

## NHTD/TBI Cost Report FAQs

### General:

*Q: If a provider did not provide any NHTD/TBI waiver services during the specified reporting period, are they required to submit a cost report (CR)?*

A: The Department of Health (DOH) requires all NHTD/TBI providers, including those that did not provide any services during the reporting period to submit a CR with the agency information on the "Summary Data" tab completed to ensure compliance with federal requirements.

*Q: Can DOH offer a formal training for providers regarding how to complete and ask questions related to the CRs?*

A: CRs for NHTD/TBI are a relatively new process for both the providers and DOH. We have strived over recent years to respond to provider's concerns and simplify the format of the CRs in a way that continues to comply with federal requirements. At this time we are still soliciting feedback from providers to identify particular areas of concern and confusion for the development of a training session. After the release of this FAQ and review of the 2022 CRs our intent is to develop a training for next year.

### Reporting Periods and Due Dates:

*Q: Can you clarify the reporting periods and due dates for the 2022 CR?*

A: For the 2022 CR the reporting period dates for providers whose **corporate headquarters** is located outside of NYC is 1/1/2022-12/31/2022.

The reporting period dates for providers whose **corporate headquarters** is located within NYC is 7/1/2022-6/30/2023.

Normally the due dates for submission of the CRs is 120 days after the close of a provider's reporting period. Since we are working on the FAQ and revising the templates and manuals this year, the due date for the 2022 report for all providers and both reporting periods is **10/31/2023**.

### Bonuses:

*Q. How should the Health Care Worker Bonuses (HWB) and other one-time pandemic-related payments including Long Term Care Workforce, Value Based Payment Readiness Directed Payments, stipend payments, etc. be reported?*

A. Costs associated with bonuses and stipends should be reported in the salaries of the employees. Any associated revenue should be reported on lines 38 and 39 of the "Summary Data" tab, which has been revised to discretely identify recent bonus and stipend revenue streams. Any revenue sources not currently listed should be input on the "Summary Data" tab – line 40.

### "Other" Reporting Lines:

*Q: Can DOH clarify the level of detail the DOH is requesting in the "Other" lines in the "Service Level Data", "OTPS", and "Agency Admin" tabs?*

A: If needed, providers should identify the next largest categories of expenses and specify those utilizing the first “Other” lines. The last “other” line should be utilized to report an aggregate total for any other expenses not otherwise listed. We will use this information to validate and help determine if there are other specific titles/spending items we might want to have discretely reported in future templates.

Personal Services (PS) vs. Other Than Personal Services (OTPS):

Q: *What is included in “Personal Services” (PS) and what is included in the “Other Than Personal Services” (OTPS) category?*

A: PS reported on the “Service Level Data” and “Agency Admin” tabs includes: billed units of service, amounts paid, fringe and full-time equivalents (FTEs) associated with each position title employed by a waiver service provider.

OTPS reported on either the “OTPS” or “Agency Admin” tabs includes:

- **Audit/Legal/Accounting:** The annual agency-wide auditing costs for independent certified public accountants (such as the cost of completing the service provider’s year end audit), the cost of other accounting services (such as payroll services) and the cost of legal services.
- **Utilities:** The costs of electricity, heat, water and sewage system charges related to agency administration, space or facilities.
- **Telephone, Cable and Internet:** The costs for telephone, cable and internet usage by agency administration staff.
- **Repairs and Maintenance:** The costs related to minor repairs of the program/site physical plant and/or costs that maintain or restore an asset to its normal or expected useful life related to agency administration. Also, include costs for contracted services, such as housekeeping, garbage removal (including medical waste) and snow removal. Repairs and maintenance costs incurred which extend the useful life of or substantially increase the productivity of an asset, must be capitalized and depreciated.
- **Office Supplies and Postage:** The costs of office supplies, computer software, printing, copying and postage used in the general agency administration operations.
- **Organizational Expense:** The expenses incurred during the establishment of the service provider.
- **Interest - Working Capital:** Interest expense on loans that are secured for operational expenses.
- **Expensed Equipment:** The cost of all expensed equipment related to agency administration purchased during the cost report period. Such equipment must have a value of less than \$5,000 or a useful life of less than two years.
- **Contracted Personal Services:** The contracted personal services associated with agency administration such as management consulting services or contracted IT services.
- **Staff Travel:** The staff travel costs associated with agency administration.

