FY 10-11 Substance Abuse NNA/Drug MediCal Provider's Cost Report Training

Date: Thursday, August 25, 2011

Time: 9:00 AM to 12:00 PM (All Substance Abuse Providers)

Place: Dept. of Public Health – Population Health & Prevention
Conference Room - 220
101 Grove St., 2nd Floor
San Francisco, CA 94102

Presented by: DPH-PHP Fiscal Cost Report Unit

Substance Abuse NNA/ Drug MediCal Cost Report Agenda

- Registration
- Welcome / Introduction / Housekeeping
- Cost Report Materials and Information
- New and items of continued importance
- Substance Abuse Cost Report Deadlines
- Overview of Cost Report
- Overview of Cost Report Settlement
- Questions and Answers

Welcome/Introductions/Housekeeping

- Welcome to the FY 10-11 Provider's Cost Report Training!
- Introductions
- Housekeeping
  - Restrooms are on the first floor
  - Please turn cell phones and pagers off or in vibrate mode
  - Emergency Exits (Follow the 'Exit' signs)

Cost Report Materials and Information

- The following cost report materials will be emailed to each individual provider next Monday, August 29, 2011:
  - County Cost Report Templates and Instructions
  - 1010 Volume 2 Substance Abuse Funding Sources
  - Preliminary AVATAR Report
  - 837 Report – MediCal Gross Claimed Units (**MediCal Provider ONLY – once available**)
  - 835 Report – Medical Approved and Denied (**MediCal Provider ONLY – once available**)

What's New for FY10-11

- AVATAR system used for reporting units
- VCR (Void/Correct/Replace) New feature in Billing System
- **Providers will provide the total gross units delivered for FY 10-11**
- FY10-11 FMAP Ratio as follows:
  - 07/01/10 – 12/31/10
  - 01/11/11 – 03/31/11
  - 04/01/11 – 06/30/11
- New Reporting requirement for HIV – Early Intervention Services (Cost and Units)
  - Pre and Post HIV test counseling
  - Testing
  - Therapeutic Measures

What's New for FY10-11 (Continued)

- SAPT – Friday Night Live and Club Live merged into one funding line
- No more SACPA (Substance Abuse Crime Prevention Act) and OTP (Offender Treatment Program) funding
- ARRA will no longer be a stand alone funding stream. It is now merged with regular FFP's.
- Settlement based on Cost Reimbursement except for providers who opted for Fee for Service (FFS) reimbursement

Items of Continued Importance

- Food cost (Meals) is **not** MediCal eligible, but Net Negotiated Amount (NNA) cost allowable
- Housing cost are **not** MediCal eligible
- Primary Prevention units must be entered in CALOMS
- Published Rates schedule must be submitted, if applicable
- Nonresidential Services:
  - Individual Session default is 50 minutes per session
  - Group Session default is 90 minutes
  - Units of service (UOS) for group session is measured by duration divided by the total number of people

More Items of Continued Importance

- Nonresidential Services:
  - Actual Average minutes in Group face-to-face session
  - Actual Average minutes in an Individual face-to-face session
- No Client Fees in Primary Prevention Services
- Other Revenues can be Reported for Prevention & Ancillary Services (ie, Fund Raising)
- SAPT HIV Funding **must** be reported in Ancillary, 65-HIV Early Intervention Services **ONLY**
- Audited Financial Statement & Management Letters, if applicable, for each agency must be submitted to Duane Einhorn at 1380 Howard St., 4th Floor for upload in COOL (Contract Online)

Additional Items of Continued Importance

- **MediCal Provider ONLY**
  - Drug MediCal Admin Rate is 8% of approved MediCal cost
  - Share of Cost and All Other 3rd Party Payor (i.e., MediCare, Insurance, Self-Pay) must be Reported by Service Date and Cost Report Period
  - Box in State Data Entry Form for Prorated or Usual and Customary Rate

- Strict Observation of Deadline
  - **Late submission will result in holding future contract payments**

County Trial Balance Template

- Review Provider Trial Balance per Exhibit.
- Do not change or alter the rows or columns as it contains formulas and links.
- Do not enter information in the cells where ‘o’ (zero) is located. Those cells are formula driven and will calculate automatically.
- Please enter information from Provider Trial Balance in the light yellow section cells in the County Trial Balance Template columns and rows.
- Provider Trial Balance **MUST** equal County Trial Balance Template.

