

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 12735	Date: July 24, 2024
	Change Request 13702

SUBJECT: Revision to the Cost Report Acceptability Checklists - This CR Rescinds and Fully Replaces CR 11644.

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to revise the Acceptability Checklist to include new requirements for Interns and Residents Information System (IRIS) documentation and the CMS 287-22 Home Office Cost Statement.

EFFECTIVE DATE: October 1, 2024 - Cost Reports Received on or after 10/01/2024

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

IMPLEMENTATION DATE: October 1, 2024 - Cost Reports Received on or after 10/01/2024

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

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

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

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:

For Medicare Administrative Contractors (MACs):

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

IV. ATTACHMENTS:

One Time Notification

Attachment - One-Time Notification

Pub. 100-20	Transmittal:12735	Date: July 24, 2024	Change Request: 13702
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SUBJECT: Revision to the Cost Report Acceptability Checklists - This CR Rescinds and Fully Replaces CR 11644.

EFFECTIVE DATE: October 1, 2024 - Cost Reports Received on or after 10/01/2024

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

IMPLEMENTATION DATE: October 1, 2024 - Cost Reports Received on or after 10/01/2024

I. GENERAL INFORMATION

A. Background: The purpose of this Change Request (CR) is to revise the Acceptability Checklist to include new requirements for Interns and Residents Information System (IRIS) documentation and the CMS 287-22 Home Office Cost Statement. The Medicare Administrative Contractors (MACs) use the cost report acceptability checklist to determine if a provider’s cost report is acceptable. The current Acceptability Checklist was previously issued by CMS through CRs.

The removal of the post-acceptability instructions from the Acceptability Checklist allows the Acceptability Checklist to be a public document as it no longer includes confidential information. The previous post-acceptability instructions will now be an independent set of instructions titled “Modified Desk Review.”

CMS is in the process of revising the Internet Only Manual (IOM) 100-06, Chapter 8. The revised acceptability checklist will be included as an exhibit in the revised IOM 100-06, Chapter 8 which will be released at a later date.

B. Policy: A provider’s cost report is due on or before the last day of the fifth month following the close of the period covered by the report (See 42 CFR 413.24(f)(2)(i)). The MAC has 30 days from the date of receipt of a provider’s cost report to make a determination of acceptability (See 42 CFR 413.24(f)(5)(iii)). For a cost report to be acceptable, a provider must complete and submit the required cost reporting forms and supporting documentation, including all required signatures to the MAC. The cost report acceptability checklist is used to make that determination. Any revisions to the acceptability checklists must be approved by the MAC's Audit & Reimbursement Business Function Lead.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
13702.1	Contractors shall utilize the attached cost report acceptability checklists in making a determination of an acceptable cost report submission for cost reports received on or after October 1, 2024.	X		X						

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
13702.1.1	<p>For cost reporting periods beginning on or after October 1, 2018, providers are required to submit cost report exhibits for applicable areas of the cost report. MACs shall allow a variance of +/-3 percent when ensuring the provider's submitted cost report exhibit corresponds to the reported amounts on the cost report for the following items:</p> <p>Exhibit 2A -- Listing of Medicare Bad Debts</p> <p>Exhibit 3A -- Listing of Medicaid Eligible Days for a DSH Eligible Hospital</p> <p>Exhibit 3B -- Charity Care Listing</p>	X		X						
13702.1.2	The MACs shall accept only IRIS data using the XML format per 42 CFR 413.24(f)(5)(i)(A) for teaching hospitals' cost reporting periods beginning on or after October 1, 2021.	X		X						
13702.1.2.1	For cost reporting periods beginning on or after 1, October 2022, MACs shall allow a variance of +/-2 percent when ensuring the provider's total unweighted GME FTEs and IME FTEs reported in the IRIS XML file corresponds to the reported amounts on the cost report.	X		X						
13702.2	MACs shall continue to use the Modified Desk Review for all applicable cost reports to complete all post-acceptability steps.	X		X						

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
13702.2.1	MACs shall have 90 days from acceptance to either complete the Modified Desk Review or issue a tentative settlement.	X		X						

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
	None					

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

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

ATTACHMENTS: 1

HOSPITAL ACCEPTABILITY CHECKLIST

Cost Report Form CMS-2552-10

Page 1

Provider Name: _____ CCN: _____

Subunits: _____ CCN: _____

Period Covered: From: _____ To: _____

Postmark Date: _____ Receipt Date: _____

Review to ensure the following is correctly completed and/or submitted with the cost report.

