



**Department  
of Health**

**Office of  
Health Insurance  
Programs**

# **2021 Institutional Cost Report (ICR)**

**NYS Department of Health  
Division of Finance and Rate Setting  
Bureau of Hospital and Clinic Rate Setting**

April 4, 2022

# Agenda

- **Software, Support & Filing Procedures**
- **2021 ICR Audit Fees**
- **Health Commerce System**
- **Department of Health Public Website**
- **2021 ICR Updates**
- **Questions?**



# Software, Support & Filing Procedures

## ➤ Obtaining Software and Support

- Software will be available for download from the Health Financial Systems (HFS) website

*Note: The Department will provide hospitals with the URL, Username and Password through the Health Commerce System (HCS) - Hosp Institutional Cost Rpt application*

- ICR support, problem resolution and questions:

- [Hospital.ICR@health.ny.gov](mailto:Hospital.ICR@health.ny.gov)

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

- Include in title: “2021 ICR” and hospital name.
- For problem resolution, send your “four-pack” files (CR, IC, B\_, T\_) to this email address. The files will then be forwarded to HFS, if necessary



# Software, Support & Filing Procedures

## ➤ Electronic Filing Procedures

- **DH file (HCS electronic submission – Hospital ICR application) :**
  - Due date: Wednesday, June 1, 2022
- **Electronic submission of documents within 5 Business days of electronic DH file submission:**
  - Signed CFO/CEO certification
  - Edit Report (Initialed with explanations)
  - Final *Audited* Financial Statements
    - ❖ “Draft” statements cannot be used for audit purposes

# Software, Support & Filing Procedures

## ➤ Electronic Filing Procedures - continued

- **Email files to:** [AFS@health.ny.gov](mailto: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

# 2021 ICR Audit Fees

- Due at time of ICR filing
- Same fee schedule as previous years
- 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/](http://www.health.ny.gov/facilities/hospital/audit_fee/)



# Health Commerce System (HCS)

➤ **Website:** [https://commerce.health.state.ny.us/public/hcs\\_login.html](https://commerce.health.state.ny.us/public/hcs_login.html)

## ➤ **Communication Tool**

- Secure network for posting provider information
- Keep email address current for notifications
  - ❖ 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](mailto:camu@its.ny.gov)
  - ❖ HCS accounts
  - ❖ Password resets
  - ❖ Removal of employees

## ➤ **HCS Access Contact**

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



# Department of Health Public Website

➤ **Information posted for ICR:**

[https://health.ny.gov/facilities/hospital/rate\\_setting/centers/index.htm](https://health.ny.gov/facilities/hospital/rate_setting/centers/index.htm)

➤ **Information posted for Inpatient Rates and Weights:**

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

➤ **Information posted for Outpatient Rates and Weights:**

[https://www.health.ny.gov/health\\_care/medicaid/rates/apg/](https://www.health.ny.gov/health_care/medicaid/rates/apg/)

➤ **Electronic Mailing List Subscriptions:**

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

[https://www.health.ny.gov/health\\_care/medicaid/rates/listserv/](https://www.health.ny.gov/health_care/medicaid/rates/listserv/)





# 2021 ICR Updates

## ➤ Exhibits (changes, additions & clarifications)

### • Exhibit 1

#### ▪ Ambulance Services (FYE on or after 6/30/2021)

- ❖ New line 164.89 - “As of the last day of the ICR period, did the hospital provide ambulance services this report year?”
- ❖ “Providing Ambulance services” – Hospital operates an Ambulance service, not a contracted service and is eligible for non-comparable add-on within the Acute Medicaid rate

### • Exhibit 14

#### ▪ Interest Rate Swaps

- ❖ Interest rate swaps must be adjusted out prior to applying investment income



# 2021 ICR Updates

## ➤ Exhibits (changes, additions & clarifications) – continued

- **Exhibit 16**

- **Related-Party Interest**

- ❖ Instructions updated

- ❖ Related *interest-bearing arrangement* between one hospital to related hospital/entity

- **Exhibit 18**

- **Interest Expense**

- ❖ Line 13, Interest Expense – “Operating” (previously “Working Capital”)

- ✓ Updated header to clarify intent with regards to offsetting Investment Income

