

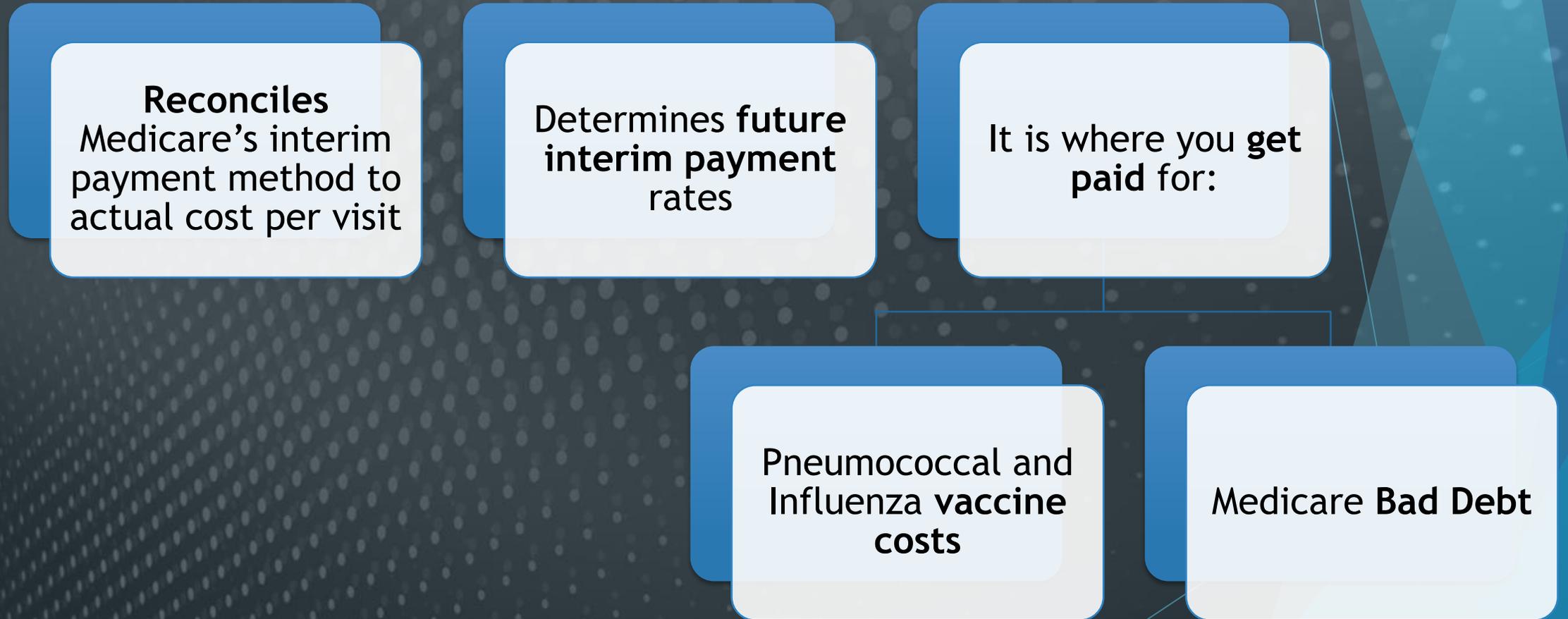


COST REPORTING 2024

What is new?

What you need to know!

What does the Cost Report do?



HOW IS THE RATE CALCULATED?

COST / VISITS =

RHC RATE

IS THAT WHAT I GET?

**INDEPENDENT
& ALL NEW
PROVIDER-BASED
RHCs**

- **2023 \$126.00**
- **2024 \$139.00**
- **2025 \$152.00**
- **2026 \$165.00**
- **2027 \$178.00**
- **2028 \$190.00**



IS THAT WHAT I GET?

**Provider based >50 bed hospital
enrolled or applied to become
RHC on or before 12/31/2020:**

- Actual cost per visit from reports ending in 2020, indexed by MEI for existing RHCs
 - Capped same as others for new provider based RHCs after 12/31/2020
- 

CHANGE OF FOCUS:

For independent and larger hospital RHCs, we focused on 'making the cap' year after year

For future periods, we will focus on consistent year over year cost per visit to avoid large paybacks

CHANGE OF FOCUS:

For less than 50 bed hospital RHCs, no cap was applied in prior years



For future periods, we will focus on targeting an optimal cost per visit that will maximize the cap without going too far over

HOW IS THE RATE CALCULATED?

