# **Medicaid 101: Introduction**

## **Slide 1: Medicaid 101: Introduction**

Welcome to the Medicaid one oh one [101] training series developed in partnership between MassHealth and the University of Massachusetts Medical School (U-M-M-S). My name is Evan Sweet, and I am the customer support and training team leader with the School-Based Medicaid Program at U-Mass, and I will be presenting today’s webinar. My colleague, Emily Hall, director of the School-Based Medicaid Program at U-Mass, is joining me today to help monitor questions and provide support as needed.

## **Slide 2: Distributed March 2021**

This training was distributed in March twenty twenty-one [2021] and was accurate at the time of distribution. As always, Local Education Agencies are responsible for reviewing information on the School-Based Medicaid Program website at mass dot gov slash MassHealth slash schools [https://www.mass.gov/masshealth/schools], to determine whether subsequent guidance has superseded the content shared here. MassHealth plans to update these trainings periodically as needed.

## **Slide 3: Introduction to Medicaid 101 Training Series**

The Medicaid 101 training series is designed to provide the essentials to understanding the School-Based Medicaid Program, also referred to as S-B-M-P. Some modules are designed for a broad, general audience. Other modules are targeted to the learning needs of a specific audience within each Local Education Agency, referred to as an L-E-A.

I’m not going to read these all out as I’m sure that everyone in attendance today most likely is aware of the series, but the modules are shown here for your reference.

## **Slide 4: Introduction to Medicaid 101 Training Series**

These are the rest of the modules in the series.

## **Slide 5: Training Agenda**

Here is today’s training agenda:

* + We’ll cover the training objectives,
	+ A brief overview,
	+ Some terminology,
	+ Explain how federal claiming works,
	+ Review a relationship map of organizations, agencies and other entities involved in the School-Based Medicaid Program.
	+ We’re going to provide information about the major components of the program in our sections answering these questions:
		- What is the School-Based Medicaid Program?
		- What is theRandom Moment Time Study?
		- What is Administrative Activities Claiming?
		- And what is Direct Service Claiming?
	+ Then we’ll cover understanding cost-based reimbursement,
	+ Some next training steps,
	+ And contact information and resources.

## **Slide 6: Training Objectives**

By the conclusion of this training, you will:

* Have a high-level understanding of the School-Based Medicaid Program, S-B-M-P, and the federal and state agencies involved in managing the program and providing oversight.
* Gain a conceptual understanding of how the S-B-M-P works, including a basic idea about the connections between various components of the program, including R-M-T-S, Administrative Claiming, and Direct Services reimbursement.
* Have a basic understanding of the types of costs incurred by Local Education Agencies, L-E-As, that are eligible for partial reimbursement through the S-B-M-P.
* Have a framework from which to consider your role at your L-E-A to help you identify the points of interaction that you personally have with the S-B-M-P and what additional training needs you may have.
* And know where to go for additional information and training that is pertinent to your role with the S-B-M-P.

## **Slide 7: Overview**

* Medicaid is a joint state-federal program that offers partial reimbursement for costs that are incurred by Local Education Agencies (L-E-As) to provide certain covered health care services to students and for the costs related to performing certain administrative activities that support the Medicaid program.
* The Executive Office of Health and Human Services, E-O-H-H-S, is the single state agency responsible for the operation of the Medicaid program known in Massachusetts as MassHealth.
* The University of Massachusetts Medical School, U-M-M-S, administers the School-Based Medicaid Program on behalf of and in conjunction with MassHealth.
* Local Education Agencies must take an active role in the administration of the School-Based Medicaid Program. L-E-As are the entities in this program that certify the accuracy of their allowable state and local expenditures to the federal government and are requesting federal matching funds to help offset those costs.

## **Slide 8: Terminology**

The Medicaid program uses some terminology which may be unfamiliar to individuals working in an educational environment. In this training series, we have tried hard to minimize jargon and the use of terminology that may not be commonly understood.

