

# COUNTY BOARD COST REPORTS

## Highlights



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# 2021 Updates

## County Board Cost Report System (CBCR)

Updated user interface.

## COVID/CARES

Report COVID-related expenses in the appropriate program area as you normally would as if COVID didn't exist.

Report Federal revenue received under the CARES Act on the revenue worksheet under Federal > Other.

Utilize worksheet a1, Less Revenue field to back out Federal funding received for reimbursement of COVID-related sick leave.

## Due Dates

Submission dates for calendar year 2020 reports are now May 31, 2021 for COGs, and June 30, 2021 for county boards.

# 2020 Updates

## **County Board Cost Report System (CBCR)**

Integrity checks have been built in and will not allow unassigned or general costs to be entered without corresponding statistics.

COG costs are now summarized in the Reports and Others tab, under CBCR Program totals.

# 2019 Updates

## Online Cost Report Training

Online Cost Report Training is now available. The content covers the cost report basics, (i.e., what, why, when, and processes).

This training is intended for new Business Managers. OAC 5123:2-1-02 (L)(3)(a) states that new county board personnel who prepare cost reports will complete a department-provided orientation program in cost report preparation within ninety days of employment or contract. This training meets that requirement. However, anyone can take the training.

There are two modules and take approximately 30 minutes to complete both. If a passing score is received, a certificate will be created and available for save or print.

Anyone with an OH|ID or DODD portal account can access DODD MyLearning. This means anyone with access to CBCR, PSM, eMBS, or any other DODD application has access.

## Accessing the Cost Report Training

1. Navigate to [dodd.ohio.gov](http://dodd.ohio.gov)
2. Click **Login**, located near the top of the page
3. Enter your OH|ID username and password
4. If you do not have an OH|ID, click **Create New Account** and follow the instructions
5. After logging in successfully, click **MyLearning**, located near the top of the page
6. Select **Full Catalog** from the MyLearning dashboard
7. The list is in alphabetical order, click **Introduction to the County Board Cost Report**
8. Click **View Course**
9. Click **Enroll me**
10. To get started, click the link to Module 1

For help with technical issues, including help with usernames and passwords, contact the ITS Help Desk at 1-800-617-6733 or [ITSCallCenter@dodd.ohio.gov](mailto:ITSCallCenter@dodd.ohio.gov).

# 2018 Updates

## Asset Sales

For assets sold or disposed of on or after Dec. 1, 1997, no gain or loss should be reported by boards as adjustments to allowable costs on the Capital Costs form. Instead, sale proceeds should be reported as a reconciling item on the cost report. County boards also may not expense any remaining salvage value. In theory, these costs should be recouped through the sale of the asset.

If the county board used state or federal capital grants dollars to purchase or improve an asset being sold, then it may have an obligation to repay a portion of the purchase or improvement amount. For this reason, please contact DODD by email at [report-coordinator@list.dodd.ohio.gov](mailto:report-coordinator@list.dodd.ohio.gov) prior to the sale of the asset if this condition applies so DODD may provide additional guidance on repayment.

## Salvage Value

County boards are no longer required to take a minimum 10% salvage value on assets. If the board determines an asset does not have a salvage value, it should record a salvage value of \$0 in its asset ledger.

If the county board previously took 10% salvage value for an asset still in use that should have a salvage value of less than 10% (i.e. computers), the salvage amount may be added to the asset and expensed over the remaining life of the asset.

Unaudited cost reports for years where cost settlement has not occurred may be revised accordingly.

## Scenario

Votto County purchases an asset for \$2,500 and takes a salvage value of \$250, 10% of the asset cost. They depreciate the remaining \$2,250 (\$2,500 - \$250) over the asset life, 10 years. For 5 years, they depreciate \$225 per year (\$2,250 depreciable cost / 10 years asset life). After year 5, Votto County determines the asset should not have had a salvage value and elects to expense the salvage value over the remaining life of the asset (5 years). The unclaimed depreciation is now \$1,375 (\$1,125 depreciation claimed + \$250 salvage value). Subsequently, they now depreciate \$275 per year (\$1,375 unclaimed depreciation / 5 years asset life remaining). This example is detailed below.

### Accounting for Salvage Value for Assets with Non-Salvage Value

Asset Cost		\$2,500.00
Salvage Value	10%	\$250.00
Depreciable Cost		<u>\$2,250.00</u>
Asset Life	10 years	
Initial Depreciation Per Year		\$225.00
Adjusted Depreciation Per Year		\$275.00



		<b>Book Balance</b>
<b>Year</b>		<b>\$2,250.00</b>
1	\$225.00	\$2,025.00
2	\$225.00	\$1,800.00
3	\$225.00	\$1,575.00
4	\$225.00	\$1,350.00
5	\$225.00	\$1,125.00
Salvage Value Added to Remaining Asset Life	+ \$250.00	\$1,375.00
6	\$275.00	\$1,100.00
7	\$275.00	\$825.00
8	\$275.00	\$550.00
9	\$275.00	\$275.00
10	\$275.00	\$0.00
Total Depreciation Expense	<u>\$2,500.00</u>	

## **Retire-Rehire Employees**

County boards that rehire individuals who previously accepted an ERIP or financial incentive must demonstrate the rehire is “economical and efficient” for their costs to be allowable. This standard comes from the Centers for Medicare and Medicaid Services (CMS).

For example, a county board rehiring an ERIP participant at an entry level salary meets the standard. However, if the ERIP participant is rehired at their previous salary then the standard is not met. If the board wants to claim the person’s costs on their cost report, they should refund the participant’s ERIP costs to the federal government.

# Recent Topics of Interest

## Early Retirement Incentive Plans (or Other Abnormal Mass Severances)

ERIPs must have prior approval from CMS to be allowable (2 CFR Part 200 Subpart E [§200.431](#)). If other incentive plans are not a bargained benefit, then they should also have CMS prior approval.

Per Ohio Revised Code §145.297, an incentive plan is considered abnormal or mass severance pay if 15% or more of the county board's employees participate in the plan.

Costs related to ERIP or incentive plans without prior federal approval must be reported as non-federal reimbursable. AOS will move unapproved costs appropriately during audits.

To initiate the approval process, boards must submit the following documentation to DODD. Upon review, DODD will send this documentation to the Ohio Department of Medicaid (ODM) and CMS for approval.

- Cost savings projections spreadsheet (request from DODD)
- Questionnaire (request from DODD)
- Board's retire/rehire policy (if applicable)
- Board resolution approving ERIP/incentive plan (if applicable)
- Narrative explaining why the ERIP/incentive is being offered

Email [report-coordinator@list.dodd.ohio.gov](mailto:report-coordinator@list.dodd.ohio.gov) to request materials. Even if a board is seeking prior approval for a non-ERIP incentive, it still must use the required ERIP templates.

Use the Employer Contribution System (ECS) on [opers.org](http://opers.org) to complete the "Cost to Purchase Years of Service" column on the ERIP projections spreadsheet. Enter each eligible employee's Social Security Number, expected effective retirement date, and ERIP years (1-5). This step is likely unnecessary for non-ERIP incentives depending on the plan structure.

