



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Portfolio
Cost Allocation Services

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January 17, 2019

Kathy Smith, Liaison Accountant, Fiscal Administration
North Dakota Department of Human Services
State Capitol-Judicial Wing
600 E. Boulevard Ave Dept. 325
Bismarck, ND 58505-0250

Dear Ms. Smith:

This letter provides approval of the North Dakota Department of Human Services Cost Allocation Plan (Plan) amendment transmitted to our office on April 6, 2018, and subsequently revised on September 27, 2018, and January 17, 2019. This amendment, which was submitted in accordance with 45 CFR 95, Subpart E, is effective January 1, 2018 and July 1, 2018.

Acceptance of actual costs in accordance with the approved Plan is subject to the following conditions:

- 1) The information contained in the Plan and provided by the State in connection with our review of the Plan is complete and accurate in all material respects.
- 2) The actual costs claimed by the State are allowable under prevailing cost principles, program regulations and law.
- 3) The claims conform with the administrative and statutory limitations against which they are made.

This approval relates only to the methods of identifying and allocating costs to programs, and nothing contained herein should be construed as approving activities not otherwise authorized by approved program plans or Federal legislation and regulations.

Implementation of the approved Cost Allocation Plan may subsequently be reviewed by authorized Federal staff. The disclosure of inequities during such reviews may require changes to the Plan.

If you have any questions concerning the contents of this letter, please contact Stanley Huynh of my staff at (415) 437-7829. Please submit your next proposed Plan amendment electronically via email to CAS-SF@psc.hhs.gov.

Sincerely,

Arif Karim, Director
Cost Allocation Services

cc: Jeff Newton, ACF
Wanda Hall, ORR
Kristina Buzzell, SSA

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**FNORTH DAKOTA DEPARTMENT OF HUMAN SERVICES
COST ALLOCATION PLAN
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Attachments

- 1 - County Cost Allocation - Random Moment Time Study
- 5 - Department of Corrections and Rehabilitation - IV-E Time Sheet
- 7 - ND DHS Manual Service Chapter 115-05, Administrative Policies of the Department of Human Services
- 8 - Organizational Charts Illustrating Structures of County Social Service Board
- 10 - Allocation Pools
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DEPARTMENT OF HUMAN SERVICES COST ALLOCATION PLAN

Part I: Introduction

A. DEPARTMENTAL OVERVIEW

The North Dakota Department of Human Services is an umbrella agency headed by an Executive Director appointed by the Governor. The Executive Director and the Deputy Director oversee the operations of four organizational components consisting of Program and Policy, Medical Services, Behavioral Health and Administration and Support.

Administration and Support consists of Human Resources, Legal Advisory, Information Technology Services (ITS), Public Information, and Fiscal Administration, which provide support services to all programs.

Program and Policy is comprised of seven major programs: Child Support, Economic Assistance Policy, Children and Family Services, Aging Services, Developmental Disabilities (including Long Term Care for the Developmentally Disabled), Vocational Rehabilitation, DD Council. Programs within Children and Family Services include foster care for children, day care licensing, child protective services and adoptions.

Behavioral Health consists of the eight Human Service Centers, and two institutions; Life Skills and Transition Center and North Dakota State Hospital, Behavioral Health Division and the Statewide Community Clinic Director.

Direct delivery of services to individuals and families is provided through eight regional human service centers located in each of the Governors designated planning regions. The human service centers provide a comprehensive array of outpatient services including mental health services, social services, addiction counseling, emergency services, outreach and vocational rehabilitation services which include employment services, supported employment, independent living, and various third-party programs providing cooperative rehabilitation services. The human service centers also provide supervision and direction to county agencies in the provision of social services. Additionally, the centers are responsible for coordination of the Aging Services program, including the long-term care ombudsman.

Institutionalized treatment services for substance abuse, mental illness, and secure services for sexual offenders are provided by the North Dakota State Hospital located at Jamestown. The Life Skills and Transition Center, located at Grafton, is an educational and training facility for persons with intellectual disabilities.

Medical Services is responsible for the Title XIX Medicaid program, including medical review, early and periodic screening, diagnosis and treatment, Medicaid Expansion, Children's Health Insurance Program (CHIP), Long Term Care for the Aged, and, Home and Community Based Services.

B. PURPOSE

The purpose of the cost allocation plan is to identify information necessary to document and justify a method of allocating costs among programs and between functions and activities on an equitable basis to assure:

1. That federal programs are charged only for costs assigned to them;
2. That any portions of the total costs assignable to federal programs which are to be excluded from federal sharing, based on the applicable law and regulations, are so excluded; and
3. That costs assignable to activities or functions having different federal sharing rates are properly segregated.

All minutes of recorded time, time studies, FTEs and allocations to programs and cost pools, including prior adjustments within the current fiscal year, are accumulated fiscal year to date each month.

The procedures used for determining the allowableness of costs and the allocation of costs are consistent with the provisions of 45 CFR 75 and 2 CFR 200. Accounting records are supported by source documentation.

C. DEFINITION

1. FTE: full time equivalent is equal to one employee for one month of work.
2. RMTS: The random moment time study (RMTS) is a time analysis system used by the Department of Human Services to equitably distribute costs to appropriate programs. The RMTS system provides statewide on-going sampling of county income maintenance and social services worker activities (see Attachment 1).
3. CENTRAL OFFICE: The central office includes Administration and Support, Program and Policy, Behavioral Health and Medical Services.

Part II: Programs Administered and Administrative Structure

- A. The following Attachments depict the organizational structure of the agency and programs administered by the agency.

Attachment 6 - The organizational charts illustrating the divisions and sub-units of the Department of Human Services.

Attachment 7 - The North Dakota DHS Manual Service Chapter 115-05, Department of Human Services Administrative Policies.

Attachment 8 - The organizational charts illustrating the structures of county social service boards (CSSBs).

B. HUMAN SERVICE CENTERS

1. Activities of the human service centers are a direct function of the Department of Human Services as follows:
 - a. Provide direct services upon request of the consumer or upon a referral from a county or other agency; and
 - b. Administer and implement regulations, policies and procedures of the Department of Human Services.
2. Human Service Centers are administratively responsible for case management for individuals with intellectual disabilities and regional oversight of aging, child welfare, vocational rehabilitation, and developmental disabilities programs. Oversight activities include the investigation of child and elder abuse, child care and foster care licensing, program oversight for developmental disabilities services, and program oversight for county social services.

C. COUNTY SOCIAL SERVICE BOARDS

1. North Dakota programs are state supervised and county administered. Assistance payments and the authorization for medical assistance are certified at the county level and disbursements are made at the state level. County social service board expenditures for administration, social services and training are budgeted, funded and disbursed at the county level. Federal claims for administrative, social service and training costs are submitted by the state department on the basis of expenditure and functional reports from the counties. Reimbursement is made to the counties in whole, or in part, on the basis of such reports.
2. The county social service boards are supervised by the North Dakota Department of Human Services with the following structure:
 - a. Accounting procedures, fiscal and statistical reports, and related operations are reviewed by the Fiscal Administration unit. Audits are conducted by the State Auditor's Office and other independent auditors;
 - b. Eligibility for maintenance assistance and medical assistance programs are supervised by regional representatives of economic assistance under the functional direction of the director of economic assistance eligibility;
 - c. Staff development and training are supervised by the directors of the appropriate programs; and
 - d. Personnel policies and procedures are supervised by the director of Human Resources and the central personnel system.

D. PRIVATE AGENCIES AND OTHER PUBLIC AGENCIES

1. The Department of Human Services utilizes and coordinates the services available from private and other public agencies according to the commitments in state program plans. One of the following administrative methods may be used:
 - a. Under the provisions of a Memorandum of Understanding, services may be provided

by an outside public agency within the scope of the service plan for the single state agency. Periodically, the public agency makes a full service report and certifies the cost of the service to the Department of Human Services for a federal matching claim. Billing will be based on actual costs incurred.

- b. Through an agreement with other private or public agencies, services may be purchased on an established rate structure.
 - c. The Department of Human Services may receive donated funds to be used as the non-federal share of the cost of services provided or purchased. Funds donated for services or administrative functions are considered state funds and are used to claim federal financial participation.
- (1) Public funds are considered as the State's share in claiming federal reimbursement only when the funds are:
- a. Appropriated directly to the Department of Human Services, or transferred from another public agency to the Department of Human Services and under its administrative control, or certified by the contributing public agency as representing expenditures eligible for Federal match;
 - b. Not used to match other Federal funds; and
 - c. Not Federal funds, or are Federal funds authorized by Federal law to be used to match other Federal funds; or
- (2) Funds donated from private sources are considered as the State's share in claiming federal reimbursement only when the funds are:
- a. Donated without any restriction which would require their use for the training of a particular individual or at particular facilities or institutions; and
 - b. Do not revert to the donor's facility or use.
 - c. Are not used to match other Federal funds;
 - d. Are certified both by the Department of Human Services and by the donor (if funds are donated directly to the Department) or the Department and the entity designated by the DHS to receive donated funds (if funds are donated directly to the designated entity) as available and representing funds eligible for Federal match.

If a donation is received in excess of \$1,000, and is related to Medicaid services the Department will discuss the use of these funds with the Centers for Medicare and Medicaid.

All of the above procedures may not be applicable to every program. The program administrators must examine the procedures under consideration in light of the program regulations and the program's state plan.

Part III: Central Office Standard Allocation Procedures

- A. All actual administration expenses are direct charged or allocated and no indirect cost rates are used.
- B. When costs are allocated to programs, the distributions are based on the accumulated costs to date and are distributed on the basis of the accumulated statistics. The accumulated prior month's program distribution is subtracted to arrive at the current month's costs. The Executive Office and Support Units (HR, Fiscal Administration, Legal, Public Information Office, and Information Technology) are responsible to make department-wide purchases related to the functions of their specific areas. For example all computers, printers, and software are managed and purchased by the Department's Information Technology Division, and the HR division is responsible to purchase all service awards in accordance with Department policy. Each division has individuals who are authorized to approve purchases related to their area, some of which are direct charged to federal or state programs and some that are allocated to all benefiting programs. Each division in the Department is assigned a program accountant who is knowledgeable of the applicable federal and state requirements surrounding the programs in their division. The program accountant works directly with the division or program director to ensure costs are properly assigned to the appropriate funding source(s). Each program director has delegated their authority to the Department's support units to make purchases on their behalf to comply with Department policy and/or state law.
- C. The North Dakota central accounting system accumulates salaries, travel and all other expenses of the ~~state~~ central office into programs and cost pools by means of department identifiers (IDs). These expenditures are allocated in the following manner:
1. Fringe benefits, including unemployment compensation insurance, follow the respective salary department ID;
 2. Travel expenses are charged according to the purpose of travel indicated on the travel vouchers for each day or trip;
 3. The State Motor Pool bills the Department for the use of vehicles. The Department is billed a usage fee for each vehicle. The fee is identified for each person and/or unit and direct charged to programs and/or functions;
 4. Copier cost pools are distributed on the total number of accumulated copies logged;
 5. Value of space in public buildings, which is based on cost, is allocated on the basis of square footage with the common area prorated on the basis of the direct; depreciation expense for the Southeast Human Service Center is also allocated based on square footage.
 6. Telephone service is charged based on usage and allocated to the central office cost pool;
 7. Payments for postage expenses, United Parcel Service (UPS), and bulk mail are predominately for check writes and are charged to a specific program. The balance is charged to Departmental Overhead – Central Office/HSCs. Bulk mail is charged to programs based on usage. No attempt is made to charge the cost of UPS deliveries to programs as the actual usage is charged to Departmental Overhead – Central Office/HSCs;
 8. The cost of the maintenance contracts are charged to the cost pool or program where the equipment has been assigned;
 9. Information Technology Department charges for systems, programming, computer time (clock time), microfiche, and applied overhead are charged by job number for each job run. Wide Area Network charges are allocated to various programs based on the accumulated time of income maintenance and social service workers for those programs as determined by random moment time study of the 47 CSSB workers, including income maintenance and social service codes.
 10. Central supplies, central duplicating, and printing are identified and direct charged. Any costs not identified are charged to a multi-divisional department ID and subsequently to the Departmental Overhead – Central Office/HSCs cost pool.
 11. Prairie Hills Plaza expenses are allocated between the various programs which utilize shared resources located at the Prairie Hills building based on the accumulated FTE's of each program. Current programs utilizing shared services located at Prairie Hills Plaza are Developmental Disabilities Division, Vocational Rehabilitation, Behavioral Health, and Aging Services.

