

**MEDICAID ADMINISTRATIVE CLAIMING (MAC)  
FREQUENTLY ASKED QUESTIONS**

Updated: January 2015

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**General**

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**What are the eligibility requirements to participate in the school-based MAC program?**

Response: The school-based MAC program is designed to reimburse Texas school districts, including public charter schools, for the costs related to health administrative activities that support the Medicaid program. An eligible school must meet eligibility as defined by Code of Federal Regulation Title 42, Part §433.50 regarding a governmental entity.

Additionally, HHSC requires the district to have a Texas Provider Number (TPI) and/or a National Provider Number (NPI).

**How can a school district begin participating in the school-based MAC program?**

Response: In order to participate in the school-based MAC program, Texas school districts, including public charter schools, must first enter into a MAC Intergovernmental Cooperation Agreement and a Data Use Agreement (contract) with the Health and Human Services Commission (HHSC). In addition to the contracting process, each district must also meet HHSC training requirements and participate in the Random Moment Time Study (RMTS). The RMTS includes the certification of the participant list and participation in the time study.

All participation documents can be found on the HHSC MAC website.

**When is the deadline to begin participation in the school-based MAC program for a given school year?**

Response: All participation documents must be approved and a MAC contract must be executed prior to the close of the RMTS participant list for the quarter in which the district wishes to claim. The effective date (execution date) of the MAC contract is the date signed by the designated HHSC contact.

Districts that are interested in participating should consider beginning the process as soon as possible, as it may take a couple of months to complete all paperwork and training requirements.

**What is an HCAT?**

Response: The word HCAT stands for Health and Human Services Contract Administration and Tracking. An HCAT number is a contract number that is issued to a district after a contract between the district and HHSC is fully executed.

**Should participation documents be resubmitted annually?**

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Response: Fully executed contracts remain effective for five years, unless terminated by the contracting entity or by HHSC. The entity is responsible for keeping all contact information up-to-date and must adhere to all policies and procedures as directed by HHSC.

**How do we update our bank information for the MAC program?**

Response: The district must submit a new Vendor Direct Deposit Form if its financial institution, account number, and/or account type changes. The form should be submitted to the HHSC MAC Unit. The direct deposit form does not update your payment information on file for the School Health and Related Services (SHARS) program. Please consult the SHARS rate analyst for information on how to update direct deposit information for the SHARS program.

**How often is the MAC Program Operating Plan required to be resubmitted to HHSC?**

Response: Once a MAC Program Operating Plan (POP) has been approved, the district is required to update the State of Texas Automated Information Reporting System (STAIRS) as program contacts change. However, the district is not required to resubmit the MAC POP.

**Can an ISD MAC contract be terminated?**

Response: As stated in the Intergovernmental Cooperation Agreement, the MAC contract may be terminated by consent of either HHSC or the ISD upon thirty (30) days notice in writing delivered in person or by certified mail to HHSC. The termination letter must be signed by a contact from the district who can legally bind the district.

**What is STAIRS?**

Response: STAIRS stands for the State of Texas Automated Information Reporting System, formerly known as Fairbanks. The district will use STAIRS for the RMTS, MAC financial, and SHARS programs. STAIRS demonstrations are given during the training webinars.

**Who do I contact if I have questions regarding the MAC program and/or MAC financials?**

Response: All inquiries concerning the MAC program and/or financials can be addressed to the HHSC MAC Unit by phone: (512) 462-6200 or by email: [MAC@hhsc.state.tx.us](mailto:MAC@hhsc.state.tx.us).

**Who do I contact if I have questions regarding the time study and/or participant list?**

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Response: All inquiries concerning the time study and/or participant list can be addressed to the HHSC Time Study Unit by phone: (512) 730-7403 or by email: [timestudy@hhsc.state.tx.us](mailto:timestudy@hhsc.state.tx.us).

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**Training**

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**Is MAC Financial training mandatory?**

Response: Annual MAC Financial training is mandatory for all ISDs that wish to participate in the MAC program. Only trained MAC Financial Contacts will have full access to the MAC financials; all untrained contacts will have view only access in STAIRS.

**Who is required to go to MAC Financial training?**

Response: At a minimum, the MAC Financial Contact who will prepare the online MAC quarterly financials must attend the training.

It is the responsibility of each ISD to ensure one or more of their designated MAC Financial Contacts attends required training. HHSC strongly recommends at least two trained MAC Financial Contacts to ensure compliance should employee turnover occur.

**How often do I have to attend training?**

Response: ISD contacts must attend the required training for each federal fiscal year (FFY). A FFY is defined as October 1 through September 30. Training is from FFY to FFY and is not retroactive.

