

## IV - Cost Reporting for Dates of Service Prior to July 1, 2014

### Cost Reporting Overview

For dates of service prior to July 1, 2014, CCS programs must report **Direct Costs** and **Indirect Costs** on the cost reporting spreadsheet. Direct costs consist of the salary and fringe benefits for each direct service professional. Indirect costs consist of the salary and fringe benefits for **Indirect Service Staff** and **Other Indirect (Non-Staff) Costs**.

Indirect service staff include administrators, supervisors, and clerical workers whose primary function include management, coordination of day-to-day program activities, or office support, not necessarily direct support. Other indirect (non-staff) costs include non-staff overhead costs such as material and supply costs or facility costs.

*Note that indirect costs should be reported based on the units of services provided during the January 1, 2014 through June 30, 2014 cost reporting period. Any costs incurred for dates of service prior to July 1, 2014 should be included in the Legacy CCS cost reporting methodology not in the new cost reporting methodology for dates of service on and after July 1, 2014.*

*Overhead costs should never include CCS service costs for Non-Medicaid members. Service costs for Non-Medicaid members cannot be reimbursed by Medicaid.*

Counties should report CCS direct and indirect costs for county agency employees and contracted staff as described below:

#### **County Agency Employees:**

For January through June 2014 dates of service, hours and direct costs will continue to be reported by professional type for county employees. For county staff direct providers, the CCS spreadsheet groups providers by professional type (MD, APNP, Ph.D., Masters, etc.) See Attachment 1 for an example of a completed cost report spreadsheet.

For direct costs for each professional type, the current year's actual costs and current year's actual paid hours are collected. These costs are used to calculate a percentage of total direct cost for each professional type.

Indirect costs for county staff are collected for several categories including administrative, supervisory, clerical, other staff, and other indirect (non-staff). The percentage of total direct cost by professional type is then used to allocate indirect costs to each professional type. Below is a completed spreadsheet example of reporting direct and indirect costs for county staff:

A	B	C	D	E	F
	Service Description	Activity	Current Year's Actual Costs	Current Year's Actual Paid Hours	Allocated Percent of Total Direct Cost
	Source	County's Fiscal Budget	County's Financial Records	County's Financial Records	D or E / D Total or E Total

**County Staff:**

SERVICE 0 County Staff					
A 1	<b>INDIRECT COSTS</b>				
A 2	Indirect Service Staff	Administrative	\$ 13,432.14	391	
A 3		Supervisory	\$ 6,851.85	182	
A 4		Clerical	\$ 9,629.95	522	
A 5		Other Staff	\$ 9,790.69	358	
A 6		<b>Total Other Indirect (Non-Staff)</b>		\$ 17,696.28	
A 7	<b>Total Indirect</b>		\$ 57,400.91	1,453	
A 8	<b>DIRECT COSTS</b>				
A 9	Direct Providers	M.D.	\$ 19,066.50	125	2%
A 10		APNP			0%
A 11		Ph.D.			0%
A 12		Masters	\$ 50,659.70	1,348	25%
A 13		Bachelors	\$ 112,287.54	3,876	72%
A 14		Peer Specialist			0%
A 15		Rehabilitation Worker			0%
A 16		RN	\$ 216.43	6	0%
A 17		Associate Degree			0%
A 18		<b>Total Direct</b>		\$ 182,230.17	5,354.3
A 19	<b>Totals</b>		\$ 239,631.08		

**Contractors:**

For January through June 2014 dates of services, hours and direct service costs are reported by CCS service area for contractors. For example, for the CCS Service Area "Assessment", direct costs for each vendor or "supplier" are collected. No information on the professional types for each vendor is collected.