COST / VISITS =

RHC RATE

COSTS – WORKSHEET A/M-I

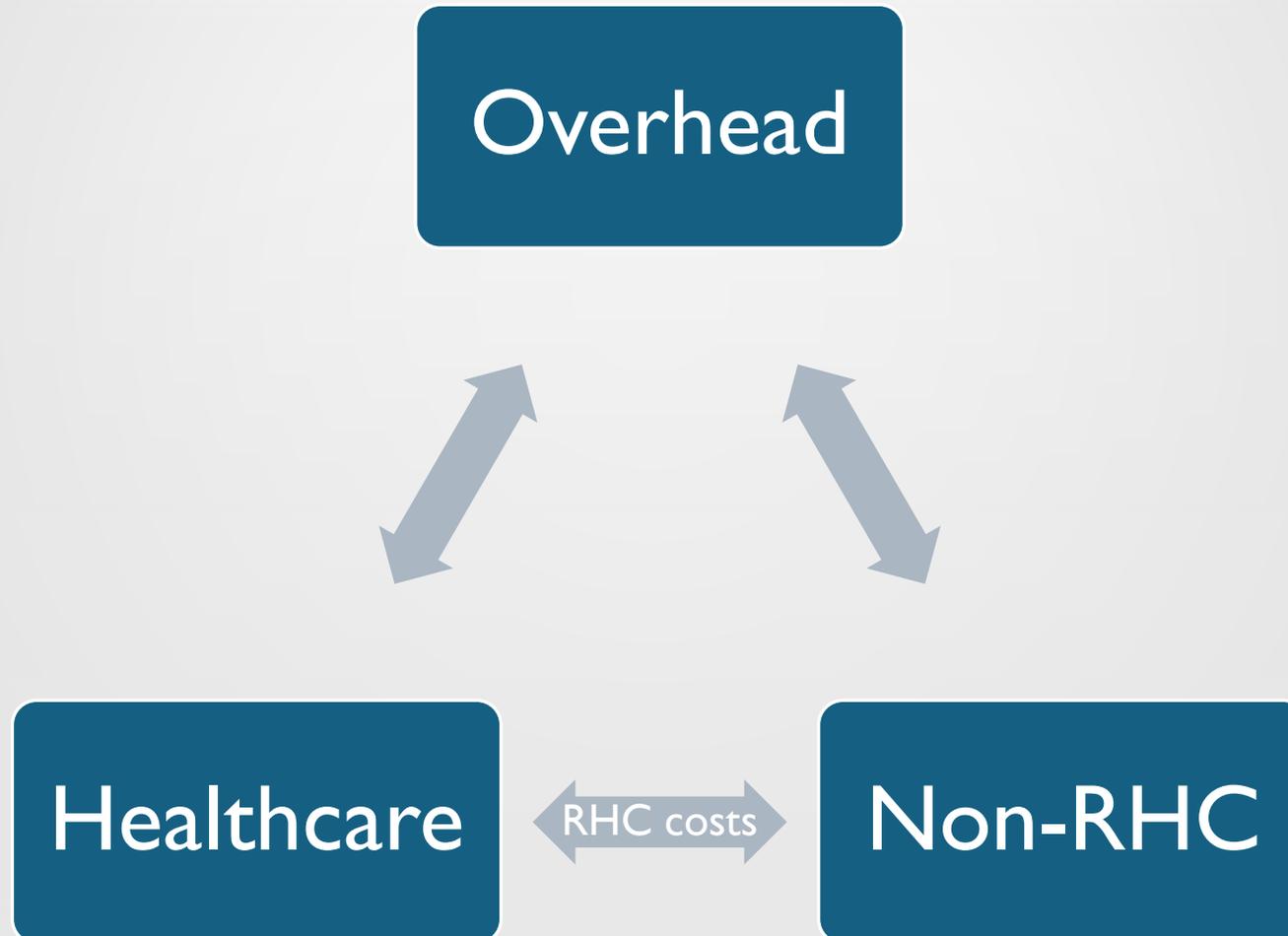


Healthcare Costs

Overhead

Non-RHC

OVERHEAD ALLOCATIONS



HEALTHCARE COSTS



Compensation for
healthcare staff



Compensation for
physician supervision



Medical Supplies



Malpractice/License
fees/CME

OTHER HEALTH CARE COSTS

Malpractice and other insurance (Premium can not exceed amount of aggregate coverage)

