Targeted Case Management (TCM) Cost Report Instructions 2013

Department of Health Care Services (DHCS)

SEPTEMBER 2013

Changes to the Cost Report Instructions

The following change(s) are **required** for a complete submission of the 2013-2014 Cost Report. This year's Cost Report instructions differ from last year, as indicated below:

1. **Cost Report Submission:** New guidelines have been established for submission of the 2013 TCM Cost Report. These guidelines are detailed on page 14 and 15 of the 2013 Cost Report Instructions.

For Your Information: This year, all costs for providing TCM services will be based on the target populations of Children Under the Age of 21, Medically Fragile Adults, Individuals At Risk of Institutionalization, Individuals in Jeopardy of Negative Health or Psycho-Social Outcome, and Individuals with Communicable Diseases. For LGAs that subcontract with CBOs/LPEs, a Cost Report must be submitted for each CBO/LPE service provided.

Reminder of Important Changes Identified in Previous Years

- Addition of a Supplemental Worksheet - "Interim Medi-Cal TCM Encounter Payment Rate Calculation":
  - The purpose of this new worksheet is to calculate one interim Medi-Cal payment rate (encounter rate) that will approximate the Medi-Cal TCM program cost per encounter eligible for Federal Financial Participation claimed through the CPE process.

- Time Survey: For cost report due November 1, 2013 - The 2009 completed MAA-TCM time surveys and related template(s) should be used.

- Averaging Staff: For cost report due November 1, 2013 - staff who were "TCM direct supervisors of case managers" or "direct support staff to case managers" in FY 2013/14 who did not time survey in the FY 2009/10 should be included in the "Averaged" section of the Salaries & Benefits Scheduled 1A and classified as "TCM". The purpose of this change is for establishing an interim rate to include cost for TCM staff(s) not present during the time survey period in FY 2009/10.

- Identify cost report(s): Use a unique program name on "Worksheet A" for each cost report template filed. List program names from the cost report templates that are filed by the LGA on the **cover letter**. Identify the cost reports that includes 100% of costs of each target population.

- Time Survey: A "Add-Time Survey" button was added to the Combined MAA-TCM Time Survey Template.

- Addition of "Summary of Allowable Funding For Claiming Federal Matching Funds" Worksheet
  - The purpose of this worksheet is to identify the funding sources for eligible Certified Public Expenditures (CPE) of billable TCM services provided to Medi-Cal(s) beneficiaries. This worksheet will serve to determine if the funding source provided adequate CPE for Federal Financial Participation (FFP) match, as required by 42 CFR 433.51 (page 20, 45).

  Note: This worksheet does not take into account timing requirements for expenditures.

- Cost Report must be submitted for all service providers (LGAs, CBOs, and LPEs).

- Effective January 1, 2009 Assembly Bill (AB) 2527 amends Welfare & Institutions (W&I) Code 14132.44 – LGAs may contract with other Local Public Entities (LPE) to provide TCM services. See PPL 08-027 and PPL 09-002.

- New Certifications and Attestation Documents:
  - "Local Government Agency Certification Statement "

    For additional information please see PPL 08-006
  - "Non-LGA Local Public Entity Certification and Local Government Agency Attestation Statements"

- Non-LGA Local Public Entity (LPE) costs – When the LGA contracts with an LPE to provide TCM services to Medi-Cal beneficiaries, the "Non-LGA Local Public Entity Certification" and "Local Government Agency Attestation Statements" must be used.

- Closing-Year Costs.
- Cover letter must be signed by the LGA Coordinator.
- Changes to how you allocate costs to S&B Sch 1A. Refer to Policy and Procedure Letter (PPL) 06-014.
- The "Encounter Methodology" must include a supplemental schedule identifying type (Medi-Cal or Other) and number of encounters by month. (This information can be obtained from the Encounter Log).
- Include complete job descriptions of all TCM classifications with your Cost Report. These descriptions must include specific TCM duties.
- Staff classifications on the Salary & Benefits Schedules (S&B Sch) are further restricted:
  - To ensure the validity of TCM Case Manager classification, the Cost Report Review Tool requires a list of staff who are classified as TCM Case Managers, identified by the number of TCM encounters claimed by each in the prior fiscal year. For TCM Case Managers who claimed no TCM encounters you must provide an explanation, including what TCM Services were provided.
  - The Direct Supervisor of Case Manager staff must be no more than two organizational levels above the case manager level. For example, no CFOs or department managers, these are classified as ADMIN or NTCM.
  - If ADMIN staff is listed individually on S&B Sch 1A, include each staff's job title in the "Role" column. If ADMIN costs are entered as one aggregated amount, the staff names, job titles, and individual salaries and benefits must be listed on a separate page.
- The Encounter Methodology worksheet must include all valid Medi-Cal encounters (not just claimable Medi-Cal encounters). Encounters that are not claimable must be counted (and entered in the Encounter Log) and included on this worksheet. The worksheet now includes a separate line for these encounters.
- A complete and comprehensive narrative describing the types of programs and services that are included in the TCM budget unit must be submitted.
- The Cost Report Review Tool has been enhanced to include the following calculations to alert you to possible unreasonable costs:
  - The approximate cost per encounter hour.
  - The ratio of Administrative Salaries & Benefits to TCM Salaries & Benefits.
  - The ratio of Operating Expenses (not including Contractors) to TCM Salaries & Benefits.
- The organizational chart should be as complete as possible, including staff names, job titles, and who they report to, <u>or</u> provide a complete roster of staff names, job

titles, and who they report to. It is recommended to include on organizational/chart roster, and the budget unit numbers or account numbers shown on the general ledger.

Community - Based Organization(s) (CBO) Changes:

- Financial Statements: Balance sheet and Income Statements for all **CBOs**, and CPA audited financial statements where applicable.
- Other Required Materials to be included are:
    - Income Tax Returns (CBO's)
    - CBO bylaws and Articles of Incorporation (If not submitted with the Cost Report in a prior year).

- On Worksheet B, all CBOs must offset private funding (e.g., client fees, foundation grants, etc.).

General Information

For additional information on how to complete your TCM Cost Report or on the TCM program, please consult the program documents on the DHCS website: **http://www.dhcs.ca.gov/provgovpart/Pages/TCM.aspx**. Other resources are listed at the end of this document.

If you are **not** the TCM Coordinator for your LGA, please contact your LGA TCM Coordinator before contacting DHCS. Some members of the LGA Consortium are also available for consultation on how to develop your Cost Report. To identify these people, please contact the LGA Consultant, Patrick Sutton at lgaconsultant@gmail.com or phone (510) 764-1308.

After following these steps, you may contact DHCS, TCM Lead Analyst Vivian Sultan at: Phone # (916) 552-9271 or email Vivian.Sultan@dhcs.ca.gov.

The Cost Report must be postmarked no later than November 1.

Hardcopy Submissions

Send your Hardcopies to:

Regular U.S. Postal Services Mail:

Department of Health Care Services
Audits and Investigations
Audit Review & Analysis Section
1500 Capitol Avenue, MS 2109
P.O. Box 997413
Sacramento, CA 95899-7413

Overnight or Express Mail:

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

Softcopy Submission

Email the following to Audits and Investigations (A&I), at dhsaitcm@dhcs.ca.gov:

1. Cost Report
2. Time Survey
3. Cost Report Review Tool
4. Funding Schedule
5. Summary of Allowable Funding for Federal Matching Funds
6. Interim Medi-Cal TCM Encounter Payment Rate Calculation Worksheet

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TCM Cost Report Overview

Cost Report Format for Targeted Case Management (TCM) Programs

Obtain a current Cost Report Template and supplemental forms from the Department of Health Care Services (DHCS) TCM website: http://www.dhcs.ca.gov/provgovpart/Pages/TCM.aspx. Only the current year forms may be submitted. Report submitted with outdated forms will be returned, which will affect your ability to summit invoices.

Note: Read all of these instructions before completing the Cost Report Template.

Annual Cost Report

California Welfare and Institutions (W&I) Code, Section 14132.44, requires each TCM provider of service to complete and submit to DHCS a Cost Report on the prior fiscal year (ending June 30) for each local program providing TCM services. The Cost Report must be prepared in a format specified by DHCS and submitted by November 1 of each year. Title 22 of the California Code of Regulations (22 CCR) Section 51535.7 requires LGAs to submit **one Cost Report for each program that provides TCM services** to one of the five target populations. The target populations are Children Under the Age of 21 (14), Medically Fragile Individuals (15), Individuals at Risk of Institutionalization (16), Individuals in Jeopardy of Negative Health or Psycho-Social Outcomes (17), and Individuals with a Communicable Disease (18). For LGAs that subcontract with CBOs/LPEs, a Cost Report must be submitted for each CBO/LPE service provider.

Purpose of a Cost Report

The purpose of a Cost Report is to:

1) Establish an **Encounter Rate** for the provision of TCM Services
2) Determine the **actual total cost** of providing TCM Services
3) Establish the TCM Maximum Amount (CAP)

Using actual allowable costs, funding, and encounter data from the prior fiscal year (2012-13), the Cost Report calculates the “Billable Rate Per Encounter for Current Year (Worksheet A, Line 20).

The Adjusted (net) Allowable Case Manager Costs in the Cost Report (Worksheet A, Line 19) reflects the allowable direct and indirect costs of providing TCM services as delineated in the federal Office of Management and Budgets Circular A-87 (OMB A-87). The guiding OMB A-87 principle to determine allowability is that costs must be “reasonable and necessary” for the provision of TCM services. LGAs must analyze their costs and only consider costs allowable, that are both, reasonable and necessary to provide TCM services (see the link to the OMB website in Appendix A). A certification statement, signed by the TCM Coordinator or the TCM Coordinator’s designee, must accompany the Cost Report and attest to the validity and allowability of the cost data and funding sources.

Reimbursement

LGAs are reimbursed by the Federal Medical Assistance Percentage (FMAP) (currently 50 percent) of the funds expended for providing TCM services to Medi-Cal beneficiaries based upon the actual costs of providing TCM.

For each LGA, the Department will establish an interim Medi-Cal payment rate from DHCS accepted cost reports. The interim Medi-Cal payment rate will be calculated by dividing the total allowable costs by total encounters from the cost reports containing 100% of the LGAs costs and encounters for each target populations. The interim Medi-Cal payment rate will be used for the initial submission of TCM claims for federal reimbursements for all target populations. Refer to "Interim Medi-Cal TCM Encounter Payment Rate Calculation" worksheet for details on how the rate is calculated

TCM program payments are subject to reconciliation by the Department of Health Care Services (DHCS). The reconciliation will compare the actual cost to interim payments LGAs have been reimbursed for the same fiscal period that services were provided.

Interim Medi-Cal TCM Encounter Payment Calculated Rate

The Interim Medi-Cal payment rate for all target populations is calculated by dividing the total allowable costs by total encounters from all cost reports containing 100 percent of each target population's cost.

Interim Medi-Cal TCM Encounter Payment Rate = Total Adjusted Allowable Case Managers Cost [Cost Report Worksheet A, line 19] in all target population(s) ÷ Total Reported TCM Encounters in all [Cost Report Worksheet A, line 19] Target population(s)

Encounter (Enc.) Rate

The TCM encounter rate is calculated by dividing the total TCM costs by the total number of TCM encounters (Medi-Cal and non-Medi-Cal, whether or not they were claimed).

