

TRI-CITY MENTAL HEALTH CENTER
FULL SERVICE PARTNERSHIPS
NON-FUNDED SLOTS
EXHIBIT B
BUDGET SECTION

FISCAL YEAR (S) _____, _____, _____

(This copy of the Full Service Partnership Budget Package is designed to accommodate four separate age group FSP program budgets)

Checklist for Exhibit B- Budget Section Schedules:

- Check each of the following after completion:
Complete (if applicable):
- _____ Schedule 1: *Legal Entity Budget for TCHMC FSP Program*
- _____ Schedule 1-A: *Line Item Budget: Personnel- Administrative/Support Staff Costs Incurred at the Provider Level for TCHMC FSP Program*
- _____ Schedule 1-B: *Line Item Budget: Personnel – Treatment Staff Costs Incurred at the Provider Level for TCHMC FSP Program*
- _____ Schedule 1-B1 *Personnel – Treatment Staff Languages Represented at the Provider Level for TCHMC FSP Program*
- _____ Schedule 1-C: *Personnel Cost Back-Up Detail for Schedule 2-A and 2-B*
- _____ Schedule 1-D: *Line Item Budget: Services and Supplies Incurred at the Provider Level for TCHMC FSP Program*
- _____ Schedule 2: *Line Item Budget: Administrative Costs Incurred at the Legal Entity Level allocated to TCHMC FSP Program (not all service providers may have central office or related organization costs)*
- _____ Schedule 3: *Covered Services/Activities, Provisional Reimbursement Rates and Projected Units of Service Schedule*

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EXHIBIT B—BUDGET SECTION

INSTRUCTIONS: BUDGET SECTION (General Instructions for completing Budget Schedules and Work Sheets)

Contractors are required to complete the Line Item Budget Schedules for each Program in order to be selected and obtain funding from Tri-City Mental Health Center (TCMHC) to provide Full Service Partnership services for 40 non-funded slots under TCMHC's approved MHSA Community Services and Support Plan. Contractors must also prepare a budget narrative that describes the items in the budget and the approach used by the contractor to estimate the budget amounts. The proposed budget and budget narrative must correlate to the narrative Program Work Plans contained in the Request for Proposal (RFP), Part III Statement of Work.

The general format is the budgeting of each *Program* combining all *service providers* that are providing the TCHMC FSP services by cost category. The definition of these terms for purposes of this RFP follows.

Definition of Program: For RFP purposes PROGRAM means full service partnerships for each age group.

Definition of Service Provider: A service provider is a public or private organization or a person furnishing or proposing to furnish mental health services and/or activities as part of TCMHC's Mental Health Services Act- Community Services and Support Plan. All service providers with the exception of Fee-For-Service providers are identified by one or more four-character numeric or alphanumeric code assigned by LACDMH through the State Department of Mental Health. The service provider is identified with the Department's/State's assigned provider number. Customarily, a service provider is usually a specific geographic site/facility; however, in rare situations there could be two or more service providers (as distinguished by the assigned four-character numbers) located at one site/facility. A contract with LACDMH called the *Legal Entity Agreement* is necessary to be a service provider.

The preparation sequence for costs in these Budget Package Schedules, Exhibits and Worksheets is: Program → provider(s) direct costs included in Section I. Direct Costs → legal entity administrative costs allocated to TCHMC FSP Program included in Section II. Indirect Costs. That is, cost must be assigned to Programs, and providers are rolled-up for the entire organization (i.e. Legal Entity).

General Instruction:

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INSTRUCTIONS: BUDGET SECTION (General Instructions for completing Budget
Schedules and Work Sheets)

- Round all expenditures to the nearest whole dollar.
- Carefully read, understand and follow each worksheet's instructions. If questions arise please ask for clarification before proceeding.
- Foot and total the expenditures when called for, and verify for accuracy. The spread sheets often include formulas that will perform this step.
- Contractors are subject to the cost and rate principles contained in various State and federal statutes/regulations/policies/ publications including but not limited to:
 - California Administrative Code Title 9 (website: <http://ccr.oal.ca.gov/>) Section 1840.105;
 - California Welfare and Institutions Code (website: <http://www.leginfo.ca.gov/>) Sections 5705, 5716, 5718, 5720, 5224, 5778, and 14680;
 - California Code of Regulations 1840.105;
 - Federal Code of Regulations Section 413 (42CFR 413);
 - Center for Medicare and Medicaid Services (CMS) (website: <http://cms.hhs.gov>) Publication (CMS 15-1) Chapter 21 Sections 2100-2102.3, 2306-2307 and 1513; and
 - federal OMB (website: <http://whitehouse.gov/omb/circulars/index.html>) Circular A - 122 for non-profit and 48 CFR Part 31 *Contract Cost Principles and Procedures for profit organizations....*
 - Consult with your accountant as appropriate.
- Costs are divided into two broad categories: administrative and direct services. Each of these categories has subcategories of allowable and unallowable costs. Whether a cost is considered administrative or direct service, and either allowable or unallowable is determined by auditors using the Centers for Medicare and Medicaid Services' (CMS) Publication # 15-1 and 15-2 (*The Provider Reimbursement Manual - Part 1 and Part 2*) and Title 9 California Code of Regulations. Be familiar with this CMS publication and the State Title 9 regulations. Your accountant should be able to assist in ensuring compliance with generally accepted accounting principles and practices and the CMS #15-1 and 15-2 publications.
- The burden of proof is on the contractor when questions arise whether costs have been properly determined to be direct services rather than administrative or allowable rather than unallowable. For this reason, proper documentation needs to be kept by the contractor to justify such determination. Basic guidelines follow in the next seven bullets.

