SPECIFIC INSTRUCTIONS
for the completion of the

2012
TEXAS DEAF-BLIND WITH MULTIPLE DISABILITIES COST REPORT

For assistance with the completion of the cost report, contact Rate Enhancement Analyst for this program listed on the following webpage: http://www.hhsc.state.tx.us/rad/long-term-svcs/contacts.shtml.

For assistance with the mailing and tracking of this report, contact:	Cost Report Specialist 512-491-1381
For automated reporting information, contact:	Automated Cost Report and Evaluation System (ACRES) Helpline 512-491-1448

GENERAL INSTRUCTIONS

Except where otherwise noted, this Cost Report is governed by all rules and instructions pertaining to the completion of your Deaf-Blind Multiple Disabilities (DBMD) Cost Report.

Refer to the Cost Determination Process Rules at Title 1 of the Texas Administrative Code (TAC) §§355.101-355.111, Attendant Compensation Rate Enhancement Rules at 1 TAC §355.112, DBMD program-specific rules at 1 TAC §355.9022.

AUTOMATED COST REPORTING & EVALUATION SYSTEM (ACRES)

All providers are required to prepare their cost reports electronically using the ACRES Data Entry Software. The ACRES software is provided at no charge by the HHSC Rate Analysis Department. The software can be downloaded from the following website.

http://www.hhsc.state.tx.us/rad/long-term-svcs/acres.shtml

DUE DATE AND SUBMISSION

This report is due at the Rate Analysis Department of the Texas Health and Human Services Commission (HHSC) by March 31, 2013. You must submit an electronic copy of the report via e-mail to ACRES@hhsc.state.tx.us. You must also submit the required supporting documents and signed and notarized certification pages to the address below. Reports will not be considered as "received" until both the electronic and required supporting paper documents are received at the Rate Analysis Department. Refer to the ACRES Data Entry Manual (available at the above website) for further information regarding ACRES and submittal requirements.

Reports must be submitted electronically unless prior authorization has been received from the Rate Analysis Department to submit a paper report. If you feel that you have a valid reason as to why you cannot submit your report electronically, contact the Rate Analysis Department, ACRES Help Line at (512) 491-1448.

REGULAR MAIL:
HHSC Rate Analysis
Mail Code H-400
P.O. Box 85200
Austin, Texas 78708-5200

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

GROUP REPORT VERSUS INDIVIDUAL REPORT

Provider entities that own or control more than one DBMD contract may have the option to submit a group report. To be able to submit a group report, all contracts included on the report must be commonly owned or controlled by the same entity, have the same reporting period, and be at the

same Rate Enhancement level. A group report cannot be submitted without permission from HHSC Rate Analysis. Upon the provider's request or based upon previous reporting history, HHSC Rate Analysis will issue a specific 9-digit group report number to be used in initiating the report.

Whether the report is for an individual or group of contracts, the contracted provider may request to have all its participating contracts (e.g., contracts participating in the enhancement program) be evaluated in aggregate for purposes of the Attendant Compensation Rate Enhancement by indicating "Yes" in Item 5.

Any contract that was terminated, sold or assigned to a new owner during the reporting period cannot be included in the aggregation and must submit an individual Cost Report for the period of participation prior to its termination, sale or assignment. The continuing contracts may be aggregated into one group report.

REPORTING PERIOD

The reporting period is the period of time between September 1, 2011 and August 31, 2012 during which the contract was a participant in the Attendant Compensation Rate Enhancement.

FAILURE TO FILE AN ACCEPTABLE REPORT

According to 1 TAC §355.111 and §355.105(b)(4)(C), failure to file an Cost Report, completed in accordance with instructions and rules, by the report due date is considered an administrative contract violation and may result in vendor hold and cancellation of the provider's contract. Unacceptable cost reports similarly constitute an administrative contract violation and will be returned to the contracted provider for changes. If the unacceptable cost report is not corrected, vendor hold and contract cancellation may occur. In addition, 1 TAC §355.112(h)(4) states that participants in Attendant Compensation Rate Enhancement who do not submit an acceptable Cost Report within 60 days of the due date will have all enhancement funds recouped for the reporting period. If an acceptable report is not submitted within 365 days of the due date, any recoupments become permanent.

EXTENSIONS

Extensions of Cost Report due dates are limited to those requested for good cause. Good cause refers to those extreme circumstances that are beyond the control of the contracted provider and for which adequate advance planning and organization would not have been of any assistance. Submit your written request for an extension to be received by HHSC at least 15 working days prior to the due date of your report. The extension request must clearly explain the necessity for the extension and specify the extended due date being requested. Providers who fail to file an acceptable report by the due date because of the denial of a due date extension request are subject to vendor hold.

ROUNDING MONETARY AMOUNTS

All reported monetary amounts should be rounded to the nearest whole number (with no zeros included for "cents"). For example, $25.49 should be rounded to $25 and $25.50 should be rounded to $26. Cost Reports submitted without proper rounding of monetary amounts may be returned for proper completion.

ROUNDING STATISTICAL AMOUNTS
Statistical data (i.e., hours, units, and miles) must be reported to two decimal places. For example, when reporting the hours paid for attendants, 150 hours and 30 minutes would be reported as 150.50 hours and 150 hours and 20 minutes would be reported as 150.33 hours. Cost Reports submitted without appropriate decimal places may be returned for proper completion.

ACCOUNTING METHOD
All information submitted on the Cost Report must be based on an accrual method of accounting [see 1 TAC §355.105(b)(1), (2)(A,B)], except where otherwise specified. Governmental entities may report on a cash basis or modified accrual basis.