Part I - In order to ACCEPT the cost report, Questions 1 through 5, 8 and, if applicable, Questions 6 & 7 must have a "YES" response:	YES	NO	N/A	COMMENTS
1. Has the provider submitted the Electronic Cost Report (ECR) utilizing a CMS approved vendor with current specification date via a CD, a flash drive, or MCR eF electronic submission transmission?				
2. Does the ECR pass ALL Level 1 edits?				
3. Has the provider submitted a Print Image (PI) file of the cost report?				
4. Does the Certification Page (Worksheet S) of the ECR file include a valid electronic/digital signature with the checkbox marked or an original signature signed in ink by the provider's administrator or chief financial officer?				
5. Does the ECR encryption code printed on the signed certification page match exactly the encryption code in the ECR file Type 4?				

Hospital Acceptability Checklist Cost Report Form CMS-2552-10

Page 2

Part I - In order to ACCEPT the cost report, Questions 1 through 5, 8 and, if applicable, Questions 6 & 7 must have a "YES" response:	YES	NO	N/A	COMMENTS
<p>6. Has the provider submitted the following required supporting documentation that must be submitted for applicable areas of the cost report for cost reporting periods beginning on or after October 1, 2018?</p> <ul style="list-style-type: none"> a. Bad Debt: Detailed bad debt listing that corresponds to the amount of bad debt claimed in the provider's cost report. b. Disproportionate Share Hospital (DSH): Detailed listing of the hospital's Medicaid eligible days claimed in the provider's cost report. For an amended cost report that changes its Medicaid eligible days: an amended listing or an addendum to the original listing of the hospital's Medicaid eligible days that corresponds to the Medicaid eligible days claimed in the provider's amended cost report. c. Charity Care and Uninsured Discounts for DSH eligible hospitals: Detailed listing of charity care and/or uninsured discounts that corresponds to the amounts claimed in the DSH eligible provider's cost report. d. Home Office Cost Allocations: For costs allocated from a home office or chain organization – a Home Office Cost Statement (HOCS) submitted to the chain provider's servicing contractor. 				

Hospital Acceptability Checklist Cost Report Form CMS-2552-10

Page 3

Part I - In order to ACCEPT the cost report, Questions 1 through 5, 8 and, if applicable, Questions 6 & 7 must have a "YES" response:	YES	NO	N/A	COMMENTS
<p>7. If this is a teaching hospital, (i.e., hospital engaged in approved GME program in medicine, osteopathy, dentistry, or podiatry – 42 CFR 415.152), did the hospital submit an electronic file of the IRIS which passes all IRIS data edits and contains all the interns and residents information for this cost reporting period? An electronic file of the IRIS must be submitted for all teaching hospitals including those providers that file a no-Medicare utilization or low-Medicare utilization cost report.</p> <p><i>a. For cost reports with fiscal years beginning on or after October 1, 2021, did the provider file their IRIS data using the XML format?</i></p> <p><i>b. For cost reports with fiscal years beginning on or after October 1, 2022, do the XML IRIS GME and IME FTEs correspond to the total GME and IME FTEs reported on the as-filed cost report?</i></p>				
<p>8. Does the settlement summary on the signed certification page agree with the settlement summary on the Medicare Cost Report (MCR) produced from the ECR file by the contractor? (NOTE: If the settlement summary on the signed certification page does not agree with the settlement summary on the MCR produced from the ECR file by the contractor, ascertain the nature of the error prior to rejection to ensure that the error was not caused by the contractor’s vendor software. If the MCR is rejected, include an explanation to the provider of the reason for the rejection.)</p>				
<p>9. If the cost report is deemed unacceptable, contact the provider within 24 hours of cost report rejection to notify of rejection and payment suspension, if applicable.</p>				

