**FY 2017-2018**

**Cost Report FAQ**

1. Can programs charge client fees to DMC beneficiaries?

No, DMC clients cannot be charged any fees for treatment services except where a share of cost requirement exists. All DMC providers must accept proof of eligibility for DMC as payment in full for treatment services provided. DMC providers cannot charge fees to a client for access to DMC substance use disorder treatment services or for admission to a DMC treatment program.

1. If DHCS’ reconciliation report does not match the county’s internal units of service tracking reports, should the county use their own reports since these are the data we can support in an audit?

The reconciliation report provided by DHCS is a courtesy to the county to allow them to reconcile their internal records with the approved and denied units shown in DHCS’ SMART payment system. If the two do not agree and the county believes their records are correct, they should use their own reports and notify their county analyst about the discrepancy.

1. My organization has multiple provider locations/service types with separate NPI numbers. Does that mean I need to complete multiple workbooks that all reconcile back to my general ledger?

Yes, there needs to be one workbook for each location/DMC number (unless it is a “satellite” location with the same DMC number as the parent location). Organizational or corporate costs in the general ledger that are shared or allocated across multiple locations must be shown on the specific locations’ workbooks.

1. Our organization has a mental health program at the same site as the DMC program. Do we need to include the mental health program costs in column A?

If the general ledger for each program is totally separate, the mental health costs should not be included. However, if costs are shared or allocated across two or more programs (for example, a counselor provides services to both DMC and mental health clients), the costs for all programs must be included.

1. On the overall Detailed Cost tab, what general ledger information should be included in column A?

All SUD-related costs for that specific DMC location (DMC#) must be included. In addition, if the organization shares or allocates overall costs across multiple DMC locations, the costs allocated to that location must also be included in column A.

1. How can we enter client fees for the non-DMC portion of a DMC program’s cost report?

Allowable fees for SUD services charged to a non-DMC client should be

Included as revenue in the applicable modality under other SUD or private pay.

1. Where should a provider report payroll tax expense?

These expenses would fall under “Administrative Indirect Costs” and should be reported on the Overall Detailed Costs worksheet (Tab 3).

1. On the ODS cost report, does the lower of cost or customary charge apply?

Yes, the DMC providers’ cost reports are used to determine the lower of actual cost or customary charge, and the aggregate amount per service is reconciled with payments made to the county based on the interim rate. Under- or over-payment of federal funds and state general fund will be addressed as a part of the final settlement process.

1. Our county-contracted provider submitted claims with minutes, not units. How does the provider report those on their cost report?

The county/provider can bill in minutes and track services by minutes in their records, but when completing the cost report form, the provider will need to convert minutes to units by dividing the number of minutes by 15.

1. Our county believes it will be difficult for our contracted DMC providers to report their cost at the service level (such as physician consultation, case management, and recovery services, within each level of care). Is this a requirement?

Yes, the Centers for Medicare and Medicaid Services (CMS) requires that DMC providers account for all service costs (including those related to case management, physician consultation, etc.) by cost center. If the provider did not appropriately allocate their costs, the provider will need to make revisions before the final cost report submission.