

CMS issues Transmittal 7 to the Provider Cost Reporting Forms and Instructions, Chapter 40, Form CMS-2552-10

On Friday, March 13th, 2015, CMS issued Transmittal number 7 to the Provider Cost Reporting Forms and Instructions, Chapter 40, Form CMS-2552-10. Transmittal 7 is effective for cost reporting periods ending on or after October 1, 2014.

The transmittal is available at the CMS website:

<http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2015-Transmittals-Items/R7P240.html?DLPAGE=1&DLSort=1&DLSortDir=descending>

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

- 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.

HFS is currently programming the software changes for transmittal 7 and anticipates approval in the near future. Once approved, HFS will make the update available and notify users of the software.

If you have any questions, please contact Eric Swanson at eric@hfssoft.com.