ALAMEDA COUNTY
Behavioral Health Care Services

ALCOHOL, DRUG & MENTAL HEALTH SERVICES
AARON CHAPMAN, M.D., INTERIM DIRECTOR

THE NETWORK OFFICE
1900 Embarcadero Cove, Suite 205
Oakland, California 94606
(510) 567-8296/ Fax (510) 567-8290

August 27, 2013

Dear Provider:

SUBJECT: FY 2012-13 Year-End Cost Reports for Master and S.A.N. Contracts

This e-mail with attachments is to inform you of the Year-End Cost Report requirements.

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, 2012 through June 30, 2013. The submission of this data is required by both the County and State Department of Health Care Services and represents the basis by which the County, and ultimately the State, determines final net reimbursement amounts.

This year the Department requests simultaneous submission of Drug Medi-Cal and Non Drug Medi-Cal Cost Reports for Master Contracts including Measure A Funding, and Services As Needed (S.A.N.) Contracts.

All reports are due **Wednesday, September 18, 2013**. Unless otherwise noted, a Cost Report must be submitted for each contracted program.

Forms

County forms for Non Drug Medi-Cal programs as well as applicable forms for Drug Medi-Cal programs are included in this e-mail.

This year County forms for cost report submission of Master Contracts and S.A.N. Contracts are included in the same workbook, if appropriate for your agency.

Newly revised year-end expenditure cost report forms and submission instructions for Fiscal Year 2012-13 are included.

Be sure to submit your completed cost reports on the revised forms;

Cost Reports submitted on any other forms will not be accepted. The contract related report forms combine the fourth quarter financial report with the year-end cost report. Instructions for completion are included with the forms. Please note that you are required to report only the year-end expenditures and should not include the budget amounts.

Please submit the complete cost report package electronically (including your Agency Name – FY in subject line) to your assigned Fiscal Contract Manager and copy the AOD Fiscal Contract Supervisor – Laurie Hall. Upon your agency's electronic submission also print a hard copy of all forms which require an authorized signature (Outpatient Provisional Unit Rate, Units of Service and Reimbursement Summary sheets) and submit to the Network Office at the address listed below.

Budget Revisions

The year-end cost report will serve as the final budget revision. The following line items must be accompanied by detailed written justification: Recreational Supplies, Travel, Training, Professional & Specialized Services, and Miscellaneous. Increases in all other line items that exceed $3,000 must also be accompanied by a detailed written justification. An Explanation/Justification form is included for this purpose (please use a separate Explanation/Justification form for each individual line item and detail various costs). Please be reminded that budget revisions require the approval of the Department. In the event that approval is not granted, the County reserves the right to deny any and all claims for reimbursement in excess of the most current approved budget.

Indirect Costs

If your agency submitted an **Indirect Cost Rate Proposal** at the beginning of the fiscal year, you must submit a final **Indirect Cost Rate Plan (ICRP)** at year-end. The plan should include: 1) a financial report with line item detail showing actual general and administrative costs included in the indirect cost pool 2) a worksheet showing each of your agency's final direct program operating costs and the spread of the administrative/indirect costs to each of the direct service programs.

Excess Fees

Excess fees are defined as any client-generated fees (e.g. General Assistance, AFDC, Food Stamps, or any other third party payer) collected but not expended by June 30, 2013. These excess fees must be delineated on the cost report form and incorporated as revenue in the contract budget for the following year with the requirement that this revenue be expended first in the new fiscal year. This procedure is for *actual cost* programs only. It does not apply to *fee-for-service* programs which have "rollover savings" rather than excess fees.

Master Contract - Interim Cost Report Settlement

As stated in Exhibit B: Payment Provisions, Section II Terms and Conditions of Payment, C. Cost Settlement/Final Payment Provisions, the cost report settlement between the County and Contractor is considered an "interim" settlement. The interim settlement shall be subject to audit by Federal, State, County, or independent auditors. The audit results shall supercede the information previously provided by Contractor and provisionally accepted by the Department. In the event any program's net reimbursable cost is less than the Program Maximum Funding, these funds may be applied to another program whose net costs exceed the Program Maximum Funding, subject to the approval of the Department. This reconciliation will be done only after all cost reports are received in this office. Copies of settlements will be sent when the Cost Report reconciliation process is complete.

