the random moment occurs at a time when a part-time, temporary or contracted employee is not scheduled to be at work. Please note that full time school staff should not use this code.

Time Study Methodology

TIME STUDY PARTICIPANTS

New Jersey conducts a statewide time study on a period-based basis for those LEAs that are participating in the MAC and SEMI programs. The purposes of the time study are to: identify the proportion of administrative time allowable and reimbursable under the MAC program: and identify the proportion of direct service time allowable and reimbursable under Medicaid to be used for SEMI cost reporting. This time study will enable the State of New Jersey to conduct a cost settlement at the end of the state fiscal year for the SEMI program.

In most LEAs, it is uncommon to find staff whose activities are limited to just one or two specific functions. Staff members normally perform a number of activities, some of which are related to the direct covered services and some of which are not. Sorting out the portion of worker activity that is related to these direct covered services and to all other functions requires an allocation methodology that is objective and empirical (i.e., based on documented data). Staff time has been accepted as the basis for allocating staff cost. The federal government has developed an established tradition of using time studies as an acceptable basis for cost allocation.

A time study reflects how workers' time is distributed across a range of activities. A time study is not designed to show how much of a certain activity a worker performs; rather, it reflects how time is allocated among different activities. As stated previously, the state will utilize a CMS approved Random Moment Time Study (RMTS) methodology and all LEAs who participate in both the MAC and SEMI programs will be required to participate in the RMTS methodology.

The time study is designed to capture 100% of time. Once the sampled participant responds to the moment, the moment can only be coded to a single activity code. The coding of that moment follows definitions of the codes and examples that our outlined in this implementation guide. The reimbursement status of each code is also outlined in the implementation guide.

Time Study Participants

All LEAs that participate in the statewide time study will identify allowable Medicaid direct service and administrative costs within a given LEA by having staff members who spend their time performing those activities participate in a period-based time study. Staff included in the time study may include part-time, full-time and/ or contracted staff. These LEAs must certify that any staff providing services or participating in the time study meet the educational, experiential and regulatory requirements. Participating LEAs must update their staff lists each period prior to the generation of the time study sample for that period. Only staff that meets the licensure requirements to bill the Medicaid Fee-for-Service program can be included in the Direct Service Cost Pool. The update to the staff list must be completed prior to the start of the period. LEAs cannot make additions to their staff pool list once the time study sample has been generated for that period. Positions that are not identified on the period-based staff list are not eligible to have their costs included in the period-based claim.

Staff lists are certified by period. As there is no time study for the July – to the beginning of the school year period, there is no staff list certified for that period. The staff list from the previous period is used as the basis for the summer period. Participants are made active in the RMTS when they are added to the staff pool list and remain active unless the RMTS coordinator for the district changes their status to inactive. The district inactivates someone when they have either left the district or changed positions to a position that is not eligible to participate in the program.

The following categories of staff have been identified as appropriate participants for the New Jersey time studies. Additions to the list may be dependent upon job duties. The decision and approval to include additional provider types requires an amendment to the existing state plan, which would be submitted to CMS by DMAHS.

This does not include individuals such as parents or other volunteers who receive no compensation for their work; this would include in-kind "compensation". For purposes of this implementation plan, individuals receiving compensation from LEAs for their services are termed "LEA staff". Beginning with the October 2017 Period, New Jersey will begin using the statewide time study and its three cost pool methodology. All staff will be reported into one of three cost pools: a "Direct Service and Administrative Providers #1" cost pool, "Direct Service and Administrative Providers #2" cost pool and an "Administrative Services Provider Only" costpool. (Two cost pools were utilized from the October 2010 period through the April – June 2016 period. The Direct Service and Administrative Provider #1 category include all staff in the Direct Service and Administrative Provider #2 category through the April - June 2017 period.) **The three cost pools are mutually exclusive, i.e., no staff can be included in more than one cost pool.** The Direct Service and Administrative Providers cost pools are comprised of direct service staff, including those who conduct FFS and administrative claiming activities as well as direct service only staff, and the respective costs for these staff. These costs include staff time spent on billing activities related to direct services. The Administrative Service Providers Only cost pool is comprised of administrative claiming staff and the respective costs for these staff. The following provides an overview of the eligible categories of staff in each cost pool. The individuals listed in the Direct Service & Administrative Providers cost pool must meet the provider credential and license requirements necessary to provide FFS care.

Time Study Staffing Substitutions

The period-based certified staff pool position list may include vacant positions that the LEA plans to fill during the current period. The state will adhere to CMS' policy on vacant positions, as required by the CMS guide (5/18/23). The vacant position(s) shall require all appropriate information be entered into the RMTS system including Participant Pool, Job Category, Job Description, and Shift Schedule. Any vacant position included on the current period staff pool position list prior to certification must be supported by documentation and maintained in the audit file, demonstrating that the hiring process will be undertaken before the end of the current period. If any of these vacant positions are filled during the period, the newly hired staff pool position shall receive moment training, complete the time study moment(s) (if sampled), and actual costs incurred for the position(s) during the period are eligible to be reported on a

pro rata basis. If a vacant position is not filled during the period, then any sampled time study moments are coded as invalid and only those proportional costs eligible during the period that positions received compensation are to be reported.

