

# 2552-10 Hospital Transmittals

All Transmittal Information for the 2552-10

[2552-10 T-23 HFS MCRIF32 Approval Letter](#)

[2552-10 T-23 from CMS Website](#)

## Hospital Transmittal 23

CMS issued Transmittal 23 to the 2552-10 on December 20th, 2024. Transmittal 23 has been issued with an effective date of Cost Reporting Periods Beginning on or After October 1, 2024, and implements changes including:

- Adding OMB # 0938-1473, for the Supplemental to Form CMS-2552- 10 to the Table of Contents for the Worksheet E-90 - Payment Adjustment for Domestic NIOSH-Approved Surgical N95 Respirators.
- Worksheet S-2, Part I, was modified as follows:
  - Revised the line 22.03 instructions to include geographic redesignation from urban to rural under the OMB standards for delineating statistical areas adopted by CMS.
  - Revised the line 39 instructions to extend the effective date of the temporary change in the low-volume adjustment as provided in 42 CFR 412.101.
  - Designated completion of column 8 on Exhibit 3A, Listing of Medicaid Eligible Days for a DSH Eligible Hospital, as optional.
- Worksheet S-2, Part II was modified to include revised instructions for reporting the “paid-through” dates of the PS&R used to prepare the cost report to include the “Paid Claims Verified Current As Of” date or the “Paid Dates” from the PS&R used. And to add lines 15.01 and 15.02 to report home office physician Part A administrative salaries and contract amounts and sunset line 15.
- Worksheet S-8 was revised to Clarify the instructions for reporting consolidated RHC groupings.

Worksheet D-1, Part II, was revised to add line 55.03 to report the CAR T-cell amount paid for calculating the TEFRA target rate of increase ceiling.

- Worksheet E, Part A, added line 8.28 to report the awarded FTE cap slots from section 4122 of the CAA 2023, effective beginning July 1, 2026, In addition revised the line 35.02 instructions to clarify reporting the hospital uncompensated care payment (UCP) and revised the line 45 instructions to update the CY 2025 ESRD PPS base rate. In addition, updated the effective dates of the Medicare Dependent Hospital (MDH) program and the low-volume payment adjustment.

Revised Worksheet E-4 to add line 4.28 to report the awarded FTE cap slots from section 4122 of the CAA 2023, effective beginning July 1, 2026 and updated the instructions for line 29.01 to include the CY 2023 percent reduction to MA DGME.

- Worksheets I-2, I-3, I-4 were modified to report AKI services.

- Worksheet M-3 instructions were revised for line 21.55 for cost reporting periods ending on or after January 1, 2024, to report program IOP visits in column 1, and to calculate the total program IOP services cost for column 2 and revised the instructions for line 21.60 to include reporting deductible amounts for IOP services.

The T-23 changes were approved by CMS on January 14, 2025, and HFS will update the Hospital 2552-10 system the week of January 13, 2025.

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## **Hospital Transmittal 22**

CMS issued Transmittal 22 to the 2552-10 on February 29th, 2024. Transmittal 22 has been issued with an effective date of Cost Reporting Periods Beginning on or After October 1, 2023, and implements changes including:

Accommodation for rural emergency hospitals (REH) claiming medical education costs for interns and residents effective for portions of cost reporting periods on or after October 1, 2023, in accordance with FY 2024 IPPS final rule, 88 FR 59053 (August 28, 2023).

Accommodation for intensive outpatient program (IOP) visits in accordance with the Consolidated Appropriations Act (CAA) of 2023, §4124, effective for services rendered on or after January 1, 2024.

Updated the MC+GME payment reduction to direct graduate medical education (GME) for CY 2022.

Revised instructions for Worksheet L to reflect revisions for providers that underwent a geographic reclassification in accordance with 42 CFR 412.103 per the FY 2024 IPPS final rule, 88 FR 59117 (August 28, 2023).

Revised M, N and O series instructions to accommodate marriage and family therapists (MFT) and mental health counselors (MHC), in accordance with the CAA 2023, §4121.

The T-22 changes were approved by CMS on March 22, 2024, and HFS will update the Hospital 2552-10 system the week of April 1st, 2024.

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## **Hospital Transmittal 21**

CMS issued Transmittal 21 to the 2552-10 on July 28th, 2023. Transmittal 21 has been issued with an effective date of Cost Reporting Periods Beginning on or After August 1, 2023, and implements minor changes including:

- The rescission of the Community Health Access and Rural Transformation (CHART) model as of March 17, 2023.

The addition of edits 14007S, 14008S, 14011S, 14014S, 14016S, and 14021S, to review S-10 data.

The T-21 changes were approved by CMS on August 15, 2023, and HFS will update the Hospital 2552-10 system the week of August 21st, 2023.