COST REPORT CERTIFICATION
Contracted providers must certify the accuracy of the Cost Report submitted to HHSC. Contracted providers may be liable for civil penalties, criminal penalties, and/or imprisonment if the Cost Report is not completed according to HHSC requirements or if the information is misrepresented and/or falsified.

COST ALLOCATION METHODS
Refer to the Cost Determination Process Rules at 1 TAC §355.102(j) and §355.105(b)(2)(B)(v)) for information concerning allowable allocation methods and requirements for adequate allocation summaries. FICA/Medicare, unemployment, worker's compensation premiums, and paid claims and employee health paid claims may be allocated based on payroll or direct costed. Health insurance premiums, life insurance premiums and other employee benefits must be direct costed. All staff time, salaries and wages reported on the Cost Report must be directly charged according to payroll records and time sheets.

DEFINITIONS

Accrual Accounting Method - method of accounting in which revenues are recorded in the period in which they are earned and expenses are recorded in the period in which they are incurred. If a provider operates on a cash basis, it will be necessary to convert from cash to accrual basis for reporting purposes. Care must be taken to ensure that a proper cutoff of accounts receivable and accounts payable occurred both at the beginning and ending of the reporting period. Amounts earned although not actually received and amounts owed to employees and creditors but not paid should be included in the reporting period in which they were earned or incurred. Allowable expenses properly accrued during the reporting period must be paid within 180 days after the end of the reporting period in order to remain allowable costs for reporting purposes. If accrued expenses are not paid within 180 days after the end of the reporting period, the expense is unallowable and should not be reported on the report. In situations where a contracted provider, any of its

controlling entities, its parent company/sole member, or its related-party management company has filed for bankruptcy protection, the contracted provider may request an exception to the 180-day requirement for payment of accrued allowable expenses by submitting a written request to the Rate Analysis Department of DADS. The written request must be submitted within 60 days of the date of the bankruptcy filing or at least 60 days prior to the due date of the report for which the exception is being requested, whichever is later. The contracted provider will then be requested by the Rate Analysis Department to provide certain documentation, which must be provided by the specified due date. Such exceptions due to bankruptcy may be granted for reasonable, necessary and documented accrued allowable expenses that were not paid within the 180-day requirement.

Attendant - the unlicensed caregiver providing direct assistance to the clients with Activities of Daily Living (ADLs) and Instrumental Activities of Daily Living (IADLs). Attendants do not include the director, administrator, assistant director, assistant administrator, clerical and secretarial staff, professional staff, other administrative staff, licensed staff or attendant supervisors unless they are delivering attendant services that cannot be delivered by another attendant, to prevent a break in service. To be allowable for the Attendant Compensation Rate Enhancement, attendant expenses must be direct costed. Direct costing requires daily timesheets documenting time spent performing attendant services for the contract.

Contract Labor - personnel for whom the contracted provider is not responsible for the payment of payroll taxes (such as FICA, FUTA and TUCA).

Contracted Provider - the business component with which the Texas Department of Aging and Disability Services (DADS) contracts for the provision of DBMD services.

Controlling Entity - the individual or organization that owns the contracting entity.

Mileage Reimbursement - reimbursement paid to the attendant for the use of his or her personal vehicle and which is not subject to payroll taxes.

Related Party - a natural person or organization related to the contracted provider by blood/marriage, common ownership, or any association which permits either entity to exert power or influence, either directly or indirectly, over the other. In determining whether a related-party relationship exists with the contracted provider, the tests of common ownership and control are applied separately. Control exists where an individual or organization has the power, directly or indirectly, to significantly influence or direct the actions or policies of an organization or institution. If the elements of common ownership or control are not present in both organizations, the organizations are deemed not to be related to each other. The existence of an immediate family relationship will create an irrefutable presumption of relatedness through control or attribution of ownership or equity interests where the significance tests are met. The following persons are considered immediate family for cost-reporting purposes: (1) husband and wife; (2) natural parent, child and sibling; (3) adopted child and adoptive parent; (4) stepparent, stepchild, stepsister, and stepbrother; (5) father-in-law, mother-in-law, brother-in-law, son-in-law, sister-in-law, and daughter-in-law; (6) grandparent and grandchild; (7) uncles and aunts by blood or marriage; (8) first

cousins, and (9) nephews and nieces by blood or marriage. Disclosure of related-party information is required for all allowable costs reported by the contracted provider.

Workers' Compensation - for reporting purposes, the actual costs paid by the contracted provider during the reporting period related to employee on-the-job-injury (such as commercial insurance premiums or the medical bills paid on behalf of an injured employee).

COVER PAGE

9-DIGIT DBMD CONTRACT # (if report is for an individual contract)
Enter your 9-digit DBMD contract number. If, after looking at the upper right-hand corner of your most recent DBMD cost report, your recent payment information, correspondence from DADS, and/or your contract with DADS, you do not know your correct 9-digit DBMD contract number, please contact the Rate Analyst listed on the cover of these instructions.

DBMD GROUP # (if report is for a group of contracts)
Enter your DBMD group number if the report is for a group of contracts. Do not include contracts that were terminated, sold or assigned. If you do not know your DBMD group number, please refer to a previous report or contact the Cost Reporting Specialist listed on the cover of this document.

CONTRACTED PROVIDER IDENTIFICATION (if report is for an individual contract)
Enter the trade name or doing-business-as (dba) name and the physical address of the contracted provider if you are completing the report for an individual contract. This item cannot be left blank.

CONTRACTING ENTITY
Enter the requested information regarding the business entity that contracts with DADS to provide DBMD services. This block cannot be blank.

