# MEDICARE WORKSHEET S-10 A MULTI-BILLION \$ PIE

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#### **OVERVIEW**

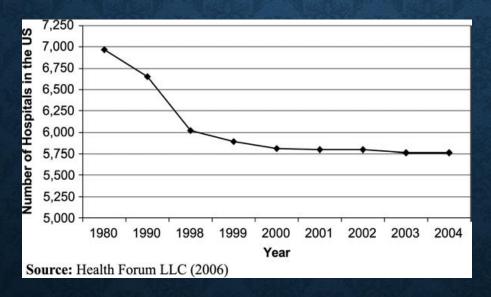
- History of Disproportionate Share Payments (DSH)
- How the Affordable Care Act changed DSH
- UCC from 2014 2023 (Pick-a-method)
- FFY 2023 UCC LA's piece of the Pie
- Say hello to Worksheet S-10, it's kind of important now. (Hidden agenda?)
- Charity Care Just what counts as charity, what must be excluded
- Total Hospital Bad Debts
- Audit Requests and Related Issues
- Questions and Open Discussion

#### INTRODUCTION

- Medicare audit background
  - 1981 to 1997 Blue Cross of Illinois
    - Hospitals, HHA's , SNF's, Fraud and Abuse
    - 3 month audits
  - 1997 to Present: The Curtis Group, Inc. & Reimbursement Solutions, LLC
    - Cost Report Preparation, Litigation Support (Criminal and Civil)
    - HFMA Compliance Training
- Katrina introduced me to Louisiana
- HFMA A great organization

#### LOOKING BACK WHAT STARTED DSH

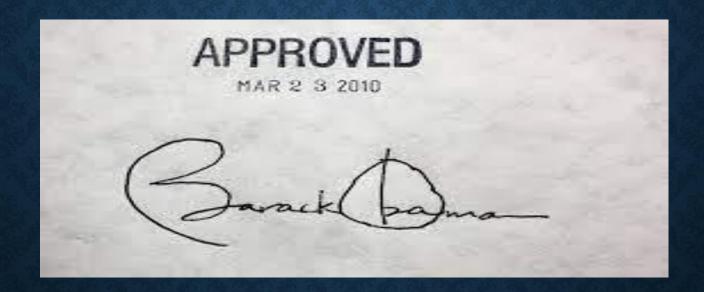
- Medicare started as a cost based reimbursement system. No need for DSH
- 1983 PPS started (Hospitals started to close shortly thereafter)



#### DSH AT BEGINNING

- HCFA needed quick action as PPS wasn't working for all
- DSH was conceived in 1985 (COBRA) and born on May 1, 1986
  - Needed to keep safety net hospitals in business
- Then the fun began: what 's a day, what is eligibility, SSI litigation, accurate national data, reopening's, litigation, BIG \$ at play (ACA changed litigation)
- DSH Formula favored high Medicaid high Medicare providers

# AFFORDABLE CARE ACT \$938 BILLION ACA INTO LAW IN 2010



#### SECTION 3133 OF THE ACA

- Section 3133 of the Affordable Care Act amends the Medicare DSH adjustment provision under section 1886(d) (5) (F) of the Act, and establishes 1886(r) which provides for an additional payment for a hospital's uncompensated care.
- As proposed in the FY 2014 IPPS proposed rule, the regulations that implement this
  provision are in proposed subpart I of 42 CFR part §412.106. Changes to the
  Medicare DSH Payment: Effective for discharges occurring on or after FY 2014,
  hospitals will receive 25 percent of the amount they previously would have received
  under the current statutory formula for Medicare DSH. 75 percent would be from a
  UCC pool. New DSH or UCC Payment.

#### ACA LIMITATIONS ON APPEALS

• There shall be no administrative or judicial review under section 1869, section 1878, or otherwise of the following: "(A) Any estimate of the Secretary for purposes of determining the factors described in paragraph (2). "(B) Any period selected by the Secretary for such purposes (42 USC 1395ww(r)(3))

CMS has a new approach to regulations

#### SUMMARY OF ACA CHANGES TO DSH

- Effective 10-01-2013 (FFY 2014)
- Qualifying DSH providers would receive 25% of old formula (Empirical DSH)
- 75% of DSH payments would go into uncompensated DSH pool (The PIE)
- There are three factors in computing the new UCC DSH payments
- No Appeals

#### NO APPEALS

- HFMA Blog Medicare Payment and Reimbursement Sept. 02. 2021 by Nick Hut
  - HHS can continue using Worksheet S-10 to calculate uncompensated care payments after federal court ruling
  - The summary judgment in favor of HHS shot down the plaintiff hospitals' argument that a noticeand-comment period should have been conducted before the payment formula was changed.
  - The court further explained, "To hold otherwise would allow hospitals to challenge the estimates themselves through procedural attacks on the data and methodologies used to establish the estimates, eviscerating the statutory bar and undercutting Congress's express language insulating the estimates from review."
  - Ruling https://ecf.dcd.uscourts.gov/cgi-bin/show\_public\_doc?2020cv0139-39