Encounter Rate = Total TCM Cost ÷ Total # TCM Enc. (Medi-Cal and Non Medi-Cal)

TCM Maximum Amount (CAP)

The CAP is the total dollar amount that may be claimed in the current fiscal year. It is calculated by multiplying the rate per TCM encounter by the projected number of Medi-Cal-only encounters (Worksheet A, Line 22). The projections must be supported by program documentation that identifies staff levels sufficient to achieve the projected number of encounters, by TCM encounter logs, and by client case record documentation. Use the Encounter Methodology Worksheet to calculate the projected number of Medi-Cal-only encounters.

CAP = Rate per TCM Encounter **X** Projected # of Medi-Cal Only Encounters

Maximum Reimbursement (Federal Share or FMAP)

The LGA receives a TCM approval letter that identifies the TCM interim encounter rate and the CAP. The maximum reimbursable federal share is computed by multiplying the CAP by the prevailing FMAP.

Max Reimbursable Federal Share = CAP **X** FMAP

Maximum Reimbursements to the LGAs

The number of projected Medi-Cal encounters is multiplied by the appropriate TCM interim encounter rate; this amount is then multiplied by the FMAP. *This is the maximum amount the LGA will be reimbursed per Title 22, 51535.7 – Targeted Case Management Services Reimbursement.*

Max amount the LGAs will be Reimbursed =
Billable Rate per Enc. **X** Projected Medi-Cal Enc. # **X** FMAP

Note: TCM program reimbursements will not be subject to CAPs under the new TCM Reimbursement SPA submitted to CMS for approval. Until CMS approves the Reimbursement SPA, all existing reimbursement requirements remain in effect. Therefore, it is important that the total projected encounters reflect encounters for all target populations provided services by the budget unit.

Preparing the TCM Cost Report

Required Documents

Essential components of the Cost Report include the following materials. All materials are located on the DHCS TCM website http://www.dhcs.ca.gov/provgovpart/Pages/TCM.aspx.

Note: Read all instructions before completing the materials. Cell-by-cell instructions for completing the Excel template workbooks begins on page 26.

1. **DHCS Time Survey Summary Template**.
2. **DHCS Cost Report Template** (Note: enter data only in the blue cells), which includes:
   a. **Calculation for Averaged Percentages** (Survey Averaging Worksheet) – Input hours from TCM Time Survey Summary Template List.
   b. **Salaries & Benefits Schedules** (Salaries Worksheet):
      i. **S&B Sch 1A** – Salaries and benefits from payroll details.
      ii. **S&B Sch 1B** – Direct and indirect operating expenses from general ledgers and Countywide Cost Allocation Plans.
      iii. **S&B Sch 2A** – Percentages from the List Worksheet on the DHCS Time Survey Summary Template**.**
      iv. **S&B Sch 2B, 2C, and 2D** – Formula-driven: Do not enter data here.
   c. **S&B Sch 3A & 3B for Contractors** – Use only for Community-Based Organizations (CBOs) and/or Local Government Entities (LPEs) (not individuals).
   d. **Worksheet D** – To enter 100-percent TCM (such as purchase of computer programming services used solely for TCM) and 100-percent non-TCM (NTCM) operating expenses (such as food, respite care, transportation, and medical expenses) for the budget unit that provided TCM services only.
   e. **Worksheet C** – Cost reclassification analysis tool: Do not enter data here.
   f. **Worksheet B** – To record and offset federal (and private) funding that supports the provision of TCM services.
   g. **Encounters Worksheet** – Calculates and documents methodology used to record prior-years encounters and project current-year encounters.
   h. **Worksheet A** – Summarizes all costs and calculates the encounter rate. This worksheet must be signed in blue ink by the LGA coordinator or an authorized signer.
3. **Certification/Attestation Statement(s)** - Signed (blue ink) by an appropriate representative, such as LGA MAA/TCM Coordinator, the Chief Financial Officer or other individual duly authorized and states the signatory's title.
   a. For each cost report submitted by an LGA service provider, include "LOCAL GOVERNMENT AGENCY CERTIFICATION STATEMENT FOR TARGETED CASE MANAGEMENT COST REPORT."

b. For each Non-LGA Local Public Entity (LPE) service provider cost report, include "NON-LGA LOCAL PUBLIC ENTITY CERTIFICATION AND LOCAL GOVERNMENT AGENCY ATTESTATION STATEMENTS FOR TARGETED CASE MANAGEMENT COST REPORT "

4. **Certify validity of CBO/LPE Cost Report(s) (if applicable) -** Each CBO/LPE Cost Report submitted to DHCS has been reviewed for accuracy and validity by an appropriate LGA representative, such as a Chief Financial Officer or the LGA MAA/TCM Coordinator. For each CBO/LPE cost report submitted by an LGA, include the "TCM COST REPORT CERTIFICATION STATEMENT"

5. **Cost Report Checklist** – Completed by TCM Coordinator.

6. **Cost Report Review Tool (RT)** – Completed by TCM Coordinator.

7. **Funding Schedule** – Identifies all funding sources that support the whole budget unit; source document for Worksheet B. Funding Schedule isolates unallowable funding used to support the provision of all TCM services.

8. **Summary of Allowable Funding for Claiming Federal Matching Funds** - Identifies allowable funding, eligible for Federal Matching Funds, pursuant to 42 CFR 433.51 for Medi-Cal TCM services.

9. **Interim Medi-Cal TCM Encounter Payment Rate Calculation Worksheet** – Calculates an interim encounter payment rate.

10. **Operating Expense Schedule** – Describes accounts that have vague account names or names that suggest they are unallowable.

11. **Cost Report packaging instructions** - Table of Contents, Program Description, Cost Allocation Description, Tabs, Supporting Documents, Highlighted Numbers on Supporting Documents, and Cost Report Checklist.

12. **A complete job description -** (Duty statement) of all TCM classifications in the budget unit.

Before constructing the Cost Report, <u>gather</u> the following documents for each program and CBO/LPE (if applicable):

1. Detailed organizational chart (or complete roster) showing the relationship of each position listed on the Cost Report to the others listed on the Cost Report.
2. FY 2012-13 - General Ledger.
3. FY 2013-14 - Board-approved final budget showing actual expenses for the prior year (FY 2012-13), if available. Only include relevant pages relating to TCM with the Cost Report.
4. FY 2012-13 - Summary of total expenses and funding and where they are found in supporting documentation.
5. FY 2012-13 - Salaries and benefits by employee (from payroll warrant detail or general ledger and/or other documented cost allocation plan).

6. FY 2012-13 - Services and supplies (from general ledger and/or other documented cost allocation plan).
7. Copies of contracts for non-LGA TCM service providers (CBO/LPE) for FY 2012-13.
8. Copies of FY 2013-14 contracts (Interagency Agreements/Memorandums of Understanding) for which funding may be received for TCM related services.
9. September or October 2009 "TCM Program Time Surveys for **Employees Performing MAA and/or TCM"** signed forms for programs that time-surveyed to TCM.
10. A complete and comprehensive narrative describing the types of programs and services that are included in the TCM budget unit.
11. A copy of the page of the CWCAP (or the relevant departmental administrative cost allocation plan) that shows the indirect cost percentage of the TCM budget unit.
12. Financial Statements: Balance sheet, general ledger, etc. for all **LPEs.**
13. Financial Statements: Balance sheet plus I.R.S Annual Information Return e.g. I.R.S Form 990, for all **CBOs** and CPA audited financial statements where applicable.
14. Income Tax Returns for **CBOs.**
15. CBO Bylaws and Articles of Incorporation (If not submitted with the prior years Cost Report).

2013 TCM Cost Report Submission Requirements

Hard Copy Submission – Include the following completed items:

- Cover Letter on LGA letterhead
- Table of Contents
- TCM Cost Report Checklist
- LGA Cost Report Certification Statement
- CPE Certification and LGA Attestation Statements
- Cost Report, Funding Scheduled, and Allowable CPE Funding Schedule Templates
- Cost Reports Supporting Documents
    - Organizational Chart Including the Defined Budget Unit (BU), and Listing all Staff & Positions within the BU
    - A Complete and Comprehensive Narrative Describing the Types of Programs and Services that are included in the TCM BU
    - General Ledger Grouping Schedule for Reported Costs and Funding
    - Salary and Benefit Costs – Payroll Amounts by Employee
    - Financial Statements of the TCM Service Provider who Files the Cost Report

Soft Copy Submission – Include the following completed items:

- Signed Cost Report Template
- Funding Schedule
- Summary of Allowable Funding for Claiming Federal Matching Funds Worksheet
- Interim Medi-Cal TCM Encounter Payment Rate Calculation Worksheet
- 2009 Time Survey Template
    - List Worksheet
    - Totals Worksheet
    - Time Sheets
- Cost Report Review Tool Template

Summary of Steps

Below is a summary of 12 basic steps (defined fully under "Step-By-Step") for the preparation of a TCM Cost Report:

1. Identify TCM budget unit of the LGA, CBO, or LPE that provides TCM services by analyzing budget account numbers from your general ledger and detailed organizational charts (include these supporting documents when you submit your Cost Report). Answer the question: What part of our organization provides TCM services?
2. Describe the cost allocation method for Method 1 and 2 used in your LGA. Answer the question: How do we account for the costs for providing TCM services? (Write this down and submit it with the Cost Report.)
3. List the staff alphabetically by last name, who provide or support the provision of TCM services. The TCM Cost Report assumes that the TCM staffs are part of a budget unit that is identifiable on a general ledger by a unique account code.
   a. Classify as **TCM**, TCM case managers, direct supervisors and direct support staff to TCM case managers who time-survey in FY 2009/10 (no more than two organization levels above).
   b. Classify as **TCM**, TCM case managers, direct supervisors and direct support staff of TCM case manager **who did not time-survey in FY 2009/10** in the "Averaged" section of the Salaries and Benefits Schedule (S&B Sch) 1A. (For *this FY only.*) List their job titles in the Role column.
   c. Classify as ADMIN administrative staff who provide personnel and budget support to TCM case managers. List their job titles in the Role column.
   d. Classify all other staff as **Non-TCM** (NTCM).
4. Enter the data from each TCM staff's original signed time survey into the DHCS MAA/TCM Combo Time Survey. Enter the LGA and program names only at the top of the List worksheet. Enter each TCM staff name and position only on numbered worksheets (do not enter them on the List or Totals worksheets). Enter the percentages for each category from the List Worksheet on that template into S&B Sch 2A and the Calculation for Averaged Percentages (Survey Averaging) worksheet.
5. Using your LGA's general ledger and payroll warrant details, identify the account numbers for funding, salaries, benefits, and operating expenses that support these staff (the Cost Report template and supporting documents must identify **all** funding and costs that support the budget unit). Provide a copy of the relevant pages of these supporting documents with your Cost Report. <u>Include as operating expenses indirect departmental or LGA-wide administrative services that support the budgetary, personnel, and management needs of the TCM budget unit.</u>
6. Identify which of the TCM budget unit's operating expenses are allowable per OMB A-87. Enter only allowable operating expenses on S&B Sch 1B. Enter unallowable operating expenses on Worksheet D, Column 4. If you list operating expenses by individual staff, operating expenses for NTCM staff must be reported only on Worksheet D, Column 4.

