



TEXAS HEALTH AND HUMAN SERVICES COMMISSION

THOMAS M. SUEHS
EXECUTIVE COMMISSIONER

December 30, 2011

To: Community Based Alternatives Assisted Living/Residential Care Providers
Day Activity and Health Services Providers
Deaf Blind Multiple Disabilities Providers
Nursing Facility Providers
Residential Care Providers

Subject: Information Letter No. 11-162
2011 Cost Report and
Cost Report Training Requirements

Dear Provider,

Each contracted provider is required to submit financial and statistical information through a 2011 Cost Report for each contract held with the Texas Department of Aging and Disability Services (DADS). It is the responsibility of each contracted provider to submit an accurate cost report, completed in accordance with all applicable instructions and rules, to ensure fair and equitable determination of reasonable payment rates.

This letter contains information on 2011 cost report and training requirements for the following programs: Nursing Facilities (NF), Residential Care and Community Based Alternatives Assisted Living/Residential Care (RC and CBA AL/RC), Day Activities and Health Services (DAHS), and Deaf-Blind with Multiple Disabilities (DBMD).

Information for all other long-term services and supports programs regarding 2011 cost report and training requirements will be sent out under separate cover.

There are no cost report materials included with this letter. All required documents can be found and downloaded from the Health and Human Services (HHSC) Rate Analysis Department (RAD) website at the web address indicated in the **Rate Analysis Website** section below.

COST REPORT REQUEST AND TRAINING NOTICES

All notices and information for the 2011 cost report and all future cost reports will be sent via a DADS Information Letter. HHSC RAD will continue sending notices specific to individual contracts via certified mail and fax.

AUTOMATED COST REPORTING & EVALUATION SYSTEM (ACRES)

Providers are required to prepare their 2011 cost report using the ACRES data entry software. The ACRES Data Entry Manual and software can be downloaded from the HHSC RAD website, noted below. Please refer to the "Automated Cost Reporting" section of the website for more information about the ACRES Data Entry software.

2011 COST REPORT DUE DATE

The electronic copy of your 2011 ACRES cost report and all required supporting documentation are both due to HHSC RAD no later than March 31, 2012. The electronic cost report must be e-mailed as directed in the ACRES Data Entry Manual while the supporting documentation must be received at one of the two addresses indicated below.

Regular Mail:

HHSC Rate Analysis
Mail Code: H-400
PO Box 85200
Austin, Texas 78708-5200

Overnight/Courier Delivery:

HHSC Rate Analysis
Braker Center, Building H
Mail Code: H-400
11209 Metric Blvd.
Austin, Texas 78758-4021

PREPARER REQUIREMENTS FOR THE 2011 COST REPORT

In accordance with Title 1 of the Texas Administrative Code §355.102(d), it is the responsibility of each provider to ensure that each cost report preparer who signs the Cost Report Methodology Certification completes the required HHSC-sponsored cost report training.

Preparers must complete cost report training for every program for which a cost report is submitted. Such training is required every other year for the odd-year cost report in order for the preparer to be qualified to complete both that odd-year cost report and the following even-year cost report. Preparers must attend separate on-site classroom-based general and specific program cost report training sessions or successfully complete a separate online cost report training for the general and each specific program for which they will submit a cost report.

TO SIGN AS PREPARER OF A 2011 COST REPORT for a specific program, the preparer must either: (1) have attended an on-site classroom-based general and a separate specific program training for that program's 2011 cost report and received a 2011 Mandatory Cost Report Training Certificate; or (2) successfully completed that program's online cost report training and received a 2011 Mandatory Cost Report Training Certificate for both the general online training and the program-specific online training (note that online training is not an option for preparers of DBMD cost reports). Cost report preparers may be employees of the provider or

persons who have been contracted by the provider for the purpose of cost report preparation. NO EXEMPTIONS from the cost report training requirements will be granted.

ON-SITE CLASSROOM-BASED TRAINING SESSIONS

The sessions for each program will consist of one half day of general training (see the Training Registration section below) and a half day of program specific training. All first-time cost report training registrants MUST attend an on-site classroom-based general training session and a program specific training for each program for which they will submit a cost report. Preparers for all programs except DBMD who have ever attended an on-site classroom-based cost report training session for a specific program do not have the option of again attending an on-site classroom-based training for that specific program; but instead MUST complete the HHSC-sponsored online cost report training (see the Online Training section below). Upon completion of the on-site classroom-based general training session and the program specific training session, each first-time registrant will receive a training certificate for the general and specific program session attended. A copy of the general training and the appropriate program-specific training certificates must be attached to every cost report submitted. There is no online training available for the DBMD program; all preparers of DBMD reports must attend on-site classroom-based training.

