

North Carolina Division Of Medical Assistance

Instructions for Local Health Department Cost Report

**Annual Cost Report for the Reporting Period
July 1, 2015 – June 30, 2016**

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**INSTRUCTIONS FOR COMPLETING THE
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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.

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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 9: Enter provider **Name** (e.g., XYZ Health Department)

Column D, Line 10: Enter provider **Street Address** (e.g., 517 S. Pleasant Valley Rd.)

Column D, Line 11: Enter provider **City, State, and Zip Code** (e.g., Any City NC 12345)

Column C, Lines 14/15: 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 9: Enter provider **Federal Employer Identification Number**

Column I, Lines 12 - 21: Enter provider **National Provider Identifier (NPI) Number.**

Column, K, Line 12 - 21: Enter the **Medicaid Provider Number that corresponds to the NPI entered in column I.**

List all facility NPIs and Medicaid Provider Numbers used to bill services and associated with the Federal Employer Identification Number (EIN) entered in column K, Line 9. (Do not include individual physician provider numbers not associated with the health department's EIN.)

If additional space is needed, attach a separate sheet with the additional NPI and Medicaid Provider Numbers.

Section 2a.

The reporting period is pre-populated.

Section 2b.

The type of provider is pre-populated.

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Section 3a.

Column C, Lines 31, 33, 35: 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 67: 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 70: Enter the **Title of the officer** of the provider submitting the cost report

Column J, Line 67: Enter the **Date** when the officer of the provider signs the cost report

Column J, Line 70: Enter the **Phone Number** of the officer of the provider submitting the cost report in the event that that state needs to contact the provider

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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 in the event that 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

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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, maintain appropriate support documentation on how the numbers/amounts were determined for each LHD. Charges will be used to determine the Medicaid statistic. Providers shall bill usual and customary charges.

DIRECTIONS TO COMPLETE EXHIBIT 2

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 19: 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.

Column C, Line 20: 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 21: Enter the **Dollar Value of Total Clinical Medicaid Charges** for the applicable period. This information comes from the State Division of

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Medical Assistance (DMA) and must be obtained before completing the cost report.

Total Salaries and Benefits – Not Applicable after SFY 2012

The LHD Cost Report uses a total salaries and benefits expenditure statistic to allocate overall LHD administrative/support expenditures, and Clinical administrative/support expenditures. These salaries and benefits are auto-populated from Exhibit 5. This statistic allocates appropriate administrative and support costs to reimbursable and “non-reimbursable” cost centers based on the total employee salary and benefit costs of those cost centers.

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 38: Enter the **Time Period the Time Report was Conducted** that was used to complete the cost report (e.g., 7/1/2011 – 6/30/2012)

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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, Nurses Aides
- 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

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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. 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.

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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.

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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 17) 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 31) 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

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- **Other Personnel 13000** (Column B, Line 45) 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
 - Medical Records clerk
 - 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 18, 32, 46: Enter the **Gross Salary** amount for the appropriate job classification

Columns H, I, J, and K, Lines 18, 32, 46: 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 23-26/37-40/51-54: 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 23-26/37-40/51-54: Enter the **Last Name** of the employee for which costs will be reduced on the trial balance for the specific job classification

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- Column D, Lines 23-26/37-40/51-54: 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 23-26/37-40/51-54: 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 23-26/37-40/51-54: 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 23-26/37-40/51-54: 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 23-26/37-40/51-54: 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 23-26/37-40/51-54 : 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 23-26/37-40/51-54: 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.

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Column O, Lines 23-26/37-40/51-54: 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 23-26/37-40/51-54: 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 23-26/37-40/51-54: 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 also 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:

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- **Supplies 14800** (Column B, Line 63) This expenditure includes supplies accounted for at the LHD administration account level and are used across multiple cost centers in the 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 77) 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 91) 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 105) 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

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- Telephone

Column G, Lines 64, 78, 92, 106: 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 69-72, 83-86, 97-100, 111-114: Enter **Account Numbers** of the operating expenditures for which costs will be reduced to the trial balance

Column C, Lines 69-72, 83-86, 97-100, 111-114: Enter **Account Descriptions** of the operating expenditures for which costs will be reduced to the trial balance

Column G, Lines 69-72, 83-86, 97-100, 111-114: 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 69-72, 83-86, 97-100, 111-114: Enter the **Amount of cost** for the operating expenditure item that will be reduced to the trial balance

Column I, Lines 69-72, 83-86, 97-100, 111-114: If a federal grant has been received to fund an operating expenditures 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.

