INSTITUTIONAL COST REPORT (NYSICR)

Frequently Asked Questions

(for 2018 ICR)

	Question	Answer
A. Reporting Questions		
1	**What is causing a data error on Exhibit 17 - (Worksheet A-8-2) - Provider Based Physicians Adjustment after all data is entered?**	If providers try to use more than 100 Exhibit 17 lines, there will be a data issue because of our system limitations. We would advise you to stay within the 100-line limit, entering nothing on Lines 101-199. This may mean you have to roll certain lines together.
2	**How should bad debts be reported?**	Bad Debt should not be reported as an expense for reimbursement purposes for Medicaid as it is recognized by the NYS Department of Health as a reduction of revenue. The preferred method of reporting would be a positive Adjustment to Expense for Medicare purposes on Exhibit 14. However, if a facility reports Bad Debts and/or Assessments in the opening balance of expenses on Exhibit 11 (Worksheet A) and subsequently makes a negative Adjustment to Expense for Medicaid purposes on Exhibit 14, then the same entry must be made on Exhibit 26, Part II. Please remember, reconciliation to the audited financial statements for Bad Debt and Assessments is provided on Exhibit 28.
3	**What can be reported on the cost report in order to obtain/maintain a clinic rate code 1432. If the hospital has an extension clinic reported on the Operating Certificate, should those services be reported under the clinic cost centers on the ICR?**	If an extension site is certified by NYS as a "Hospital Extension Clinic", the hospital would report the services provided by that site in the clinic cost center and step down all costs applicable to that site in order to receive a clinic rate. Regarding payment for the claims submitted for that site, billing rules will determine if the APG rate can be used for the service(s) provided. For example, if the only service that was provided in the visit was a diagnostic test and the patient was referred to that clinic, a claim with only a radiology CPT code will not pay under APGs and must be fee-billed. So, as the clinic rate will be available for the provider to bill, it should be utilized based on appropriate billing policies.
4, Pt I	**How should payments distributed as a result of Medical Liability Mutual Insurance Company's (MLMIC) 2018 acquisition by Berkshire Hathaway be reported? Part 1 of 2 (revised 5/25/2021)**	These payments from MLMIC to eligible policyholders (or designees) are to be reported in the ICR for the period(s) during which they are received as Other Revenue and treated as investment income. The New York State Department of Financial Services (DFS), when it approved the MLMIC demutualization transaction, determined that the cash consideration received by MLMIC's policyholders in return for their equity interest in the mutual insurance company was investment income. Further, the equity interest in the demutualized company is considered investment income by the Internal Revenue Service. In addition, because the transaction did not change existing insurance policies, payments are not to be ICR-reported as returns or refunds of insurance premiums or insurance settlement payments unless documentation from MLMIC (or its representatives or successors) explicitly state that they are returns or refunds.
4, Pt 2	**How should payments distributed as a result of Medical Liability Mutual Insurance Company's (MLMIC) 2018 acquisition by Berkshire Hathaway be reported? Part 2 of 2 (revised 5/25/2021)**	Title 10 New York Codes, Rules and Regulations section 86-1.25(g)(3) states that "Investment income shall be defined as the aggregate net amount realized from dividends, interest, rental income, interest earned on temporary investment of withholding taxes, as well as all gains and losses." The payments for the end of MLMIC demutualization membership interests meet this definition on investment income. The regulations further require that "Interest expense shall be reduced (offset) by investment income with the exception of income from funded depreciation, qualified pension funds, trusteed malpractice insurance funds, or in instances where income from gifts or grants is restricted by donors." The description for financial statement presented amounts may differ from the ICR description. The Berkshire Hathaway acquisition resulted in MLMIC's conversion from a property and casualty mutual insurance company to a property and casualty stock insurance company with, per the DFS September 6, 2018 Decision, cash consideration was paid for extinguished members' equity according to an approved formula. The offsetable ICR investment income value is the difference in the cash consideration received from MLMIC and the hospital-specific net premiums paid during the three-year period that was used by MLMIC to calculate the hospital's share of the cash consideration pool.
5	**What is the proper Source of Payment for ICR reporting of payments received from foreign embassies or governments on behalf of international patients? (added 01/07/2021)**	The ICR payor source on Exhibits 32, 33 and 34 as well as Exhibit 52 (feeds Exhibit 46) for payments made by a foreign embassy or government would be based on who has the fiscal responsibility to pay for the medical encounter and not merely who wrote the check or negotiated the amount. •Unless paid by an insurance carrier, if the individual is "protected under their diplomatic mission," use Government. •For self-responsible portions when Health Care Coverage is via a US carrier (Blues, GHI, etc.), use that carrier's payor source. •For foreign carriers, use the payor source that aligns with the type of carrier: not-for-profit, commercial indemnity, HMO, etc. •When the foreign government has a Nationalized Health Plan that includes the individual, use Government. •When the foreign government pays directly from government resources, use Government. •When the foreign agency is acting as a conduit for the individual's payment and the individual is responsible, use Uninsured/Self-Pay. Similar questions have been addressed for Medicaid DSH and for HCRA reporting. - For Medicaid DSH, see the Q&A regarding uninsured patient reporting. - For HCRA, which line to use is included in the November 2011 HCRA Hospital Conference discussion on the DOH website.

