

---

# Medicare

Department of Health and  
Human Services (DHHS)

## Provider Reimbursement Manual Part 2, Provider Cost Reporting Form and Instructions, Chapter 33, Form CMS-216-94

---

Centers for Medicare and  
Medicaid Services (CMS)

Transmittal 6

Date: June 19, 2015

---

<u>HEADER SECTION NUMBERS</u>	<u>PAGES TO INSERT</u>	<u>PAGES TO DELETE</u>
Table of Contents	33.1 – 33.2 (2 pp.)	33.1 – 33.2 (2 pp.)
3300 – 3318	33-3 – 33-24 (26 pp.)	33-3 – 33-24 (26 pp.)
3390 - 3390 (Cont.)	33-301 - 33 - 319 (19 pp.)	33-301 - 33 - 319 (19 pp.)
3395 - 3395 (Cont.)	33-501 - 33- 520 (22 pp.)	33-501 - 33-520 (22 pp.)

**NEW/REVISED MATERIAL--*EFFECTIVE DATE*:** Cost reporting periods that begin on or after May 1, 2014.

This transmittal updates Chapter 33, Organ Procurement Organization and Tissue Typing Laboratory Cost Reports, Form CMS-216-94 to clarify and correct existing instructions.

**Revisions include:**

- Rounding standards for sequestration and kidneys
- Worksheet S, Part I, modified instructions
- Worksheet S, Part III, modified instructions
- Worksheet A, modified instructions for lines 3 and 19 and removed line 20
- Worksheets A-1, A-2, A-3, A-4 and A-5, modified and clarified instructions
- Worksheets B/B-1, clarified instructions, removed line 15, and opened column 10A, reconciliation column, to properly adjust accumulated cost statistics
- Worksheet C, Part I, clarified instructions
- Worksheet C, Part II, clarified instructions
- Worksheet D, clarified instructions
- Supplemental Worksheet A-5-1, modified instructions

**REVISED ELECTRONIC SPECIFICATIONS EFFECTIVE DATE:** Changes to the electronic reporting specifications are effective for cost reporting periods that begin on or after May 1, 2014.

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

CHAPTER 33  
 ORGAN PROCUREMENT ORGANIZATION  
 AND TISSUE TYPING LABORATORY  
 COST REPORT  
 FORM CMS-216-94

	<u>Section</u>
General.....	3300
Recommended Sequence for Completing OPO/LAB Cost Report.....	3301
Rounding Standards for Fractional Computations.....	3301.1
Worksheet S - Organ Procurement Organization/ Histocompatibility Laboratory General Data and Certification Statement .....	3302
Part I - General .....	3302.1
Part II - Certification By Officer or Administrator of Facility .....	3302.2
Part III – Settlement Summary.....	3302.3
Worksheet S-1 - Organ Procurement Organization/ Histocompatibility Laboratory Identification Data .....	3303
Part I - OPO Statistics (To be completed by OPOs only) .....	3303.1
Part II - Lab Statistics (To be completed by Labs only).....	3303.2
Part III - Full Time Equivalent Employees (FTEs).....	3303.3
Worksheet A - Reclassification and Adjustment of Trial Balance of Expenses .....	3304
Worksheet A-1 - Administrative and General Expenses .....	3305
Worksheet A-2 - Organ Acquisition Costs (OPOs only).....	3306
Worksheet A-3 - Tissue Typing Laboratory Costs .....	3307
Worksheet A-4 - Reclassifications.....	3308
Worksheet A-5 - Adjustments to Expenses .....	3309
Worksheet A-6 - Capital Expenditures and Depreciation Reconciliation .....	3310
Worksheet B - Cost Allocation - General Service Costs and Worksheet B-1 - Cost Allocation - Statistical Basis.....	3311
Worksheet C - Computation of Medicare Cost.....	3312
Worksheet D - Calculation of Reimbursement Settlement.....	3313
Worksheet E - Balance Sheet.....	3314
Worksheet E-1 - Statement of Operating Expenses and Revenues .....	3315
Worksheet E-2 - Statement of Revenues and Expenses .....	3316
Supplemental Worksheet A-5-1 - Statement of Costs of Services <i>from</i> Related Organizations and Home Office Costs .....	3317
Kidney Placement Efforts - Documentation Requirements .....	3318
Exhibit 1 - Form CMS-216-94 Worksheets.....	3390
Electronic Reporting Specifications for Form CMS-216-94 .....	3395

*This page left intentionally blank.*

## 3300. GENERAL

All independent organ procurement organizations (OPOs) and independent histocompatibility laboratories (Labs) must submit Form CMS-216-94 for cost reporting periods ending on or after December 31, 1994. *Effective for cost reporting periods ending on or after March 31, 2005, the electronic cost report (ECR) file is considered the official means of cost report submission.*

Form CMS-216-94 is used for the following cost reports:

- o Independent *OPO*,
- o Independent histocompatibility laboratory, and
- o Independent organizations which operate both an OPO and a Lab that have two *CMS certification numbers (CCNs)* within the same administration.

Do not use the forms to calculate the amount of home office costs of a chain organization on the OPO/Lab cost report. Chain organizations follow the procedure in CMS Pub. 15-2, Cost to Related Organization chapter 10. These forms are not to be used by any hospital-based OPOs.

*An OPO that only performs kidney procurement functions (and has no cost associated with other organizations or other non-renal activities) can bypass the allocation Worksheets B and B-1. Flow the cost directly from the trial balance of expenses (Worksheet A) to the total cost applicable to kidney acquisition (Worksheet C).*

*An OPO that performs organ procurement for renal and non-renal organs must complete a separate Worksheet A-2 for each type of organ. The OPO must go through cost finding to ensure that overhead is allocated to all types of organ acquisition. Tissues, such as skin, cornea, bone, heart valves, and pancreas islet absent adequate cost finding methodology need not go through cost finding. Rather, income received is offset against cost associated with transplant coordinator costs on Worksheet A.*

*A lab that only performs tissue typing tests (renal and non-renal) and has no cost associated with organ procurement clinical laboratory tests, blood bank activities, other components requiring overhead allocations, and other non-tissue typing tests, bypass the allocation Worksheets B and B-1. Flow the cost directly from the trial balance of expenses (Worksheet A) to the total cost applicable to tissue typing lab (Worksheet C). The Medicare kidney related cost of the lab services is determined on Worksheet C. Few laboratories qualify to bypass Worksheets B and B-1 since clinical laboratory tests are normally performed in the same organization.*

3301. RECOMMENDED SEQUENCE FOR COMPLETING OPO/LAB COST REPORT  
 Step No.      Worksheet      Page

Part I - General Statistics and Expense Reclassifications  
 and Adjustments (To Be Followed By All OPOs/Labs)

1	<i>S, Part I</i> General	1	Complete Part I - General except for certification statement.
2	<i>S-1, Part I</i> OPO	2	OPOs complete Part I.
3	<i>S-1, Part II</i> Labs	2	Labs complete Part II.
4	<i>S-1, Part III</i> FTEs	2	All complete Part III.
5	A-1	4	Complete entire page.
6	A-2	5	OPOs complete entire page. (One form must be completed for each type of organ acquisition.)
7	A-3	6	Labs complete entire page.
8	A	3	Complete columns 1 through 3, lines 1 through 26.
9	A-4	7	Complete, if applicable.
10	A	3	Complete columns 4 and 5, lines 1 through 26.
11	A-5	8	Complete entire page.
12	Supplemental A-5-1	7	If any costs on Worksheet A are with a related organization, complete Part A. If the answer to Part A is yes, complete both Parts B and C.
13	A	3	Complete columns 6 and 7, lines 1 through 26.
14	A-6	9	Complete entire page as applicable.

