

Welcome Back!



Afternoon Session
1:00 p.m. - 3:00 p.m.

Introductions and Goals

Important Disclaimer!

- » The information presented today reflects **proposed** policy and is subject to change pending CMS approval.
- » DHCS remains committed to ongoing communication and technical assistance with LEAs and program partners.
- » If CMS does not approve any part of DHCS' **proposed** policy, this content will be updated to reflect that.

Agenda

- » Section 1: Impact of the 2023 Centers for Medicare and Medicaid Services (CMS) Guidance on the Random Moment Time Study (RMTS)
- » Section 2: Random Moment Time Study (RMTS) Foundations
- » Section 3: Key Changes with the Proposed Time Study Implementation Plan (TSIP)

Meeting Goals

- » Reinforce understanding of the RMTS and how it is impacted by the new Centers for Medicare and Medicaid Services (CMS) guidance.
- » Provide a clear overview of **proposed** policy changes effective July 1, 2026.
- » Share strategies for building TSP lists, preparing for Quarter 1, and maintaining audit-ready documentation.
- » Recognize the necessary collaboration with LEA's RMTS Administrative Unit (RMTS Unit) and the Department of Health Care Services (DHCS).

New Term Introduction!

The Local Educational Consortium (LEC) will be referred to as the RMTS Administrative Unit (RMTS Unit) in alignment with TSIP.

Commonly Used Terms

- » Centers for Medicare and Medicaid Services (CMS)
- » Cost and Reimbursement Comparison Schedule (CRCS or cost report)
- » Department of Health Care Services (DHCS)
- » Direct Medical Services Percentage (DMSP)
- » Extended School Year (ESY)
- » Federal Financial Participation (FFP)
- » Individualized Education Plan (IEP)
- » Individualized Family Service Plan (IFSP)

Commonly Used Terms

- » Individualized Health and Support Plan (IHSP)
- » LEA Medi-Cal Billing Option Program (LEA BOP)
- » Local Educational Agency (LEA)
- » Quarterly Coding Report (QCR)
- » Random Moment Time Study (RMTS)
- » RMTS Administrative Unit (referred to as "RMTS Unit")
- » School-Based Medi-Cal Administrative Activities (SMAA)
- » Time Study Implementation Plan (TSIP)
- » Time Study Participant (TSP)

Impact of the 2023 CMS Guidance on RMTS

CMS Oversight of RMTS

- » The RMTS is governed by federal CMS requirements.
 - In 2023, CMS published new guidance for School-Based Services for the first time in 20 years!
- » States must ensure time study methodologies are:
 - Statistically valid
 - Uniformly applied
 - Adequately documented
- » CMS reviews and approves state RMTS processes.
- » OIG audits to ensure states are following approved requirements.

CMS Expectations for RMTS

- » Moments must reflect actual activity at the sampled time.
- » Responses must be clear and sufficiently detailed.
- » Coding must align with federal administrative and direct service claiming policy.
- » Documentation exists to support the moment response during audit and/or review.
- » RMTS policies and requirements are outlined in a pending implementation plan that requires CMS approval.

