Children's Group Home (CGH)
Determination of the Reimbursement Rate
and
Residential Habilitation Services Medicaid Waiver Claiming Rate
Department of Human Services
Division of Developmental Disabilities
July 1, 2007

The Department of Human Services, Division of Developmental Disabilities' (DHS/DDD) and the Department of Children and Family Services' (DCFS) fund children's residential programs to provide services to children and adolescents who cannot reside in their own home or are wards of DCFS. Under the Children's Group Home (CGH) program, services are provided in a setting licensed by DCFS.

DHS/DDD and DCFS have developed a Joint CGH Rate Methodology that conforms to the standards established under *89 Ill. Admin. Code, Subchapter c, Part 356: Rate Setting* **(see Exhibit 1)**. This rule applies to both DCFS and DHS/DDD as specified in *Section 356.50, f), 1)*, and the rates established under Rule 356 are for reimbursement to all CGH programs. The purpose of this document is to describe the rate methodology used for agencies with a DHS/DDD contract.

Each CGH agency has a provider-specific, cost-based prospective per diem rate. Initial rates are based on budgeted costs for new CGH programs, and existing program rates are based on audited historical cost, reported to the state on the Consolidated Financial Report (CFR) forms **(see Exhibit 2)**. Completion of the CFR is described in the detailed Instructions **(see Exhibit 3)**. Per diem CGH rates are calculated by DCFS, and cost-based rates were last calculated by DCFS for the start of state fiscal year 2002. DHS/DDD then makes certain adjustments as described below, including Cost of Living Adjustments (COLAs) when appropriated to DHS/DDD.

DHS/DDD funds CGH services through the Children's Home- and Community-based Services (HCBS) Residential waiver. Under the HCBS waiver, DHS/DDD may claim Federal Financial Participation (FFP) to assist with all costs of providing this service, except room and board costs. Therefore, DHS/DDD developed a "claiming rate" that separates residential habilitation costs (Medicaid costs) from room and board costs (non-Medicaid costs) to determine the amount that DHS/DDD may claim for FFP.

The description of the rate methodology is separated into two sections:

1. Determination of the Total CGH Reimbursement Rate

2. Determination of the Residential Habilitation Services Medicaid Waiver Claiming Rate

Determination of the Total CGH Reimbursement Rate

DHS/DDD and DCFS use the same basic methodology to calculate the total reimbursement rate for CGH services. This approach uses specific provider-reported operating costs from the CFR, and these costs are then divided by the days of care provided to children in the CGH program for each provider.

The essential components of the reimbursement rate calculation and the adjustments are described in more detail in the sub-sections below. Please refer to **Exhibits 4a, 4b and 4c** for an example of the rate calculation for a CGH provider agency.

Components of the Overall CGH Reimbursement Rate

There are two components to the CGH Reimbursement Rate:

1. Child Days of Care

2. Costs by Category

The following sections provide descriptions of each.

Divisor/Child Days of Care

The divisor is the actual annual utilization (days of care provided multiplied by the number of children served) and is the number used to divide into allowable costs resulting in the per diem rate. CGH providers report capacity and utilization on the CFR Schedule of Service Units **(see Exhibit 2)**. The maximum divisor is 98 percent of licensed or approved program capacity, and the minimum divisor is equal to the median utilization reported by all agencies with similar services for the review period, which is determined and reset by DCFS with each rate review.

Cost Categories

Audited and reported costs are listed on the CFR Schedule of Program Costs **(see Exhibit 4a)** and are separated into the following component categories:

- Program (Direct Care) Expenses are costs associated directly with the personnel and object expenses in a program and are defined as the sum of Lines 1 through 16 reported on Line 17. *Note: Direct Client Specific Assistance (also know as Specific Individual Assistance or SIA) cost is reported on Line 13 and is not a DHS/DDD-funded cost. This is the cost of providing CGH residents with items that become their personal property, e.g., clothing.*
- Support Expenses are all costs that are associated with providing meals and housekeeping services and are defined as the sum of Lines 18 through 22 reported on Line 23.
- Occupancy (Ownership) Expenses are all costs arising from an agency's occupancy and

use of land, buildings and offices and are defined as the sum of Lines 24 through 34 on Line 35. *Note: Capital costs are a subset of Occupancy Expenses, and these costs are not inflated (as discussed on page 4). Capital is defined as the sum of Lines 28 (All Depreciation and Amortization - except Vehicle) and Line 32 (Mortgage and Installment Interest - except Operating).*

- Administrative and Office Expenses include direct program administration costs plus a portion of the agency's management and general costs and are defined as the sum of Lines 36 through 42 reported on Line 43.
- Non-Reimbursable Expenses are defined as the sum of Lines 45 through 47 reported on Line 48. Non-reimbursable costs are deducted from gross reported expenses on Line 44 resulting in net expenses, which are reported on Line 49. A complete list of non-allowable costs is available in the CFR Instructions and Rule 356.

Adjustments to CGH Reimbursement Rate

The methodology requires certain adjustments to all reimbursable costs to create a rate that is consistent with Rule 356. The following sections provide descriptions of these adjustments.

1. Cost Containment

Reported costs are listed on the CFR Schedule of Program Costs **(see Exhibit 4a)** and are adjusted for non-reimbursable expenses, income offsets and excess costs. Program (Direct Care) Expenses are not capped.

- Ownership (Occupancy) allowable costs are limited by a statewide ceiling of 120 percent of the median cost of all agencies with costs reported on Lines 24, 25, 26, 28, 30, 31, 32, and 34. The Occupancy Ceiling is geographically adjusted for cost differences. Reported Occupancy (Ownership) costs in excess of the ceiling are pro-rated and deducted from the reported occupancy/ownership costs prior to rate calculation.
- Support allowable costs are limited by a statewide ceiling of 120 percent of the median cost of all agencies with similar services reported on Line 18 through Line 22. The Support Ceiling is not geographically adjusted for cost differences. Support costs in excess of the ceiling are pro-rated and deducted from the reported support costs prior to rate calculation.
- Administrative allowable costs are limited to 20 percent of all other reimbursable costs. Excess administration costs are pro-rated and deducted from reported administration costs prior to rate calculation.
- All fringe benefits are limited to 25 percent of all salaries. Excess fringe benefits are pro-rated and deducted from the applicable reported fringe benefit costs prior to rate calculation.
- Income offsets are taken against reported costs that are fully or partially reimbursed by other sources. Specific revenues are offset to specific reported expenses prior to rate calculation. For example, interest expense is offset by interest income.

2. Inflation Application

Net, allowable and historical costs (excluding capital costs) are inflated from the mid-point of the cost report period to the mid-point of the rate period (24 months). When calculating an initial budget-based rate for a new program, inflation is not applied. Capital costs (depreciation and interest as defined above) are not inflated.

3. Per Diem Rate Calculation

a. The inflated, net, allowable costs are divided by the divisor (child days of care) producing a per diem for "all other costs", which excludes capital costs.
b. The net, allowable capital costs (uninflated) are divided by the divisor (child days of care) to produce a per diem for "capital costs."
c. The Direct Client Specific Assistance costs, as described above in the "Cost Categories" section, are divided by the divisor (child days of care) to produce a per diem for "specific assistance costs."

This preliminary reimbursement, provider-specific per diem rate equals the sum of the "all other costs" per diem, the "capital" per diem and the Direct Client Specific Assistance per diem. Direct Client Specific Assistance costs are not funded by DHS/DDD, therefore, the per diem rate for "specific assistance costs" is subtracted from the preliminary reimbursement, provider-specific per diem rate.

4. Maximum Increase Cap

Rate increases are limited to 150 percent of the prior year's inflation (12 months). The rate in effect at the time of the rate review is multiplied by 150 percent of the 12 month inflation factor to produce a maximum possible rate increase amount. This increase plus one equals the Maximum Multiplier. For instance, given a 12-month inflation factor of 2 percent:

Maximum Multiplier = 1 + (0.02 **(2 percent)** X 1.5 **(150 percent)**) = 1.03 **(103 percent)**
Maximum Rate = 103 percent X current rate

The preliminary calculated per diem rate is compared to the Maximum Multiplier multiplied by the current rate, i.e., the Maximum Rate. The final, approved, provider-specific, per diem CGH rate that will be implemented by DHS/DDD is the lesser of the calculated rate and the maximum rate.

5. Application of COLAs and Other Increases

When appropriated to DHS/DDD, cost-of-living adjustment increases and other increases have been applied to the DHS/DDD CGH rates. DHS/DDD has received increases in its annual budgets to give across-the-board COLAs for DHS/DDD community rates, including CGH. These adjustments are:

- Fiscal Year 2002 = $1/Hr. increase in direct care wages and fringes
- Fiscal Year 2004 = 4 percent COLA with 2 percent reserve
- Fiscal Year 2004 = restore the 2 percent COLA reserve
- Fiscal Year 2006 = 3 percent COLA

When each of these increases were awarded, each CGH agency with a DHS/DDD contract received the applicable across-the-board rate adjustments for the applicable percent increase to the then existing DHS/DDD CGH reimbursement rate. **Exhibit 4c** includes a step-by-step update of the Fiscal Year 2002 rate calculated **(see Exhibit 4b)** by DCFS for a Sample Provider Agency (CCAR Industries).

Determination of the Residential Habilitation Services Medicaid Waiver Claiming Rate

The total CGH reimbursement per diem described above is comprised of costs for two types of services to DHS/DDD-funded children: 1) Medicaid eligible services for residential habilitation and 2) non-Medicaid eligible services for room and board. DHS/DDD distinguishes the Medicaid and non-Medicaid costs of CGH Residential Habilitation Services (RHS) based on determinations of Medicaid eligible services, using the last cost-based total reimbursement rate calculation for a CGH **(see the sample agency calculation in Exhibit 4b)**. The sections that follow provide details about the Medicaid Waiver eligible services, non-Medicaid services and the resulting claiming rate calculation.

Medicaid Waiver Eligible Services

Costs associated with residential habilitation direct care, transportation and administration expenses are eligible for Medicaid reimbursement. These costs are:

1. Direct Care

   Direct care is defined as net, allowable, reimbursable costs and is calculated by taking Line 17 (Total Program Expenses) from the CFR Schedule of Program Costs and subtracting:

   - Line 5 (Consumer Wages and Fringe Benefits);
   - Line 10 (Transportation To / From School);
   - Line 13 (Direct Client Specific Assistance); and
   - Line 15 (Foster Care Payments).

   The lines listed above are excluded from the Medicaid eligible services because they are primarily associated with other types of programs/services and are not considered DD Residential Habilitation services in a CGH. As such, these services are the responsibility of other funding entities and are not used in determination of the CGH Medicaid claiming rate if costs are reported on these lines under the CGH program.

2. Transportation

Transportation is defined as the net, allowable, reimbursable costs found on Line 27 (Vehicle Depreciation) and Line 29 (Vehicle Rent) of the CFR Schedule of Program Costs. Other transportation costs are reported on Line 8 (Staff Transportation) and Line 9 (Client Transportation) and were included on Line 17 (Total Program Expenses).

3. Administration

Administration costs are defined as the net, allowable, reimbursable costs and equal Line 43 (Total Administrative Expenses) plus Line 33 (Operating Interest) from the CFR Schedule of Program Costs.

Non-Medicaid Waiver Eligible Services

The non-Medicaid portion of the CGH reimbursement rate includes the costs for room and board expenses that are not claimed. These include the following cost components:

1. Support

Support is defined as net, allowable, reimbursable costs found on Line 23 (Total Support Expenses) of the CFR Schedule of Program Costs.

2. Occupancy (Ownership)

Occupancy (Ownership) is defined as net, allowable, reimbursable costs and is calculated by taking Line 35 (Total Occupancy Expenses) from the CFR Schedule of Program Costs and subtracting:

- Line 27 (Vehicle Depreciation);
- Line 29 (Vehicle Rent); and
- Line 33 (Operating Interest).

The lines listed above were included in the Medicaid eligible transportation and administration components described above.

Claiming Rate Calculation

The claiming rate is made up of the Medicaid Waiver Eligible services: direct care, transportation and administration. Each CGH provider agency will have a prospective, provider-specific, cost-based Medicaid claiming per diem rate. This rate, established in relation to the last cost-based total reimbursement rate calculation, is determined as follows:

- The identified Medicaid eligible net, allowable, reimbursable costs (found on the last total reimbursement rate calculation document) are divided by the divisor (child days of

care) identified during the last cost-based, total reimbursement rate calculation. This produces a corresponding cost-based CGH RHS Medicaid claiming per diem rate.

- This CGH RHS Medicaid claiming per diem is inflated by the applicable inflation factor that corresponds to the last cost-based total reimbursement rate calculation.
- This inflated, last cost-based CGH RHS Medicaid claiming per diem rate is then updated for the applicable across-the-board rate adjustments (e.g., COLA) using the applicable percentage that corresponds to all the CGH total reimbursement rate increases during the intervening years (**see Exhibit 4c** for the sample CGH total rate and RHS Medicaid claiming rate updated to the present).

The current updated total reimbursement per diem and updated CGH RHS Medicaid claiming per diem are implemented for each child placed and funded by DHS/DDD based on each CGH site and agency contract in effect at the start of the DHS/DDD Children's Residential Waiver.

Children's Group Home (CGH)
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Exhibit 1 State of Illinois Administrative Code, Department of Children and Family Services Ratesetting Rule (Rule 356)

Exhibit 2 Consolidated Financial Report (CFR) form

Exhibit 3 Financial Reporting Instructions for the CFR

Exhibit 4 Sample Rate Calculations for a CGH Provider Agency

Exhibit 4a
- Page 1 – CFR Schedule of Program Costs
- Page 2 – CFR Schedule of Program Revenue
- Page 3 – CFR Schedule 3, Program Personnel
- Page 4 – CFR Schedule 4, Program Consultant and Contractual
- Page 5 – CFR Schedule 5, Report of Service Units/Days/Nights
- Page 6 – CFR Supplemental Schedule of Program Costs

Exhibit 4b
- Page 1 – Sample CGH Reimbursement Rate Calculation Sheet
- Page 2 – Rate Methodology Excess/Non-Allowable Cost Sheet
- Page 3 – Rate Methodology Cost Standards

Exhibit 4c Residential Habilitation Services Medicaid Waiver Claiming Rate Calculation

Exhibit 1

TITLE 89: SOCIAL SERVICES
CHAPTER III: DEPARTMENT OF CHILDREN AND FAMILY SERVICES
SUBCHAPTER c: FISCAL ADMINISTRATION

PART 356

RATE SETTING

Section

356.10 Purpose
356.20 Definitions
356.30 Types of Reimbursement Made by the Department
356.40 Cost Information Requirements of Providers
356.50 Determining Rate Reimbursement Levels
356.60 Disallowable Costs and Reduced Reimbursement
356.70 Notice and Appeal of Provider Rates
356.80 Reimbursement for Program Enhancements

AUTHORITY: Implementing and authorized by the Children and Family Services Act [20 ILCS 505].

SOURCE: 5 Ill. Reg. 324, effective December 29, 1981; amended at 6 Ill. Reg. 11851, effective September 30, 1982; amended at 10 Ill. Reg. 11432, effective July 1, 1986; amended at 11 Ill. Reg. 675, effective January 2, 1987; amended at 11 Ill. Reg. 7255, effective April 15, 1987; amended at 18 Ill. Reg. 11512, effective July 8, 1994; emergency amendment at 20 Ill. Reg. 9265, effective July 1, 1996 for a maximum of 150 days; amended at 20 Ill. Reg.14390, effective November 1, 1996; emergency amendment at 23 Ill. Reg. 8461, effective July 6, 1999 for a maximum of 150 days; emergency expired on December 2, 1999, amended at 24 Ill. Reg.7692, effective June 1, 2000; amended at 29 Ill. Reg. 8696, effective June 8, 2005.

Section 356.10 Purpose

The Department's requirements for determining purchased care rate reimbursements are described in these rules. Also described are certain reporting requirements, audit requirements, allowable costs, disallowable costs, cost standards, profit factors, and the relationship between units of service provided and reimbursement rates.

(Source: Renumbered from Section 356.1 at 20 Ill. Reg., effective November 1, 1996)

Section 356.20 Definitions

"Administrative cost" means those costs related to the management and organizational maintenance of the purchase of care provider such as program administration, postage, and clerical support.

RATE SETTING
May 16, 2007 – P.T. 2007.09

"Allowable costs" means those reasonable costs, as defined in this Section, that will be considered for reimbursement. Prior to the final rate determination, allowable costs are subject to revenue offset and application of reasonable cost standards if applicable, as specified in Section 356.50.

"Cost report" means a report of all costs incurred and revenue earned by a provider that are directly associated with services purchased by the Department for its clients.

"Department" or "DCFS" means the Department of Children and Family Services.

"Disallowable costs" means those costs that will not be considered for reimbursement.

"Fiscal year" means July 1 through June 30.

"For-profit agencies" means those agencies that are registered as for-profit by the Secretary of State and recognized as for-profit entities by the Internal Revenue Service.

"Fringe benefits" means those provider costs not paid as salaries but incurred by agencies directly for the benefit of their employees. Fringe benefits include, but are not limited to employee health and retirement benefits, payroll taxes, worker's compensation insurance and unemployment compensation insurance. Liability insurance and malpractice insurance are not considered fringe benefits because the provider itself receives substantial benefits and protections from incurring those costs.