Part II - Cost Allocation (To Be Followed *for* OPOs/Labs That  
 Need *to* Allocate Overhead Costs *When* OPO *is Not* Totally  
 Kidney Related *and* Lab *is Not* Totally a Tissue Typing Lab)

**NOTE:** All OPOs that have acquired non-renal organs must complete Worksheets B and B-1.

1	B and B-1	10-11	Complete entire worksheet.
---	-----------	-------	----------------------------

Part III - Computation of Medicare Cost - To Be Completed By  
 All OPOs and Tissue Typing Labs

1	C	12	Complete entire worksheet.
---	---	----	----------------------------

<u>Step No.</u>	<u>Worksheet</u>	<u>Page</u>	
<u>Part IV - Calculation <i>of</i> Reimbursement Settlement <i>to</i> OPOs/Labs</u>			
1	D	13	Complete entire worksheet and columns as appropriate.
2	E	14	OPOs/Labs complete the worksheet.  Where multiple funds are maintained, combine in the general fund.
3	E-1	15	Complete entire worksheet.
4	E-2	16	Complete entire worksheet.
5	<i>S, Part II</i>	1	Complete certification statement.
6	S, Part III	1	Complete settlement summary.

### 3301.1. 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
  - c. Full time equivalent employees
  - d. Per diems, hourly rates
2. Round to 4 decimal places
  - a. Sequestration (e.g., 2.092 percent is expressed as .0209)
3. Round to 6 decimal places
  - a. Ratios (e.g., unit cost multipliers, cost/charge ratios)
  - b. *Ratios (Medicare kidneys to total kidneys)*

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 being allocated. Adjust this residual to the largest amount resulting from the allocation so that the sum of the allocated amounts equals the amount being allocated.

3302. WORKSHEET S - ORGAN PROCUREMENT ORGANIZATION/  
HISTOCOMPATIBILITY LABORATORY GENERAL DATA AND CERTIFICATION  
STATEMENT

3302.1 Part I - General.--

Apply the following definitions:

Organ Procurement Organization.--An independent OPO is an organization which performs or coordinates *the procurement, preservation, and transport of organs and maintains a system for locating prospective beneficiaries for available organs (see 42 CFR 486.302).*

Laboratory or Histocompatibility Lab or Tissue Typing Lab.--An independent histocompatibility lab is a laboratory meeting the provisions of 42 CFR *493.1278*.

Line 1.--Enter the full name of the independent *OPO or independent Lab in column 1*. Enter the *OPO or Lab provider CCN in column 2*. The *provider CCN consists of* two digits followed by either a *P or an HL*, followed *by* two or more digits. (00-*P-000* or 00-*HL-00*)

Line 1.01.--Enter the street address and P.O. Box (if applicable) of the OPO/Lab.

Line 1.02.--Enter the city, *state* and *ZIP* code of the OPO/Lab.

Line 2.--Enter the full name of the OPO based Lab and the provider number.

Line 2.01.--Enter the *street address* and P.O. Box (if applicable) of the OPO based Lab.

Line 2.02.--Enter the city, *state* and *ZIP* code of the OPO based Lab.

Line 3.--Enter the inclusive dates covered by this cost report. In accordance with 42 CFR 413.24(f), each provider is required to submit periodic reports of operations which generally cover a consecutive 12-month period of the provider's operations. (See CMS Pub. 15-2, §102.1 through §102.3 for situations where a short period cost report may be filed.)

Cost reports are due on or before the last day of the fifth month following the close of the period covered by the cost report. *A cost report* from a provider which voluntarily or involuntarily ceases to participate in the health insurance program or changes ownership is due no *later than 5 months* following the effective date of the termination of the provider agreement or change of ownership.

Line 4.--

Column 1--Type of Control--Indicate the ownership or auspices under which the OPO/Lab operates by entering the number below that corresponds to the type of control.

Proprietary	Voluntary Non-Profit	Government
1=Individual	5=Church	9=Federal
2=Corporation	6=Corporation	10=State
3=Partnership	7=Foundation	11=County
4=Other (Specify)	8=Other (Specify)	12=City

If item 4 or 8 is selected, “Other (Specify)” category, specify the type of *control* in column 2.

Column 3.--Type of Provider--Enter the number which corresponds to the type of provider as defined *above*. Enter 1 for OPO and 2 for Lab.

Column 4.--Participation Date--Enter the date the OPO/Lab was certified for participation in the Medicare program. All laboratories that were certified on October 1, 1978, have an effective date of October 1, 1978, regardless of when the agreement was signed. If operations began after October 1, 1978, enter the date found in the approval letter from the regional office of the Department of Health and Human Services. Independent OPOs must have a certification date on or after March 31, 1988.

*Note: When an independent organization operates both an OPO and a Lab that have two CCN's within the same administration, enter the OPO information on line 4 and the Lab on subscripted line 4.01.*

3302.2 Part II - Certification By Officer or Administrator of Facility.--Prepare and sign the certification after completion of the cost report.

3302.3 Part III - Settlement Summary.

Line 1.--Enter the balance due to or from the *OPO/Lab*. Transfer the settlement amounts from Worksheet D, line 8 (*organ acquisition* from column 1 and *tissue typing* from column 2).

*(This page is intentionally left blank.)*

3303. WORKSHEET S-1 - ORGAN PROCUREMENT ORGANIZATION/  
HISTOCOMPATIBILITY IDENTIFICATION DATA3303.1 Part I - OPO Statistics (To be completed by OPOs only).--

Line 1.--Enter the total number of kidneys retrieved and/or processed administratively. This includes all viable and nonviable kidneys retrieved locally as well as kidneys obtained from all other sources.

Line 2.--Enter the number of nonviable kidneys retrieved and/or processed administratively. This includes kidneys that were not transplanted due to a defect and kidneys for which a recipient was not located. Do not include kidneys that *were* sent to a foreign country for transplant on this line. Include foreign kidneys on lines 1, 3, 4, and 6, as appropriate.

**Note:** Total kidneys included on line 1 and nonviable kidneys included on line 2 must include kidneys that were determined to be unusable at the time of excision. For example, if procurement is attempted and no kidneys are excised *because they were determined to be nonviable*, two kidneys must be counted on both lines 1 and 2. However, kidneys that are retrieved exclusively for research (known prior to retrieval) must be excluded from the count.

Line 3.--Enter the number of kidneys for which payment should have been received. It must equal the amount entered on line 1 minus the amount entered on line 2 and correspond with the number of kidneys transplanted and exported.

Line 4.--Enter the number of viable kidneys that were exported from your retrieval area. This number includes viable kidneys sent to another independent or hospital-based OPO or to a foreign country which received the kidney for potential transplant.

Line 5.--Enter the number of viable kidneys that were shared with a military hospital or VA hospital in your retrieval area. Include this number in the total viable kidneys on line 3. A kidney sent to another OPO, and subsequently sent to a VA or military hospital, is counted as a VA/military kidney by the second OPO, not the originating OPO.

**Note:** OPOs that have an agreement with military and *Veteran's Affairs (VA)* hospitals to procure kidneys *at no charge*, but must give the military/VA institution the first opportunity to use the kidneys, count these kidneys as sent to a military *hospital* or *VA hospital* on line 5. These kidneys must also be shown as a local retrieval on lines 1, 2, and 3, as applicable, and counted *as* sent to the military or VA hospital. In these cases, no revenue is shown. See *CMS Pub. 15-1*, Chapter 27 Outpatient Maintenance Dialysis Services §2775.2 for an exception to this instruction.

Line 6.--Show the amount received for kidneys listed on line 5.

Line 7.--*Enter Y or N in column 1, was payment received for kidneys furnished to foreign countries and included on line 4?* Enter the *total* number of kidneys furnished to foreign countries *in column 2 and the amount of payment received in column 3.* Provide a supplemental schedule identifying the organ, the country it was shipped to, the date of shipment, the amount charged, and the amount of payment received. A kidney sent to another OPO, and subsequently sent to a foreign country, is counted as a foreign kidney of the second OPO, not the originating OPO.

