S-10 101

Presented by:
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CPE Credit Requirements

- In order to be awarded the full credits, you must respond to the 3 Knowledge Check questions asked throughout the session.
- Participants will earn 1.0 CPE credit for each session they attend.
  - (Field of Study: Specialized Knowledge)

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Christina Brown

Reimbursement Manager

Christina Brown is a Reimbursement Manager with the BESLER Reimbursement Services team.

Christina has been in the healthcare industry for 10 years, working with multiple hospital chain organizations as a reimbursement professional. Her experience includes cost reporting, regulatory support, budgeting, and reimbursement impact analysis for hospital operations.

Christina graduated from Florida State University with a Bachelors degree in Accounting and received an MBA from the University of Alaska at Anchorage.

Agenda

- What is S-10 and why is it important?
- Key data items needed for processing
- Best practices to follow when processing the data
- Filing the necessary support with the cost report

What is S-10?

Why is it important?

What is S-10?

- Worksheet on the Medicare Cost Report

Why is it important?

- It is used as a factor to calculate the amount of Uncompensated Care

Uncompensated Care

"Consists of charity care, non-Medicare bad debt, and non-reimbursable Medicare bad debt. Uncompensated care does not include courtesy allowances, discounts given to patients that do not meet the hospital's charity care policy, or discounts given to uninsured patients that do not meet the hospital's FAP, or bad debt reimbursed by Medicare."

Uncompensated Care: Factor 1

- 75% of estimated DSH payments that would have previously been under old DSH methodology
  - Less 25% empirically justified amount
  - More information on the calculation used can be found using the following link:
    - Estimate of Medicare DSH payments used in development of factor 1

Uncompensated Care: Factor 2

- 1 minus the percent change in the rate of uninsured individuals under age 65
- Current calculation of the percentage of uninsured persons is certified by the Chief Actuary of CMS
  - More information on the calculation used can be found using the following link:
    - Certification of Rates of Uninsurance (cms.gov)

Uncompensated Care: Factor 3

- The hospital's amount of uncompensated care relative to the amount of uncompensated care for all DSH hospitals (as a %)
  - Amount reported on S-10 Line 30
  - File containing data per FY22 Final Rule can be found:
    - https://www.cms.gov/files/zip/fy-2022-ipps-final-rule-medicare-dsh-supplemental-data-file.zip

Polls & Questions

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Worksheet S-10

Hospital Uncompensated and Indigent Care Data

Worksheet S-10

03-18 FORM CMS-2552-10 4090 (Cont.)

HOSPITAL UNCOMPENSATED AND INDIGENT CARE DATA	PROVIDER CCN:	PERIOD: FROM _____ TO _____	WORKSHEET S-10

Uncompensated and indigent care cost computation			
1	Cost to charge ratio (Worksheet C, Part I, line 202, column 3, divided by line 202, column 8)		1
Medicaid (see instructions for each line)			
2	Net revenue from Medicaid		2
3	Did you receive DSH or supplemental payments from Medicaid?		3
4	If line 3 is yes, does line 2 include all DSH and/or supplemental payments from Medicaid?		4
5	If line 4 is no, enter DSH and/or supplemental payments from Medicaid		5
6	Medicaid charges		6
7	Medicaid cost (line 1 times line 6)		7
8	Difference between net revenue and costs for Medicaid program (line 7 minus lines 2 and 5). If line 7 is less than the sum of lines 2 and 5, then enter zero.		8

