
Medicare

Department of Health and
Human Services (DHHS)

Provider Reimbursement Manual Part 2, Provider Cost Reporting Forms and Instructions, Chapter 41, Form CMS-2540-10

Centers for Medicare and
Medicaid Services (CMS)

Transmittal 1

Date: May 2011

<u>HEADER SECTION NUMBERS</u>	<u>PAGES TO INSERT</u>	<u>PAGES TO DELETE</u>
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NEW/REVISED MATERIAL--*EFFECTIVE DATE*: Cost Reporting Periods Beginning on or After December 1, 2010.

This transmittal introduces Chapter 41, Skilled Nursing Facility and Skilled Nursing Facility Complex Cost Report, Form CMS-2540-10, which contains instructions for the completion of the new cost report forms to be filed by skilled nursing facilities (SNF's) and SNF complexes.

The following is a summary of the major revisions to earlier cost reporting forms:

<u>Form CMS 2540-96 Wkst.</u>	<u>Form CMS 2540-10 Wkst.</u>	<u>Summary of Changes</u>
S	S, Parts I, II & III	Added Part I for cost report status, Part II is the certification and Part III is now the settlement summary.
S-2	S-2, Part I	Expanded the questions that will generate other worksheets on the cost report.
	S-2, Part II	Included the Provider Cost Report Reimbursement Questionnaire Form CMS-339 into CMS-2540-10.
S-3, Part I	S-3, Part I	Re-designated the subscripted lines and columns into whole number lines and columns.
S-3, Part II & III	S-3, Part II & III	Re-designated the subscripted lines and columns into whole number lines and columns.
	S-3, Part IV	New worksheet added to capture wage related cost formerly reported on Form CMS-339.

Pub. 15-2-41

<u>Form CMS 2540-96 Wkst.</u>	<u>Form CMS 2540-10 Wkst.</u>	<u>Summary of Changes</u>
S-4	S-4	Re-designated the subscripted lines and columns into whole number lines and columns.
S-5	S-5	Re-designated the subscripted lines into whole number lines.
S-7	S-7	Redesigned the worksheet to capture all of the statistics for SNF RUGs.
A	A	Redesigned the worksheet to display 5 digit cost center codes. Initiated new numbering sequence.
A-6	A-6	No change.
A-7	A-7	Added column 7 to report provider's fully depreciated assets.
A-8	A-8	Minor changes to conform to Worksheet A.
A-8-1	A-8-1	Minor changes to conform to Worksheet A.
A-8-2	A-8-2	No change.
A-8-3	A-8-3	Eliminated.
A-8-4	A-8-4	Eliminated.
A-8-5	A-8-5	Eliminated.
B, Part I	B, Part I	Redesigned the worksheet to reflect changes on Worksheet A.
B, Part II	B, Part II	Redesigned the worksheet to reflect changes on Worksheet A.
B-1	B-1	Minor changes to conform to Worksheet A.
B-2	B-2	No change.
C	C	Minor changes to conform to Worksheet A.
D, Parts I-V	D, Parts I-V	Eliminated columns no longer used.
D-1	D-1	Minor changes.

<u>Form CMS 2540-96 Wkst.</u>	<u>Form CMS 2540-10 Wkst.</u>	<u>Summary of Changes</u>
E, Part I	E, Part I	Eliminated obsolete lines and converted subscripted lines into whole number. For use by Title XVIII only.
E, Part II	E, Part II	Eliminated obsolete lines and converted subscripted lines into whole number lines.
E-1	E-1	Minor changes.
G, G-1, G-2, and G-3	G, G-1, G-2, and G-3	Minor changes. Re-designated subscripted lines into whole number lines.
H	H	No change.
H-1	H-1, Parts I & II	Re-designed for the allocation of HHA general service costs.
H-2	H-2, Parts I & II	Re-designed for the allocation of general service costs of the SNF.
H-3	H-3, Parts I & II	Re-designed for the apportionment of Patient Service Costs.
H-4, Parts I & II	H-4, Parts I & II	Re-designated as the Settlement Summary, formerly identified as Worksheet H-6.
H-5, Parts I & II	H-5	Re-designated as the Analysis of Payments to Provider-Based HHAs, formerly identified as Worksheet H-7.
H-6		Replaced with H-4, Parts I & II.
H-7		Replaced with H-5.
I-1	I-1	Eliminated GME references and lines accordingly.
I-2	I-2	Added lines to Part I for additional personnel for FQHC only.
I-3, I-4 & I-5	I-3, I-4 & I-5	Minor changes.
J-1, J-2, J-3, & J-4		Re-designated the subscripted lines and columns into whole number lines and columns. These worksheets are exclusive for CMHC.

Form CMS
2540-96 Wkst.

K, K-1, K-2, K-3,
K-4, Parts I&II,
K-5, Parts I-III

Form CMS
2540-10 Wkst.

K, K-1, K-2, K-3,
K-4, Parts I&II,
K-5, Parts I-III

Summary of Changes

Re-designated the subscripted lines and columns into whole number lines and columns.

Paper Reduction Statement

According to the Paperwork Reduction Act (PRA) of 1995, no persons are required to respond to a collection of information unless it displays a valid Office of Management and Budget (OMB) control number. The valid OMB control number for this information collection is 0938-0463. The time required to complete this information collection is estimated 196 hours per response, including the time to review instructions, search existing resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Report Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

CHAPTER 41

SKILLED NURSING FACILITY AND SKILLED NURSING
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FORM CMS-2540-10

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4100. GENERAL

The Paperwork Reduction Act (PRA) of 1995 requires that the private sector be informed as to why information is collected and what the information is used for by the government. In accordance with §§1815(a) and 1861(v)(1)(A) of the Act, providers of service participating in the Medicare program are required to submit annual information to achieve settlement of costs for health care services rendered to Medicare beneficiaries. Also, 42 CFR 413.20 requires cost reports from providers on an annual basis. In accordance with these provisions, Form CMS-2540-10 must be completed by all skilled nursing facilities (SNFs) and SNF health care complexes in determining program reimbursement. Besides determining program reimbursement, the data submitted on the cost report supports management of the Federal programs, e.g., data extraction in developing cost limits. In completing Form CMS-2540-10, the information reported must conform to the requirements and principles set forth in the Provider Reimbursement Manual (CMS Pub. 15). The filing of the cost report is mandatory and failure to do so results in all payments to be deemed overpayments, and 100 percent of these payments are withheld until the cost report is received. See CMS Pub. 15-2, Chapter 1. The instructions contained in this chapter are effective for cost reporting periods beginning on or after December 1, 2010.

All SNF's are reimbursed under the Prospective Payment System (PPS) for cost reporting periods beginning on and after July 1, 1998.

Effective for cost reporting periods ending on and after March 31, 2000, the electronic cost report (ECR) file is considered the official means of cost report submissions. The submission of the hard copy cost report is not required, except for providers that use the CMS supplied free software. Those providers must continue to submit the manually completed hard copy cost report to their fiscal intermediary (FI)/Medicare administrative contractor (MAC) (hereafter referred to as contractor) (along with the corresponding ECR file) due to an inability of the free software to create a print image file. The free software generated ECR file will, however, be considered the official copy.

This form is not used by a SNF that is a distinct part of a hospital. Instead, they must use the Hospital Form CMS-2552.

In addition to Medicare reimbursement, these forms also provide for the computation of reimbursable costs applicable to titles V and XIX. Complete the worksheets and portions of worksheets applicable to titles V and XIX only when reimbursement is being claimed from these respective programs and only to the extent these forms are required by the State program.

Public reporting burden for this collection of information is estimated to average 60 hours per response, and record keeping burden is estimated to average 136 hours per response. This includes time for reviewing instructions, searching existing data sources, gathering and maintaining data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to:

Centers for Medicare and Medicaid Services
PRA Reports Clearance Officer
7500 Security Boulevard
Mail Stop C4-26-05
Baltimore, Md. 21244-1850

4100.1 Rounding Standards for Fractional Computations.--Throughout the Medicare cost report, required computations result in the use of fractions. The following rounding standards must be employed for such computation.

1. Round to 2 decimal places:
 - a. Percentages
 - b. Averages, standard work week, payment rates, and cost limits
 - c. Full time equivalent employees
 - d. Per diem, hourly rates
2. Round to 6 decimal places:
 - a. Ratios (e.g., unit cost multipliers, cost/charge ratios)

If a residual exists as a result of computing costs using a fraction, adjust the residual in the largest amount resulting from the computation. For example, in cost finding, a unit cost multiplier is applied to the statistics in determining costs. After rounding each computation, the sum of the allocation may be more or less than the total cost allocated. This residual is adjusted to the largest amount resulting from the allocation so that the sum of the allocated amounts equals the amount allocated.

4100.2 Acronyms and Abbreviations.--Throughout the Medicare cost report and instructions, a number of acronyms and abbreviations are used. For your convenience, commonly used acronyms and abbreviations are summarized below.

A&G	-	Administrative and General
AHSEA	-	Adjusted Hourly Salary Equivalency Amount
ASC	-	Ambulatory Surgical Center
BBA	-	Balanced Budget Act of 1997 (PL105-33)
CAP-REL	-	Capital-Related
CBSA	-	Core-Based Statistical Area
CCN		CMS Certified Number
CCU	-	Coronary Care Unit
CFR	-	Code of Federal Regulations
CMHC	-	Community Mental Health Center
CMS	-	Centers for Medicare and Medicaid Services
CMS Pub.	-	Centers for Medicare and Medicaid Services' Publication
COL	-	Column
CORF	-	Comprehensive Outpatient Rehabilitation Facility
CRNA	-	Certified Registered Nurse Anesthetist
DMERC	-	Durable Medical Equipment Regional Carrier
DRA	-	Deficit Reduction Act of 2005
EKG	-	Electrocardiogram
FQHC	-	Federally Qualified Health Center
FR		Federal Register
HHA	-	Home Health Agency
HMO	-	Health Maintenance Organization
HSPC	-	Hospice
ICF/MR	-	Intermediate Care Facility for the Mentally Retarded
ICU	-	Intensive Care Unit
INPT	-	Inpatient
IOM	-	Internet Only Manual
LCC	-	Lesser of Reasonable Cost or Customary Charges
LUPA	-	Low Utilization Payment Adjustment

MED-ED	-	Medical Education
MSA	-	Metropolitan Statistical Area
NHCMQ	-	Nursing Home Case Mix and Quality Demonstration
NF	-	Nursing Facility
NPI	-	National Provider Identifier
OBRA	-	Omnibus Budget Reconciliation Act
OLTC	-	Other Long Term Care
OOT	-	Outpatient Occupational Therapy
OPT	-	Outpatient Physical Therapy
OSP	-	Outpatient Speech Pathology
PBP	-	Provider-Based Physician
PEP	-	Partial Episode Payment
PPS	-	Prospective Payment System
PRM	-	Provider Reimbursement Manual
PRO	-	Professional Review Organization
PS&R	-	Provider Statistical and Reimbursement System
PT	-	Physical Therapy
RCE	-	Reasonable Compensation Equivalent
RHC	-	Rural Health Clinic
RPCH	-	Rural Primary Care Hospitals
RT	-	Respiratory Therapy
RUG	-	Resource Utilization Group
SNF	-	Skilled Nursing Facility
WKST	-	Worksheet

4101 RECOMMENDED SEQUENCE FOR COMPLETING A SNF COST REPORT

4101.1 Recommended Sequence for Completing an SNF or SNF Health Care Complex - Full Cost Report.Part I - Departmental Cost Adjustments and Cost Allocation

<u>Step No.</u>	<u>Worksheet</u>	
1	S-2	Read §4104. Complete entire worksheet.
2	S-3	Read §4105. Complete all worksheets.
3	S-7	Read §4109. Complete entire worksheet
4	A	Read §4113. Complete columns 1 through 3, lines 1 through 100.
5	A-6	Read §4114. Complete, if applicable.
6	A	Read §4113. Complete columns 4 and 5, lines 1 through 100.
7	A-7	Read §4115. Complete entire worksheet.
8	A-8-1	Read §4117. Complete entire worksheet
9		
10	A-8	Read §4116. Complete entire worksheet.
11	A	Read §4113. Complete columns 6 and 7, lines 1 through 100.
12	B (Parts I & II), B-1, and B-2	Read §4120 and §4121. Complete all worksheets entirely.

Part II - Departmental Cost Distribution and Cost Apportionment

<u>Step No.</u>	<u>Worksheet</u>	
1	C	Read §4123. Complete entire worksheet.
2	D	Read §4124. Complete entire worksheet. A <u>separate</u> copy of this worksheet must be completed for each applicable health care program for each SNF and nursing facility (NF).
3	D-1	Read §4125. A separate worksheet must be completed for each applicable health care program for each SNF and NF.

Part III - Calculation of Reimbursement Settlement

<u>Step No.</u>	<u>Worksheet</u>	
1	E, Part I	Read §§4130. Complete through line 17 for Part A services and lines 18 through 33 for Part B services.
2	E-1	Complete lines 1-4. See Section 4131.
3	G through G-3	Read §4140. This step is completed by all providers maintaining fund type accounting records. Non-proprietary providers which do not maintain fund type records complete the General Fund column only.

Calculation of Reimbursement Settlement of Subproviders

1	S-4	Read §4106. Complete this worksheet when applicable.
2	H	Read §4141. Complete this worksheet where applicable.
3	H-1	Read §4142. Complete this worksheet where applicable.
4	H-2	Read §4143. Complete this worksheet where applicable.
5	H-3	Read §4144. Complete this worksheet where applicable.
6	H-4	Read §4145. Complete this worksheet when applicable.
7	H-5	Read §4146. Complete this worksheet when applicable.
8	S-5	Read §4107. Complete this worksheet when applicable.
9	I-1 through I-4	Read §§4148-4151. Complete these worksheets when applicable.
10	I-5	Read §4152. Complete this worksheet when applicable.
11	J-1 through J-4	Read §4153-4156. Complete these worksheets when applicable. A separate copy of this worksheet must be completed for each component.
12	S-8	Read §4110. Complete this worksheet when Applicable.
13	K through K-1	Read §4157-4158. Complete this worksheet when applicable.

<u>Step No.</u>	<u>Worksheet</u>	
14	K-2	Read §4159. Complete this worksheet when applicable.
15	K-3	Read §4160. Complete this worksheet when applicable.
16	K-4	Read §4161 Complete this worksheet when Applicable.
17	K-5	Read §4162 Complete this worksheet when Applicable.
18	K-6	Read §4163. Complete this worksheet when Applicable.

4102. SEQUENCE OF ASSEMBLY

The following examples of assembly of worksheets are provided so all providers are consistent in the order of submission of their annual cost report. All providers using Form CMS-2540-10 must adhere to this sequence. If worksheets are not completed because they are not applicable, do not include blank worksheets in the assembly of the cost report.

<u>Worksheet</u>	<u>Part</u>	<u>Full Cost Report</u>
S	I, II & III	X
S-2	I & II	X
S-3	I, II, III, and IV	X
S-4		X
S-5		X
S-6		X
S-7		X
S-8		X
A		X
A-6		X
A-7		X
A-8		X
A-8-1		X
A-8-2		X
B	I	X
B	II	X
B-1		X

<u>Worksheet</u>	<u>Part</u>	<u>Full Cost Report</u>
B-2		X
C		X
D		X
D-1		X
E	I	X
E	II	X
E-1		X
G		X
G-1		X
G-2		X
G-3		X
H Through H-5		X
I Through I-5		X
J-I Through J-4		X
K Through K-6		X

4103. WORKSHEET S - SKILLED NURSING FACILITY AND SKILLED NURSING FACILITY HEALTH CARE COMPLEX COST REPORT CERTIFICATION AND SETTLEMENT SUMMARY

Check the appropriate box to indicate whether you are filing electronically or manually. For electronic filing, indicate on the appropriate line the date and time corresponding to the creation of the electronic file. This date and time remains as an identifier for the file by the contractor and is archived accordingly. This file is your original submission and is not to be modified.

4103.1 Part I – Cost Report Status.-- **For contractor use only:** The contractor must indicate in the appropriate box the cost report status, as submitted, amended, settled, or reopened. If it is a reopening, indicate the number of times the cost report has been reopened. If this is a “settled” or “reopened” cost report, indicate if desk reviewed or audited.

4103.2 Part II - Certification.--This certification is read, prepared, and signed after the cost report has been completed in its entirety.

4103.3 Part III - Settlement Summary.--Enter the balance due to or due from the applicable program for each applicable component of the program. Transfer settlement amounts as follows:

Skilled Nursing Facility Component	Title V	From		Title XIX
		Title XVIII Part A	Title XVIII Part B	
Skilled Nursing Facility Line 1 33	Wkst. E, Part II, Line 33	Wkst. E, Part I, Line 15	Wkst. E, Part I, Line 29	Wkst. E, Part II, Line
Nursing Facility Line 2	Wkst. E, Part II Line 33	N/A	N/A	Wkst. E, Part II, Line 33
ICF/MR Line 3	N/A	N/A	N/A	Wkst. E, Part II, Line 33
SNF-Based Home Health Agency Line 4 Cols. 34	Wkst. H-4, Part II, Sum of Cols. 1&2, Line 34	Wkst. H-4, Part II, Col. 1 Line 34	Wkst. H-4, Part II, Col. 2 Line 34	Wkst. H-4, Part II, Sum of 1&2, Line
SNF-Based RHC Line 5	Wkst. I-3, Line 28	N/A	Wkst. I-3, Line 28	Wkst. I-3, Line 28
SNF-Based FQHC Line 6	Wkst. I-3, Line 28	N/A	Wkst. I-3, Line 28	Wkst. I-3, Line 28
SNF-Based CMHC Line 7	Wkst. J-3, Col. 1, Line 20	N/A	Wkst. J-3, Col. 1 Line 20	Wkst J-3, Col. 1 Line 20

4104. WORKSHEET S-2 - PART I SKILLED NURSING FACILITY AND SKILLED NURSING FACILITY HEALTH CARE COMPLEX IDENTIFICATION DATA

The information required on this worksheet is needed to properly identify the provider.

Lines 1 and 2.--Enter the address of the skilled nursing facility.

Line 3.--Indicate your county in column 1. Enter in column 2 the Core Based Statistical Area (CBSA) code. Enter in column 3, a "U" or "R" designating urban or rural.

Lines 4 through 12.--On the appropriate lines and columns indicated, enter the names, provider identification numbers, and certification dates of the skilled nursing facility (SNF) and its various components, if any. For each health care program, indicate the payment system applicable to the SNF and its various components by entering "p" (prospective payment system), "o" (indicating cost reimbursement), or "n" (for not applicable) respectively.

Line 4.--This is an institution or distinct part of an institution that meets the requirements set forth in 42 CFR section 483.5 that has been issued a separate identification number indicating that it meets the requirements of §1819 of the Social Security Act. Skilled Nursing Facility cost reports, reimbursed under title XVIII must use the Prospective Payment System.

Line 5.--This is an institution or distinct part of an institution that meets the requirements set forth in 42 CFR section 483.5 that has been issued a separate identification number indicating that it meets the requirements of §1919 of the Social Security Act.

Line 6.--This is an institution or distinct part of an institution that meets the requirements set forth in 42 CFR section 483.5 that has been issued a separate identification number indicating that it meets the requirements of §1905 of the Social Security Act.

Line 7.--This is a SNF based HHA that has been issued an identification number and which meets the requirements of §§1861(o) and 1891 of the Act. If you have more than one SNF based HHA, subscript this line and report the required information for each HHA.

Lines 8 & 9.--This is a SNF-based RHC/FQHC that meets the requirements of §1861(aa) of the Act.

Line 10.--This is a SNF-based community mental health center that has been issued a separate identification number. See section 1861(ff) of the Social Security Act.

Line 11.--This is any other SNF-based facility not listed above. The beds in this unit are not certified for titles V, XVIII, or XIX.

Line 12.--This is a SNF-based Hospice that meets the requirements of §1861(dd) of the Social Security Act.

Line 13.--For any component type not identified on lines 4 through 12, enter the required information in the appropriate column. This includes, but is not limited to comprehensive outpatient rehabilitation facilities (CORFs), outpatient physical therapy (OPT) providers, outpatient occupation therapy (OOT) providers, and/or outpatient speech pathology (OSP) clinics.

Line 14.--Enter the inclusive dates covered by this cost report. In accordance with 42 CFR 413.24(f), you are required to submit periodic reports of operations which generally cover a consecutive 12-month period of operations. (See §§102.1 - 102.3 for situations when you may file a short period cost report.)

Cost reports are due on or before the last day of the fifth month following the close of the period covered by the report. The ONLY provision for an extension of the cost report due date is identified in 42 CFR 413.24(f) (2) (ii).

When you voluntarily or involuntarily cease to participate in the health insurance program or experience a change of ownership, a cost report is due no later than 5 months following the effective date or termination of your agreement or change of ownership.

Line 15.--Enter a number from the list below which indicates the type of ownership or auspices under which the SNF is conducted.

- | | |
|----------------------------------|--------------------------------------|
| 1 = Voluntary Nonprofit, Church | 8 = Governmental, City-County |
| 2 = Voluntary Nonprofit, Other * | 9 = Governmental, County |
| 3 = Proprietary, Individual | 10 = Governmental, State |
| 4 = Proprietary, Corporation | 11 = Governmental, Hospital District |
| 5 = Proprietary, Partnership | 12 = Governmental, City |
| 6 = Proprietary, Other * | 13 = Governmental, Other * |
| 7 = Governmental, Federal | |

* Where an "other" item is selected, please specify.

Lines 16 through 18.--These lines provide for furnishing certain information concerning the provider. All applicable items must be completed.

Line 19.--If this is a low or no Medicare utilization cost report, indicate with an "L", for Low Medicare Utilization, or "N" for No Medicare Utilization.

Lines 20 through 23.--These lines provide for furnishing certain information concerning depreciation. All applicable items must be completed. (See CMS Pub. 15-1, Chapter 1, regarding depreciation.)

Lines 20, 21, and 22.--Indicate, on the appropriate lines, the amount of depreciation claimed under each method of depreciation used by the SNF during the cost reporting period.

Line 23.--The total depreciation shown on this line may not equal the amount shown on lines 1 and/or 2 on the Trial Balance of Expenses Worksheet, but represents the amount of depreciation included in costs on Worksheet A, column 7.

Lines 25 through 28.--Indicate a "Yes" or "No" answer to each question on these lines.

Lines 29 through 36.--Indicate for each component the type of service that qualifies for the exception.

Line 37.--Indicate whether the provider is licensed in a State that certifies the provider as an SNF as described on line 4 above, regardless of the level of care given for Titles V and XIX patients.

Line 38.--Malpractice insurance, sometimes referred to as professional liability insurance, is insurance purchased by physicians and SNF's to cover the cost of being sued for malpractice.

Line 39.-- A claims-made insurance policy covers claims first made (reported or filed) during the year the policy is in force for any incidents that occur that year or during any previous period during which the insured was covered under a "claims-made" contract. The Occurrence policy covers an incident occurring while the policy is in force regardless of when the claim arising out of that incident is filed. If the policy is claims-made, enter 1. If the policy is occurrence, enter 2.

Line 40.--A liability limit refers to the maximum sum of money an insurance company will pay per lawsuit and per policy year. For example, a standard liability limit for physician professional liability is \$1 million in damages per lawsuit and a total of \$3 million for all lawsuits during the policy year (often referred to as \$1 million/\$3 million).

Line 41.--List the total amount of malpractice premiums paid, (column 1) the total amount of paid losses, (column 2), and the total amount of self insurance, (column 3) allocated in this fiscal year.

Line 42.--Indicate if malpractice premiums and paid losses are reported in other than the Administrative and General cost center. If yes, provide a supporting schedule and list the amounts applicable to each cost center.

Malpractice insurance premiums are money paid by the provider to a commercial insurer to protect the provider against potential negligence claims made by their patients/clients. Malpractice paid losses is money paid by the healthcare provider to compensate a patient/client for professional negligence. Malpractice self-insurance is money paid by the provider where the healthcare provider acts as its own insurance company (either as a sole or part-owner) to financially protect itself against professional negligence – often providers will manage their own funds or purchase a policy referred to as captive insurance, which protects providers for excess protection that may be unavailable or cost-prohibitive at the primary level.

Line 43.--Are there any related organizations or home office costs as defined in CMS Pub. 15-1, Chapter 10? Enter “Y” for yes, or “N” for no, in column 1

Line 44.--If yes, and there are home office costs, enter the home office chain number. If this facility is part of a chain organization; enter the name and address of the home office on lines 45, 46 and 47.

Line 45, columns 1, 2 and 3.--Enter the name of the home office in column 1, and enter the name of the contractor of the home office in column 2. Enter the contractor number in column 3.

Line 46, columns 1 and 2.--Enter the street address in column 1, or the post office box number in column 2.

Line 47, columns 1, 2 and 3.--Enter the city, State and zip code in columns 1, 2, and 3.

4104.1 Part II – Skilled Nursing Facility and Skilled Nursing Facility Health Care Complex Reimbursement Questionnaire.-- The information required on Part II of this worksheet (formerly Form CMS-339) must be completed by all providers submitting cost reports to the Medicare contractor under Title XVIII of the Social Security Act (hereafter referred to as “The Act”). Its purpose is to assist you in preparing an acceptable cost report, to minimize the need for direct contact between you and your contractor, and to expedite review and settlement of the cost report. It is designed to answer pertinent questions about key reimbursement concepts displayed in the cost report and to gather information necessary to support certain financial and statistical entries on the cost report. The questionnaire is a tool used in arriving at a prompt and equitable settlement of your cost report.

Where the instructions for this worksheet direct you to submit documentation/information, mail or otherwise transmit to the contractor immediately, after submission of the ECR. The contractor has the right under §§1815(a) and 1883(e) of the Act to request any missing documentation required to complete the desk review.

To the degree that the information in the questionnaire constitutes commercial or financial information which is confidential and/or is of a highly sensitive personal nature, the information will be protected from release under the Freedom of Information Act. If there is any question about releasing information, the contractor should consult with the CMS Regional Office.

NOTE: The responses on all lines are Yes or No unless otherwise indicated. If in accordance with the following instructions, you are requested to submit documentation, indicate the line number for each set of documents you submit.

Line Descriptions

Lines 1 through 18 are required to be completed by all Skilled Nursing Facilities.

Line 1--Indicate whether the provider has changed ownership. Enter "Y" for yes or "N" for no in column 1. If column 1 is "Y", enter the date the change of ownership occurred in column 2. Also, submit the name and address of the new owner and a copy of the sales agreement with the cost report.

Line 2--Indicate whether the provider has terminated participation in the Medicare program. Enter "Y" for yes or "N" for no in column 1. If column 1 is "Y", enter the date of termination in column 2, and "V" for voluntary or "I" for involuntary in column 3.

Line 3--Indicate whether the provider is involved in business transactions, including management contracts, with individuals or entities (e.g., chain home offices, drug or medical supply companies) that are related to the provider or its officers, medical staff, management personnel, or members of the board of directors through ownership, control, or family and other similar relationships. Enter "Y" for yes or "N" for no in column 1. If column 1 is "Y", submit a list of the individuals, the organizations involved, and a description of the transactions with the cost report.

NOTE A related party transaction occurs when services, facilities, or supplies are furnished to the provider by organizations related to the provider through common ownership or control. (See CMS Pub. 15-1, Chapter 10 and 42 CFR §413.17)

Line 4--Indicate whether the financial statements were prepared by a Certified Public Accountant. Enter "Y" for yes or "N" for no in column 1. If you answer "Y" in column 1, enter "A" for audited, "C" for compiled, or "R" for reviewed in column 2. Submit a complete copy of the financial statements (i.e., the independent public accountant's opinion, the statements themselves, and the footnotes) with the cost report. If the financial statements are not available for submission with the cost report enter the date they will be available in column 3.

If you do not engage public accountants to prepare your financial statements, submit a copy of the financial statements you prepared, and written statements of significant accounting policy and procedure changes affecting Medicare reimbursement which occurred during the cost reporting period. You may submit the changed accounting or administrative procedures manual in lieu of written statements.

Line 5--Indicate whether the total expenses and total revenues reported on the cost report differ from those on the filed financial statements. Enter "Y" for yes or "N" for no in column 1. If you answer "Y" in column 1, submit reconciliation with the cost report.

Line 6--Indicate whether costs were claimed for Nursing School. Enter "Y" for yes, or "N" for no in column 1. If you answer "Y" in column 1, enter "Y" for yes or "N" for no in column 2 to indicate whether the provider is the legal operator of the program.

Line 7--Indicate whether costs were claimed for Allied Health Programs. Enter "Y" for yes, or "N" for no in column 1. If you answer "Y" in column 1, submit a list of the program(s) with the cost report and annotate for each, whether the provider is the legal operator of the program.

NOTE: For purposes of lines 6 and 7, the provider is the legal operator of a nursing school and/or allied health program if it meets the criteria in 42 CFR §413.85(f)(1) or (f)(2).

Line 8--Indicate whether approvals and/or renewals were obtained during the cost reporting period for Nursing School and/or Allied Health programs. Enter "Y" for yes, or "N" for no in column 1. If you answer "Y" in column 1, submit a list of the program(s), and copies of the approvals and/or renewals with the cost report.

Line 9--Indicate whether you are seeking reimbursement for bad debts resulting from Medicare deductible and coinsurance amounts which are uncollectible from Medicare beneficiaries. (See 42 CFR §413.89ff and CMS Pub. 15-1, §§306-324 for the criteria for an allowable bad debt.) Enter "Y" for yes or "N" for no in column 1. If you answer "Y" in column 1, submit a completed Exhibit 1 or internal schedules duplicating the documentation requested on Exhibit 1 to support the bad debts claimed. If you are claiming bad debts for inpatient and Part B SNF services, complete a separate Exhibit 1 or internal schedule for each category. Also, complete a separate Exhibit 1, as applicable, for bad debts of each sub provider.

Exhibit 1 displayed at the end of this section requires the following documentation:

Columns 1, 2, 3 - Patient Names, Health Insurance Claim (HIC) Number, Dates of Service (From - To)--The documentation required for these columns is derived from the beneficiary's bill. Furnish the patient's name, health insurance claim number and dates of service that correlate to the filed bad debt. (See CMS Pub. 15-1, §314 and 42 CFR §413.89)

Column 4--Indigency/Welfare Recipient--If the patient included in column 1 has been deemed indigent, place a check in this column. If the patient in column 1 has a valid Medicaid number, also include this number in this column. See the criteria in CMS Pub. 15-1, §§312 and 322 and 42 CFR §413.89 for guidance on the billing requirements for indigent and welfare recipients.

Columns 5 & 6--Date First Bill Sent to Beneficiary & Date Collection Efforts Ceased--This information should be obtained from the provider's files and should correlate with the beneficiary name, HIC number, and dates of service shown in columns 1, 2 and 3 of this exhibit. The dates in column 6 represents the date that the unpaid account is deemed worthless, whereby all collection efforts, both internal and by an outside entity, ceased and there is no likelihood of recovery of the unpaid account. (See CFR 413.89(f), and CMS Pub. 15-1, §§308, 310, and 314)

Column 7--Remittance Advice Dates--Enter in this column the remittance advice dates that correlate with the beneficiary name, HIC No., and dates of service shown in columns 1, 2, and 3 of this exhibit.

Columns 8 & 9--Deductibles & Coinsurance--Record in these columns the beneficiary's unpaid deductible and coinsurance amounts that relate to covered services.

Column 10--Total Medicare Bad Debts--Enter on each line of this column, the sum of the amounts in columns 8 and 9. Calculate the total bad debts by summing up the amounts on all lines of Column 10. This "total" must agree with the bad debts claimed on the cost report. Attach additional supporting schedules, if necessary, for bad debt recoveries.

NOTE: The information in Exhibit 1 is not captured in the ECR file. Therefore, this exhibit must be completed and submitted either manually (hard copy), or in electronic media format (e.g. diskette, or CD).

Line 10--Indicate whether your bad debt collection policy changed during the cost reporting period. Enter "Y" for yes or "N" for no in column 1. If you answer "Y" in column 1, submit a copy of the policy with the cost report.

Line 11--Indicate whether patient deductibles and/or coinsurance are waived. Enter "Y" for yes or "N" for no in column 1. If you answer "Y" in column 1, ensure that they are not included on the bad debt listings (i.e., Exhibit 1 or your internal schedules) submitted with the cost report.

Line 12--Indicate whether total available beds have changed from the prior cost reporting period. Enter "Y" for yes or "N" for no in column 1. If you answer "Y" in column 1, provide a copy of the approval from the Regional Office for a change in bed size required under CMS Pub. 15-1, §2337.2.

NOTE: For purposes of line 12, available beds are provider beds that are permanently maintained for lodging inpatients. They must be available for use and be housed in patient rooms or wards (i.e., do not include beds in corridors or temporary beds). (See 42 CFR §412.105(b) and CMS Pub. 15-1, §2200.2.C.)

Line 13--Indicate whether the cost report was prepared using the Provider Statistical & Reimbursement Report (PS&R) only. Use columns 1 and 2 for Part A and columns 3 and 4 for Part B. Enter "Y" for yes or "N" for no in columns 1 and 3. If either column 1 or 3 is "Y" enter the paid through date of the PS&R in columns 2 and/or 4. Also, submit a crosswalk between revenue codes and charges found on the PS&R to the cost center groupings on the cost report. This crosswalk will reflect a cost center to revenue code match only.

Line 14--Indicate whether the cost report was prepared using the PS&R for totals and provider records for allocation. Use columns 1 and 2 for Part A and columns 3 and 4 for Part B. Enter "Y" for yes or "N" for no in columns 1 and 3. If either column 1 or 3 is "Y" enter the paid through date of the PS&R in columns 2 and/or 4. Also, submit a detailed crosswalk between revenue codes, departments and charges on the PS&R to the cost center groupings on the cost report. This crosswalk must include which revenue codes were allocated to each cost center. Supporting workpapers must accompany this crosswalk to provide sufficient documentation as to the accuracy of the provider records.

Line 15--If you entered "Y" on either line 13 or 14, columns 1 and/or 3, indicate whether adjustments were made to the PS&R data for additional claims that have been billed but not included on the PS&R used to file this cost report. Enter "Y" for yes or "N" for no in columns 1 and 3. If either column 1 or 3 is "Y", include a schedule which supports any claims not included on the PS&R. This schedule should include totals consistent with the breakdowns on the PS&R, and should reflect claims that are unprocessed or unpaid as of the cut-off date of the PS&R used to file the cost report.

Line 16--If you entered "Y" on either line 13 or 14, columns 1 and/or 3, indicate whether adjustments were made to the PS&R data for corrections of other PS&R information. Enter "Y" for yes or "N" for no in columns 1 and 3. If either column 1 or 3 is "Y", submit a detailed explanation and documentation which provides an audit trail from the PS&R to the cost report.

Line 17--If you entered "Y" on either line 13 or 14, columns 1 and/or 3, indicate whether other adjustments were made to the PS&R data. Enter "Y" for yes or "N" for no in columns 1 and 3. If either column 1 or 3 is "Y", include a description of the other adjustments and documentation which provides an audit trail from the PS&R to the cost report.

Line 18--Indicate whether the cost report was prepared using provider records only. Enter "Y" for yes or "N" for no in columns 1 and 3. If either column 1 or 3 is "Y", submit detailed documentation of the system used to support the data reported on the cost report. If detail documentation was previously supplied, submit only necessary updated documentation with the cost report.

The minimum requirements are:

- Copies of input tables, calculations, or charts supporting data elements for PPS operating rate components and other PRICER information covering the cost reporting period.
- Internal records supporting program utilization statistics, charges, prevailing rates and payment information broken into each Medicare bill type in a consistent manner with the PS&R.
- Reconciliation of remittance totals to the provider's internal records.
- Include the name of the system used and indicate how the system was maintained (vendor or provider). If the provider maintained the system, include date of last software update.

Note: Additional information may be supplied such as narrative documentation, internal flow charts, or outside vendor informational material to further describe and validate the reliability of your system.

4105. WORKSHEET S-3 - SKILLED NURSING FACILITY AND SKILLED NURSING FACILITY HEALTH CARE COMPLEX STATISTICAL DATA

In accordance with 42 CFR 413.20(a), and 42 CFR 413.24(a), you are required to maintain statistical records for proper determination of costs payable under the Medicare program. The statistics reported on this worksheet pertain to SNF, NF, ICF/MR, HHA, CMHC, OLTC and hospice. The data to be maintained, depending on the services provided by the component, include the number of beds, the number of bed days available, the number of inpatient days/visits, the number of discharges, the average length of stay, the number of admissions, and full time equivalents (FTEs).

Column Descriptions

Column 1.--Enter on the appropriate line the beds available for use by patients at the end of the cost reporting period.

Column 2.--Enter the total bed days available. Bed days are computed by multiplying the number of beds available throughout the period by the number of days in the reporting period. If there is an increase or decrease in the number of beds available during the period, multiply the number of beds available for each part of the cost reporting period by the number of days for which that number of beds was available.

NOTE: An institution or institutional complex may only change the bed size of its SNF and/or its NF up to two times per cost reporting year. The two changes may occur as follows; once on the first day of the beginning of its cost reporting year; and again on the first day of a single cost reporting quarter within that same cost reporting year, in order to effect *one* of the combinations set forth in §2337.2.

Columns 3 through 6.--Enter the number of inpatient days/visits for all classes of patients for each component by program.

Column 7.--Enter the total number of inpatient days for each component. The total in column 7 must equal the sum of columns 3 through 6.

Columns 8 through 11.--Enter the number of discharges, including deaths, for each component by program. A patient discharge, including death, is a formal release of a patient. (See 42 CFR 412.4.)

Column 12.--Enter the total number of discharges (including deaths) for all classes of patients for each component.

Columns 13 through 16.--The average length of stay is calculated as follows:

- | | | |
|----|-------------------------------|-------------------------------|
| a. | Column 13, lines 1, 2 & 7 | Column 3 divided by column 8 |
| b. | Column 14, lines 1 & 7 | Column 4 divided by column 9 |
| c. | Column 15, lines 1, 2, 3, & 7 | Column 5 divided by column 10 |
| d. | Column 16, lines 1, 2, 3, & 7 | Column 7 divided by column 12 |

EXCEPTION: Where the skilled nursing facility is located in a State that certifies the provider as an SNF regardless of the level of care given for Titles V and XIX patients combine the statistics on lines 1 and 2.

Columns 17 through 21.--Enter the number of admissions (from your records) for each component by program.

Columns 22 and 23.--The average number of employees (full-time equivalent) for the period may be determined either on a quarterly or semiannual basis. When quarterly data are used, add the total number of hours worked by all employees on the first payroll at the beginning of each quarter and divide the sum by four times the number of hours in the standard work period. When semiannual data are used, add the total number of hours worked by all employees on the first payroll of the first and seventh months of the period, and divide this sum by two times the number of hours in the standard work period. Enter the average number of paid employees in column 22 and the average number of non-paid worker's in column 23 for each component, an applicable.

4105.1 Part II - SNF Wage Index Information.--This part provides for the collection of skilled nursing facility and nursing facility data to develop an SNF wage index that is applied to the labor related portion of the SNF cost limits. The Social Security Act Amendments of 1994 (P.L. 103-432) requested the Secretary to begin collecting data on employee compensation and hours of employment specific to skilled nursing facilities for the purposes of constructing an SNF wage index. In order to collect the data necessary to develop a SNF wage index, CMS has developed an SNF wage index form, as part of the cost report, to be completed by all SNFs.

NOTE: Any line reference for Worksheets A and A-6 includes all subscripts of that line.

Line 1.--Enter the wages and salaries paid to employees from Worksheet A, column 1, line 100.

Line 2.--Enter physician salaries paid to employees which are included on Worksheet A, column 1, line 100.

Line 3.--Enter the total physician and physician assistant salaries and wage related costs that are related to patient care and are included on line 1. Under Medicare, these services are billed separately under Part B.

Line 4.--If you are a member of a chain or other related organization, as defined in CMS Pub. 15-1, §2150, enter the allowable wages and salaries and wage related costs for home office personnel from your records that are included in line 1.

Line 5.--Enter the sum of lines 2 through 4.

Line 6.--Subtract line 5 from line 1 and enter the result.

Line 7.--Enter the total of Worksheet A, column 1, line 33. This amount represents other long term care.

Line 8.-- Enter the total of Worksheet A, column 1, line 70. If this line is subscripted to accommodate more than one HHA, also enter the total of the subscripted lines.

Line 9.-- Enter the amount from Worksheet A, column 1, line 73

Line 10.-- Enter the amount from Worksheet A, column 1, line 83.

Line 11.--Enter the amount from Worksheet A, column 1, lines 72, 74, 84, and lines 90 through 95.

Line 12.--Enter the sum of lines 7 through 11.

Line 13.-- Line 6 minus line 12 and enter the result.

Line 14.--Enter the amount paid (include only those costs attributable to services rendered in the SNF and/or NF), rounded to the nearest dollar, for contracted direct patient care services, i.e., nursing, therapeutic, rehabilitative, or diagnostic services furnished under contract rather than by employees and management contract services as defined below. For example, you have a contract with a nursing service to supply nurses for the general routine service area on weekends. Report only those personnel costs associated with these contracts. Eliminate all supplies and other miscellaneous items. Do not apply the guidelines for contracted therapy services under §1861(v) (5) of the Act and 42 CFR 413.106. Contracted labor for purposes of this worksheet does **NOT** include the following services: consultant contracts, billing services, legal and accounting services, Part A CRNA services, clinical psychologists and clinical social worker services, housekeeping services, planning contracts, independent financial audits, or any other service not directly related to patient care.

Include the amount paid (rounded to the nearest dollar) for contract management services, as defined below, furnished under contract rather than by employees. Report only those personnel costs associated with the contract. Eliminate all supplies, travel expenses, and other miscellaneous items. Contract management is limited to the personnel costs for those individuals who are working at the facility in the capacity of chief executive officer, chief operating officer, chief financial officer, or nursing administrator. The titles given to these individuals may vary from the titles indicated above. However, the individual should be performing those duties customarily given these positions.

For purposes of this worksheet, contract labor does **NOT** include the following services: other management or administrative services, consultative services, unmet physician guarantees, physician services, clinical personnel, security personnel, housekeeping services, planning contracts, independent financial audits, or any other services not related to the overall management and operation of the facility.

In addition, if you have no contracted labor as defined above or management contract services; enter a zero in column 1. If you are unable to accurately determine the number of hours associated with contracted labor, enter a zero in column 1.

Line 15.--Enter from your records the amount paid under contract for physician services for Part A only related directly to the SNF and/or NF. This includes Part A physician services from the home office allocation and/or from related organizations.

Line 16.--Enter the salaries and wage related costs (as defined on lines 17 and 18 below) paid to personnel who are affiliated with a home office and/or related organization, who provide services to the SNF and/or NF, and whose salaries are not included on Worksheet A, column 1. In addition, add the home office salaries excluded on line 4. This figure is based on recognized methods of allocating an individual's home office salary to the SNF and/or NF. If no home office/related organization exists or if you cannot accurately determine the hours associated with the home office/related organization salaries that are allocated to the SNF and/or NF, then enter a zero in column 1. All costs for any related organization must be shown as the cost to the related organization.

NOTE: All wage-related costs, including amounts related to excluded areas and physician services should be included on lines 17 and 18.

Line 17.--Enter the total core wage related costs as described in Part IV. Only the total cost of the wage related costs that are considered fringe benefits may be directly charged to each cost center provided the costs are reported in column 2 and not column 1 of Worksheet A. For purposes of determining the wage related costs for the wage index, a facility must use generally accepted accounting principles (GAAP). Continue to use Medicare payment principles on all other areas to determine allowable fringe benefits.

Line 18.--Enter the total of all wage related costs that are considered an exception to the core list. A detailed list of each additional wage related core must be shown in Part IV. In order for a wage related cost to be considered an exception, it must meet the following tests:

- a. The costs are not listed on Part IV,
- b. The cost is reasonable and prudent,
- c. The individual wage related cost exceeds 1 percent of total salaries after the direct excluded salaries are removed,
- d. The wage related cost is a fringe benefit and has not been furnished for the convenience of the provider, and
- e. The wage related costs that are fringe benefits, where required, have been reported as wages to Internal Revenue Service, (e.g., the unrecovered cost of employee meals, education costs, auto allowances).

Wage related cost exceptions are not to include those wage related costs that are required to be reported to the Internal Revenue Service, since they are considered as salary or wages, i.e., loan forgiveness, sick pay accruals. Include these costs in total salaries reported on line 1 of this worksheet. The total wage related costs listed on this line must agree with the total of all other wage related costs listed in Part IV.

Line 19.--Enter the total (core and other) wage-related costs applicable to the excluded areas reported on line 12.

Line 20. -- Enter the total wage-related costs applicable to Part A Physicians. Do not include wage-related costs for excluded areas reported on line 19.

Line 21. -- Enter the total wage-related costs applicable to Part B Physicians. Do not include wage-related costs for excluded areas reported on line 19.

Line 22.--Enter the total adjusted wage related costs, line 17 plus line 18, minus lines 19 through 21.

Column 2.--Enter on each line, as appropriate, the **salary** portion of any reclassification made on Worksheet A-6.

Column 3.--Enter the result of column 1 plus or minus column 2.

Column 4.--Enter on each line the number of **paid** hours corresponding to the amount reported in column 3.

NOTE: The hours must reflect any change reported in column 2. On call hours are not included in the total paid hours. Overtime hours are calculated as one hour when an employee is paid time and a half.

