

Good afternoon ADRC Partners and Stakeholders,

Thank you to those of you who attended the Medicaid Administrative Claiming (MAC) Orientation last Friday, July 9th. The presentation slides are attached to this email and the recording can be accessed by clicking on the following link: <https://youtu.be/1f8fyIIYhsE>.

As indicated during the presentation, next steps will involve identifying activities eligible for MAC. This is a crucial step that will require much input from frontline ADRC staff. Please take the time to complete the brief 2-minute survey designed to: 1) Request feedback on the presentation and 2) Solicit interest from ADRC partners wishing to participate in the MAC Stakeholder Work Group. The survey can be accessed by clicking on the following link: <https://www.surveymonkey.com/r/TLP2F99>.

Please complete the survey no later than Monday, July 26th as responses will be used to generate a list of individuals interested in participating in the MAC Stakeholder Work Group.

Please feel free to forward the presentation slides, recording, and survey to others who may be interested.

Sincerely,

ADRC Branch Team
California Department of Aging



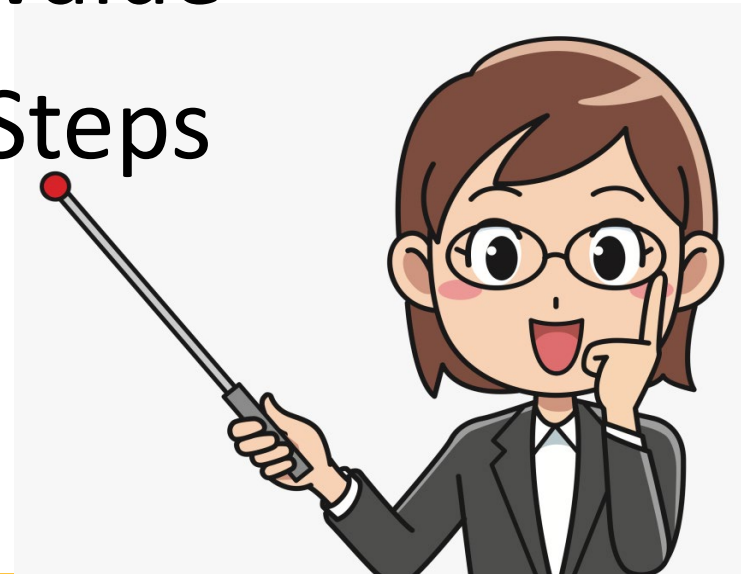
An Introduction to MAC

Medicaid Administrative Claiming for ADRCs

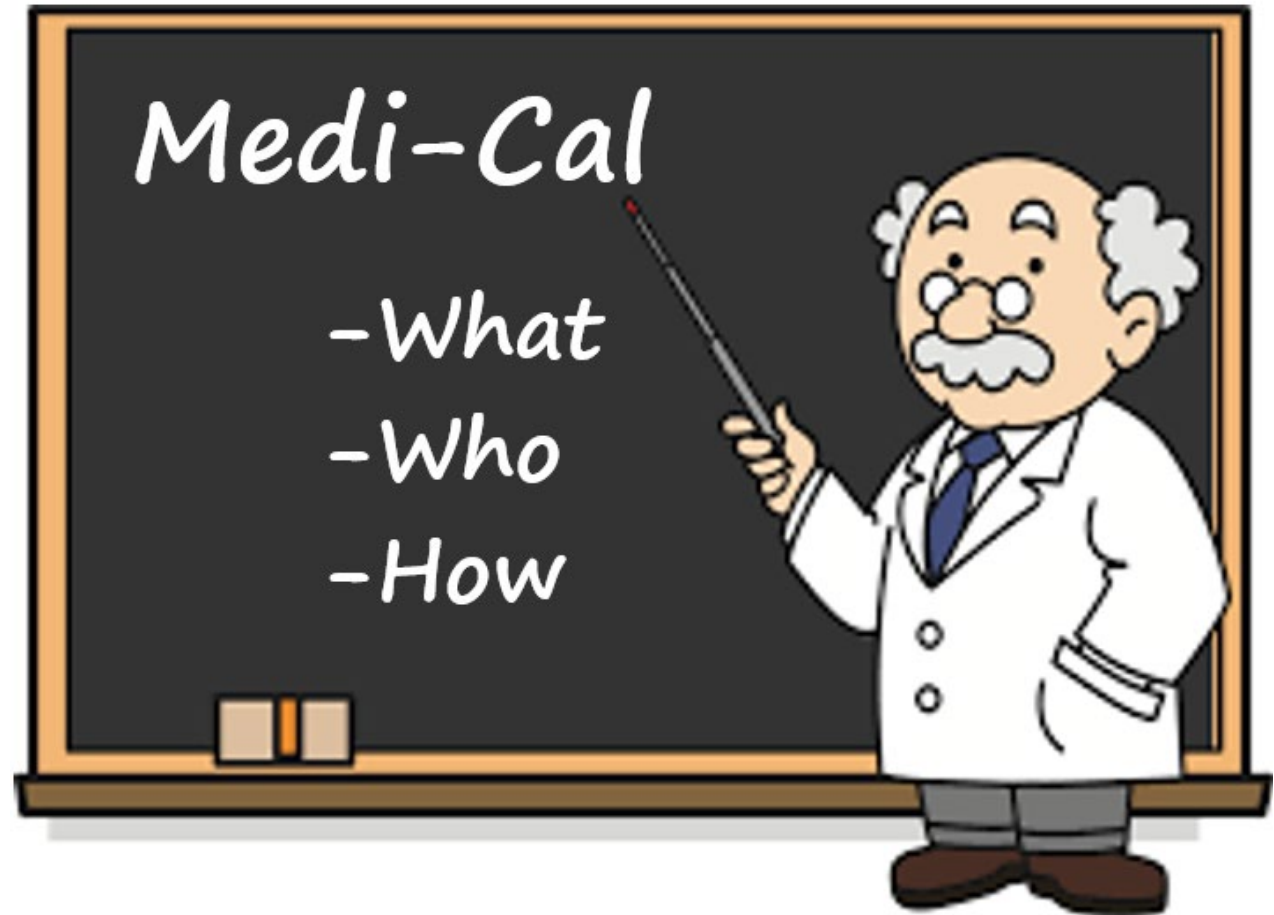
Wilson Tam & Jeanette Fong
California Department of Aging
July 2021

Agenda

- Medi-Cal Basics
- MAC Overview
- MAC Development Process
- MAC Value
- Next Steps



Medi-Cal Basics



What is Medi-Cal?

- **Medi-Cal** is California's Medicaid program.
- **Medi-Cal** is free or low-cost health coverage for children and adults with limited income and resources.
- **Medi-Cal** is a joint program funded through a federal-state partnership.

Who does Medi-Cal serve?



