



STATE OF WASHINGTON  
**HEALTH CARE AUTHORITY**

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**Medicaid Administrative Claiming  
Memo SD-02-14**

March 10, 2014

**TO:** Washington State School Districts  
Medicaid Administrative Claiming Coordinators

**FROM:** Todd Slettvet, MA, CPM *T.S.*  
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Community Services, Health Care Services

**SUBJECT:** Medicaid Administrative Claiming | Monitoring Process – School Districts

The U.S. Department of Health and Human Services (HHS) Office of Inspector General (OIG) issued a Work Plan for Fiscal Year 2013 summarizing new and ongoing reviews and activities that will be pursued with respect to HHS programs and operations during the next fiscal year and beyond. As described in Part III; Medicaid Reviews, of this report, the OIG will review the State Allocation of Medicaid Administrative Costs to determine whether the costs were properly allocated and claimed to Medicaid. This document can be found on the OIG website at <https://oig.hhs.gov/reports-and-publications/archives/workplan/2013/WP03-Mcaid.pdf>. The portion pertaining to Medicaid Administrative Costs is on page 62 of this document.

As the single state Medicaid agency, the Health Care Authority (HCA) is tasked with the responsibility to ensure the accuracy of all claims submitted for federal reimbursement and verifying all claims are in compliance with the Centers for Medicare & Medicaid Services (CMS) requirements. To reduce audit risk for school districts regarding the Medicaid Administrative Claiming (MAC) program, HCA must effectively monitor and review all requirements of the program including staff time study results.

HCA is revising its internal contract monitoring process for school districts in the MAC program, to identify areas that may be at risk for audit findings. Our intent is to provide feedback and support to the school districts to resolve any concerns, and provide additional technical assistance and training as needed. Through this review and feedback process, HCA hopes to limit potential audit findings and possible financial impacts related to recovery of funds.

Revisions made to HCA's monitoring process are based on the requirements of the school district MAC contract, the CMS approved Cost Allocation Plan, the CMS Medicaid School-Based Administrative Claiming Guide, as well as Report 9.89, DSHS Administering Medicaid:

A School Time Study, 2007 (copy attached). HCA MAC program managers will use these documents to direct their independent reviews. [Please note that an email from HCA school MAC program manager, Larry Linn, sent on February 13 and February 19, 2014 to several districts outlining a review process and specific time study thresholds that would trigger additional review and documentation requirements, was inaccurate and has been rescinded.]

HCA would like to briefly outline the revisions made to the monitoring process, identify potential areas that may be at risk for audit findings, and offer guidance on best practices to reduce audit risk.

### **Pre-Claim Review Process**

A major revision to the monitoring process includes a quarterly pre-claim review. As outlined below, this process will provide additional assurance the time study results are accurate prior to payment, thereby reducing potential audit risk and related recovery of funds. The purpose of performing this review prior to the claim being processed is to identify any necessary adjustments or corrections needed prior to the claim being submitted for reimbursement. The quarterly pre-claim review will include the following process:

- School district approves the claim and submits to HCA for payment.
- HCA reviews the time study results using a risk-based approach to identify issues for follow-up, which may include a request for supporting documentation for the time study results reported.
- HCA works with the district to assist them in making any necessary adjustments before processing the claim.

### **Audit-Risk: Time Study Documentation**

HCA identified a lack of sufficient "Time Study Documentation" as an area that may be at increased risk for audit findings related to the time study results.

As described in Section V.; Claiming Issues, of the CMS Medicaid School-Based Administrative Claiming Guide, documentation must be maintained to support the claims submitted to HCA for reimbursement. The documentation for administrative activities must clearly demonstrate that the activities/services recorded on the time study sheet directly support the administration of the Medicaid program. Documentation maintained in support of administrative claims must be sufficiently detailed to permit CMS to determine whether the activities are necessary for the proper and efficient administration of the state plan.

Additionally, the guide states "...simply checking a box on a time study form does not facilitate independent validation of the sample results." The guide goes on to explain that for reimbursable activities, "...it is critically important for additional documentation to be maintained, in order to verify the appropriateness of the claims in terms of allowability and allocability and to limit the risk of the federal government."

