

# Ohio Department of Health

## Medicaid Administrative Claiming (MAC): An Introduction

### What is Medicaid Administrative Claiming?

Medicaid Administrative Claiming (MAC) activities are “...those activities that are necessary for the proper and efficient administration of the Medicaid State Plan.” MAC is a set of activities that improve access to the Medicaid program; improve the use of the Medicaid services by Medicaid-eligible population; and improve the overall delivery of Medicaid services. Examples of activities include, but are not limited to:

- **outreach efforts** to: 1) bring a potentially eligible individual into the Medicaid system for the purpose of determining eligibility; or 2) bring Medicaid-eligible individuals into specific Medicaid services;
- assist an individual in becoming **eligible for Medicaid** through efforts such as explaining Medicaid-eligibility rules and the eligibility process to prospective applicants; or assisting an individual to fill out a Combined Programs Application (CPA);
- **referral, coordination and monitoring** of Medicaid services;
- assistance with accessing Medicaid-covered services such as **arranging/providing translation and or transportation**; and
- **program planning, development and interagency coordination** activities that focus on improving the delivery of Medicaid-covered services.
- **provider relation activities** to recruit new or maintain a pool of health providers.

These activities are reimbursed by the federal Medicaid program as administrative costs rather than medical assistance costs. The reimbursement rate for administrative activities is fifty percent (50%).

### Who can participate in MAC?

The Ohio Department of Health (ODH) has an interagency agreement with the Ohio Department of Medicaid (ODM) for claiming federal match for the administrative activities that ODH and its local partners perform to assist ODM in efficiently administering the Medicaid Program. Local public health departments will enter into a similar contract with ODH. ODH as the lead MAC agency is responsible for ensuring compliance with federal and state requirements and efficiency in the claiming process.

### How is reimbursement determined?

Medicaid administrative claims are based on staff activity (not on **services** to Medicaid-eligible individuals) and actual expenditures related to staff that perform the allowable MAC activities. Costs are allocated to MAC on the basis of quarterly time studies.

MAC has a federal and a nonfederal share. The nonfederal share of the claim must be supported with public funds; funds from private sources such as foundations are not allowable. All federal funds, along with maintenance of efforts and other state/local funds required by the federal grants are not allowed and must be offset or excluded as match. All state or local funds that are matched to other federal sources must be offset.

The formula for reimbursement is as follows:

	Actual expenditures (salaries, benefits, other costs of individual in time-study)
X	Percentage of time claimable to MAC (determined by the time-study)
X	Percentage of Medicaid Eligibility Rate (MER) for the county
X	50% Federal Financial Participation (FFP)
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	Amount of Federal Reimbursement

### How will claims be submitted?

ODH and local public health departments that participate in MAC will use an automated, standardized claim form based on the cost-allocation principles laid out in *OMB Circular A-87*. Claims will be submitted on a quarterly basis to ODH and then to ODM. Reimbursements will flow back to the local agencies in the same manner. An administrative fee of 5% is assessed by ODM for claims monitoring and processing and a 2.5% fee is assessed by ODH to help support the ODH MAC Unit and maintenance cost of the web based time study application.

### What are the participation requirements?

- ⌚ Each public health agency participating in MAC will be required to have a **signed contract** that delineates the participation requirements, identifies the scope of activities that can be claimed and the specifics of the claiming process.
- ⌚ Each public health agency (and claiming entity within a public health agency) will complete a **MAC Implementation Plan** that identifies the program, staff that will be involved in the time-study and describes the activities they perform that are MAC reimbursable.
- ⌚ Each public health agency will designate an employee as the **MAC Agency Coordinator**. This individual will be responsible for preparing the Implementation Plan, maintaining the agency audit file and serving as the liaison with ODH and ODM. Additionally, the agency may designate a time-study coordinator, and a fiscal coordinator, who will be responsible for preparing and submitting the quarterly claims.
- ⌚ Each agency will ensure its time-study participants receive **training** on the time-study. Training for MAC Coordinators and Time Study Participants is through Ohio Train. All training materials can be found on the MAC Website ([www.odh.ohio.gov/about/finmgmt/whatismac.aspx](http://www.odh.ohio.gov/about/finmgmt/whatismac.aspx)). Training is **mandatory** for new staff. Otherwise, their time-study results will not be included in the compilation of the time-study instruments. Expenses for staff not attending the training nor participating in the time-study become unallowable.
- ⌚ Each agency will participate in a randomly selected **quarterly time-study week** utilizing standard time-study codes. The names of the participants must be provided ahead of time.