Column 5.--Enter on line 1 through line 16 the average hourly wage resulting from dividing column 3 by column 4.

4105.2 Part III - Overhead Cost - Direct Salaries.--This part provides for the collection of SNF and/or NF wage data for overhead costs to properly allocate the salary portion of the overhead costs to the appropriate service areas for excluded units. This form is completed by all SNFs and/or NFs.

NOTE: Any line reference for Worksheets A and A-6 includes all subscripts of that line.

Column 1--Enter the direct wages and salaries paid on lines 1 through 13, from Worksheet A, column 1, respectively.

Column 2--Enter on the line, as appropriate, the salary portion of any reclassification made on Worksheet A-6.

Column 3--Enter the result of column 1 plus or minus column 2.

Column 4--Enter on each line the number of paid hours corresponding to the amount reported in column 3.

Column 5--Enter on each line the average hourly wage resulting from dividing column 3 by column 4.

4105.3 Part IV--Wage Related Costs.--The SNF must provide the contractor with a complete list of all core wage related costs included in Part II (section 4105.1), lines 17 and 19 through 21. This worksheet provides for the identification of such costs.

The provider must determine whether each wage related cost “other than core”, reported on line 25, exceeds one (1) percent of the total adjusted salaries net of excludable salaries and meets all of the following criteria:

- The costs are not listed on lines 1 through 23, “Wage Related Costs Core”
- If any of the additional wage related cost applies to the excluded areas of the SNF, the cost associated with the excluded areas has been removed prior to making the 1 percent threshold test.
- The wage related cost has been reported to the IRS, as a fringe benefit if so required by the IRS.
- The individual wage related cost is not included in salaries reported on Worksheet S-3, Part II, column 3, line 17.
- The wage related cost is not being furnished for the convenience of the employer.

For wage related costs not covered by Medicare reasonable cost principles, a SNF shall use GAAP in reporting wage related costs. In addition, some costs such as payroll taxes, which are reported as a wage related cost(s) on Worksheet S-3, Part IV, are not considered fringe benefits for Medicare cost finding.

Enter on each line as applicable the corresponding amount from you accounting books and/or records.

4105.4 Part V

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This page reserved for future material.

4106 WORKSHEET S-4 - SNF-BASED HOME HEALTH AGENCY STATISTICAL DATA

In accordance with 42 CFR 413.20(a), 42 CFR 413.24(a), and 42 CFR 413.24(c), you are required to maintain statistical records for proper determination of costs payable under titles V, XVIII, and XIX. The statistics required on this worksheet pertain to a SNF-based home health agency. The data maintained is dependent upon the services provided by the agency, number of program home health aide hours, total agency home health aide hours, program unduplicated census count, and total unduplicated census count. In addition, FTE data are required by employed staff, contracted staff, and total. Complete a separate Worksheet S-4 for each SNF-based home health agency.

Line 1--Enter the county of residence.

Line 2--Enter the number of hours applicable to home health aide services.

Line 3--Enter the unduplicated count of all individual patients and title XVIII patients receiving home visits or other care provided by employees of the agency or under contracted services during the reporting period. Count each individual only once. However, because a patient may be covered under more than one health insurance program, the total census count (column 5, line 3) may not equal the sum of columns 1 through 4, line 3. For purposes of calculating the unduplicated census, if a beneficiary has received healthcare in more than one CBSA, you must prorate the count of that beneficiary so as not to exceed a total of (1). A provider is to also query the beneficiary to determine if he or she has received healthcare from another provider during the year, e.g., Maine versus Florida for beneficiaries with seasonal residence.

Lines 4 through 20--Lines 4 through 20 provide statistical data related to the human resources of the HHA. The human resources statistics are required for each of the job categories specified in lines 5 through line 20.

Line 4--Enter the number of hours in your normal work week.

Report in column 1 the full time equivalent (FTE) employees on the HHA's payroll. These are staff for which an IRS Form W-2 is used.

Report in column 2 the FTE contracted and consultant staff of the HHA.

Compute staff FTEs for column 1 as follows. Add all hours for which employees were paid and divide by 2080 hours. Round to two decimal places, e.g., .4452 is rounded to .45. Compute contract FTEs for column 2 as follows. Add all hours for which contracted and consultant staff worked and divide by 2080 hours.

If employees are paid for unused vacation, unused sick leave, etc., exclude these paid hours from the numerator in the calculations.

Line 21--Enter the number of CBSAs that you serviced during this cost reporting period.

Line 22--Identify each CBSA where the reported HHA visits are performed by entering the 5 digit CBSA code and Non-CBSA (rural) code as applicable. Subscript the lines to accommodate the number of CBSAs that you provide services. Rural CBSA codes are assembled by placing the digits "999" in front of the two digit State code, e.g., for the state of Maryland the rural CBSA code is 99921.

PPS Activity Data--Applicable for Medicare Services

In accordance with 42 CFR §484.200(a) and §1895 of the Social Security Act, home health agencies transitioned from a cost based reimbursement system to a prospective payment system (PPS) effective for home health services rendered on or after October 1, 2000.

The statistics required on this worksheet pertain to home health services furnished on or after October 1, 2000. The data to be maintained, depending on the services provided by the agency, includes the number of aggregate program visits furnished in each episode of care payment category for each covered discipline, the corresponding aggregate program charges imposed in each episode of care payment category for each covered discipline, total visits and total charges for each episode of care payment category, total number of episodes and total number of outlier episodes for each episode of care payment category, and total medical supply charges for each episode of care payment category.

HHA Visits--See CMS Pub. 15-2, Chapter 32, §3205, for the definition of an HHA visit

Episode of Care--Under home health PPS the 60 day episode is the basic unit of payment where the episode payment is specific to one individual beneficiary. Beneficiaries are covered for an unlimited number of non-overlapping episodes. The duration of a full length episode will be 60 days. An episode begins with the start of care date and must end by the 60th day from the start of care.

Less than a full Episode of Care--When 4 or fewer visits are provided by the HHA in a 60 day episode period, the result is a low utilization payment adjustment (LUPA). In this instance the HHA will be reimbursed based on a standardized per visit payment.

An episode may end before the 60th day in the case of a beneficiary elected transfer, or a discharge and readmission to the same HHA (including for an intervening inpatient stay). This type of situation results in a partial episode payment (PEP) adjustment.

Use lines 23 through 34 to identify the number of visits and the corresponding visit charges for each discipline for each episode payment category. Lines 35 and 37 identify the total number of visits and the total corresponding charges, respectively, for each episode payment category. Line 35 identifies the total number of episodes completed for each episode payment category. Line 39 identifies the total number of outlier episodes completed for each episode payment category. Outlier episodes do not apply to: 1) Full Episodes without Outliers and 2) LUPA Episodes. Line 40 identifies the total medical supply charges incurred for each episode payment category. Column 5 displays the sum total of data for columns 1 through 4. The statistics and data required on this worksheet are obtained from the provider statistical and reimbursement (PS&R) report.

When an episode of care is initiated in one fiscal year and concludes in the subsequent fiscal year, all statistical data (i.e., cost, charges, counts, etc...) associated with that episode of care will appear on the PS&R of the fiscal year in which the episode of care is concluded. Similarly, all data required in the cost report for a given fiscal year must only be associated with services rendered during episodes of care that conclude during the fiscal year. Title XVIII visits reported on this worksheet must equal the sum of the title XVIII visits reported on Worksheet H-3, sum of columns 6 and 7 line 7.

Columns 1 through 4--Enter data pertaining to title XVIII patients only. Enter, as applicable, in the appropriate columns 1 through 4, lines 23 through 34, the number of aggregate program visits furnished in each episode of care payment category for each covered discipline and the corresponding aggregate program visit charges imposed for each covered discipline for each episode of care payment category. The visit counts and corresponding charge data are mutually exclusive for all episodes of care payment categories. For example, visit counts and the corresponding charges that appear in column 4 (PEP only Episodes) will not include any visit counts and corresponding charges that appear in column 5

Line 35--Enter in columns 1 through 4 for each episode of care payment category, respectively, the sum of total visits from lines 23, 25, 27, 29, 31 and 33.

Line 36--Enter in columns 1 through 4 for each episode of care payment category, respectively, the charges for services paid under PPS and not identified on any previous lines.

Line 37--Enter in columns 1 through 4 for each episode of care payment category, respectively, the sum of total visit charges from lines 24, 26, 28, 30, 32, 34 and 36.

Line 38--Enter in columns 1 through 4 for each episode of care payment category, respectively, the total number of episodes (standard/non-outlier) of care rendered and concluded in the provider's fiscal year.

Line 39--Enter in columns 2 and 4 for each episode of care payment category identified, respectively, the total number of outlier episodes of care rendered and concluded in the provider's fiscal year. Outlier episodes do not apply to columns 1 and 3 (Full Episodes without Outliers and LUPA Episodes, respectively).

NOTE: Lines 38 and 39 are mutually exclusive.

Line 40--Enter in columns 1 through 4 for each episode of care payment category, respectively, the total non-routine medical supply charges for services rendered and concluded in the provider's fiscal year.

Column 5--Enter on lines 23 through 40, respectively, the sum total of amounts from columns 1 through 4.

4107 WORKSHEET S-5 – SKILLED NURSING FACILITY-BASED RURAL HEALTH CLINIC/FEDERALLY QUALIFIED HEALTH CENTER STATISTICAL DATA

In accordance with 42 CFR 413.20(a), 42 CFR 413.24(a) and 41 CFR 413.24 (c), you are required to maintain statistical records for proper determination of costs payable under the Medicare program. The statistics reported on this worksheet pertain to provider-based rural health clinics (RHCs) and provider-based Federally Qualified Health Clinics (FQHCs). If you have more than one of these clinics, complete a separate worksheet for each facility.

Lines 1 and 2.--Enter the full address of the RHC/FQHC.

Line 3.--For FQHC only, enter your appropriate designation (U=urban or R=rural). See IOM 100-04, Chapter 9, §20.6.2, for information regarding urban and rural designations. If you are uncertain of your designation, contact your contractor. RHCs do not complete this line.

Lines 4 through 9.--In column 1, enter the applicable grant award number(s). In column 2, enter the date(s) awarded.

Line 10.--If the facility operates as other than an RHC or FQHC, answer yes to this question and indicate the number of other operations in column 2. List other types of operations and hours on subscripts of line 11.

Line 11.--Enter the starting and ending hours for each applicable day(s) in the columns for the clinic services provided. If the facility provides other than RHC or FQHC services (e.g. laboratory or physician services), subscript line 11 and enter the type of operation on each of the subscripted lines. Enter in each column the starting and ending hours for the applicable day(s) that the facility is available to provide other than RHC/FQHC services.

NOTE: Line 11 must still be completed even if the facility answers NO to the question on line 10.

Line 12.--Have you received an approval for an exception to the productivity standards? Enter a "Y" for yes or an "N" for no.

Line 13.--Is this a consolidated cost report? Enter in column 1 "yes" or "no" for consolidated report. If column 1 = yes, then enter in column 2 the number of reports

Line 14.--If line 13 is yes, enter the provider's name and CCN number filing the consolidated cost report. (See IOM 100-04, Chapter 9, §30.8)

4108. WORKSHEET S-6 - SKILLED NURSING FACILITY BASED COMMUNITY MENTAL HEALTH CENTER STATISTICAL DATA

In accordance with 42 CFR 413.20(a), 42 CFR 413.24(a), and 42 CFR 413.24(c), you are required to maintain statistical records for proper determination of costs payable under the Medicare program. The statistics required to be reported on this worksheet pertain to a skilled nursing facility-based community mental health center (CMHCs), comprehensive outpatient rehabilitation facilities (CORFs), or outpatient rehabilitation facilities (ORFs) which generally furnish outpatient physical therapy (OPT), outpatient occupational therapy (OOT), or outpatient speech pathology (OSP). If you have more than one skilled nursing facility-based component complete a separate worksheet for each component.

Additionally, only CMHCs are required to complete the corresponding Worksheet J series. However, all CMHCs, CORFs, ORFs, OPTs, OOTs, and OSPs must complete the Worksheet A accordingly for the purpose of overhead allocation.

Lines 1 through 19.--These lines provide statistical data related to the human resources of the skilled nursing facility-based component. The human resources statistics are required for each of the job categories specified on lines 1 through 17. Enter any additional categories needed on lines 18 and 19.

Enter the number of hours in your normal work week in the space provided above line 1.

Report in column 1 the full time equivalent (FTE) employees on the skilled nursing facility-based component's payroll. These are staff for which an IRS Form W-2 is issued.

Report in column 2 the FTE contracted and consultant staff of the skilled nursing facility-based component.

Staff FTEs are computed for column 1 as follows: sum of all hours for which employees were paid divided by 2080 hours, round to two decimal places, e.g., round .4452 to .45. Contract FTEs are computed for column 2 as follows: sum of all hours for which contracted and consultant staff worked divided by 2080 hours, and round to two decimal places.

If employees are paid for unused vacation, unused sick leave, etc., exclude the paid hours from the numerator in the calculations.

4109. WORKSHEET S-7 PROSPECTIVE PAYMENT FOR SKILLED NURSING FACILITIES STATISTICAL DATA

In accordance with 42 CFR 413.60(a), 42 CFR 413.24(a), and 42 CFR 413.40(c), you are required to maintain statistical records for proper determination of costs payable under the Medicare program. Public Law 105-33 (Balanced Budget Act of 1997) requires that all SNFs be reimbursed under PPS for cost reporting periods beginning on and after July 1, 1998. Use this form to report the Medicare days of the provider by Resource Utilization Group (RUG).

Column Descriptions

Column 1--The M3PI revenue code designations are already entered in this column.

Column 2 - The only data required to be reported are the days associated with each RUG. These days should be reported in column 2. The calculation of the total payment for each RUG is not required. All payment data is reported as a total amount paid under the RUG PPS payment system on Worksheet E, Part I, line 4, and is generated from the PS&R or your records. The total *days* on line 100 must agree with the amount on Worksheet S-3, Part I, column 4, line 1.

Lines 101 through 106 --These lines provide for furnishing certain information concerning the provider. All applicable items must be completed.

Enter in column 1 the direct patient care expenses and related expenses for each category. Enter in column 2 the ratio, expressed as a percentage, of total expenses for each category to total SNF revenue from Worksheet G-2, Part I, line 1, column 3. For each line, indicate in column 3 whether the increased RUG payments received reflects increases associated with direct patient care and related expenses by responding "Y" for yes. Indicate "N" for no if there was no increase in spending in any of these areas. If the increased spending is in an area not previously identified in areas one through four, identify on the "Other (Specify)" line(s), the cost center(s) description and the corresponding information as indicated above.

4110 WORKSHEET S-8 - HOSPICE IDENTIFICATION DATA

In accordance with 42 CFR 418.310, hospice providers of service participating in the Medicare program are required to submit information for health care services rendered to Medicare beneficiaries. 42 CFR 413.20 requires cost reports from providers on an annual basis. The data submitted on the cost reports supports management of Federal programs. The statistics required on this worksheet pertain to a SNF-based hospice. Complete a separate Worksheet S-8 for each SNF-based hospice.

4110.1 Part I - Enrollment Days Based on Level of Care.

Lines 1 through 4.--Enter on lines 1 through 4 the enrollment days applicable to each type of care. Enrollment days are unduplicated days of care received by a hospice patient. A day is recorded for each day a hospice patient receives one of four types of care. Where a patient moves from one type of care to another, count only one day of care for that patient for the last type of care rendered. For line 4, an inpatient care day may be reported only where the hospice provides or arranges to provide the inpatient care.

For the purposes of the Medicare and Medicaid hospice programs, a patient electing hospice can receive only one of the following four types of care per day:

Line 1.--**Continuous Home Care Day** - A continuous home care day is a day on which the hospice patient is not in an inpatient facility. A day consists of a minimum of 8 hours and a maximum of 24 hours of predominantly nursing care. Convert continuous home care hours into days so that a true accountability can be made of days provided by the hospice.

Line 2.--**Routine Home Care Day** - A routine home care day is a day on which the hospice patient is at home and not receiving continuous home care.

Line 3.--**Inpatient Respite Care Day** - An inpatient respite care day is a day on which the hospice patient receives care in an inpatient facility for respite care.

Line 4.--**General Inpatient Care Day** - A general inpatient care day is a day on which the hospice patient receives care in an inpatient facility for pain control or acute or chronic symptom management which cannot be managed in other settings.

Column 1.--Enter only the unduplicated Medicare days applicable to the four types of care. Enter on line 5 the total unduplicated Medicare days.

Column 2.--Enter only the unduplicated Medicaid days applicable to the four types of care. Enter on line 5 the total unduplicated Medicaid days.

Column 3.--Enter only the unduplicated days applicable to the four types of care for all Medicare hospice patients residing in a skilled nursing facility. Enter on line 5 the total unduplicated days.

Column 4.--Enter only the unduplicated days applicable to the four types of care for all Medicaid hospice patients residing in a nursing facility. Enter on line 5 the total unduplicated days.

Column 5.--Enter in column 5 only the days applicable to the four types of care for all other non Medicare or non Medicaid hospice patients. Enter on line 5 the total unduplicated days.

Column 6.--Enter the total days for each type of care, (i.e., sum of columns 1, 2, and 5). The amount entered in column 6 line 5 represents the total days provided by the hospice.

NOTE: Convert continuous home care hours into days so that column 6 line 5 reflects the actual total number of days provided by the hospice.

4110.2 Part II --Census Data

Line 6.--Enter on line 6 the total number of patients receiving hospice care within the cost reporting period for the appropriate payer source.

The total under this line equals the actual number of patients served during the cost reporting period for each program. Thus, if a patient's total stay overlapped two reporting periods, the stay is counted once in each reporting period. The patient, who initially elects the hospice benefit, is discharged or revokes the benefit, and then elects the benefit again within a reporting period is considered to be a new admission with a new election and is counted twice.

A patient transferring from another hospice is considered to be a new admission and is included in the count. If a patient entered a hospice under a payer source other than Medicare and then subsequently elects Medicare hospice benefit, count the patient once for each pay source.

The difference between line 6 and line 9 is that line 6 equals the actual number of patients served during the reporting period for each program, whereas under line 9, patients are counted once, even if their stay overlaps more than one reporting period.

Line 7.--Enter the total Title XVIII unduplicated continuous care hours billable to Medicare. When computing the unduplicated continuous care hours, count only one hour regardless of the number of services or therapies provided simultaneously within that hour.

Line 8.--Enter the average length of stay for the reporting period. Include only the days for which a hospice election was in effect. The average length of stay for patients with a payer source other than Medicare and Medicaid is not limited to the number of days under a hospice election.

The statistics for a patient who had periods of stay with the hospice under more than one program is included in the respective columns. For example, patient A enters the hospice under Medicare hospice benefit, stays 90 days, revokes the election for 70 days (and thus goes back into regular Medicare coverage), then reelects the Medicare hospice benefits for an additional 45 days, under a new benefit period and dies (patient B). Medicare patient C was in the program on the first day of the year and died on January 29 for a total length of stay of 29 days. Patient D was admitted with private insurance for 27 days, then their private insurance ended and Medicaid covered an additional 92 days. Patient E, with private insurance, received hospice care for 87 days. The average length of stay (LOS) (assuming these are the only patients the hospice served during the cost reporting period) is computed as follows:

Medicare Days (90 & 45 & 29) Patient (A, B & C)	164 days
Medicare Patients	/3

Average LOS Medicare	54.67 Days
Medicaid Days Patient D (92)	92 Days
Medicaid Patient	1
Average LOS Medicaid	92 Days
Other (Insurance) Days (87 & 27)	114 Days
Other Payments (D & E)	2
Average LOS (Other)	57 Days
All Patients (90+45+29+92+87+27)	370 Days
Total number of patients	6
Average LOS for all patients	61.67 Days

Enter the hospice's average length of stay, without regard to payer source, in column 6, line 8.

Line 9.--Enter the unduplicated census count of the hospice for all patients initially admitted and filing an election statement with the hospice within a reporting period for the appropriate payer source. Do not include the number of patients receiving care under subsequent election periods (see IOM CMS Pub. 100-02, Chapter 9, §10). However, the patient who initially elects the hospice benefit, is discharged or revokes the benefits, and elects the benefit again within the reporting period is considered a new admission with each new election and is counted twice.

The total under this line equals the unduplicated number of patients served during the reporting period for each program. Thus, you do not include a patient if their stay was counted in a previous cost reporting period. If a patient enters a hospice source other than Medicare and subsequently becomes eligible for Medicare and elects the Medicare hospice benefit, then count that patient only once in the Medicare column, even though he/she may have had a period in another payer source prior to the Medicare election. A patient transferring from another hospice is considered to be a new admission and is included in the count.

4113. WORKSHEET A - RECLASSIFICATION AND ADJUSTMENT OF TRIAL BALANCE OF EXPENSES

In accordance with 42 CFR 413.20, the methods of determining costs payable under title XVIII involve making use of data available from the institution's basic accounts, as usually maintained, to arrive at equitable and proper payment for services. Worksheet A provides for recording the trial balance of expense accounts from your accounting books and records. It also provides for the necessary reclassification and adjustments to certain accounts. The cost centers on this worksheet are listed in a manner which facilitates the transfer of the various cost center data to the cost finding worksheets (e.g., on Worksheets A, B, C, and D, the line numbers are consistent, and the total line is set at number 100).

Do not include on this worksheet items not claimed in the cost report but which you wish nevertheless to claim and contest because they conflict with the regulations, manuals, or instructions. Enter amounts on the appropriate settlement worksheet (Worksheet E, Part I, Part A, line 16, Part B, line 30; Worksheet H-4, Part II, line 35; Worksheet J-3, line 21; or Worksheet I-3, line 29).

If the cost elements of a cost center are separately maintained on your books, you must maintain a reconciliation of the costs per the accounting books and records to those on this worksheet. The reconciliation is subject to review by the contractor.

Standard (i.e., preprinted) CMS line numbers and cost center descriptions cannot be changed. If you need to use additional or different cost center descriptions, you may do so by adding additional lines to the cost report. When an added cost center description bears a logical relationship to a standard line description, the added label must be inserted immediately after the related standard line description. Identify the added line as a numeric (only) subscript of the immediately preceding line. That is, if two lines are added between lines 5 and 6, identify them as lines 5.01 and 5.02. If additional lines are added for general service cost centers, add corresponding columns for cost finding on Worksheets B, B-1, H-1 Parts I & II, H-2-Parts I & II, J-1, and K-5.

Submit the working trial balance of the facility with the cost report. A working trial balance is a listing of the balances of the accounts in the general ledger to which adjustments are appended in supplementary columns and used as a basic summary for financial statements.

Cost center coding is a methodology for standardizing the meaning of cost center labels as used by health care providers on the Medicare cost reports. Form CMS-2540-10 provides for preprinted cost center descriptions on Worksheet A. The preprinted cost center labels are automatically coded by CMS approved cost reporting software. These cost center descriptions are hereafter referred to as the standard cost centers. Nonstandard cost center descriptions have been identified through analysis of frequently used labels.

The use of this coding methodology allows providers to continue to use labels for cost centers that have meaning within the individual institution. The five digit cost center codes that are associated with each provider label in their electronic file provide standardized meaning for data analysis. You are required to compare any added or changed label to the descriptions offered on the standard or nonstandard cost center tables. A description of cost center coding and the table of cost center codes are in §4195, table 5.

Columns 1, 2, and 3.--The expenses listed in these columns must be in accordance with your accounting books and records. List on the appropriate lines in columns 1, 2, and 3 the total expenses incurred during the cost reporting period. Detail the expense between salaries (column 1) and other than salaries (column 2). The sum of columns 1 and 2 must equal column 3. Record any needed reclassification and/or adjustments in columns 4 and 6, as appropriate.

Column 4.--Enter any reclassification among the cost center expenses in column 3 which are needed to effect proper cost allocation.

Worksheet A-6 reflects the reclassification affecting the cost center expenses. This worksheet need not be completed by all providers but must be completed only to the extent that the reclassification are needed and appropriate in the particular provider's circumstances. Show reductions to expenses in parentheses ().

The net total of the entries in column 4 must equal zero on line 100.

Column 5.--Adjust the amounts entered in column 3 by the amounts in column 4 (increase or decrease) and extend the net balances to column 5. The total of column 5 must equal the total of column 3 on line 100.

Column 6.--Enter on the appropriate lines in column 6 of Worksheet A the amounts of any adjustments to expenses indicated on Worksheet A-8, column 2. The total on Worksheet A, column 6, line 100 must equal Worksheet A-8, column 2, line 100.

Column 7.--Adjust the amounts in column 5 by the amounts in column 6 (increases or decreases) and extend the net balances to column 7. Transfer the amounts in column 7 to the appropriate lines on Worksheet B, Part I, column 0.

Line Descriptions

The trial balance of expenses is broken down into general service, inpatient routine service, ancillary service, outpatient service, other reimbursable, special purpose, and nonreimbursable cost center categories to facilitate the transfer of costs to the various worksheets. For example, the categories "Ancillary Cost Centers" and "Outpatient Cost Centers" appear on Worksheet D using the same line numbers as on Worksheet A.

NOTE: The category titles do not have line numbers. Only cost centers, data items, and totals have line numbers.

Lines 1 and 2.--These cost centers include depreciation, leases, and rentals for the use of facilities and/or equipment, interest incurred in acquiring land or depreciable assets used for patient care, insurance on depreciable assets used for patient care, and taxes on land or depreciable assets used for patient care. Do not include in these cost centers costs incurred for the repair or maintenance of equipment or facilities, amounts included in rentals or lease payments for repair and/or maintenance agreements, interest expense incurred to borrow working capital or for any purpose other than the acquisition of land or depreciable assets used for patient care, general liability insurance or any other form of insurance to provide protection other than the replacement of depreciable assets, or taxes other than those assessed on the basis of some valuation of land or depreciable assets used for patient care.

Many providers incur costs applicable to services, facilities, and supplies furnished to the provider by organizations related to the provider by common ownership or control. 42 CFR 413.17 and CMS Pub. 15-1, Chapter 10, require that the reimbursable cost of the provider include the costs for these items at the cost to the supplying organization (unless the exception provided in 42 CFR 413.17(d) and CMS Pub. 15-1, §1010 is applicable). However, if the price in the open market for comparable services, facilities, or supplies is lower than the cost to the supplier, the allowable cost to you may not exceed the market price.

The rationale behind this policy is that when you are dealing with a related organization, you are essentially dealing with yourself. Therefore, your costs are considered equal to the cost to the related organization.

If you include on the cost report costs incurred by a related organization, the nature of the costs (i.e., capital-related or operating costs) do not change. Treat capital-related costs incurred by a related organization as your capital-related costs.

However, if the price in the open market for comparable services, facilities, or supplies is lower than the cost to the supplying related organization, your allowable cost may not exceed the market price. Unless the services, facilities, or supplies are otherwise considered capital-related cost, no part of the market price is considered capital-related cost. Also, if the exception in 42 CFR 413.17(d) and CMS Pub. 15-1, §1010 applies, no part of the cost to you of the services, facilities, or supplies is considered capital-related cost unless the services, facilities, or supplies are otherwise considered capital-related.

If the supplying organization is not related to you within the meaning of 42 CFR 413.17, no part of the charge to you may be considered a capital-related cost (unless the services, facilities, or supplies are capital-related in nature) unless:

- The capital-related equipment is leased or rented by you;
- The capital-related equipment is located on your premises or is located offsite and is on real estate owned, leased, or rented by you; and
- The capital-related portion of the charge is separately specified in the charge to you.

Under certain circumstances, costs associated with minor equipment may be considered capital-related costs. CMS Pub. 15-1, §106 discusses methods for writing off the cost of minor equipment. Three methods are presented in that section. Amounts treated as expenses under method (a) are not capital-related costs because they are treated as operating expenses. Amounts included in expense under method (b) are capital-related costs because such amounts represent the amortization of the cost of tangible assets over a projected useful life. Amounts determined under method (c) are capital-related costs because method (c) is a method of depreciation.

Line 9.--This cost center normally includes only the cost of nursing administration. The salary cost of direct nursing services (including the salary cost of nurses who render direct service in more than one patient care area) are directly assigned to the various patient care cost centers in which the services were rendered. Direct nursing services include gross salaries and wages of head nurses, registered nurses, licensed practical and vocational nurses, respiratory therapist, aides, orderlies, and ward clerks.

However, if your accounting system fails to specifically identify all direct nursing services to the applicable patient care cost centers, then the salary cost of all direct nursing service is included in this cost center.

Line 12.--This cost center includes the direct cost of the medical records cost center including the medical records library. The general library and the medical library must not be included in this cost center. Report them in the administrative and general cost center.

Line 14.--Use this line to record the cost of nursing and allied health activities.

Lines 16 through 29.--These lines are reserved for future use.

Lines 30 through 33.--These lines are for the inpatient routine service cost centers.

Line 33.--This cost center accumulates the direct costs incurred in maintaining long term care services not specifically required to be included in other cost centers. A long term care unit refers to a unit where the average length of stay for all patients is 25 days or more. The beds in this unit are not certified for titles V, XVIII, or XIX.

Lines 34 through 39.--These lines are reserved for future use.

Lines 40 through 52.--These lines are for the ancillary cost centers.

Line 51.--The support surfaces which are classified as ancillary are those listed under the durable medical equipment regional carrier's (DME MAC) level 2 and level 3 support surfaces categories. For example, support surfaces which qualify under DME MAC's level 2 support surface criteria are low air loss mattress replacement and overlay systems. An example of support surfaces which qualify under DME MAC's level 3 support surface criteria is air fluidized beds.

NOTE: Items listed in the DME MAC's level 1 support surface criteria do not qualify for this category because they are inexpensive and common enough to be considered routine services in all cases.

Lines 53 through 59.--These lines are reserved for future use.

Lines 60 through 63.--These lines are for outpatient cost centers.

Lines 64 through 69.--These lines are reserved for future use.

Lines 70 through 74.--These lines are for other reimbursable cost centers.

Lines 70.--This line is to accumulate costs which are specific to HHA services.

Line 71.--Enter on this line the ambulance cost where the ambulance is owned and operated by the facility.

Line 72.--This cost center accumulates the direct costs for outpatient rehabilitation providers (CORFs, OPTs, OOTs or OSPs). If you have multiple components, subscript this line accordingly. Use lines 72.00-72.09 for CORFs, 72.10-72.19 for OPTs, 72.20-72.29 for OOTs and 72.30-72.39 for OSPs.

Line 73.--This cost center accumulates the direct costs attributable to a CMHC. Direct costs normally include such cost categories as are listed on the applicable Worksheet J-1, Part I, lines 1 through 21.

Lines 75 through 79.-- These lines are reserved for future use.

Lines 80 through 84.--These lines are for special purpose cost centers.

Line 80.--This cost center includes the costs of malpractice insurance premiums and self insurance fund contributions. Also, include the cost if you pay 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 governmental provider. After reclassification in column 4 and adjustments in column 6, the balance in column 7 must equal zero.

Line 81.--After reclassification in column 4 and adjustments in column 6, the balance in column 7 must equal zero.

Line 82.--Only include utilization review costs of the SNF. Either reclassify or adjust all costs depending on the scope of the review. If the scope of the review covers all patients, reclassify all allowable costs in column 4 to administrative and general expenses (line 4). If the scope of the review covers only Medicare patients or Medicare, title V, and title XIX patients, then (1) in column 4, reclassify to administrative and general expenses all allowable costs other than physician compensation and (2) deduct, in column 6, the compensation paid to the physicians for their personal services on the utilization review committee. After reclassification in column 4 and adjustments in column 6, the balance in column 7 must equal zero.

Line 83.--This cost center accumulates the direct costs attributable to a hospice.

Lines 85 through 88.--These lines are reserved for future use.

Lines 90 through 95.--Use these lines to record the costs applicable to nonreimbursable cost centers to which general service costs apply. If additional lines are needed for nonreimbursable cost centers than those shown, add a subscript consisting of a numeric subscript code to one or more of these lines. The subscripted lines must be appropriately labeled to indicate the purpose for which they are being used. However, if the expense (direct and all applicable overhead) attributable to any nonallowable cost area is so insignificant as not to warrant establishment of a nonreimbursable cost center and the sum total of all such expenses is so insignificant as not to warrant the establishment of a composite nonreimbursable cost center, adjust these expenses on Worksheet A-8. (See CMS Pub. 15-1, §2328)

Line 92.--Establish a nonreimbursable cost center to accumulate the cost incurred by the provider for services related to the physicians' private practice. Examples of such costs include depreciation costs for the space occupied, movable equipment used by the physicians' offices, administrative services, medical records, housekeeping, maintenance and repairs, operation of plant, drugs, medical supplies, and nursing services.

This nonreimbursable cost center does not include costs applicable to services which benefit the general population or for direct patient services rendered by SNF-based physicians.

4114. WORKSHEET A-6 - RECLASSIFICATIONS

This worksheet provides for the reclassification of certain costs to effect proper cost allocation under cost finding. Submit, with the cost report, copies of any workpapers used to compute reclassification affected on this worksheet.

COMPLETE WORKSHEET A-6 ONLY TO THE EXTENT THAT EXPENSES HAVE BEEN INCLUDED IN COST CENTERS THAT DIFFER FROM THE RESULT THAT IS OBTAINED USING THE INSTRUCTIONS FOR THIS SECTION.

Examples of reclassification that may be needed are:

1. Capital-related costs that are not included in one of the capital-related cost centers on Worksheet A, column 3. Examples include insurance on buildings and fixtures and movable equipment, rent on buildings and fixtures and movable equipment, interest on funds borrowed to purchase buildings and fixtures and movable equipment, personal property taxes, and real property taxes. Interest on funds borrowed for operating expenses is not included in capital related costs. It must be allocated with administrative and general expenses.
2. Employee benefits expenses (e.g., personnel department, employee health service, hospitalization insurance, workmen's compensation, employee group insurance, social security taxes, unemployment taxes, annuity premiums, past service benefits and pensions) included in the administrative and general cost center.
3. Insurance expense included in the administrative and general cost center and applicable to buildings and fixtures and/or movable equipment.
4. Interest expense included on Worksheet A, column 3, line 81 and applicable to funds borrowed for administrative and general purposes (e.g., operating expenses) or for the purchase of buildings and fixtures or movable equipment.
5. Rent expenses included in the administrative and general cost center and applicable to the rental of buildings and fixtures and to movable equipment from other than related organizations. (See the instructions for Worksheet A-8-1 for treatment of rental expenses for related organizations.)
6. Any taxes (real property taxes and/or personal property taxes) included in the administrative and general cost center and applicable to buildings and fixtures and/or movable equipment.
7. Utilization review costs. Administrative costs related to utilization review and the costs of professional personnel other than physicians are allowable costs and are apportioned among all users of the SNF, irrespective of whether utilization review covers the entire patient population. Reclassify these costs from Worksheet A, column 3, line 82 to administration and general costs.

This reclassification includes the costs of physician services in utilization review only if a valid allocation between Medicare and the other programs is not supported by documentation. Otherwise, the costs of physician services in utilization review are in accordance with the instructions for Worksheet A-8 relating to utilization review.

Make the appropriate adjustment for physician compensation on Worksheet A-8. For further explanations concerning utilization review in SNFs, see CMS Pub. 15-1, §2126.2.

8. Any dietary cost included in the dietary cost center and applicable to any other cost centers, e.g., gift, flower, coffee shop, and canteen.

9. Any direct expense included in the central service and supply cost center and directly applicable to other cost centers, e.g., intravenous therapy, oxygen (inhalation) therapy.

10. Any direct expenses included in the laboratory cost center and directly applicable to other cost centers, e.g., electrocardiology.

11. Any direct expenses included in the radiology cost center and directly applicable to other cost centers, e.g., electrocardiology.

12. When you purchase services (e.g., physical therapy) under arrangements for Medicare patients but do not purchase such services under arrangements for non-Medicare patients, your books reflect only the cost of the Medicare services. However, if you do not use the grossing up technique for purposes of allocating your overhead and if you incur related direct costs applicable to all patients, Medicare and non-Medicare (e.g., aides who assist a physical therapist by providing support and/or administrative services related to physical therapy), such related costs are reclassified on Worksheet A-6 from the ancillary service cost center and ARE allocated as part of administrative and general expense.

However, when you purchase therapy services that include performing administrative functions such as completion of medical records, training etc. as discussed in CMS Pub 15-1, §1412.5, the bundled charge for therapies provided under arrangements includes the provision of these services. Therefore for cost reporting purposes, these related services are NOT reclassified to A&G.

13. Rental expense on movable equipment which was charged directly to the appropriate cost center or cost centers must be reclassified on this worksheet to the capital-related movable equipment cost center unless the provider has identified and charged all depreciation on movable equipment to the appropriate cost centers.

14. Malpractice insurance cost to administrative and general cost.

4115. WORKSHEET A-7 - ANALYSIS OF CHANGES IN CAPITAL ASSET BALANCES

This part enables the Medicare program to analyze the changes that occurred in your capital asset balances during the current reporting period. This worksheet is completed only once for the entire SNF complex.

The analysis of changes in capital asset balances during the cost reporting period must be completed by all SNFs and SNF health care complexes. Do not reduce the amount entered by any accumulated depreciation reserves.

Columns 1 and 6.--Enter the balance recorded in your books of accounts at the beginning of your cost reporting period (column 1) and at the end of your cost reporting period (column 6).

Columns 2 through 4.--Enter the cost of capital assets acquired by purchase (including assets transferred from another provider, noncertified health care unit, or nonhealth care unit) in column 2 and the fair market value at date acquired of donated assets in column 3. Enter the sum of columns 2 and 3 in column 4.

Column 5.--Enter the cost or other approved basis of all capital assets sold, traded, or transferred to another provider, a noncertified health care unit, or nonhealth care unit or retired or disposed of in any other manner during your cost reporting period.

The sum of columns 1 and 4 minus column 5 equals column 6.

4116. WORKSHEET A-8 - ADJUSTMENTS TO EXPENSES

In accordance with 42 CFR 413.9(c)(3), if your operating costs include amounts not related to patient care (specifically not reimbursable under the program) or 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.

This worksheet provides for the adjustment in support of those listed on Worksheet A, column 6. These adjustments, which are required under the Medicare principles of reimbursement, 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. If the total direct and indirect cost can be determined, enter the cost. Submit with the cost report a copy of any workpapers used to compute a cost adjustment. Once an adjustment to an expense is made on the basis of cost, you may not determine the required adjustment to the expense on the basis of revenue in future cost reporting periods. Enter the following symbols in column 1 to indicate the basis for adjustment: "A" for cost, and "B" for amount received. Line descriptions indicate the more common activities which affect allowable costs or which result in costs incurred for reasons other than patient care and, thus, require adjustments.

The types of adjustments entered on this worksheet are (1) those needed to adjust expenses to reflect actual expenses incurred; (2) those items which constitute recovery of expenses through sales, charges, fees, grants, gifts; (3) those items needed to adjust expenses in accordance with the Medicare principles of reimbursement; and (4) those items which are provided for separately in the cost apportionment process.

If an adjustment to an expense affects more than one cost center, record the adjustment to each cost center on a separate line on Worksheet A-8.

Line 1.--Enter the investment income to be applied against interest expense. (See CMS Pub. 15-1, §202.2 for an explanation.)

Line 5.--For patient telephones, either make an adjustment on this line or establish a nonreimbursable cost center. When line 5 is used, base the adjustment on cost. Revenue cannot be used. (See CMS Pub. 15-1, §2328.)

Line 8.--Enter the adjustment amount from Worksheet A-8-2, column 18. Amounts paid to SNF-based physicians for general SNF services rendered are not included in these adjustments. (See CMS Pub. 15-1, §§2108 - 2108.11.)

Line 9.--Enter allowable home office costs which have been allocated to the SNF and which are not already included in your cost report. Use additional lines to the extent that various SNF cost centers are affected. (See CMS Pub. 15-1, §§2150 - 2153.)

Line 11.--Obtain the amount from your records.

Line 12.--Obtain the amount from Part I, column 6 of Worksheet A-8-1. Note that Worksheet A-8-1 represents the detail of the various cost centers on Worksheet A, which must be adjusted.

Line 13.--An adjustment is required for nonallowable patient personal laundry.

Line 14.--Enter the amount received from the sale of meals to employees. This income offsets the dietary expense.

Line 15.--Enter the cost of meals provided for non-employees. This amount offsets the allowable dietary costs.

Line 20.--Enter the cash received from imposition of interest, finance, or penalty charges on overdue receivables. This income must offset the allowable administrative and general costs. (See CMS Pub. 15-1, §2110.2.)

Line 21.--Enter the interest expense imposed by the contractor on Medicare overpayments to you. Also, enter the interest expense on borrowing made to repay Medicare overpayments to you. (See CMS Pub 15-1, Chapter 2.)

Line 22. -- If the utilization review covers only Medicare patients, the costs of the physician services are removed from the utilization review costs and are shown as a direct reimbursement item of Worksheet E, Part I, line 10.

If the utilization review extends to beneficiaries under titles V or XIX, then providing that there is a sufficient documentation of physician activities, the costs of physician review services for the utilization review are a direct reimbursement item for each title under which reimbursement is claimed.

If the utilization review extends to more than the Medicare patients, but the records of the physician activities are not satisfactory for allocation purposes, then apportion the utilization review physician services cost among all the patients using the SNF. Accomplish this apportionment by including the cost of the physician services in the administrative and general costs.

The reference on this form in column 4 has been changed to line 82.

Line 23 and 24.--When depreciation expense computed in accordance with the Medicare principles of reimbursement differs from depreciation expenses per your books, enter the difference on line 23 and/or line 24. (See CMS Pub. 15-1, Chapter 1.)

Line 25.--Enter any additional adjustments which are required under the Medicare principles of reimbursement. Appropriately label the lines to indicate the nature of the required adjustments.

NOTE: An example of an adjustment entered on these lines is the grossing up of costs in accordance with provisions of CMS Pub. 15-1, §2314, and is explained below.

If you furnish ancillary services to health care program patients under arrangements with others but simply arrange for such services for non-health care program patients and do not pay the non-health care program portion of such services, your books reflect only the costs of the health care program portion. Therefore, allocation of indirect costs to a cost center which includes only the cost of the health care program portion results in excessive assignment of indirect costs to the health care programs. Since services were also arranged for the non-health care program patients, allocate part of the overhead costs to those groups.

In the foregoing situation, no indirect costs may be allocated to the cost center unless the contractor determines that you are able to gross up both the costs and the charges for services to non-health care program patients so that both costs and charges for services to non-health care program patients are recorded as if you had provided such services directly.

Line 100.--Enter the sum of lines 1 through 99. TRANSFER THE AMOUNTS IN COLUMN 2 TO WORKSHEET A, COLUMN 6.

4117. WORKSHEET A-8-1 - STATEMENT OF COSTS OF SERVICES FROM RELATED ORGANIZATIONS AND HOME OFFICE COSTS

In accordance with 42 CFR 413.17, costs applicable to services, facilities, and supplies furnished to the provider by organizations related to the provider by common ownership or control are includible in the allowable cost of the provider at the cost to the related organization (except for the exceptions outlined in 42 CFR 413.17(d).) This worksheet provides for the computation of any needed adjustments to costs applicable to services, facilities, and supplies furnished to the SNF by organizations related to the provider. In addition, certain information concerning the related organizations with which the provider has transacted business must be shown. (See CMS Pub. 15-1, Chapter 10.)

Complete this worksheet if you answered yes to question 43 on Worksheet S-2, Part I, and there are costs included on Worksheet A which resulted from transactions with related organizations as defined in CMS Pub. 15-1, Chapter 10. If there are no costs included on Worksheet A which resulted from transactions with related organizations, DO NOT complete Worksheet A-8-1.

Part I.--Cost applicable to services, facilities, and supplies furnished to the provider by organizations related to the provider by common ownership or control are includible in the allowable cost of the provider at the cost to the related organizations. However, such cost must not exceed the amount a prudent and cost conscious buyer would pay for comparable services, facilities, or supplies that could be purchased elsewhere.

Part II.--Use this part to show the interrelationship of the provider to organizations furnishing services, facilities, or supplies to the provider. The requested data relative to all individuals, partnerships, corporations, or other organizations having either a related interest to the provider, a common ownership of the provider, or control over the provider as defined in CMS Pub. 15-1, Chapter 10, must be shown in columns 1 through 6, as appropriate.

Complete only those columns which are pertinent to the type of relationship which exists.

Column 1.--Enter the appropriate symbol which describes the interrelationship of the provider to the related organization.

Column 2.--If the symbols A, D, E, F, or G are entered in column 1, enter the name of the related individual in column 2.

Column 3.--If the individual indicated in column 2 or the organization indicated in column 4 has a financial interest in the provider, enter the percent of ownership in the provider.

Column 4.--Enter the name of the related corporation, partnership, or other organization.

Column 5.--If the individual indicated in column 2 or the provider has a financial interest in the related organization, enter the percent of ownership in such organization.

Column 6.--Enter the type of business in which the related organization engages (e.g., medical drugs and/or supplies, laundry, and linen service).

4118. WORKSHEET A-8-2 - PROVIDER-BASED PHYSICIAN ADJUSTMENTS

In accordance with 42 CFR 413.9, 42 CFR 415.55, 42 CFR 415.60, 42 CFR 415.70, and 42 CFR 415.102(d) you may claim as allowable cost only those costs which you incur for physician services that benefit the general patient population. (See 42 CFR 415.150 and 42 CFR 415.164 for an exception for teaching physicians under certain circumstances.) 42 CFR 415.70 imposes limits on the amount of physician compensation which may be recognized as a reasonable provider cost.

