2018 Institutional Cost Report (ICR) Updates
NYS Department of Health

April 2019

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Agenda

➢ **2018 ICR Updates**

➢ **Cost Reporting Accuracy & Clarifications**

➢ **Future Cost Report Developments**

➢ **Software, Support & Filing Procedures**

➢ **ICR Audits & Audit Fees**

➢ **Health Commerce System & Public Website**

➢ **Questions**

2018 ICR Updates

➢ **No changes to the Exhibits for 2018**

➢ **Updated Instructions**

- Clarifications for common reporting errors

➢ **Updated Q&A's**

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Cost Reporting Accuracy & Clarifications

➤ **Importance of Data Integrity**
- Rate Setting
- Financial Analysis
- Upper Payment Limit (UPL) / Disproportionate Share Limit (DSH)
- Pool Distributions

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Cost Reporting Accuracy & Clarifications

➢ **Medicaid Service Code (MSC) Assignments**

- **Cost Centers assigned to the appropriate MSC's**
  - ❖ Refer to Appendix I of the ICR Instructions

- **Complete in Sequence**
  - ❖ Exhibit 52 – all costs must be assigned a MSC
  - ❖ Exhibit 46 – charges will automatically be assigned
  - ❖ Exhibit 32 & 33 – MSC's utilized on Exh 52 will be available

- **Review the Alignment of Costs, Charges & Statistics on Exh 53**

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Cost Reporting Accuracy & Clarifications

➢ **Capital Reporting**

- **Exhibit 41 - Funded Depreciation**
  - ❖ Must be completed by Voluntary Hospitals (Part 86-1.25)
  - ❖ Blank or negative values for purchases & capital debt payment
  - ❖ Inconsistent with Statement of Cash Flows

- **Exhibit 44 - Direct Charge Capital**
  - ❖ Must have an opening stepdown balance for associated cost center

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Cost Reporting Accuracy & Clarifications

➢ Utilization Reporting

- ・**Exhibit 30 – Inpatient & Swing Bed Statistics**
  - ❖ All Payor Days & Discharges for Dual Eligible
    - ▪ "Medicaid" or "HMO/ PHSP Medicaid" considered secondary payor (not primary)
    - ▪ No Essential Plans (considered "HMO/PHSP Other")
    - ▪ Total Days & Discharges should not be greater than Exhibit 32

  - ❖ Alternative Level of Care (ALC) should be reported for Acute only

Cost Reporting Accuracy & Clarifications

➢ Utilization Reporting (continued)

- **Exhibit 32 – Inpatient Patient Days & Discharges**
  - ❖ FIDA & FIDA-IDD – report under "HMO / PHSP Medicaid"
  - ❖ Essential Plans – report under "HMO / PHSP Other"

- **Exhibit 33 – Outpatient Patient Visits**
  - ❖ Rural Health Clinics – report under "FQHC" service area
  - ❖ Personalized Recovery Oriented Services (PROS) – report <u>months</u> vs visits

- **Exhibit 34 – Home Health Services**
  - ❖ Only <u>Hospital-Based</u> Home Health Agencies should be reporting
  - ❖ Include NYS Home Health Agency Operating Certificate on exhibit

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Cost Reporting Accuracy & Clarifications

➤ Charges Reporting

- **Exhibit 46 – Patient Service Revenue**
  - ❖ Routine charges - Charges follow the patient
    - Inpatient admits reported on appropriate routine service line under the Inpatient Service category where the patient was transferred

- **Exhibit 51 – Ratio of Costs to Charges**
  - ❖ Part I-A   Adjustment to Charges
    - Carve-out for Drugs outside of rate or Physician Fees should be reported as negative values
  - ❖ Part II – Inpatient Charge Mapping
    - Revenue codes mapped to a cost center group (CCG) which has no RCC (Part IC)

Future Cost Report Developments

➢ The Department is still working towards incorporating the following cost and statistical schedules, which are used in rate development, into the 2019 cost report:

  • Schedule 1 – Allowable Operating & Transfer Costs by Service

  • Schedule 2 – Statistical Summaries for Inpatient & Outpatient Services

  • Schedule 3 – Allowable Capital Costs by Service

➢ Exhibit 42 (Unfunded Depreciation Waiver) – New Section
  • Alternate Funding Schedule – populates ICR financial data to determine an automatic waiver of a penalty to the funding of depreciation

➢ New edits to prevent or highlight possible reporting errors prior to submission

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Obtaining Software and Support

➤ **Software will be available for download from the KPMG Compu-Max website.**

Note: The Department will provide hospitals with the URL, Username and Password using the Health Commerce System (HCS).

