

North Carolina Division Of Medical Assistance

Instructions for Local Health Department Cost Report

**Annual Cost Report for the Reporting Period
July 1, 2016 – June 30, 2017**

Mailing Address:

North Carolina Department of Health and Human Services
Division of Medical Assistance
ATTN: Audit Section
333 East Six Forks Road
Suite 200
Raleigh, NC 27609
919-814-0030

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

General

The North Carolina Division of Medical Assistance (DMA), Local Health Department (LHD) Cost Report must be prepared and completed annually for each LHD as part of the LHD Cost Settlement.

Annually each LHD will attest to, and certify through its cost report the total actual, incurred Medicaid allowable costs/expenditures, including the federal share and the non-federal share.

For the cost report to be accurate, only the **SHADED AREAS** of the cost report should be completed.

Many exhibits will include information that is populated from other exhibits from within the LHD Cost Report. Please review and verify the accuracy of all information on all exhibits before completing the report.

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Exhibit 1a – Certification of Computable Public Expenditure

Exhibit 1a is the Certification of Computable Public Expenditure for LHDs. This form allows local health departments to attest to the validity and accuracy of the costs included in the cost report and it allows the state to use the computable expenditures as the non-federal share.

DIRECTIONS TO COMPLETE EXHIBIT 1a

Section 1.

Column D, Line 11: Enter provider **Name** (e.g., XYZ Health Department)

Column D, Line 12: Enter provider **Street Address** (e.g., 517 S. Pleasant Valley Rd.)

Column D, Line 13: Enter provider **City, State, and Zip Code** (e.g., Any City NC 12345)

Column C, Lines 16/17: Place an **X in the appropriate box** indicating if this is an original submittal of a cost report, or if this is an amended cost report. If this is an amended cost report, please indicate the reason for the amendment.

Column K, Line 11: Enter provider **Federal Employer Identification Number**

Column J, Line 15: Enter provider's **Primary National Provider Identifier Number**

Column L, Line 15: Enter provider **Medicaid Provider Number**

Column J, Lines 16 – 23: Enter any additional **National Provider Identifier Numbers**

Column L, Lines 16 – 23: Enter any additional **Medicaid Provider Numbers**

Section 2a.

Column F, Line 27: Enter the **first day of the provider fiscal year** for which the provider is reporting (e.g., 7/1/2016)

Column F, Line 29: Enter the **last day of the provider fiscal year** for which the provider is reporting (e.g., 6/30/2017)

Section 2b.

Column J, Lines 27-29: Place an **X in the appropriate box** indicating what type of provider is reporting (e.g., Local Health Department (LHD), Children's Developmental Services Agency (CDSA), etc.)

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Section 3a.

Column C, Lines 33, 35, 37: Place an **X in the appropriate box** indicating the type of cost report that is being submitted (e.g., partial year, quarterly, full year cost report)

The information in section 3b. Cost by Component will automatically update as the information is updated in other cost report exhibits.

Certification Statement by Officer of the Provider

Below Section 3 is the “Certification by Officer or Administrator of the Provider”. This statement must be signed and dated, and a title and phone number must be included **UPON COMPLETION OF ALL OTHER EXHIBITS.**

The information on the period start and end dates contained within the statement will be automatically updated.

Column C, Line 70: Upon completion of all other exhibits in the cost report, please **print this exhibit, sign the exhibit, scan the exhibit, and include the signed exhibit** when sending the electronic version of the cost report

Column C, Line 73: Enter the **Title of the officer** of the provider submitting the cost report

Column J, Line 70: Enter the **Date** when the officer of the provider signs the cost report

Column J, Line 73: Enter the **Phone Number** of the officer of the provider submitting the cost report if the state needs to contact the provider

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Exhibit 1b – Cost Report Summary

Exhibit 1b is the Cost Report Summary that summarizes many aspects of the cost report. Much of the information found within Exhibit 1b will automatically update with data from other exhibits within the cost report.

DIRECTIONS TO COMPLETE EXHIBIT 1b

Column E, Line 24: Enter the **Name of the Officer Authorized to Sign the Cost Report**. This name should match the name of the person signing Exhibit 1a.

Column E, Line 27: Enter the **Name of the Contact Person** for whom the state should call if there are questions pertaining to the cost report

Column E, Line 29: Enter the **Email Address** of the contact person identified in line 27 above

Column J, Line 27: Enter the **Telephone Number** of the contact person identified

Column J, Line 29: Enter the **Fax Number** of the contact person identified

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Exhibit 2 – Statistical Information

Exhibit 2 includes the necessary cost report statistical information that is needed to accurately complete the cost reports. For all statistical items, the provider must maintain appropriate support documentation on how the numbers/amounts were determined for each LHD.

For cost report periods beginning July 1, 2012, the Medicaid percentage of covered services shall use usual and customary charges and is calculated by dividing Total Medicaid Charges by Total Charges. Medicaid charges for covered services shall be determined from Medicaid claims paid by the Medicaid Management Information System (MMIS). Providers shall bill usual and customary charges.

Pursuant to Session Law 2015-241, Section 12H.30 and NC Health Choice State Plan Amendment 15-0001-LEGI:

Effective July 1, 2016, Local Health Departments shall be reimbursed their allowable costs for covered services, which are rendered to North Carolina Health Choice recipients. North Carolina Health Choice allowable costs for covered services shall be determined using the CMS approved cost report methodology in the Medicaid (Title XIX) State Plan, 42 CFR § 413, and the CMS Provider Reimbursement Manual.

The NC Health Choice percentage of covered services shall use usual and customary charges and is calculated by dividing Total NC Health Choice Charges by Total Charges. NC Health Choice charges for covered services shall be determined from NC Health Choice claims paid by the Medicaid Management Information System (MMIS). Providers shall bill usual and customary charges.

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

DIRECTIONS TO COMPLETE EXHIBIT 2

Total Charges

Total gross charges for covered services shall be identified pursuant to the CMS Publication 15-1. Provider Reimbursement Manual. The objective is to apportion the cost of covered services between Medicaid, NC Health Choice, and Non-Medicaid / Non-NC Health Choice; therefore, the denominator shall include the gross charges for all rendered covered services, regardless of payor or actual payment for services rendered.

(CMS Pub 15-1) 2202.4 Charges. - -Charges refer to the regular rates established by the provider for services rendered to both beneficiaries and to other paying patients. Charges should be related consistently to the cost of the services and uniformly applied to all patients whether inpatient or outpatient. All patients' charges used in the development of apportionment ratios should be recorded at gross value; i.e., charges before the application of allowances and discounts deductions.

Column C, Line 14: Enter the **Dollar Value of Gross Charges for all rendered Covered Services**.

Medicaid Charges – (Applicable after SFY 2012 Cost Reports)

The LHD Cost Report uses a Medicaid Charge allocation methodology to determine the portion of total Medicaid costs that are Medicaid Clinic, Medicaid Family Planning, and Family Planning Waiver expenditures for reimbursement under the Direct Medical settlement exhibits of the LHD Cost Report (see Exhibit 9a). The Medicaid charge allocation statistic identifies the charges for each of the three categories as a percentage of the total by dividing the individual charge amount by the total charge amount. This statistic is then applied to Medicaid costs in the settlement to allocate those allowable costs to the three categories. Only Medicaid Clinic and Medicaid Family Planning settlement amounts are eligible for reimbursement.

The Family Planning Waiver program ended effective 9/30/2014. Therefore, beginning with the SFY 2016 Cost Report, the Family Planning Waiver line in Exhibit 2 will be -0-.

To complete this information, follow the instructions below:

Column C, Line 18: Enter the **Dollar Value of Total Family Planning Medicaid Charges** for the applicable period. This information comes from the State Division of Medical Assistance (DMA) and must be obtained before completing the cost report.

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Column C, Line 19: Enter the **Dollar Value of Total Family Planning Waiver Charges** for the applicable period. This information comes from the State Division of Medical Assistance (DMA) and must be obtained before completing the cost report.

NOTE: The Family Planning Waiver program ended effective 9/30/2016. Therefore, beginning in SFY 2016, this amount will be -0-.

Column C, Line 20: Enter the **Dollar Value of Total Clinical Medicaid Charges** for the applicable period. This information comes from the State Division of Medical Assistance (DMA) and must be obtained before completing the cost report.

