CALIFORNIA DEPARTMENT OF
Mental Health

Audits – Bay & Central Region
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March 4, 2009

Marye L. Thomas, MD, Director
Alameda County Behavioral Health Care Services
2000 Embarcadero Cove, Suite 400
Oakland, CA 94606

Dear Ms. Thomas:

AUDIT REPORT – CITY OF BERKELEY

We have examined the Short-Doyle/Medi-Cal Cost Report and Data Collection (CR/DC) report of City of Berkeley, An Alameda County Behavioral Health Care Services Contract Provider for the fiscal period July 1, 2003 through June 30, 2004. Our examination was made in accordance with Section 14170 of the Welfare and Institutions Code and included such tests of the accounting records and such other auditing procedures, as we considered necessary in the circumstances.

In our opinion, the amount shown in the accompanying Summary of Federal Short-Doyle/Medi-Cal Net Program Costs (Schedule 1) represents the actual net program costs allowable under the above-mentioned statutes.

The effect of this revised allowable program costs is as follows:

Net Short-Doyle/Medi-Cal Program Cost As Reported (FFP)	$ 2,827,160
Net Short-Doyle/Medi-Cal Program Cost As Audited (FFP)	1,614,963
Overstatement of Net Program Cost (FFP)	$ 1,212,197

If you disagree with any of the results of this audit, you may request an informal conference. This request must be in writing and be received by the Department of Health Services within sixty (60) calendar days following the date of receipt of the overall County Community Mental Health Services report.

Your notice of disagreement should be directed to John Melton, Chief, Administrative Appeals, Office of Legal Services, Department of Health Services, 1029 J Street, Suite 200, Sacramento, CA 95814 and should be in conformance with the provisions of Sections 51016 and sequence, Title 22 of the California Code of Regulations.

Sincerely,

for Shirley Castaneda
WALTER J. HILL, JR., MBA, EA
Chief of Audits

Shirley Castaneda
SHIRLEY CASTANEDA, Supervisor
Audits – Northern Region

Enclosures

CERTIFIED MAIL

SCHEDULE 1

ALAMEDA COUNTY BEHAVIORAL HEALTH SERVICES
SUMMARY OF MEDI-CAL PROGRAM COSTS BY MODE OF SERVICE
FISCAL YEAR ENDED JUNE 30, 2004

LEGAL ENTITY NAME: BERKELEY CITY
LEGAL ENTITY NUMBER: 00065

		As Settled	Audit Adjustments	As Audited
NET REIMBURSABLE MEDI-CAL PROGRAM COSTS				
CONTRACT PROVIDERS				
MEDI-CAL - FFP	(Sch. 2a)	$ 2,819,433	$ (1,211,549)	$ 1,607,884
HEALTHY FAMILIES - FFP	(Sch. 2a)	7,727	(648)	7,079
TOTAL FFP - COUNTY PROVIDERS		$ 2,827,160	$ (1,212,197)	$ 1,614,963

SCHEDULE 2

ALAMEDA COUNTY BEHAVIORAL HEALTH SERVICES
SUMMARY OF MEDI-CAL PROGRAM COSTS BY MODE OF SERVICE
FISCAL YEAR ENDED JUNE 30, 2004

LEGAL ENTITY NAME: BERKELEY CITY
LEGAL ENTITY NUMBER: 00065

		As Settled	Audit Adjustments	As Audited
Total Medi-Cal Gross Reimbursement				
1. Inpatient SD/MC and Crossover	(MH 1968, Ln 11, 11A)	$ 0	$ 0	$ 0
2. Outpatient SD/MC and Crossover	(MH 1968, Ln 11, 11A)	3,035,697	(178,809)	2,856,888
3. Enhanced SD/MC (Children) - I/P	(MH1968, Ln 16, 16A)	0	0	0
4. Enhanced SD/MC (Children) - O/P	(MH1968, Ln 16, 16A)	0	0	0
5. Enhanced SD/MC (Refugees) - I/P	(MH1968, Ln 22)	0	0	0
6. Enhanced SD/MC (Refugees) - O/P	(MH1968, Ln 22)	0	0	0
7. Healthy Families Gross Reimbursement-I/P	(MH1968, Ln 27, 27A)	0	0	0
8. Healthy Families Gross Reimbursement-O/P	(MH1968, Ln 27, 27A)	11,888	(997)	10,891
9. Total		$ 3,047,585	$ (179,806)	$ 2,867,779
Less: Patient & Other Payor Revenues				
10. Inpatient SD/MC and Crossover	(MH 1968, Ln 28, 28A)	$ 0	$ 0	$ 0
11. Outpatient SD/MC and Crossover	(MH 1968, Ln 28, 28A)	13,390	0	13,390
12. Enhanced SD/MC (Children)-I/P	(MH 1968, Ln 29)	0	0	0
13. Enhanced SD/MC (Children)-O/P	(MH 1968, Ln 29)	0	0	0
14. Enhanced SD/MC (Refugees) - I/P	(MH1968, Ln 30)	0	0	0
15. Enhanced SD/MC (Refugees) - O/P	(MH1968, Ln 30)	0	0	0
16. Healthy Families Patient Revenue-I/P	(MH 1968, Ln 31)	0	0	0
17. Healthy Families Patient Revenue-O/P	(MH 1968, Ln 31)	0	0	0
18. Total		$ 13,390	$ 0	$ 13,390
Medi-Cal Net Reimbursement for Direct Services				
19. Inpatient SD/MC (Incl Children Enhanced)	(Ln 1,3 - Ln 10,12)	$ 0	$ 0	$ 0
20. Outpatient SD/MC (Incl Children Enhanced)	(Ln 2,4 - Ln 11,13)	3,022,307	(178,809)	2,843,498
21. Enhanced SD/MC (Refugees)-I/P	(Ln 5 - Ln 14)	0	0	0
22. Enhanced SD/MC (Refugees)-O/P	(Ln 6 - Ln 15)	0	0	0
23. Healthy Families-I/P	(Ln 7 - Ln 16)	0	0	0
24. Healthy Families-O/P	(Ln 8 - Ln 17)	11,888	(997)	10,891
25. Total		$ 3,034,195	$ (179,806)	$ 2,854,389
Medi-Cal MAA Reimbursement				
26. Service Functions 01-09	(MH1979, Ln 11, Col. A)	$ 120,958	$ (61,784)	$ 59,174
27. Service Functions 11-19, 31-39	(MH1979, Ln 12, Col. A)	1,505,664	(1,382,231)	123,433
28. Service Functions 21-29	(MH1979, Ln 13, Col. A)	528,138	(527,289)	849
29. Total		$ 2,154,760	$ (1,971,304)	$ 183,456

SCHEDULE 2a

ALAMEDA COUNTY BEHAVIORAL HEALTH SERVICES
SUMMARY OF MEDI-CAL PROGRAM COSTS BY MODE OF SERVICE
FISCAL YEAR ENDED JUNE 30, 2004