Random Moment Time Study (RMETS) Foundations

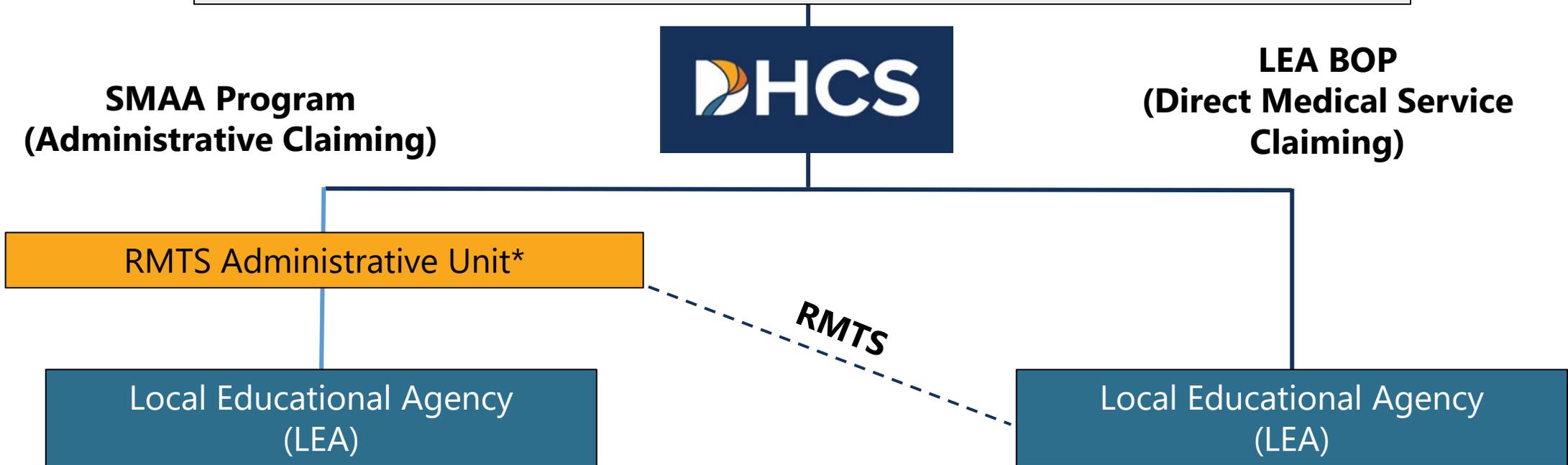
What is RMTS?

- » Definition: RMTS is a federally approved, statistically valid, web-based, time study methodology used to determine how staff allocate time to Medicaid reimbursable activities.
- » Each quarter, participants are randomly selected and asked what they are doing during their assigned moment, a duration of one minute.
 - Moments are then coded as a reimbursable or non-reimbursable activity based on the participant's response.
- » Purpose: Supports cost allocation for both the LEA BOP and the SMAA Program.

RMTS Administration Oversight

Centers for Medicare and Medicaid Services (CMS)

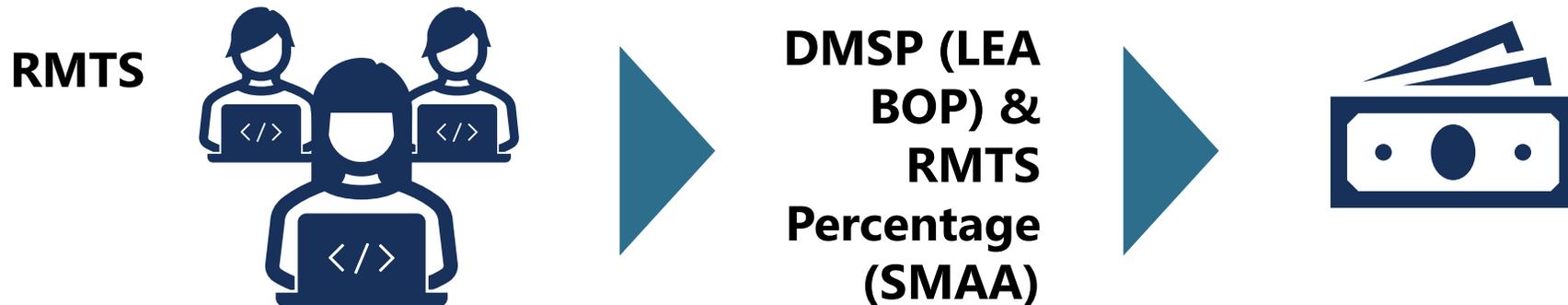
Agency that oversees programs including Medicare, Medicaid, the Children's Health Insurance Program (CHIP), and the health insurance marketplaces. CMS approves the covered services, practitioners, and reimbursement methodology, among other items, for all Medicaid programs.



* Local Educational Consortium (LEC) will now be referred to as RMTS Administrative Unit to align with the TSIP. In California, the SMAA Program is locally administered by the RMTS Units. The RMTS Units are responsible for day-to-day administration of the RMTS. The RMTS Units still administer RMTS even if the LEA only participates in LEA BOP.

RMTS and the Financial Impact

- » The RMTS results determine the Direct Medical Services Percentage* (or DMSP) in LEA BOP which is applied the cost report annually.
- » The RMTS results determine the RMTS percentage which is applied to the SMAA invoice* quarterly.



