

Welcome to
SAPC
NON-DMC
Cost Report Orientation
Fiscal Year 2018-19

SUBSTANCE ABUSE PREVENTION AND CONTROL

www.publichealth.lacounty.gov/sapc

NON-DMC

NON-DRUG MEDICAL FUNDED CONTRACTS
COST REPORT ORIENTATION
FISCAL YEAR 2018-19

1000 South Fremont Avenue
Building A-9 East, 3rd Floor, North Wing – Unit 34
Alhambra, CA. 91803

COST REPORTING UNIT

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FISCAL COMPLIANCE CONTACT:

Emily Chan	(626) 299- 4173	emchan@ph.lacounty.gov
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Denial Units issue: Christina Ruiz: (626) 299-4175

Payment issues: Edita Mendoza: (626) 299-3206

SAGE System related issue: NetSmart Help Desk: (855) 346-2392

Authority

- Health and Safety Code (HSC) Section 11852.5 and the Welfare and Institutions Code (WIC) Section 14124.24 (g)(1) require that counties and contracted providers submit their SUD cost reports to DHCS by November 1 for the previous State fiscal year.

Purpose of Cost Reports

1. Report annual costs/expenditures for SUD services, both Drug Medi-cal (DMC) and Non-DMC.
2. Compare and reconcile the amount of funds paid to the actual costs of providing services from providers.
3. Document how state/federal funds were spent.
4. Provider fiscal audits

Overview of Cost Settlement Process

- 1) **July or early August** - State releases forms, instructions to county, county uploads forms to SAPC website for providers to download.
- 2) **August 30** - Providers submit cost reports to county
- 3) **November 1** - county submits cost reports to state
- 4) **18 months** after end of fiscal year: State sends DMC interim settlement to County. SAPC sends DMC interim settlement to providers 45 days upon receipt from State.
- 5) **Up to 10 years** after cost Settlement – DHCS may conduct a fiscal audit
- 6) **10 years after Interim settlement** - If State did not conduct audit, settlement is final.

42 CFR §425.314 – Audits and Record Retention

- To maintain such books, contracts, records, documents, and other evidence for a period of 10 years from the final date of the agreement period or from the date of completion of any audit, evaluation, or inspection, whichever is later.

TOPICS OF DISCUSSION

1. ALLOWABLE COST CALCULATION METHODOLOGY
2. COST REPORT SETTLEMENT – NEW METHODOLOGY
3. SUBMISSION GUIDELINE
4. SOURCE DOCUMENTS
5. NON-PROVISIONAL RATE (NPR) CONTRACT SETTLEMENT
6. TYPES OF CONTRACTS
7. TYPE OF FORMS
8. NON-DMC COST REPORT FORM INSTRUCTIONS
9. COMMON ERRORS
10. DEADLINE

ALLOWABLE COST CALCULATION METHODOLOGY

SAPC contracts are **reimbursed** at the lesser of costs or the maximum contract obligation for all services provided. This means at the end of the fiscal year, **final payment will be based on cost reconciliation.**

Cost reimbursement: Settle up to the substantiated costs of delivering services to patients which may not exceed the established maximum contract obligation
– Only for “Line Item Budget” Contract, such as Prevention, TTA, etc..

Cost Report Settlement – Methodology

- SUD (NON-DMC) - Contracts with Staff Hour Rates (CENS, AITRP, etc.) and Fee for Services - Lower of Cost or Charges, up to the SOW amount.
- Non-provisional Rate contract (Prevention, Evaluation, Training and Technical Assistance Services) - Settled at actual cost aligned with line item budget, not to exceed contract amount.

Illustrations – Cost Reimbursement

SOW Amount: \$500,000

Scenario #1: Cost Higher than SOW Amt

Net Cost	\$600,000
SOW Amount	\$500,000
Amount Paid	\$420,000
Bal. Due Provider	\$80,000

Scenario #2: Cost Lower than SOW Amt

Net Cost	\$380,000
SOW Amount	\$500,000
Amount Paid	\$400,000
Bal due County	(\$20,000)

Submission Guideline

Providers must submit their cost reports:

By Site

Source Documents

➤ DOCUMENTS NEEDED FOR COMPLETING COST REPORT

1. THE LATEST COUNTY APPROVED BUDGET

For Non-Provisional Contract, attach the latest county approved budget (see slide #14)

2. CONTRACT PERFORMANCE REPORT :

SAGE Reports -

Slide # 16 : Contract Performance Report (Detail)

Slide # 17 : Contract Performance Report (Summary)

3. FINANCIAL RECORDS

* General Legers

* Books of original entry (cash receipts/register, cash disbursements journal etc.

