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PPL 18-022

DATE: August 14, 2018

TO: All Local Governmental Agency (LGA) Coordinators for the Targeted Case Management (TCM) Program

SUBJECT: **TCM Cost Report Due Date and Instructions for Reporting Fiscal Year (FY) 2017-18 Costs**

The purpose of this Policy and Procedure Letter (PPL) is to notify all LGAs participating in the Department of Health Care Services' (DHCS) TCM Program that the FY 2017-18 TCM Cost Report is due on November 1, 2018. Please review the following cost report instructions for submission of the TCM Cost Report for FY 2017-18.

Cost Report Requirement

Pursuant to Welfare and Institutions Code 14132.44, filing of the Cost Report is mandatory and failure to do so will result in all interim payments being deemed as overpayment. Future payments will be placed on 100 percent withhold until the Cost Report is filed by the LGA and accepted by DHCS for processing.

Any manipulation to the Cost Report template format and/or formulas will deem the Cost Report null and void. As a result, any previously reimbursed costs for that year shall be recouped.

LGAs that participate in the TCM Program for less than 12 months or decide to discontinue their participation are still required to submit their last Cost Report using the submission guideline as stated in the following sections.

Cost Report Submission

LGA Cost Reports and related documents shall be submitted to DHCS via electronic mail (e-mail) at dhsaitcm@dhcs.ca.gov. Hard copies of the Cost Report will **not** be accepted. DHCS will **only** review Cost Reports submitted through an e-mail submission.

LGAs Cost Report e-mail submission must include the following completed documents:

- Completed Cost Report Template signed and scanned (PDF),

- Completed Cost Report Template (Excel),
- LGA Certification Page signed and scanned (PDF), and if applicable,
- Non-LGA Local Public Entity (LPE) Certification and LGA Attestation Statements for TCM Cost Report signed and scanned (PDF).

These documents can be found on the TCM website at the following location:

<http://www.dhcs.ca.gov/provgovpart/Pages/2013-14TCMCostReport.aspx>

Details for the e-mail submission can be found in the TCM Cost Report Instructions. All signatures must be in blue ink.

Budget Unit

The budget unit is an important part of completing the cost report. A TCM BU is an organizational unit identified on both the LGA's organization chart (physical structure) and the LGA's accounting system (accounting structure) that provides TCM and other non-TCM services by staff within the BU.

The total expenses of the BU shall include the labor and non-labor costs incurred for providing the TCM and non-TCM services, and total program revenues received by the BU substantiated by the LGA's financial statements generated from the accounting structure, such as the LGA's general ledger or trial balance of the BU.

When completing the Cost Report, an LGA should verify if there are costs included that are not recognized as BU expenses per the TCM BU's trial balance or general ledger? If there are such costs included in the Cost Report, follow pages 16 and 22 of the Cost Report Instructions Manual to add expenses from outside the BU.

Once the LGA has submitted the Cost Report, DHCS A&I will determine whether the BU defined in the Cost Report is proper for LGAs seeking federal reimbursement. For more information regarding the BU, refer to PPL 18-015.

Naming Convention

Follow the example below when naming the electronic files for the e-mail submission of the Cost Report.

Example: Year, Name of LGA, File Format

2018 Santa Cruz CR.xls (FY 2017/18 Santa Cruz Cost Report, Excel version)

2018 Santa Cruz CR.PDF (FY 2017/18 Santa Cruz Cost Report, signed and scanned PDF version)

E-mail Subject Line Instructions and E-mail Submission

Follow the example below when naming the e-mail for the submission of the Cost Report.

Example: Name of LGA, LGA Code, Fiscal Year End Date (FYE), Part xx

Santa Cruz County 44 FYE 063018 Part 1 of 3

Submit completed Cost Reports to dhsaitcm@dhcs.ca.gov by November 1.

File Size Limitations

The maximum e-mail file size limit is 50 MB. If an e-mail submission requires multiple e-mails due to the file size, notate the number of the e-mail at the end of the e-mail naming convention accordingly (Part 1 of 3, etc. as reflected above).

Time Survey

The FY 2017-18 time surveys will be used for reporting FY 2017-18 costs.

Cost Report Accessibility

Once the Cost Report is complete and has been submitted to DHCS, it is recommended that the designated LGA staff preparing the Cost Report should create an audit file. All documents related to the Cost Report should be accessible to the person responsible for the LGA's TCM program. DHCS may contact the LGA Coordinator to request information regarding the Cost Report or to arrange an audit. Further details regarding record retention requirements are stated in Welfare and Institutions Code Section 14170.

Downward Rate Adjustment

Per PPL 15-007, LGAs requesting a Downward Rate Adjustment must do so with the LGA's Cost Report submission on November 1. A Downward Rate Adjustment may be requested once annually and must be requested using the Downward Rate Adjustment Form.

The Downward Rate Adjustment Request Form can be found on the TCM Website at the following address: <http://www.dhcs.ca.gov/provgovpart/Pages/TCM-Forms.aspx>.

Downward Rate Adjustment Request Form Submission:

1. E-mail the Downward Rate Adjustment Request Form with the submission of the LGA's Cost Report to the DHCS Audits & Investigations (A&I) at dhsaitcm@dhcs.ca.gov and a copy to the TCM Program at dhcs-tcm@dhcs.ca.gov by November 1, of each year.
2. Mail a hard copy of the Downward Rate Adjustment Request Form depicting a blue ink signature to the DHCS' TCM Program at:

Regular Mail:

Department of Health Care Services
Safety Net Financing Division, MS 4603
Targeted Case Management Unit
P. O. Box 997436
Sacramento, CA 95899-7436

Overnight Mail:

Department of Health Care Services
Safety Net Financing Division, MS 4603
Targeted Case Management Unit
1501 Capitol Avenue, Suite 71.3024
Sacramento, CA 95814

If you have any questions regarding this PPL, e-mail the TCM Program at dhcs-tcm@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY

Shelly Taunk, Chief
Community Based Claiming and Inmate Services Branch