Therefore, we will define terms as they come up throughout the modules. These are some very high-frequency terms that are going to be used throughout this training series:

* SBMP stands for School-Based Medicaid Program.
* MassHealth is the Medicaid and the Children’s Health Insurance Program in Massachusetts.
* L-E-A stands for Local Education Agency.
	+ - This term is inclusive of all public kay through twelve [K-12] school entities eligible for School-Based Medicaid Program reimbursement, including municipal school districts, regional school districts, regional vocational technical schools, and public charter schools.
* R-M-T-S is the Random Moment Time Study.
	+ - The R-M-T-S is the tool used to measure how much time L-E-A staff spend doing work activities that are eligible for Medicaid reimbursement.

## **Slide 9: Terminology**

* Medicaid Penetration Factor isthe portion of each L-E-A’s students who are enrolled in MassHealth.
* Direct Services are services directly provided by an L-E-A staff member to a student.
* Covered Services arethe direct services provided by school staff that are identified in state and federal laws and regulations that govern the Medicaid program as services that MassHealth can provide partial reimbursement for, when provided to a MassHealth enrolled member.
	+ - The full list of covered services will be explored in other training modules in this series, but to provide context, these are health-care services such as physical therapy, speech therapy, psychological counseling and skilled nursing care, to name a few.
* Reimbursable Services are S-B-M-P-covered direct services that meet all program requirements for reimbursement.
* Direct Service Claiming, D-S-C, is the part of the S-B-M-P reimbursement program that provides partial reimbursement to L-E-As for the cost of providing reimbursable direct services to MassHealth-enrolled students.

## **Slide 10: Terminology**

* Interim billing or claiming isthe file that is submitted to MassHealth that identifies every time a reimbursable service is provided to a MassHealth enrolled student.
* A Provider in the School-Based Medicaid Program is the Medicaid-enrolled L-E-A that is seeking reimbursement.
* A Medicaid-Qualified Practitioner. In the S-B-M-P, this is an L-E-A staff member who meets the licensure and supervision requirements required by the clinical licensing body specified in the Covered Services and Qualified Practitioners document on the S-B-M-P Resource Center.
* Cost-Based Reimbursement. Final reimbursement for School-Based Medicaid direct services and administration is based on theMedicaid-allowable actual incurred costs that each L-E-A files in the form of cost reports. This means the S-B-M-P is not a fee-for-service program.
* Administrative Activities Claiming, A-A-C, is theprocess through which an L-E-A requests payment based on Medicaid-allowable actual incurred costs related to Administrative Activities.
* Administrative Activities are activities performed by an L-E-A that are necessary for the proper and efficient administration of the Medicaid State Plan, which assist students with access to health care services.

## **Slide 11: How Federal Claiming Works**

Let’s talk aboutHow Federal Claiming Works.

* The Centers for Medicare and Medicaid Services, C-M-S, allows states to claim reimbursement for Medicaid-covered services and associated administrative expenses, as long as certain conditions are met.
	+ - So, if conditions are not met, states cannot claim.
		- And SBMP is no exception to this rule. S-B-M-P claims must meet C-M-S wide and MassHealth-wide standards.
* In order for Massachusetts to claim federal reimbursement, there must be an associated public expenditure.
	1. For both Administrative Activity Claiming and Direct Service Claiming, L-E-As certify their public expenditure and that the expenditures meet the requirements for reimbursement. The certification is completed quarterly for A-A-C and annually with the Cost Report for D-S-C.
	2. D-S-C reimbursement rate: State statute mandates that L-E-As receive the Federal Medical Assistance Percentage, F-map, of the certified public expenditure for direct medical services, typically fifty percent [50%], but twenty-five percent [25%] for residential tuition costs.
	3. And the AAC reimbursement rate: For Medicaid administrative services, L-E-As receive the Federal Financial Participation (FFP) percentage, which is generally 50% of the certified public expenditure.

## **Slide 12: Relationship Map**

Let’s review this relationship map.

Here we can see how all entities involved in the S-B-M-P interact and the information flow between them. At the bottom of the chart are the sub-contracted private entities who are contracted by the L-E-As on the local level. The L-E-As have contractual obligations with the entities shown on the state level and share information with them. The entities on the state level share information with those included on the federal level.

I’m just going to pause here for a moment to let you review this slide and consider the relationships and information that flows between these various entities related to the School-Based Medicaid Program.