"Historical costs" means the total expenditure incurred for all programs the purchase of care provider provided for the previous State fiscal year that are presented via certified audit.

"Ownership costs" means the costs of maintenance, utilities, property and building insurance, depreciation, amortization of leasehold improvements, rent, property taxes, interest and other related costs.

"Preoperating expenses" are those operating expenses that are incurred in making preparation for rendering client care before the first client is admitted (e.g., costs based upon the amount of time an executive director spends on developing a new program prior to the initiation of program services, staff salaries paid during training prior to the initiation of program services, etc.).

"Purchase of care providers" means those service providers with whom the Department of Children and Family Services (Department) does business through contracts on a reimbursable basis for units of service delivered to specific clients.

"Reasonable costs" means those costs incurred by purchase of care providers that are determined to be necessary and appropriate in accordance with Section 356.50.

RATE SETTING
May 16, 2007 – P.T. 2007.09

"Reimbursement rates" are rate levels used by the Department to reimburse for institutional and group home care; foster care; day care center and home care; adoption, counseling and homemaker service; and others as required for contracting purposes. These services are further defined in 89 Ill. Adm. Code 302 (Services Delivered by the Department of Children and Family Services).

"Revenues to be offset" means funding provided by a governmental unit via a grant mechanism that is not clearly linked to the provision of service to any one particular client. The Department will wholly or partially discount such funding in determining the providers' reimbursable costs.

"Support costs" means food and dietary, laundry, housekeeping, and other related costs.

"Total agency costs" means the total expenditure incurred for all programs the purchase of care provider provides during a State fiscal year.

"Unit of service" means a measured length of time, such as an hour or a day or some other measurable service component, that will enable the Department to determine the amount of service provided individually or in aggregate to clients.

(Source: Amended at 29 Ill. Reg. 8696, effective June 8, 2005)

Section 356.30 Types of Reimbursement Made by the Department

a) The Department will reimburse providers through payments made according to standard reimbursement levels and through reimbursement levels which are specifically negotiated through contract. The Department shall notify the provider in writing of the reimbursement rate.

b) Reimbursement according to rate reimbursement levels.

1) The Department shall adopt the rates promulgated by another state agency where that agency is the primary purchaser of service. This shall include hospitals, nursing homes, community living facilities, day care providers and individual medical care providers.

2) The Department shall calculate standard rates in accordance with Section 5a of the Children and Family Services Act [20 ILCS 505/5a]. This calculation will consider the minimum wage law, U.S. Department of Agriculture cost statistics, the age of the children to be served, the nature of the children's service needs, the experience and background of the individual provider, and the type of service provided. Reimbursement rates for these providers are set by the Department utilizing market surveys and independent cost analyses in order to arrive at a reasonable cost for specific units of service unless otherwise specified in this Part. Services for which the Department shall

calculate standard rates include, but are not limited to, agency foster care and agency adoption services.

3) The Department shall calculate individual program rates for child care institutions, group homes, independent living arrangements and maternity centers subject to the provisions of Section 356.50.

c) Reimbursement according to negotiated contracts.

Agencies that provide services which reflect a significant variance in the type of service and type of client are reimbursed according to reasonable cost standards as established by the Department's approved rate methodology. See Section 356.50.

(Source: Amended at 24 Ill. Reg.7692, effective June 1, 2000)

Section 356.40 Cost Information Requirements of Providers

a) Cost Reporting – Except as otherwise provided by this subsection, all providers shall annually file a certified cost report on a schedule provided by the Department. The time period covered by the cost report shall correspond to the Department's fiscal year unless otherwise approved by the Department. The Department may designate cost reports filed by the provider with other State agencies as suitable for fulfilling this requirement when those reports provide all of the information needed by the Department in a clear and usable way. Any provider that completes an audit in accordance with 89 Ill. Adm. Code 357.120 (Purchase of Service Fiscal Reports and Records) shall bind the DCFS cost report required by this subsection within that audit. Day care providers are exempt from all audit and cost reporting requirements unless they are involved in the cost based rate negotiations authorized under Section 356.30(a) of this Part. Providers involved in those rate negotiations shall file the cost report on the Department schedule, as described in this subsection, and, if required to file an OMB Circular A–133 audit, a copy of that audit with the cost report bound within the audit.

b) Accrual Accounting – The provider shall use the accrual basis of accounting when reporting financial data.

c) Audits – Providers shall cooperate in any audits undertaken to verify the truth, accuracy, and completeness of reported costs, in accordance with 89 Ill. Adm. Code 434 (Audits, Reviews, and Investigations).

d) Total Costs and Revenue – Providers must report all costs of service and must disclose their total costs and revenue. Supporting documentation will be required to verify the costs allocated to each of the various services the Department purchases and to the sum of other services the agency provides. The reported total cost and revenue must be certified by a licensed public accountant.

e) Historical Costs – Historical costs will be established when the provider has operated one or more years and independent auditors concur with the reported total costs. New providers who have not established their historical costs shall be permitted to submit budgeted information for the first fiscal reporting period. However, no rate increases shall be authorized for the next fiscal year until audited historical costs are available. When the rate increase is authorized based on historical costs, it will coincide with the effective date of the contract if the audit is received in accordance with contractual requirements.

f) Other Information Required – As a condition of contract issuance or renewal, the Department will request and receive promptly any other financial information, reasonably related to rate determination, needed to determine the provider's costs. For determining State Fiscal Year 2000 rates, this may include submission of program budgets. (See Section 356.50(f).)

(Source: Amended at 29 Ill. Reg. 8696, effective June 8, 2005)

Section 356.50 Determining Rate Reimbursement Levels

This Section applies to those situations where the Department promulgates standard or individual rates identified in Section 356.30(b)(2) and (3).

a) Forms – Financial reporting forms shall be used in establishing rates of reimbursement, regardless of the type of service provided.

b) For-Profit Agencies – Contracts with for-profit agencies must clearly identify any profit factor that must directly correspond to units of services provided. Profit will be categorized as an administrative cost and will be limited to 9% of the total contract amount. Profit will also be included in calculating the overall administrative cost standard.

c) Reasonable Cost Standards – Reasonable cost standards shall be applied to certain categories of costs except that program and transportation costs may be exempted if warranted by the special needs of the clientele. The reasonable cost standards establish reimbursement ceilings for categories of costs. The standards are derived from the median costs of all agencies providing similar services. Fringe benefits above 25% of salaries shall not be reimbursed by the Department. Administrative costs may not exceed 20% of the costs for other services. Reimbursement may exceed the reasonable cost standards if a higher rate is negotiated as a result of a rate appeal or rate enhancement that clearly demonstrates that costs in excess of the standards are the result of a necessary level of resources purchased in a prudent manner. However, administrative costs may not exceed 20% of the costs of other services.

RATE SETTING
May 16, 2007 – P.T. 2007.09

d) Revenues to be Offset – Revenues to be offset shall include grants, other non-purchase-of-service revenue from other governmental agencies, revenues from the school lunch program, and revenues from local education agencies. All revenues to be offset shall be reported by the provider. These revenues will be considered as part of the resources available to the provider in determining reasonable costs. The Department will not reimburse a provider for the proportion of services or administrative charges that have been paid, wholly, or in part, by such revenues.

e) Units of Service and Provider Capacity – Reimbursement rates shall be determined on the basis of actual units of service provided or the median utilization for all agencies providing similar services, whichever is greater. However, significant deviations from the utilization level may be used in rate-setting if unusual circumstances beyond the control of the provider directly caused a significant change in occupancy rates.

f) Special Provisions for Calculating Individual Rate Reimbursement including Child Care Institutions, Group Homes, Maternity Centers, and Shelter Programs – For State Fiscal Year 2000 (from July 1, 1999 through June 30, 2000), the rates for all child care institutions, group homes, maternity centers, independent living, specialized foster care, treatment foster care and shelter programs will be calculated as outlined in this Section except that programs that would receive reductions will be held harmless at State Fiscal Year 1999 levels if both Fiscal Year 1998 cost reports and a program budget for State Fiscal Year 2000 are submitted within 30 days after notice to the program. If a program fails to submit a cost report within the 30-day period, the rate will be adjusted to 80% of the applicable State Fiscal Year 1999 rate. If a program files a cost report but not a budget, the rate will not be held harmless and will be adjusted downward based on the rate calculation methodology, but in no instance shall the rate be less than 80% of the program's State Fiscal year 1999 rate. This rate adjustment for State Fiscal Year 2000 applies regardless of the other provisions of this Part.

1) The Department will conduct a joint rate calculation with the Illinois Department of Human Services.

2) Reimbursement rates shall be determined on the basis of actual units of service provided, or the median utilization level for all similar providers, whichever is greater. The maximum utilization level that will be used to determine reimbursement rates shall be 98% of licensed or approved program capacity. For the purpose of establishing the median utilization level, residential programs will be grouped into two categories:

A) Child Care Institutions and Group Homes; and

B) Maternity Homes and approved Shelter programs.

RATE SETTING
May 16, 2007 – P.T. 2007.09

3) The reasonable cost standards for support and ownership costs shall be 120% of the median costs of all similar providers. Providers shall be deemed dissimilar, and subject to an adjusted cost standard if one or more of the following conditions has occurred on or after July 1, 1983:

   A) the provider has built an entirely new building used directly by clients of the program,

   B) the provider has renovated a building used directly by program clients and the annual depreciation and/or interest costs are $20,000 or more, or

   C) the provider has entered a first-time lease for a building used directly by program clients.

4) These costs shall be demonstrated by an annual audit cost report and accompanying notes as prescribed by 89 Ill. Adm. Code 357.120 (Purchase of Service Fiscal Reports and Records). The reasonable cost standards shall include a geographic differential factor to reflect the differences in costs due to geographic location when such cost differentials exist. The existence of such differentials is determined by measurement of the audited costs reported by providers and the application of generally accepted statistical tests to these costs. Any geographic differential factor that results from these tests is included in the Department's rate notices sent to providers.

5) Historical costs, except depreciation, interest and amortization of allowable pre-operating expenses shall be increased by inflation adjustment factor to reflect the increases in costs caused by general inflation. The maximum increase in a facility's reimbursement rate shall be 150% of the inflation adjustment factor for the most current year. The percentage limitation shall be applied to the most recent rate unless that rate declined due to a combination of both reduced utilization and reduced costs. In such case, the next most recent rate shall be used to determine the allowable maximum increase. This limitation will not be applied to cost increases mandated by regulatory agencies or program changes approved by the Department Director.

6) New programs not having historical costs shall have a rate set via a process that begins with completion of a projected historical cost budget in the same format used to set historical cost rates. The Regional Office developing the contract shall negotiate costs based on a comparison of the budget with levels of staffing generally needed for similar programs; with prevailing wage rates; and with levels of supply, ownership, support and other costs common to similar programs. The Department shall review the results and shall engage in further negotiations when an examination of submitted data determines an anomaly or disparity in the data in comparison to other data submitted by

other providers. A new start rate shall then be set using the reasonable cost standards applying to the particular program under the terms of this Part with one exception: To allow for the phase-in placement of clients, the divisor applied to costs will be the greater of:

A) the number five percentage points lower than the median utilization level applying to ongoing programs of the same type; or

B) the projected utilization agreed to by the Department and the provider.

g) The Department will adopt Day Care Rates developed by the Illinois Department of Human Services for similar day care services.

(Source: Amended at 29 Ill. Reg. 8696, effective June 8, 2005)

Section 356.60 Disallowable Costs and Reduced Reimbursement

Certain costs shall not be considered by the Department for reimbursement. Cost standards may be applied to costs claimed to yield reasonable costs. Disallowable costs shall include:

a) expenses resulting from transactions with related parties and/or parent organizations which are greater than the expense to the related party;

b) non-straight line depreciation;

c) research items except as approved by the Department for program evaluation;

d) bad debts;

e) special benefits to owners, including owner and key-man life insurance;

f) compensation to non-working owners and officers;

g) discounts, rebates, allowances, and charity grants offered by the agency;

h) entertainment expenses;

i) fund-raising;

j) revenue producing expenses;

k) legal fees for litigation with governmental agencies;

l) non-program related activities;

m) membership to national, state, or parent organizations;

n) awards and grants to individuals;

o) fines and penalties;

p) mortgage and loan principal payments;

q) contingency funds;

r) losses on other grants and contracts;

s) expenses relating to the development of bids or proposals;

t) housing of non-clients (does not prohibit the expense of live-in staff);

u) severance pay;

v) federal and state income tax;

w) sales tax; and

x) other costs not reasonably related to services.

(Source: Renumbered from Section 356.6 at 20 Ill. Reg., effective November 1, 1996)

Section 356.70 Notice and Appeal of Provider Rates

a) Provider Eligibility - Purchase of service providers for whom the Department calculates individual rates (refer to Section 356.30(b)(3)) or negotiates rates (refer to Section 356.30(c)) are eligible to appeal their rates, subject to the provisions of this Section.

b) Notice in Filing of Appeal - Appeals of the rate reimbursement determination shall be submitted in writing by the provider to the central office manager responsible for the administration of reimbursement rates within 60 days after the written notice by the Department disclosing the provider reimbursement rate. Notice shall be effective upon the date of mailing to the provider's address. Appeals submitted more than 60 days after the notice will not be considered by the Department.

c) Principles of Appeals Process - The appeals process is designed to allow a provider to petition for an increase in its reimbursable cost rate in response to mechanical or clerical errors and/or circumstances which are beyond the control of the provider, which have an impact upon current operating costs, and which were not included in

the Department's determination of the current allowable costs. In order to hear an appeal, the provider must have a current signed contract.

d) Basis for Increase in Reimbursable Cost - Appeals submitted for the following reasons must be received by the Department within 60 days after reimbursable rate notice. Any change in rate, either positive or negative, as a result of the appeal process will coincide with the effective date of the amendment. Increases in reimbursable cost can be granted by the Department for the following reasons and in the following categories:

1) Mechanical or clerical errors were committed by the Department.

2) There has been a substantial decrease in external government grants which the Department determines seriously limits the ability of the agency to deliver required services to Department clients, to the extent that such revenues were considered available when the Department approved the reimbursable cost of the provider.

3) The Agency was able to document and justify that the Department's treatment of its historical cost data resulted in an inequitable application of the rate-setting process.

4) Mechanical or clerical errors were committed by the provider on required cost reports and used by the Department in the calculation of reimbursable costs.

e) Procedures for Filing Appeals - An appeal for an increase in the reimbursable cost shall be submitted in writing to the central office manager responsible for the administration of reimbursement rates with a copy to the Lead Regional Administrator.

1) An appeal shall include but not be limited to:

A) Identification of the current approved reimbursable rate;

B) a clear, concise statement of the reasons for the appeal;

C) a detailed statement of financial, statistical and related information in support of the appeal;

D) a citation to any statutory or regulatory requirement pertinent to the appeal; and

E) certification under penalty of perjury by either the chief executive officer or the financial officer of the provider that the application and all the information reports, schedules, budgets, books and records submitted are true, correct and accurate.

2) The Department will not accept or process an appeal which does not meet the requirements of this Section. In addition, no appeal can be acted upon unless the provider has a current signed contract.

3) Any documentation submitted in support of this appeal which is subsequent to filing of the appeal, shall contain the same certification described in subsection (e)(1)(E) above.

f) Review by the Central Office Manager Responsible for the Administration of Reimbursement Rates.

1) When a provider has filed an appeal, the central office manager responsible for the administration of reimbursement rates shall acknowledge in writing that an appeal has been received.

2) The central office manager responsible for the administration of reimbursement rates will review each appeal for adequacy of documentation and appropriateness of the request. If required for the analysis, the Lead Regional Administrator shall provide his/her comments and recommendations regarding the appeal within 15 days after receipt.

3) The central office manager responsible for the administration of reimbursement rates may request a meeting at a reasonably convenient place with representatives of the provider prior to submission of recommendations to the Director of the Department. The purpose of such meetings shall include:

A) clarification, formulation, and simplification of issues;

B) resolution of matters in controversy;

C) exchange of documents and information;

D) stipulations of facts so as to avoid unnecessary presentation before the Director of the Department;

E) identification of all documents which the provider or staff intend to present to the Director; and

F) such other matters as may aid in the simplification of the evidence and disposition of the issue.

4) Within 30 days after receipt by the central office manager responsible for the administration of reimbursement rates, an appeal which has complied with the principles and requirements of this Section, or within 15 days after the scheduled meeting between the central office manager responsible for the administration of reimbursement rates and the provider, whichever is later, the central office manager responsible for the administration of reimbursement rates will make a recommendation to the Director or his designee on this matter.

g) Final Decision of the Director - The decision of the Director of the Department shall constitute final action on the appeal. Decision of the Director shall be made within 60 days after receipt of the appeal by the central office manager responsible for the administration of reimbursement rates, except that, if the central office manager responsible for the administration of reimbursement rates requests additional information, the period shall be extended by the time taken in providing that information.

(Source: Amended at 24 Ill. Reg. 7692, effective June 1, 2000)

Section 356.80 Reimbursement for Program Enhancements

a) Any change in rates due to program enhancements submitted for the reasons cited below in relation to current cost impacts, either positive or negative, as a result of the review process, will be reflected in a contract amendment. Under no circumstances will the Department be responsible for enhancements that were implemented outside of the following process.