For questions about ECS, contact OPERS Employer Outreach at 888-400-0965 or [employeroutreach@opers.org](mailto:employeroutreach@opers.org) (include county name and ERIP in subject line).

DODD understands that cost savings projections are variable and likely to change. If an employee is eligible for the ERIP or incentive, they should be included in the spreadsheet.

DODD recommends submitting documentation at least three months ahead of the effective date of the ERIP or incentive.

Pension benefits for OPERS carryover employees are allowable costs because the payment is mandatory if the employee elects to continue to contribute to OPERS.

More details on the approval process can be found [here](#).

## Privatization

If the board contracts with a private provider or nonprofit **and bills for services**, report costs and statistics for **all** individuals (including non-waiver individuals).

If the board contracts with a private provider or nonprofit **and does not bill for services**, only report costs and statistics for non-waiver individuals. Match paid to DODD is a reconciling item.

Privatizing midyear should not distort rates so long as costs and statistics for non-waiver individuals are still reported.

Even when fully privatized, boards should collect statistics with each invoice as they are paid.

Statistics for private provider non-Medicaid contracts are required because Medicaid requires those costs to be included in the calculation of the 112% settlement ceiling. Boards that do not track statistics will hurt their peers during settlement.

Without statistics, costs for non-waiver individuals must be reported as non-federal reimbursable. Putting costs in non-federal reimbursable because the board doesn't want to track units distorts the cost report by making it look like the board does not provide the service and distorts the board's true program costs.

If privatizing midyear, split costs and statistics using an equitable allocation methodology like days of use or attendance. See the Cost Report Instructions for examples.

Space not used by the board is non-federal reimbursable. This principle applies not just to square footage but also depreciation and building services costs.

## Tax Levy Revenue

When reporting tax levy revenue on your cost report, enter the gross amount. This means you will include the amount that you actually receive, plus any fees paid to county treasurer / auditor's office. In addition to entering this on the Revenue worksheet, you should then report fees on the Indirect Cost Allocation Program worksheet, as non-federal reimbursable. The full amount of revenue and fees should be apparent in your completed cost report.

# Overview

The cost report is used to provide a Medicaid compliant cost-reporting mechanism for Medicaid-funded services. It also provides a consistent method to capture, analyze, and publicize annual county board expenditures and income.

County boards are required to ensure the business manager and other county board staff who prepare the cost report or supporting documentation successfully complete a DODD-provided

**The county board is ultimately responsible for everything in the cost report.**

- Orientation program in cost report preparation within ninety days of employment or contract. Online training is available through DODD MyLearning
- Annual training in cost report preparation thereafter

For 2021, the due dates for cost reports are

- May 31st for Councils of Government (COGs)
- June 30th for county boards

With a written request, DODD may grant a one-time 14-day extension. Email [report-coordinator@list.dodd.ohio.gov](mailto:report-coordinator@list.dodd.ohio.gov)

DODD has the discretion to permit a COG or county board to make changes to the cost report before an audit begins. When the audit is complete, no changes to the cost report are allowed.

County boards should not complete the exit conference with the Auditor of State until they fully understand the AUP report, including any findings and adjustments.

If a county board's cost report is not auditable, county boards are given two weeks to provide additional documentation. After two weeks, DODD will determine if the report is auditable. DODD's determination is final.

If a report is deemed not auditable, this may result in payback of all FFP received for the reporting period and the board would be subject to the loss of subsidy payments.

# **Fundamentals**

## **Implementation of the Chart of Accounts**

Accurate up-front coding of expenditures and revenue is the key to reporting. By using the required DODD chart of accounts, accounting software should be able to produce a report that allows you to enter the information into the correct forms or cells with relative ease.

If the DODD chart of accounts is not used, the county board must have a crosswalk to the DODD chart of accounts.

An auditor should be able to trace your expenditures from the invoice to the accounting entry to the cost report.

## **Regular Reconciliation**

Regular reconciliation to the county auditor must be a routine part of the process. Monthly reconciliation to the county auditor is required.

## **Keep and Require Good Records**

Proper documentation and retention is the key. If documentation is missing or inadequate, costs will be non-federal reimbursable.

Records are required to be kept for six years after final settlement.

All documentation of services delivered, required statistics, rationale for cost report coding, etc. should be archived and stored with the finished cost report. Documentation should also be uploaded to the CBCR documents library.

For all expenditures requiring statistics, such as days of service or trips, all invoices should have accompanying statistics before the invoice is paid.

Compile data into monthly or quarterly reports; providing a pile of log sheets to the Auditor of State (AOS) to sort and hand count is not appropriate and slows down the audit process. A primary reason audits are delayed is due to the lack of documentation or significant time spent tracking it down.

## Check Your Work

If the chart of accounts is adopted and transactions are reconciled monthly, a simple review of the final cost report will resolve most issues before final submission.

**Key principle of the cost report: The relationship between *cost* and *units*.**

Common errors include entering units without corresponding costs or costs without corresponding units. The Rate Comparison form will help you spot these errors.

## Follow DODD's Guidelines

There may be some situations where a county may not agree with DODD's guidance on a cost reporting matter. However, county boards are expected to follow DODD guidance on cost reporting issues. Guidance is given based on federal and state regulations, as well as discussion among the county board cost report committee, the Department of Medicaid, AOS, and others. Uniformity and consistency is important to ensure county boards are treated equitably.

## Engage and Train Program Staff

Much of the information needed for an accurate cost report depends on statistics and tracking from county board program staff. Discuss with staff the potential financial implications of inadequate tracking or documentation. Staff should also understand documentation and cost reporting requirements.

## Plan

Develop a work plan that lists items needed, where to get the information, and who is responsible. Also, establish timelines that allow time for you to review and analyze the information. Finally, think of what's needed during the audit process when you are completing the report.

## Use the Data Warehouse

Use the data warehouse to proactively prepare for the audit as well as to help find other potential issues. Data warehouse reports that are helpful for cost reporting purposes and may be accessed using this path: Public Folders > Standard Reports > Cost Report Preparation.

## Recommended Order of Entry

Entering data on forms in the following order will make it easier to follow calculations as you complete the cost report.