7. Enter the LGA (or CBO/LPE) and program names only at the top of Worksheet A.
8. Enter staff salaries and benefits on S&B Sch 1A, allowable direct and indirect operating expenses on S&B Sch 1B, unallowable operating expenses on Worksheet D, Column 4, and unallowable federal (and private) funding amounts on Worksheet B.
9. Construct a summary of the total salaries, benefits, operating costs, and funding shown in the Cost Report that identifies these costs in the supporting documents.
10. Using your LGA's TCM encounter log, complete the Encounter Methodology Worksheet.
11. From each of the cost reports containing 100% of each TCM targeted population's cost enter 1) Total TCM Reported Encounters [from Worksheet A, line 14] and 2) Adjusted Allowable Case Manager Costs [from Worksheet A, line 19] into the Interim Medi-Cal TCM Encounter Payment Rate Calculation Worksheet
12. Complete the Cost Report Review Tool to ensure completeness, reasonableness, and accuracy.
13. Include a cover letter that would identifies cost reports by using the unique program name from "Worksheet A" for each cost report templates filed. List program names from the cost report templates that are filed by the LGA on the **cover letter**. Identify the cost report that includes 100% of costs of each target populations.
14. Develop Table of Contents. Be sure to structure your Cost Report Packet with page numbers, tabs, labels, etc.

All amounts entered into the Cost Report must be supported by Time Survey, general ledgers, payroll warrant details, subcontractor contracts (if applicable), and program descriptions. Enter data **only in the blue cells** of the Cost Report template.

Note: If you need to add additional lines to the Cost Report worksheets (B, D, Salaries, and Contractor Worksheets), Funding Schedule, Summary of Allowable Funding for Claiming Federal Matching Funds, and Cost Report Review Tool, click on the associated "Add" button and enter the number of lines to add.

Step-By-Step for a Successful Cost Report

Defining the Budget Unit

The budget unit should be the smallest budgetary/organizational unit identifiable on the LGA organizational chart and general ledger that includes the TCM-related costs of all employees meeting the TCM Case Manager qualifications, their supervisors, and support staff. The TCM Cost Report assumes the TCM budget unit is readily identifiable on LGA organizational charts and LGA general ledgers.

The guiding principle of OMB A-87 regarding eligibility of federal reimbursement, requires costs to be "reasonable and necessary" for the provision of TCM services. By identifying the smallest budget unit possible, you help ensure that the costs included in the Cost Report and allocated by the Cost Report template formulas are reasonable to the exact cost of providing TCM services. Two different methods are described below:

Method 1

The TCM Cost Report must include all the costs of the budget unit that provides TCM services. The Cost Report may include **indirect expenses,** which are the portion of departmental or LGA-wide budget, personnel, and management expenses that can be allocated to the TCM budget unit. Include indirect expenses in the total operating expenses entered on S&B Sch 1B.

If your budget unit consists of only a few TCM staff and many ADMIN and NTCM staff, determine if the budget unit costs can be identified at a more detailed level to isolate the costs of the TCM staff.

Method 2

Some LGAs have cost accounting methods that allow them to identify all the costs and funding sources of individual employees. Such Cost Reports might not include any NTCM costs or unallowable funding sources. To construct a Cost Report that has no NTCM costs, take the ratio of TCM salaries to total salaries of the budget unit, and apply the ratio to the budget unit's total ADMIN and operating expenses. Then, construct the Cost Report so that it only includes the budget unit's TCM costs and the TCM portion of ADMIN and operating costs. Include the portion of departmental ADMIN costs related to TCM as indirect operating expenses on S&B Sch 1B. Include this calculation with your Cost Report. In either case, the Cost Report must include an explanation of the LGA's cost allocation method, and all costs and funding sources must be supported by general ledgers and other relevant documentation.

Classifying Salaries and Benefits (S&B Sch 1A)

Based on the primary function of the employee within the budget unit, classify salaries and benefits amounts into TCM, NTCM, and ADMIN.

TCM Staff – Staff who time-survey to TCM: TCM case managers, their direct supervisors, and their direct support staff. If they time-survey, their salaries and benefits amounts are entered on S&B Sch 1A in the rows at the top under the heading "Time-Surveyed to TCM". If they **did not time-survey**, their cost can be averaged in the "Averaged" section and their classification must be listed as "direct supervisor of case manager or direct support staff of case manager". **Note: this change is for cost report(s) due November 1, 2013.** Enter staff in alphabetical order by last name.

Include a complete job description of all TCM classifications with your Cost Report, including the specific TCM duties of that classification.

NTCM Staff – These are staffs within the budget unit that provide TCM services who neither provided nor supported the provision of TCM services. These may be staff who provide direct medical care, transportation, pharmacy, MAA, and other services that are not TCM. Staff names, positions, salaries, and benefits may be listed on S&B Sch 1A, or they may be listed on a separate supporting document and recorded on S&B Sch 1A on one line as an aggregate amount. Enter staff in alphabetical order by last name. Alternatively, if you use a single aggregate amount, enter the name of the supporting schedule in the employee name cell. If you use aggregate amounts, a supporting schedule must be included with the Cost Report. List the NTCM staff on the supporting schedule in alphabetical order by last name. Do not use organizational charts as the supporting schedule for this purpose.

ADMIN Staff –Managerial and administrative staff who support the management, personnel, and budget needs of the TCM budget unit. (Note: If personnel and budget services are not part of the budget unit, DO NOT expand the size of the budget unit to include them. Calculate these costs as an indirect expense and include it with operating expenses on S&B Sch 1B.) These expenses may be listed on the S&B Sch 1A or on a separate supporting document and recorded as an aggregate amount on S&B Sch 1A on one line. Please enter the ADMIN staff in alphabetical order by last name. If you use a single aggregate amount, enter the name of the supporting schedule in the employee name cell. If you use aggregate amounts, a supporting schedule must be included with the Cost Report. Do not use organizational charts as the supporting schedule for this purpose. List the ADMIN staff on the supporting schedule in alphabetical order by last name. List ADMIN staff job titles in the Role column on S&B Sch 1A or next to their names on the supporting document.

Classifying TCM Contractors Costs (S&B Sch 3A & 3B)

Classify the cost of TCM contractors by Specific or Non-Specific. S&B Sch 3A & 3B are provided for this purpose and may only reflect the costs of CBOs/LPEs. Each CBO/LPE that contracts with your LGA to provide TCM services must complete a TCM Cost Report. If there is only one CBO/LPE and the LGA does not provide these services, submit the CBO's/LPE's Cost Report as though it were the LGA's Cost Report, and do not use S&B Sch 3A or 3B. If there are multiple CBOs/LPEs, the results of each CBO/LPE Cost Report are entered onto S&B Sch 3A or 3B of the LGA's combined Cost Report.

Most CBO/LPE contracts are non-specific; that is, the contract does not specify the total amount the CBO/LPE will receive for providing TCM services, it states a maximum amount or a rate. For non-specific contracts, enter the total net expenses from Worksheet A, Line 7, Column 7, of the CBO/LPE Cost Report into the column titled Total TCM Costs per Analysis on S&B Sch 3A of the LGA's combined Cost Report. Enter the adjusted allowable case manager costs from Worksheet A, Line 19, of the CBO/LPE Cost Report into the column titled Total Costs per Analysis on S&B Sch 3A of the LGA's combined Cost Report.

If the CBO/LPE contract specifies the total amount the CBO/LPE will receive for the fiscal year to provide TCM services, enter the amount from Worksheet A, Line 7, Column 7, of the CBO/LPE Cost Report into the column titled "Total TCM Costs" on S&B Sch 3B of the LGA's combined Cost Report. If the contract is for both TCM and NTCM services, enter the amount from Worksheet A, Line 19, of the CBO/LPE Cost Report into the column titled "Total Costs per Analysis" on S&B Sch 3B of the LGA's combined Cost Report. If the contract is for TCM services only, enter the amount from Worksheet A, Line 7, Column 7, in both columns.

Classifying Operating Expenses (S&B Sch 1B and Worksheet D)

Using your LGA's general ledger and Countywide Cost Allocation Plan (CWCAP) (the one submitted annually to the State Controller's Office), identify the account numbers and names for operating expenses. You must submit a copy of the letter that the Controller sent back to your county, if applicable. Operating expenses may be direct or indirect.

Direct expenses are for staff who provide and directly support the provision of TCM services; these include the ADMIN and NTCM staff that are in the budget unit that provide TCM services. Direct expenses include the cost of services and supplies, as well as operating expenses incurred by the TCM budget unit, including leases, and amortized capital expenditures. Report these on S&B Sch 1B.

On S&B Sch 1B, operating expenses may be **distributed proportionately** according to staff salary and benefits or entered as a direct cost assigned **by employee**. If your LGA's cost allocation method allows you to identify the operating expenses of each staff, then report these costs in the column Operating Expenses by Employee in the row for the appropriate staff. Otherwise, combine direct and indirect operating expenses into one amount and enter it in the single blue cell at the bottom of the column titled Distributed

Operating Expenses. Enter the name of the supporting documentation for this amount beneath the column.

Some costs may be identified as 100-percent TCM (such as individual contractors) or 100-percent NTCM that will not be further redistributed by the Time Survey. Worksheet D has been provided for these costs. Report services of individual contractors who support TCM program operations 100 percent (such as a software consultant for TCM documentation) on Worksheet D, Column 1.

Unallowable costs are classified as NTCM costs in the Cost Report. Report NTCM operating expenses on Worksheet D, Column 4. **Unallowable** (NTCM) costs for staff who provide or support the provision of TCM services include, but are not limited to:

- Interest payment
- Malpractice insurance
- Medical equipment used for medical treatment
- Drugs and Medication
- Lab equipment
- Fund raising
- Lobbying
- Food
- Respite care/services
- Transportation for clients
- Drug testing supplies
- Recreational activities for clients

Indirect expenses are departmental or LGA-wide administrative services that support the budgetary, personnel, and management needs of the TCM budget unit. The percentage of the departmental or LGA-wide indirect expenses (including salary and benefit costs) that support this budget unit are accounted for in the TCM Cost Report as operating expenses on S&B Sch 1B. The most common example of this is the CWCAP submitted annually by each county to the State Controller's Office. A copy of the page of this CWCAP (or the relevant departmental administrative cost allocation plan) that shows the indirect cost percentage of the TCM budget unit must be included with the Cost Report.

All operating costs of the budget unit that provides TCM services, must be included in the TCM Cost Report on S&B Sch 1B or Worksheet D. No operating cost of the budget unit may be excluded from the Cost Report.

TCM Time Survey Summary Template (used with S&B Sch 2A)

Since no MAA-TCM time survey was completed during the FY 2012-2013 for cost report(s) due November 1, 2013, use the 2009 completed MAA-TCM time surveys and related templates to report staff time. Therefore, there will be no reason to add or delete time surveys on the FY 09/10 MAA-TCM Combo Time Survey excel Template.

Staff who completed a FY 09/10 time survey and were included in the Salaries section of the FY 2010 Cost Report should be included in the "Salaries" tab of the FY 2013 Cost Report in the section marked "Time Surveyed to TCM". For Cost Report due November 1, 2013 if a participant was included in the FY 2010 Cost Report but is no longer participating in TCM in FY 12/13, simply include the participant's name and time survey results but omit any salary and benefit information.

This template ensures accurate tabulation of the time survey hours reported by each TCM staff. It must be submitted electronically along with the Cost Report and Cost Report Review Tool template. Each hard copy Cost Report must also include individual time Survey signed by the TCM staff who complete them and his or her supervisor.

Enter the time survey hours reported by each staff who time-surveyed into the individual worksheets of the TCM Time Survey Summary Template. Enter time survey data into time survey worksheet 1 for the first TCM staff listed on S&B Sch 1A. Enter the name and job title of the staff in the appropriate cells at the top of each time survey worksheet. Enter time survey data into time survey worksheet 2 for the second TCM staff listed on S&B Sch 1A. Continue entering time survey data into the numbered worksheets in the same order as that the staff is listed on the S&B Sch 1A (this should be in alphabetical order by last name).