1) The Department and the provider have reached mutual agreement that substantive changes and/or enhancement of the current program are necessary and/or desirable and have been approved by the Director;

2) It is necessary and/or desirable to adjust the licensed capacity of a facility or program;

3) The Department required substantial program changes as a result of mandated licensing requirements; and

4) State and federal regulatory requirements have generated a substantial increase in reimbursable cost during the current contract year.

RATE SETTING
May 16, 2007 – P.T. 2007.09

b) Procedures for Requesting a Program Enhancement

A request shall be submitted in writing to the Administrator of the Region where the program is located with a copy to the central office manager responsible for the administration of reimbursement rates. If needed, the central office manager responsible for the administration of reimbursement rates shall supply, upon request, the name and mailing address of the Lead Regional Administrator. The request shall include, but not be limited to:

1) The current approved reimbursable costs and the reimbursable costs sought pursuant to the request;

2) A clear, concise statement of the reasons for the request;

3) A detailed statement of financial, statistical and related information in support of the request that clearly indicates current outcomes and the relationship between the additional costs submitted and the change of circumstances or other reasons for the higher cost;

4) A citation to any statutory, regulatory, or contractual requirement pertinent to the appeal;

5) Crucial elements that will be outlined and analyzed for every program enhancement include but are not limited to:

   A) Summary document or letter explaining the reason for the request for a new rate;

   B) Certified audit report for most recent provider prior fiscal year;

   C) Consolidated Financial Reports for most recent provider prior fiscal year (reporting all programs);

   D) The new rate being sought;

   E) Data identifying the individual cost of each item for which additional reimbursement is being sought;

   F) Detailed explanation of why the petitioned costs cannot be funded within the current rate;

   G) Beginning date the costs are planned to occur;

   H) Quantifiable programmatic outcomes occurring as a result of a rate change;

I) Reporting activities that will be implemented to ensure program outcomes occur at committed levels;

J) Quantification of past program performances for current and preceding 2 fiscal years, including, where applicable:

i) Number of children successfully completing program treatment;

ii) Rate of children leaving without completion of treatment;

iii) Number of incidents of psychiatric hospitalizations

iv) Number of runaways;

v) Number of incidences requiring police intervention; and

vi) Number of unusual incident reports;

K) Organization charts reflecting pre-request and post-request funds for additional staffing;

5) Certification under penalty of perjury by either the chief executive officer or the financial officer of the provider that the application and all the information reports, schedules, budgets, books and records submitted are true, correct and accurate.

c) Regional Review Process

1) Within 30 days after filing, a request for enhancement(s) with associated cost increases, the regional contract administrator responsible for administration of the contract shall acknowledge in writing that the request has been received.

2) The responsible regional contract administrator will review each request for adequacy of documentation and appropriateness of the request.

3) The responsible regional contract administrator may request a meeting. The purposes of the meetings may include:

A) Clarification, formulation, and simplification of issues;

B) Resolution of matters in controversy;

C) Exchange of documents and information;

D) Stipulations of facts; and

E) Such other matters as may aid in the simplification of the evidence and disposition of the issue.

d) The decision of the Director of the Department shall constitute final action. Decision of the Director shall be made within 150 days after the enhancement request.

e) Rate Setting for Approved Program Enhancements

A summary of enhancements and costs approved by the Director of the Department shall be forwarded to the central office manager responsible for the administration of reimbursement rates. The central office manager responsible for the administration of reimbursement rates will determine, based on standard Department rate setting methodology, the change to the reimbursable unit costs.

(Source: Added at 24 Ill. Reg. 7692, effective June 1, 2000)

Exhibit 1

RATE SETTING
May 16, 2007 – P.T. 2007.09

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Exhibit 1

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

Distribution: X, Z, C-3

POLICY GUIDE 2000.10

Reimbursement of Private Agency Council on Accreditation of Services for Families and Children (COA) Accreditation Costs

DATE: September 15, 2000

TO: Rules and Procedures Bookholders, DCFS and Purchase of Service Agency Child Welfare Staff

FROM: Jess McDonald, Director

EFFECTIVE: Immediately

I. PURPOSE

The purpose of this Policy Guide is to issue new procedures for private agencies to follow when requesting reimbursement for Council on Accreditation of Services for Families and Children (COA) accreditation costs.

II. PRIMARY USERS

The primary users of this Policy Guide are Quality Assurance, Contract Administration, Agency Performance, Purchase of Service (POS) Monitoring, Business Office and Administrative Service staff of the Department and purchase of service agencies with foster care contracts (traditional, relative, specialized and treatment).

III. BACKGROUND INFORMATION

The Department agreed to reimburse COA accreditation costs to child welfare agencies providing foster care that become accredited or are reaccredited on or after July 1, 1999. This is due to the Department's standard that all child welfare agencies providing foster care must be accredited.

If a private agency has another program(s) accredited by either the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) or the Commission for Accreditation of Rehabilitation Facilities (CARF), the private agency can pursue accreditation of their foster care programs(s) through that same accrediting agency without DCFS reimbursement. **However, DCFS will ONLY reimburse COA accreditation/reaccreditation costs.**

IV. KEY WORDS

Council on Accreditation of Services for Families and Children (COA), accreditation, reimbursement, reaccreditation, private agency, accreditation costs.

VI. ACCREDITATION/REACCREDITATION REIMBURSEMENT PROTOCOL

DCFS will reimburse the cost of accreditation surveys conducted by the Council on Accreditation (COA) up to the limits in the schedule of accreditation costs provided by COA.

- DCFS will reimburse a private agency for the costs of accreditation AFTER the private agency has received accreditation certification from the COA. The effective month/year of the accreditation must be on or after July 1999. Accreditation costs refer to the application fee, accreditation fee (financial agreement with COA) and the site visit charge.

- After the agency has become accredited, the agency may submit a request for reimbursement of accreditation costs. The request should be in the form of a written letter to DCFS with a copy of the accreditation certification letter from COA and a copy of the billing from COA. DCFS will review the request to ensure the appropriate documentation is attached and the costs fall within the COA schedule of accreditation costs. Requests for reimbursement should be submitted to:

  Manager
  DCFS Office of Contract Administration
  406 East Monroe, Mail Station 455
  Springfield, Illinois 62701

- Reimbursement for the accreditation survey costs will be paid under **Type Service Code 0134 - *Accreditation Survey Costs Reimbursement*.**

DCFS will also reimburse the private agency for the COA application fee, accreditation fee (financial agreement with COA) and the site visit charge if the private agency is a provisional or full member of the Child Welfare League of America (CWLA) and CWLA reimburses the private agency or pays these costs on behalf of the private agency. The private agency must submit to DCFS the COA invoice paid by CWLA on behalf of the agency along with the COA accreditation certification letter.

Site Preparatory and Corrective Action Costs

DCFS will provide reimbursement for preparatory costs and the costs of correcting deficient standards identified in a COA accreditation survey, **up to a maximum amount equal to the total of the application fee, accreditation fee and site visit costs.** For example:

If the application fee is $600, the accreditation fee is $9,400 and the site visit costs are $4,800, DCFS will reimburse the private agency $14,800 under Type Service Code 0134 - *Accreditation Survey Costs Reimbursement*. The ceiling for matching preparatory and corrective action costs would then be $14,800.

To receive reimbursement for corrective action costs, the private agency must submit:

- the original accreditation survey findings;
- the private agency's corrective action plan;
- documentation (i.e., invoices, etc.) to support the costs incurred; and
- a copy of the COA accreditation certification letter.

For site preparatory costs, appropriate documentation to support the costs incurred plus proof of accreditation are required.

- Providers need to clearly distinguish between reimbursements for survey costs versus reimbursement for corrective action or site preparatory costs.

Reimbursement for preparatory and corrective action costs will only be made AFTER the agency has been accredited by COA.

Requests for reimbursement should be submitted in writing to:

Manager
DCFS Office of Contract Administration
406 East Monroe, Mail Station 455
Springfield, Illinois 62701

- Reimbursement for site preparatory and corrective action costs will be paid under **Type Service Code 0135 – *Accreditation Corrective Action Costs Reimbursement*.**

- Corrective action and site preparatory costs are defined as one-time nonrecurring costs. On-going salary costs will not be considered.

DCFS will NOT reimburse a private agency for any penalties imposed by COA or for any of the costs associated with remedial visits. Remedial visits are follow up site visits required because of significant agency deficiencies.

DCFS will not reimburse the cost of any penalties imposed on the private agency as a result of the accreditation process. DCFS will not reimburse the annual maintenance fee for accreditation.

VII. QUESTIONS

Questions regarding this Policy Guide should be directed to:

Manager
DCFS Office of Contract Administration
406 East Monroe, Mail Station 455
Springfield, Illinois 62701
(217) 785-3930

VII. FILING INSTRUCTIONS

File this Policy Guide immediately after Rule 356.

Exhibit 2

CONSOLIDATED FINANCIAL REPORT

Agency Information

NAME OF AGENCY
COUNTY
MAILING ADDRESS
- STREET
- CITY
- STATE
- ZIP CODE

FEDERAL EMPLOYER IDENTIFICATION NO.

NAME OF PERSON COMPLETING REPORT
JOB TITLE
TELEPHONE (Area Code & Number)
E-MAIL ADDRESS

BEGIN DATE OF REPORT (MM/DD/YY)
END DATE OF REPORT (MM/DD/YY)

NUMBER OF PROGRAMS REPORTED ON CFR

ACTUAL / BUDGETED COSTS (Enter A or B)

QUARTERS REPORTED (Enter 1,2,3,4)

TYPE OF OWNERSHIP: (Check One)
- NOT-FOR-PROFIT
- FOR-PROFIT

BASIS OF MAINTAINING ACCOUNTING RECORDS
- ACCRUAL
- CASH
- OTHER

AGENCY ACCREDITATION COMPLETED BY

This form can be accessed electronically and downloaded from the Department of Children and Family Services Cost and Budget Reporting Main Page at
http://www.state.il.us/dcfs/costrpt/CstMain.html

Exhibit 2

Agency Name: _____

FEIN: _____

PGM #	PROGRAM NAME Description 1 *(15 characters)*	Description 2 *(15 characters)*	Enter CONTRACT NUMBERS or PROGRAM CODE - Do NOT Include Hyphens DCFS 10 digit	DHS ProgName	ISBE 3 digit	AGING	HEALTHCARE & FAM SVCS
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							

Exhibit 2

Agency Name: _____

FEIN: _____

Schedule of Program Costs

For Period Ended: _____

Line Number	Account Title	Agency Total	All Other Not Allocated	Program 1	Program 2
	Program Expenses:				
1.	Program Staff Salaries				
2.	Program Clerical Staff Salaries				
3.	Program Payroll Taxes and Fringe Benefits				
4.	Program Consultants				
5.	Consumer Wages and Fringe Benefits				
6.	Medicine and Drugs				
7.	All Other Program Equipment and Supplies				
8.	Staff Transportation				
9.	Client Transportation				
10.	Transportation To / From School				
11.	Direct Service Staff Conferences & Conventions				
12.	Program Insurance				
13.	Direct Client Specific Assistance				
14.	Telecommunication Costs Assigned to Program				
15.	Foster Care Payments				
16.	Other (Specify)				
17.	**Total Program Expenses (Sum Lines 1 - 16)**				
	Support Expenses:				
18.	Support Salaries				
19.	Support Payroll Taxes and Fringe Benefits				
20.	Dietary Supplies				
21.	Housekeeping and Laundry Supplies				
22.	Other (Specify)				
23.	**Total Support Expenses (Sum Lines 18 - 22)**				
	Occupancy Expenses:				
24.	Occupancy Salaries				
25.	Occupancy Payroll Taxes and Fringe Benefits				
26.	Building & Equip. Operations and Maintenance				
27.	Vehicle Depreciation				
28.	All Other Depreciation & Amortization				
29.	Vehicle Rent				
30.	All Other Lease / Rent / Taxes				
31.	Equipment Under $500				
32.	Mortgage & Installment Interest				
33.	Operating Interest				
34.	Other (Specify)				
35.	**Total Occupancy Expenses (Sum Lines 24 - 34)**				
	Administrative and Office Expenses:				
36.	Administrative Salaries				
37.	Administrative Payroll Taxes and Fringe Benefits				
38.	Administrative Consultants				
39.	Telecommunication Costs Not Assigned to Program				
40.	Office Supplies and Equipment				
41.	Allocation of Management and General (G & A)				
42.	Other (Specify)				
43.	**Total Administrative Expenses (Sum Lines 36 - 42)**				
44.	**Total Expenses (Sum Lines 17, 23, 35, 43)**				
	Non-reimburseable Expenses:				
45.	Depreciation on DMHDD Funded Capital Assets Included Above				
46.	Cost of Production and Workshop Client Wages included Above				
47.	Other (Specify)				
48.	**Total Non-Reimburseable Expenses (Sum Lines 45 - 47)**				
49.	**Net Expenses (Line 44 minus Line 48)**				

Exhibit 2

Agency Name: _____

FEIN: _____

Schedule of Program Revenue

For Period Ended: _____

Line Number	Account Title	Agency Total	All Other Not Allocated	Program 1	Program 2
	Fees + Purchase of Service:				
1.	Department of Aging				
2.	Department of Children and Family Services				
3.	Department of Corrections				
4.	Medicaid Rehab Option (MRO) Payments				
5.	Department of Human Services				
6.	Department of Public Aid				
7.	Department of Public Health				
8.	Local Education Agency/ School District				
9.	Local Government				
10.	Federal Government				
11.	Other Government Agencies				
12.	Client / Family Program Fees (incl. SSI, SSA, pensions, etc.)				
13.	Special Service Fees for Individual Clients				
14.	Diagnostic Service Fees				
15.	Other (Specify)				
16.	**Total Fees + Purchase of Services (Sum Lines 1 - 15)**				
	Grant Revenues				
17.	Department of Aging				
18.	Department of Children and Family Services				
19.	Department of Corrections				
20.	donated/Certified Funds Initiative (DFI / CFI)				
21.	Department of Human Services				
22.	Department of Public Aid				
23.	Department of Public Health				
24.	Local Education Agency/ School District				
25.	Local Government Awards				
26.	Federal Government Awards				
27.	Other Government Awards				
28.	JTPA / CETA				
29.	Other (Specify)				
30.	**Total Grant Revenues (Sum Lines 17 - 29)**				
	Contributions & Other				
31.	Restricted to Operations				
32.	Restricted to Capital				
33.	Unrestricted				
34.	Contributions - Goods and Services				
35.	Child & Adult Food Programs (school meals, commodities)				
36.	School Transportation Payments (to/from school)				
37.	Sales of Goods and Services				
38.	Rent Income				
39.	Gain on Sale of Assets				
40.	Cafeteria and Vending Machine				
41.	Other (Specify)				
42.	**Total Contributions & Other (Sum Lines 31 - 41)**				
	Investment Income				
43.	Income on Restricted Assets / Investments				
44.	Income on Unrestricted Assets / Investments				
45.	**Total Investment Income (Sum Lines 43 & 44)**				
46					
47	**TOTAL REVENUES (Sum Lines 16, 30, 42, 45, 46)**				

Exhibit 2

Agency Name: _____

FEIN: _____

REPORT OF SERVICE UNITS

For Period Ended: 6-30-2005

PLEASE COMPLETE ALL ROWS OF DATA FOR ALL TYPES	**Program 1**	**Program 2**
Define Service Unit Type (Days/Nights/Hours)		
# of Client Units of Enrollment		
# of Client Units Delivered/Provided		
Number of Days Program Operated		
Lic. Capacity Beginning of Report Period (1)		
Lic. Capacity End of Report Period (1)		
Date of Change, in any (MM-DD-YY)		

(1) Report Maximum Approved Program Capacity for Programs that do not require a license.

Exhibit 2

Agency Name: _____

FEIN: _____

PROGRAM PERSONNEL

For Period Ended: 06-30-2005

	PROGRAM STAFF POSITIONS	TOTAL AGENCY				PROGRAM 1			PROGRAM 2		
		Total Hours	Total Amount Paid	Total Head-Count	Amount Not Allocated	% Allocated	Total Amount Paid	Total Head-Count	% Allocated	Total Amount Paid	Total Head-Count
1.	Audiologist										
2.	Behavior Therapist										
3.	Dietary Technician										
4.	Dietitian										
5.	Habilitation Aide / Child Care Aide										
6.	Habilitation Professional or Supervisory Staff										
7.	LPN										
8.	Occupational Therapist										
9.	Physical Therapist										
10.	Physician										
11.	Principal										
12.	Program Director										
13.	Program Clerical Staff										
14.	Psychiatrist										
15.	Psychologist										
16.	Recreation Staff										
17.	Registered Nurse										
18.	Social Worker										
19.	Speech Therapist										
20.	Substance Abuse Counselor / Professional										
21.	Substance Abuse Paraprofessional										
22.	Teacher										
23.	Teacher Aide										
24.	Vocational Staff (incl. Job Coach, workshop staff, etc.)										
25.	Other Academic Instruction										
26.	Other Medical Care										
27.	Other Habilitation / Rehabilitation										
28.	Other Substance Abuse										
29.	All Other Program Staff Not Requiring Specification										
30.	**TOTAL ALL POSITIONS**										

Totals must equal sum of lines 1 and 2 of the Schedule of Program Costs

Number of Hours (excluding overtime) in a standard work week (i.e., 37.5 hours, 40 hours, etc.) [ ]

REQUIRED MEDICAID REPORTING

From among the positions classified above, give the details for staff which function in the categories according to the definitions.