*The reporting for January through June 2014 should only include CCS-specific costs. Non-CCS costs should not be reported.*

Consistent with reporting for county staff, indirect costs for each service area are collected for several categories including administrative, supervisory, clerical, other staff, and other indirect (non-staff). The direct costs for each supplier are used to calculate a percentage of total direct cost for each vendor. These percentages are then used to allocate indirect costs across vendors within the CCS service area. Overhead costs (e.g., rent, utilities, etc.) are collected as part of the "other indirect (non-staff)" category. Below is the spreadsheet layout for reporting direct and indirect costs for contractors:

A	B	C	D	E	F
	Service Description	Activity	Current Year's Actual Costs	Current Year's Actual Paid Hours	Allocated Percent of Total Direct Cost
	Source	County's Fiscal Budget	County's Financial Records	County's Financial Records	D or E / D Total or E Total

**Purchased Services:**

SERVICE-1 Assessment					
B 1	<b>INDIRECT COSTS</b>				
B 2	Indirect Service Staff	Administrative			
B 3		Supervisory			
B 4		Clerical			
B 5		Other Staff			
B 6	Total Other Indirect (Non-Staff)				
B 7	Total Indirect		\$ -	-	
B 8	<b>DIRECT COSTS</b>				
B 9	Direct Providers	Supplier (Name)			0%
B 10		Supplier (Name)			0%
B 11		Supplier (Name)			0%
B 12		Supplier (Name)			0%
B 13		Supplier (Name)			0%
B 14		Supplier (Name)			0%
B 15		Supplier (Name)			0%
B 16		Supplier (Name)			0%
B 17		Supplier (Name)			0%
B 18		Supplier (Name)			0%
B 19		Supplier (Name)			0%
B 20		Total Direct		\$ -	
B 21	Totals		\$ -		0%

## Calculating Direct Costs and Indirect Costs

In order to complete the cost reporting spreadsheet for dates of service prior to July 1, 2014, counties must report salaries and wages, fringe benefits, and other indirect (non-staff) costs as follows:

### Salaries and Wages:

Identify the salary information for each direct service professional and indirect service staff.

Only include 100 percent of the salary amount, including regular wages and overtime as appropriate if the staff is 100 percent dedicated to the program. If the staff spends their time working in more than one program area, include only the appropriate allocation of the salary amount.

For example, if one social worker spends half of their time providing CCS and the other half providing Case Management, only include 50 percent of their salary to the CCS program.

The amount reported should be the actual amount paid out during the year or posted for the year if using a modified accrual method.

Salaries and wages for Indirect Support Personnel are reported in Indirect Costs, not in Direct Costs.

For contracted providers that function like employees, enter in the cost of your contract by professional level as county staff.

For a combination of contracted (functioning as employees) and county staff, enter in the total of your contracted cost and county salary and fringe benefits by provider type.

Allocating indirect service staff salaries and wages may be appropriate, as follows:

- **Administrators:** personnel whose primary function is program management and who are not primarily responsible for direct service to patients. Some administrators may also engage in direct service to patients. For these individuals, program allocations should be split between indirect costs and the direct service costs accordingly.
- **Supervisors:** personnel whose primary function is the coordination of the day-to-day activities of other staff and who are not primarily responsible for direct service to patients. Some supervisors may also engage in direct service to patients. For these individuals, program allocations should be split between indirect costs and the direct service costs accordingly, based on their time in each area.
- **Clerical:** personnel whose primary function is to provide office support through word processing, photocopying, etc. and are not primarily responsible for direct service to patients.

*Do not include indirect salary costs of your contracted providers, as their contract rates should include indirect costs. However, indirect costs that the county incurs related to providing contracted services should be allocated to contracted services (such as costs associated with contract management).*

**Fringe Benefits:**

Identify the fringe benefit information for each direct service professional and indirect service staff.

Include 100 percent of fringe benefits amount only if staff is 100 percent dedicated to the program. If staff spends their time working in more than one program area, include only the appropriate allocation of the fringe benefit amount.

For example, if one social worker spends half of their time providing CCS and the other half providing Case Management, include 50 percent of their benefits to the CCS program.

Report the benefit expenses incurred by the agency for the direct service professionals. Examples include:

- payroll tax and FICA,
- health insurance,
- employer 403(b) contributions,
- employer contributions to a pension and/or retirement fund,
- life insurance,
- workers compensation,

- unemployment compensation,
- liability insurance,
- malpractice insurance,
- other miscellaneous benefits not listed above.

*Fringe benefits listed for Indirect Support Personnel are reported in Indirect Costs, not Direct Costs. Do not include indirect fringe benefits costs of your contracted providers as their contracted rates should include indirect costs.*

**Other Indirect (Non-Staff) Costs:**

Identify the indirect costs associated with the CCS program.