SEE ATTACHMENT 1

How to Account for Group Sessions & Face to Face Clients

DPH/PHP-SUBSTANCE ABUSE - NON RESIDENTIAL
FY 10-11
PROVIDER #: **XXXXX**
MONTH: JULY

Data entry are the following:		
MediCal Groups	Purple	A
Non-MediCal Groups	Pink	B
Combination MediCal & Non-MediCal Groups	Blue	C
Actual # **MEDICAL** Clients (AVATAR units)	Green	D
Actual # **NNA** Clients (AVATAR units)	Yellow	E
Total Actual # of Clients	**(D + E)**	F

	A	B	C	(A + B + C)	(A + C)	(B + C)	D	E	F	D / (A+C)
DAY	**Number of MediCal Sessions/Classes** (With MediCal Eligible Clients Only)	**Number of Non-MediCal (NNA) Sessions/Classes** (With Non-MediCal Eligible Clients Only)	**Number of COMBINED MediCal and Non-MediCal (NNA) Sessions/Classes** (Both with MediCal and Non-MediCal Clients)	**Total Number of Groups**	**CR_# GROUP SESSIONS (MEDICAL)**	**CR_# GROUP SESSIONS (NNA)**	Actual # of Clients Participants in each Group Sessions **MEDICAL** (AVATAR UNITS)	Actual # of Clients Participants in each Group Sessions **NNA** (AVATAR UNITS)	**Total Participants MediCal and NNA's or (Face to Face) AVATAR UNITS**	**Actual Average Participants per Session (MCAL ONLY)**
EXAMPLE										
07/01/10	1	2	3	6	4	5	16	25	41	4.00

EXAMPLE: A Provider scheduled 6 group sessions/classes for July 1. Information are based from Sign-In Sheets.
Face to Face Clients equal total number of participants from all classses for the day.

CLASS 1
3 MediCal Clients
2 NNA Clients
5 Total Participants

CLASS 2
4 MediCal Clients
4 NNA Clients
8 Total Participants

CLASS 3
8 MediCal Clients
0 NNA Clients
8 Total Participants

Total Medical Clients	16
Total NNA Clients	25
Total Participants	41

CLASS 4
1 MediCal Clients
5 NNA Clients
6 Total Participants

CLASS 5
0 MediCal Clients
6 NNA Clients
6 Total Participants

CLASS 6
0 MediCal Clients
8 NNA Clients
8 Total Participants

SEE ATTACHMENT 2

Nonresidential Group Sessions Log

- Summarize and compile the monthly Nonresidential Group MediCal, Non-MediCal, Combination of Both MediCal and Non-MediCal Sessions by Exhibits (Refer to Columns A to C).

- Summarize and compile the monthly Nonresidential Group Sessions MediCal and NNA Face to Face contact by Exhibits (Refer to Columns D and E).

- The state requirement for MediCal groups is minimum of 4 and a maximum of 10 individual per group session

Total units reported per Nonresidential exhibit (AVATAR) MUST agree to Column F (Total # of Clients) of Group Session Log.

Nonresidential Group Sessions Log

DPH/PHP-SUBSTANCE ABUSE - NON RESIDENTIAL
SUMMARY LOG OF 33-ODF GROUP SESSIONS
FY 10-11
LEGAL ENTITY: **Safe Place**

Data entry are the following:

MediCal Groups	Purple	**A**
Non-MediCal Groups	Pink	**B**
Combination MediCal & Non-MediCal Groups	Blue	**C**
Actual # MEDICAL Clients (AVATAR units)	Green	**D**
Actual # NNA Clients (AVATAR units)	Yellow	**E**
Total Actual # of Clients	**(D + E)**	**F**

