



SALISH BEHAVIORAL HEALTH ORGANIZATION

FISCAL MANAGEMENT POLICIES AND PROCEDURES

Policy Name: COST ALLOCATION

Policy Number: 8.06

Reference: WAC 388-865-0270, -0325, 1996 Waiver
42 CFR 438; State Contract

Effective Date: 11/2010

Revision Date(s): 2/2013

Reviewed Date: 3/2018

Approved by: SBHO Executive Board

CROSS REFERENCES

- Policy: Corrective Action Plan
- Policy: Management Attestation of Accuracy of Fiscal Reports

PURPOSE

To ensure that required costs are allocated accurately in fiscal reports submitted to the Department.

PROCEDURE

1. Allocation of costs between the Medicaid and non-Medicaid cost centers is performed at two levels:
 - Provider costs
 - Administrative costs
2. Provider costs are allocated between the Medicaid and non-Medicaid cost centers by each agency.
 - The SBHO monitors provider allocations as part of its annual fiscal monitoring protocol.
 - Costs are typically split between Medicaid and non-Medicaid cost centers based on the client hours (Medicaid vs. non-Medicaid) provided by that cost center.

3. SBHO Administrative costs are split between Medicaid and non-Medicaid cost centers based on the ratio of Medicaid and non-Medicaid revenues to total revenues.

MONITORING

This policy is a mandate by statute and contract.

1. This policy will be monitored through use of SBHO:
 - Semi-annual Provider Revenue and Expense Report
 - Reports are tracked over time for consistency, with significant variances followed up on by the SBHO Administrator and or Fiscal Officer.
 - Annual fiscal on-site monitoring of providers
2. If a provider performs below expected standards, a Corrective Action Plan will be required for SBHO approval. Reference SBHO Corrective Action Plan Policy