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INSTRUCTIONS: BUDGET SECTION (General Instructions for completing Budget
Schedules and Work Sheets)

- Costs should be considered as direct service costs only if there is a clear, direct, and documented relationship to services that are provided to recipients of mental health services and/or activities.
- Direct service costs are those direct costs for services to mental health consumers that can be readily identified to a direct service provider. Allowable costs include all necessary and proper costs that are incurred in developing and maintaining the operation of the direct service provider.
- Service costs must be allocated to the various service procedures and administrative costs must also be allocated through an *acceptable allocation method*. CMS Publication 15-1 and 15-2 provides the guidance indicating that an *acceptable allocation method* will fairly represent the services and benefits received.
- Administrative support and other indirect costs are those incurred for the common benefit of the Legal Entity's total contracted mental health program that are not directly or readily attributable to the Full Service Partnership TCMHC contracted mental health service. Costs include accounting, budgeting, financial screening, general administrative personnel, information system, office services, office personnel, and other such similar costs. These costs must be reasonable and be equitably allocated and compliant with federal cost allocation principles. Consult with your accountant.
- Administrative costs are allowable to the extent they are:
 - Necessary and reasonable,
 - Related to services provided by direct service providers,
 - Allowable under Medicare regulations, and
 - Allocated on an acceptable basis.
- Unallowable costs include, but are not limited to:
 - Capital improvements (unless amortized);
 - Purchase or construction of buildings (unless depreciated);
 - Costs to *Related Organizations* that do not conform to the requirements of CMS Publication 15-1 Chapter 10.
 - *Home Office* costs that do not conform to the requirements of CMS Publication 15-2 Chapter 10.
- The Code of Federal Regulations (42CFR413.157) prohibits a profit or a return on equity for a profit entity engaged in business as an inpatient hospital or a skilled nursing facility.

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INSTRUCTIONS: BUDGET SECTION (General Instructions for completing Budget Schedules and Work Sheets)

A non-profit entity under the cost reimbursement methodology is limited to no more than actual costs which does not include a charge for revenue in excess of the actual costs.

Not-For-Profit contractors see California State Plan TN No. 93-009 item A "Actual Costs" which provides the definition of **actual cost as:** *reasonable and allowable cost, based on year-end cost reports and Medicare principles of reimbursement as described at 42 CFR Part 413, in CMS Publication 15-1.* Other federal regulations may result in reimbursements less than actual costs.

Certain federal requirements also limit charges from a related organization. Consult with your accountant.

- Contractors will not be held to individual budget line items within a Program at the service provider level, but will be held to the Program total at the Legal Entity level. This restriction exists because of the categorical restrictions imposed by the funding regulation(s) or the agency from which TCMHC will receive reimbursement(s).

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INSTRUCTIONS: SCHEDULE 1: LEGAL ENTITY BUDGET

SCHEDULE 1: LEGAL ENTITY BUDGET

SCHEDULE 1 IS THE COMBINED SUMMARY OF ALL SERVICE PROVIDER BUDGETS”.

Heading Instructions:

- Enter the Legal Entity Name.
- Enter the Legal Entity Number.
- Enter all Department assigned “Provider Number(s)” for the Legal Entity.
- Enter the County Fiscal Year for which the Legal Entity Budget is applicable.

General Instructions:

The totals by cost classification for each Program proposed to be operated by the Legal Entity are reported on Schedule 1.

Schedule 1 has been set up to accommodate 4 separate Programs (one for each FSP age group).

Column 1 is provides the description of the cost classifications for each Program and for the Legal Entity as a whole.

Column 2. This column is the total of all the Program in column 3 and subsequent columns. A formula has been added into the work sheet and the amounts appearing in column 2 will automatically computed. The formula adds all of the columns to the right of column 2.

Columns 3 through 18 in Schedule 1 each show a separate Program whose budget data is presented on a combined provider (s) basis. Although detail budgets by provider are not required, the Legal Entity should retain such detail if required by TCMHC. Schedule 1 is the summary of all of the Legal Entity’s “provider sites, aka “provider number(s)”.

Line and Column Instructions:

Line 1: The “Program Name” information has been entered on Schedule 1 line 1, column 3 and subsequent columns.

