NEW/REVISED MATERIAL--EFFECTIVE DATE:

This transmittal updates Chapter 36, Hospital and Hospital Health Care Complex Cost Report, (Form CMS-2552-96). This transmittal also reflects further clarification to existing instructions and incorporates select Federal Register provisions. The effective dates for instructional changes will vary due to various implementation dates.

Significant Revisions:

- Worksheet S-2 - Line 21.06 is amended to the reflect the extension of the outpatient hold harmless provision for rural hospitals with 100 or fewer beds through December 31, 2010 in accordance with Patient Protection and Affordable Care Act (ACA), section 3121.
  - Worksheet S-2 - Line 21.07 is amended by adding a column 2 to line 21.07 to ascertain for services on or after January 1, 2010, through December 31, 2010 if the provider is a sole community hospital (SCH) or essential access community hospital (EACH) that qualifies for the outpatient hold harmless provision under ACA, section 3121.

- Worksheet S-7 - General instructions are revised to reflect the addition of 22 new resource utilization groups (RUGs) effective for services rendered on or after October 1, 2010. See Federal Register, volume 74, number 153, dated August 11, 2009, page 40286.

- Worksheet D, Part V - Instructions revised to indicate that subscripts column 5 (columns 5.01 and 5.03) will accommodate SCHs with more than 100 beds that straddle the January 1, 2010 effective date and/or December 31, 2010 expiration date in accordance with to accommodate ACA, section 3121.

- Worksheet E, Part A - Line 7 is revised to reflect the extension of Medicare dependent hospital (MDH) program through October 1, 2012 in accordance with ACA, section 3124.
  - Worksheet E, Part A - Line 24.97 is hardcoded to capture the additional hospital payment in accordance with the Health Care and Education Reconciliation Act (HCERA) of 2010, section 1109 which establishes an additional payment (one payment each for each Federal fiscal year 2011 and 2012) for qualifying providers under section 1886(d) of the Act. This payment is applied on the basis of cost reporting periods ending during Federal fiscal years 2011 and 2012, respectively. This payment must also be recorded on Worksheet E-1 as an interim payment.
Worksheet E, Part B - General instructions are revised and line 1.06 instructions are revised to reflect the extension of the outpatient hold harmless provision through December 31, 2010 for rural hospitals with 100 or fewer beds; and to establish outpatient hold harmless payments for qualifying SCHs or EACHs for services on or after January 1, 2010, through December 31, 2010 under the outpatient hold harmless provision of ACA, section 3121 which requires column 1 to be subscripted for lines 1.01 through 1.06 to accommodate SCHs with more than 100 beds that straddle the January 1, 2010 effective date and/or December 31, 2010 expiration of outpatient hold harmless payments.

REVISED ELECTRONIC SPECIFICATIONS EFFECTIVE DATE: Changes to the electronic reporting specifications are effective for cost reporting periods ending on or after January 1, 2010.

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.
4. Round to 5 decimal places:
   a. Sequestration (e.g., 2.092 percent is expressed as .02092)
   b. Payment reduction (e.g., capital reduction, outpatient cost reduction)

5. Round to 6 decimal places:
   a. Ratios (e.g., unit cost multipliers, cost/charge ratios, days to days)

Where a difference exists within a column as a result of computing costs using a fraction or decimal, and therefore the sum of the parts do not equal the whole, the highest amount in that column must either be increased or decreased by the difference. If it happens that there are two high numbers equaling the same amount, adjust the first high number from the top of the worksheet for which it applies.

3600.2 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.

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACA</td>
<td>Patient Protection and Affordable Care Act</td>
</tr>
<tr>
<td>A&amp;G</td>
<td>Administrative and General</td>
</tr>
<tr>
<td>AHSEA</td>
<td>Adjusted Hourly Salary Equivalency Amount</td>
</tr>
<tr>
<td>ARRA</td>
<td>American Recovery and Reinvestment Act of 2009</td>
</tr>
<tr>
<td>ASC</td>
<td>Ambulatory Surgical Center</td>
</tr>
<tr>
<td>BBA</td>
<td>Balanced Budget Act</td>
</tr>
<tr>
<td>BBRA</td>
<td>Balanced Budget Reform Act</td>
</tr>
<tr>
<td>BIPA</td>
<td>Benefits Improvement and Protection Act</td>
</tr>
<tr>
<td>CAH</td>
<td>Critical Access Hospitals (10/97)</td>
</tr>
<tr>
<td>CAPD</td>
<td>Continuous Ambulatory Peritoneal Dialysis</td>
</tr>
<tr>
<td>CAP-REL</td>
<td>Capital-Related</td>
</tr>
<tr>
<td>CBSA</td>
<td>Core Based Statistical Areas</td>
</tr>
<tr>
<td>CCN</td>
<td>CMS Certification Number (formerly known as a provider number)</td>
</tr>
<tr>
<td>CCPD</td>
<td>Continuous Cycling Peritoneal Dialysis</td>
</tr>
<tr>
<td>CCU</td>
<td>Coronary Care Unit</td>
</tr>
<tr>
<td>CFR</td>
<td>Code of Federal Regulations</td>
</tr>
<tr>
<td>CMHC</td>
<td>Community Mental Health Center</td>
</tr>
<tr>
<td>CMS</td>
<td>Center for Medicare and Medicaid Services</td>
</tr>
<tr>
<td>COL</td>
<td>Column</td>
</tr>
<tr>
<td>CORF</td>
<td>Comprehensive Outpatient Rehabilitation Facility</td>
</tr>
<tr>
<td>CRNA</td>
<td>Certified Registered Nurse Anesthetist</td>
</tr>
<tr>
<td>CTC</td>
<td>Certified Transplant Center</td>
</tr>
<tr>
<td>DPP</td>
<td>Disproportionate Patient Percentage</td>
</tr>
<tr>
<td>DRA</td>
<td>Deficit Reduction Act of 2005</td>
</tr>
<tr>
<td>DRG</td>
<td>Diagnostic Related Group</td>
</tr>
<tr>
<td>DSH</td>
<td>Disproportionate Share</td>
</tr>
<tr>
<td>EACH</td>
<td>Essential Access Community Hospital</td>
</tr>
<tr>
<td>ESRD</td>
<td>End Stage Renal Disease</td>
</tr>
<tr>
<td>FQHC</td>
<td>Federally Qualified Health Center</td>
</tr>
<tr>
<td>FR</td>
<td>Federal Register</td>
</tr>
<tr>
<td>FTE</td>
<td>Full Time Equivalent</td>
</tr>
<tr>
<td>GME</td>
<td>Graduate Medical Education</td>
</tr>
<tr>
<td>HCERA</td>
<td>Health Care and Education Reconciliation Act of 2010</td>
</tr>
<tr>
<td>HHA</td>
<td>Home Health Agency</td>
</tr>
<tr>
<td>HMO</td>
<td>Health Maintenance Organization</td>
</tr>
<tr>
<td>HSR</td>
<td>Hospital Specific Rate</td>
</tr>
<tr>
<td>I &amp; Rs</td>
<td>Interns and Residents</td>
</tr>
<tr>
<td>ICF/MR</td>
<td>Intermediate Care Facility for the Mentally Retarded (9/96)</td>
</tr>
<tr>
<td>ICU</td>
<td>Intensive Care Unit</td>
</tr>
<tr>
<td>IME</td>
<td>Indirect Medical Education</td>
</tr>
<tr>
<td>INPT</td>
<td>Inpatient</td>
</tr>
</tbody>
</table>
NOTE: In this chapter, TEFRA refers to §1886(b) of the Act and not to the entire Tax Equity and Fiscal Responsibility Act.

