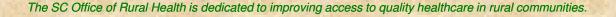
CMS Cost Reporting Maximizing Your RHC Costs



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



Ser 1	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
19-26	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

Sec. 1	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)
12.25	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 relatedparty 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 <u>but</u> 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.



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