



ALCOHOL, DRUG & MENTAL HEALTH SERVICES
MARYE L. THOMAS, M.D., DIRECTOR

Network Office
2000 Embarcadero Cove, Suite 302
Oakland, California 94606
(510) 567-8296 FAX (510) 567-8290

October 7, 2011

Subject: Mental Health Provider Cost Report for Fiscal Year 2010-11

Dear Provider:

Contract providers must submit a year-end cost report which reflects their organization's actual costs, revenues and utilization for the contract period July 1, 2010 through June 30, 2011. The submission of this data is required by both the County and the State Department of Mental Health and represents the basis by which the County, and ultimately the State, determines final net reimbursement amounts.

In order for the County to meet established State deadlines, it is crucial that we receive your cost report no later than **Friday, October 28, 2011**. **If you do not meet this deadline, you will receive one reminder letter with a date that we will begin withholding payments to your organization until this State-required cost report information is received.** BHCS is required to submit the County cost report to the State by December 31, 2011, so it is critical that we receive your cost report as soon as possible.

Federal/State Changes - The State is currently responding to a Federal request for increased reporting of administrative costs. At this time, no decision has been made whether this increased reporting will be required of community-based organizations. However, the State has drafted a new form to collect more detailed information regarding Administrative Expense ("Admin") Costs. The State has not finalized this form, nor issued a final decision on whether it will be required for FY 10-11. You may review the draft form on the Network Office webpage <http://www.acbhcs.org/providers/network/docs.htm>. You do NOT need to complete the form at this time. The Network Office will notify you if the requirements for FY 10-11 change.

Your accepted cost report submission, in agreement with State policy, will be considered an "interim" settlement and will be used to determine the maximum allowable cost base in calculating contract reimbursement and/or savings. This interim settlement shall be subject to audit by Federal, State, County and/or independent auditors and shall become final at the time of audit. This requirement is also part of the County's contractual obligations to our State and

Federal funding sources. Any subsequent audit disallowance will be applied against your final contract reimbursement and/or savings, as appropriate.

The cost report format corresponds to the Mental Health Rehabilitation Option guidelines. Please refer to the attached instructions relating to the preparation of this year's cost report. Be sure to use the instruction(s) that relate to your specific contract. **It is important that you read and follow these instructions carefully.**

To assist you in the completion of your cost report, a CD that includes all necessary documents has been provided for you. Please submit the signed cover letter and all completed documents (CD and hard copies) by **Friday, October 28, 2011** to:

Alameda County Behavioral Health Care Services
Attention: Mary Goldsby
Network Office
2000 Embarcadero, Suite 302
Oakland, CA 94606

After your cost report is reviewed and the information is finalized for input into the State Cost Report, your agency will receive a settlement package along with any changes that would impact your settlement. If your agency agrees with the settlement, the form can be signed and returned to BHCS. If your agency does not agree, there is an appeal process available to your agency. The appeal process will be outlined in the cover letter sent with the settlement package.

Please contact your Fiscal Liaison if you have any questions concerning the cost report process as described in the attached instructions.

Sincerely,

Fiona Branagh

Fiona Branagh
Director, Network Office

Enclosures

cc: Fiscal Liaison
Contract File