

**ILLINOIS GUIDE FOR  
SCHOOL-BASED HEALTH SERVICES  
ADMINISTRATIVE CLAIMING**

**For Local Education Agencies  
Participating in the  
Medicaid School-Based Health Services (SBHS) Program**

**March 2010**

# **Illinois Administrative Guide for School-Based Health Services Administrative Claiming**

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## Requirements for the reporting of administrative Expenses related to the provision of School-Based Health Services

### 100 Periodicity of Reporting

The participating local education agency (LEA) is to submit claims for expenditures on approved Title XIX administrative functions to the Illinois Department of Healthcare and Family Services (HFS) on a quarterly basis (Jul 1 - Sep 30, Oct 1 – Dec 31, Jan 1 - Mar 31, Apr 1 - Jun 30). In order for HFS to submit a claim for the most recently completed reporting period, the submission is due to HFS on or before the 22<sup>nd</sup> calendar day after the end of the reporting quarter. Claims may not be submitted before the end of the quarter being claimed.

All claims must be submitted in accordance with the reporting requirements established by HFS. Claims are to be filed electronically, using the reporting format and certification statement provided by HFS.

Current quarter claims received after the due date will be processed in the following quarter. Claims not conforming to reporting requirements will not be accepted or processed.

### 200 Financial Data

The financial data (salaries, benefits, *etc.*) used to calculate the claim are to be based on actual detailed expenditure reports obtained directly from the participating LEA's financial accounting system. The financial accounting system data are to be accumulated based on applicable administrative rule (23 Ill. Admin. Code, 110 *et seq.*), the *Program Accounting Manual* or generally accepted governmental accounting standards. The expenditures accumulated for calculating the claim are to include only actual expenditures incurred during the claiming period.

### 300 Funding Sources

Claims for approved Title XIX administrative functions may not include expenditures of:

- Federal funds received by the LEA directly.
- Federal funds that have been passed through a State or local agency (*e.g.*, All Kids outreach funding, *IDEA* grants).
- Non-federal funds that have been committed as local match for other federal or State funds or programs.

**Note:** Funds received by the LEA from the Special Education Medicaid Matching Fund for school-based health services, whether for direct services or approved Title XIX administrative functions, need not be considered as federal funds for purposes of subsequent claiming. In this case, they can be considered as reimbursement for prior expenditures and are, upon receipt, local funds, not state or federal. However, under this program, the state is the recipient of federal reimbursement awards for claimable Medicaid administrative costs. LEAs are subrecipients of those awards. Accordingly, federal pass-through funds received by LEAs for administrative expenses fall under the single audit requirements of OMB Circular A-133, for which LEAs are responsible. Also,

LEAs are advised to ensure they are in compliance with requirements established by the Illinois State Board of Education (ISBE) regarding use of federal reimbursement.

#### **400 Allocation of Staff Time**

Pursuant to *OMB Circular A-87*, this Illinois Guide is established to define how administrative activities are to be allocated as claimable costs under Title XIX. Administrative outreach claims will be based on quarterly time studies conducted to establish the proportion of designated staff wage and benefit costs devoted to support the Medicaid program and, therefore, eligible for federal matching funds. All administrative outreach claims shall be based on a statewide random moment time study (RMTS) conducted in compliance with *OMB Circular A-87*. As outlined in *OMB Circular A-87* Section 11.h (6), random moment sampling is a recognized and accepted alternative to 100% time reporting. Random moment sampling allows public agencies to accurately document staff activities relating to reimbursable Federal programs. All school districts that participate in the Medicaid administrative claiming program will have staff that perform activities in support of the Medicaid program, who must participate in the quarterly time studies. Participants in a time study include all personnel whose costs are to be included in a claim. See Exhibit II for description and definitions of activities used in the time study. Appendix I presents the statewide RMTS methodology.

#### **500 Personnel Salaries and Benefits**

Actual expenditures for salaries, benefits, travel and training costs of all personnel included in a claim are to be obtained from the participating LEA's financial accounting system. Expenditures related to the performance of approved Title XIX administrative functions by contracted service providers (e.g., occupational therapists, physical therapists) that are unrelated to the provision of a direct service and are approved under this claiming guide must also be obtained from the participating LEA's financial accounting system." Travel expenditures associated with the provision of a Direct Service event should not be included as claimable costs under the Title XIX administrative claim. Any other LEA may not claim expenditures for individuals employed by or contracted through an LEA that is a special education cooperative. Exhibit I provides a listing of the categories of staff that may be included in the claim.

#### **510 Administrative Outreach Functions**

Expenditures on administrative functions that are consistent with the allowable outreach functions under Title XIX include Medicaid Public Awareness and Information, Facilitating Access to Medicaid, Identification and Referral Outreach, and Medicaid Health Provider Networking and Interagency Coordination. These activities are necessary to identify students who are most in need of medical benefits, inform their families of benefits, assist in their enrollment, and maintain access to claimable services. As outreach functions, these activities are not discounted except to the extent necessary to exclude costs attributable to Title XXI. The approved Title XIX administrative outreach functions have been referenced as Category I functions in Exhibit II of this document.

#### **520 Administrative Functions for Eligible Students**

Expenditures on administrative functions that are associated with and in support of eligible students include Case Management for non-IEP Related Medical Programs and Case Management for IEP Related Medical Programs. These activities are generally

allowed case management activities and are discounted in order to allocate that portion of the activity that is attributable to Title XIX. These administrative functions have been referenced as Category II functions in Exhibit II of this document.

### **530 General Administration Function**

The function listed under Category III (see Exhibit II) may not be claimed directly. However, a methodology for General Administration provides for the calculation of an allowable portion by apportioning its time study results against all other claimable time study results.

### **540 Non-allowable Administrative Costs**

Time attributable to a direct service, whether or not such a service is billed, is reported in the time study. However, costs associated with direct services reported in the time study are not treated as allowable costs in the administrative claim.

Similarly, costs attributable to School-Related and Educational Activities are reported but excluded as an allowable cost. Such time is reported under Category IV. In addition, each claimable group includes a parallel non-claimable code.