Hospital Acceptability Checklist Cost Report Form CMS-2552-10

Page 4

Problem Areas Noted During Acceptance Process:

Provider Contact: _____
Telephone Number: _____ Date of Contact: _____
Deadline for Resolution: _____ Mail: _____

Prepared By: _____ Date: _____ Accepted Rejected
(check one)
Reviewed By: _____ Date: _____ Accepted Rejected
(check one)

SKILLED NURSING FACILITY ACCEPTABILITY CHECKLIST

Cost Report Form CMS-2540-10

Page 1

Provider Name: _____ CCN: _____

Subunits: _____ CCN: _____

Period Covered: From: _____ To: _____

Postmark Date: _____ Receipt Date: _____

Review to ensure the following is correctly completed and/or submitted with the cost report.

Part I - In order to ACCEPT the cost report, Questions 1 through 5, 7 and, if applicable, Question 6 must have a "YES" response:	YES	NO	N/A	COMMENTS
1. Has the provider submitted the Electronic Cost Report (ECR) utilizing a CMS approved vendor with current specification date via a CD, a flash drive, or MCR eF electronic submission transmission?				
2. Does the ECR pass ALL Level 1 edits?				
3. Has the provider submitted a Print Image(PI) file of the cost report?				
4. Does the Certification Page (Worksheet S) of the ECR file include a valid electronic/digital signature with the checkbox marked or an original signature signed in ink by the provider's administrator or chief financial officer?				
5. Does the ECR encryption code printed on the signed certification page match exactly the encryption code in the ECR file Type 4?				

Skilled Nursing Facility Acceptability Checklist Cost Report Form CMS-2540-10

Page 2

Part I - In order to ACCEPT the cost report, Questions 1 through 5, 7 and, if applicable, Question 6 must have a "YES" response:	YES	NO	N/A	COMMENTS
<p>6. Has the provider submitted the following required supporting documentation that must be submitted for applicable areas of the cost report for cost reporting periods beginning on or after October 1, 2018?</p> <ul style="list-style-type: none"> a. Bad Debt: Detailed bad debt listing that corresponds to the amount of bad debt claimed in the provider's cost report. b. Home Office Cost Allocations: For costs allocated from a home office or chain organization – a Home Office Cost Statement (HOCS) submitted to the chain provider's servicing contractor. 				
<p>7. Does the settlement summary on the signed certification page agree with the settlement summary on the Medicare Cost Report (MCR) produced from the ECR file by the contractor? (NOTE: If the settlement summary on the signed certification page does not agree with the settlement summary on the MCR produced from the ECR file by the contractor, ascertain the nature of the error prior to rejection to ensure that the error was not caused by the contractor's vendor software. If the MCR is rejected, include an explanation to the provider of the reason for the rejection.)</p>				
<p>8. If the cost report is deemed unacceptable, contact the provider within 24 hours of cost report rejection to notify of rejection and payment suspension, if applicable.</p>				

**Skilled Nursing Facility Acceptability
Checklist Cost Report Form CMS-2540-10**

Page 3

Problem Areas Noted During Acceptance Process:

Provider Contact: _____

Telephone Number: _____ Date of Contact: _____

Deadline for Resolution: _____ Mail: _____

Prepared By: _____ Date: _____ Accepted Rejected
(check one)

Reviewed By: _____ Date: _____ Accepted Rejected
(check one)

HOME HEALTH AGENCY/HOSPICE ACCEPTABILITY CHECKLIST

Cost Report Forms: CMS-1728-94 (HHA); CMS-1984-14 (Hospice)

Page 1

Provider Name: _____ CCN: _____
 Subunits: _____ CCN: _____

Period Covered: From: _____ To: _____
 Postmark Date: _____ Receipt Date: _____

Review to ensure the following is correctly completed and/or submitted with the cost report.

