

GENERAL GUIDELINES AND FORMS

PROCEDURAL ISSUES

Units of Service (UOS)

Contractors may use the FY 2022-23 701UP Report, 13th month run (generally available in August) as a guide for preparing the FY 2022-23 Cost Report. This report is generated by the Chief Information Office Bureau's (CIOB) Data Reporting Warehouse, which stores data from the Integrated Behavioral Health Information System (IBHIS).

If the Contractor's internal record of actual UOS is different from the UOS on the 701UP Report, Contractor may opt to use their own records. However, Contractor must include a reconciliation and explanation of the UOS variance from the 701UP report and other source system data with the Cost Report submission. The other source system should be identified on Attachment 4A.

Perceived problems with the UOS data in the 13th Month Report will not constitute a valid excuse for late, incomplete, or inaccurate cost reports. The Cost Report submission deadline for FY 2022-23 is March 4, 2024.

Deleted UOS

Deleted UOS should not be included in your Cost Report.

Supporting Documentation

In order to support the information provided in the Cost Report, Contractors should maintain sufficient supporting documentation to substantiate the agency's expenditures, revenues, and indirect cost rate proposals, as well as relevant methodology(ies) used to distribute costs to various modes and service function codes. Supporting documentation should be provided with the Cost Report submission.

Legal Entity Numbers

DHCS requires that each specialty mental health services Contractor to have a Legal Entity name and Legal Entity number. The Legal Entity number is a 5-digit identification number which appears on the Legal Entity contract.

Timeliness and Quality of Cost Reports

Contract language requires that a complete cost report be submitted on September 15th for the fiscal year ended. Should the due date fall on a weekend, such report will be due on the following business day.

The September 15th, 2023 deadline for FY 2022-23 has been extended to March 4th, 2024. A recovery of liquidated damages in the amount of \$100 per calendar day will be assessed starting on March 5th, 2024 (or the day after an approved extended deadline), until the outstanding cost report is received. Additionally, payments may be suspended for late cost report submission.

To the extent that substantive errors are found on your Cost Report, Cost Report analyst will contact your agency for corrections. These corrections need to be made as soon as possible

but no later than the due date specified by the Cost Report analyst. **The revised Cost Report will need to be signed, dated, and submitted with a new Letter of Certification form.**

See Attachment 2 for more detailed information on Cost Report submission criteria.

Annualized SD/MC UOS

Each Contractor is responsible for reporting the approved annualized SD/MC UOS based on the best available data and a reasonable methodology. Once the Cost Report has been submitted to DHCS, the total UOS cannot change.

FORMS OVERVIEW

All legal entities must complete the Cost Report forms consistent with the instructions provided. Most of the Cost Report forms contain formulas. This will enable about 85% of the Cost Report task to “self complete”. Data entry will be required for the following cost report forms: LAC101, LAC102, LAC103, MH1900_INFO, MH1901 Schedules A, B, and C, MH1960_HOSP_COSTS, MH1960_HOSP_05, MH1960_HOSP_05_ADMIN, MH1960_HOSP_10, MH1960_HOSP_15, MH1960_PHYS_05, MH1960_PHYS_10, MH1960_PHYS_15, MH1961, MH1962, MH1965 and MH 1991. Please save the Cost Report electronic file in the Microsoft Excel Macro-Enabled Workbook.xlsm version.

Noted below are critical issues or data that must be incorporated in each set of forms during the preparation process.

MH Series Forms

- A) Revenues, including Medicare and other 3rd party funding sources, should be reported on an accrual basis. Many legal entities have utilized a cash basis for their internal accounting systems for third party revenue in the past. **However, according to DHCS policy, revenue *must* be accrued based on the annualized estimate of approved services.**
- B) Hospital legal entities must complete the MH 1960_HOSP_COSTS and all the related MH1960_HOSP and MH1960_PHYS forms to determine the reasonable and allowable costs for providing psychiatric inpatient hospital services (Mode 05), day services (Mode 10), and/or outpatient services (Mode 15). Cost information filled out on the MH 1960_HOSP_COSTS is referenced from the Hospital and Hospital Health Care Complex Medicare or Medi-Cal Cost Report (CMS 2552-96). Hospitals that do not submit a CMS 2552-96 must at least complete the applicable worksheets in the CMS 2552-96.
- C) MH1901 Schedule B requires the reporting of Medi-Cal services by the various Medi-Cal sub-fund categories and by the applicable FMAP time periods.
- D) MH1966 forms are designated by Mode with separate forms for Modes 05, 10, 15, 45, 55 and 60. The Treatment Modes, 05, 10, and 15, require the most data. The forms for Modes 45, 55, and 60 have minimal input requirements. Also, Mode 55 is included exclusively for the reporting of Medi-Cal Administrative Activity (MAA) costs. *Only participants in the MAA program that have appropriate service records should utilize the Mode 55 form. Mode 55 cells will likely be blank.*

LAC Series Forms

- A) Each Contractor must provide LAC101 data that differentiates the legal entity total costs by labor and other categories and also by treatment and administration within the entity. The LAC101 organizes cost adjustments, direct, indirect and administration costs that are related to the DMH contracted services.
- B) The LAC102 schedules are needed to report UOS data for each service function code (SFC) by funding source as shown in the financial exhibits of your agency's contract. A further breakdown is required for each SFC identifying Medi-Cal (EPSDT or Non EPSDT), Enhanced Medi-Cal (EPSDT or Non EPSDT), Affordable Care Act, State Funded Beneficiaries, Medi-Cal Access Program and Non-Medi-Cal UOS.
- C) The LAC103 computes unit costs that are applicable for all services. It requires each Contractor to report third party revenues applicable to all DMH contracted UOS that include, but are not limited to, SD/MC, Medicare, Medicare/Medi-Cal crossover, Enhanced Medi-Cal, Affordable Care Act, State Funded Beneficiaries, Medi-Cal Access Program and County UOS. This data enables automation of some of the data required by the DHCS.

CERTIFICATION GUIDELINE

Certification

The Cost Report includes a formal certification that conforms to the certification that the County makes to DHCS regarding the validity, accuracy, and completeness of the combined County and Contractor cost reports and supporting documents.

Since the County's aggregate Cost Report includes the individual Cost Reports prepared by each of its Contractors, the County also requires Contractors to certify the information reported.

Contractors must complete the Attachment 4A to provide the source(s) of the UOS reported on the Cost Report

AMENDMENTS OR CORRECTIONS

Cost Report Corrections

In order for LAC-DMH to meet the DHCS March 29th, 2024 Cost Report due date and other Federal and State reimbursement claiming deadlines, Cost Reports Corrections must be submitted by Contractors before March 15th, 2024. Any Cost Report Corrections received after March 15th, 2024, will not be included in the initial Cost Report package and the Summary Cost Report submission to DHCS. In addition, any subsequent change after the initial submission will be subject to review and approval of the County.