A GUIDE TO COST ANALYSIS:

DEVELOPING COST BASED FEES
FOR MATERNAL AND CHILD & ADOLESCENT
HEALTH SERVICES

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OVERVIEW

OBJECTIVE
The objective of this Cost Analysis methodology is to help maternal and child & adolescent health (MCAH) contract agencies:
1. Determine the cost of providing all MCAH services.
2. Utilize this information in setting fees to be charged for billable services based on financial and utilization data.
3. Identify the cost of other public health services for payment from MCAH contracts and grants.

WHO MUST COMPLETE THE MCAH COST ANALYSIS?
All MCAH contract agencies seeking reimbursement for billable services from Iowa Medicaid, Medicaid Managed Care Organizations (MCOs), Title V, and other MCAH contracts must complete the MCAH Cost Analysis, Transportation Report, and continuous MCAH Time Studies.

Subcontract agencies of MCAH (those receiving funds and billing services through a MCAH contract agency) are required to submit a cost report annually to their MCAH contract agency. MCAH billable services include presumptive eligibility, informing, care coordination, and direct care services. Subcontract agencies providing these services are required to complete an MCAH Subcontract Agency Cost Report. (See Instructions for Subcontractors and the Subcontractor Worksheets in Excel.) Subcontractor costs and utilization data for MCAH services are incorporated into the MCAH contract agency's Cost Analysis Workbook.

Annually, the MCAH contract agency submits the Subcontractor Worksheet(s) in addition to their Cost Analysis Workbook and related Transportation Report.

WHY COMPLETE A COST ANALYSIS?
It is a sound business practice. In this economic environment, only agencies with a sound financial management plan and a complete knowledge of the costs of doing business will remain financially viable. Knowing the cost of providing goods and services is important to insure success in any business. Cost analysis helps your agency:
1. Gain insight into agency cost structure.
2. Implement strong business practices.
3. Collect fiscal based information, knowledge, and insight about the real costs of doing business.
4. Provide the tools to develop, implement, and analyze efficiencies of operation.
5. Control costs.

Federal regulations and state rules require it. Federal regulations and Iowa rules require that each agency receiving MCAH funds and billing Medicaid services have a schedule of fees for the services provided. Charges must be based on an analysis of costs for all services provided by the contract agency within the entire service area.
WHAT IS REQUIRED FOR A COST ANALYSIS?

Fees are expected to be realistic and reflect the cost of operation at the fair market value in the service area.

A sliding fee scale (schedule of discounts) is required for individuals with family incomes above the poverty level established by Title XXI and below 300 percent of federal poverty guidelines. This must have sufficient proportional increments so that inability to pay is never a barrier to service. The discounts are based on income, family size, and ability to pay. However, currently there is no gap between the upper income limit for Title XXI and 300 percent of poverty in Iowa. The upper limit for Title XXI is 302 percent of poverty. (See IAC 76.6(2) (g))

To justify salaries allocated among cost centers in the Cost Analysis, continuous time studies must be completed and maintained on file in each participating contract agency. Time studies are required by the Office of the Inspector General and the federal Office of Management and Budget (OMB).

- Contract agency developed time studies may be used following approval by IDPH.

BILLING GUIDELINES

All MCAH contract agencies billing Medicaid or Medicaid MCOs must bill their cost for providing service. This includes billing that the contract agency submits for services provided by a subcontractor.

1. If an agency chooses to bill other third party payers, those payers must also be billed the same cost as Medicaid.
2. Services provided to MCAH clients that are not reimbursed by third party payers are billed to the client on the sliding fee scale.
3. Co-pays and deductibles from third party payers are billed to the client based on the sliding fee scale.
4. The amount of reimbursement from Title V for these services shall not exceed the Medicaid rate of reimbursement.
5. Subcontractors must follow the same state and federal regulations required of the contract agency.

WHERE TO FIND INFORMATION, FORMS AND TOOLS TO COMPLETE THE COST ANALYSIS

Required forms and guidance for completing the 2018 MCAH Cost Analysis are available on the ‘MCAH Project Management Portal’ at http://idph.iowa.gov/family-health/mchportal. These include:

- 2018 MCAH Cost Analysis
- Cost Analysis Guide
- Cost Analysis Workbook
- Transportation Report
- Certificate of Cost Allocation
- Certificate of Indirect Costs
- Instructions for Subcontractors
- Subcontractor Worksheet
• Time Study Guidelines
• Time Study Workbook
• Billable Child & Adolescent Health Services
• Billable Maternal Health Services
• Cost Analysis Checklist
• Cost Analysis Training

- Child and Adolescent Health Services Summary
- Maternal Health Services Summary

**LEGAL AUTHORITY**

The MCAH Cost Analysis approach follows the principles and standards for determining costs as found in the federal Office of Management and Budget (OMB) Circular 2 CFR 200. These were formerly:

- OMB Circular A-87 (Relocated to 2 CFR Part 225): Cost Principles for State, Local, and Indian Tribal Governments
- OMB Circular A-110 (Relocated to 2 CFR Part 215): Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations

The new circular may be accessed at the:

- eCFR website at:
  [https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

  or

- the GPO website at:
APPROACH

The Cost Analysis for MCAH provides a method for analyzing costs for all MCAH Core Public Health Functions as defined in Iowa’s Title V Administrative Manual for Community-Based Programs and further described in the MCH Pyramid of Services. In this pyramid, core public health services include public health services and systems, enabling services, and direct care services.

Some services within the MCH Pyramid for individuals or families may be billable as a fee-for-service to public or private sources including Iowa Medicaid, Medicaid MCOs, IDPH, and Early Childhood Iowa (ECI). Other services (other public health) are paid by submitting Title V grant expenditures to the Iowa Department of Public Health (IDPH). Therefore, for purposes of developing fees using this cost analysis method, references will be made to ‘billable’ and ‘other public health services’.

All services included in the Cost Analysis are as specified and approved in the MCAH Contract with the local agency. Billable services open to Maternal Health Centers and Child Health Screening Centers are specified by:
- The Iowa Department of Human Services (DHS)/Iowa Medicaid and the Iowa Department of Public Health (IDPH);
- Contracts established by Medicaid MCOs;
- Local Early Childhood Iowa (ECI) agreements (such as lead screening or oral health screening for specific individuals); and/or
- Other insurance provider agreements with the agency.

The information required to determine costs for analysis should be available from the agency accounting system, MCAH staff time studies, utilization reports from agency service records, and electronic data systems such as the Maternal Health and Child & Adolescent Health data systems.

BILLABLE SERVICES

Services may be billed to Iowa Medicaid, Medicaid MCOs, IDPH, other third party payers, or to the client on a sliding fee scale. (See IAC 76.6(2) (g).) In order to bill for fee-for-service provided to individual clients, services provided must be included in the Maternal Health and Child & Adolescent Health program and must be documented in the Maternal Health and Child & Adolescent Health data system (now TAVConnect). Clinical service documentation must be maintained in a client chart (paper or electronic). Services provided shall be consistent with those proposed in the contract agency’s RFP/RFA application.

Costs for services include those incurred for all individuals served by the MCAH agency regardless of the payment source. This includes billable services reimbursed by Iowa Medicaid, Medicaid MCOs, IDPH, Early Childhood Iowa (ECI), as well as other third party payers or those paid by the client.

When the client is not eligible for Medicaid or does not have other insurance, the same billable services reimbursed by Medicaid may be paid through Title V grant funds. Client’s whose incomes are above the Title XIX and Title XXI income guidelines receive services at full fee.
Billable activities for Child and Adolescent Health Services are described in the *Child and Adolescent Health Services Summary*. Additional explanation for Informing and Care Coordination activities are described in the *EPSDT Care for Kids Informing and Care Coordination Handbook* at [http://idph.iowa.gov/epsdt/epsdt-providers](http://idph.iowa.gov/epsdt/epsdt-providers). IDPH services for Maternal Health are described in the *Maternal Health Services Summary*. The Maternal Health and Child & Adolescent Health Services Summaries may be found on the *MCAH Project Management Portal* at [http://idph.iowa.gov/family-health/mchportal](http://idph.iowa.gov/family-health/mchportal).

**OTHER PUBLIC HEALTH SERVICE COSTS**

Other public health service costs are those incurred by the agency for maternal and child & adolescent health contracted activities that are NOT billable to Iowa Medicaid, Medicaid MCOs, or other third party payers. These costs include some, but not all services associated with providing public health services and systems and enabling services. Expenses are separate from those that are used to establish fee-for-service costs for services provided to individual clients. Payment for these costs may be from Title V or other maternal and child & adolescent health grants or contracts.

Note: ‘Other public health’ service does NOT include services or programs provided outside the MCAH contract such as 1st Five, WIC, the lead grant, or immunizations funded through public health nursing (county public health programs). However, time is included in the MCAH Cost Analysis for 1st Five staff who have time dedicated to Child and Adolescent Health (such as providing ASQs, ASQ:SEs, or other services).

**TRANSPORTATION COSTS FOR CLIENT TRANSPORTATION SERVICES**

Reporting costs for client transportation to local, in-town health care services is required for each county in the service area. These costs are reported on a separate form and are not part of the Excel workbook for the Cost Analysis. Costs are based upon the current rate for transportation to a medical, dental, or mental health provider within the community (in town). The rates must be reasonable and reflect the fair market value for the service in the community. The Transportation Report must be submitted to the Department with the MCAH Cost Analysis using the Transportation Report form provided.