3600.3 Instructional, Regulatory and Statutory Effective Dates.—Throughout the Medicare cost report instructions, various effective dates implementing instructions, regulations and/or statutes are utilized.

Where applicable, at the end of select paragraphs and/or sentences the effective date (s) is indicated in parentheses ( ) for cost reporting periods ending on or after that date, i.e., (12/31/01).
for the three year transition of hold harmless payments for small rural hospitals under the prospective payment system for hospital outpatient department services, under DRA, section 5105 or the extension of this provision under MIPPA, section 147 and ACA, section 3132 effective for services rendered from January 1, 2009, through December 31, 2010? Enter “Y” for yes or “N” for no. Also see CR 4367, transmittal 877, dated February 24, 2006 and CR 6320, transmittal 1657, dated December 31, 2008, as applicable. (1/1/2006s) This response impacts the TOPs calculation on worksheet E, Part B, line 1.06.

Line 21.07--Effective for services rendered from January 1, 2009, through December 31, 2009, does the hospital qualify as a SCH with 100 or fewer beds reimbursed under the prospective payment system for hospital outpatient department services, under MIPPA, section 147? Enter “Y” for yes or “N” for no in column 1. Also see CR 6320, transmittal 1657, dated December 31, 2008. (1/1/2009s) Effective for services rendered from January 1, 2010, through December 31, 2010, does the hospital qualify as an SCH or essential access community hospital (EACH), regardless of bed size, under the outpatient hold harmless provision in the Patient Protection and Affordable Care Act (ACA), section 3121. Enter “Y” for yes or “N” for no in column 2. This response impacts the TOPs calculation on worksheet E, Part B, line 1.06. (1/1/2010s)

Line 21.08--Indicate in column 1 the method used to capture Medicaid (title XIX) days reported on Worksheet S-3, Part I, line 29, column 5 during the cost reporting period by entering a “1” if days are based on the date of admission, “2” if days are based on census days (also referred to as the day count), or “3” if the days are based on the date of discharge. Is the method of identifying the days in the current cost reporting period different from the method used in the prior cost reporting period? Enter in column 2 “Y” for yes or “N” for no. (10/1/2009b)

Line 22--Are you classified as a referral center? Enter "Y" for yes and "N" for no. See 42 CFR 412.96.

Line 23--Does your facility operate a transplant center? If yes, enter the certification dates below.

Line 23.01--If this is a Medicare certified kidney transplant center, enter the certification date in column 2 and termination date in column 3. Also complete Worksheet D-6.

Line 23.02--If this is a Medicare certified heart transplant center, enter the certification date in column 2 and termination date in column 3. Also complete Worksheet D-6.

Line 23.03--If this is a Medicare certified liver transplant center, enter the certification date in column 2 and termination date in column 3. Also complete Worksheet D-6.

Line 23.04--If this is a Medicare certified lung transplant center, enter the certification date in column 2 and termination date in column 3. Also, complete Worksheet D-6.

Line 23.05--If Medicare pancreas transplants are performed, enter the more recent date of July 1, 1999 (coverage of pancreas transplants) or the certification dates for kidney transplants and termination date in column 3. Also, complete Worksheet D-6.

Line 23.06--If this is a Medicare certified intestinal transplant center, for services rendered on or after October 1, 2001, enter the certification date in column 2 and termination date in column 3. Also, complete Worksheet D-6.

Line 23.07--If this is a Medicare certified islet transplant center, with an effective date for discharges on or after October 1, 2004, enter the certification date in column 2 and termination date in column 3. Also, complete Worksheet D-6.

Line 24--If this is an organ procurement organization (OPO), enter the OPO number in column 2, the termination date in column 3.

Line 24.01--If this is a Medicare transplant center; enter the CCN (provider number) in column
2, the certification date or recertification date (after December 26, 2007) in column 3.

**Line 25**--Is this a teaching hospital or is your facility affiliated with a teaching hospital and receiving payment for I&R? Enter "Y" for yes and "N" for no.

**Line 25.01**--Is this a teaching program approved in accordance with CMS Pub. 15-I, chapter 4? Enter “Y” for yes and “N” for no.

**Line 25.02**--If line 25.01 is yes, was Medicare participation and approved teaching program status in effect during the first month of the cost reporting period? Enter “Y” for yes and complete Worksheet E-3, Part IV or “N” for no and complete Worksheets D, Parts III and IV and D-2, Part II, if applicable.

**NOTE:** CAHs complete question 30.04 in lieu of questions 25, 25.01, and 25.02

**Line 25.03**--As a teaching hospital, did you elect cost reimbursement for teaching physicians as defined in CMS Pub. 15-I, §2148? Enter "Y" for yes, "N" for no. If yes, complete Worksheet D-9.

**Line 25.04**--Are you claiming costs on line 70, column 7, of Worksheet A? Enter "Y" for yes and "N" for no. If yes, complete worksheet D-2, Part I.

**Line 25.05**--Has your facility’s direct GME FTE cap (column 1), or IME FTE cap (column 2), been reduced under 42 CFR 413.79(c)(3) or 42 CFR 412.105(f)(1)(iv)(B)? Enter "Y" for yes and "N" for no in the applicable column. (Impacts Worksheet E, Part A; E-3, Part IV; and E-3 Part VI.)

**Line 25.06**--Has your facility received additional direct GME (column 1) resident cap slots or IME (column 2) resident cap slots under 42 CFR 413.79(c)(4) or 42 CFR 412.105(f)(1)(iv)(C)? Enter "Y" for yes and "N" for no in the applicable column. (Impacts Worksheet E, Part A; E-3, Part IV; and E-3 Part VI.)

**Line 26**--If this is a sole community hospital (SCH), enter the number of periods (0, 1 or 2) within this cost reporting period that SCH status was in effect. Enter the beginning and ending dates of SCH status on line 26.01. Use line 26.02 if more than 1 period is identified for this cost reporting period and enter multiple dates. Note: Worksheet C Part II must be completed for the period not classified as SCH (9/96). Multiple dates are created where there is a break in the date between SCH status, i.e., for calendar year provider SCH status dates are 1/1/00-6/30/00 and 9/1/00-12/31/00.