If a previously certified position becomes vacated during the period, it may be filled with a Direct Replacement. A Direct Replacement requires the Participant Pool, Job Category, Job Description, and Shift Schedule be identical to the original or vacated staff pool position. The Direct Replacement will receive moment training, complete the time survey moment(s) (if sampled), and the proportional costs incurred for both the original staff pool position and Direct Replacement are eligible to be reported. If the vacated position is not filled during the quarter, then any sampled time survey moments are coded as invalid and only those proportional costs eligible during the period positions received compensation are eligible to be reported.

- **Cost Pool 1 (Direct Service & Administrative Providers #1) –** these providers may perform administrative claiming activities as well as direct services. Only these providers types included in the approved state plan will be included in the cost pool and time study.

    - Licensed Audiologist
    - State Certified Social Worker
    - State Certified Psychologist
    - Licensed Dietician
    - Orientation & Mobility Specialist
    - Licensed Certified Occupational Therapist
    - Licensed Certified Occupational Therapy Assistant
    - Licensed Certified Physical Therapist
    - Licensed Physical Therapy Assistant
    - Speech Language Pathologist (with professional certificate from NJ DOE and Certificate of Clinical Competence in Speech Language Pathology by ASHA or NJ state licensure)
    - Speech Therapy Assistant

Cost Pool 2 (Direct Service & Administrative Providers #2) - these providers may perform administrative claiming activities as well as direct services. Only these provider types included in the approved state plan will be included in the cost pool and time study.

- Licensed Registered Nurse (RN)
- Licensed Practical Nurse (LPN)

Cost Pool 3 (Administrative Service Providers Only)

- School Administrators – Principals and Assistant Principals.
- State Certified Counselor

- Non-certified Psychologist/Psychologist Intern
- Non-certified Social Worker
- Psychologist Intern
- Special Education – Support Technician
- Pupil Support – Technician
- Special Education Administrator
- Pupil Support Services Administrator
- School Bilingual Assistant
- Health Services Special Education Teacher
- Interpreter & Interpreter Assistant
- Speech Language Pathologist (Non-Masters Level and Non-Licensed)
- Program Specialist
- Special Education Coordinators
- Diagnosticians

Staff members with job titles in cost pools 1, 2 or 3 are not automatically included in the time study. An LEA must determine whether they meet all requirements above and if they are less than 100% federally funded. Individuals that are 100% federally funded will be excluded from the time study. Staff members that are partially federally funded may be included in the time study, however, any costs that are included in the cost pool must be net of all federal sources. All criteria must be met in order to be included in the time study.

Only providers of services included in the approved State plan can be included in the cost pool for the time study. Support staff, such as administrative assistants or secretaries that have adirect reporting relationship to someone listed on the staff pool list (which can be demonstrated through an organization chart or job description) can also have their costs included in the calculation of the claim but will not participate in the time study.

Part of the DMAHS review process is to ensure that all of the staff that will be submitted are included in the sample universe. The LEAs will send in a roster of participants. All of those staff members are loaded into the appropriate cost pool. The entire list of staff from all participating LEAs in a particular cost pool is included in the sample universe. At the end of the period, a financial schedule is sent to the LEAs to report allowable costs for staff. The list sent to the LEAs will only include the staff/reported at the beginning of the process. LEAs are instructed that they can only claim staff for participants that were sent in the roster process and thus included in the sample universe. The list of submitted staff will be compared against the list used in the sample universe. This list should be a match since all staff members submitted by the LEAs are included in the sample universe.

Random Moment Time Study (RMTS)

The RMTS method polls participants on an individual basis at random time intervals over a given time period and totals the results to determine work effort for the entire population of eligible staff over that same time period. The RMTS method provides a statistically valid means of determining what portion of the selected group of participant's workload is spent performing activities that are reimbursable by Medicaid.

Time Study Start and End Dates

Each period, the dates that LEAs will be in session and for which their staff members are compensated will be determined. LEA staff members are paid to work during those dates that LEAs are in session: as an example, LEAs may end the school year sometime in May each year. All days including and through the end of the school year would be included in the potential days to be chosen for the time study. Each period, LEA calendars will be reviewed to determine those dates that the schools pay for their staff to work, and those dates will be included in the sample. Since school calendars change on an annual basis, the school calendars will be evaluated on an annual basis and the sample dates will be determined and documented.

Sampling Requirements (RMTS)

In order to achieve statistical validity, maintain program efficiencies and reduce unnecessary LEA administrative burden a consistent sampling methodology for all activity codes and groups will be used. The RMTS sampling methodology is constructed to achieve a level of precision of +/- 5% (five percent) with a 95% (ninety-five percent) confidence level for activities. This is in accordance with the policy communicated by the Center for Medicare and Medicaid Services.

Statistical calculations show that a minimum sample of 385 completed moments each period, per cost pool, is adequate to obtain this precision when the total pool of moments is greater than 2,000,000. Additional moments are selected each period to account for any invalid moments or non-responsive moments. Any non-response moments are moments that are not returned.

The following formula is used to calculate the number of moments sampled for each time study cost pool:

$$ss = \frac{Z2 * (p) * (1-p)}{c2}$$

WHERE:

Z = Z value (e.g. 1.96 for 95% confidence level)
p = percentage picking a choice, expressed as decimal (.5 used for sample size needed)
c = confidence interval, expressed as decimal (e.g., .02 = ±2)

CORRECTION FOR FINITE POPULATION

N = population

The following table shows the sample sizes necessary to assure statistical validity at a 95% confidence level and tolerable error level of 5%. Additional moments will be selected to account for unusable moments, as previously defined. An over sample of a minimum of 15% will be used to account for unusable moments.

