

CMS Cost Reporting

Maximizing Your RHC Costs



Data Needed to Complete the Cost Report

- Financial Statements
- Visit Counts
- Clinic Hours of Operation
- FTE Calculations
- Total number of Nursing Staff hours worked
- Staff of RHC
- Vaccine Information
- PS&R from CMS
- Depreciation Schedule



Data Needed to Complete the Cost Report

- Medicare Bad Debt
- Laboratory Costs
- X-Ray Costs



	FACILITY HEALTH CARE STAFF COSTS
1	Physician (A) (B)
2	Physician Assistant
3	Nurse Practitioner
4	Visiting Nurse
5	Other Nurse
6	Clinical Psychologist
7	Clinical Social Worker
8	Laboratory Technician
9	Other (Specify) Medical Assistants (D)
12	Subtotal-Facility Health Care Staff Costs
	COSTS UNDER AGREEMENT
13	Physician Services Under Agreement
14	Physician Supervision Under Agreement
16	Subtotal Under Agreement (Lines 13 - 15)
	OTHER HEALTH CARE COSTS
17	Medical Supplies
18	Transportation (Health Care Staff)
19	Depreciation - Medical Equipment
20	Professional Liability Insurance
21	Other (Specify) See Schedule A
24	Subtotal - Other Health Care Costs
25	Total Cost of Services (Other Than

	FACILITY OVERHEAD - FACILITY COST
26	Rent
27	Insurance
28	Interest On Mortgage or Loans
29	Utilities
30	Depreciation - Buildings and Fixtures
31	Depreciation - Equipment
32	Housekeeping and Maintenance
33	Property Tax
34	Other (Specify)
37	Subtotal Facility Cost (Lines 26 - 36)
	FACILITY OVERHEAD - ADMINISTRATIVE
38	Office Salaries (A)
39	Depreciation - Office Equipment
40	Office Supplies
41	Legal
42	Accounting
43	Insurance (Specify)
44	Telephone
45	Fringe Benefits and Payroll Taxes
46	Other (Specify) See Schedule B
49	Subtotal - Administrative (Lines 38 - 48)
50	Total Overhead (Lines 37 and 49)

	COST OTHER THAN RHC/FQHC SERVICES
51	Pharmacy
52	Dental
53	Optometry
54	Other (Specify) Physician Hospital & NH Part A (B)
55	Health Check (C)
56	Norplant (E)
57	Subtotal-Other Than RHC/FQHC Svcs (51-56)
	NON-REIMBURSABLE COSTS (Specify)
58	External Lab
59	In-House Lab (D)
60	
61	Subtotal Nonreimbursable Costs (Lines 58-60)
62	TOTAL COSTS (Sum of Lines 25, 50, 57, & 61)

Financial Statements

- Balance Sheet
- Profit and Loss Statement
- Trial Balance



Visit Counts

- Count of patients seen broken down by provider and by insurance type for all providers.
- Face-to-Face Encounters
- Do not include hospital visits, non covered services, non-providers or injection visits.



Staff of RHC

- Copy of W-2s issued
- Job Titles
- # hours worked/week or total for the year
- Fringe benefits paid for all providers and staff



Depreciation Schedule

- Date Asset Purchased
- Description of Asset
- Cost of Asset



Vaccine Information

- Copies of invoices for vaccine purchased
- Log of flu and pneumo. vaccines given throughout the year (our office can provide sample of this log)



Medicare Bad Debt

- Medicare bad debt is claimed on the cost report based on which fiscal year the bad debt was written off in, not date of service.
- A bad debt log must be submitted with the cost report (our office can provide a sample –soon CMS will require this electronically).



Lab/Xray Costs

- Lab and X-ray Costs are non-allowable costs for the RHC program.
- Need details of staff performing these duties so that a % of their salaries can be carved out of the costs
- Time studies of staff to support the allocated carve out may be required by Cahaba.



Lab/Xray Costs

- When carving out these costs, need to include any costs for purchase of lab and x-ray supplies or equipment and also any depreciation claimed on this equipment.



Related Party Transactions

- Do you rent your building from your own corporation or a relative's corporation?
- Consider lowering the rent paid to yourself and increasing the amount of your salary. This will increase your allowable costs because related-party rent is nonallowable. You can only claim the following costs for related party rents: depreciation on the building you own, property taxes, interest payments on the mortgage loan and insurance



Salary Expense for LLCs vs Sole Proprietor

- If you receive a W-2 for your wages, that is the amount you must claim as the expense.
- If you take draws against the company as opposed to a W-2, you may use the estimated cost of your physician salary but *the estimated cost must be reasonable.*



Quirks of the Cost Report

- Overhead for Various Costs/Line Items
- Increasing your Costs and Decreasing your visits will increase your rate/visit.
- Accrual of expenses may help you increase your total allowable expenses.



Contact Information

- Cindy Moore, CPA
- Chief Financial Officer
- SC Office of Rural Health
- 107 Saluda Pointe Drive
- Lexington, SC 29072
- cindy@scorh.net
- (803) 454-3850; Fax (803) 454-3860



The SC Office of Rural Health is dedicated to improving access to quality healthcare in rural communities.