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## Hospital Transmittal 20

CMS issued Transmittal 20 to the 2552-10 on April 21st, 2023. Transmittal 20 has been issued with an effective date of Cost Reporting Periods Beginning on or After April 1, 2023, and implements minor changes including:

- Revised instructions to identify and introduce the Rural Emergency Hospital (REH) provider type effective for cost reporting periods beginning on or after January 1, 2023, as established by the Consolidated Appropriations Act, 2021, Division H, Title II, section 125.
- New Level One edit 12975S for cost reporting periods beginning on or after January 1, 2023, to ensure that REH facilities do not report inpatient days on Worksheet S-3.
- New Level One edit 12980S for cost reporting periods beginning on or after January 1, 2023, to ensure that REH facilities properly report outpatient visits on Worksheet S-3, line 15.10.
- Subsequent to the issuance of T-20 CMS clarified that the Public Health Emergency (PHE) ended effective May 11, 2023.

The T-20 changes were approved by CMS on June 28, 2023, and HFS will update the Hospital 2552-10 system the week of July 3rd, 2023.

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## Hospital Transmittal 19

CMS issued Transmittal 19 to the 2552-10 on March 24th, 2023. Transmittal 19 has been issued with an effective date of Cost Reporting Periods Beginning on or After January 1, 2023 and implements minor changes including:

- The addition of Worksheet E-95 to provide an IPPS and OPPS payment adjustment for domestically made N95 surgical respirators for cost reporting periods beginning on or after January 1, 2023.
- New Level One edit 10460D for cost reporting periods beginnings on or after October 1, 2020, to ensure charges billed under revenue code 0815 are reported on the Worksheet D-6 and not on the Worksheet D-3, line 77.
- New Level One edit 10200G to ensure that a description is added for any subscript of Worksheet G-3, lines 24.51 through 24.60 that contains a dollar amount in column 1.

The T-19 changes were approved by CMS on April 19, 2023 and HFS will update the Hospital 2552-10 system the week of April 17th, 2023.

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## Hospital Transmittal 18

- CMS issued Transmittal 18 to the 2552-10 on December 29th, 2022. Transmittal 18 has been issued with an effective date of Cost Reporting Periods Beginning on or After October 1, 2022 and implements many of the changes proposed through the PRA process including:
  - Addition of Exhibits for reporting:
    - Medicare bad debt by beneficiary,
    - Medicaid Eligible Day for DSH Eligible Hospitals,
    - Charity care charges by patient.
    - Total bad debts by patient.
  - Identification of permanent adjustments to the TEFRA target amount per discharge.
  - Identification of providers purchasing greater than fifty percent of its professional services from an unrelated organization located outside the main hospital's local area labor market.
  - Identification of the number of temporary expansion COVID-19 public health emergency acute care beds.
  - Revisions to Worksheet S-10.
  - Addition of Worksheet D-6 Parts I through IV to compute allogeneic HSCT acquisition costs as required under §1886(d)(5)(M) of the Social Security Act and in accordance with the statutory requirement under Section 108 of the Further Consolidated Appropriations Act, 2020 (Pub. L. 116-94) for reasonable cost payment.
  - Addition of Worksheet E-5 for the contractor to report the outlier reconciliation amount during cost report tentative settlement.

This Transmittal also implements FY 2023 IPPS final rule changes including DGME changes in regard to the Hershey litigation effective for cost reporting periods beginning on or after October 1, 2022. With revisions to Worksheet E-4 and the addition of Worksheet S-2, Part I, Line 68 to identify cost reports for periods beginning prior to October 1, 2022, that are eligible for the modified method of calculating direct GME payments to a teaching hospital when the hospital's weighted FTE counts exceed their direct GME FTE cap in accordance with the FY 2023 IPPS final rule

Other Worksheet E-4 changes have been made to implement Sections 126, 127 and 131 of the CAA 2021.

This Transmittal also implements changes relating to the Community Health Access and Rural Transformation (CHART) model. The CHART model is effective for discharges ending on or after January 1, 2024, for inpatient services, outpatient services, and CAH swing-bed services.

Other changes include the extension of the low volume adjustment and the Medicare Dependent Hospital (MDH) program, but these changes are subject to subsequent Law provisions.

The T-18 changes were approved by CMS on February 22, 2023 and HFS will update the Hospital 2552-10 system the week of March 6th, 2023.

HFS will be hosting a Hospital 2552-10 Transmittal 18 Overview Webex on March 29, 2023 and registration is available at the below link:

[Register form \(webex.com\)](#)

## Hospital Transmittal 17

- On January 10, 2022, CMS published Transmittal 17 to Form CMS-2552-10. The new form CMS-2552-10 T-17 will be effective for cost reporting periods ending on or after December 31, 2021. Please note that this published T-17 does not reflect all the proposed changes issued in Accordance with the Paperwork Reduction Act (PRA) issued November 10, 2020. CMS has stated that they are working on another 30-day comment period for the DRAFT changes which will now be issued as DRAFT T18, however no specific timeframe has been given. More information available at: <https://www.hfssoft.com/news/>.

HFS was approved for Transmittal 17 on January 21, 2022. Significant changes include:

- Modifications to the Worksheet S, Part II, Certification Statement to collect electronic signature data within the EC file export.
- Removing references to the term “Nursing School” and replacing them with “Nursing Program”.
- Effective for services rendered on or after January 1, 2021, include kidneys transplanted into Medicare Advantage beneficiaries in the count of Medicare usable kidneys (this does not include non-renal organs, but is limited to kidney) in the Worksheet D-4, Part III, line 63 count.
- Calculate - Per §2 of the Protecting Medicare and American Farmers from Sequester Cuts Act of 2021, extended the sequestration hold through 3-31-2022.

