

HFS User Meeting

Hospice MCR Update

August 18, 2017
1:00 – 2:15 pm

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Vice President of Reimbursable Services
Simione Healthcare Consultants



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Topics of discussion for this program:

- ❖ MedPac
- ❖ RAC
- ❖ ZPIC
- ❖ Fraud
- ❖ Medicare Cost Report

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Medicare Hospice Payment Categories and Rates

Category	Description	Base Payment Rate, FY 2017	Percent of Hospice Days, 2015
Routing Home Care	Home care provided on a typical day: Days 1-60	\$191/day	97.8 %
	Home care provided on a typical day: Days 61+	\$150/day	
Continuous Home Care	Home care provided during periods of patient crisis	\$40/hour	0.3
Inpatient Respite Care	Inpatient care for a short period to provide respite for primary caregiver	\$171/day	0.3
General Inpatient Care	Inpatient care to treat symptoms that cannot be managed in another setting	\$735/day	1.6

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Use of Hospice Continues to Increase

Percent of Medicare Decedents Who Used Hospice		
Category	2000	2015
All Beneficiaries	22.9 %	48.6%
FFS Beneficiaries	21.5 %	47.6 %
MA Beneficiaries	30.9 %	51.1 %

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Number of Hospice Users and Hospice Spending Increased

Category	2000	2015
Number of Hospice Users (In Millions)	0.534	1.381
Total Spending (In Billions)	\$2.9	\$15.9
Average Length of Stay Among Decedents (In Days)	53.5	86.7

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Increase in Total Number of Hospices

Category	2000	2015
All Hospices	2,255	4,199
For Profit	672	2,715
Non-Profit	1,324	1,293
Government	257	185
Freestanding	1,069	3,138
Hospital Based	785	523
Home Health Based	378	514

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Medicare Payments and Providers' Costs

The aggregate 2014 Medicare margin was 8.2 percent, down slightly from 8.5 percent in 2013. The projected aggregate Medicare margin for 2017 is 7.7 percent.

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Hospice Medicare Margins

Category	2008	2014
Freestanding	8.3	11.5
Home Health Based	3.2	3.8
Hospital Based	-12.4	-20.3

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Hospices that Exceeded Medicare's Annual Payment CAP

Category	2002	2014
Percent of Hospice Exceeding the CAP	2.6 %	12.2 %

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PERFORMANT Recovery Audit Contractor (RAC)

Contact Information

Toll Free Number: 1-866-201-0580
 Fax Number: 1-325-224-6710
 Website: <https://www.performantrac.com>
 Email: info@performantrac.com
 Hours of Operation: 8 am – 4:30 pm EST

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CMS RAC Program Enhancements

- RACs are required to maintain an overturn rate of less than 10% at the first level of appeal, excluding claims that were denied due to no or insufficient documentation or claims that were corrected during the appeal.
- **RACs are required to maintain an accuracy rate of at least 95%. Failure to maintain an accuracy rate of 95% will result in a progressive reduction in ADR limits.**
- RACs are required to have a Contractor Medical Director and are encouraged to have a panel of specialists available for consultation. In addition, physicians are afforded the opportunity to discuss the improper payment identification with the Contractor Medical Director, who is a physician.

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PERFORMANT Recovery Audit Contractor (RAC)

- **CMS required the RACs to provide consistent and more detailed review information concerning new issues to their websites as well as broaden their review topics to include all claim/provider types, and will be required to review certain topics based on a referral, such as an OIG report.**
- CMS instructed the RACs to incrementally apply the additional documentation request (ADR) limits to new providers under review and revised the ADR limits for facility claims. The limits are diversified across all claim types of a facility (e.g., inpatient, outpatient).
- **RACs will have 30 days to complete complex reviews and notify providers of their findings.**
- RACs must wait 30 days to allow for a discussion request before sending the claim to the MAC for adjustment.

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PERFORMANT Recovery Audit Contractor (RAC)

The MAC is your Primary Contact for Payment and Level 1 Appeal Inquiries

- The MAC will handle all processes related to recoupments, appeals, and refunds.
 - CGS – Jurisdiction 15 (J15) – Home Health & Hospice Providers
 - CGS – Jurisdiction B & C (JB & JC) – DMEPOS Suppliers
 - NGS – Jurisdictions 6 & K (J6 & JK) – Home Health & Hospice Providers
 - Noridian – Jurisdictions A & D (JA & JD) – DMEPOS Suppliers
 - Palmetto – Jurisdictions M (JM) – Home Health & Hospice Providers

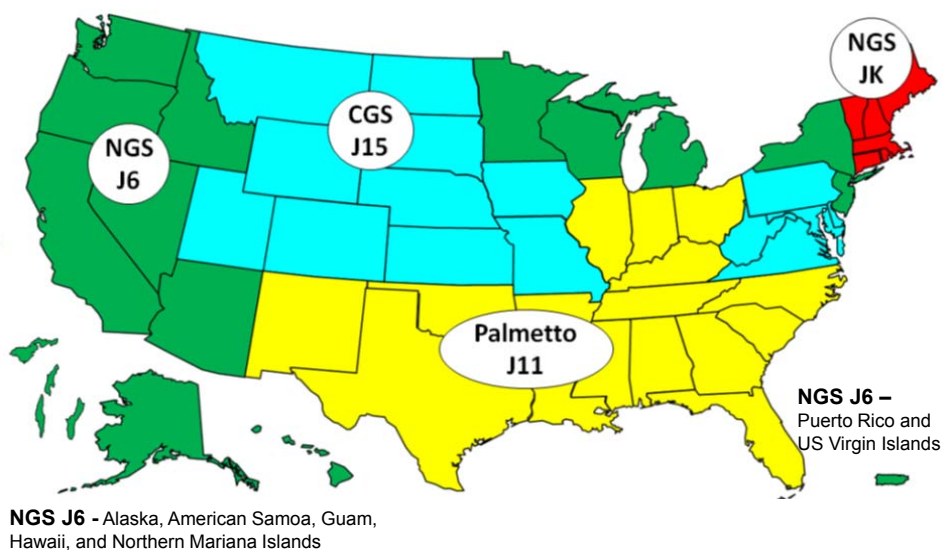
	CGS	NGS	Palmetto	Noridian
Region 5 (HH/Hospice)	X	X	X	
Region 5 (DMEPOS)	X			X

- CMS
 - CMS Website: <https://www.cms.gov/research-statistics-data-and-systems/monitoring-programs/medicare-ffs-compliance-programs/recovery-audit-program/>

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Home Health and Hospice (HH+H) Jurisdictions (Administered by A/B MACs) as of December 2015



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Medicare Contractors (MACs)



CGS SM, LLC –
www.cgsmedicare.com

National Government Services –
www.NGSMedicare.com

Palmetto GBA (PGBA) –
www.palmettogba.com/medicare

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ZPIC Zones

The Zone Program Integrity Contractor operates in 7 zones. They align with Medicare Administrative Contractor jurisdictions.

