South Carolina Department of Health & Human Services
Instructions for Completion of the
Financial and Statistical Report for Rehabilitative Behavioral Health Services and/or Targeted Case Management Services

GENERAL: This form is designed to compile actual cost and statistical data for specified Medicaid covered services. It is to be completed annually based on the provider's fiscal year end. The cost report should be submitted electronically using one of the methods listed below:

1. Email the cost report to **brandy.gilbert@scdhhs.gov** and mail the General Information page with original signatures to the address listed below;

OR

2. The provider may submit an electronic copy of the cost report via CD and an original copy of the General Information page via mail to the address listed below.

The cost report must be submitted within the period of the provider's cost reporting requirement as indicated in the contractual agreement for services with SCDHHS. The mailing address is:

Regular Mail:		Overnight Mail:
Division of Ancillary Reimbursements		Division of Ancillary Reimbursements
SC Dept of Health and Human Services	OR	SC Dept. of Health and Human Services
Post Office Box 8206		1801 Main Street, Room 1203
Columbia, SC 29202-8206		Columbia, SC 29202

You may contact the Division of Ancillary Reimbursements by calling (803) 898-1040 or by fax at (803) 255-8228.

The Financial and Statistical Report format is designed to reflect the total expenditures and total units for a service or program that is eligible for Medicaid reimbursement provided by governmental entities. That is, the expenditures and units for a specific Medicaid covered service should reflect activity for the total population of participants receiving the service, both Medicaid and non-Medicaid. The Financial and Statistical Report will be used to evaluate the appropriateness and effectiveness of current rate structures, perform retrospective cost settlements (when required), and to perform certified public expenditure (CPE) reviews. In instances where a provider uses multiple sites for service delivery, total costs and units should be combined for all sites. The provider should retain all financial and service delivery documentation used in the compilation of the Financial and Statistical Report for audit purposes in accordance with the retention schedule referenced in the Medicaid services contract.

PART 1: GENERAL INFORMATION

Please complete all items on page 1. Please check the particular service (i.e. Rehabilitative Behavioral Health or Targeted Case Management) for which you are reporting cost for.

Items 1 through 3: Self-explanatory.

Item 4: Report Preparer

If applicable, SCDHHS asks that the financial and programmatic preparers be identified since it is possible that the report will be completed with input from both sources. This information may be utilized by SCDHHS in order to request additional information regarding the submitted cost report.

Item 5: Cost Report Certification

The SCDHHS will not consider the cost reporting requirements of the contract to have been met without a **signed and dated** Financial and Statistical Report. The cost report certification statement should be signed by the Chief Financial Officer (CFO), or equivalent, of the provider in recognition that he/she has reviewed and approved the content of the report.

PART 1a: CROSSWALK

If applicable, providers are allowed to "crosswalk" or insert their own internal or unique service code that corresponds to the billable Medicaid procedure code for ease of preparation of the report. See column labeled "Provider's Service Code". Please note that by including the provider's own service codes in this crosswalk schedule, Part 4, Column 3 – Provider's Corresponding Procedure Code will be populated with the information to correspond with the appropriate billable Medicaid procedure code.

PART 2: DIRECT PROFESSIONAL SALARY AND FRINGE BENEFITS

Each direct employee should be reflected in the appropriate professional classification for the entire cost-reporting period with his/her total available working hours.

Each direct employee should be listed within his/her professional category as indicated below:

Professional Categories:

- Psychiatrist
- Physician
- Pharmacist
- Psychologist
- Physician Assistant
- Advanced Practice Registered Nurse (APRN)
- Registered Nurse (RN)
- Licensed Practical Nurse (LPN)
- Masters Level Professional
    - Licensed Independent Social Worker – Clinical Practice, LISW-CP
    - Licensed Independent Social Worker – Advanced Practice, LISW-AP
    - Licensed Masters Social Worker, LISW
    - Licensed Marriage and Family Therapist, LMFT
    - Licensed Professional Counselor, LPC
    - Certified Substance Abuse Professional
    - Clinical Chaplain
    - Mental Health Professional
    - MHP
    - Behavior Analyst
- Bachelors Level Professional
    - Licensed Bachelor of Social Work, LBSW
    - Substance Abuse Specialist
    - Certified Substance Abuse Professional, SAP
    - Child Service Professional
    - Behavior Analyst
- High School Level Professional
    - Mental Health Specialist
    - Peer Support Specialist, PSS

Data Fields:

Select Professional Category from Drop Down Box

Column 1 - Employee Name: Name of professional staff providing RBHS in professional category selected above.

