

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-06 Medicare Financial Management	Centers for Medicare & Medicaid Services (CMS)
Transmittal 153	Date: June 12, 2009
	Change Request 6519

SUBJECT: Implementation of the Redesigned Provider Statistical and Reimbursement (PS&R) System

I. SUMMARY OF CHANGES: CMS has redesigned the PS&R system, and it is now available. The new PS&R will be used for all cost reports ending January 31, 2009 and later. Chapter 8 has been updated to include modifications due to the implementation of the new system.

NEW / REVISED MATERIAL

EFFECTIVE DATE: *July 13, 2009

IMPLEMENTATION DATE: July 13, 2009

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title
R	8/10.1/Contractor's Responsibility Prior to Submission of Cost Reports

III. FUNDING:

SECTION A: For Fiscal Intermediaries and Carriers:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

SECTION B: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

**Business Requirements
Manual Instruction**

**Unless otherwise specified, the effective date is the date of service.*

Attachment - Business Requirements

Pub. 100-06	Transmittal: 153	Date: June 12, 2009	Change Request: 6519
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SUBJECT: Implementation of the Redesigned Provider Statistical and Reimbursement (PS&R) System.

EFFECTIVE DATE: July 13, 2009

IMPLEMENTATION DATE: July 13, 2009

I. GENERAL INFORMATION

A. Background:

The Provider Statistical & Reimbursement (PS&R) system is a CMS system that accumulates and reports Medicare Part A claims data into categories needed for Medicare cost reporting. Providers utilize PS&R reports to accumulate statistical and payment data to prepare their Medicare cost reports, and Fiscal Intermediaries and Medicare Administrative Contractors (FIs/MACs) use this data to settle the cost reports.

The current PS&R system (Legacy PS&R) has been in use for over 20 years. The CMS has redesigned the PS&R (PS&R Redesign) and the new system is now operational. The PS&R Redesign is a centralized, web-based application, programmed using current technology, and includes enhancements that will improve access and delivery, as well as increase the system's flexibility.

B. Policy:

The PS&R Redesign will be used for filing and settling all cost reports with fiscal years ending on January 31, 2009, and later. Cost reports with fiscal years ending prior to January 31, 2009, will continue to be filed and settled using the Legacy PS&R system. Due to this transition, the Legacy PS&R will not produce reports containing dates of service after January 30, 2009. Reports for fiscal years containing claims with a service through date of January 31, 2009, and later must be produced by the PS&R Redesign.

Providers that receive interim PS&R reports may experience a short interruption in obtaining their interim reports during this transition. Interim reports are not a requirement and are not necessary for cost reporting. The transition to the PS&R Redesign will not impact or delay submission of cost reports.

The PS&R Redesign will allow all users (Providers, FIs/MACs, CMS) the ability to download summary PS&R reports via the internet. Users will be able to log on to the system and request their summary reports on an as-needed basis. FIs/MACs will no longer have to produce and distribute these summary reports to their providers. It will be the provider's responsibility to obtain their own reports needed for their cost report. Providers will also be able to request detailed PS&R reports (reconciliation reports) via the internet, but due to the sensitive data contained within these reports, the FIs/MACs will continue to securely deliver these reports to providers. FIs/MACs may continue to charge a reasonable fee for the generation of the detail reports, in excess of 1 per year.

The PS&R Redesign webpage is located at: <http://www.cms.hhs.gov/PSRR/>. This site contains an overview of the system, user manuals, quick guides, and other helpful information.

The PS&R Redesign will utilize Individuals Authorized Access to CMS Computer Systems (IACS) for authentication and security purposes. All users must first establish an IACS account and also be

approved for PS&R access prior to attempting to access the PS&R Redesign. The IACS allows users to obtain one ID and password needed to access multiple web-based systems, one of which is the PS&R system. Information regarding the IACS process is located on the CMS website at <http://www.cms.hhs.gov/IACS>. The IACS webpage contains descriptions of the processes and links to user guides that will assist with registration. There are also Medicare Learning Network articles that may provide additional guidance to users:

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0747.pdf>

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0753.pdf>

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0754.pdf>

Providers and FIs/MACs must use IACS to gain access to the PS&R Redesign. The Provider IACS verification process includes the submission of supporting documentation, and may take weeks to complete the entire process. Providers should begin their IACS registration using the following schedule, to ensure that they will be able to access IACS and PS&R well in advance of the cost report due date:

Cost Report Fiscal Year End

Begin IACS Registration

January 31, 2009 – April 30, 2009

As soon as possible

May 1, 2009 – June 30, 2009

June 1, 2009

July 1, 2009 – August 31, 2009

August 1, 2009

September 1, 2009 – September 30, 2009

September 1, 2009

October 1, 2009 – January 30, 2010

October 1, 2009

The IACS operates under a delegated authority model. Therefore the first person to register for a provider organization is the designated Security Official. This person is designated by the provider organization to be ultimately responsible for all users in the organization.

The Security Official will:

- First register the organization in IACS
- Submit all required verification documentation, and
- If approved, will then be given the ability to approve other users' access to the PS&R system.

Please note that the Security Official can approve users for access to IACS and PS&R, but cannot access the PS&R application.

If a provider is part of a chain, each provider within the chain must register separately. The PS&R contains provider specific data and does not allow home offices or surrogate groups to access the data. If one Security Official will represent multiple providers, they may add the additional organizations to their IACS account (they will not need a separate IACS account for each). Each organization will be vetted using the normal approval process.

If the organization and Security Official have already been approved in IACS for a different CMS system, they will not need to complete this initial registration process again. However, all subsequent users will still need to register in IACS and for PS&R access.

To register in IACS, use the following web link: <https://applications.cms.hhs.gov>. Please read the warning, click "Enter CMS Applications Portal", and then click the "Account Management" tab at the top

of the webpage. The “Account Management” tab contains IACS web-based training and a link for “New User Registration”. Click “New User Registration”, and then providers shall select the “Provider/Supplier Community”, and FIs/MACs shall select the “FI/Carrier/MAC Community” to begin the registration process.

Once the Security Official has been approved (notified via email), other users can register for IACS accounts. Each new user will be approved by their Security Official. Once they receive their IACS ID and Password, the user may request, within IACS, access to the PS&R application.

The PS&R Webpage, <http://www.cms.hhs.gov/PSRR/>, contains a “Registration Tips” document that should assist with the addition of PS&R access to the user’s IACS account. The document is located in the “Download” section of the Provider Community and FI/MAC Community links.

Providers must produce the Summary PS&R reports needed to file cost reports ending on or after January 31, 2009. There are many variations of report requests that can be made in the new system, which you may customize as you become familiar with system (see user guides and training materials). You can produce all PS&R Summary reports using the following steps:

- Providers access PS&R using the following URL: <https://psr-ui.cms.hhs.gov/psr-ui>
- An IACS log-in screen will appear, log-in using your IACS ID and password,
- On the main PS&R homepage, select “Request Report” (at the top of the page),
- Then select “Request Summary” from the second line of the next screen,
- On the Summary Reports Request page, select reports “By Service Type”, and then “All” from the drop-down menu, and click “Continue” at bottom of page,
- Enter Service Dates- the system will default to your cost report period. If one full cost report period is needed, these dates will not need to be changed. However, the date ranges may be changed if needed. Note – if period “splits” are needed for cost reporting, the date ranges will also need to be changed.
- Select Paid Dates – you should select paid dates from the beginning of the cost report year to the latest possible date (date you are running the report),
- Click “Continue” at the bottom of the page,
- Select Report Format – you may select a PDF file (which can be easily read and printed), a CSV file (data file that can be imported to other software such as Excel), or both. Click “Continue” after selection is made,
- Confirm your report request information, then click “Submit” to submit your report request for processing,
- View “Report Inbox” to view status of request (we expect reports to be generated within 24 hours of the request),
- Once completed, you can click the file to download or view.

The earliest data accessible in PS&R Redesign is one full year of service dates beginning with the first cost report period ending January 31, 2009 and later (i.e., a June 30, 2009 fiscal year end provider’s first accessible data is July 1, 2008 – June 30, 2009).

We suggest you use a paid-through date that is approximately 30 days prior to the due date of your cost report. This will ensure that claims which may have been paid after the fiscal year end will be included in the PS&R. We also encourage you to attempt to run reports in advance to ensure that you can access the data needed for your cost report.

Within the PS&R Redesign, users will find web-based training (WBT), help screens, and user manuals that will assist in becoming more familiar with the system.