31.	Mental Health Professional (MHP)										
32.	Qualified Mental Health Professional (QMHP)										
33.	Qualified Mental Retardation Professional (QMRP)										
34.	Rehabilitative Services Associate (RSA)										

Exhibit 2

Agency Name: _____

FEIN: _____

PROGRAM CONSULTANT AND CONTRACTUAL

For Period Ended: 06-30-2005

	PROGRAM STAFF POSITIONS	TOTAL AGENCY					PROGRAM 1		PROGRAM 2	
		Total Hours	Total Head-count	Total Head-count	Total Amount Paid	Amount Not Allocated	% Allocated	Total Amount Paid	% Allocated	Total Amount Paid
1.	Audiologist									
2.	Behavior Therapist									
3.	Dietary Technician									
4.	Dietitian									
5.	Habilitation Aide / Child Care Aide									
6.	Habilitation Professional or Supervisory Staff									
7.	LPN									
8.	Occupational Therapist									
9.	Physical Therapist									
10.	Physician									
11.	Principal									
12.	Program Director									
13.	Program Clerical Staff									
14.	Psychiatrist									
15.	Psychologist									
16.	Recreation Staff									
17.	Registered Nurse									
18.	Social Worker									
19.	Speech Therapist									
20.	Substance Abuse Counselor / Professional									
21.	Substance Abuse Paraprofessional									
22.	Teacher									
23.	Teacher Aide									
24.	Vocational Staff (incl. Job Coach, workshop staff, etc.)									
25.	Other Academic Instruction									
26.	Other Medical Care									
27.	Other Habilitation / Rehabilitation									
28.	Other Substance Abuse									
29.	All Other Program Staff Not Requiring Specification									
30.	**TOTAL ALL POSITIONS**									

Totals must equal line 4 of the Schedule of Program Costs

From among the positions classified above, give the details for staff which function in the categories below according to the definitions.

31.	Mental Health Professional (MHP)									
32.	Qualified Mental Health Professional (QMHP)									
33.	Qualified Mental Retardation Professional (QMRP)									
34.	Rehabilitative Services Associate (RSA)									

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

Cost and Budget Reporting

Reporting Instructions

Special instructions for the new Service Units Schedule

Cost Report Menu
Main Page
Download
Reporting Requirements
Form Instructions
Sample Opinion
FAQ's
DCFS Home Page

- Define Service Unit Type (Days/Nights/Hours) - For Grant, Purchase of Service or Fee for Service funded programs, define the type of unit being reported. Examples include: "Hour", "Day", "Month", "Quarter", "Annual".

- #of Client Units of Enrollment - Enter the number of units enrolled in the program. This line will normally be used by education/school programs to report the number of enrollment days.

- # of Client Units Delivered/Provided - Enter the number of units actually provided.

- Number of Days Program Operated - Enter the number of days a program operated during the fiscal year. For reporting purposes, count holidays and weekends as working days. A residential program operating the full year will report 365 days (366 days if a leap year). A school program operating the full year will typically report a fewer number of days because the school is closed during summer vacation.

- Lic. Capacity Beginning of Report Period (Note 1) - For programs for which a licensed capacity exists, report the capacity in effect at the beginning of the reporting period.

- Lic. Capacity End of Report Period (Note 1) - For programs for which a licensed capacity exists, report the capacity in effect at the end of the reporting period.

- Date of Change, if any (MM-DD-YYYY) - The date of change, if any, of the license capacity during the reporting period. The date should be formatted as MM-DD-YYYY, e.g. 05-01-2005.

- Notes - Normally not used unless an unusual event affecting capacity or units delivered should be reported.

> **Note 1** - Report maximum approved program capacity for programs that do not require a license.

The instructions are automatically installed on your PC as a text file when you install the software. The file is called instruct.txt.

Alternatively, you may view and print the instructions here. You'll need the free Adobe Acrobat Reader. If you don't already have Adobe Acrobat Reader, you can download it free from Adobe's website.

Questions about reporting to DCFS can be addressed to Roger Thompson via Email or by phone at (217) 557-2292. Questions about reporting to DHS/DDD should be addressed to Sandy Easdale via Email or by phone at (217) 782-5974. Questions about reporting to the IPCRB should be addressed to Satu Allen at (217) 782-5256.

INSTRUCTIONS.PDF

(The Instructions posted on the DCFS web site and the INSTRUCTIONS.PDF included in the downloaded CFR03.EXE are identical.)

This file contains instructions for using the CFR model. The installation program created a shortcut icon that has been added as a program group to your Windows menu structure. If the default subdirectory was used in the installation process, the icons for starting the CFR software can be found in the 'C:\CFR03' folder or subdirectory.

If the CFR model does not start, copy the CFR.INI file into the C:\WINDOWS subdirectory.

CONTACT INFORMATION

Please contact the appropriate representative from the Agencies listed below regarding questions related to the CFR Model:

- **Department of Children & Family Services - Roger Thompson, Rthompso@idcfs.state.il.us, or (217) 557-2292**
- **ISBE / Illinois Purchase Care Review Board - Satu Allen, (217) 782-5256**
- **Department of Human Services/DDD - Sandra Easdale, DHSPOS@DHS.STATE.IL.US, or (217) 782-5974**
- **Department of Human Services/OCA - Gary Beckman, (217) 524-5531**

CFR MENU

The CFR has five functional menu commands: FILE, PRINT FORMS, EXPORT and WINDOW. A description of each menu option is explained below. In addition to the functional descriptions of the menu options, there are two important sections each user should review before operating the CFR Model, IMPORTANT INFORMATION and ZIP ROUTINE. The Important Information section describes important data elements that must be entered correctly for the CFR model to function properly. Please review this section to ensure that the State receives all of the cost information entered into the CFR model, and is able to identify the agency that submitted the information. Also, please review the ZIP ROUTINE instructions to guarantee that the State receives the necessary data files from the CFR model when the report is submitted electronically.

Exhibit 3

IMPORTANT INFORMATION

It is very important that the following information is entered correctly on the Agency Information screen.

FEIN - The Federal Employer Identification Number is used to name the export data files, please make sure that the FEIN number is correct.

BEGIN DATE / END DATE - Please verify that the proper dates are included, especially listing all four digits for the year

NUMBER OF PROGRAMS REPORTED ON CFR - The number of programs reported identifies the number of columns the model will print from the Print Forms menu. The number of programs is also used to inform the Model what information to export in the Export Data routine. If the actual number of programs reported in the model is 8, but the number entered on the Agency Information screen is 5, only the information for the first 5 programs will be exported.

ACTUAL / BUDGETED COSTS - This cell should contain an "A" if actual costs are being reported, or a "B" if budgeted costs are being reported.

QUARTERS REPORTED - This field must contain a reference to the number of quarters being reported to the State. The default value is 4, but the user must enter a 1, 2, 3, or 4.

ZIP ROUTINE

When submitting CFR information to the State, the following routine should be followed.

1. Save the cost and budget report as CFR.BWB file when all information is completed.
2. Execute the EXPORT DATA menu option.
3. Exit the CFR Model.
4. Verify that the CFR.BWB, eight *.WK1 files, and ZIP.BAT are all in the original installation directory. If the defaults were used during the installation process, the files should be in the C:\CFR03 folder/subdirectory.
5. Start the Zip program by clicking on the ZIP icon located in the Illinois CFR Model program group. A DOS window will appear with directions on completing the ZIP routine.
6. From the DOS prompt type 'ZIP' followed by a space and the last seven digits of the FEIN. This routine will create a single ZIP file that will be submitted to the State of Illinois. If an agency's FEIN is 34-1122334, the command would be entered as:

C:\CRF03\>ZIP 1122334

6. Submit the "ZIP" file to the State. In the example above, the zip routine will create the file 1122334.ZIP. The zip file may be e-mailed to DCFS at Rthompso@idcfs.state.il.us. Also, until a DCFS regional distribution mechanism is constructed, please mail a hard copy of the report to your regional contract liaison.

NOTE: The ZIP routine will create a new BWB file by copying and renaming the CFR.BWB file to match the FEIN number entered after the ZIP command. In the example above, the file 1122334.BWB would be created and included in the new zip file. After completing the ZIP Routine the 1122334.BWB file may be deleted from the subdirectory (not from the ZIP file).

NAVIGATING IN THE CFR MODEL

The CFR model operates very much like a Windows-based spreadsheet, such as Excel, Lotus 123 or Quatro Pro. The cursor moves through the worksheet by using the arrow keys, Home, End, Page Up, Page Down, Tab or by placing the mouse pointer in a specific cell and clicking. At the bottom of the screen are seven tabs or worksheets representing the seven different schedules that make-up the new CFR Model. To move between worksheets place the mouse pointer over the tab and click the mouse or use the CTRL+Page Up or CTRL+Page Down keystroke combinations.

CALCULATING THE CFR MODEL

The CFR Model requires a large number of formulas to allow for the reporting of 25 programs. Due to the large size of the program, the automatic recalculation has been turned off and the model requires a manual recalculation. With the automatic recalculation turned off, the formulas used in subtotal and total cells are not recalculated every time the cursor moves. THE USER MUST USE THE F9 KEY TO CALCULATE THE ENTIRE SPREADSHEET. The model is programmed to perform the calculation prior to printing and saving, but it is up to the user to recalculate during the data entry process by hitting the F9 key.

FILE MENU

The File menu is activated by the ALT+F key combination or by clicking the mouse with the cursor over the FILE section of the menubar. When the File menu is activated, a drop down menu will appear with four file related commands (Open, Close, Save, Save As) and three print related commands (Page Setup, Print, Printer Setup). Three of the File menu options, Get Version, Put Version and Clear Data, are grayed out and not currently available for use in the CFR model. The last menu option, EXIT, allows the user to close the CFR model.

FILE OPEN - When the CFR model is started, it will open with the CFR.BWB data file. The File Open command allows the user to open alternative versions of CFR data sets that have been created using the File Save As menu option. If multiple data sets are created, we suggest saving other versions of the *.BWB file in alternative subdirectories. The model is designed to "export" the CFR data files to the same subdirectory as the source for the BWB file. The user will risk overwriting the WK1 export files if multiple copies of the BWB are kept in the same subdirectory. The File Open command can be executed at anytime with the keystroke combination of CTRL+O.

After a fiscal year CFR report has been completed, we recommend that the CFR.BWB file be renamed to match the fiscal year (i.e., CFR_FY03.BWB) and copied or backed up to diskette or tape.

FILE CLOSE - The File Close command will close the active BWB file in the CFR Model. This command would only be used if multiple data sets have been created. If this command is executed accidentally, the CFR model will display a dialogue box asking the user if they want to save the file. The user may select Cancel and return to the model, select Yes to save the file, or No to close the data set without saving. If a data set is closed, it can be reopened with the File Open command.

FILE SAVE - The File Save command updates the current data set with any changes that have been entered into the CFR model. It will update the CFR.BWB file unless an alternative data set has been opened. The CFR Model will prompt the user to Save the file prior to exiting, if the data has been modified. The File Save command can be executed at anytime with the keystroke combination of CTRL+S. The CFR model will display a warning to the user if the Program Salaries or Program Contractual costs are not in balance with the Cost schedule. After the user clicks on the OK button, the CFR Model will complete the Save routine. If an error message is received, please correct the error and repeat the File Save command.

FILE SAVE AS - The File Save As command allows the current data set to be saved under a different name. As we stated above, if this menu option is selected, we recommend that the new file be saved in a different subdirectory to avoid complications. If this is done, the new data set can be retrieved after starting the CFR model with the File Open command.

PAGE SETUP - The Page Setup menu option allows the user to define their print options. The PRINT FORMS menu option should be used to print standard CFR forms. The Page Setup options may be used to print "workpaper" versions of the CFR in whatever format the user wishes. When this menu option is selected, the CFR model will contain the print setup parameters for the last CFR form that was printed with the Print Forms menu option. The print parameters available for the user to define include: headers, footers, titles, margins, page breaks, orientation, compression, etc.... Please note that user defined parameters will be deleted if the Print Forms menu option is used to print the standard CFR forms.

PRINT - The Print menu option offers the user additional options in defining a print routine. The user should highlight the range they wish to print prior to executing this command. The Print command can be executed from the File Menu or with the keystroke combination of CTRL+P. After selecting the print range and executing the Print command, the user may restrict the print job to a specific set of page numbers as well as define the number of copies they wish to print. The Print dialogue box also displays a Page Setup button, allowing the user access to the Print Setup options described above.

PRINTER SETUP - The Printer Setup command allows the user to direct the Print command to all printers defined in the Printers Folder in the Windows Control Panel.

EXIT - The last File menu option allows the user to close the CFR model. If any changes have been made in the CFR model, the user will be prompted to save the changes. The user may select Yes to save, No to leave the model, or Cancel to return to the CFR model. If no changes have been made, the CFR model will close the program without a prompt.

PRINT FORMS

The Print Forms menu option allows the user to print specific worksheets of the CFR Model from a drop down menu. The Print Forms command is driven by the number of programs reported on the CFR, which is entered in the Agency Information worksheet. This number must be between 1 and 25 for the Print Forms to print successfully. After selecting the Print Forms menu option, a drop down menu appears with the following print options:

Agency Information
Program Names
Costs
Revenues
Service Units
Personnel
Contractual

EXPORT

The Export menu option has two commands, the first option, Check Totals, will verify that the total program salaries and program contractual costs match the amount entered on the Program Costs report.

The second menu option, Export Data, will create eight data files (WK1) that will need to be submitted to the State of Illinois. The filenames will contain the first six digits (after the hyphen) of the Agency FEIN number reported on the Agency Information screen. This number is used to reduce the chance of duplicate filenames being submitted to the State of Illinois. Therefore, please be very careful when entering the FEIN on the Agency Information screen. The export files will be "zipped" into a single file during the ZIP ROUTINE described above.

WINDOWS

The Windows menu option allows the user to divide the screen with the Titles or Split commands in order to get a better view of the CFR model.

TITLES - There are four options to the Window Titles command; Both, Horizontal, Vertical and Clear. The user must position the cursor on the screen where they wish to lock in the titles. Once the cursor is in proper position, select the Windows Titles menu option. A dialogue box will appear prompting the user to select the preferred setting. The Titles will stay in place within the selected worksheet until the user selects the Windows Titles Clear option. The CFR model allows Titles to be defined in each of the seven worksheets. Please note that the format lines around the Titles may not display properly when in Titles mode, but will reappear when the Titles are cleared. The screen display will have no affect on the printed format.

SPLIT - The Window Split menu option allows the user to display two worksheets from the CFR model on the screen at the same time. After selecting the Split menu option, a dialogue box will offer the choice of Horizontal, Vertical or Clear. The user may also check a box that will synchronize the scrolling between the two worksheets. The user must use the F6 key to jump from one window to the other. The Windows Split option allows a maximum of two worksheets to be displayed on the screen together.

This file contains a general description and definitions for the newly revised cost report. The instructions are ordered in the same order as the CFR model. The current model of the cost report (CFR) will support reporting for 25 separate programs.

1. Agency Information
2. Program Names
3. Costs
4. Revenues
5. Service Units
6. Program Personnel
7. Contractual

AGENCY INFORMATION

The data entered on the Agency Information screen is very important because it will be used to establish file names, print ranges, and the size of data export files. If the information on this screen is incomplete or incorrect, the Department may not receive all of the data entered into the CFR model, and also may not be able to associate it with your agency if the FEIN number is not entered correctly. Also, please make sure to enter the correct Begin and End Dates for the report being submitted, especially if it is a quarterly report.

The FEIN number should be formatted as 99-9999999.

The begin and end dates should be formatted as mm-dd-yyyy. The dashes between the month, day and year are important for the date to be properly formatted. Also, note that the year is formatted for 4 digits (1998).

The number of programs reported on the CFR simply identifies how many separate programs (excluding the agency as a whole and 'Other not Allocated') will be contained in the report. This is important so the spreadsheet will know how many columns to print out.

In the Actual/Budgeted Costs cell, enter an "A" if actual costs are reported. Enter a "B" if budgeted costs are reported.

In the Quarters Reported cell, enter a 1 if first quarter costs are reported. Enter a 2 if the first through the second quarter costs are reported. Enter a 3 if the first through the third quarter costs are reported. Enter a 4 if a full year of costs is reported.

In the Type of Ownership cells, place an "X" in the appropriate cell to identify the type of ownership. An "X" should be placed in only one cell.

In the Basis of Maintaining Acctg Records cells, place an "X" in the appropriate cell to identify the basis of maintaining the agency's records. An "X" should be placed in only one cell.

In the Agency Accreditation Completed By cell, enter the name of the body which has accredited your agency if such an accreditation has occurred.

PROGRAM NAMES

The model allows for two 12-character descriptions to be entered for each program being reported on the CFR. All corresponding contract numbers should be entered for each program listed on this schedule. If a program services clients from DCFS and DHS, please enter both contract numbers in the appropriate columns.

COSTS

Listed below is a definition for each line of the cost report, along with examples in most cases.

PLEASE NOTE THAT THE TOTAL COSTS ARE REPORTED ON LINES 1 THROUGH 44. THIS INCLUDES NON-REIMBURSABLE EXPENSES. THE NON-REIMBURSABLE EXPENSES ARE AGAIN REPORTED ON LINES 45 THROUGH 48 WHERE THEY ARE DEDUCTED FROM THE TOTAL EXPENSES TO RESULT IN THE NET EXPENSES CALCULATED ON LINE 49.

