

JK MAC Update

August 22, 2019



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Agenda

- Overview of Jurisdiction K
- S-10
- MCReF
- Home Office Cost Statements
- PS&R Update
- Wage Index
- Crossover Bad Debt Accounting
- Provider Based Issues
- Q & A

Overview of Jurisdiction K

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- JK includes the following states:
 - CT, MA, ME, NH, NY, RI, VT
- Includes HH & H for all but NY (NY HH&H is in J6)
- JK was previously J13 and J14
 - J13 was supported by NGS
 - J14 was supported by NHIC (NGS as a subcontractor did all A&R)
- JK contract will be recompeted on 10/1/2020

Overview of Jurisdiction K

- NGS has supported most of JK – Part A since the inception of Medicare
- NGS A&R functions by location:
 - South Portland, ME – cost report acceptance, audit
 - Syracuse, NY – audit, reimbursement
 - Indianapolis, IN – appeals, audit

Overview of Jurisdiction K

- NGS A&R has approximately 200 associates
- We are supported by multiple subcontractors
- NGS headquarters are in Indianapolis
- In addition to JK, NGS supports J6 and several other non-MAC contracts with CMS
- NGS is a subcontractor for A&R in JM and on the HRSA GMEFTE contract

S-10 Audits

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- Current review of 2017 data
- Many of the challenges in 2015 review cycle have been resolved
- Presentation of the data is cleaner
- Audit program was modified in response to concerns
- MACs have regular communication with CMS
- MACs also collaborate on S-10 (and other issues)
- CMS is interested in provider feed back
- Inpatient Rule indicates use of 2015 data for 2020 UCP

MCRReF

MCR_eF

- Medicare Cost Report Electronic Filing System
- Initiated in May 2018; usage is optional but strongly encouraged
- Efficient process accommodating electronic signatures
- Other than mail, this is the only cost report filing option
- Applies to FYE 12/31/17 and later and applies to amended filings

Medicare Cost Report electronic Filing (MCR eF)

NGS YouTube Video Links:

- How to Access and Use the Medicare Cost Report e-filing (MCR eF) System through the EIDM system
 - Part 1: https://www.youtube.com/watch?v=t8g6mtD_dig
- How to Use the Medicare Cost Report e-filing System (MCR eF)
 - Part 2: <https://www.youtube.com/watch?v=uZqJ5ZnjKVw>

Home Office Cost Statements

Home Office Cost Statement Clarification

- Many provider cost reports that have home office costs allocated to them do not have a Home Office Cost Statement submitted to a MAC as supporting documentation.
- Some providers under a PPS may have mistakenly believed that a Home Office Cost Statement is no longer required.
- However, home office costs reported in a provider's cost report may have an impact on future rate-setting and payment refinement activities.
- References
 - FY2019 Final Rule, Federal Register dated 8/17/2018
 - 42 CFR §413.24(f)(5)(i)(E)(1) and (2)
 - Cost Reporting Form 287-05
 - Instructions: Provider Reimbursement Manual CMS Pub 15-2 Chapter 39

Home Office Cost Statement Clarification

- FY 2019 Final Rule included a clarification of the requirements
- “Effective for cost reporting periods beginning on or after October 1, 2018, for providers claiming costs on their cost report that are allocated from a home office or chain organization with the **same** fiscal year end, a cost report will be **rejected** for lack of supporting documentation if the home office or chain organization has not completed and submitted to the chain provider’s contractor a Home Office Cost Statement that corresponds to the amounts allocated from the home office or chain organization to the provider’s cost report.”