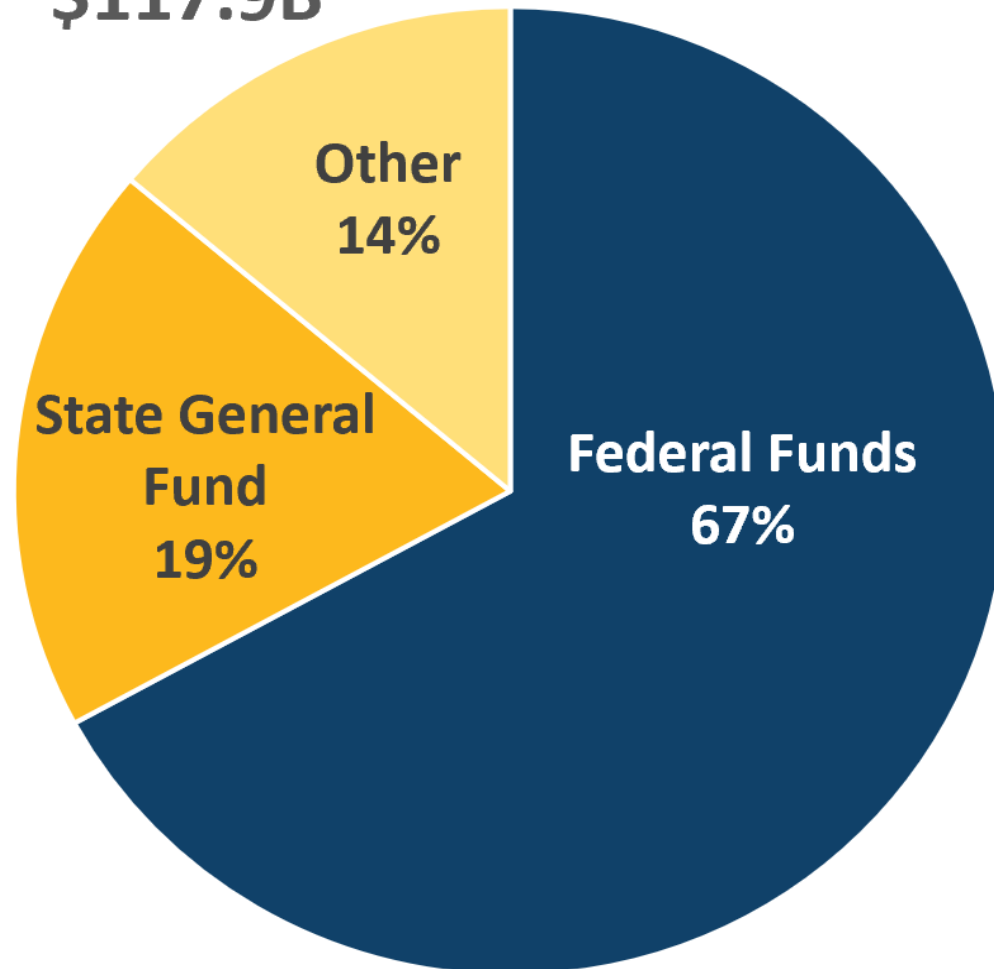
13.3 million Californians

- ✓ 5.4 million children ages 0-20
- ✓ 6.7 million adults ages 21-64
- ✓ 1.2 million adults ages 65+



How is Medi-Cal financed?

FY 2020-21
\$117.9B



- About two-thirds of Medi-Cal spending is from **federal** funds.
- The remaining one third is from **non-federal funds**, including the state General Fund, local matching funds, provider fees, and health plan taxes.

Federal Share

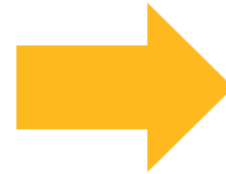
FMAP:

(Federal Medical Assistance Percentage)

The *rate* used to calculate the federal share of state expenditures.



FMAP
(percentage)



FFP
(amount)

State	FMAP	FFP
\$1	50%	50¢
\$1	60%	60¢
\$1	70%	70¢

FFP:

(Federal Financial Participation)

The federal share of a state's expenditures under the Medicaid program.

Role of DHCS

Medicaid State Plan:

- A comprehensive written agreement between the federal Centers for Medicare & Medicaid Services (CMS) and the state.
- Describes the nature and scope of the state's Medicaid program.
- Provides assurances that the state will abide by federal rules to claim federal matching funds.

State Medicaid Agency:

- The single state agency responsible for administering the Medicaid State Plan.
- CA = Department of Health Care Services (DHCS)



Medicaid Claiming

- Medicaid claiming, also known as FFP, is a way federal funds are used to reimburse states for doing work that supports Medicaid programs.
- Title XIX of the Social Security Act authorizes federal grants to states for a proportion of expenditures for:
 - 1) Medical Assistance (health care benefits)
 - ➔ 2) Administration

Medicaid “Administrative” Claiming

The role that No Wrong Door (NWD) Systems/Aging Disability Resource Connections (ADRC) play in assisting individuals with navigating through the maze of long-term services and supports (LTSS) includes many **administrative** functions that are eligible for Medicaid claiming.

**Medicaid Administrative
Claiming (MAC)**



**Medi-Cal Administrative
Claiming (MAC)**

MAC activities are administrative functions, not health care benefits.

MAC Overview



Other MAC Systems in CA

- Counties
- Mental Health Plans
- Schools
- Tribes
- Other special programs

State Authority

SB 453 (Hurtado, 2019)

Welfare & Institutions Code, Section 9123

- (a) The State Department of Health Care Services, in consultation with the California Department of Aging, shall determine if the Medicaid administrative claiming process may be used to fund the No Wrong Door System, or activities associated with the No Wrong Door System, including, but not limited to, **outreach, person-centered counseling, training, program planning, and quality improvement.**
- (b) If the State Department of Health Care Services identifies activities for which the Medicaid administrative claiming process is available, the State Department of Health Care Services may take necessary action to receive the funding to the extent possible.

