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Local Collaborative Time Study Report

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December 12, 2008

Local Collaborative Time Study (LCTS) Changes

We received communication from the State about the implementation of federal changes per the CMS review and approval of Minnesota's School-based Medicaid Claiming Plan. As part of the settlement plan for continued participation in School-based Medicaid Claiming, there are three mandated changes which will go into effect January 1, 2009, and one change which will go into effect as of April 1, 2009.

- **Change # 1: Claiming Methodology** - For you "old timers" that have been with the Collaborative as long as I have, you may recall that in the beginning our LCTS earnings were based on statewide time study responses. A few years down the road, the process was changed and counties were put into specific "claiming groups" based on their size and population. Earnings were then calculated based on the time study responses submitted by those groups of counties. With the new process, we will now be going back to the original model with statewide claiming pools.
- **Change #2: LCTS Log Sheets** – In addition to choosing the appropriate activity code, time study participants will now be required to give a short but "concise" description of the activity they are doing at the time of their random moments. This new requirement will add additional work to the reporting and recording responsibilities, and will likely cause some reaction from the participants. This change will necessitate the need for additional communication and training for recorders and participants.
- **Change #3: LCTS Cost Reports** for the School partners will also have one modification. There will be an additional line item to complete on the cost report form as schools will now be required to subtract Federal Revenue from the total salaries and benefits prior to application of school-specific indirect cost rate percentages. The good news is that this change will not directly affect the amount of our LCTS payments because DHS has already been including this exemption since January 1, 2006 per the OIG's instruction. The form is simply now being updated to reflect the previous change that was being handled by the State.
- **Change #4:** Will take effect as of April 1, 2009. The State will now be required to "validate" 5% of the total statewide time study samples. This means that 5% of the logsheets returned to the State will be randomly selected for validation of the activity codes reported. A local decision will need to be made on who will be determined eligible to validate responses on behalf of the Clay County Collaborative. This official "validator" will then need to review and sign off on any logsheets requiring validation.

These changes have been communicated to all of the Random Moment Recorders in the schools and county. Notice will also be sent to all of the time study participants in the next few days.

So...now you have the rest of the story as it relates to our long discussed and feared LCTS changes. In addition, I am requesting some discussion by the group about their thoughts on who will be the new Validator for the time study! (Sounds like an important title, doesn't it??!)