Worksheet A-8-2 provides for the computation of the allowable provider-based physician cost incurred by you. 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 nonreimbursable services such as research. Only provider services are reimbursable to you through the cost report. This worksheet also provides for computation of the reasonable compensation equivalent (RCE) limits required by 42 CFR 415.70. The methodology used in this worksheet applies the RCE limit to the total physician compensation attributable to provider services that are reimbursable on a reasonable cost basis.

NOTE: Where several physicians work in the same department, see CMS Pub. 15-1, §2182.6C for a discussion of applying the RCE limit in the aggregate for the department versus on an individual basis to each of the physicians in the department.

Column Descriptions

Columns 1 and 10.--Enter the line numbers from Worksheet A for each cost center that contained compensation for physicians who are subject to RCE limits. Enter the line numbers in the same order as displayed on Worksheet A.

Columns 2 and 11.--Enter the description of the cost center used on Worksheet A.

When RCE limits are applied on an individual basis to each physician in a department, list each physician on successive lines below the cost center. List each physician using an individual identifier which is not necessarily either the name or social security number of the individual (e.g., Dr. A, Dr. B). However, the identity of the physician must be made available to your contractor upon audit.

Columns 3 through 9 and 12 through 18.--When the aggregate method is used, enter the data for each of these columns on the aggregate line for each cost center. When the individual method is used, enter the data for each column on the individual physician identifier lines for each cost center.

Column 3.--Enter the total physician compensation paid by you for each cost center. Physician compensation means monetary payments, fringe benefits, deferred compensation, costs of physician membership in professional societies, continuing education, malpractice, and any other items of value (excluding office space or billing and collection services) that you or other organizations furnish to a physician in return for the physician's services. (See 42 CFR 415.60(a).) Include the compensation in column 3 of Worksheet A or, if necessary, through appropriate reclassification on Worksheet A-6 or as a cost paid by a related organization through Worksheet A-8-1.

Column 4.--Enter the amount of total remuneration included in column 3 which is applicable to the physician's services to individual patients (professional component). These services are reimbursed on a reasonable charge basis by the Part B carrier in accordance with 42 CFR 415.102(a). The written allocation agreement between you and the physician specifying how the physician spends his or her time is the basis for this computation. (See 42 CFR 415.60(f).)

Column 5.--Enter the amount of the total remuneration included in column 3, for each cost center, which is applicable to general services to you (provider component). The written allocation agreement is the basis for this computation. (See 42 CFR 415.60(f).)

NOTE: 42 CFR 415.60(b) requires that physician compensation be allocated between physician services to patients, to the provider, and nonallowable services such as research. Physicians' nonallowable services must not be included in columns 4 or 5. The instructions for column 18 ensure that the compensation for nonallowable services which is included in column 3 is correctly eliminated on Worksheet A-8.

Column 6.--Enter for each line of data, as applicable, the reasonable compensation equivalent (RCE) limit applicable to the physician's compensation included in that cost center. The amount entered is the limit applicable to the physician specialty as published in the Federal Register before any allowable adjustments.

The final notice on the annual update to RCE limits was published in the Federal Register on August 1, 2003, Vol. 68, No. 148 on page 45459. Obtain the RCE applicable to the specialty from this table. If the physician specialty is not identified in the table, use the RCE for the total category in the table. The beginning date of the cost reporting period determines which calendar year (CY) RCE is used. Your location governs which of the three geographical categories are applicable (non-metropolitan areas, metropolitan areas less than one million, or metropolitan areas greater than one million).

Column 7.--Enter for each line of data the physician's hours which are allocated to provider services. For example, if a physician works 2080 hours per year and 50 percent of his/her time is spent on provider services, then enter 1040.

The hours entered are the actual hours for which the physician is compensated by you for furnishing services of a general benefit to your patients. If the physician is paid for unused vacation, unused sick leave, etc., exclude the hours so paid from the hours entered. Time records or other documentation that supports this allocation must be available for verification by your contractor upon request. (See CMS Pub. 15-1, §2182.3E.)

Column 8.--Enter the unadjusted RCE limit for each line of data. This amount is the product of the RCE amount entered in column 6 and the ratio of the physician's provider component hours entered in column 7 to 2080 hours.

Column 9.--Enter for each line of data five percent of the amounts entered in column 8.

Column 12.--The computed RCE limit in column 8 may be adjusted upward (up to five percent of the computed limit (column 9)) to take into consideration the actual costs of membership for physicians in professional societies and continuing education paid by you.

Enter for each line of data the actual amounts of these expenses paid by you.

Column 13.--Enter for each line of data the result of multiplying the amount in column 5 by the amount in column 12 and dividing that amount by the amount in column 3.

Column 14.--The computed RCE limit in column 8 may also be adjusted upward to reflect the actual malpractice expense incurred by you for the physician's (or a group of physicians) services to your patients.

Enter for each line of data the actual amounts of these malpractice expenses paid by you.

Column 15.--Enter for each line of data the result of multiplying the amount in column 5 by the amount in column 14 and dividing the result by the amount in column 3.

Column 16.--Enter for each line of data the sum of the amounts in columns 8 and 15 plus the lesser of the amounts in columns 9 or 13.

Column 17.--Compute the RCE disallowance for each cost center by subtracting the RCE limit in column 16 from your component remuneration in column 5. If the result is a negative amount, enter zero.

Column 18.--The adjustment for each cost center entered represents the provider-based physician elimination from costs entered on Worksheet A-8, column 2, line 8 and on Worksheet A, column 6 to each cost center affected. Compute the amount by deducting, for each cost center, the lesser of the amounts recorded in column 5 (provider component remuneration) or column 16 (adjusted RCE limit) from the total remuneration recorded in column 3.

Line Descriptions

Total Line.--Total the amounts in columns 3 through 5, 7 through 9, and 12 through 18.

4120. WORKSHEET B, PART I - COST ALLOCATION - GENERAL SERVICE COSTS
AND WORKSHEET B-1 - COST ALLOCATION - STATISTICAL BASIS

In accordance with 42 CFR 413.24(a), cost data must be based on an approved method of cost finding and on the accrual basis of accounting except where governmental institutions operate on a cash basis of accounting. Cost data based on such basis of accounting are acceptable subject to appropriate treatment of capital expenditures. Cost finding is the process of recasting the data derived from the accounts ordinarily kept by a provider to ascertain costs of the various types of services rendered. It is the determination of these costs by the allocation of direct costs and proration of indirect costs. The various cost finding methods recognized are outlined in 42 CFR 413.24(d). Worksheets B, Part I and B-1 have been designed to accommodate the step-down method of cost finding. These worksheets may have to be modified to accommodate other methods of cost finding which have been approved for use by the SNF.

Worksheet B, Part I provides for the allocation of the expenses of each general service cost center to those cost centers which receive the services. The cost centers serviced by the general service cost centers include all cost centers within the provider organization, i.e., other general service cost centers, ancillary service cost centers, inpatient routine service cost centers, outpatient service cost centers, special purpose and other reimbursable cost centers, and non-reimbursable cost centers. The total direct expenses are obtained from Worksheet A, column 7.

Worksheet B-1 provides for the proration of the statistical data needed to equitably allocate the expenses of the general service cost centers on Worksheet B, Part I.

To facilitate the allocation process, the general format of Worksheets B, Part I and B-1 are identical. Each general service cost center has the same line number as its respective column number across the top. The column and line numbers for each general service cost center are identical on the two worksheets. In addition, the line numbers of each ancillary, routine, other reimbursable, and non-reimbursable cost centers are identical on the two worksheets. The cost centers and line numbers are consistent with Worksheet A. Note that lines 80, 81 and 82 from Worksheet A are not needed on Worksheets B and B-1.

The statistical basis shown at the top of each column on Worksheet B-1 is the recommended basis of allocation of the cost center indicated.

A change in order of allocation and/or allocation statistics is appropriate for the current fiscal year if received by the contractor, in writing, within 90 days prior to the end of the fiscal year. The contractor has 60 days to make a decision or the change is automatically accepted. The change must be shown to more accurately allocate the overhead cost, or if the change is as accurate, should be changed due to simplification of maintaining the statistics. If a change in statistics is made, the provider must maintain both sets of statistics until an approval is made. If both sets of statistics are not maintained and the request is denied, the provider reverts back to the previously approved methodology. The provider must include with the request all supporting documentation and a thorough explanation of why the alternative approach should be used.

Most cost centers are allocated on different statistical bases. However, for those cost centers for which the basis is the same (e.g., square feet), the total statistical base over which the costs are allocated differs because of the prior elimination of cost centers that have been closed.

When closing the general service cost centers, first close the cost centers that render the most services to and receive the least services from other cost centers. The cost centers are listed in this sequence from left to right on the worksheets. However, your circumstances may be such that a more accurate result is obtained by allocating to certain cost centers in a sequence different from that followed on these worksheets.

If the amount of any cost center on Worksheet A, column 7 has a credit balance, this must be shown as a credit balance on Worksheet B, Part I, column 0. Allocate the costs from the applicable overhead cost centers in the normal manner to such cost center showing a credit balance. After receiving costs from the applicable overhead cost centers, if a general service cost center has a credit balance at the point it is to be allocated, such general service cost center must not be allocated. Rather, enter the credit balance in parentheses on line 99 as well as on the first line of the column and on line 100. This enables column 18, line 100, to cross foot to columns 0 and 3A, line 100. After receiving costs from the applicable overhead cost centers, if a revenue producing cost center has a credit balance on Worksheet B, Part I, column 18, do not carry forward such credit balance to Worksheet C.

On Worksheet B-1, enter on the first line in the column of the cost center being allocated the total statistical base (including accumulated cost for allocating administrative and general expenses) over which the expenses are to be allocated (e.g., for column 1, Capital Related - Buildings and Fixtures, enter on line 1 the total square feet of the building on which depreciation was taken).

Such statistical base including accumulated cost for allocating administrative and general expenses does not include any statistics related to services furnished under arrangements except where:

- Both Medicare and non-Medicare costs of arranged for services are recorded in your records; or
- The contractor determines that you are able to and do gross up the costs and charges for services to non-Medicare patients so that both cost and charges are recorded as if you had furnished such services directly to all patients. (See CMS Pub. 15-1, §2314.)

For all cost centers (below the first line) to which the capital related cost is allocated, enter that portion of the total statistical base applicable to each. The total sum of the statistical base applied to each cost center receiving the services rendered must equal the total base entered on the first line.

Enter on line 102 of Worksheet B-1 the total expenses of the cost center to be allocated. Obtain this amount from Worksheet B, Part I, from the same column and line number used to enter the statistical base on Worksheet B-1 (in the case of Capital Related - Buildings and Fixtures, this amount is on Worksheet B, Part I, column 1, line 1).

Divide the amount entered on line 102 by the total statistics entered in the same column on the first line. Enter the resulting unit cost multiplier on line 103. The unit cost multiplier must be rounded to six decimal places.

Multiply the unit cost multiplier by that portion of the total statistics applicable to each cost center receiving the services rendered. Enter the result of each computation on Worksheet B, Part I, in the corresponding column and line. (See §4100.1 for rounding standards.)

After the unit cost multiplier has been applied to all the cost centers receiving the services rendered, the total cost (line 100) of all of the cost centers receiving the allocation on Worksheet B, Part I, must equal the amount entered on the first line. The preceding procedures must be performed for each general service cost center. Each cost center must be completed on both Worksheets B, Part I, and B-1 before proceeding to the next cost center.

If a general service cost center has a credit balance at the point it is allocated on Worksheet B, Part I, such general service cost center must not be allocated. However, the statistic must be displayed departmentally. No unit cost multiplier is calculated for lines 103 and 105 on Worksheet B-1.

Use lines 104 and 105 of Worksheet B-1 in conjunction with the allocation of capital-related cost on Worksheet B, Part II. Complete line 104 for all columns after Worksheets B, Part I, and B-1 have been completed and the amount of direct and indirect capital-related cost has been determined on Worksheet B, Part II. Line 105 for all columns is the unit cost multiplier used in allocating the direct and indirect capital-related cost on Worksheet B, Part II. Compute the unit cost multiplier after the amounts to be entered on line 104 have been determined by dividing the capital-related cost recorded on line 104 by the total statistics entered in the same column on the first line. Round the unit cost multiplier to six decimal places. (See instructions for Worksheet B, Part II, for the complete methodology and exceptions.)

After the costs of the general service cost center have been allocated on Worksheet B, Part I, enter in column 16 the sum of the costs in columns 3A through 15 for lines 30 through 95.

When an adjustment is required to expenses after cost allocation, show the amount applicable to each cost center in column 17 of Worksheet B, Part I. A corresponding adjustment to Worksheet B, Part II, may be applicable for capital-related cost adjustments. You must submit a supporting worksheet showing the computation of the adjustment in addition to completing Worksheet B-2.

Some examples of adjustments which may be required to expenses after cost allocation are (1) the allocation of available costs between the certified portion and the noncertified portion of a distinct part provider and (2) costs attributable to unoccupied beds of an SNF with restrictive admission policy. (See CMS Pub. 15-1, §§2342 - 2344.3.)

After the adjustments have been made on Worksheet B, Part I, column 17, adjust the amounts in column 16 by the amounts in column 17 and extend the new balances to column 18 for each line. The total costs entered in columns 18, line 100, must equal the total costs entered in column 0, line 100.

Transfer the totals in column 18, lines 40 through 52 (ancillary service cost centers), lines 60 through 63 (outpatient service cost centers), and line 71, to Worksheet C, column 1, lines 40 through 71 respectively.

Transfer the totals in column 18: <u>From Worksheet B, Part I, Column 18</u>	<u>To Worksheet D-1, Line 5</u>
Line 30, SNF	For SNF
Line 31, NF Sum of lines 30 and 31	For Titles V or XIX. For NF
Line 32, ICF/MR	For Title XIX. For ICF/MR

The non-reimbursable cost center totals, lines 90 through 95, are not transferred.

Column Descriptions

Column 1.--Depreciation on buildings and fixtures and expenses pertaining to buildings and fixtures such as insurance, interest, rent, and real estate taxes are combined in this cost center to facilitate cost allocation.

Column 2.--Providers that do not directly assign the depreciation on movable equipment and expenses pertaining to movable equipment such as insurance, interest, and rent as part of their normal accounting systems must accumulate the expenses in this cost center.

Column 4.--Allocate the administrative and general expenses on the basis of accumulated costs. Therefore, the amount entered on Worksheet B-1, column 4, line 4, is the difference between the amount on Worksheet B, Part I, column 3A and the amount entered on Worksheet B-1, column 4A.

A negative cost center balance in the statistics for allocating administrative and general expenses causes an improper distribution of this overhead cost center. Exclude negative balances from the allocation statistics.

4121. WORKSHEET B, PART II - ALLOCATION OF CAPITAL-RELATED COSTS

This worksheet provides for the determination of direct and indirect capital-related costs allocated to inpatient general routine services, special care, and ancillary services as well as to other cost centers. This worksheet is needed to provide CMS with data on capital-related costs for program purposes.

Use this worksheet in conjunction with Worksheets B, Part I, and B-1. The format and allocation process employed are identical to that used on Worksheets B, Part I, and B-1.

Column 0.--If capital-related costs have been directly assigned to specific cost centers on Worksheet A, column 2, enter those amounts directly assigned from your records. If you include costs incurred by a related organization in your cost report, the portion of these costs that are capital-related costs are considered directly assigned capital-related costs of the applicable cost center. For example, a provider that is part of a chain organization includes some costs incurred by the home office of the chain organization in its administrative and general cost center. The amount so included representing capital-related cost is included in this column.

Columns 1 and 2.--The amounts entered in column 1, lines 3 through 95, are obtained from Worksheet B, Part I, column 1, lines 3 through 95. The amounts entered in column 2, lines 3 through 95, are obtained from Worksheet B, Part I, column 2, lines 3 through 95.

Enter on Worksheet B-1, line 104, for each cost center (column) the capital-related costs to be allocated. Report these costs on the first line of each column on Worksheet B, Part II. Complete a unit cost multiplier for each column by dividing the amount on line 104 of Worksheet B-1 by the statistic reported on the first line of the same column. Enter the unit cost multiplier on line 105 and round to six decimal places, e.g., .102589241 is rounded to .102589. The allocation process on Worksheet B, Part II, is identical to that used on Worksheets B, Part I, and B-1.

Multiply the unit cost multiplier by the portion of the total statistic applicable to each cost center. Enter the result of each computation on Worksheet B, Part II, in the corresponding column and line.

After the unit cost multiplier has been applied to all the cost centers, the total cost on Worksheet B, Part II, line 100, of all the cost centers receiving the allocation must equal the amount being allocated on the first line of the column. These procedures must be performed for each general service cost center. Each cost center must be completed on Worksheets B-1 and B, Part II, before proceeding to the next cost center.

4122. WORKSHEET B-2 - POST STEP DOWN ADJUSTMENTS

This worksheet provides an explanation of the post Step down adjustment reported in column 17 of Worksheet B, Parts I and II.

Column 1.--Enter a brief description of the post Step down adjustment.

Column 2.--The post Step down adjustment may be made on Worksheet B, Parts I and II. Enter the appropriate part to which the post Step down adjustment applies.

Column 3.--Enter the Worksheet B line number to which the adjustment applies.

Column 4.--Enter the amount of the adjustment. Transfer these amounts to the applicable lines on Worksheet B, Parts I or II, column 17.

4123. WORKSHEET C - RATIO OF COST TO CHARGES FOR ANCILLARY AND
OUTPATIENT COST CENTERS

Column 1.--Enter on each line the amount from the corresponding line of Worksheet B, Part I, column 18. Do not bring forward any cost center with a credit balance from Worksheet B, Part I, column 18. However, report the charges applicable to such cost centers with a credit balance in column 2 of the applicable line on Worksheet C.

Column 2.--Enter on each cost center line the total gross patient charges including charity care for that cost center. Include in the applicable cost centers items reimbursed on a fee schedule (e.g., DME, oxygen, prosthetics and orthotics). DME, oxygen, and orthotic and prosthetic devices (except for enteral and parental nutrients and intraocular lenses furnished by providers) are paid by the DME MAC or the regional home health contractor based on the lower of the supplier's actual charge or a fee schedule. Therefore, do not include Medicare charges applicable to these items in the Medicare charges reported on Worksheet D. However, include your standard customary charges for these items in total charges on Worksheet C. This is necessary to avoid the need to split your organizational cost centers such as medical supplies between those items paid on a fee basis and those items subject to cost reimbursement.

Column 3.--Divide the cost for each cost center in column 1 by the total charges for the cost center in column 2 to determine the ratio of total cost to total charges. Enter the resultant department ratios in this column. Round ratios to 6 decimal places, e.g., .102589241 is rounded to .102589.

4124. WORKSHEET D - APPORTIONMENT OF ANCILLARY AND OUTPATIENT COST

A separate copy of this worksheet must be completed for each situation applicable under titles V, XVIII, and XIX.

4124.1 Part I - Calculation of Ancillary and Outpatient Cost.--This worksheet provides for the apportionment of cost applicable to inpatient and outpatient services reimbursable under titles V, XVIII, and XIX for SNFs, NFs, ICF/MR and Other in accordance with 42 CFR 413.53(b).

NOTE: For titles V and XIX, use columns 1, 2, and 4.

Column 1.--Enter the ratio of cost to charges developed for each cost center from Worksheet C, column 3.

Columns 2 and 3.--Enter from your records or the Provider Statistical & Reimbursement Report (PS&R) furnished by your contractor, the program SNF charges for the indicated cost centers. If gross charges for provider component only were used, then use only the health care program gross charges for provider component in columns 2 and 3.

For title XVIII, Part B, transfer the charges (less any professional component charges included therein) from column 3, line 100, plus Part II, line 2 Worksheet E, Part I, line 20.

Provide a reconciliation showing how the elimination of any professional component charges was accomplished.

Columns 4 & 5.--Multiply the indicated program charges in column 2 by the ratio in column 1 to determine the program expenses. Transfer column 4, sum of lines 40 through 52, to Worksheet E, Part I, line 1. Title XVIII outpatient, Part B expenses will be transferred from column 5, line 100, to Worksheet E, Part I, line 17.

Line 48.--Enter only the program charges for medical supplies charged to patients that are not paid on a fee schedule (i.e., orthotics and prosthetics). DME (not to be confused with complex medical equipment such as air fluidized beds) is paid on a fee schedule through the DME MAC for title XVIII and therefore is not paid through the cost report.

4124.2 Part II - Apportionment Vaccine Cost. This part provides for the apportionment of the costs applicable to the administration and cost of the following vaccines: Pneumococcal, Hepatitis B, Influenza, and Osteoporosis.

Line 1.--Enter the cost to charges ratio from Worksheet C, column 3, line 49.

Line 2.--Enter the program charges from the PS&R or from provider records.

Line 3.--Multiply line 1 by line 2 and enter the result. Transfer this amount to Worksheet E, Part I, line 18.

4124.3 Part III - Calculation of Pass Through Costs for Nursing & Allied Health.--This part calculates the ancillary costs associated with Nursing & Allied costs applicable for pass through for Title XVIII.

Column 1.--Enter on each ancillary line the total ancillary costs from Worksheet B, Part I, column 18

Column 2.--Enter the Nursing & Allied costs allocated to ancillary cost centers on Worksheet B, Part I, column 14.

Column 3.--Calculate the ratio of Nursing & Allied Health costs to total costs for each ancillary cost center. Divide the amounts in column 2 by the amounts in column 1.

Column 4.--Enter the title XVIII Part A cost from Part I, column 4 above.

Column 5.--Determine the title XVIII pass through amount for Nursing & Allied costs by multiplying the ratios in column 3 times the cost in column 4. Transfer the total amount on line 100, column 5 to Worksheet E, Part I, line 2.

4125. WORKSHEET D-1 - COMPUTATION OF INPATIENT ROUTINE COSTS

This worksheet provides for the computation of SNF inpatient operating cost in accordance with 42 CFR 413.53 (determination of cost of services to beneficiaries) and 42 CFR 413.30 (limitations on reimbursable costs). This worksheet applies to all Title V, Title XVIII, and Title XIX inpatient routine costs.

A separate copy of this worksheet must be completed for the SNF, NF, and ICF/MR. Also, a separate copy of this worksheet must be completed for each health care program under which inpatient operating costs are computed. Report separately the required statistics for the SNF, NF, and ICF/MR.

4125.1 Part I - Calculation of Inpatient Routine Costs.

At the top of each page, indicate by checking the appropriate box the health care program and provider component for which the page is prepared.

Line Descriptions

Line 1.--Enter the following data depending on the health care program and provider component for which the page is completed:

<u>Description</u>	<u>Inpatient Days From</u>
SNF	Worksheet S-3, Part I, column 7, line 1, including private room days for title XVIII
NF	Worksheet S-3, Part I, column 7, line 2 for titles V and XIX
ICF/MR	Worksheet S-3, Part I, column 7, line 3 for title XIX

EXCEPTION: When the SNF is located in a State that licenses the provider as an SNF regardless of the level of care given for titles V and XIX patients, enter the days from Worksheet S-3, column 7, sum of lines 1 and 2.

Line 2.--Enter the total private room days. (From provider's records.)

Line 3.--Enter the following data depending on the health care program and provider component for which the page is completed:

<u>Description</u>	<u>Inpatient Days From</u>
SNF	Worksheet S-3, Part I, column 4, line 1, for title XVIII
NF	Worksheet S-3, Part I, column 3, line 2 for title V and Worksheet S-3, Part I, column 5, line 2 for title XIX
ICF/MR	Worksheet S-3, Part I, column 5, line 3 for title XIX

EXCEPTION: When the SNF is located in a State that certifies the provider as an SNF regardless of the level of care given for titles V and XIX patients, enter the program inpatient days from Worksheet S-3, column 3, lines 1 and 2 for title V and from Worksheet S-3, column 5, lines 1 and 2 for title XIX.

Line 4.--Enter the total medically necessary private room days applicable to each health care program and each provider component.

Line 5.--For a full cost report, enter the total general inpatient routine service costs from Worksheet B, Part I, column 18, SNF from line 30, NF from line 31, or ICF/MR from line 32.

EXCEPTION: When the SNF is located in a State that certifies the provider as an SNF regardless of the level of care given for Titles V and XIX patients enter the general inpatient routine service costs from lines 30 and 31.

Line 6.--Enter the total charges for general inpatient routine services for the SNF, the SNF-based NF, or the SNF-based ICF/MR as applicable. These charges agree with the amounts on Worksheet G-2, column 1, lines 1, 2, and 3. See exception after line 5 above.

Line 7.--Enter the general inpatient routine cost/charge ratio (rounded to six decimal places, e.g., .102589241 is rounded to .102589) by dividing the total inpatient general routine service costs (line 5) by the total inpatient general routine service charges (line 6).

Line 8.--Enter the private room charges from your records.

Line 9.--Enter the average per diem charge (rounded to two decimal places) for private room accommodations by dividing the total charges for private room accommodations (line 8) by the total number of days of care furnished in private room accommodations (line 2).

Line 10.--Enter the semi-private room charges from your records.

Line 11.--Enter the average per diem charge (rounded to two decimal places) for semi-private accommodations by dividing the total charges for semi-private room accommodations (line 10) by the total number of days of care furnished in semi-private room accommodations (line 1 – line 2).

Line 12.--Subtract the average per diem charge for all semi-private accommodations (line 11) from the average per diem charge for all private room accommodations (line 9) to determine the average per diem private room charge differential. If a negative amount results from this computation, enter zero.

Line 13.--Multiply the average per diem private room charge differential (line 12) by the inpatient general routine cost/charge ratio (line 7) to determine the average per diem private room cost differential (rounded to two decimal places).

Line 14.--Multiply the average per diem private room cost differential (line 13) by the private room accommodation days (line 2) to determine the total private room accommodation cost differential adjustment.

Line 15.--Subtract the private room cost differential adjustment (line 14) from the general inpatient routine service cost (line 5) to determine the adjusted general inpatient routine service cost net of private room accommodation cost differential adjustment.

Line 16.--Determine the adjusted general inpatient routine service cost per diem by dividing the amount on line 15 by inpatient days (including private room days) shown on line 1.

Line 17.--Determine the routine service cost by multiplying the program inpatient days (including the private room days) shown on line 3 by the amount on line 16.

Line 18.--Determine the medically necessary private room cost applicable to the program by multiplying line 4 by the amount on line 13.

Line 19.--Add the amounts on lines 17 and 18 to determine the total program general inpatient routine service cost.

Line 20.--Enter the capital-related cost allocated to the general inpatient service cost center from Worksheet B, Part II, column 18, SNF from line 30, NF from line 31, or ICF/MR from line 32. See exception after line 5 above.

Line 21.--Determine the per diem capital-related cost by dividing line 20 by inpatient days on line 1.

Line 22.--Determine the program capital-related cost by multiplying line 21 by line 3.

Line 23.--Determine the inpatient routine service cost by subtracting the amount on line 22 from the amount on line 19.

Line 24.--Obtain the aggregate charges to beneficiaries for excess costs from your records.

Line 25.--Obtain the total program routine service cost for comparison to the cost limitation by subtracting the amount on lines 24 from the amount on line 23.

Line 26. - This line is not applicable for title XVIII, but may be currently used for title V and or title XIX. Enter the per diem limitation applicable to the respective title.

Line 27. - This line is not applicable for title XVIII, but may be currently used for title V and or title XIX. Obtain the inpatient routine service cost limitation by multiplying the number of inpatient days shown on line 3 by the cost limit for inpatient routine service cost applicable to you for the period for which the cost report is being filed. This amount is provided by your contractor and is entered in the space provided in the line description.

Line 28.--Enter the amount of reimbursable inpatient routine service cost which is determined by adding line 22 to the lesser of lines 25 or 27. Transfer this amount to the appropriate Worksheet E, Part II, line 4.

4125.2 Part II - Calculation of Inpatient Nursing & Allied Health Cost for PPS Pass through.

Line 1. --Enter the total inpatient days from Worksheet S-3, Part I, column 7, line 8, less lines 4 and 7.

Line 2. --Enter the program inpatient days from Worksheet S-3, Part I, column 3, 4, or 5 lines 1 or 2.

Line 3. --Enter the program Nursing & Allied Health cost from Worksheet B, Part I, column 14, line 14.

Line 4. --Calculate the ratio of program days to total days. Divide line 2 by line 1.

Line 5. --Calculate the Nursing & Allied Health pass through cost. Multiply the amount on line 3 times the amount on line 4. Transfer this amount to Worksheet E, Part I, line 2, for title XVIII, or Worksheet E, Part II, line 2 for titles V or XIX.

4130. WORKSHEET E - CALCULATION OF REIMBURSEMENT SETTLEMENT TITLE XVIII

Worksheet E is used to calculate reimbursement settlement. Use the applicable part of Worksheet E as follows:

Part I - SNF Reimbursement Under PPS

Part II - Reimbursement Settlement for Title V and Title XIX

4130.1 Part I - SNF Reimbursement Under PPS.--Use this part to calculate reimbursement settlement under PPS for program services. A free-standing SNF has been reimbursed for Medicare under PPS for cost reporting periods beginning after July 1, 1998.

Part A Line Descriptions

Line 1. -- Enter the prospective payment amount from your PS&R.

Line 2. -- Enter the sum of title XVIII Nursing & Allied Health costs, from Worksheet D, Part III, column 5, line 100 and Worksheet D-1, Part II, line 5.

Line 3. -- Enter the sum of lines 1 and 2.

Line 4.--Enter the amounts paid or payable by workmen's compensation and other primary payers where program liability is secondary to that of the primary payer. There are six situations under which Medicare payment is secondary to a primary payer:

1. Workmen's compensation,
2. No fault coverage,
3. General liability coverage,
4. Working aged provisions,
5. Disability provisions, and
6. Working ESRD beneficiary provisions.

Generally, when payment by the primary payer satisfies the liability of the program beneficiary, for cost reporting purposes, the services are considered to be non-program services. (The primary payment satisfies the beneficiary's liability when you accept that payment as payment in full. Note this on no-pay bills submitted in these situations.) The patient days and charges are included in total patient days and charges but are not included in program days and charges. In this situation, no primary payer payment is entered on line 4.

However, if the payment by the primary payer does not satisfy the beneficiary's obligation, the program pays (in situations 1, 2, and 3) the amount it otherwise pays (absent primary payer payment) less the primary payer payment and any deductible and coinsurance. In situations 1, 2, and 3, primary payer payment is not credited toward the beneficiary's deductibles and coinsurance. In situations 4 and 5, the program pays the lesser of (a) the amount it otherwise pays (without regard to the primary payer payment or deductible and coinsurance) less the primary payer payment; or (b) the amount it otherwise pays (without regard to primary payer payment or deductibles and coinsurance) less applicable deductible and coinsurance. In situations 4 and 5, primary payer payment is credited toward the beneficiary's deductible and coinsurance obligation.

If the primary payment does not satisfy the beneficiary's liability, include the covered days and charges in program days and charges and include the total days and charges in total days and charges for cost apportionment purposes. Enter the primary payer payment on line 4 to the extent that primary payer payment is not credited toward the beneficiary's deductible and coinsurance (situations 4 and 5). Primary payer payments that are credited toward the beneficiary's deductible and coinsurance are not entered on line 4.

Line 5.--Enter the Part A coinsurance billed to Medicare beneficiaries. Include any primary payer payments applied to Medicare beneficiaries' coinsurance in situations where the primary payer payments do not fully satisfy the obligation of the beneficiary to the provider. Do not include any primary payer payments applied to Medicare beneficiaries' coinsurance in situations where the primary payer payment fully satisfies the obligation of the beneficiary to the provider. **DO NOT INCLUDE** coinsurance billed to program patients for physicians' professional services.

Line 6.--Enter program reimbursable bad debts for deductibles and coinsurance (from your records), excluding deductibles and coinsurance for physicians' professional services and net of bad debt recoveries.

Line 7.-- Enter the gross reimbursable bad debts for full-benefit dual eligible individuals. This amount must also be included in the amount on line 6.

Line 8.-- DRA 2005 SNF Bad Debt--Calculate this line as follows: ((line 6 - line 7) times .7) PLUS the amount on line 7. This is the adjusted SNF reimbursable bad debt in accordance with DRA 2005, section 5004.

Line 9.-- Enter the amount of recovery of reimbursable bad debts. This amount is for statistical purposes only, and does not enter into any reimbursement calculation.

Line 10.--Enter the applicable program's share of the reasonable compensation paid to physicians for services in utilization review committees applicable to the SNF.

Line 11. -- Enter the sum of line 3, plus line 8 and 10 for title XVIII, plus or minus the sum of lines 4, and line 5.

Line 12.--Enter interim payments from Worksheet E-1, column 2, line 4.

NOTE: Include amounts received from PPS (for inpatient routine services) as well as amounts received from ancillary services.

Line 13.--Your contractor will enter the Part A tentative adjustments from Worksheet E-1, column 2.

Line 14.--Enter OTHER adjustments. For example, enter an adjustment resulting from changing the recording of vacation pay from cash basis to accrual basis. (See CMS Pub. 15-1, §2146.4.) Specify the adjustment in the space provided.

Line 15.--Enter the amount on line 11 minus the sum of lines 12 and 13, plus or minus line 14. Enter a negative amount in parentheses (). Transfer this amount to Worksheet S, Part III, column 2, line 1.

Line 16.--Enter the program reimbursement effect of protested items. Estimate the reimbursement effect of the nonallowable items by applying reasonable methodology which closely approximates the actual effect of the item as if it had been determined through the normal cost finding process. (See §115.2.) Attach a worksheet showing the details and computations for this line.

Part B Line Descriptions.-

Use this part to calculate reimbursement settlement for Part B services for SNFs under title XVIII.

Line Descriptions

Line 17.--Enter the amount of Part B ancillary services furnished to Medicare patients. Obtain this amount from Worksheet D, Part I column 5, lines 40 through 52.

Line 18.-- Enter the vaccine cost from Worksheet D, Part II, line 3.

Line 19.-- Enter the sum of the amounts on lines 17 and 18.

Line 20.--Report the charges applicable to the ancillary services from Worksheet D, Part I, column 3, lines 40 through 52, plus Worksheet D, Part II, Line 2.

Line 21.-- Enter the lesser of line 19 or 20.

Line 22.--Enter the amounts paid or payable by workmen's compensation and other primary payers when program liability is secondary to that of the primary payer. There are six situations under which Medicare payment is secondary to a primary payer:

1. Workmen's compensation,
2. No fault coverage,
3. General liability coverage,
4. Working aged provisions,
5. Disability provisions, and
6. Working ESRD beneficiary provisions.

Generally, when payment by the primary payer satisfies the liability of the program beneficiary, for cost reporting purposes, the services are considered non-program services. (The primary payment satisfies the beneficiary's liability when you accept that payment as payment in full. Note this on no-pay bills submitted in these situations.) The patient days and charges are included in total patient days and charges but are not included in program patient days and charges. In this situation, no primary payer payment is entered on line 22.

However, if the payment by the primary payer does not satisfy the beneficiary's obligation, the program pays (in situations 1, 2, and 3) the amount it otherwise pays (absent primary payer payment) less the primary payer payment and any applicable deductible and coinsurance. In situations 1, 2, and 3, primary payer payment is not credited toward the beneficiary's deductibles and coinsurance. In situations 4 and 5, the program pays the lesser of (a) the amount it otherwise pays (without regard to the primary payer payment or deductibles and coinsurance) less the primary payer payment; or (b) the amount it otherwise pays (without regard to primary payer payment or deductibles and coinsurance) less applicable deductible and coinsurance. In situations 4 and 5, primary payer payment is credited toward the beneficiary's deductible and coinsurance obligation.

If the primary payment does not satisfy the beneficiary's liability, include the covered days and charges in program days and charges and include the total days and charges in total days and charges for cost apportionment purposes. Enter the primary payer payment on line 22 to the extent that primary payer payment is not credited toward the beneficiary's deductible and coinsurance. Primary payer payments that are credited toward the beneficiary's deductible and coinsurance are not entered on line 22.

Line 23.--Enter the Part B deductible and coinsurance billed to Medicare beneficiaries. Include any primary payer payments applied to Medicare beneficiaries' coinsurance in situations where the primary payer payments do not fully satisfy the obligation of the beneficiary to you. Do not include any primary payer payments applied to Medicare beneficiaries' coinsurance in situations where the primary payer payment fully satisfies the obligation of the beneficiary to you. DO NOT INCLUDE coinsurance billed to program patients for physicians' professional services.

Line 24.--Enter program reimbursable bad debts for deductibles and coinsurance (from your records), excluding deductibles and coinsurance for physicians' professional services and net of bad debt recoveries.

Line 25.-- Enter the sum of the amounts on lines 21, and 24, minus the amounts on lines 22, and 23.

Line 26.--Enter interim payment from Worksheet E-1, column 4, line 4.

Line 27.--Your contractor will enter the Part B tentative adjustments from Worksheet E-1, column 4.

Line 28.--Enter OTHER adjustments

Line 29.--Enter the amount on line 25 minus the sums of lines 26 and 27, and plus or minus line 28. Enter a negative amount in parentheses (). Transfer this amount to Worksheet S, Part III, column 3, line 1.

Line 30.--Enter the program reimbursement effect of protested items. Estimate the reimbursement effect of the nonallowable items by applying reasonable methodology which closely approximates the actual effect of the item as if it had been determined through the normal cost finding process. (See §115.2.) Attach a worksheet showing the details and computations for this line.

4130.2 Part II – Calculation of Reimbursement Settlement for Title V and Title XIX Only.--Use Worksheet E, Part II, to calculate reimbursement settlement for titles V, and XIX services furnished by SNFs, NFs, and ICF/MRs reimbursed under cost principles.

Mark in the appropriate box at the top of each page of Worksheet E, Part II, to indicate the program and the provider component for which it is used.

Line Descriptions

Line 1.--Enter the cost of ancillary services furnished to inpatients for titles V, and XIX. Transfer these amounts from Worksheet D, Part I, column 4, lines 40 through 52.

Line 2.--Enter Nursing & Allied Health costs for title V or title XIX from Worksheet D-1, part II, line 5 accordingly.

Line 3. -- For titles V and XIX, enter the cost of outpatient services. Obtain the amount from Worksheet D, Part I, column 4, lines 60 through 71.

Line 4.--Enter the inpatient operating costs from Worksheet D-1, line 28.

Line 5.--Enter the applicable program's share of the reasonable compensation paid to physicians for services on utilization review committees applicable to the SNF, from the provider records.

Line 7.--Enter the applicable charge differential between semi-private and less than semi-private accommodations. The amount of the differential is the difference between the customary charge for semi-private accommodations and the customary charge for the less than semi-private accommodations furnished for all program patient days when the accommodations provided were not medically necessary.

Line 8.--Enter the amount on line 6 minus the amount on line 7.

Line 9.--Enter the amounts paid or payable by workmen's compensation and other primary payers when program liability is secondary to that of the primary payer. There are six situations under which Medicare payment is secondary to a primary payer:

1. Workmen's compensation,
2. No fault coverage,
3. General liability coverage,
4. Working aged provisions,
5. Disability provisions, and
6. Working ESRD beneficiary provisions.

Generally, when payment by the primary payer satisfies the liability of the program beneficiary, for cost reporting purposes, the services are considered non-program services. (The primary payment satisfies the beneficiary's liability when the provider accepts that payment as payment in full. Note this on no-pay bills submitted in these situations.) The patient days and charges are included in total patient days and charges, but are not included in program patient days and charges. In this situation, no primary payer payment is entered on line 9.

However, when the payment by the primary payer does not satisfy the beneficiary's obligation, the program pays (in situations 1, 2, and 3) the amount it otherwise pays (absent primary payer payment) less the primary payer payment and applicable deductibles and coinsurance. In situations 4 and 5, the program pays the lesser of (a) the amount it otherwise pays (without regard to the primary payer

payment or deductibles and coinsurance) less the primary payer payment; or (b) the amount it otherwise pays (without regard to primary payer payment or deductibles and coinsurance) less applicable deductibles and coinsurance. In all situations for services rendered on or after November 13, 1989, the primary payer payment is credited toward the beneficiary's deductible and coinsurance obligation.

When the primary payment does not satisfy the beneficiary's liability, include the covered days and charges in program days and charges and include the total days and charges in total days and charges for cost apportionment purposes. Enter the primary payer payment on line 9 to the extent that primary payer payment is not credited toward the beneficiary's deductible and coinsurance (situations 4 and 5). Primary payer payments that are credited toward the beneficiary's deductible and coinsurance are not entered on line 9.

Line 10.--Enter the amount on line 8 minus the amount on line 9.

Lines 11 through 15.--These lines provide for the accumulation of charges which relate to the reasonable cost on line 10.

Do not include on these lines (1) the portion of charges applicable to the excess costs of luxury items or services (see CMS Pub. 15-1, §2104.3) and (2) provider charges to beneficiaries for excess costs as described in CMS Pub. 15-1, §§2570 - 2577.

If the charges on Worksheet C do include such professional component, eliminate the amount of the professional component from the charges to be entered on lines 11 and 13. Submit a schedule showing these computations with the cost report.

Line 11.--For titles V or XIX only; enter the total charges for inpatient ancillary services from Worksheet D, Part I, column 2, lines 40 through 52 net of professional component.

Line 12.--For titles V and XIX only, enter the total charges for outpatient services from Worksheet D, Part I, column 2, lines 60 through 71 net of professional component.

Line 13.--Enter the program inpatient routine service charges from your records for the applicable component.

The amount on this line includes covered late charges which have been billed to the program where the patient's medical condition is the cause of the extended stay. In addition, these charges include the charges for semi-private accommodations of inpatients which workmen's compensation and other primary payers paid at the ward rate. Adjust these charges on line 13 in determining final settlement.

Line 14.--If the amount entered on line 12 has not been adjusted to take into consideration the differential between semi-private room charges and charges for less than semi-private accommodations. Enter the amount from line 7.

Line 15.--Enter the sum of lines 11 through 13 minus line 14.

Lines 16 through 19.--These lines provide for the reduction of program charges when the provider does not actually impose such charges in the case of most patients liable for payment for services on a charge basis or fails to make reasonable efforts to collect such charges from those patients. Providers which do impose these charges and make reasonable efforts to collect the charges from patients liable for payment for services on a charge basis are not required to complete lines 16 through 18 but instead enter on line 19 the amount from line 15. (See 42 CFR 413.13(b).) In no instance may the customary charges on line 19 exceed the actual charge on line 15.

Computation of Reimbursement Settlement

Line 20.--Enter the lesser of reasonable cost (line 8 before the application of the primary payer amount) or customary charges (line 19), minus the primary payer amount on line 9.

Line 21.--Enter the deductibles billed to title V and title XIX beneficiaries.

Line 22.--Enter the amount on line 20 minus the amount on line 21.

Line 23.--Enter the coinsurance billed to beneficiaries. DO NOT INCLUDE coinsurance billed to program patients for physicians' professional services.

Line 24.--Enter the amount on line 22 minus the amount on line 23.

Line 25.--Enter program reimbursable bad debts net of bad debt recoveries for deductibles and coinsurance (from your records), excluding deductibles and coinsurance for physicians' professional services.

Line 26.--Enter the sum of the amounts on lines 24 and 25.

Line 27.--If your cost limit is raised as a result of your request for review, amounts which were erroneously collected on the basis of the initial cost limit is required to be refunded to the beneficiary. Enter any amounts which are not refunded either because they are less than \$5.00 collected from a beneficiary or because the provider is unable to locate the beneficiary. (See CMS Pub. 15-1, §2577.)

Line 28.--Enter the program's share of any recovery of excess depreciation applicable to prior years resulting from provider termination or a decrease in program utilization. (See CMS Pub. 15-1, §§136 - 136.16.)

Line 29.--Enter any other adjustments. For example, enter an adjustment resulting from changing the recording of vacation pay from a cash basis to an accrual basis. (See CMS Pub. 15-1, §2146.4.) Specify the adjustment in the space provided.

Include any portion of the amount of the State's bill for determining the validity of nurse aide training and testing under §1919(b)(5) of the Social Security Act. This adjustment includes the State's cost of deeming individuals to have completed training and testing requirements and the State's cost of determining the competency of individuals trained by or in a facility-based program.

Line 30.--Enter the program's share of any net depreciation adjustment applicable to prior years resulting from the gain or loss from the disposition of depreciable assets. (See CMS Pub. 15-1, §§132-132.4.) Enter in parentheses () the amount of any excess depreciation taken

NOTE: Section 1861 (v) (1) (O) sets a limit on the valuation of a depreciable asset that may be recognized in establishing an appropriate allowance for depreciation, and for interest on capital indebtedness after a change of ownership that occurs on or after December 1, 1997.

Line 31.--Enter the sum of the amounts on line 26, plus or minus lines 29 and 30, minus lines 27 and 28.

Line 32.-- Enter the Title V or Title XIX interim payment from your records.

Line 33.-- Enter a negative amount in parentheses (). Transfer titles V and XIX SNF amounts on this line to Worksheet S, Part III, line 1, columns 1 or 4, as applicable. Transfer titles V and XIX NF amounts to Worksheet S, Part III, line 2, columns 1 or 4, respectively. Transfer title XIX ICF/MR amounts to Worksheet S, Part III, line 3, column 4.