## **Slide 13: What is SBMP?**

So,what is S-B-M-P?

* The School-Based Medicaid Program (S-B-M-P) offers Local Education Agencies (L-E-As) an opportunity to receive federal dollars to offset costs for providing certain Medicaid-covered direct services in a school setting. This is referred to as the Direct Services Claiming (D-S-C) portion of the program.
* The school setting provides a unique opportunity for local communities to partner with MassHealth to enroll eligible children in MassHealth, and to assist children who are already enrolled to access the benefits available to them. This is referred to as the Administrative Activity Claiming (A-A-C) portion of the program.

The S-B-M-P exists at the intersection between educational achievement and healthy students by providing financial support to help offset the costs of providing the health care services that students need to succeed in school, as well as the costs of administering programs and services that help ensure access to health care for students.

## **Slide 14: SBMP Reimbursement Streams**

This diagram illustrates the two reimbursement streams, one for Administrative Activity Claiming and one for Direct Services Claiming. L-E-As may choose to participate in one or both reimbursement streams; however, R-M-T-S participation is required for either one.

## **Slide 15: Random Moment Time Study’s Role in SBMP Reimbursement**

Let’s talk about the Random Moment Time Study’s Role in S-B-M-P Reimbursement.

* MassHealth uses a method called the Random Moment Time Study (R-M-T-S) to quantify the proportion of time that staff spend performing reimbursable work activities for the purpose of allocating costs.
* The R-M-T-S samples L-E-A staff at random moments throughout the school year to gather information about the work activity that was occurring at these randomly assigned snapshots (also called moments) of the staff member’s workday.
* Respondents from all L-E-As statewide are grouped into “pools” based on the type of work that they perform, as determined by their L-E-A.
* A specified number of moments are assigned randomly across each statewide pool of participants each quarter.

The four participant pools are shown here:

* Staff who provide mental or behavioral health services.
* Staff who provide therapy services.
* Staff who provide medical services.
* And finally, staff who are participating only in reimbursement for the Administrative Activities or services they provide.

## **Slide 16: Random Moment Time Study’s (RMTS) Role in SBMP Reimbursement (Continued)**

* Participation in the R-M-T-S is required under the provider contract as a condition for reimbursement.
* All employed and contracted staff for whom the L-E-A seeks Direct Service and/or Administrative Activity reimbursement must be included in the R-M-T-S.
* L-E-As can receive direct service reimbursement for staff costs related to the provision of direct health care services to students when the qualified practitioners participate in one of the three direct service R-M-T-S pools and meet all other requirements for direct service reimbursement. We’ll review more information about the requirements for direct service reimbursement in an upcoming slide.
* L-E-As receive administrative reimbursement for ALL staff in the R-M-T-S (regardless of R-M-T-S pool).
* The results of the R-M-T-S are combined with allowable L-E-A costs, which are submitted in an annual cost report and in administrative activity claims, to determine the reimbursable portion of each L-E-A’s costs.

## **Slide 17: Random Sampling**

* Using the power of statistically valid random sampling, L-E-A staff do not need to document how they spend their workday, all day, every day.
* Instead, by asking what they are doing during a relatively small number of randomly assigned working moments (minutes), we can predict within a ninety-five percent [95%] confidence level how L-E-A staff time is spent all day, every day.

So, if we think of this candy jar as the quarterly universe of all working minutes from all L-E-A staff statewide and the candies as the working minutes, we can accurately predict the distribution of candy colors by taking a small sample of them from the jar.

## **Slide 18: Cost-Based Reimbursement for AAC and DSC**

Now let’s apply random sampling to Cost-Based Reimbursement for A-A-C and D-S-C.

The S-B-M-P uses the distribution of L-E-A staff working time quantified by the R-M-T-S to allocate costs. In other words, to determine what portion of the cost of employed or contracted staff can be attributed to doing work activities that are eligible for Medicaid A-A-C and D-S-C reimbursement.

Using our candy jar illustration again, if we sample a small, statistically valid random sample of candies, we’ll know what percentage of all the candies are blue, green, yellow, etc.

So just like the candies in the jar, the S-B-M-P R-M-T-S quantifies the percentage of work time for each statewide R-M-T-S pool that falls into each of these work activity categories.