At least one local transportation option must be noted for each county in the service area that will be used to assist clients with local transportation needs for accessing health services (even if the agency utilizes Access2Care or the Medicaid MCO transportation brokers for transportation services). MCAH agencies continue to have responsibility for assisting Medicaid fee-for-service clients (non-MCO) with transportation services to Medicaid covered services. MCAH contract agencies may bill Iowa Medicaid for transportation services for Medicaid fee-for-service clients. MCAH agencies are unable to bill Medicaid MCO transportation brokers for transportation services for Medicaid MCO clients. These must be arranged through the MCO transportation broker.

For each code, note the days and hours of the week the service is provided and the rate that is charged for that type of transportation. Costs are calculated for a round trip. Refer to the *EPSDT Care for Kids Informing and Care Coordination Handbook*, the Maternal Health Services Summary, and the Child and Adolescent Health Services Summary for transportation guidelines.
Service codes for round trip transportation include:
- A0080: (Maternal Health only) Non-emergency transportation per mile volunteer, interested individual, neighbor
- A0090: (Child and Adolescent Health Only) Non-emergency transportation per mile volunteer
- A0100: Non–emergency transportation, taxi intra-city
- A0110: Non-emergency transportation by bus intra- or interstate carrier
- A0120: Non-emergency transportation mini-bus, mountain area transports, other non-profit transportation systems
- A0130: Non-emergency transportation wheelchair van
- A0160: (Maternal Health only) Non-emergency medical transportation per mile -case worker
- A0170: Transportation, Ancillary: Parking fees

Transportation Utilization
The Transportation Report requires reporting utilization data for any of the above codes for local, in-town transportation services supported by the MCAH program. Report the number of services included in your Transportation Report that were billed to Iowa Medicaid for Medicaid fee-for-service clients in the past year. Report ‘0’ if there were none.

No shows
Local transportation services cannot be billed for clients who do not complete their ride to their medical, dental, or mental health appointment. However, agency costs for ‘no shows’ can be incorporated into the Transportation Report. A tab within the Transportation Report Excel file provides guidance for determining agency costs for no shows.
- Determine the total cost of no shows in the previous year for the mode of transportation.
- Divide this ‘total no show cost’ by number of rides actually provided for clients for the mode of transportation in the previous year.
- Add this ‘no show amount per ride’ to the cost of a ride.
- When billing, use the total of the cost of ride + cost of ‘no show’ per ride.
STEPS FOR COST ANALYSIS

The MCAH Cost Analysis methodology identifies cost centers designed to assist agencies in distributing costs (expenses) associated with the provision of the various types of services offered by the agency. The cost of providing services is determined by using a Relative Value System.

Costs include both direct and indirect costs. Direct costs include expenses associated with providing a specific service (e.g., personnel, supplies, etc.). Indirect costs include expenses incurred to support those services (e.g., administration, housekeeping, rent, etc.). The key to obtaining accurate costs is to allocate all expenses to the appropriate cost centers associated with the delivery of service.

There are six steps in the development of the Cost Analysis to establish cost based fees.
1. Identify the cost center areas and the services provided in those areas
2. Collect cost data and allocate costs to each cost center
3. Allocate overhead (administrative and facility) costs to cost centers
4. Incorporate Relative Values
5. Collect utilization data on all services provided in each cost center
6. Determine cost of each service

Each of these steps will be addressed in this guide, and examples will be provided. An explanation of how to complete each spreadsheet in the accompanying Excel workbook is included below.

Step 1 – Identify Cost Center Areas and the Services Provided

DESCRIPTION OF COST CENTERS

A cost center serves as a way to identify, isolate, and assign costs of related services to one activity center that is generating those costs. Defining the cost centers to be used is the first step in setting up the Cost Analysis. MCAH cost centers have been identified based on typical contracted services and are the basis for the forms found in the Excel workbook accompanying this guide.

Based on the available choices presented in the workbook, the agency will decide which cost centers best fit the services provided. An agency will choose which cost centers to use based on the agency MCAH contract and agency needs. Utilization data must be available for each type of service that is identified in each cost center. This is essential in order to determine the cost of each procedure and to set fees.

The following cost centers are included in IDPH Cost Analysis methodology. Each agency will choose cost centers based on their MCAH contract.

Billable fee-for-service areas include the following:
1. Child and Adolescent Health
2. Child Oral Health
3. Maternal Health
4. Maternal Oral Health
5. Immunization
6. Laboratory
Costs not included as billable fee-for-service include the following:

7. Other Public Health

Overhead costs include the following:
8. Administration (allocated later)
9. Facilities (allocated later)

In order to bill Iowa Medicaid, Medicaid MCOs, or other payers for a direct care service provided for an individual, the agency must provide services consistent with the agency’s MCAH RFP/RFA application, and services must be appropriately documented. To clearly separate the costs of billable services from the costs of public health services and systems, the costs incurred for providing public health services and systems must be allocated to ‘other public health’. These services are not individually billed to a payer.

The accompanying Excel workbook includes all of the cost centers listed above. The agency should only complete information for those centers covered by the MCAH contract. For example, if an agency contract includes only child and adolescent health services, then the maternal health and maternal oral health cost center information will not be completed.

SERVICES PROVIDED IN EACH COST CENTER

Information is provided below for each cost center with examples of services and costs that may be included. Maternal Health and Child Health Screening Centers typically provide services from multiple cost centers in addition to other public health, administration, and facility.

For complete guidelines of services and related activities, refer to: 1) the EPSDT Care for Kids Informing and Care Coordination Handbook; 2) the Child and Adolescent Health Services Summary; 3) the Maternal Health Services Summary, 4) the I-Smile™ Oral Health Coordinator Handbook; and 5) the Medicaid Screening Center Manual & 6) the Maternal Health Manual found at http://dhs.iowa.gov/policy-manuals/medicaid-provider.

Billable services open to Maternal Health and Child Health Screening Centers are specified by the Iowa Department of Human Services (DHS)/Iowa Medicaid and the Iowa Department of Public Health (IDPH); through contracts established with Medicaid MCOs; and through other provider agreements with the agency.

1. **Child and Adolescent Health:** Child and Adolescent Health services include those child and family services as specified in the agency MCAH contract with IDPH and are based on a community needs assessment related to access to services in the service area. These services are billable activities that are attributed to a specific individual or family. Services include:

   a. Presumptive eligibility
   b. Informing (including initial, follow-ups, and completion)
   c. Medical and mental health care coordination for non-Medicaid MCO clients; Dental care coordination for all clients
   d. Home visit for care coordination
   e. Comprehensive well child screening exam (initial and periodic)
   f. Hearing screen: Speech audiometry (threshold) & Pure tone
   g. Nutrition assessment and intervention
h. Behavioral counseling for obesity
i. Screening test of visual acuity (quantitative) & instrument based ocular screening
j. Evaluation and management
k. Preventive medicine counseling (related to testing for chlamydia & gonorrhea)
l. Developmental testing (e.g. ASQ)
m. Emotional/behavioral assessment (e.g. ASQ:SE)
n. Depression screening for adolescents and also caregivers
o. Domestic violence screening for adolescents and also caregivers
p. Alcohol and/or substance abuse screening with brief intervention for adolescents
   and also caregivers
q. Annual alcohol screening
r. Alcohol and/or substance abuse screening
s. Behavioral counseling for alcohol misuse
t. Mental health assessment
u. Mental health counseling
v. Home visit for nursing or social worker services
w. Nursing assessment/evaluation
x. Interpretation services

If the agency provides other services that are not listed as approved codes, contact the
EPSDT Coordinator at IDPH (800-383-3826) for technical assistance.

Child and adolescent health costs include:
- Personnel such as nurse practitioners, nurses, dental hygienists, social workers,
dietitians, and support staff (including receptionists and interpreters), quality assurance
activities such as staff time for monitoring the quality of care;
- Fringe benefits associated with this staff
- Other expenses including: office supplies, supplies for the clinic including paper supplies
and standard clinical equipment; client records and forms; printing of letters, reminder
cards; quality assurance costs; computers, telephone; depreciation of clinical equipment;
staff travel; and more.

2. Child Oral Health: Child oral health services include those billable child oral health
services specified in the agency MCAH contract with IDPH and are based on a
community needs assessment related to access to services in the service area. These
services are billable activities that are attributed to a specific individual or family.
Services include:

a. Oral health risk assessment
b. Initial and periodic oral screening by a dentist
c. Initial and periodic oral screening by a non-dentist
d. Oral evaluation and counseling with primary caregiver (client under age 3)
e. Bitewing films (single, two, four)
f. Prophylaxis (child and adult)
g. Topical application of fluoride varnish
h. Oral hygiene instruction
i. Nutritional counseling for control and prevention of oral disease
j. Sealant application
Child oral health costs include:

- Personnel such as dental hygienists, dentists, nurse practitioners, RNs, physician assistants, dietitians, and support staff (including receptionists and interpreters) quality assurance activities such as staff time for monitoring the quality of care. The I-Smile coordinator must allocate a minimum of 20 hours for Other Public Health activities, administration and care coordination.
- Fringe benefits associated with this staff.
- Other expenses including: consumable supplies such as masks, gloves, cups, drapes, tissue, toothbrushes, fluoride, sealant material, dental instruments, mirrors; dental equipment including examination chairs; waste management (sharps containers, etc.); client records and forms; quality assurance costs; computers, telephone; depreciation of clinical equipment; staff travel, staff development; and more.

