



N O R T H C A R O L I N A
A S S O C I A T I O N O F C O U N T Y C O M M I S S I O N E R S

**North Carolina Local Government EMS
Medicaid Cost Report**

**Instructions – Year 13
July 1, 2011– June 30, 2012**

**North Carolina Association of County
Commissioners**

**Scott Kauffman, Controller
(919) 715-6411
scott.kauffman@ncacc.org**

Important Information and Changes for this Year

You are advised to save a duplicate copy of the workbook prior to entering data. The procedure will provide a “clean” copy of the workbook that may be used in case of unrecoverable errors or damage to your working file.

The report template has been updated. The content remains unchanged but the appearance and navigation has been improved.

Check depreciation schedules carefully. Many items are now fully depreciated and no depreciation should be calculated for this year.

The cost report for this year will require some new mileage data. In the Local Government Detail Section 1.0 total miles traveled by all transport vehicles should be entered so that the report can calculate “cost per mile” information.

COMPLETED COST REPORTS

Completed Cost Report - Completed cost reports should be emailed as soon as completed to Scott Kauffman for examination. After confirmation that the report is satisfactory, a signed paper copy should be mailed to Raleigh as per the instructions below.

Due no later than February 28, 2013

The local government manager must sign the certification section prior to report submittal (**Worksheet entitled “SUMMARY” tab in the workbook**). After confirmation by NCACC the completed, signed original cost report must be **mailed** to:

***North Carolina Department of Health and Human Services
Division of Medical Assistance, Financial Operations,
Attention: Tameca Bowe
1985 Umstead Drive, 2501 Mail Service Center
Raleigh, North Carolina 27699-2501***

If revisions are required, a revised cost report with an original signature will need to be filed with the State. A copy of the final report should be **e-mailed** to NCACC at scott.kauffman@ncacc.org.

You can contact Scott Kauffman at 919-715-6411 for technical assistance pertaining to report completion.

IMPORTANT ITEMS

Increases in Cost – Explanations are needed for increases in expenditures that are 10% or greater than the previous year.

The **Depreciation Schedules for assets other than computers on Schedule A** – have three sections: Emergency vehicles, Non-Emergency vehicles and other equipment. All items should be reported in the appropriate section. The \$5,000 direct charge-off is still applicable.

Comparison of Year 13 to Year 12 Cost Data – The Year 13 cost report is for the period July 1, 2011 – June 30, 2012 and includes pre-entered summary comparison data from the previous year cost report. This will facilitate a comparison of the current year and prior year and will assist the state in their reviews of completed reports. **In addition, you are required to provide an explanation for each category of cost where current year cost is greater than last year cost by 10% or more.** The report will guide you through this requirement.

Year 1 was for the period July 1, 1999 – June 30, 2000

Year 2 was for the period July 1, 2000 – June 30, 2001

Year 3 was for the period July 1, 2001 – June 30, 2002

Year 4 was for the period July 1, 2002 – June 30, 2003

Year 5 was for the period July 1, 2003 – June 30, 2004

Year 6 was for the period July 1, 2004 – June 30, 2005

Year 7 was for the period July 1, 2005 – June 30, 2006

Year 8 was for the period July 1, 2006 – June 30, 2007

Year 9 was for the period July 1, 2007 – June 30, 2008

Year 10 was for the period July 1, 2008 – June 30, 2009

Year 11 was for the period July 1, 2009 – June 30, 2010

Year 12 was for the period July 1, 2010 – June 30, 2011

Year 13 is the current report year and is for the period July 1, 2011 – June 30, 2012

Number of Transports – Include only the number of transports which may be different from “trips”. Note that the Medicare transports data also requires a separation of dually eligible and non-dually eligible transports. Transports are transportation of a patient for medically necessary treatment. Trips are empty ambulance en route to a call or returning from a transport. Mileage is only applied for medically necessary ground transportation outside the county’s base area.

Depreciation on Movable Equipment – We have pre-entered some depreciable assets from last year cost reports for assets listed on the Schedule A. If the asset is still currently in use a “Y” should be in the last column. If the asset was not in use at any time in Year 13, place an “N” in the last column. If you purchased new assets during the Year 13 cost report period, please provide the purchase date and price. Asset life for vehicles will be 4 years and the annual depreciation expense calculation should be equal to 25% of the cost of the asset. .