12. DHS North expenses are allocation between the various units located at the DHS North building based on the accumulated FTE's of each unit. Units currently located at DHS north include, MMIS claims, data entry, system support and development, decision support, ITS network, desktop and security services, electronic management services, ITS coordinator, project management, training, and ITS management and support.
- D. The Department of Human Services cost allocation system is a component of the Peoplesoft central accounting system which is under the control of the State Office of Management and Budget. The system is designed to report salaries for the month earned or what is referred to in the system as "fiscal month".
- E. The following pages report by unit how direct and allocated costs (indirect cost pools) are distributed to programs. There is a brief description of the unit, including the type of allocated and indirect cost pools associated with each unit.

Part IV: Administrative Costs

A. DEPARTMENTAL ORGANIZATION

The Executive Director for the Department of Human Services has direct authority over Human Resources, Fiscal Administration, Legal Advisory unit, Behavioral Health, and Medical Services. The Deputy Director has direct authority over Information Technology Services, Public Information, and Program and Policy.

The regional human service centers implement State programs that provide for the delivery of services. Administrative support for the centers is decentralized. Each center has a business office responsible for accounting activities. Human resources, payroll functions, and accounts receivable/billing for the eight regional human service centers are centralized in the State office. Network and Desktop Support services are centralized with the Information Technology Services unit.

The State Hospital and Life Skills and Transition Center's business office, accounts receivable, and HR functions are all centralized. Technology services for Network and Desktop support are centralized with the Information Technology Services unit.

B. COMPOSITION OF SUPPORT UNITS

The following units provide administrative support services under the direction of the Executive Director.

1. The State Human Resources (HR) office provides technical support and assistance to Department of Human Services and County Social Service Board staff for the purpose of hiring and retaining qualified employees.
2. Fiscal Administration is responsible for fiscal operations including payroll, accounts receivable, accounts payable, budgeting, program reporting, provider auditing, office services (supplies etc.) and cost allocation for county social service boards.
3. Legal Advisory unit manages rule making for the department, litigates claims, prepares legal opinions and handles appeals.

The following units provide administrative support services under the direction of the Deputy Director.

4. The Information Technology Services (ITS) unit provides system and program customer support services related to technology and information management for the department. System support services include Network Services, Desktop Services, Security Services, Data Entry, MMIS Claims Processing, and Electronic Data Management Services (EDMS). Program support services include ITS Coordinators, Project Management Services, Training, and Decision Support.

5. The Public Information Officer facilitates the release of information through the media, coordinates and prepares special publications and provides support services as delegated by the Executive Director.

C. DEPARTMENTAL OVERHEAD

Administrative overhead from the Executive Office, services provided by central office support units and various departmental administrative expenses benefit each DHS organizational component to varying degrees. These expenses are categorized as to those that benefit central office programs and human service centers, those that benefit central office programs and human service centers and the state hospital and developmental center and lastly, those that benefit only central office programs. The three departmental overhead expense cost pools are defined below. For the composition of all departmental indirect cost pools refer to attachment 10.

1. Departmental Overhead – Central Office/Field Services

This cost pool accumulates departmental overhead expenses that benefit all DHS component units. Included in this cost pool are the following expenses:

- a. Executive Office
- b. Human Resources personnel benefiting all DHS staff
- c. ITS Systems Support Staff (Network Services, and EDMS personnel)

The accumulated expenses are distributed on the basis of the total accumulated FTE's of the department, including FTE's of the human service centers, State Hospital, and Life Skills and Transition Center.

2. Departmental Overhead – Central Office/HSCs

This cost pool accumulates departmental overhead expenses that benefit central office programs and the regional human service centers. Included in this cost pool are the following expenses.

- a. Human Resources personnel
- b. Fiscal Administration payroll personnel
- c. Expenditures that benefit the organizational components above but cannot be charged to a specific program or cost objective.
 1. State Fire and Tornado premiums
 2. Risk Management premiums
 3. Expenses for copier, postage, supplies, printing and duplicating etc. that have not been direct charged.
 4. Statewide Cost Allocation Plan

The statewide indirect cost allocation plan was completed by the firm MGT Consulting Group. The costs will be claimed upon approval of the plan by the Health and Human Services Cost Allocation Division.

The accumulated expenses, of the above cost pool, are distributed on the basis of the total accumulated FTE's of the central office, and human service centers, and excluding the FTE's of the State Hospital and Life Skills and Transition Center.

3. Departmental Overhead – Central Office cost pool

This cost pool accumulates departmental overhead expenses that benefit only central office programs. Major expenses in this cost pool include:

- a. Human Resources personnel
- b. ITS Systems Support Staff (Not included in #1(c) above)
- c. Central Office telephone

The accumulated expenses are distributed on the basis of the total accumulated FTE's of central office program staff.

D. ALLOCATION OF SUPPORT UNITS

1. Human Resources

Human Resources personnel are direct charged to one of the departmental cost pools based on the duties they have been assigned. Staff who have been assigned duties that cannot be directly charged to a cost pool will be allocated to more than one cost pool based on a full-time time study. Cost pools that Human Resource personnel may be assigned to include: one of the departmental overhead cost pools, previously indicated, the county social services board cost pool, or the statewide human services center cost pool (see attachment 10). The costs allocated to the departmental overhead cost pools are funded with State general fund.

2. Fiscal Administration

The direct and allocated expenses for Fiscal Administration are accumulated in the following cost pools:

- a. The Chief Financial Officer cost pool accumulates the direct expenses of the Chief Financial Officer and any departmental overhead. The costs are allocated on the basis of the accumulated FTE's assigned to Fiscal Administration.
- b. The Fiscal Administration Central Office cost pool includes salaries, operating expenses and related overhead for accounting activities that support central office programs. These activities include revenue deposits, vendor payments, procurement, LOC drawdowns, office services, and other professional staff that provide accounting, and monitoring functions. The Fiscal Administration cost pool will be allocated on the basis of the accumulated monthly actual salaries and operating expenses incurred for central office programs or units. The costs allocated to a central office program will be charged to a direct or indirect grant (refer to attachment 10). Direct grant numbers begin with a "S". Indirect grant numbers begin with a "HS". The costs allocated to indirect grants (cost objectives) will be accumulated as a part of a total indirect cost pool and distributed to programs as addressed in the plan for that specific cost objective.
- c. The Fiscal Administration Budgeting/Contracting cost pool includes staff and related overhead for budget personnel, responsible to manage the overall departmental budget projections and funding activities and other professional staff that provide department wide accounting, and monitoring functions including subrecipient monitoring. See attachment 30 for the Department's subrecipient monitoring procedures. They support central office programs and assist business office staff in incorporating human service center and institution budget information. The Fiscal Administration Budgeting/Contracting cost pool will be allocated on the basis of the accumulated monthly actual salaries and operating expenses incurred for central office programs, and the actual salaries and operating expenses for each of the business offices in the 8 HSC's and the 2 institutions. The allocated costs will be charged to a direct or indirect grant as indicated in attachment 10. The costs allocated to indirect grants (cost objectives) will be accumulated as a part of a total indirect cost pool and distributed to programs as addressed in the plan for that specific cost objective.

- d. The MMIS Operations Supervisor and related overhead will be allocated on the basis of the accumulated FTE's assigned to the MMIS Operations Supervisor.
- e. The Field Services Assistant CFO provides fiscal oversight to the eight human service centers, State Hospital, Life Skills and Transition Center and Electronic Health Record (EHR) unit. The direct and allocated costs for the Field Services Assistant CFO are based on the cumulative FTEs of the State Hospital, eight regional human service centers, Life Skills and Transition Center and EHR.
- f. Program Reporting

Fiscal Administration Program Accountants are assigned to support a component, central office division unit or a fiscal administration function. The staff act as liaisons to program administrators to provide support for all accounting activities. Staff may be assigned to a specific unit or a combination of several units. The program accountants work directly with the program directors and are responsible to ensure expenditures are properly charged to the appropriate federal and/or state programs in the state's accounting system. If an adjustment is needed in the state's accounting system to properly report expenditures, the program accountant is responsible to make the adjusting entry. Each program director has delegated their authority to the Department's support units to make purchases on their behalf to comply with Department policy and/or state law. Staff have been assigned to support the following units or combinations thereof:

1. ITS/Economic Assistance
2. MMIS
3. Children and Family Services/Foster Care/Cost Allocation Plan/Adoption
4. Medical Services/Behavioral Health Services
5. Administration and Support/County
6. Developmental Disability Services/Aging/Vocational Rehabilitation/Developmental Disability
7. DD Council/Child Support
8. EA/Foster Care/Sub Adopt/Administrative Support

The FTE and salaries and benefits of staff that are assigned to more than one division/unit are allocated based on a full-time time study.

- g. Provider Audit

Provider Audit staff perform audits and rate setting activities for Nursing Homes, Foster Care group homes and Residential Treatment facilities, and Basic Care facilities. The direct and allocated costs will be allocated to the above cost objectives on the basis of the number of audit hours logged by individual providers accumulated for each provider group. The cost identified with each cost objective will be charged as follows:

1. Nursing Homes, Psychiatric Residential Treatment Facilities – Charged to Medical Administration
2. Foster Care Group Home/Residential Care Facilities – Charged to the foster care cost pool
3. Basic Care – Basic Care pays for personal care service and room and board. Personal care services are charged to Title XIX Medical Assistance Payments. Room and board payments are charged to State general fund. Administrative expenses allocated to Basic Care are charged to Title XIX medical administration and State general fund on the basis of the accumulated dollars paid for personal care and room and board.

- h. County Social Service Board Cost Pool

The CSSB cost pool accumulates the salary costs of Human Resources personnel assigned to provide technical support and assistance to CSSB offices, Fiscal Administration staff responsible to

allocate county administrative expenses based on the State's approved cost allocation plan and county wide area network costs (WAN) paid by DHS. The CSSB allocation will be allocated to all county programs based on the accumulated time, as determined by the random moment time study, for income maintenance and social service workers for the 47 CSSBs.

3. Information Technology Services

Network Services personnel are responsible to plan, implement and support client-server technology for the central office, human service centers and institutions. Desktop services personnel support the installation of hardware and desktop application software. Staff are assigned and located in the central office, human services centers and institutions. Security services personnel are responsible for procedures to guard data confidentiality, integrity and availability for all departmental systems. The EDMS coordinator provides imaging and data management support. Direct and overhead costs for network and EDMS staff are allocated based on total accumulated FTE's of the department or charged to various programs based on the legislatively approved FTEs of the region the staff are located or charged to general fund.

IT Coordinators provide maintenance and daily operational activities support for systems programs. They are the liaison between DHS and the North Dakota Department of Information Technology Department (ITD). The accumulated direct and overhead costs for IT Coordinators are allocated based on data processing charges of the program systems. The Business Information Systems Administrators are a key component for major development and enhancement projects. They are responsible to determine the resources needed to implement a project on time and supervise the implementation of the solution. The accumulated direct and overhead costs for the Business Information Systems Administrators are direct charged to their assigned programs or allocated using the same cost pool as the system they have been assigned to. Training staff are responsible for web based training. Decision Support provides statistical analysis of data, for purposes of establishing trends, etc., to aid in forecasting changes that will affect departmental programs. The accumulated direct and overhead costs for training staff benefiting all DHS staff are allocated based on the total accumulated FTE's of the department. Decision Support staff direct and overhead costs are allocated based on a full-time time study. Architect Associates maintain the architecture of the enterprise-wide information technology function, such as application development, computer systems or telecommunications. The accumulated direct and overhead costs for Architect Associates are allocated to assigned projects based on a full-time time study. Business Analyst staff work as liaisons between business/end users and information technology in order to elicit, analyze, communicate, and validate requirements for new or changed business processes. The direct and overhead costs for Business Analyst staff are direct charged to their assigned programs or allocated using the same cost pool as the system they have been assigned to.

