

**STATE OF CALIFORNIA
DEPARTMENT OF HEALTH SERVICES
MEDI-CAL PROGRAM COST REPORT**

**INTERMEDIATE CARE FACILITY
FOR THE DEVELOPMENTALLY DISABLED
HABILITATIVE/NURSING HOME OFFICE
COST REPORT**

Home Office Name: _____

Reporting Period: From _____ To _____

SCHEDULE 1—HOME OFFICE COST REPORT GENERAL INFORMATION

1. Home Office Name			3. Phone Number
2. Street Address		City	State ZIP Code
4. Cost Reporting Period From: _____ To: _____		5. Report Contact Person Name _____ Phone Number _____	
6. Type of Chain Organization			
<input type="checkbox"/> Nonprofit		<input type="checkbox"/> For profit	
<input type="checkbox"/> Corporation		<input type="checkbox"/> Corporation	
<input type="checkbox"/> Church Affiliated		<input type="checkbox"/> Partnership	
<input type="checkbox"/> Other (Specify) _____		<input type="checkbox"/> Other (Specify) _____	

7. Key Officers

President _____

Vice President(s) _____

Secretary _____

Treasurer _____

Controller _____

8. CERTIFICATION

I, _____, certify under penalty of perjury as follows:

That I am an official of _____ and am duly authorized to sign this certification and that to the best of my knowledge and information, I believe each statement and amount in the accompanying report to be true, correct, and in compliance with Section 14161 of the California Welfare and Institutions Code.

Signature _____ Date _____

Title _____

Address _____

Please be advised that continued submission of claims or cost reports for items or services which were not provided as claimed, are not reimbursable under the Medi-Cal program, or claimed in violation of an agreement with the State, may subject you (your organization) to civil money penalty assessment in accordance with the Welfare and Institutions Code, Section 14123.2.

9. Mail the original and two (2) copies to:

U.S. Mail

California Department of Health Services
Audits and Investigations
Audit Review and Analysis Section
1500 Capitol Avenue, MS 2109
P.O. Box 997413
Sacramento, CA 95899-7413
(916) 650-6696

FedEx, UPS, etc.

California Department of Health Services
Audits and Investigations
Audit Review and Analysis Section
1500 Capitol Avenue, MS 2109
Sacramento, CA 95814

Is this report being filed as a result of change in ownership? Yes No

SCHEDULE 2—STATEMENT OF REIMBURSABLE COSTS

(1) Account Description	(2) Expenses Per Home Office Books	(3) Adjustments Increase (Schedule 3, Column 3)	(4) Allowable Expenses (Column 2 +/- Column 3)	(5) Direct Allocations (Schedule 4, Line 11)	(6) Pool Costs (Column 4 – Column 5)
1. Salaries—Officers					
2. Salaries—Other					
3. Payroll Taxes					
4. Employee Benefits					
5. Travel					
6. Entertainment					
7. Automobile					
8. Depreciation—Building					
9. Depreciation—Equipment					
10. Other Depreciation & Amortization					
11. Leases and Rentals					
12. Interest—Mortgages					
13. Interest—Other					
14. Taxes and Licenses					
15. Legal and Accounting					
16. Insurance					
17. Telephone					
18. Utilities					
19. Office Supplies					
20. Nonprogram					
21. Other (Specify)					
22.					
23.					
24.					
25.					
26.					
27.					
28.					
29.					
30.					
31.					
32.					
33.					
34.					
35. TOTAL					*

* To Schedule 5

SCHEDULE 3—MEDI-CAL ADJUSTMENTS TO EXPENSES

(1) Description	(2) Basis of Adjustment*	(3) Amount	(4) Line Number	(5) Account to be Adjusted (Schedule 2, Column 1) Account Name
1. Penalties				
2. Donations				
3. Gain/Loss on Asset Disposal				
4. Life Insurance Premium—Corporation Benefits				
5. Bad Debts				
6. Fund-Raising Expense				
7. Rebates/Refunds				
8. Interest Income				
9. Nonclient Care Related				
10. Other (Specify)				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21. TOTAL				

(To Schedule 2, Column 3)

* The Basis for the Adjustment is either A or B.
 A = Cost
 B = Revenue (Cost Recovery Items)

SCHEDULE 4—DIRECT ALLOCATION OF EXPENSES TO CHAIN COMPONENTS

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Expenses Directly Allocable to Chain Component					
	(Specify Type of Expense)					
Facility (Chain Component)	A	B	C	D	E	Total** F
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11. TOTAL*						

* Transfer amount(s) on Line 11 to Schedule 2, Column 5.

