



***SPECIFIC INSTRUCTIONS***  
***for completion of the***

***HOME AND COMMUNITY-BASED SERVICES (HCS) /***  
***TEXAS HOME LIVING (TxHmL)***  
***ACCOUNTABILITY REPORT - MULTIPURPOSE***

For assistance with completing the accountability report, contact your Rate Analyst. You can locate your Rate Analyst's contact information at: <http://www.hhsc.state.tx.us/rad/long-term-svcs/contacts.shtml>

For assistance with tracking of the accountability report, contact:

Cost Report Specialist  
Phone: (512) 730-7454  
FAX: (512) 730-7475

For assistance with the Automated Cost Reporting & Evaluation System (ACRES), contact:

ACRES Help Line  
Phone: (512) 730-7404  
FAX: (512) 730-7475

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## ***Purpose***

The purpose of the Accountability Report - Multipurpose (ARM) is to collect direct care attendant compensation information from providers participating in the Attendant Compensation Rate Enhancement in situations where the provider's standard Medicaid cost report does not provide adequate information for determining compliance with enhancement spending requirements.

## ***Who Must Complete This Report?***

As described in Title 1 of the Texas Administrative Code (TAC) 355.112(h)(2), contracts that were participating in Rate Enhancement may be required to submit an acceptable report in certain circumstances, such as a change of ownership, contract terminations, mid-year withdrawal from the Rate Enhancement, new participants for a partial year or other reason specified by the Health and Human Services Commission (HHSC) Rate Analysis Department. Providers are notified of the requirement to submit this report in an HHSC Rate Analysis letter that specifically requests this report. The only exception to this requirement is if the provider did not provide any billable attendant services to DADS recipients during the reporting period.

## ***General Information***

Except where otherwise noted, this report is governed by all rules and instructions pertaining to the completion of your HCS/TxHmL Cost Report. Refer to:

- Cost Determination Process rules at 1 TAC §§355.101-355.110;
- Attendant Compensation Rate Enhancement rules at 1 TAC §355.112;
- The Texas HCS/TxHmL Program-Specific Rules at 1 TAC §355.722;
- Mandatory Training for the 2013 or 2014 Cost Reports; and
- Specific Instructions for the completion of the 2013 HCS/TxHmL Cost Report.

### ***AUTOMATED COST REPORTING & EVALUATION SYSTEM (ACRES)***

All providers are required to prepare the report electronically using the ACRES Data Entry Software. The ACRES software is accessible at no charge through the link provided in the HHSC Rate Analysis letter requesting the report. If you do not have a copy of this letter, please contact the ACRES Help Line at the number listed on the cover of these instructions.

### ***DUE DATE AND SUBMISSION***

This report is due at the Rate Analysis Department of HHSC as specified in the Rate Analysis letter requesting the ARM. You must submit an electronic copy of the report via E-mail to [ACRES@hhsc.state.tx.us](mailto: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 through the link provided in the HHSC

Rate Analysis letter requesting the report) for further information regarding ACRES and submittal requirements.

REGULAR MAIL:  
HHSC Rate Analysis  
Mail Code H-400  
P.O. Box 149030  
Austin, TX 78714-9030

SPECIAL DELIVERY:  
HHSC Rate Analysis  
Mail Code H-400  
4900 N. Lamar  
Austin, TX 78751-2316

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 the number listed on the cover of these instructions.

***FAILURE TO FILE AN ACCEPTABLE REPORT***

According to 1 TAC §355.112(h)(4), failure to submit a timely ARM, completed in accordance with instructions and rules, by the report due date may result in vendor hold.

***EXTENSIONS***

Extensions of 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 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.

***REPORTING PERIOD***

The reporting period may be any period of time between January 1, 2013 and December 31, 2014, during which the provider was a participant in Rate Enhancement. **The reporting period is specified in the Rate Analysis letter requesting the ARM** and does not exceed 12 months. Refer to the instructions for items 5 and 6 below for further direction on determining your reporting period.

***ACCOUNTING METHOD***

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

***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. 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 paid hours 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. Reports submitted without appropriate decimal places may be returned for proper completion.

***REPORT CERTIFICATION***

Contracted providers must certify the accuracy of the ARM submitted to HHSC. Contracted providers may be liable for civil penalties, criminal penalties, and/or imprisonment if the ARM is not completed according to HHSC rules and instructions 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. Note that expenses must be directly costed whenever reasonably possible. 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 paid hours, salaries and wages reported on the ARM must be directly charged according to payroll records and timesheets.

## ***Definitions***

**ACCRUAL ACCOUNTING METHOD (1 TAC §355.105(b)(1))** - 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 HHSC. 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 CARE FOR COMMUNITY (1 TAC §355.112(b))** - An attendant is the unlicensed caregiver providing direct assistance to the consumers with Activities of Daily Living (ADL) and Instrumental Activities of Daily Living (IADL). An attendant also includes:

- A driver who is transporting consumers in the ICF/IID, DAHS, RC, and CBA AL/RC programs and the HCS Supervised Living/Residential Support Services (SL/RSS) and HCS and TxHmL Day Habilitation settings;
- Medication aides in the ICF/IID, RC and CBA AL/RC programs and HCS SL/RSS setting; and
- Direct care workers, direct care trainers and job coaches in the ICF/IID, HCS and TxHmL programs.

Attendants do not include the director, administrator, assistant director, assistant administrator, clerical and secretarial staff, professional staff, other administrative staff, licensed staff, attendant supervisors, cooks and kitchen staff, maintenance and groundskeeping staff, activity director, Qualified Mental Retardation Professionals (QIDPs), assistant QIDPs, direct care worker supervisors, direct care trainer supervisors, job coach supervisors, foster care providers, and laundry and housekeeping staff. See the TAC reference for additional details and exceptions.

**COMMON OWNERSHIP (§355.102(i)(1))** - Exists when an individual or individuals possess any ownership or equity in the contracted provider and the institution or organization serving the contracted provider. If a business entity provides goods or services to the provider and also has common ownership with the provider, the business transactions between the two organizations are considered related-party

transactions and must be properly disclosed. Administrative costs shared between entities that have common ownership must be properly allocated and reported as central office costs (i.e., shared administrative costs). See the definition for *RELATED PARTY*.

**COMPONENT CODE** - Specific to programs for individuals with an intellectual and/or developmental disability (IDD), this is a three-digit code assigned by the Department of Aging and Disability Services (DADS) CARE system that is specific to one contracted provider. It may cover one or multiple contracts held by that provider. This code is added to the end of a string that reads “0000H0xxx” for HCS and TxHmL and “0000I0xxx” for ICF/IID to identify the provider in certain HHSC Rate Analysis Department communications.

**CONTRACT LABOR** - Labor provided by nonstaff individuals. Nonstaff refers to personnel who provide services to the contracted provider intermittently, whose remuneration (i.e., fee or compensation) is not subject to employer payroll tax contributions (e.g., FICA/Medicare, FUTA, or SUTA) and who perform tasks routinely performed by employees. Contract labor does not include consultants. Contract labor hours must be associated with allowable contract labor costs as defined in 1 TAC §355.103(b)(2)(C).

**CONTRACTED PROVIDER** - The individual or legal business entity that is contractually responsible for providing Medicaid services, i.e., the business component with which Medicaid contracts for the provision of the services to be reported in this cost report. See definitions for *COMPONENT CODE* and *CONTRACTING ENTITY*.

**CONTRACTING ENTITY** - The business component with which Medicaid contracts for the provision of the Medicaid services included on this cost report.

**CONTROL (1 TAC §355.102(i)(1) and 1 TAC §355.102(i)(3))** - Exists if an individual or an organization has the power, directly or indirectly, to significantly influence or direct the actions or policies of an organization or institution. Control includes any kind of control, whether or not it is legally enforceable and however it is exercised. It is the reality of the control which is decisive, not its form or the mode of its exercise. Organizations, whether proprietary or nonprofit, are considered to be related through control to their directors in common.

