**CENTER FOR HEALTH INFORMATION AND ANALYSIS**

**COST REPORT INSTRUCTIONS: ADULT FOSTER CARE COST REPORT**

March 2024



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**SUBMISSION DEADLINE**

**FY 2023 AFC Cost Report filings are due on May 17th, 2024**

**What’s New for the FY2023 AFC Cost Report**

1. Providers must enter their Financial Statement reported income and expenses in the Reconciliation section at the bottom of the Summary tab starting in row 65. Please review page 16 for more details.
2. If there is variance between Cost Report and Financial Statement Net Income in cell D73 of the Summary tab, providers should enter reconciling item explanations and amounts starting in row 75. Please review page 16 for more details.

**Who Must File**

Providers of adult foster care that participated in the MassHealth program during their fiscal year 2023 must file, unless the provider is exempt from filing for one or more of the following reasons:

1. The agency was in business for less than 6 months during FY2023;
2. The agency was owned by the current owner for less than 6 months during FY2023;
3. The provider had no MassHealth participation in its FY2023; or
4. The provider received less than $50,000 in MassHealth revenue in its FY2023.

If you believe your agency is exempt from filing for any of the above reasons, you must claim exemption using the FY2023 AFC Cost Report Exemption Request Form, available as a Word document at <http://www.chiamass.gov/adult-foster-care-cost-reports-2/>. Email this completed form to [data@chiamass.gov](mailto:data@chiamass.gov).

**957 CMR 6.19 provides that CHIA may assess penalties against providers who knowingly fail to file cost reports or who knowingly file falsified data. In addition, CHIA may recommend that the Executive Office of Health and Human Services assess penalties, including but not limited to reductions in delinquent providers’ rates of payment.**

**What to File**

1. **Cost Reports**

Providers should file an adult foster care cost report for their fiscal year 2023. Blank cost reports are available in Microsoft Excel format from CHIA at: <http://www.chiamass.gov/adult-foster-care-cost-reports-2/>

1. **Statement of Certification**

Providers must file a Statement of Certification attesting that the cost report submission is accurate, complete, and prepared in accordance with the instructions. The Statement of Certification is found in the cost report template. Please **print only the “Statement of Certification” page**, sign it, scan it, and save it as a PDF file. Email the PDF file along with the completed Excel workbook cost report to [data@chiamass.gov](mailto:data@chiamass.gov). Please name the Statement of Certification PDF in the following format: AgencyName\_AFCSC2023.pdf.

1. **Financial Statements**

Providers must also file financial statements for the reporting period. The financial statements must be completed in accordance with generally accepted accounting principles (GAAP) using the accrual basis of accounting. Supplemental schedules must also be completed in accordance with GAAP. If the numbers on the cost report cannot be traced directly to the financial statements, please describe the reasons for the variance between the two documents in the Reconciliation section on the Summary tab of the cost report template.

To satisfy the financial statement requirement, providers must file **one** of the following forms of acceptable documentation. They are listed in descending order of preference:

* 1. Audited, reviewed, or compiled financial statements prepared by a Certified Public Accountant (CPA).
  2. Certification from a CPA attesting to the accuracy and validity of the data reported on the cost report. The CPA must not be a related party to the principal owners or partners of the agency.
  3. Copies of tax returns filed with the Internal Revenue Service for the reporting year.
  4. Unaudited financial statements for the reporting year.

**Providers need to submit only one of the above financial statements.**

1. **Additional Information (if requested)**

Upon review of the cost report, CHIA may require additional information. This information will be considered a component of the cost report subject to the same certification and filing obligation as the initial filing.

**When to File**

AFC providers must send a properly completed AFC Cost Report via email to [data@chiamass.gov](mailto:data@chiamass.gov) by **May 17th, 2024**. Cost reports containing any errors listed in the “Unacceptable Filings” section of these instructions will not be considered submitted until all errors are fixed.

A fifteen-day filing extension may be granted for good cause. A written request is necessary via email to the following address: [data@chiamass.gov](mailto:data@chiamass.gov).

**Unacceptable Filings**

Filings with the following errors will not be considered complete. All of the below errors must be resolved before CHIA will consider your report submitted and complete.

