Substance Use Disorders
Cost Report Presentation

Presented by: Jarrett Davis, Section Chief
Cost Report and Tracking Section II
Audits and Investigations
July 22, 2020

Overview

- Purpose
- Overview of Settlement Process
- State Plan Cost Report Overview
- DMC-ODS Cost Report Overview
- Best Practices
- Cost Report Updates
- Timelines and Due Dates
- SUDCRS Information
- Resources
Purpose of Annual Cost Report

Block Grant and DMC Reporting

• Reconcile provisional payments made to county with actual costs.
• Document state/federal fund expenditures
  – Substance Abuse Prevention and Treatment Block Grant (SABG)
  – State General Fund (SGF)
  – Drug Medi-Cal Federal Financial Participation (FFP)
  – Behavioral Health Subaccount (2011 Realignment)
• Provide mandated service and expenditure data to oversight agencies; cost report data needed for:
  – Developing annual DMC reimbursement rates (State Plan only)
  – Provider fiscal audits
  – Statewide evaluation purposes

Settlement Process Snapshot

• Required by Law
  – HSC 11852.5 and WIC 14124.24
• Contractual Requirements
  – CPE Protocol Exhibit AA (DMC-ODS)
• DHCS releases annual forms, instructions, and reporting system
• Cost Report Submission
  – Due Annually by November 1*
• Block Grant Settlement
  – Preliminary and Interim reconciliation of allocation and payment amounts versus reported expenditures
• DMC Interim Settlement
  – Reconcile Payments and Approved Costs, UOS Reconciliation (approved & denied); Interim Payments and Recoupments
• Final Settlement (Audit Process)
State Plan DMC Services

- Outpatient Drug Free (ODF)
  - Individual
  - Group
- Intensive Outpatient Treatment (IOT)
- Residential (Perinatal Only)
- Narcotic Treatment Program (NTP)
  - Dose
  - Individual
  - Group
- Naltrexone

CCR Title 22: 51341.1

State Plan Cost Settlement

- Reimbursement Methodology
  - Uniform Rates
    - State Maximum Allowance (SMA)
    - Settle to lower of costs
  - Units of Service
    - Whole Units
      - No Fractional Units
  - Funding
    - Federal Share (FFP Title 19 & 21)
    - State/Local Share (SGF, BHS, County Funds)
State Plan Cost Settlement

- **Settlement Methodology**
  - County aggregates provider’s costs into the cost report template for all rendered treatment services.
  - Direct and Indirect costs are entered by Service Type cost centers
    - ODF, IOT, RES, NTP, Other SUD Services, Non SUD Services
  - DHCS uses each provider’s cost report to determine the lower of actual cost, usual/customary charge, or state maximum allowance (SMA)
  - Rate Cap Determination (the total approved units x the lower of cost or customary charge or SMA)
    - Reimbursement rate cannot exceed SMA
    - Maximum Allowable Reimbursement
  - Costs over rate cap must be covered by other funds
    - Other Funds: Behavioral Health Subaccount, County Funds

- **Interim Settlement**
  - Over or underpayments of federal funds and SGF are based on this reconciliation

---

**ODF Reimbursement Example**

(Lower of Costs)