- Zone 1 is covered by SafeGuard Services, LLC (SGS) and includes California, Hawaii, and Nevada.
- Zone 2 is covered by AdvaceMed and includes Alaska, Arizona, Idaho, Iowa, Kansas, Missouri, Montana, Nebraska, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming.
- Zone 3 is covered by AdvanceMed and includes Illinois, Indiana, Kentucky, Michigan, Minnesota, Ohio, and Wisconsin.
- Zone 4 is covered by Health Integrity and includes Colorado, Oklahoma, New Mexico, and Texas.
- Zone 5 is covered by AdvanceMed and includes Alabama, Arkansas, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.
- Zone 6 is covered by SGS and TriCenturion and includes Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and the District of Columbia.
- Zone 7 is covered by SGS and includes Florida and Puerto Rico

Home Health ADR/RA/ZPIC Reviews
 Presented by Melinda Gaboury, CEO of
 Healthcare Providers Solutions, Inc.

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Zone Program Integrity Contractors (ZPIC)

Actions that ZPICs take to detect and deter fraud, waste, and abuse in the Medicare program include:

- Investigating potential fraud and abuse for CMS administrative action or referral to law enforcement;
- Conducting investigations in accordance with the priorities established by CPI's Fraud Prevention System;
- Performing medical review, as appropriate;
- Performing data analysis in coordination with CPI's Fraud Prevention System;
- Identifying the need for administrative actions such as payment suspensions and prepayment or auto-denial edits; and,
- Referring cases to law enforcement for consideration and initiation of civil or criminal prosecution.

Home Health ADR/RA/ZPIC Reviews
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Fraud

[Pa. hospice firm resolves Medicare, Medicaid fraud allegations for \\$2M](#)

Bensalem, Pa.-based Compassionate Care of Gwynedd Inc., also known as CCH Bensalem, a subsidiary of Parsippany, N.J.-based Compassionate Care Hospice Group, agreed to pay \$2 million to settle a whistleblower lawsuit accusing the company of violating the False Claims Act by improperly billing Medicaid and Medicare for medically unnecessary hospice services from January 2005 to November 2011. A separate settlement deal was reached by CCH Group with the US government and the state of Georgia to resolve fraud allegations against the now-defunct CCH of Atlanta.

[Daily Record \(Morristown-Parsippany, N.J.\)](#) (7/7)

[Ex-Calif. doctor gets 9 years for role in hospice fraud scheme](#)

Sri Wijegoonaratna, a former physician from Anaheim, Calif., was sentenced to nine years in prison and was ordered to pay restitution of about \$3.3 million for his role in a fraud scheme involving the now-defunct California Hospice Care in Covina, Calif. Wijegoonaratna, also set to be sentenced in October for a separate health fraud case, was convicted last year for fraudulently certifying Medicare and Medi-Cal patients as terminally ill to improperly qualify them for hospice care, which resulted in roughly \$8.8 million in false claims and almost \$7.4 million in improper reimbursements to the hospice from March 2009 to June 2013. [MyNewsLA \(Los Angeles\)](#) (7/7)

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Fraud

[Pa. hospice owners, execs settle Medicare fraud allegations for over \\$9M](#)

Matthew Kolodesh and Alex Pugman, former co-owners of the now-defunct Home Care Hospice in Philadelphia, Kolodesh's wife and former HCH CEO Malvina Yakobashvili, and Pugman's wife and ex-HCH development executive Svetlana Ganetsky entered into a settlement agreement with the federal government to resolve accusations that their firm submitted millions of dollars worth of false claims to Medicare for unnecessary or unprovided hospice services. Under the deal, the defendants agreed to pay a total of \$825,000, to transfer certain assets including condo properties to the US government and to allow the government to keep around \$8.8 million seized from several bank accounts in a related civil injunction case. [Modern Healthcare \(tiered subscription model\)](#) (7/7)

[Genesis Healthcare settles False Claims Act lawsuits for \\$53.6M](#)

Pennsylvania-based nursing home care provider Genesis Healthcare agreed to a \$53.6 million settlement with the federal government to resolve six whistleblower lawsuits accusing the company of violating the False Claims Act by submitting fraudulent claims to Medicare and Medicaid for unnecessary and substandard services. The lawsuits accused a Genesis-owned firm, Skilled Healthcare Group, and its subsidiaries of submitting false claims to Medicare for hospice services for non-terminally ill patients and for billing inappropriately for other services performed at the Creekside Hospice facility in Las Vegas between 2010 and 2013. [Las Vegas Review-Journal](#) (6/16)

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Fraud

[16 Texas residents charged in alleged \\$60M Medicare fraud](#)

Authorities indicted 16 defendants, including several doctors and nurses, over their alleged roles in a \$60 million Medicare fraud scheme allegedly operated by hospice provider Novus Health Services. The defendants are accused of placing patients on unnecessary continuous care rather than routine hospice services and administering unnecessary and high doses of morphine and other drugs to receive higher Medicare reimbursements, authorities say. [The Dallas Morning News](#) (2/28)

Some patients died of overdoses at the hands of nurses. Medical directors certified that patients were eligible for hospice care whether they were or not. The defendants are accused of submitting false claims for hospice services, submitting false claims for continuous care hospice services, recruiting ineligible hospice beneficiaries by providing Kickbacks to referring physicians and health care facilities, and falsifying and destroying documents to conceal these activities from Medicare. Five licensed physicians who worked as medical directors for Novus were also indicted. As part of the scheme, physicians and assisted living facilities were offered salaries or other forms of payment in exchange for patient referrals to Novus hospice care

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Hospice Cost Report

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Gather the Information

- Statistics-some of the key stats
 - ✓ Total Days
 - By Level of Care (Continuous, Routine, Respite, GIP)
 - By Payer (Medicare, Medicaid, Other)
 - ✓ Contracted Days with a facility
 - By Level of Care (Respite, GIP)
 - By Payer (Medicare, Medicaid, Other)
 - ✓ CBSA Codes
 - ✓ Time Studies
 - ✓ Square Footage
 - ✓ Gross Salaries
 - ✓ Direct Nursing Hours
 - ✓ Mileage
 - ✓ Volunteer hours of service
 - ✓ Pharmacy Charges

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Gather the Information- (cont'd)

- ✓ Own an Inpatient Facility
 - Days by level of care
- ✓ Own an Residential Care Facility
 - Days by level of care
- ✓ Other Stats, if necessary
- Financial Information
 - ✓ Balance Sheet
 - ✓ Income Statement
 - ✓ Trial Balance
 - ✓ PS&R Report Type 810

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Gather the Information- (cont'd)

- Detail, Detail, Detail
 - ✓ Expenses by level of care, by discipline
- Revenue by level of care
 - ✓ Medicare
 - ✓ Medicaid
 - ✓ Other
- Physician Services Revenue
 - ✓ Medicare
 - ✓ Medicaid
 - ✓ Other
- Nursing Home Room & Board
 - ✓ Medicaid
 - ✓ Other
- Flu Vaccine