The accumulated direct and overhead costs for the Director of Information Technology Services and support staff are allocated based on the FTE's assigned to each of the ITS service units.

The Master Client Index expenses are allocated based on the active member counts for each source in the Master Client Index. Sources include: Child Support, Developmental Disabilities, SNAP, FRAME, CHIPS-Adm, Medicaid, TANF and Vocational Rehabilitation.

The Master Client Index Update expenses are allocated based on the active member counts for each source in the Master Client Index. Sources include: Child Support, Developmental Disabilities, SNAP, FRAME, CHIPS-Adm, Medicaid and TANF. Vocational Rehabilitation updates their own addresses and is not included.

MMIS Claims Processing

Data Entry staff are responsible to initiate batch processing, distribute reports and plan and distribute batch calendars. Direct and overhead costs of the Data Entry unit will be allocated based on the accumulated count of the number of documents scanned or keyed for each document type.

The expenditures related to the MMIS Health Enterprise system that are allocated to programs, through the MMIS cost pool, include costs billed by the State Information Technology Department and vendor payments (Conduent and Truven Health Analytics) to maintain and support the system as well as the data warehouse charges. It does not include costs for design, development and implementation. Since the system is not yet certified, costs are reimbursed at 50/50 federal/state participation rate. The Operational Advance Planning Document for the MMIS project was approved November 3, 2015 with an effective start date of October 5, 2015. Other Federal programs that use MMIS to process claims include Money Follows the person, Infant Development Part C, Refugee Assistance and CHIP as well as State programs.

Direct and overhead costs of the Claims Processing unit, MMIS call center, and MMIS Business Analysts will also be allocated through the MMIS cost pool. Claim processing staff are responsible to process all MMIS claims. The call center fields calls from providers and provides customer service for the MMIS system. MMIS Business Analyst staff work as liaisons between business/end users and information technology.

Expenditures charged to the MMIS cost pool include system maintenance and operation costs for the medical claims payment system, MMIS Health Enterprise, the MMIS Claims Processing Unit direct and overhead costs, and the direct and overhead costs of the Business Analysis staff assigned to the MMIS system. Costs associated with these activities will be allocated to programs based on the number of transactional claim numbers paid for each program from MMIS and accumulated federal fiscal year to date each month. Claims for Money Follows the Person, Infant Development Part C, Refugee Assistance, Medicaid, CHIP, and other state funded programs are paid through the MMIS system. The Medicaid claims will be allocated between Medicaid and CHIP based on the number of CHIP premiums paid each month, with each premium payment counted as a claim. In addition, the state has a proxy, to allocate 1.51% of the Medicaid share of the MMIS system maintenance and operations and MMIS claims processing administration and operating costs to CHIP administration. . The amount allocated to CHIP will be reimbursed at the enhanced rate of 88% federal share, based on the availability of federal CHIP administration funds. If CHIP administration costs exceed the 10% administration limit, the excess MCHIP portion of the allocation will be reimbursed by Medicaid at a 50/50 federal/state participation rate until certification of the system occurs, after which reimbursement will be at a 75/25 federal/state participation rate.

a. Collaboration with Other State Agencies

The North Dakota Health Information Network (NDHIN) is operated by the North Dakota Information Technology Department (ITD). The NDHIN provides a secure, medical record sharing network for providers and consumers. DHS will update the State Medicaid Hit Plan (SMHP) and the associated Implementation and Advance Planning document (I-APD). ITD will request reimbursement from the North Dakota Department of Human Services (DHS) for contract expenditures. NDDHS will request the federal share of reimbursement from the Centers for Medicare and Medicaid Services for reimbursement. NDDHS has entered into an interagency agreement with ITD. See Attachment 40.

4. Public Information

The Public Information Office facilitates the release of information through the media, coordinates and prepares special publications, and provides support services as delegated by the Executive Director. The direct and allocated costs of the Public Information staff are allocated based on the total accumulated FTEs of the department, including FTEs of the human service centers, State hospital, and Life Skills and Transition Center.

5. Legal Advisory

Legal Advisory unit manages rule making for the department, litigates claims, prepares legal opinions, and handles appeals. The direct and overhead expenses for legal services are direct charged based on the legal service hours provided by the legal advisory unit for each program.

Part V: Program and Policy

A. PROGRAM AND POLICY

The units included under Program and Policy are: Developmental Disabilities Division (including Long Term Care for the Developmentally Disabled), Children & Family Services, Aging Services, Economic Assistance Policy, Vocational Rehabilitation/DDS, Child Support and DD Council. Refer to Attachment 6, Organizational Charts, for structure of units that are part of program and policy. The accumulated direct and allocated costs for the director and support staff are distributed on the basis of the accumulated FTEs of the units included under program and policy.

B. The following units operate under the Deputy Director:

1. Aging Services Division

Aging Services is responsible for establishing programs to provide services for older individuals and persons with physical disabilities and to protect vulnerable adults from harm and violation of their rights. The accumulated direct and overhead costs for the Director of Aging are distributed on the basis of the accumulated FTEs of the individuals for the programs supervised.

Costs for aging services staff who perform activities that support home and community based care services for the elderly will be charged to the home and community based care cost pool. Costs for home and community based care services provided to the elderly are funded by Title XIX services and state funds. The state funded programs are entitled Service Payments to the Elderly and Disabled (SPED) and Expanded Service payments to the Elderly and Disabled. The SPED programs fund the home and community based care services that are received by the elderly who are not Title XIX eligible; and for specific services that are not covered by the waivers. The accumulated direct and allocated costs will be distributed based on the percentage of the number of persons receiving Title XIX Medicaid state plan services and the number of persons receiving services under the SPED programs. The cost allocated to Title XIX will be claimed as other Medicaid administration. Costs allocated to Medicaid waivers will be directly identified and reported separately.

The direct and allocated costs for other Aging staff will be charged to Aging Services Title III.

2. Developmental Disabilities Council

The developmental disabilities coordinator's direct and allocated costs are charged to the developmental disabilities grant. The DD Council planning costs and all contracted expenses are also charged to the federal grant.

All direct costs are charged to Federal programs. Allocated indirect costs are charged to general funds due to limited federal funding.

3. Vocational Rehabilitation and Disability Determination Services

The Director of Vocational Rehabilitation and Disability Determination Services is responsible for the planning, organizing and providing training and employment services to individuals with disabilities so they can become and remain employed and to provide eligibility decisions on behalf of applicants to the Social Security Administration. Refer to attachment 6, organizational chart. The accumulated direct and allocated costs for the Director are distributed on the basis of the accumulated FTE's of the Division.

A. Vocational Rehabilitation

Vocational rehabilitation services includes Services for the Visually Impaired, Client Assistance, Supported Employment, Independent Living for the Older Blind, and the Council on Human Resources.

1. Reporting Units

- a. The direct and allocated costs for State Rehabilitation Services personnel are charged to Section 110, Basic Support, Title I of the Rehabilitation Act of 1973.
- b. The direct and allocated costs of the administrator of client assistance and any support staff are charged direct to Section 112, Client Assistance, Title I of the Rehabilitation Act of 1973.
- c. The direct and allocated costs of the administrator of supported employment and his staff are charged to Section 110, Basic Support, Title I of the Rehabilitation Act of 1973.
- d. Training costs for Vocational Rehabilitation personnel statewide are charged to the Section 110, Basic Support, Title I of the Rehabilitation Act of 1973.
- e. Contractual costs for independent living skills training are charged to the Independent Living Part B grant.

2. Vision Services Program

In an effort to optimize services to visually impaired, the Office of Vocational Rehabilitation created an ad hoc committee to review services and make recommendations. The Administrator of Vision Services provides planning and coordination of statewide services for visually impaired children, youth, and adults. The direct and allocated expenses are funded by Section 110, Basic Support, Title I of the Rehabilitation Act of 1973.

B. Disability Determination Services

The Director is responsible for the overall planning, organizing and coordination of activity associated with providing eligibility decisions. The direct and allocated costs of the Disability Determination Services are charged direct to Titles II and XVI of the Social Security Act as amended.

4. Children and Family Services

The Children and Family Services Division develops and coordinates social service programs provided through county social service boards, human service centers and private agencies to children who have become or are at risk of becoming neglected, abused, delinquent or unruly.

The accumulated direct and overhead costs for the Director of Children & Family Services, Assistant Director, and support staff are distributed on the basis of the accumulated FTEs of the division.

The IV-E Foster Care Participation Rate is calculated based upon the number of paid foster care cases that are IV-E eligible divided by the total number of paid foster care cases, regardless of the eligibility.

The following are functions of Children & Family Services

A. Permanency Unit

In addition to being the Administrator of the Foster Care program this position also has administrative responsibilities related to adoption assistance and refugee unaccompanied minor payments. The salary

and fringe benefits will be allocated based on a full-time time study (attachment 38) to the above cost objectives. The allocated salary and all other direct and allocated expenses for the foster care cost objective will be distributed to Title IV-E Foster Care Administration, Foster Care Emergency Assistance and Foster Care Regular (non IV-E, non EA eligible) based on an accumulated paid case count recorded for each program. The allocation to foster care emergency assistance will be charged to the TANF block grant. The allocation to Foster Care Regular is State funded. The costs for refugee unaccompanied minor payments will be direct charged. Duties related to adoption and permanency administration will be direct charged to adoption assistance and the foster care cost objective as described in this section. Other administration time will be allocated between the above cost objectives.

The Independent Living (IL) Administrator has administrative responsibilities related to sub guardianship, education and training vouchers, and RCCF/GH licensure in addition to the IL administrative duties. The salary and fringe benefits will be allocated based on a full-time time study to the above cost objectives. The allocated salary expense and all other direct and allocated costs to administer the foster care Independent living program and to purchase services for the purpose of providing independent living skills to youth who age out of foster care and young adults who have left foster care is charged to the foster care IV-E independent living grant.

The administrative expenses for Foster Care Training will be distributed to Title IV-E Foster Care Training, Foster Care Emergency Assistance and Foster Care Regular (state funds) based on an accumulated paid case count recorded for each program.

Foster Parent Training expenses are allocated to IV-E Foster Parent Training, Foster Care Regular Non IV-E (state funded) and Adoption Assistance IV-E and Adoption Assistance Non IV-E (state funded) based on accumulated paid case count recorded for each program.

The salary and operating expenses for staff participating in Foster Care Facility Licensing will be allocate based on the IV-E penetration rate, for all paid facility cases, between IV-E Foster Care Administration, Emergency Assistance and Regular Foster Care (state funded).

The Comprehensive Child Welfare Information and Payment System (CCWIPS) is a payment system for foster care and adoption programs only. The direct and allocated costs for the Title IV-E Eligibility Specialist/HELP Desk Administrator, Help Desk support staff and EDP costs for systems operations will be allocated to Foster Care IV-E, Foster Care Emergency Assistance, Foster Care Regular (non IV-E, non EA eligible), Adoption Assistance IV-E and Adoption Assistance Regular programs. The costs will be distributed based on an accumulated paid case count for each of the respective programs. The allocation for foster care emergency assistance will be charged to the TANF block grant. The allocation to foster care and adoption assistance regular programs is state funded. FRAME is a case management system. FRAME expenses are allocated based on accumulated time of social workers for those programs based on the random moment time study for county workers.

B. Adoption Assistance

Expenses charged to the adoption assistance cost objective include direct and allocated costs for the administrator of adoption and unwed parents and purchased services for special needs adoption. These contracted services provide for regionalized special needs adoption staff who would be employed full time in the delivery of services in adoption to special needs defined children.