### **550 Claimable LEA-wide Expenditures**

Expenditures for certain costs that are incurred by the LEA are in part attributable to Title XIX but not specific to individuals who are claimed. Such costs include rent, insurance, and interest payments incurred on behalf of the LEA. The amount of such costs attributable to Title XIX is calculated by multiplying reported costs by the ratio of gross claimable personnel expenditures divided by total LEA-wide personnel expenditures.

### **560 Indirect Costs**

Allocable indirect costs are the product of the LEA's aggregate calculated approved Title XIX administrative claim amount multiplied by the LEA's unrestricted indirect cost rate, as approved by the ISBE. The LEA's unrestricted indirect cost rate is calculated using the Office of Management and Budget *Circular A-87* indirect cost allocation principles. The ISBE methodology used to determine the indirect cost rate specific to each LEA has been approved by the federal cognizant agency. The indirect cost rates are updated annually by the ISBE using the approved methodology.

### **600 Adjustment for the Medicaid Eligibility Rate**

In order to determine each LEA's adjustment factors, HFS will utilize the following LEA-specific information.

- The total number of all students and the total number of students with an individualized education program (IEP) or individual family service plan (IFSP).
- The number of students who are eligible for benefits under Title XIX (Medical Assistance) and Title XXI (State Children's Health Insurance Program) of the *Social Security Act*.

- Of those students eligible under Title XIX or Title XXI, the number that have IEPs or IFSPs.

These eligibility data elements must be reported as of December 1, of each school year, using coding conventions authorized by the Department and in the format required by the Department. HFS will provide each LEA with a count, by eligibility category, of school-aged children who reside in their district. The individual LEA will be responsible for determining the eligibility status of enrolled children with IEPs. LEAs may use the Recipient Eligibility Verification (REV) vendors authorized by the Department or the Department's MEDI/ Internet Electronic Claims (IEC) system to determine whether a child is enrolled. LEAs must register for the proper authorization(s) to access the IEC system in order to conduct recipient eligibility inquiries.

In order to discount Category II activities to that portion of the activity that is attributable to Title XIX, the following formulas are used:

- As Case Management for IEP-related Medical Programs restricts activity to only that which is in support of a medical disability, claimable time reported in the code is multiplied by the ratio of IEP or IFSP students eligible under Title XIX divided by the total number of IEP or IFSP students enrolled in the LEA.
- As Case Management for non-IEP related Medical Programs is not restricted to a medical disability, claimable time reported in the code is multiplied by the ratio of all students eligible under Title XIX divided by the total number of students.

## **700 Claim Certification and Agreements**

All LEAs submitting a claim for administrative costs must be enrolled with HFS as a Medicaid Provider and have an intergovernmental agreement with the Department.

The superintendent, cooperative director, as applicable, or administrator with authority over and responsible for maintaining district financial information of the participating LEA, must certify the accuracy of the submitted claims. Such certification is to be documented on a HFS-approved certification statement (see below), and conform to the certification requirements of 42 *CFR* 433.51. Detailed claim analyses and supporting documentation will be maintained by the LEA for audit or future reference purposes, according to the terms identified in the intergovernmental agreement.

"I certify that, to the best of my knowledge, the costs used to construct this claim represent actual expenditures documented in the financial accounting system of (LEA Name), for Medicaid administrative costs for (claiming period). The claim amount is pursuant to our Medicaid intergovernmental agreement with the Illinois Department of Healthcare and Family Services.

All expenditures presented in this (claiming period) claim are allowable in accordance with the requirements of *OMB Circular A-87*, "Cost Principles for State and Local Governments," Medicaid principles of reimbursement in accordance with the *Code of Federal Regulations*, and all claiming requirements of the Illinois Department of Healthcare and Family Services.

None of the expenditures listed are supported by federal funds. The claim does not duplicate any other claim for federal reimbursements, including claims for school-based special rehabilitation services under the Medicaid direct service program."

**710 Annual Reconciliation**

At the end of the participating LEA's fiscal year and after the annual financial audit is completed, a reconciliation of the filed administrative claims with the annual certified financial statements must be performed. Adjustments to future administrative claims must be made based on the results of the reconciliation analyses to consider any year-end adjustments to accounting entries of any items which might have impacted the claim amounts.

**720 Financial Review**

HFS will conduct random and directed reviews of claims in order to assure their accuracy and to determine that appropriate documentation exists to support such claims. This includes, but is not limited to, review of documentation to assure the validity of the statewide random moment time study as well as documentation necessary to justify claimed expenditures.

**730 Reporting Compliance**

Failure to meet the requirements set forth herein may result in rejection of part or all of a claim.

**740 Terminated or Suspended Providers and Barred Individuals**

Payment will not be made to any entity in which a terminated or suspended or barred individual is serving as an employee, administrator, operator or in any other capacity for any services, including administrative and management services furnished, ordered or prescribed on or after the effective date of the sanction or voluntary withdrawal. In addition, no claim may be made for payments made for items or services provided by an individual or entity that has been barred or suspended or who has voluntarily withdrawn from the program. It is the responsibility of the LEA to assure that all claims for federal funds meet this requirement. A complete list of barred or suspended providers can be found at the following websites. Both websites must be accessed to obtain complete information. <http://www.state.il.us/agency/oig/sanctionlist.asp> and <http://www.exclusions.oig.hhs.gov>

**Exhibit I**  
**Staff Categories and Qualifications**

<b>Staff categories</b>	<b>Qualification</b>	<b>FFP rates</b>
<b>DIRECT SERVICE PERSONNEL</b>		
Audiologist	Refer to Chapter U-200	0%, 50%
Registered Nurse (RN)	Refer to Chapter U-200	0%, 50%
Occupational therapist	Refer to Chapter U-200	0%, 50%
Occupational therapist assistant (COTA)	Refer to Chapter U-200	0%, 50%
Physical therapist	Refer to Chapter U-200	0%, 50%
Physical therapist assistant (CPTA)	Refer to Chapter U-200	0%, 50%
Medical social worker	Refer to Chapter U-200	0%, 50%
School psychologist	Refer to Chapter U-200	0%, 50%
Psychologist interns	Refer to Chapter U-200	0%, 50%
Speech/language pathologist	Refer to Chapter U-200	0%, 50%
Speech assistants/aides	Refer to Chapter U-200	0%, 50%
<b>OTHER PERSONNEL</b>		
School social workers		0%, 50%
Licensed Practical Nurse (LPN)		0%, 50%
School counselors		0%, 50%
Administrators		0%, 50%
Interpreters & school bilingual assistants		0%, 50%
Case managers and service coordinators		0%, 50%
Clerical support		0%, 50%
Other staff identified through the RMS questions and answers that are conducting Medicaid administrative activities defined in this document.		0%, 50%

**Exhibit II**  
**Medicaid Administrative Claim**  
**Definitions and Examples of Activity**

*The LEA as a unit of local government is an administrative agent of the state Medicaid agency (Illinois Department of Healthcare and Family Services). Such units of local government are assisting the Department in the administration of the Title XIX program.*

The following is an overview of the method to determine reimbursable time study percentages. The indicators in the table below list the allowability or non-allowability designation and the proportional Medicaid share status of the code.