- Insurance-General: Insurance costs for general liability, bonding (crime/fidelity), professional malpractice, vehicle or other insurance costs related to agency administration. Do not report insurance expenses related to equipment or property on this line.

Q: *Can DOH please clarify what should be reported on the “OTPS” tab versus what should be reported in the OTPS section of the “Agency Admin” tab?*

A: The difference between what should be reported on the “OTPS” tab and in the OTPS section of the “Agency Admin” tab depends on the scope of the provider’s operations. Namely, whether the business entity submitting the CR operates other lines of business outside the provision of waiver services, or not. The most important thing is that no single expense should be listed twice, or double-counted in both sections.

For a provider who *only* offers NHTD/TBI waiver services, and does not operate other lines of business, the distinction between the two OTPS sections of the CR would be irrelevant because all of the provider’s OTPS costs could be considered costs of the provision of waiver services. In those instances, we would expect most, if not all, OTPS costs to be input on the “OTPS” tab.

For a provider who operates other lines of business in addition to the provision of waiver services, DOH requests that the provider differentiate OTPS expenses between those **solely** associated with the provision of waiver services, and those more general administrative expenses of the business entity.

Expenses which can be **solely** attributed to the provision of waiver services should be input on the “OTPS” tab. While other OTPS expenses which are more general administrative expenses of the business entity providing waiver services but **are not solely attributed** to the provision of waiver services, should be input on the “Agency Admin” tab

Please note, any OTPS expenses of a business entity that are **completely unrelated** to the provision of waiver services should not be reported as a discrete OTPS expense in either location. Those expenses should be included in the Total Expenses - line 62 of the “Agency Admin” Tab.

- For example: Imagine there was a provider that delivers TBI Waiver services and radiology services. The provider has 3 separate phone lines, 1 designated to TBI Waiver services, 1 designated to radiology services and 1 designated to corporate headquarters.

The costs for the phone line designated to TBI Waiver services would be reported as an expense on the “OTPS” tab, the costs for the phone line designated to corporate headquarters would be reported as an expense in the OTPS section of the “Agency Admin” tab, and the costs for the phone line designated to radiology services would be reported as an expense on the “Agency Admin” tab Total Expenses – line 62.

Q: *What should be included in the Total Expenses – line 62?*

A: Line 62 should reflect all operational expenses across the entire agency - including expenses solely attributable to the NHTD/TBI programs, expenses partially attributable to the NHTD/TBI programs, and expenses associated with other lines of business. It should include all expense categories including PS, OTPS, and Administration expenses. The line should reflect all costs associated with all agency operations.

## Agency Administration

*Q: Where should costs for administrative positions that support only NHTD/TBI programs, and not the overall agency be input so that they are entirely allocated to the NHTD/TBI waiver program operating costs?*

A: PS costs that are solely attributed to the provision of NHTD/TBI waiver services should be, to the extent possible, distributed between the relevant rate codes on the "Service Level Data" tab.

PS expenses which are only partially attributed to the provision of waiver services and support the overall agency should be input on the relevant staff lines of the "Agency Admin" tab. PS expenses of an agency that are completely unrelated to the provision of waiver services should not be reported as a PS expense in either location. Those expenses should be included in the Total Agency Expenses - line 62 of the "Agency Admin" tab.

*Q: Where and how should we be allocating the portion of our overall agency admin expenses attributed to the specific TBI/NHTD program?*

A: Providers do not do this allocation themselves. When a CR is completed, all allocations are calculated by formulas within the workbook.

The PS costs (units of service, amounts paid, fringe, and FTEs) are allocated by position title and rate code/service to the NHTD/TBI waiver programs on the "Service Level Data" tab.

OTPS expenses solely attributed to the provision of waiver services are input on the "OTPS" tab, while OTPS expenses not solely attributed to the provision of waiver services are input in the OTPS section of the "Agency Admin" tab.

The "Agency Admin" tab includes a formula which calculates the ratio value percentage, which is then used to calculate the amount of overall agency administrative expenses attributed to the provision of waiver services.

*Q: On the "Agency Admin" tab, how is the Admin to Operating Cost Factor – line 66 formula calculated?*

A: The formula is Total Agency Admin divided by Total Expenses minus Total Agency Admin. This calculates the "admin to operating to cost factor". This factor is then applied to operating costs to calculate the amount of admin expenses attributable to the provision of waiver services.

