Arizona Medicaid School-Based Claiming Frequently Asked Questions

What is the role of AHCCCS in School-Based Claiming?

Arizona Health Care Cost Containment System (AHCCCS) operations are funded substantially from federal, state, and county resources**.** AHCCCS is the agency that develops the policies and administers the Medicaid School-Based Claiming (MSBC) Program through a third-party administrator (currently, the Public Consulting Group or PCG) and in collaboration with the Arizona Department of Education. AHCCCS is the only entity that may submit claims to the federal agency (Centers for Medicare and Medicaid Services or CMS) to receive federal financial reimbursement for allowable Medicaid costs.

What is a "third-party administrator?"

AHCCCS contracts with a single entity or organization to act as a third-party administrator to:

- Develop a participation agreement for a Local Education Agency (LEA) to sign that includes the requirements for the Medicaid School-Based Claiming (MSBC) program.
- Serve as the single point of contact for LEAs that are either interested in participating or are participating in the MSBC.
- Help LEAs prepare appropriate claims under the Medicaid program.
- Ensure that the medical program pays only for appropriate Medicaid activities and that such activities are carried out effectively and efficiently.
- Protect the fiscal integrity of the Medicaid program by clearly articulating the requirements for the MSBC program.
- Help ensure consistency in the application of federal school-based claiming requirements.
- Assist in the implementation of operational and oversight functions.
- Educate all LEAs throughout the state about Medicaid School-Based Claiming.
- Train and provide technical assistance to all participating LEAs.
- Perform certain key claims functions related to the submittal and payment of LEA claims, such as the administration of the random-moment time study (RMTS) and cost collection.
- Distribute LEA payments; and
- Conduct compliance reviews of all participating LEAs.

Currently, the Public Consulting Group (PCG) holds the contract with AHCCCS to serve as the third-party administrator for the Medicaid School-Based Claiming program.

What is the Direct Service Claiming (DSC) program?

The purpose of the DSC program is to allow Local education agencies (LEAs) to receive reimbursement for the cost of providing Medicaid-covered medical services to Title XIX (Medicaid) eligible students. Medicaid reimbursements to LEAs are based on actual costs of providing Medicaid-allowable services to students, rather than a defined claims fee structure.

Effective October 1, 2021, AHCCCS is expanding the MSBC program beyond the Individualized Education Program (IEP) to include other medical plans of care including Individualized Family Service Plan (IFSP), 504 Plan, other individualized health or behavioral health plan, or where medical necessity has been otherwise established.

What are reimbursable activities in the Direct Service Claiming (DSC) program?

AHCCCS Administration, in accordance with the signed Intergovernmental Agreement between AHCCCS and the Arizona Department of Education, shall provide direct Medicaid reimbursement for certain Medicaid services provided by a participating Local Education Agency (LEA). A LEA is a public school district, a charter school not sponsored by a school district and the Arizona School for the Deaf and Blind. Medicaid 1905(a) benefits can be furnished to Medicaid enrolled student beneficiaries that require medical or mental/behavioral health services identified as medically necessary in an IEP, IFSP, 504 Plan, other individualized health or behavioral health plan, or where medical necessity has been otherwise established.

- Speech-Language Pathology Services
- Occupational Therapy Services
- Physical Therapy Services
- Nursing Services
- Specialized Transportation Services
- Behavioral Health Services
- Personal Care Services
- Audiology Services
- Physician Services

All reimbursable services must meet the service definitions as described in the AHCCCS Medical Policy Manual (AMPM) and the AHCCCS Fee-For-Service Provider Manual. These services must be:

a) Ordered or prescribed by a qualified provider in accordance with the AHCCCS AMPM.
b) The services must be delivered in accordance with the IEP, IFSP, 504 Plan, other individualized health or behavioral health plan.

c) The services must be provided by a qualified provider who is employed or under contract with the LEA.
d) The provider must meet all applicable federal and state licensure and certification requirements and have a valid AHCCCS Provider Identification Number for the date the service was rendered.
e) The services must be properly documented; and
f) The student must be AHCCCS enrolled.

What is the Medicaid Administrative Claiming (MAC) program?

The purpose of the Medicaid Administrative Claiming (MAC) program is to allow LEAs to receive reimbursement for Medicaid administrative outreach activities that are done routinely within the school setting.

What is the Random-Moment Time Study (RMTS)?

The quarterly Random-Moment Time Study (RMTS) is an integral part of the Medicaid School-Based Claiming (MSBC) program as it is used to determine how much time is spent on Medicaid-allowable activities for both Direct Service Claiming (DSC) and Medicaid Administrative Claiming (MAC) programs. Specifically for DSC, RMTS is used to determine how much time direct service and personal care providers spend doing Medicaid-related services. For MAC, the RMTS is used to determine the amount of time direct service and administrative staff spend performing administrative and outreach activities that support the proper and efficient operation of the state Medicaid program. LEAs are only reimbursed for the costs of those staff that are included in the RMTS.

The LEA's DSC reimbursement will be calculated annually through the annual cost report. Factors that determine the reimbursement amount for the LEA are the cost of providing health-related services; the percent of time spent doing allowable Medicaid direct services (RMTS results); the unrestricted indirect cost rate; the IEP, IFSP ratio and Other medical plans of care ratio (504 Plan, other individualized health, or behavioral health plan;) and the federal medical assistance percentage (FMAP).