LEGAL ENTITY NAME: BERKELEY CITY
LEGAL ENTITY NUMBER: 00065

		As Settled	Adjustments	As Audited
Amount Negotiated Rates Exceed Cost				
30. Inpatient SD/MC (Incl Children Enhan)	(MH 1968, Ln 38, 38A)	$ 0	$ 0	$ 0
31. Outpatient SD/MC (Incl Children Enhan)	(MH 1968, Ln 38, 38A)	0	0	0
32. Enhanced SD/MC (Refugees)-I/P	(MH1968, Ln 39)	0	0	0
33. Enhanced SD/MC (Refugees)-O/P	(MH1968, Ln 39)	0	0	0
34. Healthy Families-I/P	(MH 1968, Ln 40, 40A)	0	0	0
35. Healthy Families-O/P	(MH 1968, Ln 40, 40A)	0	0	0
36. Total		$ 0	$ 0	$ 0
Medi-Cal Administrative Reimbursement				
37. Administrative Reimbursement Limit	(MH 1979, Ln 4)	$ 0	$ 0	$ 0
38. Medi-Cal Administration	(MH 1979, Ln 5)	$ 0	$ 0	$ 0
39. Medi-Cal Reimbursement	(Lower of Ln 37, Ln 38)	$ 0	$ 0	$ 0
Healthy Families Administrative Reimbursement				
40. Healthy Families Administrative Reimbursement Limit	(MH1979, Ln 8)	$ 0	$ 0	$ 0
41. Healthy Families Administration	(MH1979, Ln 9)	$ 0	$ 0	$ 0
42. Healthy Families Administrative Reimbursement	(Lower of Ln 40, Ln 41)	$ 0	$ 0	$ 0
Utilization Review Reimbursement				
43. Skilled Professional	(MH1979, Ln 14, Col. D)	$ 0	$ 0	$ 0
44. Other Medi-Cal U.R.	(MH1979, Ln 15, Col. D)	$ 0	$ 0	$ 0
Net SD/MC Reimbursement - FFP				
45. Direct Services	(MH1979, Ln 16,16A)	$ 1,610,018	$ (94,074)	$ 1,515,944
46. Enhanced (Children)	(MH1979, Ln 17,17A)	0	0	0
47. Enhanced (Refugees)	(MH1979, Ln 18)	0	0	0
48 MAA	(MH 1979, Ln 11, 12 & 13)	1,209,414	(1,117,474)	91,940
49. Administrative Reimbursement	(MH1979, Ln 6)	0	0	0
50. U.R. Skilled Professional	(MH1979, Ln 14)	0	0	0
51. U.R. Other	(MH1979, Ln 15)	0	0	0
52. Negotiated Rate-Payback	(MH1979, Ln 20)	0	0	0
53. Subtotal- FFP		$ 2,819,432	$ (1,211,548)	$ 1,607,884
54. Contract Limitation Adjustment	(MH 1979, Ln 22)	$ 0	$ 0	$ 0
55. Quality Assurance Review Results	(Adj #)	0	0	0
56. Total SD/MC Reimbursement - FFP		$ 2,819,432	$ (1,211,548)	$ 1,607,884
Net Healthy Families Reimbursement - FFP				
57. Healthy Families Net Reimbursement	(MH1979, Ln 24,24A)	$ 7,727	$ (648)	$ 7,079
58. Negotiated Rate Exceed Costs	(MH1979, Ln 26)	0	0	0
59. Administrative Reimbursement	(MH1979, Ln 10)	0	0	0
60. Total Healthy Families Reimbursement - FFP		$ 7,727	$ (648)	$ 7,079
61. Total - FFP (Ln 56 + Ln 60)		$ 2,827,159	$ (1,212,196)	$ 1,614,963
				(To Sch. 1)

FINDING 1 – MAA EXPENSE ALLOCATION AND CLAIMING OF COSTS

Our examination of the provider's records and interviews with Berkeley City staff disclosed that Berkeley City contended that costs were distributed to Medi-Cal Administrative Activities (MAA) based on a relative value method (based on charges) rather than actual costs as required in Cost & Financial Reporting System (CFRS) cost report instruction manual. Specifically, MAA costs based on the contractor's work paper which was based on relative value method tied to the cost report submitted by Berkeley City to Alameda County in the amount of $2,935,518. However, the final audited cost as shown on the Summary section on page of this report was only $231,167.

However, since relative value is not an approved method to determine MAA costs, the Department did not accept this working paper to substantiate the reported MAA costs. In any event, we do need to comment on the appropriateness of a provider using the relative value method when distributing costs to the MAA program.

The cost report instructions also specify that under certain circumstances, costs may be distributed using the relative value method based on either:

1) Published charges or,
2) The statewide average rates.

However, those circumstances are usually restricted to treatment programs because those are the only programs that have predetermined statewide average rates or charges. It would not be necessary for the non-treatment programs such as MAA to establish charge rates because the rates would not be used by to bill beneficiaries for MAA services.

Our examination further disclosed that the Contractor imputed a charge rate of $1.83 per unit for the MAA program for the purpose of allocating cost. All costs, treatment and non-treatment, were placed in a pool and allocations were made to each program based on its proportionate share of charges of the respective programs/service functions. In the case of the treatment programs, the Contractor used actual published charges. For the MAA program, the relative value was used based on the previously mentioned $1.83 charge rate. Although relative value method is one of the acceptable methodology in apportioning treatment costs to various modes and service function, it is not acceptable in determining the MAA costs because there are no charges, within the definition of charges (explained later) nor are there any statewide average rates applicable to MAA that could be used for cost allocation purposes.

FINDING 1 continued ...

Definition of Published Charges

1) Section 405.503 (a) of Title 42 of the Code of Federal Regulations defines published charges as follows:

> "Published Charges are usual and customary charges prevalent in the public mental health sector that are used to bill the general public, insurers, and other non-Title XIX payers."

2) Section 413.13 of Title 42 of the Code of Federal Regulations defines customary charges as follows:

> "413.13. (a) Definitions. As used in this section-
> Customary charges mean the regular rate that providers charge both beneficiaries and other paying patients for the services furnished to them."

3) Provider Reimbursement Manual – Chapter 26 states, in part:

> "Definitions. "Customary charges" are the regular rates for various services furnished to Medicare beneficiaries and charged consistently to most patients liable for such charges."

The MAA charge rate of $1.83 does not meet any of the above definitions since this rate was not used by the program for billing purposes.

Berkeley City has its own MAA plan that was originally approved by the Department on September 29, 1997. The plan was later amended and approved by the Department on December 7, 2001. The proper protocol and rules of obtaining an approved MAA plan for a Contract Provider are as follows:

1. A Contract Provider should submit a MAA plan to the County.
2. The County reviews the MAA plan submitted by the contractor and ensures the services will not be double served.
3. County submits the MAA plan to the State for review and approval.

However, our review disclosed that Berkeley City's amended MAA plan which was previously mentioned above was approved by the Department, after Berkeley City became a contractor of Alameda County.

FINDING 1 continued ...

The amended MAA plan submitted to the State approved the following staff job classifications vs. the Contract Provider's documentation and audited number of staff as follows::

	Number of Staffs			
	Approved	**Work Paper**	**Over the Approved**	**Audited**
Assistant mental Health Clinician	9	8	0	8
Associate Planner	1	0	0	0
Clinical Psychologist	3	2	0	2
Community Services Specialist I	0	2	2	0
Information System Specialist	1	0	0	0
Manager of Mental Health	1	0	0	0
Mental Health Clinician I	9	7	0	7
Mental Health Clinician II	10	16	6	10
Mental Health Clinician III	0	0	0	0
Mental Health Program Supervisor	4	1	0	1
Office Specialist II	2	0	0	0
Psychiatric nurse	1	0	0	0
Psychiatric Social Worker I	3	7	4	3
Psychiatric Social Worker II	13	11	0	11
Psychiatrist II	1	0	0	0
Psychiatrist, I, II, or III	8	7	0	7
registered Nurse	1	1	0	1
Senior Management Analyst	1	0	0	0
Senior Mental Health Clinician	0	3	3	0
Senior Psychiatric Social Worker	5	2	0	2
Supervising Office Assistant II	1	0	0	0
Supervising Psychiatrist	1	1	0	1
Total number of employees:	73	68	15	53

FINDING 1 continued ...

Berkeley staff prepared another work paper that showed MAA costs of $3,680,720 that pertained to salaries and wages of 68 MAA staff that charged hours to the MAA program.

The provider submitted the time sheets (Activities Logs) of 21 full time employees to the Department. On a sample basis, we selected 50% of the employees' time sheets for review.

The State approved MAA plan included the following services:

- MEDI-CAL OUTREACH – NOT DISCOUNTED – (MODE 55, SFC 01-03)
- MEDI-CAL OUTREACH – DISCOUNT- (MODE 55, SFC 17-19)
- REFERRAL IN CRISISS SITUATIONS FOR NON-OPEN CASES (MODE 55, SFC 11-13)
- PROGRAM PLANNING AND POLICY DEVLOPMENT (MODE 55, SFC 24-26 & SFC 35-39)
- PRGORAM PLANNING AND POLICY DEVLOPMENT (MODE 55, SFC 24-26 & SFC 35-39)
- CASE MANAGEMENT OF NON-OPEN CASES (MODE 55, SFC 21-23 & SFC 31-34)
- TRAINING (MODE 55, SFC 27-29)

According to cost report Form MH 1979, Line 13, Medi-Cal Admin. Activities Svc Functions 21-29 is for County only. However, these service functions were approved by the Department for Berkeley City, a contract provider. The Department's Audits Branch staff has reported this issue to the office within the Department that administers the MAA plan.