CONTACT
Each provider must complete the CONTACT block. The contact person is the employee of the provider, contracting entity, controlling entity, parent company, sole member, governmental body, or related-party management company that is designated to be contacted concerning information reported on the Cost Report. The contact person should be able to answer questions about the contents of your contract's Cost Report that arise during the HHSC Rate Analysis Department's edit process and the HHSC Audit Department's audit verification process.

PREPARER
Each provider must complete the PREPARER block. The preparer of the Cost Report is the person who actually prepared the report, whether the preparer is an employee of the provider, contracting entity, etc., or is contracted to complete the report. For this reporting period, the preparer must attend the 2011 or 2012 DBMD cost report training (held in January/February 2012 or 2013) as per

1 TAC §355.102(d) (relating to General Principles of Allowable and Unallowable Costs). If the preparer and contact are the same person, you may enter “see contact.”

ACCOUNTING RECORDS FOR AUDIT OF THIS REPORT ARE LOCATED AT:
Report the address where the provider's accounting records and supporting documentation used to prepare this Cost Report are maintained. This address should be the one at which a field audit of these records can be conducted.

ITEM 1 (Is This Report for a Group of Contracts or an Individual Contract?)
Indicate whether the report is for a group of contracts or an individual contract. If this report is for a group of contracts, you must complete Schedule E. If you select “Group” a message will appear to remind you that you must be receive permission by HHSC Rate Analysis to submit a group report. If you are approved to submit a group report, you will be issued a 9-digit group report number beginning with 009 to use as the vendor number to start the report.

ITEM 2 (DADS 9-Digit Contract Number – if report is for an individual contract)
If this report is for an individual contract, enter your 9-digit DBMD contract number. If this report is for a group of contracts, leave this item blank. The group report beginning with 009 should not be entered here.

ITEM 3 (DADS Group Number – if report is for a group of contracts)
If this report if for a group of contracts, enter your group number. If you do not know your group number, refer to the instructions for the "DBMD group #" in the “cover page” section of these instructions. If this report is for an individual contract, leave this item blank.

ITEM 4 (Texas County Code in Which Accounting Records are Located)
Report the 3-digit county code for the Texas county in which the accounting records and supporting documentation used to prepare this compensation report are located. The Texas county codes are located in the back of the instructions. If the accounting records are located outside the state of Texas, enter "999". The response to item 4 should correspond to the information reported on the Cover Page in "Accounting records for audit of this report are located at (street, city, state, zip)".

ITEM 5 (Does this contract request to aggregate all of its DBMD contracts that participated in the Attendant Compensation Rate Enhancement for this ENTIRE reporting period (as reflected in items 6 and 7) for the purpose of determining compliance with spending requirement?)
If yes, complete Schedule E and list all contracts participating in the aggregation. All contracts requested to be included in the aggregation must be owned by the same entity and have the same reporting period. Contracts participating at different levels that completed separate cost reports may be aggregated. The aggregation will include all participating contracts.

ITEM 6 (Reporting Period - Beginning Date)
The reporting period beginning date should be September 1, 2011. If this report is for an individual contract and your contract became a participant in the Attendant Compensation Rate Enhancement

after September 1, 2011, the reporting period beginning date should be the date that your contract became a participant. If this report is for a group of contracts and your group became a participant in the Attendant Compensation Rate Enhancement after September 1, 2011, the reporting period beginning date should be the earliest date that any of the contracts in your group became a participant.

ITEM 7 (Reporting Period - Ending Date)
If this report is for an individual contract, the reporting period ending date should be August 31, 2012 unless your contract changed ownership, was terminated, or you voluntarily withdrew from participation in Attendant Compensation Rate Enhancement effective prior to August 31, 2012. In such cases, the ending date would be the date recognized by DADS as the ownership-change effective date, the contract termination date, or the date of withdrawal, respectively.

If this report is for a group of contracts, the reporting period ending date should be August 31, 2012 unless your entire group changed ownership, was terminated or voluntarily withdrew from participation in the Attendant Compensation Rate Enhancement prior to August 31, 2012. In such cases, the ending date would be the date recognized by DADS as the group ownership-change effective date, the group contract termination date, or the group date of withdrawal.

ITEM 8 (Attach copies of Mandatory Cost Report Training Certificate?)
Attach a copy of a state-conducted 2011 or 2012 DBMD cost report training (to be held in January/February 2012 or 2013, respectively) certificate for your preparer. Reports submitted without proper training certificates attached are not considered acceptable reports, will not be processed until the required certificates have been received, and may be returned for proper completion if the required certificates are not received in a timely manner.

ITEM 9 (Does Contracting Entity hold any other participating contracts?)
If the contracting entity holds any other contracts that are participating in the Attendant Compensation Rate Enhancement, report the total number of contracts in the box provided, and list the type of contract (i.e., PHC/FC, CBA, CLASS, DAHS, RC, CBA AL/RC, DBMD) with its 9-digit contract number in the space provided. If you are completing this report for a group of contracts, list all of the contracts that are participating within the group and any additional contracts that are participants in the Attendant Compensation Rate Enhancement. If the answer to item 9 is no, leave the box and lines blank.

ITEM 10 (Select Correspondence Address)
Select the address to which you want all future correspondence concerning this report to be mailed. The two choices correspond to the addresses indicated in the “cover page” section of this report.

ITEMS 11-12 reserved for future use.

ITEM 13 (Owner-employees or related-party employees?)
If "YES", complete Schedule C for each owner-employee or other related-party employee and attach an organization chart that clearly indicates each owner-employee’s and related-party employee’s

position within the entire related organization.

