

# Considerations for Developing a Time Study Implementation Plan (TSIP)



The Centers for Medicare & Medicaid Services (CMS) Medicaid School-Based Services (SBS) Technical Assistance Center is available to support State Medicaid agencies (SMAs), State educational agencies (SEAs), and local education agencies (LEAs) in operationalizing Medicaid SBS. Contact us at [SchoolBasedServices@cms.hhs.gov](mailto:SchoolBasedServices@cms.hhs.gov).

This resource aims to assist States in developing their Time Study Implementation Plans (TSIPs) and LEAs in implementing the time study by providing considerations for elements to include within a TSIP for SBS claiming, including treatment of school breaks, creation/inclusion of the time study participant list, and training for participation in the time study.

## General Information about Time Study Implementation Plans

### What is a TSIP?

An SBS TSIP details the SBS activities, including both administrative activities and direct medical services, performed by LEAs and the methods used to allocate SBS activities and services to the Medicaid program.

If using a time study methodology, States are required to submit a TSIP that provides a comprehensive description of the mechanisms and processes for claiming Medicaid administrative costs and for conducting a time study for administrative and direct services costs.<sup>1</sup>



### Elements of a TSIP

An SBS Claiming TSIP should include the following elements:

1. Description and identification of administrative and direct Services (if applicable) payable by Medicaid.
2. Interagency agreements.
3. Description of cost pools/cost objectives.
4. Allowable source of non-Federal share.
5. Sample design and sampling plan methodology.
6. Treatment of indirect Costs.
7. Oversight and monitoring process.
8. Training process and materials.

More information on TSIP elements is further discussed on [pages 85-87](#) of the 2023 Comprehensive Guide to Medicaid Services and Administrative Claiming. More information on the Random Moment Time Study (RMTS), including an overview, design and implementation of the RMTS, and other methods to claim personnel costs, can be found on [pages 108-128](#) of the 2023 Comprehensive Guide to Medicaid Services and Administrative Claiming.

## Treatment for School Breaks and Vacation Periods

For the purposes of the time study, school breaks, including summer break, refer to the periods between the end of one regular school term/semester and the beginning of the next regular school term/semester.

The time study methodology for addressing the summer break must reflect the practices of the applicable claiming unit related to the school break.

If there are any Medicaid-covered services or allowable activities that occur during the school break, a time study for those periods must be conducted.



When determining the approach for summer months and vacation periods:

- » Identify days school staff are not working or compensated for and when no Medicaid-covered services and no allowable activities occur. These days may be excluded from the time study.
- » Include all other dates in the time study and determine how to break this time up into time study intervals (e.g., quarters).

The following are potential scenarios<sup>2</sup> that demonstrate different circumstances that may categorize school breaks:

### Scenario 1

A State operates a Statewide time study. Half of the State has a school break the first week of April, and the other half of the State has a school break the second week of April. During the entire month of April, at least one LEA is providing reimbursable services. Therefore, the whole month of April must be included in the time study. LEAs should update their participant schedules to reflect the April break, so no moments are sent to the participants during their respective breaks.

### Scenario 2

A State operates a Statewide time study. During the week of winter break, no LEAs in the State provide reimbursable services. Therefore, these days may be excluded from the time study.

### Scenario 3

A State operates a time study on an LEA-specific basis. Each LEA is responsible for updating their participant's schedule to reflect the break period when their schools are on break and no reimbursable services are provided.

## Averaging prior quarters for the summer break

Cost incurred during summer break can be allocated using an average of the time study statistics for the previous three quarters only to spread out a provider's salary over 12 months when no Medicaid-covered services or allowable activities occurred during the summer months.

Due to the structure of a school year, CMS policy allows quarterly time studies to be conducted three times per school calendar/cost reporting year and allows schools to use an average of the three prior quarters' results for the summer months **where no Medicaid services occur** ("summer period average"). Since schools typically spread salaries over 12 months for many employees, the average of the prior months' RMTS statistics can be applied to the costs that accrue during the summer break.

The following is a potential scenario<sup>3</sup> that demonstrates how a summer period average may be used to categorize school breaks during the summer.

» **Scenario:** During the summer break outside of the regular school year, staff are only being paid and not performing any school-related activities. Therefore, the claim for the payments made during the summer break could be determined by using the average results of the time studies for the three prior quarters in that school year.

## Time Study Participant List

The time study participant list includes all staff who potentially perform Medicaid direct service or administrative activities for whom the LEA is seeking reimbursement, subject to the limitations as described below.<sup>4</sup>

During development of the TSIP, States must define what staff roles and providers would be eligible for reimbursement within the Medicaid program. LEAs use the guidelines set by the State agencies to determine staff who should be included in the participant list.

LEAs should consider which school staff should be included in the participant list for the time study, as well as the costs and the funding sources of such staff included in the cost pool(s). A list of all staff, their activities, their job titles, and their clinical licensure (as applicable) should be kept on file and updated prior to the start of each time study period (e.g., quarterly or monthly) per the schedule identified in State Medicaid guidance.

## Inclusion in the Participant List

When determining which staff to include on the time study participant list, consider how the staff person's salary is funded, if through Medicaid, e.g., mechanisms funding the non-Federal share for SBS, including State legislative appropriations, intergovernmental transfers (IGTs), and certified public expenditures (CPEs) or other non-Medicaid third-party sources (such as other Federal grants or private foundations).