Federal Authority

Social Security Act, Title XIX, Section 1903(a)(7)

- (a) From the sums appropriated therefor, the Secretary shall pay to each State which has a plan approved under this title, for each quarter, beginning with the quarter commencing January 1, 1966—
- (7) Subject to section 1919(g)(3)(B), an amount equal to 50 per centum of the remainder of the amounts expended during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan.

Administrative Activities Defined

Federal matching funds under Medicaid are available for costs incurred by the state for administrative activities that:

1. Directly support efforts to ***identify and enroll*** potential eligibles into Medicaid
2. Directly support the provision of medical services covered under the state Medicaid plan.

ADRC Activities Eligible for MAC

- Outreach
- Person-Centered Options Counseling
- Facilitating Medicaid Eligibility
- Training
- Program planning
- Quality Improvement

Calculating FFP

Two Basic Concepts:

$$\begin{array}{l} \text{Maximum} \\ \text{Potential for} \\ \text{Reimbursement} \end{array} = \frac{\text{Staff Cost} \times \% \text{ of time spent on MAC tasks}}{2}$$

$$\begin{array}{l} \text{Matching} \\ \text{Funds} \\ \text{Available} \end{array} = \text{Staff Cost} \times \% \text{ of Staff Cost funded by} \\ \text{local funds eligible for match}$$

Cannot match a federal dollar with a federal dollar.

Maximum FFP

$$\begin{array}{l} \text{Maximum} \\ \text{Potential for} \\ \text{Reimbursement} \end{array} = \frac{\text{Staff Cost} \times \% \text{ of time spent on MAC tasks}}{2}$$

EXAMPLE:

Staff Cost = \$100,000

% of time spent on MAC tasks = 20%

$$\boxed{\$10,000} = \frac{\$100,000 \times 20\%}{2}$$

Actual FFP





$$\begin{array}{l} \text{Matching} \\ \text{Funds} \\ \text{Available} \end{array} = \begin{array}{l} \text{Staff} \\ \text{Cost} \end{array} \times \begin{array}{l} \% \text{ of Staff Cost funded by} \\ \text{local funds eligible for match} \end{array}$$

EXAMPLE:

Staff Cost = \$100,000

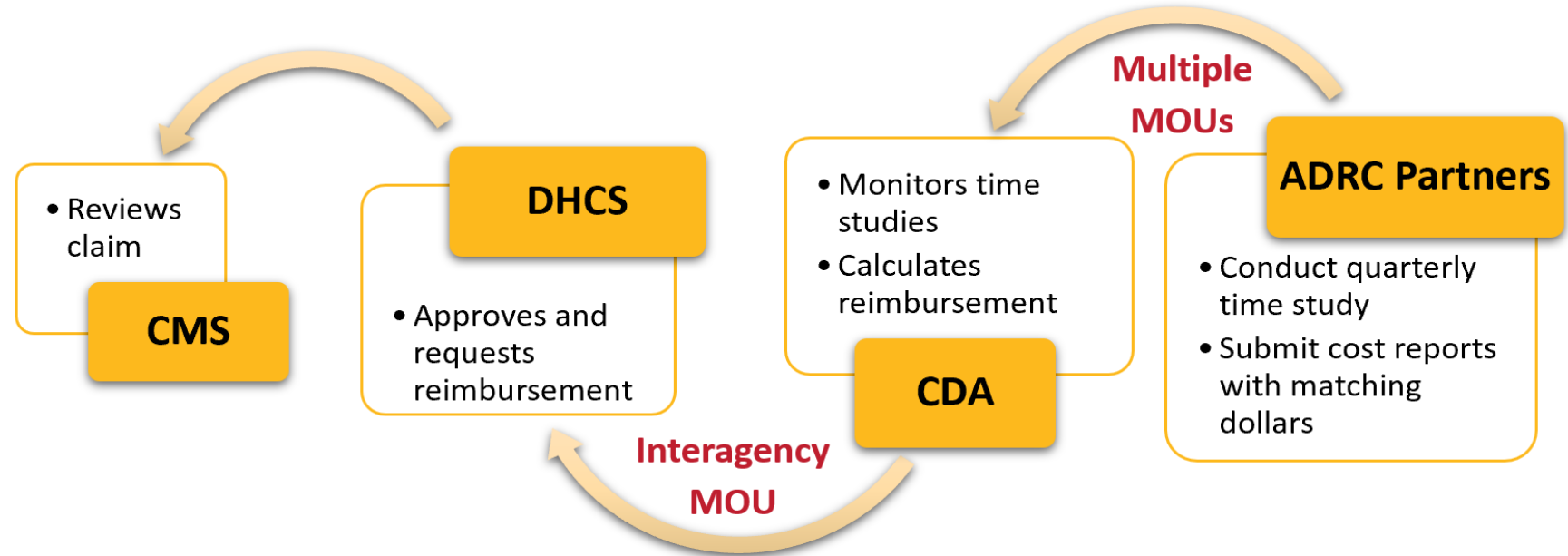
% of time spent on MAC tasks = 20%

Maximum FFP = **\$10,000**

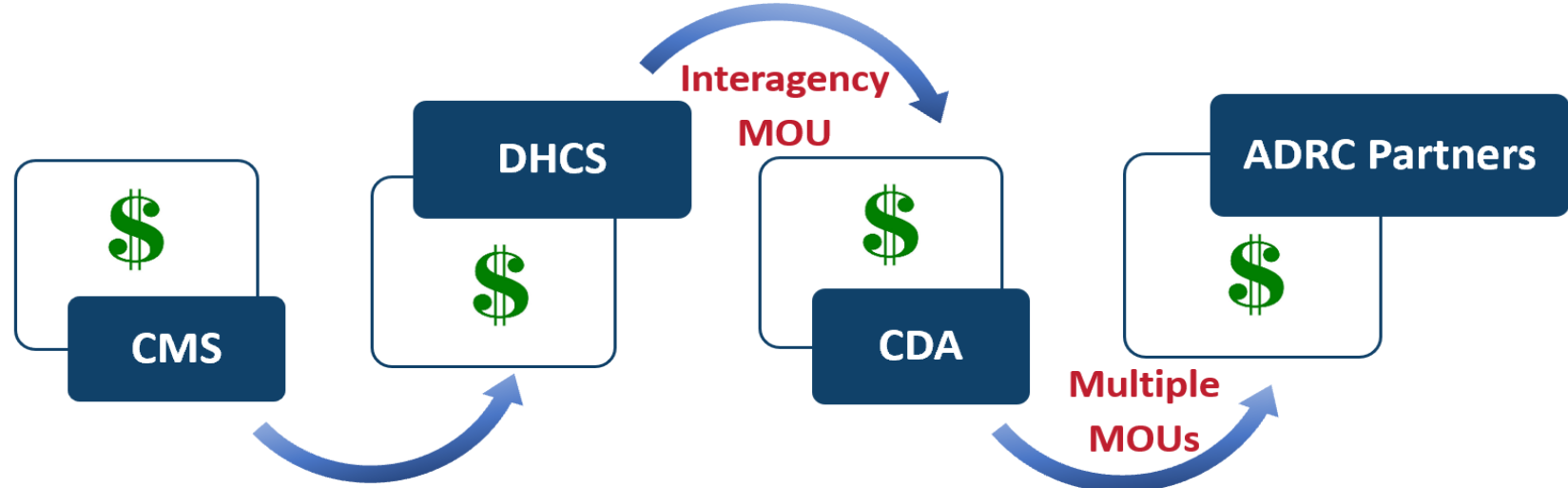
\$0	=	\$100,000	X	0%		Cannot claim anything
\$50,000	=	\$100,000	X	50%		Can only claim \$10,000
\$5,000	=	\$100,000	X	5%		Can only claim \$5,000
\$10,000	=	\$100,000	X	10%		Can claim full \$10,000

Full Implementation

Flow of Claiming Submission:



Flow of Funding:



MAC Development Process



STEP 1

STEP 2

STEP 3

Step 1: Code Development

- Identify activities eligible for MAC.
- Identify local staff who perform MAC tasks.
- Develop codes to classify how staff spend their time:
 - ✓ Medi-Cal related
 - ✓ Non-Medi-Cal related
 - ✓ General administration
- Conduct a **“Code Clarity Pilot”** to test whether the code descriptions are clear to staff and accurately reflect activities performed.

