

**Frequently Ask Questions**  
**Mental Health, Early Childhood Intervention, and Individuals with Developmental Disabilities Cost Reporting**

**Question: What is the Mental Health (M), Early Childhood Intervention (E), and Individuals with Developmental Disabilities (I) (MEI) cost report?**

**Response:** Providers participating in the Medicaid Reimbursement program for Rehabilitative and Case Management services must complete an annual cost report and training for every program for which a cost report is submitted. The MEI cost report is for the Mental Health (M), Early Childhood Intervention (E), and Individuals with Developmental Disabilities (I) programs.

**Question: What is the purpose of the provider submitting a cost report?**

**Response:** The purpose of providers submitting annual cost reports is to assist HHSC in capturing cost data related to Medicaid Rehabilitative and Case Management Service activities. This data is used to effectively establish rates for the Medicaid program as required by the federal and state regulations.

**Questions: What information is required to be collected on the cost report?**

**Response:** The provider is required to report allowable cost in accordance with OMB-87 as it relates to delivering services for Medicaid Rehabilitative and Case Management Service activities.

**Questions: What if a cost report is not submitted by our organization?**

**Response:** Failure to submit a cost report by the cost report due date may result in HHSC establishing a vendor hold on your TMHP account and withholding payments until an acceptable cost report is submitted

**Questions: What if I do not want to submit all potential allowable cost as it relates to delivering Medicaid Rehabilitative and Case Management Services, how does this impact our organization?**

**Response:** Rates established for Rehabilitative and Case Management Services are based on a statewide prospective rate. The information collected for FFY2013 MEI cost report will be utilized to establish future rates. Lack of not reporting specific allowable cost will adversely impact rates for providers delivering services. Failure to submit a cost report by the cost report due date may result in vendor hold on your TMHP account by HHSC until an acceptable cost report is submitted.

**Question: I have a provider delivering Service Coordination (SC), Case Management (CM), and Targeted Case Management (TCM). Will the provider be required to track the time spent between CM and TCM?**

**Response:** Yes, The cost report will request Total Cost for TCM Medicaid and Non-Medicaid services delivered. In addition the provider will be required to distinguish between units service delivered for Medicaid clients and Non-Medicaid clients. The intent is to allocate the provider's cost to the appropriate service delivered in the cost report.

**Question:** During the May 2012 Training regarding Cost Reporting Documentation. A “Time Sheet” was presented regarding tracking the provider’s time 100%. Is the provider required to use the “Time Sheet” excel spreadsheet format?

**Response:** No, the “Time Sheet” excel spreadsheet presented, is an example of a log for tracking employees time. Provider may have the system capability for tracking a provider’s time by alternate means. If the provider has the system capability to track and report an employee’s time and can distinguish the amount of time spent between multiple Medicaid Services delivered, the provider may utilize the system report as an acceptable format for reporting purposes. A copy of the generated report, allocating the employees time between multiple activities will serve as appropriate documentation. The provider must have the capability to generate a report for the purpose of documenting the allocation between Medicaid Services.

**Question:** Our organization does not have capability to generate a report for travel time associated between Rehabilitative and Case Management Services?

**Response:** A provider must have supporting documentation that justifies all costs submitted on the cost report. If the provider is able to track direct service time, but does not have the supporting documentation to confirm amount of time associated with the travel, those costs may be considered un-allowed costs and adversely impact rates to all providers.

**Question:** How long is the provider required to maintain records that support the cost reported?

**Response:** Each provider must maintain records according to the requirements stated in 40 TAC §69.158 (relating to How long must contractors, subrecipients, and subcontractors keep contract-related records). The rule states that records must be kept for a minimum of three years and 90 days after the end of the contract period. If any litigation, claim, or audit involving these records begins before three years and 90 days expire, the contractor, subrecipient, or subcontractor must keep the records and documents for not less than three years and 90 days or until all litigation, claims, or audit findings are resolved, whichever is longer. All medical records must be kept for five years from their creation.

**Question:** Will the provider be required to generate a report on the time allocation between multiple services delivered?

**Response:** Yes, the provider is responsible for maintain the supporting documentation that reflect the appropriate allocation of cost reported.

**Question:** Will the provider be required to enter the time allocation into the cost report system?

**Response:** No. A provider must track an employee’s time and activity on employees performing multiple direct service activities. The allocation is completed outside of the cost report system. The provider is required to enter the provider’s allocated cost to the appropriate program service areas.

**Question:** Is there any other cost besides the providers salary cost that we should consider?

**Response:** Yes, the provider should consider any cost associated with delivering the direct service to the client. The cost must be an allowable cost as referenced in the OMB-87. Some direct cost associated with delivering the service includes: employee medical/health/dental insurance premiums, life insurance premiums, other employee benefits (such as employer-paid

disability premiums, employer-paid retirement/pension plan contributions, employer-paid deferred compensation contributions, employer-paid child day care, and accrued leave).

**Question:** My organization has a central office that provides some administrative support to the various program areas, am I allowed to report any cost associated with the central office?

**Response:** Yes, if there is more than one business component, service delivery program, or Medicaid program within the entire related organization, the provider is considered to have central office function, meaning that administration functions are more than likely shared across various business components, service delivery programs, or Medicaid contracts. Shared administration costs require allocation prior to being reported as central office costs on the cost report. The allocation method(s) used must be disclosed as the allocated costs are entered into the cost report system and an allocation summary must be prepared and uploaded to support each allocation calculation.

**Question:** Is there any other data that I should be considering in reporting cost?

**Response:** HHSC has updated the website to include information regarding the cost report instructions and a sample of the data components that will be requested on the cost report. The website link is <http://www.hhsc.state.tx.us/rad/acute-care/index.shtml>

**Question:** What is the reporting period for the 2013 MEI cost report?

**Response:** The reporting period is the period of time during the contracted provider's 2013 fiscal year during which its effective date of the contract with the Texas Department of Assistive and Rehabilitative Services (DARS), Texas Department of Aging and Disability Services (DADS), and Texas Department of State Health Services (DSHS). The reporting period must not exceed twelve months. If the reporting period is less than twelve months, the cost report preparer must provide an explanation within the cost report system. Refer to the cost report guide located at <http://www.hhsc.state.tx.us/rad/acute-care/index.shtml>

**Question:** When is the due date of the cost report?

**Response:** The 2013 MEI Cost report is due on April 1, 2014. The training will take place in January, February and March 2014.

**Question:** If we already have a trained administrative staff that prepares and enters other program cost reports (HCS, ICF-MR, TxHmL), will they have to attend the classroom based training for MEI cost report?

**Response:** Yes, the provider will have to attend the training. The cost report preparer is required to attend a training course every other year for the odd-year cost report in order to receive access to both the odd-year and even-year cost reports. Any cost report preparer that has not met the training requirement will have “view-only” access. Full access to the online cost report will be granted after the cost report training requirement has been met. A notice will be sent once the system has been officially opened in January.

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