Worksheet S-10

Children's Health Insurance Program (CHIP) (see instructions for each line)			
9	Net revenue from stand-alone CHIP		9
10	Stand-alone CHIP charges		10
11	Stand-alone CHIP cost (line 1 times line 10)		11
12	Difference between net revenue and costs for stand-alone CHIP (line 11 minus line 9). If line 11 is less than line 9, then enter zero.		12
Other state or local government indigent care program (see instructions for each line)			
13	Net revenue from state or local indigent care program (not included on lines 2, 5, or 9)		13
14	Charges for patients covered under state or local indigent care program (not included in lines 6 or 10)		14
15	State or local indigent care program cost (line 1 times line 14)		15
16	Difference between net revenue and costs for state or local indigent care program (line 15 minus line 13) If line 15 is less than line 13, then enter zero.		16
Grants, donations and total unreimbursed cost for Medicaid, CHIP and state/local indigent care programs (see instructions for each line)			
17	Private grants, donations, or endowment income restricted to funding charity care		17
18	Government grants, appropriations or transfers for support of hospital operations		18
19	Total unreimbursed cost for Medicaid, CHIP, and state and local indigent care programs (sum of lines 8, 12, and 16)		19

Worksheet S-10

Uncompensated Care (see instructions for each line)					
		Uninsured patients	Insured patients	Total (col. 1 + col. 2)	
		1	2	3	
20	Charity care charges and uninsured discounts for the entire facility (see instructions)				20
21	Cost of patients approved for charity care and uninsured discounts (see instructions)				21
22	Payments received from patients for amounts previously written off as charity care				22
23	Cost of charity care (line 21 minus line 22)				23

24	Does the amount on line 20, column 2, include charges for patient days beyond a length-of-stay limit imposed on patients covered by Medicaid or other indigent care program?		24
25	If line 24 is yes, enter the charges for patient days beyond the indigent care program's length-of-stay limit (see instructions)		25
26	Total bad debt expense for the entire hospital complex (see instructions)		26
27	Medicare reimbursable bad debts for the entire hospital complex (see instructions)		27
27.01	Medicare allowable bad debts for the entire hospital complex (see instructions)		27.01
28	Non-Medicare bad debt expense (see instructions)		28
29	Cost of non-Medicare and non-reimbursable Medicare bad debt expense (see instructions)		29
30	Cost of uncompensated care (line 23 column 3 plus line 29)		30
31	Total unreimbursed and uncompensated care cost (line 19 plus line 30)		31

Key Data Items needed for Processing

Data Elements

- Full Transaction Detail history for all accounts with Bad Debt or Charity write-offs
  - Will likely need to go back several years due to lag of Bad Debt
  - Proper categorization and descriptions of all transaction codes
  - Query logic for how Bad Debt and Charity write-offs were identified

Data Elements

- Patient Demographics for all accounts with Bad Debt or Charity write-offs
  - Total charges and account balance tie to supporting data
    - Physician/Professional Fees identified
  - Insurance is appropriately identified
    - Workers Compensation and Auto – Uninsured
  - Other key demographic information is present

Data Elements

- Charge Details for all accounts with Bad Debt or Charity write-offs
  - Ties to total charges on patient demographics
  - Physician/Professional Fees identified and tie to patient demographics

Polls & Questions

Best Practices to follow when Processing the Data

Best Practices

- **Reconciliation of transaction detail**
  - Ensure Bad Debt and Charity write-offs can reasonably be validated against GL expense
- **Bad Debt Policy**
  - Review policies for specifics and that policy is being followed
- **Charity Policy**
  - Review FAP for specifics and that policy is being followed

Best Practices

Types of data elements to review:

- Zero sum write-offs
- Missing patient demographic
- Zero charges
- Write-off exceeds charges
- Lifetime amounts should reflect the proper balance
- Account balance does not match balance of transactions
- Reduction for physician/professional fees if applicable

Polls & Questions

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Filing the Necessary Support with the Cost Report

Proposed Transmittal 17 Exhibit

DRAFT FORM CMS-2552-10 4012.7 (Cont.)