Line 8.--*For* each organ identified *enter in column 1,* the total number of organs/tissues (not kidneys) retrieved and/ or processed administratively. *Enter in column 2,* the number of organs/tissue that were retrieved, but not used for transplant. *Enter in column 3,* the amount of payment received for each type of organ. Include the amount received for transplanted organs and organs sent to research. If no payment was received, enter zero.

3303.2 Part II - Lab Statistics (To be completed by *Labs* only).--

Line 1.--Enter the total number of all tests performed. This includes clinical laboratory tests as well as tissue typing tests.

Line 2.--Enter the total number of tests performed by the tissue typing lab. This includes all tests whether or not they are related to kidney transplantation.

Line 3.--Enter the total number of kidney pre-transplantation tests included on line 2. These tests are performed for potential kidney recipients, living related donors, living unrelated donors, and cadaver kidneys.

Line 4.--List the tests performed specifically for kidney pre-transplant and the number of each type of test. The total must equal line 3.

3303.3 Part III - Full Time Equivalent Employees (FTEs).--

Lines 1 through 1.03.--Enter the number of FTEs by type of employee at the facility. Where the number of "Other" employees exceeds 10 percent of the total or is greater than 10 percent, provide a supplemental schedule detailing their duties. *Enter in column 2, the corresponding FTEs for Administrative employees listed in column 1, lines 1 through 1.03. These FTEs correspond with the salaries shown on Worksheet A, lines 3 through 7, which includes Worksheet A-1. Enter in column 4, the corresponding FTEs for OPO employees listed in column 3, lines 1 through 1.03. These FTEs correspond with the salaries shown on all Worksheet A-2s for all types of organ acquisitions. Enter in column 6, the corresponding FTEs for Lab employees listed in column 5, lines 1 through 1.03. These FTEs correspond with the salaries shown on Worksheet A-3. Prorate employees that perform several different functions by type of function in the same manner as salaries are prorated on Worksheets A-1, A-2, and A-3.*

Line 2.--Enter the total number of FTEs at the facility. This number must equal the sum of all categories appearing on lines *1 through 1.03.*

**NOTE:** FTEs are computed on the basis of 2080 hours per year. Accordingly, divide total hours worked per category by 2080 to obtain the equivalent number of FTEs.

### 3304. WORKSHEET A - RECLASSIFICATION AND ADJUSTMENT OF TRIAL BALANCE OF EXPENSES

This worksheet provides for recording the trial balance of expense accounts from the OPO/Labs accounting records. It also provides for the necessary reclassifications and adjustments to certain cost centers. 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.

Not all of the cost centers listed may apply to all OPO/Labs.

A provider may elect to use different cost centers for allocation purposes *in accordance with* CMS Pub. 15-1, §2313.

Standard (i.e., preprinted) CMS line numbers and cost center descriptions cannot be changed. If a provider needs to use additional or different cost center descriptions, it may do so by adding additional lines to the cost report. Added cost centers must be appropriately coded. Identify the added line as a numeric 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 services cost centers, corresponding columns must be added to Worksheets B and B-1 for cost finding.

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 216-94 provides for preprinted cost center descriptions that may apply to OPO/Lab services on Worksheet A. In addition, a space is provided for a cost center code. 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. Additional cost center descriptions *identified as "Other..." that have a* general meaning will hereafter be referred to as nonstandard labels. *These nonstandard cost centers allow* for situations where no match in meaning to the standard cost centers can be found.

The use of this coding methodology allows providers to continue to use labels for cost centers that have meaning within the individual *facility*. The four-digit cost center codes that are associated with each *cost center* label in the electronic file provide standardized meaning for data analysis. The preparer is required to compare any added or changed labels to the descriptions offered on the standard or nonstandard cost center tables. A description of cost center coding and the cost center codes are in Table 5 of the electronic reporting specifications.

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

#### Column Descriptions

Columns 1, 2, and 3.--List on the appropriate lines in columns 1, 2, and 3 the total expenses incurred during the cost reporting period. The expenses must differentiate between salaries (column 1) and other (column 2). *Include all fringe benefits paid to employees in column 2.* The sum of columns 1 and 2 must equal column 3. See CMS Pub. 15-1, §2144.1 for a definition of fringe benefits.

Column 1.--Include only those amounts for persons employed by the OPO/Lab. This includes all persons reported on Federal Tax Form 941. Do *not* include any payments to individuals who are self-employed. Show only salaried and hourly wage employees on which taxes are withheld and paid.

Column 2.--Include all other expenses not identified in column 1.

Column 3.--This amount represents the total expenses, *the sum of columns 1 and 2 for each cost center.* Each cost center *should* agree with the *working* trial balance of expenses for that classification. Prepare a supplemental workpaper which details the OPO/Lab expense accounts that tie into the cost centers shown on Worksheet A. Line 26, column 3, must agree with total operating expenses on the *working trial balance.*

Column 4.--Enter any reclassifications *that are* needed to affect proper cost allocation. Worksheet A-4 is provided to detail any reclassifications affecting the expenses specified therein. This worksheet (explained in §3308) must be completed to the extent that reclassifications are needed and appropriate for the allocation of costs on Worksheet B. Show reductions in brackets. The net total of entries in column 4 must equal zero on line 26.

Column 5.--*For each cost center, enter* the amount in column 3 *plus or minus the amount in column 4* (increase or decrease).

Column 6.--Enter on the appropriate line in column 6 the amounts of any adjustments to expenses indicated on Worksheet A-5 (explained in §3309). The total of Worksheet A, column 5, line 26, must equal the amount on Worksheet A-5, column 2, line 17.

Column 7.--*Add or subtract the amount in column 6 from the amount in column 5 and enter the result in column 7.*

#### Line Descriptions

Line 1.--This cost center includes amounts for depreciation and leases and rentals for the use of the facility. *It may also* include taxes, interest and insurance on land and buildings. Do not include costs for the repair and maintenance of the facility.

Line 2.--This cost center includes depreciation, leases, and rentals for the use of the equipment as well as taxes, interest, and insurance on the equipment. Do not include costs for repair or maintenance of the equipment.

*Note: Other costs associated with taxes, interest, rentals, leases, and insurance not included in lines 1 or 2 above, are reported on Worksheet A-1 as A&G costs.*

Line 3.--*Enter* in column 1, the salaries of employees working on employee benefits or personnel matters, etc. *Enter* the costs of other employee benefits in column 2, e.g., hospitalization insurance and pension plans.

Line 4.--Enter on this line for columns 1, 2, and 3 the total amount as shown on Worksheet A-1, line 20, columns 1, 2, and 3. Worksheet A-1 is explained in §3305.

Line 5.--*Enter in column 1,* the salaries of maintenance personnel, plant engineers, etc. *Enter in column 2, the costs for* maintenance supplies, heat, light, power, and any *other* costs that relate to the physical functioning of the OPO/Lab. *Do not include costs* incurred for capital repairs.

Line 6.--Enter *in column 1,* the total salaries of all personnel rendering janitorial and housekeeping activities. Enter in column 2, the cost of supplies and contracted housekeeping services.

Line 7.--Enter *in column 1*, the total salaries of employees working in central supply and *enter in column 2*, the cost of medical supplies.

Line 8.--Enter general overhead costs that cannot *be* properly *identified on* one of the lines mentioned above. Detail the cost of items included with supporting documentation. Report salary *amounts in column 1* and other costs in column 2.

Line 9.--This cost center includes all of the salaries and other direct costs (personal travel allowances, bonus, etc.) of the procurement coordinators. *Enter in column 1, the salaries and enter in column 2, the other direct costs.*

Line 10.--Enter all costs associated with the education of donor hospital personnel and physicians. Include the expenses of meetings, seminars, slide shows, and presentations for the benefit of the above mentioned individuals.