Professional Dues and Subscriptions

Medical Supplies

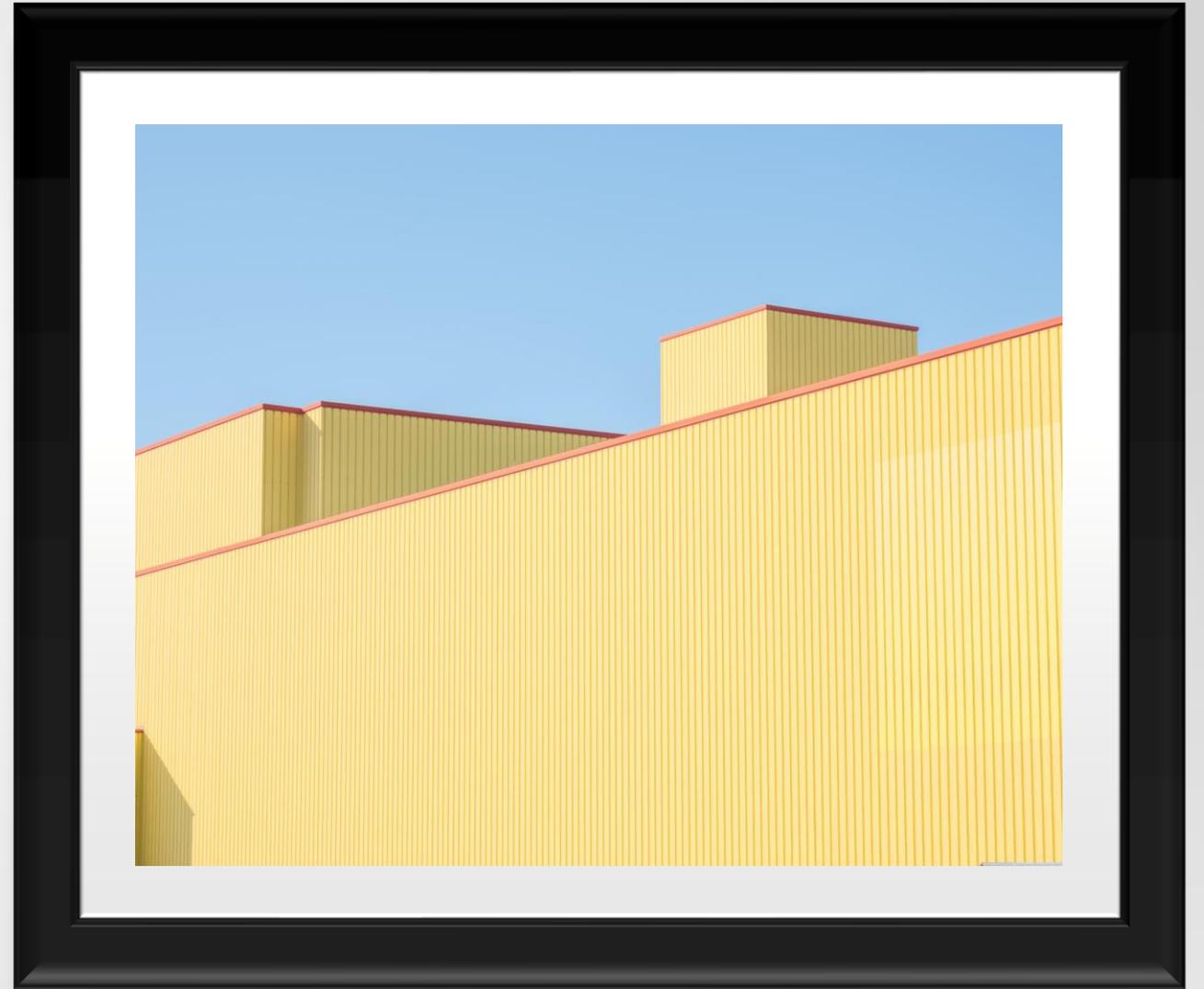
Flu and Pneumo Vaccines

Transportation of Health Center Personnel between clinics or other healthcare locations