**CONTROLLING ENTITY** - The individual or organization that owns the contracting entity. Controlling entity does not refer to provider’s contracted management organization.

**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 (1 TAC §355.102(i)(1))** - Related to a contracted provider means that the contracted provider to a significant extent is associated or affiliated with, has control of, or is controlled by the organization furnishing services, equipment, facilities, leases, or supplies. See the definitions of *COMMON OWNERSHIP*, *CONTROL*, and *RELATED PARTY*.

**RELATED PARTY (1 TAC §355.102(i))** - A 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. See also definitions of COMMON OWNERSHIP, CONTROL, RELATED, and RELATED-PARTY TRANSACTIONS. See also the Cost Report Training materials.

**RELATED-PARTY TRANSACTIONS (1 TAC §355.102(i))** - The purchase/lease of buildings, facilities, services, equipment, goods or supplies from the contracted provider's central office, an individual related to the provider by common ownership or control, or an organization related to the provider by common ownership or control. Allowable expenses in related-party transactions are reported on the cost report at the cost to the related party. However, such costs must not exceed the price of comparable services, equipment, facilities, or supplies that could be purchased/leased elsewhere in an arm's-length transaction.

**WORKERS' COMPENSATION COSTS** - For cost-reporting purposes, the costs accrued for workers' compensation coverage (such as commercial insurance premiums and/or the medical bills paid on behalf of an injured employee) are allowable. Costs to administer a safety program for the reduction / prevention of employee injuries are not workers' compensation costs; rather, these costs should be reported as ADMINISTRATION COSTS.

## *Specific Instructions*

### *COVER PAGE*

#### *CONTRACTED PROVIDER IDENTIFICATION*

Enter the trade name or doing-business-as (dba) name and the physical address of the contracted provider. **Do not leave this item blank.**

#### *CONTRACTING ENTITY*

Enter the requested information regarding the business entity that contracts with DADS to provide HCS/TxHmL 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 report. The contact person should be able to answer questions about the contents of your report that arise during the HHSC Rate Analysis Department's edit process and the HHSC Office of Inspector General (OIG) audit verification process.

#### *PREPARER*

The preparer is the employee or contracted individual who actually prepared the report. For this reporting period, the preparer must have completed 2013 or 2014 online cost report training for HCS/TxHmL cost reports (including both the General and HCS/TxHmL Program Specific modules) and received a training completion certificate or attended the required cost report training as per 1 TAC §355.102(d) (relating to General Principles of Allowable and Unallowable Costs) for completing the 2013 or 2014 HCS/TxHmL cost report. If the preparer and contact are the same person, you may enter "see contact."

#### *RECORDS LOCATION:*

Report the address where the provider's accounting records and supporting documentation used to prepare this report are maintained. This address should be the one at which a field audit of these records can be conducted.

### *GENERAL INFORMATION*

#### *Item 1 (DADS HCS/TxHmL 9 digit Contract Number):*

This 9-digit contract number is also referred to as the component code. Enter four zeros, followed by the capital letter H, followed by another zero, then the facility's three character unique identifier (the component code). If the cost report preparer doesn't know the component code, look at recent payment information, correspondence from DADS, the most recent Cost Report, and /or the contract with DADS for the provider's component code. Also, see the definition of Component Code in these instructions.

**Item cannot be blank.**

*Item 2 (DADS 3-digit Component Code):*

Enter the abbreviated version of the contract number / component code entered in item 1. The abbreviated version includes the 7th, 8<sup>th</sup> and 9th characters entered in item 1.

*Item 3*

*Reserved for future use.*

*Item 4 (Texas County Code in Which Accounting Records are Located):*

Texas county codes are listed on the last page of these instructions. Be sure to use the listing on the last page of these instructions and NOT the codes used for reporting to the Texas Workforce Commission.

Report the 3-digit county code for the Texas county in which the accounting records and supporting documentation used to prepare this cost report are located. 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 Sheet in "Accounting records for audit of this cost report are located at (street, city, state, zip)". **Item cannot be blank.**

*Item 5 and Item 6 (HCS Reporting Period Beginning and Ending Dates):*

Providers must report the beginning and ending dates as given in the letter requesting the ARM report. If you believe that the dates in the letter were incorrect, contact your Rate Analyst to discuss the situation.

*Item 7 (How many DADS HCS and/or TxHmL contracts are being reported on this report?):*

Enter the 9-digit contract numbers for all HCS and TxHmL facilities included in this report. Create and cross-reference an attachment, if necessary.

*Item 8 (Were any owner-employees or other related-party employees included on this report?)*

If "YES", complete Schedule C and C-1 for each owner-employee, sole proprietor or other related-party employee. A Schedule C is required even if no salary is reported on this cost report for the owner-employee, sole proprietor or other related-party employee who worked in any of these capacities. Refer to the DEFINITIONS section regarding OWNER and RELATED PARTY. See also 1 TAC §355.102(i).

*Item 9 (Were any contracted services included in this report provided by a related organization?)*

Check either "YES" or "NO". If "YES", complete Schedule B, Section 1B. 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 regarding RELATED PARTY and RELATED-PARTY TRANSACTIONS.

*Item 10 (Were any contracted services included in this report provided by a related individual?)*

If "YES", complete Schedule C and C-1 for each owner-employee, sole proprietor or other related-party individual providing contracted attendant services. A Schedule C is required even if no compensation is reported on this cost report for the owner-employee sole proprietor or other related-party individual who provided contracted attendant services in any of these capacities. Refer to the DEFINITIONS section regarding OWNER and RELATED PARTY. See also 1 TAC §355.102(i).

*Item 11 (Is this component code participating in the Attendant Compensation Rate Enhancement only for NON-DAY HABILITATION SERVICES?)*

Check “NO”, “YES, as an INDIVIDUAL COMPONENT CODE” or “YES, as a GROUP OF RELATED COMPONENT CODES”. **Item cannot be blank.**

*Item 12 (Is this component code participating in the Attendant Compensation Rate Enhancement only for DAY HABILITATION SERVICES?)*

Check “NO”, “YES, as an INDIVIDUAL COMPONENT CODE” or “YES, as a GROUP OF RELATED COMPONENT CODES”. **Item cannot be blank.**

*Item 13 (Is this component code participating in the Attendant Compensation Rate Enhancement for both NON-DAY HABILITATIONS SERVICES and DAY HABILITATION SERVICES?)*

Check “NO”, “YES, as an INDIVIDUAL COMPONENT CODE” or “YES, as a GROUP OF RELATED COMPONENT CODES”. **Item cannot be blank.**

*Item 14 (Have copies been attached of the 2013 or 2014 On-Line General and HCS/TxHmL Cost Report Training Certificate(s) or a Classroom-based First-Time Attendee General and HCS/TxHmL Cost Report Training Certificate(s) for each preparer signing this cost report?)*

Check either “YES” or “NO”. If the answer is “YES”, include a copy of the training certificate with other hard copy documents sent to HHSC. Enter the attachment number in the ACRES Explanation Box. Preparers are required to have either attended the mandatory training for 2013 or 2014 or to have successfully completed the 2013 or 2014 online training modules for this program. **Item cannot be blank.**

*Item 15 (Select the address to which the provider wants all future correspondence concerning this report to be mailed):*

Select either the Facility or Contracting Entity address from the cover page.

*Item 16 (Does this component code request to aggregate all its HCS/TxHmL component codes within its entire combined entity that participated in the Attendant Compensation Rate Enhancement for this Entire reporting period(as reflected in items 9 and 10 for the purpose of determining compliance with spending requirements as a group?(0=No,1=Yes)*

Check either “YES” or “NO”. If the answer is “YES”, complete Schedule J – Request for Aggregation.

NOTE: A separate cost report must be submitted for each component code participating in the group. If yes, all HCS/TxHmL component codes participating in Attendant Compensation Rate Enhancement for this Entire reporting period must be in the requested group. Before answering “Yes,” please consult the instructions for this report and Schedule J - Request for Aggregation for requirements to be able to request aggregation.

