

**STATE OF MAINE
DEPARTMENT OF HEALTH AND HUMAN
SERVICES INSTRUCTIONS FOR COMPLETING
THE COST REPORT
FOR PNMI APPENDIX E COMMUNITY RESIDENCES FOR PERSONS WITH
MENTAL ILLNESS**

All PNMI Appendix E residential treatment facilities for persons with mental illness are required to submit a cost report, financial statements and supporting documentation within five (5) months of the end of each fiscal year to the State of Maine Department of Health and Human Services, Division of Audit. Please email the completed cost report in .xlsx format, along with required supporting documents to DHHS.Audit@maine.gov. If you do not have access to email, please mail the information to the State of Maine DHHS, Division of Audit, 11 State House Station, Augusta, Maine 04333-0011. If a provider fails to file an acceptable cost report by the due date, the Division of Audit may send the provider a notice by certified mail advising the provider that all payments are suspended until an acceptable cost report is filed.

These instructions are intended to offer guidance in completing the cost report. These instructions are not intended to offer interpretation or clarification of the Private Non-Medical Institution (PNMI) Services Principles of Reimbursement (10-144 Chapter 101, MaineCare Benefits Manual, Chapter III, Section 97, Appendix E.) **If any conflict arises out of the interpretation of these instructions versus the interpretation of the Principles of Reimbursement, the Principles of Reimbursement will take precedence.**

The annual cost report must be completed and filed on forms prescribed by the Division of Audit. These forms will not be acceptable if they are changed in any way without prior approval by the Department or if they are not completed in accordance with these instructions. The Principles of Reimbursement in effect during the fiscal year of the cost report will determine allowable cost. Providers are required to file cost reports using the accrual basis of accounting, unless the Provider is a State or municipal institution that operates on a cash basis. All schedules must be filled out completely and legibly in accordance with these instructions. Failure to complete all forms could result in an unacceptable cost report.

A copy of the provider's financial statements must be submitted with the cost report, along with a copy of the financial statements of any related real estate entity or any other type of related organization involved in transactions with the facility.

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Specific Instructions

The following includes specific instructions for each cost report schedule in the order that they appear in the cost report. This is not necessarily the order in which the forms should be completed. **In general, cells highlighted in blue contain formulas. The formulas in these cells should not be altered. A cell that is highlighted in yellow indicates that the cost report preparer must enter that information manually into that particular cell.**

General Info – Cost Report/Facility/Ownership Information

This section of the cost report provides general information about the provider and the operating period.

In Part I, enter the Facility Name, Facility Address, Telephone Number, Email Address, Cost Report Status (as-filed or revised), the Period Begin Date, the Period End Date, the facility’s 10-digit NPI+3 ID used for Medicaid billing, and the Number of Licensed Beds.

In Part II, enter the name of the facility’s Corporation or Central Office, Corporate Address, Telephone Number, and Email Address. Select the Ownership Type from the dropdown list. List the names of all owners/corporate officers and provide their title and number of shares or percentage of ownership.

In Part III, enter the name of the Accounting Firm providing accounting services to the facility, the Firm’s address, Telephone Number, and Email Address.

In Part IV, list the names for all persons who served as the facility’s administrator during the fiscal period, including from/to dates, and identify if the administrator served as an administrator at another facility.

In Part V, list the Business Name, Address, Type, Service Rendered, Property Leased, Product Supplied, Amount of Charges, Applicable Trial Balance Account, and the Actual Cost of the service, property, or product to the related organization with which the facility conducts business transactions. A supplemental schedule must be submitted to support the actual cost of the service, product or property supplied by a related party.

In Part VI, list the names of all persons living in the facility who are not residents, and their reason for living in the facility. Also, identify any buildings on the grounds or areas within the facility that are not directly related to resident care, including a description of the building/area, the associated square footage, and the functional use of the building/area.