* Cost reports that are missing any of the following information:
  + The provider’s name (General Information tab);
  + The provider’s 9-digit MassHealth ID number and letter suffix(es) (General Information tab);
  + Dates of the provider’s fiscal year beginning and fiscal year end (General Information tab);
  + Units of AFC service provided during the fiscal year (Caregiver Stipends tab).
* Use of a prior year’s template for FY2023 reporting.
  + Solution: Download the **FY2023** AFC cost report. Do not download or use a previous year’s template.
  + <http://www.chiamass.gov/adult-foster-care-cost-reports-2/>
* Use of “Secure E-Mail” transmission methods that require the CHIA recipient to log onto or register with a “Secure E-Mail” service.
  + Solution: Use the standard email attachment function to submit the report.
* Encrypted Excel files.
  + Solution: Do not encrypt your cost report.
* Cost reports whose formatting, line item descriptions, or other locked content has been altered.
  + Solution: Only enter data into the yellow shaded cells and do not attempt to alter the formatting of the cost report. Do not attempt to unlock protected cells or to delete tabs from the spreadsheet. **If you believe the cost report blank has errors or should be changed, contact CHIA at** [**CostReports.Pricing@chiamass.gov**](mailto:CostReports.Pricing@chiamass.gov).
* Cost report submissions saved in anything other than the .xlsx format. Do not save cost reports as .xls or .pdf.
  + Solution: Save your cost report Excel file in .xlsx format only.

Additionally, CHIA may ask for correction or verification of AFC cost reports with unusually high or unusually low net income, profit margins, or unit costs (total AFC expenses over total AFC units), or with other indicators of data quality issues.

**How to Submit the Cost Report**

First, save your cost reports and certification statements electronically, using the file naming convention specified in these instructions.

Send an email to CHIA at the following email address: [data@chiamass.gov](mailto:data@chiamass.gov) Attach to the email:

1. Your completed Excel workbook cost report named in the format: **AgencyName\_AFCCR2023.xlsx** where AgencyName is the name of your agency;
2. The PDF version of your signed Statement of Certification named in the format: **AgencyName\_AFCSC2023.pdf** where AgencyName is the name of your agency;
3. Copies of your financial statements in PDF format.

In the subject line of the email, enter: “AFC FY2023 Cost Report from [your provider name]”.

**How to Get Help**

If you still need assistance with completing or submitting this report, claiming an exemption, or requesting an extension, please e-mail the Pricing Cost Reports Helpdesk Email at [CostReports.Pricing@chiamass.gov](mailto:CostReports.Pricing@chiamass.gov).

**Multiple Site Agencies**

If your organization operates multiple AFC sites, please combine the information for all sites in a single cost report. In General Information tab, **list all MassHealth ID suffixes** **and all sites**. Designate the type of care being given at each site as “AFC,” or in the case of a dual provider, “AFC & GAFC.” Even if some sites also provide GAFC services, **only report AFC revenues and expenses on this cost report.**

**General Instructions**

1. Please read all instructions carefully before preparing the report.
2. Cells that the preparer should fill in (if applicable) are marked in yellow. Green cells will be filled automatically and should not be edited directly.
3. The preparer should complete only those schedules, columns, and line items that are applicable. It is not necessary to enter “0”–simply leave inapplicable cells blank.
4. All dollar amounts should be entered as WHOLE numbers rounded to the nearest dollar.
5. All subtotals and totals will be calculated automatically in the spreadsheet. Please double-check the entered numbers and verify that the subtotals and totals are correct.
6. All attachments should be clearly marked to indicate the schedule, column, and line item to which they refer.
7. Whenever the term “OTHER” is used, the preparer should list separately, in the space provided in a separate tab, the amount and a brief description of all items that are relevant to the financial statement.
8. Retain a copy of the completed form for your files.

**Nature of Expenses and Revenues to be Reported**

The purpose of this report is to gather information about the costs, revenues, and profitability of your agency’s AFC program. **For this reason, only report revenues generated by providing AFC services and costs incurred in providing AFC services.** Report this information regardless of how those AFC services are paid for. If you provide AFC services to private pay clients or other non-MassHealth clients, include the revenue, expense, and units of AFC service for those clients.

If your agency provides other social or medical services in addition to AFC services, you must separate the revenue and costs of AFC services from your agency-wide costs and record only AFC revenues and costs on the AFC cost report.