* All records of funds expended and costs reported are subjected to review and audit.

Approved Budget – Non Provisional Rate Contract

Cost Reimbursement

Period of 07/01/18 to 06/30/19

1. Salaries	\$	<u>241,888</u>
2. Facilities Rent/Lease	\$	<u>10,085</u>
3. Equipment Leases	\$	<u>0</u>
4. Services and Supplies	\$	<u>35,185</u>
5. Administrative Overhead	\$	<u>37,984</u>
6. Gross Budget	\$	<u>325,142</u>

County reserves the right to withhold payments to Contractor for reasons set forth In this Contract, including, but not limited to Paragraph 5, Subparagraph H of the CONTRACT.

LOS ANGELES COUNTY DEPARTMENT OF PUBLIC HEALTH
 SUBSTANCE ABUSE PREVENTION AND CONTROL - FINANCIAL SERVICES DIVISION
 FROM 7/1/2017 TO 6/30/2018
 PAYMENT SUMMARY REPORT (PSR)

SAMPLE

Provider Name: ABC Corporation 626 Main St. (123456)							
Contract # PH-001234 (Drug Medi-Cal) Contract Terms: 7/1/2017 to 6/30/2018							
Service Month	Gross Amount Claimed	Adjusted EOB Amount (Approved) Paid	YTD Adjusted Approved Amount Paid	SAPC Withholdings	Actual Amount Paid in eCaps	Funds Available	YTD Funds Utilized %
12/2017	9,955.68	5,451.92	5,451.92		5,451.92		
01/2018	7,437.13	3,348.19	8,800.11		3,348.19		
02/2018	7,437.41	5,304.05	14,104.16		5,304.05		
03/2018	8,379.81	6,492.97	20,597.13		6,492.97		
04/2018	5,777.56	3,933.48	24,530.61		3,933.48		
05/2018	6,446.65	4,269.89	28,800.50		4,269.89		
06/2018	10,587.86	5,994.16	34,794.66		5,994.16		
Totals:	56,022.10	34,794.66		N/A Currently	34,794.66		



LOS ANGELES COUNTY DEPARTMENT OF PUBLIC HEALTH
 SUBSTANCE ABUSE PREVENTION AND CONTROL - FINANCIAL SERVICES DIVISION
 CONTRACT PERFORMANCE REPORT (CPR)
 From 7/1/2017 to 6/30/2018

SAMPLE

Provider Name: ABC Corporation
 626 Main St. (123456)

Detail

Location (Provider #)	Level of Care (LOC)	State Crosswalk	HPCS Code Description	Unit Rate	YTD Billed UOS	Gross Amount Claimed	Approved UOS	Y-T-D Adjusted Approved Amount Paid
Contract # PH-001234 (Drug Medi-Cal)								
Contract Terms: 7/1/2017 to 6/30/2018								
ASAM 1.0 - AGE 22 OR OVER								
H0004 Individual Counseling								
			D0001 Discharge Services	\$ 29.63	11	\$ 325.93	6	\$ 177.78
			H0001 Intake/Assessment	\$ 29.63	515	\$ 15,259.45	314	\$ 9,303.82
			H0004 Individual Counseling	\$ 29.63	1,154	\$ 34,193.02	707	\$ 20,948.41
			T1006 Collateral Services	\$ 29.63	1	\$ 29.63	0	\$ 0.00
			T1007 Treatment Plan	\$ 29.63	43	\$ 1,274.09	39	\$ 1,155.57
			H0004 Individual Counseling		1,724	\$ 51,082.12	1,066	\$ 31,585.58
H0005 Group Counseling								
			H0005 Group Counseling	\$ 1.98	1,692	\$ 3,349.97	989	\$ 1,957.37
			H0005 Group Counseling		1,692	\$ 3,349.97	989	\$ 1,957.37
H0006 Case Management								
			H0006 Case Management	\$ 33.83	47	\$ 1,590.01	37	\$ 1,251.71
			H0006 Case Management		47	\$ 1,590.01	37	\$ 1,251.71
ASAM 1.0 - AGE 22 OR OVER					3,463	\$ 56,022.10	2,092	\$ 34,794.66
Contract totals					3,463	\$ 56,022.10	2,092	\$ 34,794.66
626 Main St. - Totals					3,463	\$ 56,022.10	2,092	\$ 34,794.66
Provider Totals ABC Corporation					3,463	\$ 56,022.10	2,092	\$ 34,794.66