SECTION 1. DIRECT PROGRAM EXPENSE DEFINITIONS

Direct program expense is that which is caused directly by the personnel and object expenses in a program. It does not include management and general (general and administrative) or other administrative expenses. Similarly, support and ownership costs are reported elsewhere.

Line 1. Program Staff Salaries

Report the accrued salaries of program staff here. Do NOT report contracted staff or consultants on this line.

Examples would include licensed clinical social workers, registered and licensed nurses, child care workers, counselors, and paraprofessional aids. Report on-staff psychologists and physicians here. Teachers should also be reported here.

Contracted program staff, including contracted temporaries should be reported on line 4.

Report the cost of program clerical staff on line 2.

The total salaries reported on the PERSONNEL schedule must match the total reported on Lines 1 and 2 of the Cost report. If these two schedules do not match, the CFR model has a message box that appears informing the user that the two schedules are out of balance. The message box will appear when the model is being saved and when the Check Totals menu option is selected. If the message box appears during the File Saving routine, click on the OK button and the Model will complete the Save routine. Please verify that the PERSONNEL schedule matches the amounts reported on Lines 1 and 2, prior to exporting data.

Note to all DCFS Medicaid Contracts - The expenses reported on Line 1 must match the amount of salaries reported on lines 31 through 34 on the PERSONNEL schedule. The Department is requiring all Medicaid substitute care contracts to classify and report their program salaries into the categories of MHP, QMHP, QMRP and RSA.

Line 2. Program Clerical Staff Salaries

The cost of clerical staff to type case notes and otherwise maintain specific client files. General clerical duties not performed specifically for a client should be reported in the administrative cost section.

Generally, an allocation of clerical staff costs based on job duties will be necessary to assign a portion of clerical staff costs to this line.

Contracted staff, including contracted temporaries should be reported on line 4.

Line 3. Program Staff Payroll Taxes and Fringe Benefits

The portion of the cost of payroll taxes and fringe benefits allocated to Program Staff reported in line 1 and 2.

These costs include:

Employee Health and Retirement Benefits paid by an agency under its own or other employee health and retirement benefit plan.

Payroll Taxes are the sum of the social security and other taxes payable by the employer under federal, state or local law.

Worker's Compensation Insurance.

Other Employee Benefits provided to the employee at employer expense.

Line 4. Program Consultants

Program consultants include those providing the following services: Vocational Services, Academic Instruction, Speech and Language Services, Occupational and Physical Therapy, Psycho/Social Services, Medical Care, Recreational Services and Habilitation/Personal Care.

The amount reported on Line 4 must match the total amount of costs reported on the contractual worksheet. If these two amounts do not match, an error box will appear on the screen during the Save routine and during the Check Totals routine.

Line 5. Consumer Wages and Fringe Benefits

This represents the cost of paying wages and benefits to clients enrolled in the program. This should not be confused with Specific Assistance costs which are reported elsewhere.

Line 6. Medicine and Drugs

The costs of medicine and drug supplies. Included among these expenditures would be the object cost of complying with OSHA regulations pertaining to blood borne pathogens.

The costs of supplies which are later separately reimbursed by the Department of Human Services or other State agency also should be reported on line 47 'Non-reimbursable Expenses, Other'.

Line 7. All Other Direct Service Equipment and Supplies

The cost of program related materials and other supplies used by an agency. Items costing more than $500 with a useful life of more than one year must be capitalized and depreciated. Such depreciation costs would be reported on line 27.

Line 8. Staff Transportation

The object cost of operating vehicles associated with the travel of staff to or from client visits, court appearances, collateral contacts, offsite counseling/homemaker sessions or other similar activities. The costs may include vehicle insurance, license plates, gasoline and repairs and maintenance, or mileage reimbursement for use of personal cars.

Line 9. Client Transportation

The object cost of operating vehicles associated with transporting clients to parental visits, court appearances, counseling/therapy sessions or other similar activities. The costs may include vehicle insurance, license plates, gasoline and repairs and maintenance, or mileage reimbursement for use of personal cars. Transportation costs which could be reasonably reported on either line 8 or 9 should be reported on line 9.

Line 10. Transportation To/From School

Solely the cost of transporting children to or from school. This line would typically be completed only for programs operating a day or boarding school. On the previous version of the CFR, this cost was not reported separately except to the Purchased Care Review Board

Line 11. Direct Service Staff Conferences and Conventions

The costs incurred through participation of program staff in training programs. The cost of conferences and conventions may be included here if agency program staff were participating.

Line 12. Program Insurance

The costs of all liability, malpractice, personal injury and other types of insurance not reported as property insurance or as employee benefits. The expense of malpractice insurance covering employees, consultants, and members of the board of directors while working in funded programs is allowable.

Amounts paid for key-man life insurance and unallowable malpractice (Unallowable malpractice insurance costs are those costs for covering individuals when working outside the funded program.) should be reported here. They should also be reported on line 47.

Line 13. Direct Client Specific Assistance

The object cost of providing individual clients with special needs where the items purchased become the property of the individual rather than the agency. Client allowances are also reported here.

Line 14. Telecommunications Costs Assigned to Program

The portion of the total telephone expense that is associated with utilization by either clients in their living quarters or by direct service staff. The remaining portion of the total telephone costs is reported in the Administrative Expense section.

Line 15. Foster Care Payments

Payments made from the provider agency to the foster parent for foster care services. This is commonly referred to as the 'Board Payment'.

Line 16. Other (specify)

Other program costs not logically reported in the above lines. "Other (specify)" can be typed over to identify the expense category.

Line 17. Total Program Expenses

The total of lines 1 through 16. The amount displayed in this cell is calculated by the spreadsheet. The cell is protected and can not be changed.

SECTION 2. SUPPORT EXPENSE DEFINITIONS

Support expenses are all costs that are associated with providing meals and housekeeping services.

Line 18. Support Salaries

The accrued salary cost associated with dietary, laundry, housekeeping and security staff.

Do NOT report contracted staff or consultants on this line.

Contracted staff are reported on line 22.

Line 19. Support Staff Payroll Taxes and Fringe Benefits

The portion of the cost of payroll taxes and fringe benefits allocated to Support Staff reported in line 18.

These costs include:

Employee Health and Retirement Benefits paid by an agency under its own or other employee health and retirement benefit plan.

Payroll Taxes are the sum of the social security and other taxes payable by the employer under federal, state or local law.

Worker's Compensation Insurance

Line 20. Dietary Supplies

Costs included here would be those supplies related to food and beverages, and other kitchen supplies. Non-capitalized kitchen equipment expensed within the guidelines should also be included here.

Line 21. Housekeeping and Laundry Supplies

Costs included here would be housekeeping supplies and laundry and linen supplies.

Line 22. Other (specify)

Include contracted support services. This could typically include contracted food services or contracted housekeeping staff. "Other (specify)" can be typed over to identify the expense category.

Other support costs not logically reported in the above lines.

Line 23. Total Support Expense

The total of lines 18 through 22. The model calculates the amount displayed in this cell. The cell is protected and can not be changed.

SECTION 3. OCCUPANCY EXPENSE DEFINITIONS

Occupancy expenses are all costs arising from an agency's occupancy and use of land, buildings and offices. This includes maintenance salaries, depreciation on buildings, interest and lease costs.

All comprehensive hazard insurance including property liability insurance is here. To the degree possible, staff liability costs included in umbrella policies should not be reported under occupancy, but on line 12, 'Program Insurance'.

Line 24. Occupancy Salaries

The salaries and wages earned by an agency's regular employees (full or part-time and by temporary employees) providing facility maintenance and related services. These staff are employees who make repairs and generally keep the physical plant in operating condition including engineers.

Do NOT report contracted staff or consultants on this line. Contracted maintenance staff should be reported on line 34 below.

Salaries and wages should include vacation, holiday, or sick pay, and any employee authorized deductions. As previously stated, do not include the amount paid to consultants and others engaged on a contractual basis.

Line 25. Occupancy Payroll Taxes and Fringe Benefits

The portion of the cost of payroll taxes and fringe benefits allocated to Maintenance Staff.

These costs include:

Employee Health and Retirement Benefits that is the amount paid by an agency under its own or other employee health and retirement benefit plan.

Payroll Taxes are the sum of the social security and other taxes payable by the employer under federal, state or local law.

Worker's Compensation Insurance

Other Employee Benefits including any other benefits provided to the employee at employer expense.

Line 26. Building and Equipment Operations and Maintenance

The general physical plant operation and maintenance costs. Typically this would include the following object costs:

Janitorial and Other Maintenance Supplies
Building and Grounds Maintenance Supplies
Equipment Maintenance
Electricity and Utilities
Property / Building Insurance

Line 27. Vehicle Depreciation

The cost of vehicle purchases less applicable salvage value over their established useful lives. (Usually over a 3-year period.) If you used an accelerated depreciation method, the dollar amount of the accelerated depreciation which exceeds the amount that would be calculated using the straight-line method should be reported on line 47 in the non-allowable cost section.

Line 28. All other Depreciation and Amortization

The allocation of the cost of physical assets over their established useful lives. (Note that vehicle depreciation is reported separately on line 27 above.) Provision for depreciation is intended to spread the cost of such assets over the period their use benefits the program or supporting activities of the agency. If you used an accelerated depreciation method, the dollar amount of the accelerated depreciation which exceeds the amount that would be calculated using the straight-line method should be reported on line 47 in the non-allowable cost section.

Line 29. Vehicle Rent

The cost of rented or leased vehicles.

Line 30. All other Lease/Rent/Taxes

The cost of leasing property and equipment excluding vehicle rent expenditures reported on line 29 above. Property taxes are also reported on this line.

Line 31. Equipment Under $500

Expensed Building Equipment and Furnishings (Assets costing more than $500 must be capitalized.)

Line 32. Mortgage and Installment Interest

Mortgage and installment interest is the cost of borrowing money for long term building needs. Note that the interest costs on funds borrowed for construction incurred during the construction period must be capitalized as a part of the building cost and depreciated over the life of the building. (Operating interest is reported on line 33 below.)

Line 33. Operating Interest

Operating interest is the cost of money borrowed to meet short term recurring spending needs such as payroll, telephone bills etc. (Non-operating interest is reported on line 32 above.)

Line 34. Other (specify)

Includes all ownership costs not identified above. This would include but is not limited to contracted facility maintenance and related services as well as required mortgage insurance. These contractors make repairs and generally keep the physical plant in operating condition including contracted engineers. "Other (specify)" can be typed over to identify the expense category.

Line 35. Total Occupancy Expense

The total of lines 24 through 34. The model calculates the amount displayed in this cell. The cell is protected and can not be changed.

SECTION 4. ADMINISTRATIVE EXPENSE DEFINITIONS

Administrative expenses include direct program administration costs plus management and general costs. Program administration costs are those expenses that are caused by activities not related to an individual case, but related to running the overall program (and distinguished from support and occupancy costs). Management and general costs are defined below.

Line 36. Administrative Salaries

The accrued salaries and wages earned by all administrative, managerial office and clerical employees (except for those clerical employees reported on line 2 in the program section). Typical positions include the administrator, assistant administrator, accountants/bookkeepers and administrative clerical titles.

Do NOT report contracted staff or consultants on this line.

Contracted staff, including contracted temporaries should be reported on line 38.

Line 37. Administrative Payroll Taxes and Fringe Benefits

The portion of the cost of payroll taxes and fringe benefits allocated to Administrative Staff reported in line 36.

These costs include:

Employee Health and Retirement Benefits paid by an agency under its own or other employee health and retirement benefit plan.

Payroll Taxes are the sum of the social security and other taxes payable by the employer under federal, state or local law.

Worker's Compensation Insurance

Other Employee Benefits provided to the employee at employer expense.

Line 38. Administrative Consultants

The costs of administrative consultants. Administrative consultants would include those fulfilling the following administrative functions: administrator, assistant administrator, accountants/bookkeepers and administrative clerical titles.

Line 39. Telecommunications Costs - Not Assigned to Program

The administrative telecommunications costs. This would include all telephone expenses that are not associated with utilization by either clients in their living quarters or by direct service staff.

The portion of the total telephone expense that is associated with utilization by either clients in their living quarters or by direct service staff is reported on line 14 in the program cost section.

Line 40. Office Supplies & Equipment

The costs of administrative office supplies and expensed equipment. The cost associated with staff recruiting activities should be reported on this line. The costs of conferences and conventions primarily benefiting administrative staff should also be reported on this line.

Line 41. Allocation of Management and General (G&A)

Management and General (also referred to as General and Administrative) expenses are those administrative expenses which are not part of any one program, but are caused by services to all programs run by an agency. Examples are the salaries of executive staff in a large agency, business office expense, and the non-personnel expenses for those people (such as the cost of the office space and telephones those people use).

Because management and general expense is a separate category, it is reported separately in an audit which breaks out expense by program. Audits treat it like a separate program.

Management and general expenses must be allocated to programs in proportion to the management and general services received by each program. This is done by an allocation method. Acceptable allocation methods include: (1) time studies in which people report the proportion of time spent on each program, and, (2) a formula: the proportion of direct service salaries and fringe benefits in all direct programs. This formula apportions or allocates a fair share of management and general costs to each program. Unacceptable methods include: guessing, units of service in this program divided by units of service in all programs, and allocation of management and general expenses to the programs where they will most likely be paid by the State.

Alternative Method of Reporting Management and General Costs

As an alternative to reporting management and general costs in this line, the costs that comprise management and general may be allocated vertically to the various line items. As an example, the rental cost of the business office that may be a component of total management and general costs could be alternatively reported on line 30 'All Other Lease/Rent/Taxes'. Likewise the other costs that comprise management and general costs could be similarly allocated among the line items.

Any allowable related party costs should be reported here. Please refer to the non-allowable cost definitions for a complete definition of allowable and non-allowable related party costs.

Line 42. Other (specify)

All other administrative costs not already reported. Included here would be: subscriptions and reference materials, postage and shipping, outside printing and artwork, conferences, conventions and meetings not reported in line 11, moving and recruiting, and office supplies.

The allowable portion of membership dues is also reported here. Please refer to the non-allowable cost instructions for the criteria under which a portion of membership dues may be
allowable. "Other (specify)" can be typed over to identify the expanse category.

Line 43. Total Administrative Expenses

The total of lines 36 through 42. The model calculates the amount displayed in this cell. The cell is protected and can not be changed.

Line 44. Total Expenses (Sum Lines 17, 23, 35, 43)

The total reported expenses. The model calculates the amount displayed in this cell. The cell is protected and can not be changed.

PLEASE NOTE THAT THESE ARE THE TOTAL COSTS. THIS INCLUDES NON-REIMBURSABLE EXPENSES. THE NON-REIMBURSABLE EXPENSES ARE AGAIN REPORTED ON LINES 45 THROUGH 48 WHERE THEY ARE DEDUCTED FROM THE TOTAL EXPENSES TO RESULT IN THE NET EXPENSES CALCULATED ON LINE 49.

SECTION 5. NON-REIMBURSABLE EXPENSES

This section describes those items that are classified as non-reimbursable by the State of Illinois. These costs have already been reported on lines 1 through 44. They should again be reported in the non-reimbursable costs section.

Line 45. Depreciation on DMH/DD Funded Capital Assets Included Above

The portion of the depreciation cost of capital assets reported on lines 27 and 28 that are funded by DMH/DD are also reported here. For these purposes, this reference to 'funded' does not include reimbursements through purchase of service fees or ordinary grant funding.

Rather, only the depreciation costs of assets purchased using special DMH/DD funding directed to the purchase of the capital assets should be reported here.

Line 46: Costs Of Production and Workshop Client Wages Included Above

Costs of production include any costs incurred for the sale of goods and services. Costs of production include staff salaries and wages, staff fringe benefits, client salaries and wages, client fringe benefits, consultants, contractual workers, consumable supplies, occupancy, transportation, expensed equipment purchases, lease/rent, interest, depreciation, and other miscellaneous expenses. Cost of production may be reported in Regular Work, Vocational Development,, and Developmental Training. The portion of expenses that have already been reported that fall within this classification should also be reported here,

For State funded vocational programs or developmental training (DT) programs, the expense of clients' wages is not reimbursable when the product or service is salable. Client wages and fringe benefits, if any, which are not related to the salable products and services may be reported on line 16 'Program Expenses, Other'.

Line 47. Other (specify)

THE FOLLOWING COSTS ARE NOT REIMBURSED BY THE STATE. THEY SHOULD BE REPORTED, UNLESS OTHERWISE SPECIFIED BELOW, IN AGGREGATE ON LINE 47 OF THE COST REPORT. These costs have already been reported on lines 1 through 44. They should again be reported in the non-reimbursable costs section.

Insurance

A. Owner or Key-Man Life Insurance:
Include on line 46 the expense of any life insurance policy in which the facility is named beneficiary and the life insurance is not generally available to all employees or all professional employees.

If every employee is provided life insurance proportionate to their salary and the owner or key-man has a policy under this option, that cost will not be reported here. That allowable cost should rather be reported as a fringe benefit in the allowable cost section.

B. Malpractice Insurance:
The expense of malpractice insurance covering employees, consultants, and members of the board of directors, while working in funded programs is allowable. Any malpractice insurance expense which would cover individuals when working outside of the funded program is not allowable and such expense should be included on line 47.