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Gather the Information- (cont'd)

- Examine the trial balance; are the following costs easily distinguishable?
 - ✓ Salaries:
 - Nursing Administrative
 - Volunteer Coordinator
 - Physician Administrative Services
 - RN's
 - LPN's
 - Spiritual
 - Bereavement
 - Fundraising
 - Marketing
 - ✓ Employee Benefits (Health, Pension, Life, Payroll Taxes etc.)
 - Workmen's' Compensation Insurance

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Gather the Information- (cont'd)

- ✓ Other Expenses:
 - Staff Transportation
 - Contracted Respite
 - Contracted GIP
 - **Routine Medical Supplies**
 - **Billable Medical Supplies**
 - Pharmacy
 - DME/Oxygen
 - Labs & Diagnostics
 - Patient Transportation
 - Nursing Home Room & Board
 - Fundraising
 - Marketing
 - Malpractice Insurance
 - Flu Vaccine

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Cost Report Worksheets

- Worksheet S
 - **Worksheet S-1, S-5**
 - Worksheet S-2
 - **Worksheet A, O**
 - **Worksheet A-1, O-1**
 - **Worksheet A-2, O-2**
 - **Worksheet A-3, O-3**
 - **Worksheet A-4, O-4**
 - Worksheet A-6
 - Worksheet A-8
 - Worksheet A-8-1
 - Worksheet B
 - **Worksheet B-1, O-6**
 - Worksheet C
 - Worksheet F
 - Worksheet F-1
 - Worksheet F-2
- Certification Page
 - General Agency Info & Statistics
 - Hospice Reimbursement Questionnaire
 - Reclassification and Adjustment of TB Expenses
 - Continuous Home Care
 - Routine Home Care
 - Inpatient Respite Care
 - General Inpatient Care
 - Reclassifications
 - Adjustments to Expenses
 - Related Party or Home Office Costs
 - Cost Allocation
 - Cost Allocation (Statistical Basis)
 - Cost per Diem Calculation
 - Balance Sheet
 - Statement of Changes in Fund Balance
 - Income Statement

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Cost Report Changes – Expansion of General Service Cost Centers

Capital Related Building	Nursing Administration
Capital Related Equipment	Routine Medical Supplies
Employee Benefits	Medical Records
Administrative - General	Staff Transportation
Plant Operations & Maintenance	Volunteer Services Coordination
Laundry and Linen Services	Pharmacy
Housekeeping	Physician Administrative
Dietary	Patient/Residential Care

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Cost Report Changes – Expansion of Non-Reimbursable Cost Centers

Bereavement Program	Residential Care
Volunteer Program	Advertising (Marketing)
Fundraising	Telehealth/Telemonitoring
Hospice/Palliative Fellows	Thrift Store
Palliative Care Program	Nursing Facility Room and Board
Other Physician Services	

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Patient Care Cost Centers – Reported for each LOC

Inpatient Care Contracted	Speech Therapy	Patient Transportation
Physician Services	Medical Social Services	Imaging Services
Nurse Practitioner	Spiritual Counseling	Labs and Diagnostics
Registered Nurses	Dietary Counseling	Medical Supplies
LPN / LVN	Other Counseling	Outpatient Services
Physical Therapy	Aides and Homemakers	Palliative Radiation
Occupational Therapy	DME / Oxygen	Palliative Chemotherapy

- Continuous Care – Worksheet A-1 / Worksheet O-1
- Routine Home Care – Worksheet A-2 / Worksheet O-2
- Inpatient Respite Care – Worksheet A-3 / Worksheet O-3
- Inpatient Care – Worksheet A-4 / Worksheet O-4

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Worksheet S-1 / S-9: Hospice Statistical Data

PART II - STATISTICAL DATA		UNDUPLICATED DAYS			
		Title XVIII - Medicare	Title XIX - Medicaid	Other	Total
30	Continuous Home Care				
31	Routine Home Care				
32	Inpatient Respite Care				
33	General Inpatient Care				
34	Total Hospice Days				
PART III - CONTRACTED STATISTICAL DATA					
40	Inpatient Respite Care				
41	General Inpatient Care				

NOTE:

The Inpatient days entered in Part III must be included in the appropriate days in Part II.

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Worksheet A / Worksheet O: Reclassification & Adjustment of Trial Balance Expenses

- **TOTAL EXPENSES OF THE AGENCY ARE ACCUMULATED HERE.**
- The cost center line items are segregated into three sections:
 - ✓ General Service cost centers
 - ✓ Direct Patient Care Service cost centers
 - ✓ Non-Reimbursable cost centers
- General Service cost centers include expenses incurred in operating the program as a whole that are not related directly to patient care.
- Direct Patient Care Service costs are reported by line on Worksheets A-1 (O-1), A-2 (O-2), A-3 (O-3), and A-4(O-4). These costs must then be summed and put on Worksheet A (Worksheet O).
- Non-Reimbursable cost centers include costs of non-reimbursable services and programs.

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Worksheet A / Worksheet O: Reclassification & Adjustment of Trial Balance Expenses

➤ General Service Cost Centers

- ✓ Line 1: Cap Rel. Costs-Bldg. & Fixtures
 - Rent, bldg. insurance, depreciation for facilities
 - Includes Inpatient Facility
 - Excludes residential care facility, when the unit is separate and distinct and is used for resident care services only (ie. routine home care). These costs would then be recorded on Line 66 (residential care).
 - Pre-allocation of expenses may have to be made if
 - Inpatient Facility does Routine and Continuous Care
 - Residential Care facility houses your entire operations
 - ✓ Nurses also go outside the residence to visit patients in their homes in the community

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Worksheet A / Worksheet O: Reclassification & Adjustment of Trial Balance Expenses

➤ General Service Cost Centers – Continued

- ✓ Line 2: Cap Rel. Costs-Moveable. Equip
 - Leases, depreciation, personal property taxes
 - Same issues at above
- ✓ Line 3: Employee Benefits
 - Payroll taxes, Pension, Health Ins., Workmen's Comp Ins., etc.
- ✓ Line 4: Administrative & General
 - Costs administrative in nature that benefit the entire entity, i.e. accounting, legal, human resources, data processing, office supplies, malpractice insurance, help wanted ads, etc.
 - Does not include marketing and advertising costs that are not related to patient care, fundraising costs, or other costs that should be reported in a non-reimbursable cost center.

