



Community First Services and Supports (CFSS) and Personal Care Assistance (PCA) Cost Reporting

Cost Reporting Team
Disability Services Division
Minnesota Department of Human Services

What is cost reporting?

- All organizations that provide agency model CFSS services are required to submit documentation of the costs to provide CFSS services at the request of the Department of Human Services (DHS). This requirement is commonly known as cost reporting.
- Cost reporting is the reporting of the actual costs to provide services via the established cost centers, such as wages, benefits, facilities or program administration.
- The purpose of cost reporting is to collect cost data that will help support CFSS rate formulas.
- The ongoing collection of this data will inform policy-makers of the costs CFSS agencies have when providing services. This will help the Minnesota Legislature to set rates that allow CFSS services to be appropriately funded, encourage provider viability and help ensure Minnesotans who receive services have greater independence in their homes and communities.

What cost reporting is NOT

- Cost reporting is not an effort to collect only your direct costs and change your rate. This is aggregated reporting for all providers.
 - Roughly 250 providers will report each year.
- No automatic changes to service rates will occur. Any changes to the framework rates would have to be made by the Minnesota Legislature.
- This is not an audit of your business finances.
 - There is an auditing component to cost reporting, but only to determine how the information within cost reporting was reported. We will randomly select a small number of providers annually to audit their reports.

Background: Why Cost Reporting?

While we will primarily use the data gathered from CFSS cost reporting to make evidence-based recommendations to the Legislature about the payment rates for services, the benefits of gathering this information go far beyond this.

Understanding what costs providers have can help create and develop policies that:

- Appropriately fund services.
- Encourage provider viability and service stability.
- Allow service recipients greater independence in their homes and communities.

What will be reported?

- Data collection happens at the FEIN level and collects the actual costs of providing services by these categories:
 - Administrative and direct care wages, benefits and payroll taxes.
 - Business facility costs.
 - Examples: Mortgage, lease, and rent costs; utilities, property taxes, and building repair or maintenance.
 - Client and programming costs.
 - Transportation costs.
 - Examples: Mileage reimbursement, public transportation costs for staff.
 - Program administrative costs.
 - Examples: Software, telecommunications, background checks.
 - General administrative costs.
 - Example: Licensing fees, payroll software.
- Cost reporting should only include costs for agency model CFSS services, with allowances for reporting wages or costs that span multiple programs. Refer to the Cost Allocations slide for more information.

What to use when reporting?

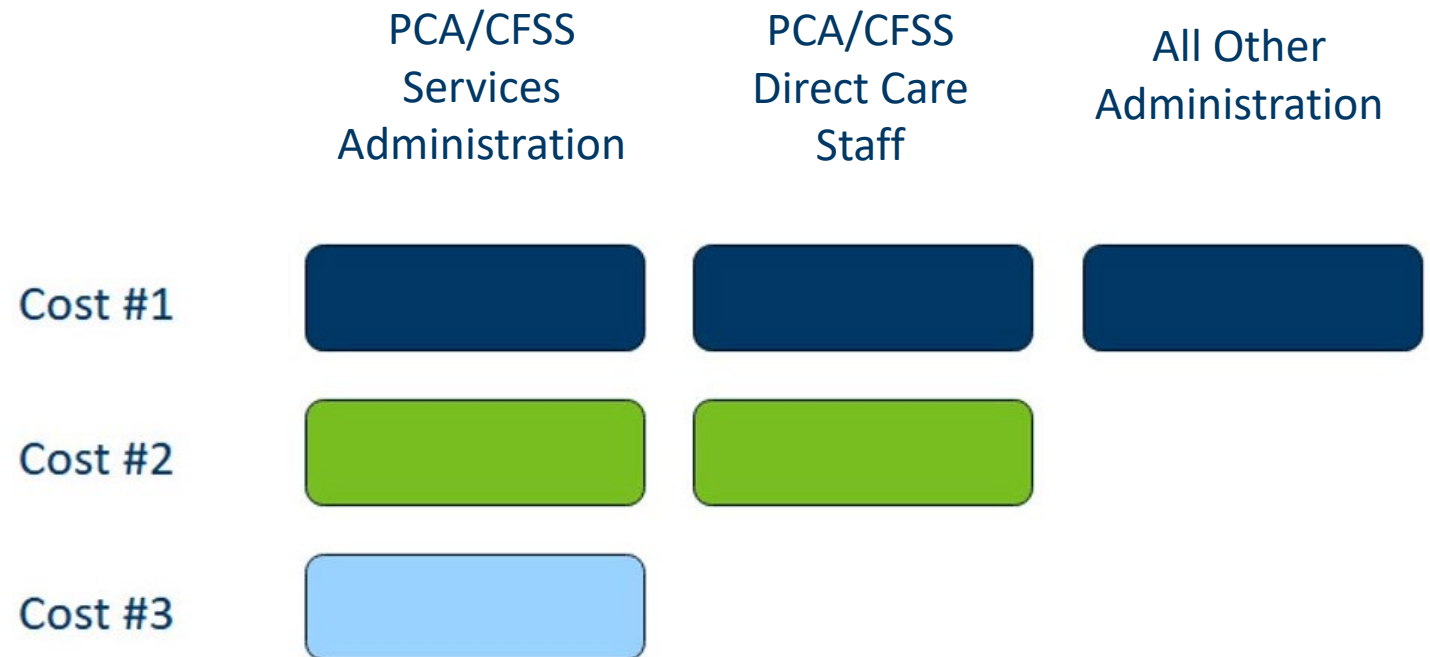
- Use official bookkeeping records when available. Depending on leadership decisions, these may be certified or uncertified records.
- If you do not keep records of costs and wages, use trackable documentation to prove and validate the incurred costs/payments. Use such things as credit card or bank statements or other accounting software and save them in your records.
 - DHS suggests starting to track payments today in preparation for future reporting.
- To understand billed units and revenues, remittance payment notifications in the MN-ITS system should be available.
 - DHS suggests starting to track billing outside of this system if you are not currently doing so.