EXHIBIT 3B
CHARITY CARE LISTING

PROVIDER NAME: _____	CCN: _____	FYE: _____	PREPARED BY: _____
CHARITY CARE FOR (SELECT ONE):	___ UNINSURED PATIENTS ___ INSURED PATIENTS		DATE PREPARED: _____

#	PATIENT CLAIM INFORMATION									CHARITY CARE DETERMINATION			
	PATIENT NAME		DATES OF SERVICE		PAT. ACCT. NO.	UI / INC	NAME OF IN-SURER	MBI	MEDI-CAID NO.	AP-PROV-ED	POLICY UNDER WHICH AP-PROV-ED	GROSS CHGS	DED-UCT-IBLE / COIN-SUR-ANCE / COPAY-MENT
	LAST	FIRST	ADM.	DIS.									
	1	2	3	4	5	6	7	8	9	10	11	12	13

CHARITY CARE LISTING (CONT.)													
NON-COV. CHGS COV. BY MEDI-CAID	MINUS (REDUCTIONS)					GROSS CHGS NET OF RE-DUC-TIONS	ALLOW. CHAR-ITY CARE CHGS	CHAR-ITY CARE AP-PROV-ED RATIO	UNIN-SURED DISC-COUNT	TOTAL ALLOW. CHAR-ITY CARE AMT	WRITE OFF DATE	PAT. RESP. CHGS	PAY-MENTS RE-CEIVED
	PHYS. / PROF. CHGS	NON-COV-ERED CHGS	UNIN-SURED DIS-COUNT	CON-TRAC-TUAL AL-LOW-ANCE	COUR-TESY DIS-COUNT								
14	15	16	17	18	19	20	21	22	23	24	25	26	27

Rev. 40-80.7

*Removed with the Final Rule

Proposed Transmittal 17 Exhibit

DRAFT FORM CMS-2552-10 4012.7 (Cont.)

EXHIBIT 3C

LISTING OF TOTAL BAD DEBTS

PROVIDER NAME: _____ *PREPARED BY:* _____

CCN: _____ *DATE PREPARED:* _____

FYE: _____

INSURANCE STATUS 1	PATIENT NAME LAST 2	PATIENT NAME FIRST 3	PATIENT ID NO. 4	DATES OF SERVICE FROM 5	DATES OF SERVICE TO 6	PRIMARY PAYOR 7	SECONDARY PAYOR 8

LISTING OF TOTAL BAD DEBTS (CONT.)

SERVICE INDICATOR 9	TOTAL HOSPITAL* CHARGES 10	TOTAL PHYSICIAN/ PROFESSIONAL CHARGES 11	TOTAL PATIENT PAYMENTS 12	TOTAL THIRD PARTY PAYMENTS 13	PATIENT CHARITY CARE AMOUNT 14	CONTRACTUAL ALLOWANCE / OTHER AMOUNT 15	A/R WRITE OFF DATE 16	PATIENT BAD DEBT WRITE OFF AMOUNT 17

**Charges for the hospital CCN only.*

Rev. 40-80.9

**Removed with the Final Rule*

Looking Ahead

- Currently using formats from audits
- Expect Transmittal 18 to contain new exhibits

Audit Considerations

Questions directly related to:

- Listing methodology
- Transaction code descriptions
- Insurance descriptions if not already grouped on listing
- Reconciliation to GL for Bad Debt and Charity
- Listing of records with multiple write-offs
- Ensure there is not double-dipping of write-off amounts

Audit Considerations

Questions directly related to (cont.):

- Bad Debt and Charity policies
- Verification of account balance and transactions
- Charges do not exceed write-off amount
- Accountability or attestation of physician/professional fees
- Bad Debt and Insured Charity write-off amounts do not exceed patient responsibility
- Patient detail sampling

Questions?

Easy Work Papers is a software solution that automates the majority of the preparation for hospital cost reports and supporting workpapers.

Cost Report Preparation is an end-to-end service that includes completion and submission of the cost report to a hospital's specific Medicare Administrative Contractor.

Cost Report Reviews can fix common errors allowing hospitals to receive corrected payments without having to wait for final settlement of the Medicare Cost Report.

Email update@besler.com to tell us how we can help your reimbursement team

Medicare Cost Report Reviews and Preparation	Disproportionate Share Reviews (DSH)
S10 Review and Refiling	Medicare Geographic Classifications
Wage Index Opportunity and Analysis	Medicare Appeals and Regulatory Analysis
Reimbursement Technology	Organ Acquisition

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