

**State of Wyoming Departments of Family Services, Education and Health (Medicaid)  
Psychiatric Treatment Facility, Residential Treatment Center, Group Home and  
BOCES Cost Report  
SFY 2011 Cost Report Highlights**

On October 31, 2011, the Wyoming Department of Health (Medicaid), Department of Education (WDE) and Department of Family Services (DFS) (“the Departments”) released the SFY 2011 cost report for group home, PRTF, RTC and BOCES providers. **The cost report is due to Navigant Consulting on or before January 13, 2012.**

Providers can download the following documents for the SFY 2011 cost report from the project website (<http://www.costreport.wy.gov>):

- SFY 2011 Cost Report
- Cost Report Instructions
- Appendix A: Allowable Cost Rules
- Appendix B: Cost Allocation Methodologies
- Cost Report Supplementary Worksheets
- Cost Report Square Footage Calculator
- Cost Report Highlights for SFY 2011

The Technical Advisory Group (TAG) members convened on October 14, 2011 to discuss improvements to the SFY 2011 cost report and supporting documents. This *Cost Report Highlights for SFY 2011* document outlines the notable changes to the SFY 2011 cost report documents resulting from that meeting.

**Important Dates:**

- October 31, 2011:
  - SFY 2011 Cost Report Highlights document emailed to participating providers.
  - SFY 2011 Cost report and supporting documents released and posted to project website <http://www.costreport.wy.gov>
- January 13, 2012: SFY 2011 cost reports are due to Navigant Consulting

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**Cost Report,  
Schedule 1, Cost**

Schedule 1 contains the following updates:

- Line 108 – Occupancy and Maintenance Services. In the previous version of the cost report, any costs reported on line 108 were automatically allocated to the room and board service area. In the SFY 2011 cost report, Navigant will allow providers to allocate costs reported on this line to all service areas.
- Line 115 and 142 – Navigant changed the section heading from “Non-Payroll Administration Expenses” to “Non-Payroll Administration and Insurance Expenses” to differentiate insurance costs from administrative costs.
- Line 130 – Bad Debt. These costs are non-allowable and excluded from providers’ costs before Navigant calculates the proposed reimbursement rates. Navigant will automatically assign any costs reported on this line to the non-allowable cost column (Column 2) to clarify that these costs are non-allowable.
- Line 131 – Information Technology (IT) Supplies. Navigant added this cost center to allow providers to report costs for information technology supplies and software, etc. separate from other supplies. IT supplies related to education should be directly allocated to the Education column and other education supplies should be reported under Line 151 - Education Supplies.
- Line 150 – Client Incentives/Rewards. Navigant modified this cost center description to “Client Incentives, Rewards and Activities.” Activities and related costs might include: movies, bowling, recreation center fees, recreation equipment (basketballs, soccer balls, bike parts, art and craft supplies) and rental fees (shoes, skis, skates). Client Incentives, Rewards and Activities for education purposes should be directly allocated to the Education column and should NOT also be reported under Educational Supplies.
- Line 154 – Staff Training and Development (related to direct care). Navigant added this cost center for providers to report staff training and development related to providing direct care services to clients.

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**Cost Report,  
Schedule 3, Utilization  
Summary**

Navigant updated language for the total number of facility beds to clarify the need for actual number of beds and not the licensed number of beds.

- a. Navigant changed the wording to “Maximum number of beds utilized” instead of “actual number of beds.”
- b. Navigant clarified that providers should enter the maximum number of beds utilized on cost report lines 3 through 7.

**Cost Report,  
Schedule 4, Facility and  
Program**

Changed (COA) to Council on Accreditation to clarify the COA certification.

**Schedule 5, Notes**

Schedule 5 contains additional questions to the notes section that addresses issues that often lead to frequent follow-up with providers. Questions asked are related to:

- a. Client Personal Hygiene
- b. Equine Therapy
- c. Client Incentives, Rewards and Activities
- d. Corporate Overhead
- e. Transportation
- f. Information Technology (IT) Supplies
- g. National School Lunch

**Cost Report,  
Schedule 2, Revenues;  
Schedule 6, Contacts;  
Schedule 7, Attestations**

These schedules contain no changes.

**Supplemental  
Worksheet A**

This worksheet allows providers to include more detail regarding the “Other” lines from the cost report. In the previous Supplemental Worksheet A, there were “Other” cost center lines that were not included. We added the following “Other” lines that were previously excluded: Lines 53, 67, 132, 155, 199, 211

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**Supplemental  
Worksheet C**

This worksheet allows providers to report costs that are required for new regulations or requirements, e.g., Director of Education and Teacher Endorsements. Costs reported in Supplemental Worksheet C should still be reported on the appropriate cost center line in the cost report. This is an optional worksheet. This worksheet allows providers to detail expenditures related to compliance with new mandates.

**Cost Report Instructions**

Page 20 and 23: Navigant added language to clarify that providers should reclassify costs for employees with multiple functions (i.e., Clinical Directors) in order to correctly classify costs and differentiate administrative costs from direct care costs. Please refer to the example on page 4 of this document to further clarify this process.

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**Example** A provider's Executive Director is an MSW who spends 35 hours a week managing the provider operations, and spends 5 hours a week providing counseling services directly to clients. Because the counseling services are direct care, the provider needs to reclassify the costs associated with this time.

The provider starts by entering the full Executive Director's salary of \$80,000 from the general ledger into the Executive Director cost report line (column 2, line 28).

	(1)	(2)	(3)	(4)	(5)	(6)
	Total Net Allowable and Reclassified Costs for Allocation					
Cost Report Line	General Ledger/ Trial Balance Amount	Non-Allowable Costs	Net Allowable Costs	Reclassification of Costs	Total Net Allowable and Re- Classified Costs	
27 Administration Office Employee Salaries						
28 Executive Director / Assistant Director Salaries	\$ 80,000	\$ -	\$ 80,000		\$ 80,000	
29 Employee Owner / Board Member Compensation						

From the general ledger amount, the provider must reclassify the portion of the Executive Director's salary costs related to the time spent providing counseling services. As shown in the calculation below, the provider calculates the time associated with the counseling services to be 12.5 percent of the Executive Director position.

$$\text{Percent of time} = 5 \text{ hours} / 40 \text{ hours} = 0.125 = 12.5 \text{ percent}$$

Based on this time, the provider needs to calculate the corresponding Executive Director salary costs to reclassify.

$$\text{Salary to reclassify} = \$80,000 \times 0.125 = \$10,000$$

To reclassify these costs, the provider enters a positive \$10,000 value into the Reclassification of Costs column (column 5) for the Social Worker Salaries line (line 14). The provider then decreased the Executive Director cost report line net allowable costs by this same amount by entering a negative (10,000) value into column 5 for the Executive Director/Assistant Director Salaries line (line 28).

	(1)	(2)	(3)	(4)	(5)	(6)
	Total Net Allowable and Reclassified Costs for Allocation					
Cost Report Line	General Ledger/ Trial Balance Amount	Non-Allowable Costs	Net Allowable Costs	Reclassification of Costs	Total Net Allowable and Re- Classified Costs	
14 Social Worker (MSW, LCSW) Salaries	\$ 150,000	\$ -	\$ 150,000	\$ 10,000	\$ 160,000	
28 Executive Director / Assistant Director Salaries	\$ 80,000	\$ -	\$ 80,000	\$ (10,000)	\$ 70,000	

*(Note that selected portions of the images shown above  
 have been removed to show detail of other lines)*