Line 11.--Enter the expenses of awareness programs designed to inform the general public of the need for organs and organ transplant services.

Line 12.--Enter acquisition overhead costs that are applicable to the procurement of all type of organs. Include a full description (e.g., technicians' salaries) of the costs included on this line.

Line 13.--Enter in columns 1, 2, and 3 the total amount as shown on Worksheet A-2, columns 1, 2, and 3, line 23. Worksheet A-2 is explained in §3306. Do not enter costs for the acquisition of non-renal organs on this line. *Accordingly*, show costs for the acquisition of non-renal organs on lines 15 through 20.

Line 14.--Enter in columns 1, 2, and 3 the total amounts as shown on Worksheet A-3, columns 1, 2, and 3, line 11. Worksheet A-3 is explained in §3307.

Lines 15 through 18.--Enter in columns 1, 2, and 3 the total amount shown on Worksheet A-2, columns 1, 2, and 3, line 23 *accordingly*. *A separate Worksheet A-2 is completed* for each type of *renal and non-renal organ acquisition*.

Line 19.--*Enter other acquisitions not identified on lines 15 through 18. Subscript this line for each additional non-renal organ as needed.*

Line 20.--*For cost reporting periods beginning on or after May 1, 2012, do not use this line. Use subscripts of line 19.*

Line 21.--Include the costs of non-reimbursable research. See CMS Pub. 15-1, Chapter 5 Research Costs for a further explanation of research.

Line 22.--Enter costs which are totally directed to the operation of the blood bank. These are not overhead costs which need to be allocated between the lab and the blood bank, but expenses that are directly related only to the blood bank function.

Line 23.--Enter the direct costs of operating a non-tissue typing lab. Include salaries and other expenses that are totally non-tissue typing. Tissue typing lab costs are shown on line 14.

Line 24.--Enter the direct costs associated with operating or furnishing services for maintenance dialysis, peritoneal dialysis, training, self-dialysis, and home dialysis. These costs are totally related to the furnishing of dialysis services and may not include any expenses that need to be allocated to a reimbursable cost center.

*This page is intentionally left blank.*

Line 25.--Use this line to record other non-reimbursable *activities* not shown on this worksheet. Indicate the type of activity and if there is more than one activity, provide a separate schedule for each.

Line 26.--Enter the total of line 1 through 25 for each of the columns 1 through 7. The amounts shown in column 7 are transferred as follows:

1. If any of the costs shown on lines 1 through 12 need to be allocated to more than one of the cost centers shown on lines 13 through 25, transfer the amounts in column 7 to the appropriate columns on Worksheet B. It is necessary to transfer costs to Worksheet B in all cases where expenses must be allocated between an OPO and a dialysis unit or kidney foundation or any other activity other than kidney transplant services. It is also necessary to allocate expenses if the OPO procures non-renal organs in addition to its renal organs. In the case of a laboratory, it is necessary to transfer cost to Worksheet B when expenses must be allocated between the tissue typing laboratory and clinical laboratory. It is also necessary to transfer lab costs to Worksheet B where overhead cost must be allocated between the lab and the blood bank.

2. If the OPO's sole function is to provide the organ procurement services listed in §3302.1, item 1, and costs do not need to be allocated to a tissue typing lab, non-reimbursable cost center or non-renal organs, then total costs as shown on line 26, column 7, can be transferred directly to Worksheet C, column 1, line 4. If any cost needs to be allocated to another cost center, then the costs in column 7 *must* be transferred to Worksheet B.

3. If the typing lab's sole function is that of tissue typing and the lab does not provide clinical lab services and must not allocate costs to research or blood bank or any non-reimbursable cost center, then transfer the total cost as shown on column 7, line 26, to Worksheet C, column 2, line 4. If any cost needs to be allocated to another cost center, then the cost in column 7 *must* be transferred to Worksheet B.

### 3305. WORKSHEET A-1 - ADMINISTRATIVE AND GENERAL EXPENSES

This worksheet provides for a detailed list of administrative and general (A&G) expenses.

Columns 1, 2, and 3.--The same explanation applies as shown in §3304 for columns 1, 2, and 3 of Worksheet A.

Line 1.--Enter the salaries and other costs of the medical director who has responsibility for the operation of the entire Lab, OPO or blood bank. *If the costs of the medical director are solely for the tissue typing lab, do not report those cost on this line but report them on* Worksheet A-3, line 1. If the medical director performs actual testing (non-administrative functions), allocate his/her salary between this line and the appropriate line on Worksheet A.

Line 2.--Enter the salaries and other costs of the administrator, executive director (not medical director), officer, or individual who is responsible for the non-medical operation of the OPO/Lab. If the medical director and administrator's duties are performed by the same person, enter the salary and other costs on line 1.

Line 3.--Enter the total costs *for home office or central administration that* were allocated and recorded on your books *throughout the cost reporting period*. Adjustments resulting from the *Home Office Cost Statement* are made on supplemental Worksheet A-5-1.

Line 4.--Enter the *data* processing costs associated with the management and accounting functions. Do not include the cost of registering potential recipients, maintaining and utilizing the services of the United Network for Organ Sharing (UNOS) or a similar network, and time sharing expenses on this line. Those costs are shown on Worksheet A-2, line 11.

Lines 5 through 8.--List the salaries and other costs related to these functions. *Do not include* capital related leases and rent, *they are reported or must be* reclassified to Worksheet A, *line 1*.

Line 9.--Enter the expenses of attending meetings and seminars which are administrative in nature. Do not enter professional education costs for nurses and physicians or public awareness costs.

Line 10.--Enter insurance expenses (e.g., liability, and malpractice). *Capital related insurance expenses (e.g., auto, building) must not be included on this line or if included must be reclassified to Worksheet A, line 1 or 2.*

Line 11.--Enter *the* costs of travel, registration, and other expenses relating to the professional education of employees.

Line 12.--Enter *the* costs incurred for advertising and promotion of non-*renal* related activities, e.g., blood bank promotions and dialysis unit advertising.

Lines 13 through 19.--Costs included on these lines that pertain to capital costs *must be* reclassified on Worksheet A.

Line 20.--Transfer the totals of columns 1, 2, and 3 to Worksheet A, columns 1, 2, and 3, line 4.

### 3306. WORKSHEET A-2 - ORGAN ACQUISITION COSTS (OPOs only)

This worksheet provides for a detailed listing of organ acquisition costs. Complete Worksheet A-2 for each type of *solid* organ acquisition *performed by the OPO by placing a checkmark in the appropriate box on the top of this worksheet*. This worksheet is only for *solid* organs and does not apply to cornea and skin acquisitions.

Amounts Paid to Excision Hospitals.--A breakdown of hospital costs is necessary *to properly report organ acquisition costs for each type of organ procured*. Obtain *detailed bills from the donor hospital*. If the donor hospital does not sufficiently detail its bills, *enter the identified costs on lines 1 through 8*, and *enter the balance on line 9*. *If the donor hospital excises and bills for more than renal organs on a single bill*, the bill must be split by *each* type of organ procured. If there are costs on the bill that are exclusively identifiable to a specific organ, *enter* those costs directly *on the appropriate Worksheet A-2*. The remaining *organ acquisition costs that are* not specifically identified *are* allocated to *renal and non-renal organs* based on the number of organs retrieved. *When both kidneys are procured from a donor each kidney is counted as one (2 kidneys procured equals 2 organs counted for allocation purposes except for pediatric kidneys procured "en bloc")*. Pediatric kidneys procured for transplantation "en bloc" *are* counted as one kidney for allocation purposes. If one *kidney* is usable and one is not, they are still counted as two kidneys (one viable and one nonviable). If *prior to retrieval it is determined that the donor has* only one potential kidney, count one kidney for allocation purposes. Count heart/lung procurement as one organ.