Note that the participants are not required to assign their work activity to an appropriate category. Instead, participants simply answer a few questions about what they were doing at their assigned moment in time. The R-M-T-S system and U-Mass central coders take care of categorizing the work activity.

## **Slide 19: L-E-A R-M-T-S Requirements**

L-E-As must:

* Designate an L-E-A-employed R-M-T-S Coordinator for the L-E-A to maintain the list of R-M-T-S participants and monitor staff participation in the R-M-T-S to ensure all randomly assigned moments are answered.
* Update the L-E-A’s list of R-M-T-S participants quarterly per program guidelines.
* Ensure staff are included in the appropriate R-M-T-S cost pool. This determination should be made based on individual job function rather than job title (for example, counselors may be in different pools, or may not be included at all, based on how they spend their time) and in accordance with program guidelines.
* Provide training to staff who will be participating in the R-M-T-S and oversee staff training compliance.
* And L-E-As must ensure that at least eighty-five percent [85%] of all moments randomly assigned to the L-E-A’s staff are answered within the required timeframe.

Module 3 of the Medicaid 101 training series is designed for L-E-A R-M-T-S Coordinators and will go into further detail on R-M-T-S requirements.

## **Slide 20: What is Administrative Activities Claiming (AAC)?**

So, what is Administrative Activities Claiming (A-A-C)?

* The Administrative Activities Claiming program reimburses government agencies for some of the costs of their allowable Medicaid administrative functions when those activities support theprovision of services as outlined in the Medicaid State Plan.
* Final reimbursement for the A-A-C component of School-Based Medicaid services is based on Medicaid-allowable actual incurred costs related to performance of Medicaid administrative activities as quantified by the R-M-T-S.
* To seek reimbursement, L-E-As file quarterly A-A-C cost reports.
	+ - Unlike direct service reimbursement, there are no interim claims for A-A-C.
* The Administrative Only R-M-T-S pool is designed to identify additional staff for whom the L-E-A is not claiming, or cannot claim, Direct Service reimbursement, but who perform reimbursable Medicaid administrative activities.

## **Slide 21: Reimbursable Administrative Activities**

There are seven types of reimbursable administrative activities.

They include:

* 1. Medicaid Outreach. This involves informing eligible or potentially eligible individuals and families about MassHealth and accessing MassHealth benefits.
	2. Application Assistance, which is assisting individuals or families to apply or renew eligibility for MassHealth.
	3. Provider Networking, Program Planning, Interagency Coordination. This is participating in activities to develop strategies to improve the delivery of covered services, including collaborative activities with other agencies regarding covered services.
	4. Individual Care Planning, Monitoring, Coordination, and Referral for Covered Services. This is making referrals to covered services, coordinating, or monitoring the delivery of covered services.
	5. Arranging MassHealth-covered transportation.
	6. Arranging or providing translation or interpretation services when required to access covered services.
	7. And training. This includes participating in and coordinating (including providing) training related to Medicaid topics.

## **Slide 22: What is Direct Service Claiming (DSC)?**

* The Direct Service Claiming (D-S-C) program is the mechanism through which L-E-As seek federal reimbursement for the provision of covered direct services.
* This is separate and distinct from the administrative costs captured in A-A-C.
* Throughout the year, L-E-As submit interim claims for reimbursable services provided to eligible MassHealth-enrolled members through MassHealth’s Medicaid Management Information System (M-M-I-S). Interim claims must be submitted within ninety days of the date a reimbursable service was provided to a student.
* After the conclusion of the fiscal year, L-E-As submit a Cost Report to determine the total Medicaid-allowable costs the L-E-A incurred that year.
* Submitted and paid interim claims are required to demonstrate that reimbursable services were provided to an eligible member and are the basis for which costs can be included in the Annual Cost Report.
* All of the School-Based Medicaid Provider’s interim claims are reconciled to allowable costs as determined by the certified Cost Report. Interim claims paid throughout the year are deducted from the total reimbursable amount, and the remaining amount is paid to the L-E-A during cost settlement.