*For the percentage of students that are enrolled in Medicaid.

What is the Time Study Participant (TSP) List?

- » The TSP List includes all eligible staff that are expected to deliver covered services to students in the upcoming quarter and whose costs will be claimed through one of the two programs.
 - TSPs listed in Pool 1 are direct medical service staff and must meet the practitioner qualifications necessary for reimbursement through the LEA BOP (See [LEA BOP Provider Manual: Rendering Practitioner Qualifications](#)).
 - TSPs listed in Pool 2 are administrative activity claiming staff and perform allowable Medicaid administrative activities on a regular basis.
 - Pool 2 also includes direct medical service staff who perform administrative activities, such as a supervising clinician, and will NOT be claiming any direct services during the quarter.
- » A TSP **cannot** be listed in both Participant Pools.



Who Should be on the TSP List?

- » State or Non-Federally Funded staff – they belong on the list if your LEA plans to claim their costs through LEA BOP or SMAA. If someone is 100% federally funded, they're out.



Pool 1

Employed practitioners only
(if your LEA has both employed and
contracted non-federally funded staff)



Pool 2

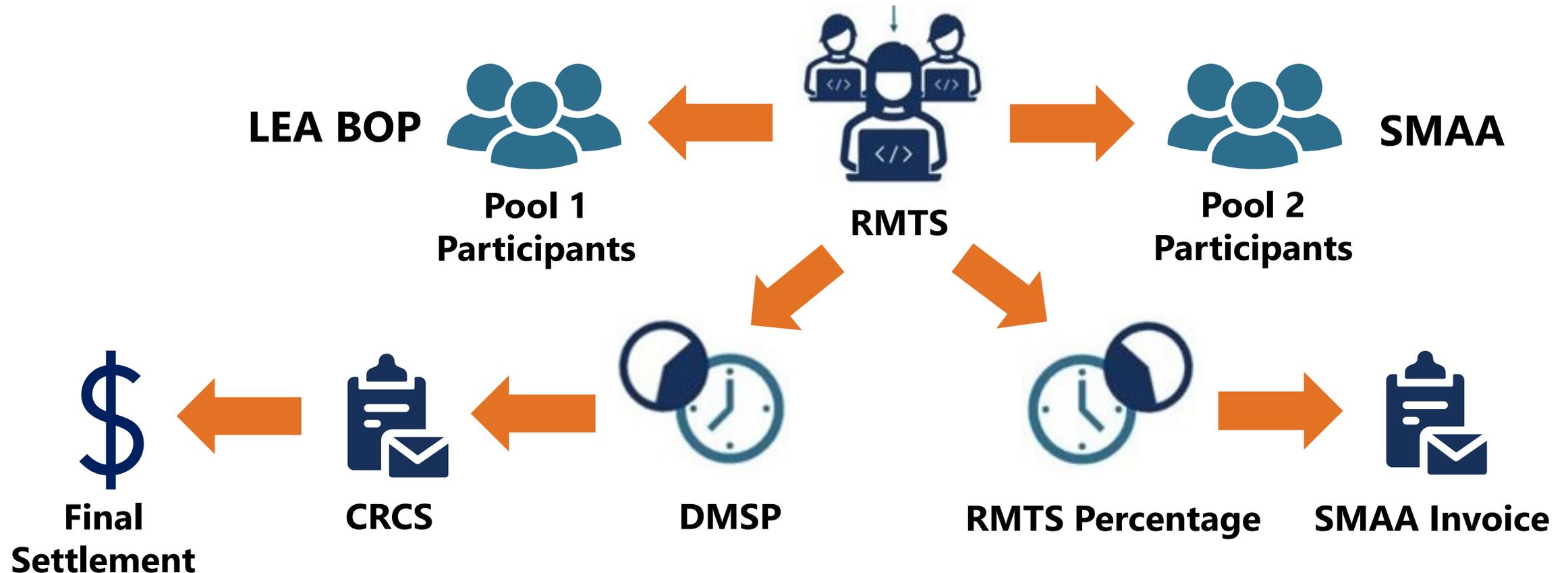
Employed staff or contractors
(SMAA only) and they perform
administrative activities

Which pool does your TSP fall into?