Non Straight-Line Depreciation

Only straight-line depreciation is allowable for cost reporting and reimbursement calculation purposes. The amount of depreciation costs reported on lines 27 or 28 attributable to an accelerated depreciation method that exceeds the straight line amounts should be included on line 47.

Legal Fees

The following are non-allowable legal fees:

A. Legal fees incurred on behalf of individual clients unless they are specifically approved by the appropriate state agency.

B. Non-program related activities.

C. Litigation fees against governmental agencies.

These non-allowable costs should be reported together on line 46 with other non-reimbursable expenses.

Trust Fees

Trust fees are not allowable and should be included on line 47.

Interest Expense

The following items of interest expense are not allowable and should be reported on line 47.

a. Interest expense that is not necessary and proper for operation of the agency for the purpose of rendering service.

b. Funds borrowed for the personal benefit of employees, officers, or owners of the agency.

c. Funds borrowed for investment purposes.

d. Interest expense resulting from funds borrowed from related parties.

Intra-Agency Fund Loan Charges

Interest costs on transfers within an agency are not allowable. The related expense should be included on line 47.

Director's Fees

Board of Directors' fees are not allowable and should also be included on line 47. Reasonable expenses for board members to attend board meetings are allowable and should be reported in the allowable cost section within 'Other Administration'.

Related Organization Cost Adjustment

Related parties are defined as affiliates of the enterprise; entities for which investments are accounted for by the equity method by the enterprise; trusts for the benefit of employees, such as pension and profit sharing trusts that are managed by or under the trusteeship of management; principal owners of the enterprise; its management; members of the immediate families of principal owners of the enterprise and its management; and other parties with which the enterprise may deal if one party controls or can significantly influence the management or operating policies of the other to the extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. Another party is a related party if it can significantly influence the management or operating polices of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The expenses resulting from transactions with related parties and/or parent organizations that are greater than the expense to the related party are not allowable. The unallowable portion of related party costs should be reported on line 47.

Depending upon the funding source, failure to disclose a related party transaction is a violation of either applicable law or rules, and is always a violation of professional ethics. Supporting documentation of related organization costs must be available for review upon request.

Amortization of Pre-Operating/Organizing Expense

Organization and pre-operating costs beyond the allowable levels should be reported on line 47.

Allowable Amortization of Organization and Pre-operating Costs

The cost of organizing the facility prior to operation are allowable only if amortized over at least a five year period using the straight-line method of amortization. Other pre-operating costs are allowable if amortized (straight-line) over a five year period. Organization costs

include those costs that are directly incidental to the formation of a corporation, other form of business or program. Allowable organization costs include such items as legal fees, accounting fees, incorporation fees, expenses of directors, and the expense of direct service staff training immediately prior to opening the program.

Allowable pre-operating expenses are those operating expenses which are incurred in making preparation for rendering client care before the first client is admitted. These costs should be capitalized and amortized over a 5-year period beginning when the first client is admitted.

Facility planning costs such as feasibility and engineering studies, architect fees, consultant fees and provider staff time should be added to the cost of the building and depreciated with other building costs over the estimated useful life of the building. Similarly, interest costs on funds borrowed for construction incurred during the construction period must be capitalized as a part of the building costs and depreciated over the useful life of the building.

Management Consultant Services

Management consultant service expenses are not allowable when:
a. Provided by employees already on the payroll.
b. Occurring as a part of pre-operating activities unless the costs are necessary and incidental to the formation of a new corporation, other form of business, or new program and occurred immediately before the opening of the program.

The non-allowable management consultant services should be identified on line 47.

Non-Client Occupancy Expense

Housing of non-clients is generally not allowable. However, if housing is being provided as part of a person's total remuneration package its value should be included as salary or fringe benefits as it is considered allowable. Non-allowable occupancy costs should be included on line 47.

Fund Raising And Promotional

Fund raising, advertising, and promotional expenses are not allowable. These costs should be included on line 47.

Non-Client Meals

The expense of providing meals to guests and all non-program staff are non-allowable and should be included on line 47.

Printing Expense

Printing expenses that are related to fund raising activities are non-allowable and should be included on line 47.

Advertising

Only advertising for staff recruitment, the solicitation of bids, and certain types of outreach are allowable. Advertising related to fund raising activities is not an allowable cost. Any advertising costs for the purpose of increasing utilization are not allowable. Advertising expense for client outreach is allowable only if an outreach component is required by the licensing authority or major government funding authority. These non-allowable costs should be included on line 47.

Bad Debts and Collection Fees

Bad debt expense and collection fees are not allowable and should be included on line 47.

Entertainment

Report on line 47 the expense of entertaining with meals, lodging, parties, and other forms of entertainment since it is not allowable. This does not include parties for clients, which are a part of program activity expenses.

Discounts, Allowances, Rebates

Discounts, allowances and rebates received must be deducted from expenses because they represent cost offsets and thus are not allowable. Any reported cost of discounts, allowances and rebates must be included on line 47.

Contributions, Donations, And Awards

All contributions, donations and awards made by the facility are non-allowable. The costs should be included on line 47. (This refers to the expense of any agency rather than the income.)

Fines, Penalties And Late Fees

All fines, penalties and late fees are non-allowable. As such, they should be included on line 47.

Mortgage and Loan Principal Payment

Mortgage and loan principal payments should NOT be reported in the occupancy section. Expenditures for major asset purchases is disclosed on the cost report through depreciation and interest costs reported on lines 27, 28 and 32.

Research Expenses

Research expenses are not allowable. This does not include the cost of program evaluation that is allowable. Program evaluation is the systematic examination of the effectiveness of specific program activities of the agency and is directed toward assessing the need to modify those activities. Pre-approved research that is a component of the contract is reimbursable. Non-allowable research expenses should be included on line 47.

Contingencies

Contributions to a contingency reserve or any similar provision for unforeseen events are not allowable and should be included on line 47.

Losses On Other Grants And Contracts

If losses on other grants and contracts have been recorded as an expense, they must be included on line 47 together with other non-reimbursable costs. Losses on other grants or contracts are not an allowable expense.

Bidding or Proposal Costs

Expense relating to the development of bids or proposals are not allowable. Bidding or proposal costs should be included on line 47.

Patent/Copyright Cost

Expenses relating to patents and copyrights are non-allowable. They should be included on line 47.

Rented Facility Space

This should not be confused with allowable program rent costs. Unallowable expenses are those that are associated with the rental of any portion of the building to others. Unallowable expenses may include, but are not be limited to, building costs, telephones, utilities, office and janitorial services and supplies, etc. The costs of advertising, bookkeeping, rent collection, etc. which are associated with the rental are also not allowable. Include these non-allowable costs on line 47.

Non-Working Officer's Salary

Include on line 47 the full amount paid to officers working less than an average of one hour per week for the facility.

Compensation To Non-Working Owners

Include on line 47 the full amount paid to owners working less than an average of one hour per week for the facility.

Severance Pay

Severance pay is allowable only if required by contract or written personnel policy. Include any severance pay costs not meeting such requirements on line 47.

Income Taxes

Federal and state income taxes are not allowable expenses. Include these costs on line 47.

Sales Tax

Sales tax on food and other direct client care supplies is generally not allowable. However, sales tax is an allowable expense only for proprietary agencies. Include on line 47 the unallowable cost of sales tax.

Costs For A Period Other Than the Cost Reporting Period

Costs for a period other than the cost reporting period are not allowable. These costs should be included on line 47.

Costs Resulting from A Sale And Leaseback Transaction

The costs of a leaseback transaction that exceed the depreciation costs of the asset are not allowable. The costs of the transaction that exceed the depreciation costs of the asset should be included on line 47.

Special Benefits

The cost of benefits provided to owners that is not provided to all full-time employees is not allowable. These costs should be included in line 47.

Legal Retainers

The cost of legal retainers is not allowable. The cost should be included in line 47.

Lobbying and Contributions

The costs associated with lobbying efforts as well as political contributions is not allowable. The cost should be included in line 47.

Exhibit 3

Costs That Are Separately Reimbursed

This generally refers to supplies and services within a program which are reimbursed by a funding source other than the State agency responsible for the cost and rate analysis. For example, the cost of drugs prescribed for a client is often reimbursed by the Department of Human Services. That amount of the reimbursement from DHS should be reported here as an offset to the total cost reported in line 6.

Other Costs Not Reasonably Related To Services

Other costs reported on the audit report but not reasonably related to program costs should be included on line 47. Examples of these types of other non-allowable costs would include: Theft, non-medicinal alcohol, and luxury autos.

THE FOLLOWING COSTS MAY OR MAY NOT BE REIMBURSED BY THE STATE DEPENDING ON THE FUNDING AGENCY'S RULES AND PROCEDURES.

Assistance to Individuals

Assistance to clients in the form of clothing, allowance, or supplies that become property of the clients should be reported on line 13. Do NOT report these cost again on line 47. Generally, these items are the responsibility of the parents. Please note these two exceptions.

1.Contracts containing payments to foster parents for boarding care.
2.As a legal guardian acting in loco parentis, the Department of Children and Family Services (DCFS) allows a portion of the assistance to individual expenses.

Membership Dues and Fees

Generally, membership dues are not allowable and should be reported on line 47. The Department of Children and Family Services, however, recognizes that a portion of dues may support educational or training activities provided to the member.

All provider agencies should continue to report membership dues and fees on line 47. DCFS provider agencies, however, may submit separate additional documentation supporting a reclassification of some dues to program training. The documentation must identify the amount to be reclassified by program. A letter from the organization to which dues are paid must be included which identifies in total the portion of dues which supports educational or training activities.

Profit

Profit is not to be reported as a separate cost, either in the non-allowable or allowable cost sections of the report. Profit is identified by the amount revenues exceed reimbursable costs.

For DCFS purposes only: Profit is only evaluated for reimbursement purposes of For-Profit agencies. Profit is limited to 9% of the total or other reimbursable costs. For DCFS reimbursement calculation purposes, the evaluation of profit is done as part of the determination of the administrative component, which is subject to applicable administrative cost ceilings.

REVENUE

Revenues are generally broken out by revenue source. PLEASE NOTE THE SEPARATE LINE (13) FOR REPORTING SPECIAL SERVICE FEE FOR INDIVIDUAL CLIENTS REVENUES.

SECTION 1. FEES & PURCHASE OF SERVICE

Payments made for specific individuals for a specific program/service. Usually for service provided at a specific date and time or continuously over a period of enrollment. Payments may be from a public or private source including units of government, education, individuals, or third-party payers. Includes payments assessed to an individual or family receiving the service such as fees/sliding fees, and assessments against pensions, Social Security, Supplemental Security, food stamps, survivor benefits, insurance, etc. Also includes specific fees for add-on services provided within a larger program context (e.g. add-on fees for one-on -one aides.)

SECTION 2. GRANT REVENUES

Funding awarded toward full or partial support of a specific program/service, or agency, or facility serving an identified or targeted population. Funding may be provided by a public or private source including units of government, education, individuals or foundations.

SECTION 3. CONTRIBUTIONS & OTHER

A. Contributions, gifts, endowments, transfers of assets, donations of monies, goods, or services. Contributions may be specifically restricted by the donor, or unrestricted.

B. Revenue from sales of goods and services or assets, income from rental of property to others, income from cafeteria and vending machines.

SECTION 4. INVESTMENT INCOME

Interest earnings on assets and investments including those that are donor restricted as well as those which are restricted.

SECTION 5. NET ASSETS RELEASED FROM RESTRICTION

Assets that were previously restricted which have now converted to discretionary use.

REPORT OF SERVICE UNITS/DAYS/NIGHTS

For Grant funded programs, report Service Unit Type as defined in the grant document. Examples might be: 'Monthly', 'Quarterly', 'Annual', 'Daily', or 'Hourly'. Also for Grant funded programs, report the number of service units provided.

For programs funded through purchase of service or fees for service, report the number of units or days of service for which clients were enrolled. The actual number of units or days of service delivered is reported in the following line.

The number of days the program operated is then reported. For example, a program that was in operation for a full year and is reporting a full year of operations would report 365 days. For reporting purposes here, count holidays and weekends as working days.

If the program is licensed and has a licensed capacity, identify the licensed capacity at the beginning of the reporting period and at the end of the reporting period. If a change has occurred in the capacity, the date of the change should be reported. The date of change should be formatted as mm-dd-yyyy. The dashes between the month, day and year are important for the date to be properly formatted. Also, note that the year is formatted for 4 digits (1998).

PERSONNEL

INSTRUCTIONS FOR THE STANDARD SALARY SUPPLEMENTAL SCHEDULE

Position Column

Not all positions at an agency are listed here. The only positions listed are those that are necessary to support rate computations, federal claiming calculations or other data collection needs. Positions not listed should be reported on line 29 only if they are classified as program staff. The totals of all positions reported here should match the total on line 1 and 2 of the Cost schedule.

The position column lists staff positions for which there are a set of uniform job descriptions. The position descriptions are intended to be functional in nature. Therefore, staff reasonably fitting into job descriptions should be reported under the associated

position title. The position descriptions are largely based on those used by the United Way of Chicago. A description of each position is included at the end of these instructions.

Total Hours

Record the total number of hours paid and accrued including overtime hours for each position title filled during the year, or any portion thereof. Paid vacation, holidays and sick time are included in the sum of hours paid and accrued. (Because salaried positions are not paid for overtime, record only the non-overtime hours worked.)

Total Amount Paid

Record the total dollars paid and accrued including overtime hours for each position title filled during the year, or any portion thereof. Paid vacation, holidays and sick time are included in the sum of amounts paid and accrued.

For example, assume the following caseworker staffing history for an agency with a standard eight-hour day and 260 working days in a year:

Caseworker Name	Period on Staff	# of Working Days	Hours Paid and Accrued	Wages Paid and Accrued
Craig	7/1/95 - 6/30/96	260	2,080	$24,960
Tom	7/1/95 - 6/30/96	260	2,080	$24,960
Andy	4/1/96 - 6/30/96	65	520	$6,240
Roger	7/1/95 - 10/31/96	87	696	$8,352
Nyle	7/1/95 - 5/30/96	239	1,912	$22,944
Totals			7,288	$87,456

In this example, 7,288 hours were paid and accrued. The 7,288 would be reported in the 'Total Hours' column. $87,456 would be reported in the 'Total Amount Paid' column.

Total Head Count

Record the end of year head count in that salary position. Part-time staff or staff allocated between differing positions or programs would be counted more than once. For example, a staff person working mornings in a group home program and afternoons in a counseling program would be counted as 1 in the group home program and 1 in the counseling

program. Using the previous example, only Craig, Tom and Andy were present at the end of the reporting period. Therefore the head count would be reported as 3.

% Allocated

This column is calculated by the software for you based on the proportion of salaries entered across programs.

Salaries and Wages (Under the Program Headings)

Enter the dollars allocated to each program for salary and wage costs under the proper program headings and within the appropriate position description lines.

Number of Hours in a Standard Work Week

Identify the number hours in a normal work week. For example, if the work day begins at 8:30 and ends at 5:00 with a one hour lunch between, the work day is 7 1/2 hours long. Therefore, the normal work week consists of 37 1/2 hours. Record 37.5 in this box.

DESCRIPTION OF PROGRAM/CONTRACTUAL STAFF POSITIONS

Audiologist

Report credentialed audiologists on this line.

Behavior Therapist

Worker who develops behavioral therapies and programs usually for direct care workers to carry out. Position may be credentialed. (licensed, certified, registered)

Dietary Technician

Worker who carries out special dietary programs and recommendations of dietician, may include food preparation. Does not include direct care workers classified elsewhere.

Dietician

Credentialed worker who assesses dietary needs of individuals and makes dietary and feeding recommendations, designs diets and dietary programs, monitors dietary programs and their delivery, participates in annual individual habilitation or rehabilitation planning.

Habilitation Aid / Child Care Worker

Workers whose primary functions include the provision of hands-on, face-to-face contact with the clients. This includes both day, residential, live-in/sleep-over staff, and respite

care workers. It excludes foster parents, managers, supervisors and administrative staff, professional staff who are credentialed (licensed), and production oriented workers.

Habilitation Professional or Supervisory Staff

Workers not classified elsewhere who are credentialed (licensed, registered, certified) or whose responsibilities are direct service supervisory.

LPN

Report Registered Licensed Practical Nurses on this line.

Mental Health Professional (MHP)

Provides services under the supervision of a qualified mental health professional. The mental health professional must possess a bachelor's degree, a practical nurse license, or have a minimum of five years experience in mental health or human services.

Occupational Therapist

Report Registered Credentialed Occupational Therapist on this line.

Physical Therapist

Report Registered Credentialed Physical Therapist on this line.

Physician

Report Registered Credentialed Physician on this line

Principal

Report the Chief administrator of the education program on this line.

Program Director

Overall program director. Depending on size and structure of the agency, this person may function only as an administrator or may also have direct programmatic duties, such as counselors' supervisor, utilization review, case review, and may carry a clinical case load. Costs may therefore be split between program and administration lines in the expense reports. If there is a programmatic function performed by this person, then the associated hours and wages allocated to program functions are to be reported here.

Exhibit 3

Program Clerical Staff

Clerical staff who perform clinical record keeping, client appointment tracking, case note typing and filing.