- ✓ Per Part 86 – Interest on current indebtedness shall be treated and reported as an operating/administrative expense



# 2021 ICR Updates

## ➤ Exhibits (changes, additions & clarifications) – continued

- Exhibits 32 & 33

- CPEP Observation Beds

- ❖ Effective 4/1/2020, CPEP Observation became an outpatient service
    - ❖ Exhibit 32 – removed / no longer reported as inpatient
    - ❖ Exhibit 33 – all utilization must be reported as outpatient



# 2021 ICR Updates

## ➤ Exhibits (changes, additions & clarifications) – continued

- Exhibits 32, 33, 34 & 46 (also Schedule 2)

- Essential Plans (EP) – New Payor Categories

- ❖ EP 1 & 2 - patients whose services are covered under an Essential Plan who: meet certain income requirements; are not eligible for Medicaid or Child Health Plus; and do not have access to affordable employer coverage
    - ❖ EP 3 & 4 - patients whose services are covered under an Essential Plan who: meet certain income requirements; are not eligible for Medicaid or Child Health Plus due to immigration status; and do not have access to affordable employer coverage
    - ❖ Non-Medicaid, therefore not dual-eligible (Exhibit 30)

- Uninsured/Self pay - Clarification

- ❖ Self-pay primary payor – also includes individuals who have third-party insurance but elect to be billed directly



# 2021 ICR Updates

## ➤ Exhibits (changes, additions & clarifications) – continued

### • Exhibit 41

#### ▪ Funded Depreciation

- ❖ Line 003 – Property, Plant & Equipment (PPE) purchases only
- ❖ Line 004 – PPE purchases correlate to change in depreciation fund
- ❖ Line 021 – adjusted for Depreciation Fund PPE purchases on line 004

#### ▪ Reminders

- ❖ Recent spending will often increase funding requirement
- ❖ Consider spending from depreciation fund when appropriate
- ❖ Spending from depreciation fund for non-capital increases funding requirement
- ❖ Board-designation of funds does not satisfy funding requirement



# 2021 ICR Updates

## ➤ Exhibits (changes, additions & clarifications) – continued

### • Exhibit 46

#### ▪ Line 002 – Outpatient Visits Fees – Clinic only

❖ Routine Gross Charges earned from services in the hospital's general clinic service area

#### ▪ Line 013 – Outpatient Visits Fees – Other than General Clinic

❖ RHC & FQHC – routine charges for services provided in federally designated health clinic

❖ Use line 002 only if the patient transferred from a general clinic

#### ▪ Uncollectible Amounts Section (previously Bad Debts)

❖ Change in title from “Bad Debts” to “Uncollectible Amounts” as a result of Accounting Standards Update (ASU) 606



# 2021 ICR Updates

## ➤ Exhibits (changes, additions & clarifications) – continued

- **Appendix I of ICR Instructions**

- **Update of rate codes for Medicaid Service code (MSC) mapping**
  - ❖ Deletions and Additions of rate codes for various MSCs



# 2021 ICR Updates

## ➤ ICR Schedule 4 (NEW)

### • Non-Comparable Costs & Indirect Medical Education (IME)

#### ▪ Ambulance Service Costs

- ❖ Question added to Exhibit 1 to prompt the display of these costs
- ❖ Must own or operate a hospital-based ambulance service
- ❖ Only applicable for Acute (MSC 201)

#### ▪ School of Nursing Costs

- ❖ Based on Exhibit 1, Line 6000

#### ▪ IME Factor

- ❖ Based on Exhibit 3 acute (non-exempt) interns & residents and bed days

***Note: Direct Medical Education (DME) costs will be added to Schedule 4 in the future***





# 2021 ICR Updates

## ➤ Edits

- **Importance**

- **Improves Data Integrity**

- ❖ Budgetary Analysis
    - ❖ DSH Model

- **Explains data anomalies**

- ❖ Low Utilization
    - ❖ Positive values entered as negatives & vice versa
    - ❖ Charge Structure

- **Reduce ICR Audit findings and/or questions**

- ❖ Prevents errors to avoid audit findings
    - ❖ Edit explanations provided to Auditors