- U (Unallowable Activities) Refers to an activity, which is unallowable as administration under the Medicaid program. This is regardless of whether or not the population served includes Medicaid eligible students.
  
- TM (Total Medicaid) Refers to an activity, which is 100 percent allowable as administration under the Medicaid program.
  
- PM (Proportional Medicaid) Refers to an activity, which is allowable as administration under the Medicaid program, but for which the allocable share of costs must be determined by the application of the proportional Medicaid share (the Medicaid eligibility rate – “MER”). The Medicaid share is determined as the ratio of Medicaid eligible school age children to total students or another approved methodology. MER data consist of eligibility information using the currently available information.
  
- R (Reallocated Activities)  
 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 G1, General Administration.

Activity Code	Description	Indicator
A1.	Medicaid/All Kids Public Awareness and Information	TM
A3.	Public Awareness and Information for non-Medicaid/All Kids Programs	U
B1.	Facilitating Access to Medicaid/All Kids	TM

B3.	Facilitating Access to non-Medicaid/All Kids Programs	U
C1.	Identification and Referral to Access Medicaid/All Kids	U
C3.	Identification and Referral to Access non-Medicaid/All Kids Programs	U
D1.	Health Provider Networking and Interagency Coordination for Medicaid/All Kids Programs	PM
D3.	Health Provider Networking and Interagency Coordination for non-Medicaid/All Kids Programs	U
E1.	Case Management for non-IEP/IFSP-related Medical Services	PM
E3.	Case Management for Non-Medical Services	U
F1.	Case Management for IEP/IFSP-related Medical Services	PM
G1.	General Administration	R
H3.a	Direct Services (Direct face-to-face service)	U
H3.b	Direct Services (Preparatory and follow-up time necessary for a face-to-face service)	U
I3.	School-Related and Educational Activities	U
J.	Non Worked - Non Paid	U

**Codes to be recorded in the Staff Time Study**

*Staff time-study activities listed in Exhibit II are classified into four categories:*

- **Category I -Outreach activities**, performed to inform and identify those in need of medical services who would benefit from the Medicaid/All Kids program (Codes A, B, C, D)
- **Category II - Supportive case management activities**, services for children enrolled in Medicaid/All Kids (Codes E, F)
- **Category III – General administration activities**, (Code G)
- **Category IV – Other daily school activities**, including direct service activities (Codes H, I)

**CATEGORY I - OUTREACH ACTIVITIES**

(Discounted to reflect the Title XIX population compared to the population in all medical programs administered by Department of Healthcare and Family Services, Titles XIX and XXI and all other programs.)

**A1. Medicaid/All Kids Public Awareness and Information –TM/50% FFP**

*This activity code should be used when informing school district populations about the availability and accessibility of Medicaid/All Kids services.*

Examples include, but are not limited to:

1. Preparing, coordinating, assembling or disseminating materials designed to inform the public about the Medicaid/All Kids program and benefits, including where and how to obtain those services.

2. Disseminating brochures designed to effectively inform potentially Medicaid/All Kids-eligible children and their families about programs and services, including where and how to obtain Medicaid/All Kids services.
  - a. Distributing EPSDT health screening services information to parents of children at risk of health/medical problems.
  - b. Distributing information about the Medicaid/All Kids application process.
3. Coordinating with the local media (newspaper, TV, radio, video) to inform Medicaid/All Kids-eligible and potentially Medicaid/All Kids-eligible children and families about Medicaid/All Kids services.
4. Coordinating the inclusion of, or promoting, Medicaid/All Kids at child health fairs.
5. Informing families about the Medicaid/All Kids program.
  - a. Providing information about screenings that will help improve the identification of medical conditions that can be corrected or ameliorated through Medicaid/All Kids services.
  - b. Informing parents of Medicaid/All Kids services.
  - c. Providing information about the availability of screenings and treatment services available through the Medicaid/All Kids program.
6. Developing a bulletin board about the Medicaid/All Kids program and the benefits of preventive health care.
7. On report card pick-up day, providing parents with information about the Medicaid/All Kids program and health care services available to eligible children, including EPSDT screening services and medically necessary treatment.
8. Participating in a discrete campaign or an ongoing activity targeted at identifying potentially eligible Medicaid/All Kids individuals, such as participating in a telephone or walk-in service for identifying health needs and referring persons to Medicaid/All Kids services for eligibility determination.
9. Performing clerical duties, paperwork, training, and travel required for Code A1 activities.

**A3. Public Awareness and Information for non-Medicaid/All Kids Programs - U**

*This activity code should be used when informing school district populations about programs not related to Medicaid/All Kids, including educational, social, and other programs.*

Examples include, but are not limited to:

1. Distributing materials regarding educational/curriculum issues for regular and special education programs.
2. Developing the school district's student/parent handbooks, discipline policies, and curriculum information.
3. Participating in public awareness initiatives relating to WIC, Food Stamps, or other social programs.
4. On report card pick-up day, providing parents with information about educational or any other programs other than Medicaid/All Kids program.

