

Louisiana Nursing Home - Frequently Asked Questions (02/23/03)

- 1. I'm a nursing home provider that is not certified for Medicare. Do I still have to file a Medicare cost report for Medicaid purposes?**

Yes, you must file the Medicare cost reports for Medicaid purposes.

Louisiana's Medicaid program has adopted the Medicare Skilled Nursing Cost Report (CMS Form 2540-96) and the Medicare Home Office Cost Report (CMS Form 287-92) for Medicaid cost reporting purposes. See **LAC 50:VII.1303.**

Nursing facilities participating in the Louisiana Medicaid program must complete the skilled nursing facility cost report adopted by the Medicare program (CMS Form 2540-96) in order to satisfy cost reporting requirements.

For nursing facilities under the ownership of a hospital, the cost reporting document is the Health Care Financing Administration (HCFA) 2552.

In all cases, the Louisiana Supplemental Cost Report must be completed and filed.

- 2. If I am a nursing home provider and have a home office, do I complete and file the Medicare Home Office Cost Report form for Medicaid purposes too?**

Yes, you must file the Medicare cost reports for Medicaid purposes.

Louisiana's Medicaid program has adopted the Medicare skilled nursing cost report, CMS Form 2540-96 and the Medicare Home Office Cost Statement, CMS Form 287-92 for Medicaid cost reporting purposes. See **LAC 50:VII.1303.**

If a home office cost report is required, then the Medicare Home Office cost report (CMS 287-92) must be completed and filed.

For nursing facilities under the ownership of a hospital, the cost reporting document is the Health Care Financing Administration (HCFA) 2552.

In all cases, the Louisiana Supplemental Cost Report must be completed and filed.

- 3. My year-end does not correspond with the state fiscal year. Do I have to file a cost report for the period ending June 30th or do I file a cost report that corresponds with my usual fiscal year-end?**

Facilities are required to file the Medicare cost report based on their fiscal year end. The cost reporting period begin date shall be the later of the first day of the facility's fiscal period or the facility's Medicaid certification date. The cost reporting end date shall be the last day of the facility's fiscal period.

- 4. My home office cost report has a different year-end than the nursing facility. Do I have to complete a home office cost report that corresponds to the facility's year-end? If not, how do I allocate home office costs to the nursing facility?**

The home office is not required to have the same year-end as the facility. The home office should file its cost report based on the home office's year-end. When the home office accounting period differs from the cost reporting period of the related facilities, the allowable home office costs of the provider for the period covered by the home office cost statement should be included in the provider's cost report. An amount of allowable home office costs for the provider for the portion of its reporting year not covered by the home office statement will be tentatively projected at a rate not in excess of the previous year's home office costs as set forth in the applicable home office cost statement.

Example: The home office has an accounting year ending August 31, 2002. For that year, home office costs of \$120,000 were allocated to Provider A and \$84,000 to Provider B. Provider A's reporting year ends on December 31; Provider B's reporting year ends on March 31.

Of the \$120,000 costs allocated to Provider A, \$40,000 applies to its reporting year ended 12/31/01, covering the period from 9/1/01 to 12/31/01; and \$80,000 applies to its reporting year ending 12/31/02, covering the period from 1/1/02 to 8/31/02. Therefore, in its cost report for the year ending 12/31/02, Provider A may include home office costs of \$40,000 projected for the period 9/1/02 to 12/31/02, which is not covered by the home office cost statement (\$10,000 per month x 4 months).

Of the \$84,000 allocated to Provider B, \$49,000 applies to its reporting year ending 3/31/02, covering the period from 9/1/01 to 3/31/02; and \$35,000 applies to its reporting year ending 3/31/03, covering the period from 4/1/02 to 8/31/02. Therefore, in its cost report for the year ending 3/31/03, Provider B may include home office costs of \$49,000 projected for the period 9/1/02 to 3/31/03, which is not covered by the home office cost statement (\$7,000 per month x 7 months).

Then, the following year, when actual costs are determined, the projected amounts will be adjusted to agree with the actual amounts, and appropriate adjustments made.

Source: Provider Reimbursement Manual Part I, Section 2150.3

5. **The nursing facility was certified for Medicare during the middle of the nursing facility's fiscal year. Do I file the partial year Medicare cost report to DHH or do I have to complete the Medicare cost report for the entire Medicaid fiscal period?**

The facility must file the Medicare cost report for the entire year to meet Louisiana's Medicaid cost reporting requirements. The cost reporting period begin date shall be the later of the first day of the facility's fiscal period or the facility's Medicaid certification date. The cost reporting end date shall be the last day of the facility's fiscal period.

6. **Can my fiscal year for Medicaid cost reporting purposes be different from my fiscal year for Medicare cost reporting purposes?**

Yes, your fiscal year for Medicaid cost reporting purposes may be different from your fiscal year for Medicare cost reporting purposes. However, in doing this you will be completing two separate cost reports using the CMS Form 2540-96.