**General Information Schedule**

Line G1 Agency Name: Select the agency’s MassHealth provider name from the drop-down list. If your agency’s name does not appear in the list, then please follow allof the following steps:

* + 1. **Register your organization so that its name appears in the list of AFC providers:** Download, print, and fill out a CHIA INET User Agreement – Other Provider form. Scan and email the form to [data@chiamass.gov](mailto:data@chiamass.gov). This form is available from

<https://www.chiamass.gov/assets/docs/p/inetuseragreementotherprovider.pdf>

* + 1. **Register a person as authorized to file this report on behalf of your agency:** Fill out a Business Partner Security Agreement and email to [data@chiamass.gov](mailto:data@chiamass.gov).. This form is available from <https://www.chiamass.gov/assets/docs/p/inet/confidential-business-partner-agreement-2018.pdf>
    2. In the General Information tab of the cost report, click the link at the top of the data-entry column that reads “Click here if your Agency Name does not appear in this list.” It will take you to another sheet in the cost report where you should type in your organization’s name. Then return to the General Information tab and continue to complete the cost report.

Lines G2- G3 MassHealth ID Number and Suffix(es): All providers that participate in MassHealth are assigned an ID number consisting of nine digits and a character suffix, such as 123456789A. Enter the digits and the character suffix(es) separately, in the appropriate fields. **If your agency has multiple MassHealth ID suffixes under which you bill MassHealth for AFC services, enter all applicable suffixes.**

Line G4 Federal Employer Identification Number (FEIN): Enter the agency’s nine-digit FEIN.

Lines G5-G8 Business Address: The main address for the agency.

Lines G9-G10 Agency Phone and Agency Phone Extension: The main phone number for the agency, and extension if applicable.

Line G11 Contact Person: The name of the person whom CHIA should contact with any questions about the cost report.

Line G12 Contact Title: The job title of the contact person.

Line G13 Contact Email: The email address for the contact person.

Line G14 Contact Phone: The telephone number of the contact person.

Line G15 Contact Phone Extension: The direct phone extension to reach the contact person, if applicable.

Lines G16-G27 Service Sites and Type of Care: If your agency operates multiple sites, use this space to list all of the sites and their respective addresses. Designate the type of care as “AFC,” or, if the site is a dual provider, “AFC & GAFC.” See the “Multiple Site Agencies” section of these instructions above.

Line G28 Annual Report From: The starting date of your agency’s fiscal year 2023.

Line G29 Annual Report To:The ending date of your agency’s fiscal year 2023.

**Schedule A: Revenue**

Line 1A Contributions, Gifts, Bequests: Cash contributions, gifts, and bequests to the agency by its benefactors.

Line 2A Private/In-Kind: Contributions, gifts, and bequests other than cash recorded at the market value of the item on the date of receipt by the agency.

Line 3A Total Gifts and In-Kind Contributions: Sum of lines 1A and 2A.

Line 4A Massachusetts Government Grants: Award of funds from a Commonwealth governmental agency to support or subsidize a particular project, program, or the general charitable purposes and activities of the agency.

Line 5A Other Grant (Excluding Federal Direct): Award of funds from all other entities except grants received directly from the federal government.

Line 6A Total Grants: Sum of lines 4A and 5A.

Line 7A Commercial/Private Third Parties: Third-party payments made for services to clients not sponsored by a governmental entity.

Line 8A Government Programs - PACE/SCO: Revenue from government programs PACE and SCO.

Line 9A Private Client Payments: All revenue received from self-pay clients.

Line 10A AFC MassHealth Payments: Revenue received from MassHealth AFC clients for per diem services only. Includes MassHealth fee for service, PCC plan.

Enter revenue from the following payers on the appropriate line:

Line 11A MassHealth MCO

Line 12A Medicare

Line 13A Department of Mental Health

Line 14A Department of Developmental Services

Line 15A Department of Public Health

Line 16A Department of Social Services

Line 17A Department of Transitional Assistance

Line 18A Department of Youth Services

Line 19A Total Assistance and Fees: Sum of lines 7A-18A.

Line 20A Interest Income

Line 21A Other Revenue Details: Revenue not falling under any other revenue accounts definition. Space is provided for written explanation on Schedule A1: Other Revenue Details.

Line 22A Total Revenue from Providing AFC: Sum of lines 3A+6A+19A+20A+21A.

**Schedule B: Administrative Expenses**

**Administrative expenses reported in Schedule B are limited to those related to the Adult Foster Care Program.**

Assigning full time equivalents (FTEs):

FTEs are a measurement of the amount of time employees are paid during the reporting period. 1.00 FTE refers to an employee working full-time for the entire year. The measure is the same (1.00 FTE) whether referring to one person working full-time, or several people working part-time hours that add up to a full work week.

A full work week is often defined as 40 hours, but this varies by agency and your agency may have a slightly different work week. If 40 hours is a full work week, then 40 hours of work per week is 1.00 FTE; 20 hours is 0.5 FTE.

