STATE OF MAINE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
INSTRUCTIONS FOR COMPLETING THE COST REPORT
FOR PNMI APPENDIX F NON-CASE MIX RESIDENTIAL CARE FACILITIES

All PNMI Appendix F non-case mix residential care facilities are required to submit a cost report, financial statements and supporting documentation to the State of Maine Department of Health and Human Services, Division of Audit no later than five months after the close of their fiscal period. Please email the completed cost reports 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 F) or the Principles of Reimbursement for Residential Care Facilities Room and Board Costs (10-144 Chapter 115). 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.

Index of Cost Report Schedules

General Info	Cost Report/Facility/Ownership Information
Attestation	Certification by Officer or Administrator of Provider
Schedule A	Calculation of Room & Board (R&B) Settlement for a Non-Case Mix RCF
Schedule A-1	Calculation of PNMI Direct & Personal Care Services (PCS) Settlement
Schedule B	Calculation of Maximum Amount Allowed for Direct, Personal Care & Routine Service Costs
Schedule C	Calculation of Administrative and Management Allowance
Schedule D	Intentionally Omitted
Schedule E	Schedule of Allowable Costs

Schedule F	Explanation of Adjustments to Schedule E
Schedule G	Schedule E / Trial Balance Reconciliation
Schedule H	Reconciliation of Payroll Wages and Taxes
Schedule I	Payroll Distribution – Salaries & Wages
Schedule J	Payroll Distribution – Payroll Taxes and Benefits
Schedule K	Income Offset Against Costs on Schedule E
Schedule L-R&B	Room & Board (R&B) Days, Payments & Total Days
Schedule L-PNMI	PNMI Direct Care Days, Payments & Total Days
Schedule L-PCS	PNMI Personal Care Service (PCS) Days, Payments & Total Days

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 Non-MR App F Facility (yes or no), the Program Type (MR, ABI, HIV/AIDS, Blind, MI), 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.

Note: It is necessary to answer the question regarding whether or not the administrator served as an administrator for more than one level of care. This answer is referenced in conditional statements in multiple formulas throughout the cost report template.

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 must be submitted with the cost report bearing original signatures.

Schedule A – Calculation of Room & Board (R&B) Settlement for a Non-Case Mix RCF

Schedule A is used to calculate the R&B settlement for the reporting period. No manual entry is required on this schedule.

Schedule A-1 – Calculation of PNMI Direct & Personal Care Services (PCS) Settlement

Schedule A-1 is used to calculate the PNMI Direct & PCS settlement for the period for PNMI services. No manual entry is required on this schedule.

Schedule B – Calculation of Maximum Amount Allowed for Direct, Personal Care & Routine Service Costs

Schedule B is used to calculate the maximum amounts allowed for PNMI direct care services, personal care services (PCS) and routine service costs. The PNMI direct care costs including the program allowance are compared to the facility-specific direct care cap to determine the maximum amount allowed for direct care costs. The PCS costs are compared to the facility-specific PCS cost ceiling to determine the maximum amount allowed for PCS costs. Please note that the MR facilities do not have PCS costs. The routine service costs, net of the program allowance, are compared to the facility-specific routine service cost ceiling (or MR upper limit) to determine the maximum amount allowed for routine service costs.

For Line 4(a), enter the effective dates, the number of days for each period, and the inflated facility-specific PNMI direct care cost caps from the rate letters in the applicable columns. The extraordinary circumstance allowance, also known as the temporary rate increase (TRI), in the direct care section of the rate letter does not get included on Line 4(a) as these funds related to the COVID-19 pandemic will be settled separately from the cost report. For Line 7, enter the inflated facility- specific PNMI PCS cost caps from the rate letters in the applicable column. For Line 10(b), enter the inflated program allowance rates from the rate letter. In line 12, enter the inflated facility-specific routine service cost cap from the rate letters or the MR upper limit for MR facilities, and the greater of the R&B days from line 5(b) or line 5(c) of Schedule A.

Schedule C – Calculation of Administrative and Management Allowance

Schedule C is used to calculate the Administrative and Management Allowance. This allowance is in lieu of all compensation for the administrative and policy planning functions, and all fees paid for management and financial consultants. No manual entry is required on this schedule. If the facility's administrator also served as administrator at another facility, or for more than one level of care, this must be indicated by answering 'Yes' to the question in Part IV of the General Info section. Upon doing so, Schedule C will update accordingly to

calculate the Administrative and Management Allowance for a shared administrator, requiring only the input of the names and number of beds for the other facilities.

Schedule D – Intentionally Omitted

Schedule E – Schedule of Allowable Costs

The purpose of this schedule is to determine allowable costs. Expenses are entered from the provider's records, and then adjusted to the Principles of Reimbursement. The primary source for this schedule should be the trial balance of expenses that ties to the provider's financial statements. This trial balance must be submitted with the cost report.

Columns 1 and 2:

In column 2 labeled "Expenses per Provider's Records", enter each amount from the facility's trial balance (T/B). The T/B expense should correspond with the Schedule E expense line that matches it the closest. Input each entry rounded to the nearest dollar. In column 1, enter the T/B account number corresponding to the expense in column 2.

If more than one T/B account is included on an expense line in column 2, document this on Schedule G and reference Schedule G in column 1. If one T/B account is allocated to more than one expense line in column 2, document this on Schedule G and reference Schedule G in column 1 for each applicable expense line.