Psychiatrist

Report Registered Credentialed Psychiatrist on this line

Psychologist

Report Registered Credentialed Psychologist on this line

Qualified Mental Health Professional (QMHP)

A. A physician licensed to practice medicine or osteopathy with training in mental health services or 1 year of clinical experience, under supervision, in treating problems related to mental illness, or specialized training in the treatment of children and adolescents.

B. A psychiatrist who has successfully completed a training program in psychiatry approved by the American Medical Association, the American Osteopathic Association, or other training program identified as equivalent by the State of Illinois.

C. A licensed psychologist with specialized training in mental health services.

D. A licensed social worker possessing a master's or doctoral degree in social work with specialized training in mental health services.

E. A licensed registered nurse with at least 1 year of clinical experience in a mental health setting or a Master's Degree in psychiatric nursing.

F. A registered occupational therapist with at least 1 year of clinical experience in a mental health setting.

G. An individual possessing a master's or doctoral degree in counseling and guidance, rehabilitation counseling, or family therapy, or related field, who has successfully completed a practicum and / or internship which includes a minimum of 1,000 hours, or who has one year of clinical experience under the supervision of a qualified mental health professional, or who is a licensed social worker holding a master's degree with 2 years of experience in metal health services.

Exhibit 3

Qualified Mental Retardation Professional (QMRP)

A QMRP must have at least 1 year of experience working directly with individuals with mental retardation or other developmental disabilities and be one of the following:

A. A licensed doctor of medicine or osteopathy.

B. A licensed registered nurse.

C. A certified occupational therapist or occupational therapist assistant.

D. A certified physical therapist.

E. A registered physical therapist assistant or a graduate of a 2-year college-level program approved by the American Physical Therapy Association or comparable body.

F. A psychologist with at least a master's degree in psychology from an accredited school.

G. A social worker with a bachelor's degree from a college or university or graduate degree from a school of social work accredited or approved by the Council on Social Work Education or other comparable body.

H. A speech-language pathologist or audiologist with a certificate of Clinical Competence in Speech-Language Pathology or Audiology granted by the American Speech Language Hearing Association or comparable body or meeting the education requirements of licensure and be in the process of accumulating the supervised experience required for licensure.

I. A professional recreation staff person with a bachelor's degree in recreation or in a specialty area such as art, dance, music or physical therapy.

J. A professional dietician registered by the American Dietetics Association.

K. A human services professional with a bachelor's degree in a human services field, including, but not limited to, sociology, special education, rehabilitation counseling or psychology.

Rehabilitative Services Associate (RSA)

Assists in provision of services in accordance with MRO Rules, Sections 132.155 and 132.170. Must be at least 21 years old, have demonstrated skills in the field of services to children, have demonstrated ability to work within agency structure and accept supervision, have demonstrated ability to work constructively with clients, other providers and the community.

Recreation Staff

Report Recreation Director and Staff on this line.

RN

Report Registered Credentialed Nurse on this line

Social Worker

A licensed social worker possessing a master's or doctoral degree in social work with responsibility for application of social work skills.

Speech Therapist

Report Registered Credentialed Speech Therapist on this line.

Substance Abuse Counselor/Professional

Holds clinical certification as a Certified Alcohol and Drug Counselor and meets the requirements of Rule 2060.309 et seq.

Substance Abuse Paraprofessional

Direct service worker (e.g. counselor trainee, intake worker, night coverage in residential rehabilitation) under supervision of the Substance Abuse Professional defined above.

Teacher

Teaches and works with children in an appropriate setting designed for the educational, social, and emotional development of children.

Teacher Aide

Staff working under the direct supervision of the teacher(s). Performs duties related to the care of children and operation of classrooms. May have limited responsibility for instruction.

Vocational Staff

Staff working in vocational training and education areas not producing goods or services for sale.

Other Academic

Those education or academic positions not better classified elsewhere.

Other Medical Care

Those medical positions not better classified elsewhere.

Other Habilitation/Rehabilitation

Those habilitation or rehabilitation positions not better classified elsewhere.

Other Substance Abuse

Those substance abuse positions not better classified elsewhere.

Lines 31 through 34 are to be completed for Medicaid certified programs only. The definitions for these staff positions are included in the above listing. Note to all DCFS Medicaid Contracts - The expenses reported on Line 31 through 34 must match the amount of salaries reported on line 1 of the COST schedule. The Department is requiring all Medicaid substitute care contracts to classify and report their program salaries into the categories of MHP, QMHP, QMRP and RSA.

INSTRUCTIONS FOR THE STANDARD CONSULTANT AND CONTRACTUAL SUPPLEMENTAL SCHEDULE

This schedule is completed similarly to the Standard Salary Supplemental Schedule. However, the headcount information is not requested. The total amount must equal line 4 of the COST schedule.

CCAR Industries
Schedule of Program Costs
Year Ended June 30, 2000

Exhibit 4a
Page 1

Line Number	(a) Account Title	(b) Agency Total	(c) All Other Not Allocated	(d) Program Name: 16 CFS	(e) Program Name: 17 D
	Program expenses:				
1.	Program staff salaries	2,037,743	94,025	215,271	200,740
2.	Program clerical staff salaries	167,094	11,051	23,648	5,046
3.	Program staff payroll taxes and fringe benefits	534,233	18,770	62,071	43,829
4.	Program consultants	373,692	7,340	7,270	23,781
5.	Consumer wages and fringe benefits	368,611	0	0	0
6.	Medicine and drugs	8,002	14	10	867
7.	All other direct service equipment and supplies	961,442	2,755	740	11,065
8.	Staff transportation	148,345	21,693	8,685	2,465
9.	Client transportation				
10.	Transportation to / from school				
11.	Direct service staff conferences and conventions	2,984	178	478	226
12.	Program insurance	23,572	155	931	1,397
13.	Direct client specific assistance	1,296	0	0	0
14.	Telecommunications costs assigned to program	22,180	1,141	1,269	1,244
15.	Foster care payments				
16.	Other (specify)	460	40	18	37
17.	**Total program expenses (Sum lines 1 - 16)**	4,649,654	157,162	320,391	290,697
	Support expenses:				
18.	Support salaries	0	0	0	0
19.	Support payroll taxes and fringe benefits	0	0	0	0
20.	Food and dietary supplies	106,763	0	0	16,238
21.	Housekeeping, laundry supplies	45,215	13	632	6,812
22.	Other (specify)	0	0	0	0
23.	**Total support expenses (Sum lines 18 - 22)**	151,978	13	632	23,050
	Occupancy expenses:				
24.	Occupancy salaries	48,476	0	186	X 4,686
25.	Occupancy payroll taxes and fringe benefits	11,368	0	48	X 998
26.	Building & equip. operations and maintenance	263,328	918	11,918	X 15,590
27.	Vehicle depreciation				
28.	All other depreciation & amortization	328,305	43,131	25,207	X 14,412
29.	Vehicle rent	4,630	0	2,315	(337
30.	All other lease/rent/taxes	136,795	1,226	5,689	X 14,524
31.	Equipment under $500				
32.	Mortgage & installment interest	121,006	436	15,162	X 7,333
33.	Operating interest				
34.	Other (specify)				
35.	**Total occupancy expenses (Sum lines 24 - 34)**	913,908	45,711	60,525	57,880
	Administrative and Office expenses:				
36.	Administrative salaries	363,697	8,764	23,176	23,831
37.	Administrative payroll taxes and fringe benefits	86,541	1,565	6,024	5,076
38.	Administrative Consultants	49,556	668	3,171	3,129
39.	Telecommunications costs not assigned to program	6,816	60	434	447
40.	Office supplies and equipment	26,886	1,671	1,969	1,512
41.	Allocation of Management and General (G & A)				
42.	Other (specify)	57,833	9,634	3,495	3,359
43.	**Total administrative expenses (Sum lines 36 - 42)**	591,329	22,362	38,269	37,354
44.	**Total expenses (Sum lines 17, 23, 35, 43)**	6,306,869	225,248	419,817	408,981
	Non-reimbursable expenses:				
45.	Depreciation on DHS funded capital assets included above	1,283,614	0	0	0
46.	Cost of Production and Workshop Client Wages included above	24,166	7,809	1,044	1,073
47.	Other (specify)	1,307,780	7,809	1,044	1,073
48.	**Total non-reimbursable expenses (Sum lines 45 - 47)**	4,999,089	217,439	418,773	407,908
49.	**Net expenses (Line 44 minus Line 48)**				

CCAR Industries
Schedule of Program Revenues
Year Ended June 30, 2000

Schedule 2
Exhibit 4a
Page 2

6

Line Number	(a) Account Title	(b) Agency Total	(c) All Other Not Allocated	(d) Program Name: 16 CFS	(e) Program Name: 170
	REVENUES:				
	Fees + Purchase of Service:				
1.	Department of Aging				
2.	Department of Children and Family Services	200,610	0	2,213	143,637
3.	Department of Corrections				
4.	Medicaid Rehabilitation Option (MRO) Payments				
5.	Department of Human Services	2,898,986	51,638	3,912	284,191
6.	Department of Public Aid	237,784	0	0	0
7.	Department of Public Health				
8.	Local education agency				
9.	Local government				
10.	Federal government				
11.	Other government agencies				
12.	Client/family program fees (incl. SSI, SSA, pensions, etc.)	295,104	0	0	21,573
13.	Special service fees for individual clients				
14.	Diagnostic service fees				
15.	Other (specify) Dev. Found. Inc. Consumer Dev. Prog. Rev.	134,622	0	0	0
16.	**Total Fees + Purchase of Service (lines 1-15)**	3,767,106	51,638	6,125	449,401
	Grant Revenues:				
17.	Department of Aging				
18.	Department of Children and Family Services				
19.	Department of Corrections				
20.	Donated/Certified Funds Initiative (DFI/CFI)				
21.	Department of Human Services	970,354	82,479	412,485	0
22.	Department of Public Aid				
23.	Department of Public Health				
24.	Local Education Agency	3,699	0	0	0
25.	Local government awards	170,438	110,709	0	0
26.	Federal government awards				
27.	Other government awards				
28.	JTPA/CETA				
29.	Other (specify) Charleston Area Char. Found.	1,500	0	0	0
30.	**Total Grant Revenues (lines 17- 29)**	1,145,991	193,188	412,485	0
	Contributions & Other:				
31.	Restricted to operations				
32.	Restricted to capital				
33.	Unrestricted				
34.	Contributions - goods and services	1,890	0	0	280
35.	Child/Adult Food Programs (school meals, commodities)				
36.	School Transportation Payments (to/from school)				
37.	Sales of Goods and Services				
38.	Rent Income	1,927,942	0	0	0
39.	Gain on Sale of Assets				
40.	Cafeteria and Vending Machine				
41.	Other (specify) Food Stamps/Mix Revenue	12,871	1,960	14	2,972
42.	**Total Contributions & Other (lines 31 - 41)**	1,942,703	1,960	14	3,252
	Investment Income				
43.	Income on restricted assets/investments				
44.	Income on unrestricted assets/investments	102,141	0	465	0
45.	**Total Investment Income (lines 43 & 44)**	102,141	0	465	0
46.	TOTAL REVENUES (lines 16, 30, 42, 45)	6,957,941	246,786	419,089	452,653

CCAR Industries

PROGRAM PERSONNEL

[DO NOT USE FOR PROGRAM CONSULTANTS OR CONTRACTUAL WORKERS]

16 CES 17 D

	PROGRAM STAFF POSITIONS	TOTAL AGENCY		PROGRAM 1		PROGRAM 2	
		Total Hours	Total Salaries & Wages	% Allocated	Total Salaries & Wages	% Allocated	Total Salaries & Wages
1.	Audiologist						
2.	Behavior Therapist						
3.	Dietary Technician						
4.	Dietician						
5.	Habilitation Aide / Child-Care Aide	93,367	832,536	1%	7,968	17%	141,198
6.	Habilitation Professional or supervisory staff	29,640	338,486	47%	158,205	2%	6,474
7.	LPN	4,892	59,128		0	23%	13,354
8.	Occupational Therapist						
9.	Physical Therapist						
10.	Physician						
11.	Principal						
12.	Program Director	10,400	203,577	19%	38,971	19%	38,735
13.	Program Clerical Staff	18,147	167,094	14%	23,648	3%	5,046
14.	Psychiatrist						
15.	Psychologist						
16.	Recreation Staff	520	6,725		0	15%	979
17.	RN	1,820	32,561		0		0
18.	Social Worker						
19.	Speech Therapist						
20.	Substance Abuse Counselor/Professional						
21.	Substance Abuse Paraprofessional						
22.	Teacher	7,280	96,162		0		0
23.	Teacher Aide						
24.	Vocational Staff (incl. Job Coach, workshop staff, etc.)	34,830	367,961	3%	10,127		0
25.	Other Academic Instruction	5,143	59,466		0		0
26.	Other Medical Care						
27.	Other Habilitation/Rehabilitation						
28.	Other Substance Abuse						
29.	All Other Direct Program Staff Not Requiring Specification	3,451	41,141		0		0
30.	TOTAL ALL POSITIONS	209,490	2,204,837		238,919		205,786

Totals must equal the sum of lines 1 and 2 of the Schedule of Program Costs

Number of hours (excluding overtime) in a standard work week (i.e., 37.5 hours, 40 hours, etc) 40

From among the positions classified above, give the details for staff which function in the categories below according to the definitions given in the instructions.

31.	Mental Health Professional (MHP)						
32	Qualified Mental Health Professional (QMHP)						
33.	Qualified Mental Retardation Professional (QMRP)	45,240	568,871	31%	176,434	7%	42,627
34.	Rehabilitative Services Associate (RSA)						

CCAR Industries

PROGRAM CONSULTANT AND CONTRACTUAL

16 CES 17 D

	PROGRAM STAFF POSITIONS	TOTAL AGENCY		PROGRAM 1		PROGRAM 2	
		Total Hours	Total Amount Paid	% Allocated	Total Amount Paid	% Allocated	Total Amount Paid
1.	Audiologist						
2.	Behavior Therapist						
3.	Dietary Technician						
4.	Dietician						
5.	Habilitation Aide / Child Care Aide	40,042	335,787	2%	7,270	7%	21,488
6.	Habilitation Professional or supervisory staff	11	96		0		0
7.	LPN						
8.	Occupational Therapist	5	300		0		0
9.	Physical Therapist						
10.	Physician	52	4,159		0	32%	1,350
11.	Principal						
12.	Program Director						
13.	Program Clerical Staff						
14.	Psychiatrist	82	11,890		0	7%	783
15.	Psychologist	42	1,660		0	10%	160
16.	Recreation Staff						
17.	RN	694	10,609		0		0
18.	Social Worker						
19.	Speech Therapist						
20.	Substance Abuse Counselor/Professional						
21.	Substance Abuse Paraprofessional						
22.	Teacher						
23.	Teacher Aide						
24.	Vocational Staff (incl. Job Coach, workshop staff, etc.)	961	7,929		0		0
25.	Other Academic Instruction						
26.	Other Medical Care						
27.	Other Habilitation/Rehabilitation						
28.	Other Substance Abuse						
29.	All Other Direct Program Staff Not Requiring Specification	125	1,262		0		0
30.	TOTAL ALL POSITIONS	42,014	373,692		7,270		23,781

Totals must equal line 4 of the Schedule of Program Costs

From among the positions classified above, give the details for staff which function in the categories listed below according to the definitions given in the instructions.