#### **NEW UCC DSH - THREE FACTORS**

- Each hospital's uncompensated care payment is the product of three factors. These three factors are:
- Factor 1:75 percent of the estimated DSH payments that would otherwise be made under the old DSH methodology (section (d)(5)(F) of the Social Security Act); (REALLY? Mike Nichols)
- Factor 2: 1 minus the percent change in the percent of individuals under the age of 65 who are uninsured (minus 0.1 percentage points for FY 2014, and minus 0.2 percentage points for FY 2015 through FY 2017); and
- Factor 3: A hospital's amount of uncompensated care relative to the amount of uncompensated care
  for all DSH hospitals expressed as a percentage. THIS IS OUR FOCUS TODAY

#### UCC THEORY

- The pie would be split based on proportion of uncompensated care cost
- In theory, the more uncompensated care a facility provided would receive more of the UCC Pie they would receive
- But the new UCC problem was the same as the old DSH problem DATA
- CMS did not possess accurate data to determine true uncompensated care cost
  - Worksheet S-10 was the CMS answer to Factor 3

# CUTTING THE UCC PIE OVER THE YEARS SAME PIE – DIFFERENT KNIFE

FFY	Basis for Medicare Uncompensated Care Payments – Factor 3
2014	Medicaid Days (2010 or 2011), Medicare SSI Days (2011)
2015	Medicaid Days + Medicare SSI Days (2011 or 2012)
2016	Medicaid Days (2011 or 2012), Medicare SSI Days (2013)
2017	Medicaid Days (2011, 2012, 2013), Medicare SSI Days (2012,2013,2014)
2018	Medicaid Days (2012, 2013), SSI Days (2014, 2015), S-10 UCC 2014 (First time S-10 was used)
2019	Medicaid Days (2013), SSI Days (2016), 2014 UCC, 2015 UCC
2020	Medicaid Days (2013), SSI Days (2017), 2015 UCC
2021	Medicaid Days 2013, 2018 SSI days, 2017 UCC
2022	Medicaid Days 2013, 2018 SSI days, 2018 UCC
2023	S-10 UCC 2018 & 2019

#### WORKSHEET S-10 IS NOW IN THE GAME

• Starting in FFY 2023 CMS is using only S-10 data for Factor 3

What does that look like for Louisiana Hospitals?

• Wall Street Journal article looking at WS S-10

#### LA UCC PAYMENTS TO TOTAL

FFY	LA UCC Payments		Total	UCC Payments	LA %
2014	\$	206,041,660	\$	9,378,057,716	2.20%
2015	\$	165,389,452	\$	7,647,644,885	2.16%
2016	\$	137,107,305	\$	6,405,785,388	2.14%
2017	\$	123,417,859	\$	5,982,495,714	2.06%
2018	\$	160,125,211	\$	6,766,695,163	2.37%
2019	\$	205,453,014	\$	8,666,366,761	2.37%
2020	\$	230,051,045	\$	8,350,599,096	2.75%
2021	\$	100,146,334	\$	8,290,014,521	1.21%
2022	\$	76,914,331	\$	7,192,008,710	1.07%
2023	\$	72,858,914	\$	6,874,403,459	1.06%

#### UCC PAYMENTS TO TOTAL UCC

# (GOOD ROI?)

FFY	Factor 3 Denominator (UCC Total)	Total UCC Payments	Payment % to Total UCC
2018	\$33,387,796,552	\$7,192,008,710	21.54%
2019	\$34,460,436,450	\$6,874,403,459	19.95%

#### BIG TEN UCC 2022 VS 2023

State	FFY 2022	FFY 2023	Change	%
Texas	1,239,275,555	1,209,368,686	(29,906,869)	-2.4%
Florida	706,831,389	708,228,459	1,397,070	0.2%
California	463,510,315	467,502,697	3,992,382	0.9%
New York	479,060,059	442,948,567	(36,111,492)	-7.5%
Georgia	411,767,511	413,418,629	1,651,118	0.4%
North Carolina	312,300,110	311,166,223	(1,133,887)	-0.4%
Illinois	326,143,516	293,426,456	(32,717,060)	-10.0%
Tennessee	208,988,550	214,296,108	5,307,558	2.5%
Ohio	198,712,554	199,163,487	450,933	0.2%
Missouri	187,972,784	197,669,234	9,696,451	5.2%

# BIG 10 (STATES) UCC SUMMARY

Total Big 10	4,534,562,343	4,457,188,546
UCC All providers	7,192,008,710	6,874,403,459
Big 10 Share	63.05%	64.84%