3. Maternal Health: Maternal Health Center services include those services required for the provision of services to all pregnant women and women with high-risk pregnancies as specified in the contract with IDPH and are based on a community needs assessment related to access to services in the service area. These services are billable activities that are attributed to a specific individual. Services include:

Services for all women:
- a. Presumptive eligibility
- b. Medicaid Prenatal Risk Assessment
- c. Prenatal and postpartum medical care
- d. Depression screening (if depression screening is not part of a health education service, psychosocial service, or home visit)
- e. Domestic violence screening
- f. Listening visits (in the home or in a clinic setting)
- g. Alcohol and/or substance abuse screening with brief intervention
- h. Annual alcohol screening
- i. Alcohol and/or substance abuse screening
- j. Behavioral counseling for alcohol misuse
- k. Mental health counseling
- l. Health education services provided by a registered nurse
- m. Behavioral counseling for obesity
- n. Preventive medicine counseling (related to testing for chlamydia & gonorrhea)
- o. Medical and mental health care coordination for non-Medicaid MCO clients; Dental care coordination for all clients
- p. Administration of medication (17P – progesterone)
- q. Lactation classes
- r. Interpretation services

Enhanced services to women with high-risk pregnancies:
- a. Development, oversight, and monitoring of an individualized plan of care
- b. More intense care coordination services
- c. More intense health education services
- d. Nutrition services/diabetes management by a dietitian
- e. Psychosocial services
- f. Home visit for nursing or social work services
- g. Postpartum home visit
- h. Nursing assessment/evaluation
Maternal health costs include:

- Personnel such as nurse practitioners, nurses, dental hygienists, other care coordinators, dietitians, and support staff (including receptionists and interpreters);
- quality assurance activities such as staff time for monitoring the quality of care.
- Fringe benefits associated with this staff
- Other expenses including: supplies for the clinic such as paper supplies, client records and forms, waste management (sharps containers, etc.), quality assurance costs, telephone, depreciation of clinical equipment, staff travel, and more.

4. Maternal Oral Health: Maternal oral health services include those billable maternal oral health services as specified in the agency MCAH contract with IDPH and are based on a community needs assessment related to access to services in the service area. These services are billable activities that are attributed to a specific individual. Services include:

   a. Oral health risk assessment
   b. Initial and periodic oral screening by a dentist
   c. Initial and periodic oral screening by a non-dentist
   d. Bitewing films (one, two, four)
   e. Prophylaxis (adult and child)
   f. Topical application of fluoride varnish
   g. Oral hygiene instruction
   h. Nutritional counseling for the control and prevention of oral disease
   i. Tobacco counseling for control and prevention of oral disease
   j. Sealant application

Maternal Oral Health costs include:
- Personnel such dental hygienists, dentists, nurse practitioners, RNs, physician assistants, dieticians, and support staff (including receptionists and interpreters);
- quality assurance activities such as staff time for monitoring the quality of care.
- Fringe benefits associated with this staff.
- Other expenses including: consumable supplies such as masks, gloves, cups, drapes, tissue, toothbrushes, fluoride, sealant material, dental instruments, mirrors; dental equipment including examination chairs; waste management (sharps containers, etc.); client records and forms; quality assurance costs; computers, telephone; depreciation of clinical equipment; staff travel, staff development; and more.

5. Immunization: Immunization services include administration and/or administration and counseling for Vaccine for Children (VFC) and billable vaccines in accordance with the MCAH contract with IDPH. Immunizations are provided according to the schedule approved by the Advisory Committee on Immunization Practices (ACIP), American Academy of Family Physicians (AAFP), and the American Academy of Pediatrics (AAP) as found on the Center for Disease Control and Prevention (CDC) website at http://www.cdc.gov/vaccines/schedules/index.html.

Because agencies and their subcontractors have differences in immunization program structure, funding sources, and program income, there are differences in the way immunizations are billed. For purposes of this Cost Analysis, immunization services billed through Maternal Health Center or Screening Center status are to be included.
Immunization services and products include:

a. Vaccine administration with counseling (Codes 90460 - per injection)
b. Vaccine administration, initial and subsequent vaccines administered through an oral, subcutaneous, intramuscular, or intranasal route (Codes 90471, 90472, 90473, and 90474)
c. Billable vaccines (non-VFC) as appropriate for age per the ACIP Immunization Schedule

Immunization costs include:

- Personnel such as nurses and support staff (including receptionists and interpreters); quality assurance activities such as staff time for monitoring the quality of care;
- Immunization counseling involves staff time reviewing immunization records, explaining the need for immunizations, and providing anticipatory guidance and follow-up instructions when preparing to administer vaccine. If billing 90460, both the immunization administration and the counseling activities are included in the Immunization cost center.
- Fringe benefits associated with this staff
- Other expenses including: clinical supplies such as syringes, alcohol wipes; client records and forms; waste management (sharps containers, etc.); quality assurance costs; telephone; depreciation of clinical equipment

6. Laboratory: Laboratory services are those provided by the MCAH agency to clients for on-site laboratory testing and those associated with specimen collection and preparation for referral to outside laboratories, including the cost to the agency for those laboratory tests.

Laboratory services that may be billed include:

a. Urinalysis
b. Urine pregnancy testing
c. Lead analysis (Lead Care II)
d. Hemoglobin
e. Hematocrit
f. Tuberculosis skin testing
g. Blood draw - Venipuncture and capillary
h. Specimen handling and conveyance

Laboratory costs include:

- Personnel costs including quality assurance activities such as staff time for monitoring the quality of care
- Fringe benefits associated with this staff
- Other expenses including: laboratory supplies, Lead Care II supplies, client records and forms, postage and shipping; depreciation; waste management (sharps containers, etc.); quality assurance costs; and more.

In the Child and Adolescent Health program, time for completing the lead risk assessment, education about lead poisoning, and follow-up instructions when doing a lead draw may be considered an E&M service and is allocated to the Child and Adolescent Health cost center.
7. **Other Public Health:** Other public health activities are those activities that are part of your MCAH contract responsibilities but are NOT billable services for individuals or families.

These costs include some, but not all activities associated with providing public health services and systems and enabling services. Expenses for other public health activities must be captured in a separate cost center from those used to establish fee-for-service costs provided to individual clients. Payment for these costs may be from Title V or other maternal and child health grants or contracts.

Before assigning an activity to other public health, review the program guidance to ensure the funding source allows for the specific activity and target population group. For example, public health services and systems for *hawk-i* Outreach activities and most CCNC and Early ACCESS activities are captured in this cost center. It is expected that much of the I-Smile Coordinator’s time would be allocated to other public health.

Note: Other public health activities do not include presumptive eligibility determinations, informing, billable care coordination, transportation costs, direct care services or any other billable services already included in the fee-for-service costs. Be sure that the other public health costs are not included in other cost centers.

**Examples of Other Public Health Activities Include:**

A. **Public health services and systems activities** build the capacity of community systems to improve and maintain the health status of women and children. These community-based activities may include:

i. Assessment of community needs and assets

ii. Data collection and analysis

iii. Mobilization and/or development of partnerships within communities:
   a) To improve developmental screening and referral
   b) To increase linkages to care coordination

iv. Meetings with community partners

v. Program planning
   a) Conducting strategic planning with local oral health or mental health coalitions and other forums to assess specific community health needs

vi. Program evaluation

vii. Policy development

viii. Health professional development and training
   a) Conducting trainings to develop oral health education, care coordination, and referral protocols
   b) Support of innovative initiatives

ix. Population-based activities which provide preventive interventions and health services for groups of people rather than one-on-one situations. For purposes of the Cost Analysis, these activities refer to screenings held in group situations or those other instances when the agency does not assess payer source, bill for the service, or assume responsibility for the individual’s care. They also may include education or television or radio events. Examples include:
   a) Immunization clinics (for populations when individuals are not charged or evaluated for insurance coverage)*
   b) School oral health screenings*
c) Public screenings (e.g. health fairs) to identify children who need oral health care*
d) Breastfeeding promotion
e) Sudden Infant Death Syndrome (SIDS) awareness
f) Health education
g) Prenatal class education
h) Head Start parent classes
i) Events to raise awareness of injury prevention for children and adolescents
j) Child care, Head Start, or school health education to parents or staff
k) Other health education designed to reach selected groups or populations

*If population-based, these activities are offered to broad populations. Payer sources are not assessed and services are not billed.

B. Enabling activities assist individuals and families to access services they need. Often these activities are billable as individual services, but enabling services may not be billable when provided in group settings, at health fair displays, other large group settings, when provided as outreach activities, or when provided as part of a direct care service. These activities include non-billable fee-for-service care coordination, such as medical and mental health care coordination provided for Medicaid MCO clients.

Examples of enabling services include outreach to:
  i. Provide clients with information that promotes positive health beliefs, attitudes, and behaviors for maternal health, child & adolescent health and oral health.
  ii. Provide clients with information to connect them to a care coordinator or other resources.
  iii. Provide care coordination services to meet client needs and referrals for non-Medicaid related services such as child care, financial assistance etc.
  iv. Empower families to contact a dental or medical home by providing information to people attending health fairs.