5. Performing clerical duties, paperwork, training, and travel required for Code A3 activities.

**B1. Facilitating Access to Medicaid/All Kids – TM/50%FFP**

*This activity code should be used when informing or assisting a child and family with the Medicaid/All Kids eligibility determination process.*

Examples include, but are not limited to:

1. Providing information in support of the Medicaid/All Kids-eligibility application process.
  - a. Informing children/parents about Medicaid/All Kids services and referring them to the appropriate entity to make an application.
  - b. Explaining Medicaid/All Kids eligibility rules and the Medicaid/All Kids eligibility process to a child and family.
  - c. Assisting a child and family with filling out a Medicaid/All Kids eligibility application.
  - d. Assisting the parent to begin the Medicaid/All Kids application process.
  - e. Providing necessary forms and packaging all forms in preparation for the Medicaid/All Kids eligibility determination.
  - f. Gathering information related to the application and eligibility determination from a child's family, including resource information and third-party liability information, as a prelude to submitting a formal Medicaid/All Kids application.
  - g. Verifying a child's current Medicaid/All Kids eligibility status.
  - h. Assisting the child or family in collecting required information and documents for the Medicaid/All Kids application.
2. Reviewing or evaluating information to determine the likelihood that a child is eligible under either Medicaid/All Kids.
3. Performing clerical duties, paperwork, training, and travel required for Code B1 activities.

**B3. Facilitating Access to non-Medicaid/All Kids Programs - U**

*This activity code should be used when informing or assisting a child and family with non-Medicaid/All Kids materials regarding educational, social, and medical programs or benefits.*

Examples include, but are not limited to:

1. Assisting the family to enroll in other social service programs such as WIC and housing.
2. Facilitating access to Title V and WIC to ensure an effective child health program.
3. Performing clerical duties, paperwork, training, and travel required for Code B3 activities.

**C1. Identification and Referral to Access Medicaid/All Kids - U**

*This activity code should be used when actively identifying potentially at risk children in order to inform and assist the child and their family to access Medicaid/All Kids . This code should be used when specifically targeting outreach efforts to inform and enroll children with medical needs. Education-related activities required for Child Find or for the development of an Individualized Education Program (IEP) are to be reported in Code C3.*

Examples include, but are not limited to:

1. Informing targeted children and their families about the availability of Medicaid/All Kids services.
2. Designing strategies to identify children who have specific health care needs, or are potentially at high risk of poor health outcomes. A physical therapist may develop a medical protocol based on a checklist of symptoms and behaviors (deficiency in mobility, gait, muscle strength, or posture), which would be indicative of a child in need of physical therapy. The medical protocol would be used to identify students who are medically needy and possibly eligible for Medicaid/All Kids enrollment. Designing strategies to determine the need for educational services should be recorded as Code C3.
3. Observing children who appear to be medically at risk and potentially Medicaid/All Kids-eligible by using the medical protocol to recognize:
  - a. A potential need for physical therapy based on an apparent deficiency in mobility, gait, muscle strength, or posture;
  - b. A potential need for occupational therapy based on an apparent deficiency in perceptual, sensory, visual-motor, fine-motor, or self-care skills;
  - c. A potential need for speech/language therapy based on an apparent deficiency in fluency, pronunciation and clarity, or strength of speech muscles.
4. As part of a targeted Medicaid/All Kids outreach effort, when no relevant protocol exists, detecting and identifying medically at risk children who are potentially Medicaid/All Kids-eligible.
5. Assisting the Medicaid/All Kids agency to target Medicaid/All Kids outreach efforts by fulfilling objectives of the EPSDT program. Such efforts may include:
  - a. Informing children/parents of the benefits of preventative health care;
  - b. Helping children and families use health resources;
  - c. Assuring that health problems are referred for early treatment, before they become more serious and treatment more costly.
6. Training provided by medical professionals to non-medical professionals to impart medical expertise necessary to identify medically at-risk children, or training of medical professionals new to the school district.
7. Performing clerical duties, paperwork, training, and travel required for Code C1 activities.

### **C3. Identification and Referral to Access non-Medicaid/All Kids Programs - U**

*This activity code should be used when identifying and referring children to non-medical educational, social, or other programs.*

Examples include, but are not limited to:

1. Conducting education-related Child Find activities. Note identification and referral activities to access Medicaid/All Kids that meet the definitions of targeted outreach are reported in C1.

2. Conducting education-related activities required for the development of an IEP. Note identification and referral activities to access Medicaid/All Kids that meet the definitions of targeted outreach are reported in C1.
3. Making referrals to social service agencies for non-medical services.
4. Coordinating other screenings in the schools that are unrelated to a medical condition.
5. Notifying parents regarding educational issues, or non-medical social service issues.
6. Translating an academic test for a student (e.g., social studies).
7. Performing clerical duties, paperwork, training, and travel required for Code C3 activities.

**D1. Health Provider Networking and Interagency Coordination for Medicaid/All Kids Programs – TM/50% FFP**

*This activity code should be used for school staff whose responsibilities include program planning, policy development, and interagency coordination when developing strategies to improve the coordination and delivery of Medicaid/All Kids services to school-age children, and when participating in collaborative activities with other agencies. The purpose of such collaborative activities must be to increase either the number or capacity of Medicaid/All Kids providers.*

Examples include, but are not limited to:

1. Meeting with medical provider networks or health departments in an effort to increase participation in the Medicaid/All Kids program.
2. 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.
3. Developing strategies to assess or increase the capacity of school medical/dental/mental health programs.
4. Monitoring the medical/dental/mental health delivery systems in schools.
5. Providing information to providers about Medicaid/All Kids policy, regulations, services, resources, etc.
6. Communicating, coordinating and participating with providers to identify and promote Medicaid/All Kids.
7. Maintaining and ensuring the continuity of services needed to identify potentially Medicaid/All Kids eligible children.
8. Meeting with existing Medicaid/All Kids providers to increase the capacity to serve Medicaid/All Kids clients.
9. Performing clerical duties, paperwork, and travel required for Code D1 activities. Training under this category is not claimable.

**D3. Health Provider Networking and Interagency Coordination for non- Medicaid/All Kids Programs - U**

*This activity code should be used when participating in activities that establish, increase, and maintain provider resource and referral relations with non-Medicaid/All Kids providers or networks, or when participating in activities related to networking non-claimable services.*

Examples include, but are not limited to:

1. Developing the district's crisis plan.
2. Health networking beyond the scope of Medicaid/All Kids and special education.
3. Coordinating with child health initiatives funded by federal sources, such as WIC and Title V associated with the public health departments.
4. Developing procedures for tracking families' requests for assistance with non-medical services and the providers of such services.
8. Identifying gaps in non-medical services or eligibility.
9. Collaborating with other agencies on non-medical activities.
10. Communicating, coordinating and participating with providers to identify and promote programs other than Medicaid/All Kids.
8. Maintaining and ensuring the continuity of services needed to identify potentially eligible children that are unlikely to qualify for Medicaid/All Kids.
9. Meeting with medical providers to increase the capacity to serve children that are unlikely to qualify for Medicaid/All Kids.
10. Identifying gaps or duplication of other non-medical services (e.g., social, vocational and educational programs) to school age children and developing strategies to improve the delivery and coordination of these services.
11. Developing strategies to assess or increase the capacity of non-medical school programs.
12. Monitoring the non-medical delivery systems in schools.
13. Performing clerical duties, paperwork, training, and travel required for Code D3 activities.