Quarterly Claims

Berkeley City submitted quarterly MAA claims to the Department totaling $2,932,245 for the year. However, the amount reported on the year-end Medi-Cal program cost report for the MAA program was $2,935,518 resulting in a variance is $3,273.

FINDING 1 continued ...

Treatment Costs, Administrative Costs and Utilization Review Costs

Further review of MAA time sheets disclosed that Berkeley City's revised working paper that support MAA costs of $3,680,720 included costs other than MAA hours. It also included treatment cost administrative cost, utilization review cost and non-Short-Doyle Medi-cal costs.

However, the approved MAA plan did not include any administrative or utilization review costs. Thus, Treatment cost of $1,975,451and Administrative cost of $1,122,325 were reclassified and included as Mode cost. Total utilization review costs were eliminated due to lack of supporting documentation that the provider performed any utilization review activities. The remaining non-Short-Doyle Medi-cal costs were reclassified to either Mode 45 or Mode 60.

Summary

The final audited total MAA cost of $231,167 was based on actual MAA time sheets and was in accordance with the approved MAA plan. The final audited total MAA units are 650,700.

AUDIT AUTHORITY

- Title 42 Code of Federal Regulation (CFR) Section 413.13;
- Center for Medicare and Medicaid Services, (CMS) Pub. 15-1, Section 2604.3;
- Cost & Financial Reporting System Fiscal Year 2003-2004
- Cost Report Policy DMH Letter Number 04-10 Dated October 19, 2004
- California Code of Regulations (CCR), Title 9, Section 640

RECOMMENDATION

We recommend that:

1) The contractor follow instructions per the DMH Letter No. 04-10, Cost Report Policy dated October 19, 2004. Under Section II J, when reporting the MAA program costs. This section states, in part:

   "Costs for MAA activities must be actual cost and therefore must be directly allocated."

RECOMMENDATION continued ...

2) MAA costs reported on the cost report must be based on actual staff time captured at the service function level. The County must ensure that all records utilized in the preparation of the SD/MC cost report be properly kept and readily available for review. Supporting documentation must be properly labeled and have an audit trail. Accounting records and supporting documents must be retained for four years after the closing of the fiscal year or until such time as the audit has been settled for the fiscal year.

3) Internal procedures in record keeping must be implemented to ensure that all supporting documentation are properly filed and kept. This will facilitate the completion of the audit in a timely manner.

The lack of compliance with these provisions could result in audit exceptions in the future.

AUDITEE'S RESPONSE

Relative Value Approach

The City of Berkeley (City) applied the relative value method to calculate Medi-Cal Administrative Activities (MAA) expenditures based on a discussion with the Chief of the Department of Mental Health's County Financial Program Support Section, Stan Johnson. Mr. Johnson indicated in a conversation with our fiscal consultant that the relative value methodology was acceptable because, at that time, Los Angeles County was already using the relative value approach for MAA based on the rate for case management services. This seemed logical to us because the concept that allows the use of relative values is that a weighting factor is applied to the units for each activity based on the resources used for the activity. Case management services do not require significant resources relative to the other activities and have the lowest rate which seemed to be the best proxy for MAA.

The State Department of Mental Health (Department) also allows legal entities to use more than just published charges or the statewide average rates for computing relative values. A legal entity may use negotiated rates to determine relative values by selecting the "Rate for Allocation" box on MH 1901 Schedule C consistent with the instructions in the cost report manual. These negotiated rates are not limited to treatment services and the Department has previously allowed legal entities to allocate costs to non-treatment services such as Mental Health Promotion and Community Client Services (non-open cases) based on County non-Medi-Cal negotiated rates. Thus, the argument that a charge must exist in

AUDITEE'S RESPONSE continued...

order to use the relative value method is not consistent with the Department's own cost report manual or practices.

Proposed Approach by State Department of Mental Health

The Department's proposed approach is that only salaries and benefits related to staff time spent performing MAA is allowed and all other costs related to the MAA program are not allowable. This proposed approach for MAA is in conflict with existing federal regulations regarding general cost reimbursement. 42 CFR §413.5 requires that costs attributable to other patients are not borne by the program. By limiting what is allowed under MAA to staff salaries and benefits, other costs of the MAA program are shifted inappropriately to direct services. For example, under the Department's approach, rent for office space for a staff person who spent 50 percent their time performing MAA and 50 percent of their time performing direct services would be not allowed under the MAA program but would be entirely borne by direct services thereby inappropriately overstating the true costs of direct services.

Further, the Department's proposed approach is inconsistent with the MH 1982 D instructions for reporting allowable costs under the Mental Health MAA program. These instructions specify that certain costs are allowable to the extent they are (1) necessary for the proper and efficient administration of the Medicaid program, (2) reasonable, (3) related to and needed for the provision of Medi-Cal services and completion of MAA work tasks, (4) allowable under federal OMB Circular A-87 and state law, (5) allocated on an acceptable basis, and (6) in accordance with the County Based Medi-Cal Administrative Activities Provider Manual and the MAC Agreement. The proposed approach by the Department is considerably more restrictive than allowed under the MAA program which is further in conflict with the California Welfare and Institutions Code §14132.47(u) which specifies that the State should maximize Federal Financial Participation (FFP) under the MAA program.

Conclusion

The City does not agree with the Department's argument that relative values cannot be used as a cost finding approach for activities that do not have a published charge or statewide rate because the Department allows for the relative value approach using negotiated rates for non-treatment activities consistent with the cost report manual. Further, a representative from the Department indicated to our fiscal consultant that relative values were acceptable for cost finding of the MAA program.

However, the City did not have a negotiated rate with Alameda County for these activities and so, technically, did not have a basis for computing the relative

AUDITEE'S RESPONSE continued...

values that was consistent with the cost report manual even though the Department indicated such an approach was allowable. Thus, the City accepts the finding that relative values were inappropriate given no negotiated rates existed between the City and Alameda County. However, the City does not agree with the Department's proposed approach because it is inconsistent with federal regulations and state statutes. The City will recalculate the appropriate MAA amount consistent with the MAA invoice guidelines.

FINDING 2 – SELF-INSURANCE COSTS

Our review disclosed that the provider participated in a self–insurance program for workers' compensation. The Department identified $170,752 as self-insurance expense. Among other things, Section 2162.7 of the Provider Reimbursement Manual 15-1 states, in pertinent part the following:

> "Self – Insurance Fund – The provider or pool establishes a fund with a recognized independent fiduciary such as a bank, a trust company, or a private benefit administrator. In the Case of a State or local governmental provider or pool, the State in which the provider or pool is located may act as a fiduciary. The provider or pool and fiduciary must enter into a written agreement which includes all of the following elements: 1. General Legal Responsibility, 2. Control of Fund, 3. Payments by Fiduciary, 4. Termination, and 5. Reporting."

The provider was unable to submit a fiduciary written agreement that met all the requirements mentioned above. Therefore, the self – insurance program costs were disallowed. There were no actual claims submitted to the Department in lieu of the self-insurance premium.

AUDIT AUTHORITY

- CMS PUB. 15-1 SEC. 2162.7

RECOMMENDATION

We recommend that the provider review the regulation to meet the requirements specified in this citation. Self-insurance premium identified on the provider's records should be excluded from the cost report if the applicable regulatory requirements were not met by the contractor.

RECOMMENDATION continued...

The lack of compliance with these provisions will continue to result in audit exceptions in the future that will jeopardize the receipt of federal funds.

AUDITEE'S RESPONSE

Because the City of Berkeley is self-insured for worker's compensation and cannot document a premium payment for Mental Health personnel, actual worker's compensation claims paid have been accepted in past years to support these costs. City of Berkeley will provide said documentation for FY 03-04.

FINDING 3 – DISCREPANCY BETWEEN THE CONTRACTOR COST REPORT AND THE COST REPORT COUNTY SUBMITTED TO THE STATE

During our examination of the various Mode cost on Berkeley City's Cost Report, we noted a discrepancy between the Cost Report submitted by the contractor to the County and Cost Report submitted to the Department on behalf of the contractor.

