

HOSPITAL MEDICARE COST REPORTS MADE EASY

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WHAT IS THE PURPOSE OF A COST REPORT?

- INFORMATIONAL
- DETERMINATION OF MEDICARE'S SHARE OF COST
- DETERMINATION OF COST SETTLEMENT



COST REPORT LAYOUT

WORKSHEET	
S	INFORMATION
A	LIST OF COSTS
B	ALLOCATION OF OVERHEAD COSTS
C	LIST OF CHARGES AND COST TO CHARGE RATIO
D	DETERMINATION OF MEDICARE'S COSTS
E	MEDICARE SETTLEMENT



COST REPORT LAYOUT

WORKSHEET	
G	FINANCIAL STATEMENTS
H	HOME HEALTH
I	RENAL DIALYSIS
K	HOSPICE
M	RURAL HEALTH CLINIC



COST REPORT FLOW

WORKSHEET A	WORKSHEET B	WORKSHEET C	WORKSHEET D	WORKSHEET E
A, A-6, A-8, A-8-1, A-8-2, A-8-4	B PART I, B-1	C	D PART V, D-4, D-1 PARTS I, II, III	E PART B, E-1, E-3 PART II AND III
COSTS ADJUSTED: ADDED AND SUBTRACTED	ALLOCATED TO REVENUE PRODUCING DEPTS.	+ DEPT. REVENUES = COST TO CHARGE RATIOS	X DEPT. MEDICARE CHARGES = MEDICARE COST	COMPARED TO MEDICARE PAYMENTS = SETTLEMENT



WORKSHEET S

- GENERAL INFORMATION
- SETTLEMENT
- CERTIFICATION BY OFFICER/ADMINISTRATOR



WORKSHEET S-2

- HOSPITAL ADDRESS
- HOSPITAL COMPONENT IDENTIFICATION
- TYPE OF HOSPITAL/SUBPROVIDER
- OTHER INFORMATION: QUESTIONNAIRE (MANY QUESTIONS ARE "NA" FOR CRITICAL ACCESS HOSPITALS)



WORKSHEET S-2 QUESTIONNAIRE

21.03	GEOGRAPHIC LOCATION
27	SWING BEDS
28.03 - 28.06	SNF EXPENSES AND REVENUE
30	CRITICAL ACCESS HOSPITAL
30.02	ELECTED ALL-INCLUSIVE FOR O/P PAYMENTS (METHOD II)
31	CRNA PASS THROUGH



WORKSHEET S-2 QUESTIONNAIRE

40	RELATED PARTY ACTIVITY
41	PROVIDER-BASED PHYSICIANS
42 - 42.02	PURCHASED PT, OT AND ST
43	PURCHASED RT
45	CHANGE IN ALLOCATION METHOD
54	MALPRACTICE PREMIUMS



WORKSHEET S-3

- SET-UP BEDS
 - A BED MEANS AN ADULT BED, PEDIATRIC BED, BIRTHING ROOM, OR NEWBORN BED MAINTAINED IN A PATIENT CARE AREA FOR LODGING PATIENTS IN ACUTE, LONG TERM, OR DOMICILIARY AREAS OF THE HOSPITAL



WORKSHEET S-3

- SET-UP BEDS (continued)
 - BEDS IN LABOR ROOM, BIRTHING ROOM, POST-ANESTHESIA, POSTOPERATIVE RECOVERY ROOMS, OUTPATIENT AREAS, EMERGENCY ROOMS, ANCILLARY DEPARTMENTS . . . AND OTHER SUCH AREAS (PRIMARILY FOR SPECIAL PROCEDURES OR NOT FOR INPATIENT LODGING) ARE NOT TERMED A BED FOR THESE PURPOSES
- CAH HOURS OF I/P CARE



WORKSHEET S-3

- PATIENT DAYS
 - MEDICARE, MEDICAID AND TOTAL
- OBSERVATION DAYS
 - ADMITTED VS. NON-ADMITTED
- FTEs
- DISCHARGES
 - MEDICARE, MEDICAID AND TOTAL
- WAGES AND HOURS - S-3 PART II
 - CAHs EXEMPT FROM S-3 PART II



OTHER S WORKSHEETS

S-4	HOME HEALTH DATA
S-5	RENAL DIALYSIS DATA
S-7	SNF RUG DATA
S-8	RHC DATA
S-9	HOSPICE DATA



WORKSHEET A

- WORKSHEET A PROVIDES FOR RECORDING THE TRIAL BALANCE OF EXPENSE ACCOUNTS FROM YOUR ACCOUNTING BOOKS AND RECORDS
- IT ALSO PROVIDES FOR THE NECESSARY RECLASSIFICATIONS AND ADJUSTMENTS TO CERTAIN ACCOUNTS
- DO NOT INCLUDE ITEMS NOT CLAIMED IN THE COST REPORT ON THIS WORKSHEET