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Column J, Lines 69-72, 83-86, 97-100, 111-114: Enter **Other Reduction Amounts** to be removed from the operating costs for which costs will be reduced to the trial balance

Column L, Lines 69-72, 83-86, 97-100, 111-114: 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 69-72, 83-86, 97-100, 111-114: 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 124) 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 125) 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

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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 indirect cost allocation amounts will be entered on Column G, Line 125. 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 124-125: Enter **Account Numbers** of the adjustments for which costs will be adjusted to the trial balance
- Column G, Lines 124-125: 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 124-125: 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 124-125: 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 124-125: Enter **Other Reduction Amounts** to be removed from the costs for which costs will be reduced to the trial balance
- Column L, Lines 124-125: 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 124-125: From the dropdown list, select the appropriate **Cost Center Account** that best represents where the reduction should go on the COA in Exhibit 5

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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 17) 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 31) 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

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Interpreters 23000 (Column B, Line 45) 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 59) 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 / 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 18, 32, 46, 60: Enter the **Gross Salary** amount for the appropriate job classification

Columns H, I, J, and K, Lines 18, 32, 46, 60: 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 23-26/37-40/51-54/65-68: Enter the **Position Number/Employee ID** for the employee for whom costs will be reduced on the trial balance for the specific job classification

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Column C, Lines 23-26/37-40/51-54/65-68: 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 23-26/37-40/51-54/65-68: 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 23-26/37-40/51-54/65-68: 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 23-26/37-40/51-54/65-68: 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 23-26/37-40/51-54/65-68: 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 23-26/37-40/51-54/65-68: 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 23-26/37-40/51-54/65-68: 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 23-26/37-40/51-54/65-68: 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

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Column O, Lines 23-26/37-40/51-54/65-68: 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 23-26/37-40/51-54/65-68: 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 23-26/37-40/51-54/65-68: 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 also 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:

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- **Supplies 24800** (Column B, Line 77) 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 91) 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 105) 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 119) 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

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Column G, Lines 78, 92, 106, 120: 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 83-86, 97-100, 111-114, 125-128: Enter **Account Numbers** of the operating expenditures for which costs will be reduced to the trial balance

Column C, Lines 83-86, 97-100, 111-114, 125-128: Enter **Account Descriptions** of the operating expenditures for which costs will be reduced to the trial balance

Column G, Lines 83-86, 97-100, 111-114, 125-128: 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 83-86, 97-100, 111-114, 125-128: Enter the **Amount of cost** for the operating expenditure item that will be reduced to the trial balance

Column I, Lines 83-86, 97-100, 111-114, 125-128: If a federal grant has been received to fund an operating expenditures 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 83-86, 97-100, 111-114, 125-128: Enter **Other Reduction Amounts** to be removed from the operating costs for which costs will be reduced to the trial balance

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Column L, Lines 83-86, 97-100, 111-114, 125-128: 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 83-86, 97-100, 111-114, 125-128: 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 138) 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 138: Enter **Account Number** of the adjustment for which costs will be adjusted to the trial balance

Column G, Line 138: 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 138: 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.

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- Column I, Line 138: 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 138: Enter **Other Reduction Amounts** to be removed from depreciation for which costs will be reduced to the trial balance
- Column L, Line 138: 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 138: From the dropdown list, select the appropriate **Cost Center Account** that best represents where the reduction should go on the COA in Exhibit 5

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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 17) 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, Nurses Aide) 32000** (Column B, Line 31) 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 45) 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

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- **Health Educators & Nutritionists 34000** (Column B, Line 59) 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 73) 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 87) 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 18, 32, 46, 60, 74, 88: Enter the **Gross Salary** amount for the appropriate job classification

Columns H, I, J, and K, Lines 18, 32, 46, 60, 74, 88: Enter the **Total Benefits, Federal Insurance Contributions Act (FICA), Medicare taxes, and Other Benefits** for the appropriate job classification

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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 23-26/37-40/51-54/65-68/79-82/93-96: 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 23-26/37-40/51-54/65-68/79-82/93-96: 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 23-26/37-40/51-54/65-68/79-82/93-96: 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 23-26/37-40/51-54/65-68/79-82/93-96: 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 23-26/37-40/51-54/65-68/79-82/93-96: 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 23-26/37-40/51-54/65-68/79-82/93-96: 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

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Column H, Lines 23-26/37-40/51-54/65-68/79-82/93-96: 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 23-26/37-40/51-54/65-68/79-82/93-96: 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 23-26/37-40/51-54/65-68/79-82/93-96: 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 23-26/37-40/51-54/65-68/79-82/93-96: 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 23-26/37-40/51-54/65-68/79-82/93-96: 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 23-26/37-40/51-54/65-68/79-82/93-96: From the dropdown list, select the appropriate **Cost Center Account**

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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 105) 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 123) 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 137) 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