During the audit, Berkeley City submitted a Cost Report to Alameda County. The Cost Report identified $3,824,579 for Outpatient Services, $2,935,518 for MAA Services and $164,515 for Support Services. These amounts tied to the contractor's general ledger and other supporting documentation. However, the cost report submitted by the County to the State on behalf of the contractor reflected a reclassification of $164,515 in Support cost to Outpatient Services. During our audit, we could not find any reason for this reclassification and an adjustment was made to correct the error.

AUDIT AUTHORITY

- Cost & Financial Reporting System Fiscal Year 2003-2004
- Cost Report Policy DMH Letter Number 04-10 Dated October 19, 2004

RECOMMENDATION

The County should report amounts reported by the Contractor on their submitted Cost Report unless the County's controller's office conducts an audit of the contract providers. The County's Auditor controller's office should submit a copy of the audit report to the State regarding its finding.

AUDITEE'S RESPONSE

No response from Auditee was made.

FINDING No. 4: QUALITY ASSURANCE COSTS

Our review disclosed that the provider did not have the policy and procedure for quality assurance/utilization review. The Provider stated that the provider was unable to locate formal policy in place during the period of audit concerning the Quality Assurance policies and procedures.

During review of MAA expenses, there was utilization review codes reflected on the MAA staff time sheets. A total of $51,335 utilization review costs were included as MAA costs. Requested utilization review reports were not submitted by the contractor. Thus, this amount was eliminated from the cost report.

AUDIT AUTHORITY:

- Cost & Financial Reporting System Fiscal Year 2003-2004
- Cost Report Policy DMH Letter Number 04-10 Dated October 19, 2004

RECOMMENDATION:

We recommend that contract provider establish policy and procedures in accordance with the State and Federal regulations.

AUDITEE'S RESPONSE:

The City disputes that the Utilization Review (UR) amounts should be excluded from the City's costs. The UR activities captured by the City are not the same as those defined in Welfare and Institutions Code §5724(d) and DMH Letter 94-09 (superseded by DMH Letter 05-11). The time reported as UR in INSYST represents time spent by clinicians performing utilization review and other regulatory compliance activities.

In both Adult and Children's Services Programs, professional staff meet weekly to review charts for medical necessity and service authorization; that unauthorized or otherwise unallowable services are identified and deleted from billing; to determine that charts meet all medical records standards; and to provide oversight on general regulatory standards. Supervisors and team leaders

AUDITEE'S RESPONSE continued...

also perform these functions on a daily basis, as needed, as part of staff performance management and Quality Improvement.

Since the City is not a Mental Health Plan, these costs are not identified separately on the cost report and should be allocated to direct services along with all other direct service costs. Thus, the City does not agree with the elimination of UR costs from the cost report.

Mental Health Division Policy and Procedure for Utilization Management that were in effect in FY 03-04 are attached to this document.

FINDING 5: NO CONTRACT AGREEMENT BETWEEN CITY OF BERKELEY AND ALAMEDA COUNTY

During our examination of Alameda County's Behavioral Health Care Services (BHCS) Medi-Cal contract providers units and contract maximums, Berkeley City was listed as a Medi-Cal contractor under the County. Further inquiry from County staff revealed that no written contract agreement was found between the County and Berkeley City during the period of audit and current as of the date of this audit report.

However, Berkeley City presented to Audit staff a draft contract proposal dated September 19, 1997. But, as of this date, we were unable to locate neither a Memorandum of Understanding (MOU) nor a contract agreement as far back as FY97/98 between Berkeley City and Alameda County.

In addition, we determined that there were no payments made to Berkeley City as shown on the County's general ledger. During the field review, County staff described the following relationship between the County and Berkeley City:

- BHCS and City of Berkeley are beginning work on a contract.
- BHCS acts as a "pass through" for City of Berkeley. That is – the City of Berkeley provides MH services, inputs them into the City of Berkeley reporting units in the INSYST system (which we use to track and claim client services). BHCS then does the billing to Medicare, Medi-Cal and Insurance. We also prepare client bills for them, which they review and authorize prior to them being sent to clients. When payments are received from Medicare, Medi-Cal, EPSDT, SB90 or Insurance companies, BHCS identifies the payments for City of Berkeley (based on the client's services RU) and transfers theses monies to the City of Berkeley Trust Fund. The monies from the trust fund along with the relevant Remittance Advices, EOB or Approval Reports are forwarded to Berkeley.

FINDING 5 continued ...

- There are limitations on payments made by Alameda County to City of Berkeley. BHCS does not reimburse City of Berkeley for indigent client services; we only pass through revenues earned from third party payers for City of Berkeley services.
- Berkeley receives its own MHSA funding from the state (as well as participating under the BHCS MHSA plan).
- Berkeley receives its own Realignment funding from the state, and provides their own match to Medi-Cal
- Berkeley was receiving monies under AB2034 program
- Alameda County submits CSI data for City of Berkeley along with all other CBO and county operated sites

The Department records showed that during the period of audit, Berkeley City received AB 2034 funding in the amount of $907,250 (Alameda did not receive a separate allocation for AB 2034).

According to historical notes, starting with FY 97-98, Berkeley City's EPSDT SGF settlement was combined with Alameda County's. There is no separate baseline for Berkeley City indicated in the source documents used for the settlement.

AUDIT AUTHORITY

- Cost & Financial Reporting System Fiscal Year 2003-2004
- Cost Report Policy DMH Letter Number 04-10 Dated October 19, 2004
- Section 1903(a)(1) Social Security Act

RECOMMENDATION

Contractors who provide services to Medi-Cal beneficiaries shall have a written contract agreement with the County. The County shall certify claims submitted to the Department for Medi-Cal reimbursement for mental health services. Federal Medicaid claiming rules require that federal funds be claimed only after services are rendered and expenditures have been made. The claim must reflect the total expenditure amount, actually paid for the services provided before federal reimbursement is claimed.

Furthermore, the County shall assure the State that required matching funds are available prior to the reimbursement of federal funds. Cost of all services must be specified in a contract agreement between the County and the contractor. The contract shall establish the contract maximum reimbursement for services provided by the contractor to Medi-Cal eligible individuals.

RECOMMENDATION continued...

During our examination for all the Alameda contract providers units and Contracts, Berkeley City as a contractor did not have the contract with the County. County claimed have not signed any contracts with Berkeley City since Berkeley City had a legal entity number under Alameda County. The County claimed their jobs were to collect the cost information and the unit information from Berkeley City, file cost report for Berkeley City to the State Department of Mental Health. When the County received money from the State and Federal, County passed it through to Berkeley City.

AUDIT AUTHORITY

- Cost & Financial Reporting System Fiscal Year 2003-2004
- Cost Report Policy DMH Letter Number 04-10 Dated October 19, 2004

RECOMMENDATION

A contract is guide for the Contract Providers to provide mental heath services. A contract maximum also monitored the contract providers' expenditure. County should have contract with Berkeley City and state clear the types of services the contract provider provides and the contract maximum.

AUDITEE'S RESPONSE:

No response from Auditee was made.

AUDIT ADJUSTMENTS

Provider	Provider Number	No. of Adj.	Fiscal Period Ended
BERKELEY CITY AN ALAMEDA COUNTY CONTRACT PROVIDER	00065	47	June 30, 2004

Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS	As Settled	Increase (Decrease)	As Adjusted
Adj. No.	Form/ Sch.	Line	Col.				
				ADJUSTMENTS TO REPORTED COSTS			
1	MH 1960	1	A	MENTAL HEALTH EXPENDITURES	$ 5,091,026	$ 136,748	$ 5,227,774
				To adjust Salaries and Benefits costs to agree with provider's general ledger.			
				CMS PUB. 15-1 SEC. 2304			
2	MH 1960	1	B	MENTAL HEALTH EXPENDITURES	$ 836,192	$ 29,523	$ 865,715
				To adjust Other costs to agree with provider's general ledger.			
				CMS PUB. 15-1 SEC. 2304			
3	MH 1960	1	C	MENTAL HEALTH EXPENDITURES	$ 5,927,218	$ 166,271	$ 6,093,489
				To reflect adjustment numbers 1 and 2.			
				CMS PUB. 15-1 SEC. 2304			
4	MH 1960	4	C	OTHER ADJUSTMENTS	$ 997,394	$ 480	$ 997,874 *
				To reverse Substance Abuse adjustment as this expense was not included on the general ledger.			
				CMS PUB. 15-1 SEC. 2304			
5	MH 1960	4	C	OTHER ADJUSTMENTS **	$ 997,874	$ 52,426	$ 1,050,300 *
				To adjust Indirect cost to agree with provider's Indirect Cost Allocation Plan.			
				CMS PUB. 15-1 SEC. 2304			

* Balance carried forward to subsequent adjustment.
** Balance brought forward from prior adjustment.

