



STATE OF MARYLAND

DHMH

Maryland Department of Health and Mental Hygiene
201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – John M. Colmers, Secretary

Developmental Disabilities Administration
Audrey S. Waters, Acting Director

MEMORANDUM

TO: Executive Directors
Fee Payment System and CSLA Payment System Providers

FROM: Audrey S. Waters, Acting Director
Developmental Disabilities Administration

DATE: August 27, 2007

RE: **FY2007 Cost Reports**

In gathering important financial information for the FY2007 fiscal year, we have made FOUR new changes in the cost report submission requirements. First, the FY 2007 cost report is due by December 1, 2007. I have attached the cost report instructions for Fee Payment System and CSLA providers. Please review these instructions carefully. The second change is that the number of copies to be provided has increased. The following documentation is required for submission:

- 1) FY 2007 cost-report data form in an electronic format of the data (email or disks)
- 2) FY 2007 cost-report data form in paper format (three copies)
- 3) Audited financial statements for FY 2007 (three copies)
- 4) An Attestation to consumer attendance and contribution to care by an independent CPA with MANDATORY LANGUAGE (third change) provided in an attachment (three copies)

All community services providers funded by the Fee Payment System or CSLA Payment System are required to properly complete and return the cost report information in accordance with the Health-General Article, §7-306.1 of the Annotated Code of Maryland. State law authorizes fiscal sanctions to be imposed on providers that do not submit this data timely.

We continue to collect data on transportation this year. The transportation data is important in planning for improved rate reimbursement for this important service. We ask that you try to provide as accurate data as possible.

The electronic cost-report data form has been protected to prevent alteration of the format for FY 2007. We do this because consistent format of each cost-report data form submitted is necessary for consolidation of the data into a master spreadsheet file. We use this master file for our data analysis. **Please submit data only on the unaltered FY 2007 electronic form posted on our Web site**—any previous year's form or a different form will not be accepted and will not fulfill the submission requirements.

You can download the Excel file of the FY 2007 cost-report data form from the DDA website (www.ddamaryland.org). From the DDA home page, click on the Forms & Resources for Providers button on the left side of the page, right click on "2007 DDA Cost Report" in the Forms for Providers section, and save the file to your computer's hard drive. Use the file saved to your hard drive to enter data—do not enter data online. Once you have

entered the data into the spreadsheet, please save a copy for your records and send the completed file to me as an attachment to an email at costreport@dhhm.state.md.us. You also may send the file to me on a floppy disk. We will confirm in writing our receipt of this data.

The fourth change is that providers have a choice in the submission of attested attendance data. As you know, DDA must use the attested attendance data for the year-end reconciliation and because in the past this data was attested in its entirety, a blended rate was used to reconcile the funding. It is your choice to continue to submit the attested attendance as one number or you can have your independent auditors attest to attendance by individual. If you choose the later, please submit a spreadsheet containing the individual's name and their attested attendance, and the reconciliation will be performed using the individual rate. Depending on the method chosen, please use the appropriate attestation language. If the spreadsheet is not attached, DDA will assume that the reconciliation is to be calculated using the blended rate. Both mandatory attestations are included with this memo.

If you have any questions, please do not hesitate to call Ms. Brenda Fischer at 410-767-5600. Thank you for your time in submitting this information.

cc: Tony Aversa
Brenda Fischer
Laura Howell
Leslie McMillan
Regional Directors

Attachments:

Cost Report Instructions for Fee Payment System and CSLA providers
Sample Attestations with MANDATORY Language