*Item 17 (Health and Human Services Use Only)*

*Items 18-30*

*Reserved for future use.*

## **REPORTING ATTENDANT EXPENSES**

### Documentation Requirements for all wages, compensation and benefits

All staff whose duties include multiple attendant services (e.g., direct care workers, direct care trainers and job coaches) and/or both attendant services and non-attendant services must maintain daily, continuous timesheets. The daily timesheet must document, for each day, the person's start time, stop time, total hours worked, and the actual time worked (in increments no greater than 30 minutes) performing each separate function to be reported in different lines of the cost report. Time must be directly charged and allocation of time is not acceptable in such situations.

The only exception to the "no allocation rule" is when HCS/TxHmL personnel work in Day Habilitation services for consumers in multiple programs at the same time. In such a situation, if the hours and costs cannot be reasonably direct costed, the hours worked and associated costs must be allocated between the different consumers based upon a functional allocation [i.e., consumer hours in attendance (preferably) or days of service provided] and an acceptable allocation summary must be attached.

Required documentation of attendant service staff hours and compensation includes, but is not limited to, timesheets (for staff performing more than one function or working for more than one entity), job descriptions, payroll records and written policies relating to compensation and benefits.

### What staff should be included in this report?

See **DEFINITIONS, ATTENDANT CARE**. Only employee and contracted staff who meet the definition of attendant may be reported in this report.

### What hours should be included in this report?

Include the total number of hours for which employees and contract labor attendants were compensated during the reporting period. This would include hours for both time worked and paid time off (sick leave, vacation, etc.).

## **NON-DAY HABILITATION SERVICES**

### **- Complete only if participating for NON-DAY HABILITATION SERVICES**

*Item 31 (Were any expenses reported in this section (NON-DAY HABILITATION SERVICES) the result of the allocation of expenses?)*

Check either "YES" or "NO".

## HCS only SUPERVISED LIVING / RESIDENTIAL SUPPORT SERVICES (SL/RSS):

*Items 32, 34 and 36 (Direct Care Worker, Driver and Medication Aide – Paid Hours):*

In item 32, report hours worked by direct care worker attendants during your reporting period. In item 34 report hours worked by drivers transporting consumers during your reporting period. In item 36, report hours worked by medication aides during your reporting period. See the DEFINITIONS section for the definition of an attendant and requirements pertaining to staff members functioning in more than one capacity. Reported hours must be associated with allowable costs as defined in 1 TAC §355.103(b)(1). Round all reported hours to the nearest whole hour.

*Items 33, 35 and 37 (Direct Care Worker, Driver and Medication Aide – Salaries & Wages):*  
In item 35, report accrued salaries and wages for direct care worker attendants. In item 35, report accrued salaries and wages for drivers transporting consumers. In item 37, report accrued salaries and wages for medication aides. Report only salaries and wages for individuals employed by the provider for whom FICA contributions are made in item 52. See the DEFINITIONS section for the definition of an attendant and requirements pertaining to staff members functioning in more than one capacity. Salaries and wages include overtime, bonuses, and taxable fringe benefits such as accrued/taken vacation, accrued/taken sick leave, and other allowances in accordance with 1 TAC §355.103(b)(1)(A)(iii)(II).

*Item 38 (Contract – Direct Care Worker/ Driver/ Medication Aide – Paid Hours):*  
Report hours worked by the contract attendants/drivers/medication aides during your reporting period. Round all reported hours to the nearest whole hour.

*Item 39 (Contract – Direct Care Worker/ Driver/ Medication Aide – Compensation):*  
Report the total costs for contract labor functioning as attendants/drivers/medication aides. See the DEFINITIONS section for a definition of reportable CONTRACT LABOR.

**HCS SUPPORTED HOME LIVING (SHL) & TxHmL COMMUNITY SUPPORT SERVICES (CSS):**

*Item 40 (Direct Care Worker – Paid Hours):*  
Report hours worked by direct care worker attendants during your reporting period. See the DEFINITIONS section for the definition of an attendant and requirements pertaining to staff members functioning in more than one capacity. Reported hours must be associated with allowable costs as defined in 1 TAC §355.103(b)(1). Round all reported hours to the nearest whole hour.

*Item 41 (Direct Care Worker – Salaries & Wages):*  
Report accrued salaries and wages for direct care worker attendants. Report only salaries and wages for individuals employed by the provider for whom FICA contributions are made in item 52. See the DEFINITIONS section for the definition of an attendant and requirements pertaining to staff members functioning in more than one capacity. Salaries and wages include overtime, bonuses, and taxable fringe benefits such as accrued/taken vacation, accrued/taken sick leave, and other allowances in accordance with 1 TAC §355.103(b)(1)(A)(iii)(II).

*Item 42 (Contract – Direct Care Worker – Paid Hours):*  
Report hours worked by the contract attendants during your reporting period. Round all reported hours to the nearest whole hour.

*Item 43 (Contract – Direct Care Worker – Compensation):*  
Report the total costs for contract labor functioning as attendants. See the DEFINITIONS section for a definition of reportable CONTRACT LABOR.

HCS & TxHmL RESPITE:

*Item 44 (Direct Care Worker – Paid Hours):*

Report hours worked by direct care worker attendants during your reporting period. See the DEFINITIONS section for the definition of an attendant and requirements pertaining to staff members functioning in more than one capacity. Reported hours must be associated with allowable costs as defined in 1 TAC §355.103(b)(1). Round all reported hours to the nearest whole hour.

*Item 45 (Direct Care Worker – Salaries & Wages):*

Report accrued salaries and wages for direct care worker attendants. Report only salaries and wages for individuals employed by the provider for whom FICA contributions are made in item 52. See the DEFINITIONS section for the definition of an attendant and requirements pertaining to staff members functioning in more than one capacity. Salaries and wages include overtime, bonuses, and taxable fringe benefits such as accrued/taken vacation, accrued/taken sick leave, and other allowances in accordance with 1 TAC §355.103(b)(1)(A)(iii)(II).

*Item 46 (Contract – Direct Care Worker – Paid Hours):*

Report hours worked by the contract attendants during your reporting period. Round all reported hours to the nearest whole hour.

*Item 47 (Contract – Direct Care Worker – Compensation):*

Report the total costs for contract labor functioning as attendants. See the DEFINITIONS section for a definition of reportable CONTRACT LABOR.

HCS & TxHmL SUPPORTED EMPLOYMENT and TxHmL EMPLOYMENT ASSISTANCE:

*Item 48 (Direct Care Trainer/Job Coach – Paid Hours):*

Report hours worked by direct care trainer/job coach attendants during your reporting period. See the DEFINITIONS section for the definition of an attendant and requirements pertaining to staff members functioning in more than one capacity. Reported hours must be associated with allowable costs as defined in 1 TAC §355.103(b)(1). Round all reported hours to the nearest whole hour.

*Item 49 (Direct Care Trainer/Job Coach – Salaries & Wages):*

Report accrued salaries and wages for direct care trainer/job coach attendants. Report only salaries and wages for individuals employed by the provider for whom FICA contributions are made in item 52. See the DEFINITIONS section for the definition of an attendant and requirements pertaining to staff members functioning in more than one capacity. Salaries and wages include overtime, bonuses, and taxable fringe benefits such as accrued/taken vacation, accrued/taken sick leave, and other allowances in accordance with 1 TAC §355.103(b)(1)(A)(iii)(II).

*Item 50 (Contract – Trainer/Job Coach – Paid Hours):*

Report hours worked by the contract direct care trainer/job coach attendants during your reporting period. Round all reported hours to the nearest whole hour.

*Item 51 (Contract – Trainer/Job Coach – Compensation):*

Report the total costs for contract labor functioning as direct care trainer/job coach attendants. See the DEFINITIONS section for a definition of reportable CONTRACT LABOR.

*PAYROLL TAXES BENEFITS and MILEAGE REIMBURSEMENT:*

*Item 52 (FICA & Medicare Payroll Taxes):*

For all Non-Day Habilitation Services attendants reported above, report the cost of the employer's portion of these taxes. Do not include the employee's share of the taxes.