AUDIT ADJUSTMENTS

Provider	Provider Number	No. of Adj.	Fiscal Period Ended
BERKELEY CITY AN ALAMEDA COUNTY CONTRACT PROVIDER	00065	47	June 30, 2004

Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS	As Settled	Increase (Decrease)	As Adjusted
Adj. No.	Form/ Sch.	Line	Col.				
				ADJUSTMENTS TO REPORTED COSTS			
6	MH 1960	4	C	OTHER ADJUSTMENTS **	$ 1,050,300	$ (170,752)	$ 879,548 *
				To adjust self-insurance costs on Worker's Compensation as it did not meet the CMS regulatory requirements.			
				CMS PUB. 15-1 SEC. 2162.7			
7	MH 1960	4	C	OTHER ADJUSTMENTS **	$ 879,548	$ (51,335)	$ 828,213
				To adjust utilization review cost due to lack of sufficient documentation.			
				CMS PUB. 15-1 SEC. 2304			
8	MH 1960	8	C	ALLOWABLE COSTS FOR ALLOCATION	$ 6,924,612	$ (2,910)	$ 6,921,702
				To reflect adjustment numbers 3 through 7.			
9	MH 1960	18	C	MODE COSTS	$ 6,924,612	$ (2,910)	$ 6,921,702
				To adjust mode costs to reflect adjustment number 7.			
				ADJUSTMENTS TO ALLOCATION OF COSTS TO MODES OF SERVICE			
10	MH 1964	7	A	MEDI-CAL ADMINISTRATIVE ACTIVITIES (MODE 55)	$ 2,935,518	$ (2,704,351)	$ 231,167
11	MH 1964	6	A	OUTPATIENT SERVICES (MODE 15 Program 1)	$ 3,989,094	$ 2,704,351	$ 6,693,445 *
				To reclassify Medi-Cal Administrative Activities Cost to Outreach Cost to agree with provider's supporting documentation.			
				CMS PUB. 15-1 SEC. 2304			
				CMS PUB. 15-1 SEC. 2304			

* Balance carried forward to subsequent adjustment.
** Balance brought forward from prior adjustment.

AUDIT ADJUSTMENTS

Provider	Provider Number	No. of Adj.	Fiscal Period Ended
BERKELEY CITY AN ALAMEDA COUNTY CONTRACT PROVIDER	00065	47	June 30, 2004

Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS		As Settled	Increase (Decrease)	As Adjusted
Adj. No.	Form/ Sch.	Line	Col.					
				ADJUSTMENTS TO ALLOCATION OF COSTS TO MODES OF SERVICE				
12	MH 1964	7	A	OUTREACH SERVICES (MODE 45)		$ 0	$ 27,726	$ 27,726
13	MH 1964	6	A	OUTPATIENT SERVICES (MODE 15 Program 1)	**	$ 6,693,445	$ (27,726)	$ 6,665,719 *
				To reclassify Medi-Cal Administrative Activities Cost to Outpatient Services to agree with provider's supporting documentation.				
				CMS PUB. 15-1 SEC. 2304				
14	MH 1964	6	A	OUTPATIENT SERVICES (MODE 15 Program 1)	**	$ 6,665,717	$ (437,230)	$ 6,228,487 **
	MH 1964	6	A	SUPPORT SERVICES (MODE 60)		$ 0	$ 437,230	437,230
				To include support services cost to agree with the provider's records.				
15	MH 1964	9	A	TOTAL MODE COST	**	$ 6,228,489	$ (2,910)	$ 6,225,579
				To reflect adjustment number 9.				
16	MH 1964	5	A	OUTPATIENT SERVICES (MODE 15 Program 1) SFC 01		$ 201,567	$ 129,232	$ 330,799
17	MH 1964	5	A	OUTPATIENT SERVICES (MODE 15 Program 1) SFC 10		2,848,364	1,514,796	4,363,160
18	MH 1964	5	A	OUTPATIENT SERVICES (MODE 15 Program 1) SFC 60		776,898	489,427	1,266,325
19	MH 1964	5	A	OUTPATIENT SERVICES (MODE 15 Program 1) SFC 70		162,265	103,030	265,295
Info.	MH 1964	5	A	TOTAL		$ 3,989,094	$ 2,236,485	$ 6,225,579
				To distribute audited Direct Services costs (Medi-Cal Modes) to Outpatient Services using the Relative Value method based on published charges.				

* Balance carried forward to subsequent adjustment.
** Balance brought forward from prior adjustment.

AUDIT ADJUSTMENTS

Provider	Provider Number	No. of Adj.	Fiscal Period Ended
BERKELEY CITY AN ALAMEDA COUNTY CONTRACT PROVIDER	00065	47	June 30, 2004

Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS			As Settled	Increase (Decrease)	As Adjusted
Adj. No.	Form/ Sch.	Line	Col.						
				ADJUSTMENTS TO REPORTED TOTAL UNITS					
20	MH 1966A	2	B	TOTAL UNITS - MODE 55-01			73,226	52,714	125,940
21	MH 1966A	2	C	TOTAL UNITS - MODE 55-11			924,076	(736,036)	188,040
22	MH 1966A	2	D	TOTAL UNITS - MODE 55-21			442,466	(442,466)	0
23	MH 1966A	2	D	TOTAL UNITS - MODE 55-27			0	2,820	2,820
24	MH 1966A	2	E	TOTAL UNITS - MODE 55-31			337,349	(3,449)	333,900
				TOTAL			1,777,117	(1,126,417)	650,700
				To adjust total units to agree with the provider's records and approved MAA Plan.					
				CMS PUB. 15-1 SEC 2304					
				ADJUSTMENTS TO REPORTED SD/MC UNITS					
25	MH 1966A	8	TOTAL	TOTAL MEDICAL UNITS	54.35%		276,338	(1,130)	275,208
26	MH 1966A	9	TOTAL	TOTAL MEDI/MEDI UNITS	54.35%		7,260	875	8,135
				TOTAL MEDICAL UNITS PLUS MEDI/MEDI UNITS			283,598	(255)	283,343 *
27	MH 1966A	8A	TOTAL	TOTAL MEDICAL UNITS	52.95%		933,025	(11,227)	921,798
28	MH 1966A	9A	TOTAL	TOTAL MEDI/MEDI UNITS	52.95%		25,483	9,962	35,445
				TOTAL MEDICAL UNITS PLUS MEDI/MEDI UNITS			958,508	(1,265)	957,243 *
				To adjust Medi-Cal and Medi/Medi units to agree with the State Department of Mental Health Summary of Approved claims.					
29	MH 1966A	8	TOTAL	TOTAL MEDICAL UNITS PLUS MEDI/MEDI	54.35%	**	283,343	(477)	282,868 *
30	MH 1966A	8A	TOTAL	TOTAL MEDICAL UNITS PLUS MEDI/MEDI	52.95%	**	957,243	(4,602)	811,317 *
				To adjust Medi-Cal and Medi/Medi units to agree with County records.					

* Balance carried forward to subsequent adjustment.
** Balance brought forward from prior adjustment.