Home Office Cost Statement Clarification

- “Effective for cost reporting periods beginning on or after October 1, 2018, for providers claiming costs on their cost report that are allocated from a home office or chain organization that has a **different** fiscal year end, a cost report will be **rejected** for lack of supporting documentation if the home office or chain organization has not completed and submitted to the chain provider’s contractor a Home Office Cost Statement that corresponds to some portion of the amounts allocated from the home office or chain organization to the provider’s cost report. These policies are reflected in new §413.24(f)(5)(i)(E)(1) and (2), respectively. Thus, when the provider and its home office have differing fiscal year ends, the provider’s home office costs for a portion of the cost reporting period (as reflected in the Home Office Cost Statement) must correspond to a portion of the amount reported in the provider’s cost report. When the provider and its home office have the same fiscal year end, the provider’s home office’s cost for the same time period (as reflected in the Home Office Cost Statement) must correspond to the costs reported in the provider’s cost report.”

Home Office Cost Statement Clarification

- Key Take-Aways

- If claiming home office costs, ensure you are submitting a Home Office Cost Statement to the home office's MAC.
- Send one copy of the Home Office Cost Statement to each of the MACs for the chain providers.
 - For example, if a chain organization has 25 providers serviced by 2 different contractors, the home office must submit a copy of its Home Office Cost Statement to each of the 2 contractors. Only one copy of the Home Office Cost Statement is required to be submitted by the home office to a provider's contractor, regardless of the number of providers in the chain the contractor is servicing.
- If there is no home office number set up and you will be claiming home office costs, contact your MAC to get it established.

PS&R Update

PS&R Update Impacting Hospital Outpatient Drugs Charges

- Some hospitals have noticed large variances between their as-filed Rev Code 636 charges and the PS&R charges updated during the desk review (primarily for providers with 12/31/2016 FYE).
- This is a result of CMS Change Requests 9601 and 9479. PS&R programming logic was modified in February 2017 which resulted in certain drug lines moved to the XX5 fee reimbursed PSR (not reported on the cost report).
- It was later discovered this was an incorrect interpretation of those change requests. In August 2017, the PS&R programming logic was modified again to align some of the drug lines back to the XXP OPPS reports and XX0 cost reimbursed reports (reported on the cost report).

PS&R Update Impacting Hospital Outpatient Drugs Charges

- For 12/31/2016 FYE providers, PS&R reports would likely have been generated for cost report filing in between those dates which is producing the potentially large variances in the drugs charges.
- No action necessary by the hospitals
 - Hospitals can generate updated summary PS&Rs via online PS&R System

Wage Index

Wage Index

- The wage review for fiscal year 2021 begins on September 3
 - September 3 is the provider deadline for requesting revisions (must be in MAC's possession by September 3)
 - MAC desk review completion deadline is November 15
- Other important dates for Wage Index
 - 1/31/20 – release of revised FY2021 PUF
 - 2/14/20 – provider deadline for error correction or revisions
 - 4/2/20 – provided deadline to appeal
 - 8/1/20 – approximate date for publication of FY2021 final wage index
- Important changes affecting the 2020 Wage Index in the Inpatient Rule

Crossover Bad Debt Accounting

Crossover Bad Debt Accounting

- CMS recently issued guidance regarding the accounting for dual eligible crossover bad debts
- Section 320.1 of the PRM states, “amounts deemed to be uncollectible are charged to an expense account for uncollectible accounts”
- Effective for cost report periods beginning on or after October 1, 2019, providers record crossover bad debts to an expense account to claim the bad debt for Medicare reimbursement (must not be written off to a contractual allowance).
- CMS is aware of the recent change in GAAP reporting on this issue

Provider Based Issues

Provider Based Determinations

- Current NGS inventory includes 5 reviews in process
 - Wisconsin 2
 - Minnesota 1
 - New York 2
- Waiting on final Mid-Build Determinations from CRAA contractor
- Provider concerns over PBD locations not being excepted from the site-neutral reductions

Provider Based Issues

- CMS continues to evaluate coding and editing relative to provider based entities
- Prior testing of applying edits identified significant claims RTP'ed
- 2 edits expected to be implemented on 10/1/19 for address match and PO/PN indicator
- E/R department edits expected to be implemented on 4/1/20

Questions