Lines 1 through 8--These lines are self-explanatory and detail the costs billed by the donor hospitals.

Line 9. --*Enter all other excision hospital costs. Identify the cost included on this line. If more than one line is necessary, subscript accordingly.*

Line 10--*Enter the sum of lines 1 through 9.*

#### Other Acquisition Costs

Line 11--Enter the cost of registering potential recipients, maintaining and utilizing the services of the United Network for Organ Sharing (UNOS), or a similar network and time sharing expenses. Do not enter computer costs associated with the management or accounting functions. Those costs are entered on Worksheet A-1, line 4. *If* computer registry costs apply to more than one type of organ and *the costs cannot be separately identified, enter the* costs on Worksheet A, line 12, and allocate to all organs on Worksheet B.

Line 12--Enter costs incurred for the evaluation of potential donors.

Line 13--Self-explanatory.

Line 14--Enter the costs associated with the perfusion lab, i.e., direct salaries and supplies. Enter these costs regardless of whether the lab was a contracted or purchased service or an in-house operation. When preservation applies to only one type of organ, enter the cost on line 14. However, when preservation costs apply to several types of organs, it must be placed on Worksheet A-2, line 14, for the appropriate organ.

Lines 15 and 16--Use these lines when services are purchased from an independent or hospital-based lab. *Costs of services purchased under agreement are reported on line 19 and must not be reported on lines 15 and 16.* Show the cost for services provided by an in-house lab under tissue typing costs on Worksheet A-3.

Line 17--Enter the total direct costs of importing organs from another OPO. *Include any transportation* costs associated with the receipt of the organ.

Line 18--Enter all costs associated with the transportation of organs retrieved locally and exported outside of your retrieval area.

Line 19--Enter costs of tissue typing purchased under agreement where the independent or hospital-based lab *bills you* for the service. Exclude costs shown on lines 15 and 16. If the lab bills the transplant hospital for the tests, do not complete this line.

Line 20--Enter all costs for anesthesiologist professional fees.

Line 21--Enter all other acquisition costs that have not been provided for above. Identify the costs included on this line. If more than one line is necessary, *subscript accordingly.*

Line 22--Enter the sum of the amounts on lines 11 through 21.

Line 23--*Enter the sum of the amounts on lines 10 and 22.* Transfer *the* total costs *from columns 1 and 2*, to Worksheet A, columns 1 *and* 2, lines 13 and 15 through 19 *or* 20, as appropriate.

## 3307. WORKSHEET A-3 - TISSUE TYPING LABORATORY COSTS

This worksheet provides for a detailed listing of tissue typing direct costs.

Line 1.--Enter the direct salary and other costs of the *Medical Director* of the tissue typing lab.

If the medical director's salary and other benefits are totally attributable to the tissue typing lab, then include the entire cost on Worksheet A-3, line 1.

If the *Medical Director* has management responsibility in addition to the tissue typing lab, then include all of the cost on Worksheet A-1, line 1.

If the Medical Director has management responsibility for both the tissue typing lab and clinical lab, then utilize a time study to calculate the cost applicable to each lab. If a *time* study is used, it must detail the services performed for each lab and *the actual time spent performing the services (see CMS Pub. 15-1, chapter 23, Adequate Cost Data and Cost Finding §2313.2E)*. Retain the *time* study for future reference. If a time study is not available, place the cost on Worksheet A, line 8, and allocate on Worksheet B.

Line 2.--Enter the salaries and related cost of the technologist working in tissue typing only. If a technologist works in both tissue typing and an area other than tissue typing, a *time* study can be used to calculate the cost applicable to each cost center, or the cost can be placed on the "*other overhead*" *cost center* on Worksheet A, line 8, and allocated on Worksheet B.

Line 3.--Enter the salaries and other costs associated with the ongoing development of reagents. This includes local cell panel construction and maintenance, including freezing technique and local reagent (antibody) characterization. Other expenses of this nature are also *included* on this line.

Line 4.--Enter maintenance cost of equipment used only for tissue typing procedures.

Lines 5 through 10.--Include any expenses which cannot properly be *reported on* lines 1 through 4. If additional lines are needed *subscript line 10*.

Line 11.--Total tissue typing costs (sum of columns 1, 2, and 3, lines 1 through 10) are transferred to Worksheet A, columns 1, 2, and 3, line 14. Include on this line direct expenses only attributable to tissue typing and not related to the clinical lab or any other cost center on Worksheet A, lines 13 or 15 through 25.

## 3308. WORKSHEET A-4 - RECLASSIFICATIONS

This worksheet provides for the reclassification of expenses needed to effectuate a proper allocation of costs on Worksheet B.

The following are some examples of costs which must be reclassified on this worksheet.

1. Reclassify rental expense on a specific piece of movable equipment which was charged directly to the appropriate cost center on this worksheet to the Capital Costs - Movable Equipment cost center unless the OPO/Lab has identified and charged all depreciation and rental expense for all movable equipment to the appropriate cost centers. The OPO or Lab may not direct cost individual pieces of equipment, unless all equipment can be direct *allocated*.

2. The expenses related to *medical directors* in the A&G cost center and tissue typing technologies in the tissue typing lab may be reclassified on this worksheet if a time study can support the reclassification of costs between two different functions. Reclassification is also applicable to the lab medical director (in the tissue typing cost center) if the director is responsible for more than one type of lab.

3. Reclassify the costs of any other item which was posted to your accounting records, but is more appropriately included in another cost center for cost finding. For example, a procurement *coordinator's* salary and other costs *related to non-renal organs which were* included in kidney acquisition costs must be *reclassified to the appropriate organ-type cost center(s)*.

4. Capital related costs of rental leases, taxes, insurance, and interest included in A&G must be reclassified to the capital-related expense cost centers.

Columns 4 and 7.--Transfer the amounts shown in these columns to the appropriate lines of Worksheet A, column 4.

### 3309. WORKSHEET A-5 - ADJUSTMENTS TO EXPENSES

This worksheet provides for adjustments to the expenses listed on Worksheet A, column 5, and are shown or summarized on Worksheet A, column 6. Make the required adjustments on the basis of cost or amount received. Enter the amount received only if the costs (including direct cost and all applicable overhead) cannot be determined. If the total direct and indirect cost can be determined, enter the cost. If cost is used, retain the calculation of the cost for future reference. Once an adjustment to an expense is made on the basis of cost, do not, in future periods, determine the required adjustment on the basis of revenue. *Indicate the basis for the adjustment by entering an "A" for cost or a "B" for amount received.* Line descriptions indicate the more common activities *that* affect allowable cost or result in costs incurred for reasons other than *organ* transplantation and thus require adjustments.

Types of *adjustments* entered on *this worksheet include* (1) *adjustment to* expenses to reflect actual *cost* incurred, (2) *adjustment that* constitute *a* recovery of costs through sales, charges, or fees, (3) *adjustment to* expenses in accordance with the Medicare principles of reimbursement, and (4) *adjustments for those* items *that* are provided for separately in the cost apportionment process.

When 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-5.

Lines 1 and 2.--Do not consider discounts, allowances, refunds, and rebates a form of income. Use them to reduce the specific costs to which they apply in the accounting period in which the purchase occurs. (See *CMS Pub. 15-1*, chapter 8 Purchases Discounts and Allowances and Refunds.)

Line 3.--Enter the allowable home office costs which have been allocated to the OPO/Lab. The home office cost report on which the allocation is made must be submitted to the contractor. (See *CMS Pub. 15-2, chapter 1, Depreciation* §112.) *For cost reporting periods beginning on or after January 1, 2015, do not use this line. Home office costs must be reported on Supplemental Worksheet A-5-1.*

Line 4.--Obtain the amount to be entered on this line from Supplemental Worksheet A-5-1, Part B, column 6, *line 5*. Worksheet A-5-1, represents the detail of various cost centers to be adjusted on Worksheet A. (See *CMS Pub. 15-1*, chapter 10.)