NC Health Choice Charges – (Applicable beginning with SFY 2017 Cost Reports)

The LHD Cost Report uses a charge allocation methodology to determine the portion of total Medicaid costs that are NC Health Choice expenditures for reimbursement under the Direct Medical settlement exhibits of the LHD Cost Report (see Exhibit 9a). The NC Health Choice charge allocation statistic identifies the NC Health Choice charges as a percentage of the total charges by dividing the NC Health Choice charges by the total charge amount. This statistic is then applied to NC Health Choice costs in the settlement to allocate those allowable costs.

To complete this information, follow the instructions below:

Column C, Line 23: Enter the **Dollar Value of Total NC Health Choice Charges** for the applicable period. This information comes from the State Division of Medical Assistance (DMA) and must be obtained before completing the cost report.

Approved Time Reporting Information

The LHD Cost Report uses actual time reporting of the groups listed on Exhibit 3 to allocate costs to allowable direct medical activities or to non-reimbursable cost centers. Actual time is based on daily time sheets / personnel activity reports of the employees. The information obtained in this exhibit identifies the period of the time report used in the LHD Cost Report. To complete this information, follow the instructions below:

Column C, Line 29: Enter the **Time Period the Time Report was Conducted** that was used to complete the cost report (e.g., 7/1/2016 – 6/30/2017)

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Exhibit 3 – Actual Time Results

The North Carolina Division of Medical Assistance (DMA) and each individual local health department (LHD) in the state of North Carolina is utilizing an actual time reporting effective July 1, 2011 that will be used for the purposes of calculating eligible costs for the Direct Medical settlement. Through the use of the actual time report, DMA will be able to identify the amount of time and effort that selected staff spend on various Medicaid-allowable and non-reimbursable activities. The tabulated results from the actual time report show a complete picture of the time and effort LHD staff spends on each activity. Those results are then included in the LHD Cost Report to allocate costs between Medicaid-allowable and non-reimbursable cost centers for settlement purposes.

As part of the actual time reporting, the participant pool is broken out into several categories. The three groupings are as follows:

- Nursing Group: Public Health Nurses, Registered Nurses, Enhanced Role Nurses
- Social Workers Group: Social Workers
- Health Educators & Nutritionists: Health Educators, Nutritionists

The results of each of the three groupings are included in Exhibit 3.

Overview of Exhibit 3

Exhibit 3 details the actual time reporting results from the above LHD participants. The actual time reporting results are categorized as “reimbursable” or “non-reimbursable” depending on the activity chosen. Exhibit 3 summarizes the results and calculates the overall percentage of reimbursable time that is then used in the calculation of allowable costs for settlement purposes in Exhibit 7.

Exhibit 3 pre-populates the categorization of actual time reporting activities into one of the following four categories:

- **Direct Medical** – These are activities related to the provision of medical care to LHD clients. The percent of time spent in these activities are considered to be medical in nature and are used in the calculation of Direct Medical costs for settlement purposes.
- **Direct Administrative** – These are activities that are related to the proper and efficient administration of the Medicaid program. The percent of time spent in these activities are considered MAC-eligible and are used in the calculation of MAC costs for settlement purposes. This cost report has been designed to report cost associated with MAC claiming.

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

At this time the MAC categories are excluded from Exhibit 3 – Actual Time Results and therefore will not be claimed. Should MAC cost be claimed in the future, the cost report will be revised and submitted to CMS for approval.

- **General Administration** – These are general administrative kinds of activities that are related to Direct Medical, Direct Administrative, and Non-Medicaid activities. Because of the nature of these activities, these results are reallocated across all other categories based on the number of responses in those activities.

- **Non-Medicaid** – These activities that do not relate to the Medicaid program. The percent of time spent in these activities are considered non-reimbursable for the purpose of determining costs for settlement.

The additional information in this exhibit is pre-populated and should not be changed.

Column E: Based on the results from the actual time report, Exhibit 3 reallocates the General Administration percentage (Column E) to determine the reallocated percentage of time spent in each activity code.

Column F: The Direct Medical percentage is then identified in this column and that statistic is used in Exhibit 7 to determine costs for Direct Medical settlement.

Columns G-I: Determine the Administrative percent used to determine costs for MAC.

Column G: Identifies the reallocated Medicaid administrative activity response percent.

Column H: Includes a “discount” factor that is applied to certain Medicaid administrative activities based on the nature of that activity. The discount applied is the Medicaid eligibility rate, or statistic, from Exhibit 2 of the LHD Cost Report.

Column I: Multiplies Columns G and H to calculate that administrative activity percentage that is used in Exhibit 7 to determine costs for MAC settlement purposes.

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

DIRECTIONS TO COMPLETE EXHIBIT 3

From the actual time reporting results, enter the appropriate activity percentages from the specific groupings.

Nursing Grouping

Column D, Lines 16-23: Enter the Activity Percent from the actual time report for the appropriate activity codes.

Social Workers Grouping

Column D, Lines 40-47: Enter the Activity Percent from the actual time report for the appropriate activity codes.

Health Educators & Nutritionists Grouping

Column D, Lines 64-71: Enter the Activity Percent from the actual time report for the appropriate activity codes.

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Exhibit 4a – Administration / Support Costs by Discipline

This exhibit includes the administration and support personnel, operating expenditures, and adjustment/transfer expenditures for all LHD administration and support. For this exhibit, all LHD administration and support related costs should be included in this section of the report. These are costs of personnel and operating expenses related to the administration and oversight of medical service delivery and overall operations of the LHD.

DIRECTIONS TO COMPLETE EXHIBIT 4a

Section I. Personnel / Staff Expenditures

This section of the exhibit is designed to capture all personnel and staffing expenditures related to LHD administration / support cost centers. This section of the exhibit comes with several pre-populated administration / support personnel classifications that will need to be completed. The pre-populated job classifications and areas are as follows:

- **Health Director’s Office and Staff 11000** (Column B, Line 16) This cost classification includes all personnel salary and benefit expenditures related to the Health Director’s office, including, but not limited to:
 - Health Director
 - Health Director’s Support and Administrative staff

All Health Directors including physicians will be reported to this personnel cost category.

- **Finance Office and Staff 12000** (Column B, Line 30) This cost classification includes all personnel salary and benefit expenditures related to the Finance Office, including, but not limited to:
 - Finance Director
 - Finance Director’s Support and Administrative staff
 - Accounting Techs and Accounting staff

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

- **Other Personnel 13000** (Column B, Line 44) This cost classification includes all other personnel salary and benefit expenditures related to the administration of the overall LHD, including, but not limited to:
 - LHD Support and Administrative staff
 - LHD Information Technology staff
 - LHD Maintenance and Support staff
 - Clerical Supervisor
 - Purchasing technician
 - Project Management Officer and support staff
 - Vital Records clerk
 - Human Resources representative
 - Payroll assistant
 - Medical Director

If the provider does not have costs for a specific pre-populated classification, please leave the salary and associated information blank.

Column G, Lines 17, 31, 45: Enter the **Gross Salary** amount for the appropriate job classification

Columns H, I, J, and K, Lines 17, 31, 45: Enter the **Total Benefits, Federal Insurance Contributions Act (FICA), Medicare taxes, and Other Benefits** for the appropriate job classification

Reductions to Trial Balance

In this part of the section of the exhibit, the provider is to identify personnel costs that must be reduced from the trial balance account. These are personnel costs that are funded by federal sources, need to be reclassified as non-reimbursable, or personnel costs that need to be accounted for in another reimbursable or non-reimbursable cost center.

