

Settlement Methodology
(For actual cost per unit contracts only)

The Settlement Methodology will be the basis on which BHCS fiscal contract managers will complete the Settlement Worksheet. Review the two selections and put a check in the box of your choice. Regardless of your selection, all other documents need to be completed as instructed. Remember, this only applies to contracts that are settled to actual cost per unit.

Settlement based on actual cost per unit per program – When settling a provider’s contract each program is settled based on its own cost and utilization to calculate a cost per unit for that individual program. This cost per unit up to Statewide Maximum Allowance (SMA) is used to calculate the total reimbursement for that one program within the contract. Each program’s reimbursement is calculated using this methodology, then all the reimbursement amounts for each program are added together to determine the cost reimbursement per contract.

Settlement based on Relative Value of all Outpatient Programs or Day Treatment Programs – When settling a provider’s contract the cost of all programs within a Mode of Service (Outpatient or Day Treatment) are totaled and all the utilization for that Mode of Service are totaled by Service Function (Brokerage, Mental Health Services, Medication Support and Crisis Intervention). The cost per unit is calculated based on the total cost divided by the total utilization. This cost per unit up to the Statewide Maximum Allowance (SMA) is used to determine the cost reimbursement per contract.

Contractor: _____

Signature: _____ **Title:** _____

Print Name: _____ **Date:** _____