- » LEAs who are only enrolled in LEA BOP (not SMAA) and are Model 2 - 100% contracted practitioners - do not need to participate in RMTS.

How does the TSP list impact LEA BOP/SMAA?*

- » The TSP list is used to identify the universe of personnel that may receive a moment during the quarter.



*Please note that this graphic is an oversimplified overview of the process.

Why an Accurate TSP List is Important

- » For the LEA BOP, employed practitioners' costs can only be included on the CRCS if they're on the Pool 1 TSP list.
- » For SMAA, costs can only be claimed for eligible staff that were included in the Pool 2 TSP list.

LEAs wanting to claim costs for any quarter in LEA BOP and/or SMAA must ensure they include eligible staff who will be providing program-covered services during that quarter to their TSP Pool lists.

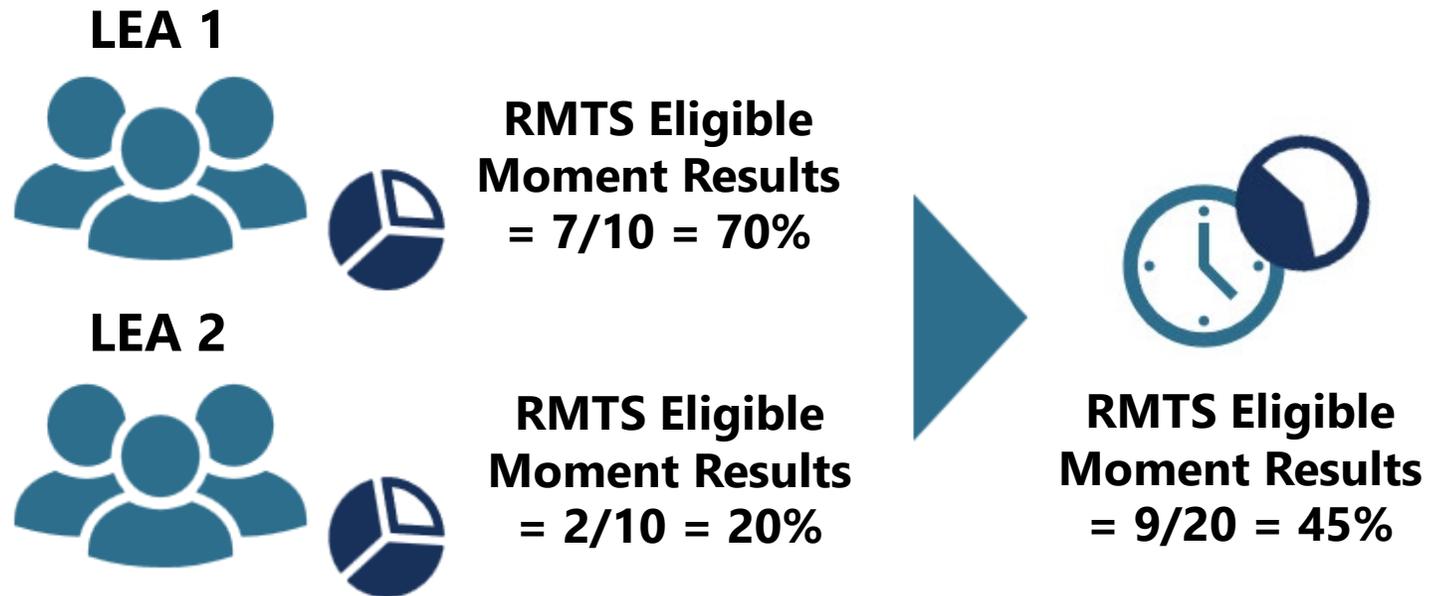


Quality Vs. Quantity TSP Lists

- » Remember, everyone on your TSP list may receive random moments asking what type of activity they're doing at that moment, which are coded as either allowable or unallowable under both programs.

Example:

- » Consider how much time staff on your LEA's TSP lists spend on Medicaid-covered services for students.