**Line 27**--If this hospital has an agreement with CMS under either §1883 or §1913 of the Act for swing beds, enter "Y" for yes in column 1 and indicate the agreement date in column 2 (mm/dd/yyyy).

**Line 28**--If this facility contains a hospital-based SNF, which has been granted an exemption from the cost limits in accordance with 42 CFR 413.30(e), enter "Y" for yes and "N" for no (not applicable for cost reporting periods beginning on or after July 1, 1998). For cost reporting periods beginning on or after July 1, 1998 are all patients identified as managed care patients or did your facility fail to treat Medicare eligible patients (no utilization). Enter “Y” for yes or “N” for no. If no complete lines 28.01 and 28.02 and Worksheet S-7 (7/98).

**Line 28.01**--If this facility contains a hospital-based SNF, enter in column 1 the payment transition period of 1 = 25/75, 2 = 50/50, 3 = 75/25; or 100. Enter in columns 2 the wage adjustment factor in effect before October 1, and in column 3 the adjustment in effect on or after October 1. SNFs servicing immune-deficient patients may continue 50/50 blend through September 30, 2001.

**Line 28.02**--Enter the updated hospital based SNF facility rate supplied by your fiscal intermediary if you have not transitioned to 100 percent SNF PPS payment. Enter in column 2
The purpose of this worksheet is to maintain statistical records for proper determination of costs payable under the Medicare program in accordance with 42 CFR 413.60(a), 42 CFR 413.24(a), and 42 CFR 413.40(c), and to report statistics which pertain to hospital-based SNF facilities participating in the NHCMQ Demonstration for cost reporting periods beginning prior to July 1, 1998 and to hospital-based SNF facilities reimbursed under the SNF-PPS for cost reporting periods beginning on or after July 1, 1998. Only facilities in Kansas, Maine, Mississippi, New York, South Dakota, and Texas were eligible to participate in the NHCMQ Demonstration.

NOTE: 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. Therefore, SNFs will not be reimbursed under demonstration procedures for cost reporting periods beginning on and after that date.

For cost reporting periods beginning on or after July 1, 2001 (or providers who have elected 100 percent Federal rate) the only data required to be reported are the days associated with each RUG in column 3.01 (regardless of the periods designated) and for cost reporting periods beginning on or after July 1, 2002, the swing beds days in column 4.06.

Effective for services rendered on and after January 1, 2006, nine new RUGS are introduced into the reimbursement calculation on this worksheet as follows: Line 3.01 - RUX, Line 3.02 - RUL, Line 6.01 - RVX, Line 6.02 - RVL, Line 9.01 - RHX, Line 9.02 - RHL, Line 12.01 - RMX, Line 12.02 - RML, and Line 14.01 - RLX.

Effective for services rendered on and after October 1, 2010, twenty-two new RUGS are introduced into the reimbursement calculation on this worksheet as follows:

<table>
<thead>
<tr>
<th>Line 45.01 - ES3,</th>
<th>Line 45.02 - ES2,</th>
<th>Line 45.03 - ES1,</th>
<th>Line 45.04 - HE2,</th>
<th>Line 45.05 - HE1,</th>
<th>Line 45.06 - HD2,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line 45.07 - HD1,</td>
<td>Line 45.08 - HC2,</td>
<td>Line 45.09 - HC1,</td>
<td>Line 45.10 - HB2,</td>
<td>Line 45.11 - HB1,</td>
<td>Line 45.12 - LE2,</td>
</tr>
<tr>
<td>Line 45.13 - LE1,</td>
<td>Line 45.14 - LD2,</td>
<td>Line 45.15 - LD1,</td>
<td>Line 45.16 - LC2,</td>
<td>Line 45.17 - LC1,</td>
<td>Line 45.18 - LB2,</td>
</tr>
<tr>
<td>Line 45.19 - LB1,</td>
<td>Line 45.20 - CE2,</td>
<td>Line 45.21 - CE1,</td>
<td>Line 45.22 - CD2,</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The default line is line 45.00 and the default designation code is AAA.

Column Descriptions

**Column 1**--The case mix group designations are already entered in this column.

**Column 2**--The M3PI revenue code designations are already entered in this column.

**Columns 3, 4, and 4.02**--Enter the rate assigned to the provider for each applicable group. This rate is updated annually effective January 1. Providers with fiscal years other than a calendar year may have two rates to report. Enter the rate prior to January 1 in column 3 and the rate on or after January 1 in column 4 for the demonstration. Calendar year providers use column 4 only. For cost reporting periods beginning on or after July 1, 1998, no entry is required. The rate is automatically calculated when an entry is made on the appropriate lines of columns 3.01, 4.01, or 4.03 (10/00). This Federal rate is adjusted for the labor portion by the update factor specific to the provider’s applicable MSA or CBSA plus applicable increase for the period. This update factor is reported on Worksheet S-2, line 28.01 columns 2 and 3.

For cost reporting periods beginning on or after July 1, 2001 or for providers who have elected 100 percent Federal rate the only data required to be reported are the days associated with each RUG. Those days will be reported in column 3.01 regardless of the periods designated. The calculation of the total payment for each RUG is no longer required. All payment data will be reported as a total amount paid under the RUG PPS payment system on Worksheet E-3, Part III,
line 24 and will be generated from the PS&R or your records.

Columns 3.01 and 4.01--Enter the number of demonstration inpatient days prior to January 1 and on or after January 1 respectively. If you are a calendar year provider, report all inpatient days in column 4.01 for each applicable group. For cost reporting periods beginning on or after July 1, 1998, enter in column 3.01 the days of the period before October 1 and in column 4.01 for the days on and after October 1. Enter on column 4.03 the days for the period April 1, 2001 through September 30, 2001. Enter the total on line 46.

Columns 4.02 and 4.03--For services rendered on and after April 1, 2001 through September 30, 2001 enter the appropriate rate and days respectively for the period.

Column 4.05--For cost reporting periods that end prior to April 1, 2000, do not complete this column. For services rendered on April 1, 2000 through September 30, 2000, enter the days associated with the high cost RUGS paid at an increase of 20 percent.

Column 4.06--For cost reporting periods beginning on or after July 1, 2002, enter the days associated with the swing beds as reimbursement is based on SNF PPS.

Column 5--Calculate the amount attributable to the demonstration for each revenue group by multiplying the rate in column 3 by the days in column 3.01 (rounded to zero) plus the rate in column 4 multiplied by the days in column 4.01 (rounded to zero) (Column 4 times column 4.01 for calendar year providers). Enter the total on line 46. Transfer this amount to Worksheet E-3, Part V, line 6. For cost reporting periods beginning on or after July 1, 1998, multiply columns 3, 4, and 4.02 times columns 3.01, 4.01, and 4.03 (columns 4 times column 4.01 for cost reporting periods beginning October 1) respectively, rounded to zero and add the three results. This becomes the Federal amount. For services rendered on and after April 1 through September 30, 2000, increase the Federal rate by 20 percent for the following RUGs: RHC, RMC, RMB, SE3, SE2, SE1, SSC, SSB, SSA, CC2, CC1, CB2, CB1, CA2, and CA1. Multiply the Federal amount by the appropriate transition period percentage, i.e., 25 percent, 50 percent, 75 percent, or 100 percent identified on worksheet S-2 line 28.01, column 1. Add to the Federal amount the result of the calculation of (total days from columns 3.01, 4.01 and 4.03 multiplied by the facility specific rate (that result rounded to zero) identified on worksheet S-2, line 28.02, column 1) times the reciprocal percentage applied to the Federal rate, i.e., 75 percent, 50 percent, 25 percent, or 0 percent. Enter the result on the appropriate line for each RUG. Enter the total of column 5 on line 46. Transfer this amount to Worksheet E-3, Part III, column 2, line 24.

