



**Department
of Health**

**Office of
Health Insurance
Programs**

2022 Institutional Cost Report (ICR)

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

April 12, 2023

Agenda

- **Software, Support & Filing Procedures**
- **2022 ICR Audit Fees**
- **Health Commerce System (HCS)**
- **Department of Health (DOH) Public Website**
- **2022 ICR Updates**
- **Questions?**



Software, Support & Filing Procedures

➤ Obtaining Software and Support

- **The Institutional Cost Report (ICR) Software will be available for download from the Health Financial Systems (HFS) website**
 - 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:**
 - Send email to: Hospital.ICR@health.ny.gov
 - Include in subject line: “2022 ICR – hospital name”
 - For problem resolution, send your “four-pack” files (CR, IC, B_, T_) to this email address (ED_ file may also be sent). The files will then be forwarded to HFS, if necessary.

Note: The Department prefers that hospitals do not email these files via secure email (only necessary when HIPAA or PHI data are included)



Software, Support & Filing Procedures

➤ Electronic Filing Procedures

- **DH file: Electronic submission through Health Commerce System (HCS) – Hosp Institutional Cost Rpt application) :**
 - Due date: Friday, June 16, 2023
- **Supporting documents due within 5 business days of ICR submission to be considered a valid cost report submission:**
 - Signed CFO/CEO certification (verify DCN matches the submitted ICR)
 - Final Audited Financial Statements
 - ❖ “Draft” statements cannot be used for audit purposes
 - Audit Fee Form (NEW for 2022 ICR submissions)

Note: the Edit Report no longer needs to be submitted separately since it is embedded within the ICR DH file

Software, Support & Filing Procedures

➤ Electronic Filing Procedures - continued

- Email files to: AFS@health.ny.gov
 - **Signed CFO/CEO Certification:**
 - ❖ File named with 7-digit operating certificate number and “_CFO”
Example: 1234567_CFO
 - **Audited Financial Statements:**
 - ❖ File named with 7-digit operating certificate number and “_AFS”
Example: 1234567_AFS
 - **Audit Fee Form (NEW):**
 - ❖ File named with 7-digit operating certificate number and “_AFF”
Example: 1234567_AFF

Note: The Department prefers that hospitals do not email these files via secure email (only necessary when HIPAA or PHI data are included)

2022 ICR Audit Fees

- Due within 5 business days of filing ICR
- Same banking information as previous years
- Same fee schedule as previous years
 - Fee schedule: http://www.health.ny.gov/facilities/hospital/audit_fee/
- Email notification to be released for facility-specific audit fees
- Additional fees may be assessed when # of submissions exceeds 2
- New form with payment information needs to be emailed



Health Commerce System (HCS)

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

➤ **Communication Tool**

- Secure network for posting provider information
- Important to keep email address current to receive notifications
 - Facility's responsibility
 - Email list is separate from the DOH public website electronic mailing lists

➤ **HCS Help Contact**

- Commerce Accounts Management Unit Help Desk: 1-866-529-1890 or camu@its.ny.gov
 - HCS accounts
 - Password resets
 - Removal of employees

➤ **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



Department of Health (DOH) Public Website

- **Institutional Cost Report (ICR) web page:**
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 APGs:**
https://www.health.ny.gov/health_care/medicaid/rates/apg/
- **Electronic Mailing List Subscriptions (DOH web pages):**
 - ❖ **Inpatient Rates:** <https://www.health.ny.gov/facilities/hospital/reimbursement/apr-drg/listserv/>
 - ❖ **Outpatient Rates/APGs:** https://www.health.ny.gov/health_care/medicaid/rates/listserv/



2022 ICR Updates

➤ Exhibits (changes, additions & clarifications)

- **Cost Centers**

- **Opioid Treatment Program**

- ❖ Per CMS T18 - Effective on or after January 1, 2022, CMS line 102
 - ❖ Previously CMS line 90.40
 - ❖ Will maintain ICR Cost Center 262

- **Exhibit 3 (S-3 Part I) – Complex Statistical Data**

- **Temporary Expansion COVID-19 PHE Acute Care**

- ❖ Addition of CMS Line #34, ICR Line #618
 - ❖ Refer to Medicare instructions – Section 4005.1



2022 ICR Updates

➤ Exhibits (changes, additions & clarifications)