COSTS FOR OTHER PUBLIC HEALTH INCLUDE:

A. Public health services and systems
   i. Personnel such as community planners, meeting facilitators, nurses, social workers, health educators, dental hygienists, dentists, dieticians, and support staff including intake staff, secretaries, interpreters, and graphics staff
   ii. Fringe benefits associated with this staff
   iii. Other expenses including computers, projectors, telephone, speaker phones, portable and or permanent white boards, markers, poster paper and boards, easels, food for community partner meetings, staff travel, consumable clinical supplies, educational supplies, brochures, display boards and more.

B. Enabling
   i. Personnel such as nurses, social workers, health educators, dental hygienists, dentists, dieticians and support staff (including intake workers and interpreters)
   ii. Fringe benefits associated with this staff
   iii. Other expenses including consumable clinical supplies (as above), educational supplies, brochures, poster boards, display boards and more.
8. **Administration:** This includes general administrative activities such as project management, policy and procedure development, evaluation, staff development, billing, audit, legal and word processing that are not directly attributable to specific health care services. Costs may include activities related to human resources activities. Costs include personnel; fringe benefits; other costs such as office supplies; telephone; legal and fiscal; and more. *Note: Legal expenses for prosecution of claims against the Federal Government may be unallowable. [2CFR 200.435]*

9. **Facility:** These are costs related to the purchase/rent and maintenance of the facility. These include personnel; fringe benefits; and other costs such as housekeeping and maintenance; rent or mortgage payments; minor repairs on equipment; security (of both staff and the facility); supplies; utilities; depreciation; and more.

**Step 2 – Collect Cost Data and Allocate Costs to Each Cost Center**

Complete the Cost Analysis using the Excel workbook found on the MCAH Project Management Portal at [http://idph.iowa.gov/family-health/mchportal](http://idph.iowa.gov/family-health/mchportal). The workbook is comprised of a number of spreadsheets identified by tabs at the bottom.

Before opening the workbook in version 2003 of Excel, open Excel, choose ‘options’; ‘security’; ‘Macro Security’ and click on ‘Medium’. This will allow the macro in the workbook to function correctly. When opening the workbook, be sure to click on ‘Enable Macros’.

In versions 2007 and 2010 of Excel, open Excel, you will see ‘Security Warning Macros have been disabled’ and a box showing ‘Options’. Click on Options, choose ‘this content’, and click ‘OK’.

Step two is accomplished using the Cost Center Report (Cost Rpt Tab) of the Excel workbook and supporting workbooks.

The Cost Center Report is found on the first tab on the left, titled ‘Cost Rpt’. The report is designed to gather fiscal information and to distribute expenses into the appropriate cost centers.

The Cost Center Report is completed on a single sheet and is easy for staff to follow. Data from the allocation spreadsheets (‘alloc-staff’; and ‘alloc-other’) are automatically brought into this cost report. Each of these is discussed below. The report includes the minimal set of cost centers identified for use in the MCAH Cost Analysis methodology.
# UNDuplicated Clients

The upper right-hand corner of the first tab of your Excel Workbook ('Cost Rpt' tab) includes fields for reporting the number of unduplicated Child and Adolescent Health clients and the number of unduplicated Maternal Health clients served in your MCAH program. Report the unduplicated number of clients served by each program during the reporting period for your Cost Analysis. Be sure to include the clients served through any subcontractors that you may have for MCAH services. Completing this information is optional. However, you may find it useful in estimating a 'cost per client' for your Child & Adolescent Health and Maternal Health programs.

Allocating Personnel - Column 1, Cost Rpt (uses data from Alloc-staff (2) Spreadsheet, Tab 2)

Personnel are allocated into each cost center according to the percent of time they spend in each function. The time for each staff person must equal 100% regardless of the total time the individual spends on MCAH activities during the year. For example, if an individual works 1040 hours (20 hours per week or 50% time) in the MCAH program for the agency, the total percent spent will equal 100%, not 50%. Time the individual spent working for the agency in other programs is not included in the 100%. It is important to keep in mind that allocations into cost centers are not based on an individual's title but are based on the type of activity the person does and the amount of time expended in that activity. These percentages are entered in Part A on the spreadsheet alloc-staff (2) (tab 2). Be sure to include everyone who provides any level of activity to the MCAH program - full time or part time.
COMPLETING PART A OF ALLOC-STAFF SPREADSHEET

Enter the names of the agency staff that worked any time in the MCAH program during the timeframe of the analysis. Also report credentials (if applicable) and job titles for each person. This information will automatically be filled in on Part B of the spreadsheet. Note that names of staff of subcontractors are NOT included on this spreadsheet. Subcontractor staff cost is allocated on the ‘alloc-other’ spreadsheet.

Allocate the percent of time the individuals worked in each cost center. This is done using a time study. Continuous time studies completed by each staff person providing MCAH contract activities are used to determine what type of activity is allocated to the cost centers. Refer to the simple time study form included with this guide for allocating the percent of time a staff person works in each cost center. Enter the allocation percent as a number (e.g., 12.5; 25, etc.). The percent sign will be added automatically and the number will be treated as a decimal.

Since every staff person must have 100% of their time allocated, regardless of how much or how little they worked, looking at the sum of the percentages that are allocated checks the entries. The check column (Q) must equal 100%. This allocation should be done based on the time study included with this guide. Be sure to include everyone who provides any level of activity to the MCAH program in your agency. (Remember, subcontractor staff names are not included on this spreadsheet.)

<table>
<thead>
<tr>
<th>Name</th>
<th>Credential</th>
<th>Job Title</th>
<th>Child &amp; Adolescent Health</th>
<th>Child Oral</th>
<th>Maternal Health</th>
<th>Maternal Oral</th>
<th>Immun</th>
<th>Lab</th>
<th>Other Public Health</th>
<th>Admin</th>
<th>Family</th>
<th>Check Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff A</td>
<td></td>
<td></td>
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<td>Staff B</td>
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<td>Staff C</td>
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<td>Staff D</td>
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<td>Staff E</td>
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<td>Staff K</td>
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<td></td>
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</tr>
</tbody>
</table>

Percent of time goes here  
Check total must equal 100%
Completing Part B of Alloc-staff Spreadsheet

Once the percentage of time has been allocated, go to Part B of the alloc-staff spreadsheet (found below Part A).

In Column labeled ‘Total Paid with FB’, enter the amount paid to each staff person, including fringe benefits, for the work they did in the MCAH program (last column to the right). Be sure to include the fringe benefits for the amounts that were paid to each individual. By inserting these amounts in ‘total paid’, this spreadsheet will automatically spread the total amount into the appropriate cost centers based on the percent of time allocated on Part A. It is important to attach the fringe benefit cost to the salaries, if at all possible.

In the rare case that fringe benefits cannot be identified and allocated to each individual using the alloc-staff spreadsheet, then the total amount of fringe benefits paid to the identified staff is placed on the ‘alloc-other’ spreadsheet. To do this:
- Insert ‘Fringe Benefits’ in Column A replacing ‘other unspecified item’.
- Place the total amount spent on fringe benefits for MCAH in column B.
- Distribute percentage of cost across cost centers based on the percentage of total salaries and wages attributed to each cost center on Alloc-staff Spreadsheet. (Refer to Activating Macros to Spread OTPS, page 20.)

Note: There is not a separate cost center for documentation in patient records. These costs should be allocated into the appropriate cost centers associated with the direct service being documented.

Totaling Personnel Service Costs Using Alloc-staff Spreadsheet Part B

The cost center columns are totaled and the sums are automatically placed into the box at the bottom. Notice that the percent that each cost center represents is also calculated. These can be used later to allocate ‘other than personnel’ costs. Check the percent for Administration. This should be between 15% and 25%.
The final totals will automatically be brought forward to the Personnel column on the Cost Center Report (Tab 1)

**ALLOCATING OTHER COSTS COLUMN 2, COST RPT - [USES DATA FROM SPREADSHEET ALLOC-OHER TAB (3)]**

All other expenditures associated with the provision of MCAH services are allocated in this column. These expenditures should come from the General Ledger for the time period being reported. This allocation process is done on the spreadsheet alloc-other (2) (Tab 3).

### COMPLETING THE ALLOC-OTHER WORKSHEET

Enter the amount to be allocated in Column B next to the appropriate item in column A. This must be done manually.

Next, costs from column B are distributed into the appropriate cost centers. This may be completed manually or using the macro function imbedded in the excel spreadsheet.

**A. Manual distribution:** If the agency has tracked these costs during the year and can identify a specific cost center, costs can be allocated to that cost center. Some of the costs may be allocated into a single cost center. Others will be allocated into more than one cost center. For instance, one cost center may have more travel than another; or one cost center may have clinical supplies and another may not. Conversely, several cost centers may share one computer. The expense of higher cost items such as computers, copiers, and equipment is usually depreciated based on the renewal and replacement policies of the organization. Be sure to allocate these depreciation expenses on this form.

**B. Using the macro function to distribute cost:** Should it be more advantageous to allocate expenses based on the percent of personnel costs in a cost center, use the macro function to automatically distribute the costs across all cost centers based on the percent of time determined on the allocate-staff worksheet. (Note that the workbook brings the percentages from the ‘alloc-staff’ spreadsheet to the row below the totals for each column.) **Use this**
function only if the cost can be distributed to ALL cost centers. For example, the cost of office supplies may be appropriately distributed to all cost centers, but it may not be appropriate to allocate the cost of clinical supplies to the administration cost center.

