“This guidance document is advisory in nature but is binding on an agency until amended by such agency. A guidance document does not include internal procedural documents that only affect the internal operations of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Nebraska Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.”

Pursuant to
Neb. Rev. Stat. § 84-901.03
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) will require a standardized cost report format when submitting annual financial reports as pursuant to 404 NAC 11-005.01 (1). In order to accurately complete the standard cost report, certified agency providers must meet the minimum standards as described below by June 30, 2020.

Current regulation requires that providers have a fiscal and budgetary system that accounts for funds administered and disbursed by the DDD. Specifically, 404 NAC 11-005.01 provides the expectations of the level of detail required. Included in these requirements is 404 NAC 11-005.01(6), 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 Joe Dondlinger at joe.dondlinger@nebraska.gov or 402-471-7855.