WORKSHEET A COLUMNS

COLUMN 1	SALARIES
COLUMN 2	OTHER EXPENSES
COLUMN 4	RECLASSIFICATIONS SUPPORTED BY A-6
COLUMN 6	ADJUSTMENTS SUPPORTED BY A-8



WORKSHEET A LINES

- STANDARD (I.E., PREPRINTED) CMS LINE NUMBERS AND COST CENTER DESCRIPTIONS CANNOT BE CHANGED
- IF YOU NEED TO USE ADDITIONAL COST CENTER DESCRIPTIONS, ADD ADDITIONAL LINES TO THE COST REPORT
- WHERE AN ADDED COST CENTER DESCRIPTION BEARS LOGICAL RELATIONSHIP TO A STANDARD LINE DESCRIPTION, THE ADDED LABEL MUST BE INSERTED IMMEDIATELY AFTER THE RELATED STANDARD LINE



WORKSHEET A LINES

- DEPARTMENTS ORGANIZED BY:
 - GENERAL SERVICE (LINES 1-24)
 - INPATIENT ROUTINE SERVICE (LINES 25-31 AND 33-36)
 - ANCILLARY SERVICE (LINES 37-59)
 - OUTPATIENT SERVICE (LINES 60-63)
 - OTHER REIMBURSABLE (LINES 64-71)
 - SPECIAL PURPOSE (LINES 82-86, 88-90 AND 92-94)
 - NONREIMBURSABLE (LINES 96-100)



WORKSHEET A LINES

- DEPARTMENTS ORGANIZED BY:
 - SUPPORT/OVERHEAD DEPARTMENTS (LINES 1-24)
 - REVENUE PRODUCING DEPARTMENTS (LINES 25-94)
 - NON-REIMBURSEABLE (LINES 96-100)



WORKSHEET A-6

THIS WORKSHEET PROVIDES FOR THE RECLASSIFICATION OF CERTAIN COSTS TO EFFECT PROPER COST ALLOCATION UNDER COST FINDING (I.E., CONVERT HOSPITAL GROUPINGS INTO MEDICARE GROUPINGS)



WORKSHEET A-6 COMMON RECLASSIFICATIONS

- RECLASSIFICATION OF INTEREST EXPENSE APPLICABLE TO FUNDS BORROWED FOR A&G PURPOSES (E.G., OPERATING EXPENSES) OR FOR THE PURCHASE OF BUILDINGS AND FIXTURES OR MOVABLE EQUIPMENT
- RECLASSIFICATION OF DEPRECIATION - SEPARATE EQUIPMENT DEPRECIATION FROM BUILDING DEPRECIATION
- RECLASSIFICATION OF EMPLOYEE BENEFITS (E.G., PERSONNEL DEPARTMENT, EMPLOYEE HEALTH SERVICE, HOSPITALIZATION INSURANCE, WORKER'S COMPENSATION, EMPLOYEE GROUP INSURANCE, SOCIAL SECURITY TAXES, UNEMPLOYMENT TAXES, ANNUITY PREMIUMS, PAST SERVICE BENEFITS, AND PENSIONS) INCLUDED IN THE A&G COST CENTER



WORKSHEET A-6 COMMON RECLASSIFICATIONS

- RECLASSIFICATION OF CHARGEABLE SUPPLY COSTS FROM DEPARTMENTS TO CENTRAL SUPPLY
- RECLASSIFICATION OF THE COSTS OF MALPRACTICE INSURANCE PREMIUMS, SELF-INSURANCE FUND CONTRIBUTIONS, AND UNINSURED MALPRACTICE LOSSES INCURRED EITHER THROUGH DEDUCTIBLE OR COINSURANCE PROVISIONS, AS A RESULT OF AN AWARD IN EXCESS OF REASONABLE COVERAGE LIMITS, OR AS A GOVERNMENT PROVIDER TO THE A&G COST CENTER
- RECLASSIFICATION OF CLINIC A&G COSTS TO HOSPITAL A&G
- RECLASSIFICATION OF CLINIC ER COST TO HOSPITAL ER



WORKSHEET A-7

- THIS WORKSHEET CONSISTS OF FOUR PARTS:
 - PART I - ANALYSIS OF CHANGES IN OLD CAPITAL ASSET BALANCES
 - PART II - ANALYSIS OF CHANGES IN NEW CAPITAL ASSET BALANCES
 - PART III - RECONCILIATION OF CAPITAL COST CENTERS FOR INSURANCE, TAXES AND OTHER CAPITAL-RELATED COSTS
 - PART IV - RECONCILIATION OF AMOUNTS FROM WORKSHEET A, COLUMN 2, LINES 1 THROUGH 4
- A NON-PPS PROVIDER DOES NOT HAVE TO COMPLETE PART I



WORKSHEET A-8

- THIS WORKSHEET PROVIDES FOR ADJUSTMENTS, REQUIRED UNDER THE MEDICARE PRINCIPLES OF REIMBURSEMENT, WHICH ARE MADE ON THE BASIS OF COST OR AMOUNT RECEIVED (REVENUE) ONLY IF THE COST (INCLUDING DIRECT COST AND ALL APPLICABLE OVERHEAD) CANNOT BE DETERMINED
- ADJUSTMENTS TO INCREASE OR DECREASE REIMBURSEABLE COSTS
- MEDICARE ASSUMES THAT NON-PATIENT SERVICE REVENUE IS EQUAL TO THE COST OF THE SERVICE PROVIDED



