



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
600 Washington Street
Boston, MA 02111
www.mass.gov/masshealth



MassHealth
Municipally Based Health Services
Bulletin 15
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TO: Municipally Based Health Service Providers Participating in MassHealth

FROM: Tom Dehner, Medicaid Director 

RE: **Eliminating Administrative Activity Claiming (AAC)**

Background

In response to a newly promulgated federal Medicaid rule, the Office of Medicaid will be eliminating the Administrative Activity Claiming (AAC) portion of the Municipal Medicaid program. Since federal reimbursement will be available for certain transportation costs provided by Local Education Authorities (LEAs), the Office of Medicaid will be working with the Centers for Medicare and Medicaid Services (CMS) to ensure that Municipal Medicaid providers will be able to claim for allowable transportation services in the future. Federal reimbursement for services provided by the Direct Service Claiming (DSC) program will remain unchanged.

**Promulgation and
Implementation of CMS
Final Rule**

The actions being taken by the Office of Medicaid are in response to a CMS final rule (CMS-2287-F) promulgated on December 28, 2007. CMS's final rule is currently subject to a Congressional moratorium prohibiting its implementation. The moratorium is due to expire on June 30, 2008, absent further Congressional action to extend it. Once the moratorium has expired, the Office of Medicaid expects CMS to implement the rule.

Eliminating AAC Program

CMS's final rule eliminates federal reimbursement for administrative activities supporting the implementation of the Medicaid State Plan when those activities are performed by school employees, school contractors, or anyone under the control of a public or private educational institution. In response, the Office of Medicaid will be eliminating the AAC portion of the Municipal Medicaid program. Once this rule becomes effective, the Office of Medicaid will not submit claims to CMS for AAC performed after the date the regulations are implemented. The Office of Medicaid also will be updating provider agreements to reflect this change in practice. In the event that the Congressional moratorium is further extended or the implementation of the final rule is otherwise further delayed, postponed, or canceled, the Office of Medicaid will submit claims to CMS for all activities currently included in the AAC program for which Municipal Medicaid providers have collected and submitted time study and expenditure information.

***Continuing to Collect
AAC-Related
Information***

The Office of Medicaid will continue to collect ACC time-study and expenditure information for activities performed after the date of implementation. Providers will not be required to submit this data, but may choose to do so. Although this information will not be submitted for federal reimbursement, it will be kept so that it may be submitted if implementation of the final rule is later reversed.

Municipal Medicaid providers who choose to continue to submit this information will use the same process currently used for submitting claims for reimbursement, even though this information will not be submitted for federal reimbursement. Instructions for submitting this information are found in the Municipal Medicaid Program Time Study Manual for School Based Administrative Activities, January 1, 2005, and Municipal Medicaid Program Claiming Manual for School Based Administrative Activities, July 1, 2005. Providers may obtain copies of these manuals on the Web at www.mass.gov/masshealth/schools under Municipal Medicaid Publications or by contacting the University of Massachusetts Medical School by telephone at 1-508-856-7640, or via e-mail at Schoolbasedclaiming@umassmed.edu.

***Claiming for Certain
Transportation Activities***

While CMS's final rule eliminates federal reimbursement for most activities currently reimbursed under the AAC program, it does allow state Medicaid programs to seek reimbursement for certain transportation activities provided by LEAs. Although the final rule eliminates federal reimbursement for transportation to and from a school for school-aged children, federal reimbursement will be available for transportation for non-school-aged children and for school-aged children between school or home and a non-school-based Direct Service provider that bills under the Medicaid program.

When CMS's final rule is implemented, the Office of Medicaid will no longer allow Municipal Medicaid providers to seek federal reimbursement for transportation services through the ACC program. The Office of Medicaid will be working with CMS to ensure that Municipal Medicaid providers will be able to claim those transportation services that are reimbursable under the final rule in the future. Additional information about claiming for transportation activities will be forthcoming.

***Claiming for DSC
Program***

CMS's final rule will not reduce the availability of federal reimbursement for DSC under the Municipal Medicaid program. While the Office of Medicaid anticipates that DSC claiming methodology will change in the future as part of an unrelated reconsideration of the reimbursement methodology, the exact nature of this new methodology remains undetermined. The Office of Medicaid will communicate further details about changes to the methodology as they become available. In the meantime, providers should continue to use the current billing codes.

Questions

If you have any questions about the information in this bulletin, please contact the University of Massachusetts Medical School at 1-508-856-7640, or e-mail your inquiry to **Schoolbasedclaiming@umassmed.edu**.