- **Exhibit 26A (G-3) – Statement of Revenue & Expenses**
 - **COVID-19 Revenue – Not included in CMS line 24.50**
 - ❖ Addition of CMS Line #24.51 – 24.60, ICR lines 131 - 140
 - ❖ Specify the type/source of funding
- **Health Care Worker Bonus (HWB)**
 - **Exhibit 27 – Appropriations from Special Funds**
 - ❖ New lines 212-214, report both inpatient & outpatient



2022 ICR Updates

➤ Exhibits (changes, additions & clarifications)

- **Health Care Worker Bonus (HWB)**

- **Exhibit 12 – (A-6) Reclassifications**

- ❖ Reclassify bonus and FICA to Cost Center 003 – Employee Benefits

- **Exhibit 14 – (A-8) Adjustments to Expenses**

- ❖ All-payor adjustment (Negative) from Cost Center 003- Employee Benefits

- ❖ Bonus paid and NYS reimbursement of employer FICA

- ❖ Use CMS line #34.78, ICR line # 344, - HWB or HWB/FICA

- ❖ Use CMS line #34.79, ICR line # 345, - FICA



2022 ICR Updates

➤ Exhibits (changes, additions & clarifications)

- Health Care Worker Bonus (HWB)

- Exhibit 12 – Reclass Example

Columns

Entry

Explanation

HWB/FICA

Entered the **increased** amount

Cost Ctr - 00700/001

Salaries - 00701/001

Fringe Benefits -00704/001

Cost Center 003

Total of all HWB and FICA(if combined) to be reclassified from Dept.

Total FICA (if recorded separate) to be reclassified from Dept.

Entered the **decreased** amounts

Cost Ctr - 00700/xxx

Salaries - 00701/xxx

Fringe Benefits - 00704/xxx

Cost center xxx where HWB and its FICA is recorded

(Negative of) HWB and its FICA, if combined,

(Negative of) FICA, if recorded separate



2022 ICR Updates

➤ Exhibits (changes, additions & clarifications)

Reclassifications							Exhibit 12 (Continued)	
Explanation of Reclassification Entry	Recl. Code	Cost Center Name	ICR Line Code	Cost Ctr Ws A 00700	Salaries 00701	Other Than Salaries 00702	Fringe Benefits 00704	Increase (Decrease) 00703
1 HCWB /FICA	S	EMPLOYEE BENEFITS DEPARTMENT	171	003	\$400,000		\$31,200	\$431,200
		OPERATING ROOM	172	100	(\$100,000)		(\$7,800)	(\$107,800)
2	S	RADIOLOGY-THERAPEUTIC	173	105	(\$125,000)		(\$9,750)	(\$134,750)
3	S	EMERGENCY	174	236	(\$175,000)		(\$13,650)	(\$188,650)
TOTAL - INCREASES					\$400,000		\$31,200	\$431,200
TOTAL - DECREASES					(\$400,000)		(\$31,200)	(\$431,200)



2022 ICR Updates

➤ Exhibits (changes, additions & clarifications)

- Health Care Worker Bonus (HWB)

- Exhibit 14 – Adjustment example

Column

Entry

Description

HWB or HWB/FICA

All Payors - 00708/344 (CMS 34.78)

Cost center 003

Amount - 00707/344

Amount of HWB (negative amount)

Salary - 00710/344

Amount of HWB (negative amount)

Description

HWB(FICA Only), if needed

All Payors - 00708/345 (CMS 34.79)

Cost center 003

Amount - 00707/345

Amount of FICA (negative amount)

Non-Salary - 00710/345

Amount defaults to Non-Salary



2022 ICR Updates

➤ Exhibits (changes, additions & clarifications)

Adjustment to Expenses										Exhibit 14
CMS Line No.	Description	ICR Line Code	Basiss for Adj.	Amount Incr/ Decr 00707	Salary Incr/ Decr 00710	Non-Sal Incr/ Decr 00711	CC No All Payors 00708	CC No Medi-Care 00709	CC No Medi-Caid 00073	Cost Center
26	Depreciation-buildings and fixtures	033					001			CAP REL COSTS-BLDG & FIXT
27	Depreciation-movable equipment	034					002			CAP REL COSTS-MVBLE EQUIP
28	Non-physician Anesthetist	035						029		NONPHYSICIAN ANESTHETISTS
29	Physicians ' assistant	036								
30	Adj for OT costs in excess of limit						110			OCCUPATIONAL THERAPY
31	Adj for SP costs in excess of limit						111			SPEECH PATHOLOGY
32	CAH HIT Adj for deprec & interest	635								
34.78	HWB ADJUSTMENT	344	A	(\$400,000)	(\$400,000)		003			EMPLOYEE BENEFITS DEPARTMENT
34.79	HWB (FICA ONLY)	345	A	(\$31,200)		(\$31,200)	003			EMPLOYEE BENEFITS DEPARTMENT