<table>
<thead>
<tr>
<th>Cost Per Unit of Service</th>
<th>ODF 1/NP</th>
<th>ODF 6/NP</th>
<th>ODF 1/F</th>
<th>ODF 6/F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost Per Unit of Service (Including Private Pay)</td>
<td>29.36</td>
<td>53.57</td>
<td>29.76</td>
<td>53.57</td>
</tr>
<tr>
<td>ODF Only Cost Per Unit of Service</td>
<td>29.36</td>
<td>53.57</td>
<td>29.76</td>
<td>53.57</td>
</tr>
<tr>
<td>Prorated Statewide Maximum Allowance (SMA Rate)</td>
<td>30.89</td>
<td>79.44</td>
<td>81.95</td>
<td>81.95</td>
</tr>
<tr>
<td>Statewide Maximum Allowable (SMA Rate or Customary Charge)</td>
<td>30.89</td>
<td>79.44</td>
<td>81.95</td>
<td>81.95</td>
</tr>
<tr>
<td><strong>Maximum Allowed</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ODF Maximum Allowed if Lowest Amount Based on Total Cost per Unit (TOD)</td>
<td>291.52</td>
<td>111.75</td>
<td>291.52</td>
<td>111.75</td>
</tr>
<tr>
<td>ODF Maximum Allowed if Lowest Amount Based on ODF Only Cost per Unit (SOD)</td>
<td>291.52</td>
<td>111.75</td>
<td>291.52</td>
<td>111.75</td>
</tr>
<tr>
<td>ODF Maximum Allowed if Lowest Based on Prorated or Usual/Customary Rate</td>
<td>308.90</td>
<td>794.40</td>
<td>819.90</td>
<td>819.90</td>
</tr>
<tr>
<td>ODF Maximum Allowed if Lowest Based on SMA Rate</td>
<td>308.90</td>
<td>794.40</td>
<td>819.90</td>
<td>819.90</td>
</tr>
<tr>
<td>ODF Maximum Allowed Cost</td>
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<td>111.75</td>
<td>291.52</td>
<td>111.75</td>
</tr>
<tr>
<td>ODF Reimbursement Allowed</td>
<td>291.52</td>
<td>111.75</td>
<td>291.52</td>
<td>111.75</td>
</tr>
<tr>
<td>1,358.75</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**ODF Reimbursement Example (Lower of Costs)**

<table>
<thead>
<tr>
<th>Cost Per Unit of Service</th>
<th>ODF 1/NP</th>
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<td></td>
<td></td>
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<td></td>
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<td>819.90</td>
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<td>291.52</td>
<td>111.75</td>
<td>291.52</td>
<td>111.75</td>
</tr>
<tr>
<td>ODF Reimbursement Allowed</td>
<td>291.52</td>
<td>111.75</td>
<td>291.52</td>
<td>111.75</td>
</tr>
<tr>
<td>1,358.75</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
IOT Reimbursement Example
(SMA Rate)

<table>
<thead>
<tr>
<th>Cost Per Unit of Service</th>
<th>IOT R</th>
<th>IOT P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost Per Unit of Service (Including Private Pay)</td>
<td>75.76</td>
<td>75.76</td>
</tr>
<tr>
<td>DMC Only Cost Per Unit of Service</td>
<td>75.76</td>
<td>75.76</td>
</tr>
<tr>
<td>Prorated Statewide Maximum Allowance (SMA Rate)</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Statewide Maximum Allowable (SMA) Rate or Customary Charges</td>
<td>58.53</td>
<td>87.23</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Maximum Allowed</th>
<th>IOT R</th>
<th>IOT P</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMC Maximum Allowed if Lowest Amount Based on Total Cost per UOS</td>
<td>757.58</td>
<td>717.58</td>
</tr>
<tr>
<td>DMC Maximum Allowed if Lowest Amount Based on DMC Only Cost per UOS</td>
<td>757.58</td>
<td>717.58</td>
</tr>
<tr>
<td>DMC Maximum Allowed if Lowest Amount Based on Usual/Customary Rate</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>DMC Maximum Allowed if Lowest Amount Based on SMA Rate</td>
<td>585.30</td>
<td>873.30</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>IOT R</th>
<th>IOT P</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMC Allowed CPU</td>
<td>58.53</td>
<td>75.76</td>
</tr>
<tr>
<td>DMC Reimbursement Allowed</td>
<td>585.30</td>
<td>717.58</td>
</tr>
</tbody>
</table>