** Transfer Column 7 amount(s) to Schedule 6, Column 3.

SCHEDULE 5—ALLOCATION OF POOL EXPENSES**PART I—ALLOCATION BETWEEN PROVIDER AND NONPROVIDER COMPONENTS**
(Complete only if double allocation method is used)

Facility	(1) Allocation Statistics Base: Accumulated Cost	(2) Percent	(3) Allocation Pool Expenses
1. Program Services			(A)
2. Nonprogram Services			
3. TOTAL		100%	*

PART II—ALLOCATION TO INDIVIDUAL CHAIN COMPONENTS
(Complete if single *OR* double allocation method is used)

(1) Facility	(2) Allocation Statistics (Client Days)	(3) Allocation Pool Expenses**
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11. TOTAL		(B) *(A)
12. Unit Cost Multiplier (A / B)		

* From Schedule 2, Line 35, Column 6.

** Transfer Allocated pool expenses to Schedule 6, Column 4.

SCHEDULE 6—SUMMARY OF DIRECT AND ALLOCATED POOL COST

(1) Facility	(2) Medi-Cal Provider Number	(3) Home Office Expenses Directly to Facility*	(4) Allocated Pool Expenses**	(5) Total Direct and Pool Facility Expense (Column 3 + Column 4)
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11. TOTAL				

* From Schedule 4, Column 7.

** From Schedule 5, Part II, Column 3.

PROVIDER TYPE: INTERMEDIATE CARE FACILITIES/DEVELOPMENTALLY DISABLED (HABILITATIVE OR NURSING)

INSTRUCTIONS FOR COMPLETING HOME OFFICE COST REPORT

Home Office Costs: A chain organization consists of two or more facilities which are owned, leased, or by some other device, controlled by one organization. A chain organization may include more than one type of program in addition to the ICF/DD (H or N) program, i.e. day program, workshops, etc.

The home office of a chain organization is not a provider of participant care. The relationship of the home office to the ICF/DD (H or N) home is that of a related organization to a participating provider. Home offices usually furnish central management and administrative services such as centralized accounting, purchasing, personnel services, management direction and control, and other services. To the extent the home office furnishes services to a facility related to participant care, the reasonable costs of such services are included in the facility's cost report. Where the home office provides services not related to client care, these costs may **not** be recognized as allowable costs to the ICF/DD (H or N) facility.

SCHEDULE 1

Home Office General Information: The general information section is intended to provide the auditor with data on the home office.

1. Enter the name of the home office. If there was a change in name during the reporting period, indicate the former name in parentheses.
2. Enter the present address of the home office, include ZIP code.
3. Enter the telephone number of the home office, including area code.
4. Enter the period covered by the cost report. This will indicate whether a full year or lesser period cost report is submitted.
5. Enter the name and telephone number of the report contact person. The auditors may contact the individual indicated here regarding information contained in the cost report.
6. Enter the type of home office organization. Check the type of organization applicable to the home office.
7. Enter the names of key officers of the home office and board members.
8. Certification must be signed by either the administrator, controller, corporate officer, or member of the board of directors. The official signing the report must have the legal capacity to make commitments for the organization.
9. Upon completion of the entire report, mail the original and one copy to the address listed in Box 9 and indicate if the report is being filed as a result in change of ownership.

The following pages pertain to home office expenses and consists of schedules two through six and are intended to provide auditors with:

- a. A detailed analysis of allowable home office costs (Schedule 2)
- b. Medi-Cal adjustments to those costs (Schedule 3)
- c. Allocation of the home office costs (Schedules 4 and 5)
- d. A summary of direct and pool costs (Schedule 6)

SCHEDULE 2

Statement of Allowable Home Office Costs: Enter the home office name and the fiscal year of the cost report.

Column 1—Account Description and Column 2—Expenses Per Home Office Books: Enter the home office expenses as shown in the home office general ledger. Use audited data if available.