Column 2 - School District Employee/Contract Labor: Select employee's status from drop down box.

Column 3 - Perform Supervisory Duties: Indicate whether or the not employee performs supervisory duties. The allowability of supervisory costs is determined based on the practitioners requiring supervision in accordance with the service definitions. The provider types affected by supervision include Registered Nurses, Licensed Practical Nurses, and all Masters Level, Bachelors Level and High School Level professionals.

Column 4 - Salary: The total salary cost for employee.

Column 5 - Fringe Benefits: The total fringe benefit cost for employee.

Column 6 - # of Hours Available During Cost Reporting Period: Include the total number of hours worked by each employee by professional level during the cost-reporting period. For example: Assuming a 37.5 hour work week, if the employee is available for the entire fiscal year, then the total available hours would be 1,950 hours (37.5 hours/week x 52 weeks/year). Reminder: The hours per week will need to be adjusted to reflect the organization's work hours as appropriate, i.e. 40 hrs. /wk., 37.5 hrs. /wk., etc.

Column 7 - Percentage of Time Dedicated to Program: Report the percentage of time the employee is dedicated to the program. If the employees total available hours are dedicated solely to program then report 100%. If they are not solely dedicated to program you will need to prepare a time study to determine the percentage of time devoted to program. See definition/example of time study below.

Time Study: Time studies are required to support and document time allocated to the supervision of direct medical services and other non-allowable activities. An example of other non-allowable activity would be the Psychiatrist that teaches a course at the local college. The preparation, travel and lecture time would not be allowable time relative to the Behavioral Health Rehabilitative service or Targeted Case Management service providers.

While the Time study provides documentation of medical service time, medical service time should also be supported by medical billing records and other applicable provider records. Allowable administrative costs include annual leave, sick leave, holiday pay, documentation time, training, supervision, etc.

In the event that any of the professional staff is involved in Medicaid Administrative Claiming Activities, the provider must exclude the related salary/fringe benefit cost as well as associated hours from the RBHS/TCM cost report.

Column 8 - # of Hours Available to Program During Cost Reporting Period: Column 6 - # of Hours Available During Cost Reporting Period multiplied by Column 7 - Percentage of Time Dedicated to Program.

Column 9 Allowable Salary Claimed: Column 4 – Salary multiplied by Column 7 - Percentage of Time Dedicated to Program.

Column 10 Allowable Fringe Benefits Claimed: Column 5 - Fringe Benefits multiplied by Column 7 - Percentage of Time Dedicated to Program.

Column 11 Total Allowable Salary and Fringe Benefits: Column 9 Allowable Salary Claimed plus Column 10 Allowable Fringe Benefits Claimed.

Column 12 Average Hourly Rate: Column 4 – Salary divided by Column 6 - # of Hours Available During Cost Reporting Period.

Column 13 Fringe Benefit to Salary Percentage: Column 5 - Fringe Benefits divided by Column 4 – Salary.

Part 3: INDIRECT NON-PROFESSIONAL SALARY AND FRINGE BENEFITS

The allowable non-professional administrative costs would include salary and fringe benefit expense associated with annual leave, sick leave, holiday pay, documentation time, training, travel for training, etc. associated with direct service employees. Activities considered indirect should not be included.

Data Fields

Column 1 - Employee Name: Name of non-professional staff associated with RBHS program

Column 2 - School District Employee/Contract Labor: Select employee's status from drop down box.

Column 3 – Job Title: Report employees job title or attach a brief description of job duties.

Column 4 - Perform Supervisory Duties: Indicate whether employee performs supervisory duties.

Column 5 - Salary: The total salary cost for employee.

Column 6 - Fringe Benefits: The total fringe benefit cost for employee.

