Behavioral Health Annual Cost Report Training

FY 2016/2017

➡ Cost Report Training provides general instructions for completing your annual cost report. If further assistance is required, please contact us at **costreport@rcmhd.org** to set up a meeting with our reviewers.

➡ Questions should be typed into the chatbox located to the right of the screen. If you have any questions during or after the presentation, please submit them via e-mail at:
costreport@rcmhd.org

➡ Please place your phones on mute.

➡ Presentation and training resources will be posted on our website at
www.rcdmh.org

General Cost Report Information:

According to contract with RUHS - BH:

"…final payments (if applicable) to the Contractor shall not be made by the County until receipt of a properly prepared Cost Report."

A Properly Prepared Cost Report signifies that :

- Contractor has submitted two signed sets of the finalized Cost Report with all changes agreed upon by both County and Contractor.

- Contractor has included all documents necessary for County to review

*Disclaimer: The County will have the right to hold future invoices if the Cost Report submitted is not complete or contains errors/issues that remain unresolved.

Note on Financial Statements:

▪ If <u>audited Financial Statements are not available by the date of submission</u>, send the un-audited Financial Statements used to prepare the Cost Report.

▪ If <u>your Financial Statements vary from your Cost Report figures</u>, please submit all supporting schedules to trace numbers from Financial Statements to Cost Report forms.

▪ If <u>your fiscal year is not the same as Riverside County's</u> (July 1, 2016 through June 30, 2017) it is necessary to submit multiple financial statements.

EXAMPLE: On a January through December calendar year basis, submit one financial statement from July 1, 2016 through December 31, 2016 and another financial statement from January 1, 2017 through June 30, 2017.

What to submit to Riverside University Health System – Behavioral Health:

Please email to **costreport@rcmhd.org**:

- Financial statements and other supporting schedules that tie to the Cost Report Schedules.

- Electronic copy of Cost Report Schedules

- A schedule of your published charges (the rates you charge the public).

TWO (2) original signed sets of complete Cost Report Schedules with original signatures in **BLUE** ink for each cost report once agreed upon by County and Contractor.

How many Cost Reports do I need to complete?

Complete a separate set of Cost Report schedules for EACH:

Mental Health Program Code your agency has with Riverside County, as per contract Exhibit C.

Cost Reports submitted with Program Code/contracts combined are not considered properly completed and you will be contacted by your accountant for revision.

- Please be advised that some contracts may contain more than one Program Code and that one contract does not necessarily equate to one cost report.

Enabling Macros:

YOU MUST "ENABLE MACROS" IN ORDER FOR THESE FORMS TO WORK!
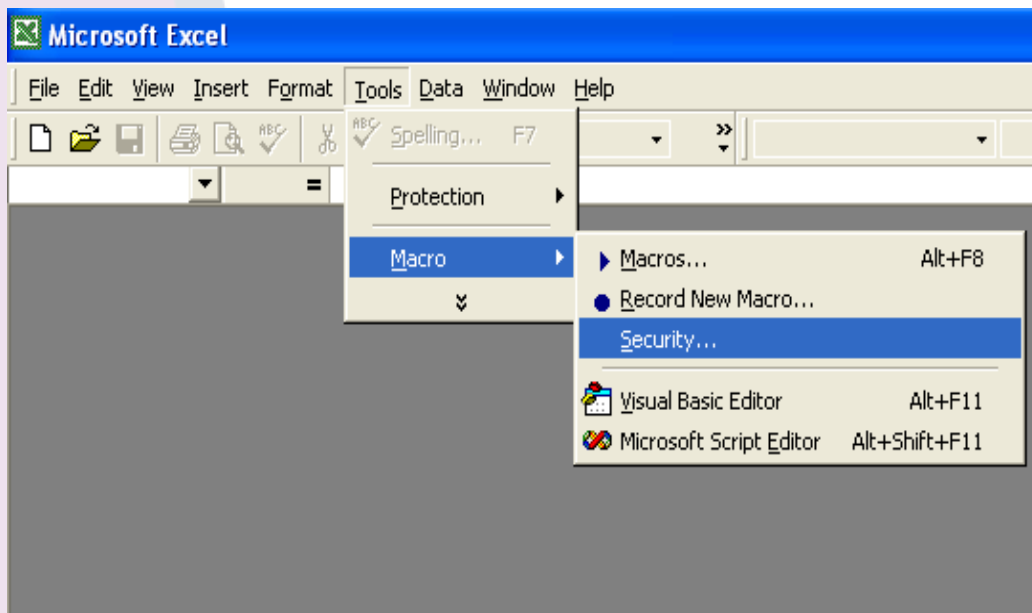
When opening up the Cost Report Schedules in Excel versions 2003 and earlier, a pop up will ask whether to enable macros.
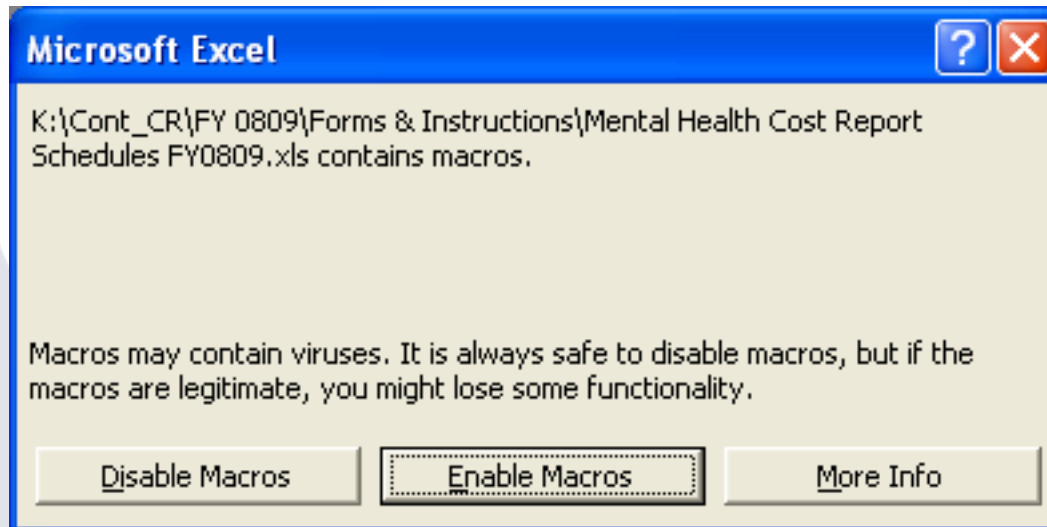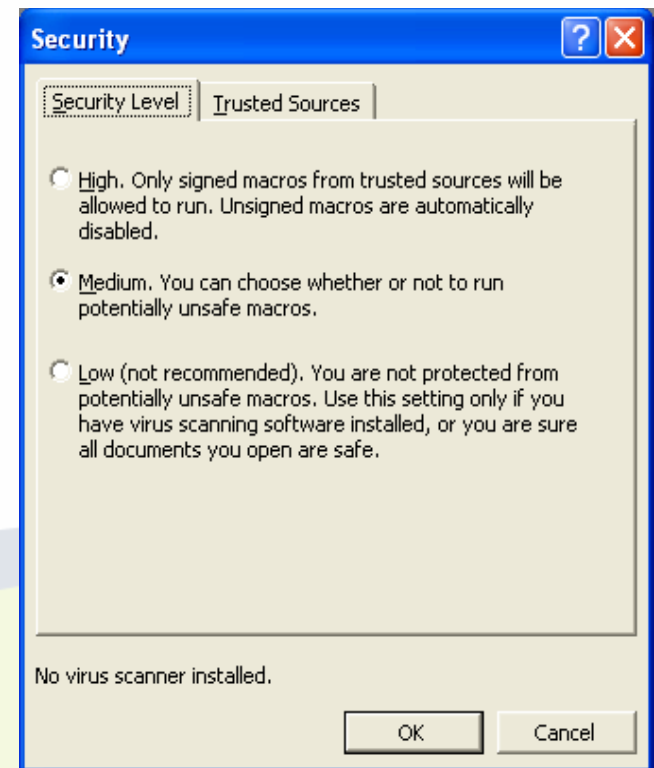
Enabling Macros (cont.):

You may also need to adjust the Security Level in order for the Macros to run properly.