- » If wholly funded by third-party dollars → the staff person cannot be included in the participant list.<sup>5</sup>
- » If partially funded by third-party dollars → the staff person can be included in the participant list, but amounts from third-party sources need to be offset from the costs allocated to the Medicaid program.
- » If costs for staff performing direct medical services and administrative activities are completely offset → the staff person cannot be included in the participant list.
- » If costs for staff remain after any offsets → the staff person should be included in the participant list.<sup>6</sup>

Other staff that can be excluded from the participant list include medical staff hired by schools as contractors and paid on a fixed-fee basis who do not perform any administrative activities.

## Vacant Positions in the Participant List

States can design the TSIP to allow LEAs to have the flexibility to include vacant positions in the participant list. LEAs can include vacant positions in the participant list if the authority for a position is known but not filled until later.

If there are vacant positions and existing staff positions that need to be updated on the finalized participant list, the State may include substitutions, with the following caveats.

If such positions are filled during the study period, that individual may participate in the time study if they have been trained on the time study process. In such cases, the newly hired time study participant would complete the time study moment(s) (if sampled), and actual costs incurred for

the position(s) during the time study would be eligible to be allocated to Medicaid.

In such cases, the State agency is responsible for having proper documentation methods in place. This includes designing a sampling process that retains a record of substitutions for vacancies and an audit trail of all participants in the time study.

**If the time study participants are trained on the time study process beforehand, and the time study is completed properly, participants can be added as they are hired.**

## Training for Participation in the Time Study



**CMS requires States to provide mandatory training to time study participants. Proper documentation related to training should be maintained, retained, and available for audit purposes.**

Training should be provided to anyone involved in the time study administration or review of the procedures to ensure that all requirements are being followed by time study participants.

Appropriate training will help to ensure that the data collected is consistent and accurate and will enhance the reliability of the study results.

State agencies are responsible for providing oversight and ensuring mandatory training is conducted, even if it is delegated to a vendor.

State agencies have flexibility to determine who provides training. Some State agencies choose to delegate a vendor to provide time study training to LEAs or time study participants, or delegate LEAs to train or provide additional training to time study participants.

## What Should Training Involve?

Appropriate training should be provided to all employees participating in the RMTS before sampling begins.

### Topics for participant trainings need to include:

- » Relevant internal controls.
- » Time study procedures and protocols.
- » Documentation requirements.
- » Oversight and monitoring procedures.
- » Claiming requirements, including the level of detail needed in documentation of activities.

### Time study coordinator/administrator trainings need to include:

- » How the LEA will properly verify, record, and document all information to support the documentation of moments.<sup>7</sup>
- » Other information required for the LEA coordinator to comply with the time study as described in the TSIP, such as a requirement that individual staff are mutually exclusive and only appear in a single cost pool.

## When Should Training be Conducted?

Staff may be trained before or after they are selected for inclusion in the time study, but prior to their first sampled moment.

States should consider conducting training during a time that would be most useful and effective for time study participants. This could include annual trainings that occur either close to the beginning or middle of the school year.

States should consider a mechanism to assess how often training is required and to revise the training schedule as needed. The frequency of training can consider the following:

- » Staff turnover
- » Survey responses

## What Documents Should be Retained Related to Training?

To ensure consistent application, proper documentation should be maintained, retained, and available for audit purposes. This includes all training documentation, such as the following:

- » Schedule of training on sampling and documentation expectations for time study participants and time study coordinators.
- » Time study activity code guides.
- » Evidence that time study participants attended and completed trainings.
- » Appropriate documentation guidelines for participants.

States are required to describe trainings in the TSIP, specifying the approach to RMTS training, including frequency and topics to be covered for participants and coordinators.

While there is no formal requirement to provide CMS with the training documents that will be used, CMS typically reviews training materials during approval of the TSIP.



<sup>1</sup> See [45 C.F.R. § 95.507\(a\)\(4\)](#); [\(b\)\(4\)](#); and [\(b\)\(9\)](#). While a Random Moment Time Study (RMTS) is typically used to identify and allocate costs, it is not the State's only option, as discussed on [page 126](#) of the 2023 Comprehensive Guide to Medicaid Services and Administrative Claiming.

<sup>2</sup> Additional potential scenarios that may characterize the summer break can be found on [page 115](#) of the 2023 Comprehensive Guide to Medicaid Services and Administrative Claiming.

<sup>3</sup> Additional potential scenarios that may characterize the summer break can be found on [page 115](#) of the 2023 Comprehensive Guide to Medicaid Services and Administrative Claiming.

<sup>4</sup> For more information, refer to [pages 110–111](#) of the 2023 Comprehensive Guide to Medicaid Services and Administrative Claiming.

<sup>5</sup> States should also consider whether such funding requires an offset or exclusion of costs from the cost pool.

<sup>6</sup> Additionally, the costs of such staff would also not be included in the cost to be allocated.

<sup>7</sup> For example, if a random moment that was used to calculate a Medicaid claim is selected for audit, an auditor would need to compare the time study records against supporting source documentation, which may include a review of employee rosters, employee position descriptions, employee leave approvals, or employee flex schedules. For more information, refer to [page 125](#) of the 2023 Comprehensive Guide to Medicaid Services and Administrative Claiming.



## Additional Resources

