



Anchor Administrative Cost Claiming Overview Session

Healthcare Transformation Waiver Operations

October 9, 2014

Administrative Cost Claiming

- Anchors provide certain administrative services with respect to the Texas Transformation and Quality Improvement Program 1115 waiver.
- HHSC and the Anchors must comply with Federal statute, regulations, protocols and guidance regarding claiming for Federal Financial Participation for Medicaid administrative expenditures.
- Allowable costs include:
 1. The provision of appropriate accounting, human resources, and data management resources for the RHP;
 2. The coordination of RHP annual reporting, as specified in the Program Protocol, on the status of projects and the performance of Performing providers(as defined in the Program Protocol) in the region;
 3. The provision of RHP data management for purposes of evaluation;
 4. The development and facilitation of one or more regional learning collaboratives;
 5. Communication with stakeholders in the region, including the public; and
 6. Communication on behalf of the RHP with HHSC.

Cost Principles

CMS Core Requirements, Section I.E

- The types of costs listed on the prior slide are subject to limitations of allowability, as specified in HHSC's Cost Principles document, which is part of the Contract. These include, but are not limited to:
 - Costs must be necessary for the proper and efficient administration of the Medicaid State Plan.
 - Where applicable, costs are allocated in accordance with the relative benefits received by all programs, not just Medicaid.
 - Claims for costs cannot duplicate costs that have been, or should have been, paid for through another federal funding source, or paid as part of a rate for direct medical services.
 - Costs must not represent expenditures for general public health initiatives that are made available to all persons, such as public health education campaigns.
 - Costs cannot include the overhead costs of operating a provider facility, or otherwise include costs of direct medical services to beneficiaries.
 - Costs cannot duplicate activities that are already being offered or should be provided by other entities or through other programs.

Cost Principles

-
- There are a number of additional allowability limitations, including items that cannot be included in overhead rate assessments. This includes many common cost elements, including items such as:
 - Interest expense; charitable outlays, contributions, and donations of any kind;
 - Lobbying expenses; income taxes (federal, state, or local), including state franchise taxes;
 - Bad debt expense; royalty fees and franchise fees; political contributions;
 - Markups, add-ons, margin, or profits by Affiliates; entertainment; alcoholic beverages;
 - Fines, penalties, damages, and settlements; loss on disposition of property;
 - Bond issuance cost amortization, and bond discounts; provision for contingent reserves;
 - Cost of capital; investment management costs; proposal preparation costs;
 - Defense or prosecution of criminal proceedings, civil proceedings, and claims;
 - Costs of memberships, dues and expenses associated with country club and fraternal organizations; and, airfare costs in excess of standard coach class.

-
- HHSC may claim expenditures related to the Anchor as administration at the 50% Federal Medicaid matching rate.
 - Anchors will transfer 50% of their costs for administrative services per Federal Fiscal Year (FFY).
 - Anchors may not submit costs per FFY to HHSC in excess of the lesser of:
 - \$2,000,000, or
 - 2.5% of the RHP DSRIP allocation per FFY*
 - *Anchors may submit a request for additional funding above the maximum to support additional transformation activities for the RHP for approval by HHSC and CMS
 - Anchors shall transfer intergovernmental transfer (IGT) funds to HHSC twice per year, in conjunction with the submittal of semi-annual invoices.
 - After drawing the Federal match, HHSC will transfer federal funds to the Anchor for administering and performing administrative services.

Time Frames

- Anchors will submit cost-based invoices to HHSC for the each six-calendar month period.

Invoice Period	Invoice Due Date
October 1 st through March 31 st	May 15 th
April 1 st through September 30 th	November 15 th

- Anchors will be allowed to submit costs for Demonstration Years 2 and 3 as part of their initial invoice submission.
- HHSC shall make two payments each year to the Anchors.

Submitting Administrative Costs

- Anchors will submit cost-based invoices and supporting details.
 - Cost Template
 - Percent of Effort Spreadsheet
- HHSC will request transfer of IGT funds upon approval of submitted invoices.
 - IGT due date: January 28, 2015
 - Anticipated payment date: February 18, 2015
- Invoices and supporting details should be sent to the Waiver mailbox at TXHealthcareTransformation@hhsc.state.tx.us
 - cc: carol.sanchez-cuellar@hhsc.state.tx.us
 - Subject line: “ RHP#XX- Anchor cost submission”

Percent of Effort Spreadsheet

FFY14: Actual Time Spent on Waiver Admin		(% of total time)												ATTACHMENT D.1			
RHP #: [select from drop-down list]		FILL-IN CELLS HIGHLIGHTED IN YELLOW												printed: 10/3/2014			
RHP name: (this line self-populates)																	
Anchor: (this line self-populates)																	
count	Position Title	2013			2014												
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept				
1																	
	1. Provision of appropriate accounting, human resources, and data management resources for the RHP.																
	2. Coordination of the RHP's annual reporting, as specified in the Program Protocol, on the status of projects and the performance of Performing Providers in the region.																
	3. Provision of RHP data management for purposes of evaluation.																
	4. Development and facilitation of one or more regional learning collaborative.																
	5. Communication with stakeholders in the region, including the public.																
	6. Communication on behalf of the RHP with HHSC.																
	Total time spent on Waiver Admin (for this RHP)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Time spent on Waiver Admin for another RHP (if any)																
	Time spent on other activities (outside of Waiver Admin)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total time	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Cost Template

State of Texas, Health & Human Resources Commission (HHSC)							DRAFT TEMPLATE		Note: any data or names shown in this draft template are fictional, and are included here for illustration purposes only.				
Texas Transformation and Quality Improvement Program 1115 Waiver													
Administrative Services provided for the Regional Healthcare Partnership (RHP)													
							RHP SUMMARY PAGE		[See attached detail supporting pages]				
Admin Costs claiming submitted to HHSC by the RHP Anchor							Date submitted: [REDACTED]						
In conjunction with contract # [REDACTED]							for Demonstration Year # 2		STATEMENT OF ANCHOR'S TOTAL ALLOWABLE COSTS DURING THIS PERIOD, FOR PROVIDING ADMINISTRATIVE SERVICES UNDER THE CONTRACT				
RHP Name: Northeast Texas Regional Healthcare Partnership (1)													
Anchor's legal name: <u>The University of Texas Health Science Center at Tyler</u>													
Annual (FFY) Invoice Period # 1							Annual (FFY) Invoice Period # 2						
tasks	2012		2012	2013		2013					2013		
<u>tab</u> Administrative Activity:	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Year-to-Date</u>
<u>1</u> Provision of appropriate accounting, human resources, and data management resources for the Regional Healthcare Partnership (RHP).	\$10,078.33	\$10,078.33	\$10,078.33	\$10,078.33	\$10,078.33	\$10,078.33	\$10,078.33	\$10,078.33	\$10,078.33	\$10,078.33	\$10,078.33	\$9,250.07	\$120,111.73
<u>2</u> Coordination of the RHP's annual reporting, as specified in the Program Protocol, on the status of projects and the performance of Performing Providers (as defined in the Program Protocol) in the region.	3,854.20	3,854.20	3,854.20	3,854.20	3,854.20	3,854.20	3,854.20	3,854.20	3,854.20	3,854.20	3,854.20	3,854.20	46,250.34

Questions