Lines 2 and 3:

- Column 2. A formula has been added into the work sheet and the amount for this cell will automatically compute. The formula adds all

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INSTRUCTIONS: SCHEDULE 1: LEGAL ENTITY BUDGET

of the columns to the right of column 2 for any program that has entered data.

- Column 3 and subsequent columns. Add and enter from the Schedules 1-A and 1-B lines 2 and 3 the amounts from all corresponding columns for the same program respectively.

Line 4: Add lines 2 and 3 for each column and enter the total on line 4 for each respective column. Note that formulas have been added into the work sheet and this step will calculate automatically.

Line 5:

- Column 2. A formula has been added into the work sheet and the amount for this cell will automatically compute. The formula adds all of the columns to the right of column 2 for any program that has entered data.
- Column 3 and subsequent columns. Add and enter from the Schedule 1-D line 34 total allocated to each program. The total of line 5 should equal the total on Schedule 1-D.

Lines 6 and 7:

- Column 2. A formula has been added into the work sheet and the amount for this cell will automatically compute. The formula adds all of the columns to the right of column 2 for any program that has entered data.
- Column 3 and subsequent columns. Enter the amounts for depreciation and amortization for each program.
- LACDMH personnel may request additional line item detail for any expenditures appearing for such equipment items.

Line 8: Add lines 6 and 7 for each column and enter the total on line 8 for each respective column. Note that formulas have been added into the work sheet and this step will calculate automatically.

Lines 9 and 10:

- Column 2. A formula has been added into the work sheet and the amount for this cell will automatically compute. The formula adds all of the columns to the right of column 2 for any program that has entered data.
- Column 3 and subsequent columns. Enter the amounts for facility rent/lease cost and facility owned costs for each program.

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INSTRUCTIONS: SCHEDULE 1: LEGAL ENTITY BUDGET

- TCMHC personnel may request additional line item detail for any expenditures appearing for such facility items.

Line 11: Add lines 9 and 10 for each column and enter the total on line 11 for each respective column. Note that formulas have been added into the work sheet and this step will calculate automatically.

Line 12: Add lines 4, 5, 8, and 11 for each column and enter the total on line 12 for each respective column. Note that formulas have been added into the work sheet and this step will calculate automatically.

Line 13: Carry forward from Schedule 2 the amount shown on line 31 “Total Administrative Indirect Costs” and enter the amount into Schedule 1 line 13, column 2.

- Allocate the amount shown in Schedule 1 line 13, column 2 to any programs that appear in column 3 and subsequent columns. The allocation methodology must be reasonable and equitable.

Line 14: Add lines 12 and 13 for each column and enter the total on line 14 for each respective column. Note that formulas have been added into the work sheet and this step will calculate automatically.

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INSTRUCTIONS: SCHEDULE 1-A: PERSONNEL –
ADMINISTRATIVE/SUPPORT STAFF COSTS INCURRED AT PROVIDER
NUMBER LEVEL

THIS SCHEDULE IS FOR THE COMBINED SERVICE PROVIDER SITE(S) AS IDENTIFIED BY A SPECIFIC DEPARTMENT/STATE ASSIGNED FOUR-CHARACTER NUMERIC OR ALPHA-NUMERIC PROVIDER NUMBER. CUSTOMARILY EACH SEPARATE SERVICE SITE HAS AN ASSIGNED PROVIDER NUMBER. THE DATA ON THIS SCHEDULE ROLLS UP TO SCHEDULE 1, LINE 2.

The administrative/support staff to be included on Schedule 1-A are the personnel located at the service provider site and who are directly supporting the clinical treatment staff at that service provider site. There is to be a clear and direct relationship between the administrative/support personnel and the treatment personnel that provide mental health services. In contrast, the administrative personnel, who are not directly involved with the treatment personnel that are providing the services, would be reported on Schedule 2 (“Administrative Costs Incurred at the Legal Entity Level”), line 4, column 2.

Schedule 1-A, line 15, is to include consultants, as discussed above, that have a clear and direct relationship with the treatment personnel. The line item detail for these consultants is to be provided on Schedule 1-C Part C1 and the total is to be carried forwarded to Schedule 1-A. The cost detail for administrative/support consultants that do not have such a clear and direct relationship are to be reported on Schedule 2 (“Administrative Costs Incurred at the Legal Entity Level”), line 6, column 2. Consultants are not employees and are not to be listed on the item control.

The contractor is to maintain an accurate and complete *item control* for all budgeted positions. The *item control* is a report that, at a minimum, includes specific information for each budgeted position whose costs is included in Schedules: 1-A, 1-B and the administrative personnel included on Schedule 2. The *item control* detail to be provided is: a control item number; incumbent's name, employee number (if exists), and incumbent's payroll title (classification). Contractor shall make the *item control* report available to TCMHC minimally by November 30 and May 31 of each County fiscal year and in addition on an as needed basis upon special request.

General Instructions:

Schedule 1-A has been set up to handle 4 separate FSP programs by age group.