Order	Form	Group
1	General Information	Reports & Others
2	Operating Revenues	Revenues
3	Square Footage Allocation	Statistics
4	Attendance Statistics Allocation	Statistics
5	Annual Summary Uos - Adult/Children	Statistics
6	Annual Summary of Transportation Services	Statistics
7	Annual Summary of Uos - SSA	Statistics
8	Medicaid Administration	Expenditures
9	Capital Costs	Expenditures
10	Building Services Costs	Expenditures
11	Dietary Services	Expenditures
12	Direct Services	Expenditures
13	Physician Services	Professional Services
14	Nursing Services	Professional Services
15	Speech/Audiology	Professional Services
16	Psychological Services	Professional Services
17	Occupational Therapy	Professional Services
18	Physical Therapy	Professional Services
19	Social Work/Counseling	Professional Services
20	Nutritional Services	Professional Services
21	Adult Program	Expenditures
22	Service and Support Administration	Expenditures
23	Transportation Services	Expenditures
24	Summary of Service Costs	Reports & Others
25	Program Supervision	Expenditures
26	Indirect Cost Allocation Program	Expenditures
27	a1 Adult	Reports & Others
28	a3 Kids	Reports & Others
29	CBCR Reconciliation	Reports & Others

Order	Form	Group
30	Rate Details	Reports & Others
31	Rate Comparison	Reports & Others
32	County Board Certification Page (For Submitter)	Reports & Others
N/A	a2 Adult	Reports & Others
N/A	a4 Kids	Reports & Others
N/A	Program Totals	Reports & Others

## Cost Report Forms and Reports

### Operating Revenues

Used to report revenue received by the county board during the reporting period.

This data is heavily used for important national studies, such as unmatched dollars.

Attribute revenue to the appropriate group when possible; do **not** simply put revenue totals in the "Other" category.

Review in detail the Instructions to ensure proper reporting of all state, local, federal, and miscellaneous revenue.

Payments for state-funded waivers and ICF payments need to be broken out into state and federal revenue.

Use the data warehouse reports to reconcile MBS payments and to accurately complete this form.

### Square Footage

Used to allocate all square footage used by or for the benefit of the categories listed in the Summary of Service Costs report.

Square feet are used on the Capital Costs form and the Building Services form to allocate general or unassigned costs.

Reportable square footage includes:

- Space used by other entities whether or not rent is received or non-federal reimbursable
- Capital leases
- Space used for non-DD activities (non-federal reimbursable)
- Space that has been idle for more than 365 days (non-federal reimbursable)
- Space used by the MAC coordinator and assistant coordinator based on percent of their time spent on MAC



Non-reportable square footage includes:

- Common areas
- Operating leases (direct charge to the program)

Areas shared by more than one program should be allocated based on the actual use of the space.

## **Attendance Statistics**

Used to track all units of service, number of individuals served, and days of attendance regardless of whether Medicaid reimbursement is received.

Attendance statistics are a key to the rate setting methodology, so a lot of time should be put into these stats to ensure accuracy.

Attendance statistics include all non-Medicaid services provided by a contractor.

The county board must ensure that contractors are tracking statistics appropriately and providing them upon invoice for reporting purposes.

Pre-payment, fronting funds, etc. are not good ideas and have caused significant issues with some cost report audits.

Statistics for Medicaid services provided by a private provider are NOT included (match paid to DODD is a reconciling item) unless the provider is under contract with the board and the board is billing for the services.

For the most part, if there are service costs reported for a program, then there should be applicable statistics.

Costs that are not supported by statistics should be reported as non-federal reimbursable.

A day of attendance is counted if the individual shows up to receive a service, regardless of how long the individual is there.

Keep in mind that the definition of a day is different for Medicaid billing, so it is not accurate to use Medicaid days billed for these statistics.

Ensure the acuity bands in your local system match the state system (e.g., A and A1); remember to use the data warehouse reports to actively monitor acuity issues.

## **Annual Summary of Units of Service - Adult/Children Programs**

Used to track units of services for professional services, formerly Worksheets 7A-7H.

These statistics do not auto-populate into the professional service forms since the county board has the option to use people served if it more accurately reflects the cost.

Failure to enter the respective statistics directly in the professional services forms is one of the most common mistakes.

This form is optional except for those counties that bill the waiver for social work or nutrition.

## **Annual Summary of Transportation Services**

Used to track one-way trips and the cost of bus tokens, cab fare, per mile reimbursement, etc. for county board and contracted transportation.

These are a key to the rate setting methodology, so a lot of time should be put into these stats to ensure accuracy.

Track transportation statistics for all services regardless of whether it is reimbursed or not—including children's, enclave, and community employment.

It is important to separate out transportation costs by program because the number of trips is used in the Transportation Services form to allocate unassigned or general transportation expenses.

Costs associated with one-way trips are only reported on the Transportation Services form and are not reported here.

Temporary stops or layovers do not generate an additional trip unless the stop was made for a service to be delivered.

Field trips that are part of the days' services do not generate a trip.

Costs associated with per mile transportation or other "at cost" transportation, such as bus passes, cab fare, commercial transportation, reimbursement to families, are reported on both this form and the Transportation Services form.

The "at cost" items are backed out of the total expenses reported on the Transportation Services form when calculating the county board's per trip rate.

## **Annual Summary of Units of Services – Service and Support Administration**

Used to track units of service for SSA activities.

The reported units are used to allocate total SSA costs between allowable and non-federal reimbursable on the Service and Support Administration form.

All time should be accounted for except those that do not generate units—for example, professional development, and administrative time.

Maintain adequate documentation and sufficient detail in the case notes to justify the activity.

Reference the grid in the Instructions for details.

Do **not** simply report paid TCM units.

TCM Units: Include all TCM units for individuals who are Medicaid-eligible, not just on a waiver.

Other Allowable SSA Units: Include allowable units to non-Medicaid eligible individuals (total allowable units less TCM paid).

Home Choice Units: Include transition coordination services provided under the Home Choice demonstration grant.

SSA Unallowable Units: Include all unallowable units.

Do **not** include general time units on this form; the cost of general time will be allocated on the SSA form based on the allowable or unallowable units.

In many cases, county boards have certain staff doing intake/eligibility as well as other non-SSA duties as assigned.

If a full-time SSA—one that maintains a caseload—does intake or eligibility as part of their overall SSA duties, the units should be reported according to the grid located in the Instructions.

If a certified SSA is doing intake or eligibility and no other SSA functions, the units are **not** reported on this form and the costs are reported under Indirect Costs> General Expenses.

## **Medicaid Administration**

Used to report salary and benefit costs for personnel participating in Medicaid Administrative Claiming (MAC).

Costs are entered onto this form exclusively from a report the county board can run directly from the RMTS system.

MAC costs are limited to salary, benefits, and approved contracts only.

MAC is not a program; it is a funding stream.

The best strategy for properly classifying staff that participate in MAC is to code them to the proper place in the cost report as if MAC did not exist.

Enter those costs into the cost report based on this coding.

Once the DODD report is received, subtract the salary and benefits reported on the DODD report, by person, from the appropriate forms.

Then, enter the cost information into this form exactly as listed on the RMTS report.

AOS also looks at MAC moments as part of DODD's oversight responsibility.

## Capital Costs

Used to report depreciation expense for capital assets.

Only include assets with a cost of the lesser of the capitalization level established by the governmental unit or \$5,000.

All other assets are a direct charge to the benefiting program.

An asset ledger must be maintained that shows the acquisition cost, the date of acquisition, the date the asset was placed in service, and all depreciation calculations.

The ledger should be organized by program.

Depreciation cannot be taken until the capitalization period after the asset was placed into use (period is defined as yearly, semiannual, quarterly, or monthly).

The impact of all disposed assets must be accounted for when the asset is disposed.