The direct and allocated expenses identified as adoption assistance will be distributed to Title IV-E Adoption Assistance Administration and Adoption Assistance Regular (Non IV-E eligible). The costs will be distributed on the basis of the accumulated number of children in paid adoption assistance recorded for each program. The costs for adoption assistance regular will be charged to State general fund.

C. On-site Case Reviews (OCR) and Family Preservation Services Administrator

The Administrator of Family Preservation Services is responsible for Family Preservation, supervising the OCRs, and staff supervision, including the early childhood services administrator.

The salary and operating costs of the administrator will be allocated between assigned cost objectives based on a full-time time study. Duties related to Family Preservation will be charged to TANF. Duties relating to OCRs will be charged as follows:

The state OCR case review sample will include 42 foster care cases and 28 in-home cases. Activities related to OCRs will be directly charged to in-home and out-of-home placements based on the percentage of total cases. Out-of-home placements will be allocated to Foster Care IV-E, Emergency Assistance, and Foster Care non IV-E (state funded) based upon the accumulated paid case count for each program. In-home placements will be charged to state funds.

Duties related to early childhood will be charged to the Child Care Development Fund grant. Other administration time will be allocated between the above cost objectives.

D. Family Preservation/Child Abuse Prevention

Family preservation services are structured to keep families together. The administrator of Child Maltreatment and Prevention and Family Preservation services is responsible for Child Abuse Prevention and the following Family Preservation programs: Intensive In-Home, Parent Aid, Prime Time Day Care and Respite Care. Services provided for child abuse prevention will be charged directly to the Community Based Child Abuse Prevention (CBCAP) Grant. Family and individual therapy services included in the Rehabilitation Services State Plan are provided to Title XIX eligible clients for Intensive In-Home are billed to Title XIX as a medical rehabilitation service. Services provided to children for Prime Time Day Care and Respite Care are funded by Title IV-B Sub Part 2 and State general fund. Depending on the availability of funding, Title IV-B Sub Part 2 can also be used for direct services for Intensive In-Home (non-Title XIX clients) and for direct training of parent aids. Intensive In-Home, and Parent Aid, for eligible families, will be charged as Emergency Assistance. The salary and operating costs related to the administrator will be allocated between these two areas based on a full-time time study. Activities related to Child Abuse Prevention will be charged directly to the CBCAP Grant. Activities related to Family Preservation will be charged to TANF.

E. Emergency Assistance Services

Emergency Assistance is the provision of out of home care and family services to eligible families with children who are experiencing a crisis. The services are provided in accordance with the approved State plan. Services are limited to a maximum duration of 12 months of service or less as necessary to alleviate the emergency condition and must be authorized during a single 30-day period, no less than 12 months after the beginning of the family's last Emergency Assistance authorization period.

The following expenses are identified as TANF emergency assistance authorized under prior law:

1. Child Abuse and Neglect Investigations - Counties bill a flat fee per investigation conducted.
2. Foster Care - Maintenance payments authorized for a period not to exceed 364 days. As stated in the TANF plan, TANF resources will be used for emergency assistance for maintenance payments for foster family care, group or residential child care for children separated from their parents. The application for Non-IV-E eligible children shall constitute the application for emergency assistance.
3. Multi County Child Abuse and Neglect Investigator Projects - Contracts with counties for employment of child abuse and neglect investigators.
4. Shelter Care - Provide shelter to youth in lieu of temporary foster care for a brief period, usually less than 4 days.
5. Intensive In-Home Services - Provides intensive counseling through In-Home Family service models to families who have a child in out of home placement or at risk of having a child placed out of home. Intensive-In-Home services are provided by regional human service centers and also purchased from private providers. Eligibility determination is completed by the CSSBs. The county sends a copy of the application form (attachment 27) to the human service center or private provider. The providers maintain a copy of the application and submit a bill for services to the central office. Payments for services provided to families that are eligible for the TANF emergency assistance are direct charged.
6. Parent Aid - The county social service boards provide parent aid services. Parent aid services are provided to families who have children determined to be at risk of abuse or neglect. The parent aid is a tool to encourage, teach, and assist parents to enable them to develop independence and self-reliance. The worker performing activities in support of parent aide services will record time on the county RMTS as indicated in attachment 1.
7. In Home Case Management – The county social service boards provide wrap around case management. Wrap around case management provides for a comprehensive systems oriented assessment of family risks and service needs. It requires the active involvement of the family in completing the assessment and engages them in the treatment planning. The services are provided by full time social workers and part time In-Home Specialists. The worker performing activities in support of wrap around services will record time on the county RMTS as indicated in attachment 1.

F. Child Protection Services

Child protection services provide for the protection & treatment of an abused or neglected child. The Administrator of Child Protection Services also supervises the criminal background check unit. The salary and operating costs related to the administrator will be allocated based upon a full-time time study. The salary and operating costs of the Deputy Administrator of Child Protection Services is charged to state funds.

The functions of the criminal background check position includes processing information for BCI/FBI, reporting out BCI/FBI background checks and gathering information from appropriate law enforcement agencies for BCI/FBI hits. The administrative cost for background checks is allocated to a foster care cost objective, adoptions cost objective and to a private/child care objective based on the number of transactions for each program, from the user fee bill, which includes instate and out of state background checks, for civil fingerprint transactions processed by the Federal Bureau of Investigation. The foster care cost objective is distributed to Title IV-E Foster Care Administration, Foster Care Emergency Assistance and Foster Care Regular based on accumulated paid case count for each program. The adoptions cost objective will be distributed to Title IV-

E Adoption Assistance and Adoption Assistance Regular based on the accumulated number on accumulated paid case count for each program. The allocation for the private/child care objective is direct charged state funds.

G. Early Childhood Services

Early Childhood Services primary function is oversight and support for child care licensing. Early Childhood Services are designed to increase the availability, affordability and quality of child care. The direct and allocated costs of the Administrator of Early Childhood Services are identified as administrative costs chargeable to the Child Care and Development Fund. The Department monitors expenditures to ensure the federal quality spending requirement is met and the 5% administrative cost limit is not exceeded. If administrative costs would exceed the limit, the excess costs would be borne by the state and not charged to any other federal program.

H. Collaboration With Other State Agencies

Department of Corrections & Rehab/Division of Juvenile Services

The Department of Corrections/Juvenile Services Division provides child welfare case management activities that are allowable IV-E administrative expenses based on a cooperative agreement with the Department of Human Services (attachment 28). The Division of Juvenile Services will bill the Department of Human Services on a cost per unit of service (unit equals 15 minutes).

The annual rate computation will be completed by the Division of Juvenile Services at the end of each state fiscal year. The rate is then used to bill for services provided in the next fiscal year. For purposes of rate calculation the allowable direct and indirect case management expenses are accumulated in a cost pool. The total cost of the Division of Juvenile Services for administration and community service programs are direct charged to the cost pool Expenses related to special programs and projects are deducted to arrive at the net total direct costs chargeable to the pool.

Indirect costs chargeable to the cost pool include the Director of the Department of Corrections and supporting administrative staff and statewide indirect costs. A percentage of the indirect costs are allocated to the cost pool based on FTE's. The percentage is computed by dividing the number of FTE's for the Division of Juvenile Services by the total FTE's of the Department of Corrections.

The rate is computed by dividing the yearly cost pool total by the total net annual hours worked. The annual hours worked per year are calculated on the basis of 173.33 average hours per month for Division of Juvenile Services direct staff (case managers). The net annual hours worked is the accumulated total of case manager hours paid less the hours for sick and annual leave, coffee breaks and any paid lunch break. The Division of Juvenile Services will bill the Department of Human Services for allowable services provided to foster care candidates for community pre placement activities and foster care eligibility determinations. The cost will be computed by multiplying the total units of service provided for each activity by the unit rate. The cost for community pre-placement is allocated to Title IV-E foster care administration and foster care regular on the basis of the accumulated number of children, in paid foster care placement, recorded for each program. The cost for foster care eligibility determination is direct charged to foster care administration.

Refer to Attachment 5 for Time Study instructions and examples of a DJS Case Manager's Monthly Activity Summary and Summary Worksheet of Total Billable IV-E Units and quarterly billing.

5. Developmental Disabilities

Developmental Disabilities Administration is responsible for establishing programs that offer services to developmentally disabled (DD) clients who otherwise would require institutional care. Responsibilities include policy development, quality assurance and implementing and monitoring Section 1915 waiver requirements. A large number of the DD clients that receive services are Medicaid eligible. The administrative expenses for the DD unit, including administrative costs of Therap, a database program

used to support DD case management activities will be funded by Title XIX, Infants and Toddlers with Disabilities and state funds (non-Title XIX). Therap contains client specific records and is used for progress assessment reviews used to determine eligibility. The accumulated direct and allocated costs for the unit will be distributed based on the ratio of the number of DD clients accumulated for one year, who are eligible for Title XIX, Infants and Toddlers with Disabilities and state funds.

The North Dakota Protection & Advocacy Project (P&A) advocates for the legal rights of North Dakotans with disabilities. The ND State Legislature has designated, by appropriation, this state agency as being responsible for Quality Assurance and for completing follow-up investigations of serious events that have occurred at residential and other locations. P&A submits a time sheet and the salary and operating costs directly associated with Medicaid allowable duties to the Department of Human Services quarterly for reimbursement. P&A certifies the expenditures have been incurred and that they have met the match for the non-federal share of the claims. These services are mandated under the 1915c waiver, however the Department chose to implement the services statewide.

6. Economic Assistance Policy Division

The Director and Assistant Director of Economic Assistance Policy are responsible to provide direction and supervision of program policy for Temporary Assistance for Needy Families (TANF), SNAP, Low Income Home Energy Assistance (LIHEAP), Child Care Assistance, Basic Care and Medicaid Eligibility. Refer to organizational charts (Attachment 6) for structure of units that are part of Economic Assistance.

The accumulated costs of the Director, Assistant Director and support staff are distributed on the basis of the accumulated FTEs of the division.

The economic assistance eligibility determination systems include: Technical Eligibility Computer System (TECS), Vision, Online Application System (OASYS), Self-Service Portal and Consolidated Eligibility System (SPACES), and any tools related to eligibility determination. The SPACES Implementation Advanced Planning Document was approved on July 27, 2016 and expires on September 30, 2018. The SPACES Operational Advanced Planning Document was approved on September 27, 2016 and expires September 30, 2017. The accumulated direct and overhead costs of the systems are allocated based on the accumulated time of eligibility workers for those programs as determined by the random moment time study for the income maintenance workers for the 47 CSSB workers.

The Systematic Alien Verification for Entitlements Program (SAVE) is utilized to verify a benefit applicant's immigration status or naturalized derived citizenship for federal, state and local benefit-granting agencies. The accumulated direct and overhead costs of SAVE are allocated to programs based on the accumulated time of eligibility workers for those programs as determined by the random moment time study for the income maintenance workers for the 47 CSSB workers. The SAVE expenses allocated to the Medicaid program, are 100% federally funded.

The following units are part of Economic Assistance Policy:

A. Regional Representatives of Economic Assistance

Regional representatives provide training and program policy consultation to county staff directly administering the programs. The staff are out-stationed and provide a direct line of communication for the department to county social services staff.

The direct and allocated costs for regional representatives will be charged to TANF, Medical Administration, CHIP Administration, SNAP, Child Care, LIHEAP, and Basic Care based on the accumulated time of eligibility workers as determined by the random moment time study for the 47 CSSB workers. See Attachment 10 for an explanation of the RMTS code and the distribution of time to programs used in the allocation process.

B. System Support & Development

EA System Support staff are responsible to assist in development, maintenance, testing and enhancements for VISION, SPACES and TEC systems to assure eligibility systems are determining eligibility in accordance with EA policies. The direct and allocated costs for the EA System Support staff are allocated to TANF, Medicaid, CHIPS-Administration and SNAP based on random moment time study of the eligibility workers in the county offices.

The direct and allocated costs for the supervisor of the Regional Representatives and System Support Development unit, and team lead, are allocated based on the accumulated FTE's of the two units.