N=	Sample Size Required	Sample Size plus the Minimum 15% Oversample
100,000	383	440
200,000	384	442
300,000	384	442
400,000	384	442
500,000	384	442
750,000	384	442

1,000,000	384	442
>2,000,000	385	443

RMTS Process & Notification

The RMTS process is described here as four steps:

1. Identify total pool of time study participants
2. Identify total pool of time study moments
3. Randomly select moments; randomly match each moment to a participant
4. Notify selected participants about their selection

Identify Total Pool of Time Study Participants

At the beginning of each period, participating LEAs submit a staff roster (Participant List) providing a comprehensive list of staff eligible to participate in the statewide RMTS time study. This list of names is subsequently grouped into job categories (that describe their job function) and from that list all job categories are assigned into one of the three mutually exclusive cost pools for the statewide time study. The staff roster is only updated on a defined period basis.

Identify Total Pool of Time Study Moments

The total pool of "moments" within the time study is represented by calculating the number of working days in the sample period, times the number of work hours of each day, times the number of minutes per hour, and times the number of participants within the time study. The total pool of moments for the period is reduced by the exclusion of weekends, holidays and hours during which employees are not scheduled to work.

Randomly Select Moments and Randomly Match Each Moment to a Participant

Once compiled, each cost pool is sampled to identify participants in the RMTS time study. The sample is selected from each cost pool, along with the total number of eligible time study moments for the period. Using a statistically valid random sampling technique, the desired number of random moments is selected from the total pool of moments. Next, each randomly selected moment is matched up, using a statistically valid random sampling technique, with an individual from the total pool of participants.

Each time the selection of a minute and the selection of a name occurs, both the minute and the name are returned to the overall sample pool to be available for selection again. In other words, the random selection process is done with replacement so that each minute and each person are available to be selected each time a selection occurs. This step guarantees the randomness of the selection process.

Each selected moment is defined as a specific one-minute unit of a specific day from the total pool of time study moments and is assigned to a specific time study participant. Each moment selected from the pool is included in the time study and coded according to the documentation submitted by the employee.

The sampling period is defined as 100% of the time school is in session. A summer vacation period (months when most students are not attending school according to the LEA calendar) will use a weighted average of other periods to supply compensation to providers paid during this period.

The following are the periods followed for the MAC program:

- Period 1 = August 21 (or first day of school) – December 31
- Period 2 = January 1 – March 31
- Period 3 = April 1 – June 30
- Summer Period = July 1 – August 20 (or last day of summer period)

The sampling periods are designed to be in accordance with the May 2003 Medicaid School- Based Administrative Claiming Guide, on page 42, Example 4, specifically:

"If the school year ends in the middle of a calendar quarter (for example, sometime in June), the last time study for the school year should include all days through the end of the school year. Therefore, if the school year ends June 25th, then all days through and including June 25th must be included among the potential days to be chosen for the time study."

Each period, dates that LEAs will be in session and for which their staff members are compensated will be identified. LEA staff members are paid to work during those dates that LEAs are in session; as an example, LEAs may end the school year sometime in May each year. All days including and through the end of the school year would be included in the potential days to be chosen for the time study. It is important to understand that although LEAs may end the school year prior to the close of the period, staff members may receive pay for services provided during the school year through the end of the summer period. LEAs typically spread staff compensation over the entire calendar year versus compensating staff members only during the months when school is in session.

The majority of LEA staff work during a traditional school year. Since the time study results captured during a traditional time study are reflective of any other activities that would be performed during the summer period, a summer period time study will not be conducted. New Jersey will use an average of the three (3) previous period's time study results to calculate a claim for the summer period.

This is in accordance with the May 2003 Medicaid School-Based Administrative Claiming Guide, page 42. Specifically:

"…the results of the time studies performed during the regular school year would be applied to allocate the associated salary costs paid during the summer. In general, this is acceptable if administrative activities are not actually performed during the summer break, but salaries (reflecting activities performed during the regular school year) are prorated over the year and paid during the summer break."

Notify Participants about their Selected Moments

Email is the standard method by which time study participants are notified of their requirement to participate in the time study and of their sampled moment. Sampled participants will not be notified of their sampled moment date and time more than two (2) school days prior to the sampled moment. At the prescribed moment, each sampled participant is asked to record and submit his/her activity for that particular moment. Additionally, if the moment is not completed the participant receives a late notification email twenty-four (24) hours after their selected moments. Throughout this entire process, the LEA coordinators have real-time access in the online system to view their sampled staff, the dates/times of their sampled staff's moments, and whether or not the moment has been completed. The time study questionnaire or survey forms are not kept open more than two (2) school days after the end of the time study moment to ensure the accuracy of the time. As explained later in this document, if the return rate of valid moments is less than 85%, non-returned moments will be included and coded as non-allowable codes/non- Medicaid time.

The RMTS administrator will run compliance reports on a weekly basis and send the results to the LEAs. The LEAs also have the ability to run compliance reports on a daily basis. A validity check of the time study results is completed each period prior to the calculation of the claim. The validity check ensures that the minimum number of responses is received each period to meet the required confidence level. The number of completed and returned time study moments is analyzed to confirm that the confidence level requirements have been met. Once the validity of the sample has been confirmed, the time study results are calculated and prepared for the calculation of the period-based claim.

New Jersey has chosen to utilize a centralized coding methodology to be implemented by the contractor assisting New Jersey with the MAC program. Under that methodology, the sampled staff member is not required or expected to code his or her moment. The sampled staff member

is asked to document their activity by providing specific examples. At the end of the documentation, the sampled staff member is asked to certify their documentation.