Chapter 8 has been modified to include the updated information pertaining to the PS&R Redesign. The PS&R technical information, located in Chapter 9 will be modified soon to include PS&R Redesign specific information.

Any user that has questions regarding IACS should contact the IACS help desk, External User Services (EUS), at 866-484-8049, or EUSsupport@cgi.com. Any providers' PS&R application specific questions will continue to be directed to their FI/MAC.

II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M M A C	F I I E R	C A R I E R	R H R I E S	Shared-System Maintainers				OTH ER
						F I S S	M C S	V M S	C W F		
6519.1	Contractors shall utilize the current (Legacy) PS&R system for all cost reports with fiscal years ending prior to January 31, 2009.	X		X		X					
6519.2	Contractors shall utilize the new PS&R (PS&R Redesign) system for all cost reports with fiscal years ending January 31, 2009 and later.	X		X		X					
6519.3	Contractors shall register in IACS prior to attempting to access the PS&R Redesign.	X		X		X					
6519.4	Contractors shall send a cost report reminder letter to the provider if the provider has not submitted their cost report by the end of the third month following the close of their cost reporting period.	X		X		X					
6519.5	Contractors shall include language in the reminder letter to inform the provider that they must obtain their own PS&R reports needed to file their cost report.	X		X		X					

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M M A C	F I I E R	C A R I E R	R H R I E S	Shared-System Maintainers				OTH ER
						F I S S	M C S	V M S	C W F		
6519.6	A provider education article related to this instruction will be available at	X		X		X					

Number	Requirement	Responsibility (place an "X" in each applicable column)								
		A / B M A C	D M E M A C	F I M A C	C A R I E R	R H I S	Shared-System Maintainers			
						F I S	M C S	V M S	C W F	
	<p>http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv.</p> <p>Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.</p>									

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below:

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

V. CONTACTS

Pre-Implementation Contact(s): Mark Korpela (410) 786-4058

Post-Implementation Contact(s): Mark Korpela (410) 786-4058

VI. FUNDING

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

10.1 – Contractor’s Responsibility Prior to Submission of Cost Reports

(Rev.153, Issued: 06-12-09, Effective: 07-13-09, Implementation: 07-13-09)

For cost reports ending prior to January 31, 2009

In accordance with the Provider Reimbursement Manual, Part II (PRM-II), § 104, providers that continue to participate in the Program and are required to submit a cost report must do so within 5 months of their cost reporting fiscal year end or 30 days after receipt of valid Provider Statistical and Reimbursement (PS&R) reports from the contractor, whichever date is later. Exceptions to this due date for “no Medicare utilization” cost reports are addressed in PRM-II, §110.A.

If the provider fails to file the cost report by the last day of the fourth month following the close of its cost reporting period, the contractor is required to send a reminder letter to the provider to help ensure that the cost report will be filed timely. (This letter may be sent sooner if the contractor wishes to send it at the time it sends the PS&R summary reports.) The reminder letter informs the provider of the due date for filing the cost report and the penalty for not filing the cost report timely. Furthermore, the reminder letter should include a statement that if the cost report cannot be submitted by the due date, the provider may request a reduced payment suspension rate of 50 percent during a grace period of 60 days. The reminder letter should specify that this request should be submitted before the due date of the cost report. Also, either in the reminder letter or the letter transmitting the PS&R summary report, the contractor shall notify each provider that all submitted cost reports are subject to a desk review and/or an audit.

If the contractor receives a request for a reduction in the rate of suspension either because the cost report will not be filed timely or because the submitted cost report was rejected and believes that the request should be approved, the contractor should recommend to the Regional Office (RO) that the provider’s suspension rate be reduced to 50 percent (or a different rate if appropriate because of unique circumstances) for a 60-day grace period. The contractor should maintain a copy of the RO’s approval/disapproval of this request in the provider’s file.

PRM-II, §§104.A.3 and 104.B.2 specify that the provider must receive the PS&R report on or before the 120th day following the close of a provider’s cost reporting period. Therefore, the contractor is required to furnish each provider with a copy of the year-to-date summary PS&R reports by the 120th day after the end of the provider’s cost reporting period. These PS&R reports (by type) should split the summary data into appropriate portions of the provider’s cost reporting period as dictated by the Medicare reimbursement policies (e.g., federal payments need to be split as specified in PRM-II, §3 630 in order to calculate the indirect medical education and disproportionate share hospital payments). A split may also be necessary because of the provider’s unique situation. Having the split PS&R

reports will enable the provider to file the cost report accurately. (See Chapter 9 of this manual for detailed description of the PS&R reports.)