C. Supplemental Nutrition Assistance Program (SNAP)

The SNAP unit provides benefits intended to supplement the food purchasing power of low-income households through the SNAP. Actual benefits are provided through an electronic benefit transfer. The direct and allocated costs are direct charged to the Department of Agriculture SNAP.

D. Energy Assistance

Energy Assistance provides benefits to supplement the fuel purchasing power of low-income households. The direct and allocated cost of the Administrator and support staff are charged to the Low Income Housing Energy Assistance Program.

E. Maintenance and Review

The Quality Control Unit provides data to the SNAP and Medicaid (including CHIP) programs on the accuracy with which the local agency is applying state eligibility and program requirements. The direct and allocated costs for the regional Quality Control Reviewers are charged to a quality control cost pool. These expenditures are distributed to programs on the basis of the accumulated to date number of reviews completed during the month. Staff completing payment error rate measure reviews will direct charge their time to Medicaid administration.

The Quality Assurance Unit provides guidance to the TANF, LIHEAP and Child Care programs on the accuracy with which the local agency is to apply state eligibility and program requirements and performs SNAP Quality Improvement reviews. The direct and allocated costs for Quality Assurance Reviewers will be charged to TANF, LIHEAP, Child Care, and SNAP. The salaries and benefits of staff that are assigned to more than one program are allocated based on a full-time time study. For an explanation of the RMTS codes and the distribution of time to programs used in the allocation process, see Attachment 10.

The direct and allocated costs for the state supervisor of Quality Assurance/Quality Control will be allocated based on the accumulated FTE's of the two units supervised.

F. Medicaid Policy

The direct and allocated costs for the Administrator of Medicaid Policy and the Medicaid eligibility specialists will be claimed as other Medicaid administration.

The direct and allocated costs for the Basic Care Administrator will be charged to Medicaid administration and basic care based on a full-time time study.

7. Child Support

The Child Support Division is responsible to receipt and distribute all child support collections, locate absent parents, establish paternity, and enforce all IV-D court orders. The program is state supervised and state administered. The Child Support office is organized according to the following functions: operations, policy, regional child support, customer service/state disbursement unit, FACSES system and support staff. Child support services are provided throughout the state by eight regional units. Judicial services are purchased from the North Dakota Supreme Court, through the county and state clerks of court and from State's Attorneys. Unallowable costs described in 45 CFR 304.23 and 304.21 will not be allocated to or claimed by the child support program. All allocation of non IV-D cost pools using a case count will be allocated on the basis of the total active non IV-D caseload (those with a court order) accumulated each month for the allocation period. Any work performed in this division related to Medicaid activities is not charged to Title XIX.

The accumulated costs for the Administrator of Child Support and support staff are distributed among the operations, policy, customer services/state disbursement unit, regional units, and FACSES functions based on the accumulated FTEs of the staff assigned to each function.

The direct and allocated costs for the operations, policy, and regional child support functions will be direct charged to the Child Support Program.

The direct and allocated costs for customer service/state disbursement unit will be allocated based on an accumulated case count of IV-D, and Non-IV-D cases established or modified after 10-1-98 and other non IV-D cases. The costs for other non IV-D not eligible for federal match will be funded with State funds.

FACSES staff that provide maintenance and support for the FACSES system and EDP costs for operations and support activities for the FACSES system will be allocated, for reporting purposes, between IV-D and non IV-D claimable based on the case count.

Services provided by the clerks of court for IV-D child support activities will be obtained through a cooperative agreement with the North Dakota Supreme Court and select counties. The agreements are made in accordance with regulations addressed in CFR 45 304.21. The salaries and fringe benefits will be allocated between IV-D, allowable non IV-D activities, and all other clerk of court activities based on a time study of one month per quarter (Attachment 17). The Supreme Court and select counties will bill the State Child Support Office for the IV-D and allowable non IV-D costs. When coding each individual day's time a case identifier, for IV-D and non IV-D cases, or the designation program administration (PA) must be recorded for each increment of time. Program administration includes any activities performed by a worker that are not related to a specific case.

EDP costs, for clerks of court, for CPU time to access the child support system will be allocated between IV-D and non IV-D based on an accumulated case count of IV-D, non IV-D cases established or modified after 10-1-98 and other non IV-D cases. The cost for IV-D, non IV-D established or modified after 10-1-98 will be claimed for federal child support reimbursement. Other non IV-D costs that are not eligible for federal match will be funded with state funds.

Child support cases may require the services of a court appointed referee to adjudicate the case. The case may require a court hearing or adjudication may be reached prior to an actual court hearing. The types of cases where services of a referee are required include, hearing to establish child support, order to show cause, income withholding, and paternity. The child support program reimburses the North Dakota Supreme Court for referee and support staff time. The referee and support staff will complete a time study to record

time spent on IV-D cases for prehearing review, hearing time and post hearing time. The salary and fringe benefits will be allocated between IV-D and all other non-child support time based on a time study of one month per quarter (attachment 17).

The North Dakota Supreme Court employs a child support coordinator who has responsibility to implement child support policies and federal requirements as addressed by the Department of Human Services Child Support Enforcement Office. Direct services are provided through the clerks of court and court appointed referees as indicated above. Per 2 CFR 200.417 a standard indirect cost allowance equal to 10% of the cost billed by the Supreme Court for salaries of clerks of court and court appointed referees for IV-D cases will be claimed as a IV-D child support expense.

State's Attorneys bill for actual time, spent on cases at an hourly rate of service, and for the other direct costs, such as travel and printing on the IV-D Child Support Enforcement Activities Report (Form 341), Attachment 18. The State office reimburses the state's attorneys and charges the cost to the child support program.

Child Support staff providing non IV-D income withholding services will be funded with State funds.

A. Collaboration With Other State Agencies

1. North Dakota Supreme Court

An interagency agreement was entered into with the North Dakota Supreme Court for the purpose of implementing Title IV-D and to provide the most effective and efficient operation of a statewide IV-D program with as little duplication of service among agencies as possible. See Attachment 41.

2. North Dakota Department of Emergency Services and Homeland Security Division of State Radio

An interagency agreement was entered into with the North Dakota Department of Emergency Services and the Homeland Security Division of the Telecommunications System for the purpose of accessing the National Law Enforcement Telecommunications System. See Attachment 31.

Part VI: Medical Assistance

A. Title XIX Medicaid

The North Dakota Department of Human Services refers to the division that administers the Medicaid program for recipients as the Medical Services Division. These services are funded with XIX, XXI, MFP and state funds. The administrative costs incurred by this division are referred to in the plan as either Medical or Medicaid Administration costs. The administrative expenditures are claimed at 50% FFP with the exception of the following five specific areas: the direct salaries, travel, and training of the Skilled Professional Medical Personnel (75% FFP), the Healthy Steps Program is funded with XXI, county staff for their efforts in Healthy Steps eligibility determination are funded with XXI, Money Follows the Person is funded at the applicable FMAP. The North Dakota Department of Human Services has an approved proxy methodology to claim Title XXI enhanced FMAP funds for children formerly eligible for the Children's Health Insurance Program who now, under the new ACA provisions are eligible for Medicaid.

The Medical Services Division is responsible to administer the Medicaid program for services provided to eligible recipients. Direct services are not provided by the Department's staff, and their responsibilities include creating and administering policy for institutional reimbursement, admission and quality of care, and third party collections. The division is headed by the Medical Services Director. The following units report directly to the Director of Medical Services: Administrative Support, Program Integrity, Information Analytics/Rate Setting, and Utilization Review. The Deputy Director is in charge of Home and Community Based Services, Health Tracks and Healthy Steps, Primary Care Provider and PACE, Medicaid Expansion and Disease Management.

The accumulated costs for the Director and Deputy of Medical Services and support staff, which includes the Administrative Support and Information Analytics units, will be allocated to a program operations cost pool, a home and community based services cost pool and a MMIS operations cost pool based on the accumulated FTEs of the total staff assigned to the functions that comprise each of the cost pools.

B. The following units operate directly under the Medical Services Director:

1. Utilization Review

a. Skilled Professional Medical Experts

The direct salaries, travel, and training expenses of the Utilization Review Administrator, Home Health/Out of State Administrator, Out of State Administrator, Out of State/Durable Medical Equipment Administrator, Durable Medical Equipment Administrator, Nursing Home Private Pay/Psychiatric Residential Treatment Facility/PASAR Administrator, Medicaid Pharmacy Administrator, and the Assistant Medicaid Pharmacy Administrator are charged based on timesheets. Time spent performing duties that require professional medical knowledge and skills as defined by 42 CFR 432.50(d)(1) are charged at the enhanced rate. Activities performed that do not meet the enhanced rate criteria are claimed as Medical administration. The physician, dentist, and optometrist only perform skilled medical professional duties and are claimed 100% at the enhanced skilled professional rate based upon payroll certifications.

b. Medical Coding Specialists

Costs for the medical coding specialists will be charged to the MMIS operations cost pool and other Medicaid administration based upon full-time time studies.

c. Pharmacy Technician

Costs for the pharmacy technician will be claimed as other Medicaid administration.

2. Information Analytics and Rate Setting

a. Information Analytics – staff in this area of the Division advise the Medical Services Director on various program and policy issues. To fulfill this function, staff assess the organizational, health care and other-related environments that influence Medicaid policy development, review and analyze and summarize CMS guidance, analyze and interpret various Medicaid data extracts and reports in relation to creation or

modifications of policies and the impact on the program and perform in-depth data research needed to address or trouble shoot issues in order to present possible solutions/scenarios for resolution.

Staff are also responsible to evaluate analytic reports, ad hoc reporting, or data pulls performed by staff for appropriateness and accuracy before distribution. Staff must also understand the various Medicaid reimbursement methodologies, enrollment trends, eligibility groups, providers, and policies in order to assess and recommend data requirements necessary to accurately formulate recommendations or resolutions and present outcomes and recommendations of analyses to the Medicaid Services Director.

b. Rate Setting

The direct and allocated costs for the Medicaid Rate Setting and support staff, who perform rate-setting and hospital settlement activities, will be claimed as other Medicaid administration.

c. The direct and allocated costs for the Medicaid Tribal Project Lead, who supports Medicaid initiatives, primarily with IHS/Tribal 638 care coordination implementation, will be claimed as Medicaid administration.

3. Program Integrity

a. Program Integrity Administrator

The accumulated direct and overhead costs for the Program Integrity Administrator are distributed on the basis of the accumulated FTEs of the individuals for the programs supervised.

b. Audit Coordinator for Providers

Costs for staff who audit providers will be claimed as Medicaid Administration.

c. Provider Enrollment

The direct and allocated costs for Provider Enrollment will be claimed as other Medicaid administration.

d. Surveillance and Utilization Review

The job duties for the Administrator of S/URS-TPL-Provider Fraud, and a TPL analyst includes both MMIS activities and non-allowable MMIS activities for investigative functions relating to researching suspect TPL claims, filing of major medical claims with third party providers, and special studies. The salary costs will be allocated based upon individual timesheets. The Surveillance and Utilization Review Analysts whose duties relate 100% to enhanced funding for MMIS activities will be direct charged to the MMIS operations cost pool. Any allocated costs will be claimed as other Medicaid administration.

4. Administrative Support

The accumulated costs for the administrative support staff will be allocated to a program operations cost pool and a program policy cost pool based on the accumulated FTEs of the total staff assigned to the functions that comprise each of the cost pools.

C. The following units operate under the Deputy Director:

1. Health Tracks/Healthy Steps

The direct and allocated costs of the Administrator of Health Tracks/Healthy Steps will be allocated to other Medicaid administration and the Children's Health Insurance Program based on the accumulated FTEs of staff assigned to each program.

a. Health Tracks -

Health Tracks provides preventive health care to Medicaid eligible youth up to age 21. The direct

expenses of the Health Tracks Regional Coordinators and any allocated expenses will be claimed as other Medicaid administration.

b. Healthy Steps -

Healthy Steps is the children's health insurance program that offers affordable, comprehensive health coverage for children 18 years of age and younger. The direct and allocated expenses are charged to Title XXI, Children's Health Insurance Program.