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Worksheet A / Worksheet O: Reclassification & Adjustment of Trial Balance Expenses

➤ General Service Cost Centers – continued

- ✓ Line 5: Plant Operation and Maintenance
 - Utilities, repairs, cleaning, maintenance
- ✓ Line 6: Laundry & Linen
 - Commonly seen with an inpatient facility or residence
- ✓ Line 7: Housekeeping
 - Commonly seen with an inpatient facility or residence.
- ✓ Line 8: Dietary
 - Commonly seen with an inpatient facility or residence. Cost of meal preparation

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Worksheet A / Worksheet O: Reclassification & Adjustment of Trial Balance Expenses

➤ General Service Cost Centers – continued

- ✓ Line 9 – Nursing Administration – this cost center includes the cost of overall management and direction of the nursing services.
- ✓ Do not include the cost of direct nursing services reported on Lines 27 through 29.
 - Line 27 – Nurse Practitioner
 - Line 28 – Registered Nurse
 - Line 29 – LPN / LVN
- ✓ The salary cost of direct nursing services, including the salary cost of nurses who render direct service in more than one patient care area, is directly assigned to the various patient care cost centers in which the services were rendered.
- **However, if the hospice accounting system fails to specifically identify all direct nursing services to the applicable direct patient care cost centers, then the salary of all direct nursing service is included in this cost center.**

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Worksheet A / Worksheet O: Reclassification & Adjustment of Trial Balance Expenses

➤ General Service Cost Centers – continued

- ✓ Line 10: Routine Medical Supplies
 - Items such as gloves, masks, cotton swaps, i.e. **not traceable to an individual patient**
- ✓ Line 11: Medical Records
 - Cost of personnel handling medical records
- ✓ Line 12: Staff Transportation
 - Mileage paid to employees, vehicle leases.
 - Do not report patient transportation costs on this line; they are reported on line 39

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Worksheet A / Worksheet O: Reclassification & Adjustment of Trial Balance Expenses

➤ General Service Cost Centers – continued

- ✓ Line 13: Volunteer Service Coordination
 - Salary cost of volunteer coordinator, as well as recruitment and training cost of the volunteers.
- ✓ Line 14: Pharmacy
 - Cost of drugs (both prescription & OTC), personnel and services
 - Do not report the cost of chemotherapy, it is reported on line 45.
- ✓ Line 15: Physician Administrative Services
 - Cost of the medical director and physicians of the IDT team who participate in the establishment, review and updating of plans of care, supervising care and establishing policies.

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Worksheet A / Worksheet O: Reclassification & Adjustment of Trial Balance Expenses

➤ General Service Cost Centers – continued

- ✓ Line 16: Other General Services (specify)
- ✓ Line 17: Patient Residential Care Services
 - This line is not to be utilized on Worksheet A. This cost center is only utilized on Worksheet B to accumulate in-facility costs not separately identified as IRC, GIP, or residential care services

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Worksheet A / Worksheet O: Reclassification & Adjustment of Trial Balance Expenses

➤ Direct Patient Care Service Cost Centers

- ✓ Line 25: Inpatient Care- Contracted
 - Cost paid to another facility (hospital, skilled nursing facility) for inpatient respite or general inpatient care. This is the contract rate paid to the facility while your patient is there.
 - Costs of any services provided by hospice staff in the contracted setting are included in the appropriate direct patient care service line
- ✓ Line 26: Physician Services
 - Cost of physician and nurse practitioners providing physician services for direct patient care services.
- ✓ Line 27: Nurse Practitioner
 - Cost of nursing care only. If performing physician care services they must be reported on Line 26 (Physician Services)

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Worksheet A / Worksheet O: Reclassification & Adjustment of Trial Balance Expenses

➤ Direct Patient Care Service Cost Centers

- ✓ Line 28: Registered Nurse
 - Cost of nursing care provided by RN's only.
- ✓ Line 29: LPN/LVN
 - Cost of nursing care provided by LPN's or LVN's only.
- ✓ Line 30: Physical Therapy
- ✓ Line 31: Occupational Therapy
- ✓ Line 32: Speech/Language Pathology
- ✓ Line 33: Medical Social Service

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Worksheet A Worksheet O: Reclassification & Adjustment of Trial Balance Expenses

➤ Direct Patient Care Service Cost Centers – continued

- ✓ Line 34: Spiritual Counseling
- ✓ Line 35: Dietary Counseling
- ✓ Line 36: Counseling Other
- ✓ Line 37: Hospice Aide and Homemaker Services
 - Includes PCA and household services
- ✓ Line 38: Durable Medical Equipment/Oxygen
- ✓ Line 39: Patient Transportation
- ✓ Line 40: Imaging Services

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Worksheet A / Worksheet O: Reclassification & Adjustment of Trial Balance Expenses

- Direct Patient Care Service Cost Centers – continued
 - ✓ Line 41: Labs and Diagnostics
 - ✓ Line 42: Medical Supplies-Non-routine
 - Supplies specific to a patient's plan of care
 - ✓ Line 43: Outpatient Services
 - ✓ Line 44: Palliative Radiation Therapy
 - Patient on hospice benefit and not in palliative program
 - ✓ Line 45: Palliative Chemotherapy
 - Patient on hospice benefit and not in palliative program
 - ✓ Line 46: Other Patient Care Services (specify)

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Worksheet A / Worksheet O: Reclassification & Adjustment of Trial Balance Expenses

- Non-Reimbursable Cost Centers
 - ✓ Line 60: Bereavement Program
 - Cost incurred for services both prior to and after the patients death
 - ✓ Line 61: Volunteer Program
 - Cost such as supplies, food for meetings, etc.
 - Remember that recruitment and training costs are reported on line 13
 - ✓ Line 62: Fundraising
 - ✓ Line 63: Hospice / Palliative Medicine Fellow
 - ✓ Line 64: Palliative Care Program
 - Costs of palliative care to non-hospice patients, including physician services
 - ✓ Line 65: Other Physician Services
 - Provided outside of a palliative care program to non-hospice patients.

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Worksheet A / Worksheet O: Reclassification & Adjustment of Trial Balance Expenses

➤ Non-Reimbursable Cost Centers – continued

- ✓ Line 66: Residential Care
 - Cost of residential care for patients on routine home care level of care living in the hospice, not receiving inpatient services
 - Costs include operation of facility.
 - Do not report direct care services here
 - Do not report laundry, housekeeping or dietary services here.

- ✓ Line 67: Advertising
 - Non-allowable community education, business development, marketing and advertising cost.

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Worksheet A / Worksheet O: Reclassification & Adjustment of Trial Balance Expenses

➤ Non-Reimbursable Cost Centers – continued

- ✓ Line 68: Telehealth / Telemonitoring
 - Cost include salaries of staff monitoring and leases or depreciation of equipment

- ✓ Line 69: Thrift Store
 - All costs associated with the operation of the store, i.e., salaries, supplies, etc.

- ✓ Line 70: Nursing Facility Room and Board
 - Patients on hospice benefit live in a nursing facility
 - Must include the full amount paid to facility

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Worksheet A / Worksheet O: Reclassification & Adjustment of Trial Balance Expenses

- The Flow of Worksheet A / Worksheet O
 - ✓ Worksheet A consists of seven columns of information:
 - Column 1 - Salaries
 - Column 2 - Other
 - Column 3 - Subtotal
 - Column 4 – Reclassifications (from A-6)
 - Column 5 - Subtotal
 - Column 6 – Adjustments (from A-8)
 - Column 7 – Total
 - ✓ Enter data directly in Columns 1 and 2 for:
 - General Service Cost Centers (lines 1-17)
 - Non-reimbursable Cost Centers (lines 60-71)
 - ✓ Direct patient care services costs (lines 25-39) flow directly from Worksheets A-1 (O-1), A-2 (O-2), A-3 (O-3) and A-4 (O-4) for all columns.

