



TEXAS HEALTH AND HUMAN SERVICES COMMISSION

CHARLES SMITH
EXECUTIVE COMMISSIONER

Date: January 2, 2017

To: Community Living Assistance and Support Services (CLASS) Case Management Agency (CMA) and Direct Services Agency (DSA) Providers
Day Activity and Health Services (DAHS) Providers
Deaf Blind Multiple Disabilities (DBMD) Providers
Home and Community-based Services (HCS) Providers
Intermediate Care Facilities for Individuals with an Intellectual Disability or Related Conditions (ICF/IID) Providers
Nursing Facility (NF) Providers
Primary Home Care (PHC) Providers
Residential Care
Texas Home Living (TxHmL) Providers

Subject: Information Letter No. 17-01 — 2016 Cost Report Training Information

Dear Providers,

The purpose of this letter is to notify providers of the training schedule for the 2016 cost report. Cost report training is required every other year for the odd-year cost report in order for the preparer to be qualified to complete both that odd-year cost report and the following even-year cost report. Preparers who completed cost report training for the 2015 cost report will not be required to complete additional cost report training in order to prepare a 2016 cost report.

All cost report training is offered via webinar. There are separate webinars for new preparers and for those who have taken cost report training in previous years for each program. Each webinar will include both the general and program-specific content for a program.

A preparer must complete the appropriate webinar in order to be able to submit a cost report. Upon completion of the appropriate webinar, preparers will be given the appropriate credit in order to submit cost report in the State of Texas Automated Information Reporting System (STAIRS), which is the web-based data collection tool used to submit cost reports. There are no certificates issued at the completion of a webinar training since training credit is electronically stored in STAIRS. Additionally, there will be NO credits issued for Continuing Education Units (CEUs) or Continuing Professional Education (CPEs) for completing either of the cost report training webinars.

Initial Cost Report Training

There will be a separate Initial Cost Report Training webinar session for each program. All first-time cost report preparers **MUST** complete an Initial Cost Report Training webinar session for each program for which they will submit a cost report. While a first-time preparer may attend a Refresher Cost Report Training webinar session, they will be unable to submit a 2016 cost report if they do not also complete an Initial Cost Report Training webinar.

The Initial Cost Report Training webinar sessions will provide in-depth discussions of the Cost Determination Process Rules, including the cost determination process, the cost-reporting process, accrual accounting, direct costing, employee benefits/insurance, depreciation, related-party transactions and documentation requirements. They will also include information specific to each program, providing an opportunity to focus on program expertise and cost-reporting issues specifically related to the program.

Upon successful completion of an Initial Cost Report Training webinar session for a specific program, a first-time preparer will be awarded credit and will be able to submit a 2016 cost report for the specific program.

Refresher Cost Report Training

Preparers who previously attended cost report training except for the 2015 cost report for a specific program **MUST** attend a Refresher Cost Report Training in order to submit a 2016 cost report. Additionally, these preparers may attend an Initial Cost Report Training webinar session in lieu of a Refresher Cost Report Training webinar session, however it should be noted that duration times for "Initial" webinar sessions are longer since they are intended to provide an in-depth discussion of rules, processes and other topics which the preparer may have already been exposed to.

The Refresher Cost Report Training webinar sessions will provide a review of the 2016 cost report, with an emphasis on cost-reporting issues specifically related to the program, cost allocation, allowable and unallowable costs and deficiencies noted during the review and audit of cost reports from previous years.

Upon successful completion of either an Initial or Refresher Cost Report Training webinar, preparers who have previously completed cost report training for that same program will be awarded credit for completing the webinar and will be able to submit a 2016 cost report for the specific program.

Rate Analysis Website

The [HHSC Rate Analysis Department \(RAD\) website](#) contains program specific cost report instructions, cost report training information and materials, payment rates, RAD staff contact information and web links for training information and registration. Additional information and features are added periodically. We encourage you to [visit our website](#).

Resources

Please contact the Rate Analyst for your program if you have any questions about the information in this letter. Contact information for RAD staff is available on the [contact page of our website](#).

Sincerely,

[signature on file]

Victor Perez
Director of Rate Analysis for Long Term Services & Supports