*Item 53 (Does item 52 equal 7.65% of the sum of items 33, 35, 37, 41, 45 and 49?):*

Check either "YES" or "NO". 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 include 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 52.

*Item 54 (State and Federal Unemployment):*

Report both federal (FUTA) and Texas state (SUTA) unemployment expenses for all Non-Day Habilitation Services attendants reported above. 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 55 (Mileage Reimbursement – Mileage) and Item 56 (Mileage Reimbursement – Reimbursement):*

For all Non-Day Habilitation Services attendants reported above, include the personal vehicle miles traveled and the mileage reimbursement paid for allowable travel and transportation in the staff person's personal vehicle. Allowable travel and transportation includes mileage and reimbursements of attendant staff who transport consumers to/from HCS/TxHmL program services and activities in their personal vehicle, unless payroll taxes are withheld on the reimbursements, in which case they should be included as salaries and wages of the appropriate staff. Allowable travel and transportation also includes mileage and reimbursements of attendant staff for allowable training to which they traveled in their personal vehicle.

The maximum allowable mileage reimbursement is as follows:

- 1/1/13 – 12/31/13                      56.5 cents per mile
- 1/1/14 – current                            56.0 cents per mile

*Item 57 (Employee Benefits / Insurance / Workers' Compensation):*

For all Non-Day Habilitation Services attendants reported above, include the following benefits and insurance in this item. These benefits, with the exception of paid claims where the employer is self-insured, must be direct costed, not allocated.

- Accrued Vacation and 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
- Employer-Paid Claims for Health/Medical/Dental Insurance when the provider is self-insured (may be allocated)

\* ACCRUED LEAVE. If the provider chooses to report accrued leave expenses not yet subject to payroll taxes, they must be reported as employee benefits. Providers must maintain adequate documentation to substantiate that costs reported one year as accrued benefits are not also reported, either the same or another year, as salaries and wages. 1 TAC §355.103(b)(1)(A)(iii)(III)(-c-).

**Note:** COSTS THAT ARE NOT EMPLOYEE BENEFITS - Per 1 TAC §355.103(b)(1)(A)(iii)(II), the contracted provider's unrecovered cost of meals and room-and-board furnished to direct care staff, uniforms, staff personal vehicle mileage reimbursement, job-related training reimbursements and job certification renewal fees are not to be reported as benefits..., unless they are subject to payroll taxes, in which case they are to be reported as salaries and wages. Other than mileage reimbursement for consumer transportation, costs that are not employee benefits and are not subject to payroll taxes are not to be reported on the ARM; these costs may be reported on the provider's cost report in the appropriate items.

For the Workers' Compensation, if your component code, 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 the direct care attendants, drivers and medication aides reported above. 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 component code, any of its controlling entities, or its parent company/sole member is not a subscriber to the Workers' Compensation Act, there are alternate insurance premium costs that 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.

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) but are reported in this item.

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 above, 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.

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

*Item 58 (TOTAL Non-Day Habilitation Services Attendant Costs):  
Sum of items 33, 35, 37, 39, 41, 43, 45, 47, 49, 51, 52, 54, 56 and 57*

*Items 59-70  
Reserved for future use.*

### **DAY HABILITATION SERVICES**

#### **- Complete only if participating for DAY HABILITATION SERVICES**

**Note::** As per 1 TAC §355.112(ff)(1) A provider who provides day habilitation in-house or who contracts with a related party to provide day habilitation will report job trainer and job coach compensation and hours on the required cost report items (e.g., hours, salaries and wages, payroll taxes, employee benefits/insurance/workers' compensation, contract labor costs, and personal vehicle mileage reimbursement). Day habilitation costs cannot be combined and reported in one cost report item. (2) A provider who contracts with a non-related party to provide day habilitation will report its payments to the contractor in a single cost report item as directed in the instructions for the cost report or Attendant Compensation Report as described in subsection (h)(2) and (3) of this section. HHSC will allocate 50 percent of reported payments to the attendant compensation cost area for inclusion with other allowable day habilitation attendant costs in order to determine the total attendant compensation spending for day habilitation services as described in subsection (s) of this section.

Participating providers with contracted related-party day hab must capture and report properly-allocated attendant hours, salaries, wages, taxes and benefits as if the staff were employees of the participating providers. Items 59 and 60 are only for capture of the hours and costs of individuals working for the participating provider as attendant contract labor and paid an hourly rate. Items 67 and 68 are for reporting the days and costs for day habilitation services contracted to a third-party individual or organization and paid as a daily rate.

This means that the attendant costs for a related-party contracted day habilitation will continue to be reported as if they were staff of the provider, as they have been for many years.

For a nonrelated-party contracted day habilitation, for providers participating in the Day Habilitation Services Attendant Compensation Rate Enhancement, the provider is responsible for collecting the properly allocated hours, wages, taxes, benefits, miles and mileage reimbursement related to the services to their consumers with services being reported in this cost report. It is the provider's responsibility to assure that the allocations are done correctly according to acceptable allocation methodology and that all necessary documentation exists and will be accessible to an auditor to support the hours and costs reported in the ARM.

*Item 71 (Were any expenses reported in this section (DAY HABILITATION SERVICES) the result of the allocation of expenses?)*  
Check either “YES” or “NO”.

*Item 72 (Does this provider have contracted Day Habilitation providers?):*  
Check 0 = “NO”, 1 = “YES, and none of my Day Habilitation providers are related parties”, or 2 = “YES, and at least one of my Day Habilitation providers is a related party”. If responding with either 1 or 2 see NOTE above.

*Items 73 and 77 (Direct Care Trainer and Driver – Paid Hours):*  
In item 73, report hours worked by direct care trainer attendants during your reporting period. In item 77, report hours worked by day habilitation drivers transporting consumers during your reporting period. See the DEFINITIONS section for the definition of an attendant and requirements pertaining to staff members functioning in more than one capacity. Reported hours must be associated with allowable costs as defined in 1 TAC §355.103(b)(1). Round all reported hours to the nearest whole hour.

*Items 74 and 78 (Direct Care Trainer and Driver – Salaries & Wages):*  
In item 74, report accrued salaries and wages for day habilitation direct care trainer attendants. In item 78, report accrued salaries and wages for day habilitation drivers transporting consumers. These categories will include employees of both related party day habilitation providers as well as nonrelated party day habilitation providers. See the DEFINITIONS section for the definition of an attendant and requirements pertaining to staff members functioning in more than one capacity. Salaries and wages include overtime, bonuses, and taxable fringe benefits such as accrued/taken vacation, accrued/taken sick leave, and other allowances in accordance with 1 TAC §355.103(b)(1)(A)(iii)(II).

*Items 75 and 76*  
*Reserved for future use.*

*Item 79 (Contract – Direct Care Trainer/Driver – Paid Hours):*  
Report hours worked by contract day habilitation direct care trainer attendants and drivers transporting consumers during your reporting period. Round all reported hours to the nearest whole hour.

*Item 80 (Contract – Direct Care Trainer/Driver – Compensation):*  
Report the total costs for contract labor functioning as day habilitation direct care trainer attendants and drivers transporting consumers. See the DEFINITIONS section for a definition of reportable CONTRACT LABOR.

*Item 81 (FICA & Medicare Payroll Taxes):*  
For all Day Habilitation Services attendants and drivers transporting consumers reported above, report the cost of the employer’s portion of these taxes. Do not include the employee’s share of the taxes.

*Item 82 (Does item 81 equal 7.65% of the sum of items 74 and 78?):*  
Check either “YES” or “NO”. 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 include 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 81.