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Worksheet A-1 / O-1 through Worksheet A-4 / O-4: Reclassification & Adjustment of Trial Balance Expenses

- These Worksheets are utilized to record Direct Patient Care costs by each level of care
 - ✓ Worksheet A-1 / O-1 – Continuous Home Care
 - ✓ Worksheet A-2 / O-2 - Routine Home Care
 - ✓ Worksheet A-3 / O-3 – Inpatient Respite Care
 - ✓ Worksheet A-4 / O-4 - General Inpatient Care
- Worksheets consists of seven columns of information
 - ✓ Column 1 - Salaries
 - ✓ Column 2 - Other
 - ✓ Column 3 – Subtotal
 - ✓ Column 4 – Reclassifications
 - ✓ Column 5 – Subtotal
 - ✓ Column 6 – Adjustments
 - ✓ Column 7 – Total
- Line numbers are consistent on all four worksheets

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Strategies for Direct Patient Care Costs

- **Remember that all direct costs MUST BE broken out by level of care**
- Smaller hospice agencies typically will have:
 - ✓ Contracted Inpatient Costs
 - ✓ Routine Home Care
 - ✓ Continuous Home Care

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Strategies for Direct Patient Care Costs

- Information can be captured by:
 - ✓ Use of time studies
 - ✓ Statistical methodologies
 - ✓ Coding of invoices upfront by A/P staff in great level of detail
 - ✓ Developing of spreadsheets for tracking costs
 - ✓ Inpatient costs are tracked separately between contracted facility versus owned facility

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Strategies for Direct Patient Care Costs

➤ Inpatient Contracted – Line 25

- ✓ Contracted costs paid to the facility is broken out between
 - Respite (Worksheet A-3 / Worksheet O-3)
 - General (Worksheet A-4 / Worksheet O-4)
- ✓ Hospice staff seeing patients in the contracted setting
 - RN seeing a patient Respite services would be captured on Worksheet A-3 / Worksheet O-3, Line 28.

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Strategies for Direct Patient Care Costs

➤ Physician Services – Line 26

- ✓ Direct Care Only
 - Includes both Physician and Nurse Practitioners
 - Nurse Practitioner is providing physician services only
- ✓ Don't include costs of administrative and general supervisory activities
 - Plans of Care
 - ITD meetings
- ✓ Utilization of a "time study" to properly capture costs.

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Strategies for Direct Patient Care Costs

➤ Nurse Practitioner – Line 27

- ✓ Direct Nursing Care only
- ✓ Don't include costs of providing Physician Services
- ✓ Challenges in capturing costs
 - Nurse practitioner is performing physician services, as well as direct nursing care across different levels of care.
 - Cost would need to be captured in 3 cost centers
 - Physician Admin Services
 - Physician Services
 - Nurse Practitioner
- ✓ Utilization of a "time study" to properly capture costs.

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Strategies for Direct Patient Care Costs

➤ RN's and LPN/LVN – Lines 28 and 29

- ✓ Nursing Care must be captured by different skill levels
 - RN
 - LPN/LVN
- ✓ Challenges: by the end of the day the RN has
 - Visited a patient at home on RHC
 - Visited a patient at SNF on RHC
 - Visited a patient at SNF on Respite
- ✓ Set up payroll by skill level
 - Utilization of a "time study" to properly capture costs by level of care.
- ✓ Utilizing outside vendors: invoices will need to capture
 - Skill Level (RN, LPN/LVN)
 - Level of Care

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Strategies for Direct Patient Care Costs

➤ **Physical, Occupational and Speech Therapies – Lines 30, 31 and 32**

- ✓ Set up payroll by skill level
 - Utilization of a “time study” to properly capture costs by level of care.
- ✓ Utilizing outside vendors invoices will need to capture
 - Discipline Level
 - Level of Care

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Strategies for Direct Patient Care Costs

➤ **Medical Social Service – Line 33**

- ✓ Challenge: A Medical Social worker could perform an array of duties, at various levels of care, in various settings, (Home, SNF, Community at large)
 - Social Work
 - Spiritual Counseling
 - Bereavement
- ✓ Utilization of a “time study” to properly capture costs must be very detailed, however it is also very time consuming.

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Strategies for Direct Patient Care Costs

➤ Spiritual Counseling – Line 34

- ✓ Challenge: Clergy could perform an array of duties at various levels of care and in various settings, (Home, SNF, Community at large)
 - Spiritual Counseling
 - Bereavement
- ✓ Utilization of a “time study” to properly capture costs must be very detailed, however it is also very time consuming.



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Strategies for Direct Patient Care Costs

➤ Dietary Counseling – Line 35

- ✓ Services performed by a Dietician/Nutritionist or RN
- ✓ Utilization of a “time study” to properly capture costs.

➤ Counseling – Other – Line 36

- ✓ Physician Ordered, patient specific, relieves pain and suffering

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Strategies for Direct Patient Care Costs

➤ Hospice Aide and Homemaker Services – Line 37

- ✓ Services can be performed by:
 - Home Health Aides
 - Homemakers
 - CNA's (Certified Nursing Assistants)
- ✓ Setup payroll by skill level
 - Utilization of a "time study" to properly capture costs by level of care.
- ✓ Outside vendors invoices will need to capture:
 - Level of Care



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Strategies for Direct Patient Care Costs

➤ DME/Oxygen – Line 38

- ✓ Report the costs by the level of care the patient was receiving at the time the DME/oxygen was delivered
- ✓ Challenge – if the level of care changes (went from RHC to CHC)
 - Must proportion costs based upon level of days
 - Develop internal spreadsheet to capture invoices by patient by level of care
- ✓ If a small hospice with no owned facilities, tracking would be between RHC and CHC
- ✓ If you owned a facility and beds were utilized for all types of care an internal spreadsheet would be more detailed and intense



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Strategies for Direct Patient Care Costs



➤ Patient Transportation – Line 39

- ✓ Ambulance costs
 - Must be reported to the level of care when the patient is transported
- ✓ Challenge – when the patient is transferred to another level of care. Patient has gone from RHC to Respite and then back RHC.
 - Can proportion costs be based upon level of days
 - Develop internal spreadsheet to capture invoices by patient by level of care

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Strategies for Direct Patient Care Costs

➤ Imaging Services, Labs and Diagnostics, Outpatient Services – Lines 40, 41 and 43

- ✓ Challenge – costs are very patient specific
 - Develop internal spreadsheet to capture invoices by patient by level of care
- ✓ If a small hospice with no owned facilities tracking would be between RHC and CHC
- ✓ If you owned a facility and beds were utilized for all types of care internal spreadsheet would be more detailed and intense

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Strategies for Direct Patient Care Costs

- **Medical Supplies – Non-routine – Line 42**
 - ✓ Medical supplies are patient specific in relationship to their plan of care.
 - ✓ Cost report instructions allow for cost to be allocated to each level of care based on patient days.
- **Palliative Radiation and Palliative Chemotherapy – Line 44 and 45**
 - ✓ Don't be confused by the term "palliative" here.
 - ✓ These lines are for reporting radiation and chemotherapy therapy costs for patients who are on the hospice benefit.