⌚ Each agency will prepare and submit to ODH a **quarterly administrative claim**. The agency will certify on a quarterly basis that it has sufficient nonfederal public funds available for matching purposes.

⌚ Each public health agency will be required to maintain an **Audit file**.

### **Can staff being paid out of federal funds participate in the MAC time-study?**

Staff in split-funded positions (federal and state/local public funding source) that perform some MAC activity may participate. The federal revenue must be “offset” or excluded from the claim. Here is an example of how it works. The fully loaded cost of a nurse in a local health department is \$60,000 (this includes her salary, fringe benefits). Fifty percent of the position is paid out of Title V Maternal and Child Health funds and the county general funds make up the remainder.

If the nurse spends 30% of her time on activities that can be reimbursed under MAC, and 20% of the population the nurse serves is on Medicaid, as supplied by ODH, then the amount of the total MAC activities is \$3,600 (\$60,000 x 30% of allowable MAC time x 20% MER). With a 50% federal financial participation, then the federal share is \$1,800. Based on these numbers, the local health department would need to certify there is \$3,600 of “matchable” money available to support the total MAC activities.

### **What are the MAC time-study activity codes?**

The 16 time-study activity codes are designated to allocate all of an individual’s paid work time. The six codes in ***Bold Italic***, Medicaid will reimburse. The codes are as follows:

Code 1	Direct Patient Care
Code 2	Non-Medicaid Other Programs and Social Services Activities
<b><i>Code 3</i></b>	<b><i>Medicaid Outreach</i></b>
Code 4	Non-Medicaid Outreach
<b><i>Code 5</i></b>	<b><i>Facilitating Medicaid Eligibility Determination</i></b>
Code 6	Facilitating Eligibility for Non-Medicaid Programs
<b><i>Code 7</i></b>	<b><i>Referral, Coordination and Monitoring of Medicaid Services</i></b>
Code 8	Referral, Coordination and Monitoring of Non-Medicaid Services
<b><i>Code 9</i></b>	<b><i>Transportation and Translation for Medicaid Services</i></b>
Code 10	Transportation and Translation for Non-Medicaid Services
<b><i>Code 11</i></b>	<b><i>Program Planning, Development and Interagency Coordination of Medical Services</i></b>
Code 12	Program Planning, Development and Interagency Coordination of Nonmedical Services
<b><i>Code 13</i></b>	<b><i>Medical Related Provider Relations</i></b>
Code 14	Nonmedical Provider Relations
Code 15	General Administration
Code 16	Time Not Documented

### **Who should participate in the quarterly time-study?**

Each agency will identify staff that spends some portion of their paid workday performing Medicaid administrative activities. Job function, rather than job or position title will determine an individual's inclusion in the MAC time-study.

Each participant will complete electronic daily log for each of the working days during the quarterly time-study week. Activity and descriptions will be recorded in 15-minute increments. Participants will choose one time-study code for each 15-minute increment that best represents the activities described.

### **What assistance is available to an agency that decided to participate in MAC?**

ODH will provide technical assistance to public health agencies that participate in MAC. Training materials for the MAC Coordinators, Time Study Participants and Financial Coordinators can be found on the MAC website (web address below). Coordinator and time study participant training is done on an individual basis through Ohio Train. MAC Coordinators are informed of updates and that information is posted to the MAC website.

***MAC Website:*** [www.odh.ohio.gov/about/finmgmt/whatismac.aspx](http://www.odh.ohio.gov/about/finmgmt/whatismac.aspx)