If a provider requests detailed PS&R data (e.g., payment reconciliation report) to reconcile their records with your records, furnish an annual detailed PS&R reports at no cost to the provider. If a provider requests interim (other than annual) detailed PS&R report data, provide the detailed data at intervals requested by the provider as long as they are reasonable. You may charge the provider a fee for this extra service. The fee should be reasonably related to costs you incur for the added service and be commensurate with your charge to all other providers for similar data.

Furnish the PS&R reports on electronic media, when cost effective, or on paper. The provider is expected to make reasonable efforts to process electronic media.

For cost reports ending on or after January 31, 2009

In accordance with the Provider Reimbursement Manual, Part II (PRM-II), § 104, providers that continue to participate in the Program and are required to submit a cost report must do so within 5 months of their cost reporting fiscal year end. Exceptions to this due date for “no Medicare utilization” cost reports are addressed in PRM-II, § 110.A.

The Redesigned PS&R system (PS&R Redesign) shall be utilized for all cost reports with fiscal years ending January 31, 2009 and later. The PS&R Redesign allows providers to obtain their own PS&R reports needed to file the cost report. The contractor is not required to send the provider their PS&R reports, unless the provider cannot access the system, and informs the contractor of the issue.

If the provider has not already filed its cost report by the last day of the third month following the close of its cost reporting period, the contractor is required to send a reminder letter to the provider to help ensure that the cost report will be filed timely. The reminder letter shall:

- Inform the provider of the due date for filing the cost report and the penalty for not filing the cost report timely,*
- Include a statement that if the cost report cannot be submitted by the due date, the provider may request a reduced payment suspension rate of 50 percent during a grace period of 60 days,*
- Specify that this request should be submitted before the due date of the cost report,*
- Include a reminder to the provider that they must obtain their own PS&R reports needed to file to the cost report, and if they are unable to obtain their reports, they should contact their contractor immediately or run the risk of*

payment suspension for lack of timely filing, and

- *Notify each provider that all submitted cost reports are subject to a desk review and/or an audit.*

If the contractor receives a request for a reduction in the rate of suspension either because the cost report will not be filed timely or because the submitted cost report was rejected and believes that the request should be approved, the contractor should recommend to the Regional Office (RO) that the provider's suspension rate be reduced to 50 percent (or a different rate if appropriate because of unique circumstances) for a 60-day grace period. The contractor should maintain a copy of the RO's approval/disapproval of this request in the provider's file.

If the provider is unable to obtain access to the PS&R system, or cannot obtain their PS&R reports, and they contact their contractor for assistance, the contractor shall instruct the provider how to obtain their reports. The contractor may assist the provider by supplying them with the needed reports. Note that failure by the provider to contact the contractor in a timely manner does not warrant an automatic extension of the cost report due dates and could result in the provider's inability to file the cost report timely and thus be subjected to payment suspension.

The year-to-date summary PS&R reports needed by the provider (by type) should split the summary data into appropriate portions of the provider's cost reporting period as dictated by the Medicare reimbursement policies (e.g., federal payments need to be split as specified in PRM-II, §3630 in order to calculate the indirect medical education and disproportionate share hospital payments). A split may also be necessary because of the provider's unique situation. Having the split PS&R reports will enable the provider to file the cost report accurately. PS&R Users may enter any date range in the PS&R system to accommodate these splits. (See Chapter 9 of this manual for detailed description of the PS&R reports.)

The provider may also request detailed PS&R data (e.g. payment reconciliation report) to reconcile their records. The request is input by the provider using the PS&R Redesign, but due to the sensitive data contained within these reports, the contractor must approve the request, and send the reports to the provider via secure media (i.e. password protected CD). The contractor shall furnish a requested detailed PS&R report annually at no cost to the provider. If a provider requests interim (other than annual) detailed PS&R report data, provide the detailed data at intervals requested by the provider as long as they are reasonable. You may charge the provider a fee for this extra service. The fee should be reasonably related to costs you incur for the added service and be commensurate with your charge to all other providers for similar data.