Item 14 (Were any contracted services included on this report provided by a related organization?
If "YES", complete Schedule B, Section 1A or Section 2A, whichever is applicable. This item does NOT refer to related individuals or to individuals who are employees of the facility, its contracting entity, any of its controlling entities, its parent company, its sole member, its governmental body, or its related-party management company. Refer to the DEFINITIONS section for the definitions of related parties and related-party transactions.

Item 15 (Were any contracted services included on this report provided by a related individual?
If "YES", complete Schedule B, Section 1B or Section 2B, whichever is applicable. This item does NOT refer to related organizations or groups of individuals nor does it refer to individuals who are employees of the facility, its contracting entity, any of its controlling entities, its parent company, its sole member, its governmental body, or its related-party management company.

ITEM 16 (Allocation of Expenses)
If any expenses reported on the Cost Report resulted from allocation, mark item 16 "YES".

The following must be direct costed:

Salaries/Wages:
Employee Benefits/Insurance:
- Accrued Vacation, Accrued Sick Leave
- Employer-Paid Health/Medical/Dental Premiums
- Employer-Paid Disability Insurance Premiums
- Employer-Paid Life Insurance Premiums
- Employer-Paid Contributions to acceptable retirement funds/pension plans
- Employer-Paid Contributions to acceptable deferred compensation funds
- Employer-Paid Child Day Care
- Mileage Reimbursement, maximum reimbursement as follows:
  - **55.5 07/01/11 to 12/31/12**

The following may be direct costed or allocated using a functional method based upon percentage of salaries:
FICA
Medicare
Unemployment (TUCA and FUTA)
Workers' Compensation Premiums
Workers' Compensation Paid Claims
Employer-Paid Health/Medical/Dental Paid Claims
Employer-Paid Disability Paid Claims

For allocation of expenses, attach (and properly cross-reference to each applicable item): a detailed

allocation summary showing 100% of your expenses by cost category, the numerator and denominator of the allocation calculation in words and in numbers, the resulting allocation percentage (with 2 decimal places), the application of the allocation percentage to each shared cost, the amount allocated to each contract/program/business entity, and the cost report line item on which each allocated cost is reported on this cost report.

ITEMS 17 and 19 (Paid Hours - Habilitation Workers/Trainers, Other Staff Providing Day Habilitation Services)
Record total number of paid hours for DBMD attendant staff and other staff providing Day Habilitation services employed by you, including overtime, travel time, documentation time, time spent in training, staff meeting time, paid vacation time, on-call worked time, and paid sick leave.

ITEMS 18 and 20 (Salaries and Wages - Habilitation Workers/Trainers, Other Staff Providing Day Habilitation Services)
Report salaries, wages, bonuses, incentives and overtime for attendant staff and other staff providing Day Habilitation services actually employed by you and for whom you are required to make FICA contributions. Salaries and wages include cash bonuses and any cash incentives paid from which payroll taxes are (or should be) deducted. Also include any on-call and overtime salary paid for actual hours worked.

Day Habilitation attendant staff performs supported living services which include assistance with activities of daily living (ADLs), attendant care, assistance with medications, supervision, health-related tasks and extension of therapy services. Day habilitation trainers perform formal training of daily living skills and community integration, prevocational and supported employment services. Report all salaries/wages paid to day habilitation attendant staff for both billable and nonbillable time. Salaries/wages for staff who transport participants to and from any waiver services should be included in this item. Refer to Cost Determination Process Rules, 1 TAC §355.103(b) and 1 TAC §355.103(b)(2)(B)(xi, xii).

If staff perform both duties as day habilitation workers/trainers and attendant services for other services, a distribution of paid hours and salaries must be made based on actual time worked for each type of service, using daily, continuous timesheets.

ITEM 21 AND 22 (Contracted Habilitation Workers/Trainers)
If day habilitation services were delivered by contract, report all paid hours (item 21) and all allowable contract expenses (item 22) incurred related to the delivery of contracted day habilitation services. Report <u>all</u> allowable costs paid to DBMD contracted staff performing day habilitation services, including allowable travel, fees, on-call costs, etc. Refer to the Cost Determination Process Rules, 1 TAC §355.103(b)(2)(C).

ITEM 23 (Payroll Taxes – FICA and Medicare)
Report both FICA and Medicare taxes for attendants and other staff delivering attendant services on

item 23.

ITEM 24 (Does item 23 equal 7.65%?)
If the answer to this question is "NO", provide a detailed explanation. If additional space is required, attach (and properly cross-reference) the detailed explanation. The explanation should provide a reconciliation. Federal regulations mandate an employer FICA contribution of at least 6.20% and Medicare contributions of 1.45%. Reasons why your facility's FICA contributions might not equal 6.20% of the payroll or why your facility's Medicare contributions might not equal 1.45% of the payroll might include the fact that certain employees participated in a cafeteria plan during the reporting period. The reconciliation explanation must be detailed, reporting the number of employees participating in a cafeteria plan and the amount of salaries associated with those employees, with the resulting dollar amount of salaries subject to FICA being multiplied by 6.20%, the resulting dollar amount subject to Medicare contributions and reconciled with the amount reported in item 23. Include as part of your reconciliation explanation a copy of your most recently submitted IRS Form 5500 (Schedule F; Fringe Benefit Plan Annual Information Return).

ITEM 25 (Payroll Taxes - State and Federal Unemployment)
Report both federal (FUTA) and state (TUCA) unemployment expenses for attendants and other staff delivering attendant services. If this item is blank, provide a detailed explanation in the space provided as to why no unemployment expenses are reported. Unemployment expenses may be allocated based upon payroll; in such a situation, an acceptable allocation summary must be attached.