Capital leases are reported on this form while operating leases are charged directly to the benefiting program.

An operating lease transfers only the right to use the property to the lessee. At the end of the lease period, the lessee returns the property to the lessor. Since the lessee does not assume the risk of ownership, the lease expense is treated as an operating expense and charged directly to the program, such as postage machines.

Under a capital lease, the board is essentially purchasing an asset.

The instructions outline some of the guidelines for determining the lease type—see also Financial Accounting Standard No. 13, Accounting for Leases.

Capital housing expenses are not to be depreciated unless the board is the owner of the property.

Capital housing expenses—net of any pass-through capital assistance funds from DODD—are reported under Direct Services> Community Residential.

## Building Services

Used to report all building service costs such as housekeeping, cleaning, maintenance, non-capitalized repairs, and utilities.

If a building houses multiple programs and/or it houses other direct or indirect service areas, allocate building service costs to the various areas based on square footage.

If an area within any building is shared by more than one program, the building service costs associated are allocated based on the square footage assigned exclusively to the programs involved or by actual time the area is used by each program.

If more than one building is operated, a separate document like this form should be completed for each building and then compiled.

## Dietary Services

Used to report food service costs, such as cafeteria or vending machines.

If the food service operation is operated by a non-profit that contracts with the board, the related food service costs are not included.

Don't forget to add the number of meals served in the form.

## Direct Services

Used to report costs directly associated with personnel who work directly with individuals—other than adult programs reported on the Adult Program form—to supervise, assist, and develop their educational, work, and habilitation skills.

Examples of the types of personnel that may be reported on this form include PAWS data clerk, Medicaid accounting supervisor/specialist, Medicaid billing clerk, quality assurance and compliance specialists, investigative agents, and behavior support specialists.

Some of these personnel can be allocated between this form and other forms depending on the duties performed.

Costs associated with direct services but above the first level of supervision are not reported on this form; they are reported on the Program Supervision form.

Most direct service costs are directly assignable to a specific program.

MUI activities are unallowable and reported on this form as Non-Federal Reimbursable.

Capital housing expenses are not to be depreciated unless the board is the owner of the property.

Capital housing expenses—net of any pass-through capital assistance funds from DODD—are reported on this form under Community Residential.

Pass-through capital assistance funds from DODD are reconciling items for both revenue and expenses.

## Professional Services

Used to report the cost of professional services.

Statistics must be directly entered in these forms.

Statistics do not automatically populate because the board has the option to use the number of units or people served as the allocation basis.

## **Adult Program**

Used to report all costs associated with the provision of facility-based services and supported employment—both enclave and community employment.

Only costs associated with the first level of supervision and lower are reported on this form.

Contracts with private providers are included as a cost on this form and respective days by acuity and unduplicated individuals served must be included in the Attendance Statistics form.

Boards must ensure that providers are recording days of attendance per cost report guidelines and reporting those statistics to the board for cost reporting purposes.

This only applies to locally paid, non-waiver individuals—waiver match paid to DODD is a reconciling item—or cases where the provider is under contract with the board and the board is billing for the services.

Recommended practice is to require the locally paid providers to submit the days of attendance with each payment request.

Rule of thumb: if the board is the provider or is billing Medicaid for the services, the board reports all income, expense, days of service, and unduplicated individuals served in the cost report.

All costs related OOD programs, such as Bridges to Transition or Pathways, are reported as costs on this form under Community Employment and then as an offset on the less revenue portion of the a1 adult report.

Since OOD programs do not have units associated with them, the costs must be removed before the calculation of the unit rate or the rates will be inflated.

## **Service and Support Administration**

Used to report costs associated with service and support administration and related support staff.

This form allocates total costs between allowable and non-federal reimbursable based on the units entered on the Annual Summary of Units of Service - SSA form.

Refer to the grid in the Instructions and the Annual Summary of Units of Service - SSA form, section above.

In some instances, boards have assigned all intake responsibilities to a person that does not maintain a caseload and does non-SSA work as well.

In this case, the costs are reported on the Indirect Costs form under General Expenses and no units are entered on the Annual Summary of Units of Service – SSA form.

If a full-time SSA with a caseload is doing intake/eligibility, the costs are reported on the SSA form and the units are reported as unallowable on the Annual Summary of Units of Service – SSA form.

If a full-time SSA without a caseload is doing intake/eligibility, the costs are reported on the Indirect Costs form and no units are reported on the Annual Summary of Units of Service – SSA form.

## Transportation Services

Used to report all costs associated with transportation to board programs.

Since most boards operate a centralized transportation service for all programs, most costs will not be directly assigned to a specific program.

One-way trips are used to allocate those costs that cannot be directly assigned.

This is why one-way trips must be tracked for all programs even though the transportation rate is the same.

All costs associated with transporting individuals, including contracted transportation services, are reported.

This only applies to locally paid, non-waiver individuals (waiver match paid to DODD is a reconciling item) or cases where the provider is under contract with the board and the board is billing for the services.

If a county board contracts for transportation, those costs are included as well as the appropriate one-way trips.

## Summary of Service Costs

Summarizes the cost report by program and by account.

Automatically populates with the exception of Other Waiver Services cells above the report.

In Room and Board/Cost to Live, **all** room and board expenses should be reported here and nowhere else in the cost report.

In Home Choice Community Transition Services, report the total costs incurred providing these services under the Home Choice demonstration grant.

In the cells in between, report the total costs for ancillary waiver services—not day array services or non-medical transportation—for which the county board is the provider.

It is the county board's responsibility to ensure contractors are providing accurate and timely statistics.

The county board must ensure that contractors are tracking statistics appropriately and providing them upon invoice for reporting purposes.

Pre-payment, fronting funds, etc. are not good ideas and have caused significant issues with some cost report audits.

Costs may also include public transportation, reimbursements to families or other providers, taxi fares, or other such forms.

These costs are reported as part of Other Expenses and on the Annual Summary of Transportation Services form and do not generate a one-way trip.





Provider certification fees are allowable based on the criteria outlined in 42 CFR Part 433 Subpart B, as a routine cost of business and are charged to the appropriate cost center or allocated to multiple cost centers based on the services for which the board is certified.

If a full-time SSA with a caseload is doing intake or eligibility, the costs are reported on the SSA form and the units are reported as unallowable on the Annual Units of Service – SSA form.

If a full-time SSA without a caseload is doing intake/eligibility, the costs are reported on this form and no units are reported on the Annual Units of Service – SSA form.

Worker's compensation costs should be allocated to each program when given sufficient detail to do so in lieu of simply posting the costs on this form.

### **Allocation of Cost/Statistics to Adult and Children's Programs (a1 - a4)**

Used to allocate indirect costs, such as capital, indirect, program supervision, building services, and dietary to all cost centers.

This is called the step-down methodology and is required when calculating costs under CMS publication 15-1.

This report is used for rate calculation.

The principle behind the step-down methodology is to recognize that indirect costs benefit both revenue-producing and non-revenue producing costs centers and should be allocated as such.

The less revenue portion of the form should be used to offset costs in the appropriate form when there is no relationship between costs and units.