The information contained in this report is based on service dates from 12/01/2017 through 06/30/2018 in the Sage system. All rate information is in accordance with the Rates and Standard Crosswalk that was set up at the time of service. Any questions concerning the data provided, please contact the Finance Expenditures Department of SAPC.



LOS ANGELES COUNTY DEPARTMENT OF PUBLIC HEALTH
 SUBSTANCE ABUSE PREVENTION AND CONTROL - FINANCIAL SERVICES DIVISION
 CONTRACT PERFORMANCE REPORT (CPR)
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		ASAM 1.0 - AGE 22 OR OVER			3,463	\$ 56,022.10	2,092	\$ 34,794.66
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Non-Provisional Rate (NPR) Contract Settlement



Reimbursement is limited to the provider's actual costs in accordance with the line items of the budget, less any reported revenues, such as Participant /client fees, third party revenue(insurance paid) etc., **up to the maximum contract amount.**

The standard contract allows providers to revise the amount of any existing line item(s) by a maximum of 10% of the gross budget without prior written approval from program director.

Type of Contracts (PR)

1. **Provisional Rate** (applies to all contract except Prevention)

A provisional rate contract is a contract by which a temporary rate is established to permit or facilitate the claiming process during the fiscal year.

However, at year-end the contract is settled at **lesser of costs** (provider's cost less any reported revenues such as participant/client fees, third party revenue, etc..) **or charges**; it settled up to, but not to exceed the rate for services delivered to patients.

Type of Contracts (NPR) – Cont.

2. Non-Provisional Rate (NPR) Line Item

- * Applies to Line Item Budget Contracts such as Prevention
- * Settled at actual cost up to the maximum contract obligation

Reimbursement to the provider's actual cost of providing services, less any reported revenues, such as participant/ client fees, third party revenue (insurance paid) etc., up to the maximum contract amount. This amount is then compared to the total amount paid to provider during the fiscal year to determine amount due agency or County.

- 1) The contract provision allows providers to revise the amount of any existing line item(s) by a maximum of ten percent (10%) of the gross budget without prior written approval.

Type of Contracts (NPR) – Cont.

2) Ten Percent (10%) Gross Budget Adjustment Worksheet.

The NPR contract **MUST** provide following documents when submit cost report

(a) **10% worksheet** and documented with the

(b) **latest County Approved Cost Line Item Budget.**

TYPES OF FORMS

1. Non-DMC Cost Report - Outpatient Drug Free (ODF), Intensive Outpatient (IOT), Residential, Room & Board, RBH, Case Management.
 2. Staff Hour Contract- AITRP, CENS(Client Engagement and Navigation Svc), Correctional Health Svcs., CW-API, CW-FSC, In-Custody, etc..
 3. Non-Provisional Rate Contract (NPR) - Prevention, TTA, CCERP, and Evaluation
 4. NPR 10% Gross Budget Adj. Worksheet
- **EXPENDITURES MUST BE ALLOCATED TO EACH SERVICE PROVIDED.**

Cost Report Forms and Instructions can be downloaded from Substance Abuse Prevention and Control website:

- www.publichealth.lacounty.gov/sapc
- Click “**NETWORK PROVIDERS**” (3rd box on the 1st row)
- Click “**PROVIDER MANUAL AND FORMS**” (1st box)
- Click “**COST REPORT FORMS AND INSTRUCTIONS**” (under “Finance Related Forms and Documents”)
- Click **Yellow Highlighted** for NON-DMC Forms

Non-DMC Cost Report Form Instructions

TAB 1: PROVIDER INFO AND CERTIFICATION

- Enter data in the blue highlighted cells
- Items: Provider Name, Site Address, Admin Address, Provider #, Name and Phone # of Contact Person, Name of Person Signing Certification Statement

TAB 3: OVERALL COST SUMMARY

- Displays the totals for all the levels of care
- All formulated; no data entry necessary

Non-DMC Cost Report Form Instructions (cont.)