WORKSHEET A-8

- MEDICARE PRINCIPLES OF REIMBURSEMENT
 - IN ACCORDANCE WITH 42 CFR 413.9(C)(3), IF YOUR OPERATING COSTS INCLUDE AMOUNTS NOT RELATED TO PATIENT CARE, THESE AMOUNTS ARE NOT REIMBURSABLE UNDER THE PROGRAM
 - IF YOUR OPERATING COSTS INCLUDE AMOUNTS FLOWING FROM THE PROVISION OF LUXURY ITEMS OR SERVICES (I.E., THOSE ITEMS OR SERVICES SUBSTANTIALLY IN EXCESS OF OR MORE EXPENSIVE THAN THOSE GENERALLY CONSIDERED NECESSARY FOR THE PROVISION OF NEEDED HEALTH SERVICES), SUCH AMOUNTS ARE NOT ALLOWABLE



WORKSHEET A-8

ADJUSTMENTS TO INCREASE OR DECREASE
REIMBURSEABLE COSTS

1-5	REDUCE INTEREST EXPENSE DUE TO INTEREST INCOME
7	REDUCE COSTS FOR REFUNDS AND REBATES
8	RENTAL INCOME
16	CAFETERIA REVENUE
20	MEDICAL RECORDS REVENUE



WORKSHEET A-8-1

- THIS WORKSHEET PROVIDES FOR THE COMPUTATION OF ANY NEEDED ADJUSTMENTS TO COSTS APPLICABLE TO SERVICES, FACILITIES, AND SUPPLIES FURNISHED TO THE HOSPITAL BY ORGANIZATIONS RELATED TO YOU OR COSTS ASSOCIATED WITH THE HOME OFFICE
- IN ACCORDANCE WITH 42 CFR 413.17, COSTS APPLICABLE TO SERVICES, FACILITIES, AND SUPPLIES FURNISHED TO YOU BY ORGANIZATIONS RELATED TO YOU BY COMMON OWNERSHIP OR CONTROL ARE INCLUDABLE IN YOUR ALLOWABLE COST AT THE COST TO THE RELATED ORGANIZATION, EXCEPT FOR A FEW EXCEPTIONS OUTLINED IN 42 CFR 413.17(D)



WORKSHEET A-8-1

RELATED PARTY ACTIVITY

- MUST IDENTIFY AND ELIMINATE RELATED PARTY COSTS REPORTED ON WORKSHEET A
- ADD BACK ACTUAL COST INCURRED BY RELATED PARTY



WORKSHEET A-8-1 RELATED PARTY ACTIVITY

- PART A - COST APPLICABLE TO HOME OFFICE COSTS, SERVICES, FACILITIES, AND SUPPLIES FURNISHED TO YOU BY ORGANIZATIONS RELATED TO YOU BY COMMON OWNERSHIP OR CONTROL ARE INCLUDABLE IN YOUR ALLOWABLE COST AT THE COST TO THE RELATED ORGANIZATION. HOWEVER, SUCH COST MUST NOT EXCEED THE AMOUNT A PRUDENT AND COST CONSCIOUS BUYER PAYS FOR COMPARABLE SERVICES, FACILITIES, OR SUPPLIES THAT ARE PURCHASED ELSEWHERE
- PART B - USE THIS PART TO SHOW YOUR RELATIONSHIP TO ORGANIZATIONS IDENTIFIED IN PART A. SHOW THE REQUESTED DATA RELATIVE TO ALL INDIVIDUALS, PARTNERSHIPS, CORPORATIONS, OR OTHER ORGANIZATIONS HAVING EITHER A RELATED INTEREST TO YOU, A COMMON OWNERSHIP WITH YOU, OR CONTROL OVER YOU



WORKSHEET A-8-2

- THIS WORKSHEET PROVIDES FOR THE COMPUTATION OF THE ALLOWABLE PROVIDER-BASED PHYSICIAN COST YOU INCUR. 42 CFR 415.60 PROVIDES THAT THE PHYSICIAN COMPENSATION PAID BY YOU MUST BE ALLOCATED BETWEEN SERVICES TO INDIVIDUAL PATIENTS (PROFESSIONAL SERVICES), SERVICES THAT BENEFIT YOUR PATIENTS GENERALLY (PROVIDER SERVICES), AND NON-REIMBURSABLE SERVICES SUCH AS RESEARCH. ONLY PROVIDER SERVICES ARE REIMBURSABLE TO YOU THROUGH THE COST REPORT.
- THIS WORKSHEET ALSO PROVIDES FOR THE COMPUTATION OF THE REASONABLE COMPENSATION EQUIVALENT (RCE) LIMITS REQUIRED BY 42 CFR 415.70