- **Outreach**
- **Person-Centered Options Counseling**
- **Facilitating Medi-Cal Eligibility**
- **Training**
- **Program planning**
- **Quality Improvement**

Step 2: Time Study



- A method for calculating the overall percentage of staff time spent on MAC tasks.
- Each staff that performs MAC tasks participates in quarterly “**time studies**” and documents their time using the developed codes.
- Possible methodology options:
 - ✓ Random Moment Time Survey
 - ✓ 100% documentation (15-minute increments)
 - ✓ Alternative statistical sample

$$\begin{array}{l} \text{Maximum} \\ \text{Potential for} \\ \text{Reimbursement} \end{array} = \frac{\text{Staff Cost} \times \% \text{ of time spent on MAC tasks}}{2}$$

Step 3: Claims Submission

- Establish staff costs and develop the “**cost pool.**”
- Determine the total operational cost of each staff participating in the time study.
- Identify relevant cost categories and reimbursable costs. (See next slide)
- Calculate the amount of FFP based on the percentage of time spent performing MAC tasks and matching state/local funds available.
- Develop, review, and pilot quarterly spreadsheet/invoice for reporting costs.



$$\begin{array}{l} \text{Maximum} \\ \text{Potential for} \\ \text{Reimbursement} \end{array} = \frac{\text{Staff Cost} \times \% \text{ of time spent on MAC tasks}}{2}$$

Examples of Reimbursable Costs

- Salary/Wages
- Fringe benefits
- Indirect costs
- Travel
- Vehicle costs
- Training
- Phone/Telecom
- Postage
- Printing
- Association dues
- Software
- Equipment/Maintenance
- Contractual services (e.g., audit, accounting)
- Outreach

Step 4: Monitoring



State Responsibilities

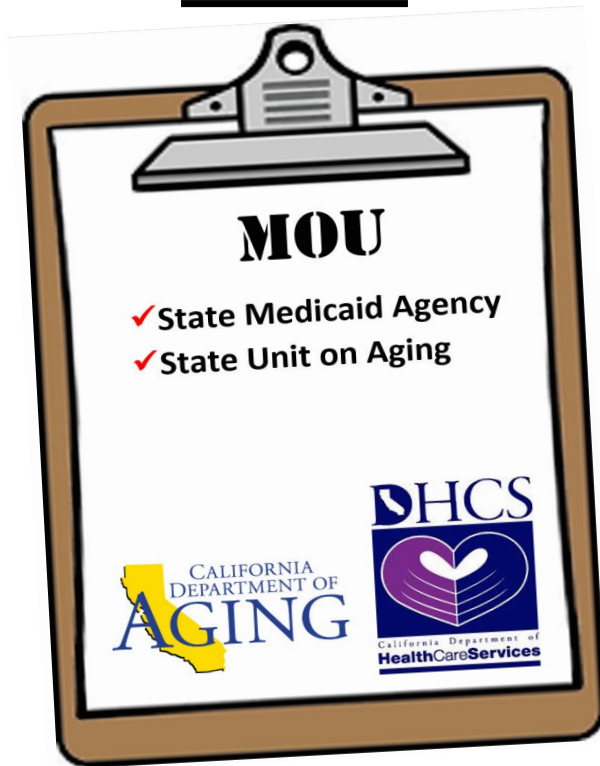
- Oversee the claiming infrastructure
- Conduct training
- Gather and review cost spreadsheets
- Calculate quarterly reimbursements and provide invoices to DHCS
- Disburse reimbursements to local sites
- Conduct quality assurance
 - ✓ Fiscal reviews
 - ✓ Time Study sampling

Local Responsibilities

- Ensure appropriate staff participate in time studies
- Maintain documentation to support time spent performing MAC tasks
- Report and track all state and local dollars allocated towards supporting activities outlined in reimbursable task codes and the staff performing them
- Ensure accurate and timely completion of quarterly fiscal spreadsheets

Step 5: Contractual Agreements

State



Describes and defines the relationship between **DHCS** and **CDA** and the scope of activities