OVERHEAD

TWO TYPES

- FACILITY
- ADMINISTRATIVE



FACILITY OVERHEAD



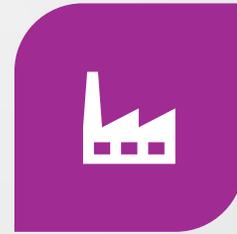
RENT



INSURANCE



INTEREST ON
MORTGAGE



UTILITIES



OTHER BUILDING
EXPENSES

ADMINISTRATIVE OVERHEAD



OFFICE SALARIES



OFFICE SUPPLIES



LEGAL/ACCOUNTING

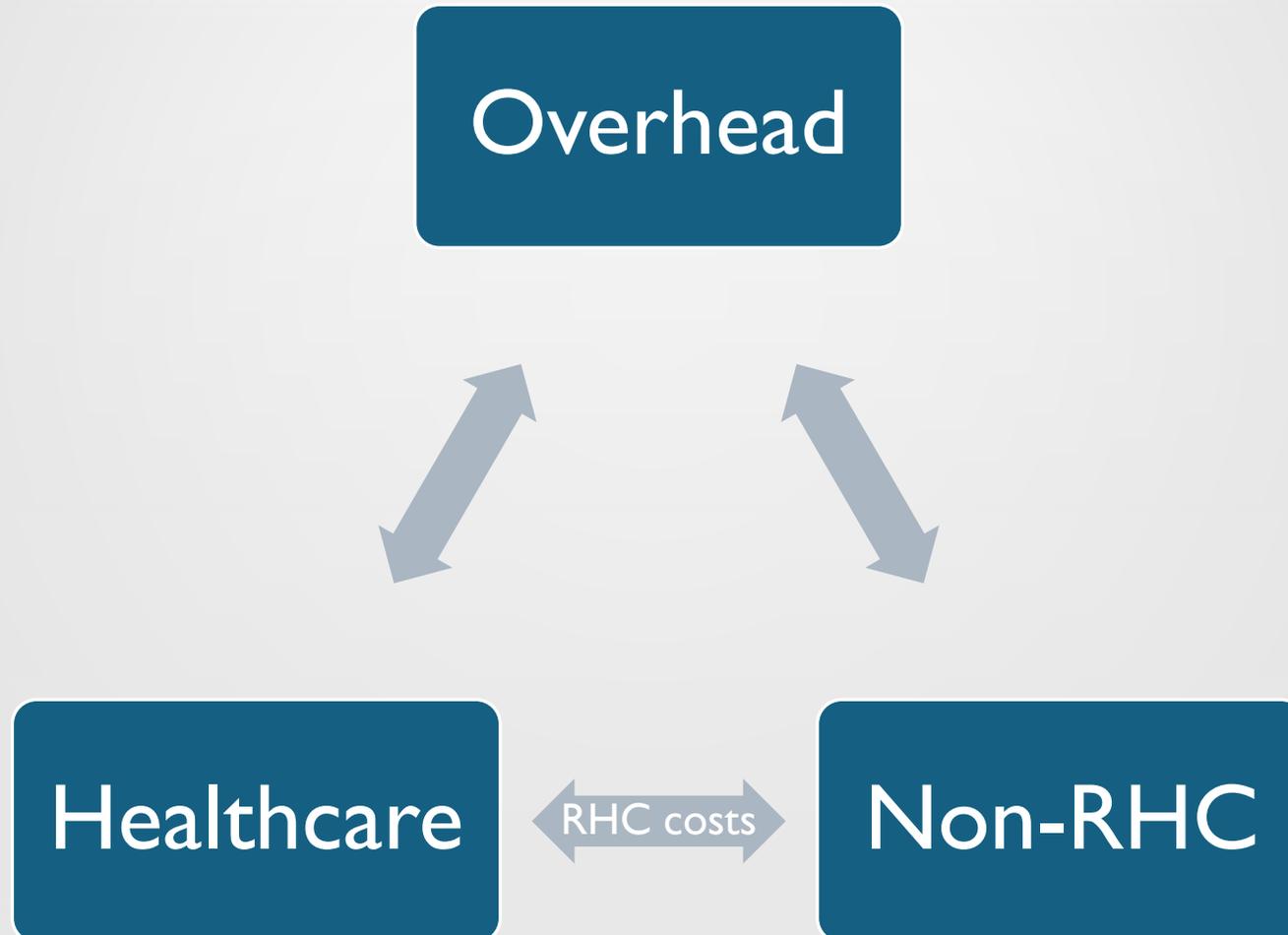


TELEPHONE/IT COSTS



OTHER
ADMINISTRATIVE
COSTS

OVERHEAD ALLOCATIONS



NON-RHC

Only include items that use overhead!

Most common Non-RHC

- Technical component of Lab, X-Ray, EKG
- CCM and Telemedicine
- Other items not covered under the RHC program or paid outside of the RHC rate

**ONLY LEAVE AMOUNTS IN THE NON-RHC SECTION
IF THEY NEED TO CAPTURE OVERHEAD**

**RHC CARVE OUTS
LAB, X-RAY & EKG**

LAB, X-RAY & EKG ALLOCATIONS

Lab, X-ray, EKG

Billed to Part B by
independent RHCs

Billed through
hospital and included
in hospital costs for
provider-based RHCs

LAB/X-RAY/EKG

Method A: Staff performing lab, X-ray, EKG duties

- Allocate % of time for non-RHC carve out for staff performing non-RHC lab/ X-ray/EKG duties vs. RHC duties
- Time studies of staff to support the allocated carve out

Method B – Time studies for each specific test

- Calculate time per test
- Multiply by number of tests performed
- Multiply by average hourly wage

Reclassify resulting non-RHC wages into non-reimbursable cost center



LAB/X-RAY/EKG CARVE OUTS

- Unless you have detailed time studies or dedicated employee's that only work in Lab, X-ray or EKG, we recommend using **average time per test**



**CHRONIC CARE
MANAGEMENT –
RECLASSIFY OR
EXCLUDE?**



In house?



Outsourced?

CHRONIC CARE MANAGEMENT

Is CCM done in the clinic, by clinic staff?

- Reclassify direct healthcare staff costs into Non-RHC cost center
- Line 80 on independent reports

Is CCM handled by an outside company?

- Exclude direct CCM costs
- Exclude associated billing costs/incremental overhead costs

TELEHEALTH

Mental Health Telehealth (900 codes) – Billed as a visit and paid at AIR

Physical Telehealth – Reclassify direct costs to the Telehealth cost center

TELEHEALTH



COMPLETE TIME
DATA



PARTIAL TIME
DATA



NO TIME DATA

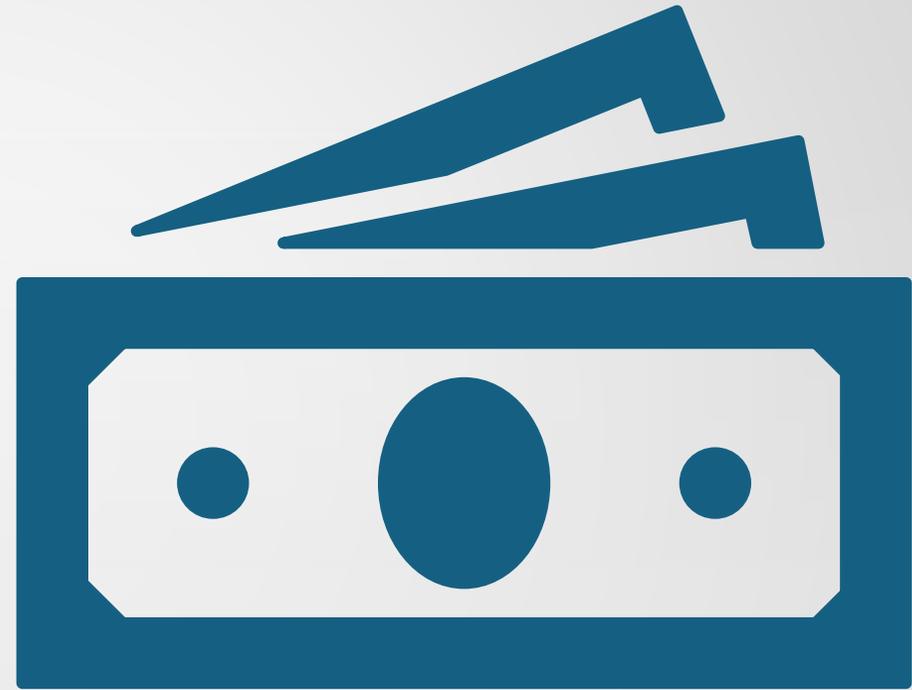
TELEHEALTH CALCULATION TIPS

Goal is to
determine total
telehealth time
(non-mental health)

Did you keep time
records?