The contractor will code all moments submitted and will randomly select a 10%[i] sample of the coded responses which will be submitted to the State each period for validation. The validation will consist of reviewing the participant responses and the corresponding code assigned by the contractor to determine if the code was accurate. DMAHS has a representative who will separately review the randomly selected 10%[i] subsample of responses and coding and identify any disagreements with the coding staff. After that discussion on coding, coding instructions would be modified to document those coding decisions so that they can be consistently applied in future periods.

At the end of each period, once all random moment data has been received and time study results have been calculated, statistical compliance reports will be generated to serve as documentation that the sample results have met the necessary statistical requirements.

Training Types & Overview

LEA Coordinator Training (RMTS)

DMAHS will review and approve all RMTS training material used by the DMAHS contractor. Once the training material has been approved by DMAHS, the LEA contractor will provide initial training for the LEA coordinators, which will include an overview of the RMTS software system and information on how to access and input information into the RMTS system. It is essential for the LEA coordinators to understand the purpose of the time studies, the appropriate completion of the RMTS, the timeframes and deadlines for participation, and that their role is crucial to the success of the program. Participants are to be provided detailed information and instructions for completing and submitting the time study documentation of the sampled moment. All training materials will be accessible to LEA coordinators. In addition, annual training will be provided to the LEA coordinators to cover topics such as MAC program updates, process modifications and compliance issues.

Central Coding Staff Training (Activity Coding)

Central Coders are employed by the contractor and will review the documentation of participant activities performed during the selected moments and determine the appropriate activity code. In a situation when insufficient information is provided to determine the appropriate activity code, the central coder may contact the individual LEA and request submission of additional information about the moment. Once the information is received the moment will be coded and included in the final time study percentage calculation. All moments will be coded separately by at least two coders as part of a quality assurance process. The moments and the assigned codes will be reviewed for consistency and adherence to the state approved activity codes.

Sampled Staff Training

The RMTS documentation system includes training information on the program and the staff member's role in the program as well as how to complete the moment. Training is a requirement as the sampled staff member must visit these training screens prior to being able to document their moment.

Documentation (RMTS)

All documentation of sampled moments must be sufficient to provide answers to the time study questions needed for accurate coding:

- Who was with you? (The sampled staff member must create a narrative to answer this question.)
- What were you doing? (The sampled staff member must create a narrative to answer this question.)
- Why were you performing this activity? (The sampled staff member must create a narrative to answer this question.)
- Is this activity regarding a student with a Medical Plan of Care? (Radio buttons with the option of "Yes" and "No")
- Is the service you provided part of the child's Medical plan of care? (Radio buttons with the options of "Yes – IEP/IFSP", "Yes- Medical Plan of Care other than an IEP/IFSP (i.e. 504 plan or Student Health Plan)" ("No" or "N/A".)
- In addition, sampled staff will certify the accuracy of their response prior to submission—sampled staff members are assigned a unique user name and password that is only sent to them. They must use this unique user name and password to login and document their moment. After answering the documentation questions they are shown their responses and asked to certify that the information they are submitting is accurate. Their moment is not complete unless they certify the accuracy of the information. Since the sample staff member only has access to their individual information, this conforms to electronic signature policy and allows them to verify that their information is accurate.

Each time study participant must certify the accuracy of his/her response prior to submission.

Additional documentation maintained by the contractor includes:

- Sampling and selection methods used,
- Identification of the moment being sampled, and

- Timeliness of the submitted time study moment documentation.

Time Study Return Compliance

DMAHS will require an 85% response rate. Moments not returned or not accurately completed and subsequently resubmitted by the LEA will not be included in the database unless the return rate for valid moments is less than 85%. If the return rate of valid moments is less than 85% then all non-returned moments will be included and coded as a non-allowable/non-Medicaid time. The time study questionnaire or survey forms will be kept open no longer than two (2) school days after the end of the time study moment to ensure the accuracy of the time. To ensure that enough moments are received to have a statistically valid sample, New Jersey will over sample at a minimum of fifteen percent (15 %) more moments than needed for a valid sample size. To ensure that LEAs are properly returning sample moments, the LEA's return percentage for each period will be analyzed.

If the statewide compliance rate for a period does not reach at least 90%, DMAHS will send out a non-compliance warning letter to each LEA that did not achieve an 85% compliance rate and had greater than ten (10) moments for the period. For LEAs that are issued a warning letter, DMAHS will monitor the next consecutive period to ensure compliance is achieved. If not achieved, DMAHS will implement the following sanctions:

- LEAs will not be able to claim for MAC for the remainder of the fiscal year beginning with the second period of non-compliance.
- LEAs will not be able to participate in the time study for MAC for the remainder of the fiscal year (July to June).
- LEAs will not be able to claim for FFS for the remainder of the State fiscal year. Any interim payments sent to the LEA for FFS services provided during that fiscal year will be recouped by the State and returned to the federal government.

Time Study Activities/Codes

The time study codes are assigned indicators that determine their allowability, federal financial participation (FFP) rate, and Medicaid share. A code may have one or more indicators associated with it. These indicators should not be provided to time study participants.