31.	Mental Health Professional (MHP)						
32.	Qualified Mental Health Professional (QMHP)	823	24,459		0	4%	943
33.	Qualified Mental Retardation Professional (QMRP)						
34.	Rehabilitative Services Associate (RSA)						

CCAR Industries
Year Ended June 30, 2000

SCHEDULE 5

Exhibit 4a
Page 5

Report of Service Units/Days/Nights

	Program Name: 16 CFS	Program Name: 17 D	Program Name: 31 DT	Program Name: 32 VD
Grant Programs:				
Service Unit Type	Staff Hours		Client Hours (1)	Client Hours
Service Units Provided	11,813.5		108,629	32,434
Purchase of Service/Fee for Service:				
Client Units/Days of Enrollment		1460 Days		
Client Units/Days Delivered		1420 Days		
Number of Days Program Operated		365		
Licensed Capacity		8		

FY00 CFR
Supplemental Schedule of Program Costs
Detail Information for Miscellaneous Lines

Line 16 Other Program Expenses

	Agency Total	All Other Not Alloc.	Program 16 CFS	17D	31 DT	32 VD	33 EI	38 RW	39 SEP	60 CILA
Pre-Screen consumer meeting	27	0	0	0	0	0	0	0	0	27
Holiday gift certificates	355	40	0	37	55	15	0	15	0	193
Clothing for consumer	78	0	18	0	0	0	0	0	0	60
Total for Line 16	460	40	18	37	55	15	0	15	0	280

Line 42 Other Administrative Expenses

Confrences & Workshops	1,658	96	97	120	135	75	-9	403	27	714
Subscriptions	3,581	241	286	168	637	210	3	846	45	1,145
Postage	10,703	1,192	1,011	636	916	479	-73	2,560	169	3,813
Printing	3,085	98	196	202	275	153	79	818	54	1,210
Allowable Membership Dues	590	5	38	39	53	29	29	156	10	231
Recruiting	5,485	118	277	560	604	35	99	129	76	3,587
Pooled Loan Trustee/Admin/Bank Fees	8,565	75	546	561	764	425	416	2,270	150	3,358
Non-reimbursable Expenses (see below)	24,166	7,809	1,044	1,073	1,488	814	821	4,398	286	6,433
Total for Line 42	57,833	9,634	3,495	3,359	4,872	2,220	1,365	11,580	817	20,491

Line 47 Other Non-Reimbursable Expenses

Membership Dues & Fees	15,171	4,923	658	677	922	513	502	2,740	181	4,055
Fund Raising & Promotional	2,697	876	117	120	164	91	89	487	32	721
Non-Client Meals	1,705	520	70	71	123	54	77	342	19	429
Entertainment	4,593	1,490	199	205	279	156	153	829	54	1,228
Contributions/Donations/Awards	0	0	0	0	0	0	0	0	0	0
Total for Line 47	24,166	7,809	1,044	1,073	1,488	814	821	4,398	286	6,433

REPORT
00-05

INDIVIDUAL PROGRAM RIMBURSEABLE BUDGET/COST REPORT

PROVIDER REG:	03	NAME:	CCAR INDUSTRIES		
PROVIDER HSA:	0	FEIN:	370914929		
PROVIDER ID#:	0474	PGM DESC:	JOHNSON CGH	TYPE:	1
DCFS CONTRACT:	0636376010	CODE:	17D		
		RES LOC:	01		

TOTAL CALCULATED LAST RATE (DHS/DCFS):	$164.51
LAST APPROVED RATE (DHS):	$164.51
LAST SPECIFIC ASSISTANCE AMOUNT:	$0.00

LICENSED OR PROGRAM CAPACITY: 8 DAYS OF OPERATION: 366

	#	%
TOTAL CAPACITY:	2,928.00	100.00%
REPORTED/TOTAL DAYS OF CARE:	1,420.00	48.50%
CHILD DIVISOR (TYPE 1):	2,603.58	88.92%
RESPITE DIVISOR (TYPE 2):	0.00	0.00%

REPORT PERIOD BEGINNING:	JULY 1, 1999
REPORT PERIOD ENDING:	JUNE 30, 2000

Department of Human Services
Division of Mental Health

OCCUPANCY

GROUP MEDIAN:	$21.991
GROUP STANDARD:	$26.389
EXPENSES:	
PHYSICAL PLANT:	$21,274.00
DEPRECIATION:	$14,412.00
LEASE/RENT:	$14,524.00
MTG/INSTLL INTEREST:	$7,333.00
OPERATING INTEREST:	$0.00
LESS:	
APPL INVEST INCOME:	$0.00
EXCESS BENEFITS:	$0.00
ALLOWABLE OCCUPANCY ESPENSE:	$57,543.00
OCC PER DIEM (OCC EXP / CHILD DIVISOR):	$22.102
EXCESS COST (OCC PER DIEM - GRP STANDARD):	$0.00
EXCESS OCC * CHILD DIVISOR:	$0.00

2002 DCFS/DHS RATE METHODOLOGY
RATE FY: 2002
COST-BASED FY: 2000
CONSOLIDATED FINANCIAL REPORT (CFR) YEAR

EFFECTIVE THE DATE OF THE DCFS LICENSE
OR JULY 1, 2001 WHICHEVER IS LATER

SUPPORT SERVICES

STATEWIDE GROUP MEDIAN:	$9.200
STATEWIDE GROUP STANDARD:	$11.040
EXPENSES	
SUPPORT SERVICES	$23,050.00
LESS	
EXCESS BENEFITS	$0.00
SCHOOL LUNCH PROGRAM	$0.00
TOTAL SUPPORT EXPENSES:	$23,050.00
SUPP EXP / CHILD DIVISOR:	$8.853
EXCESS SUPPORT EXPENSE:	$0.000
EXCESS SUPP * CHILD DIVISOR:	$0.000

NON-REIMBURSABLE COSTS

GRAND TOTAL EXPENSE	$407,908.00
EXCESS SPECIFIC ASSISTANCE	$0.00
ADJUSTED COST #1	$407,908.00
EXCESS FRINGE BENEFITS	$0.00
ADJUSTED COST #2	$407,908.00
NON-REIM INTEREST	$0.00
LESS APL INVEST INCOME	$0.00
ADJUSTED COST #3	$407,908.00
EXCESS ADMIN COST	$0.00
ADJUSTED COST #4	$407,908.00
SCHOOL LUNCH OFFSET	$0.00
GRANT INCOME OFFSET	$0.00
ADJUSTED COST #5	$407,908.00
TOTAL ADJUSTMENTS	$0.00

SUMMARY OF REASONABLE COST ADJUSTMENTS

TOTAL ADJUSTED COSTS:		$407,908.00
LESS EXCESS OCC EXP * CHILD DIVISOR	$0.00	
LESS EXCESS SUP EXP * CHILD DIVISOR	$0.00	
TOTAL COST CONTAINMENT ADJUSTMENTS:	$0.00	
FINAL ADJUSTED COSTS		$407,908.00

EXCESS BENEFIT PRORATION TO EMPLOYEE TYPE

PROGRAM EMPLOYEES	$0.00
SUPPORT EMPLOYEES	$0.00
ADMINISTRATION EMPLOYEES	$0.00
OCCUPANCY EMPLOYEES	$0.00
TOTAL EXCESS FRINGE BENEFITS:	$0.00

COST CALCULATIONS

FINAL ADJUSTED COSTS	$407,908.00
SPEC ASST COST AMOUNT	$0.00
SPEC ASST AFTER INFLATION (NONE)	$0.00
SPEC ASST PRELIMINARY RATE	$0.000
REIMBURSABLE CAPITAL COSTS	$21,745.00
CAPITAL COSTS AFTER INFLATION (NONE)	$21,745.00
CAPITAL COSTS PRELIMINARY RATE	$8.352
REIMBURSABLE LSE/RNT/TXS	$14,524.00
L/R/T AFTER INFLATION	$14,887.10
LSE/RNT/TXS PRELIMINARY RATE	$5.718
OTHER REIMBURSABLE COSTS	$371,639.00
OTHER REIMB COSTS AFTER INFLATION	$380,929.98
OTHER REIMB COSTS PRE RATE	$146.310
COST-BASED RATE: SPEC ASST, CAPITAL, L/R/T, & OTHER COSTS	$160.38
PLUS	
RE-ADD COSTS NOT INCLUDED ABOVE	$0.00
PRELIMINARY TOTAL RATE	$160.38

MAXIMUM RATE INCREASE CAP CALCULATION:

LAST RATE	* 150% OF INFLATION =	MAX RATE
$164.51	* 103.75%	= $170.68

RATE CALCULATION RESULTS

% CHANGE +/-	-2.51%
$ INCREASE(DECREASE)	($4.13)

	WITH EXISTING RATE	BUDGET-BASED RATE
NEW DCFS/DHS PER DIEM RATE (BDGT-BASED)	N/A	$0.00
OR		
EXISTING DCFS/DHS PER DIEM RATE (COST-BASED)	$160.38	N/A
LESS SPEC ASST AMT	$0.00	$0.00
PLUS FY02 $1/HR INCREMENT (DHS/ODD ONLY)	$14.15	N/A
DHS FINAL PER DIEM RATE	$174.53	$0.00

NOTES:
1/
FY00 audited historical cost CFR: Applying the FY02 rate methodology:
0
0

FY 2002 RATE METHODOLOGY EXCESS/NON-ALLOWABLE COST

PROVIDER NAME:	CCAR INDUSTRIES
PROVIDER ID:	0474 370914929
PROGRAM NAME:	JOHNSON CGH
PROGRAM CODE:	17D
TYPE:	1
FINAL FY2001 RATE:	$164.51
NEW FY2002 RATE:	$160.38
FY2002 $1/HR RATE:	$174.53

STEP 1- DETERMINE CAPACITY/UTILIZATION/DIVISOR

LICENSED CAPACITY: 8 **DAYS/OPERAT'N:** 366

	#	%
TOTAL CAPACITY:	2,928.00	100.00%
REPORTED/TOTAL DAYS OF CARE:	1,420.00	48.50%
CHILD DIVISOR:	2,603.58	88.92%
RESPITE DIVISOR:	2,196.00	75.00%

STEP 2- EXCESS SPECIFIC INDIVIDUAL ASSISTANCE

	PER DIEM	ANNUAL
ALLOWABLE SPEC IND ASST:	3.63	5,154.60
TOTAL REPORTED SPECIFIC INDIV ASSISTANCE:	0.00	
PER DIEM COSTS:	0.00	
EXCESS COST:	0.00	

STEP 3- EXCESS FRINGES

STAFF SALARIES	**$$**	**% OF TOTAL**
PROGRAM:	200,740	0.8568
PROGRAM CLERICAL:	5,046	0.0215
SUPPORT:	0	0.0000
OCCUPANCY:	4,686	0.0200
ADMINISTRATIVE:	23,831	0.1017
TOTAL STAFF SALARIES:	234,303	1.0000
25% OF SALARIES (MAX FRINGE):	58,576	

STAFF PAYROLL TAX & FRINGE BENEFITS	**$$**	**EXCESS**	**ALLOWABLE**
PROGRAM:	43,829	0.00	43,829
SUPPORT:	0	0.00	0
OCCUPANCY:	998	0.00	998
ADMINISTRATIVE:	5,076	0.00	5,076
TOTAL STAFF PAYROLL TAX & FRINGE:	49,903	0	49,903
EXCESS PAYROLL TAX & FRINGE BENEFITS:	0.00	0.00	

STEP 4- NON-ALLOW INT/INV EXPENSE (INCOME OFFSET)

INTEREST/INVESTMENT	
REPORTED COST:	7,333
REPORTED INCOME:	0
DEDUCT FROM COSTS:	0
ALLOWABLE INT/INV EXPENSE:	7,333

STEP 5- EXCESS ADMINISTRATION

ADMINISTRATION		
TOTAL REPORTED COSTS:	407,908.00	
LESS REPORTED ADMIN COSTS:	(37,354.00)	
LESS EXCESS BENEFITS:	0.00	
LESS EXCESS SPECIFIC ASSISTANCE:	0.00	
TOTAL ALLOWABLE REPORTED COSTS:	370,554.00	
MAXIMUM ADMINSITRATN COSTS:	74,110.80	
REPORTED ADMIN COSTS:	37,354.00	
EXCESS ADMINISTRATN COSTS:		0.00

STEP 6- DEDUCT GRANT INCOME

REPORTED TOTAL GRANT INCOME:	0.00	
REPORTED SCHOOL LUNCH INCOME:	0.00	
GRANTS TO DEDUCT:		0.00

FY 2002 RATE METHODOLOGY COST STANDARDS

STANDARD MULTIPLIER: 120%	OCCUPANCY	
GREATER IL GROUP MEDIAN:	$21.991	
GREATER IL GROUP STANDARD:	$26.389	(HSA 1, 2, 3, 4, 5, 10, 11)
CHGO AREA GROUP MEDIAN:	$21.281	
CHGO AREA GROUP STANDARD:	$25.537	(HSA 6, 7, 8, 9)

STANDARD MULTIPLIER: 120%	SUPPORT
STWD GROUP MEDIAN:	$9.200
STWD GROUP STANDARD:	$11.040

	INFLATION	FACTOR (INFLATION PLUS 1.0)
12 MOS. INFLATION:	2.50%	102.50%
24 MOS. INFLATION:	2.50%	102.50%
150% OF INFLATION:	3.75%	103.75%
MAXIMUM RATE INCREASE CAP:	3.75%	

SPECIFIC INDIVIDUAL ASSISTANCE

DCFS MAXIMUM ALLOWED	$10,628.64	$3.63 PER DIEM

DIVISOR (% of TOTAL CAPACITY)

MINIMUM (TYPE 1):	88.92%
MINIMUM (TYPE 2):	N/A
MAXIMUM:	98.00%

DAYS IN THE COST/BUDGET FISCAL YEAR

COST YEAR:	2000
DAYS:	366

TYPE

TYPE 1	RESIDENTIAL - CCI (19D/19M) OR CGH (17D/17M/18)
TYPE 2	RESIDENTIAL RESPITE (89R)

Exhibit 4c

row 1	UPDATE LAST RATE DETERMINATION	row 1			10/22/2007	row 1
2	B	2	D	E	F	2
3	lead rate setting department	3			DHS/DDD	3
4	provider id	4			0474	4
5	program - residence location	5			17D-02	5
6	program name	6			Johnson CGH	6
7	provider	7	data entry & formulas	source documents or notes:	CCAR INDUSTRIES	7
8	last DCFS total reimbursement rate	8	hard entered	fy02 rate calculation	$164.51	8
8a	last specific assistance	8a	hard entered	POS rates database	$0.00	8a
8b	last DDD total reimbursement rate	8b	row 8 - row 8a	new calculation for updating rate	$164.51	8b
8c	DDD maximum rate calculation (150% of inflation)	8c	row 8b * 1.0375	1.0375	$170.68	8c
9	child divisor	9	88.9% of capacity 8	fy02 rate calculation	2,603.58	9
10	total reported expenses	10	hard entered	fy02 rate calculation	$407,908.00	10
11	reported specific assistance	11	hard entered	fy02 rate calculation	$0.00	11
12	excess fringes	12	hard entered	fy02 rate calculation	$0.00	12
13	non-reimbursable interest	13	hard entered	fy02 rate calculation	$0.00	13
14	less applicable investmt income	14	hard entered	fy02 rate calculation	$0.00	14
15	excess administration cost	15	hard entered	fy02 rate calculation	$0.00	15
16	grant adjustments	16	hard entered	fy02 rate calculation	$0.00	16
17	allocable grants	17	hard entered	fy02 rate calculation	$0.00	17
18	excess ownership cost	18	hard entered	fy02 rate calculation	$0.00	18
19	excess support cost	19	hard entered	fy02 rate calculation	$0.00	19
20	total adjustments	20	sum (row 11..row 19)	fy02 rate calculation	$0.00	20
21	net allowable costs	21	row 10 - row 20	fy02 rate calculation	$407,908.00	21
22a	net occupancy Res Hab Srvs costs = CFR L27+29+33	22a	hard entered	fy02 rate calculation	$337.00	22a
22b	net occupancy non-Res Hab Srvs costs = CFR L24+25+26+31+32+34	22b	hard entered	fy02 rate calculation	$57,543.00	22b
23	net support costs CFR L23 - excess support	23	rpeorted supp cost - excess supp cost	fy02 rate calculation	$23,050.00	23
24	all other Res Hab Srv costs	24	row 21 - (row 22b + row 23)	new calculation for updating rate	$327,315.00	24
25	preliminary allowable cost-based Res Hab Srvs per diem	25	row 24 / row 9	new calculation for updating rate	$125.72	25
26	preliminary allowable cost-based total reimbursement per diem rate	26	row 21 / row 9	fy02 rate calculation	$156.67	26
27	overall inflation factor (because all costs except capital expense are inflated, the overall inflation is less than the stated inflation factor)	27	final increased adjusted costs / final adjusted costs	fy02 rate calculation	102.37%	27
28	effective total reimbursement per diem with 18 months inflation (capital costs are not inflated)	28	row 26 * row 27	2.5% = fy00 to fy02 inflation	$160.38	28
29	effective Res Hab Srv per diem with 18 months inflation (if applicable, Res Hab costs receive full inflation)	29	row 25 * 1.025	1.025	$128.69	29
30	Res Hab Srv per diem with inflation / total reimbursement per diem with inflation	30	row 29 / row 28	new calculation for updating rate	80.24%	30
31	interim total reimbursement per diem rate	31	n/a	none	n/a	31
32	interim claimable per diem rate	32	n/a	none	n/a	32
33	fy02 $1/hr incremental increase on fy01 spending	33	row 8 * 0.0860	8.60%	$14.15	33
34	fy02 $1/hr total reimbursement per diem rate effective 7/1/01	34	row 28 + row 33	fy02 rate calculation	$174.53	34
35	Res Hab Srv share of $1/hr increment	35	row 33 * row 30	new calculation for updating rate	$11.35	35
36	fy02 $1/hr Res Hab Srv rate effective 7/1/01	36	row 35 + row 29	new calculation for updating rate	$140.05	36
37	fy04 4%-2% cola factor * total reimbursement rate effective 7/1/03	37	row 34 * 1.0178	1.0178	$177.63	37
38	fy04 4%-2% cola factor * Res Hab Srv rate effective 7/1/03	38	row 36 * 1.0178	1.0178	$142.54	38
39	fy04 restore 2% cola factor * total reimbursement rate effective 3/1/04	39	row 37 * 1.0189	1.0189	$180.99	39
40	fy04 restore 2% cola factor * Res Hab Srv rate effective 3/1/04	40	row 38 * 1.0189	1.0189	$145.23	40
41	fy06 3% cola factor * total reimbursement rate effective 7/1/05	41	row 39 * 1.0277	1.0277	$186.01	41
42	fy06 3% cola factor * Res Hab Srv rate effective 7/1/05	42	row 40 * 1.0277	1.0277	$149.26	42
43	current total reimbursement rate in DHS/DDD payment system	43	hard entered	FY07 POS LOG	$186.01	43
44	check for total reimbursement per diem differences	44	row 43 - row 41	fy07 log per diem - updated total reimbursement per diem	$0.00	44
45	**fy07 Res Hab Srvs rate effective 7/1/06 (subtract negative difference, if any)**				**$149.25**	45
46	**fy08 Res Hab Srvs rate effective 7/1/07 = absent any other budget appropriations (i.e., cola increases)**				**$149.25**	46

date created: 12/15/2006
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