- You CANNOT use the macro to spread costs in rows with shaded cells. They MUST be spread manually.

**ACTIVATING MACRO TO SPREAD OTHER THAN PERSONNEL SERVICES (OTPS)**

There is a macro in the workbook to spread the OTPS into all cost centers based on the percent of personnel in each cost center. To use this macro, enter the Item in Column A, enter the amount to distribute in Column B. Move the cursor one cell to the right (Column C) on the same row. Hold down ‘Control’ and ‘Shift’ at the same time and hit the letter ‘F’. The appropriate amount will be spread automatically to each cost center.

<table>
<thead>
<tr>
<th>Supplies and Equipment</th>
<th>Enter amount here.</th>
<th>Percent Personnel</th>
<th>Check Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Office Supplies</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Computer Supplies</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Telephone Supplies</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Other Supplies</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>CLINICAL Supplies</td>
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<td>40</td>
</tr>
<tr>
<td>Laboratory Supplies</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Equipment</td>
<td>40</td>
<td>40</td>
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</tr>
<tr>
<td>Other Supplies</td>
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<td>40</td>
<td>40</td>
</tr>
<tr>
<td>PPE</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Other Supplies</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
</tbody>
</table>

**ALLOCATION OF EXPENSES – EXAMPLES**

To find guidelines for allowable Alloc-other supplies and products, refer to guidelines found in the Office of Management and Budget (OMB) Circular 2 CFR 200. See p. 4.

Donated costs are not allowable costs. This includes costs for volunteer staff or time donated to a clinic by physicians, dentists, or other professionals. It also includes donations of equipment and furniture.

Make sure that all costs incurred by the parent organization (e.g., county government, hospital) are included in the cost plan. These costs are not considered donated costs.

As with personnel, the cost of documentation and patient records should be allocated into the appropriate cost centers.
The following details items that can be included on the ‘alloc-other’ spreadsheet.

1. Supplies and Equipment:
   a. Supplies are such items as envelopes, paper, printer ink, copier charges, software, and other miscellaneous supplies that are not considered indirect costs. Also included are supplies for community partner meetings such as portable and or permanent white boards, markers, poster paper, and easels; and supplies for community education and displays, including brochures and display boards.
   b. Items usually having a useful life of one year or more such as copiers, computers, printers, and projectors are also considered supplies.
   c. Equipment is any item having a useful life of one year or more and a unit cost of $5000 or more. Costs of computers, printers, and other supplies may be allocated over time based on the period of useful service. This is based on the renewal and replacement policies of the organization.

2. Clinical Supplies:
   a. Clinical consumable supplies including cups, drapes, gowns, exam table paper, tissue, gloves, tongue blades, cotton tip applicators, lubricating gel, disinfectants, alcohol, lancets, syringes, needles, cotton balls, and urine cups, toothbrushes, fluoride varnish, dental sealant material, face masks, and waste management supplies such as sharps containers
   b. Standard clinical equipment including stethoscopes, sphygmomanometers, scales, audiometer, visual screening tools, thermometers, portable dental chair, dental instruments, dental mirrors, examination tables, fetal dopplers
   c. Laboratory testing supplies including the preparation of laboratory materials for on-site laboratory activities such as the purchase of re-agents, kits, alcohol wipes, urine dipsticks, lancets, capillary tubes and blood collection tubes, and supplies or other testing equipment.
   d. Emergency cart supplies including the materials and supplies required based on the type of services provided
   e. Age appropriate toys, books, and magazines for waiting office area as conforms to safety guidelines

3. Printing: Include the cost for bulk printing such as letters, brochures, reminder cards, clinical charts and forms, staff business cards, and other major printing jobs not copied on the office copy machine

4. Communication costs: Include telephone, Fax, cellular phones, Internet charges, and postage. (In some organizations, some of these charges, such as the Internet charges, may be recovered as indirect costs.)

5. Travel (employee): These are expenses incurred by employees while traveling on business directly related to MCAH activities such as home visits and staff development including mileage, agency vehicle charge, lodging, subsistence, and parking fees. Note: Client transportation is not included in this category; rather it is captured in the separate Transportation Report. See page 6.

6. Staff development: These are expenses include registration and other charges for conferences or educational meetings other than travel and subsistence costs. Costs of continuing education units are not allowable.

7. Public relations: These are expenses include activities dedicated to maintaining or promoting services necessary to keep the public and community partners informed on matters related to MCAH issues or services and those promotional activities or items as specified in the MCAH contract. This category may only include costs of outreach regarding MCAH services or communications in the media as specified in the MCAH contract. Activities may be directed to individuals, families, the general public, as well as professionals such as physicians and dentists. Costs of advertising and public relations
designed solely to promote the governmental unit or for lobbying including displays, meetings, exhibits, and other activities are not allowable.

8. Memberships, subscriptions, and professional activity: Costs may include such items as subscriptions to business, professional, and technical periodicals. This category also includes memberships in business, technical, and professional organizations unless a major portion of the activities of the organization is lobbying. Subscriptions for magazines and materials used in the clinic for the waiting room are allowable.

9. Facility costs: Include the cost of space rental or mortgage debt service; utilities; facility depreciation; janitorial services; security services; and more. These costs may only be allocated to Facility (Column L (#10). The costs are spread to other cost centers later based on square footage of facility allocated to each cost center.

10. Administration [Column K (#9)]: These are items that are specifically attached to the administrative function of a specific cost center such as special consultation; legal fees; audit expense; billing activities; office supplies; travel; dues and membership; telephone; postage; staff development; and more.

11. Indirect costs: include costs that are incurred for common or joint objectives. After costs have been allocated to the appropriate cost centers, the agency will allocate indirect costs. If included in the Cost Analysis, indirect costs must be allocated proportionally across all cost centers. A cost may not be allocated as an indirect cost if that cost has been previously allocated. Often these costs are already accounted for as administrative costs for a specific cost center or as facility costs. The method of determination of the agency indirect rate will affect how the indirect costs are allocated:
   1) Agencies with a federally approved indirect cost rate: The federally approved cost rate should be used and that percentage that applies to the MCAH activities will be shown on the ‘Alloc-other’ spreadsheet.
      a) If the indirect cost rate is based on total direct costs (including facilities), the agency should allocate the percentage representing facilities costs to that cost center and the balance to administration.
      b) If the indirect cost rate does not include any facility costs, the total amount can be spread to the cost centers using the macro discussed above.
   2) Agencies that DO NOT have a federally approved indirect cost rate: Indirect costs can be charged based on the total MCAH personnel salary MINUS fringe benefits.
      a) This rate may not exceed 10% of the total costs.
      b) This cost is allocated across cost centers using the macro function on the ‘Alloc-other’ worksheet.
   3) Agencies with an Administrative cost pool may charge an administrative cost rate.
      a) The components of and the calculations for the Administrative cost pool MUST be forwarded to IDPH for prior approval.
      b) The cost is allocated to the Administration cost center only.

12. Other unspecified costs are those costs that do not fit in any other category above.

13. Subcontracted services: Subcontracted services are those made with other agencies or with individuals as approved in the Maternal Health and Child & Adolescent Health (MCAH) Contract.

All subcontractor costs are added to the ‘alloc-other’ spreadsheet. In column A, insert the name of the subcontract agency or individual subcontractor as appropriate. If additional rows are needed, contact IDPH for assistance. Place the total cost of the subcontracted services in column B.
Next, allocate costs into the appropriate cost center columns C-K. Some of the costs will be allocated into a single cost center. Other costs may be allocated into more than one cost center. This must be done manually.

A. Agency subcontractors must follow the same state and federal regulations required of the contract agency including the guidelines found in 2 CFR 200 (page 4) (or other guidelines as appropriate for the agency). Costs must be determined utilizing a generally accepted fiscal accounting method.
   - The subcontractor annual report supplies the data for costs incurred, including square footage, to provide the services as negotiated in the contract (See Subcontractor Worksheet).
   - Personnel costs will be determined based on time studies as described in the Instructions for Subcontractors.

B. Individual contractors (such as physicians or dentists) are not required to complete a Subcontractor Worksheet. Costs are allocated based on the agreement with the MCAH contract agency. Contracts with individuals must comply with the IRS requirements for personal service contracts.

Note: Costs paid to dentists and physicians for providing direct care services in clinics held by the agency utilizing agency staff, supplies, or facilities ARE included in subcontracted costs under the appropriate cost center. Utilization data must be documented in Column C of the appropriate cost center worksheet. For instance, if a dentist provides dental exams as part of a Child and Adolescent Health clinic and bills Medicaid using the MCAH contract agency NPI, the dentist's costs are allocated under the Child Oral Health cost center on the Alloc-other worksheet, and utilization is noted in column C next to the appropriate code of the Child Oral Health Care Services cost center worksheet.

Individual providers (e.g. physicians or dentists) who provide direct care services in their private office are NOT required to complete Subcontractor Worksheets. Payment for these services is made from Title V funds based on the MOU/MOA referral agreement with the MCAH contract agency (e.g. through vouchers). Allocate these costs to Other Public Health. Do not include these services in the agency utilization data.

Donated time provided by volunteer or student dentists and physicians is not allocated to personnel cost. Do include utilization data for these services provided.