## **CATEGORY II – SUPPORTIVE CASE MANAGEMENT ACTIVITIES**

### **E1. Case Management for non-IEP/IFSP-related Medical Services** (Discounted to reflect the Title XIX population compared to the total LEA student population) – **PM/50% FFP**

This activity code should be used when making referrals for, coordinating, or monitoring the delivery of Medicaid/All Kids services not related to an IEP/IFSP. These activities should not be limited to children enrolled in Medicaid/All Kids.

*Under the federal "Free Care" policy, activities in support of non-IEP/IFSP services that are provided free of charge to the student population at large are not claimable and must be reported as Code E3. Further information regarding Free Care is available in the Frequently Asked Questions section of the School-Based Health Services web site (<http://www.illinois.gov/hfs/MedicalPrograms/sbhs>).*

*Activities that are integral functions of a direct service, such as preparation of service case notes, consultation with parents, and preparation of routine records, forms and reports, must be reported as Code H3.*

Examples include, but are not limited to:

1. Making referrals for and/or scheduling EPSDT screens.

2. Coordinating the delivery of community-based medical/mental health services for a child with special/severe health care needs.
3. Making referrals for and/or coordinating medical or physical examinations and necessary medical/dental/mental health evaluations.
4. Monitoring the Medicaid/All Kids service components as appropriate.
5. Providing follow-up contact to ensure that a child has received the prescribed medical/mental health services covered by Medicaid.
6. Providing feedback as to whether further treatment or modification of existing treatment is required.
7. Coordinating and scheduling the EPSDT health-related screens/ evaluations.
8. Explaining to other practitioners and teachers results of diagnoses or other EPSDT screens, or a student's evaluation and the need for any diagnostic or treatment services. This information may be shared with school administrators, teachers, and/or other practitioners.
9. Sharing results of screens or a student's evaluation and arranging for any diagnostic or treatment services, which may be required as the result of a medical condition identified during the student's EPSDT screen.
10. Identifying and referring students who may be in need of Medicaid/All Kids family planning services.
11. Making referrals for appropriate immunizations; but not to include the state mandated immunizations when such services are provided free of charge by the school district.
12. Gathering any information that may be required in advance of medical/dental/mental health referrals.
13. Participating in a meeting/discussion to coordinate or review a student's needs for health-related services covered by Medicaid/All Kids.
14. Referring students and their families for necessary medical health, mental health, or substance abuse services covered by Medicaid/All Kids.
15. Coordinating and consulting with school staff or Medicaid/All Kids providers at a hospital or other health care agency to discuss the child's health problems that may require clinical intervention or therapy needs.
16. Coordinating the completion of the prescribed services, termination of services, and the referral of the child to other Medicaid/All Kids service providers as may be required to provide continuity of care.

### **E3. Case Management for Non-Medical Services - U**

*This activity code should be used when performing case management activities that are in support of services that are not claimable under Medicaid/All Kids. This activity code also is to be used for any case management activity in support of a non-IEP/IFSP medical service that is provided free of charge to all students.*

Examples include, but are not limited to:

1. Participating in a parent/teacher conference regarding a student's educational progress.

2. Consulting with a parent, teacher, physician, administrator or other agency regarding non-Medicaid/All Kids services for, or the educational plan of a student.
3. Linking or referring a family to a non-medical service delivery system.
4. Monitoring student's academic achievement.
5. Evaluating curriculum and instructional services, policies, and procedures.
2. Translating an academic test for a student (e.g., social studies).
3. Providing translation services regarding non-medical issues.
4. Conducting quality assurance reviews for educational and programs other than Medicaid/All Kids.
5. Making referrals for, coordinating, and/or monitoring the delivery of state education agency mandated child health screens, when such services are provided free of charge to all students and are not relevant to an IEP/IFSP, or the development of an IEP/IFSP.
6. Making referrals for, coordinating, and monitoring the delivery of scholastic, vocational, and other non-health related examinations.
7. Gathering any information that may be required in advance of these non-Medicaid/All Kids related referrals.
8. Medical training of medical professionals.
9. Any activity in support of services that are not related to an IEP/IFSP and are provided free of charge to the student population at large, i.e., immunizations offered to all students as a district-wide initiative.
10. Performing clerical duties, paperwork, training, and travel required for Code E3 activities.

**F1. Case Management for IEP/IFSP-related Medical Services – PM/50% FFP**

(Discounted to reflect the ratio of IEP/IFSP students eligible under Title XIX divided by the total number of IEP/IFSP students enrolled in the LEA)

*This code should be used when implementing or modifying an integrated plan of care for Medicaid eligible services in the child's IEP/IFSP. Time reported under this code is limited to activities in support of services included in or relevant to an IEP/IFSP. This includes linking the child and family with providers to modify, implement, and maintain a medical care plan. Any direct service activities must be reported as Code H3.*

Examples include, but are not limited to:

1. 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 based on the findings other than when provided as a direct service.
2. 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.
3. Coordinating the delivery of community-based medical/dental/mental health services for a child with special/severe health care needs.

4. Monitoring the Medicaid service components of the Individualized Education Program (IEP) as appropriate.
5. Providing follow-up contact to ensure that a child has received the prescribed medical/mental health services covered by Medicaid.
6. Providing feedback as to whether further treatment or modification of existing treatment is required.
7. Gathering any information that may be required in advance of medical/dental/mental health referrals.
8. Participating in a meeting/discussion to coordinate or review a student's needs for IEP/IFSP health-related services covered by Medicaid.
9. Explaining to other practitioners and teachers results of diagnoses or other EPSDT screens, or a student's evaluation and the need for any diagnostic or treatment services. This information may be shared with school administrators, teachers, and/or other practitioners.
10. Sharing results of screens or a student's evaluation and arranging for any diagnostic or treatment services, which may be required as the result of a medical condition identified during the student's EPSDT screen.
11. Referring students and their families for IEP defined medical health, mental health, or substance abuse services covered by Medicaid.