The time study code indicators are:

Application of FFP rate	50 percent	Refers to an activity that is allowable as administration under the Medicaid program and claimable at the 50 percent non-enhanced FFP rate.
	75 percent	Refers to an activity that is allowable as administration under the Medicaid program and claimable at the 75 percent enhanced FFP rate.
Allowability & Application of Medicaid Share	U	Unallowable – refers to an activity that is unallowable as administration under the Medicaid program. This is regardless of whether or not the population served includes Medicaid eligible individuals.
	TM	Total Medicaid – refers to an activity that is 100 percent allowable as administration under the Medicaid program.
	PM	Proportional Medicaid – refers to an activity, which is allowable as Medicaid administration under the Medicaid program, but for which the allocable share of costs must be determined by the application of the proportional Medicaid share (using the Medicaid eligibility rate, the IEP ratio or the MP ratio). For the MAC Program, the Medicaid share is determined as the ratio of Medicaid eligible students to total students. For the FFS Cost Settlement process, the Medicaid share is defined as the ratio of Medicaid Eligible Special Education Students with a SEMI

		billable service on the IEP to the total Special Education Students with a SEMI billable service on the IEP. The Medical Plan Ratio is defined as the ratio of Medicaid Eligible Students with a Medical Plan (other than an IEP/IFSP) with a Medicaid Billable service on the Medical Plan to the total Students with a Medicaid Billable Service on the Medical Plan (other than an IEP / IFSP). The Proportional Medicaid share will be determined for each LEA.
	R	Reallocated – refers to those general administrative activities which must be reallocated across the other activity codes on a pro rata basis. These reallocated activities are reported under Code 10, General Administration.

THE FOLLOWING TIME STUDY CODES ARE TO BE USED FOR THE RANDOM MOMENT TIME STUDY:

Code	Activity	MAC Indicator(s)
1.a	Non-Medicaid Outreach	U
1.b	Medicaid Outreach	TM/50%
2.a	Facilitating Non-Medicaid Eligibility	U
2.b	Facilitating Medicaid Eligibility Determination	TM/50%
3	School Related & Educational Activities	U
4.a	Direct Medical Services – Not Covered as IDEA/IEP Service	U
4.b	Direct Medical Services – Covered as IDEA/IEP Service	IEP Ratio
4.c	Direct Medical Services – Covered on a Medical Plan of Care, Not Covered as IDEA/IEP service	MP Ratio
5.a	Transportation Non-Medicaid	U
5.b	Medicaid Transportation	PM/50%
6.a	Non-Medicaid Translation	U
6.b	Medicaid Translation	PM/ 75%
7.a	Program Planning, Development and Interagency Coordination Non-Medical	U
7.b	Program Planning, Development and Interagency Coordination Medical	PM/50%
8.a	Non-Medical/Non-Medicaid related Training	U
8.b	Medical/Medicaid related Training	PM/50%
9.a	Referral, Coordination, and Monitoring Non-Medicaid Services	U
9.b	Referral, Coordination, and Monitoring of Medicaid Services	PM/50%
10	General Administration	R
11	Not Paid/Not Worked	U

These activity codes represent administrative and direct service activity categories that are used to code all categories of claims. For all activity codes and examples, if an activity is provided as part of, or an extension of, a direct medical service, it may not be claimed as Medicaid Administration.

Note: Code 4b above pertains to the FFS program and utilizes the IEP ratio. This information will be used for the FFS Cost Settlement process per SPA 11-13.

Submitting a Claim for Medicaid Administration

The MAC Program cost calculation has five components:

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

CALCULATING THE MAC CLAIM

In 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 Eligibility 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**

There are three cost pools that will be utilized within the claiming process.

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

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

c) **The Medicaid Eligibility Rate (MER), Direct Service IEP Ratio and the Medical Plan Ratio**

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 pertaining to the school year to which it relates. The MER is applied to the total claimable percentage (Codes 1b, 2b, 5b, 6b, 7b, 8b & 9b). This rate is calculated on a semi-annual basis. The IEP Ratio (Direct Service (FFS) Medicaid eligibility rate), will be applied to Code 4b responses. The IEP Ratio is calculated annually. The Medical Plan Ratio will be applied to Code 4c responses and is calculated annually.

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% or 75% FFP

e) **Indirect Cost Rate (ICR)**

Indirect costs will be claimed as part of the MAC Program. The LEA's state cognizant agency, the New Jersey Department of Education, (DOE) will use a consistent method to calculate the unrestricted ICR as outlined in OMB Circular2 CFR 200. Claims for the LEA's indirect costs are only allowable when the entity has an approved indirect cost rate.

MAC Claim Development

The administrating contractor will submit period-based claims on behalf of participating LEAs directly to DMAHS. After reviewing each claim, DMAHS will review and as appropriate approve the MAC claim for payment processing. The claims will be based on the period-based costs, the time study, the Medicaid eligibility rate, the indirect cost rate (ICR) and the FFP.

MAC Medicaid Eligibility Rate (MER)

For many of the MAC activities performed by LEA personnel, the costs associated with these activities are only reimbursable to the extent they are allocable to the Medicaid enrolled population. Therefore, these activities will be adjusted by the MER. This adjustment factor or "discount" reflects the nature of the administrative activity and the targeted population to which the administrative effort is directed.

The MER can be determined by computing the fractional value. The fractional value is identified by dividing the total number of Medicaid eligible school age children (the numerator) for each LEA by the total student count (the denominator) for each LEA. This fractional value is applied to the total cost applicable to the DISCOUNT activity codes to determine the costs applicable to Medicaid administrative activities. The specific MERs will be calculated on a annual basis. The Department of Education collects student data from every LEA on October 15th each year. The DOE will provide student data for each LEA. The student data will be matched against the Medicaid Eligibility Data provided by DMAHS. The match will identify the total number of students in each LEA that are eligible for Medicaid. The number of Medicaid eligible students in the LEA will be the numerator in the calculation and the denominator will equal the total number of students in the LEA.