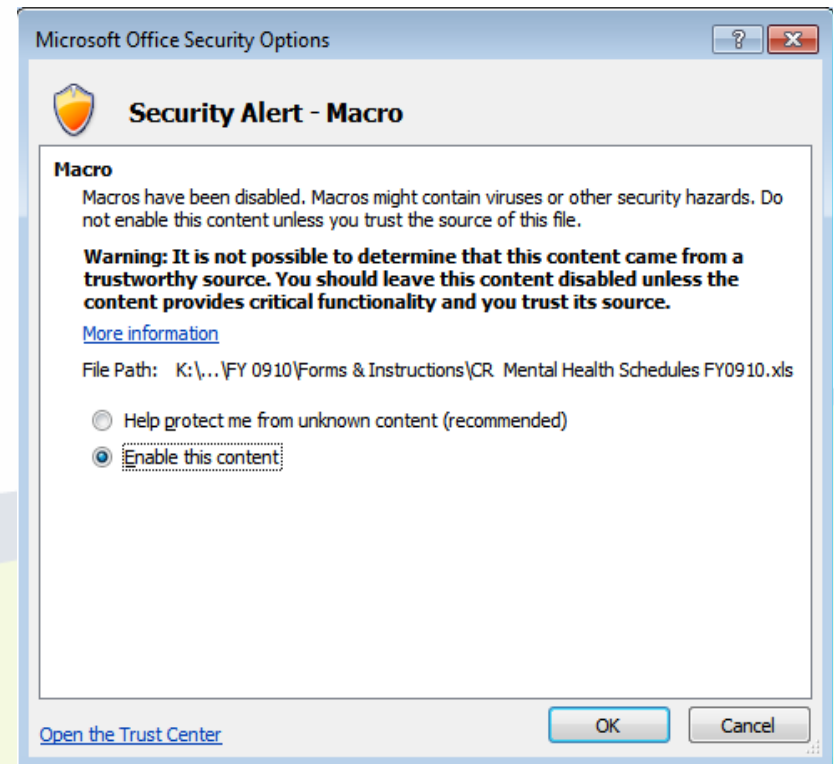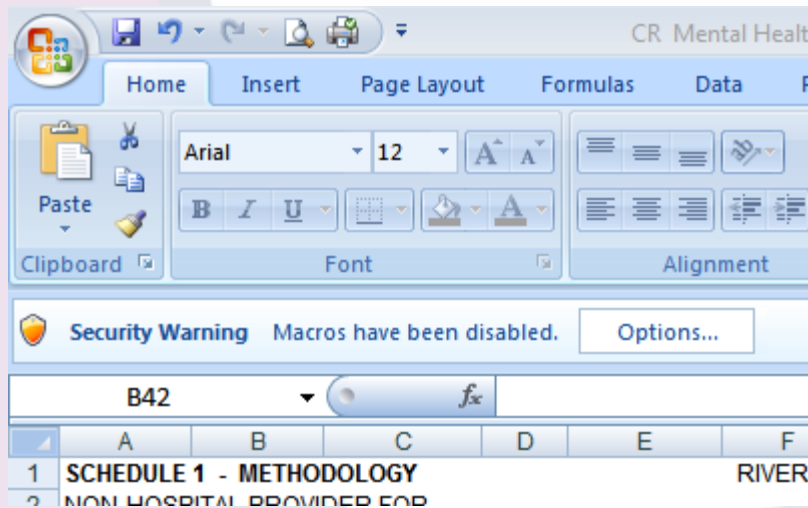1. In Excel, select: Tools ➡ Macro ➡ Security

2. Set Security Level to Medium.

Enabling Macros (cont.):

When opening up the Cost Report Schedules in Excel 2007, you may need to change settings in order to enable macros.

1. **In Excel, if you receive a Security Warning, Macros have been disabled, click the Options button.**

2. **Select Enable this content and click OK.**

Cost Report Instructions & Sample

Navigating the Schedules

General Information on Completing the Schedules:

- Complete all the appropriate information regarding your agency in the heading area of Schedule 1 and Schedule 5. Also complete the contact information at the bottom of Schedule 5.

- *All figures that need to be completed by your agency are highlighted in green.*

- Include cents on all dollar figures on your Cost Report. Do not round to the nearest dollar.

Cost Report Overview: Schedule 1

SCHEDULE 1-METHODOLOGY: The County needs to know how your agency is breaking out expenses and revenues (1) between County and non-County programs and (2) the various service types provided. There are three allocation methods which are generally used:

- **Direct Allocation**: Costs is tracked at the level of the individual program and/or service type provided.

- **Unit Based Allocation**: Weighted average based on actual units provided multiplied by their rates.

- **Time Study**: Weighted Average based on hours worked on County services.

Cost Report Overview: Schedule 2

SCHEDULE 2-EXPENSES: The County will need your agency to break out the total and county expenses by the line items provided on the Schedule 2 form. Your agency will also need to allocate the expense across each service type provided based on the break-out explained in Schedule 1.

Expenses found on this form should match the expenses on the financial statements provided to the County using the methodology on Schedule 1. Please provide a way for the reviewer to tell what expenses were placed under each line item so the reviewer could determine if it was appropriately allocated.

Cost Report Overview: Schedule 2A

SCHEDULE 2A – Board and Care: The County will need your agency to break out the total and county building related expenses by the line items provided on the Schedule 2A form. Your agency will also need to provide the total and county related square footage of your facility to determine the board and care cost per day.

Cost Report Overview: Schedule 3

SCHEDULE 3-REVENUES: The County will need your agency to break out the total and county revenues by the line items provided on the Schedule 3 form. Your agency will also need to allocate the revenue across each service type provided based on the break-out explained in Schedule 1.