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- Contracted Clinicians
 - Contracted Interpreters
 - Other Professional Services
 - Other Contracted Services
- **Laboratory Expenditures 36900** (Column B, Line 156) 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 170) 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 106, 124, 138, 157, 171: 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 111-118, 129-132, 143-151, 162-165, 176-184: Enter **Account Numbers** of the operating expenditures for which costs will be reduced to the trial balance

Column C, Lines 111-118, 129-132, 143-151, 162-165, 176-184: Enter **Account Descriptions** of the operating expenditures for which costs will be reduced to the trial balance

Column G, Lines 111-118, 129-132, 143-151, 162-165, 176-184: 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

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Column H, Lines 111-118, 129-132, 143-151, 162-165, 176-184: Enter the **Amount of cost** for the operating expenditure item that will be reduced to the trial balance

Column I, Lines 111-118, 129-132, 143-151, 162-165, 176-184: If a federal grant has been received to fund an operating expenditures 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 111-118, 129-132, 143-151, 162-165, 176-184: Enter **Other Reduction Amounts** to be removed from the operating costs for which costs will be reduced to the trial balance

Column L, Lines 111-118, 129-132, 143-151, 162-165, 176-184: 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 111-118, 129-132, 143-151, 162-165, 176-184: 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 195) 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 195: Enter **Account Numbers** of the adjustments for which costs will be adjusted to the trial balance

Column G, Line 195: Enter the **Total Amount to be Transferred to Trial Balance** of the depreciation expense for which costs will be

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

Column H, Line 195: 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 195: 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 195: Enter **Other Reduction Amounts** to be removed from depreciation for which costs will be reduced to the trial balance

Column L, Line 195: 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 195: From the dropdown list, select the appropriate **Cost Center Account** that best represents where the reduction should go on the COA in Exhibit 5

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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 17) 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 18: Enter the **Gross Salary** amount for the appropriate job classification

Columns H, I, J, and K, Line 18: 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 23-26: 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 23-26: Enter the **Last Name** of the employee for which costs will be reduced to the

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trial balance for the specific job classification

Column D, Lines 23-26:

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 23-26:

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 23-26:

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 23-26:

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 23-26:

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 23-26:

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 23-26:

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

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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 23-26:

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 23-26:

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 23-26:

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

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- 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 36-43: Enter **Account Numbers** of the non-reimbursable cost center items, if applicable

Column G, Lines 36-43: Enter the **Total Trial Balance Amount** of the non-reimbursable cost center. Include the full amount for the entire reporting period

Column H, Lines 36-43: 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 36-43: If a federal grant has been received to fund an operating expenditures 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 36-43: 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 36-43: 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

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Column M, Lines 36-43: 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 53) 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 53: Enter the **Account Number** of the adjustments for which costs will be adjusted to the trial balance

Column G, Line 53: 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 53: 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 53: 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 53: Enter **Other Reduction Amounts** to be removed from depreciation for which costs will be reduced to the trial balance

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Column L, Line 53: 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 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

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.

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Exhibit 6 – Allocations

This exhibit allocates all of 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 109 – 125. 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.

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The first allocation distributes the Allocated Administrative Support Cost Pool to all remaining cost pools based on the percentage of each cost pool's expenditures to Total Expenditures. The resulting allocations and adjusted cost pool amounts are identified in lines 132-146. 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 each cost pool's adjusted amount calculated in allocation #1 (above).

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.

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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.

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Exhibit 8 – Payments and Transactions – Revenue Offsets

This exhibit includes Medicaid 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

Column D, E, and F, Lines 17-22:

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

- Medicaid Interim Payments-Clinic Services
- Medicaid Interim Payments-Family Planning
- MAC Payment-Q1
- MAC Payment-Q2
- MAC Payment-Q3
- MAC Payment-Q4

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

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Exhibit 9a – Direct Medical Cost for Settlement

This exhibit calculates the amount of the provider cost settlement/reconciliation for the fiscal year. The expenditure information is derived from prior exhibits and a Medicaid utilization percentage, along with clinical versus family planning type utilization, to calculate the total allowable costs. This exhibit also identifies the amount of the revenue offset that is applicable.

The total expenditures for settlement from Exhibit 7 are then multiplied by the Medicaid Utilization percentage from Exhibit 2 and then that calculated Medicaid Cost is proportioned between Medicaid Clinic, Medicaid Family Planning, and Family Planning Waiver cost pools using a Medicaid charge basis as show in Exhibit 2. The total interim payments for the reporting period are identified and reduced to calculate a net computable Medicaid Cost. The FMAP percentage is applied to the computable cost to determine the amount for settlement.

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

Settlements are calculated for Medicaid Clinic and Medicaid Family Planning costs. There is not a settlement related to Family Planning Waiver 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

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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.

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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.

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Exhibit 11 – Variance Report - QC

This exhibit compares select values from prior exhibits as a means 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.