Transmittal 17 provisions previously incorporated into the software include:

- The addition of Worksheet S-2, Part I, line 22.04 for “For cost reporting periods ending on or after October 1, 2020, and before October 1, 2022, The FY 2021 IPPS final rule (CMS-1735-F; 85 FR 58746, September 18, 2020) provided for a 2 year transition (in accordance with 42 CFR 412.102) to a rural DSH payment amount from an urban DSH payment amount, for hospitals that received a geographic reclassification from urban to rural under the OMB standards for delineating statistical areas adopted by CMS in FY 2021. Impacted hospitals whose DSH payment adjustment exceeded 12 percent will receive 2/3 of the difference between the urban and rural operating DSH for FY 2021 and 1/3 of the difference between the urban and rural operating DSH for FY 2022. “
- Applicable changes were also made to the Worksheet E, Part A.
- Instructional changes on Worksheet A-8-2 primarily impacting CAH reports.
- Worksheets M and N series (RHC and FQHC) have been updated to account for CMS clarifications for cost report changes for COVID. Worksheet M-3 has a change to the label of lines 2 and 3 from vaccines to infections/injections along with changes for calculation for visits after 4-1-21 to account for cost limit changes for small Rural RHCs per CR12185. Worksheets M-4 and N-3 has added columns 2.01 and 2.02 to account for COVID-19 Vaccines and Monoclonal Antibody Products and a line for COVID-19 injections/infections administered to

MA enrollees. Worksheet N-1 has added new lines 48.10 and 48.11 for the cost of COVID-19 Vaccine & Med Supplies along with Monoclonal Antibody Products. Worksheet N-4 has a new line 15.25 for sequestration for non-claim based amounts with line 15 now open for input from PS&R for cost reporting periods overlapping or beginning on or after May 1, 2020.

HFS will update the Hospital 2552-10 system the week of January 24th, 2022.

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## Hospital Transmittal 16

HFS was approved by CMS for Transmittal 16 on June 12, 2020

- HFS to release Transmittal 16 on June 19, 2020
- Effective Date - Cost Reporting Periods Ending on or After December 31, 2019

The primary purpose of Transmittal 16 was to incorporate cost reporting changes for the Pennsylvania Rural Health Model (PARHM) demonstration. Other major changes include:

- Modification of Worksheet E-4 to accommodate DGME reimbursement for CAHs that train residents in excluded IPF or IRF units.
- Modification to the calculation of the percentage reduction of the MA direct GME payments for the calculation of the MA nursing and allied health (NAHE) payment adjustments. The reductions will be changed on an annual basis using the below factors, previously the reduction factor was 14.13%

CY	2010	2011	2012	2013	2014	2015	2016	2017	2018
Percent reduction to MA DGME	9.77	7.85	7.16	6.41	5.86	5.32	4.99	4.44	7.00

Please note that the new Worksheet S-2, Part I, line 56, column 2 triggers the above changes to the reduction percentage and references a Change Request (CR) 11642. That CR was published on August 21, 2020 and is available at <https://www.cms.gov/files/document/r10315OTN.pdf>.

- Added Worksheet S-3, Part II – line 16 subscripts for cost reporting periods beginning on or after 10/1/2017 to separately report salaries and wage related costs for home office and/or related organizations (line 16.01) and contracted Part A teaching (line 16.02).
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## Hospital Transmittal 15

HFS was approved by CMS for Transmittal 15 on December 6, 2018

- HFS released Transmittal 15 on December 7, 2018
- Effective Date - Cost Reporting Periods Ending on or After September 30, 2018



This transmittal updates Chapter 40, Hospital and Hospital Health Care Complex Cost Report (Form CMS-2552-10), by accommodating select provisions of the Bipartisan Budget Act of 2018, and the Fiscal Year (FY) 2019 Inpatient Prospective Payment System (IPPS) and Long Term Care Hospital (LTCH) PPS Final Rule. This transmittal also updates Chapter 40 by clarifying and correcting the existing instructions.

Specific changes include:

- Worksheet S-2, Part I:
  - Added two new provider types: Extended Neoplastic Disease Care hospitals and Indian Health Services hospitals.
  - Modified the instructions for line 39 in accordance with the FY 2019 IPPS final rule to reflect the temporary changes to the low-volume adjustment for the Federal fiscal year (FFY) 2019 through the FFY 2022, and the changes eliminating the temporary changes to the low-volume adjustment for the FFY 2023 and subsequent FFYs.
- Wage Index Clarifications:
  - Clarified the instructions for Worksheet S-3, Part II, lines 5, 13, and 14.
  - Clarified the instructions to not complete Worksheet S-3, Part II, line 18 for cost reporting periods beginning on or after October 1, 2018.
  - Clarified the instructions for Worksheet S-3, Part IV, line 25 for cost reporting periods beginning on or after October 1, 2018.
- Worksheet D-1:
  - Clarified the instructions for line 1 to prevent duplicative counting of non-distinct part hospice days.
- Worksheet E, Part A:
  - Modified the instructions to address the use of column 1 where a sole-community hospital (SCH) experiences a geographic reclassification during the cost reporting period but remains an SCH for the full cost reporting period.
  - Modified line 2 instructions and added lines 2.03 and 2.04 for cost reporting periods beginning on or after October 1, 2018, to separately record outlier payments made for PPS discharges occurring prior to October 1 and on or after October 1.
  - Modified the instructions for line 35.01 to incorporate the uncompensated care Factor 3 calculation in accordance with the FY 2019 IPPS correction notice.
  - Modified instructions for line 90 to include the sum of the original operating outlier amounts from subscribed lines 2.03 and 2.04.
- Worksheets I-2 and I-3
  - Added lines 2.01 and 3.01, to capture costs for acute kidney injury (AKI) hemodialysis and AKI peritoneal dialysis for cost reporting periods ending on or after September 30, 2018.
- Worksheet O
  - Shaded line 25, column 1.
- Worksheet O-3 and O-4
  - Shaded line 25, column 1.
  - Unshaded line 38, column 1 through 7.

## Hospital Transmittal 14

- HFS was approved by CMS for Transmittal 14 on April 6, 2018
- HFS released Transmittal 14 on April 13, 2018
- Effective Date - Cost Reporting Periods Ending on or After January 31, 2017

This transmittal updates Chapter 40, Hospital and Hospital Health Care Complex Cost Report (Form CMS-2552-10), by accommodating select provisions of the Bipartisan Budget Act of 2018, and the Fiscal Year (FY) 2018 Inpatient Prospective Payment System (IPPS) and Long Term Care Hospital (LTCH) PPS Final Rule. This transmittal also updates Chapter 40 by clarifying and correcting the existing instructions as well as incorporating additional statutory and regulatory changes.

Specific changes include:

- Worksheet S-2, Part I:
  - Modified the instructions for Worksheet S-2, Part I, line 39 to reflect the extension of the inpatient hospital adjustment for low-volume hospitals for discharges occurring through FY 2018.
  - Clarified the instructions for Worksheet S-2, Part I, lines 61 – 61.06 as the ACA section 5503 evaluation period requirements expired July 1, 2016.
- Worksheet S-3, Part I:
  - Opened Worksheet S-3, Part I, line 33 for the reporting of discharges associated with non-covered LTCH Medicare days.
- Worksheet S-10:
  - Clarified the instructions for Worksheet S-10 lines 28 and 29.
- Worksheet E, Part A:
  - Clarified the instruction for Worksheet E, Part A, line 8.01 as the ACA section 5503 evaluation period requirements expired July 1, 2016.
  - Updated the instructions to Worksheet E, Part A, lines 48 and 49 to reflect the extension of the Medicare-dependent hospital (MDH) program through September 30, 2022, in accordance with the Bipartisan Budget Act of 2018, §50205.
- Worksheet E, Part B:
  - Clarified the instructions for E, Part B, line 25 for reporting deductible and coinsurance amounts for Part B services exempt from the lower of reasonable costs or customary charges (LCC).
- Worksheet E-4:
  - Clarified the instruction for Worksheet E-4, line 4.01 as the ACA section 5503 evaluation period requirements expired July 1, 2016.
- Worksheet O and O-1 - O-4:
  - Added a line 42.50 to report the costs of drugs furnished to individual patients.

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## Hospital Transmittal 12/13

- HFS was approved by CMS for Transmittal 12/13 on January 31, 2018
- HFS released Transmittal 12/13 on February 8, 2018
- Effective Date - Cost Reporting Periods Ending on or After September 30, 2017



This transmittal updates Chapter 40, Hospital and Hospital Health Care Complex Cost Report (Form CMS-2552-10), by including subsection (d) Puerto Rico providers as eligible for the electronic health record (EHR) incentive payments and by accommodating the Rural Community Hospital Demonstration Project (§410A Demonstration) adjustment. This transmittal also accommodates the ability for a provider to elect and sign the Certification and Settlement Summary page of the Medicare cost report using an electronic signature pursuant to the FY 2018 IPPS Final Rule.

Specific changes include:

- Worksheet S:
  - Added check box to the certification and settlement summary statement for electronic signature submission on cost reporting periods ending on or after December 31, 2017.
- Worksheet S-2, Part I:
  - Modified instructions for line 39 to reflect the revised eligibility criteria and corresponding low-volume adjustment of 25 percent, effective for discharges occurring on or after October 1, 2017.
  - Modified instructions for line 60 for nursing school and allied health education (NAHE) activities to separately identify each individual program reimbursed in accordance with the provisions of 42 CFR 413.85 where reimbursement is made on a reasonable cost basis.
  - Added lines 98 through 98.06 related to titles V and XIX reimbursement for critical access hospitals (CAH), reasonable compensation equivalents (RCE), and pass-through costs. These questions were previously addressed by HFS on a non-CMS Worksheet S-2, Part IX.
  - Modified line 110 for the Rural Community Hospital Demonstration Project (also known as the §410A Demonstration), as extended by §15003 of the 21st Century Cures Act of 2016, to initiate the calculation of added lines on Worksheet E, Part A, lines 200 through 218, and Worksheet E-2, lines 200 through 215. This calculation was previously addressed by HFS on non-CMS Worksheet E, Part H.
  - Added line 111 to identify providers participating in the Frontier Community Health Integration Project (FCHIP) Demonstration.
  - Modified questions 167 and 169 to accommodate subsection (d) Puerto Rico providers eligible for the electronic health record (EHR) incentive payment for federal fiscal years 2016 through 2021, in accordance with the CCA 2016, Division O, Title VI, §602.
- Worksheet S-3, Part I:
  - Added line 33.01 to capture site neutral days and discharges for long term care hospitals (LTCH).
- Worksheet A:
  - Expanded the instructions for lines 20 and 23 (nursing school and paramedical education) programs to capture the costs of each program on a separate subscript of line 20 and/or line 23, as applicable.
  - Added line 77 to capture allogeneic stem cell acquisition costs as defined in CMS Pub. 100-04, chapter 4, §231.11.
  - Added line 93.99 to capture the costs of providing hospital-based partial hospitalization program (PHP) services as defined in §1861(ff) of the Act.
- Worksheet A-8:

- Added instructions for line 19 to report the nursing school tuition offset adjustment and the allied health/paramedical education tuition offset adjustment. Note that tuition offset adjustments are to be made on Worksheet A-8 and not on Worksheet B-2.
- Worksheet B, Part I and B-1:
  - Shaded line 116 in columns 19, 21, and 22. This change prevents the allocation of Non-Physician Anesthetists and Interns and Residents costs to the hospital-based Hospice.
- Worksheet D, Part III and IV:
  - Modified the worksheets by adding post step-down adjustment columns for nursing school and allied health. Post step-down adjustments were previously accommodated by HFS using non-CMS columns 11-13 on Worksheet D, Part III and non-CMS columns 21-24 on Worksheet D, Part IV.
- Worksheet E, Part A; E, Part B; E-2, E-3, Parts I through IV; H-4; J-3; M-3; and N-4:
  - Added two lines to each reimbursement settlement worksheet to capture demonstration payment adjustments before sequestration, and demonstration payment adjustments after sequestration.
- Worksheet E, Part A:
  - Added a dedicated line 70.50 to capture the 410A demonstration project payment adjustment.
  - Added lines 200 through 218 to calculate the §410A demonstration project payment adjustment amount for inpatient services.
- Exhibit 4 (Low-volume adjustment):
  - Modified the instructions to calculate the low-volume adjustment payment at 25 percent for services rendered on or after October 1, 2017.
  - Shaded line 17.01 (net organ acquisition costs), to eliminate it from the low-volume adjustment payment calculation.
- Exhibit 5 (Hospital acquired condition (HAC) adjustment):
  - Shaded line 17.01 (net organ acquisition costs), to eliminate it from the HAC adjustment calculation.
- Worksheet E, Part B:
  - Added line 4.01 to capture the operating outlier reconciliation amount for operating expenses related to outpatient prospective payment (PPS) services.
- Worksheet E-1, Part II:
  - Modified the instructions to accommodate the calculation EHR incentive payments for Puerto Rico subsection (d) hospitals in accordance with CAA 2016, Division O, Title VI, §602. This worksheet is not completed by original subsection (d) hospitals for cost reports beginning on or after October 1, 2016.

For additional information regarding the new HFS feature incorporating the electronic signature click [here](#).

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## Hospital Transmittal 11

- HFS was approved by CMS for Transmittal 11 on October 5, 2017
- HFS released Transmittal 11 on November 29, 2017
- Effective Date - Cost Reporting Periods Beginning on or After October 1, 2013

This transmittal clarifies the definitions and instructions for uncompensated care, non-Medicare bad debt, non-reimbursed Medicare bad debt, and charity care to include uninsured discounts, as well as modifies the calculation relative to uncompensated care costs.

Revisions include:

- Worksheet S-10:
    - Revised the instructions for line 20 for subsection (d) Puerto Rico hospitals, charity care and uninsured discounts.
    - Modified the calculation and clarified the instructions on line 21, column 2, for insured patients and non-covered charges for insured patients for days exceeding a length-of-stay limit.
    - Clarified the instructions for line 22.
    - Clarified that the amount reported on line 26 is net of recoveries.
    - Added line 27.01 to capture Medicare allowable bad debt for the entire facility.
    - Modified the instructions for line 28 to only capture the non-Medicare bad debt expense.
    - Modified the calculation for line 29.
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## Hospital Transmittal 10

- HFS was approved by CMS for Transmittal 10 on January 30, 2017
- HFS released Transmittal 10 on February 3, 2017
- Effective Date - Cost Reporting Periods Beginning on or After October 1, 2015

Transmittal 10 changes include:

- Worksheet S-2, Part I
  - Added line 171, column 2, to capture section 1876 Medicare days.
- Worksheet S-3, Part II
  - Added lines 14.01, 14.02, 25.50, 25.52 and 25.53, to enhance the wage index data collection effective for cost reporting periods beginning on or after October 1, 2015.
- Worksheet S-3, Part IV
  - Eliminated the Wage Index Pension Cost Schedule (Exhibit 3) and the corresponding instructions and directed providers to use the latest published Wage Index Pension cost Schedule on the CMS website.
  - Added lines 8.01, 8.02, and 8.03, to accommodate various categories of health insurance effective for cost reporting periods beginning on or after October 1, 2015.
- Worksheet S-5
  - Added line 23 to capture low volume treatments by CNN.
- Worksheet S-9, Parts I-IV
  - Effective for cost reporting periods beginning on or after October 1, 2015 AND ENDING on or after September 30, 2016, hospital-based hospices will no longer complete Parts I and II, but will complete the new Parts III and IV.
- Worksheet S-10
  - Clarified instructions for line 20 for the total initial payment obligation of patients approved for charity care.

- Changed the references to State Children's Health Insurance Program (SCHIP) to Children's Health Insurance Program (CHIP) in the instructions and on the worksheet.
- Worksheet S-11
  - This new worksheet captures statistics related to hospital-based FQHCs paid under the FQHC prospective payment system (PPS) that meet the requirements set forth in 42 CFR 413.65(n). These worksheets supersede Worksheet S-8 for FQHCs only and are effective for cost reporting periods beginning on or after October 1, 2014.
- Worksheet E, Part A
  - Clarified and expanded instructions for partial year MDH.
  - Modified instructions for line 54 to include in the add-on payment for new technologies payments associated with Model 4 Bundled Payments for Care Improvement initiative.
  - Added line 54.01 to accommodate the islet isolation transplantation add-on payment effective for services rendered on or after October 1, 2016, in accordance with CR 9570.
- Worksheet E-3, Part IV
  - Added lines 1.01 through 1.04 to accommodate new payment categories for Long-Term Care Hospitals in accordance with the 2016 Inpatient Prospective Payment System final rule effective for discharges in cost reporting periods beginning on or after October 1, 2015.
- Worksheet E-4
  - Added lines 10.01, 15.01, and 16.01, to accommodate unweighted resident FTE counts. These amounts are used to reconcile with amounts in the Intern and Resident Information system (IRIS) and do not impact the settlement summary.
  - Revised instructions for lines 42 and 43 to reflect Part B reasonable costs and the primary payer amounts, for provider-based FQHCs completing the Worksheet N series.
- Worksheet I-1
  - Modified instructions for line 10 through 16, revising the effective date for line 15 (Drugs) to cost reporting periods beginning on or after October 1, 2015, to capture Erythropoiesis stimulating agents (ESA).
  - Modified instructions for line 27 (Subtotal) to reflect the applicable reconciliation to Worksheet B, Part I, for cost reporting periods beginning prior to October 1, 2015 and on or after October 1, 2015.
- Worksheet I-2 and I-3
  - Clarified instructions for lines 14 and 15 to include all ESA costs on line 14 for cost reporting periods beginning on or after October 1, 2015.
- Worksheet M series
  - Modified instructions to convey that the Worksheet M series no longer applies to hospital-based FQHCs, effective for cost reporting periods beginning on or after October 1, 2014. However, hospital-based rural health clinics still complete the "M" worksheet series.
  - Worksheet M-1: Added new cost centers for telehealth and chronic care management.
  - Revised forms and instructions to comply with the regulations at 42 CFR 413.78(a), to ensure that no separate graduate medical education (GME) payment is calculated for the hospital-based RHC or FQHC.
- Worksheet N series
  - Effective for cost reporting periods beginning on or after October 1, 2014, hospital-based FQHCs complete the new Worksheet N series and are reimbursed under the FQHC prospective payment system.
- Worksheet K series

- Modified instructions to reflect that the Worksheet K series no longer applies to hospital-based hospices effective for cost reporting periods beginning on or after October 1, 2015 AND ENDING on or after September 30, 2016.
  - Worksheet O series
    - Effective for cost reporting periods beginning on or after October 1, 2015 AND ENDING on or after September 30, 2016, hospital-based hospices complete the new Worksheet O series.
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## Hospital Transmittal 9

- HFS was approved by CMS for Transmittal 9 on 6/15/2016
- HFS released Transmittal 9 on 3/18/2016
- Effective Date - Cost Reporting Periods Ending on or After October 1, 2015

Transmittal 9 changes include:

- Addition of Worksheet S-2, Part I, line 37.01 and instructional changes to Worksheet E, Part A, to implement special payment provisions for Medicare-Dependent, Small Rural Hospitals (MDH) eligible for transitional hospital-specific payments. The November 13, 2015, Outpatient PPS Final Rule identified 8 MDH hospitals that were re-designated as Urban based on the adoption, of the new OMB delineations, however did not qualify to apply for rural status. These hospitals will qualify for a transitional HSP payment as follows:
    - Discharges 1/1/2016 – 9/30/2016 – Federal rate plus two-thirds of 75% of the amount by which the Federal rate payments is exceeded by the HSR
    - Discharges 10/1/2016 – 9/30/2017 – Federal rate plus one-third of 75% of the amount by which the Federal rate payments is exceeded by the HSR
  - Worksheet S-2, Part I, line 122 was added to identify cost reports that contain “state health or similar taxes” and the location of those taxes on Worksheet A.
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## Hospital Transmittal 8