TAB 2: OVERALL DETAILED COSTS

- Column B: Enter the total cost (direct and indirect) from the agency's general ledger for that site for each applicable line item from rows 11 through 55.
- Column C: Formulated, no entry required. This is the variance of Column B and O.
- Columns D to N: These columns are for "Direct Cost Only." Enter the agency's direct cost that are attributable to each level of care for each applicable line item from rows 11 to 55.
- Column O: Formulated, no entry required. This is the sum of Direct Cost (Column D to N).

Non-DMC Cost Report Form Instructions (cont.)

TAB 3: OVERALL DETAILED COSTS (CONT.)

Column Q: Enter an explanation of how direct costs were identified to each applicable line item (rows 11 through 55).

Row 57: This is to compute the indirect cost rate by using the total indirect cost (Column C) over the total direct costs (Column O), then apply the percentage to each direct cost center to arrive at indirect cost.

Non-DMC Cost Report Form Instructions (cont.)

TAB 2: REVENUE SECTION

- 1: **Grand Total Cost:** Formulated, no entry required.

- 2: **Revenue:** Client Fees, Share Cost, Public Assistance (Food Stamps)
Enter the total revenue to Columns B to L if any.

- 3: **Revenue:** Insurance Paid

- 4: **Total Revenue:** total of #2 and #3

- 5: **Net Cost:** Total Cost less revenues of #2 and #3

Revenue: Fund Raising/Donation/Private Funding/Other Provider
Revenue (Information Only) Enter data to Columns B to L if there is
any.

Non-DMC Cost Report Form Instructions (cont.)

TAB 2: UNITS OF SERVICES

- 13a. Total # of units – Enter units on respective Level of Care and SAGE reports
ODF – Individual Counseling, ODF –Group Counseling, Intensive Outpatient Treatment, Residential and etc. These can be obtained from Sage reports
- 13b. Total # of Sessions Provided:
Individual Counseling – **15 to 60** minutes per session
Group Counseling – **60 to 90** minutes per session
Enter the total group sessions under the column ODF – Group Counseling
- 13c. Total # of Participants: Total number of people attending the different level of care. Get the Information from **Client's Sign-in-sheet.**
- 13d. Total Counseling Hours : Formulated. Convert minutes to hours

Common Errors:

1. Provider Information and Certification

- Provider Number does not match with facility address
 - Missing Contact Information
 - Missing signature on Certification Statement
 - Missing County Approved Budget Information when applicable
- ✓ The signature confirms that all information is correct and corresponds to the Agency's financial records. Please make sure that the Certification Statement is signed by the authorized person.

2. Units of Service Information

- Missing units of service information.
- ✓ Please always provide the unit information. The unit information on Tab 2 of the new form Non-DMC Cost Report form can be obtained from Sage report.
- ✓ Staff Hour Rate/FFS contract - actual units of service/staff hours in accordance to the contract modality is required for reporting purposes.
- ✓ Billings submitted after October 30 will be settled through cost report settlement.



Mandatory

Units of Services

All cost reports must have the units of service/staff hours reported before submission except Prevention contract.

PLEASE DO NOT LEAVE THIS INFORMATION BLANK.

DEADLINE

ALL COST REPORTS ARE DUE ON/BEFORE **October 30, 2019**

COST REPORT SUBMISSION CHECK LIST

- 1. Original cost report. **Do not staple or bind Cost report.**
- 2. Summary page of the most current county approved budget for Non-Provisional Rate contract (NPR)
- 3. Signed Certification Statement

MAIL OR DELIVER TO:

**COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC HEALTH
SUBSTANCE ABUSE PREVENTION AND CONTROL
1000 SOUTH FREMONT AVENUE
BUILDING A-9 EAST, 3rd FLOOR, NORTH WING, **UNIT 34**
ALHAMBRA, CA 91803**

THANK YOU!!!



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