Attestation – Certification by Officer or Administrator of Provider

Print this form **after** completing all other cost report schedules. Ensure that the name of the facility and the reporting period are displayed correctly at the top of the form. Print the provider’s name, license number and period beginning and end dates in the appropriate fields within the certification statement. Print the Preparer’s Name, Accounting Firm, Telephone Number, the Officer’s/Administrator’s Name and Title, and the Date completed. Both the cost report preparer and Officer/Administrator must sign on the appropriate lines. This form bearing original signatures must be mailed to the State of Maine DHHS, Division of Audit, 11 State House Station, Augusta, Maine 04333-0011.

Schedule A – Calculation of Final Settlement

Schedule A is used to calculate the final settlement for the reporting period. Only the yellow-highlighted cell for Total Approved Cost Cap needs to be entered on this schedule. For the period of the temporary rate increase (TRI) due to the COVID-19 pandemic, add the product of the greater of the budgeted or actual state days multiplied by the TRI amount to the Total Approved Cost Cap from the rate letter.

Schedule B – Schedule of Revenues and Expenses

Schedule B is used to report the program's total revenues and expenses per the trial balance. Temporary High Intensity Staffing Services remittances received must be removed from the total Direct Service Staff costs to determine total allowable cost (per Section 97, 2470.) This adjustment must be documented on Schedule G as an adjustment to the Direct Service Personnel Wages on line 11 of Schedule B.

Column (1) Trial Balance Account Number

Indicate the applicable trial balance account number for each line item on Schedule B. If a line item is a combination of more than one trial balance account, or a trial balance account is allocated to more than one line item, then Schedule G reconciling the trial balance accounts to the line items on Schedule B must be completed.

Column (2) Total Program per Trial Balance

Lines 1 through 9: enter the total program revenues on the applicable lines.

Line 10: This cell will auto calculate.

Line 11: enter the total direct service wages from the trial balance.

Line 12: enter the total direct service payroll taxes from the trial balance.

Line 13: enter the total direct service benefits from the trial balance.

Line 14: enter the total direct service consultants from the trial balance.

Line 15: enter any other direct service personnel costs that may apply from the trial balance.

Line 16: This cell will auto calculate. (Note: line 16 must agree with the total direct service – personnel from Schedule C, line 45, column 1. Minor variances due to rounding are acceptable.)

Lines 17 through 31: enter the total program direct service – other expenses on the applicable lines. Only the non-wage direct costs that are classified as direct expenses of the program per the Provider's trial balance are included in this section.

Line 32: This cell will auto calculate.

Lines 33 through 49: enter the indirect costs on the applicable lines. Only the costs that are classified as indirect expenses of the agency and allocated to the program, i.e., general & administrative expenses, expenses incurred running other supporting services of the corporation, etc., per the Provider's trial balance are included in this section.

Line 50: This cell will auto calculate.

Line 51a: This cell will auto calculate.

Line 51b: enter the total PNMI service tax. See the MBM, Appendix E, Section 2410.

Line 51c: This cell will auto calculate.

Line 52: This cell will auto calculate.

Schedule C – Schedule of Wages and Cost Allocations

Schedule C is used to report the total direct personnel expenses of the program and allocate them to the PNMI - Rehabilitation, PNMI – Personal Care, and Other components of the program. Only the costs of personnel that are classified as direct expenses of the program per the provider’s trial balance are included on this schedule.

Lines 1 through 40: enter the employee’s name, license or certification (See the MBM, Appendix E, Section 2400.1. If not licensed or certified, enter “none”), job title, and FTE’s (1 FTE = 2,080 hours worked).

Column (1): These cells will auto calculate the total wages paid for each employee.

Column (2) through (4): enter the applicable direct service wages. Direct service staff listed in the MBM, Appendix E, Section 2400.1, should be allocated to columns 2 and/or 3 per the MBM, Chapter II, Sections 97.04 and 97.08. Direct service staff who perform both covered direct treatment services and other non-covered services, per the MBM, Chapter II, Sections 97.04 and 97.07-8, should be allocated to columns 2 and/or 3, and 4, as applicable. All other staff should be allocated to column 4.