If not, can we
extrapolate using
CPT code times?

RELATED PARTY TRANSACTIONS



RELATED PARTY REPORTING TIPS



AMOUNTS SHOULD COME FROM
BUILDING OWNER'S RECORDS



MANY TIMES, SCHEDULE E FROM
TAX RETURNS WILL HAVE ALL THE
INFORMATION WE NEED

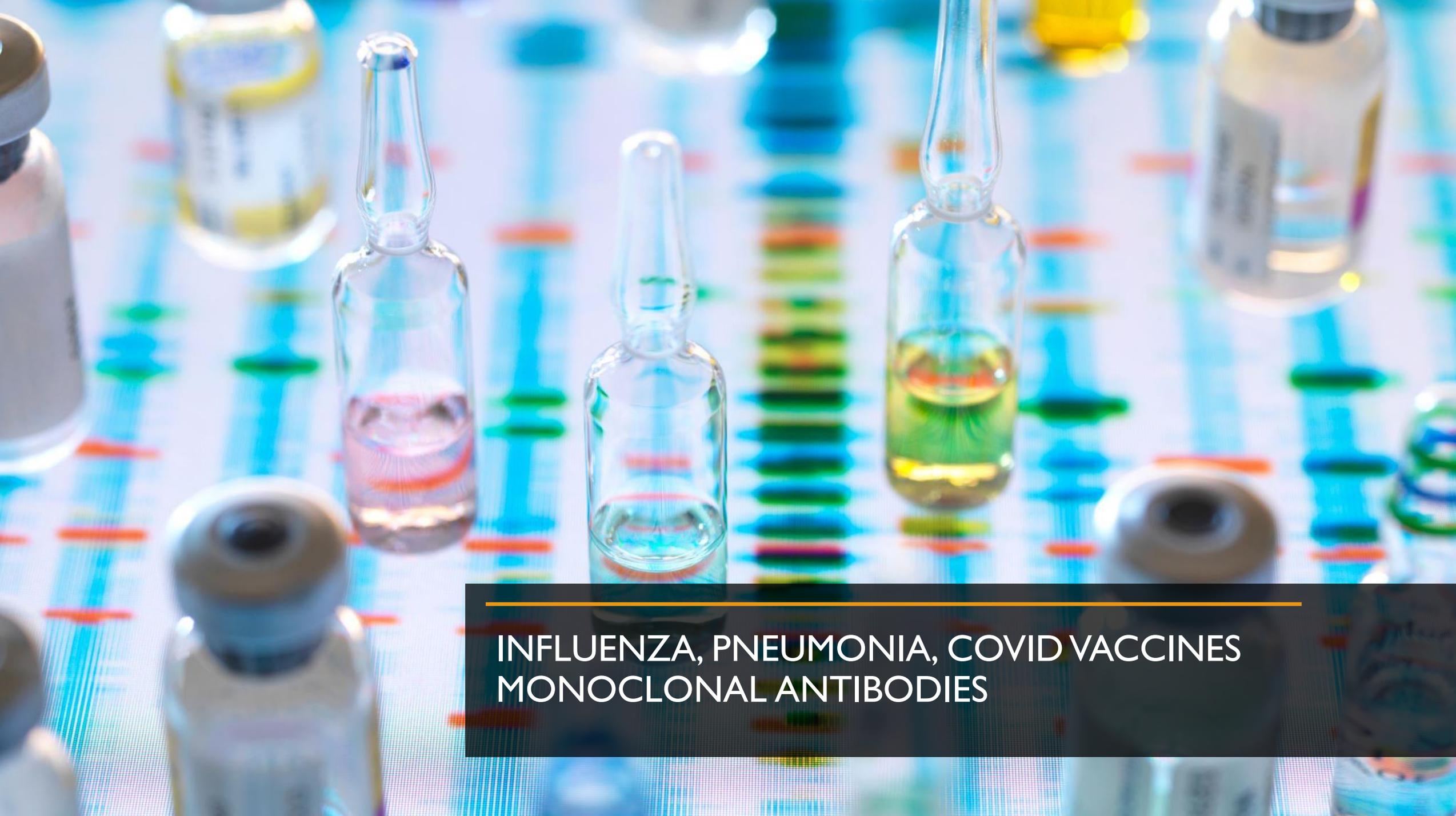
RELATED PARTY REPORTING TIPS



Hospital overhead



Management services



INFLUENZA, PNEUMONIA, COVID VACCINES
MONOCLONAL ANTIBODIES

VACCINE REPORTING CHANGES

Medicare Advantage Covid-19 &
Monoclonal Antibody Products no
longer paid through the cost report
in 2022

VACCINE REPORTING TIPS

Include

- **Invoices** to support vaccine supply cost
- **Medicare logs**

Do not include

- **Do not include VFC** vaccines in Total Vaccines Given

Keep

- **Keep logs to support the Total Vaccines Given** as we have seen this requested in recent tentative settlements

VACCINE STAFF TIME RATIO

- Total number of clinical staff hours worked per year becomes the denominator in the vaccine ratio. **All clinical staff** are included, as all clinical salaries are used in the cost report calculation

- Physicians
- RN/LPN
- MA

VACCINE STAFF TIME RATIO

Ten minutes is the accepted time per vaccine administration for Flu and Pneumo

Time Studies recommended for Covid vaccines & antibody treatments

Total Vaccines x 10 minutes/60 minutes = 'total vaccine administration hours'

Divide 'total vaccine administration hours' by total clinical hours worked for **Staff Time Ratio**

WHAT DO I GET PAID FOR THESE VACCINES?