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INSTRUCTIONS: SCHEDULE 1-A: PERSONNEL –
ADMINISTRATIVE/SUPPORT STAFF COSTS INCURRED AT PROVIDER
NUMBER LEVEL

Schedule 1-A will accommodate 9 budget classification types to be entered in lines 3 through 11. The employee benefits for the classifications shown on lines 3 through 11 are to be entered, in total and not by each classification, on line 13. The consultant budgeted costs are entered on line 14. If there are more than 9 budget classifications for administrative personnel that have a direct link with the treatment personnel prepare multiple Schedule A forms using the additional lines for the classifications; however, total all lines and do only one “Grand Total”, line 15.

Heading Instructions:

- Enter the Provider Number (s).
- Enter the Legal Entity Number that is assigned by the County/State.
- Enter the applicable County Fiscal Year.

Line and Column Instructions:

Line 1. Enter the respective Program Name (already provided) in which the budgeted position will be working. There are two columns consisting of “FTE” and “Total Annual Amount” for each Program.

Lines 3 through 11 for columns 1 through 3. Enter the requested information in each column.

- Column 1: enter (by classification title and not an individual person) the annual budgeted position;
- Column 2: enter the annual budgeted Full Time Equivalent (FTE)¹ for the position classification shown in column 1;
FTE (Full Time Equivalent) is equal to one budgeted position for the year and has a conversion factor of 2,080 hours (i.e. 1 FTE equals 2,080 hours). FTEs may be budgeted in one-tenth fractional increments (i.e. .8 FTE, 1.2 FTE, etc.).
- Column 3: enter the total annual budgeted wages/salaries amount, excluding employee benefits, for the position classifications shown in column 1.

Lines 3 through 11 for column 4 and subsequent columns. Allocate the “Total FTEs” in column 2 and the “Total Annual Budget Amount” in column 3 to the respective columns beginning with column 4.

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INSTRUCTIONS: SCHEDULE 1-A: PERSONNEL –
ADMINISTRATIVE/SUPPORT STAFF COSTS INCURRED AT PROVIDER
NUMBER LEVEL

Line 12: Add lines 3 through 11 for column 2 and subsequent columns as applicable, and enter the total to line 12. Note that formulas have been added into the work sheet and this step will calculate automatically.

Line 13: Enter into column 3 the total budgeted employee benefits for the classifications shown on lines 3 through 11, column 1. Then allocate as appropriate that amount to the programs listed for any entered programs shown on line 1.

Line 14.

- Enter to Schedule 1-A, column 2 from Schedule 1-C Part C1, line 11, column 3 the “Full Time Equivalent (FTE)” number.
- Allocate this FTE number to column 4 and subsequent “FTE” columns for any entered programs shown on line 1.
- Enter to Schedule 1-A, column 3 from Schedule 1-C Part C1, line 11, column 5 the “Total Budgeted Administrative/Support Consultant Cost” amount.
- Allocate this consultant costs to columns 5 and subsequent “Total Annual Amount” columns for any entered programs shown on line 1.

Line 15.

- Add lines 12, 13 and 14 for column 2 and subsequent columns and enter the totals to line 15. Note that formulas have been added into the work sheet and this step will calculate automatically.
- Carry the amounts shown in Schedule 1-A on line 15 “Grand Totals” for column 5 and subsequent columns titled “Total Annual Amount” forward to the respective cells on Schedule 1, line 2.

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INSTRUCTIONS: SCHEDULE 1-B: PERSONNEL – TREATMENT STAFF
COSTS INCURRED AT PROVIDER LEVEL

THIS SCHEDULE IS FOR COMBINED SERVICE PROVIDER SITE(S) AS IDENTIFIED BY A SPECIFIC DEPARTMENT/STATE ASSIGNED FOUR-CHARACTER NUMERIC OR ALPHA-NUMERIC PROVIDER NUMBER. CUSTOMARILY EACH SEPARATE SERVICE SITE HAS AN ASSIGNED PROVIDER NUMBER. THE DATA ON THIS SCHEDULE ROLLS UP TO SCHEDULE 1, LINE 3.

The treatment staff to be included on Schedule 1-B is the personnel located at the service provider site(s) and who are directly engaged in clinical treatment services/activities at that service provider site or in the field. The personnel involved in rendering treatment services/activities are to be budgeted by the indicated License/Degree.

- See the California Code of Regulations, Title 9, Division 1-Mental Health, Article 8, Professional and Technical Standards, Section 620-632 for more extensive information regarding the significance of these License/Degree categories.

Schedule 1-B is to also include consultants that render services services/activities. Only the costs for consultants that are involved with treatment should be reported on Schedule 1-B. The line item detail for treatment consultants, by their License/Degree classification, supporting the treatment consultant costs included on Schedule 1 - B is to be provided on Schedule 1-C Part C2. Consultants that are only used for administrative purposes not directly related to services/activities are to be reported on Schedule 2 ("Administrative Costs Incurred at the Legal Entity Level"), line 4, column 2.

