

# MEI COST REPORTING

## FREQUENTLY ASKED QUESTIONS

This document was developed by the Texas Health and Human Services Commission (HHSC) and is intended to reflect the current approved Texas Administrative Code (TAC), as well as Circular Uniform Guidance. This document is not intended to establish policy, but rather to provide policy clarification and guidance. Additional clarification, interpretations, and answers to questions will be added as the need arises.

### **1. What is the MEI cost report?**

Providers participating in the Medicaid Reimbursement program for Rehabilitative and Case Management services must complete an annual cost report and training for every program for which a cost report is submitted. The MEI cost report is for the Mental Health (M), Early Childhood Intervention (E), and Individuals with Developmental Disabilities (I) programs.

### **2. What is the purpose of the provider submitting a cost report?**

The purpose of providers submitting annual cost reports is to assist HHSC in capturing cost data related to Medicaid Rehabilitative and Case Management Service activities. This data is used to effectively establish rates for the Medicaid program as required by the federal and state regulations.

### **3. What information is required to be collected on the cost report?**

The provider is required to report allowable cost in accordance with Circular Uniform Guidance ([Part 200—Uniform Administrative Requirements, Cost Principles, And Audit Requirements For Federal Awards](#)).

### **4. What if a cost report is not submitted by our organization?**

Failure to submit a cost report by the cost report due date may result in HHSC establishing a vendor hold withholding payments from the provider until an acceptable cost report is submitted.

### **5. What if I do not want to submit all potential allowable cost as it relates to delivering Medicaid Rehabilitative and Case Management Services?**

Rates established for Rehabilitative and Case Management Services are based on a statewide prospective rate. The information collected for the MEI cost report will be utilized to establish future rates, and not reporting specific allowable cost will adversely impact providers delivering services. Failure to submit a cost report by the cost report due date may result in vendor hold by HHSC until an acceptable cost report is submitted.

### **6. I have a provider delivering Service Coordination (SC), Case Management (CM), and Targeted Case Management (TCM). Will the provider be required to track the time spent between CM and TCM?**

Yes, the cost report will request Total Cost for TCM Medicaid and Non-Medicaid services delivered. In addition, the provider will be required to distinguish the number of units between Medicaid and Non-Medicaid. The intent is to allocate the provider's cost to the appropriate service delivered in the cost report.

**7. How long is the provider required to maintain records that support the cost reported?**

Each provider must maintain records according to the requirements stated in [TAC Title 13 Part 1 Chapter 6 Rule § 6.10](#).

**8. Will the provider be required to generate a report on the time allocation between multiple services delivered?**

Yes, the provider is responsible for maintaining the supporting documentation reflecting the appropriate allocation of cost reported.

**9. Will the provider be required to enter the time allocation into the cost report system?**

No. A provider must track an employee's time and activity for employees performing multiple direct service activities. The allocation is completed outside of the cost report system. The provider is required to enter the provider's allocated cost to the appropriate program service areas.

**10. Is there any other cost besides the provider's salary cost that we should consider?**

Yes, the provider should consider any cost associated with delivering the direct service to the client. The cost must be an allowable cost as referenced in the Circular Uniform Guidance ([Part 200—Uniform Administrative Requirements, Cost Principles, And Audit Requirements For Federal Awards](#)). Some direct cost associated with delivering the service includes: employee medical/health/dental insurance premiums, life insurance premiums, other employee benefits (such as employer-paid disability premiums, employer-paid retirement/pension plan contributions, employer-paid deferred compensation contributions, employer-paid child day care, and accrued leave).

**11. My organization has a central office that provides some administrative support to the various program areas, am I allowed to report any cost associated with the central office?**

Yes, if there is more than one business component, service delivery program, or Medicaid program within the entire related organization, the provider is considered to have central office function, meaning that administration functions are more than likely shared across various business components, service delivery programs, or Medicaid contracts. Shared administration costs require allocation prior to being reported as central office costs on the cost report. The allocation method(s) used must be disclosed as the allocated costs are entered into the cost report system and an allocation summary must be prepared and uploaded to support each allocation calculation.

**12. When is the due date of the cost report?**

Please refer to the MEI Cost Report Information webpage for the latest cost report due date and training dates: <https://pfd.hhs.texas.gov/acute-care/mei-cost-report-information>.

**13. If we already have a trained administrative staff that prepares and enters other program cost reports (HCS, ICF-MR, TxHmL), will they have to attend the online training for MEI cost report?**

Yes, the provider will have to attend the training. The cost report preparer is required to attend a training course every other year for the odd-year cost report to receive access to both the odd-year and even-year cost reports. Any cost report preparer that has not met the training requirement will have “view-only” access. Full access to the online cost report will be granted after the cost report training requirement has been met.