Report Template and Shaded Cells – The template format has been changed for Year 13. All worksheets in the report template are locked. The fields in blue are the only fields accessible. Subtotals, section totals and differences will calculate automatically as you complete the report. The “Summary” tab provides a cost comparison to the Year 12 report for all sections as well as

total operating cost, total transports, etc. Some of the blue fields may have information already in them. This is information from the Year 12 report and was only included for user convenience and may be removed or changed as is needed. If you have any questions, difficulty with the report template, need additional fields in a section, etc. please contact Scott Kauffman.

Telephone number and contact: Scott Kauffman - 919-715-6411

Email address: scott.kauffman@ncacc.org

Description of Local Government Operations: Provide a general description of factors that may impact the overall cost of your EMS operation. Examples of factors that may impact cost are: geographic area covered, location and number of hospitals/LTC facilities within the County, population density, demographics of clients served, seasonal population vs. year round population, use of volunteers in place of salary expense, etc.

Purpose: The EMS cost-finding process is designed to increase and maximize federal reimbursement of local government EMS expenses. The Medicaid cost report is the tool used to capture all allowable costs associated with providing emergency medical transports. Annual completion of the report enables local governments to obtain cost based reimbursement for those transports provided to Medicaid clients. One statewide rate will be established, based upon the average. It is important that you capture all allowable costs and report accordingly. Local government participation is mandatory in order to secure additional cost based reimbursement and maintain current fee-for-service payments under the Medicaid program. Completed cost reports are **due no later than February 28, 2013.**

The following instructions are provided in Worksheet sequence – numbered by Section:

1.0 Local Government Detail –

Complete a cost report for each Medicaid provider number.

Total Number of Miles Driven by Ambulances - Enter the total miles for all transport vehicles (Ambulances). Determine the number of driven during the year for each vehicle and add them together to determine the total number of miles driven by ambulances.

Total Number of Transports Annually - Enter number of transports provided on an annual basis for each of the pay categories:

- Medicaid Only – Number of transports for individuals that have a Medicaid card only and no Medicare or Third Party Insurance.
- Medicare Only – Number of transports for Medicare only.
- Medicare/Medicaid dually eligible – Number of transports for Medicare/Medicaid (dually eligible) beneficiaries.
- All other – Includes transports for anyone with insurance cards other than Medicaid and Medicare and anyone who is self pay/no coverage under any program.

The sum of these four categories should equal total transports provided during the cost report year.

2.0 Organization –

Complete information on local government/EMS organization. In order to participate in the program, you must be publicly owned and /or operated. Medicaid reimbursements must be in the name of the unit of government. If you have any questions, you should refer back to your Medicaid provider enrollment application for the fee for service program. Private – For Profit and Volunteer agencies are not included in the program. Your response to the questions on Management Services will lead you to the appropriate sections of the report. You must answer YES to either A or B and complete the additional items as directed. If you have local government employees that provide **some or all** EMS activities, answer YES to A and complete C and D and **skip** E. If you contract for **ALL** EMS activities, answer YES to B and complete Section E and **STOP**.

Description of Local Government Operations: Provide a general description of factors that may impact the overall cost of your EMS operation. Examples of factors that may impact cost are: geographic area covered, location and number of hospitals/LTC facilities within the local government’s jurisdiction, population density, demographics of clients served, seasonal population vs. year round population, use of volunteers in place of salary expense, etc.

3.0 Salaries and Fringe Benefits –

Provide actual direct and indirect salaries and fringe benefits paid to employees during the cost report period. If the local government relies heavily on volunteer staff to perform direct patient care or administrative activities essential to the provision of that care, please provide that information in the explanation/comment area.

4.0 Annual Depreciation –

This section provides general information on Depreciation. Complete depreciation for each local government owned building. The depreciation should be taken from the local government’s cost reports. *(Please note depreciation is straight line methodology only)*. Many vehicles, etc. have now depreciated the four year limit and no depreciation can be claimed this year. Please check all items carefully.