The final totals on `alloc-other` will automatically be brought forward to the second column of the Cost Report ‘Other Costs’.

**TOTAL BEFORE DISTRIBUTION - COLUMN 3**

This is a sum of columns one and two to obtain the full cost for the year of each cost center. This should reflect the total expenditures for goods and services in the agency during the reporting period. This should tie to the General Ledger and final report of expenditures.
Step 3 – Allocate Overhead Costs to Cost Centers

**DISTRIBUTION OF FACILITIES COST**

Square Footage – Cost RPT, Column 4 - The primary method for allocating facility costs is based on calculations of square footage for all cost centers in the agency, including space used in subcontract agencies. This includes Child and Adolescent Health, Child Oral Health, Maternal Health, Maternal Oral Health, Laboratory, Immunization, and Administration.

A total of all the square footage must be determined. To obtain the square footage, either, a) measure the facility (facilities if they are in multiple sites) or b) have a floor plan(s) and determine from that the square footage used by each cost center. Insert the actual number of square feet used in each cost center in this column. Include the square footage reported by subcontract agencies in this total. (See Subcontract Agency Cost Report.)

DO NOT include space donated by community partners such as schools or churches. Place a zero in the Column 4 for donated space.

On the other hand, if your parent organization (e.g. county government or hospital) provides the space DO include the square footage. Be sure to also include associated costs for use of the facility, such as rent, maintenance, utilities.

*The MCAH Time Study Guidelines* will be a helpful tool for determination of the percent of time the facilities are utilized for MCAH activities that may occur in each cost center.

**Child and Adolescent Health** - Square footage for this cost center includes office and clinical space for carrying out the activities of the cost center. Consider:

- Space for staff completing informing and care coordination activities, including care coordination for child oral health.
- Clinical space for examination rooms, the waiting room, developmental screening rooms, health counseling room, the history/interview rooms, and the rooms for other specific activities
- Office space required by staff for preparation, follow up, and documentation.

Not all of the space will be allocated to one cost center. Some space may be shared with oral health or maternal health functions depending on the agency MCAH contract. If common space is shared by a number of programs, allocate that portion of the square footage to each program by determining how much space is used by each program, how much time is spent in that area for each program or service center activities, or the percentage of visits or encounters for each program.

**Child Oral Health** - The square footage associated with the child oral health cost center is primarily for clinical services. This will include:

- Clinical space for examination rooms, the waiting room, screening rooms, oral health counseling room, the history/interview rooms and the rooms for other specific activities
- Office space required by staff for preparation, follow up and documentation.
Not all of the space will be allocated to the child oral health cost center. Some space may be allocated to child and adolescent health or maternal oral health functions depending on the agency MCAH contract. For instance, if space is utilized for oral health care coordination, this space is allocated to Child and Adolescent Health. If common space is shared by a number of programs (such as a waiting room or health counseling room), then allocate that portion of the square footage to each program by determining how much space is used by each program, how much time is spent in that area for each program or service center activities, or the percentage of visits or encounters for each program.

**Maternal Health** - Square footage for this cost center includes office and clinical space for carrying out the activities of maternal health cost center. Consider the square footage for:
- Space for staff completing presumptive eligibility, outreach, and care coordination activities.
- Clinical space for examination rooms, the waiting room, screening rooms, health counseling room, the history/interview rooms and the rooms for other specific activities.
- Office space required by staff for preparation, follow up and documentation.

Not all of the space will be allocated to the maternal health cost center. Some space may be allocated to child and adolescent health or maternal oral health functions depending on the agency MCAH contract. If common space is shared by a number of programs, allocate that portion of the square footage to each program by determining how much space is used by each program, how much time is spent in that area for each program or service center activities, or the percentage of visits or encounters for each program.

**Maternal Oral Health** - The square footage associated with the maternal oral health cost center is primarily for the provision of clinical services. This includes:
- Clinical space for examination rooms, the waiting room, screening rooms, oral health counseling room, the history/interview rooms and the rooms for other specific activities
- Office space required by staff for preparation, follow up and documentation.

Not all of the space will be allocated to the maternal oral health cost center. Some space may be allocated to child oral health or other maternal health functions depending on the agency MCAH contract. For instance, if space is utilized for oral health care coordination, this space is allocated to Maternal Health. If common space is shared by a number of programs, allocate that portion of the square footage to each program by determining how much space is used by each program, how much time is spent in that area for each program or service center activities, or the percentage of visits or encounters for each program.

**Immunization** - If there is an area set aside for immunization services, this square footage should be allocated to immunization. Be certain that individuals receiving these services are maternal or child and adolescent health clients. If not, the square footage should be considered as that belonging to other programs of the agency.

**Laboratory** - If there is an area set aside for the laboratory function, including activities for collection of specimens, this square footage should be allocated to laboratory.

**Other Public Health Services** - The square footage associated with the other public health services cost center is primarily office space for the personnel and conference rooms. (Often other public health activities occur at community locations away from the agency.)
The agency may provide space for meetings with community partners, or conference rooms for educational classes. For example, if population-based services are provided on site, a portion of the agency’s clinical service space will be allocated to other public health activities.

**Administration** - Determine the square footage that is used for the administration of the program. This will include billing operations, accounting and bookkeeping, payroll, personnel, and management functions.

The cost of client records should be allocated into the appropriate cost centers. Therefore, square footage that is used for computer documentation or clinical records storage area would not necessarily be allocated 100% into any one cost center but might also be allocated to child and adolescent health, child oral health, maternal health, maternal oral health, or other programs using the clinical records.

**Subcontractor Square Footage** - Add square footage reported on the Subcontractor Worksheet to the total agency calculation.

**Percent of Total** - Cost RPT, Column 5 - Once the square footage has been determined, it is expressed as a percentage of the total for each cost center. This percentage is used to spread the facility costs into all other cost centers. This is done automatically on the electronic spreadsheet.

If the program cannot obtain the square footage, an alternate methodology may be used to allocate facility costs. For example, while less precise, the percent of personnel that is identified on the ‘alloc-staff’ sheet can be used as the percent to allocate facilities. These percentages are calculated at the bottom of Part B in the spreadsheet (Column C; rows 116 – 124). To do this, place the percent of each cost center on column 5 (F). This column is left unlocked for this reason.

**Cost of Facilities** - Cost RPT, Column 6 - The total cost of facilities is multiplied by the percentage allocation for each cost center, and the amount is put into Column 6, Cost of Facilities. This cost must add up to the total facilities cost that is found in Column 4, Row Facilities. This is done automatically on the electronic spreadsheet.

**Total after Facility Distribution** - Cost RPT, Column 7 - Column 6 and Column 3 are summed to obtain the total for each cost center after the facilities have been distributed. This is done automatically on the electronic spreadsheet. We now have six cost centers to carry forward to Column 8.

**Total after Distribution** - Cost RPT, Column 8 - Column 8 adds a row called ‘subtotal’. This allows us to subtotal the percentage of cost used by the agency cost centers minus administration. This is done automatically on the electronic spreadsheet.

Be sure that the total after distribution is the same as the total before distribution. This consistency check is a comparison of Column D: Row 21 with Column H: Row 21.
**DISTRIBUTION OF ADMINISTRATION COSTS**

*Percent Health Care Costs* - Cost RPT, Column 9 - The percent of the cost represented by child and adolescent health, child oral health, maternal health, maternal oral health, immunization, laboratory, and other public health services is determined by dividing each cost center amount in Column 8 by the subtotal in Column 8. This percentage is used to determine the allocation of administrative costs into these cost centers. This is done automatically on the electronic spreadsheet.

*Distribution of Administration* - Cost of administration-Cost RPT, Column 10 - The total administrative cost is multiplied by the percent determined for each cost center in Column 9. This spreads the administrative costs to each cost center in Column 10. When Column 10 is totaled, it must equal the amount in Column 8 row Administration. This is done automatically on the electronic spreadsheet.

*Total after Distribution of Administration* - Cost RPT, Column 11 - Column 10 and Column 8 are summed to give a total in Column 11. This is the cost of providing services in the cost areas after spreading facilities and administration.

Be sure that the total after distribution is the same as the total before distribution. This consistency check is a comparison of Column B: Row 42 with Column E: Row 42.

This completes the Cost Analysis. The totals are automatically placed in the box to the right of the sheet and are used on the spreadsheets labeled *Child & Adolescent Health, Child Oral Health, Maternal Health, Maternal Oral Health, Immunization, and Lab*. The amounts from the cost center report are placed automatically in the appropriate locations on these sheets in the electronic workbook.

**Step 4 – Establish Relative Values**

A *relative value* is a number that relates one service to all other services based on the amount of time, materials, and level of skill of the personnel involved in providing that particular service. Relative values indicate how much one procedure is ‘worth’ in relation to another procedure. If the relative value for procedure A is 10.0 and that for procedure B is 5.0, procedure A is ‘worth’ two times as much as B. If the relative value for procedure B is 5.0 and that for procedure C is 2.5, procedure B is ‘worth’ two times as much as C. If another relative value scale indicates relative values of 30.0 and 15.0 for procedures A and B, the two scales are in agreement. Each relative value is important only in how it compares to other relative values.