NOTE: Columns 1 and 2 contain the days identified in columns 2 and 4. Columns 3 and 4 identify the SNF and NF days out of the total for title XVIII and XI.

3609.1 Worksheet S-9 - Hospice Identification Data--In accordance with 42 CFR 418.310 hospice providers of service participating in the Medicare program are required to submit annual information for health care services rendered to Medicare beneficiaries. Also, 42 CFR 418.20 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 hospital-based hospice. Complete a separate S-9 for each hospital-based hospice effective for cost reporting periods ending on or after September 30, 2000.

3609.2 Part 1-Enrollment Days Based on Level of Care--

NOTE: Columns 1 and 2 contain the days identified in column 3 and 4. Column 3 and 4 identify the SNF and NF days out of the total for title XVIII and XIX.

Lines 1-4--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 should be reported only where the hospice provides or arranges to provide the inpatient care.
Line 5--Enter the total of columns 1 through 6 for lines 1 through 4.

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:

**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. **Note:** Convert continuous home care hours into days so that a true accountability can be made of days provided by the hospice.

**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.

**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.

**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 DESCRIPTIONS**

**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 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 should represent the total days provided by the hospice.

**NOTE:** Convert continuous home care hours into days so that column 6 line 8 reflects the actual total number of days provided by the hospice.

3609.3 Part II - Census Data. --

**NOTE:** Columns 1 and 2 contain the days identified in columns 3 and 4. Columns 3 and 4 identify the SNF and NF days out of the total for title XVIII and XIX.

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

The total under this line should equal 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 should be 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 should be counted twice.
A patient transferring from another hospice is considered to be a new admission and would be 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 should equal 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 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. Line 5 divided by Line 6.

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 follow:

- Medicare Days (90 & 45 & 29) 164 days
- Patient (A, B & C) /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) 54 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 11.

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 CMS Pub. 21204). 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 should be counted twice.
Column 6--Enter on each line titles V, XVIII, Part A, or XIX inpatient charges from Worksheet D-4. Do not include in Medicare charges any charges identified as MSP/LCC.

Column 7--Multiply the ratio in column 5 by the charges in column 6 to determine the program's share of pass through costs applicable to titles V, XVIII, Part A, or XIX inpatient ancillary services, as appropriate.

Column 8--Enter on each line titles XVIII, Part B, V or XIX (if applicable) outpatient charges from Worksheet D, Part V, column 5.01, 5.03, and 5.04, if applicable. Do not include in Medicare charges any charges identified as MSP/LCC (8/00).

NOTE: Columns 8 and 9 will be subscripted to reflect to separate columns for worksheet D, Part V, columns 5.03 and 5.04, if applicable. (8/2000)

Column 9--Multiply the ratio in column 5 by the charges in column 8 to determine the program's share of pass through costs applicable to titles XVIII, Part B, V or XIX (if applicable) outpatient ancillary services, as appropriate (8/00).

For hospitals and subproviders transfer column 7, line 101 to Worksheet D-1, Part II, column 1, line 51. If you are a PPS hospital or subprovider, also transfer this amount to Worksheet E, Part A, line 15. For SNFs, NFs, and ICF/MRs for titles XVIII and XIX, for cost reporting periods beginning on or after July 1, 1998, transfer the amount on line 101 to Worksheet E-3, Part III, line 29 (7/98).

Column 9 (and subscripts)--For cost reporting periods ending prior to 4/1/2003, multiply the ratio in column 5 by the charges in column 8 (and subscripts). For cost reporting periods ending on or after 4/1/2003, multiply the ratio in column 5.01 by the charges in Column 8 (and subscripts).

3621.5 Part V - Apportionment of Medical and Other Health Services Costs.--This worksheet provides for the apportionment of costs applicable to hospital outpatient services reimbursable under titles V, XVIII, and XIX, as well as inpatient services reimbursable under title XVIII, Part B. Title XVIII is reimbursed in accordance with 42 CFR 413.53. Do not complete this worksheet for an RPCH component that has elected the all-inclusive payment method for outpatient services. (See Worksheet S-2, lines 30 through 30.02.) Payment under the all-inclusive payment method for outpatient services is computed on Worksheet C, Part V. Critical access hospitals do not complete columns 2 through 4 and 6 through 8 of this worksheet. Providers exempt from outpatient PPS (i.e., SNFs, CAHs, & swing bed SNFs), complete columns 5 and 9. All other providers subscript columns 5 and 9 as necessary.

NOTE: Do not enter CORF, OPT, OSP, OOT, or CMHC charges on Worksheet D, Part V. Report those charges on Worksheet J-2.

For title XVIII, complete a separate Worksheet D, Part V, for each provider component as applicable. Enter the applicable component number in addition to the hospital provider number. Make no entries in columns 6 through 9 of this worksheet for any cost centers with a negative balance on Worksheet B, Part I, column 27. However, complete columns 2 through 5 for such cost centers.

For cost reporting periods that end on or after October 1, 1997, and before September 30, 1998, subscript columns 2 through 4 and 6 through 8 and report the charges and cost during the period for services prior to October 1, 1997, in columns 2 through 4 and 6 through 8 and report the charges and costs for the periods on or after October 1, 1997, and before September 30, 1998 in columns 2.01 through 4.01 and 6.01 through 8.01. The subscripting is required as a result of the change in
calculating the different payment methodologies on Worksheet E, Parts C, D, and E regarding the application of deductibles and coinsurance. Subscripting is not required for cost reporting periods ending on or after September 30, 1998. Revert back to reporting the charges and costs for these services in columns 2 through 4 and 6 through 8. For services rendered on and after August 1, 2000, outpatient services are subject to prospective payment. For cost reporting periods that overlap the effective date, subscript the columns to accommodate the proper reporting of cost reimbursement prior to August 1, 2000, and prospective payment on and after August 1, 2000.

Columns 1, 1.01 and 1.02--Enter on each line in column 1 and 1.02, for hospital and subprovider components, the ratio from the corresponding line on Worksheet C, Part II, columns 8 and 9, respectively, for services rendered prior to August 1, 2000. For SCH (full cost reporting period), RPCH/CAH, SNF, NF, and swing bed services, enter on each line in column 1 the ratio from the corresponding line on Worksheet C, Part I, column 9. Enter in column 1.01 the ratio from the corresponding line on Worksheet C, Part I, column 9 for services on and after August 1, 2000.