Each half-day on-site classroom general session will provide an in-depth discussion of the Cost Determination Process Rules, including the cost determination process, the cost-reporting process, accrual accounting, direct costing, employee benefits/insurance, depreciation, related-party transactions, and documentation requirements. The program specific training will be geared to each specific program providing an opportunity to focus on program expertise. The sessions will also provide a review of the 2011 cost report, including cost-reporting issues specifically related to the program, cost allocation, allowable and unallowable costs and deficiencies noted during the review and audit of cost reports from previous years. All 2011 cost report on-site classroom-based training sessions will be held in Austin on January 24, 2012 or February 27, 2012. Refer to the **Training Registration** section of this letter for directions on accessing the training schedule as well as registration information.

In the case of inclement weather, updates about training sessions will be recorded on the Training Registration Help Line at (512) 491-1444.

ONLINE TRAINING

Preparers for all programs except DBMD who have ever attended an on-site classroom-based cost report training session for a specific program MUST complete the HHSC-sponsored online cost report training for that specific program and do not have the option of again attending on-site classroom-based training for that specific program. Online training is required every other year for the odd-year cost report in order for the preparer to be qualified to complete both that odd-year cost report and the following even-year cost report. Those preparers who complete the General and the Program-Specific online training will be issued 2011 Cost Report Training Certificates.

Online training was made available to qualified preparers December 1, 2011, and will remain available through October 31, 2012.

The cost to register for online training is \$24.00 for the General training and \$24.00 for each program specific training to be paid at the time of registration to the contractor selected by HHSC to provide the training. HHSC will not collect or receive any funds for providing the training services. HHSC will post additional information regarding online training on the HHSC RAD website.

CONTINUING EDUCATION CREDIT

For each on-site classroom-based training session, there will be 4.0 hours of CPE credit given for Certified Public Accountants (CPA) and .40 CEU credits given for Social Workers. There will be No CPE credit given for CPAs and No CEU credits given for Social Workers for completion of the online program specific training sessions. No other CPE or CEU credits will be given for participating in these trainings.

TRAINING REGISTRATION

Online Training:

Registration is through the contractor selected by HHSC to provide the training. HHSC will post additional information regarding online training registration on the HHSC RAD website.

On-Site Classroom-Based Training:

Training reservations will be accepted by online registration only. Reservations will not be accepted by telephone, fax or E-mail. To register for training, go to the HHSC RAD website at the web address indicated in the **Rate Analysis Website** section below to access the training schedule and information on how to complete the online registration form.

Seating is limited for all on-site classroom-based sessions and registration will be accepted on a *"first-come, first-served"* basis. Within five working days of receipt of your online registration form, HHSC RAD will E-Mail to you a confirmation letter for each session for which you registered. The confirmation E-Mail will include your confirmation number, along with information concerning the training site location. If you do not receive your confirmation e-mail within five working days, please contact the Training Registration Help Line at (512) 491-1444 or via e-mail at: costreporttrain@hhsc.state.tx.us. If you are unable to attend a session for which you are registered or you need to make changes to your registration, please notify HHSC RAD at the above telephone number or E-Mail address.

RATE ANALYSIS WEBSITE

The HHSC RAD website contains program specific cost report instructions, cost report training information and materials, payment rates, RAD staff contact information and web links for online training, on-site classroom training registration, and automated cost reporting. Additional information and features are added periodically. We encourage you to visit our website at:

<http://www.hhsc.state.tx.us/rad/>.

RESOURCES

If you have any questions or need additional information related to the proper completion of the cost report, please contact the Rate Analyst for your specific program, as shown below.

Programs	Analyst	Telephone	E-mail
NF	Cheryl Jablonski	(512) 491-1764	cheryl.jablonski@hhsc.state.tx.us
DBMD	Doug Odle	(512) 491-1374	doug.odle@hhsc.state.tx.us
DAHS, RC, CBA AL/RC	Luis Morales	(512) 491-1376	luis.morales@hhsc.state.tx.us

Other Resources:

Training Registration Help Line	(512) 491-1444	costreporttrain@hhsc.state.tx.us
ACRES Help Line	(512) 491-1448	acres@hhsc.state.tx.us
Receipt of Submitted Cost Report Documents	(512) 491-1381	luis.aleman@hhsc.state.tx.us

Sincerely,

[signature on file]

Ray Wilson
Manager, Cost Reporting
HHSC Rate Analysis Department

PM:RW:lab