Note: If you are a Home Office by definition, but have determined that you have the exceptional situation whereby there are no Expenses per Home Office Books, then you must do the following:

1. On Schedule 2, mark not applicable (N/A) across the face of Schedule 2.
2. Skip Schedules 3, 4, and 5.
3. On Schedule 6, complete Columns 1 and 2. Mark “N/A” across the face of Columns 3, 4, and 5.
4. Submit a transmittal letter with the cost report filing and provide the explanation for why No Home Office Expenses is reported.

Column 3—Adjustments Increase: Enter the adjustment from Schedule 3, Column 3. If two or more adjustments are made to the same expense, adjustments must be summarized and the figure transferred to Schedule 2, Column 3. Note that Column 3, Line 35 must agree with the total of Schedule 3, Column 3, Line 21.

Column 4—Allowable Expenses: Enter the balance by adding or subtracting Column 3 from Column 2.

Column 5—Direct Allocations: Enter the home office direct allocation of expenses to chain components from Schedule 4, Line 11. Note that Schedule 2, Column 5, Line 35 must agree with Schedule 4, Column 7, Line 11.

Column 6—Pool Costs: The pool costs are computed by subtracting Column 5 from Column 4. The Column 6, Line 35 amount should be carried forward to Schedule 5, Part 1, Column 3, Line 11, if the single allocation method is required. See instructions for Schedule 5 to determine which allocation method should be used.

SCHEDULE 3

Medi-Cal Adjustments to Expenses:

Column 1—Description: Enter a description of the adjustment. Some common adjustment descriptions have been included on Lines 1–9.

Column 2—Basis of Adjustment: Indicate in Column 2 the basis for each adjustment listed. Use a letter “A” if the basis is cost. Use a letter “B” if revenue received is used as a cost recovery of the expenses.

It is recommended that all adjustments be made on the basis of costs rather than revenue abatement. If related costs are unknown or the amounts immaterial, then revenue abatement may be used.

Refer to CMS 15-1 for identification of adjustments that should be made. A written schedule supporting each adjustment may be attached to Schedule 3 to facilitate the auditor’s review of the cost report.

Column 3—Amount: Enter the amount of each adjustment. Note that Column 3, Line 21, must agree with Line 35 of Schedule 2, Column 3.

Column 4—Line Number: For each adjustment, indicate the line number of the expense account on Schedule 2 that will be adjusted.

Column 5—Account to be Adjusted, Account Name: For each adjustment, indicate the expense account title on Schedule 2 that will be adjusted.

SCHEDULE 4

Direct Allocation of Expenses: The purpose of this schedule is to identify all of the home office organization’s expenses that are directly identifiable with specific facilities. These types of expenses are incurred primarily on behalf of specific facilities and, therefore, must be allocated directly to them. If no expenses are directly allocable, then Schedule 4 should be marked not applicable (N/A).

Column 1—Facility (Chain Component): Enter the names of the facilities of the chain organization.

Columns 2–6: A through E—Type of Expense: Enter the expense account title above each column and show the distribution of the amount of direct allocation to each affected chain facility. The total in Column 7 on Schedule 4, Line 11, must agree with the amount shown on Schedule 2, Column 5, Line 35. The home office may attach supporting documentation to explain the allocations made in each category.

Column 7: F—Total: Enter the sum of Columns 2 through 6 for all expenses directly allocable for each chain component. Transfer the sum for the facility to Schedule 6, Column 3.

Additional columns may be added or supplementary schedules may be prepared by the home office to reflect all directly allocable expenses.

Some facilities incur expenses for centralized dietary, housekeeping, maintenance, etc. These expenses should be allocated directly to the individual homes using the following allocation bases:

Type of Cost	Recommended Allocation Base
Housekeeping	Square Footage
Plant Operation and Maintenance	Square Footage
Dietary	Meals Served or Attended Client Days
Depreciation—Building	Square Footage
Depreciation—Equipment	Square Footage
Telephone	Phone Lines

The allocation of expenses should only be used when the actual expenses can not be readily determined.

SCHEDULE 5

Allocation of Pool Expenses: It is presumed that prior to the completion of this page, all expenses that can be directly identifiable to the chain's facilities have been so assigned on Schedule 4.