2022 ICR Updates

➤ Exhibits (changes, additions & clarifications)

- **Exhibit 41 – Funded Depreciation Schedule**

- **Home Office Amounts Assigned or Allocated to Hospital**

- ❖ Column for hospital-only costs that reconciles to AFS
 - ❖ Column for Home Office assigned or allocated values
 - Inclusion of Home Office amounts (Form 287)

- **Exhibit 46 – Hospital Service Revenue**

- **Clinic Line 002**

- ❖ “Article 28 General Clinic, MSC 235, Visit Fees – Outpatient”



2022 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



2022 ICR Updates

➤ Edits

• Types of Edits

▪ 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
- ❖ Only change data if an entry is incorrect or omitted
- ❖ Do not make changes to unsupported values to clear Edit(s)
 - Edits comparing Exhibit 3 (S-3, Part I) versus Exhibits 32, 33, & 34 (Utilization)
 - PS&R versus Patient Financial System
- ❖ All non-fatal edits require an explanation



2022 ICR Updates

➤ Edits

• Edit Responses

- Explanation should provide insight
 - ❖ Should not be left blank
 - ❖ Should not state “confirmed”, except for edits requesting confirmation (ex - edit 41806)
 - ❖ Should not state deferment until audit

• New / Updated Edits

- Exhibit 52 – Medicaid Service Code (MSC) Assignment
 - ❖ Each long-term care MSC limited to one cost center
- Tighter criteria on edits based review of 2020 & 2021 ICRs and hospital comments

Note: Any Edits that are to be cleared should be done **BEFORE** filing either the Medicare or Medicaid cost report



2022 ICR Updates

➤ Employee Discount Days vs. Courtesy Days

- **Employee Discount Days on Exhibit 3 (S-3, Part I)**
 - IRF reported separately
- **Courtesy Days reported on Exhibit 32 (Utilization)**
 - Employee Discount Days
 - Other – Example: Related Physicians, Clergy, etc.



2022 ICR Updates

➤ Primary Payor

- **After posting the Explanation of Benefit (EOB), self-responsible amounts are still the primary payor**
 - Not the secondary payor, if different from primary
 - Not self-pay or uninsured
- **Charity Care Primary Payor**
 - Only if entire account does not have third-party coverage and was or is to be written off
 - HFAL when other primary payor to Lines 382, 383, 386 and 391
- **Payor changes for later eligibility qualification**



2022 ICR Updates

➤ Offsets

- **Typically would reduce revenue or expense to zero**
 - Unless limited, like interest restricted in use by donor of principal
- **Should not result in negative expense**
- **Reminders**
 - When including ending accrual, consider beginning accrual
 - Use hard-coded lines on Exhibit 18, when available
 - ❖ Parking, 068 and 069
 - ❖ Malpractice, 025



2022 ICR Updates

➤ ICR Submissions

- **Non-Compliance**

- **CEO/CFO certification, audited financials or audit fees not received**
- **Edit Report**
 - ❖ At least one explanation blank
 - ❖ At least one explanation shows intent to address later
 - ❖ Explanation(s) do not provide insight
- **Improper reporting**
 - ❖ Voluntary Hospitals
 - ✓ Type of control not reported correctly
 - ✓ Exhibit 25 (Statement of Cash Flows) - not completed
 - ✓ Exhibit 42 (Unfunded Depreciation Waiver Override) - only with DOH approval
- **May result in rejection & required resubmission of ICR (counts toward 1st audit fee)**



2022 ICR Updates

➤ Reminders

• 2022 ICR Submissions

- Please review past audit findings and/or adjustments to avoid similar reporting errors
- Backup documentation for various exhibits should be kept on-hand for audit purposes
- All remaining non-fatal edits must include adequate explanations and initials
- DCN's all agree - ICR submission and CFO certification
- Recommended – submit financial statements and CFO certifications 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
 - ❖ Ready to be audited (do not plan to fix exhibits during audit)





Questions?

ICR Questions: Hospital.ICR@health.ny.gov



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