FTEs should be reported to reflect how many hours per week an employee works, as well as whether the employee has been with your agency for the whole year or only for part of the year. If your agency employs staff members who have some direct (clinical) and some indirect job functions, splitting FTEs between these roles is an important part of cost reporting.

Please note that each job category that shows an FTE number should also have a corresponding total salary number and vice versa. The cost report will automatically calculate the yearly salary based on these two numbers.

Example 1: A part-time care manager (non-master’s) who works 20 hours/week in a standard 40-hour work week and has been with the agency for the entire fiscal year

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Report in Line | Staff | Yearly Salary | FTE | Total Salary |
| 7C | Care Manager  (non-master’s) | $35,000 | 0.50 | $17,500 |

Example 2: A full-time care manager (non-master’s) who works 40 hours/week in a standard 40-hour work week and was hired halfway through the year

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Report in Line | Staff | Yearly Salary | FTE | Total Salary |
| 7C | Care Manager  (non-master’s) | $35,000 | 0.50 | $17,500 |

Example 3: A nurse who also works 10 hours per week as a program director

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Report in Line | Staff | Yearly Salary | FTE | Total Salary |
| 4B | Program Director | $70,000 | 0.25 | $17,500 |
| 2C | Registered Nurse | $60,000 | 0.75 | $45,000 |

**FTE:**

Line 1B Number of Hours per Week Representing an FTE: Report the number of hours of work per week considered full-time. For example, if an FTE is expected to work 40 hours per week, enter 40.

**Indirect Staff:**

**A note about assigning direct and indirect staff: function vs. title**

A staff position is considered “indirect” if its primary function is not to provide direct clinical services to the member. The classification of staff as direct or indirect is determined by the program function performed. For example, if the program director also functions as a registered nurse, include only the indirect, program director salary expense allocations in line 4B. The salary expense of that person’s direct nursing role should be reported later on, in Schedule C, Direct Care Expenses.

This portion of the schedule asks you to report FTEs, Total Salary, Payroll Taxes, Fringe Benefits, and Accrual Adjustments for various types of indirect staff members. Here is a brief explanation of what should be reported in each column:

* FTE: The total number of FTEs serving in the specified job function. This number can be expressed as a decimal.
* Total Salary: The total salary amount (wages) paid to all staff members in the specified job function. Report the dollar amount as a whole number.
* Payroll Taxes: The employer’s share of FICA, MUICA, FUTA, workers compensation insurance, and any other payroll taxes paid on behalf of staff in the specified job function. Include any applicable Employer Medical Assistance Contribution (EMAC) assessments in this column. Report the dollar amount as a whole number.
* Fringe Benefits: The expense of providing non-salary benefits to staff in the specified job function. This may include life, health, and medical insurance; pension and annuity plan contributions; day care; tuition benefits; etc. Report the dollar amount as a whole number.
* Accrual Adjustments: Adjustment account to record adjusting entries for accruals such as Accrued Vacation Pay and Partial Payroll expenses when not reported elsewhere in the cost report. Report the dollar amount as a whole number.

Line 2B Chief Executive Officer: The person responsible for the overall operation of the agency in which the AFC operates. If the AFC is not part of a larger agency, this may also be the person charged with overall direction of the AFC program.

Line 3B Chief Financial Officer/Business Manager: The person charged with maintaining the agency’s financial records.

Line 4B Program Director:An individual who has overall responsibility for the daily operation of the AFC program. In some cases, the Program Director may also act as a Registered Nurse or Care Manager. In these instances, please do not include any direct care costs in this line item.

Line 5B Assistant Program Director:An individual who reports directly to the Program Director. The Assistant Program Director acts for the Program Director in his/her absence and functions as an advisor/assistant to the Program Director.

Line 6B Supervising Professional/Program Manager: The person charged with supervising the Direct Care Staff.

Line 7B Program Staff: Personnel who tend to the clerical functions of the program.

Line 8B Office Maintenance and Janitorial Staff: Office maintenance staff and groundskeepers. Please note that this line item, like the rest of this cost report, should be limited to expenses related only to the AFC program.

Line 9B Other Indirect Staffing Expense Details: Click on the link to Schedule B1 to enter details of other indirect (non-clinical) staff positions not listed above.

Line 10B Indirect Staff Totals: Sum of lines 2B-9B. Instead of an average yearly salary, this line reports “Total Expenses,” which is the sum of the total salary, payroll taxes, fringe benefits, and accrual adjustments.