All information entered into the numbered time survey worksheets automatically flows into the Totals and List worksheets, other than the LGA and Program names entered at the top of the List Worksheet. Do not enter any data onto these two worksheets.

Once all the individual time survey data has been entered into the template, click on the List worksheet and scroll to the far right, where you will find the time survey percentages that must be copied and pasted onto S&B Sch 2A for the TCM staff. If the staff names were entered in the same order on the time survey worksheets as they are on S&B Sch 1A, then the time survey percentages will copy and paste easily onto S&B Sch 2A.

Just below the bottom line of time survey percentages on the List worksheet, is the total number of time survey hours for each of the four categories. Enter these numbers into their related cells on the Calculation for Averaged Percentages (Salary Averaging Worksheet of the TCM Cost Report template).

Worksheet B (Supported by the Funding Schedule and General Ledger)

The purpose of Worksheet B is to identify the amount of funding for the TCM budget unit that must be adjusted (eliminated) from TCM Total Allowable Case Manager cost identified on Worksheet A, line 16. The Funding Schedule, discussed below, must be completed prior to completion of Worksheet B.

Worksheet B does not include reimbursements from MAA/TCM programs. Funding sources that may require offset include, but are not limited to:

- Federal funds
- Client fees
- Private donations
- Private foundation grants
- Funding Schedule

The purpose of the Funding Schedule is to identify **all** funding sources that support the whole TCM budget unit. Required information to be included: (1) name of funding source, (2) funding source funds that support the TCM budget unit, (3) whether the funds support TCM encounters, (4) amount of unallowable federal and private funding, and (5) computation of unallowable funding requiring adjustment against TCM costs. All funding sources identified with unallowable funding on the *Funding Schedule* must be included on the Cost Report Worksheet B.

Summary of Allowable Funding for Claiming Federal Matching Funds Worksheet

Although this worksheet looks similar to the Funding Schedule, use this additional worksheet to identify funding sources for eligible Certified Public Expenditures (CPE) of billable TCM services provided to Medi-Cal beneficiaries. This worksheet will serve to determine if the funding source provided adequate CPE for Federal Financial Participation (FFP) match, as required by 42 CFR 433.51.

Remember an electronic copy **as well as a** hard copy **of the** Funding Schedule and Summary of Allowable Funding for Claiming Federal Matching Funds worksheets **must be submitted.**

Encounters Methodology Worksheet

Using your LGA encounter log, tally the **total** number of: TCM encounters conducted with Medi-Cal beneficiaries and the TCM Medi-Cal encounters that were not claimable, such as those conducted in locked facilities or with persons served under other case management programs (Maternal Child Health (MCH), the TCM LEAD program, California Child Services (CCS), etc.). If these program costs are included in the TCM Budget Unit, then total the non-claimable Medi-Cal TCM encounters conducted. Enter these numbers where indicated in the top half of the Encounter Methodology Worksheet.

Analyze your LGA's projected claimable Medi-Cal TCM encounters by considering how many additional or fewer staff will be providing services to how many additional or fewer clients. This change might be caused by adding or reducing the number of programs provided by the LGA or by targeting a new client population.

After determining a percentage of change, select Increase or Decrease from the pull-down menu and enter the percentage in the blue cell indicated. Enter a brief explanation of how this projection was determined in the large blue space. Add descriptive supporting documentation (details of program changes and per-case manager encounters) if the change is large (more than 20%).

Interim Medi-Cal TCM Encounter Payment Rate Calculation Worksheet

This worksheet records the total prior fiscal year costs of TCM services to all TCM target populations and related encounters. It calculates the interim Medi-Cal TCM encounter payment rate to be used for reimbursement for the TCM service period beginning July 1, 2013 until the next interim rate is established.

The purpose of an interim Medi-Cal TCM encounter payment rate is to provide an interim payment that will approximate the Medi-Cal TCM program cost per encounter eligible for Federal Financial Participation claimed through the CPE process. For each LGA, the Department will establish an interim Medi-Cal payment rate based on a weighted average from cost reports due by November 1, 2013. The interim Medi-Cal payment rate will be calculated by dividing the total allowable costs by total encounters from the cost reports containing 100 percent of each target population's cost.

Worksheet A (supported by the Cost Report Review Tool)

Do not enter any data directly into Worksheet A. This worksheet is entirely formula driven. Verify that Line 7, Column 4, is zero. If it is not zero, there will be an ERROR message in Line 7, Column 7. If you get an error message, review how you entered data in the S&B Schedules. Do the time-survey percentages for TCM staff on S&B Sch 2A total 100 percent on each row? On S&B Sch 2A, is the correct 100.00% selected for ADMIN and NTCM? Are the salaries, benefits, and operating expenses entered accurately? How about the number of encounters on the Encounter Methodology Worksheet? Any major imbalance on Worksheet A may be caused by one of these problems.

If the imbalance in Line 7, Column 4, is one or two dollars, balance it to zero by entering an opposite amount on S&B Sch 2D at the bottom of the column titled “Total Other/ Direct/ MAA Salary & PTO” (for $1 on Worksheet A, enter -$1 on S&B Sch 2D). Do not use this method anywhere other than on S&B Sch 2D.

Cost Report Review Tool

Use the Cost Report Review Tool to check for accuracy and reasonableness. Enter the requested sums from the Cost Report and enter the page number where those sums are found in the supporting documents. It is vital that these primary figures match (within a dollar or two) your general ledger, payroll detail, and working trial balance.

The Cost Report Review Tool includes three calculations to alert you to possible unreasonable costs:

The approximate cost per encounter hour is generated.

The ratio of Administrative staff S&B to TCM staff S&B is generated.

The ratio of Operating Expenses (not including Contractors) to TCM staff S&B is generated.

The Cost Report Review Tool must be completed for the Cost Report to be approved.

Remember an **electronic copy** as well as a **hard copy** of the **Cost Report Review Tool** must be submitted.

How to name your Electronic Cost Report Templates and Tools

Current Year
LGA Name
Abbreviated TCM Program name **(CH, FA, IR, NO, and CD)**
Cost Report **(CR),** Time Survey **(TS),** Cost Report Review Tool **(RT),** Funding Schedule **(FS),** Summary of Allowable Funding for Claiming Federal Matching Funds **(AF),** and Interim Medi-Cal TCM Encounter Payment Rate Calculation **(IMTEPR)**

Please follow the example below when naming the electronics files for the submission of your county's' Cost Report. If you are filing Final Closing–Year Costs see page 54 for details.

Example:

2013 Santa Cruz IR CR.xls
2009 Santa Cruz IR TS.xls
2013 Santa Cruz IR RT.xls
2013 Santa Cruz IR FS.xls
2013 Santa Cruz IR AF.xls
2013 Santa Cruz IR IMTEPR.xls

Packaging Your TCM Cost Report

1. Use the standardized Table of Contents from Appendix C.
2. Enhance the table of contents by indicating any color-coding scheme you are using. Number all pages of the Cost Report as shown in the Table of Contents.
3. On all supporting documents, highlight key figures and note to which Worksheets or Schedules these figures refer.
4. Tab and label the Cost Report packet using headings from the Table of Contents.
5. Ensure that all Essential Materials and Required Supporting Documents are included.
6. Verify that the Cost Report Checklist and the Cost Report Review Tool have been completed and are included (hard copy and electronically).
7. Compose a separate cover letter for each Cost Report that explains any unusual features in the Cost Report and any major changes from the previous year.
8. Please use the simplest sure method of securing your Cost Report for mailing (rubber bands, binder clips, or simple folders). Unless your Cost Report is more than 200 pages thick, please do not use three-ring binders.
9. Follow the electronic naming instructions on page 20.
10. **Email your DHCS MAA/TCM Combo Time Survey Template, DHCS TCM Cost Report Template, Funding Schedule, Cost Report Review Tool Template, Summary of Allowable Funding for Claiming Federal Matching Funds and Interim Medi-Cal TCM Encounter Payment Rate Calculation** no later than November 1, 2013, to dhsaitcm@dhcs.ca.gov.
11. **Mail your Cost Report** no later than November 1, 2013, to:

Regular U.S. Postal Services Mail:

Department of Health Care Services
Audits and Investigations
Audit Review & Analysis Section
1500 Capitol Avenue, MS 2109
P.O. Box 997413
Sacramento, CA 95899-7413

Overnight or Express Mail:

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

Audit File

Once your Cost Report is completed, packaged, and sent to DHCS, the person preparing the TCM Cost Report must create an audit file. All documents related to the TCM Cost Report must be stored where they are accessible to the person responsible to answer questions from an auditor (typically the person who prepared the Cost Report). The State will contact the LGA's MAA/TCM Coordinator to ask for more information regarding the Cost Report or to arrange for an audit.

Resources & Forms to Complete the Cost Report
General Instructions: This worksheet provides you a list of materials necessary to understand and complete the Cost Report. With the exception of the OMB Circular link, all of these materials are on the DHCS website: http://www.dhcs.ca.gov/provgovpart/Pages/TCM.aspx.
TCM Cost Report Instructions
TCM Time Survey Summary Template from 1 up to 200 staff
TCM Cost Report Template
TCM Cost Report Certification
TCM Cost Report Checklist
TCM Cost Report Certification and Attestation Statements
TCM Funding Schedule
TCM Summary of Allowable Funding for Claiming Federal Matching Funds Worksheet
Interim Medi-Cal TCM Encounter Payment Rate Calculation
TCM Cost Report Review Tool
TCM Cost Report Training Presentation (Power Point)
TCM Time Survey Procedures
The Office of Management and Budget Circular A-87 (OMB Circular A-87)

Cell-By-Cell Instructions for a Successful Cost Report

Use the following tables to complete and analyze the two Excel workbook template used in the TCM Cost Report: the Time Survey Summary Template and the TCM Cost Report Template. Each workbook consists of multiple worksheets. The Time Survey Summary Template workbook consists of worksheets labeled List, Totals, blank, and individually numbered worksheets from 1 up to 200. The TCM Cost Report Template workbook consists of worksheets labeled A, Encounters, B, C, D, Salaries, Survey Averaging, Contractors, and References.

These instructions are presented in the order in which they should be completed: Time Survey; Survey Averaging; S&B Sch 1A, 1B, 2A, 3A & 3B; and Worksheets D, C, B, encounters, and A. These tables include information on the formulas used in these templates. **Do not alter these formulas; enter data only in the blue cells.** Formula information is provided only to help you understand how the templates process data so that you can better analyze your results.

Note: The Instructions for the Time Survey Template may not be necessary since 2009 Time Surveys are been used to complete this cost report. However, they are provided below as reference.

Time Survey Summary Template

***General Instructions*:** Enter the data entered by TCM staff on their signed Time Survey forms. *The formulas in this workbook calculate the percentages you will enter into S&B Sch 2A and the Salaries Averaging worksheet.* After entering the time survey hours onto the worksheets numbered from 1 up to 200 (only 50 at a time), the workbook will calculate the percentages for each TCM time survey category on the List worksheet and will tally the total hours for each category on the Totals Worksheet.

Select the appropriate version of the Time Survey Summary Template from the TCM website that includes a worksheet for each of your TCM staff from 1 up to 200 in increments of 50 at a time. If you need a workbook containing more than 200 numbered worksheets, please contact DHCS.