- » If an LEA is increasing the number of eligible staff on their TSP lists, but most of these staff's time is not being spent on program-covered services, then many of their moments will be coded as non-reimbursable. This will dilute the RMTS result percentages, lowering the costs an LEA can claim.

Requirements for an Accurate TSP List

- » Review and update the Pool 1 and Pool 2 TSP lists quarterly.
- » Verify credentials and licensing requirements for Pool 1.
- » Make sure job titles on the TSP list match the approved job classifications that are identified in [Section 6 of the SMAA manual](#) and/or the [LEA BOP Provider Manual: Rendering Practitioner Qualifications](#).
 - If they do not match, they can be rejected or dropped from the TSP list unless there is an Equivalency Request Form on file.
 - Complete a [Pool 1 TSP Equivalency Request Form](#) or [Pool 2 TSP Equivalency Request](#) for either Pool 1 or Pool 2 TSPs with different job titles and submit the form to your RMTS Unit, who will then submit it to DHCS for consideration.
- » Confirm important deadlines: work with your RMTS Unit!

How Using Vacancies for Quarter 1 Can Help

- » Since Quarter 1 begins on July 1, when LEAs are still hiring and finalizing extended school year (ESY) staff, it can make it challenging to submit an accurate TSP list.
 - **Note:** If ESY staff are included on the TSP List, LEAs may claim costs for them.
- » Using the vacancy strategy can help your LEA:
 - Plan ahead for anticipated hires and avoid losing RMTS moments due to unfilled positions.
 - Protect federal reimbursement opportunities by ensuring that once positions are filled, prorated costs for time worked can be claimed on the LEA BOP cost report and SMAA invoice.

***Pending CMS approval**

Use Your Vacancy Strategy Wisely

- » Vacant positions = lost moments, so it is important to be careful when utilizing the vacancy option at your LEA.
 - Vacancies should only be used when the LEA is confident that positions will be filled during the quarter.
 - Without filling vacant roles, it can lead to missed RMTS moments which impacts federal reimbursement opportunities.
 - **Example:** If there were 20 vacancies planned for the quarter but only 10 were filled, there may be a greater potential for missed moments.

Why RMTS Moments Matter



- » Each moment = One minute snapshot of staff activity.
- » Moment responses drive activity codes which determine:
 - Reimbursable or non-reimbursable SMAA & LEA BOP activities
 - Federal reimbursement
- » Detailed responses = More accurate coding
 - Incomplete or vague responses = Potential lost reimbursement

How Does RMTS Impact Your LEA?

- » Detailed moment responses are used to calculate RMTS results each quarter.
- » Determines federal reimbursement.
- » Participation is required to meet compliance requirements.
- » Compliance ensures funding and audit readiness.

Understanding RMTS Moment Questions

- » Each moment consists of a series of questions that will cover:
 - Who were you with?
 - What were you doing?
 - Why were you performing the activity?
 - **Pool 1 Only:** Was the activity an assessment, screening or a service included in a care plan (IEP, IFSP, IHSP, 504 plan, etc.)?
- » Detailed answers for each moment matter.
- » Without detailed responses, moments cannot be coded to the appropriate activity code.

Example of a Detailed Moment Response



Insufficient response: "Emailing staff about a student."



Sufficient response: "Emailing the school psychologist to confirm whether a student's parent submitted the Health and Development form required for Medi-Cal eligibility as part of the student's IEP process."

Reminder: Reimbursement is based on the response, not assumptions about the activity.

Key Changes with the Proposed TSIP

What is the TSIP?

- » DHCS is updating RMTS methodology to meet CMS requirements; changes will be reflected in the Time Study Implementation Plan (TSIP).
 - Effective July 1, 2026 (pending CMS approval)
- » The TSIP is the statewide plan governing the administration of RMTS.
- » The TSIP policies are applicable to both the LEA BOP and SMAA Program.

Today's Focus

- » The proposed TSIP includes several changes that will impact RMTS. Today we will focus on three upcoming changes*:
 - Quarter 1 Time Study
 - New Calendar Requirement
 - Response Rate Compliance (the 85 percent compliance requirement)
- » DHCS and your RMTS Unit will provide future trainings that will go into detail on other changes impacting RMTS.

