



SPECIFIC INSTRUCTIONS
for the completion of the

FISCAL YEAR 2015
TEXAS DEAF BLIND WITH MULTIPLE
DISABILITIES
REQUEST FOR REVISION REPORT

For assistance with the completion of the cost report, contact Rate Enhancement Analyst for this program listed on the following webpage: <http://www.hhsc.state.tx.us/rad/long-term-svcs/contacts.shtml>.

For assistance with the mailing and tracking of this report, contact:

Cost Reporting Specialist
Phone: (512) 707-6094
FAX: (512) 730-7475

PURPOSE

The purpose of the Request for Revision Report (RFR) is to gather information for the Texas Health and Human Services Commission (HHSC) to use in determining if a provider met a higher attendant compensation level for the reporting period than the level it met on its most recently available, audited report functioning as its fiscal year 2012 Attendant Compensation Report.

NEW TO ENHANCEMENT

Supported Employment Services and Employment Assistance Services were added to the Attendant Compensation Rate Enhancement effective September 1, 2012.

WHO MUST COMPLETE THIS REPORT?

All providers requesting a revision of their enrollment limitation for the fiscal year 2015 enhancement period (September 1, 2014 – August 31, 2015) must complete this report.

GENERAL INSTRUCTIONS

Except where otherwise noted, this RFR is governed by all rules and instructions pertaining to the completion of your 2012 Deaf Blind Multiple Disabilities (DBMD) Cost Report that is functioning as Attendant Compensation Report. Refer to:

- Cost Determination Process Rules at Title 1 of the Texas Administrative Code (TAC) §§355.101-355.111;
- Attendant Compensation Rate Enhancement Rules at 1 TAC §355.112;
- DBMD program-specific rules at 1 TAC §355.9022;
- 2013 DBMD Cost Report Training materials.

DUE DATE

This report is due **to be received by HHSC by July 31, 2014**. Send one completed copy of the RFR and all required attachments, including the certification and methodology pages with original signatures and notary stamps/seals, to:

REGULAR MAIL:

Texas Health and Human Services Commission
Rate Analysis Department, Mail Code H-400
P.O. Box 149030
Austin, TX 78714-9030

SPECIAL DELIVERY:

Texas Health and Human Services Commission
Rate Analysis Department, Mail Code H-400
4900 North Lamar
Austin, TX 78751-2316

Reports received after July 31, 2014 will not be accepted and the enrollment limitation specified on the provider's fiscal year 2015 "Enrollment Limitation Report" will apply.

GROUP REPORT VERSUS INDIVIDUAL REPORT

If your contract participated in the rate enhancement as part of a group in fiscal year 2012, you may submit one RFR for the entire group or one RFR for each individual contract. The result of the analysis of an RFR completed for a group will apply to all contracts included on the RFR for fiscal year 2015. If you did not participate as part of a group during fiscal year 2012, the RFR can be submitted only for an individual contract.

WEBSITE AND RFR FORM

An electronic version of the 2015 RFR is available on our website at:

<http://www.hhsc.state.tx.us/rad/long-term-svcs/>

Once you enter the website, click on the link to "Deaf Blind Multiple Disabilities Waiver", then scroll down to the heading "Rate Enhancement – Attendant Compensation", click on "View 2015 Rate Enhancement – Attendant Compensation information." Next, under the heading "2015 Enrollment Limitations Information," locate and open the "2015 Request for Revision Report" element.

REPORTING PERIOD

The reporting period is September 1, 2013 through April 30, 2014. The report must be completed for the entire reporting period.

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

ACCOUNTING METHOD

All information submitted on the RFR must be based on an accrual method of accounting, except where otherwise specified. Governmental entities may report on a cash basis or modified accrual basis.

COST ALLOCATION METHODS

Refer to the Cost Determination Process Rules (1 TAC §355.102(j) and §355.105(b)(2)(B)(v)) for information concerning allowable allocation methods and requirements for adequate allocation summaries. FICA/Medicare, unemployment, worker’s compensation premiums and paid claims and employee health paid claims may be allocated to attendants based on payroll or direct costed. Health insurance premiums, life insurance premiums and other employee benefits must be direct costed.

REPORT CERTIFICATION

Contracted providers must certify the accuracy of the RFR submitted to HHSC. Contracted providers may be liable for civil penalties, criminal penalties and/or imprisonment if the RFR is not completed according to HHSC requirements or if the information is misrepresented and/or falsified. Before signing the certification pages, carefully read the certification statements to ensure that the signers have complied with the reporting requirements. The Methodology Certification advises preparers that they may lose the authority to prepare future reports if reports are not prepared in accordance with all applicable rules, instructions and mandatory training materials. **NOTE:** any report submitted without original signed and notarized Certification and Methodology Certification pages will be returned to the provider. Copies and faxes will not be accepted.