The contractor is to maintain an accurate and complete *item control* for all budgeted positions. The *item control* is a report that, at a minimum, includes specific information for each budgeted position whose costs is included in Schedules 1-A, 1-B and the administrative personnel included on Schedule 2. The *item control* detail to be provided is: a control item number; incumbent's name, employee number (if exists), and incumbent's payroll title (classification). Consultants are not employees and are not to be listed on the item control. Contractor shall make the *item control* report available to the TCMHC minimally by November 30 and May 31 of each County fiscal year and in addition on an as needed basis upon special request.

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INSTRUCTIONS: SCHEDULE 1-B: PERSONNEL – TREATMENT STAFF
COSTS INCURRED AT PROVIDER LEVEL

General Instructions:

Schedule 1-B has been set up to handle 4 separate FSP Programs by age group.

Schedule 1-B is imprinted with the eight License/Degree classifications, lines 3 through 9, authorized by the State of California. Line 10 is to be used for Parent Partners and Peer Advocates hired to provide FSP services. The employee benefits for the positions shown on lines 3 through 10 are to be entered, in total, on line 12. Consultants are reported on line 13. The detail of the consultants by the same eight License/Degree classifications is to be provided on Schedule 1-C, Part C2.

Heading Instructions:

- Enter the PROVIDER NUMBER (s).
- Enter the Legal Entity Number that is assigned by the County/State.
- Enter the applicable County Fiscal Year.

Line and Column Instructions:

Line 1. Enter the respective PROGRAM NAME (already provided) in which the budgeted positions will be working. There are three columns consisting of “Clients”, “FM & CG FTEs”, “Total FTEs” and “Total Annual Amount” for each Program.

Lines 3 through 10 for columns 2 and 3. Enter the requested information in each column.

- Column 2: enter the annual budgeted Full Time Equivalent (FTE)¹ for the indicated License/Degree position(s);
¹ A Full Time Equivalent (FTE) is equal to one budgeted position for the year and has a conversion factor of 2,080 hours (i.e. 1 FTE equals 2,080 hours). FTEs may be budgeted in one-tenth fractional increments (i.e. .8 FTE, 1.2 FTE, etc.).
- Column 3: enter the total annual budgeted wages/salaries, excluding employee benefits, for those License/Degree position(s) shown in column 1;
- The service provider needs to retain documentation for the description of the personnel included on line 9 *Other Mental Health Treatment Staff*. TCMHC personnel may request this information.

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INSTRUCTIONS: SCHEDULE 1-B: PERSONNEL – TREATMENT STAFF
COSTS INCURRED AT PROVIDER LEVEL

Lines 3 through 10 for column 4a and subsequent columns. Allocate the “Total FTE” in column 2 and the “Total Annual Budget Amount” in column 3 to column 4a and subsequent columns for the programs shown on line 1. Under columns 4b, 6b, 8b and 10b, identify the number of FTEs shown in columns 4a, 6a, 8a, and 10a that are filled by clients, family members (FM) and caregivers (CG).

Line 11. Add lines 3 through 10 for columns for column 2 and subsequent columns as applicable, and enter the total to line 11. Note that formulas have been added into the work sheet and this step will calculate automatically.

Line 12. Enter into column 3 the total budgeted employee benefits for the positions by license/degree shown on lines 3 through 10, column 1.

Line 13.

- Enter to Schedule 1-B, column 2 from Schedule 1-C Part C2, line 20, column 3 the “Full Time Equivalent (FTE)” number.
- Allocate this FTE number to column 4 and subsequent “FTE” columns for any programs shown on line 1.
- Enter to Schedule 1-B, column 3 from Schedule 1-C, Part C2, line 20, column 5, the “Total Budgeted Treatment Consultant Cost” amount.
- Allocate this budgeted amount to column 5 and subsequent “Total Annual Amount” for any programs shown on line 1.

Line 14.

- Add lines 11, 12 and 13 for column 2 and subsequent columns and enter the totals to line 14. Note that formulas have been added into the work sheet and this step will calculate automatically.
- Carry the amounts shown in Schedule 1-B on line 14 “Grand Totals” for column 5 and subsequent columns titled “Total Annual Amount” forward to the respective columns on Schedule 1, line 3.

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INSTRUCTIONS: SCHEDULE 1-B1: PERSONNEL – TREATMENT STAFF
LANGUAGES REPRESENTED AT THE PROVIDER NUMBER LEVEL

THIS SCHEDULE IS A SUBSIDIARY WORK SHEET TO SCHEDULE 1 - B AND
DETAILS THE TREATMENT PERSONNEL AVAILABLE LANGUAGES FOR
CLIENT CARE

Heading Instructions:

- Enter the PROVIDER NUMBER (s).
- Enter the Legal Entity Number that is assigned by the County/State.
- Enter the applicable County Fiscal Year.