State Plan vs ODS
Rate and Unit Differences

<table>
<thead>
<tr>
<th>State Plan</th>
<th>DMC-ODS Waiver</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rates set by DHCS (state maximum allowance-SMA)</td>
<td>Intolerable rates set by county, approved by DHCS. SMA does not apply (except for NTP)</td>
</tr>
<tr>
<td>Separate rates for group/individual and perinatal/non-perinatal</td>
<td>No rate differences between group/individual and perinatal/non-perinatal</td>
</tr>
<tr>
<td>Units of service vary by service type</td>
<td>Unit for most services is 15 minutes</td>
</tr>
<tr>
<td>Fractional units not allowed</td>
<td>County can bill in minutes and track in their system in minutes. For cost reporting, minutes need to be converted to units (divide minutes by 15). May result in fraction.</td>
</tr>
</tbody>
</table>
Drug Medi-Cal Organized Delivery System Services

• All State Plan Services plus…
  – ASAM (Levels of Care)
  – Residential (Non-Peri; Perinatal)
  – Case Management
  – Expanded NTP (MAT)
    • Buprenorphine, Disulfiram, Naloxone
  – Withdrawal Management
  – Recovery Services
  – Physician Consultation
  – Partial Hospitalization

DMC-ODS Cost Settlement

• Reimbursement Methodology
  – County Specific Rates
    • Negotiated Rates (except for NTP)
    • Reimbursed based on Actual Allowable Costs
      – CPE Protocol – Attachment AA
      – Special Terms and Conditions (STCs’)
  – Units of Service
    • Incremental and Daily Rates
      – 15 Minute Increments
  – Funding
    • Federal share (FFP Title 19 & 21)
    • State/local share (SGF, BHS, County Funds)
DMC-ODS Cost Settlement

- Settlement Methodology
  - County aggregates provider's costs into cost report template for all rendered DMC-ODS services.
    - Provider cost reports are used to determine the DMC-ODS expenditures
      - Whether the amount was the lower of cost or usual/customary charge.
  - DHCS reconciles the county cost with the interim payments made to the county.
    - "Interim Settlement" means temporary settlement of actual allowable costs or expenditures reflected in the Contractor’s year-end cost settlement report.
  - Payments at negotiated rates shall be settled to lower of actual cost or customary charge.
    - DMC-ODS Boilerplate
      - Exhibit B - Budget Detail and Payment Provisions; Section 1; F. Subcontractor Funding Limitations

Cost Allocation

The cost report identifies direct cost categories for each modality and establishes a standard methodology of percentage of total direct cost to allocate indirect costs.

Providers must have a cost allocation plan that identifies, accumulates, and distributes allowable direct and indirect costs and identifies the allocation method(s) used for distribution of indirect costs.

- Direct Costs
  - Direct cost allocation methodology must assign costs to a particular cost objective based on the benefit received by that cost objective.
  - Methodology must produce an equitable distribution of cost — document method on Overall Detailed Cost tab.

- Indirect Costs
  - The DMC workbook allocates indirect costs using a standard methodology: percentage of direct costs.
Cost Report Entries

- **Data Entry Tabs**
  - Overall Detailed Costs
    - Enter All Your Costs
  - Detailed Adjustments
    - Unreimbursable Costs
    - Allocate Cost to Specific Service Types
  - Cost Allocation
    - Allocation, Cost Per Unit, Rate Cap, Allowable Costs
  - Reimbursed Units
    - Enter Approved and Denied Unit Totals
    - Funding Lines and Amounts

Provider Certification &
Overall Cost Summary
## Overall Detailed Costs

[Table with detailed cost data]

## Detailed Adjustments
(Unreimbursable Costs)

[Table with detailed adjustment data]
## Detailed Adjustments
(Allocate Direct Costs)

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Allocation</th>
<th>Adjustments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration &amp; Nursing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clinical Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Cost Allocation
(Private & Non-DMC Units)

<table>
<thead>
<tr>
<th>Category</th>
<th>Private</th>
<th>DMC</th>
<th>Non-DMC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration &amp; Nursing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clinical Services</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Support Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### OT Reimbursement Example (Allowable Actual Cost)