**Can the Random Moment Time Study (RMTS) training count as my “MAC Financial training” since it includes a MAC overview?**

Response: No. The MAC Financial training is much more extensive and detailed than the MAC overview component of the RMTS training. Annual MAC Financial training is mandatory for all ISDs that wish to participate in the MAC program.

**What are the eligibility requirements for initial and refresher MAC Financial trainings?**

Response: MAC Financial contacts who have never attended and received credit for MAC Financial training must attend an initial training. Participants who have attended an initial MAC Financial training and received credit may attend either initial or refresher MAC Financial training. Please refer to the HHSC MAC website for additional details.

**Where can I find more information regarding training?**

Response: Please refer to the HHSC MAC website to obtain the training schedule, material, registration, and additional information regarding training.

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**MAC Financials**

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**What are the MAC financial quarters?**

Response: Like RMTS, the MAC program operates on a federal fiscal year (FFY) which starts on October 1 of any given year and goes to September 30 of the following year.

Quarter 1 – October, November, December

Quarter 2 – January, February, March

Quarter 3 – April, May, June

Quarter 4 – July, August, September

**How long does the district have to file a MAC financial claim?**

Response: According to the Intergovernmental Cooperation Agreement, all financial expenditure data must be submitted to HHSC via STAIRS within 2 quarters of the end of the claim period, in order for the ISD's claim to be calculated.

However, the MAC financial quarter will close according to the scheduled timeline. If a district is unable to enter and certify the financials prior to the close of the quarter, the district must contact HHSC to request that the quarter be reopened. This will be done on a case-by-case basis.

**How can a district request a change to a submitted or closed MAC financial claim?**

Response: Provider-initiated amendments and/or adjustments to a closed or submitted MAC financial quarter may be requested. Requests should be sent to: [MAC@hhsc.state.tx.us](mailto:MAC@hhsc.state.tx.us) and must include a reason for the request. Requests will be handled on a case-by-case basis.

**Who can we report on the MAC financial claim?**

Response: The school-based MAC program is designed to reimburse Texas school districts, including public charter schools, for the costs related to health administrative activities that support the Medicaid program. The district is eligible to claim all providers who perform MAC activities. If the district cannot identify a provider as performing a MAC activity, the district should not report that individual's cost on the MAC financials. If the individual is a direct medical service provider for the School Health and Related Services (SHARS) program, the district should not remove the provider from the participant list.

The districts should be cognizant of what MAC activities the providers perform in the school in order to report costs appropriately. Thus, it is essential that the MAC Financial Contact coordinate with the Random Moment Time Study (RMTS) Contact and all key stakeholders to identify the individuals on the participant list for which costs can be

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reported for the MAC financials. To assist the school districts in identifying MAC activities, a list of MAC examples have been posted on the HHSC MAC website. For additional information, please refer to the “Timestudy Implementation Guide” found on the HHSC MAC website.

**Can we report costs for a new employee that comes on board as a provider during the quarter?**

Response: If the employee is hired to fill a position that was reported on the district’s participant list, the new employee’s costs can be claimed. The new employee’s costs cannot be claimed if he or she was hired to fill a position that was not included on the district’s participant list.

**If we contract with an entity for Occupational Therapist services, and they send out their employees at random, do we show the contracted entity as 1 participant?**

Response: This depends on the number of positions the district has arranged with the contractor, i.e. one position with multiple people filling the position, two positions, etc. The district must be able to reconcile all costs and keep track of all positions reported. The district should verify with the HHSC RMTS team to ensure the correct number of positions are listed on the participant list.

**Can stipends and bonuses be reported on the MAC financial claim?**

Response: Yes, stipends and bonuses can be reported on the MAC financials as they are considered a direct cost to the ISD. Stipends are subject to payroll taxes, and should be included with the employee's other salary amounts and reported as wages/salaries on the MAC financials. Likewise with a bonus, if it is included as part of the participant’s gross wages/salaries, the cost can be reported on the financials.

**Can TRS "on behalf of" retirement payments be reported?**

Response: No. Only actual costs (true expenditures) incurred by the school district can be reported. On behalf payments are payments made by the district on behalf of the employee such as life insurance, child care, etc. These costs are usually reduced from the employee's wages; and therefore, are not a district’s expense and cannot be claimed on the cost report.

**What costs can be reported for Reimbursing Employers for state unemployment?**

Response: A school district cannot report the amounts that the district sets aside each month for payment of unemployment claims. Only the amounts actually paid for claims for providers listed on the participant list are allowed to be reported as costs on the MAC financials for a reimbursing employer.