List Worksheet Instructions

General Instructions: This worksheet provides a list of time survey results for each TCM staff whose hours are entered into the individual numbered worksheets. Enter the LGA name and TCM program name at the top of this worksheet. Enter nothing else into this worksheet. Use this worksheet to analyze time survey data entered on worksheets 1 through 200. The individual time survey data entered on worksheets 1 through 200 automatically flows to this worksheet to generate the time survey percentages you will enter on S&B Sch 2A.

Excel Column/Row	List Worksheet Instructions (Cont.)
E1	Enter the name of the LGA as reported on the TCM Cost Report.
E2	Enter the name of the TCM program as reported on the TCM Cost Report.
U2	Enter the Month of the Time Survey included in this Workbook.
V2	Enter the Year of the Time Survey included in this Workbook.
AC	This cell is optional and may be used to enter the hours the employee calculated on the original, signed Time Survey. It is used to compared the results in cell AB.
AD	This formula provides the difference of the total hours in AB and the employee calculation in AC. The difference may be due to a data entry error in the workbook or a calculation error by the employee that needs to be lined out, corrected, and initialed by the employee.
The remaining cells have formulas that link to the worksheets in this workbook to report data or total data for use in the TCM Cost Report.	
C	This is the worksheet number linked to this row.
D	This is the employee name recorded on the worksheet linked to this row in cell C7.
E	This is the employee number recorded on the worksheet linked to this row in cell Q7.
F	This is the employee's job classification recorded on the worksheet linked to this row in cell J7.
G, H, I	This is the option selected for the employee's TCM position: Supervisor of Case Manager(s), Case Manager, or Support to Case Manager(s) as recorded on the worksheet linked to this row in cells Z 3,4, or 5.
J to AA	These are the total hours for each of the Activities on the TCM Time Survey as recorded on the worksheet linked to this row in cells AI10 through AI27.
AB	This formula sums the hours in J to AA.
AE to AH	These formulas calculate the percentage of time to be entered into the S&B Sch 2A for the individual staff.
Excel Column/Row	**List Worksheet Instructions (Cont.)**
AE	This formula calculates the TCM percentage of time for the workbook linked to this row. It is the total TCM hours in AI27 divided by total hours in AI28, rounded to two decimal places for the percentage to be entered into S&B Sch 2A, Column T.

AF	This formula represents the NTCM, non-General Administration, non-Paid Time Off percentage of time for the workbook linked to this row. It is the total of Other hours in AI23, plus Direct hours in AI24 plus MAA hours in AI10 to AI22, divided by total hours in AI28, rounded to two decimal places for the percentage to be entered into S&B Sch 2A, Column U.
AG	This formula represents General Administrative percentage of time for the workbook linked to this row. It is the total GA hours in AI25 divided by total hours in AI28, rounded to two decimal places for the percentage to be entered into S&B Sch 2A, Column V.
AH	This formula represents Paid Time Off percentage of time for the workbook linked to this row. It is the total PTO hours in AI26 divided by total hours in AI28, rounded to two decimal places for the percentage to be entered into Schedule 2A, Column W.
AI	This formula represents the total of the percentages of time for each time survey category. This should be 100 percent. If it is not, a formula error for division by zero if the workbook linked to this row is blank.

List Worksheet Totals/Averages Defined:

The totals and averages and titles are at the bottom of the List worksheet in column D. The row number of the total/Average will depend on how many time sheets you have in your survey. (if you have 27 time sheets, the total/averages start on rows 32 through 40)

Row Title	Column	Explanation
Totals	G to I	These formulas calculate the total number of staff for each of the TCM positions for information only.
Total Number of TCM Staff	H	This formula calculates the total number of staff recorded in this Workbook. This number should agree with the total number of Time Surveys copied and provided with the TCM Cost Report.
Total Summarized Hours for TCM Cost Report Averages	AE to AH	These formulas calculate the total hours to be entered into the Survey Averaging Worksheet in the TCM Cost Report Workbook.
Total Summarized Hours for TCM Cost Report Averages	AE	This formula represents the total TCM hours worked by all staff in this workbook. It is to be entered into cell G10 of the Survey Averaging Worksheet in the TCM Cost Report Workbook.

Total Summarized Hours for TCM Cost Report Averages	AF	This formula represents the total NTCM, non-General Administration, and non-Paid Time Off hours worked by all staff in this workbook. It is to be entered into cell G11 of the Survey Averaging Worksheet in the TCM Cost Report Workbook.
Total Summarized Hours for TCM Cost Report Averages	AG	This formula represents the total General Administration hours worked by all staff in this workbook. It is to be entered into cell G12 of the Survey Averaging Worksheet in the TCM Cost Report Workbook.
Total Summarized Hours for TCM Cost Report Averages	AH	This formula represents the total Paid Time Off hours worked by all staff in this workbook. It is to be entered into cell G13 of the Survey Averaging Worksheet in the TCM Cost Report Workbook.
Average percentage of hours		These formulas represent the averaged percentages that will appear in S&B Sch 2A once the totals of each category of time survey hours are entered into the Survey Averaging Worksheet in the TCM Cost Report Workbook.

Time Survey Totals Worksheet

General Instructions: Enter nothing else into this worksheet. LGA name should appear at the top of this worksheet. Use this worksheet to analyze time survey data entered on worksheets one through 200. The individual time survey data entered on worksheets one through 200 automatically flows into this worksheet to generate the total hours for each time survey category (TCM, Other, Gen Admin, PTO).

Excel Column/Row	Totals Worksheet Instructions
V3 – V5	Apply to MAA Only
Z3, Z4, and Z5	These cells calculate the total number of staff for each of the TCM positions. This is for your information only and agrees with List totals.
S4	This formula calculates the total number of staff recorded in this Workbook and will agree with List totals.

Excel Column/Row	Totals Worksheet Instructions (Cont.)
D8-AH8	These are the days of the month of the time survey.
D to AH	These formulas calculate to total number of hours recorded on the numbered worksheets for each activity on each day.
AI10 to AI27	These formulas sum the total number of hours for each category of time survey hours.
D28 to AH27	These formulas sum the total number of hours for each day.
AI28	This formula sums the total number of hours for all categories of time survey hours.
AJ10 to AJ27	These formulas calculate the percentage of the total number of hours for each category of time survey hours. These percentages result from dividing the total hours for that time survey category by the total hours in AI28. This is for informational use only. It is not used in the TCM Cost Report.
AJ28	This formula represents the sum of the percentages for each category of time survey hours and should be 100 percent.

Numbered Worksheets

General Instructions: Sort the Time Survey forms by alphabetical order. Enter the time survey data into worksheets one through 200. If your TCM staff entered their time survey hours on electronic Program Time Survey by Case Manager forms (Excel), you may use the copy and Edit/Paste Special/Values functions to transfer the daily activity hours of each staff, as explained below. Enter data only where instructed (enter the name of the LGA only on the List worksheet and staff names, job titles, and time survey data only on worksheets one through 200).
The time survey data flows to the List worksheet that generates the percentages for each time survey category entered on S&B Sch 2A. DHCS staff compare these sheets to the copies of the original Time Survey forms that are submitted with the TCM Cost Report.

Excel Column/Row	Instructions
Z3, Z4, and Z5	These cells have a pull-down box to indicate the TCM position of the staff being entered on this worksheet. Select only one of the three options: *Supervisor of Case Manager(s,) Case Manager,* or *Support Staff to Case Manager(s)*. Leave the unused boxes blank.
D to AH	This row may be copied and pasted (Edit/Paste Special/Values) from an individual Program Time Survey by Case Manager worksheet (Excel). The shortcut is to right click on the row number of the individual worksheet and paste the whole row into the Numbered worksheet.
C7	Enter the staff last name first, then first name.

Excel Column/Row	Numbered Worksheets Instructions (Cont.)
J7	Enter the staff job classification. If MAA is also claimed, this must match the MAA Claiming Plan job classification.
Q7	Enter the staff employee number.
W7	Enter the name of the staff program and budget unit. If MAA is also claimed, this must match the MAA Claiming Unit name.
AD7	Enter the budget unit location of staff who time-surveyed.
D8–AH8	These represent the days of the month of the time survey.
D to AH	Key in (or copy) the time survey hours from the original Time Survey forms. If you copy, only use the Edit/Paste Special/Values function. If you do not use the Edit/Paste Special/Values function, you risk copying formulas as well as data. Do not copy the formulas from any other worksheet, or the template will not work.
AI10 to AI27	These formulas sum the total number of hours for each category of time survey hours. Verify that they agree with the original staff Program Time Survey by Case Manager forms.
D28 to AH28	These formulas sum the total number of hours for each day. Verify that they agree with the original Program Time Survey by Case Manager form.
AI28	This formula sums the total number of hours for all activities. Verify that they agree with the original, signed Time Survey form.
AJ10 to AJ27	These formulas calculate the percentage of the total number of hours for each category of time survey hours. These percentages result from dividing the total hours for that time survey category by the total hours in AI28.
AJ28	This formula represents the sum of the percentages of each category of time survey hours. Verify that it is 100 percent.

TCM Cost Report Template

Worksheets A, Encounters, B, C, D, Salaries, Survey Averaging, Contractors, and References

***General Instructions*:** This workbook records the total prior fiscal year costs of providing TCM services to a TCM target population. It calculates the TCM encounter rate and the maximum reimbursement limit (CAP) for the current fiscal year's TCM encounters.

Note: To add additional lines to B, D, Salaries, and Contractor Worksheets click on the associated "Add button" and enter the number of lines to add.

1. Do not alter any formula in this Excel template. Do not delete any worksheet from this workbook.
2. Name the file that is emailed to DHCS using the current year, LGA name with one of the following abbreviations for the TCM program such as, Mendocino Public Health becomes 2013 Mendocino PH, OC, PG, Link, AP, or Comm. (Specify an identifier for each CBO/LPE program if applicable.)
3. Enter the name of the LGA and the TCM program name only at the top of Worksheet A.
4. Cells highlighted in blue are data entry fields. **Enter data ONLY in the blue cells;** all other cells are locked.
5. Cells highlighted in green contain formulas that must not be altered.
6. Yellow highlighted cells are also formula fields that link to or from another sheet in the workbook, as indicated in the adjacent cell. Do not alter these cells.
7. Some cells contain a drop-down box. These are not visible on the screen until you click on the cell. To see the text that can be entered into these cells: left click the cell and then left click the down-arrow button located in the corner of the cell. A drop-down list will appear. Choose one of the items on the list by placing the cursor over it and then clicking the left mouse button.
8. Cells with a red triangle in the upper right corner contain comments to assist with data entry. To read the comment, place your curser on the cell without clicking. Follow these comments very carefully.

Survey Averaging Worksheet CALCULATION FOR AVERAGED PERCENTAGES IN S&B SCHED 2A	
***General Instructions*:** This worksheet (in the TCM Cost Report Template) calculates the averaged time-survey percentages for each time survey category. Obtain the total time survey hours for each of the four time survey categories from the List worksheet in the Time Survey Summary Template (see the instructions for the List worksheet). The calculations for the averaged percentages appear in the green cells. They automatically link to the yellow cells in the Salary Survey columns of S&B Sched 2A. Verify that the results from the Survey Averaging Worksheet appear in the Averaging section of S&B Sched 2B.	
Excel Column/ Row	**Instructions**
G10	Enter the total number of TCM hours for all staff who time-surveyed. Do not enter a percentage here.
G11	Enter the total number of Other/Direct Service/MAA hours for all staff who time-surveyed. Do not enter a percentage here.
G12	Enter the total number of General Administration hours for all staff who time-surveyed. Do not enter a percentage here.
G13	Enter the total number of Paid Time Off hours for all staff who time-surveyed. Do not enter a percentage here.
G14	This formula sums cells G10 through G13. Verify that each of the four time-survey categories are correctly entered from the List worksheet of the TCM Time Survey Summary Template. The Total Hours should agree with this cell.
Averages	The List worksheet provides the averaged percentages for verification of data entry into this worksheet.