***Pending CMS approval**

Quarter 1
(July 1 to September 30)



Implementing Quarter 1 Time Study

- » CMS requires RMTS to be conducted for any quarter in which services are being rendered, and costs will be claimed.
 - Beginning on **July 1, 2026**, an LEA wanting to claim costs for Quarter 1 must now participate in RMTS, consistent with the process already in place for Quarters 2 through 4.

If an LEA does not participate in RMTS for Quarter 1, they cannot include costs for Quarter 1 on their LEA BOP cost report or SMAA invoice.

***Pending CMS approval**

Quarter 1 (July 1 – September 30)

Current Practice	Proposed Future Practice*
Time study occurs in Quarters 2-4.	Time study occurs in all 4 Quarters, including the Extended School Year (ESY).
LEAs get paid for Medicaid-covered services for Quarter 1 based off the average of the time study from Quarters 2-4.	<p>LEAs get paid for Medicaid-covered services in Quarter 1 when they participate in the time study for that Quarter.</p> <p>Note: LEAs cannot claim costs for Quarter 1 on their CRCS and SMAA invoice without participating in a time study.</p>
DHCS does not review Quarter 1 LEA/TSP calendars or TSP lists.	DHCS will review Quarter 1 LEA/TSP calendars and TSP lists.

* Pending CMS approval

Potential Quarter 1 TSP Timeline

» Quarter 1 starts July 1, so how do we get there?

Quarter 1 TSP List Timeline*						
March/April	→	May	→	June	→	July 1st
TSP List Development Begins		Complete & Submit TSP List to RMTS Unit		RMTS Unit/DHCS Review		Time Study Starts

****This visual represents a generalized timeframe. Each LEA must confirm deadlines with their RMTS Unit.***

***Pending CMS approval**

Preparing For Quarter 1: LEA Responsibilities

- » Identify TSPs to include on your Quarter 1 TSP list.
 - » Work with your Human Resources representative and finance department to confirm TSP positions and exclude staff that are funded through federal and Indirect Cost Rate (ICR) funds.
- » Submit TSP lists and calendars.
- » Ensure TSPs receive training.
 - Be sure TSPs are prepared to receive and respond to a moment.
 - Ensure TSPs understand the importance of their role and financial impact to the LEA.
- » Know your regional RMTS Unit contact(s) and work closely with them.

Remember: RMTS participation is required for all quarters that an LEA wants to receive reimbursement, starting July 1, 2026.

***Pending CMS approval**

Key Takeaways

- » Beginning July 1, 2026, RMTS participation is required for all quarters an LEA wants to receive LEA BOP or SMAA reimbursement.
- » Plan for a successful Quarter 1:
 - Collaborate closely with your RMTS Unit to ensure smooth implementation.
 - Outline TSP timelines and confirm deadlines with your RMTS Unit.
 - Regularly update and certify your TSP list.
 - Coordinate with HR and finance teams to track staffing and funding sources.
 - Ensure TSPs understand the importance of their role and receive training to respond effectively to RMTS moments.

Knowledge Check

» Starting July 1, 2026, which of the following statements about claiming Quarter 1 costs on the LEA BOP cost report and SMAA invoice is correct?



- A) LEAs can claim Quarter 1 costs as long as they have a contract with their Unit.
- B) LEAs must participate in RMTS for Quarter 1 to include those costs on either the LEA BOP cost report or SMAA invoice.
- C) LEAs can use the average RMTS results for Quarters 2-4 to claim Quarter 1 costs.
- D) LEAs can include all practitioners on their LEA BOP cost report and SMAA invoice as long as they provided services during Quarter 1, even if they did not participate in the RMTS.

***Pending CMS approval**

Answer

» **B) LEAs must participate in RMTS for Quarter 1 to include those costs on either the LEA BOP cost report or SMAA invoice.**

- Incorrect answers:
 - A) "LEAs can claim Quarter 1 costs as long as they have a contract with their Unit."
Incorrect: Having a contract with the RMTS Unit does not replace the requirement to participate in RMTS.
 - C) "LEAs can use the average RMTS results for Quarters 2-4 to claim Quarter 1 costs."
Incorrect: This reflects current practice, but under the new TSIP, Quarter 1 costs can only be claimed if RMTS is conducted during Quarter 1.
 - D) "LEAs can include all practitioners on their LEA BOP cost report and SMAA invoice as long as they provided services during Quarter 1, even if they did not participate in the RMTS."
Incorrect: RMTS participation is required for all employed practitioners whose costs will be claimed.