*Item 83 (State and Federal Unemployment):*

Report both federal (FUTA) and Texas state (SUTA) unemployment expenses for all Day Habilitation Services attendants and drivers transporting consumers reported above. 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 84 (Mileage Reimbursement – Mileage) and Item 85 (Mileage Reimbursement – Reimbursement):*

For all Day Habilitation Services attendants and drivers transporting consumers reported above, include the personal vehicle miles traveled and the mileage reimbursement paid for allowable travel and transportation in the staff person's personal vehicle. Allowable travel and transportation includes mileage and reimbursements of attendant staff who transport consumers to/from HCS/TxHmL program services and activities in their personal vehicle, unless payroll taxes are withheld on the reimbursements, in which case they should be included as salaries and wages of the appropriate staff. Allowable travel and transportation also includes mileage and reimbursements of attendant staff for allowable training to which they traveled in their personal vehicle.

The maximum allowable mileage reimbursement is as follows:

- 1/1/13 – 12/31/13                      56.5 cents per mile
- 1/1/14 – current                              56.0 cents per mile

*Item 86 (Employee Benefits / Insurance / Workers' Compensation):*

For all Day Habilitation Services attendants and drivers transporting consumers reported above, include the following benefits and insurance in this item. These benefits, with the exception of paid claims where the employer is self-insured, must be direct costed, not allocated.

- Accrued Vacation and 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
- Employer-Paid Claims for Health/Medical/Dental Insurance when the provider is self-insured (may be allocated)

\* ACCRUED LEAVE. If the provider chooses to report accrued leave expenses not yet subject to payroll taxes, they must be reported as employee benefits. Providers must maintain adequate

documentation to substantiate that costs reported one year as accrued benefits are not also reported, either the same or another year, as salaries and wages. 1 TAC §355.103(b)(1)(A)(iii)(III)(-c-).

**Note: COSTS THAT ARE NOT EMPLOYEE BENEFITS** Per 1 TAC §355.103(b)(1)(A)(iii)(II), the contracted provider's unrecovered cost of meals and room-and-board furnished to direct care staff, uniforms, job-related training reimbursements and job certification renewal fees are not to be reported as benefits..., unless they are subject to payroll taxes, in which case they are to be reported as salaries and wages. Other than mileage reimbursement for consumer transportation, costs that are not employee benefits and are not subject to payroll taxes are not to be reported on the ARM; these costs may be reported on the provider's cost report in the appropriate items.

For the Workers' Compensation, if your component code, 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 the direct care attendants, drivers and medication aides reported above. 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 component code, any of its controlling entities, or its parent company/sole member is not a subscriber to the Workers' Compensation Act, there are alternate insurance premium costs that 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.

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) but are reported in this item.

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 above, 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.

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

*Items 87-88 (Day Habilitation Services Contracted with a Third-Party)*

Items 87 and 88 are for reporting the days and costs for day habilitation services contracted to a third-party individual or organization and paid as a daily rate.

*Item 89 (TOTAL Day Habilitation Services Attendant Costs):*

*Sum of items 74, 78, 80, 81, 83, 85, 86 and 88*

## **UNITS OF SERVICE**

- **Complete ONLY for services dates within the periods specified in Items 5 and 6.**
- **Pay close attention to the service dates requested below.**
- **Complete only for the services category or categories in which this component code participates: Non-Day Habilitation Services only, Day Habilitation Services only or both Non-Day Habilitation and Day Habilitation Services.**

The information to be reported in this section is the billable (billed and accrued) and non-billable (as applicable) Units of Service for each service in the HCS/TxHmL programs.

**ALL UNITS OF SERVICE SHOULD BE REPORTED ACCORDING TO BILLING GUIDELINES.**

For Supervised Living and Residential Support Services, the provider bills according to how the consumer is classified, not the size or staffing type of the home that they live in. The provider must report units of service in this section according to how the provider bills. The provider should be keeping detailed documentation regarding billed services from the provider's billing records. The provider can also receive billing reports from DADS and can also access information through the CARE system.

**Units of Service provided from 01/01/2013 through 08/31/2013 (These ranges may be larger than your reporting period. Include only units provided within the reporting period of this report.) (if included in provider's reporting period as given in items 5 and 6)**

### ***Supervised Living (Non-Day Habilitation Services)***

#### ***Items 121-125 (Units of Service):***

Report the billed and billable units of service provided during the period on the appropriate line item according to Level of Need (LON).

#### ***Item 126 (Subtotal HCS Supervised Living Units of Service):***

*Sum of items 121 through 125*

#### ***Item 127 (Non-HCS-Reimbursable Units of Service):***

Report any units of service provided during the period to Non-HCS consumers, units that are not billable to the Medicaid program for HCS services or units that were delivered for which the provider will not be paid.

#### ***Item 128 (Total Supervised Living Units of Service):***

*Sum of items 126 and 127*

### ***Residential Support Services (Non-Day Habilitation Services)***

#### ***Items 129-133 (Units of Service):***

Report the billed and billable units of service provided during the period on the appropriate line item according to Level of Need (LON).

*Item 134 (Subtotal HCS Residential Support Services Units of Service):*  
*Sum of items 129 through 133*

*Item 135 (Non-HCS-Reimbursable Units of Service):*

Report any units of service provided during the period to Non-HCS consumers, units that are not billable to the Medicaid program for HCS services or units that were delivered for which the provider will not be paid.

*Item 136 (Total Residential Support Services Units of Service):*  
*Sum of items 134 and 135*

***Day Habilitation (Day Habilitation Services)***

*Items 137-141 (HCS Units of Service):*

Report the billed and billable units of service provided during the period on the appropriate line item according to Level of Need (LON).

*Item 142 (TxHmL Day Habilitation Units of Service):*

Report the billed and billable units of service provided during the period.

*Item 143 (Subtotal HCS & TxHmL Day Habilitation Units of Service):*  
*Sum of items 137 through 142*

*Item 144 (Non-Reimbursable Units of Service):*

Report any units of service provided during the period to Non-HCS/TxHmL consumers, units that are not billable to the Medicaid program for HCS/TxHmL services or units that were delivered for which the provider will not be paid.

*Item 145 (Total Day Habilitation Units of Service):*  
*Sum of items 143 and 144*

***Supported Home Living (Non-Day Habilitation Services)***

*Item 146 (HCS Supported Home Living Units of Service):*

Report the billed and billable units of service provided during the period.

***Community Support Services (Non-Day Habilitation Services)***

*Item 147 (TxHmL Community Support Services Units of Service):*

Report the billed and billable units of service provided during the period.

*Respite (Non-Day Habilitation Services)*

*Item 148 (HCS Respite Units of Service):*

*Item 149 (TxHmL Respite Units of Service):*

Report the billed and billable units of service provided during the period.

*Supported Employment (Non-Day Habilitation Services)*

*Item 150 (HCS Supported Employment Units of Service):*

*Item 151 (TxHmL Supported Employment Units of Service):*

Report the billed and billable units of service provided during the period.

*Employment Assistance (Non-Day Habilitation Services)*

*Item 152 (TxHmL Employment Assistance Units of Service):*

Report the billed and billable units of service provided during the period.

*Items 153-160*

*Reserved for future use.*

**Units of Service provided from 09/01/2013 through 8/31/2014 (These ranges may be larger than your reporting period. Include only units provided within the reporting period of this report.) (if included in provider's reporting period as given in items 5 and 6)**

*Supervised Living (Non-Day Habilitation Services)*

*Items 161-165 (Units of Service):*

Report the billed and billable units of service provided during the period on the appropriate line item according to Level of Need (LON).

*Item 166 (Subtotal HCS Supervised Living Units of Service):*

*Sum of items 161 through 165*

*Item 167 (Non-HCS-Reimbursable Units of Service):*

Report any units of service provided during the period to Non-HCS consumers, units that are not billable to the Medicaid program for HCS services or units that were delivered for which the provider will not be paid.

*Item 168 (Total Supervised Living Units of Service):*

*Sum of items 166 and 167*

*Residential Support Services (Non-Day Habilitation Services)*

*Items 169-173 (Units of Service):*

Report the billed and billable units of service provided during the period on the appropriate line item according to Level of Need (LON).