AUDIT ADJUSTMENTS

Provider	Provider Number	No. of Adj.	Fiscal Period Ended
BERKELEY CITY AN ALAMEDA COUNTY CONTRACT PROVIDER	00065	47	June 30, 2004

Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS			As Settled	Increase (Decrease)	As Adjusted
Adj. No.	Form/ Sch.	Line	Col.						
				ADJUSTMENTS TO REPORTED SD/MC UNITS					
Info.	MH 1966A	8	TOTAL	TOTAL MEDICAL UNITS PLUS MEDI/MEDI	54.35%	**	282,868	0	282,868
Info.	MH 1966A	8A	TOTAL	TOTAL MEDICAL UNITS PLUS MEDI/MEDI	52.95%	**	811,317	0	811,317
				To adjust Medical and Medi/Medi units to the lesser of the State Department of Mental Health Summary of Approved Claims report or provider's records.					
				CMS PUB. 15-1 SEC.2304					
31	MH 1966A	8	TOTAL	TOTAL MEDICAL UNITS PLUS MEDI/MEDI	54.35%	**	282,868	(7,190)	275,678
32	MH 1966A	8A	TOTAL	TOTAL MEDICAL UNITS PLUS MEDI/MEDI	52.95%	**	811,317	(19,240)	792,077
				To identify Medi/Medi units.					
33	MH 1966A	11	TOTAL	TOTAL HEALTHY FAMILIES	07/01/2003 - 09/30/2003		1,060	(200)	860 *
34	MH 1966A	11A	TOTAL	TOTAL HEALTHY FAMILIES	10/01/2003 - 06/30/2004		3,720	(520)	3,200 *
				To adjust Healthy Families units to agree with the State Department of Mental Health Summary of Approved claims.					
35	MH 1966A	8	TOTAL	TOTAL HEALTHY FAMILIES	07/01/2003 - 09/30/2003	**	860	200	1,060 *
36	MH 1966A	8A	TOTAL	TOTAL HEALTHY FAMILIES	10/01/2003 - 06/30/2004	**	3,200	520	3,720 *
				To adjust Healthy Families to agree with provider's records.					
37	MH 1966A	8	TOTAL	TOTAL HEALTHY FAMILIES	07/01/2003 - 09/30/2003	**	1,060	(200)	860
38	MH 1966A	8A	TOTAL	TOTAL HEALTHY FAMILIES	10/01/2003 - 06/30/2004	**	3,720	(520)	3,200
				To adjust Healthy Families units to the lesser of the State Department of Mental Health Summary of Approved Claims report or provider's records.					

* Balance carried forward to subsequent adjustment.
** Balance brought forward from prior adjustment.

AUDIT ADJUSTMENTS

Provider	Provider Number	No. of Adj.	Fiscal Period Ended
BERKELEY CITY AN ALAMEDA COUNTY CONTRACT PROVIDER	00065	47	June 30, 2004

Report Reference				EXPLANATION OF AUDIT ADJUSTMENTS	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Form/ Sch.	Line	Col.				
				ADJUSTMENTS TO REPORTED SD/MC SETTLEMENT			
39	MH 1979	11	D	MEDI-CAL ADMIN. ACTIVITIES SVC FUNCTIONS 01-09	$ 120,958	$ (61,784)	$ 59,174
40	MH 1979	12	D	MEDI-CAL ADMIN. ACTIVITIES SVC FUNCTIONS 11-19, 31-39	1,505,664	(1,382,231)	123,433
41	MH 1979	13	D	MEDI-CAL ADMIN. ACTIVITIES SVC FUNCTIONS 21-29	528,138	(527,289)	849
42	MH 1979	16	D	SD/MC NET REIMBURSEMENT FOR DIRECT SERV 07/01/03 - 09/30/03	693,392	43,157	736,549
43	MH 1979	16A	D	SD/MC NET REIMBURSEMENT FOR DIRECT SERV 10/01/03 - 06/30/04	2,328,915	(221,966)	2,106,949
44	MH 1979	24	D	HEALTHY FAMILIES NET REIMBURSEMENT 07/01/03 - 09/30/03	2,674	(313)	2,361
45	MH 1979	24A	D	HEALTHY FAMILIES NET REIMBURSEMENT 10/01/03 - 06/30/04	9,214	(685)	8,529
Info.				TOTAL:	$ 5,188,955	$ (2,151,110)	$ 3,037,845
				To adjust Total Gross Cost Reimbursement to reflect the result of the adjustments made to costs and units of service/time.			
46	MH 1979	23	J	TOTAL SD/MC REIMBURSEMENT - FFP	$ 2,819,433	$ (1,211,549)	$ 1,607,884
				To adjust Total SD/MC Reimbursement to reflect the results of the adjustments made to costs and units of service/time.			
47	MH 1979	27	J	TOTAL SD/MC REIMBURSEMENT - HEALTHY FAMILIES FFP	$ 7,727	$ (648)	$ 7,079
				To adjust Total Healthy Families Reimbursement to reflect the results of the adjustments made to costs and units of service/time.			

* Balance carried forward to subsequent adjustment.
** Balance brought forward from prior adjustment.

CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY **DEPARTMENT OF MENTAL HEALTH**

CALCULATION OF PROGRAM COSTS
MH 1960 (08/04) **FISCAL YEAR 2003 - 2004**

County: ALAMEDA COUNTY
County Code: 01

	Legal Entity: BERKELEY CITY	A	B	C
	Legal Entity Number: 00065	Salaries and Benefits	Other	Total Costs
1	Mental Health Expenditures	5,227,774	865,715	6,093,489
2	Encumbrances			
3	Less: Payments to Contract Providers (County Only)			
4	Other Adjustments from MH 1962		828,213	828,213
5	Total Costs Before Medi-Cal Adjustments	5,227,774	1,693,928	6,921,702
6	Medi-Cal Adjustments from MH 1961			
7	Managed Care Consolidation (County Only)			
8	Allowable Costs for Allocation			6,921,702
	Administrative Costs (County Only)			
9	SD/MC Administration			
10	Healthy Families Administration			
11	Non-SD/MC Administration			
12	Total Administrative Costs			
	Utilization Review Costs (County Only)			
13	Skilled Professional Medical Personnel			
14	Other SD/MC Utilization Review			
15	Non-SD/MC Utilization Review			
16	Total Utilization Review Costs			
17	Research and Evaluation (County Only)			
18	Mode Costs (Direct Service and MAA)			6,921,702
19	Total Costs - Lines 9 through 18			6,921,702

CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY **DEPARTMENT OF MENTAL HEALTH**

OTHER ADJUSTMENTS
MH 1962 (08/04) **FISCAL YEAR 2003 - 2004**

County: ALAMEDA COUNTY
County Code: 01

	Legal Entity: BERKELEY CITY	A	B	C
	Legal Entity Number: 00065	Salaries and Benefits	Other	Total Adjustments
1	Substance Abuse	(480)		(480)
2	Indirect Cost Allocation (25.68% of salaries)		997,874	997,874
3				
4	Adjustments:			
5	To reversed substance abuse adjustment not found			
6	in the general ledger.	480		480
7				
8	To adjust Self-insurance cost as it did not			
9	meet the regulatory requirement.		(170,752)	(170,752)
10				
11	To adjust Indirect cost to agree with the			
12	Provider's Indirect Allocation Plan		52,426	52,426
13				
14	To adjust utilization review cost due to			
15	lack of sufficient documentation		(51,335)	(51,335)
16				
17				
18				
19				
20	**Total Adjustments**		828,213	828,213

CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY **DEPARTMENT OF MENTAL HEALTH**

ALLOCATION OF COSTS TO MODES OF SERVICE

MH 1964 (08/04) **FISCAL YEAR 2003 - 2004**

County: ALAMEDA COUNTY
County Code: 01

	Legal Entity: BERKELEY CITY	A
	Legal Entity Number: 00065	Total Costs
1	Mode Costs (Direct Service and MAA) from MH 1960	6,921,702
	Modes	
2	Hospital Inpatient Services (Mode 05-SFC 10-19)	
3	Other 24 Hour Services (Mode 05-All Other SFC)	
4	Day Services (Mode 10)	
5	Outpatient Services (Mode 15 Program 1 + Program 2)	6,225,579
6	Outreach Services (Mode 45)	27,726
7	Medi-Cal Administrative Activities (Mode 55)	231,167
8	Support Services (Mode 60)	437,230
9	Total - Lines 2 through 8	6,921,702

CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

DEPARTMENT OF MENTAL HEALTH

ALLOCATION OF COSTS TO SERVICE FUNCTIONS - MODE TOTAL

DETAIL COST REPORT

MH 1966 (08/04)