### **CATEGORY III – GENERAL ADMINISTRATION ACTIVITIES**

(Discounted and proportional)

#### **G1. General Administration - R**

*This activity code should be used when performing activities that are not directly assignable to program activities. Special care should be taken that any activity that meets the definition of School related and educational activities or activities that overlap with educational activities must be reported as Code I3. Note that certain functions when performed by central office personnel, such as payroll, maintaining inventories, and developing budgets are considered overhead costs and are captured in the indirect cost rate, and such time must be recorded as Code I3.*

Examples include, but are not limited to:

1. Reviewing school or district procedures and rules.
1. Attending or facilitating general school or board meetings.
3. Providing **general** supervision of staff. Direct supervision of staff engaged in educational activities must be coded under Code I3.
4. Performing administrative or clerical activities related to general building or district functions or operations.
5. Reviewing technical literature and research articles.
6. Taking lunch breaks, leave, or time not at work for which the employee is paid.
7. Establishing goals and objectives of health-related programs as part of the school's annual or multi-year plan.

11. Performing other general administrative activities of a similar nature as listed above, which cannot be specifically, identified under other activity codes.
12. Performing clerical duties, paperwork, training, and travel required for Code G1 activities.

**CATEGORY IV – OTHER DAILY SCHOOL ACTIVITIES**  
**(Not allowed as administrative costs)**

**H3. Direct Services - U**

*This activity code should be used when providing care or treatment to a child. All direct medical services, whether or not they are claimed for reimbursement through the Department of Healthcare and Family Services, should be included under this activity code, as either H3a for face-to-face time spent providing a direct service, or H3b, preparatory and follow-up services necessary for a face-to-face event to occur.*

**H3a (Direct face-to-face Service)**

Examples include, but are not limited to:

1. Providing or participating in face-to-face interventions with either an individual child or a group of children.
  - a. Providing health/mental health services.
  - b. Providing immunizations.
  - c. Providing diagnostic testing.
  - d. Providing school health aide services.
  - e. Providing direct clinical/treatment services.
  - f. Performing evaluations, assessments or screenings.
  - i. Administering first aid, emergency care, or prescribed injection or medication.
  - j. Counseling a child about a health, mental health, or substance abuse issue.
  - k. Providing transportation services to a child.
  - l. Assessing, adjusting, or repairing equipment as needed.

**H.3.b (Preparatory and follow-up time necessary for a face-to-face service)**

Examples include , but are not limited to:

1. Activities performed by the practitioner following a provided direct service including documentation, consultation with a parent, and reporting. For example, a practitioner provides 30 minutes of direct service to a child and then later spends 15 minutes reporting the progress made to the child's parents.
2. Performing clerical duties and paperwork required for Code H3 activities.
3. Reviewing medical records.
4. Preparing case notes.
5. Time spent traveling to and from a direct service location when that location is separate from the employee's primary work location.

### **13. School-Related and Educational Activities - U**

*This activity code should be used when conducting school-related activities that are not health related. These activities include the development, coordination, and monitoring of a student's education plan.*

Examples include, but are not limited to

1. Reviewing the education record for new students in the school district.
2. Performing activities that are specific to instructional, curriculum, or student-focused activities , including student supervision.
3. Monitoring student academic achievement.
4. Compiling, preparing, and reviewing reports on textbooks or attendance and report cards.
5. Enrolling new students or obtaining registration information.
6. Providing general supervision of students (e.g., playground, and lunchroom).
7. Conferring with students or parents about discipline, academic matters or other school-related issues.
8. Providing classroom instruction (including lesson planning), grading papers and instructional or educational testing.
9. Providing individualized instruction (e.g., math concepts) to a special education student.
10. Conducting external relations related to school educational issues/matters.
11. Applying discipline activities.
12. Evaluating curriculum and instructional services, policies, and procedures.
13. Translating an academic test for a student.
14. Any instruction on academic curriculum, i.e., health or science classes.
15. Designing and implementing strategies to identify students who would benefit from educational programs/activities.
16. Detecting, observing and identifying educationally at-risk children through
  - a. Visiting classrooms to observe students;
  - b. Reviewing student education records and files;
  - c. Participating in meetings/discussions to determine a student's need for education-related services, i.e., pre-school fairs, kindergarten sign-up days.
17. Identifying a special education need when participating in an educational event, i.e.,
  - a. Noting mental retardation in a child attending a school enrollment event,
  - b. Identifying dysgraphia during a reading/writing assessment or lesson,
  - c. Finding a need for psychiatric testing during a classroom exercise,
  - d. Determining a need for a, b, or c above during an IEP/IFSP meeting.
18. Attending IEP/IFSP meetings for special education services including:
  - a. Conducting re-evaluation components, such as

- i. Classroom observations
    - ii. Teacher consultation
    - iii. Social-developmental studies
  - b. Writing and interpreting a report
  - c. Conducting functional analyses
  - d. Consulting on the components of a risk assessment
  - e. Sharing IEP/IFSP information with relevant teacher/staff
  - f. Writing behavior plans, charts and reinforcement schedules.
19. Working at school on In-service days, Teacher Institute Days, School Improvement Days, or any other day or partial day that school employees work but students do not attend, and when such activity is educational in nature.
20. Any other educational activities not previously listed.
21. Performing clerical duties, paperwork, training, and travel required for Code I3 activities.

**J3. NON-WORKED/NON-PAID - U**

*This code should be used to account for time during the workday for which an employee is not working AND is not being compensated.*

Examples include, but are not limited to:

- Part-time/Contracted staff whose sampled moment occurs during non-scheduled work hours.
- Staff member takes an unpaid day off during the sampled moment
- Non-paid sick time
- Non-paid leaves of absence
- No longer employed by the program

## Appendix I

### **The Department of Healthcare and Family Services Random Moment Time Study (RMTS) Methodology**

The Department of Healthcare and Family Services (HFS) is committed to providing efficient and effective school based health services programs to the state of Illinois' school districts. In keeping with this vision, HFS will implement a statewide Random Moment Time Study (RMTS) methodology effective for the fiscal year 2010 second quarter; October 1 - December 31, 2009. The purpose of the time study is to (1) identify the proportion of administrative time allowable and reimbursable under the Medicaid administrative claiming (MAC) program and (2) track the amount of time spent on allowable direct service time reimbursable under Medicaid to be used for Fee for Service (FFS) rate setting.<sup>1</sup>

In most school districts, 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. The State will utilize RMTS methodology in which all LEAs that participate in both the MAC and FFS programs will be required to participate.