### **Guidance to Reduce Audit Risk: Time Study Documentation**

To reduce audit risk for school districts, HCA recommends all reimbursable activities recorded on time study sheets have sufficiently detailed narratives, or other supporting documentation to be in compliance with the HCA MAC contract and CAP, and meet the CMS requirements described above (see attached copy of HCA's February 25, 2014 MAC Memo SD-01-14 for examples of supporting documentation).

#### **Narratives**

Narratives included on the time study sheets *may* be considered adequate documentation if they are sufficiently detailed and clearly demonstrate that the activities/services recorded directly support the administration of the Medicaid program and are necessary for the proper and efficient administration of the state plan. As described in the CMS guide, the narrative should include a complete description of the Medicaid activity. Also, including a student name or case number in the narrative is a CMS recommended best practice.

HCA suggests narratives describe in detail what activity was being performed and how it relates to Medicaid. Narratives should clearly describe why the activity was being performed and who else was involved in carrying out the activity. Narratives of referral activities should specifically state why a referral was made and to who or where the referral was sent. Narratives of coordination activities should clearly explain what services were being coordinated and for what purpose, and specifically describe all parties involved.

Appropriate narratives should include specific details that answer:

- ✓ What were you doing?
- ✓ Why were you doing it?
- ✓ Who were you doing it for?
- ✓ How does it relate to Medicaid?

To assist school districts in creating appropriately detailed narratives, HCA created a reference document with examples of sufficient and insufficient narratives for reimbursable activities. The Time Study Narrative Examples document is included with this memo, and can also be found on our website at <http://www.hca.wa.gov/medicaid/mac/pages/school.aspx>.

#### **Supporting Backup Documentation**

Documentation that clearly supports or justifies MAC activities is acceptable. Examples of backup documentation include, but are not limited to:

- Calendar or activity log entries (either an Outlook screen shot or scanned schedule/plan book entry)
- Travel or phone logs with detailed notes including the date, time span, and purpose

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- Meeting agendas with detailed notes including the date, time span, and purpose
- Chart notes reflecting MAC activities
- A note in the student file or chart that describes the MAC activity
- A computer screen shot of a document or email reflecting MAC activities with detailed notes including the date, time span, and purpose

As stated in HCA's August 22, 2013 MAC Memo SD-04-13 (copy attached), time study participants are encouraged to include notes in their documentation to provide enough detail of their activities, including the date and time the activity was performed, to help them recall their selected responses in the event of an audit.

Please note the Manual has been updated to reflect this additional guidance. You can access the Manual on our website at <http://www.hca.wa.gov/medicaid/mac/pages/school.aspx>.

If you have any questions regarding the pre-approval claims review process or time study documentation, please contact Alan Himsl, MAC Section Supervisor, by email at [alan.himsl@hca.wa.gov](mailto:alan.himsl@hca.wa.gov), or by telephone at 360.725.1647.

Attachments: Time Study Narrative Examples

cc: Alan Himsl, MAC Section Supervisor  
HCA Medicaid Administrative Claiming Unit Staff