# TOP 10 (PROVIDER) SUMMARY

Medicare CCN	Name	2018 UCC (Annualized)	2019 UCC (Annualized)	Factor 3	Total Uncompensated Care Payment	Estimated Per Claim Amount	Claims Average	Location	Туре
450289	Harris Health System	\$638,277,537	\$680,529,518	0.019420175	\$133,502,119	\$111,437.49	1,198	Houston	GOV
450015	Parkland Hospital	\$524,078,546	\$486,600,826	0.014899093	\$102,422,377	\$32,360.94	3,165	Dallas	GOV
140124	John H. Stroger	\$508,264,184	\$242,155,552	0.011117934	\$76,429,166	\$48,557.28	1,574	Chicago	GOV
450039	John Peter Smith HS	\$293,344,278	\$292,536,737	0.008631987	\$59,339,764	\$22,059.39	2,690	Fort Worth	GOV
100022	Jackson Memorial	\$232,744,069	\$310,844,882	0.007990518	\$54,930,044	\$8,949.18	6,138	Miami	GOV
110079	Grady Memorial Hosp	\$251,411,259	\$260,920,114	0.007545976	\$51,874,082	\$11,662.34	4,448	Atlanta	GOV
450213	University HospitAL	\$235,283,934	\$265,806,834	0.007375473	\$50,701,978	\$12,170.42	4,166	San Antonio	GOV
100007	Advent Health	\$183,869,436	\$199,721,016	0.005647755	\$38,824,949	\$1,227.20	31,637	Orlando	Non-Profit
450184	Memorial Hermann	\$172,787,972	\$198,804,026	0.005468614	\$37,593,461	\$2,712.96	13,857	Houston	Non-Profit
330204	NYC - Bellevue	\$178,344,018	\$167,558,891	0.005098708	\$35,050,576	\$20,617.99	1,700	New York	GOV
					\$640,668,515				
					\$6,874,403,459 9.32%			CC-76/293=26%	

#### UCC OVER AND UNDERPAYMENTS

The total UCC payment is paid on a per claim amount, which is estimated.

- An increase in claims will cause an overpayment
- A decrease in claims will cause an underpayment

• Need to measure at end of year close for a liability or receivable

# UCC TO UNINSURED (2019 KFF)

	A DESCRIPTION OF THE PROPERTY		AND AND DESCRIPTION OF THE PARTY OF THE PART	
State	UCC FFY 2023		Uninsured Population 2019	
Texas	\$ 1,209,368,686	17.59%	5,141,500	17.76%
Florida	\$ 708,228,459	10.30%	2,707,700	9.36%
California	\$ 467,502,697	6.80%	2,946,900	10.18%
New York	\$ 442,948,567	6.44%	974,000	3.37%
Georgia	\$ 413,418,629	6.01%	1,365,100	4.72%
North Carolina	\$ 311,166,223	4.53%	1,148,900	3.97%
Illinois	\$ 293,426,456	4.27%	891,000	3.08%
Tennessee	\$ 214,296,108	3.12%	671,200	2.32%
Ohio	\$ 199,163,487	2.90%	749,900	2.59%
Missouri	\$ 197,669,234	2.88%	595,500	2.06%
Total Big 10	\$ 4,457,188,546		17,191,700	
All (Total)	\$ 6,874,403,459		28,942,600	
Big 10 Share	64.84%		59.40%	
Louisiana	72,858,914		394,600	
	1.06%		1.36%	Louisiana has 1.36% of the nations uninsured pop. and receives 1.06% of national UCC payment

#### LOUISIANA UNINSURED

• Louisiana's Medicaid expansion cut the state's uninsured rate among adults by half in two years, plummeting from more than 22% to just over 11%. (8.28.18 article by Rose Meltzer)



#### WORKSHEET S-10 IS BEING LOOKED AT BY:

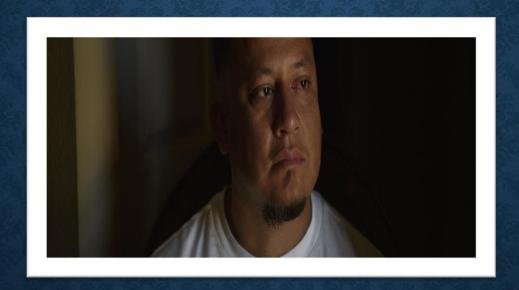
- Medicare Cost Reports are Public Records and are available for review
- HCRIS (Heathcare Cost Report Information System)

#### **Primary Users**

- Used by Government for policy, payment setting and profiling (Focused reviews)
- Used by Insurance companies, most likely for contract negotiations and cost data gathering and cost trending analysis
- Used by Consultants Data mining (Stroger Hospital)
- Used by the Press.....