4131. WORKSHEET E-1 - ANALYSIS OF PAYMENTS TO PROVIDERS FOR SERVICES RENDERED

Complete an analysis of payments to providers for services furnished for each component of the health care complex which has a separate provider number. Worksheet E-1 is used by the SNF when the provider has received Medicare interim payments made by the contractor. It must not be completed for purposes of reporting interim payments for titles V or XIX.

The following components use one of the indicated worksheets instead of Worksheet E-1:

- SNF-based HHAs use Worksheet H-5;
- SNF-based RHC/FQHCs use Worksheet I-5; and
- SNF-based CMHC's use Worksheet J-4.

The column headings designate two categories of payments:

Columns 1 and 2 - Inpatient Part A
Columns 3 and 4 - Part B

You should complete lines 1 through 4. Your contractor will complete lines 5 through 9. All amounts reported on this worksheet must be for services, the cost of which is included in this cost report.

NOTE: DO NOT reduce any interim payments by recoveries as result of medical review adjustments where recoveries were based on a sample percentage applied to the universe of claims reviewed and the PS&R was not also adjusted.

Line Descriptions

Line 1.--Enter the total Medicare interim payments paid to you. The amount entered must reflect the sum of all interim payments paid on individual bills (net of adjustment bills) for services rendered in this cost reporting period. The amount entered must include amounts withheld from your interim payments due to an offset against overpayments to you, applicable to the prior cost reporting periods. Do not include (1) any retroactive lump sum adjustment amounts based on a subsequent revision of the interim rate, (2) tentative or net settlement amounts, or (3) interim payments payable. If you are reimbursed under the periodic interim payment method of reimbursement, enter the periodic interim payments received for this cost reporting period.

Line 2.--Enter the total Medicare interim payments payable on individual bills. Since the cost in the cost report is on an accrual basis, this line represents the amount of services rendered in the cost reporting period but not paid as of the end of the cost reporting period.

Line 3.--Enter the amount of each retroactive lump sum adjustment and the applicable date.

Line 4.--Enter the total amount of the interim payments (sum of lines 1, 2, and 3.99). Transfer the total amount from column 2 Worksheet E, Part I, line 12 for inpatient Part A, and from column 4 to Worksheet E, Part I, Line 27 for Part B.

DO NOT COMPLETE THE REMAINDER OF WORKSHEET E-1. LINES 5 THROUGH 9 ARE FOR CONTRACTOR USE ONLY.

Line 5.--List separately each tentative settlement payment after desk review together with the date of payment. If the cost report is reopened after the Notice of Program Reimbursement (NPR) has been issued, report all settlement payments prior to the current reopening settlement on line 5.

Line 6.--Enter the net settlement amount (balance due to the provider or balance due to the program) for the NPR or, if this settlement is after a reopening of the NPR, for this reopening.

NOTE: On lines 3, 5, and 6, when an amount is due provider to program, show the amount and date on which the provider agrees to the amount of repayment even though total repayment is not accomplished until a later date.

Line 7.--The sum of lines 4, 5.99, and 6, column 2, for inpatient Part A must equal Worksheet E, Part I, line 11. For Part B, the amount in column 4 must equal Worksheet E, Part I, line 26.

Line 8.--Enter the contractor name and the contractor number in columns 1 and 2, respectively.

4140. FINANCIAL STATEMENT WORKSHEETS

Prepare these worksheets from your accounting books and records.

Complete all worksheets in the "G" series. Complete Worksheets G and G-1 if you maintain fund-type accounting records, complete separate amounts for General, Specific Purpose, Endowment and Plant funds on Worksheets G and G-1. If you do not maintain fund-type accounting records, complete the general fund column only. Cost reports received with incomplete G worksheets are returned to you for completion. If you do not follow this procedure, you are considered as having failed to file a cost report. Where applicable, Worksheets G, G-1, G-2 and G-3 must be consistent with financial statements prepared by Certified Public Accountants or Public Accountants.

4140.1 Worksheet G - Balance Sheet--If the lines on the Worksheet G are not sufficient, use lines 5 (Other receivables), 9 (Other current assets), 41 (Other current liabilities), and 47 (Other long term liabilities), as appropriate, to report the sum of account balances and adjustments. Maintain supporting documentation or subscript the appropriate lines.

Enter accumulated depreciation as a negative amount.

Column 1--General Fund--Use only this fund column when you do not maintain fund-type accounting records. This fund is similar to a general ledger account and records all assets and liabilities of the entity

Column 2--Specific Purpose Fund--These accounts are used for funds held for specific purposes such as research and education.

Column 3--Endowment Fund--These accounts are for amounts restricted for endowment purposes.

Column 4--Plant Fund--These accounts are for amounts restricted for the replacement and expansion of the plant.

Line 1--Cash on Hand and in Banks--The amounts on this line represent the amount of cash on deposit in banks and immediately available for use in financing activities, amounts on hand for minor disbursements and amounts invested in savings accounts and certificates of deposit. Typical accounts would be cash, general checking accounts, payroll checking accounts, other checking accounts, impress cash funds, saving accounts, certificates of deposit, treasury bills and treasury notes and other cash accounts.

Line 2--Temporary Investments--The amounts on this line represent current securities evidenced by certificates of ownership or indebtedness. Typical accounts would be marketable securities and other current investments.

Line 3--Notes Receivable--The amounts on this line represent current unpaid amounts evidenced by certificates of indebtedness.

Line 4--Accounts Receivable--Include on this line all unpaid inpatient and outpatient billings. Include direct billings to patients for deductibles, co-insurance and other patient chargeable items if they are not included elsewhere.

Line 6--Less: Allowance for Uncollectable Notes and Accounts--These are valuation (or contra-asset) accounts whose credit balances represent the estimated amount of uncollectible receivables from patients and third-party payers. Enter this amount as a negative.

Line 7--Inventory--Enter the costs of unused hospital supplies. Perpetual inventory records may be maintained and adjusted periodically to physical count. The extent of inventory control and detailed record-keeping will depend upon the size and organizational complexity of the provider. The Skilled Nursing Facility inventories may be valued by any generally accepted method, but the method must be consistently applied from year to year.

Line 8--Prepaid Expenses--Enter the costs incurred which are properly chargeable to a future accounting period.

Line 9--Other Current Assets --These balances include other current assets not included in other asset categories.

Line 10--Due from Other Funds--There are four funds: General Fund, Specific Purpose Fund, Endowment Fund and Plant Fund. These are represented in columns 1 through 4, respectively. Amounts reported in each column should be the amount due from other funds in their respective columns on Worksheet G, line 41 (Due to Other Funds).

Line 12--Land--This balance reflects the cost of land used in hospital operations. Included here is the cost of off-site sewer and water lines, public utility, charges for servicing the land, governmental assessments for street paving and sewers, the cost of permanent roadways and of grading of a non-depreciable nature. Unlike building and equipment, land does not deteriorate with use or with the passage of time; therefore, no depreciation is accumulated.

The cost of land includes (1) the cash purchase price, (2) closing costs such as title and attorney's fees, (3) real estate broker's commission, and (4) accrued property taxes and other liens on the land assumed by the purchaser.

Land 13--Land Improvements--Amounts on this line include structural additions made to land, such as driveways, parking lots, sidewalks; as well as the cost of shrubbery, fences and walls, landscaping, on-site sewer and water lines, and underground sprinklers. The cost of land improvements includes all expenditures necessary to make the improvements ready for their intended use.

Line 15--Buildings--This line includes the cost of all buildings and subsequent additions used in hospital operations (including purchase price, closing costs, (attorney fees, title insurance, etc.), and real estate broker commission). Included are all architectural, consulting and legal fees related to the acquisition or construction of buildings, and interest paid for construction financing.

Line 17--Leasehold Improvements--All expenditures for the improvement of a leasehold used in SNF operations are included on this line.

Line 19--Fixed Equipment--Include the cost of building equipment that has the following general characteristics:

1. Affixed to the building, not subject to transfer or removal.
2. A life of more than one year, but less than that of the building to which it is affixed.
3. Used in SNF operations.

Fixed equipment includes such items as boilers, generators, engines, pumps, and refrigeration machinery, wiring, electrical fixtures, plumbing, elevators, heating system, air conditioning system, etc.

Line 21--Automobiles and Trucks--Enter the cost of automobiles and trucks used in SNF operations.

Line 23--Major movable Equipment--Costs of equipment included on this line has the following general characteristics:

1. Ability to be moved, as distinguished from fixed equipment (but not automobiles or trucks).
2. A more or less fixed location in the building.
3. A unit cost large enough to justify the expense incident to control by means of an equipment ledger and greater than or equal to \$5,000.
4. Sufficient individuality and size to make control feasible by means of identification tags.
5. A minimum life of usually three years or more.
6. Used in SNF operations.

Line 25--Minor Equipment-Depreciable--Costs of equipment included on this line has the following general characteristics:

1. Ability to be moved, as distinguished from fixed equipment.
2. A more or less fixed location in the building
3. A unit cost large enough to justify the expense incident to control by means of an equipment ledger but less than \$5,000.
4. Sufficient individuality and size to make control feasible by means of identification tags.
5. A minimum life of usually three years or more.
6. Used in SNF operations.

Line 26--Minor Equipment-Nondepreciable--Costs of equipment included on this line has the following general characteristics:

1. Location generally not fixed; subject to requisition or use by various departments of the hospital.
2. Relatively small size.
3. Subject to storeroom control.
4. Fairly large number in use.
5. Generally a useful life of usually approximately three years or less.
6. Used in SNF operations.

Minor equipment includes such items as, but is not limited to wastebaskets, bed pans, syringes, catheters, basins, glassware, silverware, pots and pans, sheets, blankets, ladders, and surgical instruments.

Lines 14, 16, 18, 20, 22, and 24--Less Accumulated Depreciation--These balances, respectively, include the depreciation accumulated on the related assets used in hospital operations. Enter this amount as a negative.

Line 29--Investments--This field contains the cost of investments purchased with SNF funds and the fair market value (at date of donation) of securities donated to the SNF.

Line 30--Deposits on Leases--Report the amount of deposits on leases. This includes security deposits.

Line 31--Due from Owners/Officers--Report the amount loaned to the SNF by owners and/or officers.

Line 32--Other Assets--This is the amount of assets not reported on line 9 (other current assets) or any other line 1 through 31. This could include intangible assets such as goodwill, unamortized loan costs and other organization costs.

Line 33--Total Other Assets--Sum of lines 29 through 32.

Line 34--Total Assets--Sum of lines 11, 28 and 33.

Line 35--Accounts Payable--This amount reflects the amounts due trade creditors and others for supplies and services purchased.

Line 36--Salaries, Wages and Fees Payable--This amount reflects the actual or estimated liabilities of the SNF for salaries and wages/fees payable.

Line 37--Payroll Taxes Payable--This amount reflects the actual or estimated liabilities of the SNF for amounts payable for payroll taxes withheld from salaries and wages, payroll taxes to be paid by the SNF and other payroll deductions, such as hospitalization insurance premiums.

Line 38--Notes and Loans Payable (Short-Term)--The amounts on this line represent current amounts owing as evidenced by certificates of indebtedness coming due in the next 12 months.

Line 39--Deferred Income--Deferred income is received or accrued income which is applicable to services to be rendered within the next accounting period. Deferred income applicable to accounting periods extending beyond the next accounting period is included as other current liabilities. These amounts also reflect the effects of any timing differences between book and tax or third-party reimbursement accounting.

Line 40--Accelerated Payments--Accelerated payments are payments not yet due to be repaid to the contractor.

Line 41--Due to Other Funds--There are four funds: General Fund, Specific Purpose Fund, Endowment Fund and Plant Fund. These are in columns 1 through 4 respectively. Amounts are reported in the fund owing the amount. Each amount recorded as “due to” must also be reported on Worksheet G, line 10 (Due From Other Funds).

The sum of the amounts on line 10, columns 1 through 4 must equal the sum of the amounts on line 41, columns 1 through 4.

Line 42--Other Current Liabilities--This line is used to record any current liabilities not reported on lines 35 through 41.

Line 43--Total Current Liabilities--Enter the sum of lines 35 through 42.

Line 44--Mortgage Payable--This amount reflects the long-term financing obligation used to purchase real estate/property.

Line 45--Notes Payable--These amounts reflect liabilities of the SNF to vendors, banks and other, evidenced by promissory notes due and payable longer than one year.

Line 46--Unsecured Loans--These amounts are not loaned on the basis of collateral.

Line 48--Other Long-Term Liabilities--This line is used to record any long-term liabilities not reported on lines 46 through 48.

Line 50--Total Long-Term Liabilities--Enter the sum of lines 44 through 49.

Line 51--Total Liabilities--Enter the sum of lines 43 and 50.

Line 52--General Fund Balance--This represents the difference between the total of General Fund assets and General Fund Liabilities in column 1. This amount usually equals the end of period fund balance on Worksheet G-1, column 2, line 19.

Line 53--Specific Purpose Fund--This represents the difference between the total of Specific Purpose Fund assets and Specific Purpose Fund Liabilities in column 2.

Line 54--Donor Created - Endowment Fund Balance - Restricted--The sum of the amounts on lines 54, 55 and 56, represent the difference between the total of Endowment Fund assets and Endowment Fund Liabilities in column 3.

Line 55--Donor Created - Endowment Fund Balance - Unrestricted.

Line 56--Governing Body Created - Endowment Fund Balance.

Line 57--Plant Fund Balance - Invested in Plant--The sum of the amounts on lines 57 and 58, represent the difference between the total of Plant Fund assets and Plant Fund Liabilities in column 4.

Line 58--Plant Fund Balance - Reserves for Plant Improvement, Replacement and Expansion--
The credit balances of the restricted funds reported on lines 54 through 56, represent the net amount of each restricted fund's assets available for its designated purpose. The accounts should be credited for all income earned on restricted fund assets, as well as gains on the disposal of such assets. If, however, such items are treated as General Fund income (considering legal requirements and donor intent), the restricted Fund Balance account is charged, and the Due to General Fund account credited, for such income.

For Investor-Owned Corporations, the accounts on lines 53 through 58 include stock, paid in capital and retained earnings. For Investor-Owned Partnerships, the amounts on lines 53 through 58 include capital and partner's draw. For Investor-Owned - Division of a Corporation, the amounts on lines 53 through 58 include the division's or subsidiary's stock, paid in capital and divisional equity.

Line 59--Total Fund Balances--Enter the sum of lines 52 through 58.

Line 60--Total Liabilities and Fund Balances--Enter the sum of lines 51 and 59.

For each Fund, the amount on line 34 equals the amount on line 60.

4140.2 Worksheet G-1 - Statement of Changes in Fund Balances--

Columns 1 and 2--General Fund.

Columns 3 and 4--Specific Purpose Fund--These accounts are used for funds held for specific purposes such as research and education.

Columns 5 and 6--Endowment Fund--These accounts are for amounts restricted for endowment purposes.

Columns 7 and 8--Plant Fund--These accounts are for amounts restricted for the replacement and expansion of the plant.

Line 1--Fund Balance at Beginning of Period--The fund balance at the beginning of the period comes from the prior year cost report Worksheet G-1, line 19, columns 2, 4, 6 and 8, respectively.

Line 2--Net Income--Transfer to column 2, the amount from Worksheet G-3, line 31. Columns 1, 3, 4, 5, 6, 7 and 8 are not completed.

Line 3--Total--For column 2, enter the sum of lines 1 and 2. Leave columns 1, 3, 5 and 7 blank. For columns 4, 6 and 8, bring down the amount on line 1.

Lines 4 through 9--Additions--Most income is included in the net income reported on line 2. Any increases affecting the fund balance not included in net income are reported on these lines. A description (not exceeding 36 characters) is entered for each entry on lines 4 through 9.

Line 10--Total Additions--In columns 2, 4, 6 and 8, enter the sum of lines 4 through 9 columns 1, 3, 5 and 7, respectively.

Line 11--Subtotals--Enter the sum of lines 3 and 10 for columns 2, 4, 6 and 8. Leave columns 1, 3, 5 and 7 blank.

Lines 12 through 17--Deductions--Most expenses are included in the net income reported on line 2. Any decreases affecting the fund balance not included in net income are reported on these lines. A description (not exceeding 36 characters) is entered for each entry on lines 12 through 17.

Line 18--Total Deductions--In columns 2, 4, 6 and 8, enter the sum of lines 12 through 17, columns 1, 3, 5 and 7, respectively.

Line 19--Fund Balance at the end of Period per Balance Sheet--Enter the result of line 11 minus line 18 for columns 2, 4, 6 and 8. Leave columns 1, 3, 5 and 7 blank. The amount in line 19, column 2 must agree with Worksheet G, line 52, column 1. The amount on line 19, column 4 must agree with Worksheet G, line 53, column 2. The amount on line 19, column 6 must agree with the sum of Worksheet G, column 3, lines 54 through 56. The amount on line 19, column 8 must agree with the sum of Worksheet G, column 4, lines 57 and 58.

These amounts will also be used to start next year's Worksheet G-1.

4140.3 Worksheet G-2, Parts I & II - Statement of Patient Revenues and Operating Expenses--The worksheets require the reporting of total patient revenues for the entire facility and operating expenses for the entire facility. If cost report total revenues and total expenses differ from those on your filed financial statement, submit a reconciliation report with the cost report submission. If you have more than one SNF-based HHA and/or more than one outpatient rehabilitation provider, subscript the appropriate lines on Worksheet G-2, Part I, to report the revenue for each multiple based facility separately.

Part I - Patient Revenues--Enter total patient revenues associated with the appropriate cost centers on lines 1 through 4, and 6 through 13.

Line 1--SNF--Enter revenues generated by the SNF component of the complex. Obtain these amounts from your accounting books and/or records.

Line 2--Nursing Facility--Enter the nursing facility revenue from your accounting books and/or records.

Line 3--ICF/MC--Enter the ICF/MC revenue from your accounting books and/or records.

Line 4--Other Long Term Care-- Enter the revenue generated from other long term care sub providers from your accounting books and/or records. Subscript this line as necessary.

Line 5--Total General Inpatient Routine Care--Sum of lines 1 through 4.

Line 6--Ancillary Services--Enter in the appropriate column revenue from inpatient ancillary services and outpatient ancillary services from your accounting books and/or records.

Line 7--Clinic--Enter in the appropriate column revenue from clinic services from your accounting books and/or records.

Line 8--Home Health Agency-- Enter home health agency revenue from your accounting books and/or records. If there is more than one home health agency, include the revenues for all home health agencies on this line.

Line 9--Ambulance Services--Enter from your accounting books and/or records the revenue relative to the ambulance service cost reported on Worksheet A, line 71.

Line 10--RHC/FQHC--Enter in column 2 only, the revenue generated from RHC/FQHC.

Line 11--CMHC--Enter in column 2 only, the revenue generated from CMHC.

Line 12--Hospice--Enter from your accounting books and/or records in the appropriate column, the revenue generated from hospice services rendered. If there is more than one hospice, include the revenues for all hospices on this line.

Line 13--Other (specify).

Line 14--Total Patient Revenues--Enter the sum of lines 5 through 13.

Column 3--Enter the sum of columns 1 and 2, lines 1 – 14 respectively in column 3.

Part II - Operating Expenses--Enter the expenses incurred that arise during the ordinary course of operating the hospital complex.

Line 1--Operating Expenses--This amount is transferred from Worksheet A, line 100, column 3.

Lines 2 through 7--Add (Specify)--Identify on these lines additional operating expenses not included in line 1.

Line 8--Total Additions--Enter on line 8, column 2, the sum of lines 2 through 7, column 1.

Lines 9 through 13--Deduct (specify)-- Identify on these lines deductions from operating expenses not included in line 1.

Line 14--Total Deductions--Enter on line 14, column 2, the sum of lines 9 through 13, column 1.

Line 15--Total Operating Expenses--Enter in column 2, the result of line 1, column 2 plus line 8, column 2, less line 14, column 2.

4140.4 Worksheet G-3 - Statement of Revenues and Expenses--This worksheet requires the reporting of total revenues for the entire facility and total operating expenses for the entire facility. If cost report total revenues and total expenses differ from those on your filed financial statement, submit a reconciliation report with the cost report submission.

Line 1--Total Patient Revenue--Transfer from Worksheet G-2, Part I, line 14, column 3.

Line 2--Less: Allowance and Discounts on Patient's Accounts--Enter on this line total patient revenues not received. This includes:

Provision for Bad Debts,
Contractual Adjustments,
Charity Discounts,
Teaching Allowances,
Policy Discounts,
Administrative Adjustments, and
Other Deductions from Revenue

Line 3--Net Patient Revenues--Subtract line 2 from line 1.

Line 4--Less: Total Operating Expenses--Transfer from Worksheet G-2, Part II, line 15.

Line 5--Net Income from Service to Patients--Subtract line 4 from line 3.

Lines 6 through 23--Enter on the appropriate lines 6 through 23 all other revenue not reported on line 1. Obtain these amounts from your accounting books and/or records.

Line 24--Other (Specify)--Enter all other revenue not reported on lines 6 through 23. Obtain this from your accounting books and/or records. Subscript this line as necessary.

Line 25--Total Other Income--Enter the sum of lines 6 through 24.

Line 26--Total--Enter the sum of lines 5 plus line 25.

Line 27--Other Expenses (Specify)--Enter all other expenses not reported on lines 6 through 25.

Line 30--Total Other Expenses--Enter the sum of lines 27 through 29, including subscripts.

Line 31--Net Income (or Loss) for the Period--Enter the result of line 26 minus line 30.

4141. WORKSHEET H - ANALYSIS OF PROVIDER-BASED HOME HEALTH AGENCY COSTS

This worksheet provides for the recording of direct HHA costs such as salaries, fringe benefits, transportation, and contracted services as well as other costs from your accounting books and records to arrive at the identifiable agency cost. This data is required by 42 CFR 413.20. It also provides for the necessary reclassifications and adjustments to certain accounts prior to the cost finding calculations. Obtain these direct costs from your records in columns 1, 2 and 4. All of the cost centers listed do not apply to all agencies.

The HHA must maintain the records necessary to determine the split in salary (and employee-related benefits) between two or more cost centers and must adequately substantiate the method used to split the salary and employee-related benefits. These records must be available for audit by your contractor. Your contractor can accept or reject the method used to determine the split in salary. Any deviation or change in methodology to determine splits in salary and employee benefits must be requested in writing and approved by your contractor before any change is effectuated. Where approval of a method has been requested in writing and this approval has been received (prior to the beginning of the cost reporting period), the approved method remains in effect for the requested period and all subsequent periods until you request in writing to change to another method or until your contractor determines that the method is no longer valid due to changes in your operations.

Column 1--Enter all salaries and wages (a salary is gross amount paid to the employee before taxes and other items are withheld, including deferred compensation, overtime, incentive pay, and bonuses (See CMS Pub. 15-1, Chapter 21)) for the HHA in this column for the actual work performed within the specific area or cost center. For example, if the administrator spends 100 percent of his/her time in the HHA and performs skilled nursing care which accounts for 25 percent of that person's time, then 75 percent of the administrator's salary (and any employee-related benefits) is entered on line 5 (administrative and general-HHA) and 25 percent of the administrator's salary (and any employee-related benefits) is entered on line 6 (skilled nursing care). Enter the sum of column 1, lines 1 through 24 on line 25.

Column 2--Enter all payroll-related employee benefits for the HHA in the appropriate cost center in this column. See CMS Pub. 15-1, §§2144 - 2145 for a definition of fringe benefits. Entries are made using the same basis as that used for reporting salaries and wages in column 1. Therefore, 75 percent of the administrator's payroll-related fringe benefits is entered on line 5 (administrative and general - HHA) and 25 percent of the administrator's payroll-related fringe benefits is entered on line 6 (skilled nursing care). Enter the sum of column 2, lines 1 through 24 on line 25.

Report payroll-related employee benefits in the cost center where the applicable employee's compensation is reported. This assignment is performed on an actual basis or upon the following basis:

- FICA based on actual expense by cost center;
- Pension and retirement and health insurance (non union) based on gross salaries of participating individuals by cost centers;
- Union health and welfare based on gross salaries of participating union members by cost center; and

All other payroll-related benefits based on gross salaries by cost center

Include nonpayroll-related employee benefits in the administrative and general-HHA cost center. Costs for such items as personal education, recreation activities, and day care are included in the administrative and general - HHA cost center.

Column 3--If the transportation costs, i.e., owning or renting vehicles, public transportation expenses, or payments to employees for driving their private vehicles can be directly assigned to a particular cost center, enter those costs in the appropriate cost center. If these costs are not identifiable to a particular cost center, enter them on line 4. Enter the sum of column 3, lines 1 through 24 on line 25.

Column 4--Enter the contracted and purchased services amounts in the appropriate cost center in this column. If a contracted/purchased service covers more than one cost center, then include the amount applicable to each cost center on each affected cost center line. Enter the sum of column 4, lines 1 through 24 on line 25.

Column 5--From your books and records, enter on the applicable lines all other identifiable costs which have not been reported in columns 1 through 4. Enter the sum of column 5, lines 1 through 24 on line 25.

Column 6--Add the amounts in columns 1 through 5 for each cost center, and enter the totals in column 6.

Column 7--Enter any reclassifications among the cost center expenses listed in column 6 which are needed to effect proper cost allocation. This column need not be completed by all providers, but is completed only to the extent reclassifications are needed and appropriate in the particular circumstances. Show reductions to expenses as negative amounts.

Column 8--Add column 7 to column 6, and extend the net balances to column 8.

Column 9--In accordance with 42 CFR 413ff, enter on the appropriate lines the amounts of any adjustments to expenses required under the Medicare principles of reimbursement.

Column 10--Adjust the amounts in column 8 by the amounts in column 9, and extend the net balance to column 10.

Transfer the amounts in column 10, lines 1 through 25, to the corresponding lines on Worksheet H-1, Part I, column 0.

Line Descriptions

Lines 1 and 2--These cost centers include depreciation, leases and rentals for the use of facilities and/or equipment, interest incurred in acquiring land or depreciable assets used for patient care, insurance on depreciable assets used for patient care, and taxes on land or depreciable assets used for patient care.

Line 3--Enter the direct expenses incurred in the operation and maintenance of the plant and equipment, maintaining general cleanliness and sanitation of the plant, and protecting employees, visitors, and agency property.

Line 4--Enter all of the cost of transportation except those costs previously directly assigned in column 3. This cost is allocated during the cost finding process.

Line 5--Use this cost center to record the expenses of several costs which benefit the entire facility. Examples include fiscal services, legal services, accounting, data processing, taxes, and malpractice costs.

Line 6--Skilled nursing care is a service that must be provided by or under the supervision of a registered nurse. The complexity of the service, as well as the condition of the patient, are factors to be considered when determining whether skilled nursing services are required. Additionally, the skilled nursing services must be required under the plan of treatment.

Line 7--Enter the direct costs of physical therapy services by or under the direction of a registered physical therapist as prescribed by a physician. The therapist provides evaluation, treatment planning, instruction, and consultation.

Line 8--These services include (1) teaching of compensatory techniques to permit an individual with a physical impairment or limitation to engage in daily activities; (2) evaluation of an individual's level of independent functioning; (3) selection and teaching of task-oriented therapeutic activities to restore sensory-integrative function; and (4) assessment of an individual's vocational potential, except when the assessment is related solely to vocational rehabilitation.

Line 9--These are services for the diagnosis and treatment of speech and language disorders that create difficulties in communication.

Line 10--These services include (1) assessment of the social and emotional factors related to the individual's illness, need for care, response to treatment, and adjustment to care furnished by the facility; (2) casework services to assist in resolving social or emotional problems that may have an adverse effect on the beneficiary's ability to respond to treatment; and (3) assessment of the relationship of the individual's medical and nursing requirements to his or her home situation, financial resources, and the community resources available upon discharge from facility care.

Line 11--Enter the cost of home health aide services. The primary function of a home health aide is the personal care of a patient. The services of a home health aide are given under the supervision of a registered professional nurse and, if appropriate, a physical, speech, or occupational therapist. The assignment of a home health aide to a case must be made in accordance with a written plan of treatment established by a physician which indicates the patient's need for personal care services. The specific personal care services to be provided by the home health aide must be determined by a registered professional nurse and not by the home health aide.

Line 12--The cost of medical supplies reported in this cost center are those costs which are directly identifiable supplies furnished to individual patients and for which a separate charge is made. These supplies are generally specified in the patient's plan of treatment and furnished under the specific direction of the patient's physician.

Medical supplies which are not reported on this line are those minor medical and surgical supplies which would not be expected to be specifically identified in the plan of treatment or for which a separate charge is not made. These supplies (e.g., cotton balls, alcohol prep) are items that are frequently furnished to patients in small quantities (even though in certain situations, these items may be used in greater quantity) and are reported in the administrative and general (A&G) cost center.

Line 13--Enter the costs of vaccines exclusive of the cost of administering the vaccines. A visit by an HHA nurse for the sole purpose of administering a vaccine is not covered as an HHA visit under the home health benefit, even though the patient may be an eligible home health beneficiary receiving services under a home health plan of treatment. Section 1862(a)(1)(B) of the Act excludes Medicare coverage of vaccines and their administration other than the Part B coverage contained in §1861 of the Act.

If the vaccine is administered in the course of an otherwise covered home health visit, the visit is covered as usual, but the cost and charges for the vaccine and its administration must be excluded from the cost and charges of the visit. The HHA is entitled to separate payment for the vaccine and its administration under the Part B vaccine benefit.

The cost of administering pneumococcal, influenza, and hepatitis B vaccines is reimbursed under the outpatient prospective payment system (OPPS), but the actual cost of the pneumococcal, influenza, and hepatitis B vaccines are cost reimbursed. Additionally, the cost of administering the osteoporosis drugs is included in the skilled nursing visit while the actual cost of the osteoporosis drug is reimbursed at reasonable cost.

Enter on this line the vaccine and drug cost (exclusive of the cost to administer these vaccines) incurred for pneumococcal, influenza, and hepatitis B vaccines as well as osteoporosis drugs.

Some of the expenses includable in this cost center are the costs of syringes, cotton balls, bandages, etc., but the cost of travel is not permissible as a cost of administering vaccines, nor is the travel cost includable in the A&G cost center. The travel cost is non-reimbursable. Attach a schedule detailing the methodology employed to develop the administration of these vaccines. These vaccines are reimbursable under Part B only.

Line 14--Enter the direct expenses incurred in renting or selling durable medical equipment (DME) items to the patient for the purpose of carrying out the plan of treatment. Also, include all the direct expenses incurred by you in requisitioning and issuing the DME to patients.

Line 15 --Enter the telemedicine costs.

Lines 16-24—These lines identify nonreimbursable services commonly provided by a home health agency. These include home dialysis aide services (line 16), respiratory therapy (line 17), private duty nursing (line 18), clinic (line 19), health promotion activities (line 20), day care program (line 21), home delivered meals program (line 22), and homemaker service (line 23). The cost of all other nonreimbursable services is aggregated on line 24. Use this line throughout all applicable worksheets.

4142 WORKSHEET H-1 - COST ALLOCATION HHA GENERAL SERVICE COST

Worksheet H-1, Part I, provides for the allocation of the expenses of each HHA general service cost center to those cost centers which receive the services. The cost centers serviced by the general service cost centers include all cost centers within the home health agency, i.e., other general service cost centers, reimbursable cost centers, and nonreimbursable cost centers. Obtain the total direct expenses from Worksheet H, column 10. To facilitate transferring amounts from Worksheet H to Worksheet H-1, Part I, the same cost centers with corresponding line numbers (lines 1 through 25) are listed on both worksheets.

Worksheet H-1, Part II, provides for the proration of the statistical data needed to equitably allocate the expenses of the home health agency general service cost centers on Worksheet H-1, Part I. If there is a difference between the total accumulated costs reported on the Part II statistics and the total accumulated costs calculated on Part I, use the reconciliation column on Part II for reporting any adjustments. See §4120 for the appropriate usage of the reconciliation columns. For componentized A&G cost centers, the accumulated cost center line number must match the reconciliation column number.

To facilitate the allocation process, the general format of Parts I and II are identical. The column and line numbers for each general service cost center are identical on both parts. In addition, the line numbers for each general, reimbursable, and nonreimbursable cost centers are identical on the two parts of the worksheet. The cost centers and line numbers are also consistent with Worksheet H.

The statistical bases shown at the top of each column on Worksheet H-1, Part II, are the recommended bases of allocation of the cost centers indicated. If a different basis of allocation is used, the provider must indicate the basis of allocation actually used at the top of the column.

Most cost centers are allocated on different statistical bases. However, for those cost centers where the basis is the same (e.g., square feet), the total statistical base over which the costs are to be allocated will differ because of the prior elimination of cost centers that have been closed.

When closing the general service cost center, first close those cost centers that render the most services to and receive the least services from other cost centers. The cost centers are listed in this sequence from left to right on the worksheet. However, the circumstances of an agency may be such that a more accurate result is obtained by allocating to certain cost centers in a sequence different from that followed on these worksheets.

NOTE: An HHA wishing to change its allocation basis for a particular cost center or the order in which the cost centers are allocated must make a written request to its contractor for approval of the change and submit reasonable justification for such change prior to the beginning of the cost reporting period for which the change is to apply. The effective date of the change is the beginning of the cost reporting period for which the request has been made. In requesting the change, the agency must establish that the alternate basis or sequence of allocation is more accurate than that indicated on the official form. A mere demonstration that a cost allocation is different is not adequate to establish that it is more accurate.

On Worksheet H-1, Part II, enter on the first line in the column of the cost center the total statistics applicable to the cost center being allocated (e.g., in column 1, capital-related - buildings and fixtures, enter on line 1 the total square feet of the building on which depreciation was taken). Use accumulated cost for allocating administrative and general expenses.

Such statistical base does not include any statistics related to services furnished under arrangements except where both Medicare and non-Medicare costs of arranged for services are recorded in your records.

For all cost centers (below the cost center being allocated) to which the service rendered is being allocated, enter that portion of the total statistical base applicable to each. The total sum of the statistical base applied to each cost center receiving the services rendered must equal the total statistics entered on the first line.

Enter on Worksheet H-1, Part II, line 26, total expenses of the cost center to be allocated. Obtain this amount from Worksheet H-1, Part I, from the same column and line number used to enter the statistical base on Worksheet H-1, Part I. In the case of capital-related costs - buildings and fixtures, this amount is on Worksheet H-1, Part I, column 1, line 1.

Divide the amount entered on Worksheet H-1, Part II, line 26 by the total statistical base entered in the same column on the first line. Enter the resulting unit cost multiplier on line 27. Round the unit cost multiplier to six decimal places.

Multiply the unit cost multiplier by that portion of the total statistical base applicable to each cost center receiving the services rendered. Enter the result of each computation on Worksheet H-1, Part I, in the corresponding column and line.

After the unit cost multiplier has been applied to all the cost centers receiving costs, the total expenses (line 25) of all of the cost centers receiving the allocation on Worksheet H-1, Part I, must equal the amount entered on the first line of the cost center being allocated.

The preceding procedures must be performed for each general service cost center. Each cost center must be completed on both Part I and Part II before proceeding to the next cost center.

After all the costs of the general service cost centers have been allocated on Worksheet H-1, Part I, enter in column 6, line 25 the sum of the expenses on lines 6 through 24. The total expenses entered in column 6, line 25, equals the total expenses entered in column 0, line 25.

Column Descriptions

Column 1--Depreciation on buildings and fixtures and expenses pertaining to buildings and fixtures such as insurance, interest, rent, and real estate taxes are combined in this cost center to facilitate cost allocation. Allocate all expenses to the cost centers on the basis of square feet of area occupied. The square footage may be weighted if the person who occupies a certain area of space spends their time in more than one function. For example, if a person spends 10 percent of time in one function, 20 percent in another function, and 70 percent in still another function, the square footage may be weighted according to the percentages of 10 percent, 20 percent, and 70 percent to the applicable functions.

Column 2--Allocate all expenses (e.g., interest, personal property tax) for movable equipment to the appropriate cost centers on the basis of square feet of area occupied or dollar value.

Column 3--Allocate all expenses for plant operation and maintenance based on square feet.

Column 4--The costs of vehicles owned or rented by the agency and all other transportation costs which were not directly assigned to another cost center on Worksheet H, column 3, are included in this cost center. Allocate this expense to the cost centers to which it applies on the basis of miles applicable to each cost center.

This basis of allocation is not mandatory and a provider may use weighted trips rather than actual miles as a basis of allocation for transportation costs which are not directly assigned. However, an HHA must request the use of the alternative method in accordance with CMS Pub. 15-1, §2313. The HHA must maintain adequate records to substantiate the use of this allocation.

Column 5--The A&G expenses are allocated on the basis of accumulated costs after reclassifications and adjustments. Therefore, obtain the amounts to be entered on Worksheet H-1, Part II, column 5, from Worksheet H-1, Part I, columns 0 through 4.

A negative cost center balance in the statistics for allocating A&G expenses causes an improper distribution of this overhead cost center. Negative balances are excluded from the allocation statistics when A&G expenses are allocated on the basis of accumulated cost.

A&G costs applicable to contracted services may be excluded from the total cost (Worksheet H-1, Part I, column 0) for purposes of determining the basis of allocation (Worksheet H-1, Part II, column 5) of the A&G costs. This procedure may be followed when the HHA contracts for services to be performed for the HHA and the contract identifies the A&G costs applicable to the purchased services. The contracted A&G costs must be added back to the applicable cost center after allocation of the HHA A&G cost before the reimbursable costs are transferred to Worksheet H-2. A separate worksheet must be included to display the breakout of the contracted A&G costs from the applicable cost centers before allocation and the adding back of these costs after allocation. Contractor approval does not have to be secured in order to use the above described method of cost finding for A&G.

Column 6--For lines 6 through 24, add the amounts on each line in columns 4A and 5, and enter the result for each line in this column.

Line 25--The total costs entered in column 6, lines 6 through 24, must equal the total costs entered in column 0, lines 1 through 24.

Transfer the amounts on Worksheet H-1, Part I, column 6 to Worksheet H-2, Part I, column 0, as follows:

<u>From Worksheet H-1</u> <u>Part I, Column 6</u>	<u>To Worksheet H-2,</u> <u>Part I, Column 0</u>
Line 6	Line 2
7	3
8	4
9	5
10	6
11	7
12	8
13	9
14	10
15	11
16	12
17	13
18	14
19	15
20	16
21	17
22	18
23	19
24	20

4143. WORKSHEET H-2 - ALLOCATION OF GENERAL SERVICE COSTS TO HHA COST CENTERS

Use this worksheet only if you operate a certified SNF-based HHA as part of your complex. If you have more than one SNF-based HHA, complete a separate worksheet for each facility.

4143.1 Part I - Allocation of General Service Costs to HHA Cost Centers.--Worksheet H-2, Part I, provides for the allocation of the expenses of each general service cost center of the SNF to those cost centers which receive the services. Worksheet H-2, Part II provides for the proration of the statistical data needed to equitably allocate the expenses of the general service cost centers on Worksheet H-2, Part I.

Obtain the total direct expenses (column 0, line 21) from Worksheet A, column 7, line 70. Obtain the cost center allocation (column 0, lines 1 through 20) from Worksheet H-1, Part I, column 6, lines as indicated. The amounts on line 21, columns 0 through 15 and column 17 must agree with the corresponding amounts on Worksheet B, Part I, columns 0 through 15 and column 17, line 70. Complete the amounts entered on lines 1 through 20, columns 1 through 15 and column 17.

Line 22--Enter the unit cost multiplier (column 18, line 1, divided by the sum of column 18, line 21 minus column 18, line 1, rounded to 6 decimal places. Multiply each amount in column 18, lines 2 through 20, by the unit cost multiplier, and enter the result on the corresponding line of column 19.

4143.2 Part II - Allocation of General Service Costs to HHA Cost Centers -Statistical Basis--To facilitate the allocation process, the general format of Worksheet H-2, Parts I and II, is identical.

The statistical basis shown at the top of each column on Worksheet H-2, Part II, is the recommended basis of allocation of the cost center indicated.

NOTE: If you wish to change your allocation basis for a particular cost center, you must make a written request to your contractor for approval of the change and submit reasonable justification for such change prior to the beginning of the cost reporting period for which the change is to apply. The effective date of the change is the beginning of the cost reporting period for which the request has been made. (See CMS Pub. 15-1, §2313)

If there is a change in ownership, the new owners may request that the contractor approve a change in order to be consistent with their established cost finding practices. (See CMS Pub. 15-1, §2313)

Lines 1 through 20--On Worksheet H-2, Part II, for all cost centers to which the general service cost center is being allocated, enter that portion of the total statistical base applicable to each.

Line 21--Enter the total of lines 1 through 20 for each column. The total in each column must be the same as shown for the corresponding column on Worksheet B-1, line 70.

Line 22--Enter the total expenses for the cost center allocated. Obtain this amount from Worksheet B, Part I, line 70, from the same column used to enter the statistical base on Worksheet H-2, Part II (e.g., in the case of capital-related cost buildings and fixtures, this amount is on Worksheet B, Part I, column 1, line 70).

Line 23--Enter the unit cost multiplier which is obtained by dividing the cost entered on line 22 by the total statistic entered in the same column on line 21. Round the unit cost multiplier to six decimal places.

Multiply the unit cost multiplier by that portion of the total statistics applicable to each cost center receiving the services. Enter the result of each computation on Worksheet H-2, Part I, in the corresponding column and line.

After the unit cost multiplier has been applied to all the cost centers receiving the services, the total cost (line 21 Part I) must equal the total cost on line 22, Part II.

Perform the preceding procedures for each general service cost center.

In column 16, Part I, enter the total of columns 3A through 15.

In column 19, Part I, for lines 2 through 20, multiply the amount in column 18 by the unit cost multiplier in column 19, line 22, and enter the result in this column. On line 21, column 19, enter the total of the amounts on lines 2 through 20. The total on line 21 equals the amount in column 18 line 1.

In column 20, enter on lines 2 through 20 the sum of columns 18 and 19. The total on line 21 equals the total in column 18, line 21.

4144. WORKSHEET H-3 - APPORTIONMENT OF PATIENT SERVICE COSTS

This worksheet provides for the apportionment of home health patient service costs to titles V, XVIII, and XIX. Titles V and XIX use the columns identified as Part A for each program.

4144.1 Part I - Computation of the Aggregate Program Cost.--This part provides for the computation of the total cost and reasonable program cost by discipline based on program patient care visits as required by 42 CFR 413.20, 42 CFR 413.24 and 42 CFR 484.200. HHA services rendered on or after October 1, 2000, §1895 of the Social Security Act requires a home health agency to be paid based on a prospective payment system subject to periodic updates.

Cost Per Visit ComputationColumn Descriptions

Column 1--Enter the cost for each discipline from Worksheet H-2, Part I, column 20, lines as indicated. Enter the total on line 7.

Column 2--Where the SNF complex maintains a separate department for any of the cost centers listed on this worksheet, and the departments provide services to patients of the SNF's HHA, complete the amounts entered on lines 2 through 4. Enter the total on line 7.

Column 3--Enter the sum of columns 1 and 2.

Column 4--Enter the total agency visits from your records for each type of discipline on lines 1 through 6. Total visits reported in column 4 reflect visits rendered for the entire fiscal year and equal the visits reported on S-3, Part I, regardless of when the episode was completed.

Column 5--Compute the average cost per visit for each type of discipline. Divide the number of visits (column 4) into the cost (column 3) for each discipline.

Columns 6 and 9--To determine title XVIII, Part A, title V, or title XIX cost of service, multiply the number of Medicare or Medicaid covered visits in completed episodes made to beneficiaries (column 6) (from your records) by the average cost per visit amount in column 5 for each discipline. Enter the product in column 9.

NOTE: Statistics in column 7, lines 1 through 7, reflect statistics for services that are part of a home health plan, and thus not subject to deductibles and coinsurance. OBRA 1990 provides for the limited coverage of injectable drugs for osteoporosis. While covered as a home health benefit under Part B, these services are subject to deductibles and coinsurance. Report charges for osteoporosis injections in column 8, line 16, in addition to statistics for services that are not part of a home health plan.

Columns 7 and 10--To determine the Medicare Part B cost of service, not subject to deductibles and coinsurance, multiply the number of Medicare covered visits made in completed episodes to Part B beneficiaries (column 7) (from your records) by the average cost per visit amount in column 5 for each discipline. Enter the product in column 10. Note if the PS&R reports Part B services separately as "subject to and not subject to" deductibles and coinsurance, add the two reports together for each discipline.

Columns 6, 7, 9, 10 and 12--Enter visits and costs as applicable in columns 6, 7, 9, 10, and 12.

NOTE: The sum of visits reported in columns 6 and 7 must equal the corresponding amounts on Worksheet S-4, column 5, lines 24, 26, 28, 30, 32 and 34, respectively. These visits are reported for episodes completed during the fiscal year.

Columns 8 and 11--Do not use these columns.

Column 12--Enter the total program cost for each discipline (sum of columns 9 and 10). Add the amounts on lines 1 through 6, and enter this total on line 7.

Visits by CBSA--Lines 8 through 14-- Enter for each CBSA by discipline the CBSA code for Medicare program visits reimbursed under HHA PPS for each discipline for lines 8 through 13. Subscript each discipline line to accommodate multiple CBSAs serviced by your home health agency.

Column Descriptions

Column 1--Enter the CBSA code in which the corresponding HHA visits were rendered for each discipline on lines 8 through 13.

Columns 2 and 3--Enter the visit count for each of the corresponding disciplines for each CBSA.