*Item 174 (Subtotal HCS Residential Support Services Units of Service):*

*Sum of items 169 through 173*

*Item 175 (Non-HCS-Reimbursable Units of Service):*

Report any units of service provided during the period to Non-HCS consumers, units that are not billable to the Medicaid program for HCS services or units that were delivered for which the provider will not be paid.

*Item 176 (Total Residential Support Services Units of Service):*

*Sum of items 174 and 175*

*Day Habilitation (Day Habilitation Services)*

*Items 177-181 (HCS Units of Service):*

Report the billed and billable units of service provided during the period on the appropriate line item according to Level of Need (LON).

*Item 182 (TxHmL Day Habilitation Units of Service):*

Report the billed and billable units of service provided during the period.

*Item 183 (Subtotal HCS & TxHmL Day Habilitation Units of Service):*

*Sum of items 177 through 182*

*Item 184 (Non-Reimbursable Units of Service):*

Report any units of service provided during the period to Non-HCS/TxHmL consumers, units that are not billable to the Medicaid program for HCS/TxHmL services or units that were delivered for which the provider will not be paid.

*Item 185 (Total Day Habilitation Units of Service):*

*Sum of items 183 and 184*

*Supported Home Living (Non-Day Habilitation Services)*

*Item 186 (HCS Supported Home Living Units of Service):*

Report the billed and billable units of service provided during the period.

*Community Support Services (Non-Day Habilitation Services)*

*Item 187 (TxHmL Community Support Services Units of Service):*

Report the billed and billable units of service provided during the period.

*Respite (Non-Day Habilitation Services)*

*Item 188 (HCS Respite Units of Service):*

*Item 189 (TxHmL Respite Units of Service):*

Report the billed and billable units of service provided during the period.

*Supported Employment (Non-Day Habilitation Services)*

*Item 190 (HCS Supported Employment Units of Service):*

*Item 191 (TxHmL Supported Employment Units of Service):*

Report the billed and billable units of service provided during the period.

*Employment Assistance (Non-Day Habilitation Services)*

*Item 192 (HCS Employment Assistance Units of Service):*

Report the billed and billable units of service provided during the period.

*Item 193 (TxHmL Employment Assistance Units of Service):*

Report the billed and billable units of service provided during the period.

**Units of Service provided from 09/01/2014 through 12/31/2014 (These ranges may be larger than your reporting period. Include only units provided within the reporting period of this report.) (if included in provider's reporting period as given in items 5 and 6)**

*Supervised Living (Non-Day Habilitation Services)*

*Items 201-205 (Units of Service):*

Report the billed and billable units of service provided during the period on the appropriate line item according to Level of Need (LON).

*Item 206 (Subtotal HCS Supervised Living Units of Service):*

*Sum of items 161 through 165*

*Item 207 (Non-HCS-Reimbursable Units of Service):*

Report any units of service provided during the period to Non-HCS consumers, units that are not billable to the Medicaid program for HCS services or units that were delivered for which the provider will not be paid.

*Item 208 (Total Supervised Living Units of Service):*

*Sum of items 206 and 207*

*Residential Support Services (Non-Day Habilitation Services)*

*Items 209-213 (Units of Service):*

Report the billed and billable units of service provided during the period on the appropriate line item according to Level of Need (LON).

*Item 214 (Subtotal HCS Residential Support Services Units of Service):*

*Sum of items 209 through 213*

*Item 215 (Non-HCS-Reimbursable Units of Service):*

Report any units of service provided during the period to Non-HCS consumers, units that are not billable to the Medicaid program for HCS services or units that were delivered for which the provider will not be paid.

*Item 216 (Total Residential Support Services Units of Service):*

*Sum of items 214 and 215*

*Day Habilitation (Day Habilitation Services)*

*Items 217-221 (HCS Units of Service):*

Report the billed and billable units of service provided during the period on the appropriate line item according to Level of Need (LON).

*Item 222 (TxHmL Day Habilitation Units of Service):*

Report the billed and billable units of service provided during the period.

*Item 223 (Subtotal HCS & TxHmL Day Habilitation Units of Service):*

*Sum of items 217 through 222*

*Item 224 (Non-Reimbursable Units of Service):*

Report any units of service provided during the period to Non-HCS/TxHmL consumers, units that are not billable to the Medicaid program for HCS/TxHmL services or units that were delivered for which the provider will not be paid.

*Item 225 (Total Day Habilitation Units of Service):*

*Sum of items 223 and 224*

*Supported Home Living (Non-Day Habilitation Services)*

*Item 226 (HCS Supported Home Living Units of Service):*

Report the billed and billable units of service provided during the period.

*Community Support Services (Non-Day Habilitation Services)*

*Item 227 (TxHmL Community Support Services Units of Service):*

Report the billed and billable units of service provided during the period.  
*Respite (Non-Day Habilitation Services)*

*Item 228 (HCS Respite Units of Service):*

*Item 229 (TxHmL Respite Units of Service):*

Report the billed and billable units of service provided during the period.

*Supported Employment (Non-Day Habilitation Services)*

*Item 230 (HCS Supported Employment Units of Service):*

*Item 231 (TxHmL Supported Employment Units of Service):*

Report the billed and billable units of service provided during the period.

*Employment Assistance (Non-Day Habilitation Services)*

*Item 232 (HCS Employment Assistance Units of Service):*

Report the billed and billable units of service provided during the period.

*Item 233 (TxHmL Employment Assistance Units of Service):*

Report the billed and billable units of service provided during the period.

*Item 234 (Audit Code – for Health and Human Services Use Only)*

# ***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 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 have attended the 2013 or 2014 HHSC state-sponsored Mandatory Cost Report Training or completed 2013 or 2014 Cost Report Online Training for HCS/TxHmL (including both the General and HCS/TxHmL Program Specific modules) and a valid training 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.***

## ***SCHEDULE B***

*See 1 TAC §355.102(i) for specific details and requirements on related-party transactions.*

The purchase of attendant services from related organizations by the provider or the provider's central office must be reported as related-party transactions on Schedule B, 1B.

Expenses in related-party transactions are allowable at the cost to the related organization; however, the cost must not exceed the price of comparable services that could be purchased elsewhere in an arm's-length transaction. The related organization's costs include all reasonable costs, direct and indirect, incurred in the furnishing of services to the provider. The intent is to treat the costs incurred by the supplier as if they were incurred by the contracted provider itself. Therefore, if a cost would be unallowable if incurred by the contracted provider itself, it would be similarly unallowable to the related organization.

See the DEFINITIONS section for a definition of related-party.

### **EXCEPTIONS TO THE RELATED-PARTY RULE**

An exception (1 TAC §355.102(I)(5)) is provided to the general rule applicable to related organizations if the contracted provider demonstrates on each report that certain criteria have been met. **If all of the conditions** of this exception are met, the charges by the related-party supplier to the contracted provider for such services are allowable costs. **The contracted provider must submit documentation either prior to or upon submission of the report to demonstrate that all of the following criteria have been met:**

- The supplying organization is a bona fide separate organization.
- A majority of the supplying organization's business activity is transacted with other organizations not related to the contracted provider.
- There is an open, competitive market for the type of services furnished by the related organization.
- The services are those which commonly are obtained by entities such as the contracted provider from other organizations and are not a basic element of contracted client care.
- The charge to the contracted provider is comparable to open market prices and does not exceed the charge made to others.

If Medicare has made a determination that a related-party situation does not exist or has granted an exception to the related-party definition, and you desire that DADS accept that determination, you must submit a copy of the applicable Medicare determination, along with evidence supporting the Medicare determination for the current reporting period with each affected report. If the exception granted by Medicare is no longer applicable due to changes in circumstances of the contracted provider or because the circumstances do not apply to the contracted provider, DADS can choose not to accept the Medicare determination.

## SECTION 1A

Complete this section if contract attendant/driver services were purchased from a related organization (for related individuals, see Schedules C and C-1).

**Column A (Name of Related Party/Organization)** - Enter the name of the related party or organization. If the contracted provider is a proprietorship, the related organization could be the individual owner rather than a separate corporation. If the contracted provider is a partnership, the related organization could be one of the partners. Refer to the DEFINITIONS section for information regarding related parties.