We appreciate that there is more than one way to do these calculations, but our current method is modeled after the approach utilized in the NYS Consolidated Fiscal Report (CFR) for consistency.

Upon calculating total overall agency administrative costs, agency administrative costs must be allocated to each applicable program. In order to ensure equity of distribution and to provide uniformity in allocation, the ratio value (R/V) method of allocation is used. The ratio value method uses operating costs as the basis for allocating agency administration costs. The total of the expenses as reported on line 62 of the "Agency Admin" tab must be allocated to the NHTD/TBI program based upon the ratio of the service provider's agency administration costs to the service provider's total operating costs. Operating costs include PS, leave accruals, fringe benefits and OTPS. Operating costs do not include equipment and property.

To demonstrate this concept with an example, please find below a fictitious demonstration of the principles surrounding how we factor in agency admin based on what is reported in the cost report.

Programs/Lines of Business	PS Costs		OTPS Costs	
NHTD	100,000	Reported on Service Level Data tab	100	Reported on NHTD OTPS tab
TBI	85,000	Reported on Service Level Data tab	85	Reported on TBI OTPS tab
Radiology Services	30,000	Not discretely reported, but is included in Agency Admin tab line 62	30	Not discretely reported, but is included in Agency Admin tab line 62
Shared Between all 3 lines of business	50,000	Totals of lines 24 & 34 of Agency Admin tab	50	Included in line 58 of Agency Admin tab
<b>Total</b>	<b>265,000</b>		<b>265</b>	

Agency Admin - line 60 - Admin not 100% attributable to a waiver program - essentially total of Agency Admin tab 50,050

Agency Admin - line 62 - Total Expenses for the entire agency 265,265

Agency Admin - line 64 - everything that is not Admin 215,215

Agency Admin - line 66 - Admin to Operating Cost Factor (ratio value method) 23%

NHTD Costs	
Service Costs	100,000
OTPS	100
Non-Admin Total	100,100
Admin Allocation	23,279
Total	123,379

TBI Costs	
Service Costs	85,000
OTPS	85
Non-Admin Total	85,085
Admin Allocation	19,787
Total	104,872

Radiology Service Costs	
Service Costs	30,000
OTPS	30
Non-Admin Total	30,030
Admin Allocation	6,984
Total	37,014

Q: *How are Total Expenses (excluding Agency Admin) – line 109, Agency Administration – line 111, and Total Program Expenses – line 113 on the “Summary Data” tab calculated?*

A: Line 109 – adds the costs of wages and fringe for contracted and non-contracted staff **for the waiver programs** (from the “Service Level Data” tab) and the cost of OTPS **for the waiver programs** (from the “OTPS” tab) to calculate Total Program Expenses (excluding agency admin).

Line 111 – multiplies line 109 by the % of Admin to Operating Cost Factor calculated on line 66 of the “Agency Admin” tab to calculate the amount of overall agency administration allocated **to the waiver programs**.

Line 113 – adds lines 109 and 111 to calculate Total Program Expenses. This is the total expenses to operate **the waiver programs only**.

Q: *How are the final surplus/loss amount & % calculated on the “Summary Data” tab – lines 134 & 135?*

A: Lines 116-136 of the “Summary Data” tab is a small table that populates final totals and provider surplus/loss for the NHTD/TBI programs.

- Total Medicaid and other revenues are carried down and totaled on lines 123-125.
- Non-contracted and contracted staff wages and fringe expenses **for the NHTD/TBI waiver programs** are pulled in from the “Service Level Data” tab.
- OTPS expenses **for the NHTD/TBI waiver programs** are pulled in from the “OTPS” tab.
- Agency Administration expenses **for the NHTD/TBI waiver programs** are carried down from line 111. This is the amount of total overall agency admin that was calculated by multiplying by the % factor to calculate the amount of total overall agency admin expenses allocated to the NHTD/TBI waiver programs.
- Line 132 is the Total Expenses to operate the **NHTD/TBI waiver programs**.
- Line 134 is simply Total Revenues minus Total Expenses to show a profit or loss **for the NHTD/TBI waiver programs**.
- Line 135 is the % of profit or loss **for the NHTD/TBI waiver programs**.