The MAC Medicaid eligibility rate calculation is:

$$\frac{\text{[Number of Medicaid Students]}}{\text{[Total Number of Students]}}$$

Financial Data

The financial data to be included in the calculation of the MAC claim are to be based on actual expenditures incurred during the period. These costs must be obtained from actual detailed expenditure reports generated by the LEA's financial accounting system.

OMB Circular 2 CFR 200specifically defines the types of costs: direct costs, indirect costs and allocable costs that can be included in the program. Sections 1 through 42 provide principles to be applied in establishing the allowability or unallowability of certain items of cost. These principles apply whether a cost is treated as direct or indirect. The following items are considered allowable costs as defined and cited below by 2 CFR 200.

Direct Costs
Typical direct costs identified in 2 CFR 200 include:

- Compensation of employees
- Staff professional dues and fees
- Cost of materials acquired, consumed, or expended
- Equipment
- Travel expenses incurred

Indirect Costs

Indirect costs included in the claim are computed by multiplying the costs by the LEAs' approved unrestricted indirect cost rate. These indirect rates are developed by the LEAs' state cognizant agency, New Jersey Department of Education (DOE), and are updated annually. The methodology used by the respective state cognizant agency to develop the indirect rates has been approved by the cognizant federal agency, as required by the CMS guide. Indirect costs are included in the claim as reallocated costs.

DMAHS will ensure that costs included in the MAC financial data are not included in the LEA's unrestricted indirect cost rate, and no costs will be accounted for more than once.

Unallowable Costs

Costs that may not be included in the claim are: direct costs related to staff that are not identified as eligible time study participants (i.e., costs related to teachers, cafeteria, transportation, and all other non-school based administrative areas) and costs that are paid with 100 percent federal funds (i.e., costs that have already been fully paid by other revenue sources such as federal, state/federal, recoveries, etc.).

Revenue Offset

Expenditures included in the MAC claim are often funded with several sources of revenue. Some of these revenue sources require that expenditures be offset, or reduced, prior to determining the federal share reimbursable by Medicaid. These "recognized" revenue sources requiring an offset of expenditures are:

- Federal funds (both directly received by the LEA and pass through from state or local agencies)
- State expenditures that have been matched with federal funds (including SEMI). Both the state and federal share must be used in the offset of expenditures.
- Third party recoveries and other insurance recoveries

Claim Certification

LEAs will only be reimbursed the federal share of any MAC billings. The Chief Financial Officer (CFO), Chief Executive Officer (CEO), or Superintendent (SI) will be required to certify the accuracy of the submitted claim and the availability of matching funds necessary. The LEA designee is certifying that the claim amount submitted includes only actual and allowable expenditures. The certification statement will be included as part of the invoice and will meet the requirements of 42 CFR 433.51.

LEAs will be required to maintain documentation that appropriately identifies the certified expenditures used for MAC claiming. The documentation must also clearly illustrate that the funds used for certification have not been used to match other federal funds. Failure to appropriately document the certified funds could result in non-payment of claims.

Direct Service or Fee for Service (FFS) Medicaid Eligibility Rate (IEP Ratio)

The direct service Medicaid eligibility rate, referred to as the Individualized Education Program (IEP) Ratio will be calculated annually and used to apportion cost to the Medicaid fee-for-service (FFS) program. The numerator will be the number of Medicaid IEP students in the LEA who have an IEP that includes a SEMI reimbursable service and the denominator will be the total number of students in the LEA with an IEP that have a SEMI reimbursable service as outlined in their IEP. Direct medical services are those services billable under the FFS program. The Department of Education collects student data from every LEA on October 15th each year. The data collected also includes information on the Special Education status of each student. In addition to the Special Education status, the DOE collects service level data for each Special Education Student. The LEAs, not only report which students are eligible for Special Education, but also which students with an IEP that include a reimbursable direct medical service. The DOE will provide a file that identifies student data for each LEA for the Special Education students with an IEP that includes a reimbursable direct medical service. The student data will be matched against the Medicaid Eligibility Data provided by DMAHS. The match will identify the total number of Special Education students with an IEP that includes a reimbursable direct medical service in each LEA that are eligible for Medicaid. The number of Medicaid eligible students with an IEP that includes a reimbursable direct medical service in the LEA will be the numerator in the calculation and the denominator will equal the total number of students in the LEA with an IEP that includes a reimbursable direct medical service.

