



Time Study Proposal

School Based Medicaid Administrative Match Program Washington State

October 2003

**Submitted by:
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Medical Assistance Administration
Division of Business and Finance
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Department of Health & Human Services
Division of Cost Allocation
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This is to request approval of Washington's proposed Time Study Methodology for allocation of federal Medicaid funds to reimburse 50% of the cost of State approved School Administrative Match activities. The time study methodology meets the statistical requirements specified in the May 2003 federal Claiming Guide. The State of Washington plans to implement the time study methodology on December 1, 2003 given federal approval.

In the Time Study Proposal, please see the Overview followed by Figure one (1), which graphically arrays the stratification of the State's 296 school districts for purposes of time sampling. Also please see the DSHS Medical Assistance Administration's (MAA) December 2003 school district contract which specifies time study options (page 4, paragraph (4) (a) through(c)).

To summarize the contract provisions, in the winter quarter (2003-04), the new contract permits either of two options for participation in the time study, namely, all eligible school district staff or all designated staff. (See the definition of designated staff on page 2 of the contract.) These two options sample time (school days), but not school district employees. In the "all designated staff" model there is no extrapolation of time study results to all eligible staff i.e. both models claim only the cost of staff completing the time study.

In the Spring quarter of 2004, districts having 500 or more eligible staff can implement the State's random sample of all eligible non-designated employees. Designated staff must all participate in the time study.

For districts choosing the random sampling of eligible staff, there is one other difference between the contract and the attached time study design. The study design would allow the large districts to sample just 25% of non-designated employees. This statistically valid sample size is achieved by pooling large districts' results statewide. The result would be a valid statewide claim for Ad Match costs.

However, with statewide pooling of time study results, a single large district's time study data would not be statistically valid in and of itself. Thus MAA would have to prorate the received federal funds for reimbursing large school districts. (See pages 13-14 and Attachment 8 for the Time Study Proposal.)

MAA has decided to reimburse each school district based entirely on the district's time study data rather than to pool the data of large districts. To do so, the state will require that each large district which decides to sample non-designated staff for the time study, use a statistically valid sample. MAA will determine the sample size for each such district and will randomly select the staff who must participate in the time study. Preliminary calculations suggest that the sample size could be as large as 50%.

Thank you for your consideration of this cost allocation methodology. Please be advised that the additional training materials referenced on page 46 of the Time Study Proposal are available at <http://maa.dshs.wa.gov>.

Enclosure

cc: John Lynch, CMS
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