



November 15, 2013

Dear Clients:

Transmittal Change - Updated the 2552-10 software to the new CMS Transmittal 4 specifications. Transmittal 4 is effective (i.e. MUST be used) for Cost Reporting Periods Beginning on or After October 1, 2012. However, the Sequestration changes are part of T.4, and this is effective for FYE on or after 4/1/2013. T.4 automatically computes the sequestration reduction (except for HHA, W/S H-4, line 31.01 is INPUT from PS&R). Thus, you may use T.4 to file a FY Begin prior to 10/1/2012. This transmittal updates Chapter 40, Hospital and Hospital Health Care Complex Cost Report, (Form CMS-2552-10) to clarify and correct the existing instructions, incorporate statutory and regulatory changes, and comply with an Executive order. (D001-00-008413)

Hospital Transmittal #4

The following is a summary of the 2552-10 Transmittal #4 changes.

Worksheet S-2, Part I

- Line 25 - While the form has not been shaded, column 6 will not be used.
- Line 39 was added but previously added in HFS.
- CMS added lines 61.01 - 61.20 - Mainly input with some calculation. CMS has changed the description and purpose for line 61 - we will move line 61 data to line 61.01.
- Line 170 has been added for dates, and will impact HIT calculation (for sequestration).

Worksheet S-3, Part I

- Line 2 column 13 now open for input of title 18 HMO discharges.
- Added lines 24.10 (non-distinct hospice) and 32.01 (ancillary L&D).
- Line 26 - CMS will not allow subscribing of line 26 (or 26.25) if the provider is filing a consolidated report).

Worksheet S-5

- Lines 10.01 - 10.03 added for ESRD PPS.
- Lines 13-20 not applicable for cost reporting periods ending after 12/31/2012.
- Line 22 added for ESA's. Can be subscribed (22.00 to 22.99) effective for FY END after 12/31/2012.

Worksheet S-10

- Line 26 and 27 calculation changes for bad debt - removed H-4, and added E-2 line 17.01, col. 1 and 2.

Worksheet A

- Line 4 description changed to Employee Benefits "Department". See note in HELP, CMS Instructions.

Worksheet A-8



- Added line 30.99 to report revenues for contracted hospice services.

Worksheet B-2

- Added lines 5 and 6 for the ESA adjustments. These lines replace lines 1-4. Lines 1-4 should be shaded for FY END after 12/31/2012. If lines 5-6 used in old reports, we will MOVE these to next open line(s).

Worksheet E, Part A

- Lines 4, 8.01, 33, 34, and 57 calculation changes. See Help.
- Line 65, bad debt calculation change.
- Line 71 .01 Sequestration line added.
- Line 74, calculation change for bad debts and sequestration changes.

Worksheet E, Part B

- Line 35 bad debt calculation instructional and form changes for bad debts.
- Line 37, instruction calculation and form description changes.
- Line 39.98 reverts back to "Other" from Re-Billing adjustment (per 6/6/13 email from CMS). Re-billing demo discontinued.
- Line 40.01 sequestration added (new line and calc).
- Line 43 instruction calculation and form description changes.

Worksheet E-1, Part II

- Added line 9 and 10 to compute sequestration for HIT calculation. This is full 2%, no prorating.
- Modified label/calc for line 32.

Worksheet E-2

- Revised forms and instructions lines 17, 17.01, 19, 19.01, and 22 for bad debt reduction and sequestration calculation.

Worksheet E-3, Part I

- Line 12 instructional calculation change for bad debts.
- Line 16 label changed to DO NOT USE THIS LINE, as it is now shaded.
- Line 18.01 added to forms and instructions for sequestration adjustment.
- Line 20 for tentative settlement is for Contractor use only.
- Line 21 calculation change for sequestration.

Worksheet E-3, Part II

- Line 14 label changed to DO NOT USE THIS LINE, as it is now shaded.
- Line 24 - Bad debt calculation change.
- Line 31.01 Sequestration change.
- Line 34 form and calculation change for sequestration.

Worksheet E-3, Part III

- Line 15 label changed to DO NOT USE THIS LINE, as it is now shaded.
- Line 25 - Bad debt calculation change.
- Line 32.01 Sequestration change.



- Line 35 form and calculation change for sequestration.

Worksheet E-3, Part IV

- Line 5 label changed to DO NOT USE THIS LINE, as it is now shaded.
- Line 15 - Bad debt calculation change.
- Line 22.01 Sequestration change.
- Line 25 form and calculation change for sequestration.

Worksheet E-3, Part V

- Line 26 - Bad debt calculation change.
- Line 30.01 Sequestration change.
- Line 33 form and calculation change for sequestration.

Worksheet E-3, Part VI

- Line 10 - Bad debt calculation change.
- Line 15.01 Sequestration change.
- Line 18 form and calculation change for sequestration.

Worksheet E-4

- Line 4.01 - Calculate to -0- if the amount reported on Worksheet S-2, Part I, line 61.02, column 3, is less than the amount on line 61.01, column 3.

Worksheet H-4

- Line 31.01 for Sequestration.
- Line 34 - form and calculation change for sequestration.

Worksheet I-4

- Added columns 4.01, 4.02, 6.01, 6.02, 7.01 and 7.02 - From ESRD PPS. Will need to MOVE data entered in T.3 reports.
- Added Line 12.

Worksheet I-5

- Major form/instruction changes for ESRD PPS. May need to MOVE data entered in T.3 reports.
- Added I-5, Part II for composite rate calculation.

Worksheet J-3

- Line 22 - bad debt reduction.
- Line 26.01 Sequestration adjustment.
- Line 29 form and calculation change for sequestration.

Worksheet M-3

- Lines 23-24 instructional/form/calc changes for bad debt reduction.
- Lines 26, 26.01 and 29, calc changes for sequestration.