# 2021 ICR Updates

## ➤ Edits - continued

- **Types**

- **Fatal (3xxxx)**

- ❖ Identify the cause and make appropriate correction(s)
    - ❖ Notify ICR mailbox when edit is believed non-applicable and cannot be cleared

- **Non-Fatal (4xxxx)**

- ❖ Intent is to identify unexpected data or combinations
    - ❖ Correct data if entry is incorrect or omitted
    - ❖ If edit identifies an unusual but appropriate condition, explain on Edit Report



# 2021 ICR Updates

## ➤ New Edits

- **Exhibits 1 and 16**
  - Related party responses differ
- **Exhibit 2 - Profile of Services**
  - No beds reported
  - No Ancillary or Outpatient services reported



# 2021 ICR Updates

## ➤ New Edits – continued

### • Exhibits 3 and 32

- ALC Days – include in Exhibits 3 & 32
- Courtesy Days/Employee Discount Days – include in Exhibits 3 & 32
- Medicare “Days” included in Exhibit 3 that are not considered inpatient days
  - ❖ Labor & Delivery Days – do not include in Exhibit 32
  - ❖ Non-distinct Observation Days (not admitted) – do not include in Exhibit 32
- Hospice Days – do not include in Exhibit 32
- Swing Bed Days – do not include in Exhibit 32 (only Exhibit 30)

***Note: Edits should be cleared BEFORE filing either Medicare or Medicaid cost report***



# 2021 ICR Updates

## ➤ New Edits – continued

- **Exhibit 18**

- Use designated ICR lines for the following versus variable lines:
  - ❖ Parking
  - ❖ Malpractice insurance
- Expenses reported as negative amounts
- Incomplete offsets



# 2021 ICR Updates

## ➤ New Edits - continued

- **Exhibit 32**

- Days without discharges
- Discharges without days
- Discharges exceed days

- **Exhibit 33**

- Total visits less than those admitted
- Emergency and CPEP Emergency
  - ❖ No uninsured visits
  - ❖ No Free (Charity) visits

- **Exhibits 32, 33 & 34**

- Negative utilization will not be allowed
- Only Medicaid FFS or Medicaid HMO reported but not both



# 2021 ICR Updates

## ➤ New Edits - continued

- **Exhibit 46**

- DSH and UPL payments should be negative amounts
- DSH Surcharge amounts
  - ❖ Negative amount reported instead of positive
  - ❖ Only inpatient or only outpatient amounts being reported
  - ❖ Surcharges reported for non-surchargeable areas: SNF, HHA, etc.
- No charges when active service area has costs



# 2021 ICR Updates

- **Exhibit 46 - continued**

- **Line 002 - Outpatient Visit Fees Clinic Only**

- ❖ When amounts for non-General Clinic areas (such as Mental Health Clinic) on Line 002 are high in comparison to gross charges for that service area
- ❖ Line 002 should only be used for non-General Clinic areas when patient arrives in a General Clinic area then the encounter moves to the other non-General Clinic service area

- **General Clinic includes:**

<u>ICR Cost Centers</u> :	
✓ 235	Clinic
✓ 240, 250	Renal
✓ 472	Cancer Treatment
✓ 427-460	Variable when coded as MSC 235



# 2021 ICR Updates

## ➤ New Edits - continued

- **Exhibit 50**

- HFAL amounts

- ❖ Amounts missing
- ❖ Line amounts not being entered with the proper sign (+/-)
- ❖ Indigent Care reimbursement inconsistent with reporting on Exhibit 46

- **Exhibit 52**

- Explain negative costs or make necessary corrections to underlying data



# 2021 ICR Updates

## ➤ Reminders

### • 2021 ICR Submissions

- Please review past audit findings and/or adjustments to avoid similar reporting errors
- All remaining non-fatal edits must include adequate explanations and initials
- DCN #'s all agree - ICR submission, CFO certification and Edits
- Recommended – submit Financial statements, CFO certifications, Edits same day as ICR submission
- Initial ICR submission should always include the most accurate data
  - ❖ Unaudited data may be used by the Department at any time





# Questions?

ICR Questions: [Hospital.ICR@health.ny.gov](mailto:Hospital.ICR@health.ny.gov)



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