Exhibit B-1		**A**	**B**	**C**	**(A+B+C)**	**(A+C)**	**(B+C)**	**D**	**E**	**F**	**D / (A+C)**
		Number of Group Sessions Held				For ODF Fiscal Model					
MONTHS		**MediCal Groups** (MediCal Eligible Clients Only	**Non-MediCal Groups** (NNA Eligible Clients Only)	**Combination MediCal and Non-MediCal Groups** (Both MediCal and NNA Clients)	**Total # of Groups**	**CR_ # GROUP SESSIONS (MediCal)**	**CR_# GROUP SESSIONS (NNA)**	**Actual # of Clients Participants in each Group Sessions MEDICAL (AVATAR**	**Actual # of Clients Participants in each Group Sessions NNA (AVATAR**	**TOTAL Actual # Clients Participated in each Group Sessions (Total AVATAR**	**Actual Average Participants per Session (MEDICAL ONLY)**
JULY '2010		0	13	20	33	**20**	**33**	100	143	243	5.00
AUGUST		1	20	11	32	**12**	**31**	90	125	215	7.50
SEPTEMBER		0	15	9	24	**9**	**24**	85	171	256	9.44
OCTOBER		0	22	14	36	**14**	**36**	70	147	217	5.00
NOVEMBER		1	23	9	33	**10**	**32**	99	141	240	9.90
DECEMBER		0	47	3	50	**3**	**50**	15	270	285	5.00
JANUARY '2011		1	26	6	33	**7**	**32**	40	255	295	5.71
FEBRUARY		0	27	7	34	**7**	**34**	40	208	248	5.71
MARCH		2	20	5	27	**7**	**25**	40	145	185	5.71
APRIL		2	24	10	36	**12**	**34**	78	113	191	6.50
MAY		1	20	20	41	**21**	**40**	150	61	211	7.14
JUNE' 2011		3	19	18	40	**21**	**37**	111	101	212	5.29
TOTAL		**11**	**276**	**132**	**419**	**143**	**408**	**918**	**1,880**	**2,798**	6.49

NOTE:
Total Actual number of Clients Participated in each Group Sessions should equal sum of total units from AVATAR.
MediCal Provider: A group session/class has a minimum of 4 clients to a maximum of 10 clients.

SEE ATTACHMENT 3

Items of Extra Attention

- Provider Trial Balance / General Ledger
  - Label each line item on the provider trial balance / general ledger to match the County Trial Balance Template item code #
    (Safe Place Example)
  - Indirect Cost (item code 41 on County Trial Balance Template) must be reasonable and need backup documentation
- Provider's AVATAR Statistical Data – Gross Units
  - Label each Reporting Unit with the corresponding Exhibit number

SEE ATTACHMENT 4

SA Cost Report Deadlines

- August 29, 2011 — County Cost Report Templates and Statistical Data are sent to Provider (Via Email)
- **Sept. 23, 2011 (Friday)** — **Provider SA Cost Report due to the Fiscal Cost Report Unit (NO Exceptions / NO Extensions)**
- Nov. 1, 2011 — Consolidated Cost Report due to the State
- January 2012 — Final Copy of Cost Report sent to Provider
- March-April 2012 — County Settles with Provider

What is a Cost Report?

A Cost Report is an annual financial report required by Federal/State/Local agencies that shows actual revenues, expenditures, and services delivered.

SA Authority Enforcement

- 9, 22 CCR – California Code Regulation
- 42 USC – United States Code
- 42 & 43 CFR – Code of Federal Regulation
- 14123 WIC – Welfare and Institution Code
- 11758.46 Health and Safety Code
- Title IX Safe and Drug Free School and Communities Act
- (ADP website: www.adp.cahwnet.gov)

Purpose of Cost Report

- Calculate actual cost per unit by service code
- Determine the net MediCal entitlement
- Identify the uses and sources of funding
- Serve as basis for the year end settlement
- Monitor performance contracts
- Use as a tool for focused reviews and subsequent Fiscal audits

NNA/Drug MediCal Contract

NNA/Drug MediCal Contract is an agreement between the County and the State. It defines the terms, provisions, general obligations, fiscal allocations, program summaries and services to be delivered for the Alcohol and Drug and Other Programs.

Provider Contract

- Provider Contract is an agreement between the County and the Community Based Organization (CBO)
- It defines the terms, provisions, general obligations, fiscal allocations, program summaries and services to be delivered
- It serves as basis for the cost report and year-end settlement

Component of Substance Abuse Units

- **Drug MediCal Units**
  - Services that are reimbursable by Federal dollars
- **Net Negotiated Amount (NNA) Units**
  - Services that are **not** billable to Federal Drug MediCal
  - NNA funds are awarded by ADP in their annual allocation, plus any fees controlled by State regulations, such as DUI Fees and Court Fines

Type of Rates

- Actual Rates
  Actual expenditures / total actual units
- SMA Rates (State Maximum Allowable Rate)
  Maximum allowable state reimbursement
- Published Rates
  Customary charges posted at the Facility used for Insurance & MediCal Claims
- Contract Rates
  Rates negotiated between the Provider and the County. Used in the Provider's Settlement

County Responsibility to Providers

County provides the following:

- County Trial Balance Template
- Statistical data for Avatar driven services via:
  - SA Actual Units (DAS800)
  - 837 Report– MediCal Gross Claimed Units
  - 835 Report – MediCal Approved and Denied
- Final cost report after submission to the State
- Initiate the Settlement process