Part I - In order to ACCEPT the cost report, Questions 1 through 6 and, if applicable, Question 7 must have a "YES" response:	YES	NO	N/A	COMMENTS
1. Has the provider submitted the Electronic Cost Report (ECR) utilizing a CMS approved vendor with current specification date via a CD, a flash drive, or MCR eF electronic submission transmission?				
2. Does the ECR pass ALL Level 1 edits?				
3. Has the provider submitted a Print Image (PI) file of the cost report?				
4. Does the Certification Page (Worksheet S) of the ECR file include a valid electronic/digital signature with the checkbox marked or an original signature signed in ink by the provider's administrator or chief financial officer?				
5. Does the ECR encryption code printed on the signed certification page match exactly the encryption code in the ECR file Type 4?				

**Home Health Agency/Hospice Acceptability Checklist Cost Report
Forms: CMS-2088-17; CMS 216-94; CMS 222-17; CMS 265-11; CMS 224-14**

Page 2

Part I - In order to ACCEPT the cost report, Questions 1 through 6 and, if applicable, Question 7 must have a "YES" response:	YES	NO	N/A	COMMENTS
<p>6. Does the settlement summary on the signed certification page agree with the settlement summary on the Medicare Cost Report (MCR) produced from the ECR file by the contractor? (NOTE: If the settlement summary on the signed certification page does not agree with the settlement summary on the MCR produced from the ECR file by the contractor, ascertain the nature of the error prior to rejection to ensure that the error was not caused by the contractor's vendor software. If the MCR is rejected, include an explanation to the provider of the reason for the rejection.)</p>				
<p>7. Has the provider submitted the following required supporting documentation that must be submitted for applicable areas of the cost report for cost reporting periods beginning on or after October 1, 2018?</p> <ul style="list-style-type: none"> a. Bad Debt: Detailed bad debt listing that corresponds to the amount of bad debt claimed in the provider's cost report. b. Home Office Cost Allocations: For costs allocated from a home office or chain organization – a Home Office Cost Statement (HOCS) submitted to the chain provider's servicing contractor. 				
<p>8. If the cost report is deemed unacceptable, contact the provider within 24 hours of cost report rejection to notify of rejection and payment suspension, if applicable.</p>				

Home Health Agency/Hospice Acceptability Checklist Cost Report
Forms: CMS-2088-17; CMS 216-94; CMS 222-17; CMS 265-11; CMS 224-14

Page 3

Problem Areas Noted During Acceptance Process:

Provider Contact: _____
Telephone Number: _____ Date of Contact: _____
Deadline for Resolution: _____ Mail: _____

Prepared By: _____ Date: _____ Accepted Rejected
(check one)

Reviewed By: _____ Date: _____ Accepted Rejected
(check one)

OUTPATIENT FACILITIES ACCEPTABILITY CHECKLIST

Cost Report Forms: CMS 2088-17 (CMHC); CMS 216-94 (OPO and Histo Lab); CMS 222-17 (RHC/FQHC); CMS 265-11 (ESRD); CMS 224-14 (FQHC PPS)

Page 1

Provider Name: _____ CCN: _____

Period Covered: From: _____ To: _____

Postmark Date: _____ Receipt Date: _____

Review to ensure the following is correctly completed and/or submitted with the cost report.

Part I - In order to ACCEPT the cost report, Questions 1 through 6 and, if applicable, Question 7 must have a "YES" response:	YES	NO	N/A	COMMENTS
1. Has the provider submitted the Electronic Cost Report (ECR) utilizing a CMS approved vendor with current specification date via a CD, a flash drive, or MCR eF electronic submission transmission?				
2. Does the ECR pass ALL Level 1 edits?				
3. Has the provider submitted a Print Image (PI) file of the cost report?				
4. Does the Certification Page (Worksheet S) of the ECR file include a valid electronic/digital signature with the checkbox marked or an original signature signed in ink by the provider's administrator or chief financial officer?				
5. Does the ECR encryption code printed on the signed certification page match exactly the encryption code in the ECR file Type 4?				