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	Question	Answer
B. Software Questions		
6	**What is the username and password?**	At the KPMG Compu-Max website: http://www.kpmgcompumax.com, you will be prompted to enter a username and password. All New York hospitals will use the same login credentials. The username is “nyicruser”. The password is the current reporting year (ex. if you are working on the 2018 ICR, the password is "2018") . NOTE: Since these credentials will be used by all New York hospitals, please DO NOT click the “Change Password” link. Once you have logged in, you will see a link to the NYSICR-2011 software. When you click that link, you will be taken to the download page for the software itself.
C. Audit Fee Questions		
7	**What are the fees associated with submitting an ICR?**	The ICR audit fees are based on Exhibit 11, column 3, line 960 **total expenses** at Class code 00042, line 960 of the previous year's report. The audit fee levels are posted on the DOH website at: http://www.health.ny.gov/facilities/hospital/audit_fee/ For cost report audits for years 2015 and prior, the audit fee payments have been based on the above costs at these fee amounts: <$50 million = $ 5,000 fee $50 - $100 million = $ 7,500 $100 - $300 million = $10,000 $300 - $700 million = $15,000 $700 - $1 billion = $20,000 $1 - $1.5 billion = $30,000 >$1.5 billion = $40,000 This fee applies to 2018 ICR audits.
D. ICR Audit Questions		
8	**Is the Hospital Financial Assistance Law (HFAL) questionnaire used solely to determine compliance? Are hospitals field audited on HFAL compliance?**	All hospitals' questionnaire responses are used to determine HFAL compliance. This is the extent of procedures for desk-audited hospitals. Hospital selected for field audits have additional procedures performed to complete the HFAL compliance determination.
9	**If a hospital is not found to be in substantial compliance with the HFAL, how long does it have to correct the issue?**	As with any ICR Audit finding, for an HFAL non-compliance finding, the hospital is to provide a corrective action plan (CAP) with a "completed-by" date for the Final Audit Dashboard. DOH has the ultimate say in whether this CAP results in compliance and its timing is appropriate.
E. General Questions		
10	**How is the information in cost reports used by the Department?**	The data in the report is used by the Department for data analysis and rate development and for use by Hospital and Health Care Complexes in the reporting of financial and statistical data applicable to services rendered for Title XVIII and XIX. Certain of the data in the ICR is used by other Agencies.
11	**Who should I contact with ICR related questions?**	**ICR questions can be answered using the following emails:** General ICR Questions**:** Hospital.ICR@health.ny.gov KPMG ICR Audit Contact: us-albadvnysdhicr@kpmg.com. Audited Financial Statements must be emailed in pdf format to: AFS@health.ny.gov **Other resources include:** Hospital Inpatient or Outpatient Article 28 rates: HospFFSUnit@health.ny.gov Outpatient Services for Article 32 (OASAS), Article 31 (OMH) & Article 16 (OPWDD) providers or rates: mhrs@health.ny.gov Medicaid Managed Care Rates: bmcr@health.ny.gov Accounts Receivables and Recoupment: bimamail@health.ny.gov. The payoff or collection process for a liability balance: mfm@health.ny.gov HCRA and Cash Assessment: hcraprov@health.ny.gov DSRIP: DSRIP@health.ny.gov VBP QIP: vbp_qip@health.ny.gov VAPAP: vapap@health.ny.gov Establishment of locations on eMedNY: providerenrollment@health.ny.gov APG Contacts link: https://www.health.ny.gov/health_care/medicaid/rates/contacts/ Billing questions: CSC Helpline Number: 1-800-343-9000