



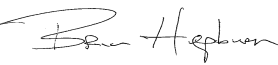
STATE OF MARYLAND
DHMH

Maryland Department of Health and Mental Hygiene

Mental Hygiene Administration • Spring Grove Hospital Center • Dix Building
55 Wade Avenue • Catonsville, Maryland 21228

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – Joshua M. Sharfstein, M.D., Secretary
Brian M. Hepburn, M.D., Executive Director

MEMORANDUM

TO: Community Mental Health Programs regulated under COMAR 10.21.17
FROM: Brian Hepburn, M.D., Executive Director, MHA 
RE: FY 2013 Cost Report
DATE: July 1, 2013

The annual submission of financial statements and salary information is required by regulation as well as by statute (see *Health General Article, §10-901.1, COMAR 10.21.17.06A(2)*). The MHA has legal authority to impose a penalty, not to exceed \$500 per day, per violation for each day a violation occurs on an approved or licensed provider that fails to comply with the MHA regulatory requirement.

As you know, the Community Services Reimbursement Rate Commission (CSRRC) is an independent body within the Maryland Department of Health and Mental Hygiene (DHMH). The CSRRC is mandated by statute to study the financial stability of the community-based system serving people with developmental or psychiatric disabilities. Its annual report of findings and recommendations to DHMH and the Maryland General Assembly focuses on the costs associated with providing high-quality services and the reimbursement rates paid to providers. The statutory authority for the CSRRC can be found in Md. Code Ann. Health-Gen. Article §13-801 *et seq.* The CSRRC obtains the underlying data to perform its work through the Mental Hygiene Administration and directly from providers, as stipulated in the following sections of Maryland law.

Md. Code Ann. Health-Gen. Article §10-901(1)

Financial statements and salary information

(a) Submission of financial statements and salary information. -- A community mental health services program shall submit annually financial statements and salary information in accordance with the Department's regulations.

(b) Penalty. -- The Administration may impose a penalty not exceeding \$ 500 per day per violation for each day a violation occurs on a licensee that fails to comply with subsection (a) of this section.”

COMAR Title 10 – Department of Health and Mental Hygiene

Subtitle 21 Mental Hygiene Regulations

Chapter 17 Community Mental Health Programs—Definitions and Administrative Requirements

10.21.17.06 Collaboration with Core Service Agency (CSA).

The program director shall:

A. Submit annually to the CSA, or, when providing services in multiple jurisdictions, the lead CSA, and the Community Services Reimbursement Rate Commission, an annual summary that, at a minimum, includes:

- (1) Relevant financial statements or documentation and results of a financial audit;
- (2) Wage and benefit information for each job classification, including, but not limited to:
 - (a) Administrative staff;
 - (b) Supervisory staff;
 - (c) Clinical staff; and
 - (d) Direct care staff;

(3) Other information deemed necessary by the Department and the Community Services Reimbursement Rate Commission;

For the CSRRC to conduct a meaningful assessment of the industry and offer useful guidance to policy makers, it must have comprehensive financial data corresponding to the budget categories that constitute the basis of reimbursement rates. Some years ago, the CSRRC developed such a “cost report” for developmental disability service providers; this has proven very successful in meeting their needs, minimizing data collection costs, and helping entities better understand their own budgets. We have used this model to produce a cost report for mental health service providers. This report will be due with your annual submission of your Salary Survey and Financial Information.

In preparation for your FY 2013 submission, we are posting the Cost Report so that you may review it ahead of time. The information will be analyzed by the CSRRC and used to develop recommendations and calculate rate increases. Like the other financial information furnished to the CSRRC, this data will only be released in a de-identified, aggregate format; as always, no provider-specific financial information will be made publicly available. Submission of the Cost Report is required of all community mental health programs covered under the above regulation/statute *except those regulated by HSCRC, Federally Qualified Health Centers, and county health departments*. The Cost Report, along with the Salary Survey and Financial Information will be due to the by the Mental Hygiene Administration by December 2, 2013. The Salary Survey form will be posted in the coming months. We will also be offering some information sessions to assist those who are having difficulty with the new cost report form.

For any questions or assistance in completion of the Cost Report, please contact Jenny Howes at 410-402-8319 or dhmh.adultservices@maryland.gov. Thank you for all you do to make recovery possible in your community.

cc: Daryl Plevy
Marion Katslerles
Jenny Howes
Zereana Jess-Huff, ValueOptions
Jillian Aldebron, Community Services Reimbursement Rate Commission
Maryland Association of Core Services Agencies