Local



Describes and defines the relationship between **CDA** and **ADRCs** and the scope of activities

Step 6: Federal Submission Packet

- Codes
- Time Study Methodology
- Cost Allocation Methodology
- Contractual Agreements
- Quality Oversight
- Trainings
- Spreadsheet/Invoice templates



Estimated Timeline

IMPLEMENTATION
JULY 1, 2024



2021			2022				2023				2024	
Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
ADRC MAC Overview	Code Development	Code Clarity Pilot	Time Study Methodology Development		Time Study	Time Study Analysis	Monitoring Development	November Estimate		May Revise Estimate		
					Claims Submission Process Development		DHCS Statewide Cost Allocation Plan		Local MOU (CDA-ADRC)	State MOU (CDA- DHCS)		
Local Guidance Manual											Mock Quarterly Submission	Mock Quarterly Submission
Federal Submission Packet											CMS Review & Approval	

CMS SUBMISSION
DEC 31, 2023

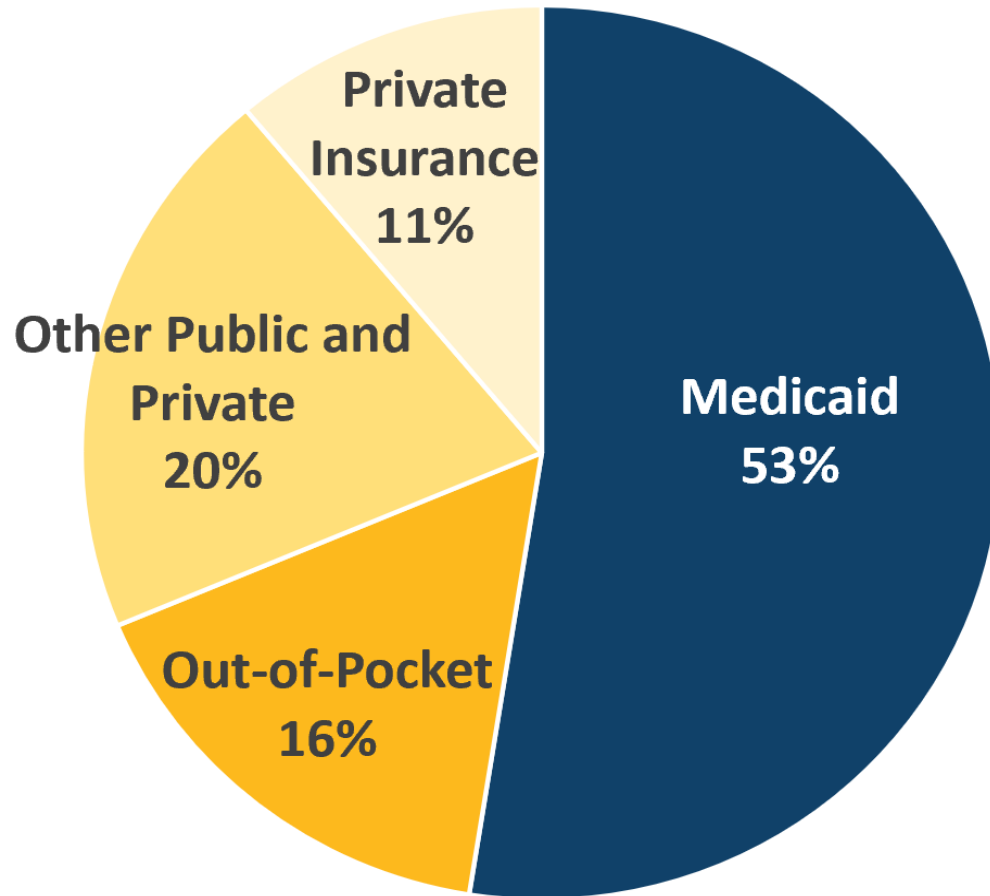


MAC Value



Medicaid is the Primary Payer of LTSS

Nationwide LTSS Spending by Payer (2018)

