



Jack Dalrymple, Governor
Maggie D. Anderson, Executive Director

July 15, 2016

TO: All Psychiatric Residential Treatment Facilities
FROM: ^{SMR} Sheila M. Reich, Lead Manager
Fiscal Administration Provider Audit

The general information sheet and cost report forms are on-line at the following Website: www.nd.gov/dhs. On the left side of the web page, select **"Providers."** On the 'Providers' web page select **"Medical Services Provider Information."** Select **"Accept"** to agree to the 'End Users Agreement for Providers.' On the 'Medicaid Provider Information' web page, under "Reimbursement Information" select **"Facility Cost Reporting."** Under 'Cost Report and Budget Report Information for Providers' select **"Psychiatric Residential Treatment Facilities: Report Documents"**. Under 'Provider Report Documents, Psychiatric Residential Treatment Facilities:' select **"Psychiatric Residential Treatment Facility Cost Report and Instructions."**

Complete the cost report consistent with the North Dakota Administrative Code (NDAC), Chapter 75-02-09. The information establishes rates beginning on or after January 1, 2017. We review the cost report for consistency in adjustments based on our review of the previous cost report. We convey the differences to the facility's contact person, who communicates the adjustments to the person(s) preparing the cost report and to the facility's administrator.

In order to facilitate the processing and review of your facility cost report, submit copies of the following additional information:

- A letter, signed by the administrator and the facility's accounting firm, authorizing access to the preparer's work papers;
- Work papers supporting the accumulation of data for the cost report;
- The audit report of the facility's financial records and the fiscal year end adjusting and reversing entries;
- A working trial balance or general ledger that ties to the reconciliation of costs;
- A work paper identifying the account number, description, amount and, total amount for any combination of accounts that appear on Schedule C-4;
- The work papers reclassifying costs from the general ledger accounts into categories for inclusion in the cost report;
- The square footage map or floor plan, for facilities with allocations, identifying all square footage that ties to the square footage allocation workpaper;
- The depreciation schedules;

- The new loan agreements and amortization schedules;
- Work paper identifying all dues, advertising, and contributions included as allowable; and
- Any documentation for unforeseen costs or projected cost not submitted with your cost report, which is due within three months of your fiscal year end, will not be included in the rate established effective on or after January 1, 2017.

Schedule A, General Information and Certification, complete and sign Schedule A. The administrator and certified public accountant (CPA), if prepared by CPA, must sign the page. The original signatures must accompany the cost report. A complete copy of the cost report must be printed and sent along with Schedule A.

Schedule C-1, Statement of Reimbursable Costs, The total costs are included on Schedule C-1. Do not subtract adjustments from the general ledger costs prior to completing Schedule C-1. If the accrual basis is not used, the cost report is returned to the facility for revision. Make sure that your accountant is aware of this.

Schedules C-2, Allocation for Cost Center Component with Direct Costs, provides for allocation of cost center components, if a cost center is to be partially direct costed and partially allocated. If the costs are allocated based on the methodology set forth in Section 7, Cost Allocations of NDAC, Chapter 75-02-09.; this schedule is not necessary.

Schedules C-3, Statistical Data, in determining the percentage of total adjusted costs for the allocation of administration costs, exclude administration costs.

Schedule D, Adjustments Summary, use one column for each adjustment made on the Schedule D's, when preparing the summary of adjustments. For additional columns, copy the summary.

As a reminder, ***the cost report is due within three months of your fiscal year end*** to North Dakota Department of Human Services, Fiscal Administration Provider Audit. In order to avoid the possibility of penalties, take any precautionary measures necessary to substantiate the date of filing and to assure that all the required information is completed and submitted.

When the rates are established, Medical Services sends / faxes the rate computations and supporting data. Cost reports completed in accordance with the requirements will not require further adjustments during the review. If you have any questions, please feel free to call 328-7560.

Mail the cost report, all schedules, and copies of the additional information to:

North Dakota Department of Human Services
Fiscal Administration Provider Audit
1600 E. Century Avenue Suite 5
Bismarck, ND 58503