ITEM 26 (Workers' Compensation – Insurance (WCI) Premiums)
If your contract, any of its controlling entities, or its parent company/sole member is a subscriber to the Workers' Compensation Act, report the WCI premiums paid to your commercial insurance carrier for attendants and other staff delivering attendant services. Premium costs include the base rate, any discounts for lack of injuries, any refunds for prior period overpayments, any additional modifiers and surcharges for experiencing high numbers of injuries (such as being placed in a risk pool).

If your contract, any of its controlling entities, or its parent company/sole member is not a subscriber to the Workers' Compensation Act, certain alternate insurance premium costs can be reported in this item. Acceptable alternate insurance policies include industrial accident policies and other similar types of coverage for employee on-the-job injuries. Health insurance is not worker's compensation and should be reported in item 28.

If your commercially-purchased insurance policy does not provide total coverage and has a deductible and/or coinsurance clause, any deductibles and/or coinsurance payments made by the employer on behalf of the employee would be considered paid claims (i.e., self-insurance) and must be reported in item 27.

WCI premium expenses may be allocated based upon payroll; in such a situation, an acceptable allocation summary must be attached.

ITEM 27 (Workers' Compensation - Paid Claims)
Report medical claims paid for employee on-the-job injuries for attendants and other staff delivering attendant services. If you were not a subscriber to the Workers' Compensation Act (i.e., traditional workers' compensation insurance policy), and you paid workers' compensation claims for employee on-the-job injuries for the staff whose salaries and wages are reported in items 18 and/or 20, report the amount of claims paid in this item. If you maintained a separate banking account for the sole purpose of paying your workers' compensation claims for employee on-the-job injuries (i.e., a nonsubscriber risk reserve account), the contributions made to this banking account

are not allowable. Paid claims may be direct costed or allocated based upon payroll. If paid claims are allocated, an acceptable allocation summary must be attached.

ITEM 28 (Employee Benefits - Health Insurance)
Report employer-paid health insurance for attendants and other staff delivering attendant services whose salaries and wages are reported in items 18 and/or 20. Employer-paid health insurance premiums must be direct costed.

ITEM 29 (Employee Benefits - Life Insurance)
Report employer-paid life insurance for attendants and other staff delivering attendant services whose salaries and wages are reported in items 18 and/or 20. Employer-paid life insurance premiums must be direct costed.

ITEM 30 (Employee Benefits - Other Benefits)
Report any employer-paid disability insurance and retirement contributions for attendants and other staff delivering attendant services whose salaries and wages are reported in items 18 and/or 20. These benefits must be direct costed. The contracted provider's unrecovered cost of meals and room and board furnished to direct care employees, uniforms, job-related training reimbursements and job certification renewal fees are not to be reported in these items. In the space provided, describe the amount and type of each benefit comprising the total amount reported. Employee benefits must be reported in accordance with 1 TAC §355.103(b)(1)(A)(iii)(II).

ITEM 31 (Mileage Reimbursement)
Report the mileage reimbursement paid to attendants. Refer to the Definitions section regarding mileage reimbursement. The amount of mileage reimbursement reported in this item will be divided by the number of miles reported in item 33 to verify mileage reimbursement ceilings. Allowable mileage reimbursement cannot exceed the maximum average reimbursement rate applicable for the reporting period as set by the Texas Legislature for state employee travel (See Item # 16 above).

ITEM 32 (Total Attendant Cost)
Sum items 18, 20, 22, 23 and 25 through 31.

ITEM 33 (Number of Miles Reimbursed)

If you reported mileage reimbursement on item 31, report the number of miles reimbursed on item 33. The reimbursement per mile will be checked by HHSC auditors against the maximum reimbursement on average allowed by the state (See Item # 16 above).

RESIDENTIAL HABILITATION SERVICES-LESS THAN 24 HOURS; INTERVENER SERVICES; CHORE SERVICES; EMPLOYMENT ASSISTANCE SERVICES; SUPPORTED EMPLOYMENT SERVICES

Instructions for Residential Habilitation Services-Less Than 24 Hours; Intervener Services; Chore Services; Employment Assistance Services; and Supported Employment Services:

See the specific instructions for items 17-33 and apply the general guidelines therein to the DBMD services listed above.

UNITS OF SERVICE

A comparison of the units of service reported in items 121 through 144 should be made with the total paid hours reported for the direct care staff delivering each type of service. If the number of units reported is greater than the total number of paid hours reported for direct care staff delivering the type of service, a mistake of some sort has been made, unless volunteers (i.e., unpaid workers) delivered the units of services. Using day habilitation services as an example, the sum of the units reported in items 121 and 122 should be equal to or less than the total paid hours reported in items 17, 19, and 21. The sum of the units reported in items 121 through 122 should not be greater than the total paid hours reported in items 17, 19 and 21, unless volunteer habilitation workers/trainers were used (in which case, a written notation to that effect should be made and cross-referenced to items 17, 19 and 21).

Medicaid Units of Service

For each service listed, report the total number of direct service units delivered, even if payment was not received during the reporting period. Report units of service separately for each service and for each reporting period. For example, in items 121, report the direct units of day habilitation services delivered to DBMD participants by attendants or other authorized staff during the reporting period. These items request the total number of plan-of-care-authorized hours that were actually delivered for services (e.g., habilitation tasks, protective supervision, delegated nursing tasks) by attendants or other authorized staff (nurse substitutes for attendant to prevent a service break) during each reporting period. Authorized and delivered direct service units would have been billed for reimbursement by DADS. The hours reported in these items should equal the number of hours delivered and submitted (billed) for payment for services delivered in the reporting period for this contract and NOT the units of service that were actually reimbursed. Also include any service units delivered that were above the authorized level in the participant's plan of care and for which you may never receive payment from DADS. Supporting documentation for all units reported must be available. **All direct service units must be carried out to two (2) decimal places** (e.g., 99 hours and 30 minutes should be reported as 99.50 direct service units, and 99 hours and 0 minutes should

be reported as 99.00 direct service units).