Line 5.--Enter the total amount received from the procurement of any tissues such as corneas, bone, heart valves, pancreas islet, and skin. *Do not offset income for solid* organ acquisitions, such as livers, hearts, pancreas, and lungs, *as they* must go through cost finding on Worksheet B.

Line 6.--Remove the direct cost *and* applicable overhead of operating vending machines from allowable cost. If cost cannot be calculated, then income received may be used.

Line 7.--Use income received from the rental or lease of equipment to reduce the cost of specific equipment. When a building is owned or operated *by the OPO/Lab* and space is leased or rented, the preferable treatment is to establish a non-reimbursable cost center on Worksheet A, line 25. Record in this cost center the direct cost plus all applicable overhead of the rented or leased space. A separate calculation of the cost of leased space may be acceptable and the cost offset on line 7 of Worksheet A-5 when the amount of the adjustment is minor. Only in rare situations is the rental or lease income used as the offset on *this line*. If space is leased or rented to an outside organization for the provision of a service needed for kidney transplantation (such as a perfusion lab), then the income received from the organization for rent must be offset on this line.

Line 8.--Enter the amount of proceeds from the sale of organs which were *retrieved exclusively for research (known prior to retrieval) and* sold.

Line 9.--Enter the costs incurred for public relations not related to organ procurement. See *CMS Pub 15-1*, §2136 for an explanation of this area.

Line 10.--*Offset revenue received from fees charged to attendees for OPO/lab conducted seminars and meetings against A&G.* If a good faith effort is made to recover the costs in the form of fees, *CMS* allows the costs not fully recovered.

Line 11.--The amount received from the sale of supplies to employees and others is a recovery of cost and must be offset against the specific expenses.

Line 12.--Offset the amount received in investment income against interest expense. (*See CMS Pub. 15-1, chapter 2, Interest Expense*)

Lines 13 and 14.--If depreciation expense computed in accordance with Medicare principles of reimbursement differs from the depreciation expenses shown on your books, enter the difference on line 13 and/or 14. (See CMS Pub. 15-1, chapter 1 Depreciation.) Examples of possible situations are:

1. When the OPO/Lab utilizes the double declining balance method of depreciation on assets purchased after August 1, 1970, the expense claimed on Worksheet A must be adjusted to reflect the straight line method;
2. When the replacement cost method of accounting for fixed assets and depreciation has been used, it must be adjusted to straight line;
3. When the 20 percent bonus depreciation has been used for book purposes, it must be adjusted to straight line; and
4. When 150 percent declining balance has been used without approval, an adjustment is required.

When adjustments are required due to differences in useful lives or depreciation methods, maintain the fixed asset and depreciation records to support the depreciation expense allowed by Medicare principles of reimbursement.

Line 17.--The total amount shown in column 2 must agree with Worksheet A, column 6, line 26. Post the amounts shown in column 2 to the appropriate line of Worksheet A, column 6.

### 3310. WORKSHEET A-6 - CAPITAL EXPENDITURES AND DEPRECIATION RECONCILIATION

#### Part I – Analysis Of Changes In Capital Asset Balances During The Cost Reporting Period

Complete the analysis of changes in capital asset balances during the cost reporting period. Do not reduce the amount by accumulated depreciation. The beginning balance refers to the amount as of the first day of the cost reporting period.

#### Part II – Analysis Of Changes In Accumulated Depreciation

The analysis of changes in *accumulated depreciation* is completed in a similar manner to the asset section in the first half of the form.

#### Part III – Depreciation Recorded in Cost Statement

Lines 1, 2, and 3.--Enter on the appropriate line the amount of depreciation used during the cost reporting period. The amounts shown are after any adjustments made to recognize the Medicare principles of reimbursement relating to depreciation. (See CMS Pub. 15-1, chapter 1.)

Line 4.--Enter the total of lines 1 through 3. This amount equals the amount of allowable depreciation expense that is included on Worksheet A, column 7, lines 1 and 2. The sum of the amounts on lines 1 and 2 of Worksheet A may be an amount greater than line 4 of Worksheet A-6. This is due to column 7 of Worksheet A having reclassified costs included with depreciation, i.e., insurance and taxes.

Line 5.--Indicate whether a funded depreciation account was maintained during the period as defined in CMS Pub. 15-1, *chapter 2*, §226. If a fund was maintained, list the ending balance of the fund.

Line 6.--Indicate whether there was a gain or loss on the sale of assets during the cost reporting period. (See CMS Pub. 15-1, *chapter 2*, §132.) *Do not complete for cost reporting periods ending on or after December 1, 1997.*

3311. WORKSHEET B - COST ALLOCATION - GENERAL SERVICE COSTS AND  
WORKSHEET B-1 COST ALLOCATION - STATISTICAL BASIS

*Cost finding is the process of recasting the data derived from the accounts ordinarily kept by the facility 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. Worksheets B and B-1 have been designed to accommodate the step-down method of cost finding.*

Worksheet B provides for cost finding using a methodology which combines similar types of costs and apportions the costs to those cost centers which receive the services. The cost centers that are serviced include all reimbursable and nonreimbursable cost centers within the facility. The total direct expenses are obtained from Worksheet A, column 7. Schedule B-1 provides the statistics necessary to allocate the cost to the revenue producing cost centers on Worksheet B. To facilitate the allocation process, the general format of Worksheets B and B-1 are identical. The column and line numbers for the general service cost centers are identical on the two worksheets.

The statistical allocation bases shown at the top of each column on Worksheet B-1 are the bases of allocation of cost centers indicated. Certain centers are combined for cost allocation purposes. OPOs and Labs must combine and allocate these costs as shown on the worksheet. *Per CMS Pub. 15-1, chapter 23, §2313, a provider can change the order of allocation and/or allocation basis, as appropriate, for the current cost reporting period if they submit a written request to their contractor, 90 days prior to the end of the reporting period and the contractor approves the request.* The total costs of each combined group of cost centers are allocated in one process to the revenue producing and nonreimbursable cost centers.

*On Worksheet B-1, enter on line 16 in each column the total statistical base over which the expenses are allocated. For example in column 2, Cap-Bldg, OP Plant & Housekeeping, enter on line 16 the total square feet of the facility. For all cost centers that column 2 costs should be allocated, enter that portion of the total statistical base applicable to each. The sum of the statistical base applied to each cost center receiving the services rendered must equal the total base entered on line 16.* The statistics shown on Worksheet B-1 are multiplied by the unit cost multiplier on line 18 of Worksheet B-1. Place the result on the corresponding line *and column* of Worksheet B.

### Column Descriptions

Column 1.--Enter the direct costs for allocation from Worksheet A, column 7. Column 1, line 1 must equal the sum of the amounts on Worksheet A, column 7, lines 1 through 8.

Column 2.--Enter *on Worksheet B*, all costs that are allocated on the statistical basis of square feet (*sum of Worksheet A, column 7, lines 1, 5 and 6*). Enter *on Worksheet B-1 using the statistical basis* square feet, the actual square footage contained in each department or cost center. Include in the organ acquisition cost center the square footage for the *area occupied by the* coordinators, the direct clerical staff, files, etc.

Column 3.--Enter *on Worksheet B*, the costs from Worksheet A, column 7, line 2. The recommended statistical basis *on Worksheet B-1* is the dollar value of *capital related movable equipment* located in each department.

Column 4.--Enter *on Worksheet B*, the costs *from Worksheet A, column 7, line 3* that are allocated on the statistical basis of direct salaries. The direct salaries *statistics* on Worksheet B-1 generally are from Worksheet A, column 1 *for each department*. However, the salaries *may* need to be adjusted to reflect changes to salaries shown as reclassifications and adjustments in columns 5 and 7 of Worksheet A. When a large number of changes to salaries are necessary, attach a separate schedule to show the accumulation and reclassification of salaries by cost center.