**Column B (Percentage of Ownership)** - Enter the percent of the contracted provider owned by the related party. For example, if the contracted provider is a 50-50 partnership and the related party in Column A was one of the partners, the percentage of common ownership would be 50%. If the contracted provider is one "branch" of a central corporation and the related party in Column A was the central office, the percentage of common ownership would be 100%. If the contracted provider is a corporation and the related party in Column A was a stockholder with 2% of the stock, then the percentage of common ownership would be 2%.

The percentage of common ownership may be 0% if the related-party is deemed related due to control (including being a member of the contracted provider's Board of Directors) or the existence of an immediate family relationship (other than a spousal relationship in a community property state in which case the percentage of common ownership would be the same as the owner's/stockholder's). In situations where the percentage of common ownership is 0%, a properly cross-referenced attachment should explain how the individual meets the criteria as a related party.

**Column C ( Cost Report Line Number)** - Report the line number that the cost is reported on.

**Column D (Description of Purchased or Leased Services)** - Describe the services purchased or leased from the related party.

**Column E (Cost to Provider)** - This amount should be the exact cost incurred (and paid within the acceptable accrual period) by the contracted provider for the purchased/leased services.

**Column F(Cost to Related Party/Organization)** - This amount should be the exact cost to the related organization and should be the amount reported on the report.

## SECTIONS 1B – 4D

Not applicable for the ARM.

## ***SCHEDULE C***

This schedule must be completed by **every** contracted provider that has an owner-employee, sole proprietor, other related-party employee and/or related-party individual contractor attendant, medication aide or driver transporting consumers providing services for the HCS and/or TxHmL regardless of whether the owner-employee, sole proprietor, other related-party employee and/or related-party individual contractor received **any compensation** for his or her services during the year.

For cost-reporting purposes, an employee or individual providing contracted direct care services 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.

If no compensation was paid, received, or properly accrued during the reporting period for an owner-employee, sole proprietor, other related-party employee and/or related-party individual contractor, complete Schedule C 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 reported.

**An organizational chart must be attached** to the Schedule C indicating the owner-employee, sole proprietor, other related-party employee and/or related-party individual contractor's name and position within the organization. When organizational structures are composed of several corporations and the owner-employee, sole proprietor, other related-party employee and/or related-party individual contractor is associated with more than one of the corporations, it is necessary to submit at least two organizational charts: 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 report.

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

Allowable compensation for an owner-employee, sole proprietor, other related-party employee and/or related-party individual contractor 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-employee, sole proprietor, other related-party employee and/or related-party individual contractor 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-employee, sole proprietor, other related-party employee and/or related-party individual contractor 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, sole proprietor, other related-party employee and/or related-party individual contractor 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/driver services.

HCS/TxHmL owners and related parties are also limited by 1 TAC §355.722(h) in that the salary and benefits reported must be the lesser of the actual wages and benefits paid or the wages and benefits for a comparable staff person assumed in the fully-funded model, unless at least 40% of total labor hours in that specific labor type are performed by nonrelated parties. The maximum hours per fiscal year that an owner or related-party employee may report on this report is 2,600. *These instructions provide examples of how to address these issues.*

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

## **PART 1 – COMPENSATION**

Complete a separate Schedule C for **each individual** who meets the definition of an owner-employee, sole proprietor, other related-party employee and/or related-party individual contractor.

**Item 1 (Name)** - Indicate the name (Last Name, First Name, and Middle Name/Initial) of the owner-employee, sole proprietor, other related-party employee and/or related-party individual contractor.

**Item 2 (Title)** - Indicate the title of the owner-employee, sole proprietor, other related-party employee and/or related-party individual contractor. The title must correspond to the title indicated on the organizational chart attached to the report.

**Item 3 (Type of Position)** - Identify the type of position filled by the owner-employee, sole proprietor, other related-party employee and/or related-party individual contractor. Only attendant, medication aide and driver positions should be included in this report.

**Item 4 (Location of Position within Organizational Structure)** - Indicate the location of the owner-employee, sole proprietor, other related-party employee and/or related-party individual contractor'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 report.

**Item 5 (Description of Duties)** - Provide a description of the duties performed by the owner-employee, sole proprietor, other related-party employee and/or related-party individual contractor as they relate to the specific 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 report. See 1 TAC §355.105(b)(2)(B)(xi). Only attendant, medication aide and driver positions should be included on this report.

**Item 6 (Relationship to Provider)** - Indicate the owner-employee, sole proprietor, other related-party employee and/or related-party individual contractor'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 or individual contractor 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 or individual contractor who has no ownership interest, indicate "None" as the ownership percentage. If the schedule is being completed for a related-party employee or individual contractor 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, sole proprietor, other related-party employee and/or related-party individual contractor during the reporting period. See 1 TAC §355.103(b)(2)(A-B) and §355.105(b)(2)(B)(xi).

Compensation includes both cash and non-cash forms of compensation subject to federal payroll tax regulations. Compensation includes withdrawals from an owner's capital account; wages and salaries (including bonuses); payroll taxes and insurance; and benefits. Payroll taxes and insurance include Federal Insurance Contributions Act (old age, survivors, and disability insurance (OASDI) and Medicare hospital insurance); Unemployment Compensation Insurance; and Workers' Compensation Insurance. Allowable compensation must be reported as salaries and not as management fees, unless limits or caps on the compensation of owners and related parties are stated in the program specific rules, then those limits or caps take precedence.

Total compensation includes regular salary, overtime pay, bonuses, and any other forms of compensation subject to payroll taxes, as well as any accrued compensation that 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 cost-reporting purposes.) Total compensation can also include owner's draws for a sole proprietorship. Such draws must be supported by canceled checks and verifiable by line 29 of IRS Form 1040 Schedule C showing sufficient funds after payment of other operating expenses to support the draws as relating to compensation for services. Total compensation should include compensation received from all business entities:

- Which provide similar services, regardless of the organizational structure;
- Which are organized under a single corporate "umbrella";
- Within which the individual provides long-term services, regardless of whether the business entity has a Medicaid contract (e.g., Medicare home health); and/or
- Which are contracted with the State of Texas.

For example, if a single corporation has a Primary Home Care/Family Care (PHC/FC) program, a Community Based Alternatives (CBA) program, a HCS, a Medicare home health agency contract, and a restaurant business, the compensation of the owner-employee, sole proprietor, other related-party employee and/or related-party individual contractor would be allocated across all business entities under the single corporation. If an owner-employee has separate corporations operating similar programs, the total compensation of the owner-employee would be allocated across all similar programs (and thus across corporations). If an owner-employee has separate corporations that do not provide similar services, the compensation allocation would be across those programs that benefit from the services provided by the owner-employee. If two or more separate related entities or corporations pay the

owner-employee, his or her total salary from all related entities must be combined prior to allocation. For purposes of this schedule, it does not matter which business entity actually wrote the check or from which account the compensation was paid. The intent is to distribute the salary across all business components/entities based on the level of effort or level of benefit to each separate business component/entity.

**Item 9 (Number of Hours Worked)** - Report the number of hours worked during the reporting period by the related-party employee or individual contractor 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 related-party employee or individual contractor's average compensation per hour.

**Item 10 (Direct Costing Method)** - If the services provided by this related-party employee or individual contractor benefited more than the component for which the report is being completed, if the related-party employee or individual contractor's compensation is reported in more than one item on this report, or if the related-party employee or individual contractor performed both attendant and nonattendant functions for this component code, the compensation 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, sole proprietor, other related-party employee and/or related-party individual contractor performed both attendant and nonattendant functions for this component, provide a breakdown between the individual'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 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., CBA AL/RC #XXXXXXXXXX; CBA #XXXXXXXXXX; NF #XXXXXXXXXX; ERS #XXXXXXXXXX; HCS #XXXXXXXXXX; RC #XXXXXXXXXX).

Compensation should be directly charged to each business component based 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 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 individual'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 report item number on which the compensation 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.