The most common example of an item that should be entered into the less revenue portion include all OOD (formerly RSC) costs.

Other offsets could include reimbursements and other offsetting revenue if the revenue was not accounted by reducing expenses in the appropriate cost center.

### **Reconciliation to the County Auditor**

Used to reconcile the expenses and revenue reported in the cost report to the year-end county auditor's report.

Reconciliation must be within 0.25 percent.

Recommended practice is to create a document that lists all reconciling items and any applicable notes.

Do not force reconciliation by entering false numbers.

Regular reconciliation to the county auditor's reports will make the reconciliation process less difficult and time consuming.

Common expense reconciling items include

- All waiver paid to DODD
- Capital housing pass through
- Other applicable pass through
- DC cost of care and/or day service match
- Capitalized purchases
- Capital expenses, excluding COG expenses, from the Capital Costs form
- All transfers to the COG
- All COG expenses entered from the provided summary workbook (automatic)
- COG expenses entered as Other Waiver Services on the Summary of Service Costs report
- Match paid to OOD
- Transfers out
- Any expense items that were netted against payments, such as reimbursements or payments for sharing of services
- Payments made as a fiscal agent

Common revenue reconciling items include

- COG revenue (automatic)
- Transfers in
- Waiver match reconciliations
- Revenue received as a fiscal agent
- Proceeds from asset sales

## **Rate Detail**

Use this report as a “gut check” to determine if your cost report information is accurate.

Review this report before submitting the report to DODD.

For example, a TCM or SE-Enclave rate of \$1.00 per unit likely indicates either the over-reporting of units, such as recording administrative time as unallowable, or miscoding of expenditures.

The rates from this report will be used for settlement.

If your cost per day is under the rule rate—and you billed the rule rate—a board can expect to pay back the FFP portion of the difference between the audited rate and the rule rate, multiplied by the number of units billed.

If your cost per day is higher than the rule rate, the settlement amount will depend on the settlement ceiling for that service—112 percent of the statewide average rate in most cases.

## Discussion of settlement process

- Settlement cannot begin until all county board and COG cost reports are completed
- The rate detail in the cost report shows the calculation of each rate based on the approved settlement process
- Remember, once the cost report is audited, NO changes can be made
- Do not sign off on the audit until you fully understand what is being proposed
- If disagreements arise, DODD will make a final determination after consulting with AOS and the county board
- Inaccurate cost reports may have serious financial consequences
- The goal is to settle a cost report period each calendar year, which will hopefully bring some predictability to the process

## Rate Comparison

Compares current year costs, units, and rates for each service to amounts submitted in reports from one and two years ago.

If a rate increases by 10% from the previous year to the current year, then users are required to submit an explanation for each rate increase (or revise the report).

The form also performs integrity checks for each service within the current year. Users are required to submit explanations for services reporting costs without units or units without costs.

These explanations are used by DODD as part of its desk review process.

# Audit Process

Utilize Cost Report Instructions, Highlights, training materials, and other resources available when preparing cost report.

Complete and accurate coding, reporting, and reconciliations throughout the year can help in preparing the cost report and aid in identifying errors and variances timely.

Review the most recent finalized AOS AUP Cost Report audit for your County Board and COG, if applicable, and make any appropriate changes to all cost reports that have not undergone review and resubmit to DODD. Once the AOS review begins, adjustments and revisions will not be accepted.

Be organized when preparing the cost report. For example:

- Save the support used for costs and statistics reported on the cost report in one location, preferably electronically
- Make notes of where you obtained information from for each worksheet or schedule
- Maintain typical AOS requested reports with cost report documentation and support

The county board is responsible for the cost report whether prepared in-house or contracted with an external party. Review your cost report for accuracy and completeness prior to submission.

AOS will provide an Engagement Letter, an Initial Documentation Request, and a Pre-Engagement Questionnaire 3-4 weeks prior to an entrance conference. Obtain, organize, and provide information requested in an organized and timely fashion.

Attend the entrance conference with the AOS and communicate with them. If you have communication preferences—phone, email, request of multiple items or lists, requests by individual items—communicate that to the auditors. If you have preference of auditors working on-site or off-site, communicate with the audit team. If you have issues that will delay you in responding timely to requests, inform the auditors up front.

Respond to AOS requests for documentation and questions during the audit and requests for audit wrap-up in a timely manner. If you can't meet deadlines, work with AOS to set realistic deadlines you can meet, within reason.

If you are having issues with the auditors—regarding requests, communication, confusion or misunderstanding, personnel matters, etc.—communicate with the AOS Audit Manager or AOS Senior Audit Manager. If you are still having issues, reach out to DODD.

Communicate with the auditors, show an interest in your audit, stay apprised of issues and adjustments during the audit, don't wait to ask questions or look at adjustments at the end. If you want more information or communication, talk to the auditors.

If you have a disagreement with the auditors about adjustments or findings, try to resolve those issues during fieldwork. Auditors are willing to listen and review any additional documentation you should provide them.

AOS will keep you informed of adjustments and issues noted during their review. A list of preliminary adjustments in the format of Appendices to AUP Report will be provided for county board review after the AOS Audit Manager's supervisory review; however, changes can occur during AOS higher-level management reviews. This is the time to review the adjustments and discuss any concerns or misunderstandings with the auditors and resolve any disagreements.

AOS will send the draft AUP report to DODD for review. After DODD's review, the AOS will send a draft AUP report to the county board with an opportunity to schedule an exit conference.

The exit conference should be a formality. You should try to resolve or address all issues with the AOS prior to the exit conference. If issues can't be resolved, contact DODD before the AOS finalizes and submits the report to the Clerk of the Bureau.

Once the AUP report is released by the Clerk of the Bureau, no changes will be made to the cost reports.

## **Audit Findings**

As part of the audit, AOS reviews paid claims, which have led to recoverable findings.

Common issues that result in monetary findings are lack of support and billing errors such as:

- Billing NMT for field trips
- Billing greater than 32 units of Adult Day Array Services per day
- Home Choice billed as TCM
- Billing TCM for services provided after individual's death
- Billing for TCM for an individual residing in a nursing facility not within their last 180 days at the facility

Data warehouse reports can be used as a tool to assist in reviewing units billed and making claim adjustments.

Data warehouse reports that are helpful for cost reporting purposes can be accessed through this path: Public Folders > Standard Reports > Cost Report Preparation.

You are required to maintain documentation for payment of Medicaid services for six (6) years after the cost settlement, this includes documentation to support claims paid for Medicaid services—ADS, NMT, TCM, etc.—and for cost report amounts reported.

Once AOS releases the final report, the department will invoice the recoverable findings that exceed \$100.

Beginning with CY11 cost report audits, interest will be collected on recoverable findings. Interest is not collected on cost report settlements.