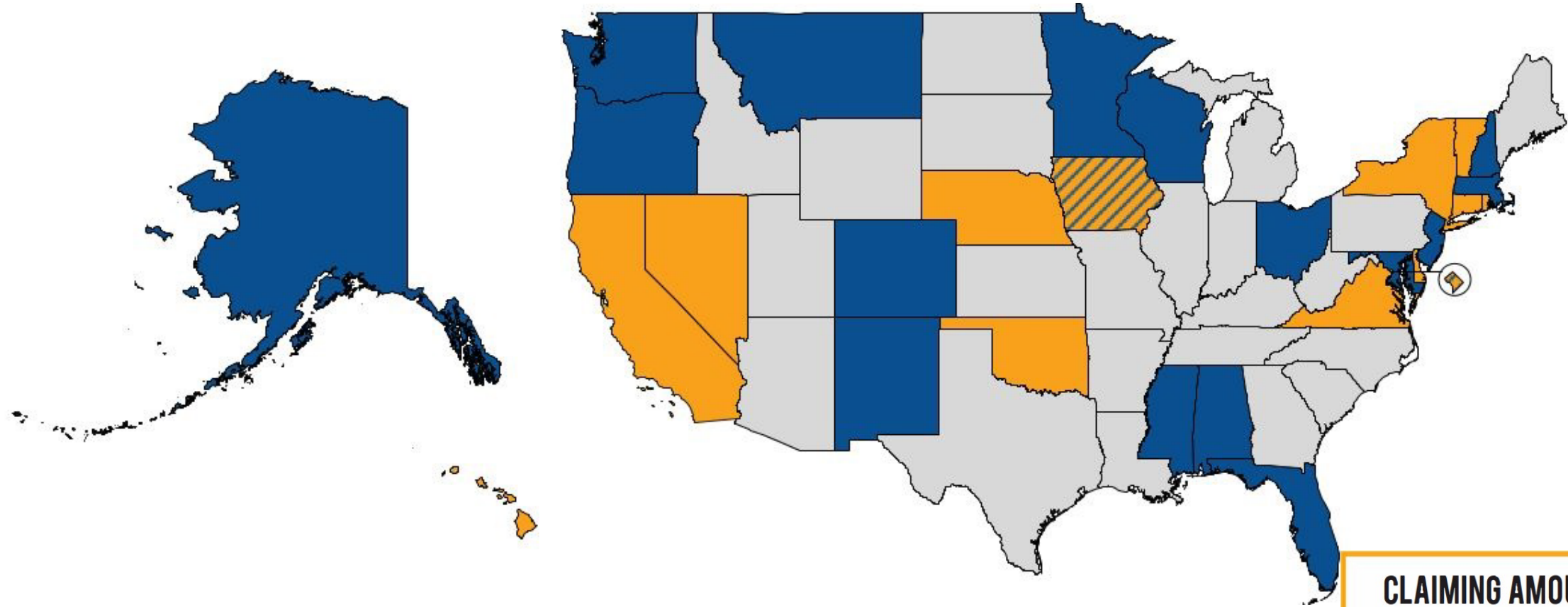





- Medicaid continues to be the primary source of coverage for LTSS
- In 2018:
 - ✓ National LTSS Spending = \$379B
 - ✓ Medicaid LTSS Spending = \$196.9B

What is the value in MAC?

- Is an avenue for sustaining and supporting the ADRC/NWD System
 - ✓ Ongoing source of funding
 - ✓ No cap on federal or state spending
 - ✓ Once approved, funding will continue
- Strengthens the case for state and local funding
 - ✓ Reinforces that local agencies are a core infrastructure supporting the Medicaid program
- Demonstrates that the ADRC/NWD network promotes self-sufficiency, independence, and community living
- Does not require major changes to regular operations
 - ✓ Staff already do the work!

MAC Nationwide



-  **16 Currently Claiming** (AL, AK, CO, FL, MA, MD, MN, MS, MT, NH, NJ, NM, OH, OR, WA, WI)
-  **11 Planning** (CA, CT, DC, HI, NE, NV, NY, OK, RI, VA, VT)
-  **1 Pending CMS Approval** (IA)

**CLAIMING AMOUNTS
FOR MOST STATES**

**\$500,000–
\$2,000,000**
per year



Next Steps

- Q3 2021 – Code Development
- Solicit input and participation from local staff for code development and testing



Thank You

Questions?

