



# Home Care & Hospice Financial Managers Association

## One More Chance to Get the Cost Reports Right

*Ahead of Potential Home Health Rate Rebasing, HHFMA Continues Push for Better Data*

They provide the only national-level data of their kind on which the Centers for Medicare & Medicaid Services (CMS) can "appropriately" base payment updates, but Medicare cost reports are still lacking in their completeness and accuracy. The Home Care & Hospice Financial Managers Association (HHFMA) has found this to be true in the case of home health and hospice providers, even as a rebasing of Medicare home health payment rates could be looming near on the horizon ([HHFMA Update, 7/1/09](#)).

"I can't stress this enough: It's now or never," said HHFMA Chairman Bill Simone at the HHFMA Workgroup's recent meeting during the annual Financial Management Conference. The home health cost reports need to be as complete and correct as possible — which has remained an elusive goal — so any rebasing of home health rates can reflect the true, updated product that home health is today. "The opportunity for 2009, using the 2009 cost report — that train has left the station," Simone asserted. "So we're hoping we'll at least get one more shot at it."

One of HHFMA's legislative goals this year was to work to postpone rate rebasing while cost report data could be improved. While home health is likely to face issues with rebasing soon, changes to hospice payment also are under consideration at CMS, and this is a matter for home health and hospice providers alike ([see related article for information on HHFMA action on improving hospice cost reports](#)). Tom Boyd, a member of the HHFMA Workgroup, is leading a special effort to get all home health and hospice providers to complete and file their Medicare cost reports properly.

With the major congressional efforts this year to reform the health care system, many recommendations of the Medicare Payment Advisory Commission (MedPAC) were adopted in legislation — nearly verbatim, in the case of the House of Representatives' bill — perhaps to the detriment of home health care providers. "It's very difficult to try to get people in Congress to understand that MedPAC is looking at bad data," said Simone, noting the challenges that advocates from HHFMA and NAHC have had in working with members of Congress on health reform legislation.

"In reviewing the [Medicare Cost Report] data submitted by providers, CMS has found that many are failing to completely fill out their MCR with valid data, likely due to the misconception that the data submitted on the MCR does not impact their payments," CMS stated in an MLN Matters article targeting this issue ([HHFMA Update, 10/10/08](#)). Not only does cost report information influence payment rates, it can be a source of valuable industry benchmarking data when properly prepared.

**The cost report provides information in many areas, including:**

- Direct cost per visit by discipline;
- Indirect cost per visit by discipline;
- Total cost per visit by discipline;
- Average cost per episode;
- Profit and/or loss by type of episode; and
- Average visits per episode.

**What you should do:**

- Forward this article to the person or persons responsible for preparing your cost report.
- Review your cost report data and take responsibility for its content.
- Contact your state association and ask them to endorse the campaign to improve cost report data and include this information in their publications (several already have done so).
- Review the [Provider Reimbursement Manual \(PRM 15-1\)](#) and [Medicare Cost Report Instructions \(PRM 15-2\)](#) provided by CMS.
- If your fiscal year end is Dec. 31, 2009, you have a cost report due to be filed by the end of May 2010, so work on a proper and correct filing now and avoid the need to submit incomplete or incorrect information hastily at the last minute.
- Contact NAHC or HHFMA at (202) 547-7424 if you need additional information.

Every Medicare-certified provider must file a cost report. Every filing of a cost report requires the signature of an agency official certifying that the report is prepared in accordance with the law and the signer is responsible for its contents. It is the responsibility of that person to ensure that the filing is 100% accurate and in compliance with all federal laws and regulations.