Columns 2 and 2.01--Enter on the appropriate line the charges (per your records or the PS&R ASC segment) for outpatient ambulatory surgical services through July 31, 2000.

Columns 3 and 3.01--Enter on the appropriate line the outpatient radiology charges per your records or the PS&R outpatient radiology segment through July 31, 2000.

Columns 4 and 4.01--Enter on the appropriate line the other outpatient diagnostic procedure charges per your records or the PS&R other diagnostic segment through July 31, 2000.

Columns 5, 5.01 and 5.02--For title XVIII, enter the charges for outpatient services not included in any other column in Part V. For SNFs for services rendered which overlap the effective date of January 1, 1998, for physical, occupational and speech therapy (lines 50 through 52) subscript this column and report charges before January 1, 1998, in column 5 and on and after January 1, 1998, in column 5.01. Subscripting is not required for cost reporting periods beginning on or after January 1, 1998. For hospitals claiming ambulance services for cost reporting periods which overlap October 1, 1997, subscript column 5. Enter on line 65, column 5 the charges relating to the period on or after October 1, 1997, and in column 5.01 the charges relating to prior to October 1, 1997. For cost reporting periods beginning on or after October 1, 1997, do not complete column 5.01 for ambulance. Exclude charges for which costs were excluded on Worksheet A-8. For example, CRNA costs reimbursed on a fee schedule are excluded from total cost on Worksheet A-8. For titles V and XIX, enter the appropriate outpatient service charges. Do not include charges for vaccine, i.e., pneumococcal, flu, hepatitis, and osteoporosis. These charges are reported on Worksheet D, Part VI. Do not include in Medicare charges any charges identified as MSP/LCC.

Effective August 1, 2000, enter in column 5 the services prior to August 1, 2000, paid based on cost. In column 5.01 enter the charges for services rendered on or after August 1, 2000, paid subject to the prospective payment system. These charges should not include services paid under the fee schedule such as physical therapy, speech pathology or occupational therapy. Create separate subscripted column (e.g. 5.03, 5.04) when a cost reporting period overlaps the effective dates for the various transitional corridor payments and when a provider experiences a geographic reclassification from urban to rural. However, no subscripting is required when a provider geographically reclassifies from rural to urban. In column 5.02 enter the charges for services rendered on and after August 1, 2000, e.g., for drugs and supplies related to ESRD dialysis (excluding EPO, and any drugs or supplies paid under the composite rate), and corneal tissue.
For cost reporting periods which overlap August 1, 2000, report ambulance service charges prior to August 1st, in column 5 and services on and after August 1st in column 5.02. Do not include in any column services excluded from OPPS because they are paid under another fee schedule, e.g., rehabilitation services and clinical diagnostic lab.

Hospitals with cost reporting periods which overlap August 1, 2000, report in columns 1.02 through 5 the applicable amounts for services rendered prior to August 1, 2000, report in column 5.01 the applicable PPS amounts for services on or after August 1, 2000, and report in column 5.02 the cost of services on or after August 1, 2000 which were erroneously paid at cost.

For cost reporting periods beginning on or after January 1, 1999, for SNF, CAHs, and titles V or XIX services not paid under PPS no subscripting is required. Report all charges in column 5.

For CAHs (BIPA §205), enter the charges for the period you are subject to the limit and/or blend and the subscripted line the charges for which you are exempt from the limit and/or blend (see Worksheet S-2, line 30.03). If you are exempt for the full cost reporting period only complete line 65, no subscripts are required. For CAHs with cost reporting periods beginning on or after October 1, 2009, complete line 65 only for ambulance services that were billed as exempt from the ambulance fee schedule (from your records or PS&R report type 85C).

For cost reporting periods overlapping 4/1/2002 and after subscript line 65 for ambulance services in accordance with the subscripts on Worksheet S-2, line 56 and report charges separately on line 65 and subscripts for the applicable periods. Do not subscript line 65 for cost reporting periods beginning on or after 1/1/2006, as the ambulance PPS payment blend will transition to 100 percent fee based payments and do not report charges for ambulance services rendered on or after January 1, 2006.

In accordance with ACA, section 3121, SCHs regardless of bed size, are entitled to hold harmless payments. As such, SCHs with greater than 100 beds whose cost report overlaps January 1, 2010 or December 31, 2010, (Worksheet S-2, line 21.07, column 2 is “Y” for yes), must enter the applicable charges in columns 5.01 and 5.03 to correspond to the respective portion of the cost reporting period.

Columns 6 and 6.01--Multiply the charges in column 2 and 2.01 by the ratios in column 1, and enter the result. Line 101 equals the sum of lines 37 through 68.

Columns 7 and 7.01--Multiply the charges in column 3 and 3.01 by the ratios in column 1, and enter the result.

Columns 8 and 8.01--Multiply the charges in column 4 and 4.01 by the ratios in column 1, and enter the result.

Columns 9, 9.01, and 9.02--Multiply the charges in column 5 by the ratios in column 1, and enter the result. For hospitals subject to outpatient prospective payment, multiply the charges in column 5.01 and 5.02, or any additional subscripted column of column 5 by the ratios in column 1.01, and enter the result in columns 9.01 and 9.02 or additional subscripts, respectively. For SNFs subscript this column and report the result of multiplying the ratio in column 1 by the charges in columns 5 and 5.01 for physical and occupational therapies, and speech pathology. For lines 50 through 52 only, for services rendered on and after January 1, 1998, enter in column 9.01, 90 percent of the result of multiplying the ratio in column 1 by the charges in column 5.01.
For SNF services rendered on and after January 1, 1999, make no entry for therapy services paid under a fee schedule for lines 50 through 52. The amount entered on line 65 of this column, Ambulance, for all providers, cannot exceed the payment limit calculated from Worksheet S-2, column 2, lines 56 and 56.01 (if applicable), times the amount on Worksheet S-3, Part I, column 4, line 27 and 27.01 (if applicable) respectively, for ambulance services on or after October 1, 1997. For cost reporting periods which overlap the October 1, 1997, effective date, enter in column 9 the lower of the cost (column 1 times column 5, rounded to zero, or the limit (Worksheet S-2, Column 2, line 56, times, Worksheet S-3, Part I, column 4, line 27, rounded to zero), added to column 1 times column 5.01 rounded to zero). Hospitals with cost reporting periods that overlap August 1, 2000 and all subsequent cost reporting periods, as applicable, subscript column 9 in accordance with column 5 instructions.

For cost reporting periods beginning on or after October 1, 1997, costs for ambulance services are calculated from column 5 charges only. For cost reporting periods which overlap August 1, 2000, to calculate the ambulance costs, multiply the charges reported in column 5 by the appropriate ratio in column 1 and multiply the charges reported in columns 5.01 by the appropriate ratio in column 1.01 and add the results. Compare that to the limit amount calculated as indicated above and enter the lesser of the two in column 9.02.