# Appendix

## Using Data Warehouse for Cost Report Preparation

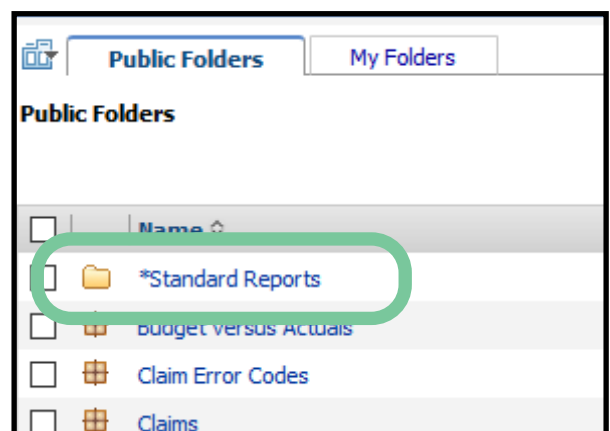
The key reports in Data Warehouse for auditing and monitoring claims issues are

- Adult Day Services 15 Minute Units Per Day
- Non-Medical Transportation Trips Per Day
- TCM Claims After Individual Date of Death
- Voucher Amounts by Contractor
- Acuity A-1 People as of the Previous Day

After logging into the Data Warehouse application, you will see the list of Public Folders.

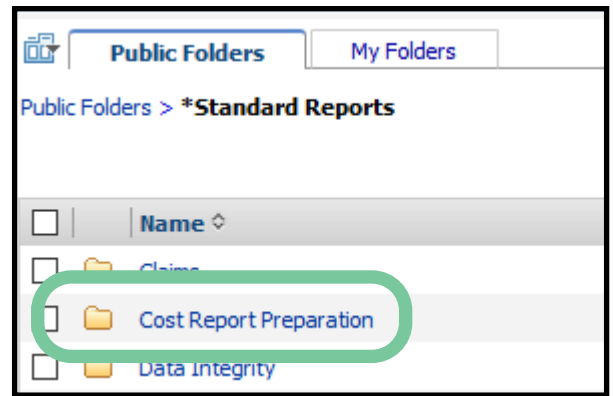
1

To access the reports, first double-click the **\*Standard Reports** folder.



2

Double-click the **Cost Report Preparation** folder.



3

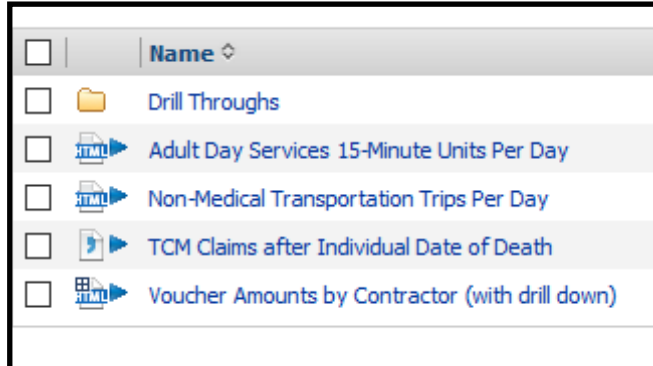
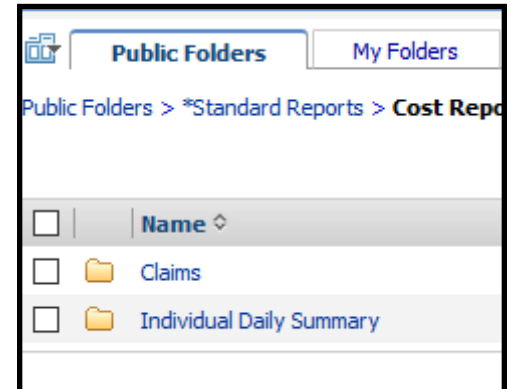
You will see the **Claims** and **Individual Daily Summary** folders.

The Claims folder holds

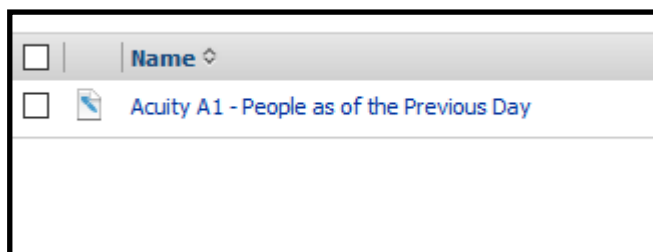
- Adult Day Services 15 Minute Units Per Day
- Non-Medical Transportation Trips Per Day
- TCM Claims After Individual Date of Death
- Voucher Amounts by Contractor

The Individual Daily Summary folder holds

- Acuity A-1 People as of the Previous Day



Claims folder



Individual Daily Summary folder

## Adult Day Services 15 Minute Units Per Day

Use the Adult Day Services 15 Minute Units Per Day report to check for errors in reported units. A person with more than 32 units of service per day is a high likelihood of a billing error. Use the report to search for people with more than 32 units of service per day.

1 After opening the report, enter "32" in the "# of Units (> than)" field.

2 Enter the dates to search in the "Service Date" range fields.

3 Enter the contract number for your county.

4 Click **Finish**.

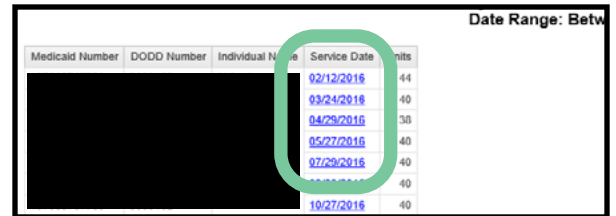
The screenshot shows a search interface for the "Adult Day Services 15 Minute Units Per Day" report. It includes the following fields and controls:

- # of Units (> than):** A text input field containing the number "32", marked with a red asterisk. A green callout "1" is positioned to its right.
- Service Date:** A section with "From:" and "To:" labels. The "From:" field contains "Jan 1, 2017" and the "To:" field contains "Dec 31, 2017". Both date fields have calendar icons to their right. A green callout "2" is positioned to the right of the "To:" field.
- Contract Number:** A large text input area. A green callout "3" is positioned inside this area.
- Buttons:** To the right of the "Contract Number" field are two buttons: "Insert" with a right-pointing arrow and "Remove" with a left-pointing arrow.
- Footer:** At the bottom of the form are four buttons: "Cancel", "< Back", "Next >", and "Finish". A green callout "4" is positioned to the right of the "Finish" button.



5

Your report will load. To access more information about a particular claim, click on the service date.

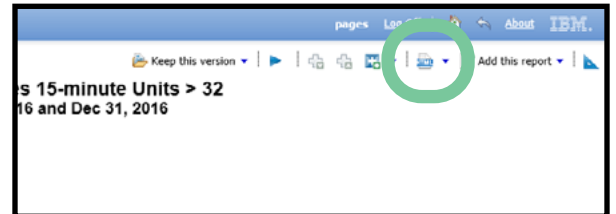


The screenshot shows a table with columns: Medicaid Number, DODD Number, Individual Name, Service Date, and Units. The 'Service Date' column is highlighted with a green circle. The data rows are as follows:

Medicaid Number	DODD Number	Individual Name	Service Date	Units
			02/12/2016	44
			03/24/2016	40
			04/29/2016	38
			05/27/2016	40
			07/29/2016	40
			10/27/2016	40

6

To view the report in another format, click the drop-down arrow and select the file format.



