



Medicaid Administrative Claiming (MAC)

Program Overview

Federal Regulations allow states and localities to receive reimbursement by the federal government for administrative costs not associated with direct services. Direct services make up the majority of Medicaid costs but there is also a portion of costs associated with administrative function of operating direct service programs. These administrative costs may be eligible for reimbursement through **Medicaid Administrative Claiming (MAC)**. MAC allows reimbursable costs incurred by a jurisdiction to be matched with federal dollars through federal financial participation (FFP).

Typically participants in MAC are behavioral health agencies, school districts, social services & juvenile services. Administrative costs are usually matched by the federal government at fifty percent.

Covered and Non-Covered Activities

MAC can be applied toward salaries, benefits, and other costs of staff that provide administrative activities. Some examples of these activities include the following:

- Medicaid outreach
- Arranging transportation
- Medicaid eligibility intake
- Referral, coordination & monitoring
- Cost of consultants and vendors may be applicable as well.

Reimbursement cannot be made for direct services that are reimbursable through Medicaid. There also can be no reimbursement for expenditures that already receive federal funding.

Participation Requirements

To participate in MAC claiming the entity needs to submit a Cost Allocation Plan (CAP) to the state that will then be passed on to the Centers for Medicare and Medicaid Services (CMS) for approval. The plan needs to include a time study to determine the amount of time spent on MAC reimbursable activities versus unallowable activities. This time study will determine what percentage of administrative costs are related to covered Medicaid activities and can be claimed for reimbursement under MAC.

Once the CAP is approved by CMS, the eligible entity can submit eligible expenses on a quarterly basis for MAC reimbursement.