DEFINITIONS

Accrual Accounting Method - 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 - the unlicensed caregiver providing direct assistance to the clients with Activities of Daily Living (ADLs) and Instrumental Activities of Daily Living (IADLs). Attendants do not include the director, administrator, assistant director, assistant administrator, clerical and secretarial staff, professional staff, other administrative staff, licensed staff or attendant supervisors unless they are delivering attendant services that cannot be delivered by another attendant, to prevent a break in service. To be allowable for the Attendant Compensation Rate Enhancement, attendant expenses must be direct costed. Direct costing requires daily timesheets documenting time spent performing attendant services for the contract. For Intervener services, attendants do not include Intervener I, Intervener II or Intervener III as these positions are not eligible to participate in the Attendant Compensation Rate Enhancement.

Contract Labor - personnel for whom the contracted provider is not responsible for the payment of payroll taxes (such as FICA, FUTA and TUCA).

Contracted Provider - the business component with which DADS contracts for the provision of DBMD services.

Controlling Entity - the individual or organization that owns the contracting entity.

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 Party - a person or organization related to the contracted provider by blood/marriage, common ownership, or any association that 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.

Workers' Compensation - for reporting purposes, the actual costs paid by the contracted provider during the reporting period related to employee on-the-job-injury (such as commercial insurance premiums or the medical bills paid on behalf of an injured employee).

COVER PAGE

9-DIGIT CONTRACT NUMBER (if report is for an individual contract)

Enter your 9-digit DBMD contract number. If, after looking at the **upper right-hand corner of your most recent DBMD cost report**, your recent payment information, correspondence from DADS, and/or your contract with DADS, you do not know your correct 9-digit DBMD contract number, please contact the Rate Analyst for this program listed on the following webpage: <http://www.hhsc.state.tx.us/rad/long-term-svcs/contacts.shtml>. If this report is for a group of contracts, leave this item blank.

DBMD GROUP NUMBER (if report is for a group of contracts)

Enter your DBMD group number assigned by the Rate Analysis Department if the report is for a group of contracts. If this report is for an individual contract, leave this item blank.

CONTRACTED PROVIDER IDENTIFICATION (if report is for an individual contract)

Enter the trade name or doing-business-as (dba) name and the physical address of the contracted provider if you are completing the report for an individual contract. If you are completing the report for a group of DBMD contracts, leave this item blank.

CONTRACTING ENTITY

Enter the requested information regarding the business entity that contracts with DADS to provide DBMD services. This item cannot be blank.

CONTACT

Each provider must complete the CONTACT section. 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 RFR. The contact person should be able to answer questions about the contents of your contract's RFR that arise during the HHSC Rate Analysis Department's edit process and the HHSC Office of Inspector General's audit verification process.

PREPARER

Each provider must complete the PREPARER section. The preparer of the RFR is the person who actually prepared the report, whether the preparer is an employee of the provider, contracting entity, etc., or is contracted to complete the report. For this reporting period, the preparer must have attended the required DBMD cost report training as per 1 TAC §355.102(d) (relating to General Principles of Allowable and Unallowable Costs) for completing the 2013 DBMD Cost Report. If the preparer and contact are the same person, you may enter "See contact".

LOCATION OF RECORDS

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

NUMBERED REPORT ITEMS

ITEM 1 (Is This Report for a Group of Contracts or an Individual Contract?)

Indicate whether the report is for a group of contracts or an individual contract. If this report is for a group of contracts, you must complete Schedule E.

ITEM 2 (DADS 9-Digit Contract Number – if report is for an individual contract)

If this report is for an individual contract, enter your 9-digit DBMD contract number. If this report is for a group of contracts, leave this item blank.

ITEM 3 (Group Number – if report is for a group of contracts)

If this report is for a group of contracts, enter your group number. If this report is for an individual contract, leave this item blank.

ITEM 4 (Texas County Code in Which Accounting Records are Located)

Report the 3-digit county code for the Texas County in which the accounting records and supporting documentation used to prepare this report are located. The Texas County codes are located in the back of the instructions. 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 Page in "Location of Records".

ITEM 5 (Reserved for Future Use)

This item is reserved for future use.

ITEM 6 (Reporting Period - Beginning Date)

The reporting period beginning date must be September 1, 2013.

ITEM 7 (Reporting Period - Ending Date)

The reporting period ending date must be April 30, 2014.