New Calendar Requirement



Main Differences Between Current and Proposed Policy

» Current

- Each quarter, district calendars will be reviewed by the LEC/LGA to determine the dates that the students are in attendance, and those dates will be included in the RMTS sample. School calendars will be evaluated annually, and the sample dates will be determined and documented by the LGA/LEC, who is required to notify the SSP vendor of these dates.

» Proposed*:

- ... Accurately capture 100 percent of paid work time for the entire TSP Universe. When the LEA has TSPs in both participant pools, **a minimum of two calendars per LEA are required to differentiate start and end dates per participant pool.** When applicable, another categorization may be used to achieve the same purpose.

*Pending CMS approval

New Calendar Requirement

- » LEAs will need to submit multiple calendars (minimum of two) when there are different start dates and end dates.
- » A minimum of two calendars are needed to reflect earliest and latest working day of the Quarter for each pool of participants.
- » One calendar is permitted if there are no variations in start or end dates, specifically in Quarters 2 and 3.

Participant Calendars – Paid Working Days

- » LEA's quarterly calendars should be limited to paid and working days when LEA staff are paid to work.
 - Calendars are no longer based on student attendance days.
 - Includes in-service days when students are not in attendance.
 - Excludes days when the employees are not paid to work (e.g., days before the start of the school year when staff are not working).
 - Depending on the LEA, ESY may be part of Quarter 4 and/or Quarter 1 and should be captured in a participant's calendar.
- » RMTS moments should be based on participant's paid working hours and days.
- » Weekends, holidays and school breaks that are not paid working days will not be included when generating moments.

* Pending CMS approval

Multiple Start Dates

Pool 2: Start Date August 1

Month: August						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
			[Blue Bar]			
5	6	7	8	9	10	11
	Pool 2 Administrative Staff					
12	13	14	15	16	17	18
	Start Date August 1					
19	20	21	22	23	24	25
	[Blue Bar]					
26	27	28	29	30	31	
	[Blue Arrow]					

Pool 1: Start Date August 15

Month: August						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
			[Orange Bar]			
19	20	21	22	23	24	25
	Pool 1 Direct Service Practitioners					
26	27	28	29	30	31	
	Start Date August 15					

*Pending CMS approval

Participant Work Schedule (Shift)

- » Participant work schedules (shifts) should account for the following:
 - A participant's work schedule (shift) is inclusive of all the time that the participant spends during the workday, including lunch and breaks.
 - Full-time participants:
 - May be grouped into one or more similar shifts that captures total paid *and* working time for each working day
 - Shifts are based on the start and end times that these participants are required to be at work.
 - Ex: Full time employee shift 7:45 a.m. to 3:45 p.m.
 - Part-time participants:
 - May be grouped into one or more similar shifts, based on individual participant scheduled working days and hours.
- » In all cases, 100 percent of a shift should be captured. This means recording all time that a TSP is scheduled to work.

Full Time vs Part Time Shift

	Full Time Participant	Part Time A Participant	Part Time B Participant
8:00 a.m.	Start Time	Start Time	
9:00 a.m.			
10:00 a.m.			
11:00 a.m.			
12:00 p.m.		End Time*	Start Time
1:00 p.m.			
2:00 p.m.			
3:00 p.m.			
4:00 p.m.	End Time*		End Time*

**Since a "moment" in the RMTS methodology is defined as one minute in time, no moments shall be issued at the final minute of a TSP's assigned work schedule because that moment goes past the scheduled time (shift).*

***Pending CMS approval**

Why the New Calendar Requirement Matters

- » Identifies direct service practitioner and administrative service personnel schedules.
 - Ensures alignment with the CMS guidance to capture all paid *and* working days.
- » Helps with accurate sample.
 - Minimizes non-responses from participants which relates to amount of reimbursement.