Line and Column Instructions:

Line 1. Enter into Schedule 1-B1 columns 16 through 22 any other language(s) spoken by treatment personnel that is (are) not already listed on line 1, columns 2 through 15.

Lines 3 through 11. Enter into Schedule 1-B1 columns 2 through 22 the available languages by FTE for the “Budgeted Positions by License/Degree” shown in column 1, lines 3 through 11. If an individual is bilingual or multilingual include the FTE count for each language spoken. The FTE count on Schedule 1-B1 will not necessarily be the same as on other Schedules.

Line 12. Add lines 3 through 11 for columns 2 through 22 and enter the totals into line 12 for each column. Note that formulas have been added into the work sheet and this step will calculate automatically.

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INSTRUCTIONS: SCHEDULE 1-C: CONSULTANT PERSONNEL COST
BACK-UP DETAIL FOR SCHEDULE 1-A and 1-B

THIS SCHEDULE IS A SUBSIDIARY WORK SHEET SUPPORTING THE CONSULTATION INFORMATION REPORTED ON SCHEDULES 1-A AND 1-B. ONLY CONSULTANTS THAT ARE ENGAGED TO WORK AT THE PROVIDER SITE ARE TO BE INCLUDED IN THIS SCHEDULE. CONSULTANTS PROVIDING ADMINISTRATIVE SUPPORT AT THE ORGANIZATION WIDE (i.e. LEGAL ENTITY) LEVEL ARE TO BE REPORTED ON SCHEDULE 2, LINE 4.

Schedule 1-C is to only include consultants that have a clear and direct relationship with the treatment personnel. The cost detail for administrative/support consultants that do not have such a clear and direct relationship are to be reported on Schedule 2, line 4.

General Instructions:

Schedule 1-C Part C1 will accommodate up to seven administrative/support consultants to be entered in lines 4 through 10. If there are more than seven administrative/support consultants prepare multiple Schedule C Part C1 forms using the additional lines for the classifications; however, total all lines and prepare only one line 11, "Total Administrative/Support Consultant Budgeted FTE/Cost" Total".

Schedule 1-C Part C2 lists license/degree/other designations for consultants. Consultants engaged in treatment services/activities are to be listed in one of these license/degree designations.

Heading Instructions:

- Enter the PROVIDER NUMBER (s).
- Enter the Legal Entity Number that is assigned by the County/State.
- Enter the applicable County Fiscal Year.

Line and Column Instructions:

Lines 4 through 10. Enter the requested information in columns 2 through 5 for all consultants that will provide administrative support services that directly support the services/activities program(s).

- Column 2, "Full Time Equivalent", has an embedded formula that will automatically calculate the FTE for the number of hours that is entered on any line in column 2. The conversion is based upon 1 FTE = 2,080 hours per year.

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SCHEDULE 2-C: CONSULTANT PERSONNEL COST BACK-UP DETAIL FOR
SCHEDULE 1-A and 1-B

Line 11.

- Add lines 4 through 10 of columns 3 and 5. Enter the result(s) on line 11 for each respective column. Note that formulas have been added into the work sheet and this step will calculate automatically.
- Carry the amounts on line 11 for column 3 and 5 forward to Schedule 1-A, line 14, column 2 “Total FTEs” and column 5 “Total Annual Budget Amount” respectively.

Lines 13 through 19. Enter the requested information in columns 2 through 5 for all consultants that will provide treatment services and/or activities.

- Column 1. See the California Code of Regulations, Title 9, Division 1--Mental Health, Article 8, Professional and Technical Personnel Standards, Section 620-632 for this list of professional descriptions.
- Column 2, “Full Time Equivalent”, has an embedded formula that will automatically calculate the FTE for the number of hours that is entered on any line in column 2. The conversion is based upon 1 FTE = 2,080 hours per year.

Line 20.

- Add lines 13 through 19 of columns 3 and 5. Enter the result(s) on line 20 for each respective column. Note that formulas have been added into the work sheet and this step will calculate automatically.
- Carry the “Total Budgeted Treatment Consultant FTE/Cost” for columns 3 and 5 forward to Schedule 1-B, line 13, column 2 “Total FTEs” and column 3 “Total Annual Budget Amount” respectively.

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INSTRUCTION: SCHEDULE 1-D: SERVICES & SUPPLIES INCURRED AT
THE PROVIDER NUMBER LEVEL

SCHEDULE 1-D IS FOR THE REPORTING OF THE SERVICES AND
SUPPLIES COST. TCMHC SHALL HAVE THE RIGHT TO REQUEST
ADDITIONAL DETAILED INFORMATION AND JUSTIFICATION FOR ANY LINE
ITEM LISTED IN THIS BUDGET WITH A GROSS COST OVER \$5,000.