Some examples of these costs include:

- memberships or dues to professional services organizations,
- travel expenses associated with transportation, lodging, meals and related items incurred by employees traveling on official business,
- expenses related to seminars and training,
- materials & supplies,
- purchased services such as, medical equipment maintenance, temporary staff, atypical auditor's fees, "sharps" or hazardous materials removal,
- plant maintenance,
- general administration,
- utilities,
- facilities,
- rentals and operating leases payments for equipment,
- data processing,
- finance and accounting,
- accounts payable,
- accounts receivable, and
- other overhead and administrative costs.

The amount reported as "Total Overhead" for each program must only include the portion of overhead allocable to the program. If an agency has three programs (e.g., Comprehensive Community Services, Case Management and Prenatal Care), the overhead must be allocated to the three programs and reported separately on each program's cost report.

Exclude from overhead, materials and supplies that are considered capital expenditures and/or are purchased out of a capital fund. Although travel costs, such as vehicle maintenance and fuel are also considered an overhead cost when staff travel is a component of the program reported, the time staff spends in travel is not an agency overhead cost. Staff travel time is captured under direct service costs.

*Overhead costs should never include CCS service costs for Non-Medicaid members. Service costs for Non-Medicaid members cannot be reimbursed by Medicaid.*

## Cost Reporting Instructions for Dates of Service Prior to July 1, 2014

The instructions below detail how counties should enter cost data into the cost reporting spreadsheet for dates of service prior to July 1, 2014. These instructions are consistent with prior year CCS cost reporting and will continue to be used for January 2014 through June 2014 dates of service. See Attachment 1 for a sample of a completed cost reporting spreadsheet.

### **Column D: Report Indirect and Direct Costs of Services.**

**Indirect Costs:** Enter the total salary and benefit costs related to the CCS program for **indirect service staff** (administrators, supervisors, clerical, and other). Methodologies for allocating **indirect service staff** costs should match those on the WIMCR cost report used for CY 2012 dates of service.

For **total other indirect (non-staff)**, enter the total of all items that contribute to the overhead for the CCS program. **Total other indirect (non-staff)** costs are similar to overhead costs on the 2012 WIMCR cost report. Methodologies for allocating indirect costs to CCS should match those used to report indirect costs on the 2012 WIMCR cost report. Indirect costs include only costs incurred by the county (not by contractors, whose indirect costs are included within their direct rate).

**Direct Costs:** Direct costs are entered by provider type (those specified on your county's 2012 rate worksheet) for county staff services and by contractor and service category for purchased services. Direct costs for county staff include an appropriate allocation of salaries and benefits. Direct costs for contractors should include the cost of the contract with the provider for services. Methodologies for allocating direct costs to CCS should match those used to report direct costs on the 2012 WIMCR cost report. However, unlike WIMCR cost reporting, direct costs for county staff and contractors are entered in separate sections on the CCS cost worksheet.

### **Column E: Report Actual Hours Paid (including vacation time, sick time and non-productive time)**

The hours paid should relate to the compensation reported in column D. This information was not requested on the 2012 WIMCR cost report, but should be consistent with the methodology used to calculate FTEs and average weekly standard hours reported on the 2012 WIMCR cost report. Note that one (1) FTE is generally equivalent to 2,080 hours per year.

### **Column I: Report Actual Units of Service (Medicaid and non-Medicaid)**

All units provided under the program must be reported (Medicaid and non-Medicaid), including any units for consumers that were disallowed by Medicaid billing, similar to entering "total client hours" or "# of 15-minute Increments" on the CY 2012 WIMCR cost report. The number of units should be consistent with the unit of service description in Column J (see below). Units should be in daily or smaller increments. If you have questions about which activities are defined as direct service hours and can be billed as units of service, please contact [VEDSCCSupport@wisconsin.gov](mailto:VEDSCCSupport@wisconsin.gov) for assistance.