Outpatient Facilities Acceptability Checklist Cost Report Form CMS-1728-20/CMS-1984-14

Page 2

Part I - In order to ACCEPT the cost report, Questions 1 through 6 and, if applicable, Question 7 must have a "YES" response:	YES	NO	N/A	COMMENTS
<p>6. Does the settlement summary on the signed certification page agree with the settlement summary on the Medicare Cost Report (MCR) produced from the ECR file by the contractor? (NOTE: If the settlement summary on the signed certification page does not agree with the settlement summary on the MCR produced from the ECR file by the contractor, ascertain the nature of the error prior to rejection to ensure that the error was not caused by the contractor's vendor software. If the MCR is rejected, include an explanation to the provider of the reason for the rejection.)</p>				
<p>7. Has the provider submitted the following required supporting documentation that must be submitted for applicable areas of the cost report for cost reporting periods beginning on or after October 1, 2018?</p> <p>c. Bad Debt: Detailed bad debt listing that corresponds to the amount of bad debt claimed in the provider's cost report.</p>				
<p>8. If the cost report is deemed unacceptable, contact the provider within 24 hours of cost report rejection to notify of rejection and payment suspension, if applicable.</p>				

**Outpatient Facilities Acceptability Checklist
Cost Report Form CMS-1728-20/CMS-1984-14**

Page 3

Problem Areas Noted During Acceptance Process:

Provider Contact: _____

Telephone Number: _____ Date of Contact: _____

Deadline for Resolution: _____ Mail: _____

Prepared By: _____ Date: _____ Accepted Rejected
(check one)

Reviewed By: _____ Date: _____ Accepted Rejected
(check one)

HOME OFFICE ACCEPTABILITY CHECKLIST

Cost Statement Form CMS-287-05

Page 1

Home Office Name: _____ Home Office No _____

Period Covered: From: _____ To: _____

Postmark Date: _____ Receipt Date: _____

Review to ensure the following is correctly completed and/or submitted with the cost report.

Part I - In order to ACCEPT the cost report, Questions 1 through 3 must have a "YES" response:	YES	NO	N/A	COMMENTS
1. Is the filed cost statement completed on Form CMS-287-05 or an appropriate substitute form that has been approved by CMS?				
2. Are the cost statements legible enough to be reproduced?				
3. Does the certification page of the ECR file include a valid electronic/digital signature with the checkbox marked or an original signature signed in ink by an officer of the home office?				

Problem Areas Noted During Acceptance Process:

Provider Contact: _____

Telephone Number: _____ Date of Contact: _____

Deadline for Resolution: _____ Mail: _____

Prepared By: _____ Date: _____ Accepted Rejected
(check one)

Reviewed By: _____ Date: _____ Accepted Rejected
(check one)

HOME OFFICE ACCEPTABILITY CHECKLIST

Cost Statement Form CMS-287-22

Page 1

Home Office Name: _____ Home Office No _____

Period Covered: From: _____ To: _____

Postmark Date: _____ Receipt Date: _____

Review to ensure the following is correctly completed and/or submitted with the cost report.

Part I - In order to ACCEPT the cost report, Questions 1 through 4 and, if applicable, Question 5 must have a "YES" response:	YES	NO	N/A	COMMENTS
1. <i>Has the provider submitted the Electronic Cost Report (ECR) utilizing a CMS approved vendor with current specification date via a CD, a flash drive, or MCR eF electronic submission transmission?</i>				
2. <i>Does the ECR pass ALL Level 1 edits?</i>				
3. <i>Has the provider submitted a Print Image (PI) file of the cost report?</i>				
4. Does the Certification Page (<i>Worksheet S</i>) of the ECR file include a valid electronic/digital signature with the checkbox marked or an original signature signed in ink by an officer of the home office?				
5. <i>Does the ECR encryption code printed on the signed certification page match exactly the encryption code in the ECR file Type 4?</i>				
6. <i>If the cost Statement is deemed unacceptable, contact the home office within 24 hours of the cost statement rejection to notify of rejection and payment suspension, if applicable.</i>				

**Home Office Acceptability Checklist
Cost Report Form CMS-287-22**

Page 2

Problem Areas Noted During Acceptance Process:

Provider Contact: _____

Telephone Number: _____ Date of Contact: _____

Deadline for Resolution: _____ Mail: _____

Prepared By: _____ Date: _____ Accepted Rejected
(check one)

Reviewed By: _____ Date: _____ Accepted Rejected
(check one)