- HFS was approved by CMS for Transmittal 8 on 10/26/2015
- HFS released Transmittal 8 on 11/18/2015
- Effective Date - Cost Reporting Periods Ending on or After June 30, 2015

The major changes clarify and correct the existing instructions and incorporate statutory and regulatory changes. Revisions include:

- Worksheet S-2, Part I, line 87 was added to identify hospitals classified as “subclause (II)” long term care hospitals (LTCHs) as described at 42 CFR 412.526(c). This is a special Legislative provision impacting one LTCH that will receive a TEFRA-type settlement.
- Worksheet S-2, Part I, line 145, column 2, was added to identify providers that have an ESRD unit with no Medicare utilization.
- Worksheet S-2, Part I, line 168.01 was added to identify critical access hospitals that qualify for a hardship exception under 42 CFR 413.70(a)(6)(ii). CAH providers that are not a meaningful user



of EHR and did not qualify for a hardship exception, will receive reimbursement penalties starting with cost reporting periods beginning in Federal Fiscal Year 2015.

- Worksheet L, Part I, was modified to provide for a partial year capital DSH payment for hospitals that were re-designated from Urban to Rural and a result of the CBSA re-designations on 10/1/2014.
- Due to the implementation of a revised PPS effective for cost reporting periods beginning on or after October 1, 2014, CMS has proposed a new cost report N series for hospital-based FQHC units. The FQHC will be required to file the new cost reporting worksheets when CMS makes them available.

HFS will be distributing the 2552-10, Transmittal 8 to all hospital software users in the November 6, 2015 update.

[2552-10 T-8 from CMS Website](#)

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## Hospital Transmittal 7

- HFS was approved by CMS for Transmittal 7 on 4/1/2015
- HFS released Transmittal 7 on 4/3/2015
- Effective Date - Cost Reporting Periods Ending on or After October 1, 2014

The major changes reflect Federal Fiscal Year 2015 IPPS Final Rule changes include:

- The addition of Worksheet S-2, Part I, lines 22.02 and 22.03 to identify newly merged hospitals and hospitals that undergo an involuntary reclassification from Urban to Rural.
- The addition of Worksheet-2, Part I, line 40, to identify hospitals that are subject to the Hospital Acquired Condition (HAC) reduction adjustment.
- The addition of Worksheet E, Part A, lines 22.01, 28.01 and 29.01 to compute the IME adjustment for managed care patients in a teaching hospital and revision to line 49 to add in the IME adjustment amount for managed care patients effective for cost reporting periods beginning on or after October 1, 2014.
- Instructional revisions to Worksheet E, Part A lines 35, 35.01 and 35.02 to calculate uncompensated care for newly merged hospitals in accordance with the 2015 IPPS Final Rule and Sole Community Hospitals that do not have a hospital uncompensated care payment amount determined by CMS.
- The addition of Worksheet E, Part A, lines 70.90, 70.91, and 100 through 104 to compute the value based purchasing adjustment amount and the hospital readmissions reduction adjustment amount for Medicare Dependent Hospitals that receive a hospital specific bonus payment amount.
- Instructional revisions to Worksheet E, Part A, line 34 for hospitals that undergo an involuntary reclassification from Urban to Rural as a result of CMS' adoption of new standards for delineating new statistical areas.
- The addition of Worksheet E, Part A, line 70.99 and Exhibit 5 to reconcile the HAC reduction adjustment amount in accordance with the §3008 of the Patient Protection Affordable Care Act (ACA) of 2010.

Other changes include:



- The addition of Worksheet S-2, Part I, lines 81, 110 and 171 to identify long term care hospitals that are co-located in another hospital, hospitals that participate in the 410A Demo and hospitals claiming Medicare days for individuals enrolled in 1876 Medicare cost plans.
- Modified Worksheet E, Part A, lines 1.02, 1.03 and 1.04 to always split Medicare payments for IPPS services at October 1 of each Federal Fiscal year.
- Clarified instructions to Worksheet E-4, lines 2, 8 and 15 for Direct Graduate Medical Education (GME) FTEs.
- Revisions to Worksheets E, Part A; E, Part B; E-2; E-3, Parts I through VI; H-4; J-3; and M-3 to add lines for the Pioneer Accountable Care Organization demonstration payment adjustment in accordance with section 3022 of the ACA, effective for discharges occurring on or after April 1, 2014.