WORKSHEET A-8-2 PHYSICIAN COST

- CAHs ARE EXEMPT FROM RCE LIMIT
- RHCs ARE EXEMPT
- ELIMINATE PROFESSIONAL COMPONENT
- CLAIM PROVIDER ADMIN COST
- CLAIM ER AVAILABILITY



WORKSHEET A-8-2

ER AVAILABILITY REQUIREMENTS

- ER LOGS
- DOCUMENTATION THAT HOSPITAL HAS MADE ATTEMPT TO ACQUIRE BEST FEASIBLE COVERAGE FOR ER
- WRITTEN COPY OF ALLOCATION AGREEMENT DEPICTING PHYSICIAN'S TIME BETWEEN PATIENT AND NON-PATIENT TIME (339 Exhibit 2)



WORKSHEET A-8-2

ER AVAILABILITY REQUIREMENTS

- A SIGNED COPY OF CONTRACT
- PHYSICIAN MUST BE IN CLOSE PROXIMITY TO EMERGENCY ROOM WHEN ON CALL BUT DO NOT NEED TO BE ON PREMISIS
- SCHEDULE OF PHYSICIAN CHARGES



WORKSHEET A-8-4

- THIS WORKSHEET PROVIDES FOR THE COMPUTATION OF ANY NEEDED ADJUSTMENTS TO COSTS APPLICABLE TO THERAPY SERVICES FURNISHED BY OUTSIDE SUPPLIERS
- THE INFORMATION REQUIRED ON THIS WORKSHEET PROVIDES, IN THE AGGREGATE, ALL DATA FOR THERAPY SERVICES FURNISHED BY ALL OUTSIDE SUPPLIERS IN DETERMINING THE REASONABLENESS OF THERAPY COSTS



WORKSHEET A-8-4
PURCHASED PT, OT, ST, RT

- EMPLOYED PT, OT, ST, AND RT ARE EXEMPT
- NON-CAH ARE EXEMPT FROM COMPLETING THIS WORKSHEET
- DETERMINE REASONABLE COST USING HOURLY LIMIT AND OTHER FACTORS
- ELIMINATE EXCESS



WORKSHEET B
ALLOCATION OF OVERHEAD COSTS

MEDICARE USES A STEP DOWN PROCESS WHEREBY OVERHEAD COSTS ARE ALLOCATED TO REVENUE PRODUCING AND NON-REIMBURSABLE DEPARTMENTS



WORKSHEET B
ALLOCATION OF OVERHEAD COSTS

- CAPITAL RELATED COSTS - DEPRECIATION & INTEREST EXPENSE
- EMPLOYEE BENEFITS
- ADMINISTRATION & GENERAL
- PLANT & MAINTENANCE
- LAUNDRY
- HOUSEKEEPING
- CAFETERIA
- NURSE ADMINISTRATION
- MEDICAL RECORDS



WORKSHEET B PART I ALLOCATION OF ALL COSTS

- COLUMN 0 EQUALS WORKSHEET A COLUMN 7
- COLUMN 27 EQUALS COLUMN 0 IN TOTAL WITH NO COSTS REPORTED ON LINES 1 THROUGH 24



WORKSHEET B PART III

- ALLOCATION OF CAPITAL COSTS ONLY
- NOT REQUIRED FOR CAH



WORKSHEET B-1 ALLOCATION STATISTICS

EACH DEPARTMENT USES A STATISTIC TO ALLOCATE COSTS TO THE OTHER DEPARTMENTS

- SQUARE FOOTAGE
- EQUIPMENT DEPRECIATION BY DEPARTMENT
- SALARY EXPENSE
- ACCUMULATED COSTS
- LAUNDRY POUNDS
- TIME STUDIES
- MEALS SERVED
- FULL-TIME EQUIVALENT EMPLOYEES
- HOURS WORKED BY DEPT. SUPERVISOR
- PATIENT SERVICE REVENUE
- INPATIENT SERVICE REVENUE



WORKSHEET C
COST TO CHARGE RATIO

- COST EQUALS COST ON WORKSHEET B, PART 1, COLUMN 27
- CHARGES EQUAL THE HOSPITAL'S GENERAL LEDGER WITH ADJUSTMENTS FOR CALL BACK REVENUE, PHYSICIAN REVENUE, AND OTHER



WORKSHEET C
COST TO CHARGE RATIO

- COST TO CHARGE RATIOS ARE COMPUTED FOR ANCILLARY DEPARTMENTS
- THIS RATIO WILL BE USED TO DETERMINE MEDICARE'S SHARE OF ANCILLARY COSTS



WORKSHEET C
COST TO CHARGE RATIO

FOR DAILY SERVICE REVENUE DEPARTMENTS, A COST PER DAY FIGURE WILL BE CALCULATED AT WORKSHEET D-1



MEDICARE PS&R

(PROVIDER STATISTICAL AND REIMBURSEMENT REPORT)

