**NWD Medicaid Administrative Claiming Workbook Tool Seven: Sample Content for Intra-agency/ Intergovernmental Memorandum of Understanding**

**About this Tool**

This document can serve as a template for an MOU/agreement between an operating agency and the state Medicaid agency. Red text should be edited to reflect state-specific information.

Refer to the Medicaid Claiming Workbook for further guidance.

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# Sample MOU

This Memorandum of Understanding/Agreement, dated \_\_\_\_\_\_\_\_\_\_\_\_, and entitled Federal Financial Participation, (Operating Agency Name) is hereby entered into between (state Medicaid agency), hereafter known as "the Department”, and (operating agency), hereafter known as "the Government."

The services, which are the subject of this Memorandum of Understanding/Agreement, are to commence on or about \_\_\_\_\_\_\_\_\_\_\_, and terminate \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

The total estimated claims for State Fiscal Years XXXX-XXXX for federal fund reimbursement made on behalf of (operating agency) for administrative costs under this MOU is $XXXXXX. Claims for federal reimbursement shall be made by (operating agency) through the Department quarterly, and the Department shall distribute the resultant federal fund attainment to (operating agency) quarterly, subject to the quarterly Centers for Medicare & Medicaid Services (CMS) review and approval process.

# Mandatory Provisions

*Include state-specific MOU language on topics that may include:*

* *Nondiscrimination in employment*
* *Federal funding acknowledgment*
* *Debarment*

# Monitors/Contacts

|  |
| --- |
|  |
| The Agreement Monitor/Contact for the Department shall be: |
|  |
| Name (Typed) |
|  |
| Title (Typed) |
|  |
| Business Address (Typed) |
|  |
| Business Telephone Number & Email Address (Typed) |
| The Department's Agreement Monitor/Contact is the primary point of contact within the Department for matters relating to this Agreement. The Department’s Agreement Monitor/Contact shall contact the Government’s Agreement Monitor/Contact immediately if the Department is unable to fulfill any of the requirements of, or has any questions regarding the interpretation of the provisions of the Agreement.  The Agreement Monitor/Contact for the Government shall be: |
|  |
| Name (Typed) |
|  |
| Title (Typed) |
|  |
| Business Address (Typed) |
|  |
| Business Telephone Number & Email Address (Typed) |
| The Government's Agreement Monitor/Contact is the primary point of contact within the Government for matters relating to this Agreement. The Government's Agreement Monitor shall contact the Department's Agreement Monitor/Contact immediately if the Government is unable to fulfill any of the requirements of, or has any questions regarding the interpretation of the provisions of the Agreement. |

# Background Information of Agreement

*Provide a brief overview of the administrative claiming effort, oversight of the operating agency, request for funding, and supporting documentation. A sample is provided below.*

The (operating agency) oversees the xx (local agencies) that serve as the lead agency for the State’s No Wrong Door efforts and which are the primary resource for residents seeking information about and access to long term services and supports. As such, (local agencies) conduct administrative activities on behalf of the Medicaid agency such as outreach, options counseling, and screening in order to prioritize access to Medicaid-funded long-term services and supports.

(Operating agency) is seeking to obtain Federal matching funds on administrative expenditures incurred by the (local agencies) that pertain to Medicaid administrative activities. A full list of the claimable activities is attached as Schedule A; definitions and codes are attached as Schedule A-1. The method for calculating the total dollar expenditures eligible for administrative FFP is attached as Schedule B and the cost pool of areas to be allocated is attached as Schedule B-1 All schedules are subject to final approval by the United States Department of Health and Human Services, Division of Cost Allocation and the Centers for Medicare & Medicaid Services (CMS).

# Duties of the Government

*Specific roles and responsibilities for the operating agency should be described in Section V. Sample text can be found below.*

The specific services to be provided by the Government under this Memorandum of Understanding are as follows:

The (operating agency) will:

1. Use the approved, agreed upon methodology to track the percentage of time that is spent on Medicaid-approved activities.

2. Provide a report to the Office of Finance no later than 15 calendar days after the end of the fiscal quarter. The report must specifically state the total dollar expenditure for the quarter then ended for which a claim for federal participation is to be made. The total dollar expenditure shall be calculated in accordance with the methodology specified in Schedules B and B-1 of this Agreement. The (operating agency) must submit subsidiary schedules and worksheets which support the total dollar expenditure; however the Office of Finance will not interpret, compile, or calculate a total expenditure. This must be clearly stated by (operating agency). Claims received later than 15 calendar days after the close of a fiscal quarter may not be included on the current quarter’s CMS-64 report due to timing constraints, but will be submitted as a prior-period claim in the next quarter’s report.