ALSO, TCMHC POLICY HAS ESTABLISHED \$5,000 AS THE MINIMUM VALUE
OF AN INDIVIDUAL ITEM FOR PURPOSES OF CLASSIFICATION AS
EQUIPMENT. EQUIPMENT ITEMS HAVING AN UNIT VALUE LESS THAN
\$5,000 ARE CLASSIFIED AS A SERVICE AND SUPPLIES EXPENDITURE
AND ARE TO BE REPORTED ON THIS SCHEDULE IN AN APPROPRIATE
CLASSIFICATION BUT NOT DEPRECIATED. EQUIPMENT ITEMS WITH A
VALUE OF \$5,000 OR MORE ARE TO BE REPORTED ON A SUB-SCHEDULE
AND THE RELATED DEPRECIATION IS TO BE REPORTED ON SCHEDULE 1
LINE 6 AND ARE NOT TO BE INCLUDED ON THIS SCHEDULE 1-D.
FACILITY SITE(S) RENT/LEASE/DEPRECIATION COSTS ARE TO BE
REPORTED ON SCHEDULE 1 LINES 9 AND 10 AND ARE NOT TO BE
INCLUDED ON THIS SCHEDULE 1-D.

Heading Instructions:

- Enter the PROVIDER NUMBER (s).
- Enter the Legal Entity Number that is assigned by the County/State.
- Enter the applicable County Fiscal Year.

Line and Column Instructions:

Lines 2 through 35.

- Columns 2 and 3. Enter the requested information.

Line 36.

- Add lines 2 through 33 for column 3. Note that formulas have been added into the work sheet and this step will calculate automatically.
- Carry the line 34 "Total" amount for column 3 forward to the SCHEDULE 1, line 5, column 2.

TRI-CITY MENTAL HEALTH CENTER
FULL SERVICE PARTNERSHIPS
NON-FUNDED SLOTS
EXHIBIT B—BUDGET SECTION

INSTRUCTIONS: SCHEDULE 2: ADMINISTRATIVE COSTS INCURRED AT
LEGAL ENTITY LEVEL and TO BE ALLOCATED AS INDIRECT COSTS

SCHEDULE 2 IS FOR REPORTING THE ORGANIZATION'S CENTRAL ADMINISTRATIVE COSTS THAT ARE NOT READILY IDENTIFIED TO A DIRECT SERVICE PROVIDER. THE COMPONENTS OF THE CENTRAL ADMINISTRATIVE COSTS OCCURRING AT THE LEGAL ENTITY LEVEL ARE ITEMIZED IN SCHEDULE 2 AND THEN ALLOCATED AS INDIRECT COSTS TO THE PROGRAM LEVEL IN SCHEDULE 1. THE ADMINISTRATIVE SUPPORT AND OTHER INDIRECT COSTS TO BE IDENTIFIED IN THESE SCHEDULE ARE THOSE INCURRED FOR THE COMMON BENEFIT OF THE ORGANIZATION'S TOTAL CONTRACTED MENTAL HEALTH PROGRAM AND ARE NOT DIRECTLY OR READILY ATTRIBUTABLE TO A SPECIFIC COUNTY CONTRACTED MENTAL HEALTH PROGRAM OR SERVICE.

ALLOWABLE ADMINISTRATIVE COSTS INCLUDE ACCOUNTING, BUDGETING, FINANCIAL SCREENING, GENERAL ADMINISTRATIVE PERSONNEL, INFORMATION SYSTEM, OFFICE SERVICES, AND OTHER SUCH SIMILAR SERVICES. THESE COSTS MUST BE REASONABLE, BE EQUITABLY ALLOCATED AND COMPLIANT WITH FEDERAL COST ALLOCATION PRINCIPLES. CONSULT WITH YOUR ACCOUNTANT.

ADMINISTRATIVE COSTS ARE ALLOWABLE TO THE EXTENT THEY ARE: 1) REASONABLE AND NECESSARY, 2) RELATED TO THE SERVICES PROVIDED BY THE DIRECT SERVICE PROVIDERS, 3) ALLOWABLE UNDER MEDICARE REGULATIONS, AND 4) ALLOCATED ON AN ACCEPTABLE BASIS.

Heading Instructions:

- Enter the Legal Entity Name.
- Enter the Legal Entity Number that is assigned by the County/State.
- Enter the applicable County Fiscal Year.

Line and Column Instructions:

Line 1: Enter into line 1, column 2 allowable home office costs. Home Office costs are discussed in the federal Centers for Medicare & Medicaid Publication # 15-2 (The Provider Reimbursement Manual – Part 2), Chapter 10, *Home Office Cost*. Generally, Home Office Costs are associated with a chain organization which consists of a group of two or more facilities. The home office usually provides central management and administrative services. Home office costs performed for individual service providers which relate to client care, plus an appropriate share of indirect costs, are allowable to the extent that they are reasonable.

TRI-CITY MENTAL HEALTH CENTER
FULL SERVICE PARTNERSHIPS
NON-FUNDED SLOTS
EXHIBIT B—BUDGET SECTION

INSTRUCTIONS: SCHEDULE 2: ADMINISTRATIVE COSTS INCURRED AT
LEGAL ENTITY LEVEL and TO BE ALLOCATED AS INDIRECT COSTS

The Code of Federal Regulations (42CFR413.157) prohibits a profit or a return on equity for a profit entity engaged in business as an inpatient hospital or a skilled nursing facility.

