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¹ California Department of Health Care Services (DHCS), "Random Moment Time Survey (RMTS) Methodology Plan Guidelines for Local Educational Consortia and Local Government Agency for School-Based Medi-Cal Administrative Activities," PPL 11-007, June 6, 2011, [Update: although this PPL was later rescinded, DHCS is still believed to be considering RMTS as its preferred methodology for California.]

² Paradigm staff reviewed RMTS State Plans and spoke with representatives from health and education agencies in the following states: Arkansas, Arizona, Illinois, Indiana, Kansas, Missouri, New Mexico, North Carolina, Ohio, South Carolina, and Texas.

National Study of RMTS

August 2011 Policy Brief with New Foreword

Foreword

Since the first Random Moment Time Survey (RMTS) claim plan was approved by the federal Centers for Medicare and Medicaid Services (CMS) for the Los Angeles Unified School District in 2010, the California school Medi-Cal Administrative Activities (MAA) program has undergone significant changes.

In June of 2012, CMS asked the state of California to re-evaluate and certify unpaid school MAA claims and to change the claiming methodology used for the reimbursement program. While CMS subsequently approved interim claiming with a weekly survey for each quarter of 2012/13, DHCS continues to work with CMS and other key stakeholders to approve a new claiming plan for the school MAA program. The events of the past two years suggest that RMTS will likely be an option for participating schools in the near future.

In the coming months, Paradigm will publish several RMTS-themed policy briefs. These briefs will focus on key features or questions raised from the analysis of other state RMTS plans and federal audits, including: managing the program, audit compliance, and quality assurance measures. It is important to clarify that these publications are not guidance on California's current plan, but rather reference materials for local and regional agencies who are already thinking ahead to implementation of RMTS.

To kick-off the RMTS series, we are reissuing our national RMTS study. Originally published in August of 2011, this brief highlights the positive administrative and fiscal effects of RMTS as reported by various state representatives.

Policy Brief: National Study of RMTS, August 2011

Over the past five years, California school districts have received more than \$100 million annually for school-based administration of Medi-Cal. One of the key components used to calculate these reimbursements is the percentage of staff time spent performing Medi-Cal Administrative Activities (MAA).

[In 2010], Los Angeles Unified School District (LAUSD) began using a new method for determining staff time percentages. This methodology, called random moment time survey (RMTS), has been used in other states even as long as ten years. As announced last June, California is currently exploring increased use of RMTS starting in fiscal year 2012/13.¹

To help California plan a smooth transition to the increased use of RMTS, Paradigm's Policy and Research Division has investigated the experiences of 11 other states with this methodology.² In sum, all reports were positive. Funding has tended to remain the same or grow, as any decreases in reimbursable time have been more than offset by increased

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participation.³ The following explains how RMTS works in concept, and summarizes the opportunities and challenges of RMTS.

RMTS in Concept

States administer RMTS by establishing pools of participating personnel, and collecting documentation of individuals' activities at specific "moments" throughout a fiscal quarter. In their documentation, participants answer a short series of questions. Their responses enable coders to determine whether the participant's documented actions fit the criteria for reimbursement through the MAA program.

Using the established participant pool, moments are generated at random, as are the assignment of moments. By design, some participants may not be required to complete a sample moment. However, all participants' costs are factored into the resulting MAA invoice. As confirmed during our study, this method generally results in increased reimbursements.

Reported Benefits of RMTS

State representatives unanimously reported positive administrative and fiscal effects by using RMTS. The common theme was that this time survey methodology reduced the administrative burden for both their agencies and LEAs. Praise for the increased ease of utilizing the RMTS methodology versus traditional methods ranged from very pleased (Texas) to spectacular (Virginia). The state of South Carolina, which has used a random moment survey for 10 years, reports that their LEAs would be likely to resist using any other method.

All states reported that as a result of RMTS, LEAs have been able to expand their participation for administrative funding, obtain better documentation from staff, and strengthen the overall quality of their regulatory and audit compliance. The combination of these factors has led to positive fiscal impacts.

Isolating and measuring the specific fiscal effects of RMTS has been a challenge for the states that were studied. Many states implemented RMTS in conjunction with other changes. (Texas changed to mandatory LEA claiming, New Mexico began capturing applicable indirect costs, and responsibility for Ohio's program moved to a different state agency.) Additionally, prior to RMTS, two states had compliance issues and did not consider their previous claim amounts accurate for comparison with current performance.

Representatives from four states were able to provide estimates on claiming totals:

- Illinois, North Carolina, New Mexico, and Texas indicated that their total claim amount increased. Texas estimated a 10% increase in total reimbursement. North Carolina reported that claim amounts increased, largely from expanded participation.
- All states reported that fiscal effects on individual LEAs varied (any decreases were usually expected and accompanied by participation issues that existed prior to the use of RMTS).

³ According to Paradigm's statistician, RMTS claiming amounts remain equivalent when a 50% decrease in reimbursable time is accompanied by a 100% increase in total costs.

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In general, the states studied by Paradigm reported great satisfaction with RMTS due to easier, more stable, and audit-ready claiming. States that experienced recent decreases in claiming amounts, Virginia and South Carolina, noted this was most likely due to funding of activities through ARRA and other federal dollars. These funding sources are ineligible for reimbursement.

Reported Challenges

The primary challenges reported for RMTS include pooling participants effectively across LEA boundaries and determining consequences for any LEAs that failed to meet State Plan participation requirements. Most of the states studied, which were much smaller than California in size and number of LEAs, used statewide pooling of district participants. Two of the studied states, Missouri and North Carolina, have allowed LEAs to participate either individually or through regional or vendor pools.