After Relative Value Units (RVU’s) are established for each procedure, a unit cost is calculated for each unit value. Based on these, the cost for providing each of the services is determined. This establishes the cost basis for the past year for providing each procedure. A fee, based on this Cost Analysis, can be developed to charge patients and/or third party payers for the services rendered.
RELATIVE VALUES FOR THE CHILD & ADOLESCENT HEALTH AND MATERNAL HEALTH CENTERS, PROCEDURES-MCAH SPREADSHEET, TAB 4.

The methodology for establishing relative values for billable Maternal and Child & Adolescent Health services relies on two inter-related methodologies.

First, billable services with established Current Procedure Terminology (CPT) codes have been assigned relative values based on the Resource Based Relative Value System (RBRVS), established by the Centers for Medicare and Medicaid Services (CMS), for the year of the report. This system provides a single set of relative values by which all services are scaled. Relative Value Units (RVU’s) are established for each clinic procedure. Once all the assigned CPT codes are established, the relative values are generated. These are found on the ‘procedures-MCAH’ spreadsheet. Geographic Practice Cost Indices (GPCI) are applied to the relative values to make the RVU’s specific to the state of Iowa. The GPCI adjustment factors are based upon an analysis of fees in various areas and government studies of variations in economic factors among states and localities. An established conversion factor is applied to create the final RVU’s used on the Maternal and Child & Adolescent Health Forms. This conversion factor varies from year to year.

Second, billable services described by CMS Healthcare Common Procedure Coding System (HCPCS) level II codes (G codes, S codes, T codes, W codes, and others) may not have calculable relative values from the RBRVS. Relative values for codes without RVU’s are based on the reimbursement rates established by Iowa Medicaid. As with the RVU’s for the CPT codes, the values are found on the ‘procedures-MCAH’ spreadsheet.

The final relative values calculated on this spreadsheet are automatically placed on the Maternal and Child & Adolescent Forms in Column D. Agencies may use additional CPT codes and Relative Values in their practice. These can be added into the procedures spreadsheet and onto the appropriate form. Contact the IDPH for assistance in completion of this step. The relative value for each of the CPT codes is inserted automatically from the ‘procedures’ spreadsheet onto the Form.

RELATIVE VALUES FOR THE CHILD ORAL HEALTH AND MATERNAL ORAL HEALTH CENTERS, PROCEDURES- ORAL SPREADSHEET, TAB 5

The methodology for establishing relative values for billable Child Oral Health and Maternal Oral Health services is established on Current Procedure Terminology (CPT) dental (D) codes. Dental codes have been assigned relative values based on 2014 Indian Health Service RVU’s, U.S. Department of Health and Human Services since 2016 values are not available. The same established conversion factor is applied to create the final RVU’s used on the Child Oral Health and Maternal Oral Health Forms. The values are found on the ‘procedures-Oral’ spreadsheet and are brought forward automatically to the forms.
RELATIVE VALUES FOR IMMUNIZATION, ‘IMMUN’ SPREADSHEET, TAB 10

The immunization administration CPT codes have calculable relative values from the RBRVS. Relative values for these codes have been determined for this year. However, the actual vaccines do not have calculable relative values. Vaccines values are based on the reimbursement rates established by Iowa Medicaid. These values are entered on the Immunization spreadsheet. See the example below.

<table>
<thead>
<tr>
<th>CPT Code</th>
<th>Service/Procedure</th>
<th>(B) Service Utilization Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>90460</td>
<td>Immunization with Counseling - first/only component</td>
<td>23.27</td>
</tr>
<tr>
<td>90471</td>
<td>Immunization Admin, 1 Vac, sq or im</td>
<td>23.27</td>
</tr>
<tr>
<td>90472</td>
<td>Immunization Admin, subsequent</td>
<td>11.64</td>
</tr>
<tr>
<td>90473</td>
<td>Immunization Admin, 1 vac, intranasal or oral</td>
<td>23.27</td>
</tr>
<tr>
<td>90474</td>
<td>Immunization Admin, 1 vac, intranasal or oral additional</td>
<td>11.64</td>
</tr>
<tr>
<td>96372</td>
<td>Injection of medication subq or IM</td>
<td>23.27</td>
</tr>
</tbody>
</table>

**Child & Adolescent and Maternal Vaccine Administration Codes**

- 90630 Influenza virus vaccine, quadrivalent (IIV4), split virus, preventative, intradermal use 17.10
- 90633 Hepatitis A, pediatric (2 dose schedule) 30.35
- 90645 Hib HbOC (4 dose schedule) 23.68
- 90646 Hib PRP-D conjugate for booster only 35.90
- 90647 Hib PRP-OMP conjugate (3 dose schedule) 20.91
- 90648 Hib PRP-T conjugate (4 dose schedule) 22.52
- 90649 HPV 145.36
- 90651 HPV vaccine (types 6,11,16,18,31,33,45,52,58), 3 dose schedule, intramuscular use 140.45
- 90655 Influenza, 6-35 mos, preservative free 14.30
- 90656 Influenza, 3 years and older, preservative free 12.91
- 90657 Influenza, 6-35 mos 5.27
- Q2035 Influenza virus vaccine, 3 yrs and older (Afluria) 22.08
RELATIVE VALUES FOR LABORATORY, LAB SPREADSHEET TAB 11

Determining relative values for laboratory tests is done in a manner similar to that used for the Maternal and Child & Adolescent Health worksheets. Laboratory tests are classified by HCPCS codes and relative values for these codes are available through the Clinical Diagnostic Laboratory Fee Schedule. The ‘National Limit’ value is used as the relative value for the lab tests used in this Cost Analysis. If no ‘National Limit’ values are available, the ‘Midpoint’ amount is used. Typically, if neither of these is available, the specific payment for the state is used.

<table>
<thead>
<tr>
<th>HCPCS</th>
<th>Modifier</th>
<th>SHORTDESC</th>
<th>National Limit</th>
<th>Mid Point</th>
<th>Floor</th>
</tr>
</thead>
<tbody>
<tr>
<td>36415</td>
<td></td>
<td>Routine venipuncture</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>78267</td>
<td></td>
<td>Breath tst attain/anal c-14</td>
<td>10.70</td>
<td>14.46</td>
<td>0.00</td>
</tr>
<tr>
<td>78268</td>
<td></td>
<td>Breath test analysis c-14</td>
<td>91.66</td>
<td>123.87</td>
<td>0.00</td>
</tr>
<tr>
<td>80047</td>
<td>QW</td>
<td>Metabolic panel ionized ca</td>
<td>11.51</td>
<td>15.55</td>
<td>0.00</td>
</tr>
<tr>
<td>80047</td>
<td>QW</td>
<td>Metabolic panel ionized ca</td>
<td>11.51</td>
<td>15.55</td>
<td>0.00</td>
</tr>
<tr>
<td>80048</td>
<td>QW</td>
<td>Metabolic panel total ca</td>
<td>11.51</td>
<td>15.55</td>
<td>0.00</td>
</tr>
<tr>
<td>80051</td>
<td>QW</td>
<td>Electrolyte panel</td>
<td>9.55</td>
<td>12.90</td>
<td>0.00</td>
</tr>
<tr>
<td>80051</td>
<td>QW</td>
<td>Electrolyte panel</td>
<td>9.55</td>
<td>12.90</td>
<td>0.00</td>
</tr>
<tr>
<td>80053</td>
<td>QW</td>
<td>Comprehensive metabolic panel</td>
<td>14.37</td>
<td>19.43</td>
<td>0.00</td>
</tr>
<tr>
<td>80053</td>
<td>QW</td>
<td>Comprehensive metabolic panel</td>
<td>14.37</td>
<td>19.43</td>
<td>0.00</td>
</tr>
<tr>
<td>80061</td>
<td>QW</td>
<td>Lipid panel</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>80061</td>
<td>QW</td>
<td>Lipid panel</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>80069</td>
<td>QW</td>
<td>Renal function panel</td>
<td>11.82</td>
<td>15.97</td>
<td>0.00</td>
</tr>
<tr>
<td>80069</td>
<td>QW</td>
<td>Renal function panel</td>
<td>11.82</td>
<td>15.97</td>
<td>0.00</td>
</tr>
<tr>
<td>80074</td>
<td>QW</td>
<td>Acute hepatitis panel</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>80076</td>
<td>QW</td>
<td>Hepatic function panel</td>
<td>11.11</td>
<td>15.02</td>
<td>0.00</td>
</tr>
</tbody>
</table>
**Step 5: Collect Utilization Data on All Services in Each Cost Center**

### Completion of the Cost Center Forms for Child and Adolescent Health, Child Oral Health, Maternal Health, and Maternal Oral Health

#### Utilization Data

Utilization data are obtained from the agency’s service statistics. Ideally, the program will have reports that document services provided during the fiscal year for Current Procedural Terminology (CPT) codes and/or Healthcare Common Procedure Coding System (HCPCS) codes. The agency should use the number of services billed for reimbursement. If utilization data are not available from a statistical program, these data can be obtained from day sheets, the previous year’s billing records, or from other means utilized at the agency. Be sure to include all services regardless of payment source. In other words, include utilization data for services paid by Iowa Medicaid, Medicaid MCOs, IDPH, Early Childhood Iowa (ECI) if fee-for-service, or private insurance.

The following is an example of the spreadsheets for these four forms as they appear in the workbook.

