

Module 2

Concepts Review & Reference Materials

CR Preparation Checklist

- ❑ General Ledger
- ❑ Client Units of Service Reports
- ❑ Third – Party Revenue Records
- ❑ Contract Financial Summary
- ❑ Published Charges
- ❑ Supporting Documentation

Handouts

- ATTACHMENT 1 General Guideline and Issues
- ATTACHMENT 2 Cost Report Submission Criteria
- ATTACHMENT 3 List of Cost Report Forms
- ATTACHMENT 4 Cost Report Letter of Certification
- ATTACHEMET 4A Source(s) of UOS Information
- ATTACHMENT 5 Cost Report Staff Contact
- ATTACHMENT 6 DHCS Cost Report Instruction Manual
- ATTACHMENT 7 Allowable / Unallowable Costs References
- ATTACHMENT 8 False Claim – CFRS Appendix I
- ATTACHMENT 9 Reporting Eligible Direct Costs Instructions
- ATTACHMENT 9A Schedule of Eligible Direct Cost – Sample
- ATTACHMENT 10 Cost Report Sample – Excel File
- ATTACHMENT 10A Third Party Revenue Breakdown
- ATTACHMENT 10B EPSDT Units

Expenditure Categories

- Personnel
 - Salaries
 - Employee Benefits
- Services & Supplies or Operating Expenses
 - Lease/Rent
 - Materials/Supplies
 - Sub-contracts
 - Mileage/Training
- Fixed Assets
 - Equipment cost \$5000+
 - Only annual depreciation amount is to be factored into actual cost per UOS calculation.
 - LE must adjust the cost of the fixed asset purchased to the annual depreciation expense of that fixed asset item

Expenditure Categories, cont.

■ Capital Expenses

- Only annual depreciation expenses or use allowances can be factored in the calculation of actual cost per unit

■ Indirect Administration – allocated proportionately to DMH contract expenditures.

- Examples of Indirect Admin Costs include:
 - Human Resources
 - Accounting, Budgets/Finance
 - Contracts/Procurement
 - Information Technology, etc.

■ SD/MC CR Other Unallowable Operating

- Lawsuits and Damages
- Legal Fees – lawsuits which LE has to pay damages/settlement

Revenue/Funding Types

- 3rd Party Payor i.e. MediCare, Insurance & Patient's share of cost / Client Fees
- Federal Financial Participation (MC Regular, Enhanced Children, MCE, MCAP, etc.)
- Federal Grants - SAMHSA, PATH, etc. (CFDA Number Identified in Contract Financial Summary; may be subject to Single Audit)
- CALWORKS
- State General Fund (SGF) Various: SB 75, ACA
- MHSA Funds (Prop 63)
- 2011 Realignment, formerly EPSDT-SGF
- Miscellaneous/Other Categorical

Types of Rates

- Provisional Rate
 - *Interim reimbursement/billing rate for SMHS*
- Actual Rate
 - *Actual cost per UOS for SMHS (Total cost/UOS)*
- Institution for Mental Disease (IMD) Contract Negotiated Rate
 - *Client, per day rate negotiated between IMD contractor and County DMH, and may include supplemental treatment patch.*
- County Maximum Allowable Rate
 - *LAC set maximum billing rate by SMHS Mode + SFC*
 - *Maximum County Reimbursement Rate by Settlement Group*

Types of Rates, cont.

■ Published Charges

- Defined as - Customary schedule of charges to the public for clients in need of SMHS.
- Published Charges are required to be posted at the contractor's clinic and may change annually.
- Each contractor has its own rates.
- Contractor may not use the County's Published Charge Rate if different than its own.
- Published Charges are not the same as Provisional Rates.

Time base for Rate Calculation

SD/MC 24 – Hour Services

Description	Mode	SFC	Time Base
Hospital Inpatient	5	10-18	Client Day
Hospital Admin Day	5	19	Client Day
Psych Health Facility	5	20-29	Client Day
Adult Crisis Residential	5	40-49	Client Day
Adult Residential	5	65-79	Client Day

SD/MC – Day Treatment Services

Description	Mode	SFC	Time Base
Crisis Stabilization			
Emergency Room	10	20-24	Client Hour
Urgent Care	10	25-29	Client Hour
Day Treatment			
Half Day	10	81-84	Client ½ Day
Full Day	10	85-89	Client Full day
Day Rehabilitation			
Half Day	10	91-94	Client ½ Day
Full Day	10	95-99	Client Full Day

SD/MC – Outpatient Services

Description	Mode	SFC	Time Base
Case Management	15	01-09	Staff Minute
Mental Health Services	15	10-57, 59	Staff Minute
Therapeutic Behavioral Svcs	15	58	Staff Minute
Medication Support	15	60-69	Staff Minute
Crisis Intervention	15	70-79	Staff Minute

SMHS Direct – Non MC Services

Description	Mode	SFC	Time Base
Residential			
SNF Intensive	5	30	Client Day
IMD Basic (No Patch)	5	35	Client Day
IMD (With Patch)	5	36-39	Client Day
Day Treatment			
Vocational Services	10	30-39	Client Day
Socialization	10	40-49	Client Day
SNF Augmentation	10	60-69	Client Day

SMHS Indirect – Non MC Services

Description	Mode	SFC	Time Base
Outreach Services			
MH Promotion	45	10-19	Staff Hour
Community Client Svcs	45	20-29	Staff Hour
Support Services			
Life Support/Board & Care	60	40-49	Client Day
Case Management Support	60	60-69	Staff Hour
Client Support	60	70-78	N/A

Payment Method(s)

- Actual Cost
- Negotiated/Contract Rate (NR)
- Non-MC Direct Charge

Supporting Documentation

- Indirect Cost Allocation Plan
- Fixed Assets Depreciation Schedule
- Trial Balance Sheet
- Supplemental Information:
 - 4A – Source of UOS data (Contractor's internal records or 701-UP)
 - 9A – Non MC Direct Charge expenditures by funded program*
 - 10A – Third Party Revenue by funded program & payor source*
 - 10B – Source of EPSDT data and SGF computation schedule*

This concludes Module 2 –
Concepts Review & Reference Material

Concepts in Review/Quiz

- Please complete Module 2 Concepts in Review Quizzes in the following Link:
- <https://forms.office.com/Pages/ResponsePage.aspx?id=SHJZBzjqG0WKvqY47dusgUQfczZPFkpFsa-wadWQDvZUMEI0MzJaNIFGUjAwODIwUIJURIU5MkExWi4u>