Private and Other Units of Service
For example, report any direct service day habilitation units in item 122 that were provided to private pay participants by DBMD staff whose salaries are reported on the cost report. Supporting documentation for all units reported must be available. **All direct service units must be carried out to two (2) decimal places** (e.g., 99 hours and 30 minutes should be reported as 99.50 direct service units, and 99 hours and 0 minutes should be reported as 99.00 direct service units).

Complete the items for the remaining services in this same manner.

ITEMS 121-124 Habilitation Services – Day

ITEMS 125-128 Habilitation Services – Less Than 24 Hours

ITEMS 129-132 Intervener Services

ITEMS 133-136 Chore Services

ITEMS 137-140 Employment Assistance Services

ITEMS 141-144 Supported Employment Services

SCHEDULES A & B: RESERVED FOR FUTURE USE

SCHEDULE C

This schedule must be completed by **every** contracted provider that has an owner-employee or other related-party employee acting as an attendant regardless of whether the owner-employee or other related-party employee received **any compensation** for their services during the reporting period.

For reporting purposes, an employee who meets the definition of a related party or an owner who is a sole proprietor, a partner owning 5% or more of the partnership, or a corporate stockholder owning 5% or more of the outstanding stock of the contracted provider must report their compensation on a Schedule C (these meet the definition of an "owner-employee").

If no compensation was paid, received, or properly accrued during the reporting period for an owner-employee or a related-party employee, complete items 1 - 10 and indicate "None" or "N/A" in the remaining items. Be sure to clearly explain in item 10 why no compensation is being reported.

An organizational chart must be attached to the Schedule C indicating the owner-employee's or the related-party employee's name and position within the organization. When organizational structures are composed of several corporations and the owner-employee and/or other related-party employee is associated with more than one of the corporations, submission of at least two organizational charts is necessary: one picturing the entire organizational structure of various corporations and one detailing the organizational structure of the corporation providing the services covered by the specific Cost Report.

Allowable Compensation (see 1 TAC §355.103(b)(2))

Allowable compensation for an owner-employee or other related-party employee is governed by the principles that the services rendered are necessary functions, that the compensation is for the reasonable value of services rendered, that the compensation is not based on profitability, and that the services performed do not duplicate those performed by another employee of the facility.

A function is deemed necessary when, if the owner or related party had not performed said function, the facility would have had to employ another person to perform that function.

To be necessary, a function must pertain to direct or indirect activities in the provision or supervision of contracted resident services.

The test of reasonableness requires that the compensation of owner-employees and other related-party employees be such an amount as would ordinarily be paid for comparable services performed by non-owners or unrelated parties. Reasonable compensation is limited to the fair market value of services rendered by the owner-employee or other related-party employee in connection with resident care. Education and experience of the owner are pertinent only as they relate to the job being performed and the services being rendered, in this case, attendant services.

NOTE: Record all monetary amounts rounded to the nearest whole dollar (with no zeros included for cents).

PART 1 - COMPENSATION

Item 1 (Name) - Indicate the name (Last Name, First Name, and Middle Name/Initial) of the owner-employee or the related-party employee.

Item 2 (Title) - Indicate the title of the owner-employee or other related-party employee. The title must correspond to the title indicated on the organizational chart attached to the Cost Report.

Item 3 (Type of Position) - Identify the type of position filled by the owner-employee or other related-party employee. Only attendant positions should be included in this Cost Report.

Item 4 (Location of Position Within Organizational Structure) - Indicate the location of the owner-employee's or other related-party employee's position within the organizational structure (i.e., facility, contracting entity, a controlling entity, or parent company/sole member/related-party management company). Item 4 should relate to the organizational chart(s) attached to the Cost Report.

Item 5 (Description of Duties) - Provide a description of the duties performed by the owner-employee or other related-party employee as they relate to the specific Cost Report or attach and properly cross-reference a copy of the person's written job description and provide a summary of how those duties relate to the specific Cost Report. See 1 TAC §355.105(b)(2)(B)(xi). Only attendant positions should be included on this Cost Report.

Item 6 (Relationship to Provider) - Indicate the owner-employee's or other related-party employee's relationship to the contracted provider. If the schedule is being completed for an owner-employee, indicate that the employee is an owner and describe the type of ownership (e.g., owner-sole proprietor; owner- % partner; owner- % stockholder). If the schedule is being completed for a related-party employee other than the owner, identify the relationship (e.g., husband of owner-sole proprietor; daughter-in-law of % partner; brother of % stockholder). If the schedule is being completed for a member of the Board of Directors (related through control), identify that fact in this item.

Item 7 (Percentage of Ownership) - If the schedule is being completed for an owner-employee,

enter the percentage of ownership for that employee. If the schedule is being completed for a related-party employee who has no ownership interest, indicate "None" as the ownership percentage. If the schedule is being completed for a related-party employee who is the spouse of an owner in a community property state, indicate the same ownership percentage as the owner.

Item 8 (Total Compensation) - Report the total amount of compensation paid to (or properly accrued by) the owner-employee or other related-party employee during the reporting period. See 1 TAC §355.103(b)(2)(A-B) and §355.105(b)(2)(B)(xi).

Total compensation includes regular salary, overtime pay, bonuses, and any other forms of compensation subject to payroll taxes, as well as any accrued compensation which had not been paid to the employee at the end of this reporting period. (Note: Accrued expenses must be paid within 180 days after the end of the reporting period in order to be allowable for reporting purposes.)