Column 4, lines 8 through 14--These lines are shaded to prevent data input.

Line 14--Enter the total program visits for each discipline by adding lines 8 through 13 and subscripts, and enter this total on line 14.

Supplies and Drugs Cost Computation--Certain services covered by the program and furnished by a home health agency are not included in the cost per visit for apportionment purposes. Since an average cost per visit and HHA PPS do not apply to these items, develop and apply the ratio of total cost to total charges to program charges to arrive at the program cost for these services.

Column 1--Enter the facility costs in column 1, lines 15 and 16, from Worksheet H-2, Part I, column 20, lines 8 and 9, respectively.

Column 2--Enter the shared ancillary costs from Worksheet H-3, Part II, column 3, lines 4 and 5, respectively.

Columns 3 through 5--In column 3, enter the sum total of columns 1 and 2 on lines 15 and 16, respectively. Enter in column 4, lines 15 and 16, respectively, the total charges for such services in accordance with the instructions in §4142, lines 12 and 13. Develop a ratio of total cost (column 3) to total charges (column 4) (from your records), and enter this ratio in column 5.

Columns 6 through 8--Enter in the appropriate column the program charges for drugs and medical supplies charged to patients subject to cost reimbursement. The actual vaccine/drug cost for pneumococcal, influenza, hepatitis B and osteoporosis are cost reimbursed.

Do not enter charges for drugs and medical supplies subject to reimbursement on the basis of a fee schedule.

Line Descriptions for Columns 6 through 8

Line 15--Enter the program covered charges for medical supplies charged to patients for items not reimbursed on the basis of a fee schedule. Do not enter medical supply charges in columns 6, 7, and 8 subject to reimbursement on the basis of a fee schedule or OPSS as all medical supplies are covered under the HHA PPS benefit.

Line 16--This line represents pneumococcal, influenza, and hepatitis B vaccines costs and injectable osteoporosis drugs, but not the administration of these medications. Enter the program covered charges for drugs charged to patients for items not reimbursed on the basis of a fee schedule or OPSS. Enter in column 7 the program charges for pneumococcal vaccine and influenza vaccine exclusive of their respective administration costs. Enter in column 8 the program charges for hepatitis B vaccine and injectable osteoporosis drugs exclusive of their respective administration costs.

Columns 7 and 10--To determine the Medicare Part B cost, multiply the Medicare charges (column 7) by the ratio (column 5) for each line. Enter the product in column 10.

Columns 8 and 11--To determine the Medicare Part B cost, multiply the Medicare charges (column 8) by the ratio (column 5) for each line. Enter the result in column 11.

4144.2 Part II - Apportionment of Cost of HHA Services Furnished by Shared SNF Departments. Use this part only where the SNF complex maintains a separate department for any of the cost centers listed on this worksheet, and the departments provide services to patients of the SNF's HHA. Subscript lines 1-5, as applicable, if subscripted on Worksheet C.

Column 1--Where applicable, enter in column 1 the cost to charge ratio from Worksheet C, column 3, lines as indicated.

Column 2--Where SNF departments provide services to the HHA, enter on the appropriate lines the charges applicable to the SNF-based home health agency.

Column 3--Multiply the amounts in column 2 by the ratios in column 1, and enter the result in column 3. Transfer the amounts in column 3 to Worksheet H-3, Part I as indicated. If lines 1-5 are subscripted, transfer the aggregate of each line.

4145. WORKSHEET H-4 - CALCULATION OF HHA REIMBURSEMENT SETTLEMENT

This worksheet provides for the reimbursement calculation of titles V, XVIII Parts A and B, and XIX. This computation is required by 42 CFR 413.9, 42 CFR 413.13, and 42 CFR 413.30.

Worksheet H-4 consists of the following two parts:

- Part I - Computation of the Lesser of Reasonable Cost or Customary Charges
- Part II - Computation of HHA Reimbursement Settlement

4145.1 Part I - Computation of Lesser of Reasonable Cost or Customary Charges.--Services not paid based on a fee schedule or OPPS are paid the lesser of the reasonable cost of services furnished to beneficiaries or the customary charges made by the providers for the same services. This part provides for the computation of the lesser of reasonable cost as defined in 42 CFR 413.13(b) or customary charges as defined in the 42 CFR 413.13(e).

NOTE: Nominal charge providers are not subject to the lesser of cost or charges (LCC). Therefore, a nominal charge provider only completes lines 1, 2, and 9 of Part I. Transfer the resulting cost to line 10 of Part II.

Line Descriptions

Line 1--This line provides for the computation of reasonable cost reimbursed program services. Enter the cost of services from Worksheet H-3, Part I as follows:

<u>To Worksheet H-4, Line 1</u>	<u>From Worksheet H-3,</u>
Col. 2, Part B - Not subject to deductibles and coinsurance	Part I, col. 10, line 9
Col. 3, Part B - Subject to deductibles and coinsurance	Part I, col. 11, line 9

The above table reflects the transfer of the cost of pneumococcal and influenza vaccines from Worksheet H-3, Part I, column 10, line 9, to column 2 of this worksheet, and the cost of hepatitis B vaccines and injectable osteoporosis drugs from worksheet H-3, Part I, column 11, line 9 to column 3 of this worksheet.

Lines 2 through 6--These lines provide for the accumulation of charges which relate to the reasonable cost on line 1. Do not include on these lines (1) the portion of charges applicable to the excess costs of luxury items or services (see CMS Pub. 15-1, Chapter 21) and (2) provider charges to beneficiaries for excess costs as described in CMS Pub. 15-1, §2570. When provider operating costs include amounts that flow from the provision of luxury items or services, such amounts are not allowable in computing reimbursable costs.

Enter only the charges for applicable Medicare covered pneumococcal, influenza and hepatitis B vaccines and injectable osteoporosis drugs which are all cost reimbursed.

Line 2--Enter from your records in the applicable column the program charges for Part B not subject to deductibles and coinsurance, and Part B subject to deductibles and coinsurance.

Enter in column 2 the charges for Medicare covered pneumococcal and influenza vaccines (from worksheet H-3, line 9, column 7). In column 3, enter the charges for Medicare covered hepatitis B vaccines and osteoporosis drugs (from worksheet H-3, line 9, column 8).

Lines 3 through 6--These lines provide for the reduction of program charges when the provider does not actually impose such charges (in the case of most patients liable for payment for services on a charge basis) or fails to make reasonable efforts to collect such charges from those patients. If line 5 is greater than zero, multiply line 2 by line 5, and enter the result on line 6. Providers which do impose these charges and make reasonable efforts to collect the charges from patients liable for payment for services on a charge basis are not required to complete lines 3, 4, and 5, but enter on line 6 the amount from line 2. (See 42 CFR 413.13(b).) In no instance may the customary charges on line 6 exceed the actual charges on line 2.

Line 7--Enter in each column the excess of total customary charges (line 6) over the total reasonable cost (line 1). In situations when, in any column, the total charges on line 6 are less than the total cost on line 1 of the applicable column, enter zero on line 7.

Line 8--Enter in each column the excess of total reasonable cost (line 1) over total customary charges (line 6). In situations when, in any column, the total cost on line 1 is less than the customary charges on line 6 of the applicable column, enter zero on line 8.

Line 9--Enter the amounts paid or payable by workmen's' compensation and other primary payers where program liability is secondary to that of the primary payer. There are several situations under which program payment is secondary to a primary payer. Some of the most frequent situations in which the Medicare program is a secondary payer include:

- Workmen's' compensation,
- No fault coverage,
- General liability coverage,
- Working aged provisions,
- Disability provisions, and
- Working ESRD beneficiary provisions.

Generally, when payment by the primary payer satisfies the total liability of the program beneficiary, for cost reporting purposes only, the services are considered to be nonprogram services. (The primary payment satisfies the beneficiary's liability when the provider accepts that payment as payment in full. The provider notes this on no-pay bills submitted in these situations.) The patient visits and charges are included in total patient visits and charges, but are not included in program patient visits and charges. In this situation, no primary payer payment is entered on line 9.

However, when the payment by the primary payer does not satisfy the beneficiary's obligation, the program pays the lesser of (a) the amount it otherwise pays (without regard to the primary payer payment or deductible and coinsurance) less the primary payer payment, or (b) the amount it otherwise pays (without regard to primary payer payment or deductibles and coinsurance) less applicable deductible and coinsurance. Primary payer payment is credited toward the beneficiary's deductible and coinsurance obligation.

When the primary payer payment does not satisfy the beneficiary's liability, include the covered days and charges in both program visits and charges and total visits and charges for cost apportionment purposes. Enter the primary payer payment on line 9 to the extent that primary payer payment is not credited toward the beneficiary's deductible and coinsurance. Do not enter on line 9 the primary payer payments that are credited toward the beneficiary's deductible and coinsurance. The primary payer rules are more fully explained in 42 CFR 411.

4145.2 Part II - Computation of HHA Reimbursement Settlement.--

Line 10--Enter in column 1 the amount in Part I, column 1, line 1 less the amount in column 1, line 9. Enter in column 2 the sum of the amounts from Part I, columns 2 and 3, line 1 less the sum of the amounts in columns 2 and 3 on line 9. This line will only include pneumococcal, influenza, hepatitis B and injectable osteoporosis drugs reduced by primary payor amounts.

Lines 11 through 20--Enter in column 1 only for lines 11 through 14 as applicable, the appropriate PPS reimbursement amount for each episode of care payment category as indicated on the worksheet. Enter in column 1 only on lines 15 and 16, the appropriate PPS outlier reimbursement amount for each episode of care payment category as indicated on the worksheet. Enter on lines 17 through 19 the total DME, oxygen, prosthetics and orthotics payments, respectively, associated with home health PPS services (bill types 32 and 33). For lines 17 through 19 do not include any payments associated with services paid under bill type 34X. Obtain these amounts from your PS&R report.

Line 21--Enter in column 2 the Part B deductibles billed to program patients. Include any amounts of deductibles satisfied by primary payer payments.

Line 23--If there is an excess of reasonable cost over customary charges in any column on line 8, enter the amount of the excess in the appropriate column.

Line 25--Enter in column 2 all coinsurance billable to program beneficiaries including amounts satisfied by primary payer payments. Coinsurance is applicable for services reimbursable under §1832(a)(2) of the Act.

NOTE: If the component qualifies as a nominal charge provider, enter 20 percent of the costs subject to coinsurance on this line. Compute this amount by subtracting Part B deductibles on line 21 and primary payment amounts in column 3, line 9 from Part B costs subject to coinsurance in column 3, line 1. Multiply the resulting amount by 20 percent and enter it on this line.

Line 27--Enter the reimbursable bad debts in the appropriate columns. If recoveries exceed the current year's bad debts, line 27 will be negative.

Line 28--Enter the gross reimbursable bad debts for dual eligible beneficiaries. This amount is reported for statistical purposes only. This amount must also be reported on line 27.

Line 29--Enter the result of line 26 plus line 27.

Line 30-- Enter any other adjustments.

Line 32--Enter the interim payment amount from Worksheet H-5, line 4. For titles V and XIX, enter the interim payments from your records

Line 33--For contractor use only: Enter the amount from Worksheet H-5, line 5.99.

Line 34--The amounts show the balance due the provider or the program. Transfer to Worksheet S, Part III, line 4 as applicable.

Line 35 -Enter the program reimbursement effect of protested items. The reimbursement effect of the nonallowable items is estimated by applying reasonable methodology which closely approximates the actual effect of the item as if it had been determined through the normal cost finding process. (See §115.2.) A schedule showing the supporting details and computations for this line must be attached.

4146. WORKSHEET H-5 - ANALYSIS OF PAYMENTS TO PROVIDER-BASED HOME HEALTH AGENCIES FOR SERVICES RENDERED TO PROGRAM BENEFICIARIES

Complete this worksheet for Medicare interim payments only. (See 42 CFR 413.64.)

The column headings designate two categories of payments: Part A and Part B.

Complete the identifying information on lines 1 through 4. The remainder of the worksheet is completed by your contractor. Do not include on this worksheet any payments made for DME or medical supplies charged to patients that are paid on the basis of a fee schedule.

Line Descriptions

Line 1--Enter the total Medicare interim payments paid to the HHA for cost and HHA PPS reimbursed services. The amount entered reflects payments for all episodes concluded in this fiscal year. **Do not include any payments received for fee scheduled services.** The amount entered reflects the sum of all interim payments paid on individual bills (net of adjustment bills) for services rendered in this cost reporting period. The amount entered includes amounts withheld from your interim payments due to an offset against overpayments applicable to prior cost reporting periods. It does not include any retroactive lump sum adjustment amounts based on a subsequent revision of the interim rate, or tentative or net settlement amounts, nor does it include interim payments payable. If you are reimbursed under the periodic interim payment method of reimbursement, enter the periodic interim payments received for this cost reporting period.

Line 2--Enter the total Medicare interim payments payable on individual bills. Since the cost in the cost report is on an accrual basis, this line represents the amount of services rendered in the cost reporting period, but not paid as of the end of the cost reporting period, and does not include payments reported on line 1.

Line 3--Enter the amount of each retroactive lump sum adjustment and the applicable date.

Line 4--Enter the total amount of the interim payments (sum of lines 1, 2, and 3.99). Transfer these totals to the appropriate column on Worksheet H-4, Part II, line 32.

DO NOT COMPLETE THE REMAINDER OF WORKSHEET H-5. THE REMAINDER OF THE WORKSHEET IS COMPLETED BY YOUR CONTRACTOR

Line 5--List separately each tentative settlement payment after desk review together with the date of payment. If the cost report is reopened after the Notice of Program Reimbursement (NPR) has been issued, report all settlement payments prior to the current reopening settlement on line 5.

Line 6-- Enter the net settlement amount (balance due to provider or balance due to the program) for the NPR, or, if this settlement is after a reopening of the NPR, for this reopening.

NOTE: On lines 3, 5, and 6, when an amount is due from the provider to the program, show the amount and date on which you agree to the amount of repayment even though total repayment is not accomplished until a later date.

Line 7-- The sum of lines 4, 5.99, and 6, column 2, for inpatient Part A must equal Worksheet H-4, Part II, column 1, line 31. For Part B, the amount in column 4 must equal Worksheet H-4, Part II, column 2, line 31.

Line 8--Enter the contractor name and the contractor number in columns 1 and 2, respectively.

**4148. WORKSHEET I-1 - ANALYSIS OF SNF-BASED RURAL HEALTH CLINIC
FEDERALLY QUALIFIED HEALTH CENTER COSTS**

Use this worksheet only if you operate a certified rural health clinic (RHC) or Federally qualified health center (FQHC). Only those cost centers that represent services for which the facility is certified are used. If you have more than one SNF-based RHC and/or FQHC, complete a separate worksheet for each facility.

This worksheet is for the recording of direct RHC and FQHC costs from your accounting books and records to arrive at the identifiable agency cost. This data is required by 42 CFR 413.20. It also provides for the necessary reclassifications and adjustments to certain accounts prior to the cost finding calculations.

Column Descriptions

Columns 1 through 3.--The expenses listed in these columns must be in accordance with your accounting books and records. If the cost elements of a cost center are maintained separately on your books, a reconciliation of costs per the accounting books and records to those on this worksheet must be maintained by you and is subject to review by your contractor

Enter on the appropriate lines in columns 1 through 3 the total expenses incurred during the reporting period. Detail the expenses as Compensation (column 1) and Other (column 2). The sum of columns 1 and 2 must equal column 3.

Column 4.--Enter any reclassifications among the cost center expenses listed in column 3 which are needed to effect proper cost allocation. This column need not be completed by all providers, but is completed only to the extent reclassifications are needed and appropriate in the particular circumstances. See §4114 for examples of reclassifications that may be needed. Submit with the cost report copies of any workpapers used to compute the reclassifications reported in this column. Show reductions to expenses in parentheses ().

The net total of the entries in column 4 must equal zero on line 32.

Column 5.--Adjust the amounts in column 3 by the amounts in column 4 (increases or decreases), and extend the net balances to column 5. The total of column 5 must equal the total of column 3 on line 32.

Column 6.--In accordance with 42 CFR 413.9(c)(3), enter on the appropriate lines the amounts of any adjustments to expenses required under the Medicare principles of reimbursement. (See §4116.) Submit with the cost report copies of any workpapers used to compute the adjustments reported in this column.

NOTE: The allowable cost of the services furnished by National Health Service Corp (NHSC) personnel may be included in your facility's costs. Obtain this amount from your contractor, and include this as an adjustment to the appropriate lines on column 6.

Column 7.--Adjust the amounts in column 5 by the amounts in column 6, (increases or decreases) and extend the net balance to column 7. The total facility costs on line 32 must equal the net expenses for cost allocation on Worksheet A for the RHC (line 61), or FQHC (line 62) cost center.

Line Descriptions

Lines 1 through 9.--Enter the costs of your health care staff.

Line 10.--Enter the sum of the amounts on lines 1 through 9.

Line 11.--Enter the cost of physician medical services furnished under agreement.

Line 12.--Enter the expenses of physician supervisory services furnished under agreement.

Line 14.--Enter the sum of the amounts on lines 11 through 13.

Lines 15 through 19.--Enter the expenses of health care costs listed on these lines.

Line 21.--Enter the sum of the amounts on lines 15 through 19.

Line 22.--Enter the sum of the amounts on lines 10, 14, and 21. Transfer this amount to Worksheet I-2, Part II, line 12.

Lines 23 through 26.--Enter the expenses applicable to services that are not reimbursable under the RHC/FQHC benefit.

Line 28.--Enter the sum of the amounts on lines 23 through 26. Transfer the total amount in column 7 to Worksheet I-2, line 13.

Line 29.--Enter the overhead expenses directly costed to the facility. These expenses may include rent, insurance, interest on mortgage or loans, utilities, depreciation of buildings and fixtures, depreciation of equipment, housekeeping and maintenance expenses, and property taxes. Submit with the cost report supporting documentation to detail and compute the facility costs reported on this line.

Line 30.--Enter the expenses related to the administration and management of the RHC/FQHC that are directly costed to the facility. These expenses may include office salaries, depreciation of office equipment, office supplies, legal fees, accounting fees, insurance, telephone service, fringe benefits, and payroll taxes. Submit with the cost report supporting documentation to detail and compute the administrative costs reported on this line.

Line 31.--Enter the sum of the amounts on lines 29 and 30. Transfer the total amount in column 7 to Worksheet I-2, Part II, line 16.

Line 32.--Enter the sum of the amounts on lines 22, 28 and 31. This is the total facility cost.

4149. WORKSHEET I-2 - ALLOCATION OF OVERHEAD TO RHC/FQHC SERVICES

4149.1 Part I - Visits and Productivity.--Worksheet I-2, Part I, summarizes the number of facility visits furnished by the health care staff and calculates the number of visits to be used in the rate determination. Lines 1 through 9 of Part I list the types of practitioners (positions) for whom facility visits must be counted and reported.

Column Descriptions

Column 1.--Record the number of all full time equivalent (FTE) personnel in each of the applicable staff positions in the facility's practice. (See IOM 100-04, Chapter 9, §40.3 for a definition of FTEs.)

Column 2.--Record the total visits actually furnished to all patients by all personnel in each of the applicable staff positions in the reporting period. Count visits in accordance with instructions in 42 CFR 405.2401(b) defining a visit.

Column 3.--Productivity standards established by CMS are applied as a guideline that reflects the total combined services of the staff. Enter a level of 4200 visits for each physician (line 1) and a level of 2100 visits for each nonphysician practitioner (lines 2 and 3), unless you received an exception to these levels. If you were granted an exception to the productivity standards, enter the number of productivity visits approved by the contractor in lines 1 through 3.

Contractors have the authority to waive the productivity guideline in cases where you have demonstrated reasonable justification for not meeting the standard. In such cases, the contractor could set any number of visits as reasonable (not just your actual visits) if an exception is granted. For example, if the guideline number is 4200 visits and you have only furnished 1000 visits, the contractor need not accept the 1000 visits but could permit 2500 visits to be used in the calculation.

Column 4.--For lines 1 through 3, enter the product of column 1 and column 3. This is the minimum number of facility visits the personnel in each staff position are expected to furnish.

Column 5.--On line 4, enter the greater of the subtotal of the actual visits in column 2 or the minimum visits in column 4.

On lines 5 through 9 and 11, enter the actual number of visits for each type of position.

Line Descriptions

Line 10.--Enter the total of lines 4 through 9.

Line 11.--Enter the number of visits furnished to facility patients by physicians under agreement with you. Physician's services under agreements with you are (1) all medical services performed at your site by a physician who is not the owner or an employee of the facility, and (2) medical services performed at a location other than your site by such a physician for which the physician is compensated by you. While all physician services at your site are included in RHC/FQHC services, physician services furnished in other locations by physicians who are not on your full time staff are paid to you only if your agreement with the physician provides for compensation for such services.

4149.2 Part II - Determination of Total Allowable Cost Applicable To RHC/FQHC Services.--Worksheet I-2, Part II, determines the amount of the overhead costs incurred by both the parent provider and the facility which apply to RHC/FQHC services.

Line 12.--Enter the cost of health care services from Worksheet I-1, column 7, line 22.

Line 13.--Enter the total nonreimbursable costs from Worksheet I-1, column 7, line 28.

Line 14.--Enter the sum of lines 12 and 13 for the cost of all services (excluding overhead).

Line 15.--Enter the percentage of RHC/FQHC services. This percentage is determined by dividing the amount on line 12 (the cost of health care services) by the amount on line 14 (the cost of all services, excluding overhead).

Line 16.--Enter the total facility overhead costs incurred from Worksheet I-1, column 7, line 31.

Line 17.--Enter the overhead cost incurred by the parent provider allocated to the RHC/FQHC. This amount is the difference between the total costs allocated to the corresponding RHC/FQHC cost center on Worksheets B, Part I column 18, line 61 or 62, minus column 14, line 61 or 62, minus column 0, line 61 or 62.

Line 18.--Enter the sum of lines 16 and 17 to determine the total overhead costs related to the RHC/FQHC.

Line 19.--Enter the overhead amount applicable to RHC/FQHC services. It is determined by multiplying the amount on line 15 (the ratio of RHC/FQHC services to total services) by the amount on line 18 (total overhead costs).

Line 20.--Enter the total allowable cost of RHC/FQHC services. It is the sum of line 12 (cost of RHC/FQHC health care services) and line 19 (overhead costs applicable to RHC/FQHC services).

4150. WORKSHEET I-3 - CALCULATION OF REIMBURSEMENT SETTLEMENT FOR RHC/FQHC SERVICES

This worksheet provides for the reimbursement calculation of Rural Health Clinics and Federal Qualified Health Clinics. Use this worksheet to determine the interim all inclusive rate of payment and the total Medicare payment due you for the reporting period.

4150.1 Part I - Determination of Rate For RHC/FQHC Services.--Part I calculates the cost per visit for RHC/FQHC services and applies the screening guideline established by CMS on your health care staff productivity.

Line Descriptions

Line 1.--Enter the total allowable cost from Worksheet I-2, Part II, line 20.

Line 2.--Enter the cost of vaccines and their administration from Worksheet I-4, line 15.

Line 3.--Subtract the amount on line 2 from the amount on line 1 and enter the result.

Line 4.--Enter the greater of the minimum or actual visits by the health care staff from Worksheet I-2, Part I, column 5, line 10.

Line 5.--Enter the visits made by physicians under agreement from Worksheet I-2, Part I, column 5, line 11.

Line 6.--Enter the total adjusted visits (sum of lines 4 and 5).

Line 7.--Enter the adjusted cost per visit. This is determined by dividing the amount on line 3 by the visits on line 6.

Lines 8 and 9.--The limits are updated every January 1. Complete columns 1, 2 and if needed 3 of lines 8 and 9, if applicable (add a column 3 for lines 8-14 if the cost reporting period overlaps 3 limit update periods) to identify costs and visits affected by different payment limits during a cost reporting period. If only one payment limit is applicable during the cost reporting period, complete column 2 only.

Line 8.--Enter the maximum rate per visit that can be received by you. Obtain this amount from your contractor.

Line 9.--Enter the lesser of the amount on line 7 or line 8. For periods with cost reporting periods beginning on January 1, complete column 2 only. For cost reporting periods beginning other than January 1, amounts will be entered in columns 1 and 2.

4150.2 Part II - Calculation of Settlement.--Use Part II to determine the total payment based on specific title due you for covered RHC/FQHC services furnished to program beneficiaries during the reporting period.

Complete columns 1 and/or 2 of lines 10 through 14 to identify costs and visits affected by different payment limits during a cost reporting period. If the provider's cost reporting period begins on January 1, then only column 2 is completed. For cost reporting periods beginning other than January 1, both columns 1 and 2 must be completed.

Line Descriptions

Line 10.--Enter the number of program covered visits, excluding visits subject to the outpatient mental health services limitation from your contractor records.

Line 11.--Enter the subtotal of program cost. This cost is determined by multiplying the rate per visit on line 9 by the number of visits on line 10 (the total number of covered Medicare beneficiary visits for RHC/FQHC services during the reporting period).

Line 12.--Enter the number of program covered visits subject to the outpatient mental health services limitation from your contractor records.

Line 13.--Enter the program covered cost for outpatient mental health services by multiplying the rate per visit on line 9 by the number of visits on line 12.

Line 14.--Enter the limit adjustment. This limit applies only to therapeutic services, not initial diagnostic services. In accordance with MIPPA 2008, section 102, the outpatient mental health treatment service limitation applies as follows: for services rendered through December 31, 2009, the limitation is 62.50 percent; for services from January 1, 2010, through December 31, 2011, the limitation is 68.75 percent; for services from January 1 2012, through December 31, 2012, the limitation is 75 percent; for services from January 1, 2013, through December 31, 2013, the limitation is 81.25 percent; and for services on and after January 1, 2014, the limitation is 100 percent. This is computed by multiplying the amount on line 13 by the corresponding outpatient mental health service limit percentage. This limit applies only to therapeutic services, not initial diagnostic services.

Line 15.--Enter the total program cost. This is equal to the sum of the amounts on line 11, column 1 plus column 2, and line 14, column 1 plus column 2.

Line 16.--Enter the amounts paid or payable by workmen's compensation and other primary payers when program liability is secondary to that of the primary payer. There are six situations under which Medicare payment is secondary to a primary payer:

1. Workmen's compensation,
2. No fault coverage,
3. General liability coverage,
4. Working aged provisions,
5. Disability provisions, and
6. Working ESRD beneficiary provisions.

Generally, when payment by the primary payer satisfies the liability of the program beneficiary, for cost reporting purposes, the services are considered non-program services. (The primary payment satisfies the beneficiary's liability when you accept that payment as payment in full. Note this on no-pay bills submitted in these situations.) The patient days and charges are included in total patient days and charges but are not included in program patient days and charges. In this situation, no primary payer payment is entered on line 16.

Line 17.--Enter the amount credited to the RHC program patients to satisfy their deductible liabilities on the visits on lines 10 and 12 as recorded by the contractor from clinic bills processed during the reporting period. RHCs determine this amount from the interim payment lists provided by the contractor. FQHCs enter zero on this line as deductibles do not apply.

Line 18.--Enter the coinsurance amount applicable to the RHC or FQHC for program patients for visits on lines 10 and 12 as recorded by the contractor from clinic bills processed during the reporting period.

Line 19-- Enter the net program cost, excluding vaccines. This is equal to the result of subtracting the amounts on lines 16 through 18 from the amount on line 15.

Line 20--Enter the total reimbursable program cost of vaccines and their administration from Worksheet I-4, line 16.

Line 21--Enter the total reimbursable program cost (line 19 plus line 20).

Line 22--Enter the total reimbursable bad debts, net of recoveries, from your records.

Line 23--Enter the gross reimbursable bad debts for full-benefit dual eligible individuals. This amount must also be included in the amount on line 22.

Line 24--Enter any other adjustment. Specify the adjustment in the space provided.

Line 25--This is the sum of lines 21 plus line 22, plus or minus line 24.

Line 26--Enter the total interim payments made to you for covered services furnished to program beneficiaries during the reporting period (from contractor records). Transfer amount from Worksheet I-5, line 4.

Line 27--Your contractor will enter the tentative adjustment from Worksheet I-5, line 5.99.

Line 28--Enter the total amount due to/from the program, line 25 minus lines 26 and 27. Transfer this amount to Worksheet S, Part III, columns 1, 3, or 4 as applicable, line 5 or line 6 accordingly.

Line 29--Enter the program reimbursement effect of protested items. The reimbursement effect of nonallowable items is estimated by applying reasonable methodology which closely approximates the actual effect of the item as if it had been determined through the normal cost finding process. (See CMS Pub. 15-2 §115.2)

4151. WORKSHEET I-4 - COMPUTATION OF PNEUMOCOCCAL AND INFLUENZA VACCINE COST

The cost and administration of pneumococcal and influenza vaccine to Medicare beneficiaries are 100 percent reimbursable by Medicare. This worksheet provides for the computation of the cost of these vaccines for services rendered on and after August 1, 2000. Use this worksheet only for vaccines rendered to patients who at the time of receiving the vaccine(s) were not inpatients or outpatients of the parent provider. If a patient simultaneously received vaccine(s) with any Medicare covered services as an inpatient or outpatient, those vaccine costs are reimbursed through the parent provider and cannot be claimed by the RHC and FQHC.

Effective for services rendered on and after September 1, 2009, in accordance with CR 6633, dated August 27, 2009, the administration of influenza A (H1N1) vaccines furnished by RHC's and FQHC's is cost reimbursed. However, no cost will be incurred for the H1N1 vaccine as this is provided free of charge to providers/suppliers

This worksheet must be completed for services furnished on and after October 1, 2009. The administrative cost of influenza vaccines to Medicare beneficiaries is 100 percent reimbursable by Medicare. This worksheet provides for the computation of these services rendered on and after October 1, 2009.

Line 1.--Enter the health care staff cost from Worksheet I-1, column 7, line 10.

Line 2.--Enter the ratio of the estimated percentage of time involved in administering pneumococcal and influenza vaccine injections to the total health care staff time. Do not include physician service under agreement time in this calculation.

Line 3.--Multiply the amount on line 1 by the amount on line 2 and enter the result.

Line 4.--Enter the cost of pneumococcal and influenza vaccine medical supplies from your records.

Line 5.--Enter the sum of lines 3 and 4.

Line 6.--Enter the amount on Worksheet I-1, column 7, line 22. This is your total direct cost of the facility.

Line 7.--Enter the amount from Worksheet I-2, line 18.

Line 8.--Divide the amount on line 5 by the amount on line 6 and enter the result.

Line 9.--Multiply the amount on line 7 by the amount on line 8 and enter the result.

Line 10.--Enter the sum of the amounts on lines 5 and 9.

Line 11.--Enter the total number of pneumococcal and influenza vaccine injections from your records.

Line 12.--Enter the cost per pneumococcal and influenza vaccine injection by dividing the amount on line 10 by the number on line 11 and entering the result.

Line 13.--Enter the number of pneumococcal and influenza vaccine injections administered to Medicare beneficiaries from your records.

Line 14.--Enter the Medicare cost for vaccine injections by multiplying the amount on line 12 by the amount on line 13.

Line 15.--Enter the total cost of pneumococcal and influenza vaccine and its (their) administration by entering the sum of the amount in column 1, line 10 and the amount in column 2, line 10. Transfer this amount to Worksheet I-3, Part I, line 2.

Line 16.--Enter the Medicare cost of pneumococcal and influenza vaccine and its (their) administration. This is equal to the sum of the amount in column 1, line 14 and column 2, line 14. Transfer the result to Worksheet I-3, Part II, line 20.

4152. WORKSHEET I-5 - ANALYSIS OF PAYMENTS TO SNF-BASED RURAL HEALTH CLINIC AND FEDERALLY QUALIFIED HEALTH CENTERS

Complete this worksheet for Medicare interim payments only. Complete a separate worksheet for each rural health clinic and federally qualified health center.

Complete the identifying information on lines 1 through 4. The remainder of the worksheet is completed by your contractor.

NOTE: DO NOT reduce any interim payments by recoveries as result of medical review adjustments where recoveries were based on a sample percentage applied to the universe of claims reviewed and the PS&R was not also adjusted

Line Descriptions

Line 1.--Enter the total program interim payments paid to the component. The amount entered reflects the sum of all interim payments paid on individual bills (net of adjustment bills) for services rendered in this cost reporting period. The amount entered includes amounts withheld from the component's interim payments due to an offset against overpayments to the component applicable to prior cost reporting periods. It does not include any retroactive lump sum adjustment amounts based on a subsequent revision of the interim rate or tentative or net settlement amounts. Nor does it include interim payments payable.

Line 2.--Enter the total program interim payments payable on individual bills. Since the cost in the cost report is on an accrual basis, this line represents the amount of services rendered in the cost reporting period, but not paid as of the end of the cost reporting period, and does not include payments reported on line 1.

Line 3.--Enter the amount of each retroactive lump sum adjustment and the applicable date.

Line 4.--Transfer the total interim payments to the title XVIII Worksheet I-3, line 26.

DO NOT COMPLETE THE REMAINDER OF WORKSHEET I-5. LINES 5 THROUGH 9 ARE FOR CONTRACTOR USE ONLY.

Line 5.--List separately each tentative settlement payment after desk review together with the date of payment. If the cost report is reopened after the Notice of Program Reimbursement (NPR) has been issued, report all settlement payments prior to the current reopening settlement.

Line 6.--Enter the net settlement amount (balance due to the provider or balance due to the program) for the NPR, or, if this settlement is after a reopening of the NPR, for this reopening.

NOTE: On lines 3, 5, and 6, where an amount is due provider to program, show the amount and date on which the provider agrees to the amount of repayment, even though total repayment is not accomplished until a later date.

Line 7.-- The sum of lines 4, 5.99, and 6, column 2, must equal the amount on Worksheet I-3, line 25.

4153. WORKSHEET J-1 - ALLOCATION OF GENERAL SERVICE COSTS TO COST CENTERS FOR CMHC

Use this worksheet only if you operate as part of your complex a certified SNF-based community mental health center (CMHC). If you have more than one SNF-based CMHC, complete a separate worksheet for each provider.

4153.1 Part I - Allocation of General Service Costs to Cost Centers for CMHC.--Worksheet J-1, Part I, provides for the allocation of the expenses of each general service cost center to those cost centers which receive the services. Obtain the total direct expenses (column 0, line 22) from Worksheet A, column 7, line 73. Obtain the cost center allocation (column 0, lines 1 through 21) from your records.

4153.2 Part II - Allocation of General Service Costs to Cost Centers for CMHC. -Statistical Basis.--Worksheet J-1, Parts II provides for the proration of the statistical data needed to equitably allocate the expenses of the general service cost centers on Worksheet J-1, Part I.

To facilitate the allocation process, the general format of Worksheet J-1, Parts I and II, are identical.

The statistical basis shown at the top of each column on Worksheet J-1, Part II is the recommended basis of allocation of the cost center indicated.

NOTE: A change in order of allocation and/or allocation statistics is appropriate for the current fiscal year if received by the contractor, in writing, within 90 days prior to the end of the fiscal year. The contractor has 60 days to make a decision or the change is automatically accepted. The change must result in a more appropriate or more accurate allocation of overhead cost. If a change in statistics is made, the provider must maintain both sets of statistics until an approval is made. If both sets of statistics are not maintained and the request is denied, the provider reverts back to the previously approved methodology. The provider must include with the request all supporting documentation and a thorough explanation of why the alternative approach should be used.

Lines 1 through 21.--On Worksheet J-1, Part II, for all cost centers to which the general service cost center is being allocated, enter that portion of the total statistical base applicable to each.

Line 22.--Enter the total of lines 1 through 21 for each column. The total in each column must be the same as shown for the corresponding column on Worksheet B-1, line 73.

Line 23.--Enter the total expenses of the cost center to be allocated. Obtain this amount from Worksheet B, Part I, line 73, columns 1 through 18 as appropriate (e.g., capital-related cost buildings and fixtures, transfer the amount from Worksheet B, Part I, column 1, line 73 to Worksheet J-1, Part II, column 1).

Line 24.--Enter the unit cost multiplier which is obtained by dividing the cost entered on line 23 by the total statistic entered in the same column on line 22. Round the unit cost multiplier to six decimal places.

Multiply the unit cost multiplier by that portion of the total statistics applicable to each cost center receiving the services. Enter the result of each computation on Worksheet J-1, Part I, in the corresponding column and line.

After the unit cost multiplier has been applied to all the cost centers receiving the services, the total cost (line 22, Part I) must equal the total cost on line 23, Part II.

Perform the preceding procedures for each general service cost center.

In column 16, Part I, enter the total of columns 3A through 15.

In column 17, Part I, if Worksheet B, Part I, column 17, excluded costs, column 17 on this worksheet must also exclude these costs.

In column 18, Part I, enter the sum of columns 16 and 17.

In Part I, compute the unit cost multiplier for allocation of the components' administrative and general costs as follows.

Line 22.--Enter the sum of lines 1 through 21.

In column 20, line 23, calculate the unit cost multiplier for component administrative and general costs. Divide column 18, line 1 by the result of column 18, line 22 minus line 1 and round to six decimal places.

In column 19, for lines 2 through 21, multiply the amount in column 18 by the unit cost multiplier in column 20, line 23, and enter the result in this column. On line 22, enter the total of the amounts on lines 2 through 21. The total on line 22 equals the amount on column 18, line 1.

In column 20, enter on lines 2 through 21 the sum of the amounts in columns 18 and 19. The total in column 20, line 22 must equal the total in column 18, line 22.

4154. WORKSHEET J-2 - COMPUTATION OF CMHC REHABILITATION COSTS

Use this worksheet if you operate a SNF-based CMHC. Complete a separate worksheet for each provider.

4154.1 Part I - Apportionment of Rehabilitation Cost Centers.--

Column 1--Enter on each line the total cost for the cost center as previously computed on Worksheet J-1, Part I, column 20. To facilitate the apportionment process, the line number designations are the same on both worksheets.

Column 2--Enter the charges for each cost center. Obtain the charges from your records.

Column 3--For each cost center, enter the ratio derived by dividing the cost in column 1 by the charges in column 2.

Columns 4, 6, and 8--For each cost center, enter the charges from your records for title V, title XVIII, and title XIX patients, respectively. Not all facilities are eligible to participate in all programs.

Columns 5, 7, and 9--For each cost center, enter the costs obtained by multiplying the charges in columns 4, 6 and 8 respectively, by the ratio in column 3.

Line 22--Enter the totals for columns 1, 2, and 4 through 9.

4154.2 Part II - Apportionment of Cost of Rehab Services Furnished by Shared Departments.--

Use this part only when the SNF complex maintains a separate department for any of the cost centers listed on this worksheet, and the department provides services to patients of the skilled nursing facility's outpatient rehabilitation facility.

Column 3--For each of the cost centers listed; enter the ratio of cost to charges that are shown on Worksheet C, column 3, from the appropriate line for each cost center.

Columns 4, 6, and 8--For each cost center, enter the charges from your records for title V, title XVIII, and title XIX patients, respectively.

Columns 5, 7, and 9--For each cost center, enter the costs obtained by multiplying the charges in columns 4, 6, and 8 respectively by the ratio in column 3.

Line 30--Enter the totals for columns 4 through 9.

Line 31. -- Add the amount from Part I, columns 5, 7, and 9 respectively line 22 to and Part II, columns 5, 7, and 9, line 30.

4155. WORKSHEET J-3 - CALCULATION OF REIMBURSEMENT SETTLEMENT OF COMMUNITY MENTAL HEALTH CENTER SERVICES

Line 1--Enter the cost of rehabilitation services from Worksheet J-2, Part II, line 31 from columns 5 or 9, respectively for Titles V and XIX.

Line 2--Enter the gross PPS payments received for services rendered during the cost reporting period excluding outliers. Obtain this amount from the PS&R and/or your records.

Line 3--Enter the total outliers payments received. Obtain this amount from the PS&R and/or your records.

Line 4--Enter the amounts paid and payable by workmens' compensation and other primary payers where program liability is secondary to that of the primary payer (from your records).

Line 5--Title XVIII CMHCs enter the result obtained by subtracting line 4 from the sum of lines 2 and 3. Titles V and XIX providers not reimbursed under PPS enter the total reasonable costs by subtracting line 4 from line 1.

Line 6--Enter the charges for the applicable program services from Worksheet J-2, sum of Parts I and II, Columns 4, and 8 as appropriate, lines 22 and 31.

NOTE: Title XVIII CMHCs and providers not subject to reasonable cost reimbursement do not complete lines 7 and 8.

Lines 7 and 8--Lines 7 and 8 provide for the computation of the lesser of reasonable cost as defined in 42 CFR 413.13(b) or customary charges as defined in 42 CFR 413.13(e). DO NOT complete for Title XVIII.

Enter on line 7 the excess of total customary charges (line 6) over the total reasonable cost (line 5). In situations when in any column the total charges on line 6 are less than the total cost on line 5, enter zero (0) on line 7.

Enter on line 8 the excess of total reasonable cost (line 5) over total customary charges (line 6). In situations when in any column the total cost on line 5 is less than the customary charges on line 6, enter zero (0) on line 8.

Line 9--Title XVIII providers enter the total reasonable costs from line 5. Titles V and XIX providers not reimbursed under PPS enter the lesser of line 5 or line 6.

Line 10--Enter the Part B deductibles billed to program patients (from your records).

Line 11--Enter the Part B coinsurance billed to program patients (from your records).

Line 12--Enter the sum of line 9 minus lines 10 and 11.

Line 13--Enter reimbursable bad debts, net of recoveries, applicable to any deductibles and coinsurance (from your records).

Line 14 -- Enter the gross reimbursable bad debts for full-benefit dual eligible individuals. This amount must also be included in the amount on line 9.

Line 15-- Enter the sum of lines 12 and 13.

Line 16--Enter the amount of other adjustments from your records.

Line 17--Enter the amount on line 15 plus or minus line 16.

Line 18--Enter the total interim payments applicable to this cost reporting period. For title XVIII, transfer this amount from Worksheet J-4, column 2, line 4.

Line 19--Your contractor will enter the tentative adjustment from Worksheet J-4, line 5.99.

Line 20--Enter the balance due component/program and transfer this amount to Worksheet S, Part III, columns as appropriate, line 7.

Line 21--Enter the program reimbursement effect of protested items. Estimate the reimbursement effect of the nonallowable items by applying reasonable methodology which closely approximates the actual effect of the item as if it had been determined through the normal cost finding process. (See §115.2.) Attach a worksheet showing the details and computations for this line.

4156. WORKSHEET J-4 - ANALYSIS OF PAYMENTS TO PROVIDER-BASED CMHC FOR SERVICES RENDERED TO PROGRAM BENEFICIARIES

Complete this worksheet for Medicare interim payments only. Complete a separate worksheet for each community mental health center.

Complete the identifying information on lines 1 through 4. The remainder of the worksheet is completed by your contractor.

NOTE: DO NOT reduce any interim payments by recoveries as result of medical review adjustments where the recoveries were based on a sample percentage applied to the universe of claims reviewed and the PS&R was not also adjusted

Line Descriptions

Line 1--Enter the total program interim payments paid to the component. The amount entered reflects the sum of all interim payments paid on individual bills (net of adjustment bills) for services rendered in this cost reporting period. The amount entered includes amounts withheld from the component's interim payments due to an offset against overpayments to the component applicable to prior cost reporting periods. It does not include any retroactive lump sum adjustment amounts based on a subsequent revision of the interim rate or tentative or net settlement amounts. Nor does it include interim payments payable.

Line 2--Enter the total program interim payments payable on individual bills. Since the cost in the cost report is on an accrual basis, this line represents the amount of services rendered in the cost reporting period, but not paid as of the end of the cost reporting period, and does not include payments reported on line 1.

Line 3--Enter the amount of each retroactive lump sum adjustment and the applicable date.

Line 4--Transfer the total interim payments to the title XVIII Worksheet J-3, line 18.

DO NOT COMPLETE THE REMAINDER OF WORKSHEET J-4. LINES 5 THROUGH 9 ARE FOR CONTRACTOR USE ONLY.

Line 5--List separately each tentative settlement payment after desk review together with the date of payment. If the cost report is reopened after the Notice of Program Reimbursement (NPR) has been issued, report all settlement payments prior to the current reopening settlement.

Line 6--Enter the net settlement amount (balance due to the provider or balance due to the program) for the NPR, or, if this settlement is after a reopening of the NPR, for this reopening.

NOTE: On lines 3, 5, and 6, where an amount is due provider to program, show the amount and date on which the provider agrees to the amount of repayment, even though total repayment is not accomplished until a later date.

Line 7-- The sum of lines 4, 5.99, and 6, column 2, must equal the amount on Worksheet J-3, line 17.

4157. WORKSHEET K – ANALYSIS OF PROVIDER-BASED HOSPICE COSTS

In accordance with 42 CFR 413.20, the methods of determining costs payable under Title XVIII involve making use of data available from the institution's basic accounts, as usually maintained, to arrive at equitable and proper payment for services. This worksheet provides for recording the trial balance of expense accounts from your accounting books and records. It also provides for reclassification and adjustments to certain accounts. The cost centers on this worksheet are listed in a manner which facilitates the transfer of the various cost center data to the cost finding worksheets (e.g., on Worksheets K, K-4, Parts I & II, the line numbers are consistent, and the total line is set at 39). Not all of the cost centers listed apply to all providers using these forms.

Column 1.--Obtain salaries to be reported from Worksheet K-1, column 9, line 3-38.