ITEM 8 (Attach copies of Mandatory Cost Report Training Certificate?)

Attach copies of the required state-conducted mandatory 2013 DBMD Cost Report training certificate for your preparer. Reports submitted without a proper training certificate attached will not be processed until the required certificates have been received, and may be returned as unacceptable if the required certificates are not received in a timely manner.

ITEM 9 (Does Contracting Entity hold any other participating contracts?)

If the contracting entity holds any other contracts that are participating in the Attendant Compensation Rate Enhancement, report the total number of contracts in the box provided and list the type of contract (i.e., PHC/FC, CBA, CLASS, DAHS, RC, CBA AL, DBMD) with its 9-digit contract number in the space provided. If you are completing this report for a group of contracts, list all of the contracts that are participating within the group and any additional contracts that are participants in the Attendant Compensation Rate Enhancement. If the answer to item 9 is no, leave the box and lines blank.

ITEM 10 (Select Correspondence Address)

Select the address to which you want all future correspondence concerning this report to be mailed. The two choices correspond to the addresses indicated on the cover of the report.

ITEMS 11 - 14 (Units of Service)

For each service listed, report the total number of direct service units delivered during the reporting period, even if payment was not received during the reporting period. Authorized and delivered direct service units would have been billed using Form 3626 (Purchased Service Delivery Report) for reimbursement by DADS. The hours reported in this item should equal the number of hours delivered and submitted (billed) for payment for services delivered in the reporting period for this contract and NOT the units of service that were actually reimbursed. Also include any service units delivered that were above the authorized level in the participant's plan of care and for which you may never receive payment from DADS. Include any direct service units provided to private pay participants by DBMD staff whose salaries are reported on the report. Supporting documentation for all units reported must be available. **All direct service units must be carried out to two (2) decimal places** (e.g., 99 hours and 30 minutes should be reported as 99.50 direct service units, and 99 hours and 0 minutes should be reported as 99.00 direct service units).

For habilitation services in item 11, report the direct units of service delivered to DBMD participants by attendants or other authorized staff. This item requests the total number of plan-of-care-authorized hours that were actually delivered for services (e.g., habilitation tasks, protective supervision, delegated nursing tasks) by attendants or other authorized staff (nurse substitutes for attendant to prevent a service break) during the reporting period. The number of units reported in item 11 should be equal to or less than the total paid hours reported in items 17, 19, and 21; the number of units reported in item 11 should not be greater than the total paid hours reported in items 17, 19 and 21, unless volunteer habilitation workers/trainers were used (in which case, a written notation to that effect should be made and cross-referenced to items 17, 19 and 21).

A comparison of the units of service reported in items 11 through 14 should be made with the total paid hours reported for the direct care staff delivering each type of service (e.g., as noted above for habilitation services). If the number of units reported is greater than the total number of paid hours reported for direct care staff delivering the type of service, a mistake of some sort has been paid, unless volunteers (i.e., unpaid workers) delivered the units of services.

ITEM 15 (Owner-employees or related-party employees?)

If "YES", complete Schedule C for each owner-employee or other related-party employee. Schedule C requires that an organization chart be attached that clearly indicates each owner-employee's and related-party employee's position within the entire related organization.

ITEM 16 (Allocation of Expenses)

If any expenses reported on the RFR resulted from allocation, mark item 16 "YES".

The following must be direct costed:

Salaries/Wages:

Employee Benefits/Insurance:

Accrued Vacation, Accrued 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

Mileage Reimbursement

9/1/13 to 12/31/13 ceiling = 56.5 cents per mile

1/1/14 to 4/30/14 ceiling = 56.0 cents per mile

The following may be direct costed or allocated using a functional method based upon percentage of salaries:

FICA

Medicare

Unemployment (TUCA and FUTA)

Workers' Compensation Premiums

Workers' Compensation Paid Claims

Employer-Paid Health/Medical/Dental Paid Claims

Employer-Paid Disability Paid Claims

For allocation of expenses, attach (and properly cross-reference to each applicable item): a detailed allocation summary showing 100% of your expenses by cost category, the numerator and denominator of the allocation calculation in words and in numbers, the resulting allocation percentage (with 2 decimal places), the application of the allocation percentage to each shared cost, the amount allocated to each contract/program/business entity, and the report line item on which

each allocated cost is reported on this report.

ITEMS 17 and 19 (Paid Hours - Habilitation Workers/Trainers, Other Staff Providing Day Habilitation Services)

Record total number of paid hours for DBMD attendant staff and other staff providing Day Habilitation services employed by you, including overtime, travel time, documentation time, time spent in training, staff meeting time, paid vacation time, on-call worked time, and paid sick leave.