Reporting

- DHS will notify selected agencies on March 31 of each year.
- Organizations that provide agency model CFSS services are required to report once every three years, beginning in 2025.
- DHS anticipates one-third of providers will report every year, based on random sampling.
- Providers are required to report on a fiscal year completed in the past 18 months.
 - Example: For organizations reporting in 2025, most will report on the 2024 calendar year (01/01/2024-12/31/2024).
- If a provider fails to complete its report by the established deadline, DHS is required to suspend payments until the report is completed.
 - The stop payment deadline is Dec. 1 of each year.

CFSS Costs and Cost Allocations

- Your organization may allocate costs among different services, such as for PCA/CFSS
- For example, if a PCA worker also performs non-PCA services, you may allocate their costs within PCA/CFSS categories and other categories.



Annual reporting schedule

Date	Task
By March 31	Notify providers mandated to report that year
June 1	90-day notice of reporting deadline
Aug.1	30-day notice of reporting deadline
Aug. 31	Reporting deadline
Sept. 1	Send out first notice of non-compliance to providers who haven't submitted reports by Aug. 31
Oct. 1	Send out second notice of non-compliance to providers who haven't submitted reports by Sept. 30 (30 days late)
Nov. 1	Send out third notice of non-compliance to providers who haven't submitted reports by Oct. 31 (60 days late)
Dec. 1	Send out notification of stop payment for non-compliance (90 days late)

We will send notices to authorized agent at email address on file within the Minnesota Provider Screening and Enrollment (MPSE) portal.

Is it my year to report?

- If it is your year to report, your authorized agent will have received multiple notification emails as well as their user login information. The most recent correspondence would have been received on June 1, 2025. Make sure to check your spam/junk folders.
- If you are still unsure if it is your year to report, reach out to the Cost Reporting Team with information about your organization, including business name, FEIN, NPI/UMPI, authorized agent name and authorized agent email address. Email: dhs.costreport@state.mn.us.

All communication about cost reporting goes through your organization's authorized agent. If you are unclear who your authorized agent is, check on the MPSE portal.

Email address for specific questions

If you have specific questions about your organization or can't find other answers on the cost reporting website or in the manual, you may send the Cost Reporting Team an email at dhs.costreport@state.mn.us. Allow up to three business days for a reply.

Please note, we are a small team supporting hundreds of providers with cost reporting each year. As we get closer to deadlines, response times might take longer. Therefore, we recommend starting your cost reporting as early as possible. Sending multiple emails will not get you a response quicker and is likely to slow down all responses.

CFSS cost reporting website

The CFSS Cost Reporting website is a great resource for providers who are reporting and for those planning for future reporting.

Some of the major highlights are:

- [CFSS Cost Reporting](#)
- [CFSS Cost Reporting FAQs](#)
- [CFSS Cost Reporting Instruction Manual](#)
- [List of PCA/CFSS Services](#)
- [Provider Cost Tracking Sheet \(PDF\)](#)
- Link to Training Videos (Coming Soon)

Auditing and data verification

- Beginning with providers who submit reports in 2025, DHS will randomly select a small number of providers each year to further explain their costs.
 - These are not full audits of your business; they are opportunities for DHS to confirm the accuracy of cost reports.
- DHS reviews reports as they are submitted and might reach out to the authorized agent if there are questions about your cost report.

Tips for successful audits

- Identify your sources of information for entering costs.
 - Examples: payroll software, accounting software, invoices, etc.
- Identify your methods of allocating costs if they cover multiple areas of your business.
 - Examples: How much time does a staff member spend providing CFSS services vs. time spent on other tasks such as service administration?
- Keep track of records and costs as they are reported – auditors will ask for them.
- When you are audited, gather documentation that explains your costs.

- General Information: [Transition from PCA and CSG to CFSS](#)
- CFSS Frequently Asked Questions: [CFSS FAQs](#)
- Legislative Statute: [Minnesota Statutes, section 256B.85, subdivision 8](#)