1) **Insert Utilization data**

<table>
<thead>
<tr>
<th>SERVICE / PROCEDURE</th>
<th>CPT CODE</th>
<th>RVS</th>
<th>UNIT</th>
<th>SERVICE URBAN UNION (FREQUENCY)</th>
<th>SERVICE URBAN UNION (UNIT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speech audiometry, prephonological</td>
<td>89480</td>
<td>21.90</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Oral health education, home</td>
<td>89490</td>
<td>26.66</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Medical nutrition therapy, indl. tubbing</td>
<td>89170</td>
<td>26.66</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Screening test for sexual abuse, quantitative</td>
<td>99170</td>
<td>2.74</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Intensive high risk screening (per reimbursement rates below)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office/ambulatory visit, std. patient, Eval/Management -brief</td>
<td>99211</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>HIV Prevention Med/E/M, std. Pr, 0-11 yr old</td>
<td>99336</td>
<td>90.07</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>HIV Prevention Med/E/M, std. Pr, 12-17 yr old</td>
<td>99335</td>
<td>90.07</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>HIV Prevention Med/E/M, std. Pr, 18-29 yr old</td>
<td>99201</td>
<td>90.07</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Substance Abuse Med/E/M, std. Pr, 12-17 yr old</td>
<td>99392</td>
<td>90.07</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Substance Abuse Med/E/M, std. Pr, 18-29 yr old</td>
<td>99391</td>
<td>90.07</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Preventive medicine counseling/risk factor reduction, 15 min</td>
<td>99401</td>
<td>90.07</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Preventive medicine counseling/risk factor reduction, 30 min</td>
<td>99400</td>
<td>90.07</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Alcohol and/or substance abuse screen &amp; brief intervention (15-30 min)</td>
<td>99409</td>
<td>30.60</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Alcohol and/or substance abuse screen &amp; brief intervention (over 30 min)</td>
<td>99408</td>
<td>60.12</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Administration &amp; interpretation of health risk assessment (for programs; depression, &amp; alcohol &amp; substance abuse screen)</td>
<td>99407</td>
<td>30.60</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

The following RVS’s are based on reimbursement rates:

- Brief child and adolescent health assessment with scoring and documentation (for ASQ-SE)...
- Intensive/brain-based ocular screening...
- Annual alcohol misuse screening (15 min)...
- Annual depression screening (15 min)...
- Alcohol and/or substance abuse screen & brief intervention (15-30 min)...
- Alcohol and/or substance abuse screen & brief intervention (over 30 min)...
- Administration & interpretation of health risk assessment (for programs; depression, & alcohol & substance abuse screen)

2) **Relative Values from Procedures tab**

3) **Amount from Cost Report**

4) **COLA/Margin**
The cost for each of the health services (*Child and Adolescent Health, Child Oral Health, Maternal Health, and Maternal Oral Health*) is brought forward from the cost report to the appropriate spreadsheet. The spreadsheet automatically calculates the ‘Total Service Units’ (Column E), the ‘Average Cost per Service Unit’ (Column G), and the ‘Service Cost’ (Column H). Column H is the cost of providing each service during the timeframe of the analysis.

Next, the potential increase in costs for services in the coming year is determined by adding a percentage in the ‘COLA/Margin’ (Cost of Living Adjustment) field. This number is used by the Social Security Administration and is set each year based on a federally established formula. This is not to be changed by the agency.

**CHILD ORAL HEALTH AND MATERNAL ORAL HEALTH SCREENING CODES**

For agencies that DO NOT bill IME for dentists providing screens:
- Insert utilization for **D0190CC**, initial screens by a non-dentist.
- Insert utilization for **D0190**, periodic screen by a non-dentist.

For agencies that DO bill IME for dentist providing screens:
- Insert utilization for **D0150**, initial screen by a dentist.
- Insert utilization for **D0120**, periodic screen by a dentist.

There is no difference between dentists and non-dentists providing **D0145 DA**, oral evaluation for patient under 3 years of age and counseling with primary caregiver.

When determining the number of oral health risk assessments assure that the total number of screens for all codes, equals the total number of risk assessments (low, moderate and high). Every oral health screen provided (as listed above) **must** include an oral health risk assessment.

Insert utilization numbers for each of the service codes for the time frame under analysis. This data may be obtained from the MCIAH data system. Count every service provided, not the unduplicated count of women or children. Be sure to include the utilization data for services provided by agency subcontractors.

For services that pay by the unit (e.g. care coordination), the utilization number is the number of units provided. Likewise, for oral health services the number of teeth sealed and the number of films taken is the utilization number to be reported.

**COMPLETION OF IMMUNIZATION AND LABORATORY FORMS**

Completion of the immunization and Laboratory forms is similar to completing the other forms.

Immunization Spreadsheet (Tab 10)

Enter the utilization data in the appropriate category (child or adult). Once this is completed, the spreadsheet will automatically calculate the rest of the columns. The spreadsheet automatically calculates the ‘Total Service Units’, the ‘Average Cost per Service Unit’, and the ‘Service Cost’. **Column H is the cost of providing each service during the timeframe of the analysis.** Column **J** is the adjusted cost to be billed.
Laboratory Spreadsheet (Tab 11)

For the laboratory spreadsheet, enter the number of lab tests done by the agency. The number of lab tests can be obtained through service records. It is not necessary to have utilization data for every procedure listed on the worksheets. In most instances an agency will only have utilization data for a small number of procedures. The list is extensive to cover the full range of procedures that may be offered by different programs.

The spreadsheet automatically calculates the ‘Total Service Units’, the ‘Average Cost per Service Unit’, and the ‘Service Cost’. Column H is the cost of providing each service during the timeframe of the analysis. Column J is the adjusted cost to be billed.

Step 6 – Determine Cost of Each Service

Finally, the cost of each billable service is determined using the worksheets for each cost center, (Tabs 6 – 11). The cost of other public health services is found on the Cost Report.

PROCESS

Once the utilization data are entered on the forms (see Step 5), the cells on the forms begin to populate automatically based on the formulas embedded in the spreadsheet. The flashing numbers in the cells are a positive sign that the work is nearing completion. This activity occurs in each of the cost center worksheets.

Here is what is happening behind the scenes of the MCAH Cost Analysis workbook:

A. The total units of service (column E) are determined on each of the worksheets by multiplying the utilization data (column C) by the RVU value (column D).

   i. Total units are based on the relative values for each procedure as identified on the Worksheet to determine RVU’s for Maternal and Child & Adolescent Health procedures and Worksheet to determine RVSUs for Oral Health procedures.

   ii. The results for all procedures are summed to obtain a grand total for all procedures. This grand total is used to establish the cost per unit of service, regardless of what that service may be.

Remember, we are still dealing with relative values at this point. Therefore, a unit of service is a unit of service! We do not distinguish one unit from another.

The relative values can be converted to costs once the total number of services and the total expenditures for the cost center are entered. The total expenditure data are imported automatically from the Cost Rpt spreadsheet.

A. First, a cost per service unit is established. This is done by dividing the total cost of a cost center by the total number of service units provided in that cost center. This is done automatically on the spreadsheets.
B. Next, the relative value for each procedure is multiplied by the cost per service unit. This gives the cost to the agency for providing a unit of each service for which there is utilization data. This is done automatically on the spreadsheets.

The cost per procedure information is useful for managers in establishing charges and for analyzing the benefit of continuing to provide specific services. There may be some cases in which the cost per procedure requires a charge so much above the competitive rate (what other providers in the area would charge for that service) that the charge is prohibitive. This should be a signal to management that steps must be taken. It may be time to review protocols, time studies, and service delivery patterns to identify ways to lower costs in the future; or, based on the MCAH contract and guidance, seek other ways to assure the needs of women, children, and their families are being met in the service area.

Remember, the ‘Service Cost’ is the cost to the agency to provide each of those services for the timeframe being analyzed. This does not tell us what it will cost next year. Fees are established for the next fiscal year based on the analysis of the current costs and anticipated increases in the next year.

**ESTABLISHING FEES FOR THE NEXT FISCAL YEAR**

The fee-for-services provided by Title V funded agencies is the cost of services established in the current year analysis plus the ‘Cost of Living Adjustment’ (COLA). This takes into account the impact of percentage increases in the next year. This anticipates increases for salaries, wages, fringe benefits, and supplies. The COLA number is set each year based on a federally established formula and is not changed by the agency.

**BILLING RATE:** The final rate with adjustment is shown in Column J ‘Adjusted Cost’. THIS IS THE RATE YOU WILL BILL.

The ‘Medicaid Reimbursement Rate’ (Column K) may be used to compare the cost of service with the reimbursement schedule that is currently in place by Iowa Medicaid. If costs are significantly over or under the reimbursement rate, the agency should review costs, correct errors in the analysis, make necessary changes in practice, and seek technical assistance from IDPH regarding next steps.

**OVERPAYMENT FROM MEDICAID**

If the amount reimbursed by Iowa Medicaid or the Medicaid MCO is greater than the actual expenses incurred, this amount must be returned to the payer. **If this occurs, contact the IDPH for guidance before taking action.**

Repayment by Iowa Medicaid can typically be handled in one of two ways:

A. The agency may send a check to the Medicaid Fiscal Agent for the amount of the overpayment. A repayment plan can be set up for partial payments as necessary.

B. IME places the agency in a credit balance which would withhold payment until the credit balance is satisfied.

If needing to repay a Medicaid MCO, the contract agency will need to work with the appropriate MCO.