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1. Read the previous policy briefs in Paradigm's RMTS series: [National Study of RMTS](#) (released with a new foreword in January 2013), and [Assessing Audit Compliance in a RMTS Program](#) (February 2013).
2. The single universe state plans reviewed for this brief include Vermont (2011 claiming guides), Montana (2012 claiming guides), and Arkansas (2006); the multiple universe plans included: Arizona (2012), Colorado (2010), Illinois (2010), Indiana (2011), Kansas (2011), Ohio (2008), Texas (2010), and Wisconsin (2009).

RMTS Sample Universes

Does a Split Universe Make Sense for California?

Overview

Since June of 2012, the California Department of Health Care Services (DHCS) has been negotiating the details of a new school Medi-Cal administrative claiming plan with the federal Centers for Medicare and Medicaid Services (CMS). As part of our ongoing series on the random moment time study (RMTS) method, this policy brief takes a look at the sample universe component of a RMTS program from the California perspective.¹

Sample Universes

RMTS is administered by establishing pools of participating personnel and collecting documentation of individuals' activities as specific moments throughout a fiscal quarter. Pools of participants are often, but not always, split into multiple universes (herein referred to as a "split universe"). The most common split is by staff type: health service providers and non-health service providers.

Each sample universe and its associated cost pools are mutually exclusive, meaning a participant cannot be included in more than one universe and each universe must sample the minimum number of moments to meet statistical validity.

Other State RMTS Plans

A review of other state RMTS plans for administrative activities programs reveals that while those using RMTS for both their administrative activities and direct billing programs have multiple universes (a necessity to ensure separate cost pools for direct services staff and non-direct services staff), states that use a fee-for-service direct billing program similar to California's LEA Billing Option program tend toward a single universe.²

A California Perspective on Split Universes

A split universe raises several issues for California to consider, including an added administrative burden and audit risk, a limitation of districts capable of operating their own RMTS programs, and an underlying lack of necessity.

Administrative Burden and Audit Risk

At a minimum, a split universe doubles the total number of moments that must be collected and coded to meet statistical validity and calculate the percentage of time spent on reimbursable activities. RMTS administrators must separately track and maintain participant

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data according to a range of specifications for inclusion in a given universe, including current credential and licensing statuses.

In addition to increased program management time, the process of ensuring that the right staff are included in the correct universe at all times adds a new audit risk. A review of recent Office of Inspector General (OIG) school Medicaid administrative program audits highlight the difficulty of this task; four out of five programs reviewed by the federal agency were cited with inaccurate or unallowable administrative costs included in their administrative cost pool.³

Limiting Independently-Run RMTS

Our projections suggest that employing a single universe system could more than triple the total number of California school districts capable of administering independently-run RMTS programs.

In order to average 16 moments per participant each quarter, a measure by which RMTS is considered an attractive option for most districts, a minimum of 150 participants *per universe* is required. Experience indicates that a district-wide enrollment of 15,000 students can conservatively expect to yield 150 eligible program participants.

Based on this formula, state-wide student enrollment data can be used to estimate the total number of districts likely to have enough program participants to administer split and single universe systems.⁴

	10-14.9K Student Enrollment	15-29.9K Student Enrollment	>30K Student Enrollment
Total Number of Districts	59	73	33
Split Universe Eligible	-	-	X
Single Universe Eligible, Conservative	-	X	X
Single Universe Eligible, Liberal	X	X	X

This means that only 33 districts would have the enrollment required to administer either a split or single universe RMTS system. An additional 132, however, would be able to administer a single universe system, with 73 of them doing so very easily.

It is clear that a single universe system will provide California school districts with greater access to the benefits of RMTS and more choice when determining the most efficient and effective management structure for their district.

Lack of Necessity

Although employing a split universe is required for states utilizing RMTS for both the administrative claiming and direct services programs, this does not appear to be necessary for California. The LEA Billing Option program already includes a cost reconciliation component which ensures reimbursement does not exceed a provider's actual cost -- the primary driver behind employing RMTS for a direct services program -- rendering the

3. Paradigm Healthcare Services, [Assessing Audit Compliance in a RMTS Program](#), pg. 2, February 2013.

4. Demographic data pulled from the [California Department of Education \(CDE\) website](#).

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practice of a split universe for California's administrative claiming program both unnecessary and risky.⁵

Conclusion

It is our opinion that California must devote considerable thought before obligating school districts to the additional administrative burdens, limitations, and audit risks that accompany mandating multiple sample universes in a school Medicaid administrative claiming program.

5. California's transition to CPE, initiated in the 2006 SPA 03-024, was a long and bumpy road. The related claims processing issues are detailed in the [DHCS Reports to Legislature in 2009-2012](#), pg. 3-4.

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