ITEMS 18 and 20 (Salaries and Wages - Habilitation Workers/Trainers, Other Staff Providing Day Habilitation Services)

Report salaries, wages, bonuses, incentives and overtime for attendant staff and other staff providing Day Habilitation services actually employed by you and for whom you are required to make FICA contributions. Salaries and wages include cash bonuses and any cash incentives paid from which payroll taxes are (or should be) deducted. Also include any on-call and overtime salary paid for actual hours worked.

Day Habilitation attendant staff performs supported living services, which include assistance with activities of daily living (ADLs), attendant care, assistance with medications, supervision, health-related tasks and extension of therapy services. Day habilitation trainers perform formal training of daily living skills and community integration, prevocational and supported employment services. Report all salaries/wages paid to day habilitation attendant staff for both billable and nonbillable time. Salaries/wages for staff who transport participants to and from any waiver services should be included in this item. Refer to Cost Determination Process Rules, 1 TAC §355.103(b) and 1 TAC §355.103(b)(2)(B)(xi, xii).

If staff performs both duties as day habilitation workers/trainers and attendant services for other services, a distribution of paid hours and salaries must be made based on actual time worked for each type of service, using daily, continuous timesheets.

ITEM 21 AND 22 (Contracted Habilitation Workers/Trainers)

If day habilitation services were delivered by contract, report all paid hours (item 21) and all allowable contract expenses (item 22) incurred related to the delivery of contracted day habilitation services. Report all allowable costs paid to DBMD contracted staff performing day habilitation services, including allowable travel, fees, on-call costs, etc. Refer to the Cost Determination Process Rules, 1 TAC §355.103(b)(2)(C).

ITEM 23 (Payroll Taxes – FICA and Medicare)

Report both FICA and Medicare taxes for attendants and other staff delivering attendant services on item 23.

ITEM 24 (Does item 23 equal 7.65%?)

If the answer to this question is "NO", provide a detailed explanation on the line provided. If additional space is required, attach (and properly cross-reference) the detailed explanation. The

explanation should provide 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 23. Include as part of your reconciliation explanation a copy of your most recently submitted IRS Form 5500 (Schedule F; Fringe Benefit Plan Annual Information Return).

ITEM 25 (Payroll Taxes - State and Federal Unemployment)

Report both federal (FUTA) and state (TUCA) unemployment expenses for attendants and other staff delivering attendant services. 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 26 (Workers' Compensation – Insurance (WCI) Premiums)

If your contract, 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 attendants and other staff delivering attendant services. 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 contract, 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 and should be reported in item 28.

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) and must be reported in item 27.

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

ITEM 27 (Workers' Compensation - Paid Claims)

Report medical claims paid for employee on-the-job injuries for attendants and other staff

delivering attendant services. 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 in items 18 and/or 20, 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. Paid claims may be direct costed or allocated based upon payroll. If paid claims are allocated, an acceptable allocation summary must be attached.

ITEM 28 (Employee Benefits - Health Insurance)

Report employer-paid health insurance for attendants and other staff delivering attendant services whose salaries and wages are reported in items 18 and/or 20. Employer-paid health insurance premiums must be direct costed.

ITEM 29 (Employee Benefits - Life Insurance)

Report employer-paid life insurance for attendants and other staff delivering attendant services whose salaries and wages are reported in items 18 and/or 20. Employer-paid life insurance premiums must be direct costed.

ITEM 30 (Employee Benefits - Other Benefits)

Report any employer-paid disability insurance and retirement contributions for attendants and other staff delivering attendant services whose salaries and wages are reported in items 18 and/or 20. These benefits must be direct costed. The contracted provider's unrecovered cost of meals and room and board furnished to direct care employees, uniforms, job-related training reimbursements and job certification renewal fees are not to be reported in these items. Describe, in the space provided, the amount and type of each benefit comprising the total amount reported. Employee benefits must be reported in accordance with 1 TAC §355.103(b)(1)(A)(iii)(II).

ITEM 31 (Mileage Reimbursement)

Report the mileage reimbursement paid to attendants. Refer to the Definitions section regarding mileage reimbursement. The amount of mileage reimbursement reported in this item will be divided by the number of miles reported in item 33 to verify mileage reimbursement ceilings. Allowable mileage reimbursement cannot exceed the reimbursement rate applicable for the reporting period as set by the Texas Legislature for state employee travel. The mileage reimbursement ceiling for 9/1/13 to 12/31/13 is 56.5 cents per mile and 1/1/14 – 4/30/14 is 56.0 cents per mile.