Column 2.--Obtain employee benefits to be reported from Worksheet K-2 column 9 lines 3-38.

Column 3.--If the transportation costs, i.e., owning or renting vehicles, public transportation expenses, or payments to employees for driving their private vehicles can be directly identified to a particular cost center, enter those costs in the appropriate cost center. If these costs are not identified to a particular cost center, enter them on line 21.

Column 4.--Obtain the contracted services to be reported from Worksheet K-3, column 9 lines 3-38.

Column 5.--Enter in the applicable lines in column 5 all costs which have not been reported in columns 1 through 4.

Column 6.--Add the amounts in columns 1 through 5 for each cost center and enter the total in column 6.

Column 7.--Enter any reclassifications among cost center expenses in column 6 which are needed to effect proper cost allocation. This column need not be completed by all providers, but is completed only to the extent reclassifications are needed and appropriate in the particular circumstances. Show reductions to expenses as negative amounts.

Column 8.--Adjust the amounts entered in column 6 by the amounts in column 7 (increases and decreases) and extend the net balances to column 8. The total of column 8 must equal the total of column 6 on line 39.

Column 9.--In accordance with 42 CFR 413.9(c)(3), enter on the appropriate lines the amounts of any adjustments to expenses required under Medicare principles of reimbursements. (See §4116.)

Column 10.--Adjust the amounts in column 8 by the amounts in column 9, (increases or decreases) and extend the net balances to column 10.

Transfer the amount in column 10, line 1 through 39 to the corresponding lines on Worksheet K-4, Part I, column 0.

Line Description

Lines 1 and 2.--Capital Related Cost - Buildings and Fixtures and Capital Related Cost - Movable Equipment.--These cost centers should include depreciation, leases and rentals for the use of the facilities and/or equipment, interest incurred in acquiring land and depreciable assets used for patient care, insurance on depreciable assets used for patient care, and taxes on land or depreciable assets used for patient care.

Do not include in these cost centers the following costs: costs incurred for the repair or maintenance of equipment or facilities; amounts included in the rentals or lease or lease payments for repair and/or maintenance agreements; interest expense incurred to borrow working capital or for any purpose other than the acquisition of land or depreciable assets used for patient care; general liability insurance or any other form of insurance to provide protection other than the replacement of depreciable assets; or taxes other than those assessed on the basis of some valuation of land or depreciable assets used for patient care.

Line 3 - Plant Operation and Maintenance.--This cost center contains the direct expenses incurred in the operation and maintenance of the plant and equipment, maintaining general cleanliness and sanitation of plant, and protecting the employees, visitors, and agency property.

Plant operation and maintenance includes the maintenance and service of utility systems such as heat, light, water, air conditioning and air treatment. This cost center also includes the cost of maintenance and repair of building, parking facilities and equipment, painting, elevator maintenance, performance of minor renovation of buildings, and equipment. The maintenance of grounds such as landscape and paved areas, streets on the property, sidewalk, fenced areas, fencing, external recreation areas and parking facilities are part of this cost center. The care or cleaning of the interior physical plant, including the care of floors, walls, ceilings, partitions, windows (inside and outside), fixtures and furnishings, and emptying of trash containers, as well as the costs of similar services purchased from an outside organization which maintains the safety and well-being of personnel, visitors and the provider's facilities, are all included in this cost center.

Line 4 - Transportation-Staff.--Enter all of the cost of transportation except those costs previously directly assigned in column 3. This cost is allocated during the cost finding process.

Line 5 - Volunteer Service Coordination.--Enter all of the cost associated with the coordination of service volunteers. This includes recruitment and training costs.

Line 6 - Administrative and General.--Use this line to record expenses which benefit the entire facility. Examples include fiscal services, legal services, accounting, data processing, taxes, and malpractice costs.

Line 7 - Inpatient - General Care.--This cost center includes costs applicable to patients who receive this level of care because their condition is such that they can no longer be maintained at home. Generally, they require pain control or management of acute and severe clinical problems which cannot be managed in other settings. The costs incurred on this line are those direct costs of furnishing routine and ancillary services associated with inpatient general care for which other provisions are not made on this worksheet.

Costs incurred by a hospice in furnishing direct patient care services to patients receiving general inpatient care either directly from the hospice or under a contractual arrangement in an inpatient facility are to be included in the visiting service costs section.

For a hospice that maintains its own inpatient beds, these costs include (but are not limited to) the costs of furnishing 24 hours nursing care within the facility, patient meals, laundry and linen services, and housekeeping. Plant operation and maintenance cost is recorded on line 3.

For a hospice that does not maintain its own inpatient beds, but furnishes inpatient general care through a contractual arrangement with another facility, record contracted/purchased costs on Worksheet K-3. Do not include any costs associated with providing direct patient care. These costs are recorded in the visiting services section.

Line 8 - Inpatient - Respite Care.--This cost center includes costs applicable to patients who receive this level of care on an intermittent, nonroutine, and occasional basis. The costs included on this line are those direct costs of furnishing routine and ancillary services associated with inpatient respite care for which other provisions are not made on this worksheet. Costs incurred by the hospice in furnishing direct patient care services to patients receiving inpatient respite care either directly by the hospice or under a contractual arrangement in an inpatient facility are to be included in visiting service costs section.

For a hospice that maintains its own inpatient beds, these costs include (but are not limited to) the costs of furnishing 24 hours nursing care within the facility, patient meals, laundry and linen services and housekeeping. Plant operation and maintenance costs are recorded on line 3.

For a hospice that does not maintain its own inpatient beds, but furnishes inpatient respite care through a contractual arrangement with another facility, record contracted/purchased costs on Worksheet K-3. Do not include any costs associated with providing direct patient care. These costs are recorded in the visiting service costs section.

Line 9 - Physician Services.--In addition to the palliation and management of terminal illness and related conditions, hospice physician services also include meeting the general medical needs of the patients to the extent that these needs are not met by the attending physician. The amount entered on this line includes costs incurred by the hospice or amounts billed through the hospice for physicians direct patient care services.

Line 10 - Nursing Care.--Generally, nursing services are provided as specified in the plan of care by or under the supervision of a registered nurse at the patient's residence.

Line 11 - Nursing Care--Continuous Home Care.--Enter the continuous home care portion of costs for nursing services provided by a registered nurse, licensed practical nurse, or licensed vocational nurse as specified in the plan of care by or under the supervision of a registered nurse at the patient's residence.

Line 12 - Physical Therapy.--Physical therapy is the provision of physical or corrective treatment of bodily or mental conditions by the use of physical, chemical, and other properties of heat, light, water, electricity, sound massage, and therapeutic exercise by or under the direction of a registered physical therapist as prescribed by a physician. Therapy and speech-language pathology services may be provided for purposes of symptom control or to enable the individual to maintain activities of daily living and basic functional skills.

Line 13 - Occupational Therapy.--Occupational therapy is the application of purposeful goal-oriented activity in the evaluation, diagnostic, for the persons whose function is impaired by physical illness or injury, emotional disorder, congenital or developmental disability, and to maintain health. Therapy and speech-language pathology services may be provided for purposes of symptom control or to enable the individual to maintain activities of daily living and basic functional skills.

Line 14 - Speech/Language Pathology.--These are physician-prescribed services provided by or under the direction of a qualified speech-language pathologist to those with functionally impaired communications skills. This includes the evaluation and management of any existing disorders of the communication process centering entirely, or in part, on the reception and production of speech and language related to organic and/or nonorganic factors. Therapy and speech-language pathology services may be provided for purposes of symptom control or to enable the individual to maintain activities of daily living and basic functional skills.

Line 15 - Medical Social Services.--This cost center includes only direct expenses incurred in providing medical social services. Medical social services consist of counseling and assessment activities which contribute meaningfully to the treatment of a patient's condition. These services must be provided by a qualified social worker under the direction of a physician.

Lines 16, 17, and 18 - Counseling.--Counseling services must be available to the terminally ill individual and family members or other persons caring for the individual at home. Counseling, including dietary counseling, may be provided for the purpose of training the individual's family or other care giver to provide care, and for the purpose of helping the individual and those caring for the individual to adjust to their approaching death. This includes dietary, spiritual, and other counseling services provided while the individual is enrolled in the hospice. Costs associated with such counseling are accumulated in the appropriate counseling cost center. Costs associated with bereavement counseling are recorded on line 35.

Line 19- Home Health Aide and Homemaker.--Enter the cost of a home health aide and homemaker services. Home health aide services are provided under the general supervision of a registered professional nurse and may be provided by only individuals who have successfully completed a home health aide training and competency evaluation program or competency evaluation program as required in 42 CFR 484.36.

Home health aides may provide personal care services. Aides may also perform household services to maintain a safe and sanitary environment in areas of the home used by the patient, such as changing the bed or light cleaning and laundering essential to the comfort and cleanliness of the patient.

Homemaker services may include assistance in personal care, maintenance of a safe and healthy environment, *and* services to enable the individual to carry out the plan of care.

Line 20 - Home Health Aide and Homemaker-Continuous Home Care.--Enter the continuous care portion of cost for home health aide and/or homemaker services provided as specified in the plan of care and under the supervision of a registered nurse.

Line 21 - Other.--Enter on this line any other visiting cost which cannot be appropriately identified in the services already listed.

Line 22 - Drugs, Biological and Infusion Therapy.--Only drugs as defined in §1861(t) of the Act and which are used primarily for the relief of pain and symptom control related to the individual's terminal illness are covered. The amount entered on this line includes costs incurred for drugs or biologicals provided to the patients while at home. If a pharmacist dispenses prescriptions and provides other services to patients while the patient is both at home and in an inpatient unit, a reasonable allocation of the pharmacist cost must be made and reported respectively on line 22 (Drugs and Biologicals) and line 7 (Inpatient General Care) or line 8 (Inpatient Respite Care) of Worksheet K.

A hospice may, for example, use the number of prescriptions provided in each setting to make that allocation, or may use any other method that results in a reasonable allocation of the pharmacist's cost in relation to the service rendered.

Infusion therapy may be used for palliative purposes if you determine that these services are needed for palliation. For the purposes of a hospice, infusion therapy is considered to be the therapeutic introduction of a fluid other than blood, such as saline solution, into a vein.

Line 23 - Analgesics.- Enter the cost of analgesics.

Line 24 - Sedatives/Hypnotics. - Enter the cost of sedatives/hypnotics.

Line 25 - Other Specify. - Specify the type and enter the cost of any other drugs which cannot be appropriately identified in the drug cost center already listed.

Line 26 - Durable Medical Equipment/Oxygen.--Durable medical equipment as defined in 42 CFR 410.38 as well as other self-help and personal comfort items related to the palliation or management of the patient's terminal illness are covered. Equipment is provided by the hospice for use in the patient's home while he or she is under hospice care.

Line 27 - Patient Transportation.--Enter all of the cost of transportation except those costs previously directly assigned in column 3. This cost is allocated during the cost finding process.

Line 28 - Imaging Services.--Enter the cost of imaging services including MRU.

Line 29 - Labs and Diagnostics.--Enter the cost of laboratory and diagnostic tests.

Line 30 - Medical Supplies.--The cost of medical supplies reported in this cost center are those costs which are directly identifiable supplies furnished to individual patients.

These supplies are generally specified in the patient's plan of treatment and furnished under the specific direction of the patient's physician.

Line 31 - Outpatient Services.--Use this line for any outpatient services costs not captured elsewhere. This cost can include the cost of an emergency room department.

Lines 32-33 - Radiation Therapy and Chemotherapy.--Radiation, chemotherapy, and other modalities may be used for palliative purposes if you determine that these services are needed for palliation. This determination is based on the patient's condition and your care giving philosophy.

Line 34 - Other (Specify).--Enter any additional costs involved in providing visiting services which have not been provided for in the previous lines.

Lines 35-38 - Non Reimbursable Costs.--Enter in the appropriate lines the applicable costs. Bereavement program costs consists of counseling services provided to the individual's family after the individual's death. In accordance with §1814 (I)(1) (A) of the Social Security Act, bereavement counseling is a required hospice service, but it is not reimbursable.

Line 39 - Total.--Line 39 column 10, must agree with Worksheet A, line 83, column 7.

4158. WORKSHEET K-1 – HOSPICE COMPENSATION ANALYSIS SALARIES AND WAGES

Enter all salaries and wages for the hospice on this worksheet for the actual work performed within the specific area or cost center in accordance with the column headings. For example, if the administrator also performs visiting services which account for 55 percent of that person's time, then enter 45 percent of the administrator's salary on line 6 (A&G) and 55 percent of the administrator's salary enter on line 10 (Nursing Care).

The records necessary to determine the split in salary between two or more cost centers must be maintained by the hospice and must adequately substantiate the method used to split the salary. These records must be available for audit by the contractor, and the contractor can accept or reject the method used to determine the split in salary. When approval of a method has been requested in writing and this approval has been received prior to the beginning of a cost reporting period, the approved method remains in effect for the requested period and all subsequent periods until you request in writing to change to another method or until the contractor determines that the method is no longer valid due to changes in your operations.

Definitions

Salary.--This is gross salary paid to the employee before taxes and other items are withheld, including deferred compensation, overtime, incentive pay, and bonuses. (See CMS Pub. 15-1, Chapter 21.)

Administrator (Column 1).--

Possible Titles: President, Chief Executive Officer.

Duties: This position is the highest occupational level in the agency. This individual is the chief management official in the agency. The administrator develops and guides the organization by taking responsibility for planning, organizing, implementing, and evaluating. The administrator is responsible for the application and implementation of established policies. The administrator may act as a liaison among the governing body, the medical staff, and any departments. The administrator provides for personnel policies and practices that adequately support sound patient care and maintains accurate and complete personnel records. The administrator implements the control and effective utilization of the physical and financial resources of the provider.

Director (Column 2).--

Possible Titles: Medical Director, Director of Nursing, or Executive Director.

Duties: The medical director is responsible for helping to establish and assure that the quality of medical care is appraised and maintained. This individual advises the chief executive officer on medical and administrative problems and investigates and studies new developments in medical practices and techniques.

The nursing director is responsible for establishing the objectives for the department of nursing. This individual administers the department of nursing and directs and delegates management of professional and ancillary nursing personnel.

Medical Social Worker (Column 3).--This individual is a person who has at least a bachelor's degree from a school accredited or approved by the council of social work education. These services must be under the direction of a physician and must be provided by a qualified social worker.

Supervisors (Column 4).--Employees in this classification are primarily involved in the direction, supervision, and coordination of the hospice activities.

When a supervisor performs two or more functions, e.g., supervision of nurses and home health aides, the salaries and wages must be split in proportion with the percentage of the supervisor's time spent in each cost center, provided the hospice maintains the proper records (continuous time records) to support the split. If continuous time records are not maintained by the hospice, enter the entire salary of the supervisor on line 6 (A&G) and allocate to all cost centers through step-down. However, if the supervisor's salary is all lumped in one cost center, e.g., nursing care, and the supervisor's title coincides with this cost center, e.g., nursing supervisor, no adjustment is required.

Total Therapists (Column 6).--Include in column 6, on the line indicated, the cost attributable to the following services:

Physical therapy	-	line 12
Occupational therapy	-	line 13
Speech pathology	-	line 14

Therapy and speech-language pathology may be provided to control symptoms or to enable the individual to maintain activities of daily living and basic functional skill.

Physical therapy is the provision of physical or corrective treatment of bodily or mental conditions by the use of physical, chemical, and other properties of heat, light, water, electricity, sound, massage, and therapeutic exercise by or under the direction of a registered physical therapist as prescribed by a physician.

Occupational therapy is the application of purposeful, goal-oriented activity in the evaluation, diagnosis, and/or treatment of persons whose ability to work is impaired by physical illness or injury, emotional disorder, congenital or developmental disability, or the aging process, in order to achieve optimum functioning, to prevent disability, and to maintain health.

Speech-language pathology is the provision of services to persons with impaired functional communications skills by or under the direction of a qualified speech-language pathologist as prescribed by a physician. This includes the evaluation and management of any existing disorders of the communication process centering entirely, or in part, on the reception and production of speech and language related to organic and/or nonorganic factors.

Aides (Column 7).--Included in this classification are specially trained personnel employed for providing personal care services to patients. These employees are subject to Federal wage and hour laws. This function is performed by specially trained personnel who assist individuals in carrying out physician instructions and established plans of care. The reason for the home health aide services must be to provide hands-on personal care services under the supervision of a registered professional nurse.

Aides may provide personal care services and household services to maintain a safe and sanitary environment in areas of the home used by the patient, such as changing the bed or light cleaning and laundering essential to the comfort and cleanliness of the patient. Additional services include, but are not limited to, assisting the patient with activities of daily living.

All Other (Column 8). -- Employees in this classification are those not included in columns 1 - 7. Included in this classification are dietary, spiritual, and other counselors. Counseling Services must be available to both the terminally ill individual and the family members or other persons caring for the individual at home. Counseling, including dietary counseling, may be provided both for the purpose of training the individual's family or other care giver to provide care, and for the purpose of helping the individual and those caring for him or her to adjust to the individual's approaching death. This includes dietary, spiritual and other counseling services provided while the individual is enrolled in the hospice.

Total (Column 9).--Add the amounts of each cost center, columns 1 through 8, and enter the total in column 9. Transfer these totals to Worksheet K, column 1, lines as applicable. To facilitate transferring amounts from Worksheet K-1 to Worksheet K, the same cost centers with corresponding line numbers are listed on both worksheets. Not all of the cost centers are applicable to all agencies. Therefore, use only those cost centers applicable to your hospice.

4159. WORKSHEET K-2 – HOSPICE COMPENSATION ANALYSIS - EMPLOYEE BENEFITS (PAYROLL RELATED)

Enter all payroll-related employee benefits for the hospice on this worksheet. Use the same basis as that used for reporting salaries and wages on Worksheet K-1. Therefore, using the same example as given for Worksheet K-1, enter 45 percent of the administrator's payroll-related fringe benefits on line 6 (A&G) and enter 55 percent of the administrator's payroll-related fringe benefits on line 10 (Nursing Care). Payroll-related employee benefits must be reported in the cost center in which the applicable employee's compensation is reported.

This assignment can be performed on an actual basis or the following basis:

FICA - actual expense by cost center;

Pension, retirement, and health insurance (nonunion) (gross salaries of participating individuals by cost center);

Union health and welfare (gross salaries of participating union members by cost center); or

All other payroll-related benefits (gross salaries by cost center). Include non payroll-related employee benefits in the A&G cost center, e.g., cost for personal education, recreation activities, and day care.

Add the amounts of each cost center, columns 1 through 8, and enter the total in column 9. Transfer these totals to Worksheet K, column 2, corresponding lines. To facilitate transferring amounts from Worksheet K-2 to Worksheet K, the same cost centers with corresponding line numbers are listed on both worksheets.

4160. WORKSHEET K-3 – HOSPICE COMPENSATION ANALYSIS - CONTRACTED SERVICES/PURCHASED SERVICES

The hospice may contract with another entity to provide non-core hospice services. However, nursing care, medical social services and counseling are core hospice services and must routinely be provided directly by hospice employees. Supplemental services may be contracted in order to meet unusual staffing needs that cannot be anticipated and that occur so infrequently it would not be practical to hire additional staff to fill these needs. You may also contract to obtain physician specialty services. If contracting is used for any services, maintain professional, financial, and administrative responsibility for the services and assure that all staff meet the regulatory qualification requirements.

Enter on this worksheet all contracted and/or purchased services for the hospice. Enter the contracted/purchased cost on the appropriate cost center line within the column heading which best describes the type of services purchased. Costs associated with contracting for general inpatient or respite care would be recorded on this worksheet. For example, where physical therapy services are purchased, enter the contract cost of the therapist in column 6, line 12. If a contracted/purchased service covers more than one cost center, then the amount applicable to each cost center is included on each affected cost center line. Add the amounts of each cost center, columns 1 through 8, and enter the total in column 9. Transfer these totals to Worksheet K, column 4, corresponding lines. To facilitate transferring amounts from Worksheet K-3 to Worksheet K, the same cost centers with corresponding line numbers are listed on both worksheets.

4161. WORKSHEET K-4, PART I - COST ALLOCATION – HOSPICE GENERAL SERVICE COST AND PART II - COST ALLOCATION - HOSPICE STATISTICAL BASIS

Worksheet K-4 provides for the allocation of the expenses of each general service cost center to those cost centers which receive the services. The cost centers serviced by the general service cost centers include all cost centers within the provider organization, i.e., other general service cost centers, reimbursable cost centers, and nonreimbursable cost centers. Obtain the total direct expenses from Worksheet K, column 10. To facilitate transferring amounts from Worksheet K to Worksheet K-4, Part I, the same cost centers with corresponding line numbers (lines 1 through 34) are listed on both worksheets.

Worksheet K-4, Part II, provides for the proration of the statistical data needed to equitably allocate the expenses of the general service cost centers on Worksheet K-4, Part I.

To facilitate the allocation process, the general format of Parts I & II are identical. The column and line numbers for each general service cost center are identical on the two worksheets. In addition, the line numbers for each general, reimbursable, nonreimbursable, and special purpose cost center are identical on the two worksheets. The cost centers and line numbers are also consistent with Worksheets K, K-1, K-2, and K-3. If the provider has subscribed any lines on these K worksheets, the provider must subscript the same lines on Worksheet K-4, Part I.

NOTE: General service columns 1 through 5 and subscripts thereof must be consistent on Worksheets K-4, Parts I & II.

The statistical bases shown at the top of each column on Part II are the recommended bases of allocation of the cost centers indicated. If a different basis of allocation is used, the provider must indicate the basis of allocation actually used at the top of the column.

Most cost centers are allocated on different statistical bases. However, for those cost centers where the basis is the same (e.g., square feet), the total statistical base over which the costs are to be allocated will differ because of the prior elimination of cost centers that have been closed.

Close the general service cost centers in accordance with 42 CFR 413.24(d)(1) which states, in part, that “the cost of the nonrevenue-producing cost center serving the greatest number of other centers, while receiving benefits from the least number of centers, is apportioned first.” This is clarified in CMS Pub. 15-1, §2306.1 which further clarifies the order of allocation for step down purposes. Consequently, first close those cost centers that render the most services to and receive the least services from other cost centers. The cost centers are listed in this sequence from left to right on the worksheet. However, the circumstances of an agency may be such that a more accurate result is obtained by allocating to certain cost centers in a sequence different from that followed on these worksheets.

NOTE: A change in order of allocation and/or allocation statistics is appropriate for the current fiscal year cost if received by the contractor in writing within 90 days prior to the end of that fiscal year. The contractor has 60 days to make a decision or the change is automatically accepted. The change must be shown to more accurately allocate the overhead or, if the allocation is accurate, it must be changed due to simplification of maintaining the statistics. If a change in statistics is made, the provider must maintain both sets of statistics until an approval is made. If both sets are not maintained and the request is denied, the provider reverts back to the previously approved methodology. The provider must include with the request all supporting documentation and a thorough explanation of why the alternative approach must be used. (See CMS Pub. 15-1, §2313.)

If the amount of any cost center on Worksheet K, column 10, has a credit balance, show this amount as a credit balance on Worksheet K-4, Part I column 0. Allocate the costs from the applicable overhead cost centers in the normal manner to the cost center showing a credit balance. After receiving costs from the applicable overhead cost centers, if a general service cost center has a credit balance at the point it is allocated, do not allocate the general service cost center. Rather, enter the credit balance on the first line of the column and on line 34. This enables column 6, line 34, to cross foot to columns 0 and 5A, line 34. After receiving costs from the applicable overhead cost centers, if a revenue producing cost center has a credit balance on Worksheet K-4, Part I, column 6, do not carry forward a credit balance to any worksheet.

On Worksheet K-4, Part II, enter on the first line in the column of the cost center the total statistics applicable to the cost center being allocated (e.g., in column 1, capital-related cost - buildings and fixtures, enter on line 1 the total square feet of the building on which depreciation was taken). Use accumulated cost for allocating administrative and general expenses.

Such statistical base does not include any statistics related to services furnished under arrangements except where both Medicare and non-Medicare costs of arranged-for services are recorded in your records.

For all cost centers (below the cost center being allocated) to which the service rendered is being allocated, enter that portion of the total statistical base applicable to each.

The total sum of the statistical base applied to each cost center receiving the services rendered must equal the total statistics entered on the first line.

Enter on Worksheet K-4, Part II line 39, the total expenses of the cost center to be allocated. Obtain this amount from Worksheet K-4, Part I from the same column and line number of the same column. In the case of capital-related costs - buildings and fixtures, this amount is on Worksheet K-4, Part I, column 1, line 1.

Divide the amount entered on line 39 by the total statistical base entered in the same column on the first line. Enter the resulting unit cost multiplier on line 40. Round the unit cost multiplier to six decimal places. Multiply the unit cost multiplier by that portion of the total statistical base applicable to each cost center receiving the services rendered. Enter the result of each computation on Worksheet K-4, Part I in the corresponding column and line.

After the unit cost multiplier has been applied to all the cost centers receiving costs, the total expenses (line 39) of all of the cost centers receiving the allocation on Worksheet K-4, Part I, must equal the amount entered on the first line of the cost center being allocated.

The preceding procedures must be performed for each general service cost center. Each cost center must be completed on both Worksheets K-4, Part I & II before proceeding to the next cost center.

After all the costs of the general service cost centers have been allocated on Worksheet K-4, Part I, enter in column 7 the sum of the expenses on lines 7 through 38. The total expenses entered in column 7, line 39, must equal the total expenses entered in column 0, line 39.

Column Descriptions

Column 1.--Depreciation on buildings and fixtures and expenses pertaining to buildings and fixtures such as insurance, interest, rent, and real estate taxes are combined in this cost center to facilitate cost allocation.

Allocate all expenses to the cost centers on the basis of square feet of area occupied. The square footage may be weighted if the person who occupies a certain area of space spends their time in more than one function. For example, if a person spends 10 percent of time in one function, 20 percent in another function, and 70 percent in still another function, the square footage may be weighted according to the percentages of 10 percent, 20 percent, and 70 percent to the applicable functions.

Column 2.--Allocate all expenses (e.g., interest or personal property tax) for movable equipment to the appropriate cost centers on the basis of square feet of area occupied or dollar value.

Column 4.--The cost of vehicles owned or rented by the agency and all other transportation costs which were not directly assigned to another cost center on Worksheet K, column 3, is included in this cost center. Allocate this expense to the cost centers to which it applies on the basis of miles applicable to each cost center.

This basis of allocation is not mandatory and a provider may use weighted trips rather than actual miles as a basis of allocation for transportation costs which are not directly assigned. However, a hospice must request the use of the alternative method in accordance with CMS Pub. 15-1, §2313. The hospice must maintain adequate records to substantiate the use of this allocation.

Column 6.--The A&G expenses are allocated on the basis of accumulated costs after reclassifications and adjustments.

Therefore, obtain the amounts to be entered on Worksheet K-4, Part II, column 6, from Worksheet K-4, Part I, columns 0 through 5.

A negative cost center balance in the statistics for allocating A&G expenses causes an improper distribution of this overhead cost center. Negative balances are excluded from the allocation statistics when A&G expenses are allocated on the basis of accumulated cost.

A&G costs applicable to contracted services may be excluded from the total cost (Worksheet K-4, Part I, column 0) for purposes of determining the basis of allocation (Worksheet K-4, Part II, column 5) of the A&G costs. This procedure may be followed when the hospice contracts for services to be performed for the hospice and the contract identifies the A&G costs applicable to the purchased services.

The contracted A&G costs must be added back to the applicable cost center after allocation of the hospice A&G cost before the reimbursable costs are transferred to Worksheet K-5. A separate worksheet must be included to display the breakout of the contracted A&G costs from the applicable cost centers before allocation and the adding back of these costs after allocation. Contractor approval does not have to be secured in order to use the above described method of cost finding for A&G.

Worksheet K-4, Part II, Column 6A.-- Enter the costs attributable to the difference between the total accumulated cost reported on Worksheet K-4, Part I, column 5A, line 39 and the accumulated cost reported on Worksheet K-4, Part II, column 6, line 6. Enter any amounts reported on Worksheet K-4, Part I, column 5A for (1) any service provided under arrangements to program patients only that is not grossed up and (2) negative balances. Including these costs in the statistics for allocating administrative and general expenses causes an improper distribution of overhead.

In addition, report on line 6 the administrative and general costs reported on Worksheet K-4, Part I, column 6, line 6 since these costs are not included on Worksheet K-4, Part II, column 6 as an accumulated cost statistic.

For fragmented or componentized A&G cost centers, the accumulated cost center line number must match the reconciliation column number. Include in the column number the alpha character "A", i.e., if the accumulated cost center for A&G is line 6 (A&G), the reconciliation column designation must be 6A.

Worksheet K-4, Part II, Column 6.--The administrative and general expenses are allocated on the basis of accumulated costs. Therefore, the amount entered on Worksheet K-4, Part II, column 6, line 6, is the difference between the amounts entered on Worksheet K-4, column 5A and Worksheet K-4, Part II, column 6A. A negative cost center balance in the statistics for allocating administrative and general expenses causes an improper distribution of this overhead cost center. Exclude negative balances from the allocation statistics.

4162. WORKSHEET K-5 - ALLOCATION OF GENERAL SERVICE COSTS TO HOSPICE COST CENTERS

Use this worksheet only if you operate a certified SNF-based hospice as part of your complex. If you have more than one SNF-based hospice, complete a separate worksheet for each facility.

4162.1 Part I - Allocation of General Service Costs to Hospice Cost Centers.--Worksheet K-5, Part I, provides for the allocation of the expenses of each general service cost center of the SNF to those cost centers which receive the services. Worksheet K-5, Part II provides for the proration of the statistical data needed to equitably allocate the expenses of the general service cost centers on Worksheet K-5, Part I.

Obtain the total direct expenses (column 0, line 34) from Worksheet A, column 7, line 83. Obtain the cost center allocation (column 0, lines 1 through 33) from Worksheet K-4 part I column 7, lines as indicated. The amounts on line 34, columns 0 through 16 must agree with the corresponding amounts on Worksheet B, Part I, columns 0 through 16, line 83. Calculate the amounts entered on lines 1 through 33, columns 1 through 16.

Line 35.--Enter the unit cost multiplier (column 16, line 1), divided by the sum of column 16, line 34 minus column 16, line 1, rounded to 6 decimal places. Multiply each amount in column 16, lines 2 through 33, by the unit cost multiplier, and enter the result on the corresponding line of column 17.

In column 16, Part I, enter the total of columns 4A through 15.

In column 17, Part I, for lines 2 through 33, multiply the amount in column 16 by the unit cost multiplier on line 35, column 17, and enter the result in this column. On line 34, enter the total of the amounts on lines 2 through 33. The total on line 34 equals the amount in column 16, line 1.

In column 18, Part I, enter on lines 2 through 33 the sum of columns 16 and 17. The total on line 34 equals the total in column 16, line 34.

4162.2 Part II - Allocation of General Service Costs to Hospice Cost Centers - Statistical Basis

NOTE: If you wish to change your allocation basis for a particular cost center, you must make a written request to your contractor for approval of the change and submit reasonable justification for such change prior to the beginning of the cost reporting period for which the change is to apply. The effective date of the change is the beginning of the cost reporting period for which the request has been made. (See CMS Pub. 15-1, §2313.)

If there is a change in ownership, the new owners may request that the contractor approve a change of allocation basis in order to be consistent with their established cost finding practices. (See CMS Pub. 15-1, §2313.)

Lines 1 through 33.--On Worksheet K-5, Part II, for all cost centers to which the general service cost center is being allocated, enter that portion of the total statistical base applicable to each.

Line 34.--Enter the total of lines 1 through 33 for each column. The total in each column must be the same as shown for the corresponding column on Worksheet B-1, line 83.

Line 35.--Enter the total expenses for the cost center allocated. Obtain this amount from Worksheet B, Part I, columns as indicated, line 83.

Line 36.-- Enter the unit cost multiplier which is obtained by dividing the cost entered on line 35 by the total statistic entered in the same column on line 34. Round the unit cost multiplier to six decimal places.

Multiply the unit cost multiplier by that portion of the total statistics applicable to each cost center receiving the services. Enter the result of each computation on Worksheet K-5, Part I, in the corresponding column and line.

After the unit cost multiplier has been applied to all the cost centers receiving the services, the total cost (Part I, line 34) must equal the total cost on line 34, Part II.

Perform the preceding procedures for each general service cost center.

4162.3 Part III- Computation of Total Hospice Shared Costs.--This worksheet provides for the shared therapy, drugs, or medical supplies from the SNF to the hospice.

Column Description

Column 1--Where applicable, enter in column 1 the cost to charge ratio from Worksheet C, column 3, lines as indicated.

Column 2--Where SNF departments provide services to the hospice, enter on the appropriate lines the charges from the provider's records, applicable to the SNF-based hospice.

Column 3--Multiply the amount in column 2 by the ratios in column 1 and enter the result in column 3.

Line 9--Sum of column 3 lines 1 through 8.

4163. WORKSHEET K-6 - CALCULATION OF PER DIEM COST

Worksheet K-6 calculates the average cost per day for a hospice patient. It is only an average and should not be misconstrued as the absolute.

Line 1.--Total cost from Worksheet K-5, Part I, column 18, line 34, less column 18, line 33, plus Worksheet K-5, Part III, column 3, line 9. This line reflects the true cost including shared cost and excluding any non-hospice related costs.

Line 2.--Total unduplicated days from Worksheet S-8, line 5, col. 6.

Line 3.--Average total cost per day. Divide the total cost from line 1 by the total number of days from line 2.

Line 4.--Unduplicated Medicare days from Worksheet S-8, line 5, column 1.

Line 5.--Average Medicare cost. Multiply the average cost from line 3 by the number of unduplicated Medicare days on line 4 to arrive at the average Medicare cost.

Line 6.--Unduplicated Medicaid days from Worksheet S-8, line 5, column 2.

Line 7.--Average Medicaid cost. Multiply the average cost from line 3 by the number of unduplicated Medicaid days on line 6 to arrive at the average Medicaid cost.

Line 8.--Unduplicated SNF days from Worksheet S-8, line 5, column 3.

Line 9.--Average SNF cost. Multiply the average cost from line 3 by the number of unduplicated SNF days on line 8 to arrive at the average SNF cost.

Line 10.--Unduplicated NF days from Worksheet S-8, line 5, column 4.

Line 11.--Average NF cost. Multiply the average cost from line 3 by the number of unduplicated NF days on line 10 to arrive at the average NF cost.

Line 12.--Unduplicated other days from Worksheet S-8, line 5, column 5.

Line 13.--Average other cost. Multiply the average cost from line 3 by the number of unduplicated other days on line 12 to arrive at the average other cost.

EXHIBIT 1 - Form CMS-2540-10 Worksheets

The following is a listing of the Form CMS-2540-10 worksheets and the page number location.

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Wkst. S-2 Parts I & II	41-304 -- 41-306
Wkst. S-3, Parts I, II, III & IV	41-307 -- 41-309
Wkst. S-4	41-310
Wkst. S-5	41-311
Wkst. S-6	41-312
Wkst. S-7	41-313 -- 41-314
Wkst. S-8	41-315
Wkst. A	41-316 -- 41-317
Wkst. A-6	41-318
Wkst. A-7	41-319
Wkst. A-8	41-320
Wkst. A-8-1	41-321
Wkst. A-8-2	41-322
Wkst. B, Part I	41-323 -- 41-328
Wkst. B-1	41-329 -- 41-334
Wkst. B, Part II	41-335 -- 41-340
Wkst. B-2	41-341
Wkst. C	41-342
Wkst. D, Parts I, II & III	41-343 -- 41-344
Wkst. D-1, Parts I & II	41-345
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Wkst. E-1	41-348
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ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE OF CONTENTS

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Table 3C:	Lines That Cannot Be Subscripted (Beyond Those Preprinted)	41-550 - 41-551
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ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 1 - RECORD SPECIFICATIONS

Table 1 specifies the standard record format to be used for electronic cost reporting. Each electronic cost report submission (file) has four types of records. The first group (type 1 records) contains information for identifying, processing, and resolving problems. The text used throughout the cost report for variable line labels (e.g., Worksheet A) and variable column headers (Worksheet B-1) is included in the (type 2 records). Refer to Table 5 for cost center coding. The data detailed in Table 3 are identified as (type 3 records). The encryption coding at the end of the file, records 1, 1.01, and 1.02, are (type 4 records).

The medium for transferring cost reports submitted electronically to contractors is a 3½” diskette, compact diskettes (CDs), or a flash drive. The file must be in IBM format. The character set must be ASCII. Providers should seek approval from their contractor regarding method of submission to ensure that the method of transmission is acceptable.

The following are requirements for all records:

1. All alpha characters must be in upper case.
2. For micro systems, the end of record indicator must be a carriage return and line feed, in that sequence.
3. No record may exceed 60 characters.

Below is an example of a Type 1 record with a narrative description of its meaning.

1	2	3	4	5	6
12345678901	2345678901	2345678901	2345678901	2345678901	234567890
1	1	015123201033520113343A99P00120121112010335			
1	7	14:30			

Record #1: This is a cost report file submitted by CCN 015123 for the period from December 1, 2010 (2010335) through November 30, 2011, (2011334). It is filed on Form CMS-2540-10. It is prepared with vendor number A99's PC based system, version number 1. Position 38 changes with each new test case and/or approval and is an alpha character. Positions 39 and 40 will remain constant for approvals issued after the first test case. This file is prepared by the skilled nursing facility on April 20, 2012, (2012111). The electronic cost report specification, dated December 1, 2010, (2010335), is used to prepare this file. This is the original cost report filed for this fiscal year.

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 1 - RECORD SPECIFICATIONS

FILE NAMING CONVENTION

Name each cost report ECR file in the following manner:

SNNNNNNN.YYL, where

1. SN (SNF electronic cost report) is constant;
2. NNNNNN is the 6 digit CMS Certification Number;
3. YY is the year in which the provider's cost reporting period ends; and
4. L is a character variable (A-Z) to enable separate identification of files from skilled nursing facilities with two or more cost reporting periods ending in the same calendar year.
5. C is the number of times this original cost report is being filed.

Name each cost report PI file in the following manner:

PINNNNNN.YYL, where

1. PI (Print Image) is constant;
2. NNNNNN is the 6 digit CMS Certification Number;
3. YY is the year in which the provider's cost reporting period ends; and
4. L is a character variable (A-Z) to enable separate identification of files from skilled nursing facilities with two or more cost reporting periods ending in the same calendar year.
5. C is the number of times this original cost report is being filed.

RECORD NAME: Type 1 Records - Record Number 1

	<u>Size</u>	<u>Usage</u>	<u>Loc.</u>	<u>Remarks</u>
1. Record Type	1	X	1	Constant "1"
2. For Future Use	10	9	2-11	Numeric only
3. Spaces	1	X	12	
4. Record Number	1	X	13	Constant "1"
5. Spaces	3	X	14-16	
6. SNF Provider CCN	6	9	17-22	Field must have 6 numeric characters
7. Fiscal Year Beginning Date	7	9	23-29	YYYYDDD - Julian date; first day covered by this cost report
8. Fiscal Year Ending Date	7	9	30-36	YYYYDDD - Julian date; last day covered by this cost report
9. MCR Version	1	9	37	Constant "3" (for FORM CMS-2540-10)
10. Vendor Code	3	X	38-40	To be supplied upon approval. Refer to page 41-502.
11. Vendor Equipment	1	X	41	P = PC; M = Main Frame

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 1 - RECORD SPECIFICATIONS

RECORD NAME: Type 1 Records - Record Number 1 (Continued)

	Size	Usage	Loc.	Remarks
12. Version Number	3	X	42-44	Version of extract software, e.g., 001=1st, 002=2nd, etc. or 101=1st, 102=2nd. The version number must be incremented by 1 with each recompile and release to client(s).
13. Creation Date	7	9	45-51	YYYYDDD - Julian date; date on which the file was created (extracted from the cost report)
14. ECR Spec. Date	7	9	52-58	YYYYDDD - Julian date; date of electronic cost report specifications used in producing each file. Valid for cost reporting periods beginning on or after 2010335 (December 1, 2010).

RECORD NAME: Type 1 Records - Record Numbers 2 – 99

	<u>Size</u>	<u>Usage</u>	<u>Loc.</u>	<u>Remarks</u>
1. Record Type	1	9	1	Constant "1"
2. Spaces	10	X	2-11	
3. Record Number				#2 to #6 - Reserved for future use. #7 – The time that the cost report is created. This is represented in military time as alpha numeric. Use position 21-25. Example 2:30PM is expressed as 14:30. #8 to #99 - Reserved for future use
4. Spaces	7	X	14-20	Spaces (optional)
5. ID Information	40	X	21-60	Left justified to position 21.

RECORD NAME: Type 2 Records for Labels

	<u>Size</u>	<u>Usage</u>	<u>Loc.</u>	<u>Remarks</u>
1. Record Type	1	9	1	Constant "2"
2. Wkst. Indicator	7	X	2-8	Alphanumeric. Refer to Table 2.
3. Spaces	2	X	9-10	
4. Line Number	3	9	11-13	Numeric
5. Sub line Number	2	9	14-15	Numeric

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10

TABLE 1 - RECORD SPECIFICATIONS

RECORD NAME: Type 2 Records for Labels (Continued)

	<u>Size</u>	<u>Usage</u>	<u>Loc.</u>	<u>Remarks</u>
6. Column Number	3	X	16-18	Alphanumeric
7. Sub column Number	2	9	19-20	Numeric
8. Cost Center Code	4	9	21-24	Numeric. Refer to Table 5 for appropriate cost center codes.
9. Labels/Headings				
a. Line Labels	36	X	25-60	Alphanumeric, left justified
b. Column Headings Statistical Basis & Code	10	X	21-30	Alphanumeric, left justified

The type 2 records contain text that appears on the printed cost report. Of these, there are three groups: (1) Worksheet A cost center names (labels); (2) column headings for step-down entries; and (3) other text appearing in various places throughout the cost report. The standard cost center labels are listed below.

A Worksheet A cost center label must be furnished for every cost center with cost or charge data anywhere in the cost report. The line and sub line numbers for each label must be the same as the line and sub line numbers of the corresponding cost center on Worksheet A. The columns and sub column numbers are always set to zero.

The following type 2 cost center descriptions must be used for all Worksheet A standard cost center lines.

<u>Line</u>	<u>Description</u>	<u>Line</u>	<u>Description</u>
1	CAP REL COSTS - BLDGS & FIXTURES	43	OXYGEN (INHALATION) THERAPY
2	CAP REL COSTS - MOVEABLE EQUIPMENT	44	PHYSICAL THERAPY
3	EMPLOYEE BENEFITS	45	OCCUPATIONAL THERAPY
4	ADMINISTRATIVE & GENERAL	46	SPEECH PATHOLOGY
5	PLANT OPERATION, MAINT. & REPAIRS	47	ELECTROCARDIOLOGY
6	LAUNDRY & LINEN SERVICE	48	MEDICAL SUPPLIES CHARGED TO PATIENTS
7	HOUSEKEEPING	49	DRUGS CHARGED TO PATIENTS
8	DIETARY	50	DENTAL CARE - TITLE XIX ONLY
9	NURSING ADMINISTRATION	51	SUPPORT SURFACES
10	CENTRAL SERVICES & SUPPLY	52	OTHER ANCILLARY SERVICE COST CENTER
11	PHARMACY	60	CLINIC
12	MEDICAL RECORDS & LIBRARY	61	RURAL HEALTH CLINIC
13	SOCIAL SERVICE	62	FQHC
14	NURSING AND ALLIED HEALTH EDUCATION	63	OTHER OUTPATIENT SERVICE COST
15	OTHER GENERAL SERVICE COST	70	HOME HEALTH AGENCY COST
30	SKILLED NURSING FACILITY	71	AMBULANCE
31	NURSING FACILITY	72	OUTPATIENT REHAB PROVIDER (SPECIFY)
32	ICF - MENTALLY RETARDED	73	CMHC
33	OTHER LONG TERM CARE	74	OTHER REIMBURSABLE COST
40	RADIOLOGY	80	MALPRACTICE PREMIUMS & PAID LOSSES
41	LABORATORY	81	INTEREST EXPENSE
42	INTRAVENOUS THERAPY		

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 1 - RECORD SPECIFICATIONS**

<u>Line</u>	<u>Description</u>
82	UTILIZATION REVIEW
83	HOSPICE
90	GIFT FLOWER, COFFEE SHOPS & CANTEEN
91	BARBER AND BEAUTY SHOP
92	PHYSICIANS PRIVATE OFFICES
93	NONPAID WORKERS
94	PATIENTS LAUNDRY

Type 2 Cost Center Descriptions

Column headings for the General Service cost centers on Worksheets B, Parts I and II, B-1, H-2, Parts I and II, J-1, Parts I and II and K-5, Parts I and II, are supplied once and consist of one to three records (lines 1 through 3). Each statistical basis shown on Worksheets B-1, H-2, Part II, J-1, Part II and K-5, Part II, are also supplied once and consist of one or two records (lines 4 and 5). Additionally on Worksheets B-1, H-2, Part II, J-1, Part II and K-5, Part II, a statistical basis code is supplied and consists of one record (line 6). The statistical basis code is applied to all general service cost centers and subscripts as applicable. The statistical code must agree with the statistical bases indicated on Worksheets B-1, H-2, Part II, J-1, Part II and K-5, Part II, lines 4 and 5, (i.e., code 1 = square footage; code 2 = dollar value; code 3 = other basis, and code 4 = other than the printed basis, as permitted by your contractor). When a column is subscripted and an "other" statistical basis is used, if the basis matches the printed basis of the main line, use code 3. When the basis of the subscripted line does not match the printed basis of the main line, use code 4. Refer to Table 2 for the special worksheet identifier used with column headings and statistical basis and to Table 3 for line and column references.