Item 9 (Number of Hours Worked) - Report the number of hours worked during the reporting period by the employee in order to earn the total compensation reported in item 8. In other words, if item 8 were divided by item 9, the result would be the employee's average compensation per hour.

Item 10 (Direct Costing Method) - If the services provided by this employee benefited more than the contract for which the Cost Report is being completed, if the employee's salary is reported in more than one item on this Cost Report, or if the employee performed both attendant and nonattendant functions for this contract, the salary must be directly charged based upon timesheets. Describe the basis upon which the compensation has been directly charged to this report or between line items. For example, you might state that the salary has been directly charged based upon daily timesheets, attach a copy of a completed timesheet, attach a copy of the written instructions applicable to the completion of the timesheet, report the total number of hours recorded by all timesheets during the reporting period (the denominator), report the total number of hours directly chargeable to the specific report based upon the results of the daily timesheets (the numerator), and show the calculation of the percentage of compensation directly charged to this report (a percentage with two decimal places).

PART 2 – DIRECT COSTING OF COMPENSATION

Item 11 (Breakdown of Total Compensation) - Provide a breakdown by business component of how the total allowable compensation reported in Item 8 was directly charged. If the owner-employee or other related-party employee performed both attendant and nonattendant functions for this contract, provide a breakdown between the employee’s attendant and nonattendant compensation.

The owner-employee or other related-party employee must report in item 11 the total compensation received from all business entities (components) which benefit from his/her effort or work. If the business component has a state of Texas vendor/provider number, report the

number in the business component blank (e.g., CLASS #XXXXXXXXX; CBA #XXXXXXXXX; NF #XXXXXXXXX; ERS #XXXXXXXXX; DAHS #XXXXXXXXX; RC #XXXXXXXXX).

Compensation should be directly charged to each business entity based either on the level of effort involved in providing services to or working for the entity (and supported by daily timesheets).

Item 12 (% of Total Compensation) - Report the percentage of the total employee compensation from item 8 that has been directly charged to this report. Report the percentage with two decimal places (i.e., 33.33%).

Item 13 (% of Total Hours) - Report the percentage of the employee's total hours (item 9) directly charged to this report. Report the percentage with two decimal places. If the percentage of hours reported in item 13 is different from the percentage of compensation reported in item 12, please provide a detailed explanation for the variance. If additional pages are required, please cross-reference any attachments.

Item 14 (Report Item Numbers) - Enter each Cost Report item number on which the salary directly charged to this report is reported. The explanation provided in item 10 should clearly explain how the amount was calculated for each report item number completed in item 14.

SCHEDULE D: RESERVED FOR FUTURE USE

SCHEDULE E

As per Title 1 of the Texas Administrative Code §355.112(ee) in cases where a parent company, sole member, individual, limited partnership or group of limited partnerships controlled by the same general partner, controls more than one DBMD contract participating in the Attendant Compensation Rate Enhancement, you may request to have all of your participating contracts evaluated in the aggregate for compliance with spending requirements.

The purpose of Schedule E is to identify all contracts included in a group report or to list the contracts requested to be considered in aggregate for compliance with Rate Enhancement spending requirements. If you are completing the Cost Report for more than one contract or you are requesting to have all your participating DBMD contracts evaluated in aggregate for Rate Enhancement, you must complete Schedule E. If you are completing the Cost Report for an individual contract and you are not requesting aggregation of all your participating DBMD contracts, do not complete Schedule E.

To be approved to submit a group report, you must have communicated with HHSC Rate Analysis Department to obtain a group report number. List the 9-digit DBMD contract number for every

contract listed under your DBMD group report number (attach additional sheets if necessary). For each 9-digit contract listed, you must report the beginning and ending date of the reporting period for that contract. For example,

DBMD # 100000001 09-01-11 to 08-31-12
DBMD # 100000002 09-01-11 to 08-31-12

For each contract listed, the beginning and ending dates must be the same. If they are not, then you are not able to submit a group report for these contracts. If you are requesting to have all participating contracts evaluated in aggregate for Rate Enhancement, all contracts with the same beginning and ending date must be included in the aggregation. If a contract was part of an organization requesting to have all of its participating DBMD contracts evaluated in aggregate for compliance with spending requirements and the contract has terminated or withdrawn participation, this contract will be excluded from any requested aggregation and evaluated as an individual. Its costs and revenues should not be included in the group report.

CERTIFICATION PAGES

REPORT CERTIFICATION

This page must be completed and signed by an individual legally responsible for the conduct of the provider, such as an owner, partner, Corporate Officer, Association Office, governmental official, or L.L.C. member. The program administrator may not sign this certification page unless he/she holds one of these positions. The responsible party's signature must be notarized. The signature date should be the same or after the date the preparer signed the Methodology Certification page, since the report certification indicates that the report has been reviewed after preparation.

The certification page must contain original signatures and original notary stamps/seals.

Multi-contract organizations participating as individuals may submit one Cost Report containing original signatures and notary stamps/seals. All other reports submitted by the multi-contract provider can be submitted with copies of the original certification page. For multi-contract organizations that choose this option:

- the original certification page must include a list of the 9-digit contract numbers of the compensation reports being submitted with copies of the original certification page; and

- the copies of the original certification page must indicate the 9-digit contract number of the compensation report being submitted with the original certification page.