[2552-10 T-7 from CMS Website](#)  
[2552-10 T-7 Recorded Webinar](#)  
[2552-10 T-7 Cost Report Update](#)

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## Hospital Transmittal 6

- HFS was approved by CMS for Transmittal 6 on 10/22/2014
- HFS released Transmittal 6 on 11/3/2014
- Effective Date - Cost Reporting Periods Ending on or After June 30, 2014

Major Medicare provisions incorporated by Transmittal 6 include:

- Changes were made to Worksheet S-2 and Worksheet D-4 eliminating the "other" organ transplant category from the Worksheets and check box selections.
- Worksheets S-2, D Part III, D Part IV and E-3 Part V, were clarified to address new children's and new cancer hospitals. A new TEFRA provider will be reimbursed as "Other" in its first year prior to the establishment of a TARGET rate.
- CMS modified the calculation of teaching physician costs on the Worksheet D-5 by adding Parts III and IV. Parts III and IV will replace the previous Worksheet D-5, Parts I and II and will apply the RCE calculations to the teaching physician salaries, similar to the methodology used on Worksheet A-8-2.
- Worksheet E, Part A and the Exhibit 4 instructions were modified to address the extension of the MDH designation and Low Volume Adjustment, through March 31, 2015.
- Line 41.01 was added to Worksheet E, Part A, to report ESRD Medicare covered and paid discharges. While line 41 (ESRD Medicare Discharges) will be retained and used to compute the 10% qualifying criteria for the ESDR additional payment, line 41.01 will be used to compute the actual adjustment amount.

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## Hospital Transmittal 5

- HFS was approved by CMS for Transmittal 5 on 3/31/2014.
- HFS released Transmittal 5 version 5.0.153.2 on 4/3/2014.
- Effective Date – "Cost Reporting Periods Overlapping or Beginning on or After October 1, 2013."

- Model 4 bundled payments for care improvement (BPCI) initiative but paid outside of the bundled payment in accordance with ACA 2010, section 3023
- Update of the low income patient (LIP) adjustment factor and update of the teaching adjustment factor
- Include Medicare labor and delivery days in the calculation of the Medicare patient load ratio used to apportion direct graduate medical education payments in accordance with the Federal Fiscal Year (FFY) 2014 IPPS final rule
- Implement calculation of Uncompensated Care Payments
- Minor provisions effective earlier
  - Corrected instructions for lines 71 and 72, medical supplies charged to patients and implantable devices charged to patients, respectively.
  - Added line 39.98 to reflect partial or full credits received from manufacturers for replaced devices.

HFS T.5 Changes Power Point Presentation  
HFS Recorded T.5 Changes Webinar

Links to source data for PowerPoint slides

Model 4	<a href="http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM8070.pdf">http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM8070.pdf</a>
IRF	<a href="http://www.gpo.gov/fdsys/pkg/FR-2013-08-06/pdf/2013-18770.pdf">http://www.gpo.gov/fdsys/pkg/FR-2013-08-06/pdf/2013-18770.pdf</a>
LDR	<a href="http://www.gpo.gov/fdsys/pkg/FR-2013-08-19/pdf/2013-18956.pdf">http://www.gpo.gov/fdsys/pkg/FR-2013-08-19/pdf/2013-18956.pdf</a>
DSH Table	<a href="http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY-2014-IPPS-Final-Rule-Home-Page-Items/FY-2014-IPPS-Final-Rule-CMS-1599-F-Data-Files.html?DLPage=1&amp;DLSort=0&amp;DLSortDir=ascending">http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY-2014-IPPS-Final-Rule-Home-Page-Items/FY-2014-IPPS-Final-Rule-CMS-1599-F-Data-Files.html?DLPage=1&amp;DLSort=0&amp;DLSortDir=ascending</a>
DSH Federal Register	<a href="http://www.gpo.gov/fdsys/pkg/FR-2013-08-19/pdf/2013-18956.pdf">http://www.gpo.gov/fdsys/pkg/FR-2013-08-19/pdf/2013-18956.pdf</a>
BBA 2013	<a href="http://www.gpo.gov/fdsys/pkg/FR-2014-03-18/pdf/2014-05922.pdf">http://www.gpo.gov/fdsys/pkg/FR-2014-03-18/pdf/2014-05922.pdf</a>

## Hospital Transmittal 4

- HFS was approved by CMS for Transmittal 4 on 11/08/2013.
- HFS posted Transmittal 4 version 4.1.149.1 on 11/16/2013.
- T-4 is effective for cost reporting periods beginning on or after 10/01/2012.
- Some provisions effective earlier
  - Sequestration effective for services 4/1/2013
  - Bad Debt reductions effective FYB 10/1/2012
  - ESRD PPS effective FYE on or after 1/1/2011

- ACA Section 5503 I&R changes effective FYE on or after 7/1/2011

HFS T.4 Changes Power Point Presentation  
HFS Recorded T.4 Changes Webinar

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### **Hospital Transmittal 3**

- HFS was approved by CMS for Transmittal 3 on 11/27/2012.
- CMS required additional changes before HFS could release the approved T.3 software.
- HFS posted version 3.1.135.0 on 12/6/2012.
- T-3 is effective for cost reporting periods ending on or after 6/30/2012.
- MAC's can accept reports submitted on Transmittal 2, with an FYE of 6/30/2012, but MUST settle on Transmittal 3.
- T.3 was "finalized" on 12/7/2012, so all 6/30/2012 FYE and after, submitted on or after 12/7/2012, MUST be filed on T.3 (version 3.1.135.1 or later).

HFS T.3 Changes Power Point Presentation  
HFS Recorded T.3 Changes Webinar