Use the exact formatting displayed below; for column headings for Worksheets B, Parts I and II, B-1, H-2, Parts I and II, J-1, Parts I and II and K-5, Parts I and II (lines 1 through 3); for statistical bases used in cost allocation on Worksheets B-1, H-2, Part II, J-1, Part II and K-5, Part II, (lines 4 and 5); and for statistical codes used for Worksheets B-1, H-2, Part II, J-1, Part II and K-5, Part II, (line 6). The numbers at the top of the columns represent the line number of the type 2 record. The numbers running vertical to line 1 description are the general service cost center line designations.

Type 2 records for Worksheets B-1, H-2, Part II, J-1, Part II and K-5, Part II, columns 1-14, lines 1 through 6 are listed below. The numbers running vertical to line 1 descriptions, are the general service cost center line designations.

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 1 - RECORD SPECIFICATIONS

LINE						
1	2	3	4	5	6	
1	CAP REL	BUILD &	FIXTURES	SQUARE	FEET	1
2	CAP REL	MOVEABLE	EQUIPMENT	DOLLAR	VALUE	2
3	EMPLOYEE	BENEFITS		GROSS	SALARIES	3
4	ADMINIS-	TRATIVE	& GENERAL	ACCUM.	COST	3
5	PLANT OPER	MAINT. &	REPAIRS	SQUARE	FEET	1
6	LAUNDRY	& LINEN	SERVICE	POUNDS OF	LAUNDRY	3
7	HOUSE-	KEEPING		HOURS OF	SERVICE	3
8	DIETARY			MEALS	SERVED	3
9	NURSING	ADMINIS-	TRATION	DIRECT	NRSING HRS	3
10	CENTRAL	SERVICES &	SUPPLY	COSTED	REQUIS.	3
11	PHARMACY			COSTED	REQUIS.	3
12	MEDICAL	RECORDS &	LIBRARY	TIME	SPENT	3
13	SOCIAL	SERVICE		TIME	SPENT	3
14	NURSING &	ALLIED	HEALTH ED.	ASSIGNED	TIME	3

Type 2 records for Worksheet H-1, Part II, columns 1-5, lines 1 through 5 are listed below. The numbers running vertical to line 1 descriptions, are the general service cost center line designations.

LINE				
1	2	3	4	5
1	CAP REL	BUILD &	FIXTURES	SQUARE FEET
2	CAP REL	MOVEABLE	EQUIPMENT	DOLLAR VALUE
3	PLANT	OPERATION	& MAINT.	SQUARE FEET
4	TRANS-	PORTATION		MILEAGE
5	ADMINIS-	TRATIVE	& GENERAL	ACCUM. COST

Type 2 records for Worksheet K-4, Part II, columns 1-6, lines 1 through 5 are listed below. The numbers running vertical to line 1 descriptions, are the general service cost center line designations.

LINE				
1	2	3	4	5
1	CAP REL	BUILD &	FIXTURES	SQUARE FEET
2	CAP REL	MOVEABLE	EQUIPMENT	DOLLAR VALUE
3	PLANT	OPERATION	& MAINT.	SQUARE FEET
4	TRANS-	PORTATION		MILEAGE
5	VOLUNTEER	SERVICES	COORDI.	HOURS OF SERVICE
6	ADMINIS-	TRATIVE	& GENERAL	ACCUM. COST

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 1 - RECORD SPECIFICATIONS

Examples or type 2 records are below. Either zeros or spaces may be used in the line, subline, column, and subcolumn number fields (positions 11-20). Spaces are preferred. (See first two lines of example)* Refer to Table 6 for additional cost center code requirements.

Examples:

Worksheet A line labels with embedded cost center codes:

*	2A000000	1	0100CAP REL COSTS - BLDGS & FIXTURES
*	2A0000000000100000000100		CAP REL COSTS - WEST WING
	2A000000	2	0200CAP REL COSTS - MOVEABLE EQUIPMENT
	2A000000	4	0400ADMINISTRATIVE & GENERAL
	2A000000	8	0800DIETARY
	2A000000	40	4000RADIOLOGY
	2A000000	40 1	4001RADIOLOGY - DIAGNOSTIC
	2A000000	46	4600SPEECH PATHOLOGY

Examples of column headings for Worksheets B, Parts I and II, B-1, H-2, Parts I and II, J-1, Parts I and II and K-5, Parts I and II (lines 1 through 3), statistical bases used in cost allocation on Worksheets B-1, H-2, Part II, J-1, Part II and K-5, Part II, (lines 4 and 5), and statistical codes used for Worksheet B-1 (line 6) are displayed below.

2B10000*	1	1	CAP REL
2B10000*	2	1	BLDGS &
2B10000*	3	1	FIXTURES
2B10000*	4	1	(SQUARE
2B10000*	5	1	FEET)
2B10000*	6	1	1
2B10000*	1	3	EMPLOYEE
2B10000*	2	3	BENEFITS
2B10000*	4	3	(GROSS
2B10000*	5	3	SALARIES)
2B10000*	6	3	3

Worksheets H-1, Part II and K-4, Part II share the same size constraints as the Worksheet B-1 records.

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 1 - RECORD SPECIFICATIONS

RECORD NAME: Type 3 Records for Non-label Data

	<u>Size</u>	<u>Usage</u>	<u>Loc.</u>	<u>Remarks</u>
1. Record Type	1	9	1	Constant "3"
2. Wkst. Indicator	7	X	2-8	Alphanumeric. Refer to Table 2.
3. Spaces	2	X	9-10	
4. Line Number	3	9	11-13	Numeric
5. Sub line Number	2	9	14-15	Numeric
6. Column Number	3	X	16-18	Alphanumeric
7. Sub column Number	2	9	19-20	Numeric
8. Field Data				
a. Alpha Data	36	X	21-56	Left justified. (Y or N for yes/no answers; dates must use MM/DD/YYYY format - slashes, no hyphens.) Refer to Table 6 for additional requirements for alpha data.
	4	X	57-60	Spaces (optional).
b. Numeric Data	16	9	21-36	Right justified. May contain embedded decimal point. Leading zeros are suppressed; trailing zeros to the right of the decimal point are not. (See example below.) Positive values are presumed; no "+" signs are allowed. Use leading minus to specify negative values. Express percentages as decimal equivalents, i.e., 6.2244% is expressed as .0622. All records with zero values are dropped. Refer to Table 6 for additional requirements regarding numeric data.

A sample of type 3 records and a number line for reference are below.

	1	2	3	
	12345678901234567890123456789012345678901234			
3A000000	4	1	32101	
3A000000	13	1	1336393	
3A000000	13 1	1	185599	
3A000000	1	2	10147750	
3A000000	2	2	14510	

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 1 - RECORD SPECIFICATIONS

The line numbers are numeric. In several places throughout the cost report (see list below), the line numbers themselves are data. The placement of the line and sub-line numbers as data must be uniform.

Worksheet A-6, columns 3 and 7
 Worksheet A-8, column 5
 Worksheet A-8-1, Part I, column 1
 Worksheet A-8-2, columns 1 and 10
 Worksheet B-2, column 3

Examples of records (*) with a Worksheet A line number as data and a number line for reference are below.

	1	2	3	
	12345678901234567890123456789012345678901234			
	3A600001	13	0	TO SPREAD INTEREST EXPENSE
	3A600001	13	1	G
*	3A600001	13	3	
	3A600001	13	5	221409
*	3A600001	13	7	74
	3A600001	13	9	225321
	3A600001	14	0	BETWEEN CAPITAL-RELATED COST
	3A600001	14	1	G
*	3A600001	14	3	
	3A600001	14	5	3912
	3A600001	15	0	BUILDING & FIXTURES AND
	3A600001	16	0	ADMINISTRATIVE AND GENERAL
	3A800000	24	0	RENUM APPLIC TO PHYS
	3A800000	24	1	A
	3A800000	24	2	-250941
*	3A800000	24	4	15
	3A800000	24	1	0
	3A800000	24	1	1
	3A800000	24	1	2
	3A800000	24	1	4
*	3A820010	3	1	2101
*	3A820010	4	1	2101
	3A820010	4	2	DR. B
	3A820010	4	3	126292
	3A820010	4	4	94719
	3A820010	4	5	31573
	3A820010	4	6	124900
	3A820010	4	7	741
	3A820010	4	1	2
	3A820010	4	1	4

RECORD NAME: Type 4 Records - File Encryption

This type 4 record consists of 3 records: 1, 1.01, and 1.02. These records are created at the point in which the ECR file has been completed and saved to disk and insures the integrity of the file.

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 2 - WORKSHEET INDICATORS

This table contains the worksheet indicators that are used for electronic cost reporting. A worksheet indicator is provided only for those worksheets from which data are to be provided.

The worksheet indicator consists of seven characters in positions 2-8 of the record identifier. The first two characters of the worksheet indicator (positions 2 and 3 of the record identifier) always show the worksheet. The third character of the worksheet indicator (position 4 of the record identifier) is used in several ways. First, it may be used to identify worksheets for multiple SNF-based components. Alternatively, it may be used as part of the worksheet, e.g., A81. The fourth character of the worksheet indicator (position 5 of the record identifier) represents the type of provider, by using the keys below. Except for Worksheets A-6 and A-8 (to handle multiple worksheets), the fifth and sixth characters of the worksheet indicator (positions 6 and 7 of the record identifier) identify worksheets required by a Federal program (18 = Title XVIII, 05 = Title V, or 19 = Title XIX) or worksheet required for the facility (00 = Universal). The seventh character of the worksheet indicator (position 8 of the record identifier) represents the worksheet part.

Provider Type - Fourth Digit of the Worksheet Identifier

	<u>Worksheets</u>
Universal.....	0 (Zero)
SNF.....	A
NF.....	B
CMHC.....	C
CORF.....	D
OPT.....	E
OOT.....	F
OSP.....	G
ICF/MR.....	I
FQHC.....	Q
RHC.....	R
	J-1-I, J-1-II, J-2, J-3, J-4
	I-1, I-2, I-3, I-4, I-5, S-5
	I-1, I-2, I-3, I-4, I-5, S-5

Worksheets That Apply to the SNF Cost Report

<u>Worksheet</u>	<u>Worksheet Indicator -</u>	
S, Part I	S000001	
S, Part III	S000003	
S-2- Part I	S200001	
S-2, Part II	S200002	
S-3, Part I	S300001	
S-3, Part II	S300002	
S-3, Part III	S300003	
S-3, Part IV	S300004	
S-4	S410000	(a)
S-5	S51?000	(g)
S-6	S61?000	(b)
S-7	S700000	
S-8	S810000	(h), (d)

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 2 - WORKSHEET INDICATORS

Worksheets That Apply to the SNF Cost Report

<u>Worksheet</u>	<u>Worksheet Indicator</u>	
A	A000000	
A-6	A600010	(c)
A-7	A700000	
A-8	A800000	
A-8-1, Part I	A810001	
A-8-1, Part II	A810002	
A-8-2	A820010	(c)
B-1 (For use in column headings)	B10000*	
B, Part I	B000001	
B, Part II	B000002	
B-1	B100000	
B-2	B200010	(c)
C	C000000	

Worksheets That Vary by Component and/or Program –

<u>Worksheet</u>	<u>Title V</u>	<u>Title XVIII</u>	<u>Title XIX</u>
D, Part I (SNF)	D00A051 (f)	D00A181	D00A191
D, Part I (NF)	D00B051		D00B191
D, Part I (ICF/MR)	D00I051		D00I191
D, Part II (SNF)	D00A052 (e), (f)	D00A182	D00A192 (e), (f)
D, Part II (NF)	D00B052 (e)		D00B192 (e)
D-1, Part I (SNF)	D10A051 (f)	D10A181	D10A191 (f)
D-1, Part I (NF)	D10B051		D10B191
D-1, Part I (ICF/MR)	D10I051		D10I191
D-1, Part II (SNF)	D10A052 (f)	D10A180	D10A192 (f)
D-1, Part II (NF)	D10B052		D10B192
D-1, Part II (ICF/MR)	D10I052		D10I192
E, Part I (SNF)		E00A181 (d)	
E, Part II (SNF)	E00A052		E00A192
E, Part II (NF)	E00B052		E00B192
E, Part II (ICF/MR)	E00I052		E00I192
E-1		E10A180	

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 2 - WORKSHEET INDICATORS

Worksheet That Applies to the SNF Cost Report

<u>Worksheet</u>	<u>Worksheet Indicator</u>	
G	G000000	
G-1	G100000	
G-2, Part I	G200001	
G-2, Part II	G200002	
G-3	G300000	
H	H010000	(a)
H-1, Part I	H110001	(a)
H-1, Part II	H110002	(a)
H-2, Part I	H210001	(a)
H-2, Part II	H210002	(a)

Worksheets That Vary by Component and/or Program –

<u>Worksheet</u>	<u>Title V</u>	<u>Title XVIII</u>	<u>Title XIX</u>
H-3, Part I	H310051	H310181	H310191
H-3, Part II	H310052	H310182	H310192
H-4, Parts I & II	H410050 (d)	H410180 (d)	H410190 (d)

Worksheet That Applies to the SNF Cost Report

<u>Worksheet</u>	<u>Worksheet Indicator</u>	
H-5	H510000	(a)
I-1	I11?000	(g)
I-2	I21?000	(d), (g)

Worksheets That Vary by Component and/or Program –

<u>Worksheet</u>	<u>Title V</u>	<u>Title XVIII</u>	<u>Title XIX</u>
I-3, Parts I&II	I31?050 (d)	I31?180 (d)	I31?190 (d)
I-4	I41?050	I41?180	I41?190

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 2 - WORKSHEET INDICATORS**

Worksheet That Applies to the SNF Cost Report

<u>Worksheet</u>	<u>Worksheet Indicator</u>	
I-5	I51?000	(g)
J-1, Part I	J11C001	(b)
J-1, Part II	J11C002	(b)
J-2, Parts I & II	J21C000	(b), (d)

Worksheets That Vary by Component and/or Program

<u>Worksheet</u>	<u>Title V</u>	<u>Title XVIII</u>	<u>Title XIX</u>
J-3	J31C050	J31C180	J31C190

Worksheet That Applies to the SNF Cost Report

<u>Worksheet</u>	<u>Worksheet Indicator</u>	
J-4	J41C000	(b)
K	K010000	(h)
K-1	K110000	(h)
K-2	K210000	(h)
K-3	K310000	(h)
K-4, Part I	K410001	(h)
K-4, Part II	K410002	(h)
K-5, Part I	K510001	(h)
K-5, Part II	K510002	(h)
K-5, Part III	K510003	(h)
K-6	K610000	(h)

FOOTNOTES:

(a) Multiple SNF-Based Home Health Agencies (HHAs)

The 3rd digit of the worksheet indicator (position 4 of the record) is numeric to identify the SNF-based HHA. If there is only one home health agency, the default is 1. This affects all H series worksheets, and Worksheet S-4.

(b) Multiple Outpatient Rehabilitation Providers

The third digit of the worksheet indicator is numeric from 1 to 9 to accommodate multiple providers. If there is only one outpatient provider type, the default is 1. The fourth character of the worksheet indicator (position 5 of the record) indicates the outpatient rehabilitation provider as listed above. This affects all J series worksheets and Worksheet S-6.

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 2 - WORKSHEET INDICATORS

- (c) Multiple Worksheets for Reclassifications and Adjustments Before and After Step-down
The fifth and sixth digits of the worksheet indicator (positions 6 and 7 of the record) are numeric from 01-99 to accommodate reports with more lines on Worksheets A-6, A-8-2, and/or B-2. For reports that do not need additional worksheets, the default is 01. For reports that do need additional worksheets, the first page of each worksheet is numbered 01. The number for each additional page of each worksheet is incremented by 1.
- (d) Worksheet with Multiple Parts using Identical Worksheet Indicator
Although this worksheet has several parts, the lines are numbered sequentially. This worksheet identifier is used with all lines from this worksheet regardless of the worksheet part. This differs from the Table 3 presentation which identifies each worksheet and part as they appear on the cost report. This affects Worksheet S-8, E Part I, H-4, I-2, I-3, J-2.
- (e) States Apportioning Vaccine Costs Per Medicare Methodology
If, for titles V and/or XIX, your state directs providers to apportion vaccine costs using Medicare's methodology, show these costs on a separate Worksheet D, Part II for each title.
- (f) States Licensing the Provider as an SNF Regardless of the Level of Care
These worksheet identifiers are for providers licensed as an SNF for Titles V and XIX.
- (g) Multiple Health Clinic Programs
The third digit of the worksheet indicator (position 4 of the record) is numeric from 1 to 0 to accommodate multiple providers. If there is only one health clinic provider type, the default is 1. The fourth character of the worksheet indicator (position 5 of the record) indicates the health clinic provider. Q-indicates federally qualified health center, and R-indicates rural health clinic.
- (h) Multiple SNF-Based Hospices (HSPSs)
The 3rd digit of the worksheet indicator (position 4 of the record) is numeric to identify the SNF-based hospice. If there is only one hospice, the default is 1. This affects all K series worksheets, and Worksheet S-8

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS

This table identifies those data elements necessary to calculate a skilled nursing facility cost report. It also identifies some figures from a completed cost report. These calculated fields (e.g., Worksheet B, column 18) are needed to verify the mathematical accuracy of the raw data elements and to isolate differences between the file submitted by the skilled nursing facility complex and the report produced by the contractor. When an adjustment is made, that record must be present in the electronic data file. For explanations of the adjustments required, refer to the cost report instructions.

Table 3 "Usage" column is used to specify the format of each data item as follows:

- 9 Numeric, greater than or equal to zero.
- 9 Numeric, may be either greater than, less than, or equal to zero.
- 9(x).9(y) Numeric, greater than zero, with x or fewer significant digits to the left of the decimal point, a decimal point, and exactly y digits to the right of the decimal point.
- X Character.

Consistency in line numbering (and column numbering for general service cost centers) for each cost center is essential. The sequence of some cost centers does change among worksheets. Refer to Table 4 for line and column numbering conventions for use with complexes that have more components than appear on the preprinted Form CMS-2540-10.

Table 3 refers to the data elements needed from a standard cost report. When a standard line is subscripted, the subscripted lines must be numbered sequentially with the first sub line number displayed as "01" or "1" in field locations 14-15. It is unacceptable to format in a series of 10, 20, or skip sub line numbers (i.e., 01, 03), except for skipping sub line numbers for prior year cost center(s) deleted in the current period or initially created cost center(s) no longer in existence after cost finding. Exceptions are specified in this manual. For "Other (specify)" lines, i.e., Worksheets S-4, S-6, settlement series, all subscripted lines must be in sequence and consecutively numbered beginning with subscripted line "01". Automated systems must reorder these numbers where the provider skips a line number in the series.

Drop all records with zero values from the file. Any record absent from a file is treated as if it were zero.

All numeric values are presumed positive. Leading minus signs may only appear in data with values less than zero that are specified in Table 3 with a usage of "-9". Amounts that are within preprinted parentheses on the worksheets, indicating the reduction of another number, are to be reported as positive values.

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET S

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
<u>Part I: Cost report Status</u>				
Provider Use Only				
Electronically filed cost report	1	1	1	X
Manually submitted cost report	2	1	1	X
Contractor Use Only				
Cost Report Status	3	1	1	9
<u>Part III: Balances due provider or program:</u>				
Title V	1, 2, 4-7	1	9	-9
Title XVIII, Part A	1, 4	2	9	-9
Title XVIII, Part B	1, 4-7	3	9	-9
Title XIX	1-7	4	9	-9
In total	100	1-4	9	-9

WORKSHEET S-2, Part I

For the skilled nursing facility only:

Street	1	1	36	X
P.O. Box	1	2	9	X
City	2	1	36	X
State	2	2	2	X
Zip Code	2	3	10	X
County	3	1	36	X
CBSA Code (XXXXXX)	3	2	5	X
Urban/Rural	3	3	1	X

For the skilled nursing facility and SNF-based components:

Component name	4-13	1	36	X
Provider CCN (XXXXXX)	4-10, 12, 13	2	6	X

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET S-2, Part I (Continued)

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
For the skilled nursing facility and SNF-based components (continued):				
Date certified (MM/DD/YYYY)	4-10, 12, 13	3	10	X
Title V payment system	4, 5, 7-10	4	1	X
Title XVIII payment system	4, 7-10	5	1	X
Title XIX payment system	4-10	6	1	X
Cost reporting period beginning date (MM/DD/YYYY)	14	1	10	X
Cost reporting period ending date (MM/DD/YYYY)	14	2	10	X
Type of control (See Table 3B.)	15	1	2	9
Is this a distinct part skilled nursing facility that meets the requirements of 42CFR section 483.5? (Y/N)	16	1	1	X
Is this a composite distinct part skilled nursing facility that meets the requirements of 42CFR section 483.5? (Y/N)	17	1	1	X
Are there any costs included in Worksheet A which resulted from transactions with related organizations? (Y/N)	18	1	1	X
If this is a low or no Medicare utilization cost report, enter "L" for low, or "N" for no Medicare utilization. (L/N)	19	1	1	X
Enter the amount of depreciation reported in this SNF for the method indicated:				
Straight Line	20	1	9	9
Declining Balance	21	1	9	9
Sum of the Years' Digits	22	1	9	9

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET S-2, Part I (Continued)

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
If depreciation is funded, enter the balance as of the end of the period.	24	1	9	9
Were there any disposals of capital assets during the cost reporting period? (Y/N)	25	1	1	X
Was accelerated depreciation claimed on any assets in the current or any prior cost reporting period? (Y/N)	26	1	1	X
Did you cease to participate in the Medicare program at the end of the period to which this cost report applies? (Y/N)	27	1	1	X
Was there a substantial decrease in health insurance proportion of allowable cost from prior cost reports? (Y/N)	28	1	1	X
If this facility contains a public or non-public provider that qualifies for an exemption from the application of the lower of costs or charges, enter "Y" for each component and type of service that qualifies for the exemption. Enter "N" for each component and type of service contained in this facility that does not qualify for the exemption.				
Skilled Nursing Facility	29	1-2	1	X
Nursing Facility	30	3	1	X
I C F - M R	31	3	1	X
SNF-Based HHA	32	1-2	1	X
SNF-Based RHC	33	2	1	X
SNF-Based FQHC	34	2	1	X
SNF-Based CMHC	35	2	1	X
SNF-Based OLTC	36	N/A	N/A	N/A
Is the skilled nursing facility located in a state that certifies the provider as a SNF regardless of the level of care given for titles V and XIX patients? (Y/N)	37	1	1	X
Are you legally-required to carry malpractice insurance? (Y/N)	38	1	1	X

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET S-2, Part I (Continued)

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Is the malpractice a "claims-made:", or "occurrence" policy? If the policy is "claims-made", enter 1. If policy is "occurrence", enter 2.	39	1	1	X
What is the liability limit for the malpractice policy? Enter in column 1 the monetary limit per lawsuit. Enter in column 2 the monetary limit per policy year.	40	1-2	9	9
List malpractice premiums in column 1, paid losses in column 2, and self-insurance in column 3	41	1-3	9	9
Are malpractice premiums and paid losses reported in other than the Administrative and General cost center? Enter Y or N. If yes, check box, and submit supporting schedule listing cost centers and amounts.	42	1	1	X
Are there any related organizations or home office costs as defined in CMS Pub. 15-1, chapter 10?	43	1	1	X
If yes, and there are costs, for the home office, enter the applicable Provider CCN.	44	1	9	9
If this facility is part of a chain organization, enter the name and address of the home office on the lines below				
Name	45	1	36	X
Contractor Name	45	2	36	X
Contractor Number	45	3	5	X
Street	46	1	36	X
P.O. Box	46	2	9	X
City	47	1	36	X
State	47	2	2	X
Zip Code	47	3	10	X

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET S-2, Part II

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Provider Organization and Operation				
Has the Provider changed ownership immediately prior to the beginning of the cost reporting period?	1	1	1	X
If column 1 is "Y", enter the date of the change in column 2. (see instructions)	1	2	10	X
Has the provider terminated participation in the Medicare Program? (Y/N)	2	1	1	X
If column 1 is yes, enter in column 2 the date of termination	2	2	10	X
If column 1 (line 2) is yes, enter in column 3, "V" for voluntary or "I" for involuntary. (V/I)	2	3	1	X
Is the provider involved in business transactions, including management contracts, with individuals or entities (e.g., chain home offices, drug or medical supply companies) that are related to the provider or its officers, medical staff, management personnel, or members of the board of directors through ownership, control, or family and other similar relationships? (Y/N)	3	1	1	X
Were the financial statements prepared by a Certified Public Accountant? (Y/N)	4	1	1	X
If column 1 is "Y" enter "A" for Audited, "C" for Compiled, or "R" for Reviewed in column 2.	4	2	1	X
Submit a complete copy, or enter date available in column 3. (see instructions) If column 1 is "N" see instructions.	4	3	10	X
Are the cost report total expenses and total revenues different from those on the filed financial statements? (Y/N)	5	1	1	X
Were costs claimed for Nursing School? (Y/N)	6	1	1	X

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET S-2, PART II (Continued)

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
If column 1 is "Y", to indicate whether the provider is the legal operator of the program. (Y/N)	6	2	1	X
Were costs claimed for Allied Health Programs? (Y/N)	7	1	1	X
Were approvals and/or renewals obtained during the cost reporting period for Nursing School and/or Allied Health Program? (Y/N).	8	1	1	X
Is the provider seeking reimbursement for bad debts? (Y/N)	9	1	1	X
If line 9 is "Y", did the provider's bad debt collection policy change during this cost reporting period? (Y/N)	10	1	1	X
If line 9 is "Y", are patient deductibles and or coinsurance waived? (Y/N)	11	1	1	X
Have total beds available changed from prior cost reporting period? (Y/N)	12	1	1	X
Was the cost report prepared using the PS&R only for Part A? (Y/N)	13	1	1	X
If column 1 is yes, enter paid through date of the PS&R	13	2	10	X
Was the cost report prepared using the PS&R only for Part B? (Y/N)	13	3	1	X
If column 1 is yes, enter paid through date of the PS&R	13	4	10	X
Was the cost report prepared using the PS&R for total and the provider's records for allocation? (Y/N)	14	1	1	X
If column. 1 is "Y" enter the paid through date of the PS&R used to prepare this cost report in column 2.	14	2	10	X
Was the cost report prepared using the PS&R for total and the provider's records for allocation? (Y/N)	14	3	1	X

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET S-2, PART II (Continued)

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
If column 3 is "Y" enter the paid through date of the PS&R used to prepare this cost report in column 4.	14	4	10	X
If line 13 is "Y", were adjustments made to PS&R data for additional claims that have been billed but are not included on the PS&R used to file this cost report? (Y/N)	15	1	1	X
If line 14 is "Y", were adjustments made to PS&R data for additional claims that have been billed but are not included on the PS&R used to file this cost report? (Y/N)	15	3	1	X
If line 13 "Y", then were adjustments made to PS&R data for corrections of other PS&R information. (Y/N)	16	1	1	X
If line 14 is "Y", then were adjustments made to PS&R data for corrections of other PS&R Information. (Y/N)	16	3	1	X
If line 13 is "Y", then were adjustments made to PS&R data for Other?(Y/N)	17	1	1	X
If line 14 is "Y", then were adjustments made to PS&R data for Other? (Y/N)	17	3	1	X
Was the cost report prepared only using the provider's records? (Y/N)	18	1	1	X
Was the cost report prepared only using the provider's records? (Y/N)	18	3	1	X

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET S-3, PART I

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Number of beds	1-3,5,7	1	9	9
Bed days available	1-3,5,7	2	9	9
Title V inpatient days	1, 2, 4, 7	3	9	9
Title XVIII inpatient days	1, 4, 7	4	9	9
Title XIX inpatient days	1-4, 7	5	9	9
Other inpatient days	1-5, 7	6	9	9
Total inpatient days	1-5, 7	7	9	9
Title V discharges	1, 2, 7	8	9	9
Title XVIII discharges	1, 7	9	9	9
Title XIX discharges	1-3, 7	10	9	9
Other discharges	1-3, 5, 7	11	9	9
Total discharges	1-3, 5,7	12	9	9
Title V average length of stay	1-2, 7	13	9	9(6).99
Title XVIII average length of stay	1, 7	14	9	9(6).99
Title XIX average length of stay	1-3, 7	15	9	9(6).99
Total average length of stay	1-3, 7	16	9	9(6).99
Title V admissions	1, 2, 7	17	9	9
Title XVIII admissions	1, 7	18	9	9
Title XIX admissions	1-3, 7	19	9	9
Other admissions	1-3, 5, 7	20	9	9
Total admissions	1-3, 5,7	21	9	9
Full time equivalent employees on payroll	1-7	22	9	9(6).99
Full time equivalent nonpaid Workers	1-7	23	9	9(6).99

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET S-3, PART II

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Reported salaries	1-11, 14-21	1	9	9
Reclassification of salaries from Wkst. A-6	1-11, 14-21	2	9	-9
Paid hours related to salary	1-11, 14-16	4	10	9(7).99
Average hours related to salary	1-11, 14-16	5	10	9(7).99

WORKSHEET S-3, PART III

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Reclassification of salaries from Worksheet A-6	1-13	2	9	-9
Paid hours related to salary	1-13	4	10	9(7).99

WORKSHEET S-3, PART IV

	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
401K Employer Contributions	1	1	9	9
Tax Sheltered Annuity (TSA) Employer Contribution	2	1	9	9
Qualified and Non-Qualified Pension Plan Cost	3	1	9	9
Prior Year Pension Service Cost	4	1	9	9
401K/TSA Plan Administration fees	5	1	9	9
Legal/Accounting/Management Fees-Pension Plan	6	1	9	9
Employee Managed Care Program Administration Fees	7	1	9	9
Health Insurance (Purchased or Self Funded)	8	1	9	9

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET S-3, PART IV (Cont.)

	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Prescription Drug Plan	9	1	9	9
Dental, Hearing and Vision Plan	10	1	9	9
Life Insurance (If employee is owner or beneficiary)	11	1	9	9
Accidental Insurance (If employee is owner or beneficiary)	12	1	9	9
Disability Insurance (If employee is owner or beneficiary)	13	1	9	9
Long-Term Care Insurance (If employee is owner or beneficiary)	14	1	9	9
Workers' Compensation Insurance	15	1	9	9
Retirement Health Care Cost (Only current year, not the extraordinary accrual required by FASB 106 Non cumulative portion)	16	1	9	9
FICA-Employers Portion Only	17	1	9	9
Medicare Taxes - Employers Portion Only	18	1	9	9
Unemployment Insurance	19	1	9	9
State or Federal Unemployment Taxes	20	1	9	9
Executive Deferred Compensation	21	1	9	9
Day Care Cost and Allowances	22	1	9	9
Tuition Reimbursement	23	1	9	9
Total Wage Related cost (Sum of lines 1 23)	24	1	9	9
Other Wage Related Costs	25	1	9	9

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

This space intentionally left blank – reserved for future data.

WORKSHEET S-4

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
County	1	1	36	X
Home health aide hours:	2	1-5	11	9
Unduplicated census count:	3	1-5	11	9(8).99
Enter the number of hours in your normal work week	4	1	6	9(3).99

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET S-4 (Cont.)

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Other (specify)	20	0	36	X
Number of full time equivalent employees:				
Staff	5-20	1	6	9(3).99
Contract	5-20	2	6	9(3).99

HOME HEALTH AGENCY CBSA CODES

How many CBSAs in column 1 did you provide services to during this cost reporting period?	21	1	2	9
List those CBSA code(s) in column 1 serviced during this cost reporting period (line 23 contains the first code)	22	1	5	9

PPS ACTIVITY DATA - Applicable for Medicare Services Rendered on or after October 1, 2000

PPS Activity Data	23-34, 36 38-40	1-4	11	9
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WORKSHEET S-5

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
RHC/FQHC Identification:				
Street	1	1	36	X
County	1	2	36	X
City	2	1	36	X
State	2	2	2	X
Zip Code	2	3	10	X
Designation for FQHC's only "R" for rural or "U" for urban	3	1	1	X
Source of Federal funds:				
Other (specify)	9	0	36	X

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET S-5 (Cont.)

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Amount of Federal Funds:	4-9	1	11	9
Award Date (MM/DD/YYYY)	4-9	2	10	X
Other (specify)	9	0	36	X
	9	1	11	9
	9	2	10	X
Does this facility operate as other than an RHC or FQHC?	10	1	1	X
Indicate number of operation(s)	10	2	2	9
Facility hours of operations *				
Clinic - Hours: from/to	11	1-14	4	9
Have you received an approval for an exception to the productivity standard?	12	1	1	X
Is this a consolidated cost report in accordance with IOM CMS Pub. 100-04, Chapter 9, §30.8?	13	1	1	X
Enter the number of providers included in this report.	13	2	2	9
Provider Name	14	1	36	X
Provider Number (CCN)	14	2	6	X

* List hours of operations based on a 24 hour clock. For example 8:00 AM is 0800, 6:30 PM is 1830, and midnight is 2400.

WORKSHEET S-6

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Number of hours in a normal work week	0	1	6	9(3).99
Other (specify)	18-19	0	36	X
Number of full time equivalent employees on staff	1-19	1	6	9(3).99
Number of full time equivalent contract personnel	1-19	2	6	9(3).99

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET S-7

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Days (see instructions)	1-99	2	6	9

Enter in column 1 the expense for each category. Enter in column 2 the percentage of total expense for each category to total SNF revenue from Worksheet G-2, Part I, line 1, column 3. Indicate in column 3 "Y" for yes or "N" for no if the spending reflects increases associated with direct patient care and related expenses for each category.

Enter in column 1 the direct patient care expenses and related expenses for each category.

Staffing	101	1	9	9
Recruitment	102	1	9	9
Retention of employees	103	1	9	9
Training	104	1	9	9
Other (Specify)	105	0	36	X
Other (Specify)	105	1	9	9

Enter in column 2 the ratio, expressed as a percentage, of total expenses for each category to total SNF revenue.

Staffing	101	2	6	9(3).99
Recruitment	102	2	6	9(3).99
Retention of employees	103	2	6	9(3).99
Training	104	2	6	9(3).99
Other (Specify)	105	2	6	9(3).99

Does the increased RUG payments received reflect increases associated with direct patient care and related expenses (Y/N)

Staffing	101	3	1	X
Recruitment	102	3	1	X
Retention of employees	103	3	1	X
Training	104	3	1	X
Other (Specify)	105	3	1	X

Enter total SNF revenue from Worksheet G-2, Part I, line 1, column 3.

	106	2	9	9
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**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET S-8

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
<u>Part I</u>				
Continuous Home Care	1	1-5	9	9
Routine Home Care	2	1-5	9	9
Inpatient Respite Care	3	1-5	9	9
General Inpatient Care	4	1-5	9	9
<u>Part II</u>				
Number of Patients Receiving Hospice Care	6	1-5	9	9
Total number of Unduplicated Continuous Care Hours	7	1 & 3	11	9(8).99
Unduplicated Census Count	9	1-5	9	9

WORKSHEET A

Direct salaries by department	3-15, 30-33, 40-52, 60-63, 70-74, 80-84, 90-95	1	9	-9
Total direct salaries	100	1	9	9
Other direct costs by department	1-15, 30-33, 40-52, 60-63, 70-74, 80-84, 90-95	2	9	-9
Total other direct costs	100	2	9	9
Net expenses for cost allocation by department	1-15, 30-33, 40-52, 60-63, 70-74, 80-84, 90-95	7	9	-9
Total net expenses for cost allocation	100	7	9	9

WORKSHEET A-6

For each expense reclassification:

Explanation	1-99	0	36	X
Reclassification code	1-99	1	2	X

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET A-6 (Continued)

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Increases:				
Worksheet A line number	1-99	3	5	99.99
Salary amount	1-99	4	9	9
Non salary amount	1-99	5	9	9
Decreases:				
Worksheet A line number	1-99	7	5	99.99
Salary amount	1-99	8	9	9
Non salary amount	1-99	9	9	9

WORKSHEET A-7

Analysis of changes in capital assets balances
for land, land improvements, buildings and
fixtures, building improvements, fixed and
movable equipment, and in total:

Beginning balances	1-9	1	9	9
Purchases	1-9	2	9	9
Donations	1-9	3	9	9
Disposals and retirements	1-9	5	9	9
Fully Depreciated Assests	1-9	7	9	9

WORKSHEET A-8

Description of adjustment	24	0	36	X
Basis (A or B)	1-7, 9-11, 13-24	1	1	X
Amount	1-7, 9-11, 13-24	2	9	-9
Worksheet A line number	1-7, 9-11, 13-24	4	5	9

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET A-8-1

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Part I-Costs incurred and adjustments required as a result of transactions with related organization(s):				
Worksheet A line number	1-9	1	5	99.99
Expense item(s)	1-9	3	36	X
Amount included in Worksheet A	1-9	4	9	-9
Amount allowable in reimbursable cost	1-9	5	9	-9
Part II - For each related organization:				
Type of interrelationship (A - G)	1-10	1	1	X
If type is G, specify description of relationship	1-10	0	36	X
Name of individual or partnership with interest in provider and related organization	1-10	2	15	X
Percent of ownership of provider	1-10	3	6	9(3).99
Name of related organization	1-10	4	15	X
Percent of ownership of related organization	1-10	5	6	9(3).99
Type of business	1-10	6	15	X

WORKSHEET A-8-2

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
By each cost center or physician:				
Worksheet A line number	1-99	1	5	99.99
Physician identifier	1-99	2	36	X
Total physicians; remuneration	1-99	3	9	9
Physicians' remuneration - professional component	1-99	4	9	9
Physicians' remuneration - provider component	1-99	5	9	9
RCE amount	1-99	6	9	9

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET A-8-2 (Cont.)

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Number of physicians' hours - provider component	1-99	7	9	9
Cost of memberships and continuing education	1-99	12	9	9
Physician cost of malpractice insurance	1-99	14	9	9
In total for the facility:				
Total physicians' remuneration	100	3	9	9
Physicians' remuneration - professional component	100	4	9	9
Physicians' remuneration - provider component	100	5	9	9
Number of physicians' hours - provider component	100	7	9	9
Cost of memberships and continuing education	100	12	9	9
Physician cost of malpractice insurance	100	14	9	9

WORKSHEETS B, PARTS I AND II; B-1; H-2, PARTS I AND II, J-1, PARTS I AND II, AND K-5, PARTS I AND II

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Column heading (cost center name)	1-3 *	1-3, 4-15	10	X
Statistical basis	4, 5 *	1-3, 4-15	10	X

* Refer to Table 1 for specifications and Table 2 for the worksheet identifier for column headings. There may be up to five type 2 records (3 for cost center name and 2 for the statistical basis) for each column. However, for any column that has less than five type 2 record entries, blank records or the word "blank" is not required to maximize each column record count.

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET B, PART I

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Total adjustments after cost finding	100	17	9	-9
Costs after cost finding and post step-down adjustments by department	30-33, 40-52, 60-63, 70-74, 83-84, 90-95	18	9	-9
Total costs after cost finding and post step-down adjustments	100	18	9	9

WORKSHEET B, PART II

Directly assigned capital related costs by department	3-15, 30-33, 40-52, 60-63, 70-74, 83-84, 90-95	0	9	9
Total directly assigned capital related costs	100	0	9	9
Total adjustments after cost finding	100	17	9	-9
Total capital related costs after cost finding by department	30-33, 40-52, 60-63, 70-74, 83-84, 90-95	18	9	9
Total capital related costs after cost finding in total	100	18	9	9

WORKSHEET B-1

For each cost allocation using accumulated costs as the statistic, include a record containing an X.	0	4-15	1	X
All cost allocation statistics	1-15, 30-33, 40-52, 60-63, 70-74, 83-84, 90-95	1-15*	9	9
Reconciliation	3-15, 30-33, 40-52, 60-63, 70-74, 83-84, 90-95	4A-15A	9	-9

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

- * In each column using accumulated costs as the statistical basis for allocating costs, identify each cost center that is to receive no allocation with a negative 1 placed in the accumulated cost column. You may elect to indicate total accumulated cost as a negative amount in the reconciliation column. However, there should never be entries in both the reconciliation column and accumulated cost column simultaneously on the same line. For those cost centers that are to receive partial allocation of costs, provide only the cost to be excluded from the statistic as a negative amount on the appropriate line in the reconciliation column. If line 4 is fragmented, delete it and use subscripts of line 4.

WORKSHEET B-2

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
For post step-down adjustment:				
Description	1-50*	1	36	X
Worksheet B part number	1-50*	2	1	9
Worksheet A line number	1-50*	3	5	99.99
Amount of adjustment	1-50*	4	9	-9

- * On Worksheet B-2, if there are more than 50 lines needed, use multiple worksheets. (Refer to footnote (c) in Table 2.)

WORKSHEET C

Total cost from Worksheet B, Part I, column 18, lines 40-63	100	1	9	9
Total charges by department	40-71	2	9	9
Total charges	100	2	9	9

WORKSHEET D, PART I

Ancillary cost apportionment

Part A program charges by department	40-71	2**	9	9
Part B program charges by department	40-63	3*	9	9
Total program charges	100	2, 3*	9	9
Total program costs	100	4, 5*	9	9

- * When completing Worksheet D, Part I, for titles V and/or XIX, do not use columns 3 and 5.

- ** Line 71 column 2 is ONLY used by titles V and XIX.

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET D, PART II

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Vaccine cost apportionment Program vaccine charges	2	1	9	9

WORKSHEET D-1

Private room days	2	1	9	9
Medically necessary private room days	4	1	9	9
General inpatient routine service charges	6	1	9	9
Private room charge	8	1	9	9
Semi private room charges	10	1	9	9
Aggregate charges to beneficiaries for excess costs	24	1	9	9
Inpatient routine service cost per diem limitation	26*	1	9	9(6).99
Reimbursable inpatient routine service costs	28	1	9	9

* Line 26 is not applicable for Title XVIII, but may be used for Titles V and XIX.

WORKSHEET E, PART I

Part A - Inpatient service PPS provider
computation of reimbursement Title XVIII

Inpatient PPS amount (see instructions)	1	1	9	9
Primary payer amounts	4	1	9	9
Coinsurance	5	1	9	9
Reimbursable bad debts	6	1	9	-9
Reimbursable bad debts dual eligible	7	1	9	-9
Utilization review	10	1	9	9
Other adjustments (specify)	14	0	36	X
Other adjustments	14	1	9	-9
Protested amounts	16	1	9	-9

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET E, PART I (Cont.)

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Part B - Ancillary service computation of reimbursement of lesser of cost or charges (Title XVIII only)				
Primary payer amounts	22	1	9	9
Coinsurance and deductibles	23	1	9	9
Reimbursable bad debts	24	1	9	9
Other adjustments (specify)	28	0	36	X
Other adjustments	28	1	9	-9
Protested Amounts	30	1	9	-9

WORKSHEET E, PART II (Titles V and XIX)

Utilization review – physicians' compensation	5	1	9	9
Charge differential	7	1	9	9
Inpatient primary payer amount	9	1	9	9
Inpatient ancillary service charges	11	1	9	9
Outpatient service charges	12	1	9	9
Inpatient routine service charges	13	1	9	9
Charge differential	14	1	9	9
Aggregate amount collected	16	1	9	9
Amount collectible	17	1	9	9
Deductibles (Title V and Title XIX only)	21	1	9	9
Coinsurance	23	1	9	9
Reimbursable bad debt	25	1	9	9
Unrefunded excess charges	27	1	9	9
Recovery of excess depreciation	28	1	9	9
Other adjustments (specify)	29	0	36	X
Other adjustments (see instructions)	29	1	9	-9

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET E, PART II (Cont.)

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Amounts applicable to prior periods resulting from disposition of depreciable assets	30	1	9	-9
Interim payments (Titles V and XIX only)	32	1	9	9

WORKSHEET E-1

For Title XVIII only:

Total interim payments paid to Provider	1	2 & 4	9	9
Interim payments payable	2	2 & 4	9	9
Date of each retroactive lump sum adjustment (MM/DD/YYYY)	3.01-3.98	1 & 3	10	X
Amount of each lump sum Adjustment				
Program to provider	3.01-3.49	2 & 4	9	9
Provider to program	3.50-3.98	2 & 4	9	9
Date of each tentative settlement (MM/DD/YYYY)	5.01-5.98	1 & 3	10	X
Tentative settlement payment				
Program to provider	5.01-5.49	2 & 4	9	9
Provider to program	5.50-5.98	2 & 4	9	9
FI/Contractor Name	8	1	36	X
FI Contractor Number	8	2	5	9

WORKSHEET G

For all skilled nursing facilities (see note):

Balance sheet account balances	1-10, 12-27, 29-32, 35-42, 44-49, 52, 60	1	9	-9
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**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET G

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
For skilled nursing facilities using fund accounting (see note):				
Specific purpose fund account balances	1-10, 12-27, 29-32, 35-42, 44-49,53, 60	2	9	-9
Endowment fund account balances	1-10, 12-27, 29-32, 35-42, 44-49, 54-56, 60	3	9	-9
Plant fund account balances	1-10, 12-27, 29-32, 35-42, 44-49,57-58,60	4	9	-9
Other (specify)	49	0	36	X

NOTE: For contra accounts (reported on lines 6, 14, 16, 18, 20, 22, and 24), the usage is 9.

