

FY 2021-22 COST REPORT INSTRUCTIONS FOR ELIGIBLE CLIENT SUPPORT SERVICES EXPENDITURES

Eligible expenditures under Mode 60 Service Function Codes (SFC):

- SFC 70 Client Housing Support
 - SFC 71 Client Housing Operating
 - SFC 72 Client Flexible Support
 - SFC 75 Non-Medi-Cal Capital Assets
 - SFC 78 Other Non-Medi-Cal Client Support
- The above Mode 60 SFCs are used for reporting non-unit based Client Support Services expenditures that are authorized in the contract provider's Legal Entity Contract.
 - Applicable to all funding sources, not exclusive to Mental Health Services Act (MHSA).
 - Expenditures must have prior written Program Authorization.
 - Expenditures **must reconcile** to DMH payment record. To facilitate the desk review process, please follow-up with the appropriate DMH program and/or fiscal personnel on any discrepancies found.
 - Complete Attachment 9A for Client Support Services, Training and One-Time Only, MHSA Technological Needs Project Contract, and Wraparound Case Rate expenditures.

Cost Report Reporting Instruction:

1. Under MH 1901 Schedule B:

- ✓ **Column A** (Settlement Type) = Enter as "CR"
- ✓ **Column B** (Mode) = Enter mode "60"
- ✓ **Column C** (SFC) = Enter the applicable SFC based on your agency's type of client support services
Note: Must use the SFC stated above (i.e. 70, 71, 72, 75, or 78)
- ✓ **Column D** (Total Units of Service) = Enter one unit in order to have the allocated cost on the MH1901 Schedule C

2. Under MH 1901 Schedule C:

- ✓ **Columns A through D** - are cell referenced from MH 1901 Schedule B. Therefore, no input required.
- ✓ **Column E** - Eligible Direct Cost = Enter the applicable cost related to each direct services reported under mode 60.
Note: Costs reported under mode 60 will be subtracted from the Total Allowable Costs.
- ✓ Select the type of **Allocation Methodology** from the Allocation box above the worksheet to allocate the remaining allowable cost to the units of service at Mode and SFC level.

STATEMENT OF WORK (SOW) - CLIENT SUPPORTIVE SERVICES (CSS)

Definitions for New Service Functions under Mode 60, Support Services

Service Function 70: Client Housing Support Expenditures

The cost of providing housing supports, including housing subsidies for permanent, transitional and temporary housing; master leases; motel and other housing vouchers; rental security deposits; first and last month rental payments; and other fiscal housing supports. This does not include the capital costs used to purchase, build or rehabilitate housing or the salaries and benefits of staff used to provide client housing supports. This category should not include service costs reported under Modes 05, 10 or 15. Units of service should not be reported for Service Function 70.

Service Function 71: Client Housing Operating Expenditures

The operating costs of providing housing supports to clients, including building repair and maintenance, utilities, housing agency management fees, insurance, property taxes and assessments, credit reporting fees, and other operating costs incurred in providing client housing supports. This does not include the capital costs used to purchase, build or rehabilitate housing or the salaries and benefits of staff used to provide client housing supports. This category should not include service costs reported under Modes 05, 10 or 15. Units of service should not be reported for Service Function 71.

Service Function 72: Client Flexible Support Expenditures

The cost of providing supports to clients, family members, and caregivers including cash payments, vouchers, goods, services, items necessary for daily living (such as food, clothing, hygiene, etc.), travel, transportation, respite services for caregivers, and other supports. This does not include housing supports and capital expenditures or the salaries and benefits of staff used to provide client flexible supports. This category should not include service costs reported under Modes 05, 10 or 15. Units of service should not be reported for Service Function 72.

Service Function 75: Non-Medi-Cal Capital Assets

The cost of capital assets dedicated solely to non-Medi-Cal activities may either be expensed in the year purchased or depreciated over the useful life of the asset. Expenses that should be reported under Service Function 75, provided such expenses are dedicated solely to non-Medi-Cal activities, include:

- Purchasing land or buildings used for client housing or other non-Medi-Cal activities (note land is not a depreciable asset)
- Construction or rehabilitation of housing, facilities, buildings or office/meeting spaces
- Related 'soft' costs for development, including strategies to build community acceptance for projects
- Vehicles
- Other capital assets dedicated solely to non-Medi-Cal activities.

Mental health funds used to leverage other housing resources, including other collaborative housing projects, should be included under Service Function 75. Units of service should not be reported for Service Function 75.

Cost of capital assets included in the service costs per unit under Modes 05, 10 or 15 must be depreciated and should not be included in Service Function 75. Refer to the Center for Medicare and Medicaid Services (CMS) Publication 15, Provider Reimbursement Manual (HIM-15), Part 1, Chapter 1 for guidance on depreciation requirements.

Service Function 78: Other Non Medi-Cal Client Support Expenditures

The cost of salaries, benefits and related general operating expenditures incurred in providing non-Medi-Cal client supports not otherwise reported in Treatment or Outreach Programs (Mode 05, 10, 15 or 55). Units of service should not be reported for Service Function 78.