7. **When preparing the nursing facility or home office cost reports, do I make Medicaid required adjustments to the Medicare cost report?**

No, you should complete the Medicare cost report as required by the Medicare Provider Reimbursement Manual.

All Medicaid required adjustments should be made **only** on the Louisiana Supplemental Cost Report schedules. There is a separate schedule for nursing home adjustments and another schedule for home office adjustments.

8. **Why do we need to file the Louisiana Supplemental Cost Report in addition to the CMS 2540-96 and the CMS 287-92?**

The Louisiana Supplemental Cost Report allows you to list your Medicaid adjustments and other specific information that is required for rate setting purposes.

In addition, you will now use the Louisiana Supplemental Cost Report to file SN/Infectious Disease, SN/Technology Dependent Care, SN/Neurological Rehabilitation Treatment Program data, Nurse Aide Training & Testing Cost Report data, and other required statistical data.

9. Are there Louisiana Supplemental Cost Report schedules required for home offices cost reports? If not, how do I make the adjustment for salary limitations and other Medicaid only adjustments?

Yes, there are two schedules in the Louisiana Home Office Supplemental Cost Report for this purpose.

One schedule is used to report nursing facility adjustments and limits while the other schedule is used to report home office adjustments and limits.

The Louisiana Supplemental cost report is located on the web at www.medimax.com.

The home office cost report filed for Medicare purposes along with the Louisiana Supplemental cost report schedules are appropriate for meeting Louisiana's Medicaid cost reporting requirements.

10. When completing the “Supplemental Cost Report – Ancillary/Therapy Charge – Page 12” schedule, do I report only therapy ancillary charges or all ancillary charges?

Record all ancillary charges reported on Worksheet C of your Medicare cost report on page 12 of the Louisiana Supplemental Cost Report.

Note: Each line item total and Column 7 total should agree with Worksheet C per line item and total of your Medicare cost report.

11. When completing the “Supplemental Cost Report – Specialized Services Cost and Statistics – Page 14” schedule, do I report incremental costs or total costs in section 1? In section 2, are you requesting statistics or dollar amounts.

This supplemental schedule has been designed to assist the state in separating your cost associated with SN/ID, SN/TDC and NRTP from your standard Medicaid costs.

Facilities should report their direct patient care cost associated with each of these specialty populations and provide the appropriate allocation statistics so that the total facility cost for each of these specialty areas can be identified.

In section 1, total direct salaries and direct cost should be reported for each of the specialized services. In column C report the location on Worksheet A where these costs were reported on your Medicare cost report.

In section 2, the data reported could either be statistics such as square feet or a dollar amount such as accumulated cost. The same allocation methodology for each general cost center service as reported on Worksheet B-1 should be used. An example follows:

For example, if square feet were used to allocate plant operation/maintenance then you must use square feet to allocate plant operation/maintenance expense to the specialty services.

The following methodology could be used to determine statistics if the facility does not have a separate wing or if a bed is used for only part of the year for an ID/TDC resident and a “regular” Medicaid resident during the rest of the year.

Assumptions: Facility A has 10 beds or 3,650 bed days available. The facility had one ID/TDC resident for 50 days. The total square feet per the nursing facility is 3,500 square feet.

Calculation of square feet statistics to use for ID/TDC: 50 ID/TDC days divided by 3,650 total days = 1.4% for a total of 49 square feet (3,500 sq ft * 1.4%) for ID/TDC.

12. When completing the “Supplemental Cost Report –Specific Cost Detail – Page 11” schedule, can I include that portion of my property insurance expense that is identified as property liability insurance expense?

Yes, you may include property liability insurance expense on the Specific Cost Detail schedule. You can include specific boiler insurance as well.

13. Can I include uniform expense as an employee benefit expense?

Yes, you may report uniform expense as an employee benefit expense.

14. How do I obtain the Louisiana Supplemental Cost Report Software?

This free and easy to use software is available for downloading from the MediMax Technologies’ web site located at www.medimax.com.

It is very important that you register at the MediMax web site for official reimbursement updates. Only registered users will get email notifications of new software releases and official state reimbursement updates.

15. Where do I get software support for the Louisiana Supplement Cost Report software and schedules?

Software support is available from MediMax Technologies by calling 318-263-9474 (voice) or 318-242-2028 (beeper/voice mail).

You may also send emails to Gary Carlisle at gcarlisle@medimax.com or Dean Anderson at danderson@medimax.com with questions.

16. On the www.medimax.com web site there is a place to sign up or register. What benefits do I get from this?

Only registered users receive official state reimbursement notifications. These notifications include official messages from state agencies regarding cost reporting issues as well as new software releases, software upgrades, and training sessions. Registered users are not sent unnecessary emails. You are strongly encouraged to register.