Direct Cost

- **Direct staff** computed using staff time ratio x total healthcare staff cost
- **Direct supply** costs from the respective cost center
- Don't forget to send your invoices!

Overhead

- **Overhead** is calculated by the cost report
- Based on sum of direct staff and supply costs to total healthcare costs

Cost per Injection

- $(\text{Direct Staff} + \text{Direct Supply} + \text{Overhead}) / \text{Total Injections Given}$
- Cost per injection x Traditional Medicare #

WHAT DO I GET PAID FOR THESE VACCINES?



(Direct Staff +Direct Supply
+Overhead) / Total Injections Given =
Cost Per Injection



Cost per injection x Traditional
Medicare #

VISITS



RHC VISITS

Definition: Face-to-face encounter with qualified provider during which covered services are performed.

Broken down by provider type (MD, PA, NP...)

Count only face-to-face encounters

Do not include visits for hospital, non covered services, non qualified providers or injections

Do not include MEDICAL TELEHEALTH (Mental Health telehealth included as of 1/1/22)

VISITS

Visits are reported by type of clinician

- **Physician**
- **Physician Assistant**
- **Nurse Practitioner**

All clinician's working on a regular basis should be included in visits subject to the productivity standard

- **Physician - 4200**
- **Physician Assistant - 2100**
- **Nurse Practitioner – 2100**

- **THIS IS PER FTE**

Physician Services Under Agreement – for the occasional 'fill in' (locum tenens)

- **Physician Only**
- **NOT** just how you pay them
- **Fill in/occasional use only**

VISIT REPORTING TIPS

What counts as an RHC visit?

- (I) **IN PERSON** visits and **MENTAL HEALTH Telehealth** for Total In-Person RHC Visits

Do you have these?

- If your RHC had originating site visits, these do not count as RHC visits.
- Must carve out related time and direct expenses

Physical Telehealth = Non-RHC



MENTAL HEALTH TELEHEALTH



Effective 1/1/22, Mental Health visits
with a qualified mental health provider

**Paid at the
AIR**

**Included in
total visits**

MENTAL HEALTH TELEHEALTH

Revenue Code 521

- In person at AIR
- Telehealth at \$98.27

Revenue Code 900

- Mental Health Provider
- Paid at AIR

43
90832 Psychotherapy,
30 minutes with patient

90834 Psychotherapy,
45 minutes with patient

90837 Psychotherapy,
60 minutes with patient

90839 Psychotherapy
for crisis; first 60
minutes

90845 Psychoanalysis

REVENUE CODE 900 = MENTAL HEALTH VISIT

MENTAL HEALTH SERVICES BILLING EXAMPLES

Example 1: In person RHC mental health visit

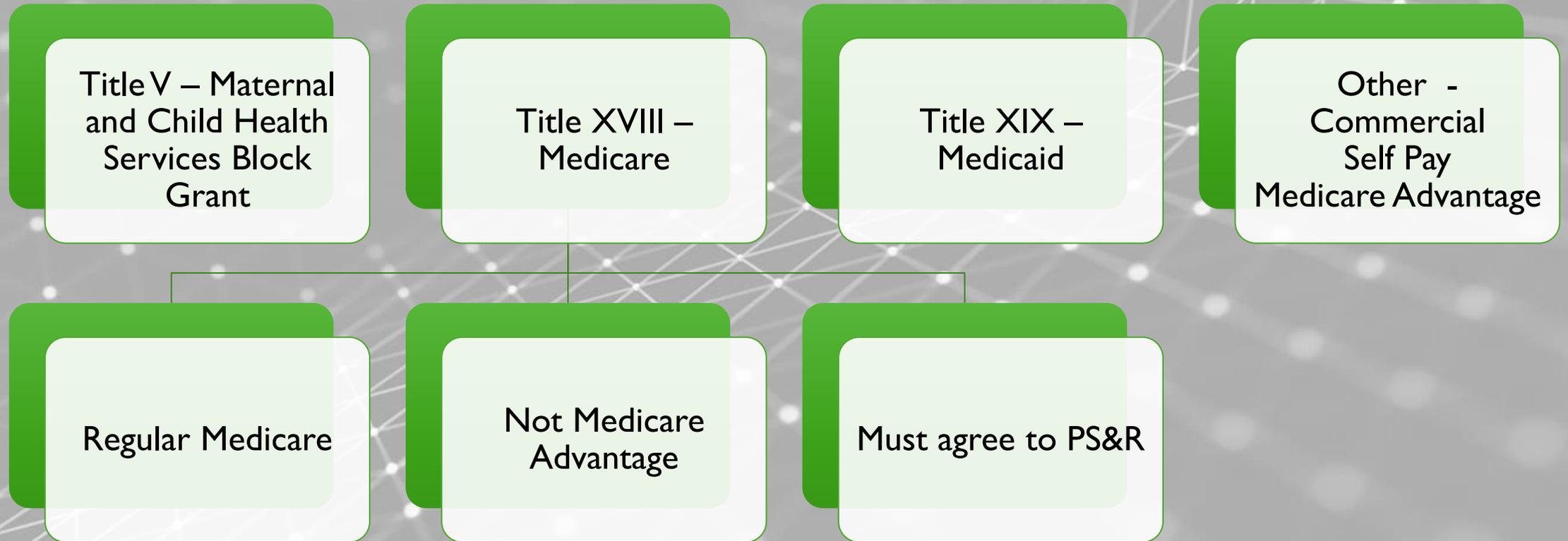
Revenue Code	HCPCS	Service Dates	Units	Total Charges	Payment	Coinsurance or Deductible applied
0900	90832 CG	01/22/2022	1	\$120.00	80% of AIR	Yes