*Unless the individual received no compensation, each individual who completes a Schedule C will also need to be reported in a section of Schedule C-1 in order to properly show application of hours and wage limits.*

## ***SCHEDULE C-1***

Schedule C-1 is used to report the number of related-party hours and amount of related party compensation included on this HCS/TxHmL report. Amounts reported on Schedule C-1 should tie to amounts reported on Schedule C and on the report. Schedule C-1 is required to be completed for every related party included on this ARM.

**PROVIDERS WILL APPLY NO LIMITATIONS ON THE ARM.** ANY NECESSARY HOURS OR COMPENSATION LIMITATIONS AS DESCRIBED IN RULE WILL BE APPLIED AS ADJUSTMENTS THROUGH THE AUDIT PROCESS. REPORT ACTUAL HOURS AND COMPENSATION ON THE SCHEDULE C-1.

On each Schedule C-1, enter the name of each person for whom a Schedule C was prepared.

**A Compensation for HCS/TxHmL Business Components** – Enter the sum of amounts entered on Schedule C, in box 11, for HCS/TxHmL component codes only. This includes ALL HCS/TxHmL compensation, not just the attendant services compensation.

**B Total Hours Worked**– Enter the sum of hours worked by a related party, for HCS/TxHmL component codes only, to earn the compensation reported in Box A. This includes ALL HCS/TxHmL hours, not just the attendant services hours.

**C Average Hourly Rate** – The spreadsheet divides entry A by entry B. The result is the related party’s average hourly rate.

**D Cost Report Item #** – If the related party worked for only one HCS/TxHmL component code, list each ARM line item number on which some or all of this person’s total hours should be reported. If the related party worked for two or more HCS/TxHmL component codes, Column D should be delineated by component code and line number, for example, component code 8XX / line 40 and component code 8XB / line 40.

**E Hours Worked for item #** – Enter the number of actual hours, as supported by timesheets, which were worked for the specific component code and item number. Note: The total at the base of Column E will not equal the number in Box B if the individual provided both attendant and nonattendant services.

**H Total Salary Allocated to Cost Report** – The spreadsheet calculates the amount of compensation to be reported on each HCS/TxHmL component code and line item.

In order for providers who employ or contract for attendant services with related parties to compute the figures to enter into their Attendant Compensation Rate Enhancement Worksheets to determine whether they met their spending requirements, they will need to compute the adjustments for related parties separately from this ARM.

**Computation for allowable hours**

Per 1 TAC §355.722(h)(7), HHSC limits the number of hours a related party can report within the HCS/TxHmL program. If a related party receives compensation from only one HCS/TxHmL component code, a maximum of 2,600 attendant hours may be reported on the report. If a related party receives compensation from two or more HCS/TxHmL component codes, the sum of that related party's attendant hours reported on the HCS/TxHmL reports may not exceed 2,600 hours. Because the ARM is always for a period of time less than 12 months, providers will first need to determine the allowable number of related-party attendant hours. For example, if the provider's fiscal year is a calendar period 1/1-12/31/13 and the ARM is required for the period 9/1-12/31/13, then the allowable hours will be calculated as  $2,600 / 12 * 4 = 867$  allowable attendant hours.

**Computation for allowable wages**

1 TAC §355.722(h), which is specifically directed to related-parties, in paragraph (2) states: "Calculation of allowable hourly wage rate and benefits. Allowable hourly wage rate and benefits for direct service work must be the lesser of the actual hourly wage rate paid and benefits paid or the hourly wage rate and benefits for a comparable direct care staff person assumed in the fully-funded model. The fully-funded model is the model as calculated under §355.723(d) of this title (relating to Reimbursement Methodology for Home and Community-based Services) prior to any adjustments made in accordance with §355.101 of this title and §355.109 of this title (relating to Adjusting Reimbursement When New Legislation, Regulations or Economic Factors Affect Costs) for the rate period. The fully-funded model wage rates are given below.

In addition, 1 TAC §355.722(h)(6) allows an exception to the above paragraph. "Exception to related-party adjustment. If at least 40 percent of total labor hours in a specific related-party's direct service type were provided by non-related-parties, the related-party's hourly wage rate may be the higher of the model assumption for that direct service type described in paragraph (2) of this subsection or the non-related party average for that direct service type, so long as the non-related party average does not exceed the related-party's actual hourly wage." The method of calculating this exception and applying it is discussed below as well.

**HOME & COMMUNITY SERVICES: DIRECT SERVICE WAGE RATES**

THIS SCHEDULE SHOULD BE USED AS THE GUIDELINE FOR **RELATED-PARTY TRANSACTIONS**, ALLOWABLE WAGE INFORMATION. SEE DEFINITION SECTION FOR MORE INFORMATION ON RELATED-PARTY TRANSACTIONS.

**These are not necessarily the wage rates used in calculation of the current adopted rates.**

**FULLY-FUNDED  
MODEL WAGE RATES (MWR)**

<b><u>WORKER CATEGORY</u></b>	<b>From 09/1/10</b>
<b>SLEEP AND/OR AWAKE STAFF SETTING</b>	
ATTENDANT (Direct Care Worker, Driver, Medication Aide)	\$8.60
<b>SUPPORTED HOME LIVING SERVICES</b>	
ATTENDANT (Direct Care Trainer/Worker)	\$9.74
<b>RESPITE SERVICES</b>	
ATTENDANT (Direct Care Worker)	\$8.78
<b>SUPPORTED EMPLOYMENT/EMPLOYMENT ASSISTANCE</b>	
ATTENDANT (Direct Care Trainer/Job Coach)	\$11.00
<b>DAY HABILITATION SERVICES</b>	
ATTENDANT (Direct Care Trainer, Driver)	\$9.03

## ***SCHEDULE J: Grouping Certification***

### ***\*\* Attendant Compensation Rate Enhancement Program Participants Only \*\****

In certain cases it may be possible to request that two or more component codes have their participating component codes' compliance with the 90% attendant compensation spending requirements for the applicable reporting period evaluated in the aggregate. This is possible:

- where there is an entity, for two or more commonly owned corporations;
- where there is a parent company, sole member, or governmental body, for a combined entity; or
- where there is a single general partner that controls all limited partnerships in the group

If that entity, parent company, sole member, governmental body or single general partner controls **more than one** participating component code in the HCS/TxHmL programs, it may request to have its participating component codes' compliance with the 90% attendant compensation spending requirements for the applicable reporting period evaluated in the **aggregate** for all participating HCS/TxHmL component codes it controlled at the end of the fiscal year or at the effective date of the change of ownership or termination of its last participating HCS/TxHmL contract. This request must be made at the time each Cost Report is submitted, in a manner prescribed by HHSC. Schedule J must be submitted by any entity desiring to request this aggregation.

Only the entity, combined entity, commonly owned corporation or, for limited partnerships in which the same single general partner controls all the limited partnerships, that single general partner, may make this request. Component codes that do not have a majority ownership in common in each component code included in the request will not be evaluated in the aggregate.

A new request to have compliance with the 90% attendant compensation spending requirements evaluated in the aggregate must be submitted for **each** reporting period. HCS/TxHmL component codes that change ownership or terminate effective after the end of the applicable reporting period, but prior to the determination of compliance with spending requirements, are excluded from all aggregate spending calculations. These contracts' compliance with spending requirements will be determined on an individual basis and the costs and revenues will not be included in the aggregate spending calculation.

Scan and upload into the STAIRS Upload Center the following:

- A signed Schedule J;
- A detailed organization chart that includes all business components with the entire related organization;
- A narrative description of the entire related organization and how the various business components interrelate (similar to information provided in the notes of a financial audit);
- A list of names of each Board of Directors, if applicable;
- The names of stockholders and ownership percentage of each stockholder owning 5% or more of each corporation, if applicable; and
- Any other documentation to support the organization's claim that the component codes all have a majority ownership in common.

# STATE OF TEXAS COUNTY CODES

| <u>County Name / Code</u> |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| 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                  | Panner 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                |                           |                           |