**Column J: Report Unit of Service Description.**

Consistent with past CCS policy, allowable units of service include 15 minutes, 30 minutes, 1 hour, and per diem for January through June 2014 dates of service. Note that units used for cost reporting and reconciliation must be consistent with the time units used during the rate approval process. Below is a completed spreadsheet example of reporting actual units of service and the unit of service description in Column I and Column J:

A	B	C	I	J
	Service Description	Activity	Total Units of Service	Unit of Service Description
	Source	County's Fiscal Budget	County's Billing Records	

**County Staff:**

SERVICE 0 County Staff				
A 1	<b>INDIRECT COSTS</b>			
A 2	Indirect Service Staff	Administrative		
A 3		Supervisory		
A 4		Clerical		
A 5		Other Staff		
A 6	Total Other Indirect (Non-Staff)			
A 7	Total Indirect			
A 8	<b>DIRECT COSTS</b>			
A 9	Direct Providers	M.D.	108.7	hour
A 10		APNP		
A 11		Ph.D.		
A 12		Masters	1078.2	hour
A 13		Bachelors	2219.0	hour
A 14		Peer Specialist		
A 15		Rehabilitation Worker		
A 16		RN	5.0	hour
A 17	Associate Degree			
A 18	Total Direct			
A 19	Totals			

**Column L: Report Total Group Clients (duplicated count, including Medicaid and non-Medicaid)**

Include the total number of clients in attendance at all the group sessions conducted during this reporting period, similar to "Total Participants Across All Groups" recorded on the Group Services Screen on the CY 2012 WIMCR cost report. For example, if there are 3 group sessions - one has 8 clients, another has 12 clients, and the other has 5, then a total of 25 should be entered. The total would be 25 even if some clients went to multiple sessions.

**Column M: Report Total Group Sessions (including Medicaid and non-Medicaid)**

Include the total number of group units of service conducted during this reporting period. Note that group units of service should be recorded in the same unit of service increment identified in column J. This is similar to entering the "Total # of Sessions" on the Group Services Screen in the 2012 WIMCR cost report. See below for a spreadsheet example of reporting total group clients and group sessions in Column L and Column M:

A	B	C	L	M
	Service Description	Activity	Total Group Clients (duplicated count)	Total Group Sessions
	Source	County's Fiscal Budget	County's Billing Records	County's Billing Records

**County Staff:**

SERVICE 0 County Staff				
A 1	<b>INDIRECT COSTS</b>			
A 2	Indirect Service Staff	Administrative		
A 3		Supervisory		
A 4		Clerical		
A 5		Other Staff		
A 6	Total Other Indirect (Non-Staff)			
A 7	Total Indirect			
A 8	<b>DIRECT COSTS</b>			
A 9	Direct Providers	M.D.		
A 10		APNP		
A 11		Ph.D.		
A 12		Masters		
A 13		Bachelors		
A 14		Peer Specialist		
A 15		Rehabilitation Worker		
A 16		RN		
A 17		Associate Degree		
A 18		Total Direct		
A 19	Totals			

**Column R: Total Individual Medicaid Units Allowed (Reconciliation Through June 30)**

Include the total individual Medicaid units allowed from January 1 through June 30. Note that individual Medicaid units are associated with total units of service from January 1 through June 30 (Column I). Medicaid units should not exceed total units of service.

**Column S: Total Group Medicaid Units Allowed (Reconciliation Through June 30)**

Include the total group Medicaid units allowed from January 1 through June 30. Note that only group services for Medicaid members should be included in this column. See below for a spreadsheet example of reporting total individual Medicaid units allowed and total group Medicaid units allowed in Column R and Column S:



A	B	C	P	Q	R	S
	Service Description	Activity	FFP Individual Rate	FFP Group Rate	Total Individual Medicaid Units Allowed	Total Group Medicaid Units Allowed
	Source	County's Fiscal Budget	FFP * K	FFP * K * (M / L)	County's Billing Records	County's Billing Records
County Staff:			FFP Rate : 0.5974			
<b>SERVICE 0 County Staff</b>						
<b>INDIRECT COSTS</b>						
A 1	Indirect Service Staff	Administrative				
A 2		Supervisory				
A 3		Clerical				
A 4		Other Staff				
A 5		Total Other Indirect (Non-Staff)				
A 6	Total Indirect					
<b>DIRECT COSTS</b>						
A 8	Direct Providers	M.D.	\$ -	\$ -		
A 9		APNP	\$ -	\$ -		
A 10		Ph.D.	\$ 49.45	\$ -		4.1
A 11		Masters	\$ 52.60	\$ 10.50		488.0
A 12		Bachelors	\$ 39.30	\$ 7.75	12174.6	902.0
A 13		Peer Specialist	\$ 26.85	\$ -		214.8
A 14		Rehabilitation Worker	\$ 36.85	\$ 8.70	3151.8	59.0
A 15		RN	\$ 61.10	\$ -	1170.3	
A 16		Associate Degree	\$ -	\$ -		
A 17		Total Direct				
A 18	Totals					
A 19						