Column 5.--Enter on Worksheet B, the costs from Worksheet A, column 7, line 7. The recommended statistical basis on Worksheet B-1 is costed requisition. Enter on Worksheet B-1, the costed requisition amount of medical supplies for each department.

Column 6.--Enter on Worksheet B, the costs of other overhead specified on Worksheet A, column 7, line 8. Other overhead costs are allocated on Worksheet B-1, using an appropriate basis. If Worksheet A, line 8 is subscripted, subscript column 6 accordingly.

Column 7.--Do not use for cost reporting periods beginning on or after May 1, 2012.

Column 8.--Enter on Worksheet B, the direct and indirect costs, sum of columns 1 through 7 associated with internal organ acquisitions. The total costs accumulated in column 8, line 2, are allocated to the specific types of organ acquisition based on the number of organs procured. Utilize the statistics (number of organs procured) on Worksheet B-1. The number of organs procured means the total number of *solid* organs procured during the period including imported organs as well as nonviable organs. For overhead allocation purposes, count a heart/lung acquisition as one *organ*.

Column 9.--Enter the sum of columns 1 through 8, for each cost center on Worksheet B. The sum for each cost center is the accumulated cost statistic. Unless an adjustment is required, enter the sum for each cost center on Worksheet B-1, column 10 as the statistic for allocating A&G costs.

Columns 10 and 10A.--Accumulated costs are used to allocate A&G costs on Worksheet B, column 10. Enter the accumulated costs from Worksheet B, column 9 to Worksheet B-1, column 10. If an adjustment to the accumulated cost statistic on Worksheet B-1, column 10, is required to properly allocate A&G costs, enter the adjustment amount on Worksheet B-1, column 10A for the applicable cost center and adjust column 10 accordingly.

**Note:** In accordance with CMS Pub. 15-1 §2314, allocation of indirect costs to a cost center that includes only the cost of the Medicare portion would result in excessive assignment of indirect costs to the program. For example, when the transportation costs for non-renal organs and tissue typing materials are billed directly to the receiving transplant center and renal organs transportation costs remain at the OPO, the reconciliation column on Worksheet B-1, column 10A, should be used to reduce transportation costs from the accumulated cost statistic.

Column 11.--Enter on Worksheet B, the sum of columns 9 and 10. Total expenses in column 11 represent the full cost (direct and indirect) used for settlement purposes. Transfer kidney acquisition costs on line 3, to Worksheet C, Part I, line 4. Transfer the tissue typing lab costs on line 4, to Worksheet C, Part II, line 4. The remaining lines 5 through 14 are considered non-reimbursable costs.

Line Descriptions - (For lines 1 through 16, enter on Worksheet B, column 1)

Line 1.--Enter the general overhead costs from Worksheet A, column 7, sum of lines 1 through 8. These costs are allocated in columns 2 through 7 and 10. The sum of columns 2 through 7 and 10, line 1 must equal line 1, column 1. The costs in columns 2 through 7, line 1 are allocated to the cost centers listed on lines 2 through 14 or 15.

Line 2.--Enter the costs from Worksheet A, column 7, lines 9 through 12. After all overhead has been allocated, allocate organ acquisition costs to the various types of organ acquisition in column 8.

Line 3.--Enter the total cost from Worksheet A, column 7, line 13. After the completion of overhead allocations, transfer the total costs in column 11 to Worksheet C, Part I, line 4.

Line 4.--Enter the total cost from Worksheet A, column 7, line 14. After the completion of overhead allocations, transfer the total costs in column 11 to Worksheet C, Part II, line 4.

Lines 5.--Enter the total cost from Worksheet A, column 7, line 15. This line captures the total costs (direct and indirect) of this nonreimbursable cost center.

Lines 6.--Enter the total cost from Worksheet A, column 7, line 16. This line captures the total costs (direct and indirect) of this nonreimbursable cost center.

Lines 7.--Enter the total cost from Worksheet A, column 7, line 17. This line captures the total costs (direct and indirect) of this nonreimbursable cost center.

Lines 8.--Enter the total cost from Worksheet A, column 7, line 18. This line captures the total costs (direct and indirect) of this nonreimbursable cost center.

Lines 9.--Enter the total cost from Worksheet A, column 7, line 19 or line 20. If Worksheet A, line 19 or 20 is subscripted, subscript line 9 accordingly. This line captures the total costs (direct and indirect) of this nonreimbursable cost center. Effective for cost reporting period beginning on or after May 1, 2012, Worksheet A, line 20 is not used.

Lines 10.--Enter the total cost from Worksheet A, column 7, line 21. This line captures the total costs (direct and indirect) of this nonreimbursable cost center.

Lines 11.--Enter the total cost from Worksheet A, column 7, line 22. This line captures the total costs (direct and indirect) of this nonreimbursable cost center.

Lines 12.--Enter the total cost from Worksheet A, column 7, line 23. This line captures the total costs (direct and indirect) of this nonreimbursable cost center.

Lines 13.--Enter the total cost from Worksheet A, column 7, line 24. This line captures the total costs (direct and indirect) of this nonreimbursable cost center.

Lines 14.--Enter the total cost from Worksheet A, column 7, line 25. If Worksheet A, line 25 is subscripted, subscript line 14 accordingly. This line captures the total costs (direct and indirect) of this nonreimbursable cost center.

Line 15.--Do not use for cost reporting periods beginning on or after May 1, 2012.

Line 16.--Enter in column 1, the sum of lines 1 through 14 or 15. This amount must agree with Worksheet A, column 7, line 26. Columns 2 through 8 and 10 are zero since the costs on line 1 are negative and are allocated to the cost centers in lines 2 through 14 or 15, as appropriate. Enter in column 11, the sum of lines 1 through 14 or 15

Line 17.--Enter on Worksheet B-1 the costs to be allocated from Worksheet B. Transfer these costs from the appropriate column of Worksheet B, line 1. Transfer organ acquisition costs in column 8 from Worksheet B, line 2, column 8.

Line 18.--Enter on Worksheet B-1 for each column, the result of dividing line 17 by line 16. This unit cost multiplier rounded to six (6) 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, in the corresponding column and line.

## 3312. WORKSHEET C - COMPUTATION OF MEDICARE COST

Part I - Kidney Acquisition

Line 1.--Enter the total number of viable kidneys procured from Worksheet S-1, Part I, line 3, column 3.

Line 2.--These are kidneys sent to Medicare transplant centers or certified OPOs. It does not include kidneys sent to foreign countries, VA hospitals, or military hospitals. Kidneys sent to a military transplant center that has a reciprocal sharing agreement with the OPO may be included on this line. However, this agreement must be approved by the contractor and have been in effect prior to March 3, 1988. *Kidneys reported on this line must also be included in total viable kidneys reported on line 1.*

Line 3.--Divide the amount on line 2 by the amount on line 1 and enter the result, *rounded to 6 decimal places.*

Line 4.--*Enter* the total cost of kidney acquisition from Worksheet B, column 11, line 3 or Worksheet A, column 7, line 26, as appropriate. (See instructions in §3304 for Worksheet A, column 7, and Worksheet A, line 26, item 2.)

Line 5.--Multiply the ratio *on line 3 times the cost on line 4.* Transfer the *result* to Worksheet D, column 1, line 1.

Part II - Tissue Typing *Laboratory*

The gross ratio of Medicare charges to total charges applied to cost is the formula used to calculate Medicare reimbursable cost for kidney transplant related tests. This formula requires that the amount charged for each test be the same for all types of payers for similar services, e.g., Histocompatibility Locus Antigen (HLA) typing is charged at the same rate for a kidney transplant patient, paternity, and bone marrow. The amount recorded as the charge or revenue must be the gross charge prior to any discounts or contractual allowances.