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Worksheet A-6: Reclassifications

- Worksheet A-6 is used when a shift of costs between cost centers is needed.
- This worksheet can be left blank if no reclasses need to be made.
- Most reclasses of costs should be made on the trial balance directly.
- The main reason to utilize this worksheet include:
 - ✓ To reclass the proper cost of medical supplies.
 - ✓ To reclass employee salary and benefits for an employee who is working in more than one cost center.
 - For example, if a Bereavement Coordinator is also doing Spiritual Counseling.

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Reclassification of Routine/Respite/Inpatient Care Costs (Reclassification A)

Does not directly segregate patient care service costs between routine care, respite care, and inpatient care. Very few patient days are billed as inpatient respite and general inpatient care. The same staff provide all patient care services. Due to the limited number of non-routine home care days, patient care costs are reclassified.

Routine Home Care Days	16,235
Inpatient Respite Care Days	52
General Inpatient Days	6
Total Patient Days	16,293
Inpatient Respite Care Percentage	0.32 %
General Inpatient Percentage	0.04 %

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Reclassification of Routine/Respite/Inpatient Care Costs (Reclassification A)

Nurse Practitioner (Line 27)	WS A-6		Level of Care	
	LOC Ind.		Increase	Decrease
Salaries and Wages	2	\$ 31,850		\$ 114
Inpatient Respite Care %	3	0.32 %	\$ 102	
General Inpatient Care %	4	0.04 %	\$ 12	
Total Nurse Practitioner Reclassification			\$ 114	\$ 114
Registered Nurse (Line 28)				
Salaries and Wages	2	\$ 266,153		\$ 947
Inpatient Respite Care %	3	0.32 %	\$ 849	
General Inpatient Care %	4	0.04 %	\$ 98	
Other Costs	2	\$ 22,521		\$ 80
Inpatient Respite Care %	3	0.32 %	\$ 72	
General Inpatient Care %	4	0.04 %	\$ 8	
Total Registered Nurse Reclassification			\$ 1,027	\$ 1,027

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Reclassification of Routine/Respite/Inpatient Care Costs (Reclassification A)

Hospice Aide & Homemaker Services (Line 37)	WS A-6		Level of Care	
	LOC Ind.		Increase	Decrease
Salaries and Wages	2	\$ 222,046		\$ 791
Inpatient Respite Care %	3	0.32 %	\$ 709	
General Inpatient Care %	4	0.04 %	\$ 82	
Other Costs	2	\$ 40,563		\$ 144
Inpatient Respite Care %	3	0.32 %	\$ 129	
General Inpatient Care %	4	0.04 %	\$ 15	
Total Hospice Aide & Homemaker Services Reclassification			\$ 935	\$ 935
Other Patient Care (Line 46)				
Salaries and Wages	2	\$ 15,128		\$ 54
Inpatient Respite Care %	3	0.32 %	\$ 48	
General Inpatient Care %	4	0.04 %	\$ 6	
Total Other Patient Care Reclassification			\$ 54	\$ 54

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Reclassification of Volunteer Services Costs (Reclassification B)

Volunteers provide a variety of functions including administrative (office) type support. The Hospice Cost & Data Report does not provide an allocation of Volunteer Coordination costs to Administrative activities as Administrative – General Costs are allocated prior to Volunteer Coordination costs on Worksheet B. Accordingly, a portion of Volunteer Coordination costs are reclassified to Administration based on volunteer hours.

Administrative Volunteer Hours	611		
Other Volunteer Hours	271		
Total Administrative Hours	882		
Administrative Percentage	69.27 %		
Reclassification			
Volunteer Coordination (WS A, Line 13)		Salaries	Other
Salaries	\$ 13,584	\$ 9,410	
Other	\$ 360		\$ 249
Total Volunteer Coordination Reclassification		\$ 9,410	\$ 249

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Reclassification of Plant Operation and Maintenance Costs (Reclassification C)

In as much as significant square footage is classified as Administrative & General, and the costs consist primarily of utilities, the cost reporting process is improved by reclassifying a portion of Plant Operation and Maintenance costs to the Administrative & General cost center for allocation.

Total Cost	\$ 1,204		
Total Square Feet	<u>2,452</u>		
Cost per Square Foot	\$ 0.49	Worksheet A Line	
Administrative & General Square Feet	<u>904</u>	Increase	Decrease
Reclassification Amount	<u>\$ 443</u>	4	5

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Reclassification of Staff Transportation (Reclassification D)

- Accumulate all staff transportation costs on Line 12 Staff Transportation, and then reclassify all but the direct patient care costs.

Staff Transportation \$7,500

		Worksheet A Line	
		Increase	Decrease
Admin & General	250	4	
Vol Coord	100	13	
Marketing	<u>750</u>	67	
Staff Transportation	<u>1,100</u>		12

Direct Patient Care 6,400 will then be allocated on Worksheet B-1

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Worksheet A-8: Adjustments to Expenses

- Any Non-Allowable expenses (anything not related to patient care) need to be entered onto worksheet A-8.
- Key questions to ask when considering if expenses are Allowable vs. Non Allowable:
 - ✓ Expenses must be prudent and reasonable
 - ✓ Expenses must be related to patient care
 - ✓ If no specific Medicare rule, defer to GAAP
 - ✓ There are some differences from the IRS.
- **State Medicaid Room & Board Revenue must be offset**



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Worksheet A-8: Adjustments to Expenses

- Examples of Non Allowable Expenses include:
 - ✓ Interest Income
 - Offset interest expense
 - ✓ Related Party Interest
 - ✓ Other income – non patient related
 - Offset administrative expense such as medical records copying fees
 - ✓ Bad Debts
 - ✓ Lobbying
 - Some of your association membership dues are non-allowable due to political lobbying activities.
 - ✓ Management Fees
 - Home Office costs are allowable



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Worksheet A-8: Adjustments to Expenses

➤ Additional examples of Non Allowable Expenses include:



- ✓ Alcoholic beverages
- ✓ Gifts and donations
- ✓ Penalties & Fees
- ✓ Income taxes
- ✓ Excessive owners compensation
- ✓ Board of directors fees
- ✓ Acquisition related costs
- ✓ Start up costs
- ✓ Depreciation method other than straight line method only



➤ For further information, refer to CMS Publication 15-1 and 15-2.

➤ Rules and Regulations can be found at [cms.gov/Manuals/PBM/list.asp](https://www.cms.gov/Manuals/PBM/list.asp)

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Worksheet A-8-1: Related Organizations and Home Office Costs

➤ What is a Related Party?