Column (5): enter the method of allocation for each employee listed who performs both covered direct treatment services and other non-covered services per the MBM, Chapter II, Sections 97.04 and 97.07-8, as follows: time study, or direct time records.

Line 41: Columns 1 through 4 will auto calculate. (Note: line 41, column 1, must agree with the total direct service wages per the Program Trial Balance on Schedule B, line 11, column 2. Minor variances due to rounding are acceptable.)

Line 42: In the yellow-highlighted cell before Column 1, enter the % applicable to payroll taxes. Columns 1 through 4 will auto calculate. (Note: line 42, column 1, must agree with the total direct service payroll taxes per the Program Trial Balance on Schedule B, line 12, column 2. Minor variances due to rounding are acceptable.)

Line 43: In the yellow-highlighted cell before Column 1, enter the % applicable to benefits. Columns 1 through 4 will auto calculate. (Note: line 43, column 1, must agree with the total direct service benefits per the Program Trial Balance on Schedule B, line 13, column 2. Minor variances due to rounding are acceptable.)

Line 44: Columns 1 through 4 will auto calculate. (Note: line 44, column 1, must agree with the total direct service consultants per the Program Trial Balance on Schedule B, line 14, column 2.)

Line 45: Columns 1 through 4 will auto calculate.

Schedule C-1 - Schedule of Consultants and Cost Allocations

Schedule C-1 is used to report the total direct consultant expenses of the program and allocate them to the PNMI -Rehabilitation, PNMI – Personal Care, and Other components of the program. Only the costs of consultants that are classified as direct expenses of the program per the provider’s trial balance are included on this schedule.

Lines 1 through 40: enter the business’s name, consultant’s name and license or certification. (See the MBM, Appendix E, Section 2400.1. If not licensed or certified, enter “none”.)

Column (1): These cells will auto calculate the total fees paid for each consultant.

Column (2) through (4): enter the applicable direct service consultants. Direct service consultants in column 1 are allocated to columns 2 through 4 as follows: only the costs of clinical consultants per the MBM, Chapter III, Appendix E, Section 2400.1, may be allocated to columns 2 and/or 3. All other staff should be allocated to column 4.

Line 41: Columns 1 through 4 will auto calculate. (Note: line 41, column 1 through 4, must agree with the total direct service consultants on Schedule C, line 44, columns 1 through 4. Line 41, column 1 must also agree with

the total direct service consultants per the Program Trial Balance on Schedule B, line 14, column 2.)

Schedule D – Reconciliation of Payroll Wages and Taxes

The purpose of this schedule is to reconcile the total payroll wages and taxes reported on the following Federal and State tax forms to the total payroll wages and taxes reported on the Agency’s Trial Balance report and Financial Statements:

- Form 941: Employer’s Quarterly Federal Tax Return
- Form 940: Employer’s Annual Federal Unemployment Tax Return
- Form 941ME: Quarterly Filing for Income Tax Withholding
- Form ME UC-1: Quarterly Unemployment Contributions Report

List the quarters that are contained within the cost reporting period in column 1. There are six lines to list the quarter ending dates to account for facilities with unique year-ends such as May 31. In column 2, enter any tax-exempt wages paid during each quarter. In column 3, enter the total FICA taxable wages paid during each quarter per Form 941. In column 4, enter the total FICA tax reported on Form 941 for each quarter. In column 5, enter the Maine State unemployment (SUTA) taxable wages reported on Form ME UC-1 for each quarter. In column 6, enter the SUTA tax paid for each quarter. In column 7, enter the Federal unemployment (FUTA) tax paid for each quarter per Form 940. In column 8, enter the employer's share of the FICA tax reported in column 4 for each quarter.

Line 7 is the sum of lines 1 through 6. Lines 8 through 16 are used to reconcile total payroll reported on the tax forms to total payroll reported on Schedule D-1. Line 8 is for the total tax-exempt wages reported in column 2. On line 9, enter any third-party disability wages not reported as wages in columns 2 or 3. On line 10, enter the prior year payroll accrual as a negative (-) amount. On line 11, enter the current year payroll accrual. On line 12, enter the prior year earned time accrual as a negative (-) amount. On line 13, enter the current year earned time accrual. Line 14 is the sum of column 3, lines 7 through 13. Line 15 is the gross payroll reported on Schedule D-1, line 41. If line 15 does not equal line 14, a variance is calculated on line 16. If a material variance exists, explain the variance (see note).