FISCAL YEAR 2003 - 2004

County: ALAMEDA COUNTY
County Code: 01

				CR	CR	CR	CR		
Legal Entity: BERKELEY CITY			A	B	C	D	E	F	G
Legal Entity Number: 00065				Service	Service	Service	Service	Service	Service
Mode: 15 - Outpatient (Program 1)			Mode Total	Function	Function	Function	Function	Function	Function
				01	10	60	70		
1	Allocation Percentage		100.00%	5.31%	70.08%	20.34%	4.26%		
2	Total Units			122,025	1,259,880	196,954	51,070		
3	Gross Cost		6,225,579	330,799	4,363,160	1,266,325	265,295		
4	Cost per Unit			2.71	3.46	6.43	5.19		
5	SMA per Unit			1.83	2.36	4.37	3.52		
6	Published Charge per Unit			1.91	2.44	4.53	3.66		
7	Negotiated Rate / Cost per Unit								
8	Medi-Cal Units	07/01/03 - 09/30/03		26,375	207,803	28,375	13,125		
8A		10/01/03 - 06/30/04		75,305	603,968	85,019	27,785		
9	Medicare/Medi-Cal Crossover Units	07/01/03 - 09/30/03				7,190			
9A		10/01/03 - 06/30/04				19,240			
10	Enhanced SD/MC (Children) Units	07/01/03 - 09/30/03							
10A		10/01/03 - 06/30/04							
10B	Enhanced SD/MC (Refugees) Units	07/01/03 - 06/30/04							
11	Healthy Families (SED) Units	07/01/03 - 09/30/03			695	165			
11A		10/01/03 - 06/30/04		90	2,600	510			
12	Non-Medi-Cal Units			20,255	444,814	56,455	10,160		
13	Medi-Cal Costs	07/01/03 - 09/30/03	1,041,774	71,500	719,654	182,438	68,181		
13A		10/01/03 - 06/30/04	2,986,749	204,145	2,091,635	546,634	144,336		
14	Medi-Cal SMA Upper Limits	07/01/03 - 09/30/03	708,880	48,266	490,415	123,999	46,200		
14A		10/01/03 - 06/30/04	2,032,509	137,808	1,425,364	371,533	97,803		
15	Medi-Cal Published Charges	07/01/03 - 09/30/03	733,992	50,376	507,039	128,539	48,038		
15A		10/01/03 - 06/30/04	2,104,344	143,833	1,473,682	385,136	101,693		
16	Medi-Cal Negotiated Rates	07/01/03 - 09/30/03							
16A		10/01/03 - 06/30/04							
17	Medicare/Medi-Cal Crossover Costs	07/01/03 - 09/30/03	46,228			46,228			
17A		10/01/03 - 06/30/04	123,704			123,704			
18	Medicare/Medi-Cal Crossover SMA Upper Limits	07/01/03 - 09/30/03	31,420			31,420			
18A		10/01/03 - 06/30/04	84,079			84,079			
19	Medicare/Medi-Cal Crossover Published Charges	07/01/03 - 09/30/03	32,571			32,571			
19A		10/01/03 - 06/30/04	87,157			87,157			
20	Medicare/Medi-Cal Crossover Negotiated Rates	07/01/03 - 09/30/03							
20A		10/01/03 - 06/30/04							
21	Enhanced SD/MC Costs	07/01/03 - 09/30/03							
21A		10/01/03 - 06/30/04							
22	Enhanced SD/MC SMA Upper Limits	07/01/03 - 09/30/03							
22A		10/01/03 - 06/30/04							
23	Enhanced SD/MC Published Charges	07/01/03 - 09/30/03							
23A		10/01/03 - 06/30/04							
24	Enhanced SD/MC Negotiated Rates	07/01/03 - 09/30/03							
24A		10/01/03 - 06/30/04							
25	Enhanced SD/MC (Refugees) Costs	07/01/03 - 06/30/04							
26	Enhanced SD/MC (Refugees) SMA Upper Limits	07/01/03 - 06/30/04							
27	Enhanced SD/MC (Refugees) Published Charges	07/01/03 - 06/30/04							
28	Enhanced SD/MC (Refugees) Negotiated Rates	07/01/03 - 06/30/04							
29	Healthy Families Costs	07/01/03 - 09/30/03	3,468		2,407	1,061			
29A		10/01/03 - 06/30/04	12,527	244	9,004	3,279			
30	Healthy Families SMA Upper Limits	07/01/03 - 09/30/03	2,361		1,640	721			
30A		10/01/03 - 06/30/04	8,529	165	6,136	2,229			
31	Healthy Families Published Charges	07/01/03 - 09/30/03	2,443		1,696	747			
31A		10/01/03 - 06/30/04	8,826	172	6,344	2,310			
32	Healthy Families Negotiated Rates	07/01/03 - 09/30/03							
32A		10/01/03 - 06/30/04							
33	Non-Medi-Cal Costs		2,011,128	54,910	1,540,460	362,980	52,778		

CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

DEPARTMENT OF MENTAL HEALTH

ALLOCATION OF COSTS TO SERVICE FUNCTIONS - MODE TOTAL
MH 1966 (08/04)

DETAIL COST REPORT

FISCAL YEAR 2003 - 2004

County: ALAMEDA COUNTY
County Code: 01

CR

	Legal Entity: BERKELEY CITY	A	B	C	D	E	F	G
	Legal Entity Number: 00065		Service	Service	Service	Service	Service	Service
	Mode: 45 - Outreach	Mode Total	Function	Function	Function	Function	Function	Function
			20					
1	Allocation Percentage	100.00%	100.00%					
2	Total Units		45,414					
3	Gross Cost	27,726	27,726					
4	Cost per Unit		0.61					
5	Non-Medi-Cal Units		45,414					
6	Non-Medi-Cal Costs	27,726	27,726					

CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

DEPARTMENT OF MENTAL HEALTH

ALLOCATION OF COSTS TO SERVICE FUNCTIONS - MODE TOTAL

DETAIL COST REPORT

MH 1966 (08/04)

FISCAL YEAR 2003 - 2004

County: ALAMEDA COUNTY
County Code: 01

			MAA	MAA	MAA	MAA		
	Legal Entity: BERKELEY CITY	A	B	C	D	E	F	G
	Legal Entity Number: 00065	Mode Total	Service Function	Service Function	Service Function	Service Function	Service Function	Service Function
	Mode: 55 - Medi-Cal Administrative Activities		01	11	27	31		
1	Allocation Percentage	100.00%	25.60%	44.19%	0.51%	29.70%		
2	Total Units		125,940	188,040	2,820	333,900		
3	Total Expenditures	231,167	59,174	102,159	1,175	68,659		
4	Cost per Unit		0.47	0.54	0.42	0.21		
5	Non-Medi-Cal Costs	47,711						

CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

DEPARTMENT OF MENTAL HEALTH

ALLOCATION OF COSTS TO SERVICE FUNCTIONS - MODE TOTAL

DETAIL COST REPORT

MH 1966 (08/04)

FISCAL YEAR 2003 - 2004

County: ALAMEDA COUNTY
County Code: 01

CR

	Legal Entity: BERKELEY CITY	A	B	C	D	E	F	G
	Legal Entity Number: 00065	Mode Total	Service Function	Service Function	Service Function	Service Function	Service Function	Service Function
	Mode: 60 - Support							
			20					
1	Allocation Percentage	100.00%	100.00%					
2	Total Units		1					
3	Gross Cost	437,230	437,230					
4	Cost per Unit		437,230.00					
5	Non-Medi-Cal Units (Same as Line 2)		1					
6	Non-Medi-Cal Costs (Same as Line 3)	437,230	437,230					

CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

DETAIL COST REPORT

DEPARTMENT OF MENTAL HEALTH

DETERMINATION OF SD/MC DIRECT SERVICE AND MAA REIMBURSEMENT
MH 1968 (08/04)

FISCAL YEAR 2003 - 2004

County: ALAMEDA COUNTY
County Code: 01
Legal Entity: BERKELEY CITY
Legal Entity Number: 00065