Ambulance services on or after 4/1/2002 through 12/31/2005 are reimbursed on a blend of the lesser of the cost (the lesser of the cost to charge ratio times charges or limit (applicable limit from Worksheet S-2, line 56 and subscripts, column 2 times the corresponding trips from Worksheet S-3, line 27 and subscripts, column 4)) times 80 percent plus the fee schedule amounts (from Worksheet S-2, line 56 and subscripts, column 4) times 20 percent for the calendar year services beginning 4/1/2002. Subsequent dates and blends (cost percentage/fee percentage) are: Calendar year 2003 is 60/40, 2004 is 40/60, 2005 is 20/80, and 2006 and after is 100 percent fee schedule amounts. Once ambulance payment has transitioned to 100 percent of the fee amount (services rendered on or after 1/1/2006), line 56 will no longer include fee schedule payments.

Generally, CAHs follow the instructions for ambulance services subject to the limit (10/1/97b) and/or the blend (4/1/02s). However, CAHs eligible for cost reimbursement for ambulance (Worksheet S-2, line 30.03, column 1 = “Yes”) multiply column 1 times column 5 and enter the result. (12/21/00s) CAHs eligible for cost reimbursement for ambulance services (billed as exempt from the ambulance fee schedule) effective for cost reporting periods beginning on or after October 1, 2009, such ambulance services on line 65 are transferred from your records or PS&R report type 85C. Multiply column 1 times column 5 and enter the result.

Column 10--Enter in this column the hospital inpatient Part B charges for services rendered prior to August 1, 2000 (10/1/90s).

Column 11--Enter in this column the hospital inpatient Part B costs computed by multiplying the charges in column 10 times the cost to charge ratio reported in column 1.02 (10/1/90s).

Line Descriptions

Line 44--Generally, for title XVIII, Medicare outpatient covered clinical laboratory services are paid on a fee basis, and should not be included on this line. Outpatient CAH clinical laboratory services rendered on or after November 29, 1999 will be paid on a reasonable cost basis not subject to deductibles and coinsurance. In addition, hospital outpatient laboratory testing by a hospital
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 17 to the extent that primary payer payment is not credited toward the beneficiary's deductible and coinsurance. Do not enter primary payer payments credited toward the beneficiary's deductible and coinsurance on line 17.

Enter the primary payer amounts applicable to organ transplants. However, do not enter the primary payer amounts applicable to organ acquisitions. Report these amounts on Worksheet D-6, Part III, line 58.

If you are subject to PPS, include the covered days and charges in the program days and charges, and include the total days and charges in the total days and charges for inpatient and pass through cost apportionment. Furthermore, include the DRG amounts applicable to the patient stay on line 1. Enter the primary payer payment on line 17 to the extent that the primary payer payment is not credited toward the beneficiary's deductible and coinsurance. Do not enter primary payer payments credited toward the beneficiary's deductibles.

Line 19--Enter from the PS&R or your records the deductibles billed to program patients.

Line 20--Enter from the PS&R or your records the coinsurance billed to program patients.

Line 21--Enter the program reimbursable bad debts, reduced by the bad debt recoveries. If recoveries exceed the current year's bad debts, line 21 and 21.01 will be negative.

Line 21.01--Enter line 21 (including negative amounts) times 100 percent for cost reporting periods beginning on or after October 1, 1996; 75 percent for October 1, 1997; 60 percent for October 1, 1998; 55 percent for October 1, 1999, and 70 percent for October 1, 2000 and thereafter.

Line 21.02--Enter the gross reimbursable bad debts for dual eligible beneficiaries. This amount is reported for statistical purposes only. These amounts must also be reported on line 21. (4/1/2004b)

Line 22--Enter the sum of lines 18 and 21.01 minus the sum of lines 19 and 20.

Line 23--Enter the program's share of any recovery of accelerated depreciation applicable to prior periods paid under reasonable cost or the hold harmless methodology under capital PPS resulting from your termination or a decrease in Medicare utilization. (See CMS Pub. 15-I, §§136 - 136.16.)

Line 24--Enter any 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-I, §2146.4.) Specify the adjustment in the space provided. Effective for cost reporting periods which end during Federal fiscal years 2011 and 2012, enter on line 24.97 the additional payment in accordance with the Health Care and Education Reconciliation Act (HCERA) of 2010, section 1109 which establishes an additional payment (one payment for each year) for qualifying providers under section 1886(d) of the Act. Identify the line label as “HCERA Payment.” This payment must also be recorded on Worksheet E-1 as an interim payment. Effective for discharges occurring on or after October 1, 2008, enter on line 24.98 the partial or full credits received from manufacturers for replaced devices applicable to MS-DRGs listed in Change Request 5860, transmittal 1509, dated May 9, 2008. Only FI/contractors complete line 24.99 by entering the sum of lines 52, 53, 55, and 56.

Line 25--If you are filing under the fully prospective payment methodology for capital costs or on the basis of 100 percent of the Federal rate under the hold harmless methodology, enter the program's share of the gain or loss applicable to cost reimbursement periods for those assets purchased during a cost reporting period prior to the beginning of your first cost reporting period under capital PPS and disposed of in the current cost reporting period. For assets purchased and
disposed of after the onset of capital PPS, make no adjustment. For providers paid under the hold harmless reasonable cost methodology, compute gains or losses on the disposal of old assets in accordance with CMS Pub. 15-1, §§132-134.4. For gains or losses on new capital, enter the program's share of the gain or loss applicable to cost reimbursement periods for those assets purchased during a cost reporting period prior to the beginning of your first cost reporting period under capital PPS and disposed of in the current cost reporting period. For assets purchased and disposed of after the onset of capital PPS, make no adjustment. (See 42 CFR 413.134(f)(1).)

**NOTE:** Section 1861 (v) (1) (O) of the Act 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, and restricts the gain or loss on the sale or scrapping of assets.

Enter the amount of any excess depreciation taken as a negative amount.

**Line 26**--Enter the amount due you (i.e., the sum of the amounts on line 22 plus or minus lines 24 and 25 minus line 23).

**Line 27**--Enter the sequestration adjustment amount, if applicable.

**Line 28**--Enter the total interim payments (received or receivable) from Worksheet E-1, column 2, line 4. For intermediary final settlements, enter the amount reported on line 5.99 on line 28.01. Include in interim payment the amount received as the estimated nursing and allied health managed care payments.

**Line 29**--Enter line 26 minus the sum of lines 27 and 28. Transfer to Worksheet S, Part II.

**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 schedule showing the details and computations for this line.

Lines 31 through 49 were intentionally skipped to accommodate future revisions to this worksheet.