Revenues found on this form should match the revenue on the financial statements provided to the County using the methodology on Schedule 1.

Cost Report Overview: Schedule 4

SCHEDULE 4-UNITS: Total and County units provided by your agency should be tracked by your agency and will be required to be input on this form. Your units entered on this form should match the unit documentation provided as well as agree with the County units on file.

SERVICE RECONCILIATION PROCESS: UTILIZING COUNTY REPORTS

The following information is to aid in the service (unit) reconciliation process for Providers. Reconciling service units throughout the year will allow changes to be made in a timely manner, therefore making the final cost report schedules easier to complete. A determination has been made that the following reports, reviewed in the order listed, can simplify this process.

PC- Detail Service
- If services are entered into Provider Connect, the Detail Service Report should be used to reconcile units. If you have any questions regarding this report, please contact ELMR_Support@rcmhd.org. Note that Provider Connect will no longer be in use starting July 1, 2017. All Providers must utilize the new ELMR Billing System. If your Agency has questions regarding the new system, please contact ELMR_Support@rcmhd.org.

PVD 2004
- Includes all services entered into the ELMR Billing System whether in DRAFT or FINALIZED mode. These services may not yet be approved by Invoice Processing Unit (IPU) for payment. If there are discrepancies on this report, please send an email to ELMR_Support@rcmhd.org.

PVD 2002
- Includes all services entered into the ELMR BIlling System that have been finalized. This report shows what IPU has approved or denied. Use the "IPU DENIAL REASON CODE" Report for the description. If the service can be re-billed, make the correction and bill again during the next month's billing cycle. If you are unsure if a service can be re-billed or have questions regarding the denial, contact IPU at ELMR_PIF@rcmhd.org or (951) 358-7797, option 6. All approved units will be used during the cost report settlement process.

MHS 3011
- The MHS 3011 Report can be found in the RDS system and shows all approved services provided by your Agency. This report further details Medi-Cal services regarding what has not been billed, what has been billed then denied, and those that were re-billed. Services that do not show a claim number have not yet been billed to the State. Contact your designated authorizing personnel for more information on non-billed services and/or denials. Medi-Cal denials should also be listing in the V&R Report. If you have questions regarding non-billable services, please contact ELMR_PIF@rcmhd.org. All approved units will be used during the cost report settlement process.

V&R Report
- If you provide Medi-cal services, the Void & Replace Report is sent to you on a monthly basis and identifies all denied Medi-cal services and the reason for denial. Use the State's Short-Doyle Specialty Mental Health Services Claim Adjustment Reason Code (CARC) publication attached for further description. If you are unsure how to correct a denied service, contact the designated authorizing personnel. Questions regarding the report can be forwarded to the Patient Accounts HelpDesk at (951) 358-6900, opt 3 or send an email to Billing_Support@rcmhd.org.

Cost Report Overview: Schedule 5

SCHEDULE 5-SUMMARY REPORT: The schedule 5 automatically gathers the information input into the other schedules to provide you with a summary report. You will need to select your contract type, organization type (profit or non-profit), and accounting method (cash, accrual, or modified accrual) at the top of the page and input contact information at the bottom.

Due Dates:

Mental Health & PEI

-Tuesday, August 15th, 2017

Managed Care & DPSS

-Wednesday, September 13th, 2017

Cost Report Schedules and Instructions will be emailed soon and will also be available on the Department of Mental Health website at:

http://www.rcdmh.org/Doing-Business/Provider-Connect

Under the Cost Report header on the right side of the screen

REVIEW

1. **How many cost reports should each contractor complete?**

   - One for each Program Code.

2. **What is the first thing you need to do when opening the cost report forms?**

   - Enable Macros

3. **What color are the cells that need to be completed?**
   - Green

4. **What rate should a correct weighted average calculation be based on?**

   -Published Charge, RCMAR, Drug Medi-Cal Rate, Negotiated Rate

   [Md & SFC Split %=(Units x Rate) / Total Weighted Cost]

REVIEW

5. Why is it important to select the correct type of contract on the top of Schedule 5?
- It will affect how the settlement is calculated

6. What are the due dates for the following cost reports?

Mental Health & PEI

August 15, 2017

Managed Care & DPSS

September 13, 2017

REVIEW

7. **What is the correct color of ink for signatures on the cost report?**

    - Blue

8. **Who is responsible for signing the cost report?**

    - The Director, Administrator or CEO (or designee)

9. **What do you need to submit to RUHS - BH at cost report time?**

    - Cost Report electronically submitted to RUHS - BH

    - Appropriate Financials and Supporting Documentation
    - 2 signed hard copies of each cost report schedule once agreed upon by County and Contractor

QUESTIONS