### Desk Audit Reviews:

Once all costs are recorded on the cost reporting spreadsheet, CCS Programs may need to respond to desk review questions within the spreadsheet if desk review thresholds are triggered. If a desk review threshold is triggered, CCS Programs should first validate that the information on the cost report is accurate. If the information entered is accurate, then the CCS Program should provide an explanation for why the costs exceed the expected threshold.

CCS programs can avoid two common desk review questions by ensuring the following:

1. All Medicaid-allowable costs are included in the cost reporting spreadsheet. Medicaid-allowable costs reported by the CCS program should match the total costs reported on interim claims throughout the calendar year. If Medicaid-allowable costs vary significantly from interim claim costs, CCS programs will be required to justify the difference. In previous years, simple data entry errors or CCS programs including costs from denied claims were common reasons for Medicaid-allowable costs not matching interim claim costs.
2. Allowed units of service are reported correctly and are billed at the CCS program's approved interim rates:

For dates of service prior to July 1, 2014 CCS programs are required to receive interim rate approval from DHS prior to the program billing for interim claims. All interim claims must be billed at this negotiated rate. For auditing purposes, DHS will ensure that all units of service reported on the cost sheet are claimed at the approved interim rate using the following method:

$$(\text{Approved Interim Rate}) \times (\text{Allowed Units of Service}) = \text{Calculated Allowed Amount}$$

The auditing process will determine if the CCS program's **Calculated Allowed Amount** is equal to the actual amount allowed based on interim claim data.

If **Calculated Allowed Amount = Actual Allowed Amount**, the CCS program will pass this audit step. However, if the amounts do not closely match, the CCS program has failed in one of the two audit steps above and will be asked to justify its costs.

Column AH and Column AI of the cost reporting spreadsheet alert CCS programs of a potential desk audit and provide the program an opportunity to validate entered data. A sample of this spreadsheet section is found below and as part of Attachment 1:

Self Audit Exceptions	
AH	AI
Self Audit Exceptions	County Self-Audit Responses

AS 5: Please identify why salary is outside normal range or revise.	Changed MD at \$140 per hour to new doctor at \$178.50 per hour during the year.
Incomplete or not used	
Incomplete or not used	
AS 6: Please explain why the cost rate is significantly different than the budget or revise.	Added a new staff person in 2013
Incomplete or not used	
Incomplete or not used	
Incomplete or not used	