- ✓ Common ownership or control.
- ✓ Related to the provider means that the provider, to a significant extent, is associated with or affiliated with, or has control of, or is controlled by, the entity or individual furnishing the services, facilities or supplies.
- ✓ Family relationship
- ✓ Transactions must be reduced to cost



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Worksheet A-8-1: Related Organizations and Home Office Costs

- What is a Home Office Organization?
 - ✓ Chain organization with 2 or more entities.
 - ✓ Home office organizations are centralized management service organizations that provide services to multiple related providers.
 - ✓ Costs of the home office organization are reported as related party transactions.
 - ✓ A Medicare designated home office files a cost report (CMS Form 287-05) which is the allocation of shared costs to the related entities benefitting from shared services.



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Worksheets B, B-1 and O-6

- Worksheet B / O-6 Part I
 - ✓ Worksheet B shows the allocation of the General Service Cost Centers to the Level of Care and Non-Reimbursable cost centers.
- Worksheet B-1 / O-6 Part II
 - ✓ Statistical Bases for allocation of the General Service Cost Centers.

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Worksheets B, B-1 and O-6

➤ The Flow of Worksheet B

- ✓ Note the line numbers on Worksheet B, do not replicate those of Worksheet A
 - The General Services and Non-reimbursable cost cents lines are identical
 - The Direct Care patient services are rolled up into the following lines:
 - Continuous Home Care
 - Routine Home Care
 - Inpatient Respite Care
 - General Home Care

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Worksheets B, B-1 and O-6

➤ Statistics need for B-1 Allocation's

- ✓ Square Feet
- ✓ Gross Salaries
- ✓ In-facility days
- ✓ Patient care hours
- ✓ Patient days
- ✓ Mileage
- ✓ Volunteer hours
- ✓ Pharmacy charges

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Worksheet B-1 and Worksheet O-6

➤ Order of Allocation -Statistical bases:

- ✓ Capital Related Building & Fixtures – Square Feet
- ✓ Capital Related Moveable Equipment – Dollar Value / Square Feet
- ✓ Employee Benefits – Gross Salaries
- ✓ Admin & General – Accumulated Costs
- ✓ Plant, Operations, & Maintenance – Square Feet
- ✓ Laundry & Linen – In-Facility Days
- ✓ Housekeeping – Square Feet
- ✓ Dietary – In-Facility Days
- ✓ Nursing Administration – Direct Nursing Hours
- ✓ Routine Medical Supplies – Patient Days
- ✓ Medical Records – Patient Days

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Worksheet B-1 and Worksheet O-6

➤ Statistical bases continued:

- ✓ Staff Transportation - Mileage
- ✓ Volunteer Services Coordinator – Hours of Service
- ✓ Pharmacy – Charges
- ✓ Physician Admin Services – Patient Days
- ✓ Other General Services – Specify Basis
- ✓ Patient/Residential Care Services – In-Facility Days

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Worksheet B-1 / Worksheet O-6 Part II: Cost Allocation – Statistical Basis

COST ALLOCATION - STATISTICAL BASIS					PROVIDER CCN:		PERIOD : FROM: TO:		WORKSHEET B-1	
Cost Center Descriptions	CAP REL BLDG & FIX (Square Feet)	CAP REL MOVABLE EQUIP (Dollar Value)	EMPLOYEE BENEFITS (Gross Salaries)	RECONCILIATION	ADMINISTRATIVE & GENERAL (Accum. Cost)	PLANT OP & MAINT (Square Feet)	LAUNDRY & LINEN (In-Facility Days)	HOUSE- KEEPING (Square Feet)	DIETARY (In-Facility Days)	
	1	2	3	4A	4	5	6	7	8	
GENERAL SERVICE COST CENTERS										
1 Cap Rel Costs-Bldg & Fix										1
2 Cap Rel Costs-Movable Equip										2
3 Employee Benefits										3
4 Administrative & General										4
5 Plant Operation and Maintenance										5
6 Laundry & Linen Service										6
7 Housekeeping										7
8 Dietary										8
9 Nursing Administration										9
10 Routine Medical Supplies										10
11 Medical Records										11
12 Staff Transportation										12
13 Volunteer Service Coordination										13
14 Pharmacy										14
15 Physician Administrative Services										15
16 Other General Service (specify)										16
17 Patient/Residential Care Services										17
LEVEL OF CARE										
50 Continuous Home Care										50
51 Routine Home Care										51
52 Inpatient Respite Care										52
53 General Inpatient Care										53

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Worksheet B-1 / Worksheet O-6 Part II: Cost Allocation – Statistical Basis

COST ALLOCATION - STATISTICAL BASIS						PROVIDER CCN:		PERIOD : FROM: TO:		WORKSHEET B-1	
Cost Center Descriptions	NURSING ADMINISTRATION (Direct Nurs. Hrs.)	ROUTINE MEDICAL SUPPLIES (Patient Days)	MEDICAL RECORDS (Patient Days)	STAFF TRANSPORTATION (Mileage)	VOLUNTEER SVC COORDINATION (Hours of Service)	PHARMACY (Charges)	PHYSICIAN ADMINISTRATIVE SVCS (Patient Days)	OTHER GENERAL SERVICE (Specify Basis)	PATIENT/ RESIDENTIAL CARE SVCS (In-Facility Days)	TOTAL	
	9	10	11	12	13	14	15	16	17	18	
GENERAL SERVICE COST CENTERS											
1 Cap Rel Costs-Bldg & Fix											1
2 Cap Rel Costs-Movable Equip											2
3 Employee Benefits											3
4 Administrative & General											4
5 Plant Operation and Maintenance											5
6 Laundry & Linen Service											6
7 Housekeeping											7
8 Dietary											8
9 Nursing Administration											9
10 Routine Medical Supplies											10
11 Medical Records											11
12 Staff Transportation											12
13 Volunteer Service Coordination											13
14 Pharmacy											14
15 Physician Administrative Services											15
16 Other General Service (specify)											16
17 Patient/Residential Care Services											17
LEVEL OF CARE											
50 Continuous Home Care											50
51 Routine Home Care											51
52 Inpatient Respite Care											52
53 General Inpatient Care											53

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Challenges of Statistical Allocation Basis

- Cap Related Building & Fixtures –Square Feet
 - Step-down does not allow costs to be allocated to:
 - Direct care staff by level of care
 - Routine or Continuous Home Care
 - Develop alternative methods:
 - Determine costs based upon square feet to be allocated by disciplines externally to direct care staff. Once cost is determined can you then allocate based on patient days to get cost by level of care? Reclassification would then be made on Worksheet A-6, reducing Line 1, and increasing appropriate lines by level of care.

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Challenges of Statistical Allocation Basis

- Capital Related Moveable Equipment – Dollar Value (Square Feet)
 - ✓ If previously filed using square feet then you can continue to utilize
 - ✓ Step-down does not allow costs to be allocated to:
 - Direct care staff by level of care
 - Routine or Continuous Home Care
 - ✓ Develop alternative methods:
 - Determine costs based upon square feet to be allocated by disciplines externally to direct care staff. Once cost is determined can you then allocate based on patient days to get cost by level of care? Reclassification would then be made on Worksheet A-6, reducing Line 2, and increasing appropriate lines by level of care.