#### **Time Study Participants**

All school districts that participate in the time study will identify allowable Medicaid direct service and administrative costs within a given district by having staff who spend their time performing those activities participate in a quarterly time study. These districts must certify that any staff providing services or participating in the time study meet the educational, experiential and regulatory requirements.

The following categories of staff are the identified participants for the Illinois time studies. Additions to the list over time may be dependent upon job duties. 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 school districts for their services are termed "school district staff". All staff will be reported into one of two cost pools: a "Direct Service Personnel" cost pool and an "Other Personnel" cost pool:

The first cost pool is comprised of direct service staff, including those who conduct both direct services and administrative claiming activities as well as direct service only staff, and the respective costs for these staff.

The second cost pool is comprised of administrative claiming staff only and the respective costs for these staff.

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The two cost pools are mutually exclusive, i.e., no staff should be included in both pools. The following provides an overview of the eligible categories in each cost pool.

### **Cost Pool 1 (Direct Service Personnel)**

Audiologist

Registered Nurse (RN)Occupational Therapist

Occupational Therapist Assistant (COTA)

Physical Therapist

Physical Therapist Assistant (CPTA)

Medical Social Worker

School Psychologist

Psychologist Interns

Speech/Language Pathologist

Speech Assistants/Aides

### **Cost Pool 2 (Other Personnel)**

School Social Workers

Licensed Practical Nurses (LPN)

School Counselors

Administrators

Interpreters & School Bilingual Assistants

Case Managers/Service Coordinators

Clerical Support Staff

Other staff identified through the RMTS questions and answers that are conducting Medicaid administrative activities defined in this document.

Staff with job titles in both cost pools 1 & 2, are not automatically included in the time study. A district must determine whether staff should be included under the titles above and if they are less than 100% federally funded. Individuals that are 100% federally funded will be excluded from the time study. All criteria must be met in order to be included in the time study.

### **Random Moment Time Study (RMTS)**

The RMTS method polls participants on an individual basis at random one-minute 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 quarter, the dates that school districts will be in session and for which their staff members are compensated will be determined. District staff members are paid to work during those dates that districts are in session: as an example, districts may end the school year sometime in May or June 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 quarter, district 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. A representative sample of district calendars will be reviewed each quarter to determine the most common begin and end dates for sampling purposes.

**Sampling Requirements**

In order to achieve statistical validity, maintain program efficiencies and reduce unnecessary district administrative burden, HFS intends to implement a consistent sampling methodology for all activity codes and groups to be used.

The RMTS sampling methodology is constructed to achieve a level of precision of +/- 2% (two percent) with a 95% (ninety-five percent) confidence level for activities.

Statistical calculations show that a minimum sample of 2401 completed moments each quarter, per cost pool, is adequate to obtain this precision when the total pool of moments is greater than 3,839,197. Additional moments are selected each quarter to account for any invalid moments. Invalid moments are moments not returned or inaccurately coded. The following formula is used to calculate the number of moments sampled for each time study cost pool:

$$SS = \frac{Z^2 * (p) * (1-p)}{c^2}$$

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., .05 = ±5)

**Correction for Finite Population**

$$new\ ss = \frac{ss}{1 + \frac{ss-1}{pop}}$$

where: pop = population

The following table shows the sample sizes necessary to assure statistical validity at a 95% confidence level and tolerable error level of 2%. Additional moments will be selected to account for unusable moments, as previously defined. An over sample of 15% will be used to account for unusable moments.

N=	Sample Size Required	Sample Size plus 15% Oversample
100,000	2345	2697
200,000	2373	2729
300,000	2382	2739
400,000	2387	2845
500,000	2390	2849
750,000	2393	2852
1,000,000	2395	2854
3,000,000	2399	2859
>3,839,197	2401	2860

**RMTS Process & Notification**

The RMTS process is described here as four steps:

Identify total pool of time study participants

Identify total pool of time study moments

Randomly select moments; randomly match each moment to a participant

Notify selected participants about their selection

**Identify Total Pool of Time Study Participants**

At the beginning of each quarter, participating districts submit a staff roster (Participant List) providing a comprehensive list of staff eligible to participate in the 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 two “cost pools” for each LEA participating in the time study. There will be two mutually exclusive cost pools.

**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 quarter is reduced by the exclusion of weekends, holidays and hours during which employees are not scheduled to work. All eligible work moments will be given an equal statistical probability of being selected for any sampled moment by being included throughout the sample selection process.

**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 quarter. Using a statistically valid, computer-generated random sampling technique, the desired number of random moments is selected from the total pool of moments based on the previously stated formula. 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 cost pool e 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, thus forcing equal statistical probability for each moment and participant to be selected. This step guarantees the randomness of the selection process and no bias is introduced.

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 the three-month period comprising each quarter of the State Fiscal Year calendar. The following are the quarters followed for the MAC program:

Quarter 1 = July 1-September 30

Quarter 2 = October 1-December 31

Quarter 3 = January 1 – March 31

Quarter 4 = April 1 – June 30

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 quarter, dates that school districts will be in session and for which their staff members are compensated will be identified. District staff members are paid to work during those dates that districts are in session; as an example, districts 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 districts may end the school year prior to the close of the quarter staff members are paid for services provided through the end of the fiscal quarter. Districts typically spread staff compensation over the entire calendar year even when staff members are not working. The district considers this compensation reimbursement for time when staff members actually work rather than compensation for the staff members time off during the summer months.