Key Takeaways

- » LEAs must submit a minimum of two calendars when participant's start/end dates differ by participant pool.
- » Calendars must capture 100 percent of paid and working time, including in-service days when students are not in attendance.
- » A single calendar is acceptable only if all participants share the same start and end dates (specifically during quarters two and three) or an LEA participates in only one School-Based program.

Knowledge Check



- » Under the proposed TSIP, an LEA may submit one calendar instead of multiple calendars if the LEA participates in only one School-Based program. TRUE or FALSE?

Answer

» **TRUE. Under the proposed TSIP, an LEA can submit one calendar instead of multiple calendars if the LEA participants in a single School-Based program.**

- Explanation:
 - If an LEA has participants in one participant pool, they will only need to submit one calendar. When LEAs have participants in both participant pools, then a minimum of two calendars need to be submitted.

85 Percent Response Rate Requirement



What is the 85 Percent Response Rate?

- » A compliance test that ensures that at least 85 percent of moments receive a “valid” response (e.g., a response within the required response timeframe).
- » Helps ensure that RMTS results accurately reflect the activities of the entire population being surveyed.
- » Calculated at an aggregate level (not by participant pool).

***Pending CMS approval**

85 Percent Response Rate Example*

» Rydell High School

- Total Moments Assigned: 65
- 85 Percent Compliance Requirement: 55 moments need to be answered.
- Total Answered: 58
- Compliance Met 

» Hogwarts Middle School

- Total Moments Assigned: 72
- 85 Percent Compliance Requirement: 61 moments need to be answered.
- Total Answered: 39
- Compliance Not Met 

***Please note that these are oversimplified examples of the 85% response rate calculation.**

***Pending CMS approval**

Non-Compliance Penalties

- » LEAs that fail to meet the 85 percent response rate, are considered non-compliant. If an LEA is non-compliant during a fiscal year, the following will take place*:
- 1st instance: Warning letter sent to LEA, support provided by RMTS Administrative Unit in collaboration with DHCS.
 - 2nd instance: LEA will be placed on a Corrective Action Plan.
 - 3rd instance: LEA may not claim or receive federal funding for the participant pool(s) that did not meet 85 percent response rate for all non-compliant quarters.

***Please note LEA-specific penalties are generally only applied to LEAs that get a significant number of moments in the quarter.**

***Pending CMS approval**

Key Takeaways

- » Goal is for all LEAs to maintain 85 percent response rate compliance every quarter.
- » Unanswered responses count against the 85 percent compliance rate. It is important that TSPs respond to their moments timely!
- » LEAs are provided support throughout a fiscal year when non-compliance is present.
- » Repeatedly failing to meet the 85 percent compliance response rate will result in loss of funding.

Knowledge Check



- » Non-response moments do not affect compliance calculations, TRUE or FALSE?

Answer

» **FALSE, Non-response moments DO affect compliance calculations.**

- Explanation:
 - Non-response moments are included in the denominator for calculating the 85% moment response rate. Every moment is important, so it is essential for LEAs to make sure their TSPs respond to moments.

Wrap Up and Next Steps



Working with Your RMTS Unit

- » Get to know your RMTS Unit – there are 11 Unit regions in California.
 - Use the [Unit Contact Tool](#) on the DHCS RMTS webpage to find out who represents your region.
- » RMTS Units will provide direction on deadlines once DHCS gets CMS approval.
- » Attend RMTS Unit Trainings and/or SMAA Coordinator Trainings.

Resources

- [CRCS Administrative and Audit Checklist](#)
- [CRCS Glossary](#)
- [General and Code 2A Documentation Training](#)
- [LEA BOP Trainings Webpage](#)
- [LEA BOP Webpage](#)
- [Subscribe to the LEA BOP LISTSERV](#)
- [Technical Assistance Request Form](#)

Resources (Continued)

- [2023 CMS Administrative Claiming Guide](#)
- [CMS Medicaid SBS Federal Documentation Requirements Guide](#)
- [LEA Tool Box](#)
- [RMTS Unit Service Regions](#)
- [SMAA Manual](#)
- [Subscribe to the SMAA LISTSERV](#)

QUESTIONS

Please submit additional questions to the RMTS

Inbox:

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