Salaries Worksheet (S&B Sch)

General Instructions: Enter staff names, TCM classifications, salaries and benefits, operating costs, and time survey results on this six-page-long worksheet. The worksheet is divided vertically into three classifications of employees: "Time-Surveyed to TCM," "Averaged TCM," and "Admin & NTCM."

Note: If the TCM budget unit has few TCM staff relative to many ADMIN & NTCM staff, review your general ledger at a smaller level of detail. Determine if some of the ADMIN & NTCM costs could be claimed as indirect operating expenses on S&B Sched 1B instead of on S&B Sched 1A (see the discussion of this point on pages 7 and 8).

TCM budget units that have more employees than there are rows provided on the Salaries worksheet can add additional rows by clicking on the associated "Add button" and entering the number of rows to add (Note: only in increments of 50 rows at a time).

The amounts entered into the Salaries worksheet must tie or reconcile to your general ledger. If your accounting system has the ability to create a smaller budget unit from a larger general ledger budget unit, remember to be consistent.

The cell references in the Instructions below apply to the TCM Cost Report template before any rows have been inserted.

S&B Sch 1A – Top Group for staff who surveyed to TCM

Excel Column	Heading	Instructions
B	Employee Name	Enter the first and last name of TCM Case Managers who time-surveyed (alphabetically by last name).
C	Role	Select from the drop-down box one of the three choices: *Case Manager* provides TCM services to Medi-Cal beneficiaries; *Direct Supervisor of Case Manager* directly supervises a TCM Case Manager; and *Direct Support of Case Manager* performs administrative support for a TCM Case Manager.
D	Notes	This cell is for optional LGA notes.
E	Classification	Select *TCM* from the drop-down box.
Excel Column	**Heading**	**S&B Sch 1A – Top Group for staff who surveyed to TCM (Cont.)**
F	Salaries	Enter the gross salary of the employee named in cell B10. In the blue cell at the bottom of this column, enter a reference for the attached supporting documentation for these amounts (such as, GL page 2; Sch 4B).

G	Benefits	Enter the gross benefits of the employee named in cell B10. In the blue cell at the bottom of this column, enter a reference for the attached supporting documentation for these amounts (such as, GL page 2; Sch 4B).
S&B Sch 1A – Second Group for TCM Case Mangers, Direct Supervision of Case Mangers and Direct Support to Case Managers who are being averaged		
B	Employee Name	Enter the first and last name of TCM Case Managers (C.M) who qualify to be averaged (alphabetically by last name). *For cost report due November 1, 2013*, ***"TCM direct supervisors of case managers" and "direct support staff to case managers"*** *who did not* ***time survey in the FY 2009/10 should be included in the "Averaged" section of the Salaries & Benefits Scheduled 1A and classified as "TCM".***
C	Role	Select from the drop-down box: *Case Manager, Direct Supervisor of C.M, and Direct Support to C.M*
D	Notes	This cell is for optional LGA notes.
E	Classification	Select *TCM* from the drop-down box.
F	Salaries	Enter the gross salary of the employee named in cell B10. In the blue cell at the bottom of this column, enter a reference for the attached supporting documentation for these amounts (such as, GL page 2; Sch 4B).
G	Benefits	Enter the gross benefits of the employee named in cell B10. In the blue cell at the bottom of this column, enter a reference for the attached supporting documentation for these amounts (such as, GL page 2; Sch 4B).

S&B Sch 1A – Bottom Group for all other staff classified as ADMIN or NTCM		
Excel Column	**Heading**	**Instructions**
B	Employee Name	If the budget unit includes NTCM support staff and managers who provide for the administrative needs of the TCM budget unit, list them (alphabetically by last name), as ADMIN in the ADMIN & NTCM section. List anyone else (alphabetically by last name) in the TCM budget unit as NTCM in the ADMIN & NTCM section. DHCS prefers that you enter each staff individually. However, you may list the name, job classification, salary, and benefits of each staff on a separate schedule (one schedule for ADMIN and one for NTCM) and enter the single aggregated amounts for ADMIN and NTCM on S&B Sch 1A. When entering an aggregate amount on S&B Sch 1A, in the place of the employee name, identify the name and location of the supporting schedule.
C	Role	If not aggregating, identify what type of work each person does.
E	Classification	This cell contains a drop-down box with either *NTCM* or *ADMIN*. Select the appropriate choice per description in General Instructions above.

S&B Sch 1B – Operating Expenses		
Excel Column	**Heading**	**Instructions**
P	Operating Expenses By Employee	If your LGA's accounting system allows you to identify the operating expenses directly associated with the individual employees named in Column B, enter those individual amounts here. If the accounting system cannot separate the expenses by employee, do not use this column. This method is especially useful in reporting costs that may be attributed to individual or aggregated NTCM staff and may not be distributed as TCM costs. In the blue cell at the bottom of this column, identify the name and location of the attached supporting documentation for these amounts (such as, GL page 2; Sch 4B).
Q	Distributed Operating Expense	If your LGA's accounting system does not allow you to identify the operating expenses directly associated with the individual employee named in Column B, identify the total amount of **direct and indirect operating expenses** (see page 9) for the TCM budget unit and enter that amount in the blue cell at the bottom of this column. Formulas in this column will automatically distribute this amount to each employee as a proportion of each employee's salary and benefits. This cell is only for entry of allowable gross expenses. If you are not listing 100 percent of the personnel from a general ledger budget unit, be consistent and do not include 100 percent of the expenses. In the blue cell at the bottom of this column, identify the name and location of the attached supporting documentation for this amount (such as, GL page 2; Sch 4B).

S&B Sch 2A – Salary Survey – Use the List worksheet from DHCS MAA/TCM Time Survey Template for the Top Group		
Excel Column	**Heading**	**Instructions**
T	TCM	Enter each employee's time survey percentages for each time survey category as indicated on the List worksheet, found in List worksheet Column Y. Enter the percentage to two decimal places. For example: 25.48 for 25.48 percent. Do not round to whole numbers.
U	Other/Direct/MAA	Enter each employee's percentage of time coded to Other, Direct Services, and MAA, found in List worksheet Column Z.
V	Gen Admin	Enter each employee's percentage of time coded to General Administration, found in List worksheet Column AA.
W	PTO	Enter each employee's percentage of time coded to PTO, found in List worksheet Column AB.
X	Totals	Do not enter data. If you receive an error message here, the employee's four categories of time survey results do not sum to exactly 100.00%. Verify that the data in each cell has two decimal places. This column must show 100.00% or the remaining schedules and Worksheet C will not work correctly.
S&B Sch 2A – Use the Survey Averaging Worksheet for the Second Group		
T to W	Averaged Percentages	Do not enter data. Verify that these numbers are linked correctly from cells I10, I11, I12, and I13 in the Survey Averaging Worksheet into the yellow cells of these columns. The Survey Averaging Worksheet must be completed even if the budget unit has no Averaged employees or the Salaries schedules will not work correctly. Remember to insert new rows for extra Averaged employees between existing employee rows in the average group per the General Instructions above.
X	Totals	Do not enter data. Each cell must be 100.00%.

S&B Sch 2A – Bottom Group for all other staff classified as ADMIN or NTCM		
Excel Column	**Heading**	**Instructions**
U	Other/Direct/MAA	If the employee on this line has been designated as NTCM, select *100.00%*. If the employee on this line has been classified as Admin, select *0.00%* from the drop-down box.
V	Gen Admin	If the employee on this line has been designated as Admin, select *100.00%* from the drop-down box. If the employee on this line has been classified as NTCM, select *0.00%* from the drop-down box.
X	Totals	Do not enter data. Each cell must be 100.00%.

Contractors (CBO/LPE) Worksheet
S&B Sch 3A & 3B

***General Instructions*:** This worksheet lists all TCM contractors (CBOs and LPEs only) and their costs for providing TCM services to the target population. The page is divided for Non-Specific (S&B Sch 3A) and Specific (S&B Sch 3B) CBO/LPE contracts.

Individual contractors that support TCM services, (such as computer programming), must be reported on Worksheet D, Column 1, as 100 percent TCM costs. Contractors that support TCM and NTCM or unallowable services must be reported with operating expenses on S&B Sch 1B.

Cells B1, B2, D2, and E2 are automatically filled with text from other worksheets. Enter data only in the cells highlighted in **blue**. Cells highlighted in green contain formulas, and must not be altered. Cells highlighted in yellow are also formula fields that link to or from another worksheet.

Contractor – Non-Specific (S&B Sch 3A)

Use S&B Sch 3A if your contract with your CBO/LPE does not specify the total amount the LGA will reimburse the CBO/LPE for the fiscal year. The CBO/LPE TCM staff must time-survey and complete a TCM Cost Report. The CBO/LPE's Total Costs (Worksheet A, Line 7, Column 7) and Total TCM Costs per Analysis (Worksheet A, Line 19) will be entered in the LGAs combined TCM Cost Report on S&B Sch 3A.

Contractor – Specific (S&B Sch 3B)

Use S&B Sch 3B if your contract with your CBO/LPE specifies the total amount the LGA will reimburse the CBO/LPE for the fiscal year. If the contract includes both TCM and NTCM services, the CBO/LPE's Total Costs (Worksheet A, Line 7, Column 7) and Total TCM Costs per Analysis (Worksheet A, Line 19) will be entered in the LGAs combined TCM Cost Report on S&B Sch 3B. If the contract is for TCM services only, enter the amount from Worksheet A, Line 7, Column 7, into both columns.

Excel Column	Heading	Instructions
B	Contractors Specific or Non-Specific	Enter the CBO/LPE's name.
C	Total Cost	This is either the CBO/LPE's total costs (Non-Specific) or the total amount paid to the CBO/LPE (Specific); it flows to Worksheet A, Column 2.
D	TCM Costs Per Analysis	Enter the amounts determined by the CBO/LPE TCM Cost Report to be TCM-only costs (Worksheet A, Line 19). These amounts flow to Worksheet C, through Column 1 of Worksheet C1.
E	Non-claimable	This formula calculates the difference between Total Cost and TCM Cost per Analysis to represent the non-claimable portion of the CBO/LPE's costs.

Worksheet D
ADJUSTMENTS TO EXPENSES

***General Instructions*:** Enter costs that are 100-percent TCM costs and 100-percent NTCM costs.

Each of the following types of costs must be identified as separate amounts and listed with their general ledger account title in the description field. List one general ledger account title per line. Enter amounts as positive numbers. Do not use Columns 2, 3, and 5.

Examples:

100-percent TCM

Related only to TCM and not to other programs, such as the purchase of a computer system, or software consulting services that are used exclusively for TCM. Contracted services that are TCM and NTCM or unallowable must be reported with operating expenses on S&B Sch 1B.

100-percent NTCM

Related only to NTCM contracts or other NTCM programs, such as lab supplies, medical supplies, professional licenses, contracts for 100-percent NTCM services, client food, client transportation, and respite care.

Unallowable costs, such as malpractice insurance, interest expense, lobbying activities, etc.

