



Center for Clinical Standards and Quality/Survey & Certification Group

Admin Info: 15-29-ALL

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DATE: April 17, 2015

TO: State Survey Agency Directors

FROM: Director
Survey and Certification Group

SUBJECT: Fiscal Year (FY) 2014 End of Year Closeout Process

*****Revised for change of dates for FY14 Closeout and further time
for submission of FY14 Cumulative Form CMS-435*****

Memorandum Summary

- **2014 Budget Forms Overdue:** The Centers for Medicare & Medicaid Services (CMS) form CMS-435 entitled “Cumulative Budget Expenditure” must be completed 60 days after the end of the FY (i.e., November 30, 2014 for FY 2014).
- **Final Close-out June 19, 2015:** States that still have not provided the necessary information by close of business **June 19, 2015** will not be eligible for available supplemental funding for FY 2014 (i.e., FY2014 funds that are redistributed from States that did not spend their entire allocation in FY 2014).

State Operations Manual (SOM), section 4642C, specifies that the CMS-435 Cumulative Budget Expenditure form is to be completed 60 days after the end of the FY (i.e., November 30, 2014 for FY 2014). This requires State Agencies to complete their CMS-435 Cumulative Budget Expenditure forms, have the forms entered into the automated system, and have all approvals completed.

We are finalizing the FY 2014 Survey & Certification (S&C) budget closeout process now. Timely close out is important for many reasons. One important reason is that some States that incurred bona fide survey costs in excess of their S&C allocation rely on the closeout to determine whether they can receive supplemental funding made available because other States did not spend their entire allocations in FY 2014.

We are also requesting that as States fill in these Cumulative budget forms, special attention is paid to ensure that all fields are filled in accurately. Please pay particular attention to the Staff Year calculations in columns A, C and D on the CMS-435 form as this information is used in multiple different budget exercises and may have a negative impact on the State if not properly filled out. As an additional note to the Regional Office budget contacts, please ensure that your

States have filled in all of the appropriate fields on the CMS-435 form before granting a Regional Office (RO) Approval in the online budget system.

The Central Office (CO) has received word from a few ROs, that some States have had some problems reporting the Home Health Agency (HHA) costs correctly across all funding streams on the Cumulative CMS-435 form. To allow further time to clarify the reports so that the State Agencies (SAs) can provide accurate FY14 Cumulative CMS-435 reports, the CO has decided to extend the due date to finalize the FY14 Cumulative CMS-435 form until **June 19, 2015**. States can reference AdminInfo 13-26 HHA with questions about the HHA cost distribution or contact their RO representative.

On or about **June 22, 2015**, we will conduct a first review of the closeouts which have been submitted and approved by the Regional Offices. State Agencies that have not provided their CMS-435 cumulative budget expenditures in final form by close of business **June 19, 2015** (i.e., for the FY 2014 cumulative) **will not** be eligible for any supplemental funding from funds that might have been unspent by other States who have submitted their documents for the FY 2014 time period to date. Thank you for your attention to this.

Contact: If you have any questions or concerns about this request, please contact David Escobedo at David.Escobedo@cms.hhs.gov or Bary Slovikosky at Bary.Slovikosky@cms.hhs.gov.

Effective Date: Immediately. This policy should be communicated with all survey and certification staff, their managers and the State/Regional Office training coordinators upon receipt of this memorandum.

/s/

Thomas E. Hamilton

cc: Survey and Certification Regional Office Management