17. Since we are now required to file cost reports using Medicare software, where can I find a list of the CMS approved cost report software vendors?

This listing with contacts and phone numbers is available on the Internet at www.veritusmedicare.com/provider/faq/approved_cost_report_vendors.html.

18. Where can I find a copy of the Medicare Provider Reimbursement Manual?

This subscription service manual is available for purchase on the Internet at <http://www.gpo.gov/regulatory/health.html>. You can also call the U.S. Government Online Bookstore toll free at 1-866-512-1800. The stock number is 917-007-00000-4. This comprehensive sourcebook can keep you informed of the latest changes in Medicare policies and procedures and help you determine the reimbursement for Medicare services you provide. This manual is formerly known as HCFA Publication 15-1. The current price is \$327.00.

This is an excellent web site: <http://cms.hhs.gov/manuals/SaleManuals.asp>

* FREE [Provider Reimbursement Manuals – Part 1](#)

Excellent Reference Manuals - http://cms.hhs.gov/manuals/pub151/pub_15_1.asp

* FREE [Provider Reimbursement Manuals – Part 2](#)

Excellent Reference Manuals - http://cms.hhs.gov/manuals/pub152/pub_15_2.asp

19. Where can I find Medicare cost report training?

The Healthcare Financial Management Association (www.hfma.org) offers cost report training seminars. The educational calendar for both “chapter” and “regional” courses is available at http://www.hfma.org/education/national_education_calendar.htm. HFMA members can attend “Understanding the Medicare Cost Report” and “Reimbursement Institute.” Online study is available as well as on-site programs.

20. Is there a monthly CD service covering Medicare and Medicaid issues?

Yes, CCH (Commerce Clearing House) offers the Medicare and Medicaid Guide. The Guide, updated each month on CD, is very comprehensive containing manuals, court decisions, cost report forms, detailed instructions, Medicaid information, and latest developments. This Guide can be located on the web at <http://onlinestore.cch.com>. You can telephone 1-800-449-9525 for more information. It is expensive.

21. How can I get a copy of the current Standards for Payment for Nursing Facilities?

An order form for the Nursing Facility Standards for Payment can be obtained from the Medicaid Health Standards Section by calling (225) 342-0148. The cost of a copy of the standards is \$75.00. In addition, a limited supply of the training manual for the Louisiana Medicaid's New RUG-III Case Mix Reimbursement System for Nursing Facilities is available at no cost. Please contact John Marchand at (225) 342-6116 to request a copy.

22. How many copies of the Medicare cost report and the Medicaid Supplemental Schedules do I need to file? How many electronic copies are needed? Do we have to send electronic copies of both the Medicare cost report(s) and the Medicaid Supplemental Cost Report?

The following should be submitted for each facility: Two (2) paper copies and three (3) electronic copies on diskette or CD are required in each case for of the Medicare cost report (CMS Form 2540-96) including the Compliance Questionnaire (CMS Form 339), the Louisiana Medicaid Supplemental Cost Report, and the Medicare home office cost report (CMS Form 287-92) if applicable.

Please use one diskette for each cost report. Do not place more than one cost report on a diskette.

23. What is the Internal Control and Cost Reporting Questionnaire that is listed on the cost report checklist as a required item to submit with the Medicare cost report?

The Internal Control and Cost Reporting Questionnaire refers to the Compliance Questionnaire (CMS Form 339) and is required to be completed and submitted for each facility.

24. I am using the Medicare software to file my Louisiana Medicaid cost report and we are not Medicare certified. I am having trouble using this software. Can you offer any suggestions?

Yes. When you do not have a Medicare skilled nursing facility, it is more difficult to eliminate all Level One errors.

You must remove all Level One errors in order to submit the cost report.

The provider number for the nursing facility normally is 5 digits. To enter this provider number, when no Medicare unit exists, enter this number in this format xx-xxxx. For example, 12345 would be entered 01-2345.

In some cases you may have to enter a number "1" in some fields to eliminate a Level One error.

In using the Medicare software remember to create the electronic cost report (ECR) before printing the final cost report for submission.

You will probably not be able to eliminate all of the errors in this cost report. Eliminating Level One errors will allow you to submit the required number of printed copies and electronic cost reports (ECR).

25. When I submit the cost reports on diskette, how should I do it?

You should submit 3 diskettes for each cost report prepared. That is, 3 separate diskettes for the CMS 2540-96, 3 separate diskettes for the Louisiana Supplemental Cost Report, and 3 separate diskettes for the home office cost report CMS 287-92, if applicable.

Do not place multiple copies of data on a single diskette. Use one diskette for each cost report's (ECR) data files.

26. Do the Medicaid cost limits for salaries apply to the home office cost report salaries as well as the nursing facility cost report salaries?

Yes, they do. Make the required adjustments on the Supplemental Cost Report.