Column 7 - # of Hours Available During Cost Reporting Period: Include the total number of hours worked by each employee by professional level during the cost-reporting period. For example: Assuming a 37.5 hour work week, if the employee is available for the entire fiscal year, then the total available hours would be 1,950 hours (37.5 hours/week x 52 weeks/year). Reminder: The hours per week will need to be adjusted to reflect the organization's work hours as appropriate, i.e. 40 hrs. /wk., 37.5 hrs. /wk., etc.

Column 8 - Percentage of Time Dedicated to Program: Report the percentage of time the employee dedicates to the program. If the employees total available hours are solely dedicated to the program then report 100%. If they are not solely dedicated to the program you will need to prepare a time study to determine the percentage of time devoted to the program. See definition/example of time study in Part 2 Direct Professional Salary and Fringe Benefits.

In the event that any of the non-professional staff is involved in Medicaid Administrative Claiming Activities, the provider must exclude the related salary/fringe benefit cost as well as associated hours from the RBHS/TCM cost report.

Column 9 - # of Hours Available to Program During Cost Reporting Period: Column 7 - # of Hours Available During Cost Reporting Period multiplied by Column 8 - Percentage of Time Dedicated to Program.

Column 10 - Allowable Salary Claimed: Column 5 – Salary multiplied by Column 8 - Percentage of Time Dedicated to Program.

Column 11 Allowable Fringe Benefits Claimed: Column 6 - Fringe Benefits multiplied by Column 8 - Percentage of Time Dedicated to Program.

Column 12 Total Allowable Salary and Fringe Benefits: Column 10 Allowable Salary Claimed plus Column 11 Allowable Fringe Benefits Claimed.

Column 13 Average Hourly Rate: Column 5 – Salary divided by Column 7 - # of Hours Available During Cost Reporting Period.

Column 14 Fringe Benefit to Salary Percentage: Column 6 - Fringe Benefits divided by Column 5– Salary.

PART 4: DIRECT AND INDIRECT COSTS

Direct Costs

The Medicaid Program will recognize supporting expenditures that can be directly assigned or charged to the covered service, provided such expenditures have not been built into the calculation of the indirect cost rate, included in the cost of other approved cost allocation methods, or exceptions indicated in the respective sections below. **Supporting documentation is required for any direct expenses reported in this section of the cost report**.

Note: If the direct expense is not directly assignable by service by professional category, the direct expense -functional allocation or direct expense - pooled allocation section should be completed. However, if the expense is directly assignable by professional category by service refer to Part 5 - Financial Summary and Statistical Report column 19 data input.

Materials & Supplies: Material and supply costs required for direct service delivery which are **directly** assignable should be listed in the appropriate service classification. If the supply cost is directly attributable to more than one service, an approved cost allocation method may be utilized to allocate the cost to the appropriate service classification. Material and supply costs **may not include** costs for general and administrative purposes (indirect) or injection medications.

Non-Capital Equipment: Non-capital equipment costs which are **directly** assignable should be listed in the appropriate Behavioral Health Rehabilitative service or Targeted Case Management service classification. If the equipment cost is directly attributable to more than one service, an approved cost allocation method may be utilized to allocate the cost to the appropriate service classification. Non-capital equipment costs may not include costs for equipment used for general and administrative purposes. Minor equipment should be shown here. Please utilize your entity's depreciation guidelines in determining what is chargeable as minor equipment. The Medicaid program recognizes the provider's capitalization guidelines up to the thresholds referenced in OMB Circular A-87.

In order to complete a review of the costs identified as being directly allocable to Behavioral Health Rehabilitative services or Targeted Case Management services, a schedule should be included with the cost report that includes the following supporting documentation:

1. a description to include the purpose of the Materials & Supplies and/or Non-Capital Equipment;
2. a description of the allocation methodology (if applicable);
3. the amount of the Materials & Supplies and/or Non-Capital Equipment directly allocated;
4. any other relevant information regarding the allowability of the cost;
5. confirmation that supporting, detailed, documentation is available for future audit/review.

Travel: Travel costs for TRAINING purposes that are **directly** assignable should be listed in the appropriate professional and Behavioral Health Rehabilitative service or Targeted Case Management service classification. If the travel cost for training is directly attributable to more than one service, an approved cost allocation method may be used to allocate the cost to the appropriate service and professional. Travel costs may not include travel for general and administrative or direct service delivery purposes.