A non-profit entity under the cost reimbursement methodology is limited to actual costs which does not include a charge for revenue in excess of the actual costs. Not-For-Profit contractors see California State Plan TN No. 93-009 item A "Actual Costs" which provides the definition of **actual cost as: reasonable and allowable cost, based on year-end cost reports and Medicare principles of reimbursement as described at 42 CFR Part 413, in CMS Publication 15-1.**

Certain federal requirements also limit charges from a related organization.

Consult with your accountant regarding indirect administrative costs. County General Funds do not have similar limitations concerning indirect administrative costs and any restrictions result from negotiations and contract provisions.

Line 2: Enter the Salaries/Wages and Employee Benefits for the central administrative staff that are incurred for the common benefit of the Legal Entity's total contracted mental health program and which are not directly or readily attributable specifically to the FSP contracted mental health program or service. These costs can be grouped into one amount and a detail description of the pay classification is not required.

Lines 3 through 30: Enter the costs for the respective cost descriptions.

Line 31: Add lines 1 through 30 and enter the result on line 31 "Total Administrative Indirect Costs", column 2 "Legal Entity Totals". Note that formulas have been added into the work sheet and this step will calculate automatically. Carry forward the amount on line 31, column 2 to Schedule 1, line 13 "Administrative Indirect Costs", column 2 "Legal Entity Programs Totals".

TRI-CITY MENTAL HEALTH CENTER
FULL SERVICE PARTNERSHIPS
NON-FUNDED SLOTS
EXHIBIT B—BUDGET SECTION

INSTRUCTIONS: SCHEDULE 3: COVERED SERVICES/ACTIVITIES,
PROVISIONAL REIMBURSEMENT RATES and PROJECTED UNITS OF
SERVICE

SCHEDULE 3 IS TO IDENTIFY THE REQUESTED PROVISIONAL
REIMBURSEMENT RATES FOR COST REIMBURSEMENT

General Instructions:

Schedule 3 is intended to provide the Requested Provisional Cost Reimbursement Rate(s) for Tri-City Mental Health Center (TCMHC) contractually authorized covered mental health services and activities under full service partnerships, and which of those services and activities will be available by each designated provider number. TCMHC reimbursement to the service provider for approved services and activities will be at the Provisional Reimbursement Rate(s) until TCHMC has reviewed and approved the actual costs determined through the contractors MHSAs Revenue and Expenditure Report as required by TCMHC and the State. There are other limitations in place that limit reimbursement such as the Maximum Contract Amount, federal limitation to the lower of cost or charges, et. al.

Heading Instructions:

- Enter the Submission Date.
- Enter the Legal Entity Name.
- Enter the Legal Entity Number that is assigned by the County/State.
- Enter the Reporting Level (i.e. Legal Entity).
- Enter the applicable County Fiscal Year.

Line and Column Information:

Line 2 and subsequent lines identify the covered services and activities that may be reimbursed under the terms and conditions of the TCMHC's contract with the service provider.

Column 2: All the TCMHC's covered services and activities benefits are itemized.

Columns 3 through 7: The cross walk from the Health Insurance Portability and Accountability Act of 1996 (HIPAA) compliant CPT and

HCPCS codes in columns 3, 4, 5, and 6 to the State Department of Mental Health's Service Function Code (SFC) in column 7 is provided for information purposes. The CPT and HCPCS codes are used by the service provider in submitting services and or activities for reimbursement.

Column 8: Enter the requested Provisional Reimbursement Rate(s) for the covered services that will be rendered by the service provider. Rates are established by the State's Service Function Code (SFC) range. Each specific SFC range is linked to specific covered CPT and/or HCPCS procedure codes. Provide proposed rates for only the services/activities to be rendered by the service provide. A reimbursement rate must be the same for the same SFC range throughout the service provider's operation.

The service provider's reimbursement billings to TCMHC are to be either at the approved provisional reimbursement rate(s) for all units of service and/or activity that are submitted to TCMHC's claims processing information system or by "**manual invoice**" for services and activities **not** reported into the claims processing information system. Mark "manual invoice" in column 8 if TCMHC indicates that billing must be by manual invoice.

Column 9: These are TCMHC's provisional rates with LACMHD for the current fiscal year 2012-13. The service provider's provisional rate cannot exceed these rates.

If TCMHC's provisional rates with LACMHD increase during the term of the service provider's contract with TCMHC, the service provider's provisional rates may be increased if its original budget indicated a higher cost than originally allowed.

Column 10: Enter the projected units of service (UOS) to be provided for the fiscal year Term of the contract. UOS are projected at the State's SFC level.

Column 11: Enter the four digit provider number(s) as assigned by the Department for each service provider site that the service/activities identified in column 1 will be available.