<table>
<thead>
<tr>
<th>COST PER UNIT OF SERVICE</th>
<th>OT 1 NP</th>
<th>OT 2 NP</th>
<th>OT CM NP</th>
<th>OT PC NP</th>
<th>OT RS NP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost Per Unit of Service (including Private Pay &amp; Non DMC)</td>
<td>0.00</td>
<td>0.11</td>
<td>0.14</td>
<td>0.16</td>
<td>0.21</td>
</tr>
<tr>
<td>Provider's Customary Charge</td>
<td>0.00</td>
<td>0.11</td>
<td>0.14</td>
<td>0.16</td>
<td>0.21</td>
</tr>
</tbody>
</table>

### DMC Allowable Cost

<table>
<thead>
<tr>
<th>DMC Allowable Cost</th>
<th>OT 1 NP</th>
<th>OT 2 NP</th>
<th>OT CM NP</th>
<th>OT PC NP</th>
<th>OT RS NP</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMC Maximum Allowable Cost Based on Total Cost per Unit of Service</td>
<td>264.00</td>
<td>281.18</td>
<td>308.90</td>
<td>490.26</td>
<td>571.45</td>
</tr>
<tr>
<td>DMC Maximum Allowable Cost Based on Provider's Customary Charge</td>
<td>264.00</td>
<td>281.18</td>
<td>308.90</td>
<td>490.26</td>
<td>571.45</td>
</tr>
</tbody>
</table>

### DMC Allowable Cost Eligible for Reimbursement

<table>
<thead>
<tr>
<th>DMC Allowable Cost Eligible for Reimbursement</th>
<th>OT 1 NP</th>
<th>OT 2 NP</th>
<th>OT CM NP</th>
<th>OT PC NP</th>
<th>OT RS NP</th>
</tr>
</thead>
<tbody>
<tr>
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<td>308.90</td>
<td>490.26</td>
<td>571.45</td>
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<tr>
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<td>264.00</td>
<td>281.18</td>
<td>308.90</td>
<td>490.26</td>
<td>571.45</td>
</tr>
</tbody>
</table>

### OT Reimbursement Example (Customary Charge/Interim Rate)

<table>
<thead>
<tr>
<th>COST PER UNIT OF SERVICE</th>
<th>OT 1 NP</th>
<th>OT 2 NP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost Per Unit of Service (including Private Pay &amp; Non DMC)</td>
<td>138.64</td>
<td>138.64</td>
</tr>
<tr>
<td>Provider's Customary Charge</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

### DMC Allowable Cost

<table>
<thead>
<tr>
<th>DMC Allowable Cost</th>
<th>OT 1 NP</th>
<th>OT 2 NP</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMC Maximum Allowable Cost Based on Total Cost per Unit of Service</td>
<td>4,975.11</td>
<td>4,975.11</td>
</tr>
<tr>
<td>DMC Maximum Allowable Cost Based on Provider's Customary Charge</td>
<td>3,300.00</td>
<td>3,300.00</td>
</tr>
</tbody>
</table>

### DMC Allowable Cost Eligible for Reimbursement

<table>
<thead>
<tr>
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<th>OT 1 NP</th>
<th>OT 2 NP</th>
</tr>
</thead>
<tbody>
<tr>
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<td>100.00</td>
<td>100.00</td>
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<tr>
<td>Total DMC Allowable Cost Eligible for Reimbursement</td>
<td>3,300.00</td>
<td>3,300.00</td>
</tr>
</tbody>
</table>
Reimbursed Units
(Approved and Denied Units)

<table>
<thead>
<tr>
<th>Unit Description</th>
<th>Aid Code Group Abbreviations</th>
<th>DT Individual Non Perinatal</th>
<th>OT Group Non Perinatal</th>
<th>OT Case Management Non Perinatal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimbursed Units</td>
<td></td>
<td>7,920,000</td>
<td>2,943,000</td>
<td>2,076,000</td>
</tr>
</tbody>
</table>

