**Local Health Department**

**Cost Report, Settlement and AUBP Integration**

**Outline for Training August 2021**

1. Overview of the Cost Report Process in a Medicaid managed care environment
2. Importance of identifying and organizing cost
3. Cost Maximization
4. Overview of the continued Settlement Process in a Medicaid managed care environment
5. Allowable cost for settlement
   1. Impact of direct clinical cost
   2. Impact of administrative cost
   3. Impact of indirect cost
6. Medicaid utilization factor changes and implications
   1. Total unduplicated charges “scrubbed” denominator
   2. Medicaid paid charges numerator
   3. Applying the utilization factor
   4. Annual settlement payment and reconciliation
7. Additional Utilization Payments (AUBP) process and calculation
8. AUBP quarterly payments
   1. Ration of Cost to Charge (RCC)
   2. PHP Claims
   3. Intergovernmental Transfer (IGT)
   4. Annual reconciliation
9. Fee for service (FFS) vs Managed Care
   1. NC Tracks and PHP payments
   2. Annual Settlement and AUBP payments
   3. Required cost report filling
10. RCC and AUBP Example Calculation
11. Charge basis determination
12. Cost basis determination
13. Implications of the AUBP Process
14. RCC annual selection
15. Payment application
16. Annual reconciliation
17. Other considerations