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Challenges of Statistical Allocation Basis

- Employee Benefits-Gross Salaries
 - ✓ If you made reclassifications and/or adjustments to salaries, be sure to take them into account for the statistical allocation
- Administration & General-Accumulated Costs
 - ✓ Cost reporting software typically populates the statistic..
 - ✓ No allocation to Contracted GIP or Respite

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Challenges of Statistical Allocation Basis

- Plant, Operation, Maintenance – Square Feet
 - ✓ Previous cost report allowed for step-down to take place prior to A&G.
 - ✓ Step-down does not allow costs to be allocated to:
 - Administrative and General
 - Direct care staff by level of care
 - ✓ Develop alternative methods:
 - Determine costs based upon square feet to be allocated by disciplines externally to direct care staff. Once cost is determined can you then allocate based on patient days to get cost by level of care?
Reclassification would then be made on Worksheet A-6, reducing Line 5, and increasing appropriate lines by level of care.

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Challenges of Statistical Allocation Basis

- Utilized if there is an Inpatient Facility
 - ✓ Laundry & Linen: In-facility Days
 - ✓ Housekeeping: Square Feet
 - ✓ Dietary: In-facility Days
- In-Facility Days tracked by
 - ✓ Routine
 - ✓ Respite
 - ✓ GIP

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Challenges of Statistical Allocation Basis

- Nursing Administration-patient care hours (nursing hours)
 - ✓ Use of direct payroll hours of direct patient care workers the nursing administration is supervision:
 - RN's
 - LPN's
 - HHA's
 - ✓ Conversion of payroll dollars into hours

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Challenges of Statistical Allocation Basis

➤ Staff Transportation-mileage

- ✓ Have to account for mileage by level of care
- ✓ Convert dollars into miles
- ✓ Does not allow for assignment to:
 - Administrative staff
 - Direct Care staff
- ✓ Develop alternative methods:
 - Costs allocated externally to determine admin and direct care staff.
 - A reclassification would then be made on Worksheet A-6, reducing Line 12 and increasing the appropriate lines by level of care.



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Challenges of Statistical Allocation Basis

➤ Volunteer Service Coordination-Hours of service

- ✓ Under the Conditions of Participation a hospice provider is required to maintain records on the use of volunteers for patient care and administrative services, including the type of services and time worked. Refer to 42 CFR 418.78.
 - Volunteers must provide day-to-day administrative and/or direct patient care services in an amount that, at a minimum, equals 5 percent of the total patient care hours of all paid hospice employees and contract staff.
- ✓ The structure of B-1 / O-6 will not allow for the allocation of Volunteer time directly to the A&G cost center. This cost center is allocated after A&G cost center. An alternative method would have to be developed to properly allocated costs; this could be done as reclassification (A-6).
- ✓ Volunteers must provide day-to-day administrative and/or direct patient care services in an amount that, at a minimum, equals 5 percent of the total patient care hours of all paid hospice employees and contract staff.
- ✓ While there is no formal reporting requirement to CMS, providers will be required to produce this information on survey.



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Challenges of Statistical Allocation Basis

➤ Pharmacy-Charges

- ✓ Required to be included on Medicare claims
- ✓ Are you applying a mark-up
- ✓ Are you taking into account overhead (delivery)

- ✓ As noted in the CMS Transmittal 2747 dated July 26, 2013, (change request 8358) there will be additional reporting requirements for hospice claims. Mandatory beginning April 1, 2014. Providers are required to report on claims on-injectable prescription drugs (0250), medication refills on infusion pumps (0294) and injectable drugs (0636).



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Making Changes to Statistical Allocation Basis

- Any changes from the recommended statistical allocation basis and/or the order in which the cost centers are allocated can be made as long as prior approval has been granted from the MAC. Refer to CMS Pub 15-1, Chapter 23 §2313.
 - ✓ A written request to the MAC must be made 90 days prior to the end of the cost reporting period.
 - Must include supporting documentation to establish that the new method is more accurate.
 - ✓ MAC has 60 days from receipt of the request to make a decision or the change is automatically accepted.

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Worksheet F-2, Part 1: Statement of Revenues and Operating Expenses

- ✓ Gross Patient Service Revenue
 - By Payer: Medicare, Medicaid, Other
 - By Level of Care: RHC, CC, GIP, Respite
- ✓ Contractual Allowances
 - By Payer: Medicare, Medicaid, Other
- ✓ Other Revenue
 - Hospice Physician Services
 - By Payer: Medicare, Medicaid, Other
 - Room & Board
 - By Payer: Medicaid, Other
 - Palliative Consults
 - Donations
 - Rebates/Refunds
 - Investment
 - Government Appropriations
 - Other (Grants, Fundraising, Memorials, Contributions, etc.).

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Challenges for Facilities

- Many different types of facilities:
 - ✓ Residential only, RHC provided, no other activities occur.
 - ✓ Residential only, RHC provided, building also houses administrative offices for hospice program.
 - ✓ Inpatient Facility only, GIP and Respite are provided, no other activities occur.
 - ✓ Inpatient Facility only, GIP and Respite provided, building also houses administrative offices for hospice program.
 - ✓ Inpatient Facility with multiple levels of care provided (RHC, GIP and Respite), no other activities occur.
 - ✓ Inpatient Facility with multiple levels of care provided (RHC, GIP and Respite), building also houses administrative offices for hospice program.
- Reclassification of direct patient care costs
- Allocation of Cap Related, PLO
- Residential Costs

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Helpful Hints

- Compare the PS&R to the hospice stats
 - ✓ Are you capturing
 - All levels of care
 - Physician Services
- Report contracted GIP & Respite stats
- Do you need additional reclassifications?
 - ✓ Continuous Care
 - RN
 - HHA
- Distinguished the difference between RN's & LPN's
- Excluded overhead allocation from contracted GIP & Inpatient

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Helpful Hints

- Cost on Worksheet A / Worksheet O are reported for:
 - ✓ Employee Benefits
 - ✓ Admin & General
 - ✓ Plant, Operation & Maintenance
 - ✓ Volunteer Service Coordination
 - ✓ Pharmacy
 - ✓ RN's
 - ✓ Aides and Homemakers
 - ✓ DME/Oxygen
 - ✓ Labs & Diagnostics

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Uniform Chart of Accounts

The Uniform Chart of Accounts provides for all product lines that are to be included under Home Care and Hospice.

Also included suggested formats for Hospice, Private Duty, Pharmacy and Infusion Therapy.

www.hhfma.org/Accounts.htm

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QUESTIONS



Thank you!!

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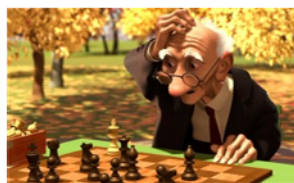
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