The IEP Ratio calculation is:

$$\frac{\text{[Number of Medicaid Eligible Students with an IEP that includes a reimbursable direct medical service]}}{\text{[Total Number of Students with an IEP that includes a reimbursable direct medical service]}}$$

(Code 4c) Medicaid Eligibility Rate (Medical Plan Ratio)

The direct service Medicaid eligibility rate, referred to as the Medical Plan (MP) Ratio will be calculated annually and used to apportion cost to the Medicaid fee-for-service (FFS) program for Services covered on a Medical Plan of Care, Not Covered as IDEA/IEP service. The numerator will be the number of students with a Medical Plan, other than an IEP/IFSP, in the LEA who have an medical plan, such as a 504 plan, qualified health plan, that includes a SEMI reimbursable service and the denominator will be the total number of students in the LEA with an medical plan that have a SEMI reimbursable service as outlined in their medical plan. Direct medical services are those services billable under the FFS program. The Department of Education collects student data from every LEA on October 15th each year. The data collected also includes information on the status of each student with a medical plan. In addition to the plan status, the DOE collects service level data for each student. The LEAs, not only report which students have a medical plan of care, other than an IEP/IFSP but also which students with a medical plan that include a reimbursable direct medical service. The DOE will provide a file that identifies student data for each LEA for the students with a medical plan that includes a reimbursable direct medical service. The student data will be matched against the Medicaid Eligibility Data provided by DMAHS. The match will identify the total number of students with a medical plan that includes a reimbursable direct medical service in each LEA that are eligible for Medicaid. The number of Medicaid eligible students with a medical plan that includes a reimbursable direct medical service in the LEA will be the numerator in the calculation and the denominator will equal the total number of students in the LEA with a medical plan that includes a reimbursable direct medical service.

The MP Ratio calculation is:

[Number of Medicaid Eligible Students with a medical plan that includes a reimbursable direct medical service]
[Total Number of Students with a medical plan that includes a reimbursable direct medical service]

Documentation & Record-keeping Requirements

It is required that all MAC LEAs maintain documentation supporting the administrative claim. The LEAs must maintain and have available upon request by state or federal entities the Memorandum of Understanding with the state to participate in the MAC program. Some documentation must be maintained by period. This information must be available upon request by state or federal entities. Each participating LEA will maintain a period-based audit file containing, at a minimum, the following information:

- A roster of eligible individuals, by category, submitted for inclusion in the participant sample pool
- Copy of licensure and credential information for SEMI staff
- Financial data used to develop the expenditures and revenues for the claim calculations including state/local match used for certification of expenditures
- Documentation of the LEA's approved indirect rate (if applicable)

- A copy of the completed and signed certification form

Retention period

Documentation must be retained for the minimum federally required time period. Federal guidelines (42 CFR 433.32) state the retention period is three years unless there is an outstanding audit. The state's requirement is for LEAs to maintain the administrative claiming documentation for five years or until such time all outstanding audit issues and/or exceptions are resolved.

Oversight and Monitoring

Federal guidelines require the oversight and monitoring of the administrative claiming programs. This oversight and monitoring must be done at both the LEA and state level.

State Level Oversight and Monitoring

The state is charged with performing appropriate oversight and monitoring of the time study and MAC program to ensure compliance with state and federal guidelines. DMAHS is the responsible agency for this required monitoring and oversight effort. DMAHS has a Memorandum of Understanding (MOU) with the participating LEAs. The MOU clearly states the responsibilities for all parties.

DMAHS will monitor and review various components of the MAC program operating in the state. The areas of review include, but are not limited to:

- Participant List / Roster– ensure only eligible categories of staff are reported on the participant list based on the approved RMTS categories in the implementation plan. Staff lists are reviewed to ensure only eligible staff are included in the RMTS.
- RMTS Time Study – sampling methodology, the sample, and time study results
- RMTS Central Coding – review at a minimum a 10% [i] sample per period of the completed coding
- Training – Compliance with training requirements: program contact, central coder and LEA staff
- Financial Reporting – Costs are only reported for eligible cost categories and meet reporting requirements.

Frequency

All LEAs will be monitored at least once every three (3) years. This monitoring will consist of either an on-site, desk, or combination review. Following the selection of the LEAs to be reviewed during each year of the three year cycle, DMAHS will identify one quarter of claims asthe focus for this in-depth review. Any discrepancies revealed during the review will be noted

and addressed with the LEA. Based on the findings from the review of the one period of claims, additional periods may be selected for further review. Participating LEAs will be required to fully cooperate in providing information and access to necessary staff in a timely manner to facilitate these efforts. LEAs that do not fully cooperate in the review process may be subject to sanctions.

In addition to the monitoring described above, trends will be examined as a component of an ongoing review process. Examples of the trends to be monitored include: total claims and reimbursement levels. Any significant variations from historical trending will be communicated to the LEAs for explanation of the variance.

DMAHS is in constant communication with the contractor, often daily, to discuss any issues that may arise. DMAHS will schedule and participate in regular meetings and/or conference calls (at least monthly) with their contractor to discuss time study trends, the 85% LEA compliance level, coding and any other MAC or time study issues.

Remedial Actions

The state will pursue remedial action for LEAs that fail to meet MAC program requirements or fail to correct problems identified during review. Examples of actions that will cause implementation of sanctions include, but are not limited to:

- Repeated and/or uncorrected errors in financial reporting, including failure to use the Contractor provided financial reporting worksheets
- Failure to cooperate with state and/or federal staff during reviews or other requests for information
- Failure to maintain adequate documentation
- Failure to provide accurate and timely information to the Contractor as required

Sanctions the state may impose include suspending payment of MAC and SEMI claims, conducting more frequent reviews, and the recoupment of funds. Once a LEA has been notified of the need for remedial action, the LEA will be given thirty (30) days to submit a corrective action plan to the state, and the state will have an additional thirty (30) days to approve or amend the corrective action plan.

CONTRACTOR LEVEL OVERSIGHT and MONITORING

Period-based Tasks

Training regarding RMTS

- Ensure LEA has participated in required RMTS training in order to participate in RMTS
- Review of RMTS compliance rate and ensure each LEA meets the 85% compliance level requirement
- Ensure the LEA coordinator understands how critical the response rate is per LEA and that he/she is aware of applicable sanctions for non-compliance.