			REIMBURSEMENT TYPE				PC	SMA				Costs	
			A	B	C	D	E	F	G	H	I	J	K
			Mode 55			Total MAA	Total Inpatient Mode 05-Hospital	Mode 05-All Other	Mode 10	Mode 15 Program (1)	Total Outpatient Exclude Program (2)	Mode 15 Program (2)	Total Outpatient (Col. I + Col. J)
			S. F.'s 01-09	S. F.'s 11-19, 31-39	S. F.'s 21-29								
1	Medi-Cal Costs	07/01/03 - 09/30/03								1,041,774	1,041,774		1,041,774
1A		10/01/03 - 06/30/04								2,986,749	2,986,749		2,986,749
2	Medi-Cal SMA	07/01/03 - 09/30/03								708,880	708,880		708,880
2A		10/01/03 - 06/30/04								2,032,509	2,032,509		2,032,509
3	Medi-Cal P. C.	07/01/03 - 09/30/03								733,992	733,992		733,992
3A		10/01/03 - 06/30/04								2,104,344	2,104,344		2,104,344
4	Medi-Cal N. R.	07/01/03 - 09/30/03											
4A		10/01/03 - 06/30/04											
5	Medi-Cal Gross Reimbursement	07/01/03 - 09/30/03								708,880	708,880		708,880
5A		10/01/03 - 06/30/04								2,032,509	2,032,509		2,032,509
6	Medicare/Medi-Cal Crossover Cost	07/01/03 - 09/30/03								46,228	46,228		46,228
6A		10/01/03 - 06/30/04								123,704	123,704		123,704
7	Medicare/Medi-Cal Crossover SMA	07/01/03 - 09/30/03								31,420	31,420		31,420
7A		10/01/03 - 06/30/04								84,079	84,079		84,079
8	Medicare/Medi-Cal Crossover P. C.	07/01/03 - 09/30/03								32,571	32,571		32,571
8A		10/01/03 - 06/30/04								87,157	87,157		87,157
9	Medicare/Medi-Cal Crossover N. R.	07/01/03 - 09/30/03											
9A		10/01/03 - 06/30/04											
10	Medicare/Medi-Cal Crossover Gross Reim.	07/01/03 - 09/30/03								31,420	31,420		31,420
10A		10/01/03 - 06/30/04								84,079	84,079		84,079
11	Total SD/MC + Crossover Gross Reim.	07/01/03 - 09/30/03								740,300	740,300		740,300
11A		10/01/03 - 06/30/04								2,116,588	2,116,588		2,116,588
12	Enhanced SD/MC (Children) Cost	07/01/03 - 09/30/03											
12A		10/01/03 - 06/30/04											
13	Enhanced SD/MC (Children) SMA	07/01/03 - 09/30/03											
13A		10/01/03 - 06/30/04											
14	Enhanced SD/MC (Children) P. C.	07/01/03 - 09/30/03											
14A		10/01/03 - 06/30/04											
15	Enhanced SD/MC (Children) N. R.	07/01/03 - 09/30/03											
15A		10/01/03 - 06/30/04											
16	Enhanced SD/MC (Children) Gross Reim.	07/01/03 - 09/30/03											
16A		10/01/03 - 06/30/04											
17	Enhanced SD/MC (Refugees) Cost	07/01/03 - 06/30/04											
18	Enhanced SD/MC (Refugees) SMA	07/01/03 - 06/30/04											
19	Enhanced SD/MC (Refugees) P. C.	07/01/03 - 06/30/04											
20	Enhanced SD/MC (Refugees) N. R.	07/01/03 - 06/30/04											
21	Total Medi-Cal Gross Reimbursement	07/01/03 - 09/30/03								740,300	740,300		740,300
21A	(Excludes Refugees)	10/01/03 - 06/30/04								2,116,588	2,116,588		2,116,588
22	Enhanced SD/MC (Refugees) Gross Reim.	07/01/03 - 06/30/04											
23	Healthy Families Cost	07/01/03 - 09/30/03								3,468	3,468		3,468
23A		10/01/03 - 06/30/04								12,527	12,527		12,527
24	Healthy Families SMA	07/01/03 - 09/30/03								2,361	2,361		2,361
24A		10/01/03 - 06/30/04								8,529	8,529		8,529
25	Healthy Families P. C.	07/01/03 - 09/30/03								2,443	2,443		2,443
25A		10/01/03 - 06/30/04								8,826	8,826		8,826
26	Healthy Families N. R.	07/01/03 - 09/30/03											
26A		10/01/03 - 06/30/04											
27	Healthy Families Gross Reim.	07/01/03 - 09/30/03								2,361	2,361		2,361
27A		10/01/03 - 06/30/04								8,529	8,529		8,529
	Less: Patient and Other Payor Revenue												
28	SD/MC + Crossover Revenue	07/01/03 - 09/30/03								3,751	3,751		3,751
28A		10/01/03 - 06/30/04								9,639	9,639		9,639
29	Enhanced SD/MC (Children) Revenue												
30	Enhanced SD/MC (Refugees) Revenue												
31	Healthy Families Revenue												
32	Total Expenditures from MAA (Mode 55)		59,174	170,818	1,175	231,167							
33	Medi-Cal Eligibility Factor (Average)			72.26%									
34	Revenue - MAA												
35	Net Due - SD/MC for Direct Services	07/01/03 - 09/30/03	59,174	123,433	849	183,456				736,549	736,549		736,549
35A		10/01/03 - 06/30/04								2,106,949	2,106,949		2,106,949
36	Net Due - Enhanced SD/MC (Refugees)												
37	Net Due - Healthy Families	07/01/03 - 09/30/03								2,361	2,361		2,361
37A		10/01/03 - 06/30/04								8,529	8,529		8,529
	Amount Negotiated Rates Exceed Costs												
38	SD/MC (Includes Children)	07/01/03 - 09/30/03											
38A		10/01/03 - 06/30/04											
39	Enhanced SD/MC (Refugees)												
40	Healthy Families	07/01/03 - 09/30/03											
40A		10/01/03 - 06/30/04											

CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

DEPARTMENT OF MENTAL HEALTH

DETAIL COST REPORT

SD/MC PRELIMINARY DESK SETTLEMENT
MH 1979 (08/04)

FISCAL YEAR 2003 - 2004

County: ALAMEDA COUNTY
County Code: 01

Legal Entity: BERKELEY CITY Legal Entity Number: 00065			A Total MAA	B Total Inpatient	C Total Outpatient	D Total	E 50.00% FFP	F 54.35% FFP	G 52.95% FFP	H Variable % FFP	I 75.00% FFP	J Total FFP
	SD/MC Administrative Reimbursement (County Only)											
1	County SD/MC Direct Service Gross Reimbursement											
2	Contract Providers Medi-Cal Direct Service Gross Reimbursement											
3	Total Medi-Cal Direct Service Gross Reimbursement											
4	Medi-Cal Administrative Reimbursement Limit											
5	Medi-Cal Administration											
6	Medi-Cal Administrative Reimbursement											
	Healthy Families Administrative Reimbursement (County Only)											
7	County Healthy Families Direct Service Gross Reimbursement											
7A	Contract Providers Healthy Families Direct Service Gross Reim.											
7B	Total Healthy Families Direct Service Gross Reimbursement											
8	Healthy Families Administrative Reimbursement Limit											
9	Healthy Families Administration											
10	Healthy Families Administrative Reimbursement											
	SD/MC Net Reimbursement for MAA											
11	Medi-Cal Admin. Activities Svc Functions 01 - 09		59,174			59,174	29,587					29,587
12	Medi-Cal Admin. Activities Svc Functions 11 - 19, 31 - 39		123,433			123,433	61,717					61,717
13	Medi-Cal Admin. Activities Svc Functions 21 - 29 (County Only)		849			849					637	637
14	Utilization Review-Skilled Prof. Med. Personnel (County Only)											
15	Other SD/MC Utilization Review (County Only)											
16	SD/MC Net Reimbursement for Direct Services	07/01/03 - 09/30/03			736,549	736,549		400,315				400,315
16A		10/01/03 - 06/30/04			2,106,949	2,106,949			1,115,629			1,115,629
17	Enhanced SD/MC Net Reimb. (Children)	07/01/03 - 09/30/03										
17A		10/01/03 - 06/30/04										
18	Enhanced SD/MC Net Reimb. (Refugees)											
19	Total SD/MC Reimbursement Before Excess FFP											1,607,884
20	Amount Negotiated Rates Exceed Costs - SD/MC & Enh. SD/MC											
21	Total SD/MC Reimbursement (FFP)											1,607,884
22	Contract Limitation Adjustment											
23	Adjusted Total SD/MC Reimbursement (FFP)											1,607,884
24	Healthy Families Net Reimbursement	07/01/03 - 09/30/03			2,361	2,361				1,535		1,535
24A		10/01/03 - 06/30/04			8,529	8,529				5,544		5,544
25	Total Healthy Families Reimbursement Before Excess FFP											7,079
26	Amount Negotiated Rates Exceed Costs - Healthy Families											
27	Total Healthy Families Reimbursement											7,079