Reimbursed Units
(Funding Lines and Amounts)

<table>
<thead>
<tr>
<th>Non DME Program Amount/Program Codes</th>
<th>Aid Code Group Abbreviations</th>
<th>Funding Line Number</th>
<th>Non-DME Funding Amount</th>
<th># of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimbursed Units</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

OT Individual Non Perinatal

<table>
<thead>
<tr>
<th>Non DME Program Amount/Program Codes</th>
<th>Aid Code Group Abbreviations</th>
<th>Funding Line Number</th>
<th>Non-DME Funding Amount</th>
<th># of Units</th>
</tr>
</thead>
</table>
Best Practices

• What is a Complete Submission?
  – SIGNED Cost Report Certifications (Tab 1)
  – Completed Settlement Forms
  – Annual County Administrative Reimbursement Form
  – Complete SUDCRS Data
    • Press SUBMIT in SUDCRS

• More Best Practices
  – Complete Template 1st before entering in SUDCRS
  – Use Reimbursed Units tab for SUDCRS Data Entry
    • Insert units from Reconciliation Report on Reimbursed Units tab to calculate Allowable Allocation Costs on Cost Allocation Tab
  – Keep Password Updated on SUDCRS
  – Dual Submissions
    • Counties who provided SPA and DMC-ODS in same FY

Cost Report Updates

• FY 18/19
  – New 93% / 7% Funding Splits (FFP and SGF)
    • Added Funding Lines
  – MAT Combo Service
    • Buprenorphine-Naloxone
  – Template Release Date: August 2020 (approx.)

• FY 19/20
  – Intensive Outpatient Services
    • Separated Billing Codes (Info Notice 19-031)
  – New NTP Cost Report Template (Non-County Providers)
    • Reporting at Legal Entity
    • Submitted Directly to DHCS (Info Notice 19-005)
    • Release Date: End of August 2020
External Completion Timeline
Cost Report Worksheets and SUDCRS Data Entries

- FY 16/17 Cost Settlement
  - ODS Due Date: August 31, 2020
  - SUDCRS available End of July 2020

- FY 17/18 Cost Settlement
  - State Plan Due Date: June 30, 2020
  - SUDCRS Currently Open for Data Entry
  - ODS Due Date: November 30, 2020
  - SUDCRS available September 2020

- FY 18/19 Cost Settlement
  - State Plan & ODS Due Date: February 28, 2021
  - All data entries and cost report worksheets are due

- FY 19/20 Cost Settlement
  - State Plan & ODS Due Date: May 30, 2021
  - All data entries and cost report worksheets are due

Internal Completion Timeline

- FY 16/17 Interim Cost Settlement
  - State Plan & ODS: 12/31/2020

- FY 17/18 Interim Cost Settlement
  - State Plan & ODS: 7/31/2021

- FY 18/19 Interim Cost Settlement
  - State Plan & ODS: 1/31/2022

- FY 19/20 Interim Cost Settlement
  - State Plan & ODS: 7/31/2022
Behavioral Health Information Systems & SUD Cost Report System Portal

Behavioral Health Information Systems

Home Screen

Substance Use Disorder Cost Report Portal

Home Screen

Substance Use Disorders Cost Report System (SUDCRS)

- **SUDCRS Overview**
  - Web-based cost reporting system
  - **How to Gain Access**
    - Access through Behavioral Health Information Systems (BHIS)
      - BHIS@dhcs.ca.gov
      - Questions related to User ID's, Passwords, Connectivity, Encryption
    - **SUD Cost Report System Support**
      - SUDCRSSUPPORT@dhcs.ca.gov
      - Questions related to the SUDCRS access, application usage and errors.
Resources

- Cost Report Questions
  - Email: AODCostReport@dhcs.ca.gov or Assigned County Analyst

- DHCS Website
  - www.dhcs.ca.gov

- SUDCRS Support
  - SUDCRSsupport@dhcs.ca.gov