Note: If you reported expenses for certain indirect staff positions, you must report FTEs for those positions. It is considered an error to leave the FTE blank in this instance.

**Additional Administrative Expenses:**

Line 11B Indirect Staff Training: Formal training for indirect staff.

Line 12B Indirect Staff Travel: Staff travel within the normal scope of indirect staff members’ assigned duties. This category includes use of a staff member’s own vehicle, as well as public transportation.

Line 13B Program Supplies and Materials: Expenses related to supplies, materials, and expendable items of equipment and furnishings that are not depreciable and are routinely needed for ongoing direct client care or program service delivery. Include any expenses related to Personal Protective Equipment (PPE) here.

Line 14B Information Technology Systems and Investments: Expenses related to the information technology systems and services, including compensation for IT professionals and expenses related to the construction and maintenance of the program’s systems and services.

Line 15B Quality Assurance and Program Integrity: Expenses related to activities that are designed to improve health care quality and the integrity of the program.

Line 16B Legal Fees: All fees incurred by the organization for the legal services of an attorney from outside of the organization (does not include lobbying or collection fees). If your agency employs its own staff serving in this capacity, do not report their salaries here. Instead, report the salary in Schedule B, Administrative Expenses under “Other Indirect Staffing Expense Details” (Line 9B, redirects to Schedule B1). Include the description “Legal Staff” for the line item.

Line 17B Accounting Fees: Fees incurred for accounting services from outside of the organization. If your agency employs staff serving in this capacity, do not report their salaries here. Instead, report the salary in Schedule B, Administrative Expenses under “Other Indirect Staffing Expense Details” (Line 9B, redirects to Schedule B1). Include the description “Accounting Staff” for the line item.

Line 18B Marketing, PR, and Outreach: Expenses incurred for marketing, public relations, and outreach of program products and services.

Line 19B Dues and Subscriptions: Expenses incurred for memberships in professional organizations or for periodicals related to the agency’s function.

Line 20B Office and Equipment Expenses: Office supplies, materials, and expendable items of equipment and furnishings.

Line 21B Movable Equipment Depreciation: Depreciation expenses associated with program equipment and furnishings. Movable equipment may include furniture, office equipment, motor vehicles, etc.

Line 22B Fixed Equipment Depreciation: Depreciation expenses associated with program fixed equipment. Fixed equipment may include central air conditioning systems, elevators, wiring for telephone systems, etc.

Line 23B Other Taxes: Taxes other than those associated with payroll and occupancy of the agency’s space. Other taxes may include excise tax, sales tax, etc.

Line 24B Equipment Repair and Maintenance: Expenses related to preventing equipment from failing unexpectedly, or for returning failed equipment to a functional state.

Line 25B Malpractice Insurance: Insurance premiums to insure the agency from claims resulting from allegations of errors in the care of clients.

Line 26B Affiliate Allocations: Indirect non-patient care cost allocated to a parent company or affiliate for providing administrative oversight.

Line 27B Occupancy Expenses: Click on the link to Schedule B2 to enter details of occupancy expenses.

1. Real Estate Taxes: Tax expense for the agency’s real property.

2. Facility Repair and Maintenance: Expenses related to preventing facilities from falling into disrepair, or for returning facilities to a functional state.

3. Property Insurance: Premiums paid to insure the agency from damages to its property.

4. Building Depreciation: Depreciation associated with buildings owned by the agency.

5. Facility Rent: The expense for leasing or renting the facility in which the agency operates.

6. Utilities: Expenses for heat, power, water, telephone, etc.

7. Facility Mortgage Interest: Interest paid on mortgages for the facility owned by the agency.

8. Other Occupancy Expense: Expenses related to the premises in which the agency operates that are not enumerated above.

9. Total Occupancy Expenses: Sum of 1-8.

Line 28B Other Administrative Expense Details: Click on the link to Schedule B3 to enter details of other administrative expenses not listed above.

Line 29B Total Administrative Expenses: Sum of lines 11B-28B.

Line 30B Non-Reimbursable Expense Details: Click on the link to Schedule B4 to enter the details of expenses that are not reimbursable. These items include tax penalties and other late fees, provision for bad debts, collection fees, etc. Please note that line items for client transportation and meals have been removed from the cost report because they are not considered AFC program expenses. Client transportation and meal expenses should not be reported in the AFC cost report.

Note: If you reported expenses for certain administrative positions, you must report FTEs for those positions. It is considered an error to leave the FTE blank in this instance.