Pool expenses represent expenses that cannot be directly identified with any given chain facility and, therefore, must be allocated to components through an equitable allocation base.

If the home office incurs expenses for nonprogram services such as day programs, workshops, etc., then the pool expenses should be allocated using the double allocation method. The first allocation is necessary to allocate costs between program and nonprogram services. This is accomplished using accumulated costs as the allocation base. After the program costs are determined via the first allocation, then the second allocation allocates program costs to the facilities based upon client days. Use Schedule 5, Parts I and II, for the double allocation method.

If the home office incurs expenses only for the ICF/DD (H or N) program, then the costs should be allocated to the facilities using the single allocation method. The single allocation method allocates program costs to facilities based upon client days. Use Schedule 5, Part II for the single allocation method.

PART I

Column 1—Allocation Statistics Base: Accumulated Cost:

Line 1—Program Services: Enter the total costs applicable to ICF/DD (H or N) program services.

Line 2—Nonprogram Services: Enter the total nonprogram costs

Line 3—Total: Compute and enter total of Lines 1 and 2.

Column 2—Percent:

Lines 1—Program Services and 2—Nonprogram Services: Compute and enter the percent of program and nonprogram cost to the total cost. The sum of the Line 1 and Line 2 percent should equal 100 percent.

Column 3—Allocation Pool Expenses:

Line 3—Total: Enter the total pool cost to be allocated from Schedule 2, Column 6, Line 35.

Lines 1—Program Services and 2—Nonprogram Services: Multiply the amount on Line 3 by the percent in Column 2. Enter the product. The sum of Lines 1 and 2 should agree with the amount on Line 3.

This completes the first allocation of the double allocation. The amount on

Line 1, Column 3, will be allocated to the ICF/DD (H or N) facilities.

The second step of the double allocation method is an allocation of the pool home office program costs to the ICF/DD (H or N) facilities based upon client days.

PART II

Column 1—Facility: Enter the names of the facilities which are to receive home office costs.

Column 2—Allocation Statistics (Client Days): Enter the total client days which correspond to the facilities listed in Column 1. Sum the column and enter the total on Line 11.

Column 3—Allocation Pool Expenses: Line 11—Total: Enter the home office costs which are to be allocated. This is the amount computed in Part I, Line 1, Column 3 above, or if this is a single allocation, take the amount from Schedule 2, Column 6, Line 35.

Column 1—Facility: Line 12—Unit Cost Multiplier: Divide the total pool costs figure (Line 11, Column 3) by the total day figure (Line 11, Column 2). The product is the unit cost multiplier.

Column 3—Allocation Pool Expenses: Compute the pool cost allocation by multiplying the allocation statistic (client days) in Column 2 by the unit cost multiplier (Line 12, Column 2). Enter the amounts in Column 3. The sum of the Part II, Column 3 amounts should agree with the total home office costs on Schedule 2, Column 6, Line 35 if this was a single allocation, or the amount on Schedule 5, Column 3, Line 1, if this was a double allocation.

SCHEDULE 6

Summary of Direct and Allocated Pool Costs: The purpose of this schedule is to summarize the direct and allocated pool cost of each chain facility.

Columns 1 and 2—Facility and Medi-Cal Provider Number: Enter the names of the facilities which will receive direct and allocated home office costs and the applicable facility Medi-Cal provider number. **(If not completed, cost report may be considered incomplete and subject to rejection.)**

Column 3—Home Office Expenses Directly to Facility: Enter the home office expenses directly allocated to the facilities from Schedule 4, Column 7.

Column 4—Allocated Pool Expenses: Enter the allocated pool expense amounts from Schedule 5, Part II, Column 3.

Column 5—Total Direct and Pool Facility Expense: Sum Columns 3 and 4 and enter the total in Column 5. The Column 5 amounts represent the total home office cost allocation. The Column 5 amounts should be included on the cost reports of the individual homes. In order to transfer the home office cost to the individual homes, an adjustment should be made to page 5 of the facility cost report. The adjustment on page 5 of the facility cost report for the home office costs should be made to Account Number 7080—Other General and Administrative Costs. The adjustment amount should agree with the Schedule 6, Column 5 total direct and pooled facility expense.