



North Carolina Department of Health and Human Services  
**Division of Medical Assistance**

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Beverly Eaves Perdue, Governor  
Lanier M. Cansler, Secretary

Craig L. Gray, MD, MBA, JD, Director

**MEMORANDUM**

TO: Financial Officers and Cost Reporting Contacts  
FROM: Jim Flowers  
DATE: July 28, 2009

RE: Mental Health Cost Reporting for 2008 and 2009

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In preparation for the 2008 and 2009 Mental Health Cost Report, the Division of Medical Assistance (DMA) requires each provider to have detail documentation supporting units which are shown in the cost report. To attest to the reliability of units DMA needs to have computer support for the units reported. Provider documentation needs to be recorded in a computer file that has all pertinent information to support the units for provided services. The details are as follows for compiling this 2008 and 2009 information.

The provider should furnish a detailed list of events by individual to support the total actual units per service objective. Data that is needed for each event, which will represent the detail needed to support total actual units, is as follows:

- 1) Client ID
- 2) Client Name
- 3) Medicaid ID (if applicable)
- 4) Date of Service
- 5) Procedure Code (Your internal code)
- 6) Procedure Code Description
- 7) CPT Code
- 8) HCPCS Code (with modifier if applicable)
- 9) Unit Rate
- 10) Units of Service
- 11) Total Amount Billed
- 12) Payer Code/Fund Source
- 13) Amount Received
- 14) Staff ID (who performed the service)
- 15) Staff Name (who performed the service)

This detail should be in an electronic database file; if the provider has it available, Microsoft Access is the preferred format. It is important for the database to map internal service codes to the applicable billing codes shown in items 7-8 above. The database should detail services/codes sufficiently by each event so that the detail of each event record can be summarized, grouped and totaled according to the services breakdown shown on the cost report. We realize there are different systems used throughout the state, but whatever system is used must produce the detail necessary to support the total actual units identified on the cost report per service objective. This detailed information should be compiled and summarized so that these totals reconcile to the actual units per service objective reported on the cost report. After the detailed information and reconciliation is prepared, burn the data to a CD or whatever method is available to store the data and keep it on file for review. The problem we have encountered is that the data is ongoing and constantly changing from the time that the cost report is prepared. We require the provider to capture the data at the time the cost report is prepared and to download the data to a secure location so that the data will not change. This will give auditors the support for the actual units that are reported on the cost report.

Upon completion of the archiving of the unit information, DMA requests that a copy of the CD containing the information be sent certified mail to the DHHS Controller's Office by the due date with the cost report. Please send the CD to the following address:

DHHS Controller's Office  
Attn: Susan Kesler  
1050 Umstead Drive  
Raleigh, NC 27603

If these procedures are followed, DMA will have on hand electronic supporting detail for total actual units and Medicaid units for each service objective that reconciles to the cost report for the accounting year end.

If you have any questions related to this memorandum, please contact Susan Kesler at (919) 855-3680 – [susan.kesler@dhhs.nc.gov](mailto:susan.kesler@dhhs.nc.gov), Kathy Cardenas at (919) 647-8060 – [kathy.cardenas@dhhs.nc.gov](mailto:kathy.cardenas@dhhs.nc.gov), or Pete Jones at (919) 647-8060 – [pete.jones@dhhs.nc.gov](mailto:pete.jones@dhhs.nc.gov) .

cc: Susan Kesler  
Kathy Cardenas  
Pete Jones  
Paul Cole