**Schedule C: Direct Care Expenses**

**Expenses related to the delivery of direct care.**

**Direct Staff:**

Direct staff are the clinical staff that provide medical assistance and clinical oversight to the program. **In the instructions for Schedule B above, please read “A note about assigning direct and indirect staff: function vs. title” as well as the description of the information that should be reported in each column.**

Line 1C RegisteredNurse ONLY: The nurse responsible for the initial clinical assessment and ongoing evaluation of a member’s progress in the AFC program. Must be a registered nurse licensed by the MA Board of Registration in Nursing. Report staff here if their sole job is as an RN and they do not perform non-clinical job functions.

Line 2C Indirect program staff (e.g., Director) performing the RN role: If a staff member is a registered nurse and performs the duties of a registered nurse **in addition to their non-clinical role**, report the FTEs and expenses allocated to the RN portion of their job here.

Line 3CLicensed Practical Nurse: Administers nursing services and oversight under the supervision of the registered nurse and participates in the implementation of the member’s plan of care. Must be a licensed practical nurse licensed by the MA Board of Registration in Nursing.

Line 4C Certified Nursing Assistant: Under the supervision of a licensed nurse, assists the client with Activities of Daily Living (ADLs) and Instrumental Activities of Daily Living (IADLs).

Line 5CCare Manager (master’s) ONLY:The care manager is responsible for psychosocial and counseling assistance within the AFC program. The care manager must have a master’s degree and social worker license from the MA Board of Registration in Social Work. Report staff here if their sole job is as a care manager and they do not perform non-clinical job functions.

Line 6C: Indirect program staff (e.g., Director) performing the Care Manager (master’s) role: If a staff member is a masters-level care manager and performs the duties of a care manager **in addition to their non-clinical role**, report the FTEs and expenses allocated to the care manager portion of their job here.

Line 7CCare Manager (non-master’s): The care manager is responsible for psychosocial and counseling assistance within the AFC. The care manager must have a bachelor’s degree and social worker license from the MA Board of Registration in Social Work, or a bachelor’s degree and at least two years clinical experience in the care of elderly or disabled persons.

Line 8C Community Health Worker: A Community Health Worker must have a bachelor’s degree in health or human services and at least one year of experience working with elders and adults with disabilities.

Line 9C Subcontracted Direct Care Staff: Subcontracted employees who provide direct clinical care and were not reported in any of the lines above.

Line 10C Other Direct Staffing Expense Details: Click on the link to Schedule C1 to enter details of other direct staff positions. For example, direct care staff who provided services at home, such as those supported by the Department of Developmental Services (DDS). This excludes caregivers and alternate caregivers, which should be reported in Schedule CA: Caregiver Stipends instead (see description below).

Line 11C Direct Staff Totals: Sum of lines 1C-10C. Instead of an average yearly salary, this line reports “Total Expenses,” which is the sum of the total salary, payroll taxes, fringe benefits, and accrual adjustments.

Line 12C Direct Staff Training: Formal instruction in the form of professional continuing education to satisfy program licensure requirements or to enable direct care staff to acquire and maintain acceptable levels of knowledge, skill, and proficiency for the routine performance of their assigned clinical functions.

Line 13C Direct Staff Travel: Travel within the normal scope of the clinical staff members’ assigned duties when providing direct care services in the members’ home. This category includes use of a direct clinical staff member’s own vehicle, as well as public transportation.

Line 14C Total Direct Care Expenses: Sum of Lines 11C-13C.

Line 15C AFC Notes: If you have any comments or additional information you’d like to state, you may leave a note here.

Note: If you reported expenses for certain direct staff positions, you must report FTEs for those positions. It is considered an error to leave the FTE blank in this instance.

**Schedule CA: Caregiver Stipends**

Note that unlike in other sections of the cost report related to staffing expenses, Schedule CA has a place to report “total stipend payment” without asking for yearly salary, FTE, payroll taxes, fringe benefits, or accrual adjustments. This is intentional; please follow the structure of Schedule CA to report caregiver stipends, number of caregivers, and units of service (member days). **Reports that are missing units of service will not be accepted.**

Line 1CA Caregiver Level 1: Those responsible for providing direct care and supervision of members who meet the level 1 clinical eligibility requirements described in 130 CMR 408.419(D)(1). This expense is used for primary caregivers. Primary caregivers are qualified individuals regularly residing with the AFC member in the qualified setting except in circumstances of temporary absence or alternative placement. Expenses incurred for caregiver coverage as a result of temporary absence of the primary caregiver(s) should be reported on Line 3CA: Alternate Caregiver Level 1.