PS&R ACCUMULATES AND REPORTS MEDICARE PART A CLAIMS DATA THAT IS NEEDED FOR THE MEDICARE COST REPORT; INCLUDING STATISTICAL DATA, CHARGES, COINSURANCE, DEDUCTIBLES, AND PAYMENTS



MEDICARE PS&R

- EFFECTIVE WITH COST REPORTS ENDING 1/31/09 AND AFTER, FIs WILL NO LONGER GENERATE AND SEND OUT PS&Rs TO PROVIDERS
- IMPLEMENTATION OF THE REDESIGNED PROVIDER STATISTICAL AND REIMBURSEMENT (PS&R) SYSTEM
- IT IS NOW PROVIDERS' RESPONSIBILITY TO OBTAIN THEIR REPORTS BY DOWNLOADING SUMMARY PS&R VIA INTERNET



MEDICARE PS&R

- NO LIMIT TO NUMBER OF SUMMARY REPORTS
- DETAILED PS&Rs MAY BE REQUESTED VIA INTERNET AND FIs/MACs WILL SECURELY DELIVER - 1 FREE PER YEAR; THEN "REASONABLE CHARGE"
- PS&R REDESIGN WEBPAGE IS LOCATED AT: <http://www.cms.hhs.gov/PSRR/>
- THIS SITE CONTAINS AN OVERVIEW OF THE SYSTEM, REGISTRATION TIPS, USER MANUALS, QUICK GUIDES, AND OTHER INFO



MEDICARE PS&R

- PS&R REDESIGN WILL UTILIZE INDIVIDUALS AUTHORIZED ACCESS TO CMS COMPUTER SYSTEM (IACS) FOR AUTHENTICATION AND SECURITY PURPOSES.
- ALL USERS MUST FIRST ESTABLISH AN IACS ACCOUNT AND BE APPROVED FOR PS&R ACCESS; HOME OFFICES AND SURROGATES (I.E. COST REPORT PREPARERS / ACCOUNTANTS) CANNOT ACCESS THE PS&R SYSTEM
- INFO ON IACS PROCESS AND LINK TO USER GUIDES THAT WILL ASSIST WITH REGISTRATION - <http://www.cms.hhs.gov/IACS>



MEDICARE PS&R

- THE IACS VERIFICATION PROCESS MAY TAKE WEEKS TO COMPLETE
- REGISTRATION SCHEDULE FOR PROVIDER FYE IS:
 - JUNE 30, 2009 - REGISTER JUNE 1, 2009
 - JULY 1 - AUG 31, 2009 - REGISTER AUG 1, 2009
 - SEPT 1 - 30, 2009 - REGISTER SEPT 1, 2009
 - OCT 1 - JAN 30, 2010 - REGISTER OCT 1, 2009
- TO REGISTER IN IACS, USE THE FOLLOWING LINK: <http://applications.cms.hhs.gov> AND CLICK ON "ENTER CMS APPLICATIONS PORTAL," "ACCOUNT MANAGEMENT," "NEW USER REGISTRATION," "PROVIDER / SUPPLIER COMMUNITY"



MEDICARE PS&R

- IACS OPERATES UNDER A DELEGATED AUTHORITY MODEL
 - SECURITY OFFICIAL (SO) - REGISTERS ORGANIZATION IN IACS, SUBMITS VERIFICATION DOCUMENTATION AND WILL HAVE ABILITY TO APPROVE USERS FOR ACCESS TO IACS AND PS&R BUT CANNOT ACCESS THE PS&R APPLICATION
 - AFTER SO APPROVED, USERS CAN REGISTER FOR IACS ACCOUNTS
 - AFTER SO APPROVES USER, USER WILL RECEIVE IACS ID AND PASSWORD AND MAY REQUEST ACCESS (AND BE APPROVED), WITHIN IACS, TO PS&R SYSTEM



MEDICARE PS&R

- SUGGESTIONS FOR RUNNING PS&R
 - ATTEMPT TO RUN REPORTS WELL IN ADVANCE (AT LEAST 45 DAYS) TO ENSURE YOU CAN ACCESS DATA NEEDED FOR YOUR COST REPORT
 - FOR COST REPORT PS&R, WE SUGGEST YOU USE A PAID-THROUGH DATE THAT IS APPROXIMATELY 30 DAYS PRIOR TO THE DUE DATE OF YOUR COST REPORT



MEDICARE PS&R

- PASSWORDS EXPIRE EVERY 60 DAYS
- WEBSITES AND REFERENCE INFO
 - <http://www.cms.hhs.gov/PSRR>
 - OVERVIEW, MANUALS, GUIDES, REGIS TIPS, OTHER
 - <http://applications.com.hhs.gov/PSRR>
 - TO REGISTER IN IACS
 - <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0747.pdf>; [SE0753.pdf](#); and [SE0754.pdf](#)
 - MEDICARE LEARN NETWORK ARTICLES AND GUIDANCE
- IACS HELP DESK
 - EXTERNAL USER SERVICES 866-484-8049; EUSupport@cgi.com
 - PS&R SPECIFIC QUESTIONS DIRECTED TO FI/MAC