Training: Training costs which are **directly** assignable should be listed in the appropriate professional and Behavioral Health Rehabilitative service or Target Case Management service classification. If the training cost is directly attributable to more than one service, an approved cost allocation method may be utilized to allocate the travel cost to the appropriate service and professional. Training costs may not include training for general and administrative purposes.

In order to complete a review of the costs identified as being directly allocable to Behavioral Health Rehabilitative services or Targeted Case Management services, a schedule should be included with the cost report that includes the following supporting documentation:

1. a description to include the purpose of the travel and/or training;
2. a description of the allocation methodology (if applicable);
3. the amount of the travel and/or training directly allocated;
4. any other relevant information regarding the allowability of the travel and/or training cost;
5. confirmation that supporting, detailed, documentation is available for future audit/review.

Other Directly Assignable Costs - should be listed in the appropriate Behavioral Health Rehabilitative service or Targeted Case Management service classification. Direct care supervision costs are allowed for the classifications of services based on the categories of professionals that require supervision (refer to the applicable Medicaid Provider Manual for further information). If the cost is directly attributable to more than one service, an approved cost allocation method may be utilized to allocate the cost to the appropriate service classification. Other directly assignable costs may not include costs for general and administrative purposes.

In order to complete a review of the costs identified as being directly allocable to Behavioral Health Rehabilitative services or Targeted Case Management services, a schedule should be included with the cost report that includes the following supporting documentation:

1. a description to include the purpose of the Other Directly Assignable Cost;
2. a description of the allocation methodology (if applicable);
3. the amount of the cost that is directly allocated;
4. any other relevant information regarding the allowability of the cost;
5. confirmation that supporting, detailed, documentation is available for future audit/review.

Indirect Costs

Providers may determine indirect costs based on a federally approved Indirect Cost Rate or federally approved cost allocation plan. State agencies that provide institutional and acute care services as well as Behavioral Health Rehabilitative service or Targeted Case Management services are allowed to allocate administrative/indirect costs via the step down cost allocation method as described in HIM-15, Chapter 2300. Once an allocation methodology is chosen, it must be used for future cost reports unless authorization is obtained from the SC DHHS Bureau of Reimbursements Methodology and Policy prior to implementing the change.

For those claiming Indirect Cost based on the federally approved indirect cost rate or cost allocation plan, a copy of the most recent federally approved indirect cost rate or a copy of the federally approved cost allocation plan should be submitted with the Behavioral Health Rehabilitative service or Targeted Case Management service cost report.

For those governmental providers claiming administrative/indirect costs using the step down cost allocation methodology, the providers will be required to submit the appropriate Medicare cost report and/or supporting reconciliation/cross-walk schedules that demonstrate the allocation of state agency indirect costs among the various programs/services that the agency oversees/administers. This information, at a minimum, would include both a description of the cost centers being allocated as well as a description of the statistical base used to allocate the costs of each cost center. This information should be submitted along with the Behavioral Health Rehabilitative services or Target Case Management services cost report.

Indirect Cost Allocation Method - Data Entry:

Indirect Cost: Select indirect cost method from drop down box

Indirect Cost Rate: Enter indirect cost rate if "restricted indirect cost rate" or "unrestricted indirect cost rate" method is selected, otherwise no input required. School districts must use restricted indirect cost rate.

Indirect Cost to be Allocated: Enter amount to be allocated if "other indirect allocation method" is selected, otherwise no input required.

PART 5 - FINANCIAL SUMMARY AND STATISTICAL REPORT

This schedule will provide for the following computations:

- The allocation of direct care salary expense and direct care staff allowable administrative salary (including supervision) expense for the services rendered by each professional category. Salary expense will include both salary and fringe benefit expense.

- The allocation of non-professional salary expense (including fringe benefits) and other direct care expenses such as supplies, travel, rent, etc. (whether directly allocated or pooled) for the services rendered by each professional category.

- The allocation of indirect cost for the services rendered by each professional category.

- The determination of a South Carolina Medicaid unit cost for the services rendered by each professional category.

- The determination of an aggregate productivity level for the various professional categories that render the RBHS services.

NOTE: Data entry will be required in column 6 – total units (billable and unbillable) and column 7 – total service hours for group settings (procedure codes 90853 – Group Therapy and procedure code H2017 – Rehabilitation Psychosocial Services).

