



Substance Use Disorders Cost Report Presentation

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Presentation Overview

1. Purpose of Cost Report
2. Overview of Settlement Process
3. FY 16/17 and FY 17/18 Updates
4. Cost Report Training
5. SUDCRS Information
6. DMC County Administration
7. State Plan Cost Report Overview
8. DMC-ODS Cost Report Overview
9. Cost Allocation
10. Q & A



1. Purpose of Annual Cost Report

Block Grant and DMC Reporting

- Reconcile provisional payments made to county with actual costs.
- Document how state/federal funds were spent.
 - SABG (SAPT Block Grant)
 - State General Fund
 - 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



2. Settlement Process Snapshot

- Required by law (HSC 11852.5 and WIC 14124.24)
- DHCS releases annual forms and instructions
 - Due Annually by November 1
- Block Grant Settlement
 - Reconciliation of allocation and payment amounts to expenditures
- DMC Interim Settlement
 - Reconcile costs, UOS, and reimbursement amounts



SABG Funding Period

SABG has a 21-month cycle that allows funds to be used over two state fiscal years.

Month	SAPT BLOCK GRANT		Month
Jul-2015			SFY 2015-16
Aug-2015			
Sep-2015			
Oct-2015	FFY 2016 O B L I G A T E & E X P E N D		
Nov-2015			
Dec-2015			
Jan-2016			
Feb-2016			
Mar-2016			
Apr-2016			
May-2016			
Jun-2016			
Jul-2016			2017 O B L I G A T E & E X P E N D
Aug-2016			
Sep-2016			
Oct-2016			
Nov-2016			
Dec-2016			
Jan-2017			
Feb-2017			
Mar-2017			
Apr-2017			
May-2017			
Jun-2017			
Jul-2017		SFY 2017-18	
Aug-2017			
Sep-2017			
Oct-2017			
Nov-2017			
Dec-2017			
Jan-2018			
Feb-2018			
Mar-2018			
Apr-2018			
May-2018			
Jun-2018			
Jul-2018			
Aug-2018			
Sep-2018			



3. 16/17 Administrative Updates

- FY 16/17 State Plan Cost Report
 - Due Date Extension: April 30, 2019
 - Scheduled Re-release: November 30, 2018
- FY 16/17 DMC-ODS Cost Report
 - Forms and Instructions
 - Scheduled Release: November 30, 2018
 - Due Date Extension: April 30, 2019



17/18 Administrative Updates

- FY 17/18 State Plan Cost Report
 - Forms and Instructions
 - Scheduled Release: December 2018
 - Due Date Extension: July 1, 2019
- FY 17/18 DMC-ODS Cost Report
 - Forms and Instructions
 - Scheduled Release: December 2018
 - Due Date Extension: July 1, 2019



4. Cost Report Training

- Online Resources
 - Fiscal Management and Accountability Section (FMAS) webpage
 - https://www.dhcs.ca.gov/provgovpart/Pages/Fiscal_Management.aspx
- Regional and Webinar Options
 - Dates are TBD for 2019



5. Substance Use Disorders Cost Report System

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



6. DMC County Administrative Expense Reimbursement

- Reimbursement calculations are now automated
 - Reimbursement is up to 15%
 - Based on approved services and funding split (aid code)



DMC County Admin. Claim Form

State of California - Health and Human Services Agency						Department of Health Care Services					
Form MC 5312: Drug Medi-Cal (DMC) Services Quarterly Claim for Reimbursement of County Administrative Expenses											
Date:		November 1, 2017				County Code:		County Name:			
Fiscal Year		2016-17		Mark Period with "X"		July-Sept	Oct-Dec	Jan-March		Apr-June	Total Fiscal Year
ODS Waiver Services	X										
Description		Drug Medi-Cal Administrative Expenses									
1. DMC Direct Services Treatment Expenses		\$579,775.10									
2. Maximum Admin. Percent Allowed		15.00%									
3. Max. Admin. Dollars (Line 1 x Line 2)		\$86,966.27									
4. Actual County DMC Admin. Expenses		\$101,795.83									
5. Admin. Expenses Subject to Reimbursement (lower of line 3 or line 4)		\$86,966.27									
6. Actual County Administrative Expense Rate (line 4 divided by line 1)		17.6%									



7. State Plan Cost Settlement

- Cost Report Methodology
 - Uniform Rates
 - State Maximum Allowance (SMA)
 - Settle to lower of costs
 - Units of Service
 - No Fractional Units
 - Funding
 - Federal share
 - State/local share (SGF, BHS, County Funds)



State Plan Cost Settlement

- State Plan Methodology
 - County aggregates the provider cost reports into one cost report for all DMC services.
 - Costs over rate cap must be covered by other funds.
 - DHCS uses individual provider cost reports to determine the lower of actual cost, usual/customary charge, or state maximum allowance (SMA).
 - DHCS determines amount county is owed (the total approved units times the lower of cost, customary charge or SMA).
 - Amount owed is reconciled with amount already paid; over or underpayments of federal funds and SGF are based on this reconciliation.



8. DMC-ODS Cost Settlement

- DMC-ODS Cost Methodology
 - County Specific Rates
 - Interim Rates (except for NTP)
 - Settle to Actual Cost
 - Units of Service
 - Incremental
 - Funding
 - Federal share
 - State/local share (SGF*, BHS, County Funds)



DMC-ODS Cost Settlement

- DMC-ODS Methodology
 - County aggregates providers' cost reports into one cost report for all DMC-ODS services.
 - Provider cost reports are used to determine the DMC-ODS expenditures and whether the amount was the lower of cost or usual/customary charge.
 - DHCS reconciles the county cost (based on the aggregate of costs incurred by the county for payments to all subcontracted providers and costs incurred by any county-operated providers) with the interim payments made to the county.
 - Over and under payments of federal funds and SGF to the county will be determined based on this reconciliation.



State Plan vs ODS Rate and Unit Differences

State Plan	DMC-ODS Waiver
Rates set by DHCS (state maximum allowance-SMA)	Interim rates set by county, approved by DHCS. SMA does not apply (except for NTP)
Separate rates for group/individual and perinatal/non-perinatal	No rate differences between group/individual and peri/non-peri
Units of service vary by service type	Unit for most services is 15 minutes
Fractional units not allowed	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.



9. Cost Allocation

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.
- If provider wants to use a different allocation method, provider must obtain the county's prior approval, and the county must get DHCS approval.



Wrap-Up

- 16/17 State Plan and DMC-ODS Cost Reports
 - Due to DHCS April 30, 2019
- 17/18 State Plan and DMC-ODS Cost Reports
 - Due to DHCS July 1, 2019
- SUDCRS System Upgrades
 - Estimated Completion: February 2019
- Cost Report Unit Internal Priorities
 - FY 15/16 Settlement
 - 17/18 Cost Report Materials
 - Trainings!! (Web-based and/or Regional)
 - Get Fully Staffed
 - Catch Up!



Questions???





Resources

- Cost Report Questions
 - Email: AODCostReport@dhcs.ca.gov or Assigned County Analyst
- State Plan and DMC-ODS Specific Questions
(Not Cost Report Related)
 - Email: DMC Answers via web portal
 - <https://www.dhcs.ca.gov/services/adp/Pages/DMC-Answers.aspx>
- SUDCRS Support
 - SUDCRSSupport@dhcs.ca.gov