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### **Who is permitted to sign the Quarterly Summary Invoice (QSI)?**

Response: The QSI required for the MAC financials must be signed by an employee of the district with signature/legal authority for the conduct of the district, examples include: Chief Executive Officer, Chief Financial Officer, Executive Director, Superintendent, etc. The individual that signs the QSI does not need to have received training credit; however, it is beneficial for that person to attend training in order to understand the document/information being signed. The QSI is a legally binding document.

School districts that participate in a Shared Service Arrangement or Cooperative must each submit the QSI with a district employee signature. Fiscal agents are only authorized to sign the QSI for their district; fiscal agents cannot sign the QSI on behalf of member districts. In addition, vendors and contractors completing the financials are not permitted to sign the QSI.

### **How can our district obtain an Indirect Cost Rate?**

Response: With the exception of the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf, indirect cost rates are issued by the Texas Education Agency (TEA). For more information on indirect costs rates, including how to request an indirect cost rate, contact the Division of Federal Fiscal Compliance and Reporting by phone: (512) 463-9127 or by email: [compliance@tea.state.tx.us](mailto:compliance@tea.state.tx.us). State schools should contact the HHSC MAC team by phone: (512) 462-6200 or by email: [MAC@hhsc.state.tx.us](mailto:MAC@hhsc.state.tx.us).

### **Please explain the 5% retention amount found on the claim calculation step as well as on the QSI?**

Response: As stated on the Intergovernmental Cooperation Agreement (contract) the district signed to participate in the MAC program:

*“HHSC agrees to pass through to the ISD no less than ninety-five percent (95%) of Title XIX federal share of actual and reasonable costs for Medicaid Administration provided by its staff for Medicaid administrative activities under this agreement. HHSC reserves the right to retain five percent of the Title XIX federal share of actual and reasonable costs for said Medicaid administration for HHSC’s own administrative costs, technical assistance and to establish and maintain an audit reserve fund. These costs shall be based upon a time accounting system which is in accordance with the provisions of OMB Circular A-87 and 45 CFR 74 and 95, the expense and equipment costs necessary to collect [data], disseminate information and carry out the staff functions outlined in this Agreement.”*

### **What are MAC reimbursements?**

Response: The MAC reimbursements are Title XIX funds, and are known as Medicaid administrative reimbursement funds. The MAC reimbursement payments received from

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Medicaid Administrative Claims CFDA #93.778 are subject to the Single Audit Act. The reimbursement funds replace funds already expended for the quarter for costs entered into the MAC financial claim.

**Are there restrictions to how the MAC reimbursements can be used?**

Response: Revenue generated from MAC claims is dedicated to the provision of health services and may be used to enhance, improve or expand the level and quality of health and medical services provided to all students within the district.

The intent of the MAC program was and is to enhance the Medicaid program and as such should be used as much as possible to do so. The district must be able to justify how this project will enhance or improve the MAC services at the district.

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**Shared Service Arrangement/Cooperative**

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**My district is a member of a SSA/Co-Op. How do I know what my shared costs are for the quarterly MAC financial claim?**

Response: The shared services arrangement (SSA) or cooperative (Co-Op)'s fiscal agent is responsible for allocating each member district's costs as appropriate. Most SSAs/Co-Ops will allocate the costs based on each member district's percentage of contribution to the budget.

**My district is the fiscal agent of a SSA/Co-Op. Is it mandatory to allocate shared costs to the member district based on budget contribution alone?**

Response: No. Allocation of costs based on budget contribution is only one way in which a fiscal agent may choose to allocate costs.

Note: Allocation methodologies used to distribute shared costs to member districts of an SSA or Co-Op and included on the MAC financial claims are subject to audit and must be documented and presented to HHSC, and other State and/or Federal agencies upon request.

**Our district is a part of a Regional Day School Program for the Deaf (RDSPD). What should we report on the MAC financials if the providers are on our participant list?**

Response: If your district is the host district (i.e. reports all of the students on their PEIMS data), your district will report 100% of the salary and benefits of the providers on the participant list who service your RDSPD. Allocation of costs is not required. If your district is a member district, you do not report any of the costs associated with the RDSPD on the MAC financials.

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Please refer to TEA's Financial Accountability System Resource Guide to determine how the funds should be classified. In general, fund code 435 is used by the fiscal agent, while fund code 386 is used by the member districts or if the RDSPD is an independent project (no members). As of school year 2010-2011, all RDSPDs are fiscal agents and would be using fund code 435.