

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES

GUIDANCE DOCUMENT

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Pursuant to
Neb. Rev. Stat. § 84-901.03



PROVIDER BULLETIN

No. 20-03

DATE: October 1, 2019

UPDATED: 1-11-2023

TO: Medicaid HCBS DD Waiver Service Providers

FROM: Tony Green, Director; Division of Developmental Disabilities 

BY: Shauna Adams, Program Manager

RE: DD Agency Provider Accounting System

This bulletin is being issued to clarify the requirements of accounting systems for Agency providers of Medicaid Home and Community-Based Services (HCBS) for the developmentally disabled. Effective July 1, 2020 the Division of Developmental Disabilities (DDD) required a standardized cost report format when submitting annual financial reports as pursuant to *404 NAC 6-003.01 (A)*. In order to accurately complete the standard cost report, certified agency providers must meet the minimum standards as described below.

Current regulation requires that providers have a fiscal and budgetary system that accounts for funds administered and disbursed by the DDD. Specifically, *404 NAC 6-003.01* provides the expectations of the level of detail required. Included in these requirements is *404 NAC 6-003.01(E)*, which states that the accounting system must “maintain accounting records in sufficient detail to allow for the calculation of the cost of services provided.”

In order to comply with this provision, an agency provider’s accounting system, at a minimum must be capable of the following:

- 1) Classification of all DDD revenue and expenses by HCBS waiver service type;
- 2) Identification of expenses that are non-allowable for rate setting purposes, with specified accounts for room and board expenses and client wage expenses. Non-allowable expenses should tie back to HCBS waiver services when appropriate; and
- 3) Classification of payroll expenses by wage category and HCBS waiver service type. All indirect and shared expenses classified through an allocation methodology must be documented and explained in the agency provider’s cost allocation plan.

If you have any questions about this provider bulletin, please contact Shandana Khattak at Shandana.khattak@nebraska.gov or 402-314-4002.

The January 11, 2023 updates to this bulletin are denoted in italics.