**DO NOT COMPLETE THE REMAINDER OF WORKSHEET E, PART A. LINES 50 THROUGH 56 ARE FOR CONTRACTOR USE ONLY.**

**Line 50**--Enter the original operating outlier amount from line 2.01 sum of all columns of this worksheet.

**Line 51**--Enter the original capital outlier amount from worksheet L, part I, line 3.01.

**Line 52**--Enter the operating outlier reconciliation amount in accordance with CMS Pub. 100-04, Chapter 3, §20.1.2.5-§20.1.2.7

**Line 53**--Enter the capital outlier reconciliation amount in accordance with CMS Pub. 100-04, Chapter 3, §20.1.2.5 - §20.1.2.7

**Line 54**--Enter the interest rate used to calculate the time value of money. (see CMS Pub. 100-04, Chapter 3, §20.1.2.5 - §20.1.2.7.)

**Line 55**--Enter the time value of money for operating related expenses.

**Line 56**--Enter the time value of money for capital related expenses.

**NOTE:** If a cost report is reopened more than one time, subscript lines 50 through 56, respectively, one time for each time the cost report is reopened.

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Use a separate copy of Worksheet E, Part B, for each of these reporting situations. If you have more than one hospital-based subprovider, complete a separate worksheet for each facility. Enter checkmarks in the appropriate spaces at the top of each page of Worksheet E to indicate the component program for which it is used. When the worksheet is completed for a component, show both the hospital and component numbers. OPD PPS services furnished on or after 8/1/2000 is only applicable for hospital title XVIII providers. (See BBRA §202) For services rendered on or after August 1, 2000, for purposes of prospective payment for outpatient services, if the cost reporting periods overlap any of the effective dates, complete subscripted column 1.01 for lines 1.01 through 1.06 only and make a separate transitional corridor or geographic reclassification (urban to rural only) (42 CFR 412.103 and 412.230) payment calculation for the appropriate periods. This may result in multiple subscripted columns. Order the subscripted columns chronologically as the transition dates or geographic reclassification relate to your fiscal year. The dates should also agree with the format on Worksheet D, Part V, columns 9, 9.01, 9.02 and 9.03, etcetera.

**Line Descriptions**

**Line 1**—Enter the cost of medical and other health services for title XVIII, Part B. This amount includes the cost of ancillary services furnished to inpatients under the medical and other health services benefit of Medicare Part B. These services are covered in this manner for Medicare beneficiaries with Part B coverage only when Part A benefits are not available. Obtain this amount from Worksheet D, Part V, line 104, columns 9, 9.02 and 11, for hospitals and enter in column 1. Add to the amount reported in column 1 the amount from Worksheet D, VI, lines 3 and/or 3.01 as applicable for services rendered through March 31, 2001 and on or after January 1, 2003. For SNFs transfer the amount from Worksheet D, Part V, column 9 plus Worksheet D, Part VI, lines 3. For RPCH/CAH providers electing the all-inclusive method of payment for outpatient services prior to October 1, 1997 (see Worksheet S-2, lines 30 through 30.02), obtain this amount from Worksheet C, Part V, column 7, line 108. SCHs with greater than 100 beds whose cost report overlaps January 1, 2010 and/or December 31, 2010, (Worksheet S-2, line 21.07, column 2 is “Y” for yes) are entitled to hold harmless payments and must use columns 1 and 1.01 to correspond to the respective portion of the cost reporting period for lines 1.01 through 1.06.

CAHs are not subject to transitional corridor payments, therefore lines 1.01 through 1.07 do not apply to CAHs. Transfer Worksheet D, Part V, column 9, line 104 and Worksheet D, Part VI, lines 3 and 3.01.

**Line 1.01**—Enter the medical and other health services for services rendered on or after August 1, 2000, from Worksheet D, Part V, column 9.01 plus 9.03 (and 9.04 as applicable), line 104 added to the amount reported on Worksheet D, Part VI, line 3.01; line 3 for cost reporting periods beginning on or after April 1, 2001. Subtract from this amount outpatient pass through costs reported on Worksheet D, Part IV, line 101, columns 9 and subscripts as applicable.

**Line 1.02**—Enter the gross PPS payments received including payment for drugs, device pass through payments, and outliers.

Contractors only, add or subtract as applicable to the gross PPS payments the total outlier reconciliation amount from line 54.

**Line 1.03**—Enter the hospital specific payment to cost ratio provided by your intermediary. If a new provider does not file a full cost report for a cost reporting period that ends prior to January 1, 2001, the provider is not eligible for transitional corridor payments and should enter zero (0) on this line. (See PM A-01-51)
Line 1.04--Line 1.01 times line 1.03.

If line 1.02 is < line 1.04 complete lines 1.05 and 1.06. Otherwise do not complete lines 1.05 and 1.06.

Line 1.05--Line 1.02 divided by line 1.04.

Line 1.06--Enter the transitional corridor payment amount calculated based on the following: For purposes of determining the bed count for small rural hospitals see 42 CFR §412.105(b).

For cost services rendered from January 1, 2006 through December 31, 2008, calculate this line when the response to Worksheet S-2, line 21.06 is “Y”.

For services rendered August 1, 2000, through December 31, 2001:

a. Worksheet S-2, line 21 response is 2 (rural hospitals) or if 21.02 equals “Y”, and Worksheet E, Part A, line 3 is <= 100, enter the difference of line 1.04 minus line 1.02; or
b. Worksheet S-2, line 19 response is 3 or 7 (cancer or children’s hospitals), enter the difference of line 1.04 minus line 1.02.

For all other hospitals enter one of the following:

b. If line 1.05 is => 90 percent but < 100 percent, enter 80 percent of (line 1.04 minus line 1.02).
c. If line 1.05 is => 80 percent but < 90 percent, enter the result of 71 percent of (line 1.04) minus 70 percent of (line 1.02).
d. If line 1.05 is => 70 percent but < 80 percent, enter the result of 63 percent of (line 1.04) minus 60 percent of (line 1.02).
e. If line 1.05 is < 70 percent, enter 21 percent of line 1.04.

For services rendered January 1, 2002, through December 31, 2002:

a. If line 1.02 is < line 1.04, Worksheet S-2, line 21 response is 2 (rural hospital) or if 21.02 equals “Y”, and Worksheet E, Part A, line 3 is <= 100, enter the result of line 1.04 minus line 1.02; or
b. If line 1.02 is < line 1.04 and Worksheet S-2, line 19 response is 3 or 7 (cancer or children’s hospitals), enter the difference of line 1.04 minus line 1.02.

For all other hospitals enter one of the following:

c. If line 1.05 is => 90 percent but < 100 percent, enter 70 percent of the result of line 1.04 minus line 1.02.
d. If line 1.05 is => 80 percent but < 90 percent, enter the result of 61 percent of (line 1.04) minus 60 percent of (line 1.02).
e. If line 1.05 is < 80 percent, enter 13 percent of line 1.04.