## Non-Medical Transportation Trips Per Day

A common error found in the Non-Medical Transportation Trips Per Day report is a person with more than two or three reported trips per day. This could be caused by billing transportation and adult day for the same time and person. The typical number of trips is two, but the Auditor of State will look at anything greater than three.

1 After opening the report, enter "3" in the "# of Units (> than)" field.

2 Enter the dates to search in the "Service Date" range fields.

3 Enter the contract number for your county.



Monitor the private providers your county does business with by using the provider's contract number in the Contract Number field.

4 Click **Finish**.

The screenshot shows the report configuration interface. It includes the following elements:

- # of Units (> than):** A text field containing the number "3", with a green callout "1" next to it.
- Service Date:** A range selection section with "From:" and "To:" labels. The "From:" field contains "Jan 1, 2017" and the "To:" field contains "Dec 31, 2017". Both fields have calendar icons to their right. A green callout "2" is positioned to the right of the "To:" field.
- Contract Number:** A large text area for entering the contract number, with a green callout "3" inside it.
- Buttons:** To the right of the Contract Number field are "Insert" and "Remove" buttons. At the bottom of the form are four buttons: "Cancel", "< Back", "Next >", and "Finish". A green callout "4" is placed over the "Finish" button.
- Other:** A "Choice" dropdown menu is partially visible on the right side of the screen.

## Voucher Amounts by Contractor

The Voucher Amounts by Contractor report is crucial for reconciliation and reporting revenues on the Operating Revenues form. Every time a payment is received, you should reconcile to this report. The voucher amount should always equal what you are paid as a provider.

- 1 After opening the report, enter your contract number.
- 2 Enter the dates to search in the "Voucher Run Date" fields.
- 3 Click **Finish**.

The screenshot displays the 'Voucher Summary By Contractor Prompt Page' with three numbered steps indicating the user flow:

- Step 1:** Points to the 'Contract Number' input field, which includes 'Insert' and 'Remove' buttons and a 'Choices' list box.
- Step 2:** Points to the 'Voucher Run Date' section, specifically the 'From' and 'To' date pickers.
- Step 3:** Points to the 'Finish' button in the bottom navigation bar.

Other visible fields and options include:

- SCHIP Only?** with radio buttons for 'Yes' and 'No'.
- Includes State Match?** with radio buttons for 'Yes' and 'No'.
- Service Program** list box containing 'I/O', 'LV1', 'SELF', and 'TCM'.
- Navigation buttons at the bottom: 'Cancel', '< Back', 'Next >', and 'Finish'.

A common error is entering the total voucher amount into federal revenue. Only the FFP column is federal revenue.

Keep this version ▾

### Summary of Voucher Amounts By Contractor

Contract Number	Entity Name	Service Program	Voucher Number	Voucher Run Date	Voucher Amount	FFP Amount	State Match Amount
				<a href="#">01/02/2015</a>	\$0.00	\$0.00	\$0.00
			- Total		\$0.00	\$0.00	\$0.00
				<a href="#">01/05/2015</a>	\$543,364.20	\$340,362.88	\$203,001.38
					\$9,200.70	\$5,763.07	\$3,437.64
			- Total		\$552,564.97	\$346,125.95	\$206,439.02
				<a href="#">01/12/2015</a>	\$474,860.40	\$297,452.14	\$177,408.29
					\$3,643.00	\$2,282.06	\$1,361.03
			- Total		\$478,503.52	\$299,734.20	\$178,769.32
				<a href="#">01/20/2015</a>	\$183,256.80	\$114,792.02	\$68,464.79
					\$2,383.10	\$1,492.82	\$890.34
			- Total		\$185,639.97	\$116,284.84	\$69,355.13
				<a href="#">01/23/2015</a>	\$0.00	\$0.00	\$0.00
			- Total		\$0.00	\$0.00	\$0.00
				<a href="#">01/26/2015</a>	\$630,637.60	\$395,027.52	\$235,610.15
					\$17,391.40	\$10,893.70	\$6,497.73
			01/26/2015 - Total		\$648,029.10	\$405,921.22	\$242,107.88
			Overall - Total		\$1,864,737.56	\$1,168,066.21	\$696,671.35

The state match for any IO Waiver is state revenue for the county board and is reported under Operating Revenues> State Revenue> State-Funded DODD Waiver.

SCHIP funds are different than Medicaid funds. To see only SCHIP funds, select "Yes" in the "SCHIP Only?" field.

[Select](#)

**SCHIP Only?**

☐ Yes  
☐ No

[Deselect](#)

You can also see state match amounts by selecting "Yes" in the "Includes State Match?" field.

**Includes State Match?**

☐ Yes  
☐ No

[Deselect](#)

## TCM Claims After Individual Date of Death

A common error found in the TCM Claims report is billing TCM after a person's date of death. Medicaid ends the day a person dies, so tasks such as closing the case cannot be billed to TCM.

- 1 After opening the report, select the desired search option in the Date Type field.
- 2 Enter the dates to search in the "Service Date" range fields.
- 3 Click **Finish**. Your report will load. If the report is blank, there are no errors.

The screenshot shows the "TCM Claims After Date of Death" report interface. It includes fields for "Medicaid Number" and "DODD Number", each with "Insert" and "Remove" buttons and a "Choices" list. Below these are "Date Type" and "Date Range" sections. The "Date Type" section has radio buttons for "Processing Date", "Adjudication Date", "Voucher Run Date", and "Service Date" (selected). The "Date Range" section has "From:" and "To:" date pickers, both set to "May 2, 2018". A "3" callout points to the "Finish" button at the bottom. A "1" callout points to the "Service Date" radio button, and a "2" callout points to the "To:" date picker.

**TCM Claims After Date of Death**

Medicaid Number: [Text Box] [Insert] [Remove] [Choices: List Box] [Select all Deselect all]

DODD Number: [Text Box] [Insert] [Remove] [Choices: List Box] [Select all Deselect all]

**Date Type (Select Desired Date Type for Report)**

- ☐ Processing Date
- ☐ Adjudication Date
- ☐ Voucher Run Date
- ☒ Service Date

**Date Range (Select Date Range for Date Type)**

From: [May 2, 2018] [Calendar Icon]

To: [May 2, 2018] [Calendar Icon]

**Individual Name**

Keywords: [Text Box] [Search] [Options]

Results: [List Box] [Insert] [Remove] [Choice: List Box] [Select all Deselect all]

[Cancel] [Back] [Next] [Finish]

## Acuity A-1 People as of the Previous Day

One of the most frequent mistakes is reporting people as “acuity A-1” instead of “acuity A” when using the Acuity Assessment Instrument. The system will not detect this error and will pay the A-1 rate.

1 After opening the report, select your county.

2 Click **Finish**. Your report will load. If the report is blank, there are no errors.

**Prompt**

Provide values for the report you are about to run.