Column B, Lines 22-25/36-39/50-53: Enter the **Position Number/Employee ID** for the employee for whom costs will be reduced on the trial balance for the specific job classification

Column C, Lines 22-25/36-39/50-53: Enter the **Last Name** of the employee for which costs will be reduced on the trial balance for the specific job classification

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

- Column D, Lines 22-25/36-39/50-53: Enter the **First Name** of the employee for which costs will be reduced on the trial balance for the specific job classification
- Column E, Lines 22-25/36-39/50-53: Enter the **Job Title** of the employee for which costs will be reduced on the trial balance for the specific job classification
- Column F, Lines 22-25/36-39/50-53: Enter the appropriate **Vendor or Employee** designation of the employee for which costs will be reduced on the trial balance for the specific job classification
- Column G, Lines 22-25/36-39/50-53: Enter **Yes or No** to identify if the employee for which costs will be reduced on the trial balance for the specific job classification was funded by other federal funds
- Column H, Lines 22-25/36-39/50-53: Enter the **Amount of Salary** for the employee that will be reduced on the trial balance for the specific job classification
- Columns I, J, K, L, Lines 22-25/36-39/50-53: Enter the **Total Benefits, FICA, Medicare, Other Benefits** to be removed for the employee for which costs will be reduced on the trial balance for the specific job classification
- Column N, Lines 22-25/36-39/50-53: If a federal grant has been received to fund a position and the grant requires a non-federal match of expenditures, the non-federal matching expenses must also be adjusted from allowable costs. Enter the **Amount of Additional State/Local** (non-federal) **Match** that is required for federal funds associated with the employee costs.
- Column O, Lines 22-25/36-39/50-53: Enter **Other Expenditure Amounts** to be removed for the employee for whom costs will be reduced on the trial balance for the specific job classification

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Column Q, Lines 22-25/36-39/50-53: From the dropdown list, select the appropriate **Cost Center Where Reduction Amount Will Be Moved** that best represents where the reduction amount should go on the chart of accounts (COA) in Exhibit 5 (e.g., if the LHD wants to reclassify an Assistant's salary from the Health Director's Office to Direct Medical / Clinic, the LHD would select Direct Medical / Clinic Exp. from the dropdown menu. If a reduction to the trial balance needs to be made and the costs need to be reflected in the "non-reimbursable" cost center, then that selection would be made)

Column R, Lines 22-25/36-39/50-53: From the dropdown list, select the appropriate **Cost Center Account** that best represents where the reduction should go on the COA in Exhibit 5 (e.g., if the LHD wants to reclassify an Assistant's salary and benefits from the Health Director's Office to the Direct Medical / Clinic, Nurse account, select Direct Medical / Clinic – Nurse (PHN, RN, Etc.) from the dropdown menu. If a reduction to the trial balance needs to be made and the costs need to be reflected in the "non-reimbursable" cost center, then the appropriate non-reimbursable account would be selected)

Section II. Operating Expenditures

This section of the exhibit is designed to capture all operating expenditures related to LHD administration / support cost centers (non-personnel costs) for the LHD. The expenditures identified in this section of the exhibit are related to the operating costs of the cost centers related to those in Section I above, and include other operating expenditures related to the administration and support of the overall LHD.

This section of the exhibit comes with several pre-populated operating expenditure accounts that will need to be completed. The pre-populated accounts are as follows:

- **Supplies 14800** (Column B, Line 60) This expenditure includes supplies accounted for at the LHD administration account level and are used across multiple cost centers in the

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

administration and support of the entire LHD. These expenditures include, but are not limited to:

- Supplies – LHD administration and support
 - Supplies – LHD Director’s office
 - Supplies – Finance
 - Supplies – Office Supplies
 - Supplies – LHD miscellaneous Supplies
- **Capital Expenditures 15000** (Column B, Line 74) This includes all capital expenditures accounted for at the overall LHD account level, for use across multiple cost centers within the LHD, during the reporting period that will be depreciated, including, but not limited to:
 - Depreciable Assets
 - Depreciable Equipment

***The total amount of all Capital Expenditures must be reduced from the Capital Expenditures trial balance account in the Reductions to the Trial Balance section below, and realized in Non-Reimbursable – Capital Expenditures.**

- **Contracted Services 16000** (Column B, Line 88) This includes all contracted services accounted for at the overall LHD account level, for use across multiple cost centers within the LHD, during the reporting period, including, but not limited to:
 - IT Hardware Support
 - Maintenance Services
 - Janitorial Services
 - Professional Services
- **Other Operating Expenditures 17000** (Column B, Line 102) This includes all other operating expenditures accounted for at the overall LHD account level, for use across multiple cost centers within the LHD, during the reporting period, including, but not limited to:
 - Rental Payments
 - Postage
 - Equipment / non-depreciable assets
 - Insurance and Bonds
 - Dues and Subscriptions
 - Telephone

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Column G, Lines 61, 75, 89, 103: Enter **Total Amount** of **Operating Expenditures** related to administration/support cost centers identified

Reductions to Trial Balance

In this part of the section of the exhibit, the provider is to identify operating costs that must be reduced on the trial balance. These are operating costs that are funded by other federal funds, or otherwise need to be reduced from the trial balance account. This includes the necessary reduction to Capital Expenditures, identified above.

Column B, Lines 66-69, 80-83, 94-97, 108-111: Enter **Account Numbers** of the operating expenditures for which costs will be reduced to the trial balance

Column C, Lines 66-69, 80-83, 94-97, 108-111: Enter **Account Descriptions** of the operating expenditures for which costs will be reduced to the trial balance

Column G, Lines 66-69, 80-83, 94-97, 108-111: Enter **Yes or No** to identify if the operating expenditure for which costs will be reduced to the trial balance was funded by federal funds

Column H, Lines 66-69, 80-83, 94-97, 108-111: Enter the **Amount of cost** for the operating expenditure item that will be reduced to the trial balance

Column I, Lines 66-69, 80-83, 94-97, 108-111: If a federal grant has been received to fund an operating expenditure and the grant requires a non-federal match of expenditures, the non-federal matching expenses must also be adjusted from allowable costs. Enter the **Amount of Additional State/Local** (non-federal) **Match** that is required for federal funds and associated with the operating costs.

Column J, Lines 66-69, 80-83, 94-97, 108-111: Enter **Other Reduction Amounts** to be removed from the operating costs for which costs will be reduced to the trial balance

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Column L, Lines 66-69, 80-83, 94-97, 108-111: From the dropdown list, select the appropriate **Cost Center Where Reduction Amount Will Be Moved** that best represents where the reduction should go on the COA in Exhibit 5 (e.g., if the LHD wants to reclassify a computer from Supplies to the Non-Reimbursable - Environmental Health, the LHD would select Non-Reimbursable Expenditures from the dropdown menu.).

Columns M, Lines 66-69, 80-83, 94-97, 108-111: From the dropdown list, select the appropriate **Cost Center Account** that best represents where the reduction should go on the COA in Exhibit 5 (e.g., if the LHD wants to reclassify a computer from Supplies to Non-Reimbursable - Environmental Health, the LHD would select Non-reimbursable – Environmental Health from the dropdown menu.)

Section III. Adjustments/Transfers to Trial Balance

This section of the exhibit is designed to capture transfers and adjustments to the trial balance related to LHD administration / support cost centers. This section of the exhibit comes with several pre-populated expenditure accounts that will need to be completed. The pre-populated accounts are as follows:

- **Depreciation Expense 18500** (Column C, Line 120) This includes the depreciation expense accounted for at the overall LHD account level, for depreciable items across multiple cost centers within the LHD during the reporting period.
- **Indirect Costs from CAP 18600** (Column C, Line 121) This includes the discretely identified costs from a parent organization's cost allocation plan (CAP). The discretely identified cost will be reported from the Schedule A County Indirect Cost Report for only those county programs that are defined as health department related specific programs. Examples of indirect costs on the CAP are Building Use, Depreciation and Property Insurance costs allocated based on square footage; Professional Services and Finance expenses allocated based on the number of accounting transactions; Human Resources, Insurance (worker's compensation and general liability, etc.), Administration, and General County expenses allocated based on FTEs; and Information Technology based on the number of hardware. The sum total of the program

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

indirect cost allocation amounts will be entered on Column G, Line 121. These discretely identified costs are costs incurred by the LHD's County Government in support of the LHD that is identified in the County's CAP.

- Column B, Lines 120-121: Enter **Account Numbers** of the adjustments for which costs will be adjusted to the trial balance
- Column G, Lines 120-121: Enter the **Total Amount to be Transferred to Trial Balance** of the depreciation and/or indirect cost for which costs will be adjusted on to the trial balance. Include the full amount for the entire reporting period
- Column H, Lines 120-121: Enter the **Amount of cost** for the non-reimbursable expenditure items that will be reduced to the trial balance. This would be used in the instance, for example, if a portion of overall LHD depreciation could be reduced from this account and discretely identified under the Direct Medical / Clinic Cost center.
- Column I, Lines 120-121: Enter the **Amount of Additional State/Local Match** that is required and associated with the costs that will be reduced to the trial balance
- Column J, Lines 120-121: Enter **Other Reduction Amounts** to be removed from the costs for which costs will be reduced to the trial balance
- Column L, Lines 120-121: From the dropdown list, select the appropriate **Cost Center Where Reduction Amount Will Be Moved** that best represents where the adjustment should go on the COA in Exhibit 5
- Column M, Lines 120-121: From the dropdown list, select the appropriate **Cost Center Account** that best represents where the reduction should go on the COA in Exhibit 5

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Exhibit 4b – Clinical Administration / Support Costs by Discipline

This exhibit includes the administration and support personnel, operating expenditures, and adjustment/transfer expenditures for all clinical administration and support within the LHD. For this exhibit, all clinical administration and support related costs should be included in this section. These are costs of personnel and operating expenses related to the administration and oversight of medical service delivery within the LHD.