For more information, refer to OMB Circular A-87 which can be found on the

TCM web at: http://www.dhcs.ca.gov/provgovpart/Pages/TCM.aspx

Excel Column	Heading	Instructions
B	Description	Use this column to list the general ledger account titles from your accounting system (one title per line). If a general ledger account title is listed more than once, identify it as TCM, NTCM, or unallowable.
C	1. Total Adjustment to TCM Class Costs	Use this column to record any cost that is 100-percent TCM.
D	2. Total Adjustment to Contractor Costs-Non Specific	Do not use this column.

Excel Column	Heading	Worksheet D Adjustments to Expenses (cont.)
E	3. Total Adjustment to Contractor Costs-Specific	Do not use this column.
F	4. Total Adjustment to Non TCM Services	Use this column for costs that are 100-percent NTCM or unallowable. If an unallowable cost is in the same general ledger account as a NTCM cost, the two amounts must be separated and identified on separate lines. For example Insurance - (NTCM) on one line and Insurance - (Unallowable) on another line.
G	5. Total Adjustment to Overhead Services	Do not use this column. Record all Overhead costs on the S&B Sch 1B.

Worksheets C & C1
RECLASSIFICATION

***General Instructions*:** This worksheet reclassifies costs based on the time survey results (Rows 1–7).

The table in this worksheet (Rows 1–7) is self-generating**. Do not enter any data**. This cost reclassification is based on the time survey results that were entered into S&B Sch 2A, as explained in PPL 06-014.

Note: For reclassifications purposes, Direct Services, Other Programs/Activities, and all MAA time is classified as NTCM Costs.

This worksheet helps determine which costs do not flow correctly to Worksheet A. Total costs on Worksheet C1 should be equal to the total costs of the Salaries Schedules and the Contractors Worksheet. A section of each cost has been provided for analysis. The most common error is incorrect data entry of Time Survey results in S&B Sch 2A.

Funding Schedule and Worksheet B

***General Instructions*:** Enter funding sources and total amounts for funding that must be offset per 42 CFR Section 433.51, W&I Code 14132.44(f), and 22 CCR Section 51535.7. Then enter the percentage of those amounts that support the provision of all TCM services. For TCM encounters to be eligible for federal reimbursement, they must be funded by **allowable public funds**. Federal funds that support the provision of TCM services to Medi-Cal beneficiaries must be offset here. Funding sources that must also required offset include but are not limited to: private funds, client fees, private foundation grants, etc. The Total Assigned to TCM Services links as a negative number to Worksheet A, Line 18, to calculate the Adjusted Allowable Case Managers Cost on Line 19.

Funding Schedule Detailed Instructions

Use the following steps to complete the Funding Schedule:

Step 1. Name of Funding Source: Identify the name of each funding source that supports the whole budget unit. This **does not** include reimbursements from MAA/TCM programs.

Step 2. Funding Amount: Identify the total amount of funding each source provided.

Step 3. Funding Supports TCM Encounters: Indicate whether or not the funding supports TCM encounters. Enter **Yes** or **No**.

Step 4. Total Unallowable Funding Supporting TCM Encounters: If *Step 3* = **Yes**, enter total amount of funding from *Step 2* [total nonallowable federal funding (LGAs, CBOs and LPEs) and total client fees].

Step 5. Compute Unallowable Funding that Supports the Provision of all TCM Encounters: Multiply the amount from *Step 4* by the Average Percent TCM from the *Survey Averaging Worksheet*.

Step 6. Alternative Method: If you used an alternative method for determining the unallowable funding amount, explain the method used to calculate it. The adjustment amount should be included in the column identified as *Step 5*.

NOTE: Some LGAs have staff provide case management under TCM and other programs. Some of those LGAs time-survey all case management as TCM and adjust the Cost Report by offsetting the related NTCM S&B. This is only acceptable if the Cost Report has no case managers in Averaged, all the NTCM case managers are in Averaged or ADMIN, or the NTCM case manager's Time Survey are adjusted to report their NTCM case management hours in Other Programs.

Excel Column	Heading	Worksheet B Detailed Instructions
Complete Worksheet B using the *Funding Schedule*. List one funding source per line. Add more lines as needed.		
B	Description	Enter the title of the funding source. Use the title provided by the source agency. Do not use acronyms.
C	Source	Enter Federal, State, Private, Client Fees, or a combination of these.
D (Column 1)	Total Unallowable Funding	Enter the total amount of unallowable funding that supports the budget unit from *Funding Schedule - Step 4*.
E (Column 2)	Total Unallowable Funding Supporting All TCM Services	Enter the total amount of unallowable funding that supports the provision of all TCM encounters from *Funding Schedule – Step 5*. The total of this column will automatically flow to Worksheet A, line 18, as a negative number.

Summary of Allowable Funding for Claiming Federal Matching Funds Worksheet

General Instructions: This worksheet will determine if there was sufficient allowable funding for Claiming Federal Matching Funds (pursuant to 42 CFR 433.51) for Medi-Cal TCM claims invoiced to the TCM program for Federal Reimbursements.

You will use the Cost Report Template to complete this worksheet. **This worksheet cannot be completed until Cost Report Template has been completed in its entirety.**

You will need to ensure that your macros are enabled and that your security level is set to Medium or Low.

Step 1 (Excel Column B): Name all funding sources that support the whole budget unit. Complete steps 2-7 for each of the funding sources identified.

Note: By selecting "Add funding source line", additional lines can be added.

Step 2 (Excel Column C): List the total amount of the funding that supports the budget unit, received from the source named in Step 1.

Step 3 (Excel Column D): Verify whether the amount in Step 2 supports TCM encounters. This will be either "Yes" or "No". If Yes, proceed and complete steps 4-7, if No skip steps 4-7.

Step 4 (Excel Column E): If you answered "Yes" to Step 3, list funding identified in Step 2 eligible for Federal Matching funds pursuant to 42 CFR 433.51 (CPE); otherwise, enter "0."

Step 5 (Excel Column F): Using the Survey Averaging Worksheet enter the "Average Percent TCM;" otherwise enter N/A. If you enter N/A, please enter comments for this row.

Step 6 (Excel Column G): Using the Encounter Methodology Worksheet enter the "Percent of TCM Encounter / Total TCM Encounter." This is the first percentage amount identified in the last column of the Encounter Methodology Worksheet (cell E9); otherwise enter N/A. If you enter N/A, please enter comments for this row.

Step 7 (Excel Column H): Calculated automatically If you receive a "#VALUE!" message, double check that Step 4 and Step 5 are either marked with a % or N/A.

Step 8 Once you have entered all the information for the funding sources you will need to tab to the field in row "B", Column G. Using the Cost Report Worksheet A, Line "20", enter the billable rate per encounter.

Step 9 Tab to row "C", Column G, using the "Encounters " tab of the Cost Report Template, enter the Total Reported TCM Claimable Medi-Cal Only Encounters (Line D9 of the worksheet).

Once you have completed Step 1-9 the amount on lines D and E will automatically compute. A positive/negative amount on Line E will identify if there was sufficient/insufficient allowable funding for claiming Federal Matching Funds

Encounter Worksheet
Encounter Methodology

***General Instructions*:** This worksheet calculates the projected number of Medi-Cal encounters for the reporting period. There are two calculations on this worksheet linked to Worksheet A, Lines 14 and 21.

Cells B1, B2, and B3 are automatically filled with text from other worksheets. Enter data only in the **blue** cells. The **green** cells contain formulas, and must not be altered. The **yellow** cells are formula fields that link to or from another worksheet. Cell D8 contains a pull-down menu: click on the cell, and select the fiscal year in which the encounters were conducted.

Using your LGA encounter log, tally the total number of claimable TCM encounters conducted with Medi-Cal beneficiaries. Then tally the TCM Medi-Cal encounters that were not claimable, such as those conducted in locked facilities or with clients served under other case management programs. Then tally the total non-Medi-Cal TCM encounters conducted. Enter these numbers where indicated in the top half of the worksheet.

Project the number of claimable Medi-Cal TCM encounters your LGA will conduct in the current year by considering how many additional or fewer staff will be providing services to how many additional or fewer clients. This change might be caused by adding or reducing the number of units providing TCM or by targeting a new client population. After determining a percentage of change, select Increase or Decrease from the pull-down menu (Cell B18) and enter the percentage in the adjacent blue cell. Enter a brief explanation of how this projection was determined in the large blue space.

Using your LGA encounter log develop a supplemental schedule identifying the type (Medi-Cal only and Other) and the number of encounter(s) by month. e.g.

Month	**Claimable Medi-Cal**	**Non-Claimable Medi-Cal***	**Non-Medi-Cal**	**Total**
July 20XX	7	11	18	**36**
⇓				
June 20XX	12	0	12	**24**
Total	**19**	**11**	**30**	**60**

*Non-Claimable, are those conducted in locked facilities or with persons served under other case management programs (TCM LEAD program, California Child Services (CCS), etc.)

Interim Medi-Cal TCM Encounter Payment Rate Calculation Worksheet
General Instructions: This worksheet records the total prior fiscal year costs of TCM services to all TCM target population and related encounters. It calculates the interim Medi-Cal TCM encounter payment rate to be used for reimbursement for the TCM service period beginning July 1, 2013 until the next interim rate is established. Use the Cost Report Template(s) (that contains both, 100% of the TCM cost and 100% of the TCM encounters) to complete this worksheet. **This worksheet cannot be completed until Cost Report Template has been completed in its entirety.** *You will need to ensure that your macros are enabled and that your security level is set to Medium or Low.*
Step 1 (Excel Column B4): Enter LGA Name
Step 2 (Excel Column B&C5): Enter Reporting Period From: to To:
Step 3 (Excel Column C9 to 14): Enter the "Total TCM Reported TCM Encounters" from each TCM target population cost report Worksheet A, Column 1, Line 14.
Step 4 (Excel Column D9 to 14): Enter the "Adjusted Allowable Case Manager Costs" from each TCM target population cost report Worksheet A, Column 1, Line 19.
Step 5 (Excel Column C15): ***Calculates automatically*** - Total All Target Population TCM Encounters (Sum of Column 1, Lines 1 through 6.
Step 6 (Excel Column D16): ***Calculates automatically*** - Total All Target Population Allowable Case Manager Costs (Sum of Column 2, Lines 1 through 6).
Step 7 (Excel Column D17): ***Calculates automatically*** - Interim Medi-Cal TCM Encounter Payment Rate for TCM service period beginning July 1, 2013 (Column 2, Line 8 Divided by Column 1, Line 7).
Once you have completed Steps 1-4 the amount on line D17 is the LGA Interim Medi-Cal Encounter Payment Rate to be used for reimbursement for the TCM service period beginning July 1, 2013 until the next interim rate is established.

Worksheet A

TCM Rate Calculation Worksheet

General Instructions: This worksheet summarizes the TCM budget unit's reported TCM and NTCM costs for the prior fiscal year and calculates the TCM per-encounter rate for reimbursements in the current fiscal year. The worksheet also calculates the maximum reimbursement amount (CAP) before reimbursements are multiplied by the prevailing Federal Medical Assistance Percentage (FMAP). The current FMAP is 50 percent.

There are only four blue cells requiring data entry: the LGA Name, the Program Name, and Reporting Period Dates. Review the worksheet to evaluate potential data-entry errors in the supporting worksheets and to analyze the effects of reported costs found in supporting documents.

If Line 7, Column 4, does not equal zero, review how you entered data in the S&B Schedules. Do the time-survey percentages for TCM staff on S&B Sch 2A total 100 percent on each row? Did you select the 100.00% for ADMIN and NTCM? Are the salaries, benefits, and operating expenses entered accurately? How about the number of encounters on the Encounter Methodology Worksheet? Any major imbalance on Worksheet A is caused by one of these problems.