2. Home and Community Based Services - Staff in the Home and Community Based Services area work to support home and community-based options for clients and families seeking services. This unit administers provider enrollment for home and community-based providers, three Medicaid 1915c waivers for children, Money Follows the Person, and a state-funded Autism voucher.

Costs for staff who perform activities that support home and community based services will be charged to the home and community based services cost pool. The accumulated direct and allocated costs for the home and community based supervisor are distributed on the basis of the accumulated FTEs of the individuals for the programs supervised.

a. Money Follows the Person Program

The Money Follows the Person (MFP) Program increases the use of Home Community Based Services (HCBS) by transitioning individuals from institutions to the community of their choice, creating a system that offers home and community based choices, and providing the coordination of services and resources to support their long-term independent living goals. The costs will be claimed as MFP Administration Services.

b. Children's Hospice Waiver

The Children's Hospice Waiver supports families so they can care for their children in their homes as long as possible avoiding lengthy hospital stays and delaying or avoiding institutional care. The program also allows families to access treatments that focus on curative and comfort care for their child. The costs will be claimed as other Medicaid administration.

c. Children's Medically Fragile Waiver

Children's Medically Fragile Waiver assists families in keeping their child home instead of having to place them in a nursing home or hospital to receive needed care. This waiver is "parent- driven" meaning the parent determines what their family can or cannot do, and the parent identifies what it will take for the family to be able to keep their child at home. The costs will be claimed as other Medicaid administration.

d. Autism Services

Autism Services is responsible for establishing programs to provide services for individuals that have an autism spectrum disorder, including administering the autism waiver and autism voucher program. Autism services is also responsible for managing a statewide autism spectrum disorder training program, including training of medical and behavior health providers, education staff, childcare providers and parents. The direct and allocated costs will be charged to Medicaid Title XIX and Title XXI as well as general funds. The direct and overhead costs of the autism administrator and support staff are allocated based on a full-time time study.

The autism waiver serves families and qualifying children with Autism Spectrum Disorder by promoting maximum child development and preventing out-of-home placements. Services include evidence-based and promising practices, case management services, technology and technology-based support, in-home support, equipment and supplies, home monitoring, respite care, residential supports and services and behavioral consultation.

The autism voucher program helps families that are not receiving services through a Medicaid waiver, pay for assistive technology, training, and other approved support services that enhance the quality of life of children with Autism Spectrum disorders. Costs associated with the autism voucher program are directly charged to state funds.

3. Primary Care Provider and PACE

The salary and operating costs related to the Primary Care Provider and PACE Administrator will be claimed as other Medicaid administration.

4. Medicaid Expansion and Disease Management

The salary and operating costs related to the Medicaid Expansion and Disease Management Administrator will be allocated between these two areas based on a full-time time study.

a. Medicaid Expansion – Waiver #ND 04000-02

Administration

The salary and operating costs of the Medicaid Expansion/Health Management Administrator will be allocated based on a full-time time study to Medicaid Expansion.

Prior to the implementation of North Dakota Health Enterprise MMIS, the ND Medicaid Expansion managed care activities were not able to be incorporated into the system, thus no administrative costs have been associated with MMIS. Once the State has included the ND Medicaid Expansion managed care population in ND Health Enterprise MMIS, North Dakota will be using the cost allocation used for the ND Health Enterprise MMIS to allocate costs to the ND Medicaid Expansion waiver administrative costs.

The Department has the Medicaid Expansion program under contract with a vendor. All administrative contracts are reimbursed 50% Federal and 50% State, except the External Quality Review contract which received CMS approval to be reimbursed at 75%. The External Quality Review contract is 100% eligible for 75% FFP. The EQR contract for period 7/1/15 – 6/30/17 was approved by CMS on 7/17/17 and the contract period from 7/1/17-6/30/19 was approved by CMS on 9/15/17.

D. Collaboration with Other State Agencies

1. The NDQuits is a statewide tobacco cessation program operated by the North Dakota Department of Health (NDDOH) and serves both the Medicaid and non-Medicaid populations. NDQuits is provided through telephone and the internet. The NDDOH contracts with independent vendors to enroll individuals into the program. Upon intake to the program, callers are asked their insurance status and name of insurance, including government programs. Monthly utilization data is compiled by the independent contractors from the intake surveys. The NDDOH will continue compiling the client data from the independent contractors to arrive at a Medicaid allocation factor to apply to the NDQuits expenditures. NDDOH will submit NDQuits expenditures to the North Dakota Department of Human Services (NDDHS) on a quarterly basis using the current quarter's allocation factor. The expenditures submitted will include the contract costs incurred by the vendors who operate the tobacco cessation quitline. The costs submitted will not include tobacco cessation medication. NDDHS will request the federal share of these administrative expenditures to the Centers for Medicare and Medicaid Services for reimbursement. NDDHS has entered into an interagency agreement with NDDOH. See Attachment 39.
2. The North Dakota Department of Corrections and Rehabilitation (DOCR), through its Division of Juvenile Services provides targeted case management for delinquent and unruly youth in custody of the DOCR. NDDHS has entered into an interagency agreement with the DOCR to define responsibilities of both parties in relation to targeted case management services provided to Medicaid eligible delinquent and unruly youth, see Attachment 43.

Effective Date: October 6, 2015
Date Submitted: May 19, 2017

Part VII: Behavioral Health

Behavioral Health includes the eight regional human service centers which provide for the direct delivery of services through the eight regional human service centers under the Direction of the Statewide Community Clinic Director, the Behavioral Health Services Division and the Institutions (North Dakota State Hospital and the Life Skills and Transition Center at Grafton).

The Statewide Community Clinic Director is responsible for overall planning, organizing and coordinating of activity associated with the eight human service centers. Expenses of the Statewide Community Clinic Director for direct and allocated costs will be allocated to the Human Service Centers based upon the accumulated FTEs of the organizational units (see Attachment 10).

The Chief Clinics Officer provides overall clinical supervision to the eight regional human service centers and serves as superintendent of the State Hospital. The direct and allocated costs for the Chief Clinics Officer will be equitably split between the two roles. The State Hospital share will be charged to General Fund and eight regional human service center's share will be allocated based on FTE's of the eight regional HSCs.

The Director of Field Services provides operational oversight to the eight human services centers, State Hospital and Life Skills and Transition Center. The direct and allocated costs for the Director of Field Services are allocated based on the cumulative FTEs of the State Hospital, eight regional human service centers, State Hospital and Life Skills and Transition Center.

A. EHR – Electronic Health Record

The EHR system is a Netsmart software system, used by the centers, that specializes in assisting health care organizations to track service data. The cost of the EHR system is funded with State general fund.

B. Behavioral Health Division

The accumulated direct and overhead costs for the Director of the Behavioral Health Division and the Administrative Assistant of the Division are distributed on the basis of the accumulated FTEs of the individuals for the programs supervised.

The Mental Health staff are responsible for the development of community programs and services for the mentally ill. The direct and allocated costs will be charged to the mental health block grant and to state funds, depending on the availability of federal block grant funds.

Salary and operating costs of substance abuse staff who are responsible for the development of community programs and services for the identification, treatment and prevention of alcohol and drug abuse and the certification of addiction counselors will be charged to the Substance Abuse Prevention and Treatment (SAPT) block grant and state funds, depending on the availability of federal block grant funds. Salary and operating costs of Substance Abuse staff who are responsible for coordinating treatment services for individuals on probation or parole to lessen the likelihood of reoffending will be direct charged to special funds.

Contractual expenditures for mental health or substance abuse will be direct charged to specific portions of each grant (i.e. substance abuse treatment, substance abuse prevention) based on the designated purpose of the contract.

C. Human Service Centers

The human service centers are to provide services to individuals or families to help them achieve, monitor, or

support the highest level of personal independence and economic self-sufficiency, including health, drug and alcohol, mental health, education, manpower, social, vocational rehabilitation, aging, food and nutrition and housing services. Refer to Attachment 6, organizational charts, for structure of each Regional Human Service Center.

The following cost allocation concepts will be used consistently throughout these centers.

1. Each human service center's costs will be handled separately and distinctly.
2. The North Dakota central accounting system accumulates salaries, travel and all other expenses of the regional office into programs by means of a department identifier (ID). Expenditures are charged to a department ID as follows:
 - a. Fringe benefits, including unemployment compensation insurance, follow the respective salary department ID;
 - b. Copier costs are to be charged to the support services department ID;
 - c. Rent is allocated and charged to a program department ID on the basis of square footage with the common area prorated on the basis of the direct;
 - d. Telephone service is charged based on usage billed by Information Technology Department;
 - e. Local telephone service charges are allocated to a program department ID on the basis of the number of phones associated with the personnel charged to each department ID;
 - f. Postage costs will be charged to support services;
 - g. The cost of the service contracts are charged to the department ID of the individuals who have been assigned the equipment; and
 - h. Supplies, duplicating, and printing are charged to the individual program if it can be identified.
3. The regional human service centers have access to State Motor Pool vehicles. Charges for State Motor Pool vehicles are billed by the State Motor Pool direct to the central office. All mileage logs are entered into the state centralized motor pool system and allocated to benefiting programs by central office.
4. The funding of Human Service Center (HSC) department IDs is controlled by the central office. Multiple funding sources can be used to fund many of the department IDs. Each department ID is assigned a speed chart number which indicates a specific federal or state project number. When a specific funding source has been totally utilized by the Department the central office can change the project number assigned to the speed chart used by the HSC. Costs will be charged to the federal block grants (social service and substance abuse and mental health) until all federal funds have been expended. Collections including client fees, third party payers, etc. and state general fund will be used to fund expenses that are not funded by federal grants or other specific funding sources.
5. The costs for administration, support services and any costs allocated from the central office cost pools will be accumulated in a cost pool and allocated to the benefiting programs for each human service center. If a regional human service center director is responsible for two human service centers, those costs are included in the administration department ID of the director's designated home center. Support Services includes the regional human service center fiscal manager, secretarial staff and any other support functions that cannot be direct charged to a program.
6. Expenses benefiting all human service centers are allocated to various programs based on the accumulated FTE's of each regional human service center.

Effective Date: July 1, 2018
Date Submitted: April 6, 2018

Human Service Centers Cost Pools and Allocation Basis

Expenditures that have been accumulated by the central accounting system into cost pools are allocated on a basis that will provide an equitable distribution of the costs to the benefiting programs or activities.

1. The costs for administration, support services and any allocated costs from central office will be allocated to the following benefiting functions and/or programs on the basis of the accumulated FTEs for each month:
 - a. Rehabilitation Services - 110 Basic Support
 - b. Regional County Social Service Supervisor
 - c. DD Program Management
 - d. DD Program Administrator
 - e. Social Services
 - f. Alcohol & Drug
 - g. Mental Health Partnership
 - h. Mental Health
 - i. Other State General Funded Programs.

See Attachment 10 for an example of administration and support services cost pools.

2. The expense of county social service supervisors is allocated on the basis of time recorded on the Work Force System. The time is identified by project and division for each worker. Expenses for each worker is allocated on the basis of his/her individually recorded time. The time for each project is identified with one of the following cost objectives; administration, training, foster care and child welfare. The administration cost objective includes time for service codes for administration activities, paperwork, leave, travel, etc. The training cost objective includes time for service codes for training as trainee or trainer. The foster care cost objective includes time for services codes related to foster care. The child welfare cost objective includes time for service codes for family therapy, individual therapy, child protection investigations, generic case management etc. The time for service codes for administration and training is distributed to the foster care and child welfare cost objectives on the basis of time by service code recorded for each of these cost objectives.

The expenses allocated to the foster care cost objective will be distributed to Title IV-E foster care administration, foster care emergency assistance and foster care regular on the basis of the accumulated number of children in paid foster care recorded for each program. The allocation of foster care emergency assistance will be charged to the TANF block grant. The expenses allocated to the child welfare cost objective will be charged to state general fund.