On line 12b, enter the prior year payroll tax accrual as a negative (-) amount. On line 13b, enter the current year payroll tax accrual. Line 14b is the sum of column 9, lines 7 through 13b. Line 15b is the total payroll taxes reported on Schedule D-1, column 2, line 41. If line 15b does not equal line 14b, a variance is calculated on line 16b. If a variance exists, explain the variance (see note).

Note: An explanation that the variance is due to “other programs, entities, or cost centers” is not sufficient. If the variances on lines 16 and 16b are due to additional wages and taxes paid for other programs, entities, or cost centers reported on the 941s but not claimed on this cost report, the provider must include a supplemental schedule reconciling the total payroll and payroll taxes on lines 15 and 15b to the provider’s consolidated financial statements.

Schedule D-1 – Schedule of Total Agency Wages and Payroll Taxes by Cost Center

Lines 1 through 40: enter each cost center, facility, or program per the agency’s trial balance/financial statements.

Column (1): enter the total wages for each cost center.

Column (2): enter the total payroll taxes for each cost center.

Line 41: Columns 1 and 2 will auto calculate. (Note: line 41, column 1, must agree with the total wages per trial balance/financial statements and Schedule D, line 14, columns 3. Line 41, column 2 must agree with the total payroll taxes per trial balance/financial statements and Schedule D, line 14b, column 9.)

Schedule E – Schedule of MaineCare Resident Census – Rehabilitation

Schedule E is used to report the total MaineCare Rehabilitation days of service.

Lines 1 through 40: enter each resident’s name, MaineCare ID number, the beginning and ending dates of service and the days of service provided in each month. The total number of days for the year will be calculated automatically.

Line 41: These cells will auto calculate.

Line 42: in each month column, enter the per diem rate paid.

Line 43: in each month column, enter the MaineCare revenue received. The total for the year will auto calculate.

Schedule E-1 – Schedule of MaineCare Resident Census – Personal Care

The instructions for completing Schedule E-1 are the same as the Schedule E instructions.

Schedule F – Schedule of Total Resident Census – Rehabilitation

Schedule F is used to report the total paid and unpaid Rehabilitation days of service provided to MaineCare and non-MaineCare residents and non-MaineCare Rehabilitation revenue received.

Lines 1 through 40: enter each resident’s name, ID number, the beginning and ending dates of service and the days of service provided in each month. The total number of days for the year will be calculated automatically. (Note: use the MaineCare ID number for residents who were both MaineCare and non-MaineCare residents during the reporting period. Use a provider assigned ID number for residents who were non-MaineCare residents only during the reporting period.)

Line 41: These cells will auto calculate.

Line 42: in each month column, enter the non-MaineCare revenue received. The totals for the year will auto calculate.

Schedule F-1 – Schedule of Total Resident Census – Personal Care

The instructions for completing Schedule F-1 are the same as the Schedule F instructions.

Schedule G – Schedule B / Trial Balance Reconciliation

The purpose of this schedule is to reconcile any line item on Schedule B that consists of more than one trial balance account or if one trial balance account is allocated to more than one line item on Schedule B.

The following is an example of how Schedule G should be completed:

1 Sch B Line #	2 Schedule B Line Description	3 Amount	4 T/B Acct #	5 Acct. Description	6 Amount
37	Rubbish & snow removal	\$2,875	6520		\$1,300
			6530		\$1,575
48	Insurance (other)	\$6,650			\$2,875
73	Fire Insurance	\$2,310			
		\$8,960	9050	Insurance	\$8,960
	additional pages may be added if necessary				

Error Report

The final tab of the Cost Report contains an error report that will alert the preparer of possible errors in reporting. Minor variances due to rounding do not need to be adjusted.