Column 1 – Services Rendered: – Listing of RBHS services and other reimbursable and non-reimbursable services rendered by each professional category.

Column 2 DHHS Procedure Code: Procedure code assigned by DHHS.

Column 3 – Indicator for Multiple Modifiers: Indicates a single service that can be provided in either a group or individual setting in order to assign the correct modifier.

Column 4 -Provider's Service Code: If applicable, this column should populate with the provider's unique service code, which corresponds to the Medicaid service procedure code. Source of information – Part 1a - Crosswalk.

Column 5 – Professional Modifier: The column should populate with the professional modifier code, which corresponds to the professional category selected. Source of information – Part 1a - Crosswalk.

Column 6 – Total Units (Billable and Unbillable): For each respective group of professionals, list the total units served during the cost reporting period for each service or activity. The units of service should include all units delivered to both Medicaid and non-Medicaid individuals. Total units of service should be accumulated for all individuals being served by the program regardless of the funding source for the individual. Total units would also include units provided and billed but determined to be **ineligible** for reimbursement. Total units should be reflective of the appropriate unit measure for each classification.

Column 7 - Total Service Hours for Group: Data input required. The service hours for group units should reflect all services provided to both Medicaid and non-Medicaid individuals for the specified cost reporting period. The total service hours for group units would also include time for services provided and billed but determined to be ineligible for reimbursement. The provider is required to supply worksheet documentation reflecting the calculation of the total service hours used for group unit measurement services.

In order to report group hours correctly, the staff providing the RBHS services for procedure code H2017 and 90853 should maintain time logs for the time staff began a session and the time the session ended. Only the time of the primary staff member providing the service will be allowed.

Example 1: H2017 - unit measure of 15 minutes with 4 beneficiaries in the group setting from 4:00 pm to 5:00 pm:
Answer: Total hours = 1 Total Units 16 (4 units per hour * 4 beneficiaries)

Example 2: H2017 - unit measure of 15 minutes with 12 beneficiaries in the group setting from 4:00 pm to 5:00 pm:
Answer: Total hours = 1 Total Units = 48 (4 units per hour * 12 beneficiaries)

In the event that group hours appear to be overstated or understated based on a reasonability test, the cost report will be settled using the most conservative approach when calculating hours for procedure codes H2017 PRS and 90853 Group Psychotherapy. This means total hours will be determined based on the assumption the group size for H2017 is the maximum of 12 beneficiaries (effective March 1, 2015 the maximum group size is 8 beneficiaries) and the group size for 90853 is the maximum of eight beneficiaries.

Column 8 - Unit Measure: The column will populate with the unit measure assigned to each procedure code and professional category selected. Source of information – Part 1a - Crosswalk.
The "Other: Allowable Administrative" classifications may be adjusted as deemed appropriate. Military time should be utilized to reflect the appropriate unit measure, i.e. 0.25 = 15 minutes, 0.50 = 30 minutes, 0.75 = 45 minutes and 1 = 60 minutes.

Column 9 - Total Hours for Individual Settings: Column 6 – Total units for individual settings multiplied by Column 8 - Unit Measure. The billable hours should reflect all services provided to both Medicaid and non-Medicaid individuals for the specified cost reporting period. The total billable hours

would also include time for services provided and billed but determined to be ineligible for reimbursement.

Column 10 – Total Hours (billable and non-billable): Column 7 - Total Service Hours for Group Settings plus Column 9 - Total Hours for Individual Settings.

Column 11 - % to Allocate: This column reflects the amount of direct service time spent by each professional level on each service provided. Column 10 – Total Hours (billable and non-billable) per professional category per procedure code divided by Column 10 – Total hours (billable and non-billable) per professional category.

Column 12- Direct Professional Salaries: - This column reflects the amount of direct service salary and fringe benefits expense incurred by each professional level for each service provided. Column 11 - % to Allocate multiplied by Total Salary and Fringe Benefits by professional category.