Roster Updates

- Prepare roster update and email to LEA contact
- Receive updated roster from LEA
- Review and perform quality checks on the updated roster
- Upload individual LEA rosters into database with all other participating LEAs

Time Study Tasks

- Randomly select time study participants from database
- Notify LEA contact of staff from their LEA who were selected for the period
- Notify selected participants of their sampled moment date and time 1 day prior to their selected moment and send reminders one day after the moment if it has not been completed with a copy to the supervisor and/or LEA Coordinator.
- Review documented responses and code time study received from selected participants. Conduct follow-up if necessary for the determination of the appropriate time study code.
- Quality Check received and coded time study data
- Follow up with participants who submitted incomplete data, correcting the data so it can be used.
- Scan all data and prepare it for the claim.

Financial Tasks

- Conduct financial training with LEA, as needed
- Prepare period-based financial workbook for the designated financial contact.
- Receive completed workbook and quality check the workbook for errors
- If necessary, resubmit the workbook to the LEA's financial contact for revisions
- Prepare financial information for the MAC claim
- Prepare Certification of Public Expenditure (CPE) form and send to the LEA's financial contact for completion.

- Receive completed CPE forms from LEA and submit to DMAHS

Miscellaneous Tasks

- Participate in period-based MAC update meetings
- Answer general questions from the LEA throughout the period
- Collect annual Non-Restricted indirect cost rate (ICR) from LEA
- Compute the Medicaid Eligibility Rate (MER) for the LEA
- Obtain annual IEP Ratio from the LEA
- Develop the period-based MAC claim and submit to DMAHS
- Send copy of claim to LEA for their records
- Follow up with DMAHS to ensure LEA receives payment
- Conduct quality assurance reviews as needed
- Serve as liaison between LEA and DMAHS

Local LEA Level Oversight and Monitoring

Each LEA participating in the MAC program must take appropriate oversight and monitoring actions that will ensure compliance with MAC program requirements.

Actions must be taken to ensure, at a minimum, that:

- The time study is performed correctly
- The time study results are valid
- The financial data submitted is true and correct
- RMTS training requirements are met
- Appropriate documentation is maintained to support the time study and the claim

Required Personnel

Each LEA must designate an employee as the LEA coordinator or MAC program contact. This single individual is designated within the LEA to provide oversight for the implementation of the time study and to ensure that policy decisions are implemented appropriately. The LEA must also designate an Assistant LEA coordinator to provide back-up support for time study responsibilities.

Appendix 1

LOCAL EDUCATION AGENCY CERTIFICATION
SPECIAL EDUCATION MEDICAID INITIATIVE (SEMI) COST REIMBURSEMENT PROGRAM
MEDICAID-ELIGIBLE STUDENTS, AGES 3 TO 21

The Local Education Agency (LEA) identified below, by its undersigned representatives, hereby certifies the following with respect to its participation in the SEMI Program:

1. There is an Individualized Education Program (IEP) for each special education student who receives health-related services in the SEMI Program.
2. Each health-related service that is provided to a SEMI Program student is in accordance with the student's IEP.
3. Each health-related service in an IEP (e.g., physical therapy) that is submitted for possible reimbursement is delivered by an appropriately credentialled practitioner who meets Medicaid requirements or, where allowable, by a provider under the direction of a Medicaid qualified practitioner, and there is appropriate documentation (e.g., date of service; type of service; signature of certified practitioner).
4. For each health-related evaluation and reevaluation service provided to a SEMI Program student that is submitted for possible reimbursement, there is written documentation, signed and dated by certified/licensed practitioners as appropriate.
5. For each transportation service that is provided to a SEMI Program student to enable the student to receive health- related services, there is appropriate documentation.
6. The LEA has written procedures and internal controls in place to ensure the maintenance and availability of required documentation to support all reimbursement claims to Medicaid.
7. The LEA has identified a contact person who will have responsibility for the project.
8. The LEA will bill Medicaid only for those services allowed in the SEMI Program, and will submit claims in a timely manner, according to requirements established by the State.
9. The LEA will act diligently to obtain informed, written parental consent for sharing personally identifiable student information, service data, and classification and placement, with the State and its authorized agents (including rate development and billing agents), and to submit billing information to the State for health-related services delivered to each SEMI Program student for whom consent has been received.
10. All LEA policies, procedures, and programs for students with disabilities are consistent with federal requirements in 34 Code of Federal Regulations (CFR) Parts 99 and 300 and 74-80 Education Department General Administrative Regulations (EDGAR), and with state requirements in New Jersey Administrative Code N.J.A.C. 6A:32, Student Records, and N.J.A.C. 6A:14, Special Education.
11. The LEA will provide the State and its authorized agents with access to the above-referenced documentation for audit purposes.

I certify the information contained in this application is correct and complete and that the applicant LEA has authorized me, as its representative, to provide the foregoing certifications.

Name of Chief School Administrator	**Signature of Chief School Administrator**	**Date**
Name of Director of Special Education	**Signature of Director of Special Education**	**Date**
District Name	**County**	

[i] CMS requested on July 2, 2019 that DMAHS increase the subsample review from 5% to 10%. DMAHS agreed to change the implementation guide to accommodate that request. Periods that began prior to July 2, 2019 were reviewed at a 5% subsample level and that the new increased subsample of 10% will start with the next time study Period which begins on October 1, 2019.