ITEM 32 (Total Attendant Cost)

Sum items 18, 20, 22, 23 and 25 through 31.

ITEM 33 (Number of Miles Reimbursed)

If you reported mileage reimbursement on item 31, report the number of miles reimbursed on item 33. The reimbursement per mile will be checked by HHSC against the maximum allowed by the

state.

***RESIDENTIAL HABILITATION SERVICES-LESS THAN 24 HOURS; INTERVENER SERVICES; CHORE SERVICES; SUPPORTED EMPLOYMENT; EMPLOYMENT ASSISTANCE
PAGES FOUR, FIVE, SIX, SEVEN AND EIGHT***

Instructions for Residential Habilitation Services-Less Than 24 Hours (Page 4); Intervener Services (Page 5); Chore Services (Page 6); Supported Employment (Page 7) and Employment Assistance (Page 8):

See the specific instructions for items 17-33 and apply the general guidelines therein to the DBMD services listed above. When completing this item for Intervener Services, do not include Intervener I, Intervener II or Intervener III as these positions are not eligible to participate in the Attendant Compensation Rate Enhancement.

SCHEDULES A & B: RESERVED FOR FUTURE USE

SCHEDULE C

This schedule must be completed by **every** contracted provider that has an owner-employee or other related-party employee acting as an attendant regardless of whether the owner-employee or other related-party employee received **any compensation** for their services during the reporting

period.

For reporting purposes, an employee 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 (these meet the definition of an "owner-employee").

If no compensation was paid, received, or properly accrued during the reporting period for an owner-employee or a related-party employee, complete 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 being reported.

An organizational chart must be attached to the Schedule C indicating the owner-employee's or the related-party employee's name and position within the organization. When organizational structures are composed of several corporations and the owner-employee and/or other related-party employee 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 RFR.

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

Allowable compensation for an owner-employee or other related-party employee 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 provider.

A function is deemed necessary when, if the owner or related party had not performed said function, the provider 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-employees and other related-party employees 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 or other related-party employee 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 services.

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

PART 1 - COMPENSATION

Item 1 (Name) - Indicate the name (Last Name, First Name, and Middle Name/Initial) of the owner-employee or the related-party employee.

Item 2 (Title) - Indicate the title of the owner-employee or other related-party employee. The title must correspond to the title indicated on the organizational chart attached to the RFR.

Item 3 (Type of Position) - Identify the type of position filled by the owner-employee or other related-party employee. Only attendant positions should be included in this RFR.

Item 4 (Location of Position Within Organizational Structure) - Indicate the location of the owner-employee's or other related-party employee'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 RFR.

Item 5 (Description of Duties) - Provide a description of the duties performed by the owner-employee or other related-party employee as they relate to the specific RFR 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 RFR. See 1 TAC §355.105(b)(2)(B)(xi). Only attendant positions should be included on this RFR.

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

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 reporting purposes.)

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

Item 10 (Direct Costing Method) - If the services provided by this employee benefited more than the contract for which the RFR is being completed, if the employee's salary is reported in more than one item on this RFR, or if the employee performed both attendant and nonattendant functions for this contract, the salary 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 or other related-party employee performed both attendant and nonattendant functions for this contract, provide a breakdown between the employee'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 entities (components) that 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., CLASS #XXXXXXXXXX; CBA #XXXXXXXXXX; NF #XXXXXXXXXX; ERS #XXXXXXXXXX; DAHS #XXXXXXXXXX; RC #XXXXXXXXXX).

Compensation should be directly charged to each business entity based either 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 employee 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 employee'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 RFR item number on which the salary 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.

SCHEDULE D: RESERVED FOR FUTURE USE

SCHEDULE E

If you are completing the Request for Revision Report for more than one contract, you must complete Schedule E. If you are completing the Request for Revision Report for one contract, do not complete Schedule E.

List the 9-digit DBMD contract numbers for every contract you are proposing to include in your group for fiscal year 2012 (attach additional sheets if necessary). For each 9-digit contract listed you must report the same beginning and ending date of the reporting period for that contract.

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 RFR 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 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 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 Page 8 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 any required HHSC state-sponsored Mandatory Cost Report Training for the 2013 DBMD Cost Report and a valid completion certificate must be attached to the report for each preparer. If a valid completion certificate is not attached, the report will not be processed until such time as the required certificates are provided. If the required certificates are not provided in a timely manner, the report will be returned as unacceptable.

STATE OF TEXAS COUNTY CODES

<u>County Name / Code</u>	<u>County Name / Code</u>	<u>County Name / Code</u>	<u>County Name / Code</u>	<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	Parmer 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