## **Slide 23: Reimbursable Direct Services**

The SBMP covers health services provided in the school setting, including:

* Personal care services,
* Speech language pathology and audiology,
* Physical and Occupational therapy,
* Mental and behavioral health services,
* ABA Therapy for students with an Autism Spectrum Disorder,
* And skilled nursing services and health screenings.

## **Slide 24: Reimbursable Direct Services**

Covered Service versus Reimbursable Service: All costs claimed under the School-Based Medicaid Program must be consistent with state and federal laws and regulations. When an S-B-M-P-covered service is provided and meets all program requirements for reimbursement, that service is referred to as a reimbursable service.

Resources and important additional information about the direct service claiming program are available on the Resource Center page of the S-B-M-P website at the link shown here: Mass dot gov slash info details slash S-B-M-P resource center [https://www.mass.gov/info-details/sbmp-resource-center].

* The list of S-B-M-P covered services and practitioner qualifications for provision of those services is outlined in the Local Education Agencies Covered Services and Qualified Practitioners document.
* The corresponding list of procedure codes, modifiers, and maximum interim billing fees can be found in the S-B-M-P Billable Procedure Codes and Maximum Fees document.
* Full instructions for all program requirements for reimbursement of direct services are provided in the S-B-M-P Direct Service Claiming Guide.

## **Slide 25: Understanding Cost-Based Reimbursement**

* For most of us, our personal experience with health insurance reimbursement involves our health care provider submitting a claim to our health insurance company to request reimbursement for the procedure or service that they provided. We call that reimbursement methodology fee for service reimbursement, where the provider agrees to accept a certain fee for the service provided.
* Fee for service reimbursement involves negotiation of fee schedules, complex medical procedure coding rules, and often the administrative requirements such as provider network requirements, prior authorization requirements and so forth.
* Cost-based reimbursement is an alternative methodology that reimburses each L-E-A based on the L-E-A’s actual, incurred costs to provide services.

So, at a high-level, cost-based reimbursement works like this:

The L-E-A’s allowable costs for covered services are multiplied by the statewide R-M-T-S percentages and the L-E-A-specific Medicaid Penetration Factor to calculate the Gross Medicaid Allowable Expenditure.

Let’s take a look at an example of what this looks like on the next slide.

## **Slide 26: Understanding Cost-Based Reimbursement**

For both theD-S-C and A-A-C reimbursement calculation**,** we start with each L-E-A’s allowable costs. What costs did my L-E-A incur, for staff and other categories of costs, related to either Direct Services Claiming or Administrative Activities Claiming? The source of this information will come from each L-E-A’s payroll records or other accounting system records of expenditures. In the example, let’s say that my L-E-A’s total allowable costs are five hundred thousand dollars [$500,000].

Then, we’ll apply the R-M-T-S results, which have quantified what portion of L-E-A staff working hours are spent performing duties that are reimbursable by Medicaid. The source of this information is the statewide R-M-T-S percentages. For our example, let’s say that the percentage of time staff spend performing reimbursable work activities is thirty-five percent [35%].

And finally, we’ll apply the Medicaid Penetration Factor. This factor measures the portion of the students that my L-E-A serves who are enrolled in MassHealth. The source for this information is the results obtained from the Medicaid eligibility matching process. For our example, we’ll say that forty-five percent [45%] of my L-E-A’s students are enrolled in MassHealth.

So, in our example, the gross Medicaid allowable expenditures total is five hundred thousand dollars [$500,000] multiplied by thirty-five percent [35%], then multiplied by forty-five percent [45%], which equals seventy-eight thousand seven hundred and fifty dollars [$78,750].

## **Slide 27:Next Training Steps**

There may be other modules in the Medicaid one oh one [101] training series that are of interest to you based on your role with your L-E-A and your specific training needs.

## **Slide 28: Contact Information & Resources**

For MassHealth School-Based Medicaid Program information, please go to the link shown here:

Mass dot gov slash MassHealth slash schools [https://www.mass.gov/masshealth/schools]

If you have questions or require assistance with anything, please contact the U-M-M-S School-Based Help Desk by email at school-based claiming at U-mass med dot E-D-U [SchoolBasedClaiming@umassmed.edu], or by phone at one eight hundred five three five six seven four one [1-800-535-6741].

Thank you for attending this webinar.