DIRECTIONS TO COMPLETE EXHIBIT 4b

Section I. Personnel / Staff Expenditures

This section of the exhibit is designed to capture all personnel and staffing expenditures related to LHD administration / support cost centers. This section of the exhibit comes with several pre-populated administration / support personnel classifications that will need to be completed. The pre-populated job classifications and areas are as follows:

- **Nursing Director’s Office and Clinical Supervisor Staff 21000** (Column B, Line 16) This cost classification includes all personnel salary and benefit expenditures related to the Nursing Director’s office and Clinical supervision of the medical services within the LHD, including, but not limited to:
 - Nursing Director
 - Nursing Director’s Support and Administrative staff
 - Public Health Nurse Supervisor
 - Clinical Supervisor
 - Clinical Supervisor Support and Administrative staff

- **Billing Office and Staff 22000** (Column B, Line 30) This cost classification includes all personnel salary and benefit expenditures related to the Billing Office, including, but not limited to:
 - Business Services Coordinator
 - Revenue Administrator
 - Patient Accounts Clerk
 - AP / AR Administrator and staff
 - Billing office Support and Administrative staff

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

- **Interpreters 23000** (Column B, Line 44) This cost classification includes all personnel salary and benefit expenditures related to Interpreters that provide language interpretation services across multiple cost centers. If there are interpreters that provide language interpretation services for specific non-reimbursable cost center (e.g., WIC, Environmental Health, etc.) then the costs associated with those interpreters would be included in those non-reimbursable cost centers. This cost classification includes Interpreter personnel, including, but not limited to:
 - Interpreter Supervisor
 - Interpreters

- **Other Personnel 24000** (Column B, Line 58) This cost classification includes all other personnel salary and benefit expenditures related to clinic administration within the LHD, including, but not limited to:
 - Clinical Support staff
 - Clinical Administrative staff
 - Medical Records Clerk
 - Medical / Clinical Services Support and Administrative Staff

If the provider does not have costs for a specific pre-populated classification, please leave the salary and associated information blank.

Column G, Lines 17, 31, 45, 59: Enter the **Gross Salary** amount for the appropriate job classification

Columns H, I, J, and K, Lines 17, 31, 45, 59: Enter the **Total Benefits, Federal Insurance Contributions Act (FICA), Medicare taxes, and Other Benefits** for the appropriate job classification

Reductions to Trial Balance

In this part of the section of the exhibit, the provider is to identify personnel costs that must be reduced from the trial balance account. These are personnel costs that are funded by federal sources, need to be reclassified as non-reimbursable, or personnel costs that need to be accounted for in another reimbursable or non-reimbursable cost center.

Column B, Lines 22-25/36-39/50-53/64-67: Enter the **Position Number/Employee ID** for the employee for whom costs will be reduced on the trial balance for the specific job classification

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Column C, Lines 22-25/36-39/50-53/64-67: Enter the **Last Name** of the employee for which costs will be reduced on the trial balance for the specific job classification

Column D, Lines 22-25/36-39/50-53/64-67: Enter the **First Name** of the employee for which costs will be reduced on the trial balance for the specific job classification

Column E, Lines 22-25/36-39/50-53/64-67: Enter the **Job Title** of the employee for which costs will be reduced on the trial balance for the specific job classification

Column F, Lines 22-25/36-39/50-53/64-67: Enter the appropriate **Vendor or Employee** designation of the employee for which costs will be reduced on the trial balance for the specific job classification

Column G, Lines 22-25/36-39/50-53/64-67: Enter **Yes or No** to identify if the employee for which costs will be reduced on the trial balance for the specific job classification was funded by other federal funds

Column H, Lines 22-25/36-39/50-53/64-67: Enter the **Amount of Salary** for the employee that will be reduced on the trial balance for the specific job classification

Columns I, J, K, L, Lines 22-25/36-39/50-53/64-67: Enter the **Total Benefits, FICA, Medicare, Other Benefits** to be removed for the employee for which costs will be reduced on the trial balance for the specific job classification

Column N, Lines 22-25/36-39/50-53/64-67: If a federal grant has been received to fund a position and the grant requires a non-federal match of expenditures, the non-federal matching expenses must also be adjusted from allowable costs. Enter the **Amount of Additional State/Local** (non-federal) **Match** that is required for federal funds associated with the employee costs

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Column O, Lines 22-25/36-39/50-53/64-67: Enter **Other Expenditure Amounts** to be removed for the employee for whom costs will be reduced on the trial balance for the specific job classification

Column Q, Lines 22-25/36-39/50-53/64-67: From the dropdown list, select the appropriate **Cost Center Where Reduction Amount Will Be Moved** that best represents where the reduction amount should go on the chart of accounts (COA) in Exhibit 5 (e.g., if the LHD wants to reclassify an Assistant's salary from the Nursing Director's Office to Direct Medical / Clinic, select Direct Medical / Clinic Exp. from the dropdown menu. If a reduction to the trial balance needs to be made and the costs need to be reflected in the "non-reimbursable" cost center, then that selection would be made)

Column R, Lines 22-25/36-39/50-53/64-67: From the dropdown list, select the appropriate **Cost Center Account** that best represents where the reduction should go on the COA in Exhibit 5 (e.g., if the LHD wants to reclassify an Assistant's salary and benefits from the Nursing Director's Office to the Direct Medical / Clinic, Nurse account, select Direct Medical / Clinic – Nurse (PHN, RN, Etc.) from the dropdown menu. If a reduction to the trial balance needs to be made and the costs need to be reflected in the "non-reimbursable" cost center, then the appropriate non-reimbursable account would be selected)

Section II. Operating Expenditures

This section of the exhibit is designed to capture all operating expenditures related to medical clinic administration / support cost centers (non-personnel costs) within the LHD. The expenditures identified in this section of the exhibit are related to the operating costs related to the cost centers identified in Section I above, and include other operating expenditures related to the administration and support of the clinical operations within the LHD.

This section of the exhibit comes with several pre-populated operating expenditure accounts that will need to be completed. The pre-populated accounts are as follows:

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

- **Supplies 24800** (Column B, Line 75) This expenditure includes supplies accounted for at the clinical administration account level and are used across multiple clinical cost centers in the administration and support of clinical operations within the LHD. These expenditures include, but are not limited to:
 - Supplies – Clinical administration and support
 - Supplies – Nursing Director’s office
 - Supplies – Billing
 - Supplies – Office Supplies
 - Supplies – LHD miscellaneous Supplies

 - **Capital Expenditures 25000** (Column B, Line 89) This includes all capital expenditures accounted for at the clinic account level within the LHD, for use across multiple cost centers within the clinical operations, during the reporting period that will be depreciated, including, but not limited to:
 - Depreciable Assets
 - Depreciable Equipment
- *The total amount of all Capital Expenditures must be reduced from the Capital Expenditures trial balance account in the Reductions to the Trial Balance section below, and realized in Non-Reimbursable – Capital Expenditures.**
- **Contracted Services 26000** (Column B, Line 103) This includes all contracted services accounted for at the clinic account level, for use across multiple clinical cost centers within the LHD, during the reporting period, including, but not limited to:
 - IT Hardware Support – Medical / Clinic
 - Maintenance Services – Medical / Clinic
 - Janitorial Services – Medical / Clinic

 - **Other Operating Expenditures 27000** (Column B, Line 117) This includes all other operating expenditures accounted for at the clinic account level within the LHD, for use across multiple clinical cost centers, during the reporting period, including, but not limited to:
 - Rental Payments – Medical / Clinic
 - Postage – Medical / Clinic
 - Equipment / non-depreciable assets – Medical / Clinic
 - Insurance and Bonds – Medical / Clinic
 - Dues and Subscriptions – Medical / Clinic
 - Telephone – Medical / Clinic

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Column G, Lines 76, 90, 104, 118: Enter **Total Amount of Operating Expenditures** related to administration/support cost centers identified

Reductions to Trial Balance

In this part of the section of the exhibit, the provider is to identify operating costs that must be reduced on the trial balance. These are operating costs that are funded by other federal funds, or otherwise need to be reduced from the trial balance account. This includes the necessary reduction to Capital Expenditures, identified above.