WORKSHEET G-1

For SNFs using fund accounting:

Blank lines (specify)	5-9, 13-17	0	36	X
Beginning fund balances	1	2, 4, 6, 8	9	-9
Additions to beginning fund balances	5-9	1, 3, 5, 7	9	9
Reductions to beginning fund balances	13-17	1, 3, 5, 7	9	9

WORKSHEET G-2

Part I: Patient revenues

Inpatient routine care services	1-4	1	9	9
Ancillary services	6	1, 2	9	9
Clinic	7	2	9	9
Home health agency	8	2	9	9
Ambulance	9	2	9	9
RHC/FQHC	10	2	9	9

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET G-2

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
CMHC	11	2	9	9
SNF based Hospice	12	1, 2	9	9
Other (specify)	13	1, 2	9	9
Total patient revenues	14	1-3	9	9
<u>Part II:</u> Blank lines (specify)	2-7, 9-13	0	36	X
Increases to operating expenses Reported on Worksheet A	2-7	1	9	9
Decreases to operating expenses Reported on Worksheet A	9-13	1	9	9
Total operating expenses	15	2	9	9

WORKSHEET G-3

Contractual allowance and discounts on patients' accounts	2	1	9	9
Other revenues	6-24	1	9	9
Other expenses	27-29	1	9	9
Blank lines (specify)	24, 27-29	0	36	X
Net income (loss)	31	1	9	-9

WORKSHEET H

Salaries	3-24	1	9	9
Employee Benefits	3-24	2	9	9
Transportation costs	1-24	3	9	9
Contracted/Purchased Services	3-24	4	9	9
Other costs	1-24	5	9	9
Other (specify)	24	0	36	X

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET H-1, PARTS I & II

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Part I				
Total	25	1-4	11	9
Cost allocation	6-24	6	11	9
Part II				
Reconciliation	5-24	5A	11	-9
All cost allocation statistics	1-24	1-4*	11	9

*See note to Worksheet B-1 for treatment of administrative and general accumulated cost column.

WORKSHEET H-2, Parts I & II

Part I				
Post Stepdown adjustment (including total)	1-21	17	11	9
Total cost after cost finding	2-20	20	11	9
Total cost	21	0-3 & 4-15	11	9
Part II				
Centers – Statistical Basis				
Reconciliation	1-20	3A-15A	11	-9
All cost allocation statistics	1-20	1-15*	11	9

*See note to Worksheet B-1 for treatment of administrative and general accumulated cost column. Do not include X on line 0 of accumulated cost column since this is a replica of Worksheet B-1

WORKSHEET H-3 Parts I & II

Part I				
Total visits	1-6	4	11	9
Program visits	1-6	6-7	11	9
CBSA numbers	8-13	1	11	9
Program visits by discipline and CBSA	8-13	2-3	11	9
Total charges for DME rented and sold and medical supplies	15-16	4	11	9
Charges for Drugs Medicare Part B	16	7-8	11	9
Part II				
Total HHA charges	1-5	2	11	9
Total HHA shared ancillary costs	1-5	3	11	9

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET H-4, PART I

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Part I				
Total charges for title XVIII – Parts A & B services	2	1-3	11	9
Amount collected from patients	3	1-3	11	9
Amounts collectible from patients	4	1-3	11	9
Primary payer payments	9	1-3	11	9

WORKSHEET H-4, PART II

Part II				
PPS Payments	11-20	1-2	11	9
Part B deductibles billed to Medicare patients	21	2	11	9
Coinsurance billed to Medicare patients	25	2	11	9
Reimbursable bad debts	27	1 & 2	11	9
Reimbursable bad debts for dual eligible beneficiaries (see instructions)	28	1 & 2	11	9
Other adjustments (Specify)	30	0	36	X
Other adjustments (Specify)	30	1&2	11	-9
Interim payments (titles V and XIX only)	32	1	11	9
Protested amounts	35	1&2	11	-9

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET H-5

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Total interim payments paid to provider	1	2 & 4	11	9
Interim payments payable	2	2 & 4	11	9
Date of each retroactive lump sum adjustment (MM/DD/YYYY)	3.01-3.98	1 & 3	10	X
Amount of each lump sum adjustment				
Program to provider	3.01-3.49	2 & 4	11	9
Provider to program	3.50-3.98	2 & 4	11	9
Amount of tentative payment after desk review				
Date of each tentative settlement adjustment (MM/DD/YYYY)	5.01-5.98	1 & 3	10	X
Program to provider	5.01-5.49	2 & 4	11	9
Provider to program	5.50-5.98	2 & 4	11	9
FI/Contractor Name	8	1	36	X
FI Contractor Number	8	2	5	9

WORKSHEET I-1

Provider based cost	1-9, 11-13, 15-19, 23-26, 29&30	1, 2, 4, 6, & 7	11	-9
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WORKSHEET I-2

Number of FTE personnel	1-3, & 5-9	1	6	9(3).99
Total visits	1-3, 5-9, & 11	2	11	9
Productivity Standards	1-3	3	4	9
Greater of columns 2 or 4	4	5	11	9
Parent provider overhead allocated to facility (see instructions)	17	1	11	9

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET I-3

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Adjusted cost per visit	7	1	6	9(3).99
Maximum rate per visit (from your contractor)	8	1 & 2	6	9(3).99
Rate for program covered visits	9	1 & 2	6	9(3).99
Medicare covered visits excluding mental health services (from your contractor)	10	1 & 2	11	9
Medicare covered visits for mental health services (from your contractor)	12	1 & 2	11	9
Primary payer amounts	16	1	11	9
Beneficiary deductible (from your contractor)	17	1	11	9
Beneficiary coinsurance (from your contractor)	18	1	11	9
Reimbursable bad debt	22	1	11	9
Reimbursable bad debt dual eligible beneficiaries	23	1	11	9
Other Adjustment (specify)	24	0	36	X
Other Adjustments	24	1	11	9
Interim payments (Title V & XIX only)	26	1	11	9
Protested amounts	29	1	11	-9

WORKSHEET I-4

Ratio of pneumococcal and influenza vaccine staff time to total health care staff time	2	1 & 2	8	9.9(6)
Medical supplies cost - pneumococcal and influenza vaccine	4	1 & 2	11	9
Total number of pneumococcal and influenza vaccine injections	11	1 & 2	11	9
Number of pneumococcal and influenza vaccine injections administered to Medicare beneficiaries	13	1 & 2	11	9

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET I-5

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Total interim payments paid to provider	1	2	11	9
Interim payments payable	2	2	11	9
Date of each retroactive lump sum adjustment (MM/DD/YYYY)	3.01-3.98	1	10	X
Adjustment of each retroactive lump sum adjustment:				
Program to provider	3.01-3.49	2	11	9
Provider to program	3.50-3.98	2	11	9
Date of each tentative settlement adjustment (MM/DD/YYYY)	5.01-5.98	1	10	X
Tentative settlement payment				
Program to provider	5.01-5.49	2	11	9
Provider to program	5.50-5.98	2	11	9
FI/Contractor Name	8	1	36	X
FI Contractor Number	8	2	5	9

WORKSHEET J-1, PARTS I & II

Part I

Net expenses for cost allocation	1-21	0	9	9
Post step down adjustments (including total)	1-22	17	9	-9
Totals (sum of lines 1-21)	22	0-3 & 4-15	9	9

Part II

Reconciliation	1-21	3A-15A	9	-9
Cost allocation statistics	1-21	1-15 *	9	9

*See note to Worksheet B-1 for treatment of administrative and general accumulated cost column. Do not include X on line 0 of accumulated cost column since this is a replica of Worksheet B-1.

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET J-2

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Part I				
Apportioned Outpatient Rehabilitation Costs				
Total component charges	2-21	2	9	9
Title V charges	2-21	4	9	9
Title XVIII charges	2-21	6	9	9
Title XIX charges	2-21	8	9	9
Part II				
Charges for rehabilitation services furnished by shared departments				
Title V charges	23-29	4	9	9
Title XVIII charges	23-29	6	9	9
Title XIX charges	23-29	8	9	9

WORKSHEET J-3

Cost of component service	1	1	9	9
PPS Payments received	2	1	9	9
Outlier payments	3	1	9	9
Primary payment amounts	4	1	9	9
Total reasonable costs (see instructions)	5	1	9	9
Total charges for program services	6	1	9	9
Part B deductible	10	1	9	9
Coinsurance billed	11	1	9	9
Reimbursable bad debts	13	1	9	-9
Dual Eligible Beneficiaries	14	1	9	9
Other Adjustments (specify)	16	0	36	X
Other Adjustments	16	1	9	-9
Interim payments for title Titles V and XIX (where applicable)	18	1	9	9
Protested amounts	21	1	9	-9

**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET J-4

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Total interim payments paid to provider	1	2	9	9
Interim payments payable	2	2	9	9
Date of each retroactive lump sum adjustment (MM/DD/YYYY)	3.01-3.98	1	10	X
Amount of each lump sum adjustment				
Program to provider	3.01-3.49	2	9	9
Provider to program	3.50-3.98	2	9	9
Date of each tentative settlement adjustment (MM/DD/YYYY)	5.01-5.98	1	10	X
Tentative payments after desk review				
Program to provider	5.01-5.49	2	9	9
Provider to program	5.50-5.98	2	9	9
FI/Contractor Name	8	1	36	X
FI Contractor Number	8	2	5	9

WORKSHEET K

Transportation	1-38	3	11	9
Other Costs	1-38	5	11	9
Reclassification	1-38	7	11	-9
Adjustments	1-38	9	11	-9
Net expense for allocation	39	10	11	9

WORKSHEET K-1, K-2 & K-3

Salaries and Wages, Employee Benefits and Contract Services	3-21 & 27-38	1-8	11	9
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**ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS**

WORKSHEET K-4, PARTS I & II

<u>DESCRIPTION</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Part I				
Total	39	1-5	11	9
Cost allocation	7 - 38	7	11	9
Part II				
Reconciliation	6-38	6A	11	-9
All cost allocation statistics	1-38	1-5*	11	9

*See note to Worksheet B-1 for treatment of administrative and general accumulation cost column.

WORKSHEET K-5, PARTS I & II

Part I				
Total Hospice Cost after cost finding	2-33	18	11	9
Total cost	34	0-3 & 4-16	11	9
Part II				
Reconciliation	1-33	4A-15A	11	-9
All Cost Allocation Statistics	1-33	1-15*	11	9

*See note to Worksheet B-1 for treatment of administrative and general accumulated cost column. Do not include X on line 0 of accumulated cost column since this is a replica of Worksheet B-1.

WORKSHEET K-5, PART III

Total Hospice Charges	1-8	2	11	9
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ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3A - WORKSHEETS REQUIRING NO INPUT

Worksheet S, Part I
 Worksheet D-1, Part II
 Worksheet H-1, Part I
 Worksheet J-1, Part I
 Worksheet K-5, Part I
 Worksheet K-6

TABLE 3B - TABLES TO WORKSHEET S-2

Table I: Type of Control

1	=	Voluntary Nonprofit, Church
2	=	Voluntary Nonprofit, Other
3	=	Proprietary, Individual
4	=	Proprietary, Corporation
5	=	Proprietary, Partnership
6	=	Proprietary, Other
7	=	Governmental, Federal
8	=	Governmental, City-County
9	=	Governmental, County
10	=	Governmental, State
11	=	Governmental, Hospital District
12	=	Governmental, City
13	=	Governmental, Other

**TABLE 3C - LINES THAT CANNOT BE SUBSCRIBED
 (BEYOND THOSE PREPRINTED)**

<u>Worksheet</u>	<u>Lines</u>
S, Part III	1-3,100
S-2, Part I	1-6, 11, 14-31, 36-47
S-2, Part II	All
S-3, Part I	1-3, 5, 8
S-3, Parts II & III	All
S-3, Part IV	1-24
S-4	1-19, 21, 23-40
S-5	1-8, 10, 12, 13
S-6	1-17
S-7	All except line 105
S-8	All
A	30-33, 71, 80-82, 89, 100
A-6	All
A-7	All
A-8	1-23, 100
A-8-1, Part I	1-8, 10
A-8-1, Part II	1-8, 10

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3C - LINES THAT CANNOT BE SUBSCRIBED
(BEYOND THOSE PREPRINTED) (CONTINUED)

<u>Worksheet</u>	<u>Lines</u>
A-8-2	All
B, Parts I & II	30-33, 71, 89, 98-100
B-1	30-33, 71, 89, 98-105
B-2	All
C	71, 100
D, Part I	71, 100
D, Part II	All
D, Part III	100
D-1	All
E, Part I	All except lines 14, 28
E, Part II	All except line 29
E-1	1, 2, 3.01-3.05, 3.50-3.54, 4, 5.01-5.03, 5.50-5.52, 6-8
G	All
G-1	1-3,10,11,18,19
G-2, Part I	1-7, 9, 14
G-2, Part II	1,8,14,15
G-3	1-24, and 25, 26, 30, 31
H	All except 24
H-1, Parts I & II	All except 24
H-2, Parts I & II	All except 20
H-3, Parts I & II	All except lines 8-13
H-4, Part I	All
H-4, Part II	All except 30
H-5	1, 2, 3.01-3.05, 3.50-3.54, 4, 5.01-5.03, 5.50-5.52, 6-8
I-1	All
I-2	All
I-3	All, except line 24
I-4	All
I-5	1, 2, 3.01-3.05, 3.50-3.54, 4, 5.01-5.03, 5.50-5.52, 6-8
J-1, Parts I & II	All
J-2, Parts I & II	All
J-3	All except 16
J-4	1, 2, 3.01-3.05, 3.50-3.54, 4, 5.01-5.03, 5.50-5.52, 6-8

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 3C - LINES THAT CANNOT BE SUBSCRIBED
(BEYOND THOSE PREPRINTED) (CONTINUED)

<u>Worksheet</u>	<u>Lines</u>
K	All
K-1	All
K-2	All
K-3	All
K-4, Parts I & II	All
K-5, Parts I & II	All
K-5, Part III & K-6	All

TABLE 3D - PERMISSIBLE PAYMENT MECHANISMS

P = Prospective payment

O = Other

N = Not applicable

<u>Component</u>	<u>Title V</u>	<u>Title XVIII</u>	<u>Title XIX</u>
Skilled Nursing Facility	P or O	P	P or O
Nursing Facility	P or O	N	P or O
ICF/MR	N	N	O
SNF-Based HHA	P or O	P	P or O
SNF-Based RHC	O	O	O
SNF-Based FQHC	O	O	O
SNF-Based CMHC	O	P	O
SNF-Based OLTC	N	N	N
SNF-Based Hospice	N	N	N
OTHER	N	N	N

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 4 - NUMBERING CONVENTION FOR MULTIPLE COMPONENTS

This table provides line and column numbering conventions for health care complexes with more than one SNF-based component of the same kind. Table 4 is necessary to ensure that data associated with each component are consistently identified throughout the cost report. For example, if there are four additional components, component II is sub line .01, component III is .02, component IV is .03, and component V is .04. Providers should continue this numbering convention for multiple components in excess of (5) components.

I. For use in facilities with more than one home health agency

	<u>WKST.</u>	<u>PART</u>	<u>COLUMNS</u>	<u>LINES</u>	<u>SUBLINES</u>
HHA II-V	S	III	1-4	4	1-4
HHA II-V	S-2	I	1-6	7	1-4
HHA II-V	S-2	I	1-2	32	1-4
HHA II-V	S-3	I	3-7, 22-23	4	1-4
HHA II-V	A		1-2, 7	70	1-4
HHA II-V	B	I	17	70	1-4
HHA II-V	B	II	0, 17	70	1-4
HHA II-V	B-1		1-15	70	1-4
HHA II-V	G-2	I	2	8	1-4

II. For use in facilities with more than one community mental health center

CMHC II-V	S	III	1, 3-4	7	1-4
CMHC II-V	S-2	I	1-6	10	1-4
CMHC II-V	S-2	I	2	35	1-4
CMHC II-V	S-3	I	22-23	6	1-4
CMHC II-V	A		1-2, 7	73	1-4
CMHC II-V	B	I	17	73	1-4
CMHC II-V	B	II	0, 17	73	1-4
CMHC II-V	B-1		1-15	73	1-4
CMHC II-V	G-2	I	2	11	1-4

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 5 - COST CENTER CODING

INSTRUCTIONS FOR PROGRAMMERS

Cost center coding is required because there are thousands of unique cost center names in use by providers. Many of these names are peculiar to the reporting provider and give no hint as to the actual function being reported. By using codes to standardize meanings, practical data analysis becomes possible. The methodology to accomplish this must be rigidly controlled to enhance accuracy.

For any added cost center names (the preprinted cost center labels must be pre coded), the preparers must be presented with the allowable choices for that line or range of lines from the lists of standard and nonstandard descriptions. They then select a description that best matches their added label. The code associated with the matching description, including increments due to choosing the same description more than once, is then appended to the user's label by the software.

Additional guidelines are:

- Do not allow any pre-existing codes for the line to be carried over.
- Do not precode all "Other" lines.
- For cost centers, the order of choice must be standard first, then specific nonstandard, and finally the nonstandard "Other . . ."
- For the nonstandard "Other . . ." prompt the preparer with "Is this the most appropriate choice?" and then offer the chance to answer yes or to select another description.
- Allow the preparers to invoke the cost center coding process again to make corrections.
- For the preparers' review, provide a separate printed list showing their added cost center names on the left with the chosen standard or nonstandard descriptions and codes on the right.
- On the screen next to the description, display the number of times the description can be selected on a given report, decreasing this number with each usage to show how many remain. The numbers are shown on the cost center tables.
- Do not change standard cost center lines, descriptions, and codes. The acceptable formats for these items are listed later in Table 5 - the Standard Cost Center Descriptions and Codes. The proper line number is the first two digits of the cost center code.

INSTRUCTIONS FOR PREPARERS

Cost center coding standardizes the meaning of cost center labels used by health care providers on the Medicare cost reporting forms. This coding methodology allows you to continue to use labels for cost centers that have meaning within your institution.

The five digit codes that must be associated with each label provide standardized meaning for data analysis. Normally, it is necessary to code only added labels because the preprinted standard labels are automatically coded by CMS approved cost report software.

Additional cost center descriptions are identified. These additional descriptions will hereafter be referred to as the nonstandard labels. Included with the nonstandard descriptions are "Other . . ." designations to provide for situations where no match in meaning can be found. Refer to Worksheet A, lines 15, 33, 52, 63, 74, 84, and 95.

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 5 - COST CENTER CODING

Both the standard and nonstandard cost center descriptions along with their cost center codes are shown on Table 5. The USE column on that table indicates the number of times that a given code can be used on one cost report. Compare your added label to the descriptions shown on the standard and nonstandard tables for purposes of selecting a code. Most CMS approved software provides an automated process to present you with the allowable choices for the line/column being coded and automatically associates the code for the selected matching description with your label.

Additional Guidelines

Categories

Make a selection from the proper category such as general service description for general service lines, special purpose cost center descriptions for special purpose cost center lines, etc.

Use of a Cost Center Coding Description More Than Once

Often a description from the standard or nonstandard tables applies to more than one of the labels being added or changed by the preparer. In the past, it was necessary to determine which code was to be used and then increment the code number upwards by one for each subsequent use. This was done to provide a unique code for each cost center label. Now, most approved software associate the proper code, including increments as required, once a matching description is selected. Remember to use your label. You are matching to CMS's description only for coding purposes.

Cost Center Coding and Line Restrictions

Use cost center codes only in designated lines in accordance with the classification of cost center(s), e.g., lines 90 through 95 may only contain cost center codes within the nonreimbursable services cost center category of both standard and nonstandard coding.

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 5 - COST CENTER CODING

STANDARD COST CENTER DESCRIPTIONS AND CODES

	<u>CODE</u>	<u>USE</u>
GENERAL SERVICE COST CENTERS		
CAP REL COSTS - BLDGS & FIXTURES	0100	(100)
CAP REL COSTS - MOVEABLE EQUIPMENT	0200	(100)
EMPLOYEE BENEFITS	0300	(100)
ADMINISTRATIVE & GENERAL	0400	(100)
PLANT OPERATION, MAINT. & REPAIRS	0500	(100)
LAUNDRY & LINEN SERVICE	0600	(100)
HOUSEKEEPING	0700	(100)
DIETARY	0800	(100)
NURSING ADMINISTRATION	0900	(100)
CENTRAL SERVICES & SUPPLY	1000	(100)
PHARMACY	1100	(100)
MEDICAL RECORDS & LIBRARY	1200	(100)
SOCIAL SERVICE	1300	(50)
NURSING AND ALLIED HEALTH EDUCATION	1400	(100)
INPATIENT ROUTINE SERVICE COST CENTERS		
SKILLED NURSING FACILITY	3000	(01)
NURSING FACILITY	3100	(01)
ICF - MENTALLY RETARDED	3200	(01)
OTHER LONG TERM CARE	3300	(01)

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 5 - COST CENTER CODING

STANDARD COST CENTER DESCRIPTIONS AND CODES (CONTINUED)

	<u>CODE</u>	<u>USE</u>
ANCILLARY SERVICE COST CENTERS		
RADIOLOGY	4000	(100)
LABORATORY	4100	(100)
INTRAVENOUS THERAPY	4200	(10)
OXYGEN (INHALATION) THERAPY	4300	(10)
PHYSICAL THERAPY	4400	(10)
OCCUPATIONAL THERAPY	4500	(10)
SPEECH PATHOLOGY	4600	(10)
ELECTROCARDIOLOGY	4700	(100)
MEDICAL SUPPLIES CHARGED TO PATIENTS	4800	(100)
DRUGS CHARGED TO PATIENTS	4900	(50)
DENTAL CARE - TITLE XIX ONLY	5000	(100)
SUPPORT SURFACES	5100	(100)
OUTPATIENT SERVICE COST CENTERS		
CLINIC	6000	(10)
RURAL HEALTH CLINIC	6100	(10)
FQHC	6200	(10)
OTHER REIMBURSABLE COST CENTERS		
HOME HEALTH AGENCY COST	7000	(05)
AMBULANCE	7100	(01)
CMHC	7300	(09)

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 5 - COST CENTER CODING

STANDARD COST CENTER DESCRIPTIONS AND CODES (CONTINUED)

	<u>CODE</u>	<u>USE</u>
SPECIAL PURPOSE COST CENTERS		
MALPRACTICE PREMIUMS & PAID LOSSES	8000	(01)
INTEREST EXPENSE	8100	(01)
UTILIZATION REVIEW	8200	(01)
HOSPICE	8300	(09)
NONREIMBURSABLE COST CENTERS		
GIFT, FLOWER, COFFEE SHOPS & CANTEEN	9000	(100)
BARBER AND BEAUTY SHOP	9100	(100)
PHYSICIANS PRIVATE OFFICES	9200	(100)
NONPAID WORKERS	9300	(50)
PATIENTS LAUNDRY	9400	(100)
NONSTANDARD COST CENTER DESCRIPTIONS AND CODES		
GENERAL SERVICE COST CENTERS		
Other General Service Cost Centers	1500	(50)
ANCILLARY SERVICE COST CENTERS		
Other Ancillary Service Cost Centers	5200	(50)
OUTPATIENT SERVICE COST CENTERS		
Other Outpatient Service Cost Centers	6300	(50)
OTHER REIMBURSABLE COST CENTERS		
Outpatient Rehabilitation Provider (specify)		
CORF	7200	(10)
OPT	7210	(10)
OOT	7220	(10)
OSP	7230	(10)
Other Reimbursable Cost Centers	7400	(50)
SPECIAL PURPOSE COST CENTERS		
Other Special Purpose Cost Centers	8400	(50)
NONREIMBURSABLE COST CENTERS		
Other Nonreimbursable Cost Centers	9500	(50)

ELECTRONIC COST REPORTING SPECIFICATIONS FOR FORM CMS-2540-10

TABLE 6 - EDITS

Medicare cost reports submitted electronically must meet a variety of edits. These include mathematical accuracy edits, certain minimum file requirements, and other data edits. Any vendor software that produces an electronic cost report file for Medicare skilled nursing facilities must automate all of these edits. Failure to properly implement these edits may result in the suspension of a vendor's system certification until corrective action is taken. The vendor's software should provide meaningful error messages to notify the skilled nursing facility of the cause of every exception. The edit message generated by the vendor systems must contain the related 4 digit and 1 alpha character, where indicated, reject/edit code specified below. Any file submitted by a provider containing a level I edit will be rejected by the fiscal intermediary/contractor, without exception.

The edits are applied at two levels. Level I edits (1000 series reject codes) are those that test the format of the data to identify for correction those error conditions that result in a cost report rejection. These edits also test for the presence of some critical data elements specified in Table 3. Level II edits (2000 series edit codes) identify potential inconsistencies and/or missing data items. Resolve these items and submit appropriate worksheets and/or data supporting the exceptions with the cost report. Failure to submit the appropriate data with your cost report may result in payments being withheld pending resolution of the issue(s).

The vendor requirements (above) and the edits (below) reduce contractor processing time and unnecessary rejections. Vendors should develop their programs to prevent their client (skilled nursing facilities) from generating either a hard copy substitute cost report or electronic cost report file where level I edit conditions exist. Ample warnings should be given to the provider where level II edit conditions are violated.

NOTE: Dates in brackets [] at the end of an edit indicate the effective date of that edit for cost reporting periods ending on or after that date. Edits in place from the previous Form CMS 2540-96 will not have an effective date listed, but will be considered effective as of 12/01/2010 for Form CMS-2540-10.

I. Level I Edits (Minimum File Requirements)

<u>Reject Code</u>	<u>Condition</u>
1000	The first digit of every record must be either 1, 2, 3, or 4 (encryption code only)
1005	No record may exceed 60 characters.
1010	All alpha characters must be in upper case. This is exclusive of the encryption code, type 4 record, record numbers 1, 1.01, and 1.02.
1015	For micro systems, the end of record indicator must be a carriage return and line feed, in that sequence.
1020	The skilled nursing facility provider number (record #1, positions 17-22) must be valid and numeric.
1025	All dates (record #1, positions 23-29, 30-36, 45-51, and 52-58) must be in Julian format and legitimate.

ELECTRONIC COST REPORTING SPECIFICATIONS FOR FORM CMS-2540-10

TABLE 6 – EDITS

<u>Reject Code</u>	<u>Condition</u>
1030	The fiscal year begin date (record #1, positions 23-29) must be less than or equal to the fiscal year end date (record #1, positions 30-36). [12/01/2010b]
1035	The vendor code (record #1, positions 38-40) must be a valid code. [12/01/2010b]
1040	The type 1 record # 1 must be correct and the first record in the file. [12/01/2010b]
1045	All record identifiers (positions 1-20) must be unique. [12/01/2010b]
	NOTE: The contractor should attempt to correct this condition in its working copy and continue processing the cost report. If the condition is correctable, notify the provider's vendor and send a copy of the ECR file to both the vendor and CMS Central Office. CMS Central Office will require a vendor software update to resolve the condition.
1050	Only a Y or N is valid for fields which require a Yes/No response. [12/01/2010b]
1055	Variable column (Worksheet B, Parts I and II and Worksheet B-1) must have a corresponding type 2 record (Worksheet A label) with a matching line number. [12/01/2010b]
1060	All line, sub line, column, and sub column numbers (positions 11-13, 14-15, 16-18, and 19-20, respectively) must be numeric, except as noted below for reconciliation columns. [12/01/2010b]
	NOTE: If the administrative and general (A&G) cost center (Worksheet A, line 4) is fragmented into two or more cost centers, then line 4 must be deleted. Fragmented A&G lines must begin with subscripted line 4.01 and continue in sequential order. Line numbers may be skipped, but must be in sequential order, e.g., 4.01, 4.02, 4.04, etc. is permissible. Any cost center with accumulated costs as the statistic must have the Worksheet B-1 reconciliation column numbered the same as the Worksheet A line number followed by an "A" as part of the line number followed by the sub line number.
1065	Cost center integrity for variable worksheets must be maintained throughout the cost report. For sub scripted lines, the relative position must be consistent throughout the cost report. [12/01/2010b]
1070	For every line used on Worksheets A, B, C, and D, there must be a corresponding type 2 record. [12/01/2010b]
1075	Fields requiring numeric data (charges, costs, FTEs, etc.) may not contain any alpha character. [12/01/2010b]

ELECTRONIC COST REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 6 – EDITS

<u>Reject Code</u>	<u>Condition</u>
1080	In all cases where the file includes both a total and the parts that comprise that total, each total must equal the sum of its parts. [12/01/2010b]
1085	All standard cost center codes must be entered on the designated standard cost center line and subscripts thereof as indicated in Table 5. [12/01/2010b]
1000S	The SNF address, city, State, zip code, and county (Worksheet S-2, Part I, lines 1, 2, and 3, columns 1, 2, and 3 respectively) must be present and valid. [12/01/2010b]
1005S	The cost report ending date (Worksheet S-2, Part I, column 2, line 14) must be on or after 01/01/2011. [12/01/2010b]
1010S	All provider CCN and component numbers displayed on Worksheet S-2, Part I, column 2, lines 4, through 10, 12 and 13, must contain six (6) alphanumeric characters. [12/01/2010b]
1015S	The cost report period beginning date (Worksheet S-2, Part I, column 1, line 14) must precede the cost report ending date (Worksheet S-2, Part I, column 2, line 14). [12/01/2010b]
1020S	The skilled nursing facility name, provider CCN, certification date, and Title XVIII payment mechanism (Worksheet S-2, Part I, line 4, columns 1, 2, 3, and 5, respectively) must be present and valid. [12/01/2010b]
1025S	For each provider/component name reported (Worksheet S-2, Part I, column 1, lines 4 through 13), there must be corresponding entries made on Worksheet S-2, Part I, lines 4 through 10, 12 and 13 for the provider CCN (column 2), the certification date (column 3), and the payment system for either Titles V, XVIII, or XIX (columns 4, 5, or 6, respectively) indicated with a valid code (P, O, or N). (See Table 3D.) [12/01/2010b]
1030S	For Worksheet S-2, Part I, there must be a response in every file in column 1, lines 15-18, 25-28, 37-38, and 42-43. [12/01/2010b]
1035S	For Worksheet S-2, Part I, if the response on line 38 = “Y”, then there must be a response on line 39. [12/01/2010b]
1040S	For each provider/component listed on Worksheet S-2, Part I, lines 7 through 10 and their subscripts, there must be corresponding entries made on Worksheet S-2, Part I, lines 32 through 35 and their subscripts, accordingly. For line 32 and its subscripts, columns 1 and 2 must be completed. For lines 33 through 35 and their subscripts, column 2 must be completed. [12/01/2010b]
1045S	For Worksheet S-2, Part I, if the response on line 43 = “Y”, there must be a response on line 44, column 1; line 45, columns 1, 2 and 3, line 46 column 1 or column 2; line 47 columns 1, 2 and 3. If the response on line 43 column 1 = “N”, then lines 44 through 47 must be blank. [12/01/2010b]

ELECTRONIC COST REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 6 - EDITS

<u>Reject Code</u>	<u>Condition</u>
1050S	For Worksheet S-2, Part II, there must be a "Y" or "N" response on lines 1, through 11, column 1 and lines 13 through 18, columns 1 and 3. [12/01/2010b]
1055S	For Worksheet S-2, Part II, if the response on lines 1, 13 or 14, column 1 = "Y", a date must be entered in column 2. If the response on line 2, column 1 = "Y", a date must be entered in column 2 and a "V" or "I" must be entered in column 3. If the response on lines 13 or 14, column 3 = "Y", a date must be entered in column 4. [12/01/2010b]
1090S	All amounts reported on Worksheet S-3, Part I must not be less than zero.
1095S	For Worksheet S-3, Part I, the sum of the inpatient days in columns 3-6 for each of lines 1, 2, 3, and 5 must be equal to or less than the total inpatient days in column 7 for each line. [12/01/2010b]
1100S	For Worksheet S-3, Part I, the sum of the discharges in columns 8-11 for each of lines 1, 2, 3, and 5 must be equal to or less than the total discharges in column 12 for each line indicated. [12/01/2010b]
1105S	The amount of total salaries reported in column 1, line 1 (Worksheet S-3, Part II) must equal Worksheet A, Column 1, line 100. [12/01/2010b]
1110S	Worksheet S-3, Part II, column 4, sum of lines 1-11, 14-21 must be greater than zero. [12/01/2010b]
1115S	The amount on Worksheet S-3, Part II, column 3, line 17 (total wage related costs), must be greater than 7.65 percent and less than 50.0 percent of the amount in column 3, sum of lines 1-11 (total salaries). [12/01/2010b]
1120S	For Worksheet S-3, Part II, all values for column 5, lines 1-16, must equal or exceed \$5.15. When there are no salaries reported in column three, then it is okay to have zero amounts in columns 3 and 5. [12/01/2010b]
1125S	For Worksheet S-3, Part II, sum of columns 1 and 2 each of lines 2-4, 7-11, 14-21, as applicable must be equal to or greater than zero. [12/01/2010b]
1130S	Worksheet S-3, Part II, sum of columns 1 & 2, line 13 must be greater than zero. [12/01/2010b]
1135S	The amount of hours reported on Worksheet S-3, Part III, column 4, lines 1-13 must be greater than or equal to zero. [12/01/2010b]
1140S	The amount reported on Worksheet S-3, Part IV, line 24 must be greater than zero. [12/01/2010b]
1160S	If Worksheet S-4 column 1, line 23 has data, then it must be a five character alpha numeric. [12/01/2010b]
1200S	Worksheet S-5, Line 13: If the response in column 1 = "Y", then column 2 must be greater than zero. If the response in column 1 = "N", then column 2 must = zero. [12/01/2010b]
1210S	Worksheet S-7: Column 2, sum of lines 1 through 99 must agree with Worksheet S-3, Part I, column 4, line 1. [12/01/2010b]
1000A	Worksheet A, columns 1 and 2, line 100 must be greater than zero. [12/01/2010b]

ELECTRONIC COST REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 6 – EDITS

<u>Reject Code</u>	<u>Condition</u>
1015A	On Worksheet A, line 81 column 2 and the corresponding reclassifications and adjustments must equal zero. On lines 80 and 82, respectively, the sum of columns 1 and 2 and the corresponding reclassifications and adjustments must equal zero. [12/01/2010b]
1020A	For reclassifications reported on Worksheet A-6, the sum of all increases (columns 4 and 5) must equal the sum of all decreases (columns 8 and 9). [12/01/2010b]
1025A	For each line on Worksheet A-6, if there is an entry in column 3, 4, 5, 7, 8, or 9, there must be an entry in column 1. There must be an entry on each line of columns 4 and/or 5 for each entry in column 3 (and vice versa), and there must be an entry on each line of columns 8 and/or 9 for each entry in column 7 (and vice versa). All entries must be valid, for example, no salary adjustments in columns 3 and/or 7, for capital lines 1 & 2 of Worksheet A. [12/01/2010b]
1041A	The total Utilization Review amount shown on Worksheet E, Part I, Line 10, may not be greater than the amount on Worksheet A-8, line 22.(Absolute value of line 22) [12/01/2010b]
1045A	If Worksheet A-8-1, Part I, either of columns 4 or 5, lines 1 through 9 does not equal zero, then column 1, the corresponding line must be present. [12/01/2010b]
1050A	On Worksheet A-8-2, column 3 must be equal to or greater than the sum of columns 4 and 5. If column 5 is greater than zero, column 6, and column 7 must be greater than zero. Transfer only the total on line 100, column 18 to Worksheet A-8, column 2 [12/01/10b]
1000B	On Worksheet B-1, all statistical amounts must be greater than or equal to zero, except for reconciliation columns. [12/01/2010b]
1005B	Worksheet B, Part I, column 18, line 100 must be greater than zero. [12/01/2010b]
1010B	For each general service cost center with a net expense for cost allocation greater than zero (Worksheet B-1, columns 1 through 15, line 100), the corresponding total cost allocation statistics (Worksheet B-1, column 1, line 1; column 2, line 2; etc.) must also be greater than zero. Exclude from this edit any column, including any reconciliation column that uses accumulated cost as its basis for allocation. [12/01/2010b]
1015B	For any column which uses accumulated cost as its basis of allocation (Worksheet B-1), there may not simultaneously exist on any line an amount both in the reconciliation column and the accumulated cost column, including a negative one. [12/01/2010b]
1010C	On Worksheet C, all amounts in columns 1 and 2, respectively, line 100 must be greater than or equal to zero. [12/01/2010b]

ELECTRONIC COST REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 6 – EDITS

<u>Reject Code</u>	<u>Condition</u>
1000D	On Worksheet D, all amounts must be greater than or equal to zero. [12/01/2010b]
1005D	The total inpatient charges on Worksheet C, column 2, line 49 must be greater than, or equal to the sum of all Worksheets D, Part I, line 49, plus Worksheet D, Part II, line 2. [12/01/2010b]
1000H	Worksheet H-2 Part I: Column 0 line 21 must equal Worksheet A column 7 line 70. [12/01/2010b]
1005H	Worksheet H-2 Part I: sum of columns 0-3, 4-15, line 21 must equal the corresponding columns on Worksheet B Part I, line 70 and its subscripted lines, respectively. [12/01/2010b]
1010H	Worksheet H-2, Part II: sum of lines 1-21 for each of columns 1-3, and 4-15, must equal the corresponding columns on Worksheet B-1, line 70 and its subscripted lines, respectively. Include reconciliation and accumulated cost columns with negative one entries only. [12/01/2010b]
1015H	Worksheet H-3, Part I, column 4, sum of lines 1 through 6, must equal total visits reported on Worksheet S-3, Part I, column 7, line 4. [12/01/2010b]
1020H	The sum of columns 6 and 7 on Worksheet H-3, Part I, <u>must equal</u> , the corresponding amounts on Worksheet S-4, lines 24, 26, 28, 30, 32 and 34, respectively. [12/01/2010b]
1000I	If Worksheet I-1 is present, then Worksheet S-5 must be present and vice versa. [12/01/2010b]
1010I	If Worksheet S-5, line 12 equals "Y", Worksheet I-2, column 3, lines 1, 2, and 3 must each be greater than zero and at least one line must contain a value other than the standard amount. Conversely if Worksheet S-5, line 13 equals "N", Worksheet I-2, column 3, lines 1, 2, and 3 must contain the values 4200, 2100, and 2100. Apply this edit to both the RHC and FQHC components. [12/01/2010b]
1020I	The sum of Worksheet I-1, column 7, lines 1-9, 11-13, 15-19, 23-26, and 29-30 must equal the amount on Worksheet A, column 7, RHC/FQHC as appropriate. [12/01/2010b]
1000J	Worksheet J-1 Part I: sum of columns 0-3, and 4-15, line 22 must equal the corresponding columns on Worksheet B Part I, line 73 and its subscripted lines, respectively. [12/01/2010b]
1010J	Worksheet J-1 Part II: sum of lines 1-21 for each of columns 1-3, and 4-15, must equal the corresponding columns on Worksheet B-I, line 73 and its subscripted lines, respectively. Include reconciliation and accumulated cost columns with negative one entries only. [12/01/2010b]
1000K	Worksheet K, column 10, line 39, must equal Worksheet A column 7 line 83.

ELECTRONIC COST REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 6 – EDITS

- 1005K Worksheet K-5 Part I: sum of columns 0-3, and 4-15, line 34 must equal the corresponding columns on Worksheet B Part I, line 83 and its subscripted lines, respectively. [12/01/2010b]
- 1010K Worksheet K-5 Part II: sum of lines 1-33 for each of columns 1-3, and 4-15, must equal the corresponding columns on Worksheet B-I, line 83 and its subscripted lines, respectively. Include reconciliation and accumulated cost columns with negative one entries only. [12/01/2010b]

II. Level II Edits (Potential Rejection Errors)

These conditions are usually, but not always, incorrect. These edit errors should be cleared when possible through the cost report. When corrections on the cost report are not feasible, provide additional information in schedules, note form, or any other manner as may be required by your contractor. Failure to clear these errors in a timely fashion, as determined by your contractor, may be grounds for withholding payments.

<u>Edit</u>	<u>Condition</u>
2000	All type 3 records with numeric fields and a positive usage must have values equal to or greater than zero (supporting documentation may be required for negative amounts). [12/01/2010b]
2005	Only elements set forth in Table 3, with subscripts as appropriate, are required in the file. [12/01/2010b]
2010	The cost center code (positions 21-24) (type 2 records) must be a code from Table 5, and each cost center code must be unique. [12/01/2010b]
2015	Standard cost center lines, descriptions, and codes should not be changed. (See Table 5.) This edit applies to the standard line only and not subscripts of that code. [12/01/2010b]
2025	All nonstandard cost center codes may be used on any standard subscripted cost center line within the cost center category, i.e. only nonstandard cost center codes of the general service cost center may be placed on standard subscripted cost center lines of general service cost center. [12/01/2010b]
2030	The following standard cost centers listed below must be reported on the lines indicated and the corresponding cost center codes may appear only on the lines indicated. No other cost center codes may be placed on these lines or subscripts of these lines, unless indicated herein. [12/01/2010b]

<u>Cost Center</u>	<u>Line</u>	<u>Code</u>
CAP REL COSTS - BLDGS & FIXTURES	1	0100-0199
CAP REL COSTS - MOVEABLE EQUIPMENT	2	0200-0299
EMPLOYEE BENEFITS	3	0300-0399
SKILLED NURSING FACILITY	30	3000
NURSING FACILITY	31	3100
INTERMEDIATE CARE FACILITY/MENTALLY RETARDED	32	3200
OTHER LONG TERM CARE	33	3300
AMBULANCE	71	7100

ELECTRONIC COST REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 6 – EDITS

MALPRACTICE PREMIUMS & PAID LOSSES	80	8000
INTEREST EXPENSE	81	8100
UTILIZATION REVIEW - SNF	82	8200
HOSPICE	83	8300-8304
GIFT, FLOWER, COFFEE SHOPS & CANTEEN	90	9000-9099
BARBER & BEAUTY SHOP	91	9100-9199
PHYSICIANS-PRIVATE OFFICES	92	9200-9299
NONPAID WORKERS	93	9300-9349
PATIENTS-LAUNDRY	94	9400-9499

<u>Edit</u>	<u>Condition</u>
2040	All calendar format dates must be edited for 10 character format, e.g., 06/22/2011 (MM/DD/YYYY).] [12/01/2010b]
2045	Administrative and general cost center code 0400-0499 may appear only on line 4 and subscripts of line 4. [12/01/2010b]
2050	All dates must be possible, e.g., no "00", no "30" or "31" of February. [12/01/2010b]
2000S	The SNF certification date (Worksheet S-2, Part I, column 3, line 4) should be on or before the cost report beginning date (Worksheet S-2, Part I, column 1, line 14). [12/01/2010b]
2005S	The length of the cost reporting period should be greater than 27 days and less than 459 days. [12/01/2010b]
2010S	Worksheet S-2, Part I, line 15 (type of control) must have a value of 1 through 13. [12/01/2010b]
2015S	The sum of column 1, lines 1-4, 7-11, 14-16, and 17-21 (Worksheet S-3, Part II) must be greater than zero. [12/01/2010b]
2025S	The sum of column 4, lines 1-4, 7-11, and 14-16 (Worksheet S-3, Part II) must be greater than zero. [12/01/2010b]
2150S	If Worksheet S-3, Part II (column 4, sum of lines 7 through 11 divided by the sum of line 1 minus the sum of lines 3 and 4) is greater than 5 percent, then Worksheet S-3, Part III, column 1, line 14 must equal the sum of the amounts on Worksheet A, column 1, lines 3 through 15. [12/01/2010b]
2155S	If Worksheet S-3, Part II (column 4, sum of lines 7 through 11 divided by the sum of line 1 minus the sum of lines 3 and 4) is equal to or greater than 15 percent, then Worksheet S-3, Part III, columns 1 and 4 for line 14 should be greater than zero. [12/01/2010b]

ELECTRONIC COST REPORTING SPECIFICATIONS FOR FORM CMS-2540-10
TABLE 6 – EDITS

- 2160S If Worksheet S-3, Part III, column 4, line 14 is greater than zero, then those hours should be at least 20 percent but not more than 60 percent of Worksheet S-3, Part II, column 4, line 1. [12/01/2010b]
- 2000A Worksheet A-6, column 1 (reclassification code) must be alpha characters. [12/01/2010b]
- 2041A For Worksheet A-7, line 7, the sum of columns 1 through 3, minus column 5 must be greater than zero. [12/01/2010b]
- 2000B At least one cost center description (lines 1-3), at least one statistical basis label (lines 4-5), and one statistical basis code (line 6) must be present for each general service cost center with costs to allocate. This edit applies to all general service cost centers required and/or listed. [12/01/2010b]
- 2005B The column numbering among these worksheets must be consistent. For example, data in capital related costs - buildings and fixtures is identified as coming from column 1 on all applicable worksheets. [12/01/2010b]
- 2000G Total assets on Worksheet G (line 34, sum of columns 1-4) must equal total liabilities and fund balances (line 60, sum of columns 1-4). [12/01/2010b]
- 2010G Net income or loss (Worksheet G-3, column 1, line 31) should not equal zero. [12/01/2010b]

NOTE: CMS reserves the right to require additional edits to correct deficiencies that become evident after processing the data commences and, as needed, to meet user requirements.