## Time Study Narratives Examples

Code 1b Outreach	<p><b>Insufficient:</b></p> <ul style="list-style-type: none"> <li>• Gave parent information on available health services</li> <li>• Talked to student about access to care</li> </ul> <p><b>Sufficient:</b></p> <ul style="list-style-type: none"> <li>• Provided (76298 or RK), who is pregnant and does not have medical coverage, with information about Maternity Support Services.</li> <li>• Informed the parents of a new student about Medicaid Apple Health services and encouraged them to apply for coverage.</li> <li>• During a parent/student/teacher conference, I learned the family does not have medical coverage. I encouraged the family to apply for medical coverage through the health benefit exchange website.</li> </ul>
Code 2b Facilitating Application	<p><b>Insufficient:</b></p> <ul style="list-style-type: none"> <li>• Helped fill out an application</li> </ul> <p><b>Sufficient:</b></p> <ul style="list-style-type: none"> <li>• Assisted (76298 or RK)'s mother to complete a Medicaid application because the student needs a well-child exam and does not have medical coverage.</li> <li>• Assisted student's family in locating an in-person assister for help filling out an Apple Health web-application.</li> </ul>
Code 5b Arranging Trans- portation	<p><b>Insufficient:</b></p> <ul style="list-style-type: none"> <li>• Transportation for medical issue</li> </ul> <p><b>Sufficient:</b></p> <ul style="list-style-type: none"> <li>• Called the Medicaid transportation broker to arrange (76298 or RK)'s transportation to a behavioral health appointment with Catholic Community Services.</li> </ul>
Code 7b Program Planning, Policy Dev., Interagency Coordination	<p><b>Insufficient:</b></p> <ul style="list-style-type: none"> <li>• Attended a meeting on coordination of health services</li> </ul> <p><b>Sufficient:</b></p> <ul style="list-style-type: none"> <li>• Attended a meeting with Evergreen alcohol/drug treatment facility staff to discuss the referral process for students with drug or alcohol problems.</li> <li>• Attended a meeting with the local in-person assister organizations to discuss the referral process for students who need assistance with applying for Apple Health through the HBE.</li> <li>• Met with school counselor, principal, and Compass Mental Health services staff to discuss strategies for improving student access to mental health services.</li> <li>• Attended a meeting with Chelan County Health Department to develop strategies to improve pregnant students' access to medical services.</li> </ul>
Code 8b Training	<p><b>Insufficient:</b></p> <ul style="list-style-type: none"> <li>• Attended training on health issues</li> <li>• Attended training on prevention of lice outbreak in schools</li> </ul> <p><b>Sufficient:</b></p> <ul style="list-style-type: none"> <li>• School nurse provided training on what information to give to families and students in order to apply for Apple Health through the health benefit exchange.</li> <li>• Attended training provided by Pioneer Family Practice on the process for referring Medicaid eligible students for well-child exams.</li> </ul>
Code 9b Referral, Coordination	<p><b>Insufficient:</b></p> <ul style="list-style-type: none"> <li>• Provided information to other staff on students' mental health.</li> <li>• Monitored mental health substance use and abuse.</li> <li>• Gathered information for health concerns.</li> <li>• Gathered information for a mental health concern.</li> <li>• Monitoring substance abuse.</li> <li>• Monitoring mental health.</li> <li>• Gathered information for health concern.</li> <li>• Participated in a meeting to discuss medical concerns.</li> <li>• Referred students for medical concerns.</li> <li>• Reviewed medical/mental health progress.</li> </ul>

- Observed student for medical issues.
- Spoke with student regarding vision.
- Coordination of mental health referral with divorced parents.
- Gathered information that may be used in a potential health related issue.
- ADHD list for school nurse.
- Coordination meeting on student's mental health.
- Assisted family with medical and mental and physical updates.
- Discussed mental health and behavior.
- Review with assistant on student behavior plan. Talked with administration on medical needs and social needs.

**Sufficient:**

- Gathered information to make a referral for (76298 or RK) for a substance abuse evaluation with Evergreen treatment facility.
- Contacted parent to discuss student's symptoms of depression in the classroom and gather more information on past history to make a possible referral to Evergreen mental health.
- Referred (76298 or RK) to Delta dental clinic because student complained of a toothache.
- Student complained of difficulty seeing whiteboard, called parent to suggest scheduling a vision exam.
- Coordinating with school nurse and counselor to discuss student's behavioral issues in the classroom to gather information to refer to Olympia Behavior Health Center.
- A student approached me to ask about how to obtain family planning services. I referred the student to Planned Parenthood.
- Met with the school nurse and provided health –related observations regarding a student in my class who seems to be lethargic, and has difficulty concentrating. I explained I have concerns the student may have possible substance abuse issues and developed a plan to continue observing the student's behavior and report back to the nurse once a week.
- Followed up with the school nurse regarding a referral to Delta dental clinic for a student who continues to complain of a toothache.