Column B, Lines 81-84, 95-98, 109-112, 123-126: Enter **Account Numbers** of the operating expenditures for which costs will be reduced to the trial balance

Column C, Lines 81-84, 95-98, 109-112, 123-126: Enter **Account Descriptions** of the operating expenditures for which costs will be reduced to the trial balance

Column G, Lines 81-84, 95-98, 109-112, 123-126: Enter **Yes or No** to identify if the operating expenditure for which costs will be reduced to the trial balance was funded by federal funds

Column H, Lines 81-84, 95-98, 109-112, 123-126: Enter the **Amount of cost** for the operating expenditure item that will be reduced to the trial balance

Column I, Lines 81-84, 95-98, 109-112, 123-126: If a federal grant has been received to fund an operating expenditure and the grant requires a non-federal match of expenditures, the non-federal matching expenses must also be adjusted from allowable costs. Enter the **Amount of Additional State/Local** (non-federal) **Match** that is required for federal funds and associated with the operating costs.

Column J, Lines 81-84, 95-98, 109-112, 123-126: Enter **Other Reduction Amounts** to be removed from the operating costs for which costs will be reduced to the trial balance

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Column L, Lines 81-84, 95-98, 109-112, 123-126: From the dropdown list, select the appropriate **Cost Center Where Reduction Amount Will Be Moved** that best represents where the reduction should go on the COA in Exhibit 5

Column M, Lines 81-84, 95-98, 109-112, 123-126: From the dropdown list, select the appropriate **Cost Center Account** that best represents where the reduction should go on the COA in Exhibit 5

Section III. Adjustments/Transfers to Trial Balance

This section of the exhibit is designed to capture transfers and adjustments to the trial balance related to clinical administration / support cost centers within the LHD. This section of the exhibit comes with several pre-populated expenditure accounts that will need to be completed. The pre-populated accounts are as follows:

- **Depreciation Expense 29500** (Column C, Line 135) This includes the depreciation expense accounted for at the clinical administration account level, for depreciable items across multiple clinical cost centers within the LHD during the reporting period.

Column B, Line 135: Enter **Account Number** of the adjustment for which costs will be adjusted to the trial balance

Column G, Line 135: Enter the **Total Amount to be Transferred to Trial Balance** of the depreciation expense for which costs will be adjusted on to the trial balance. Include the full amount for the entire reporting period

Column H, Line 135: Enter the **Amount of cost** for the non-reimbursable expenditure item that will be reduced to the trial balance. This would be used in the instance, for example, if a portion of clinical depreciation could be reduced from this account and discretely identified under the Direct Medical / Clinic Cost center.

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

- Column I, Line 135: Enter the **Amount of Additional State/Local Match** that is required and associated with depreciation that will be reduced to the trial balance
- Column J, Line 135: Enter **Other Reduction Amounts** to be removed from depreciation for which costs will be reduced to the trial balance
- Column L, Line 135: From the dropdown list, select the appropriate **Cost Center Where Reduction Amount Will Be Moved** that best represents where the adjustment should go on the COA in Exhibit 5
- Column M, Line 135: From the dropdown list, select the appropriate **Cost Center Account** that best represents where the reduction should go on the COA in Exhibit 5

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Exhibit 4c – Direct Medical / Clinic Costs by Discipline

This exhibit includes the direct Medical / Clinic personnel and operating expenditures for the LHD. For this exhibit, all direct Medical /Clinic related costs should be included in this section. These are costs of clinical personnel and operating expenses providing medical services to clients.

DIRECTIONS TO COMPLETE EXHIBIT 4c

Section I. Personnel / Staff Expenditures

This section of the exhibit is designed to capture all personnel and staffing expenditures related to direct Medical / Clinic services cost centers. This section of the exhibit comes with several pre-populated personnel classifications that will need to be completed. The pre-populated job classifications and areas are as follows:

- **Physicians (MD, PA, Nurse Practitioner) 31000** (Column B, Line 16) This cost classification includes all personnel salary and benefit expenditures related to physicians and physician-related classifications providing direct medical / clinical services to LHD clients, including, but not limited to:
 - Medical Doctor or Physician
 - Physician Assistant (PA)
 - Nurse Practitioner
 - Nurse Midwife

If a physician is also the health director, this staff member must report on Exhibit 4a under Section I.

- **Nurses (PHN, RN, Enhanced Role Nurse) 32000** (Column B, Line 30) This cost classification includes all personnel salary and benefit expenditures related to nurses and nursing-related classifications providing direct medical / clinical services to LHD clients, including, but not limited to:
 - Public Health Nurse (PHN)
 - Registered Nurse (RN)
 - Enhanced Role Nurse
 - Nurses Aides
- **Social Workers 33000** (Column B, Line 44) This cost classification includes all personnel salary and benefit expenditures related to social workers providing direct medical / clinical services to LHD clients, including, but not limited to:
 - Social Worker

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

- **Health Educators & Nutritionists 34000** (Column B, Line 58) This cost classification includes all personnel salary and benefit expenditures related to Health Educators, Nutritionists and related classifications providing direct medical / clinical services to LHD clients, including, but not limited to:
 - Health Educator
 - Community Health Educator
 - Community Health Education Specialist
 - Health Education Coordinator
 - Nutritionists

- **Laboratory Staff 34100** (Column B, Line 72) This cost classification includes all personnel salary and benefit expenditures related to laboratory and laboratory-related classifications providing direct medical / clinical services to LHD clients, including, but not limited to:
 - Laboratory Technicians
 - Medical Lab Assistant
 - Medical Lab Technician

- **Other Medical / Clinic Personnel 34200** (Column B, Line 86) This cost classification includes all other personnel salary and benefit expenditures related to providing medical / clinical services to clients, including, but not limited to:
 - Physical Therapist
 - Occupational Therapist
 - Speech Therapist
 - Audiologist
 - DDS
 - Hygienist

If the provider does not have costs for a specific pre-populated classification, please leave the salary and associated information blank.

Column G, Lines 17, 31, 45, 59, 73, 87: Enter the **Gross Salary** amount for the appropriate job classification

Columns H, I, J, and K, Lines 17, 31, 45, 59, 73, 87: Enter the **Total Benefits, Federal Insurance Contributions Act (FICA), Medicare taxes, and Other Benefits** for the appropriate job classification

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Reductions to Trial Balance

In this part of the section of the exhibit, the provider is to identify personnel costs that must be reduced from the trial balance account. These are personnel costs that are funded by other federal funds, need to be reclassified as non-reimbursable, or personnel costs that need to be accounted for in another reimbursable or non-reimbursable cost center.

Column B, Lines 22-25/36-39/50-53/64-67/78-81/92-95: Enter the **Position Number/ Employee ID** for the employee for whom costs will be reduced to the trial balance for the specific job classification

Column C, Lines 22-25/36-39/50-53/64-67/78-81/92-95: Enter the **Last Name** of the employee for which costs will be reduced to the trial balance for the specific job classification

Column D, Lines 22-25/36-39/50-53/64-67/78-81/92-95: Enter the **First Name** of the employee for which costs will be reduced to the trial balance for the specific job classification

Column E, Lines 22-25/36-39/50-53/64-67/78-81/92-95: Enter the **Job Title** of the employee for which costs will be adjusted to the trial balance for the specific job classification

Column F, Lines 22-25/36-39/50-53/64-67/78-81/92-95: Enter the appropriate **Vendor or Employee** designation of the employee for which costs will be reduced to the trial balance for the specific job classification

Column G, Lines 22-25/36-39/50-53/64-67/78-81/92-95: Enter **Yes or No** to identify if the employee for which costs will be adjusted on to the trial balance for the specific job classification was funded by other federal funds

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Column H, Lines 22-25/36-39/50-53/64-67/78-81/92-95: Enter the **Amount of Salary** for the employee that will be reduced to the trial balance for the specific job classification

Columns I, J, K, L, Lines 22-25/36-39/50-53/64-67/78-81/92-95: Enter the **Total Benefits, FICA, Medicare, Other Benefits** to be removed for the employee for which costs will be reduced to the trial balance for the specific job classification

Column N, Lines 22-25/36-39/50-53/64-67/78-81/92-95: If a federal grant has been received to fund a position and the grant requires a non-federal match of expenditures, the non-federal matching expenses must also be adjusted from allowable costs. Enter the **Amount of Additional State/Local (non-federal) Match** that is required for federal funds associated with the employee costs

Column O, Lines 22-25/36-39/50-53/64-67/78-81/92-95: Enter **Other Expenditure Amounts** to be removed for the employee for whom costs will be reduced to the trial balance for the specific job classification

Column Q, Lines 22-25/36-39/50-53/64-67/78-81/92-95: From the dropdown list, select the appropriate **Cost Center Where Reduction Amount Will Be Moved** that best represents where the adjustment should go on the COA in Exhibit 5

Column R, Lines 22-25/36-39/50-53/64-67/78-81/92-95: From the dropdown list, select the appropriate **Cost Center Account**

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

that best represents where the reduction should go on the COA in Exhibit 5

Section II. Operating Expenditures

This section of the exhibit is designed to capture all operating expenditures related to direct medical / clinic service operations cost centers. The expenditures identified in this section of the exhibit are related to the operating costs of the cost centers related to those in Section I above, and include other operating expenditures related to the provision of direct medical / clinic care to patients.