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 quarter, a summer quarter time study will not be conducted. Illinois will use an average of the three (3) previous quarter’s time study results to calculate a claim for the July-September period (Quarter 1). 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. In addition, districts have the ability to print out and forward paper notifications through their internal district carrier or email ADDITIONAL notification forms if they desire or have the need to do so. For example, if email is not available in a particular school, the LEA coordinators at each district have the ability to print out notification forms and forward to the selected participants. Sampled participants will be notified of their sampled moment no more than three (3) 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 24 hours after their selected moments. Two business days after their sampled moment, if the time study participant has not yet completed their time study, the district's LEA coordinator receives an email notifying them so they can assist in following up. Throughout this entire process, the district's 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. Moments close after 5 business days, which means participants will not be able to complete their moment after that time.

The following questions are asked of each RMTS participant for each moment to be completed. The sampled participant cannot complete the moment until the moment has occurred:

1. Who was with you?
2. What were you doing?
3. Why were you performing this activity?
4. Was the activity being performed on the student's IEP?

Compliance reports are provided on a weekly basis to the Program Administrators. In addition, the school districts have the ability to run compliance reports on a daily basis. A validity check of the time study results is completed each quarter prior to the calculation of the claim. The validity check ensures that the minimum number of responses is received each quarter 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 quarterly claim. At the end of each quarter, 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.

Central coders employed by the State's 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 will contact the participant and the district's program contact at the individual district 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.

HFS will provide guidance regarding the coding process on an as needed basis, but at a minimum, annually to discuss coding and any issues surrounding the coding of moments. In addition, the contractor will provide training to the coding staff both annually and on an as needed basis to discuss issues surrounding the coding of moments. Training will include an overview of activity codes, samples of activities, and appropriate processes for making coding determinations.

### **Time Study Return Compliance**

HFS will required a statewide resonse rate for the time study survey of at least 85%.” If the 85% compliance rate is reached without having to code to non-Medicaid time, then non-returned moments will be ignored since they are compensated by the 15% over sampling of the sample size.

To assist in reaching the statewide goal of 85% compliance, HFS will monitor the LEAs to ensure they are properly returning sample moments and the LEA’s return percentage for each quarter will be analyzed by HFS. Sampled participants must complete their RMTS within 5 working days (7 calendar days) after the sampled moment has passed. In order to ensure an appropriate response rate, reach compliance and ensure proper notification and follow-up is provided, the following process is followed:

The sampled participant will receive a notification message three days prior to the sampled moment

1st Business Day – If the RMTS is not completed, a reminder email is sent

2nd Business Day – If the RMTS is not completed, a reminder email is sent

3rd Business Day – If the RMTS is not completed, a reminder email is sent (on this message, the district Program Contacts are also copied)

4th Business Day – If the RMTS is not completed, a reminder email is sent (on this message, the district Program Contacts are also copied)

5th Business Day – If the RMTS is not completed, a reminder email is sent (on this message, the district Program Contacts are also copied)

After the 5th business day, sampled participants can no longer log into the system to complete the RMTS

Moments not returned by the school district will not be included in the database unless the return rate for valid moments is less than 85%. If the state wide return rate of valid moments is less than 85% then, all non-returned moments will be included and coded as a non-Medicaid. As previously defined, to ensure that enough moments are received to have a statistically valid sample, an over sample will be selected at a minimum of fifteen percent (15 %) more moments than needed for a valid sample size.

To assure that districts are properly returning sample moments, districts’ return percentages for each quarter will be analyzed. If an individual district has non-returns greater than 15% and greater than five (5) moments for a quarter, the LEA will receive a warning letter from HFS. If the same LEA is in non-compliance in a subsequent quarter after receiving a first warning letter HFS may take appropriate action using sanctions, which may include but not be limited to conducting more frequent monitoring reviews, eliminating the LEA’s claimed portion of federal funds, or ultimately, termination of the LEA’s intergovernmental agreement.

### **HFS Implementation and Control**

The Illinois Department of Healthcare and Family Services (HFS), as the Medicaid single State agency, has the responsibility for reviewing and monitoring administrative claims submitted by local education agencies (LEA) and special education cooperatives (SEC) participating in the Medicaid Program. One of the review objectives is to determine whether claimed administrative costs for school-based health services are reasonable, allowable, and adequately supported, in accordance with the terms of applicable State and federal requirements. Part of that ongoing effort to assess the accuracy and validity of administrative claims involves reviewing/examining alternative sampling methodologies submitted by LEAs to determine if they are consistent with and comply with the sampling plan criteria delineated in the Guide and applicable federal rules.

At its discretion, HFS may review the completed coding and original participant documentation at any time throughout the claim process or as needed for further review and audit purposes. However, for the October – December 2009 quarter, HFS will review 100% of the returned sample moments; either having the sampling moments documentation sent to HFS central office for review or reviewing the process and documentation on-site at the central coding location. If on-site, HFS will observe the coding process, examine the original participant documentation; review time study documentation and meet with coding staff to discuss issues surrounding the coding of sample moments.

Thereafter, on a quarterly basis, HFS will review a five percent (5%) sample of the responses for validation. Validation will consist of a review of the original participant documentation and corresponding final coding for quality assurance to demonstrate the data submitted in the time study questionnaires support the code selected and therefore show the codes are valid and accurate.

The review and discussions will include but not be limited to:

1. A review of completed time study questionnaires from a selected time study quarter will assess whether the centralized coders correctly coded the activities from the time study participants' returns; follow up with coders to correct inaccurate/incorrect codes and provide reasoning and explanation for proper interpretation of time study participants activities; and
2. An overview of the training program/process centralized coding staff receives regarding general Medicaid information, on the comprehensive interpretation of Medicaid activity codes and all aspects of the time study process. HFS staff will assess whether central coding staff is able to differentiate between medical direct services and other activities to enable HFS to have reasonable assurance that each central coder understands the activity codes and is comfortable that they will apply them accurately during the time study.
3. If, as a result of the reviews HFS identifies time study coding errors that are material in scope, HFS will require that the district(s) submit adjustments for the administrative claims based on the incorrect time study information. The adjustments may result in recoupment from the district(s) and reimbursement to federal CMS or additional reimbursement due the district. The adjustments will be processed during a subsequent quarterly processing cycle. Adjustments to SBHS Medicaid administrative claims are due to HFS by the 15<sup>th</sup> of the month following the end of a calendar quarter.

July 1-September 30 quarter: Due October 15

October 1-December 31 quarter: Due January 15

January 1 – March 31 quarter: Due April 15

April 1 – June 30 quarter: Due July 15