MEDICARE PS&R

- IMPORTANT INFORMATION
- PAID DATES X/XX/XX THRU X/XX/XX
- RUN DATES XX/XX/XX
- PROVIDER NAME AND NUMBER (CHECK THIS, MAKE SURE IT IS YOURS)
- REPORT TYPE
- SERVICES FOR PERIOD
- REVENUE CODES, UNITS, CHARGES



MEDICARE PS&R

- REPORT TYPE TITLES
- 110 - INPATIENT SERVICES
- 850 - CAH OUTPATIENT, COST REIMBURSEMENT
- 85Z - CAH AMBULANCE SERVICES
- 180 - SWING BED SERVICES
- 210 - SKILLED NURSING SERVICES
- 710 - RURAL HEALTH CLINIC
- 136, 139, 831- O/P DIAG, RADIOLOGY & ASC SERVICES (OLD "BLENDED" REIMBURSEMENT SYSTEM). SHOULD BE LITTLE OR NO AMOUNTS HERE. (DON'T PANIC IF THERE'S A FEW DOLLARS HERE)
- 300 "SERIES" - HOME HEALTH



MEDICARE PS&R

COST REPORT WORKSHEET	RELATED PS&R SCHEDULE
S-3	<u>STATISTICAL DATA</u>
	<u>CHARGES</u>
D-4 HOSPITAL	REPORT 110 - INPATIENT PART A (CHARGES)
D-4 SNF	REPORT 210 - INPATIENT PART A (CHARGES)
D-4 S/B SNF	REPORT 180 - SWING BED SNF (CHARGES)
D PART V	REPORT 850 - OUTPATIENT (CHARGES)
S-4	REPORT 399 - HOME HEALTH



MEDICARE PS&R

COST REPORT WORKSHEET	RELATED PS&R SCHEDULE
	<u>PAYMENTS</u>
E-1, HOSPITAL, COL A	REPORT 110 - INPATIENT PART A (NET REIMBURSEMENT)
E-1, HOSPITAL, COL B	REPORT 850 - OUTPATIENT (NET REIMBURSEMENT)
E-1, SNF, COL A	REPORT 210 - INPATIENT PART A (NET REIMBURSEMENT)
E-1, S/B- SNF, COL A	REPORT 180 - SWING BED SNF (NET REIMBURSEMENT)
M-5	REPORT 710 - RURAL HEALTH CLINIC (NET REIMBURSEMENT)
H-6	REPORT 399 - HOME HEALTH



MEDICARE PS&R

COST REPORT WORKSHEET	RELATED PS&R SCHEDULE
	<u>DEDUCTS & COINS</u>
VARIOUS	VARIOUS SCHEDULES DEPENDING ON TYPE OF FACILITY



MEDICARE PS&R OTHER USES

- VERIFY INTERIM RATES
- SPOT CHANGES OR POSSIBLE ERRORS IN CLAIMS PROCESSING
- USE TO ESTIMATE SETTLEMENTS DUE TO OR FROM MEDICARE



WORKSHEET D

DETERMINES MEDICARE'S COSTS

MEDICARE PATIENT DAYS,
CHARGES, PAYMENTS AND OTHER
PROCESSED CLAIMS INFORMATION
IS PROVIDED BY MEDICARE ON THE
PS&R (PROVIDER STATISTICAL &
REIMBURSEMENT) REPORT



WORKSHEET D PART V / D-4
MEDICARE'S ANCILLARY HOSPITAL COSTS

- COST TO CHARGE RATIO FROM WORKSHEET C
- OUTPATIENT MEDICARE CHARGES FROM PS&R
- RATIO TIMES CHARGE EQUALS MEDICARE COST



WORKSHEET D-4, SNF

MEDICARE'S SNF ANCILLARY COSTS



**WORKSHEET D-4,
SWING BED-SNF**

MEDICARE'S SWING BED
ANCILLARY COSTS



WORKSHEET D, PART V

MEDICARE'S OUTPATIENT ANCILLARY COSTS



WORKSHEET D-1

MEDICARE'S INPATIENT DAILY
HOSPITAL COSTS CALCULATION
WS B, PART I, COL. 27, LINE 25 (TOTAL
ACUTE CARE COST)

- LESS: SWING BED NF
- = ACUTE CARE COSTS FOR PER-DIEM
- ÷ NUMBER OF ACUTE CARE DAYS
(ACUTE CARE, SWING BED-SNF, &
OBSERVATION EQUIVALENT DAYS)
- = ROUTINE SERVICE COST
PER-DIEM



WORKSHEET D-1

MEDICARE'S INPATIENT DAILY
HOSPITAL COSTS CALCULATION

ROUTINE SERVICE COST PER-DIEM:

- ACUTE CARE ROOM RATE
- SWING BED-SNF ROOM RATE
- CALCULATES OBSERVATION COST



WORKSHEET D-1, HOSPITAL

MEDICARE'S INPATIENT DAILY HOSPITAL COST

LINE 1	INPATIENT DAYS [ACUTE, SWING (SNF & NF), & OBSERVATION]
LINE 7 & 8	SWING BED-NF DAYS
LINE 19 & 20	SWING BED-NF RATE(S)
LINE 7 & 8	TOTAL GENERAL INPATIENT ROUTINE COST
LINE 19 & 20	SWING BED-NF COST
LINE 26 & 27	GENERAL INPATIENT ROUTINE COST NET OF SWING BED-NF



WORKSHEET D-1, HOSPITAL

MEDICARE'S INPATIENT DAILY HOSPITAL COST

LINE 38	ADJUSTED GENERAL INPATIENT ROUTINE SERVICES COST PER-DIEM
LINE 39	MEDICARE ROUTINE COST
LINE 48	MEDICARE INPATIENT ANCILLARY COST
LINE 49	TOTAL MEDICARE INPATIENT COST
LINE 83	TOTAL OBSERVATION EQUIVALENT DAYS
LINE 85	TOTAL OBSERVATION BED COST



WORKSHEET D-1, SNF

MEDICARE'S SNF DAILY COSTS



WORKSHEET E's MEDICARE SETTLEMENTS

MEDICARE SETTLEMENTS:

101% OF COSTS (ROUTINE AND ANCILLARY)

- LESS:

- DEDUCTIBLE
- COINSURANCE

+ADD: MEDICARE BAD DEBTS

TOTAL MEDICARE REIMBURSABLE COST

- LESS: PAYMENTS RECEIVED (SEE E-1)

MEDICARE SETTLEMENT



WORKSHEET E-1, HOSPITAL

LIST OF MEDICARE INPATIENT AND
OUTPATIENT PAYMENTS

- PAYMENTS PER PS&R
- PLUS LUMP SUM PAYMENTS
- PLUS PASS THROUGH PAYMENTS (PPS)
- PLUS TOPS PAYMENTS (PPS)



WORKSHEET E-1, SNF

LIST OF MEDICARE SNF PAYMENTS



WORKSHEET E-1, SWING BED

LIST OF MEDICARE SWING BED PAYMENTS



WORKSHEET E-3 MEDICARE HOSPITAL INPATIENT SETTLEMENT

LINE 1	MEDICARE COSTS FROM WORKSHEET D-1 LINE 49
LINE 20	PATIENT DEDUCTIBLES
LINE 25	MEDICARE BAD DEBTS
LINE 32	MEDICARE PAYMENTS FROM WORKSHEET E-1
LINE 33	MEDICARE SETTLEMENT LINE 30 MINUS LINE 32
LINE 34	PROTESTED AMOUNTS (OMITTED FROM SETTLEMENT)



WORKSHEET E-2 MEDICARE SWING BED SETTLEMENT

LINE 1	MEDICARE ROUTINE COST
LINE 3	MEDICARE ANCILLARY COSTS FROM WORKSHEET D-4
LINE 11 & 13	DEDUCTIBLES AND COINSURANCE
LINE 17	MEDICARE BAD DEBTS



WORKSHEET E-2 MEDICARE SWING BED SETTLEMENT

LINE 20	MEDICARE PAYMENTS FROM WORKSHEET E-1
LINE 21	SETTLEMENT (LINE 8 MINUS LINE 11 MINUS LINE 13 PLUS LINE 17 MINUS LINE 20)
LINE 22	PROTESTED AMOUNTS (OMITTED FROM SETTLEMENT)



WORKSHEET E - PART B MEDICARE OUTPATIENT SETTLEMENT

LINE 1	MEDICARE COSTS FROM WORKSHEET D, PART V
LINE 17	101% MEDICARE COST
LINE 18	CAH DEDUCTIBLES FROM PS&R
LINE 18.1	CAH COINSURANCE BILLED TO PATIENTS FROM PS&R
LINE 27	MEDICARE BAD DEBTS



WORKSHEET E - PART B MEDICARE OUTPATIENT SETTLEMENT

LINE 28	MEDICARE REIMBURSABLE COSTS
LINE 34	MEDICARE PAYMENTS FROM WORKSHEET E-1
LINE 35	SETTLEMENT (LINE 17 MINUS LINE 18 PLUS LINE 27 MINUS LINE 34)
LINE 36	PROTESTED AMOUNTS (OMITTED FROM SETTLEMENT)



WORKSHEET E-3 MEDICARE SNF SETTLEMENT

- SNF PROSPECTIVELY PAID
- SETTLEMENT SHOULD BE APPROXIMATELY ZERO



WORKSHEET G FINANCIAL STATEMENTS

G	BALANCE SHEET
G-1	FUND BALANCE
G-2	REVENUE & EXPENSE
G-3	INCOME STATEMENT



WORKSHEET H

HOME HEALTH - COST SUMMARY
SIMILAR TO AND MATCHING
WORKSHEET A



WORKSHEET H-4

ALLOCATION OF HOME HEALTH
DEPARTMENTAL OVERHEAD



WORKSHEET H-5

ALLOCATION OF OVERHEAD
SIMILAR TO AND MATCHING
WORKSHEET B



WORKSHEET H-6

- CALCULATION OF COSTS PER VISIT
USING COST FROM WORKSHEET H-
5 AND TOTAL VISITS BY SERVICE
TYPE
- COMPARISON OF COST PER VISIT
TO COST PER VISIT LIMIT