This section of the exhibit comes with several pre-populated operating expenditure accounts that will need to be completed. The pre-populated accounts are as follows:

- **Supplies 34800** (Column B, Line 102) This expenditure includes supplies accounted for at the clinic account level and are used for the direct medical care provided to patients. These expenditures include, but are not limited to:
 - Supplies – Medical /clinic
 - Supplies – Medical / clinic diagnostic
 - Supplies – Medical clinician materials
 - Supplies – Drugs/Purchased Vaccines (Flu, Pneumonia, H1N1)
 - Supplies – Office Supplies

- **Capital Expenditures 35000** (Column B, Line 120) This includes all capital expenditures accounted for discretely at the clinic account level, for use in the direct medical service delivery to patients, during the reporting period that will be depreciated, including, but not limited to:
 - Depreciable Assets – Medical/Clinic specific
 - Depreciable Equipment – Medical/Clinic specific

***The total amount of all Capital Expenditures must be reduced from the trial balance account in the Reductions to the Trial Balance section below.**

- **Contracted Services 36000** (Column B, Line 134) This includes all contracted services accounted for discretely at the direct medical / clinic account level, for use in the medical service delivery to patients, during the reporting period, including, but not limited to:
 - Contracted Therapists
 - Contracted Physicians
 - Contracted Nurses

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

- Contracted Clinicians
 - Contracted Interpreters
 - Other Professional Services
 - Other Contracted Services
- **Laboratory Expenditures 36900** (Column B, Line 153) This includes all laboratory expenditures accounted for discretely at the laboratory account level, for use in the service delivery to patients, during the reporting period, including, but not limited to:
 - Laboratory supplies
 - Laboratory operating expenditures
 - **Other Operating Expenditures 37000** (Column B, Line 167) This includes all other operating expenditures accounted for discretely at the medical / clinic account level, for use in the direct medical service delivery to patients, during the reporting period, including, but not limited to:
 - Rental Payments
 - Equipment – non-depreciable
 - Dues and Subscriptions
 - Telephone

Column G, Lines 103, 121, 135, 154, 168: Enter **Total Amount of Operating Expenditures** related to administration/support cost centers identified

Reductions to Trial Balance

In this part of the exhibit, the provider is to identify operating costs that must be reduced on the trial balance. These are operating costs that are funded by other federal funds, or otherwise need to be reduced from the trial balance account.

Column B, Lines 108-115, 126-129, 140-148, 159-162, 173-181: Enter **Account Numbers** of the operating expenditures for which costs will be reduced to the trial balance

Column C, Lines 108-115, 126-129, 140-148, 159-162, 173-181: Enter **Account Descriptions** of the operating expenditures for which costs will be reduced to the trial balance

Column G, Lines 108-115, 126-129, 140-148, 159-162, 173-181: Enter **Yes or No** to identify if the operating expenditure for which costs will be reduced to the trial balance was funded by federal funds

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Column H, Lines 108-115, 126-129, 140-148, 159-162, 173-181: Enter the **Amount of cost** for the operating expenditure item that will be reduced to the trial balance

Column I, Lines 108-115, 126-129, 140-148, 159-162, 173-181: If a federal grant has been received to fund an operating expenditure and the grant requires a non-federal match of expenditures, the non-federal matching expenses must also be adjusted from allowable costs. Enter the **Amount of Additional State/Local (non-federal) Match** that is required for federal funds and associated with the operating costs.

Column J, Lines 108-115, 126-129, 140-148, 159-162, 173-181: Enter **Other Reduction Amounts** to be removed from the operating costs for which costs will be reduced to the trial balance

Column L, Lines 108-115, 126-129, 140-148, 159-162, 173-181: From the dropdown list, select the appropriate **Cost Center Where Reduction Amount Will Be Moved** that best represents where the adjustment should go on the COA in Exhibit 5

Column M, Lines 108-115, 126-129, 140-148, 159-162, 173-181: From the dropdown list, select the appropriate **Cost Center Account** that best represents where the reduction should go on the COA in Exhibit 5

Section III. Adjustments/Transfers to Trial Balance

This section of the exhibit is designed to capture transfers and adjustments to the trial balance related to Direct Medical / Clinic cost centers. This section of the exhibit comes with several pre-populated expenditure accounts that will need to be completed. The pre-populated accounts are as follows:

- **Depreciation Expense 39500** (Column C, Line 190) This includes the depreciation expense accounted for at the direct medical / clinic account level, for depreciable items related to the direct medical services costs to patients during the reporting period.

Column B, Line 190: Enter **Account Numbers** of the adjustments for which costs will be adjusted to the trial balance

Column G, Line 190: Enter the **Total Amount to be Transferred to Trial Balance** of the depreciation expense for which costs will be

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

adjusted on to the trial balance. Include the full amount for the entire reporting period

Column H, Line 190: Enter the **Amount of cost** for the non-reimbursable expenditure item that will be reduced to the trial balance. This would be used in the instance, for example, if a portion of Direct medical services depreciation could be reduced from this account and discretely identified under some other cost center.

Column I, Line 190: Enter the **Amount of Additional State/Local Match** that is required and associated with the depreciation expense that will be reduced to the trial balance

Column J, Line 190: Enter **Other Reduction Amounts** to be removed from depreciation for which costs will be reduced to the trial balance

Column L, Line 190: From the dropdown list, select the appropriate **Cost Center Where Reduction Amount Will Be Moved** that best represents where the adjustment should go on the COA in Exhibit 5

Column M, Line 190: From the dropdown list, select the appropriate **Cost Center Account** that best represents where the reduction should go on the COA in Exhibit 5

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Exhibit 4d – Non-Reimbursable Expenditures

This exhibit includes the non-reimbursable personnel and operating expenditures for the provider. For this exhibit, all non-reimbursable related costs should be included.

DIRECTIONS TO COMPLETE EXHIBIT 4d

Section I. Personnel / Staff Expenditures

- **Non-Clinical/Medical Personnel Cost (Environmental Health, Home Health, Bioterrorism, etc.) 51000** (Column B Line 16) This section of the exhibit is designed to capture all personnel and staffing expenditures related to non-medical/clinical and non-reimbursable activities.

If the provider does not have costs for a specific pre-populated classification, please leave the salary and associated information blank.

Column G, Line 17:

Enter the **Gross Salary** amount for the appropriate job classification

Columns H, I, J, and K, Line 17:

Enter the **Total Benefits, Federal Insurance Contributions Act (FICA), Medicare taxes, and Other Benefits** for the appropriate job classification

Reductions to Trial Balance

In this part of the section of the exhibit, the provider is to identify personnel costs that must be reduced from the trial balance account. These are personnel costs that are funded by other federal funds, need to be reclassified as non-reimbursable, or personnel costs that need to be accounted for in another reimbursable or non-reimbursable cost center.