Line 2CA Caregiver Level 2: Those responsible for providing direct care and supervision of members who meet the level 2 clinical eligibility requirements described in 130 CMR 408.419(D)(2). This expense is used for primary caregivers. Primary caregivers are qualified individuals regularly residing with the AFC member in the qualified setting except in circumstances of temporary absence or alternative placement. Expenses incurred for caregiver coverage as a result of temporary absence of the primary caregiver(s) should be reported on Line 4CA: Alternate Caregiver Level 2.

Line 3CA Alternate Caregiver Level 1: Temporary caregivers providing direct care for level 1 members who meet the level 1 clinical eligibility requirements described in 130 CMR 408.419(D)(1). Alternate caregivers do not regularly reside with the AFC member in the qualified setting and relieve the primary caregiver(s) of their direct care duties. The alternate caregiver expense includes expenses incurred as a result of an “alternative placement” where the member is placed in an alternative setting to receive temporary care from an alternate caregiver.

Line 4CA Alternate Caregiver Level 2: Temporary caregivers providing direct care for level 2 members who meet the level 2 clinical eligibility requirements described in 130 CMR 408.419(D)(2). Alternate caregivers do not regularly reside with the AFC member in the qualified setting and relieve the primary caregiver(s) of their direct care duties. The alternate caregiver expense includes expenses incurred as a result of an “alternative placement” where the member is placed in an alternative setting to receive temporary care from an alternate caregiver.

Line 5CA Total: Sum of Lines 1CA to 4CA.

Line 6CA Minimum Daily Stipend: Enter the lowest stipend (daily amount) paid to a caregiver in FY2023.

Line 7CA Maximum Daily Stipend: Enter the highest stipend (daily amount) paid to a caregiver in FY2023.

Line 8CA Total Unduplicated Members in Fiscal Year 2023: Enter the total number of unduplicated members served in FY2023.

Note: Total Stipend Payment should be equal to or greater than (Units of Service)\*(Minimum Daily Stipend). Additionally, Total Stipend Payment should be equal to or less than (Units of Service)\*(Maximum Daily Stipend).

For example, if your Caregiver Level 1 (or 2) Units of Service are 5,000 and your minimum daily stipend payment is $20, then your Caregiver Level 1 (or 2) Total Stipend Payment should be at least $100,000 (5,000 \* 20). Additionally, if your Units of Service are 5,000 and your maximum daily stipend payment is $50, then your Total Stipend Payment should be at most $250,000 (5,000 \* 50). This logic applies for the Alternative Caregiver levels as well.

**Summary of Revenues, Expenses, Net Income, and Profit Margin**

**Do not enter any data onto this sheet, except the yellow cells in the ‘Reconciliation’ section, as the fields will automatically draw data from other sheets in the workbook.** The purpose of this sheet is to clearly show the overall revenue and expense structure of your agency, as well as the net income (total revenues minus total expenses) and profit margin (net income divided by total revenue) expressed as a percent.

If you notice that your total revenues, expenses, net income, or profit margin are not consistent with your understanding of your agency’s revenue and expense structure and profitability, **you should double-check your work on the other sheets of this report and correct any errors.** If necessary, you should double-check the accuracy of the underlying data that you are recording on this report. Please remember that CHIA relies on your accurate reporting in order to develop reimbursement rates.

In the Reconciliation section at the bottom of the tab starting in row 65, please enter information for reconciliation between your financial statements and the cost report.

In row 67 and 68, in the boxes titled “Financial Statement Reported Revenue” and “Financial Statement Reported Expenses”, enter the amount of total revenue and total expenses recorded on your financial statements. If the number calculated for “Variance Between Cost Report and Financial Statements: Net Income” in cell D73 is not equal to zero, you must add reconciling items in the “Explanation of Reconciling Items” section directly below the “Variance” section starting in row 75. Each reconciling item must have an explanation listed in the corresponding “Reconciling Item: Explain” box and an associated amount.

**\*Note: The last line, row 82, in the summary tab “Difference between Total Reconciling Items and Variance Between Cost Report and Financial Statements: Net Income” must be equal to 0.**

**Statement of Certification**

The owner, partner, or officer of the agency should read the paragraph that attests to the accuracy of the report, list the owner, partner, or officer’s name and title on the designated lines, and then date it. If a person other than the owner, partner, or officer completes this report, the box with the preparer’s required information must be completed in the same manner.