3. Maintain a complete audit trail, traceable to appropriate cost ledgers, payroll runs, and/or other appropriate financial statement, for all expenditures submitted for claims. The Office of Finance will act as a pass-through agency only for the claim; all audit inquiries will be directed to the (operating agency).

4. Accept full fiscal responsibility for any deferrals and disallowances arising from these claims. Upon any action by the federal government to recover funds previously transferred to (operating agency), said agency agrees that the Office of Finance will charge (operating agency).

5. Agree to claim only for actual expenditures incurred and paid by the State agency, in the cost areas and under the cost allocation method detailed in Schedule B-1, and only for those specific administrative functions detailed in Section A of this Agreement.

6. Assure that any costs claimed under this Agreement do not duplicate costs claimed through an indirect cost allocation plan or any other federal claiming process.

7. Retain responsibility for ensuring compliance with approved expenditures. The (state Medicaid agency) will review supporting documentation submitted by (operating agency) to ensure compliance with the mutually agreed upon activities listed in Schedule A, but review shall not be construed as endorsement.

8. Develop and implement orientation, training, and technical assistance materials for (local agency) staff regarding:

1. Completion and submission of FFP time and task tracking documentation;
2. Federal claiming and recordkeeping protocols and requirements;
3. FFP administrative policies, procedures, and operational issues; and
4. Other information necessary to implement FFP-related reimbursements

9. Implement, in accordance with the terms set forth in this MOU and in consultation with (state Medicaid agency), FFP claiming:

1. Collaborate with (state Medicaid agency) to implement and amend (based upon CMS review and feedback of proposed FFP method) a federally approved cost allocation plan for claiming administrative FFP for services provided by (local agencies);
2. Review the FFP-related amendments to the MOU with (state Medicaid agency) prior to execution, and assure that all claims submitted to the Department are calculated strictly in compliance with the Federally-approved administrative cost allocation plan.
3. Submit a consolidated quarterly claim from (local agencies) and (operating agency) to the Department, which the Department will submit to CMS for reimbursement; and
4. Provide timely claims submissions, including an identifying cover page, no later than 10 calendar days after end of quarter to (state Medicaid agency). (Operating agency) recognizes that if the claim is delayed there will be a quarter’s lag to get funding from the Department back to (operating agency).

10. Contract with (local agencies):

1. (Operating agency) will enter into written agreements with (local agencies) to cover the development and implementation of FFP administrative procedures. The written agreements will specify administrative duties to be performed, reporting and documentation requirements for work performed, financial reporting methods, and reimbursement process.
2. (Operating agency) will review the FFP-related amendments to the written agreements with (state Medicaid agency) prior to execution.
3. (Operating agency) will oversee the ongoing operation of the (local agencies) and their FFP activities, including working with the (local agencies) to compile all reports on FFP activities
4. In order to meet the matching requirements for FFP, (operating agency) and the (local agencies) will need to provide match from non-federal sources, such as existing local and state funding for I&A services. (Operating agency) will work with (local agencies) to identify and obtain assurances to the source of funding that is being provided. No federal funds will be used to obtain FFP match.
5. Monthly reports on (local agency) Medicaid administrative FFP activities will be generated at the state level by (operating agency). The reports will include claimable activities by staff person, county, and claimable activity. Each (local agency) will review that site’s report for accuracy. (Operating agency) will obtain verified quarterly claim information from (local agencies) and provide a consolidated summary version of that data to (state Medicaid agency)
6. (Operating agency) will work to resolve any disputes related to FFP claiming at (local agencies).

11. Provide oversight and monitoring:

1. (Operating agency) will develop standards for the claiming, transfer and distribution of funds with input from (state Medicaid agency) as needed
2. (Operating agency) is responsible for maintaining detailed documentation in case of federal audit, and will be responsible for auditing at an agency and local level.
3. (Operating agency) will manage and maintain appropriate level of staff in order to perform all necessary FFP claiming tasks
4. (Operating agency) will develop a process and standards to ensure that the federal funding will go to the (local agencies) in a timely and efficient manner.
5. (Operating agency) will execute an MOU at the local level between (operating agency) and (local agencies) regarding roles and responsibilities for FFP claiming

# Duties of the Department

*Specific roles and responsibilities for the state Medicaid agency should be described in Section VI. Sample text can be found below.*

The Department agrees to provide or do the following:

1. The (state Medicaid agency) will review the claim(s) received from the (operating agency) for adequate supporting documentation and will either pass the claim on to the Department’s Office of Finance or return to the (operating agency) for clarification within 10 days of receipt.
2. Pursuant to satisfactory review by the (state Medicaid agency), the Office of Finance will incorporate the (operating agency) claim in the quarterly CMS-64 report in a timely manner.
3. The Office of Finance will distribute the quarterly attainment to (operating agency) after completion of the quarterly federal review of the CMS-64 report. (The federal review is normally completed by CMS five to six weeks after the close of the fiscal quarter).
4. The Office of Finance will withhold from distribution to (operating agency) any amounts deferred from the current claim.
5. The Office of Finance will withhold from distribution (operating agency) out of current attainment any amounts disallowed from previous claims and/or recover additional amounts by charging (operating agency).
6. Federal funds will be claimed, by the Office of Finance, at (state’s) regular administrative FFP match rate of (insert rate; most likely 50%)
7. (State Medicaid agency) will provide technical assistance in implementing methodology to track and report time, task, and other necessary data points for the FFP claiming and auditing as needed.
8. (State Medicaid agency) will assist in developing and implementing training to (local agencies), (operating agency), and (state Medicaid agency) staff on FFP billing and reimbursement.
9. (State Medicaid agency) will send a representative knowledgeable about FFP administrative reimbursements to FFP related webinar and in-person trainings conducted by (operating agency).
10. (State Medicaid agency) will collaborate during implementation of methods to ensure inter-agency sharing of data to facilitate the FFP reimbursement process.
11. (State Medicaid agency) will work with CMA and (local agency) to schedule and perform onsite claiming review.
12. (State Medicaid agency) will collaborate with (local agency) as needed to develop and implement standards for claiming procedures as well as the transfer and distribution of funds.

# General Responsibilities of the Parties

## Joint Responsibilities

1. Each party will identify and assign staff members with in each agency, including fiscal staff and Medicaid policy personnel, who will be responsible for working with the other agency in drafting, submitting, implementing, and evaluating the FFP plan as well as processing FFP claims.
2. Both parties will collaborate before, during, and after implementation of the time tracking methodology.
3. Annually review administrative FFP orientation, training, and technical assistance materials for (local agency) staff regarding: .
   1. Completion and submission of FFP time and task tracking documentation;
   2. Billing and recordkeeping protocols and requirements;
   3. FFP administrative policies, procedures, and operational issues; and
   4. Other information necessary to implement FFP-related reimbursements.
4. (Operating agency) and (state Medicaid agency) will resolve disputes regarding FFP claiming through meetings between representatives of each agency. Both parties will collaborate to implement and amend (based upon CMS review and feedback of proposed FFP method) a federally approved cost allocation plan for claiming administrative FFP for services provided by (local agencies).

# Signatures

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| --- | --- | --- | --- |
| *The state-specific signatures will be documented in Section IX. Sample language and personnel can be found below.*  In acknowledgement of the foregoing description of the services and requirements of this Agreement, these authorized signatories of the Department and the Government do hereby attest to their acceptance of the terms and conditions of this Agreement. | | | |
|  | For the Government |  | For the Department |
| BY: |  | BY: |  |
|  | Signature |  | Signature: Secretary, State Medicaid Agency |
|  |  |  |  |
|  | Name (Type or Print) |  | Name (Type or Print) |
|  |  |  |  |
|  | Title (Type or Print) |  | Title (Type or Print) |
|  |  |  |  |
|  | Date of Signing |  | Date of Signing |
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# Examples of Appendices

*States will attach a variety of summary documents to provide state-specific confirmation and rationale for the MOU and ongoing administrative claiming effort. Examples of these documents are included below:*

* **Debarment affirmations**
* **Business Associate Agreement**
* **Schedule A-** Description and services provided by the local agencies
* **Schedule A-1-** Time study codes and code definitions for the ongoing time study
* **Schedule B-** This is a report summarizing the data during the pilot period and the methodology and approach for the ongoing time study. **Schedule B** is informed by this report, and contains information including:
  + Background on the effort
  + Reimbursable, non-reimbursable, and other local agency and operating agency activities
  + Method for determining the percentage of time spent on Medicaid related activities
  + Overview of the cost pool and the cost categories
  + The method for calculating the total dollar expenditures eligible for administrative FFP
  + Contracts in place between the operating agency and local sites
  + Summary data
* **Federal Forms Attachment B-** This attachment includes:
  + Summary of certain federal fund requirements and restrictions
  + Certification regarding lobbying
  + Certification regarding environmental tobacco smoke
  + Disclosure of lobbying activities