➤ **ICR problem resolution and questions:**

- Hospital.ICR@health.ny.gov

  (Note: please do not send via secure email – DOH security prohibits these emails)

- For problem resolution, send your "four-pack" files (CR, IC, B_, T_) to this address. The files will then be forwarded to KPMG, if necessary.

Electronic Filing Procedures

➢ **DH file (HCS electronic submission) :**

- Due date: Friday, May 31, 2019

➢ **Electronic submission of documents within 5 Business days of electronic DH file submission:**

- Signed CEO certification
- Edit Report (Initialed with explanations)
- Audited Financial Statements ("Draft" statements cannot be used for audit purposes)

Electronic Filing Procedures - continued

➢ **Email files to:** AFS@health.ny.gov

(Note: please do not send via secure email – DOH security prohibits these emails)

➢ **Signed CFO/CEO Certification:**

- File named with 7 digit operating certificate number and "_CFO"

  Example: 1234567_CFO

➢ **Edit Report (initialed with explanations):**

- File named with 7 digit operating certificate number and "_Edits"
  Example: 1234567_Edits

➢ **Audited Financial Statements:**

- File named with 7 digit operating certificate number and "_AFS"
  Example: 1234567_AFS

ICR Audits

- ➢ **KPMG awarded the contract for the ICR audits**

- ➢ **2016 & 2017 ICR Audits**

  - Both audits will be done simultaneously

  - Only desk audits will be performed for both years

  - ICR audit tools expected to be released in early May (kickoff webinar in April)

  - Providers can complete the Audit Tool questionnaire during May and June

  - Final audited reports submitted and audits fully completed by the end of September

- ➢ **2018 ICR Audit**

  - ICR audit tool expected to be released in October

Note: the timeline of the 2018 ICR audit is subject to change pending the start date of the 2016 DSH Audit

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ICR Audit Fees

➢ Due at time of filing

➢ Same fee schedule as previous years

  • The fee schedule may be subject to change for 2019

➢ Same payment process as previous years

➢ Email notification to be released for facility-specific fees

➢ Fee schedule: http://www.health.ny.gov/facilities/hospital/audit_fee/

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Health Commerce System (HCS)

- **Website:** https://commerce.health.state.ny.us/public/hcs_login.html

- **Communication Tool**
  - Secure network for posting provider information
  - Keep email address current
    - ❖ Facility's responsibility
    - ❖ Email blast separate from public website electronic mailing list

- **HCS Help Contact**
  - Commerce Accounts Management Unit (CAMU) Help Desk:

    1-866-529-1890 or camu@its.ny.gov
    - ❖ HCS accounts
    - ❖ Password resets
    - ❖ removal of employee

- **HCS Access Contact**
  - Hospital Fee-for-Service Rate Unit: HospFFSunit@health.ny.gov
    - ❖ Receiving access to the ICR (or other hospital applications)
    - ❖ Rate related questions

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Department of Health Public Website

➢ **Information posted for Inpatient Rates and Weights**

http://www.health.ny.gov/facilities/hospital/reimbursement/apr-drg/

➢ **Information posted for APG Rates and Weights**

http://www.health.ny.gov/health_care/medicaid/rates/apg/

➢ **Electronic Mailing List Subscriptions**

https://www.health.ny.gov/facilities/hospital/reimbursement/apr-drg/listserv/

http://www.health.ny.gov/health_care/medicaid/rates/listserv/

Questions?

(Future ICR Questions: Hospital.ICR@health.ny.gov)