3. The HSC function "Case Management for Foster Care Candidates" includes the following types of costs:
 1. Referral to services;
 2. Preparation for and participation in judicial determination;
 3. Placement of the child;
 4. Development of the case plan;
 5. Case reviews;
 6. Case management and supervision; and
 7. Travel associated with any of the above activities.

Title IV-E Candidates are children who are potentially eligible for Title IV-E and whose case file contains one of the following: (1) a defined case plan which clearly indicates that, absent effective preventive services, foster care is the planned arrangement for the child, (2) an eligibility determination form which has been completed to establish the child's eligibility under Title IV-E, or (3) evidence of court proceedings in relation to the removal of the child from the home, in the form of a petition to the court, a court order or a transcript of the courts proceedings.

The cost for foster care case management is computed on a cost per unit of service rate (refer to attachment 36 Human Service Center Rate Setting manual). Human Service Center staff record time for foster care case management on the EHR system. A report is generated in the central office each quarter of the number of units of case management provided in each region. The total cost of case management in each region is computed by multiplying the units of service by the unit rate calculated by the HSC rate setting process. The cost will be allocated to Title IV-E foster care administration, foster care emergency assistance and foster care regular on the basis of the accumulated number of children in paid foster care placement, recorded for each program. The allocation to foster care emergency assistance will be charged to the TANF block grant. The allocation to foster care regular is State funded.

4. The DD Program Managers salary and operating costs are allocated based on a full-time time study between Medical Assistance Administration and other non-Medical Assistance Administration activities. The time spent on Medical Assistance Administration is charged 50% to federal fund Medical Assistance Administration and 50% to state general fund. The time spent on the other service codes is charged to state general fund.

Program Administrators supervise the DD Program Managers. Expenses are allocated based on statewide case count between DD Title XIX Medicaid, Infant Development Part C and state funds.

5. The Vocational Rehabilitation staff assist persons with disabilities through a wide scope of individualized services. Vocational Rehabilitation Vision Specialist provide evaluation, restoration, and training to visually impaired individuals in the home, at school, or on the job that leads to maximum independence. These services are provided statewide to children, adults, and the older blind. Vocational Rehabilitation Counselors assist individuals with disabilities to assess their skills and abilities, identify a vocational goal, develop an individualized plan to achieve employment, and provide services that result in meaningful employment. The Vocation Rehabilitation counselors also provide services to young adults as they prepare to transition from high school to work.

The accumulated direct and overhead costs for the Vocational Rehabilitation staff are allocated between Vocational Rehabilitation and VR-Older blind based on the accumulated time recorded for each activity. Staff providing vocational rehabilitation services complete full-time time studies which will serve as the basis for the allocation.

Part VIII: County Cost Allocation

The Economic Assistance and Social Service programs are State supervised and County administered. Each county has a County Social Service Board (CSSB) which is responsible to administer these programs. See Attachment 8 – for examples of the (CSSB) organizational structures.

- A. All actual Administration expenses are allocated. There are no indirect cost rates used.
- B. When costs are charged to programs, the distributions are based on the accumulated costs to date and are distributed on the basis of accumulated percentages of RMTS observation hits to date. The accumulated prior month's program distribution is subtracted to arrive at the current month's costs. Trends are reviewed by the Department's fiscal staff for anomalies each month. The Department accumulates a quarterly summary that is sent to each county Director for review. The Director approves the hits completed within their respective county to ensure they are accurate and reasonable. The Director may appoint an employee to sign on their behalf if the worker is knowledgeable of the work activity of the Social Service and Eligibility participants within the county.
- C. Cost Pools - CSSB expenses are grouped statewide into 4 cost pools. The cost pools are Social Services, Income Maintenance, Allocable Indirect, and In-Home Care Specialist. The cost pools are derived at the state level from the total of all CSSB expenditure reports received monthly on State Form Number (SFN) 119 submitted by each CSSB.
- D. Clerical Support Staff – The cost of full time social service clerks will be charged to the social service cost pool. The costs of full time income maintenance clerks will be charged to the income maintenance cost pool. Clerks who do not work full time as social services or income maintenance will be charged to the indirect cost pool. The clerical staff will not participate in the random moment time study. The cost of full time social service clerks, included in the social service cost pool, will be allocated on the basis of the observations recorded by the Social Service RMTS. The cost of full time income maintenance clerks, included in the income maintenance cost pool, will be allocated on the basis of the observations recorded by the Income Maintenance RMTS. Clerks included in the indirect cost pool will be allocated as indicated below.
- E. Direct Charges - Direct charges to federal programs are separately maintained and excluded from the cost pools. Direct charges are not subject to the time study methodology and should not be included in the cost pool to which the RMTS derived percentages are applied.
- F. Income - Income for client fees, day care licensing fees and other receipts derived from administrative expenditures, will be deducted from the cost pools before any allocations are made. (This ensures costs are properly classified, and are not duplicated in the cost pools.)
- G. Indirect Expenses - Indirect expenses include salaries and employers share of employee benefits, travel and other costs for the CSSB directors, supervisors (not directly charged to other cost pools), clerical support staff (not directly charged to other cost pools) and all overhead costs such as telephone, heat, lights, water, rent of premises, supplies, postage and other allowable miscellaneous expenditures necessary to provide services.

Indirect expenses will be allocated to the social service and income maintenance cost pools based on the number of observations from the random moment time study that have been identified to each of the cost pools.

The county also allocates allowable indirect costs to the CSSB, for indirect administrative costs incurred on behalf of the CSSB, for activities costs such as processing payroll, paying invoices, depositing monies, maintaining bank accounts, etc. The costs are allocated based upon a county specific cost allocation plan,

prepared in accordance with 2 CFR 200.416. This administrative claim does not include the county general government costs. The North Dakota Association of Counties contracts with a vendor each year to prepare a cost allocation plan and appropriately allocate costs for each county in the state. After the vendor completes the work for each county as required by the contract, the North Dakota Association of Counties submits an administrative claim to the Department for each county's allocated cost. Due to time required to prepare the cost allocation plans, and allocate the costs, the claim is usually submitted 15 months after the end of the calendar year. The Department consistently processes this claim in July of each year, allocating the expenses to the social service and income maintenance cost pools based on the number of observations from the current year's random moment time study that have been identified to each of the cost pools. See vendor service agreement at Attachment 1, Page 36.

- H. Allocation Principles for Cost Pools - The cost pools, including a proportionate share of indirect expenses will be distributed to programs based on the random moment time study codes described in Attachment 1. Allowable federal funds will be claimed upon availability. Non-responses are coded as 99s for missed observations. A report for late responses is ran in the preceding month and a list of counties who have not submitted their hits is generated. The counties are then notified they have appeared on the list. If the county did submit the hits but a network error occurred, they can resubmit the hit. If a county has significant hits coded as 99 further investigation will follow by the Department's fiscal staff.

1. Social Service Cost Pool

- a. Code 1 - Child Protection Service Assessment - is used to identify time spent on child abuse and neglect investigations. The counties bill to TANF.
- b. Code 5 - Candidate for Foster Care Case Management - will be allocated to Title IV-E foster care administration, foster care emergency assistance and foster care regular (non IV-E, TANF eligible) on the basis of the number of children in paid foster care placement, recorded for each program. The allocation to foster care emergency assistance will be charged to the TANF block grant. The allocation to foster care regular is State funded. Court Related Activities or Initial Foster Care Case Management (code 8) will be allocated and funded on the same basis as pre-placement activities (code 5).
- c. Code 2 - Title IV-E Eligibility Determination Foster Care and Adoption Assistance - will be charged to the Title IV-E foster care administration.
- d. Code 7 - Adoption Assistance Case Management - will be charged to Title IV-E adoption assistance administration and to state or county funds based on respective percentages of children receiving adoption assistance who are IV-E eligible or ineligible. The ineligible cost will be charged funds.
- e. Code 3 - Medicaid Eligibility and Health-Related Activities for children and adults - will be charged to Title XIX as Medical Administration. As described in the definition code 3 includes any non-invoiced activity to help Medicaid-eligible adults gain access to services or assist them in understanding their needs.
- f. Code 11 - Foster Care Training - will be distributed to Title IV-E training and Foster Care Regular (Non IV-E eligible) based on an accumulated paid case count recorded for each program.
- g. Code 12 - Foster Care Recruitment and Licensing of Family Foster Care Homes - will be allocated to Title IV-E foster care administration, foster care emergency assistance and foster care regular (non IV-E, TANF eligible) on the basis of the number of children in paid family foster care placement. The allocation to foster care emergency assistance will be charged to the TANF block grant. The allocation to foster care regular will be charged to the counties.

- h. Code 14 - Children's Special Health Services - will be billed to the North Dakota Department of Health. Charged to Title V Maternal and Child Health Care Block Grant.
- i. Code 15 - Child Care Licensing - will be charged to the Child Care Development Fund.
- j. Code 20 - Adult Services All Other - will be charged to general funds.
- k. Code 21 - Adult Services HCBS - will be charged to county funds. Included in code 21 is the time for actual services provided to Home and Community Based Care clients under the Medicaid waiver and the state program for Special Payments to the Elderly and Disabled (SPED). The counties bill the respective programs for the actual cost of services provided.
- l. Code 16 - Family Preservation Services Emergency Assistance - will be charged to the TANF block grant as emergency assistance or state funds, depending on the availability of federal funds.
- m. Code 17 - Family Preservation Services Non-Emergency Assistance - will be charged to Title IV-B Child Welfare Services or state funds, depending on the availability of federal funds.
- n. Code 22 - Adult Services HCBS County Funded - will be charged to Title XX Social Service Block Grant. Included in code 22 is the time for actual services provided to Home and Community Based Care clients who are not eligible recipients under the Medicaid waiver or the state program for Special Payments to the Elderly and Disabled (SPED).
- o. Code 13 - In-Home Targeted Case Management - is a non-claimable non reimbursable code and will be charged to county funds. The counties bill Medicaid for the actual cost of services provided. The total expense allocated to code 13 is offset by the actual cost billed to Medicaid for targeted case management.
- p. Code 6 - Title IV-E Foster Care Case Management - is used only when providing foster care case management to children in foster care placement who have been determined Title IV-E eligible. Code 6 will be allocated to Title IV-E foster care administration and IV-E non reimbursable (unlicensed homes) based on the number of IV-E children in paid foster care placement and the number of children who had initially been determined IV-E eligible but moved to an unlicensed home in the same removal episode. The allocation to IV-E non reimbursable is state funded.
- q. Code 4 - Other Services for Children - will be charged to county funds.
- r. Code 18 - Sex Trafficking Identification; and Code 19 - Runaway Foster Youth - are used to identify Title IV-E agency administrative activities for children and youth in the placement, care, or supervision of the title IV-E agency who are at risk of becoming a sex trafficking victim or who are identified as a sex trafficking victim as well as other specified activities on behalf of any child missing from foster care and will be charged to Title IV-E foster care administration.
- s. Code 8 - Court costs - will be allocated to Title IV-E foster care administration, foster care emergency assistance and foster care regular (non IV-E, TANF eligible) on the basis of the number of children in paid foster care placement, recorded for each program.

General Administration-Not Program Specific (Code 29) will be excluded from the allocation computation, the effect being to allocate the general administration costs associated with that time to all other codes/activities proportionately.

2. Income Maintenance Cost Pool

TANF cash benefits in the form of grant payments to recipients are paid by the VISION/SPACES system. Included in VISION/SPACES is an assessment and contract development process along with the eligibility determination and benefit calculation process. The VISION system also provides for Medicaid eligibility for TANF eligible households and for all coverage types to process children & families for extended Medicaid benefits. Eligibility and benefit determination for SNAP and SNAP combination cases is processed by the Technical

Eligibility Computer System (TECS). TECS is the existing FAMIS certified computer system for North Dakota. Following is an explanation of the allocation of RMTS codes for income maintenance cost pool expenses. Medicaid eligibility and determination costs are approved to be reimbursed at 75 FMAP per the current fiscal operational advance planning document.