Example 2: Telehealth RHC mental health visit, video and audio

Revenue Code	HCPCS	Service Dates	Units	Total Charges	Payment	Coinsurance or Deductible applied
0900	90832 CG 95	01/22/2022	1	\$120.00	80% of AIR	Yes

Revenue Code	HCPCS	Service Dates	Units	Total Charges	Payment	Coinsurance or Deductible applied
0900	90832 CG FQ	01/22/2022	1	\$120.00	80% of AIR	Yes

ADDITIONAL REQUIRED RHC VISIT BREAKDOWNS (INFORMATIONAL WORKSHEETS)



FTE CALCULATION

How are FTEs calculated?

FTE is based upon how many hours the practitioner is available to provide patient care

FTE is calculated by practitioner type (Physician, PA, NP)

MEDICARE PRODUCTIVITY STANDARD



Medicare will charge the clinic with a minimum number of visits per FTE, whether performed or not



4,200 visits per employed or independent contractor physician FTE



2,100 visits per PA and NP FTE



Physician Services under agreement not subject to productivity standards – limited application (cannot work on a regular basis)

MEDICARE PRODUCTIVITY STANDARD



PRODUCTIVITY STANDARD APPLIED IN
AGGREGATE



TOTAL VISITS (ALL PROVIDERS SUBJECT
TO THE FTE CALCULATION) IS
COMPARED TO TOTAL MINIMUM
PRODUCTIVITY STANDARD.



A PRODUCTIVE PA/NP WITH VISITS IN
EXCESS OF THEIR PRODUCTIVITY
STANDARD CAN BE USED TO OFFSET A
PHYSICIAN SHORTFALL.

FTE DATA TIPS

- Exclude Preceptor/Medical Director hours if applicable
- Exclude Administrative hours if applicable
- Exclude Inpatient hours if applicable
- Include only Clinical hours available to see patients
- Don't forget total RN, LPN & MA total hours needed for vaccine calculations

CARVE OUTS/RECLASSIFICATIONS

- Preceptor/Medical Director wages
– report in/reclass to Medical Director cost center
- Administrative wages – reclass to overhead/admin
- Inpatient hours – Exclude related cost



Exceptions to the productivity standard are available on a case by case basis

Reminder - Exclude telehealth time from RHC FTE calculations, THEN, if still needed request an exception

FTE – RHC CLINICAL HOURS ONLY...

A hand holding a compass over a road with a blue tint. The compass is a standard analog compass with a white face and black markings, showing cardinal and intercardinal directions. The hand is wearing a light-colored long-sleeved shirt. The background is a blurred road with white lane markings, all under a blue color cast.

PROVIDER TIME STUDY

**Rural Health Clinic
RHC Provider Time Study**

Week Ending / / to / /

Provider Name:

Hours	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Total Weekly Hours
Time In:								
Time Out:								
Total Hours Worked								0
Paperwork:								0
Patient Care Clinic:								0
Inpatient:								0
Nursing Home:								0
Total Clinical	0	0	0	0	0	0	0	0
Administrative:								0
Vacation:								0
Total Combined	0	0	0	0	0	0	0	0
On Call hours:								0

SIGNATURE _____

* **SAMPLE ONLY** - See instructions in Time Study section of information request

* **NOTE:** all practitioners that are also clinic owners should be keeping time studies a minimum of 1 week a month

**MEDICARE
BAD DEBT**

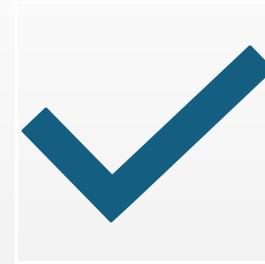
BAD DEBT REPORTING TIPS



Rising Medicare rates may mean more Medicare bad debts



Make sure you have the patients Medicare number on the Bad Debt Log

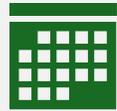


Make sure you also have the patients Medicaid number on the Bad Debt Log if Indigent