Fill in the salaries and wages expense lines with the amounts from Schedule I, column 6. Fill in the expense lines for payroll taxes and benefits with the amounts from Schedule J, column 9. Fill in the expense lines for the direct, personal care, and routine workers compensation insurance amounts with the amounts from Schedule J, column 10, lines 8, 12, and 18 respectively. In column 1, reference Schedule I for all salaries and wages lines and Schedule J for all payroll taxes and benefits and workers compensation lines.

Columns 3 and 4:

For any adjustment to the provider's expenses in column 2, the adjustment number is entered in column 3, labeled "ADJ. #", and the amount of the adjustment is entered in column 4, labeled "Provider's Adjustments." If the adjustment is negative, input a minus (-) sign before the number. The adjustments to the provider's expenses are explained on Schedule F. Each adjustment is assigned a number along with a brief description and the amount of the adjustment. See the instructions for Schedule F.

Schedule F – Explanation of Adjustments to Schedule E

The purpose of this schedule is to explain the provider's adjustments on Schedule E. Each individual adjustment is assigned a number in column 1. In column 2, provide a brief description of the adjustment for each individual adjustment as well as the applicable Principles of Reimbursement reference for the adjustment. In column 3, enter the amount associated with each adjustment. All adjustments on Schedule E must be included on Schedule F. Any expenses included with the temporary rate increase (TRI) reconciliation due to the COVID-19 pandemic need to be removed from the allowable expenses on the cost report. The TRI will be settled separately from the cost report.

Schedule G – Schedule E / Trial Balance Reconciliation

The purpose of this schedule is to reconcile any line item on Schedule E 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 E.

The following is an example of how this schedule should be completed:

Sch E Line #	Sch. E line Description	Amount	T/B Acct #	Acct. Description	Amount
			6520	Plowing/Sanding	1,300
			6530	Rubbish Removal	1,575
37	Rubbish & Snow Removal	2,875			2,875
48	Insurance(Other)	6,650			
73	Fire Insurance	2,310			
		8,960	9050	Insurance	8,960

Additional pages may be added if necessary.

Schedule H – 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 Schedules I and J:

- 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 Reports

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 I. 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 I, line 21. 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 J, column 1, line 19. 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 I – Payroll Distribution – Salaries & Wages
The purpose of this schedule is to identify the salaries and wages reported on Schedule E by position, and to identify the hours worked, worked wages and average rate of pay for each staff position.

In column 1, enter the actual hours worked for each staff position. This column must not include any benefit hours. In column 2, enter any adjustments to the hours worked. In column 4, enter the actual worked wages paid for each staff position. This column must not include any benefit wages. In column 5, enter any adjustments to the worked wages paid for each staff position.

If the facility has any direct care contract labor for the period report the total worked hours and the total amount paid in the appropriate columns on line 22.

Schedule J – Payroll Distribution – Payroll Taxes and Benefits
The purpose of this schedule is to identify the payroll taxes and benefits and workers compensation for each staff position.

In columns 1 through 6, enter the applicable payroll taxes and benefits for each staff position. In column 8, enter any adjustments to the payroll taxes and benefits for each staff position. In column 10, enter any workers compensation for each staff position.

Schedule K – Income Offset Against Costs on Schedule E
The purpose of this schedule is to report any income that is offset based on the Principles of Reimbursement.

Schedule L-R&B – Room & Board (R&B) Days, Payments & Total Days
The purpose of this schedule is to report State R&B occupied and bed-hold days, and total R&B days, and the MaineCare amounts received for the cost reporting period. Effective August 1, 2008, thirty (30) R&B leave or bed-hold days are allowable per member per year.

Enter the appropriate year next to the corresponding month. In column 1, enter the State R&B occupied days billed. In column 2 enter the authorized R&B rate for each month from the rate letter. In column 3, enter the total amount received for each month. In column 4, enter the State R&B bed-hold days billed. In column 6 enter the total amount received for each month associated with bed-hold days. In column 7, enter all R&B days paid by other sources such as private or 3rd party payers for each month.

Schedule L-PNMI – PNMI Direct Care Days, Payments & Total Days
The purpose of this schedule is to report State PNMI occupied days and total PNMI days, and the MaineCare amounts received for the cost reporting period. Effective August 1, 2008, PNMI leave or bed-hold days are no longer a covered service. Therefore, PNMI bed-hold days are no longer reported as a day of service.

In column 1, enter the State PNMI occupied days billed. In column 2, enter the authorized PNMI rate for each month from the rate letter. In column 3, enter the total amount received for each month. In column 3, line 13, subtract the amount received for the temporary rate increase (TRI) due to the COVID-19 pandemic.

The TRI funds will be settled separately from the cost report. In column 4, enter the PNMI days paid by other sources such as private or 3rd party payers.

Schedule L-PCS – PNMI Personal Care Service (PCS) Days, Payments & Total Days

The purpose of this schedule is to report State PNMI PCS occupied days and total PNMI PCS days, and the MaineCare amounts received for the cost reporting period. Effective August 1, 2008, PNMI PCS leave or bed-hold days are no longer a covered service. Therefore, PNMI PCS bed-hold days are no longer reported as a day of service.

In column 1, enter the State PCS occupied days billed. In column 2, enter the authorized PCS rate for each month from the rate letter. In column 3, enter the total amount received for each month. In column 4, enter the PCS days paid by other sources such as private or 3rd party payers.