Column B, Lines 22-25:

Enter the **Position Number/Employee ID** for the employee for whom costs will be reduced to the trial balance for the specific job classification

Column C, Lines 22-25:

Enter the **Last Name** of the employee for which costs will be reduced to the

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

trial balance for the specific job classification

Column D, Lines 22-25:

Enter the **First Name** of the employee for which costs will be reduced to the trial balance for the specific job classification

Column E, Lines 22-25:

Enter the **Job Title** of the employee for which costs will be adjusted to the trial balance for the specific job classification

Column F, Lines 22-25:

Enter the appropriate **Vendor or Employee** designation of the employee for which costs will be reduced to the trial balance for the specific job classification

Column G, Lines 22-25:

Enter **Yes or No** to identify if the employee for which costs will be adjusted on to the trial balance for the specific job classification was funded by other federal funds

Column H, Lines 22-25:

Enter the **Amount of Salary** for the employee that will be reduced to the trial balance for the specific job classification

Columns I, J, K, L, Lines 22-25:

Enter the **Total Benefits, FICA, Medicare, Other Benefits** to be removed for the employee for which costs will be reduced to the trial balance for the specific job classification

Column N, Lines 22-25:

If a federal grant has been received to fund a position and the grant requires

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

a non-federal match of expenditures, the non-federal matching expenses must also be adjusted from allowable costs. Enter the **Amount** of **Additional State/Local** (non-federal) **Match** that is required for federal funds associated with the employee costs

Column O, Lines 22-25:

Enter **Other Expenditure Amounts** to be removed for the employee for whom costs will be reduced to the trial balance for the specific job classification

Column Q, Lines 22-25:

From the dropdown list, select the appropriate **Cost Center Where Reduction Amount Will Be Moved** that best represents where the adjustment should go on the COA in Exhibit 5

Column R, Lines 22-25:

From the dropdown list, select the appropriate **Cost Center Account** that best represents where the reduction should go on the COA in Exhibit 5

Section II. Non-Reimbursable Expenditures

This section of the exhibit is designed to capture all operating expenditures related to non-medical/clinical and non-reimbursable cost centers. This section of the exhibit comes with several pre-populated non-reimbursable cost centers and classifications that the provider must complete. The pre-populated cost centers and classifications are as follows:

- Environmental Health 51100
- Home Health 51200
- Community Care for Child (CC4C) 51300
- Pregnancy Case Management (PCM) 51400
- Women Infant Children (WIC) 51500

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

- Capital Expenditures 55000
- Reference Lab 51600
- Other Non-Reimbursable Expenditures 51700

If the provider does not have costs for a specific pre-populated classification, please leave the salary and associated information blank.

Column B, Lines 35-42: Enter **Account Numbers** of the non-reimbursable cost center items, if applicable

Column G, Lines 35-42: Enter the **Total Trial Balance Amount** of the non-reimbursable cost center. Include the full amount for the entire reporting period

Column H, Lines 35-42: Enter the **Amount of Cost** for the non-reimbursable expenditure item that will be reduced to the trial balance. This would be used in the instance, for example, if a portion of an Environmental Health could be reduced from this account and discretely identified under the Direct Medical / Clinic Cost center

Column I, Lines 35-42: If a federal grant has been received to fund an operating expenditure and the grant requires a non-federal match of expenditures, the non-federal matching expenses must also be adjusted from allowable costs. Enter the **Amount of Additional State/Local (non-federal) Match** that is required for federal funds and associated with the operating costs.

Column J, Lines 35-42: Enter **Other Reduction Amounts** to be removed from the non-reimbursable costs for which costs will be reduced to the trial balance

Column L, Lines 35-42: From the dropdown list, select the appropriate **Cost Center Where Reduction Amount Will Be Moved** that best represents where the adjustment should go on the COA in Exhibit 5

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Column M, Lines 35-42: From the dropdown list, select the appropriate **Cost Center Account** that best represents where the reduction should go on the COA in Exhibit 5

Adjustments / Reclassifications to Trial Balance

This section of the exhibit is designed to capture transfers and adjustments to the trial balance related to non-medical/clinical and non-reimbursable cost centers. This section of the exhibit comes with several pre-populated expenditure accounts that will need to be completed. The pre-populated accounts are as follows:

- **Depreciation Expense 59500** (Column C, Line 51) This includes the depreciation expense accounted for at the non-reimbursable account level, for depreciable items related to those non-reimbursable cost centers.

Column B, Line 51: Enter the **Account Number** of the adjustments for which costs will be adjusted to the trial balance

Column G, Line 51: Enter the **Total Amount to be Transferred to Trial Balance** of the depreciation expense for which costs will be adjusted on to the trial balance. Include the full amount for the entire reporting period

Column H, Line 51: Enter the **Amount of cost** for the non-reimbursable expenditure item that will be reduced to the trial balance. This would be used in the instance, for example, if a portion of Direct medical services depreciation could be reduced from this account and discretely identified under some other cost center

Column I, Line 51: Enter the **Amount of Additional State/Local Match** that is required and associated with the depreciation expense that will be reduced to the trial balance

Column J, Line 51: Enter **Other Reduction Amounts** to be removed from depreciation for which costs will be reduced to the trial balance

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Column L, Line 51: From the dropdown list, select the appropriate **Cost Center Where Reduction Amount Will Be Moved** that best represents where the adjustment should go on the COA in Exhibit 5

Column M, Line 51: From the dropdown list, select the appropriate **Cost Center Account** that best represents where the reduction should go on the COA in Exhibit 5

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Exhibit 5 – Expenditure Summary – COA / Total Expenditure by Classification

This exhibit includes a summary of all local health department expenditures by a standard chart of accounts (COA). The information in this exhibit is updated when information is entered into other exhibits within the cost report.

As identified above, the account structure for this report includes the following four cost centers:

- LHD Administration / Support
- Clinical Administration / Support
- Direct Medical / Clinic
- Non-Reimbursable

Within each of those cost centers, there are specific accounts that include costs associated with:

- Personnel / Staff Expenditures
- Operating Expenditures
- Adjustments / Transfers to the Trial Balance

DIRECTIONS TO COMPLETE EXHIBIT 5

The provider does not need to enter any information in this exhibit.

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Exhibit 6 – Allocations

This exhibit allocates all the adjusted total expenditures into cost centers to be used for settlement purposes. The adjusted total expenditures from Exhibit 5 Total Expenditures by Classification (Expenditure Summary) are pre-determined to be classified into one of the following cost pools based on the relationship a cost center and account have to other accounts and cost centers within the LHD:

- **Nursing Cost Pool** – nursing personnel and discretely identified expenditures.
- **Social Worker Cost Pool** – social worker personnel and discretely identified expenditures.
- **Health Educator & Nutritionist Cost Pool** – health educator and nutrition personnel and discretely identified expenditures.
- **Allocated Administration/Support Cost Pool** – general LHD administration and support costs that will be allocated to all cost pools using a salary and benefit expenditure basis.
- **Allocated Clinical Administration Cost Pool** – medical/clinic related administration and support costs that will be allocated to medical/clinic related cost pools (all but outreach) using a salary and benefit expenditure basis.
- **Direct Medical Cost Pool** – direct medical related personnel and discretely identified expenditures.
- **Laboratory Services Cost Pool** – laboratory related personnel and discretely identified expenditures.
- **Non-Reimbursable Cost Pool** – non-reimbursable personnel and discretely identified expenditures.

Once the adjusted total expenditures are identified in one of the above cost pools they are totaled in this exhibit in lines 108 – 124. The Allocated Admin Support Cost Pool and Allocated Clinical Admin Cost Pool provide administrative oversight and support across several other cost pools within the LHD. Because of that, those expenditures must be allocated to determine an accurate amount of cost for each cost pool for use in the settlement.

The administrative oversight and support cost pools then go through two cost allocations to distribute the total expenditures to the other cost pools for settlement in Exhibit 7.

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

The first allocation distributes the Allocated Administrative Support Cost Pool to all remaining cost pools based on the percentage of Total Expenditures within those remaining cost pools. The resulting allocations and adjusted cost pool amounts are identified in lines 130-142. This adjusted amount then becomes the base for use in the second allocation.

The second allocation distributes the Allocated Clinical Administrative Cost Pool to the other direct cost pools and laboratory based on the percentage of Total Expenditures within those cost pools minus Total adjusted Non-Reimbursable cost pool. The resulting allocations and adjusted cost pool amounts are identified in lines 150-160. The resulting cost pools are then used in Exhibit 7.

DIRECTIONS TO COMPLETE EXHIBIT 6

The provider does not need to enter any information in this exhibit.

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Exhibit 7 – Expenditures for Settlement

This exhibit shows the amount of expenditures that the LHD will use for settlement purposes. The exhibit calculates the expenditures for settlement from the cost pools in Exhibit 6 and applies those expenditures to the actual time report results as identified in Exhibit 3. The expenditures for settlement are determined for the following cost pools by taking the allocated cost and multiplying them by the appropriate Direct Medical, Medicaid Administrative, and Non-Reimbursable actual time report results percentage:

- Nursing Cost Pool
- Social Worker Cost Pool
- Health Educator & Nutritionist Cost Pool

The Direct Medical Cost Pool is identified in this Exhibit, but because of the direct medical nature of this pool, actual time report results are not applied; therefore, 100 percent is identified under the Direct Medical costs (Column D).

It is important to note that the costs identified as Medical Administrative Costs (Column E) are computed Medicaid costs because as identified in Exhibit 3, the Medicaid Utilization percentage was applied when calculating the Medicaid Administrative allocation percentage.

The resulting expenditure amount from this exhibit is then used in the settlement calculations in Exhibit 9a-9b.

DIRECTIONS TO COMPLETE EXHIBIT 7

The provider does not need to enter any information in this exhibit.

