



TEXAS HEALTH AND HUMAN SERVICES COMMISSION

KYLE L. JANEK, MD
EXECUTIVE COMMISSIONER

January 2, 2013

To: Community Based Alternatives Home and Community Support Services
Providers
Community Living Assistance and Support Services Case Management Agency
and Direct Services Agency Providers
Primary Home Care Providers

Subject: Information Letter No. 13-01
2012 Cost Report and Cost Report Training Requirements

Dear Providers:

Each contracted provider is required to submit financial and statistical information through a 2012 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 2012 cost reporting and training requirements for the following programs: Community Based Alternatives (Home and Community Support Services only) (CBA HCSS), Community Living Assistance and Support Services (CLASS) Case Management Agency (CMA), CLASS Direct Service Agency (DSA), and Primary Home Care (PHC). Information for all other long-term services and supports providers regarding 2012 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 will be posted to the Health and Human Services (HHSC) Rate Analysis Department (RAD) website at the web address indicated in the **Rate Analysis Website** section below.

THE STATE OF TEXAS AUTOMATED INFORMATION REPORTING SYSTEM (STAIRS)

The 2012 Cost Report materials and system access for providers of CBA HCSS, CLASS (CMA and DSA) and PHC services will not be available until **January 15, 2013**. These providers will be submitting their 2012 Cost Reports through the web-based State of Texas Automated Information Reporting System (STAIRS). The 2012 Cost Report for CBA HCSS, CLASS (CMA and DSA) and PHC, referred to as the CPC Cost Report, is a combined report for the three programs. The CPC Cost Report will include the financial and statistical data for all these programs, as opposed to separate reports for each program as was previously required in the Automated Cost Reporting & Evaluation System (ACRES). Because of the move from ACRES to STAIRS, a crosswalk between the cost report in STAIRS and the cost reports in ACRES is now available on the **Rate Analysis Website**.

The CBA HCSS, CLASS (CMA and DSA) and PHC contracts for each legal entity will be grouped into a CPC Cost Report(s) depending on rate enhancement participation level (if applicable), cost reporting period and other factors. HHSC RAD will assign each group of contracts a Cost Reporting Group Number. The CPC Cost Reporting Group may include contracts from more than one program within the CPC Cost Report. This grouping information will be detailed for the legal entity in STAIRS.

HHSC RAD will designate a Primary Entity Contact for each provider and an email will be sent to them containing STAIRS login information including their username and password. All Primary Entity Contacts, as discussed in Information Letter No. 12-88, should have received an e-mail with their login information. The Primary Entity Contact is strongly encouraged to access the system as soon as possible and assign the Financial and Preparer contacts to ensure they have adequate time to become familiar with using the system. Assigning these contacts is necessary prior to beginning the cost report. If the provider's Primary Entity Contact has not received an e-mail with their login information, they should contact costinformation@hhsc.state.tx.us.

2012 COST REPORT DUE DATE

Your 2012 cost reports must be fully verified and submitted through STAIRS no later than **April 15, 2013**. All supporting documents, including signed and notarized certification pages, must be uploaded into STAIRS. No documentation will be accepted through the mail or via email. Appendix A of the *Specific Instructions for the Completion of the Cost Report* explains how to access directions for uploading your documents, including a process for converting documents to an electronic format that can be used by a provider who does not yet own a scanner.

PREPARER REQUIREMENTS FOR THE 2012 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 each specific program for which they will submit a cost report. Preparers who have NOT completed training for a specific program's 2011 or 2012 cost report will NOT have the required system permissions to access STAIRS at a level to be able to complete a cost report for that program.

TO SIGN AS PREPARER OF A 2012 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 or 2012 cost report and received a 2011 or 2012 Mandatory Cost Report Training Certificate; or (2) successfully completed that program's online cost report training and received a 2011 or 2012 Mandatory Cost Report Training Certificate for both the general online training and the program-specific online training. 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 one 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 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 program-specific session attended. Preparers will not be able to complete a cost report in STAIRS unless they have completed the required 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 combined for the CPC Cost Report and provide an opportunity to focus on program expertise. The sessions will also provide a review of the 2012 CPC Cost Report, including cost-reporting issues specifically related to the programs, cost allocation, allowable and unallowable costs and deficiencies noted during the review and audit of cost reports from previous years. All 2012 cost report on-site classroom-based training sessions will be held in Austin on January 17, 2013, and February 20, 2013. 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 and available 24-hours a day on the Training Registration Help Line at (512) 491-1444.

ONLINE TRAINING

Preparers 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. The 2012 Cost Report Training Certificates will be issued to those preparers who complete the General and the Program-Specific online training.

Online training will be available to qualified preparers January 1, 2013, and will remain available through October 31, 2013.

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, there will be 4.0 hours of Continuing Professional Education (CPE) credit given for Certified Public Accountants (CPA) and .40 Continuing Education Unit (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.

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/index.shtml>

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. You can locate your Rate Analyst's contact information at: <http://www.hhsc.state.tx.us/rad/long-term-svcs/contacts.shtml>

If you need assistance registering for on-site classroom-based training, please contact the Training Registration Help Line at (512) 491-1444, or by e-mail at costreporttrain@hhsc.state.tx.us.

Sincerely,

[signature on file]

Ray Wilson

Director, Cost Reporting

HHSC Rate Analysis Department

RW:jm