

FREQUENTLY ASKED QUESTIONS

1. What is the correct way to report overhead staffing costs?

It may be helpful to clarify what kind of specific cost categories you are referencing to. Please reference the below information for guidance:

- a. Costs for staff who directly deliver patient care, such as nurses or home health aides, should be primarily reported on Schedule 2 (Direct Care Staff Expenses), or on Schedule 5 (Summary of Expenses Schedule).
- b. Costs for staff who do not provide direct patient, such as administrators, should be reported on Schedule 3 (Administrative Expenses for Non-Direct Care Staff).
- c. For staff who split their time between direct care and indirect care, please allocate all costs associated with these personnel by the proportion of time they spend in each role.

2. What does “gross revenue” mean on Schedule 4 (Gross Revenue)?

- a. In Schedule 4, Gross Revenue refers to the total amount of gross billed or pending charges during the cost report's fiscal year.
- b. Gross Revenue does not include any discounts or contractual adjustments to billed or pending charges.

3. What is the difference between Administrative Personnel and Indirect Care Personnel in Schedule 3 (Administrative Expenses for Non-Direct Care Staff)?

- a. Administrative Personnel are senior personnel who may oversee the overall operations of one or multiple agency location(s), such as owner, president, senior management personnel, or executive assistant. Indirect Care Personnel tend to focus on their own specific task, such as billing specialist or program coordinator.

4. Where should costs for educating and training direct care staff be reported?

- a. Education and Training for direct care staff should be reported on Schedule 5 (Summary of Expenses Schedule), Line 8 (“Direct Staff Training”).
- b. Education and training for staff other than direct care staff should be reported on Schedule 3 (Administrative Expenses for Non-Direct Care Staff), Line 35 (“Indirect Staff Education and Training”).

5. Where should EMAC assessments and family/medical leave be reported?

- a. Any applicable Employer Medical Assistance Contributions should be reported under payroll taxes.
- b. Family/medical leave should be reported under salary.

6. Where should paid sick and vacation time be reported?

- a. Paid sick and vacation time should be reported together with salary on Schedule 2 (Direct Care Staff Expenses) and/or Schedule 3 (Administrative Expenses for Non-Direct Care Staff).

7. Do health/life benefits include all benefits, such as dental and disability?

- a. Health/life benefits do include benefits such as dental and disability.

8. Where should direct care subcontracted expenses be reported?

- a. All contract direct staff expenses should be reported in Schedule 2 (Direct Care Staff Expenses), Column 8 (Contracted Services).

9. What are non-allowable expenses?

- a. Non-allowable expenses are any of the following:
 - 1. Expenses related to other business activities that are not related to either (1) the provision of CSN or HH services by an agency that participates in the MassHealth program or (2) the provision of TNS to Massachusetts health care facilities.
***NOTE: These expenses should be reported on Schedule 5 (Summary of Expense Schedule), Column 5 (“Total All Other Business”).**
 - 2. Payments to related parties that exceed the lower of the cost to the related party or the price of comparable goods or services that could be purchased elsewhere.
 - 3. Penalties and interest incurred because of late payment of taxes, loans or other obligations.
 - 4. Fines or penalties paid pursuant to a legal judgment against an agency by a court of last resort.

10. Who is required to file the NSR when an agency has merged with another agency or had a change of ownership during the cost report fiscal year?

- a. If you owned the agency for less than six months of its fiscal year, the agency’s owner is exempt from filing the Nursing Services Cost Report.

11. How should expenses for home health services, continuous skilled nursing services, or temporary nursing services be reported when a company has multiple lines of business?

- a. The parent company should file distinctive cost reports for respective services.
- b. Expenses specific to providing CSN, HH, or TNS services should be reported on Schedule 2 (Direct Care Staff Expenses) and on Schedule 3 (Administrative Expenses for Non-Direct Care Staff). Do not report any “Non-Allowable Expenses” in these schedules. **An allocation should be made for providing CSN, HH, or TNS services.**
- c. Report expenses for any other lines of business in Schedule 5 (Summary of Expense) under Column 5, “Total All Other Business”.

12. How to separate overhead costs when an agency has multiple lines of business that share overhead costs?

- a. **Please only report overhead costs related to providing CSN, HH, and TNS services in Massachusetts in Schedule 3.** Total administrative expenses of CSN, HH and TNS should be added and reported together in Schedule 3. Administrative costs reported on Schedule 3 will be automatically pulled into Schedule 5, and allocated across the CSN, HH, and TNS lines of business based on the direct care costs in each program, if applicable. If your agency has other lines of business besides CSN, HH, or TNS, any other overhead costs related to these other business activities should be reported on Schedule 5 “Summary of Expense”, Column 5 “Total All Other Business”, Line 11 “Total Admin Costs (Schedule 3)”.

13. How should one submit the cost report for agencies with multiple site locations with the same MassHealth Provider ID/DPH ID?

- a. Agencies with multiple sites that have the same 9-digit MassHealth Provider ID and different one-letter service locations may submit one cost report. However, if your agency provides more than one service (CSN, HH and/or TNS services), you should file distinctive cost reports for respective services.
- b. Please list all agency sites included in the submission under Schedule 1 (Agency Information), section "Multiple Site Information". A parent agency with multiple sites may file a single cost report that includes data for all sites. An agency may file a separate cost report for each site.

14. How should one submit the cost report for different entities with different MassHealth IDs/DPH IDs under one parent company?

- a. Agencies with multiple sites that have different 9-digit MassHealth Provider IDs should submit separate cost reports for each MassHealth Provider ID.

15. What if my TNS agency did not have any business during FY2023?

- a. If your agency did not have any business during the year, you can file as exempt using the exemption form linked on the website. Please include a statement elaborating on the situation and email the form to data@chiamass.gov.