If the imbalance in Line 7, Column 4, is one or two dollars, you can balance it to zero by entering an opposite amount on S&B Sch 2D at the bottom of the column titled Total Other/ Direct/ MAA Salary & PTO (for $1 on Worksheet A, enter -$1 on S&B Sch 2D). **Do not use this method anywhere other than on S&B Sched 2D.**

Helpful Hints

Congratulations! You have completed your 2013 TCM Cost Report. To expedite the approval process, please review the following hints before you submit/mail your 2013 Cost Report to DHCS.

- ✓ Were proper templates used? – Time Survey, Cost Report, Cost Report Review Tool, Funding Schedule, Summary of Allowable Funding for Claiming Federal Matching Reimbursement, and Interim Medi-Cal TCM Encounter Payment Rate.
- ✓ Is Worksheet A signed in blue ink?
- ✓ Is a Cover Letter included on county letterhead and signed by the LGA Coordinator?
- ✓ Are Time Surveys signed and dated by employee(s) and supervisor?
- ✓ Is an Organization chart, with employee name, job title, and who they report to included?
- ✓ Are job descriptions specific to TCM?
- ✓ Are copies of CBO/LPE contracts included?
- ✓ Are documentations of Salary & Benefits clearly identified by employee?
- ✓ Have you reviewed all of your calculations to ensure flow accuracy?
- ✓ Is the Cost Report Review Tool completed?
- ✓ Is the Cost Report Checklist signed and included?
- ✓ Is the Funding Schedule worksheet completed?
- ✓ Is the Summary of Allowable Funding for Claiming Federal Matching Funds worksheet completed?
- ✓ Is the Interim Medi-Cal TCM Encounter Payment Rate Calculation Worksheet completed and included?
- ✓ Don't be overwhelmed by the TCM Cost Report Template. It is large, but relatively few cells require you to enter data. The simplest approach to the TCM Cost Report Template is to enter the required numbers into the blue cells, then take time to ensure that the results are reasonable (do not get stuck trying to analyze the results before you have entered all of the data).
- ✓ Start preparing your TCM Cost Report(s) early. If you have any questions, contact your LGA TCM Coordinator. If your LGA TCM Coordinator or the LGA MAA/TCM Consultant cannot provide the information you need, they will contact DHCS for further information.

First Year of Participation in TCM

The TCM Cost Report is based on the prior year TCM costs, the prior year TCM encounters, and the prior year TCM time survey. When TCM was initiated in 1994, no prior year data was available. Procedures have been developed to accommodate the entry of new programs into the TCM system.

It is assumed that the new program began maintaining TCM Encounter Logs during the current year.

Programs initiating participation in TCM must determine the following:

1. The methodology for determining the costs to be entered on S&B Sch 1A, 1B, 2A and Worksheets D, B, and Encounter Methodology.
2. The methodology for determining the number of TCM encounters to include on Line 14 of Worksheet A.

Typically, LGAs annualize these costs by using the costs and encounters available to them for this fiscal year and multiplying them to estimate what costs and encounters are for one fiscal year. Example: TCM Encounter Logs are maintained beginning on July 1. The total number of encounters for July through September (three months) is multiplied by four to determine the annual number.

If the required time surveys are not available from 2009, contact DHCS/TCM Unit for guidance.

Programs in Operation the Prior Year but Not in TCM

1. Prior year costs can be used. The most current year time survey results (September or October 2009) are applied to costs of persons who would have been involved in TCM if the program had been participating in the prior year. After defining the budget unit and classifying prior year staff as TCM, ADMIN, and NTCM, enter costs as required in the 2013 TCM Cost Report Instructions.

2. Annualize the number of encounters (Medi-Cal and non-Medi-Cal) on the current year TCM Encounter Logs to determine the number to include on the Encounter Methodology Worksheet. Example: TCM Encounter Logs are maintained beginning on July 1. The total number of encounters for July through September (three months) is multiplied by four to determine the annual number.

If the required time surveys are not available from 2009, contact DHCS/TCM Unit for guidance.

Programs Not in Operation the Prior Year

1. Use the established program budget for the current year. Apply the time survey results from September or October 2009 to the costs of persons who are involved in TCM. Enter costs and encounters on S&B Sch 1A, 1B, 2A and Worksheets D, B, and Encounter Methodology as required in the 2012 TCM Cost Report Instructions.

2. The numbers of encounters (Medi-Cal and non-Medi-Cal) on the current year TCM Encounter Logs are annualized to determine the number to include on Line 14 of Worksheet A. Example: TCM Encounter Logs are maintained beginning on July 1. The total number of encounters for July through September (three months) is multiplied by four to determine the annual number.

If the required time surveys are not available from 2009, contact DHCS/TCM Unit for guidance.

Closing-Year Costs

TCM Service Provider Filing Closing-Year Costs

All costs of providing TCM services to a target population must be reported in the annual TCM Cost Report for that target population. These costs must include costs of any TCM service provider that provided TCM in the prior fiscal year, but who ceased providing TCM services in June 30, 2013, or earlier in that target population. Therefore, if more than one (1) cost report must be filed for a target population, and 2) one of the service providers is participating in TCM for FY 2013/2014, the costs and encounters of service providers who ceased providing TCM June 30, 2013, or earlier, would not be included in the cost report used to calculate the interim encounter rate.

Report prior year costs in a Cost Report Template to be emailed to DHCS A&I with all other templates in the cost report for that target population.

Important: Do not include "Total Projected Claimable Medi-Cal Only TCM Encounters for Current Year" on the "Encounter Methodology" Worksheet. Worksheet A row 21 "Total Projected Medi-Cal Only Encounters for Current Year" **should equal 0**.

Time Survey: In order to apportion personnel costs in the annual TCM cost report, all TCM service providers must time survey every year in which TCM services are provided, irrespective of whether or not services are expected to be provided in the subsequent year. If the required time surveys are not available from 2009, contact DHCS/TCM Unit for guidance.

How to name your final "Closing-Year Costs" Templates and Tools

If your LGA chooses not to participate in providing TCM services to a specific target population in FY 2013-14, name the templates and tools as follows:

1. Final
2. Current Year

3. LGA Name
    4. Abbreviated TCM target population name (CH, FA, IR, NO, and CD)
    5. Abbreviated Template/Tool name (CR, TS, RT, FS, and IMTEPR)

Example: Final 2013 Sacramento NO TS.xls

If a TCM service provider other than an LGA (CBO or LPE) does not participate in the TCM program in FY 2013/14, name the templates and tools as follows:

1. Final
2. Current Year
3. LGA Name
4. Abbreviated TCM target population name (CH, FA, IR, NO, and CD)
5. Abbreviated Template/Tool name (CR, TS, RT, FS, and IMTEPR)
6. CBO or LPE agency identifier

Example: Final 2013 Amador CD RT ABCD.xls

APPENDIX A
Resources

California Code of Regulations 22 CCR Section 51185 22 CCR Section 51271 22 CCR Section 51272 22 CCR Section 51351 22 CCR Section 51535.7	www.calregs.com
Code of Federal Regulations 42 CFR Section 433.51	http://www.gpo.gov/fdsys/pkg/CFR-2010-title42-vol4/pdf/CFR-2010-title42-vol4-sec433-51.pdf
Office of Management and Budgets Circular A-87	http://www.whitehouse.gov/omb/circulars_a087_2004
Policy & Procedure Letter 06-014	http://www.dhcs.ca.gov/provgovpart/Pages/TCM.aspx
Prior Policy & Procedure Letter	http://www.dhcs.ca.gov/provgovpart/Pages/TCM.aspx
TCM Cost Report Instructions	http://www.dhcs.ca.gov/provgovpart/Pages/TCM.aspx
TCM Cost Report Template	http://www.dhcs.ca.gov/provgovpart/Pages/TCM.aspx
TCM Provider Manual	http://www.dhcs.ca.gov/provgovpart/Pages/TCM.aspx
MAA/TCM Combo Time Survey Template	http://www.dhcs.ca.gov/provgovpart/Pages/TCM.aspx
TCM Website	http://www.dhcs.ca.gov/provgovpart/Pages/TCM.aspx
Calif. Welfare & Institutions Code W&I Code Section 14132.44	www.leginfo.ca.gov

APPENDIX B
Acronyms and Abbreviations

ADMIN	Administrative
A&I	Audits & Investigations (Division of DHCS)
AP	Adult Probation
CAP	TCM Maximum Amount
CBO	Community-Based Organization
CCR	California Code of Regulations
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
Comm	Community
CPE	Certified Public Expenditures
CWCAP	Countywide Cost Allocation Plan
DHCS	Department of Health Care Services
ENC	Encounter
FFP	Federal Financial Participation
FMAP	Federal Medical Assistance Percentage
IMTEPR	Interim Medi-Cal TCM Encounter Payment Rate Calculation
LGA	Local Governmental Agency
LPE	Local Public Entity
Link	Linkages
MAA	Medi-Cal Administrative Claiming
NTCM	Non-Targeted Case Management
OC	Outpatient Clinics
OMB A-87	Office of Management and Budgets Circular A-87
PG	Public Guardian/Conservator
PH	Public Health
PPL	Policy & Procedure Letter
PTO	Paid Time Off
S&B Sch	Salaries & Benefits Schedule
TCM	Targeted Case Management
W&I	Welfare & Institutions Code
WK	Worksheet

APPENDIX C
Table of Contents for the TCM Cost Report

A. Cover Letter on LGA Letterhead

1. TCM Cost Report Checklist

2. LGA Certification Statement

3. Certification of Validity of CBO/LPE Cost Reports

4. Non-LGA LPE Certification and LGA Attestation Statements

5. Cost Report Review Tool

6. TCM Cost Report Template

Worksheet A

Encounter Methodology

Supplemental schedule identifying type and number of encounter by month

Worksheet B

Worksheet C

Worksheet D

Salaries and Benefits Schedules

Schedule 1A

Schedule 1B

Schedule 2A

Schedule 2B

Schedule 2C

Schedule 2D

Survey Averaging Worksheet

Contractors Worksheet-Schedule 3A and 3B

7. Time Survey Summary Template

List Worksheet

Totals Worksheet

8. Fiscal Documents

Summary of Funding & Costs

General Ledger Grouping Schedule

Board-Approved Budget for FY 2013-14

Salary and Benefit Costs – Payroll Amounts by Employee

Net Expenses Reconciliation

Funding Allocation Methodology (if applicable)

Funding Schedule

Summary of Allowable Funding For Claiming Federal Matching Funds

Interim Medi-Cal TCM Encounter Payment Rate Calculation

Description of non-specific GL account categories

Copies of A-87 County Cost Allocation Plan and/or Indirect Cost Rate Proposal

Other fiscal documents to support Cost Report (if applicable)

Financial Statements: Balance Sheets, General Ledgers, etc. for LPEs (if applicable)

Financial Statements: Balance Sheets/Income Statements for all CBOs (if applicable)

Income Tax Returns (CBO's)

APPENDIX C

Table of Contents
for the TCM Cost Report Cont.

9. Other Supporting Documents

Organizational Chart listing all Staff & Positions in the TCM Budget Unit

Detailed Staff & Position Roster (if not included in Organization Chart)

Job descriptions for all TCM Staff

Copies of signed Time Survey Forms

Copies of CBO/LPE Contracts Listed on Schedules 3A and 3B (Contractors)

CBO Bylaws and Articles of Incorporation

A complete and comprehensive narrative describing the types of programs and services that are included in the TCM budget unit

Copies of Contracts for Non-LGA (CBO/LPE) providers of TCM Services