## Attachment 1: Cost Reporting Worksheet Sample for Dates of Service Prior to 7/1/2014

### Cost Reporting Worksheet (Columns A-O) for Dates of Service Prior to 7/1/2014

#### CCS Cost Worksheet

CCS COST WORKSHEET FOR MEDICAID SERVICES PROVIDED FROM 1/1/14 TO 6/30/14														
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	Service Description	Activity	Year's Actual Costs	Year's Actual Paid Hours	Percent of Total Direct Cost	Portion of Indirect Costs	Total Activity Costs	Total Units of Service	Unit of Service Description	per Unit of Service	Group Clients (duplicate)	Total Group Sessions	Individual Rate (Bill to)	Rate (Bill to Medicaid)
	Source	County's Fiscal Budget	County's Financial	County's Financial	D or E / D Total or E Total	D * F	D + G	County's Billing Records		H / I	County's Billing	County's Billing	K	K * (M / L)
<b>County Staff:</b>														
<b>SERVICE 0 County Staff</b>														
A 1	<b>INDIRECT COSTS</b>													
A 2	<b>Indirect Service Staff</b>	Administrative	\$ 13,000.00	390										
A 3		Supervisory	\$ 6,000.00	182										
A 4		Clerical	\$ 3,000.00	522										
A 5		Other Staff	\$ 7,546.00	353										
A 6		<b>Total Other Indirect (Non-Staff)</b>		\$ 1,700.50										
A 7	<b>Total Indirect</b>		\$ 37,246.50	1,453										
A 8	<b>DIRECT COSTS</b>													
A 9	<b>Direct Providers</b>	M.D.	\$ 19,066.50	125	2%	\$ 881.95	\$ 19,948.45	108.7	hour	\$ 183.52			\$ 183.50	\$ -
A 10		APNP			0%	\$ -	\$ -			\$ -			\$ -	\$ -
A 11		Ph.D.			0%	\$ -	\$ -			\$ -			\$ -	\$ -
A 12		Masters	\$ 50,659.70	1,348	26%	\$ 3,510.95	\$ 60,170.65	1078.0	hour	\$ 55.82			\$ 55.80	\$ -
A 13		Bachelors	\$ 112,287.54	3,800	72%	\$ 26,811.27	\$ 139,098.81	2219.0	hour	\$ 62.63			\$ 62.70	\$ -
A 14		Peer Specialist			0%	\$ -	\$ -			\$ -			\$ -	\$ -
A 15		Rehabilitation Worker			0%	\$ -	\$ -			\$ -			\$ -	\$ -
A 16		RN	\$ 216.00	6	0%	\$ 42.33	\$ 258.33	5.0	hour	\$ 51.67			\$ 51.65	\$ -
A 17		Associate Degree			0%	\$ -	\$ -			\$ -			\$ -	\$ -
A 18		<b>Total Direct</b>		\$ 182,229.74	5,279.0	100%								
A 19	<b>Totals</b>		\$ 219,476.24			\$ 37,246.50	\$ 219,476.24							

# Attachment 1: Cost Reporting Worksheet Sample for Dates of Service Prior to 7/1/2014

## Cost Reporting Worksheet (Columns A-O) for Dates of Service Prior to 7/1/2014

### CCS Cost Reconciliation

RECONCILIATION JANUARY 1, 2014 - JUNE 30 2014								
P	Q	R	S	T	U	V		
FFP Individual Rate	FFP Group Rate	Individual Medicaid Units	Medicaid Units Allowed	Total Medicaid FFP Cost	Total Medicaid Allowed	between Cost and Allowed		
FFP * K	FFP * K * (M / L)	County's Billing Records	County's Billing Records	P * R + Q * S	County's Billing Records	T - U		
<table border="1"> <tr> <td>FFP Rate :</td> <td>0.5306</td> </tr> </table>							FFP Rate :	0.5306
FFP Rate :	0.5306							
\$ 108.40	\$ -	30.2		\$ 9,777.68		\$ 9,777.68		
\$ -	\$ -			\$ -		\$ -		
\$ -	\$ -			\$ -		\$ -		
\$ 32.95	\$ -	500.0		\$ 16,475.00		\$ 16,475.00		
\$ 37.00	\$ -	213.0		\$ 7,881.00		\$ 7,881.00		
\$ -	\$ -			\$ -		\$ -		
\$ -	\$ -			\$ -		\$ -		
\$ 30.50	\$ -	4.0		\$ 122.00		\$ 122.00		
\$ -	\$ -			\$ -		\$ -		
				\$ 34,255.68	\$ -	\$ 34,255.68		

## Attachment 1: Cost Reporting Worksheet Sample for Dates of Service Prior to 7/1/2014

### Cost Reporting Worksheet (Columns A-O) for Dates of Service Prior to 7/1/2014

#### CCS Self Audit

Self Audit Exceptions	
AH	AI
Self Audit Exceptions	County Self-Audit Responses


AS 5: Please identify why salary is outside normal range or revise.	Changed MD at \$140 per hour to new doctor at \$178.50 per hour during the year.
Incomplete or not used	
Incomplete or not used	
AS 6: Please explain why the cost rate is significantly different than the budget or revise.	Added a new staff person in 2013
Incomplete or not used	
Incomplete or not used	
Incomplete or not used	