METHODOLOGY CERTIFICATION

This page must be signed by the person identified on the cover page of this report as *PREPARER.* This person must be the individual who actually prepared the report or who has primary

responsibility for the preparation of the report for the provider. Signing as *PREPARER* carries the responsibility for an accurate and complete report prepared in accordance with applicable methodology rules and instructions. Signing as *PREPARER* signifies that the preparer is knowledgeable of the applicable methodology rules and instructions and that the preparer has either completed the report himself/herself in accordance with those rules and instructions or has adequately supervised and thoroughly instructed his/her employees in the proper completion of the report. Ultimate responsibility for the report lies with the person signing as *PREPARER*. If more than one person prepared the report, an executed Methodology Certification page (with original signature and original notary stamp/seal) may be submitted by each preparer. Preparers should make note of the additional statement on the certification page notifying preparers that they may lose their authority to prepare future reports if the reports are not prepared in accordance with all applicable rules, instructions, and mandatory training materials.

Note: Each person signing as preparer must attend the 2011 or 2012 DBMD Cost Report Training (held in January/February 2012 or 2013) and a valid completion certificate must be attached to the report for each preparer. If valid training completion certificate is not attached, the report will not be processed until such time as the required certificate is provided. If the required certificate is not provided in a timely manner, the report will be returned as unacceptable.

STATE OF TEXAS COUNTY CODES

County Name/Code		County Name/Code		County Name/Code		County Name / Code		County Name / Code	
Anderson	001	Crockett	053	Hays	105	Mason	157	Shackelford	209
Andrews	002	Crosby	054	Hemphill	106	Matagorda	158	Shelby	210
Angelina	003	Culberson	055	Henderson	107	Maverick	159	Sherman	211
Aransas	004	Dallam	056	Hidalgo	108	McCulloch	160	Smith	212
Archer	005	Dallas	057	Hill	109	McLennan	161	Somervell	213
Armstrong	006	Dawson	058	Hockley	110	McMullen	162	Starr	214
Atascosa	007	Deaf Smith	059	Hood	111	Medina	163	Stephens	215
Austin	008	Delta	060	Hopkins	112	Menard	164	Sterling	216
Bailey	009	Denton	061	Houston	113	Midland	165	Stonewall	217
Bandera	010	DeWitt	062	Howard	114	Milam	166	Sutton	218
Bastrop	011	Dickens	063	Hudspeth	115	Mills	167	Swisher	219
Baylor	012	Dimmit	064	Hunt	116	Mitchell	168	Tarrant	220
Bee	013	Donley	065	Hutchinson	117	Montague	169	Taylor	221
Bell	014	Duval	066	Irion	118	Montgomery	170	Terrell	222
Bexar	015	Eastland	067	Jack	119	Moore	171	Terry	223
Blanco	016	Ector	068	Jackson	120	Morris	172	Throckmorton	224
Borden	017	Edwards	069	Jasper	121	Motley	173	Titus	225
Bosque	018	Ellis	070	Jeff Davis	122	Nacogdoches	174	Tom Green	226
Bowie	019	El Paso	071	Jefferson	123	Navarro	175	Travis	227
Brazoria	020	Erath	072	Jim Hogg	124	Newton	176	Trinity	228
Brazos	021	Falls	073	Jim Wells	125	Nolan	177	Tyler	229
Brewster	022	Fannin	074	Johnson	126	Nueces	178	Upshur	230
Briscoe	023	Fayette	075	Jones	127	Ochiltree	179	Upton	231
Brooks	024	Fisher	076	Karnes	128	Oldham	180	Uvalde	232
Brown	025	Floyd	077	Kaufman	129	Orange	181	Val Verde	233
Burleson	026	Foard	078	Kendall	130	Palo Pinto	182	Van Zandt	234
Burnet	027	Fort Bend	079	Kenedy	131	Panola	183	Victoria	235
Caldwell	028	Franklin	080	Kent	132	Parker	184	Walker	236
Calhoun	029	Freestone	081	Kerr	133	Parmer	185	Waller	237
Callahan	030	Frio	082	Kimble	134	Pecos	186	Ward	238
Cameron	031	Gaines	083	King	135	Polk	187	Washington	239
Camp	032	Galveston	084	Kinney	136	Potter	188	Webb	240
Carson	033	Garza	085	Kleberg	137	Presidio	189	Wharton	241
Cass	034	Gillespie	086	Knox	138	Rains	190	Wheeler	242
Castro	035	Glasscock	087	Lamar	139	Randall	191	Wichita	243
Chambers	036	Goliad	088	Lamb	140	Reagan	192	Wilbarger	244
Cherokee	037	Gonzales	089	Lampasas	141	Real	193	Willacy	245
Childress	038	Gray	090	LaSalle	142	Red River	194	Williamson	246
Clay	039	Grayson	091	Lavaca	143	Reeves	195	Wilson	247
Cochran	040	Gregg	092	Lee	144	Refugio	196	Winkler	248
Coke	041	Grimes	093	Leon	145	Roberts	197	Wise	249
Coleman	042	Guadalupe	094	Liberty	146	Robertson	198	Wood	250
Collin	043	Hale	095	Limestone	147	Rockwall	199	Yoakum	251
Collingsworth	044	Hall	096	Lipscomb	148	Runnels	200	Young	252
Colorado	045	Hamilton	097	Live Oak	149	Rusk	201	Zapata	253
Comal	046	Hansford	098	Llano	150	Sabine	202	Zavala	254
Comanche	047	Hardeman	099	Loving	151	San Augustine	203		
Concho	048	Hardin	100	Lubbock	152	San Jacinto	204		
Cooke	049	Harris	101	Lynn	153	San Patricio	205		
Coryell	050	Harrison	102	Madison	154	San Saba	206		
Cottle	051	Hartley	103	Marion	155	Schleicher	207		
Crane	052	Haskell	104	Martin	156	Scurry	208		