BAD DEBT REPORTING TIPS



You must send the first bill timely

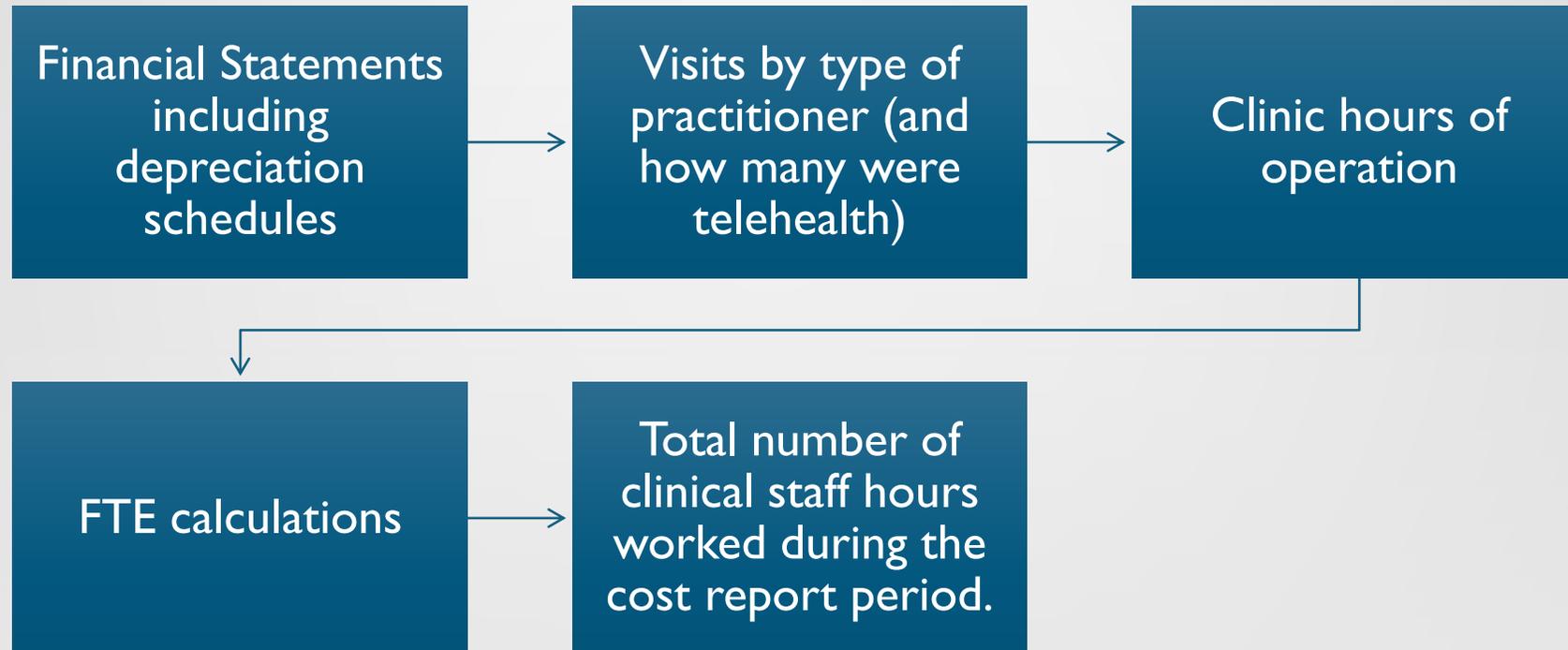


Latest audit from Medicare required first bill sent within 120 days of Medicare remittance advice



There must be at least 120 days from 1st statement date to write-off date on Bad Debt Log unless Indigency is determined

WHAT INFORMATION DO I GATHER FOR THE COST REPORT?



WHAT INFORMATION DO I GATHER FOR THE COST REPORT?



SALARIES BY
EMPLOYEE TYPE



VACCINE LOGS
AND INVOICES



TELEHEALTH
VOLUME (AND
TIME IF KEPT)



CCM VOLUME



RELATED PARTY
TRANSACTIONS

WHAT INFORMATION DO I GATHER FOR THE COST REPORT?

Medicare Bad Debt



Laboratory Costs/Data



Non-RHC X-ray Costs/Data



PSR - obtained on-line through Medicare

OTHER INFORMATION



WORKSHEET 3 - OTHER DATA

Contact Information (for our records only)

Cost report contact person:

Phone (office/cell):

Email Address:

Who will electronically sign cost report (if
MCR eF access is approved):

Name:

Title:

email address:

Clinic Hours of Operation:

Sunday	-
Monday	-
Tuesday	-
Wednesday	-
Thursday	-
Friday	-
Saturday	-

Additional Comments:

Other Questions: (Please contact us if you need help with any of these questions)

1. Is this RHC part of an entity that owns, leases or controls multiple RHC's? If yes, enter the entity's information:

2. Does this RHC carry commercial malpractice insurance? (Malpractice insurance premiums are money paid by the RHC to a commercial insurer to protect the RHC against potential negligence claims made by their patients/clients.):

YES/NO

If yes, is your malpractice insurance 'claims-made' or 'occurrence' policy?

CLAIMS-MADE/OCCURENCE

Amount of malpractice premiums paid:

\$ _____

If self insured (not common), amount of 'paid losses' for malpractice claims:

\$ _____

In what account are the malpractice premiums paid, paid losses or self-insurance located on the clinic's financials:

3. Did your clinic participate in any Medicare or Medicaid payment model demonstration projects? Please call with any questions or need to discuss.

YES/NO

4. Did your clinic provide any CMS approved "Visiting Nurse" services. If yes, please contact us for additional info needs

YES/NO

5. Did your clinic participate in any CMS approved Interns and Residents program? (This only applies if you are the sponsoring entity) If yes, please

YES/NO

OTHER INFORMATION TIPS

Confirm who will electronically sign the cost report if MCR eF access is approved

OTHER INFORMATION TIPS

Are you enrolled in any demonstration projects?

Direct Contracting (DCE)?
(ACO to DCE)



Questions:

Julie Quinn, CPA, MBA

Principal, Vice President

Compliance and Cost Reporting

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