The owner, partner, or officer accepts the dating of the report and the submission of this data to CHIA as certification under the pains and penalties of perjury.

The Certification sheet contains basic summary about the data entered into the cost report. If you notice that your total revenues, expenses, units of service, net income, or profit margin are not consistent with your understanding of your agency’s revenue and expense structure and profitability, you should double-check your work on the other sheets of this report and correct any errors.

Please **print only the “Statement of Certification” page**, sign it, scan it, and save it as a PDF file. Email the PDF file along with the completed Excel workbook cost report to [data@chiamass.gov](mailto:data@chiamass.gov). Remember to name the Excel cost report in the format: AgencyName\_AFCCR2023.xlsx, and the Statement of Certification PDF in the format: AgencyName\_AFCSC2023.pdf.

Frequently Asked Questions

1. Is there a line in the cost report that accounts for staff vacancies?

No, there is not a specific line in the cost report to report staff vacancies. The cost report should reflect staffing costs that were incurred during the fiscal year. Please note that staff vacancies are not actual costs that are incurred. You can feel free to provide additional information on Schedule C, ‘AFC Notes’.

1. How do I calculate units of service?

Number of Member Days (units of service) is required for the report to be considered complete and acceptable. Units of service are reported on Schedule CA, Line 5CA. These are the total days of AFC service provided to AFC members by Caregivers and Alternate Caregivers during the fiscal year.

**NOTE: The number of days could be 365 (or 366 during a leap year), or less.**

**For example, if you served three Level I AFC members during FY23, and two were served for the full year, and one was served for 3 months (91 days) during the year:**

**(2 members x 365 days) + (1 member x 91 days) = 821 units**

1. How do I separate administrative costs when an agency has multiple lines of business that share administrative costs?

Please only report administrative costs incurred in providing AFC services. Administrative expenses should be reported in Schedule B (including schedules B1, B2, B3, and B4, if applicable). Whenever a portion of a general administrative expense can be identified and documented as applying to the AFC program, it should be reported on the cost report as an AFC administrative expense.

If your agency has other lines of business, allocations of any shared administrative expenses could be reported based upon the proportion of direct expenses that are incurred for AFC services out of the total direct expenses your agency incurs, or the percentage of time spent in each line of business, or some other generally acceptable method.

1. What revenue should be reported in the cost report?

Report revenue from all payers solely generated by providing AFC services. Revenue is reported by payer on Schedule A. However, if your agency provides other social or medical services in addition to AFC services, you must separate out the revenue and record only AFC revenues on the cost report.

1. How should one submit the cost report for agencies with multiple site locations?

If your organization operates multiple AFC sites, please combine the information for all sites in a single cost report. In General Information tab, **list all MassHealth ID suffixes** **and all sites**. Designate the type of care being given at each site as “AFC,” or in the case of a dual provider, “AFC & GAFC.” Even if some sites also provide GAFC services, **only report AFC revenues and expenses on this cost report.**

1. Do I need to submit a reconciliation?

Providers no longer need to submit a separate Excel spreadsheet with reconciliation of the numbers in the cost report and the financial statements which shows what accounts for the difference between the two and why. Instead, providers are required to enter their Financial Statement reported income and expenses directly into the Reconciliation section at the bottom of the Summary tab of the Cost Report starting in row 65. If there is variance between Cost Report and Financial Statement Net Income in cell D73 of the Summary tab, providers should enter reconciling item explanations and amounts starting in row 75. Providers are still required to submit their financial statements in addition to the cost report.

1. What are the cost report exemption criteria?

Providers are exempt and do not need to compete the FY23 cost report if they meet any of the following criteria:

1. If your agency was in business for less than 6 months during FY23.

2. If you owned the agency for less than 6 months during FY23.

3. The provider had no MassHealth participation in its FY2023; or

4. If your agency received less than $50,000 in MassHealth revenue in its FY23

If you believe your agency is exempt from filing for any of the above reasons, you must claim an exemption using the FY23 AFC Cost Report Exemption Request Form, available at <https://www.chiamass.gov/adult-foster-care-cost-reports-2/>. Email this completed form to [data@chiamass.gov](mailto:data@chiamass.gov).

1. Who can I contact if I have questions?

If you have any questions, please e-mail the Pricing Cost Reports Helpdesk Email at [CostReports.Pricing@chiamass.gov](mailto:CostReports.Pricing@chiamass.gov).