Depreciation on Major Movable Assets – The Depreciation schedules include categories for both Emergency or Non-emergency type vehicles and other assets. We have included assets from the year 12 cost report for each asset listed on the prior year’s Schedule A that had depreciation expense. If the asset is still currently in use, please put a “Y” in the last column. If the asset was not in use at any time in year 13, place an “N” in the last column and no depreciation should be reported for year 13. If you purchased new assets during the year 13 cost report period, please provide the purchase date and purchase price in spaces at the bottom of each schedule.

Depreciation on ambulances and ambulance equipment is allowable. If the local government/county owns the vehicles, then the asset is depreciated over its useful life. The useful life of ambulances is on a four year basis. Local governments that lease may use 5

years on a rental cost covered in section 5.0. Those local governments completing sub section E of the report under section 2 - Organization. Please complete Schedule A.

Assets under **\$5,000** should be expensed. Assets in excess of **\$5,000** should be depreciated. The useful life of typical hospital assets is found in the "Useful Lives of Hospital Assets" published by the American Hospital Association. If you need this document please contact your local hospital or your auditing firm. Schedule A provides space to identify depreciation for ambulances, QRV's and other assets. Schedule A is linked to the depreciation tab on the worksheet and the summary page. *(Please compute depreciation for the entire year and not a portion, even if the asset was used for only a portion of the year)*

5.0 Rental Cost –

Rental cost for buildings, garage, vehicles and equipment is allowable. The portion of building rent based on the proportion of square footage is appropriate. Rental cost on equipment used solely by EMS is 100% allowable. Equipment may also be allocated on a per unit basis. For example rent/lease of computer equipment is quantifiable and may be allocated based on the rental cost per unit. *(In this example an allocation based on square footage is inappropriate.)*

6.0 Interest –

Interest on buildings is an allowable cost. The local government may already identify a dollar amount associated with interest for space occupied by EMS. If so, the first line for each building is the correct location to enter the amount. For Counties where EMS occupies a portion of a building, it will be necessary to identify the total interest for that building and the amount of square footage occupied by EMS.

7.0 EMS Travel/Training/Tuition –

Medicaid does not provide Federal Financial Participation (FFP) for employees to acquire certification however FFP is provided for employees to maintain certification or licensure. Do not include any costs for employees to acquire initial certification, however, costs may be included for employees to maintain certification or licensure.

8.0 Federal Grants –

Identify the dollar amount and source of all Federal Grants. Grant funds for **NON-REPORTED** expenditures should not be included. Federal funds may not be used as "match" to draw down Medicaid funds. Grants received but not used during the report period should not be included on the report.

9.0 Donations and Fund Raising –

Costs associated with fund raising are not an allowable cost and should not be included.

10.0 Communication –

Provide direct and indirect expenses for Telephone, Dispatching, Mail and other communication related expenses.

11.0 Maintenance, Operations and Repairs –

Provide the direct and indirect expenses related to maintenance, gasoline, repairs, inspections, insurance, utilities, etc.

12.0 Materials and Supplies –

Provide actual cost, direct and indirect, of materials and Supplies used for EMS activities. The cost of materials and supplies is allowable. Purchases should be charged at their actual prices after deducting all cash discounts, trade discounts, rebates, and allowances received. Withdrawals from general stores or stockrooms should be charged at cost under any recognized method of pricing, consistently applied. Incoming transportation charges are a proper part of materials and supply costs. Provide the total cost of materials and supplies for EMS. This includes office supplies and supplies for medical transportation, e.g. photocopy paper, pens, staplers, gloves, bandages, blood pressure cuffs, stethoscopes, pharmaceuticals, needles, etc. Generally these items are not inventoried and their cost is minor.

13.0 Depreciation Schedule B - Computer Hardware and Software –

Costs are either expensed or treated as a capital asset depending on the purchase arrangements and cost. Computer systems where software is sold as a package with hardware should be included as part of the cost of the system and depreciated over the useful life. Hardware or software purchased separately should be expenses if the value of each is under **\$5,000**, or some other lower capitalization limit. If computer hardware or software is not purchased as a package and the value exceeds the capitalization limit, the item should be depreciated.

Definitions –

This section provides definitions for the cost report. Additional explanations, if needed, can be found in the HCFA 15 Manual.

The HCFA 15 Manual provides the Federal guidelines on allowable cost. Note: the HCFA 15 is primarily used for Medicare purposes; therefore there may be sections/rules that do not apply to Medicaid.