For services rendered January 1, 2003, through December 31, 2003:

a. If line 1.02 is < line 1.04, Worksheet S-2, line 21 response is 2 (rural hospital) or if 21.02 equals “Y”, and Worksheet E, Part A, line 3 is <= 100, enter the result of line 1.04 minus line 1.02; or
b. If line 1.02 is < line 1.04 and Worksheet S-2, line 19 response is 3 or 7 (cancer or children’s hospitals), enter the difference of line 1.04 minus line 1.02.
For all other hospitals enter one of the following:

- If line 1.05 is = > 90 percent but < 100 percent, enter 60 percent of the result of line 1.04 minus line 1.02.
- If line 1.05 is < 90 percent, enter 6 percent of line 1.04.

For services rendered on or after January 1, 2004 for cancer or children’s hospitals only:

- If line 1.02 is < line 1.04 and Worksheet S-2, line 19 response is 3 or 7 (cancer or children’s hospitals), enter the result of line 1.04 minus line 1.02.

For services rendered January 1, 2004, through December 31, 2005, for small rural hospitals and small rural SCHs:

- If line 1.02 is < line 1.04, Worksheet S-2, line 21 response is 2 (rural hospitals) or if 21.02 equals “Y” and Worksheet E, Part A, line 3 is =< 100 enter the result of line 1.04 minus line 1.02.
- If line 1.02 is < line 1.04, Worksheet S-2, line 21 response is 2 (rural hospitals) or if 21.02 equals “Y”, and Worksheet E, Part A, line 3 is =< 100, and Worksheet S-2, line 26 is => 1 (sole community hospitals (SCH)) enter the result of line 1.04 minus line 1.02.

For cost reporting periods beginning on or after January 1, 2004, through services rendered on or before December 31, 2005, for rural SCHs:

- If line 1.02 is < line 1.04 or Worksheet S-2, line 26 response is => 1 (number of periods SCH status in effect) enter the result of line 1.04 minus line 1.02.

**NOTE:** For purposes of TOPs, a hospital is considered rural if it is geographically rural, classified to rural for wage index purposes, or classified to rural for the standardized amount purposes. For example, a hospital that is geographically rural is always considered rural for TOPs, even if it is reclassified to urban for the wage index and/or standardized amount. A hospital that is geographically urban, but reclassified to rural for the wage index and/or standardized amount, is considered rural for purposes of TOPs.

In accordance with DRA 2005, section 5105, as amended by MIPPA 2008, section 147, and ACA 2010, section 3121 for services rendered January 1, 2006, through December 31, 2010, rural hospitals with 100 or fewer beds that are not SCHs are entitled to hold harmless TOPs:

- For services rendered January 1, 2006, through December 31, 2006, if Worksheet S-2, line 21.06, is “Y”, enter 95 percent of (line 1.04 minus line 1.02).
- For services rendered January 1, 2007, through December 31, 2007, if Worksheet S-2, line 21.06, is “Y”, enter 90 percent of (line 1.04 minus line 1.02).
- For services rendered January 1, 2008, through December 31, 2010, if Worksheet S-2, line 21.06, is “Y”, enter 85 percent of (line 1.04 minus line 1.02).

In accordance with MIPPA 2008, section 147, for services rendered January 1, 2009, through December 31, 2009, SCHs with 100 or fewer beds are entitled to hold harmless TOPs:

- For services rendered January 1, 2009, through December 31, 2009, if Worksheet S-2, line 21.07, column 1, is “Y”, enter 85 percent of (line 1.04 minus line 1.02).

In accordance with ACA 2010, section 3121, for services rendered January 1, 2010, through December 31, 2010, SCHs (and EACHs), regardless of bed size, are entitled to hold harmless TOPs:

- For services rendered January 1, 2010, through December 31, 2010, if Worksheet S-2, line 21.07, column 2, is “Y”, enter 85 percent of (line 1.04 minus line 1.02).

Line 1.07—Enter the pass through amount from worksheet D, Part IV, columns 9, 9.01 and 9.02, line 101.
Line 2—Enter the cost of services rendered by interns and residents as follows from Worksheet D-2.

<table>
<thead>
<tr>
<th>Provider/Component</th>
<th>Title XVIII</th>
<th>Title XVIII</th>
<th>Title XVIII</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility</td>
<td>Hospital</td>
<td>Subprovider</td>
<td>Skilled Nursing</td>
</tr>
<tr>
<td>Hospital</td>
<td>Part I, col. 9, line 9 plus line 10; or Part II, col. 7, line 35, or Part III, col. 6, line 42</td>
<td>Part I, col. 9, line 10; or Part II, col. 7, line 35, or Part III, col. 6, line 42</td>
<td>Part I, col. 9, line 12; or Part II, col. 7, line 37; or Part III, col. 6, line 44</td>
</tr>
<tr>
<td>Hospital</td>
<td>Part I, col. 9, line 9 plus line 24; or Part II, col. 7, line 34; or Part III, col. 6, line 41</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Line 3—If you are an approved CTC, enter the cost of organ acquisition from Worksheet D-6, Part III, column 2, line 61 when Worksheet E is completed for the hospital or the hospital component of a health care complex. Make no entry on line 3 in other situations because the Medicare program reimburses only CTCs for organ acquisition costs.

Line 4—For hospitals or subproviders that have elected to be reimbursed for the services of teaching physicians on the basis of cost (see 42 CFR 415.160 and CMS Pub. 15-I, §2148), enter the amount from Worksheet D-9, Part II, column 3, line 17.

Line 5—Enter the sum of lines 1 through 4 excluding subscripts in column 1.

Computation of Lesser of Reasonable Cost or Customary Charges.—You are paid the lesser of the reasonable cost of services furnished to beneficiaries or the customary charges made by you for the same services. This part provides for the computation of the lesser of reasonable cost as defined in 42 CFR 413.13(d) or customary charges as defined in 42 CFR 413.13(e).

NOTE: RPCHs/CAHs are not subject to the computation of the lesser of reasonable costs or customary charges. If the component is an RPCH/CAH, do not complete lines 6 through 16. Instead, enter on line 17 the amount computed on line 5.

Line Descriptions

NOTE: If the medical and other health services reported here qualify for exemption from the application of LCC (see §3630), also enter the total reasonable cost from line 5 directly on line 17. Still complete lines 6 through 16 to insure that you meet one of the criteria for this exemption.

Lines 6 through 10—These lines provide for the accumulation of charges which relate to the reasonable cost on line 5.

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

Line 6—For total charges for medical and other services, enter the sum of Worksheet D, Part V, columns 5 and 5.01 (for hospitals and subproviders with cost reporting periods which overlap October 1, 1997, for ambulance services, and SNFs with cost reporting periods beginning prior to January 1, 1998), line 104 and Worksheet D, Part VI, line 2. For cost reporting periods overlapping 8/1/2000 and after, for hospital and subprovider services, enter the sum of D, Part V, columns 5, 5.02, and 10, line 104, plus D, Part VI, line 2.

For cost reporting periods beginning 1/1/99 for SNF services enter the sum of Worksheet D, Part V, column 5, line 104 and D, Part VI, line 2.