Line 1.--Enter the gross *charges* recorded for all tests (renal and non-renal) performed in the tissue typing lab. The amount is prior to any discounts or contractual allowances. Base this amount on the accrual basis of accounting.

Line 2.--Enter the gross *charges* recorded for pre-transplant kidney related tissue typing tests. This amount is prior to discounts or contractual allowances and is on the accrual basis of accounting.

**NOTE:** If the cost report is a partial year under the program (e.g., expenses are from July 1 - June 30, but cost reimbursement is effective April 1 or three of the twelve months), show -on line 2 *only* the kidney related *charges starting with* the effective date of cost reimbursement.

Line 3.--Divide the amount on line 2 by the amount on line 1 and enter the result, *rounded to 6 decimal places.*

Line 4.--Enter the *total cost of the tissue typing lab* from Worksheet B, column 11, line 4 or Worksheet A, column 7, line 26, as appropriate. (See instructions in §3304 for Worksheet A, column 7, and Worksheet A, line 26, item 3.)

Line 5.--Multiply the ratio *on line 3 times the amount on line 4.* Transfer the *result* to Worksheet D, column 2, line 1.

## 3313. WORKSHEET D - CALCULATION OF REIMBURSEMENT SETTLEMENT

Line 1, Column 1.--Enter the amount from Worksheet C, *Part I*, line 5.

Line 1, Column 2.--Enter the amount from Worksheet C, *Part II*, line 5.

Lines 2 through 8, Columns 1 and 2.--

Line 2.--Enter the amount received for lab services furnished to transplant centers in foreign countries, military hospitals, and VA hospitals. Foreign transplant centers, military, and VA hospitals are not in the Medicare program. Use the amounts received as a reduction of cost.

Line 3.--Enter the total *reimbursable* cost to OPO/Lab (the amount on line 1 minus the amount on line 2).

Line 4.--Enter the amount of payments received or receivable from transplant hospitals or other OPOs for furnishing organ procurement and tissue typing services for kidney transplant or tissue typing laboratory services. It includes all payments received for furnishing kidneys to transplant hospitals (non-military) and to other OPOs.

Line 5.--Enter the result of line *3 minus line 4*.

Line 6.--For cost reports that overlap or begin on or after April 1, 2013, enter the *sequestration adjustment amount as* (2 percent times (total days in the cost reporting period *that occur during the sequestration period beginning on or after April 1, 2013*, divided by total days in the entire cost reporting period, rounded to four decimal places)) times Medicare reimbursable costs, line 5. *When line 5 shows an amount due the program, make no adjustment on this line.*

Line 7.--Enter all payments received from the contractor for furnishing organ procurement and tissue typing services for kidney transplants (from contractor records).

Line 8.--Enter the net amount due to/from the OPO/Lab (line 5 minus the sum of lines 6 and 7).

## 3314. WORKSHEET E - BALANCE SHEET

Complete the balance sheet in a manner consistent with the financial statements of the OPO/Lab. If fund type accounting records are maintained, combine and place all funds in the general fund columns. Certified accounting statements by an independent certified public accounting firm are acceptable if the detail is equal to that of Worksheet E.

## 3315. WORKSHEET E-1 - STATEMENT OF OPERATING EXPENSES AND REVENUES

This worksheet shows the revenues and expenses generated from the provision of services and does not include other revenue or nonoperating revenue and expenses. This worksheet must be completed by all OPOs/Labs.

## 3316. WORKSHEET E-2 - STATEMENT OF REVENUES AND EXPENSES

This worksheet provides for the recording of other income and nonoperating revenues and expense and all adjustments that are required to show the net income or loss for the period. The net income or loss shown on line 29 must agree with the financial statements prepared under the accrual basis of accounting.

3317. SUPPLEMENTAL WORKSHEET A-5-1 - STATEMENT OF COSTS OF SERVICES FROM RELATED ORGANIZATIONS *AND HOME OFFICE COSTS*

In accordance with 42 CFR 413.17 (*except as provided in 42 CFR 413.14(d)*), costs applicable to services, facilities, and supplies furnished to an OPO or lab by organizations related by common ownership or control are includable in the allowable cost of the facility at the cost to the related organization. This worksheet provides for the computation of any needed adjustments to costs applicable to services, facilities, and supplies furnished to the facility by related organizations *or costs associated with the home office*. (See CMS Pub. 15-1, chapter 10.)

Part A.--This worksheet must be completed by all facilities. If the answer to Part A is "Yes", complete Parts B and C.

Part B.--Costs applicable to services, facilities, and supplies furnished to you by *a home office or other* organizations related to you by common ownership or control, are includable in your allowable cost at the cost to the related organization. However, such costs must not exceed the amount a prudent and cost conscious buyer would pay for comparable services, facilities, and supplies that could be purchased elsewhere.

Part C.--Use this part to show your interrelationship to organizations furnishing services, facilities, and supplies to you. The requested data relative to all individuals, partnerships, corporations or other organizations having either a related interest to you, a common ownership of the facility, or control over you 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 your interrelationship to the related organization.

Column 2.--If the symbol A, D, E, F, or G is 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 facility, enter the percent of ownership/control in such organization.

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

Column 5.--If the individual indicated in column 2 or the facility has a financial interest in the related organizations, enter the percent of ownership/control 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).

**3318. KIDNEY PLACEMENT EFFORTS - DOCUMENTATION REQUIREMENTS**

To ensure proper utilization and distribution of kidneys, OPOs and certified transplant centers (CTCs) furnishing organ procurement services for kidney transplants under the Medicare program must maintain adequate and verifiable records for each kidney retrieved and furnished to a Medicare patient. Since it is not possible to determine at the time of retrieval whether an individual kidney will be placed with a Medicare beneficiary, a placement effort record must be maintained for every kidney.

A. For each kidney retrieved, independent and hospital-based OPOs and CTCs must maintain a record (e.g., a log) showing the attempts to place the kidney with Medicare transplant patients and the final disposition of the kidney. Include the following information:

- o Name of individual making calls;
- o Name of donor;
- o Time (date, hour, minute, e.g., 11/18/86, 9:45 p.m.) of retrieval;
- o Name of donor center;
- o Name and telephone number of each OPO/CTC contacted as a potential user, including the name of the person talked to at the OPO/CTC and the time (date, hour, and minute) of contact;
- o Name of OPO or CTC that accepts the kidney and time and date sent;
- o Disposition of the kidney if not placed, i.e., non-viable; and
- o Age of kidney when shipped.

Attach to the log a copy of their computer printout on the kidney.

B. Independent and hospital-based OPOs and CTCs that are offered kidneys must maintain records (e.g., a log) containing the following information:

- o Name and telephone number of OPO or CTC offering the kidney;
- o Name of donor;
- o Time (date, hour, and minute) of retrieval or age of the organ at time of offering;
- o If accepted, indicate time accepted, name of recipient, and social security number (or health insurance number), or other identifying information; and
- o Reason kidney not accepted (if applicable).

C. Furnish the information in subsections A and B to the contractor upon request.

## EXHIBIT 1

The following is a listing of the Form CMS –216-94 worksheets and the page number location.

<u>Worksheets</u>	<u>Page(s)</u>
Wkst. S.....	33-303
Wkst. S-1 .....	33-304
Wkst. A .....	33-305
Wkst. A-1.....	33-306
Wkst. A-2 .....	33-307
Wkst. A-3 .....	33-308
Wkst. A-4 .....	33-309
Wkst. A-5.....	33-310
Wkst. A-6.....	33-311
Wkst. B .....	33-312
Wkst. B-1 .....	33-313
Wkst. C .....	33-314
Wkst. D .....	33-315
Wkst. E.....	33-316
Wkst. E-1 .....	33-317
Wkst. E-2 .....	33-318
Supp. Wkst. A-5-1 .....	33-319

*Intentionally left blank*