Column 13 – Professional Allowable Administrative Salary: This column reflects the amount of allowable administrative salary and fringe benefits associated with the direct services provided by each professional level for each service provided. The Professional Allowable Administrative Salary is calculated as follows. First, the percentage of time allocated to Other Allowable Administrative activities reflected in Column 11 - % to Allocate is multiplied by the Total Salary and Fringe Benefit amount for each professional level. Next, to allocate the Other Allowable Administrative activity cost among each service provided by each professional level, apply the ratio determined from taking Column 12 - Direct Salaries provided by each professional level for each service provided divided by the sum of Column 12 - Direct Salaries by professional level.

Column 14 – Total Direct and Professional Admin Salaries: - This column reflects the total amount of direct service and allowable administrative salary and fringe benefits expense incurred by each professional level for each service provided. Column 12- Direct Professional Salaries plus Column 13 – Professional Allowable Administrative Salary.

Column 15 – Direct Expense Allocation Ratio: Column 14 – Total Direct and Professional Admin Salaries divided by the sum of all professional categories included in the Direct Professional Salary and Fringe Benefits as described in Part 2 of the instructions.

Column 16 – Non-Professional Indirect Salaries/Fringe Benefits: Column 15 – Direct Expense Allocation Ratio multiplied by the Indirect Non-Professional Salary and Fringe Benefit Total as described in Part 3 of the instructions.

Column 17 – Direct Expense Pooled Allocation: Column 15 – Direct Expense Allocation Ratio multiplied by the total pooled direct expense as described in Part 4 of the instructions.

Column 18 – Direct Expense Functional Allocation: Part 4: Direct and Indirect cost – Total of direct expense incurred via functional allocation by procedure code as described in Part 4 of the instructions multiplied by the ratio of the corresponding procedure code salary and fringe benefit cost in each professional category in Column 14 – Total Direct and Professional Admin Salaries category divided by the corresponding procedure codes accumulated cost of Column 14 – Total Direct and Professional Admin Salaries.

Column 19 – Direct Expense: Data input required. See Part 4 of instructions relating to Direct Cost.

Column 20 – Other Indirect Allocation Method: This method will only be allowed for providers who provide both institutional and non-institutional services and thus allocate indirect costs based upon actual costs in lieu of the application of an indirect cost rate. See Part 4 of instructions relating to Indirect Costs.

In order to allocate the indirect costs under this methodology, the provider will be required to multiply these costs by the ratio of Column 14 – Total Direct and Professional Admin Salaries plus Column 16 – Non-Professional Indirect Salaries/Fringe Benefits by procedure code within each professional category by the sum of all professional salaries/fringe benefits included in Part 2 of instructions - Direct Professional Salary and Fringe Benefits plus all non-professional salaries/fringe benefits included in Part 3 of the instructions - Indirect Non-Professional Salary and Fringe Benefit Total.

OR

Column 20 – Restricted or Unrestricted Indirect Rate: Note all providers must use their restricted or unrestricted indirect cost rate applicable to the cost reporting period unless the provider qualifies for the "Other Indirect Cost Allocation" methodology noted above - see Part 4 of the instructions relating to Indirect Cost. School districts must use their restricted indirect cost rate. In order to determine Medicaid allowable indirect cost via the application of the indirect cost rate, the rate is multiplied by the sum of Column 14 – Total Direct and Professional Admin Salaries (including fringe benefits) plus Column 16 – Non-Professional Indirect Salaries/Fringe Benefits.

Column 21 – Total Cost: Sum of Column 14 – Total Direct and Professional Admin Salaries, Column 16 – Non-Professional Indirect Salaries/Fringe Benefits, Column 17 – Direct Expense Pooled Allocation, Column 18 – Direct Expense Functional Allocation, Column 19 – Direct Expense and Column 20 – Other Indirect Allocation Method/Restricted or Unrestricted Indirect Rate.

Column 22 – Actual Unit Cost Column 21 – Total Cost divided by Column 6 – Total Units (Billable and Unbillable for Medicaid and non-Medicaid participants).

ASSISTANCE/QUESTIONS:

Staff of the Division of Ancillary Reimbursements is available to answer questions regarding the completion of the cost report. You are asked to address <u>all</u> questions in <u>writing</u> and forward as follows:

Mailing address: Division of Ancillary Reimbursements
SC Department of Health and Human Services
Post Office Box 8206
Columbia, South Carolina 29202-8206

Fax: (803) 255-8228
E-mail: putnam@scdhhs.gov
saxon@scdhhs.gov