WORKSHEET H-6

- CALCULATION OF SUPPLY AND PHARMACY COST TO CHARGE RATIO USING INFORMATION FROM WORKSHEET C AND OTHER HOME HEALTH INFORMATION
- COMPARISON OF MEDICARE COST TO PER BENEFICIARY COST



WORKSHEET H-7 CALCULATION OF SETTLEMENT

LINE 1	MEDICARE COST FROM H-6
LINE 2	MEDICARE CHARGES PER PS&R
LINE 7	DETERMINATION OF LESSER OF COST OR CHARGE
LINES 10s	PPS REIMBURSEMENT
LINE 17	MEDICARE BAD DEBTS
LINE 25	MEDICARE PAYMENTS FROM H-8
LINE 26	SETTLEMENT LINE 16 PLUS LINE 17
LINE 27	PROTESTED AMOUNTS



WORKSHEET H-8

LIST OF MEDICARE HOME
HEALTH PAYMENTS



WORKSHEET M-1

- DETAILS RURAL HEALTH CLINIC COSTS
- MATCHES WORKSHEET A EXPENSES



WORKSHEET M-2 VISITS & PRODUCTIVITY

- PRODUCTIVITY CALCULATION
 - 4,200 VISITS PER PHYSICIAN FTE
 - 2,100 VISITS PER MID-LEVEL FTE
- CONTRACTED PHYSICIANS SUBJECT TO PRODUCTIVITY STANDARDS IF CONTRACTED ON A REGULAR BASIS (CMS NEW CLARIFICATION)
- FTE (BASED ON 40 HOUR WORK WEEK) X PRODUCTIVITY STANDARD = MINIMUM VISITS
- GREATER OF ACTUAL VISITS OR MINIMUM VISITS USED TO ARRIVE AT COST PER VISIT



WORKSHEET M-2 ALLOCATION OF OVERHEAD

OVERHEAD IS ALLOCATED TO RHC SERVICES AND NON-RHC SERVICES TO ARRIVE AT ALLOWABLE COST OF RHC SERVICES



WORKSHEET M-3

- CALCULATION OF COST PER VISIT USING GREATER OF ACTUAL VISITS OR PRODUCTIVITY VISITS AND ALLOWABLE COST PER WORKSHEET M-2
- COMPARISON OF COST PER VISIT TO COST PER VISIT LIMIT (PROVIDER WITH FEWER THAN 50 BEDS EXEMPT)



WORKSHEET M-3 CALCULATION OF SETTLEMENT

LINE 10	MEDICARE VISITS PER PS&R
LINE 11	MEDICARE COST (COST PER VISIT TIMES MEDICARE VISITS)
LINE 17	MEDICARE DEDUCTIBLE PER PS&R
LINE 19	80% OF REMAINING COST TO COMPUTE COST LESS PATIENT COINSURANCE AND PRIMARY PAYOR AMOUNT
LINE 20	MEDICARE COST OF VACCINES AND ADMINISTRATION (WORKSHEET M-4)



WORKSHEET M-3 CALCULATION OF SETTLEMENT

LINE 22	MEDICARE BAD DEBTS FROM EXHIBIT 5 OF FORM 339
LINE 25	MEDICARE PAYMENTS FROM M-5
LINE 26	SETTLEMENT (LINE 21, PLUS LINE 22, MINUS LINE 25)
LINE 27	PROTESTED AMOUNTS (NOT ADDED TO SETTLEMENT)



WORKSHEET M-4 FLU AND PNEUMONIA COST

LINE 2-3	STAFF COST
LINE 4	SUPPLY COST
LINE 9	OVERHEAD ALLOCATION
LINE 11	TOTAL IMMUNIZATIONS
LINE 12	COST PER INJECTION
LINE 13	MEDICARE IMMUNIZATIONS
LINE 16	MEDICARE COST (COST PER INJECTION TIMES MEDICARE INJECTIONS)



WORKSHEET M-5

LIST OF MEDICARE RHC PAYMENTS



USEFUL INFORMATION

- COST TO CHARGE RATIOS W/S C
- COST PER DAY W/S D-1
- COST PER VISIT (RHC) W/S M-3
- COST PER VISIT (HHA) W/S H-6
- CHARGES I/P & O/P W/S C
- PATIENT DAYS W/SS-3
- FTE'S W/SS-3



USEFUL INFORMATION

- DIRECT COST BY DEPT. W/S A
- INDIRECT COST BY DEPT W/S B
- ALLOCATED COSTS W/S B
- STATISTICAL DATA W/S B-1
- MEDICARE I/P COST W/S D-1
- W/S D-4
- MEDICARE O/P COSTS W/S D PT V



QUESTIONS?

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