Drug Medi-Cal Programs -with any combination of Medi-Cal and Realignment funding

In order to assist with data entry, the Department has prepared a Summary Report of your Medi-Cal billings. If you have any questions regarding the delineated units on this report, please call Andrea Judkins (510) 383-1531. The columns on this form correspond to the cost report forms as follows:

- "Units" = "Net Claims"
- "Denied Units" = "Net Denials"
- For FY 2012-13 the forms require the units to be reflected for one-time period only from July 2012 through June 2013.
- The Summary Report has a column showing Pending Units. For purposes of this cost report, these units are considered approved. If any pending units are denied in the final disposition by the State, you may be asked to repay the County.

- All providers should have received an annual PSP 131 Report at their printers by the week of August 12, 2013 showing all units for the period July 1, 2012 through June 30, 2013. Use this information in your cost report(s) as it supersedes all previously dated reports.

Units of Service

Programs funded with any combination of Medi-Cal and Realignment Funding (excluding Methadone) should determine total allowable units of service as follows:

- Take the total billable units on the annual PSP 131 report and subtract the total Medi-Cal units billed to the State from the Department's Summary Report referenced above. The result will be NNA unless the units are not eligible for NNA reimbursement.

  Some of the Medi-Cal denied units were denied due to client ineligibility, multiple services in one day and/or other healthcare coverage. These units are eligible for NNA reimbursement. When the denied units due to client ineligibility and/or multiple services under NNA are added to the NNA, costs for these units are reallocated to the NNA or OTHER – NON BHCS (if no NNA units or funding) column on the State Medi-Cal Cost Report Forms. Units of service which show evidence of other healthcare coverage are held in pending until resolution of the claim/claim amount to the State. When those units of service are paid in full by the other healthcare coverage they are voided. If a partial payment is received the claim is billed to the State and the revenue should be included on your cost reports.

Please note that duplicate and/or erroneously billed units require BHCS notification by submitting a "Claims Correction Form (CCF)" form located on the Provider website. The BHCS Medi-Cal Receivables Report is corrected for "Claims Correction Forms". Also, please note that when a Department of Health Services, Post-Service Post-Payment (PSPP) program review determines that DMC claims were improperly approved, Department of Health Services will reduce DMC reimbursement to BHCS for the related services. BHCS, where applicable, will then recoup CBO reimbursement for the same identified erroneous DMC claimed services.

Measure A Funding

As stated in Exhibit B Provisions, Section VI, Measure A funding will be considered the last payor source within each program in the final cost report settlement, excluding unearned FFP as referenced in Exhibit B Provisions, Section VI Basis for Final Settlement, General Provisions #8. Should Contractor's total net reimbursable costs be less than the program maximum, Measure A funding shall be designated as the savings, which Contractor may not retain. An exception to this provision may be made by the Department in the case of categorical funding restrictions.

Measure A funding may not be expended in programs that are **funded entirely** by the following revenue sources:

a) Medi-Cal
b) Bay Area Services Network (BASN)
c) HIV Early Intervention
d) CalWORKs
e) State or Federal Grants

Submission Deadline

Completed cost reports, both Medi-Cal and Non Medi-Cal for Master Contracts and S.A.N. Contracts are **due no later than Wednesday, September 18, 2013**. For Non Drug Medi-Cal and Medi-Cal programs: submit the completed reports and return by e-mail as instructed above. The Cost Report forms to be signed must be signed in blue or black ink by an individual authorized by the agency and on file with the Department as authorized to sign

for the agency in order to be considered complete. Final cost settlements including payments will not be processed until we have complete, signed submissions. Send all reports to:

Department of Behavioral Health Care Services
Attn: Valdena Jenning
1900 Embarcadero Cove, **Suite 205**
Oakland CA 94606

If you have questions, please contact your Fiscal Contract Manager: Barbara Cummings (639-1219) or Malwinder Mand (639-1332).

Sincerely,

Laurie Hall
Alcohol and Other Drug Supervising Fiscal Contracts Manager

Enclosures

cc:

Fiona Branagh	Fiscal Contract Managers	Lillian Schaechner
Leda Frediani	Program Contract Managers	Carolyn Novosel
Patrice Brozek	Tom Trabin, Ph.D.MSM	Sona Basra
Jill Louie	Tracy Hazelton	