- \* Indicates a required field.
- Points to missing information.

Reporting County Name  
Provide a value:

Adams  
All counties  
Allen  
Ashland  
Ashtabula  
Athens  
Auglaize  
**Belmont**  
Brown  
Butler  
Carroll

Select all Deselect all

Cancel < Back Next > Finish

## Scheduling a Report

You have the ability to schedule and have reports emailed to you for easy monitoring.

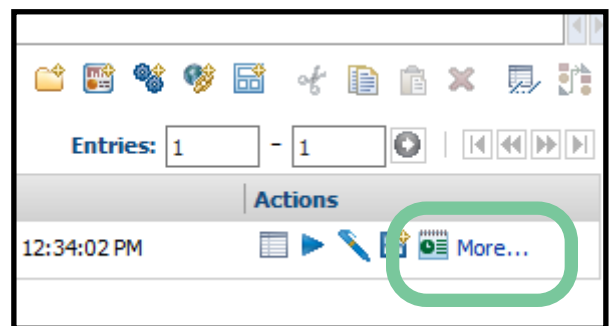
1

To access the reports, first double-click the **\*Standard Reports** folder.



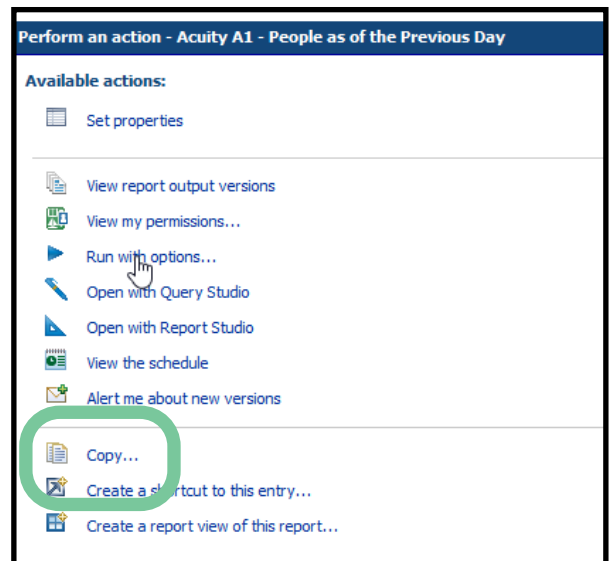
2

Click **More**.



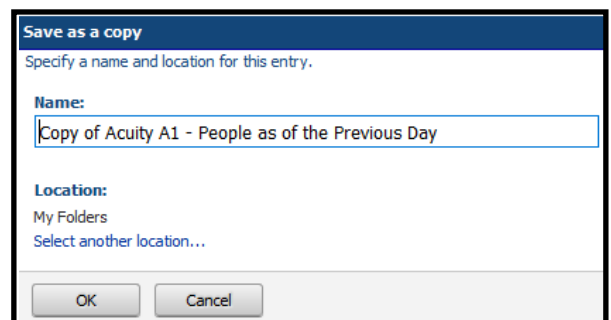
3

Click **Copy**.

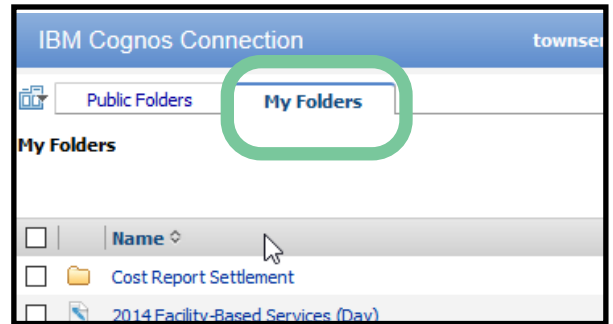


4

You can give your copy of the report a new name if you wish. Then, click **OK**.

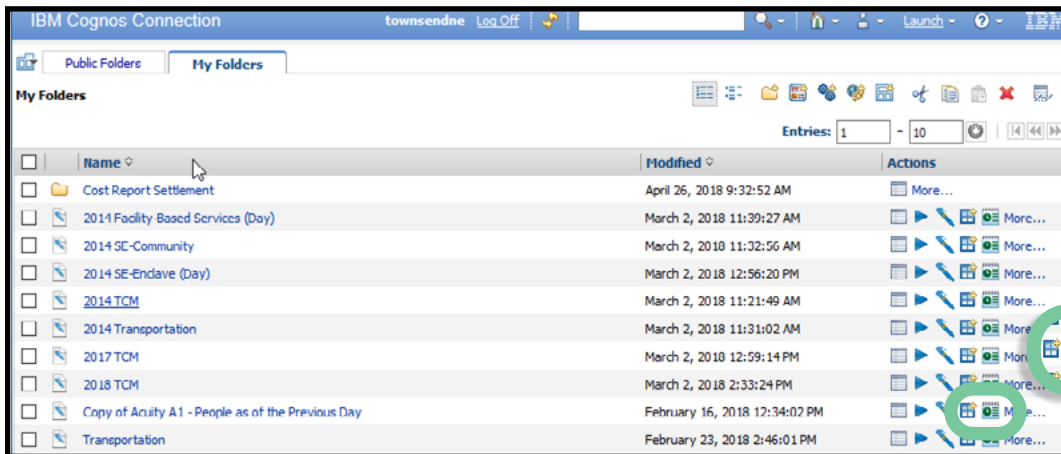


5

Click the **My Folders** tab.

6

Click the calendar icon.



7

Select the frequency to run the report.

**Schedule - Copy of Acuity A1 - People as of the Previous Day**

Schedule this entry to run at a recurring date and time. You can run using the default

☐ Disable the schedule **Priority:**  
3

**Frequency:**  
Select the frequency by clicking on a link.

Every  week(s) on:

☐ Monday
 ☐ Tuesday
 ☒ Wednesday
 ☐ Thursday
 ☐ Friday
 ☐ Saturday
 ☐ Sunday

**Daily Frequency:**

☐ Every  Minute(s) between

**Credentials:**



To receive the report by email, first check “Override the default report options”.

townsend (townsend)

**Options**

☒ Override the default report options

**Formats:**

☒ HTML

**Number of rows per Web page:**

20

☒ Enable selection-based interactivity

☐ PDF

Check to "Send a link to the report by email".

**Delivery:**

Select at least one delivery method. For burst reports, the email recipients are determined by the burst specification.

☒ Save:

- ☒ Save the report
- ☐ Save the report as a report view [Edit the save options...](#)

[Report View of Copy of Acuity A1 - People as of the Previous D](#)

☐ Print the report

**Printer location:**

[Select a printer...](#)

☐ Send a link to the report by email [Edit the email options...](#)

townsende (townsende)

Make sure the email for the person who will receive the report is correct, then click **OK**.

Only Recipients:

To:

stephanie.page@dodd.ohio.gov

Cc:

Select the recipients... Show Rec

Subject:

Report: Copy of Acuity A1 People As of the Previous Day

Body:

☒ Include a link to the report

☐ Insert report

OK Cancel