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Exhibit 8 – Payments and Transactions – Revenue Offsets

This exhibit includes Medicaid and NC Health Choice related payments to the LHD that can be accounted for as revenue and therefore must be used to offset Medicaid eligible expenditures for settlement purposes.

DIRECTIONS TO COMPLETE EXHIBIT 8

Section I. Payments and Transactions – MEDICAID AND NC HEALTH CHOICE SERVICES

Column D, E, F, and G, Lines 17-23:

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Use the pre-populated payment/transaction descriptions to enter the amount of Medicaid and NC Health Choice payments for the reporting period. The pre-populated transactions include:

- Medicaid Interim Payments-Clinic Services, including Medicaid payments for laboratory services
- Medicaid Interim Payments-Family Planning, including Medicaid payments for laboratory services
- MAC Payment-Q1
- MAC Payment-Q2
- MAC Payment-Q3
- MAC Payment-Q4
- NC Health Choice Services – Interim Claim Payments, including NC Health Choice payments for laboratory services.

Enter the **Total Dollar Amount** of the **Payment/Transaction** received for each description provided with dates of service during the reporting period.

****NOTE – Per the NC State Plan, Attachment 3.1-A, Page 9, effective 10/1/2014, Family Planning Waiver (FPW) recipients have transitioned to the NC State Plan. Therefore, for dates of service beginning on or after 10/1/2014, Medicaid payments for FPW recipients shall be included in the applicable category for Family Planning or Clinical Medicaid payments.****

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Exhibit 9a – Direct Medical Cost for Settlement

This exhibit calculates the amount of the provider cost settlement/reconciliation for the fiscal year for Medicaid and NC Health Choice services. The expenditure information is derived from prior exhibits. The Medicaid utilization percentage, along with clinical versus family planning type utilization, is used to calculate the total allowable costs. Beginning July 1, 2016, NC Health Choice services provided by the LHD are cost settled/reconciled. The NC Health Choice utilization percentage from Exhibit 2 is used to calculate the total allowable costs for the Health Choice settlement.

In Column D, the total expenditures for settlement from Exhibit 7 are then multiplied by the Medicaid Utilization percentage from Exhibit 2. In Columns E, F, and G, the calculated Medicaid Cost is apportioned between Medicaid Clinic, Medicaid Family Planning, and Family Planning Waiver cost pools using Medicaid charges shown in Exhibit 2. The total Medicaid interim payments for the reporting period are identified and reduced to calculate a net computable Medicaid Cost. The Medicaid Federal Medical Assistance Percentage (FMAP) is applied to the computable cost to determine the amount for Medicaid settlement.

In Column H, the total expenditures for settlement from Exhibit 7 are multiplied by the NC Health Choice Utilization percentage from Exhibit 2. The total NC Health Choice interim payments for the reporting period are identified and reduced to calculate a net computable NC Health Choice Cost. The NC Health Choice FMAP is applied to the computable cost to determine the amount for NC Health Choice settlement.

In Column D, Line 30 the total expenditures for laboratory settlement from Exhibit 6 are multiplied by the Medicaid Utilization percentage from Exhibit 2 to determine Medicaid allowable cost. Per the NC State Plan, Amendment 4.19-B, Section 9, reimbursement for laboratory services shall not exceed the Medicare Laboratory Fee Schedule Rate. In Cell D31, enter the aggregate Medicare Laboratory Fee Schedule rate for all Medicaid paid laboratory services; this information comes from the State Division of Medical Assistance (DMA) and must be obtained before completing the cost report. Allowable Medicaid cost for settlement of laboratory services shall be the lesser of the allowable cost as calculated by the Medicaid cost report or the aggregate Medicare Laboratory Fee Schedule.

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

In Column H, Line 30 the total expenditures for laboratory settlement from Exhibit 6 are multiplied by the NC Health Choice Utilization percentage from Exhibit 2 to determine NC Health Choice allowable cost. Per the NC State Plan, Amendment 4.19-B, Section 9, reimbursement for laboratory services shall not exceed the Medicare Laboratory Fee Schedule Rate. In cell H31, enter the aggregate Medicare Laboratory Fee Schedule rate for all NC Health Choice paid laboratory services; this information comes from the State Division of Medical Assistance (DMA) and must be obtained before completing the cost report. Allowable NC Health Choice cost for settlement of laboratory services shall be the lesser of the allowable cost as calculated by the Medicaid cost report or the aggregate Medicare Laboratory Fee Schedule.

In Columns E and F, Line 38, settlements are calculated for Medicaid Clinic and Medicaid Family Planning costs. There is not a settlement related to Family Planning Waiver costs.

In Column H, Line 38, a settlement is calculated for NC Health Choice costs.

“When the provider files a cost report indicating that an overpayment has occurred, full refund is to be remitted with the cost report.” CMS Publication 15-1, Section 2409.1(A)(2)

This refund shall be remitted under separate cover with a copy of Exhibit 9a to:

DHHS Accounts Receivable
Division of Medical Assistance
2022 Mail Service Center
Raleigh, North Carolina 27699-2022

IMPORTANT NOTE: Medicaid and NCHC are derived from separate funding sources; therefore, any Medicaid and NC Health Choice settlements which are identified as payables or receivables **shall not be combined or netted**. The settlements for Medicaid and NC Health Choice must be executed as **separate and distinct transactions**.

If the provider has payables due the Program(s) for both Medicaid and NC Health Choice, the provider shall submit **separate remittances**. Providers shall enclose a copy of the Exhibit 9a showing the Medicaid and NC Health Choice settlement with the appropriate corresponding remittances so that payments can be properly posted as Medicaid or NC Health Choice.

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

DIRECTIONS TO COMPLETE EXHIBIT 9a

Column D, Line 31: Enter the **Dollar Value** of the **Medicare Laboratory Fee Schedule Rate for Medicaid services** for the applicable period. This information comes from the State Division of Medical Assistance (DMA) and must be obtained before completing the cost report

Column H, Line 31: Enter the **Dollar Value** of **Medicare Laboratory Fee Schedule Rate for NC Health Choice** for the applicable period. This information comes from the State Division of Medical Assistance (DMA) and must be obtained before completing the cost report.

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Exhibit 9b – Medicaid Administrative Claiming Costs for Settlement

This exhibit calculates the amount of the LHD Medicaid Administrative Claiming settlement/reconciliation for the fiscal year. The expenditure information is derived from prior exhibits to calculate the total allowable Medicaid costs. This exhibit also identifies the amount of the revenue offset that is applicable related to the quarterly Medicaid Administrative Claiming payments.

The total expenditures for settlement from Exhibit 7 are identified in this exhibit and because the Medicaid Utilization percentage was already applied, the sum of the costs from the different cost pools becomes the computable Medicaid Administrative cost for claiming. The appropriate FFP is applied to identify, on an annual basis, the amount of the Medicaid Administrative Claim (MAC). Four quarterly MAC payments can be identified and a net Medicaid settlement amount is calculated.

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Exhibit 10 – Financial Report Summary

This exhibit is used to compare the expenditure information from LHD financials to the expenditures included in the cost report. The LHD financials are the basis for the expenditures reported in the cost report; therefore, it is imperative that there is a full accounting for all provider costs in the cost report.

DIRECTIONS TO COMPLETE EXHIBIT 10

As part of this exhibit, when submitting the cost report, please retain a copy of the LHD financials that were the basis for the expenditures included in this cost report.

Column F, Line 16: Enter the dollar amount of **Gross Expenditures** from **LHD Financials** that were reported for the appropriate period

Column F, Line 19: Enter the dollar amount of **Depreciation** expenditure incurred during the cost reporting period to be brought on to the Trial Balance

Column F, Line 20: Enter the dollar value of **Indirect Costs** incurred during the cost reporting period as identified in a discrete dollar amount from a parent organization cost allocation plan (CAP)

Column F, Line 21: Enter the dollar value of any **Other** adjustments to gross expenditures that were incurred during the cost reporting period

It is important that the variance between the net expenditures from the LHD financials (Column F, Line 22) and the total expenditures from the cost report (Column F, Line 24) is \$0.

**INSTRUCTIONS FOR COMPLETING THE
2016-2017 NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
LOCAL HEALTH DEPARTMENT COST REPORT**

Exhibit 11 – Variance Report - QC

This exhibit compares select values from prior exhibits to check the validity of the calculations throughout the cost report.

It is important that all variances in Column D are \$0.

DIRECTIONS TO COMPLETE EXHIBIT 11

The provider does not need to enter any information in this exhibit.