Provider Responsibility

The following reports must be completed and submitted to the Fiscal Cost Report Unit (Electronic Form & Hard Copy):

- Signed Cover Letter (See ATTACHMENT 5)
- Completed County Trial Balance Template
- Trial Balances/GL of Expenditures/Revenues by contract exhibits
- Summary Log of Nonresidential Group Sessions
- Schedule of Depreciation
- Statistical Data
  - AVATAR Gross Unit Report
  - Final June 2011 Invoices

**** DUE to FISCAL by Friday, Sept. 23, 2011 ****

Submission of SA Provider's Cost Report Deadline: Friday, September 23, 2011

Soft Copy:	Email to:	Clifford.Gee@sfdph.org
	cc copy to:	Haifeng.Liu@sfdph.org
		James.Wang@sfdph.org
Hard Copy:	Send to:	Clifford Gee / Hai Feng Liu
		Fiscal-Cost Report Unit
		101 Grove St., Room 116
		San Francisco, CA 94102

Substance Abuse Cost Settlement

- Providers may have billed all the units, but they may not be entitled to everything the County paid them based on the submitted cost report.
- Settlement is a process by which the County reconciles what the *Provider billed and were paid* versus what the State paid the County.

Purpose of Cost Settlement

- To reconcile globally the actual units delivered by the County to the State reimbursement.
- To reconcile locally the actual units delivered by a provider to DPH payment per contract.

This information is based on data reported by Provider to DPH and contained in the County Cost Report to the State. Cost Report cannot be changed after submitted or reported to the State.

Cost Settlement Procedure

- Inquiry on the Settlement must be directed to Fiscal Cost Report Unit.
- If no response from Provider after the due date , it is equivalent to an agreement to the settlement.
- Settlement not paid by Provider will automatically be deducted from monthly invoices.
- Provider must submit an invoice to be paid, if the County owes the Provider. Attach a copy of the Settlement Report.

Provider's Settlement Policy

FY 10-11 Settlement is based on Cost Reimbursement except for providers who opted for Fee for Service (FFS) reimbursement.

(Refer to Avatar Billing and Cost Settlement Policy for FY 10-11 – ATTACHMENT 6)

Types of Settlement

- **Fee for Service (FFS)** – based on actual number of units multiplied by the approved contract rate.
- **Cost Reimbursement** – based on actual expenditures within the budget.

Revenues

- Providers/Contractors are responsible for earning the MediCal revenues (**Federal Financial Participation**) in their contract.
- If the provider/ contractor does not bill the budgeted MediCal revenues, the Department will not be reimbursed by the State; therefore, will not have the funding to pay the contractor.
- **MediCal revenues** must be monitored during the fiscal year, and if there appears to be a problem, then the contractor should request a contract modification well before the end of the fiscal year.

Revenues …Continued

- MediCal shortfall **will not** be addressed after the end of fiscal year. It will be settled during the contract negotiation for the following FY.
- FFP (Federal Financial Participation) includes Alcohol Drug MediCal and Perinatal MediCal.

Cost Reimbursement Services

- Cost reimbursement (i.e. start up costs, training costs) should be reimbursed based on actual cost to the maximum budgeted amount. Total year-to-date amount on 'Final' invoice should match the amount reported in the cost report.
  - Lower of actual trial balance or invoice costs will be taken for Cost Reimbursement amount.
  - Invoice must contain the actual statistical data for Direct and Indirect Services.

Additional Information

- Other Reference Materials can be found at the DPH website: http://www.sfdph.org/dph/comupg/oservices/mentalHlth/CBHS/default.asp
- If you need help, please schedule an appointment with us, ASAP!
- Any Questions?

General Contact Information

Fiscal - Cost Report:

101 Grove St, Room 116
San Francisco, Ca 94102

By Fax:
(415) 554-2623 – Cost Report Unit Fax
(415) 554-2650 – Cost Report Unit/EOB Fax

By Email: **FirstName.LastName@sfdph.org**

By Telephone:
(415) 554-2539 – Nelly Lee, Finance Manager-Bdgt,Cost Rpt/ Analysis
(415) 554-2540 – Lizza Leviste, Senior Systems Accountant
(415) 554-2536 – Clifford Gee, Principal Accountant
(415) 554-2543 – Hai Feng Liu, Principal Accountant
(415) 554-2971 – James Wang, Principal Accountant
(415) 554-2524 – Annabel Martinez, Principal Account Clerk
(415) 554-2754 – Carmen Flores, Senior Account Clerk

Thank You!