- a. Code 50 – TANF Only – Eligibility and benefit determination for cases receiving only a TANF benefit will be charged to the block grant as TANF administration.
- b. Code 51 - TANF, SNAP – Eligibility and benefit determination to provide assistance to TANF/SNAP combination cases will be allocated one half to the block grant as TANF administration, and one half to SNAP as benefiting programs.
- c. Code 52 - SNAP/MA – Eligibility and benefit determination activities supporting both SNAP and Medical Assistance will be allocated one half to SNAP and one half to medical administration as benefiting programs.
- d. Code 53 – Medical/CHIP - All medical activity time for Non-TANF cases including initial and continuing eligibility determinations will be allocated between other Medicaid administration and ~~S~~-CHIP administration based on a percentage of the number of new approved applications for assistance received each month for each program.
- e. Code 54, 55 - LIHEAP Administration - LIHEAP Service - LIHEAP Administration and Services is direct charged to the Low Income Home Energy Assistance block grant.
- f. Code 56 – TANF/Medical/SNAP– Eligibility and benefit determination for a recipient who is eligible and receiving benefits from all three programs will be allocated one-third to the block grant as TANF administration, one-third to Medical Administration and one-third to SNAP .
- g. Code 57 - TANF/MA - Eligibility and benefit determination for TANF/MA combination cases will be allocated one half to the block grant as TANF administration and one half to Medical Administration as benefiting programs.
- h. Code 58 - TANF Services - Activities for assessment, contract development, and referral for services including JOBS activities will be charged to the TANF block grant as a service activity .
- i. Code 59, 60, 61 - SNAP Only – SNAP Issuance – SNAP Only –Other Activities - Eligibility and benefit determination for SNAP is direct charged to SNAP.

For the six counties designated as Indian counties, the time is charged to enhanced funding. The percentage to be charged to enhanced funding is computed based on the ratio of Indian cases in the six (6) counties as compared to the total SNAP cases.

- j. Case 62 - Foster Care Assistance will be direct charged to Title IV-E, Foster Care Administration.
- k. Code 63 - Foster Care Training will be distributed to Title IV-E training and foster care regular (non IV-E eligible) based on an accumulated case count recorded for each program.
- l. Code 64 - Adoption Assistance will be direct charged to Title IV-E, Adoption Assistance Administration.
- m. Code 65 – Children’s Special Health Services will be direct charged to Title V, Maternal and Child Health Care block grant.
- n. Code 67 - Child Care Assistance - Eligibility determination for child care will be charged to the Child Care Development Fund.
- o. Code 69 - Basic Care Assistance – Basic Care eligibility determinations for room and board benefits will be funded 100% by the county.
- p. Code 71 - General Assistance - eligibility and payment services will be charged to county funds.
- q. Code 72 - General Administration (NOT program specific) - Will be excluded from the allocated computation. The effect is to allocate general administration costs associated with that time to all other codes/activities proportionately.

3. In-Home Care Specialist Cost Pool

Will not be allocated based on RMTS and is charged to county funds.

Part IX: Tribal Social Services

The North Dakota Department of Human Services has entered into cooperative agreements with the Tribal Social Service offices for the purpose of assuring the availability, accessibility, coordination, and appropriate utilization of required health and social service resources to applicants and eligible persons under Federal Titles IV-E and XIX of the Social Security Act. Included as Attachment 37 Part 1 is a copy of the agreement with Standing Rock Sioux Tribe. This agreement is representative of all tribal agreements.

For purposes of claiming federal reimbursement under Titles IV-E and XIX the tribes quarterly submit a 4 week full-time time study and a corresponding quarterly report of expenditures on the Administrative Cost Pool/Certification of Expenditures report (see attachment 37 part 2). The report has an expenditure category for Administration Related Expenditures and an expenditures category for Training Related Expenditures. Tribal Social Service office expenses for Administration Related Expenditures are grouped into 2 cost pools. The cost pools are a social service administration cost pool (cost pool 1) and a child welfare direct service administration cost pool (cost pool 2).

The social service administration cost pool includes the social service director and supporting staff. Refer to Attachment 37 Part 5 for an organization chart of the Three Affiliated Social Service Office as an example of how tribal offices are structured. The costs are distributed between the child welfare direct service cost objective and all other tribal social service objectives based on the ratio of the number of FTE's charged to the child welfare cost objective and the number of FTE's related to all other tribal social service cost objectives. The social service administration costs allocated to the child welfare cost objective, based on the percentage of FTE's, are identified on the Certification of Expenditure report as cost pool 1.

The child welfare direct service cost pool (cost pool 2) is comprised of expenses for the Indian Child Welfare Act (ICWA) program administrator and support staff, direct service delivery workers, and the foster care developer responsible for the recruitment of foster homes.

The tribes have an approved Indirect Cost Negotiation Agreement of indirect rates to be used on grants and contracts. The base for the indirect cost rate equals total direct costs, less capital expenditures and pass through funds. (see attachment 37 part 6 for an example of Standing Rock Sioux Tribes indirect rate approved by the US Department of Interior.) Pass through funds are normally defined as major subcontracts, payments to participants, stipends to eligible recipients and subgrants, all of which normally require minimal administrative effort. These indirect rates recoup costs for tribal support that is common to all tribal operations and includes the Tribal Business Council, Program Management, etc. Each tribes approved rate will be applied to the total direct cost for cost pool 1 and cost pool 2 to determine the indirect cost expense. The indirect expense is added to the direct expense to determine the total child welfare cost for each pool.

The total direct and indirect child welfare expense, from cost pool 1 & 2 will be distributed to programs based on personnel activity full time records of participants in the child welfare pool. Refer to Attachment 37 Part 3 for a copy of the child welfare time record used by the participants. The time study participants will record time based on the time study codes and definitions described in Attachment 37 Part 4. Following is an explanation of the allocation of the time study codes for the child welfare cost pool:

- a. Expenses allocated to Child Protection Service Assessment (code 1), Clinical Treatment and Other Invoiced and Contracted Services (code 10) and Adult Services (code 11) are non-claimable non reimbursable for the tribes.
- b. Foster Care and Adoption Assistance IV-E Eligibility Determination (code 2) will be charged to Title IV-E foster care administration.
- c. Medical Eligibility and Health Related Activities for Children Or Adults (code 3) and Administrative Case Management (code 7) will be charged to Title XIX as medical administration.
- d. Foster Care Training (code 8) will be distributed to Title IV-E training and other non IV-E eligible cases based on a tribal paid case count of the number of title IV-E foster care cases and other non IV-E eligible foster care cases for the last month of each quarter.

- e. Candidate for Foster Care Case Management (code 4), Foster Care Case Management, Court Related and Other Administrative Activity (code 5) and Recruitment and Licensing of Family Foster Care Homes (code 9) will be distributed to title IV-E foster care administration and foster care non IV-E eligible based on a tribal paid case count of the number of Title IV-E foster care cases and other non IV-E eligible foster care cases for the last month of each quarter.
- f. Adoption Case Management and Other Related Administrative Activity (code 6) will be distributed to title IV-E adoption assistance administration and adoption non IV-E eligible based on a tribal paid case count of the number of title IV-E adoption cases and other non IV-E eligible adoption cases for the last month of each quarter.

The Training Related Expenditure Category is for the purpose of reporting direct training expenditures. The reported training is specific to the following categories:

- a. Staff Foster Care and Adoption Related Training – This includes travel and per diem of staff and expenses of trainers for workshops, conferences, seminars, and in-service related to the job.
- b. Staff College Classes – Short term training for foster care and adoption personnel for training institutes and academic classes at educational institutions. Expenses include travel, per diem, books and educational supplies.
- c. Current and Prospective Foster/Adopt Parent Training – This is short term training (including travel & per diem) to current or prospective foster or adoptive parents and the members of the state (tribal) licensed or approved child care institutions providing care to foster and adopted children receiving title IV-E assistance.
- d. The total of all non-stipend training expenditures will be charged to foster care training.
- e. Total Indirect – The tribes approved indirect cost rate will be applied to the total direct training costs and will be charged to foster care administration.
- f. Full time long term training leading to a BSW or MSW – Includes expenses of persons, who have entered into a stipend agreement, who are employed by the tribe or are preparing for employment, who are in full time long term training that will lead to a BSW or MSW. Expenses include stipend, tuition, travel, books and educational supplies. The expenditures will be charged to foster care training.

All direct and indirect foster care training costs will be distributed to Title IV-E foster care training and foster care non IV-E eligible training based on a tribal paid case count of the number of Title IV-E foster care cases and other non IV-E eligible foster care cases for the last month of the quarter.

COST ALLOCATION CERTIFICATION

I hereby certify that the information contained in the Department of Human Services cost allocation plan is accurate and that I am authorized to file the plan. I further certify that (a) the information contained in the proposed plan was prepared in conformance with the Uniform Grant Guidance, 2 CFR 200, (b) that the costs are accorded consistent treatment through the application of generally accepted accounting principles appropriated to the circumstances; and an adequate accounting and statistical system exists to support claims that will be made under the cost allocation plan.

Signature

Date

Tom Eide, CFO
ND Department of Human Services

Public Assistance Cost Allocation Plan/Amendment (PACAP) Checklist

Public Assistance agencies (PA) are responsible for reviewing and analyzing their operations and developing a Plan that will adequately describe how administrative costs are identified, measured, and allocated to benefitting programs. Subpart E of 45 CFR Part 95 establishes the cost allocation plan requirements that the Public Assistance (PA) agency must follow in the preparation of the plan. PA agencies are required to amend the Plan whenever it becomes outdated due to organization changes, changes in Federal law or regulation, and other changes occur which makes the allocation basis or procedures described in the plan invalid. However, if the PA agency has not made any changes to the plan during the State fiscal year, an annual statement shall be submitted to the Director, Division of Cost Allocation certifying that the plan is not outdated within 60 days after the end of the fiscal year.

The Public Assistance Plan submission should be supported by the following:

Check

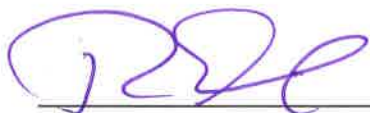
1. A summary of changes to the PACAP.
2. An organizational chart showing the placement of each organizational component.
3. A listing of all Federal and non-Federal programs performed, administered, or serviced.
4. A description of the activities performed by each organizational component and where not self explanatory an explanation of the benefits provided to Federal programs.
5. The procedures used to identify, measure, and allocate costs to each benefitting program and activity, including activities with different Federal Financial Participation (FFP) rates.
6. The estimated cost impact resulting from proposed changes to the previously approved Plan.
7. A statement stipulating that wherever costs are claimed for services provided by a governmental agency outside the PA agency they will be supported by a written agreement which includes, at a minimum, the specific services(s) being purchased, the basis upon which the billing is made by the provided agency, and a stipulation that the billing will be based on the actual costs incurred (45 CFR 95.507 (b) (6)).
8. If the PA programs are administered by local government agencies under a State supervised system the PA agency's Plan will also include a cost allocation plan(s) for local agencies.
9. A certification by a duly authorized official of the PA agency containing the statements shown in 45 CFR 95.507 (b) (8) (i)-(iv).
10. Other information as necessary to establish the validity of the procedures used by the State agency to identify, measure, and allocate costs.

Please explain any not checked on a separate sheet.

Maria Milia 4/16/18
Signature Date
Cost Allocation Administrator
Title
NO DHS
Organization

COST ALLOCATION CERTIFICATION

I hereby certify that the information contained in the Department of Human Services cost allocation plan is accurate and that I am authorized to file the plan. I further certify that (a) the information contained in the proposed plan was prepared in conformance with the Uniform Grant Guidance, 2 CFR 200, (b) that the costs are accorded consistent treatment through the application of generally accepted accounting principles appropriated to the circumstances; and an adequate accounting and statistical system exists to support claims that will be made under the cost allocation plan.



3-28-18

Signature

Date

Tom Eide, CFO
ND Department of Human Services