#### Big Hospitals Provide Skimpy Charity Care—Despite Billions in Tax Breaks

Nonprofit medical institutions get federal benefits in exchange for providing support to their communities but often lag behind their for-profit peers



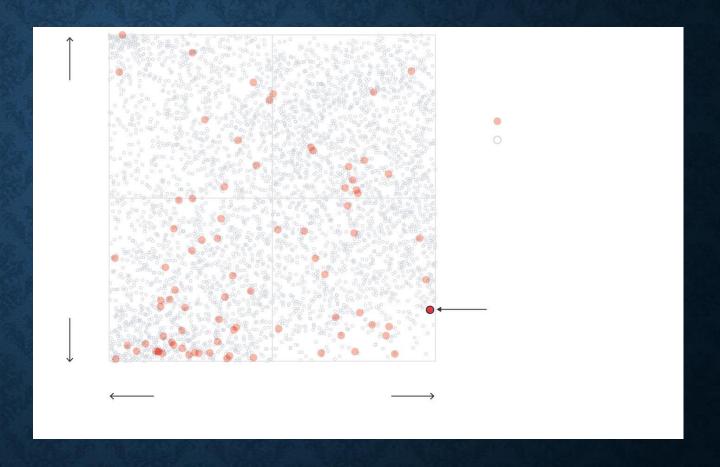
HTTPS://WWW.WSJ.COM/ARTICLES/NONPROFIT-HOSPITALS-VS-FOR-PROFIT-CHARITY-CARE-SPENDING-11657936777

#### WSJ - CONTINUED

- Nonprofit hospitals get billions of dollars in tax breaks in exchange for providing support to their communities. A Wall Street Journal analysis shows they are often not particularly generous.
- These charitable organizations, which comprise the majority of hospitals in the U.S., wrote off in aggregate 2.3% of their patient revenue on financial aid for patients' medical bills. Their for-profit competitors, a category including publicly traded giants such as <a href="https://example.com/HCA Healthcare">HCA Healthcare</a> Inc., wrote off 3.4%, the Journal found in an analysis of the most-recent annual reports hospitals file with the federal government.
- Among nonprofits with the smallest shares of patient revenue going toward charity care—well under 1%—were high-profile institutions including the biggest hospitals of California's Stanford Medicine and Louisiana's Ochsner Health systems. At Avera Health, a major hospital system in South Dakota, charity care was roughly half of 1% of patient revenue across all its 18 hospitals.

#### WSJ CONTINUED

Three quarters of hospitals in Louisiana, a Medicaid expansion state, had charity-care rates below the national median. Nonprofit Ochsner Medical Center in New Orleans had a charity-care rate at the 16th percentile nationwide.



#### **OBSERVATION & DISCUSSION**

- Government policy such as Medicaid Expansion drives down Charity care
- Government policy such as the Inflation Reduction Act will provide subsidies for Health Insurance which will reduce the total uninsured
- Uncertain how many for profits have UCC DSH, but if they don't qualify the S-10 won't be scoped for audit and therefore may include non reportable S-10 bad debts
- UCC on S-10 is only part of a hospitals Charity care cost
- Will non-profit hospitals be taxed in the future? (Cost shift to Insured)
- Open discussion to floor

# 2552-10 WORKSHEET S-10



Health	Financial Systems		In Lie	eu of Form CMS-	2552-10
HOSPIT	AL UNCOMPENSATED AND INDIGENT CARE DATA	Provider CCN:	Period:	Worksheet S-1	
		4	From To	Date/Time Pre 8/25/2022 4:2	pared:
				1.00	
	Uncompensated and indigent care cost computation				
1.00	Cost to charge ratio (worksheet C, Part I line 202 column 3 d	ivided by line 202 colu	mn 8)	0.000000	1.00
2.00	Medicaid (see instructions for each line) Net revenue from Medicaid	-		0	2 00
3.00	Did you receive DSH or supplemental payments from Medicaid?			U	2.00 3.00
4.00	If line 3 is yes, does line 2 include all DSH and/or supplemen	ntal payments from Medi	caid?		4.00
5.00	If line 4 is no, then enter DSH and/or supplemental payments			0	5.00
6.00	Medicaid charges			0	6.00
7.00	Medicaid cost (line 1 times line 6)			0	
8.00	Difference between net revenue and costs for Medicaid program < zero then enter zero)		ines 2 and 5; if	0	8.00
	Children's Health Insurance Program (CHIP) (see instructions	for each line)			
9.00	Net revenue from stand-alone CHIP Stand-alone CHIP charges			0	
11.00	Stand-alone CHIP cost (line 1 times line 10)			0	
	Difference between net revenue and costs for stand-alone CHIP	(line 11 minus line 9:	if < zero then	0	
	enter zero)	Citie II minds tine 3,	TI V Zero chen	9	12.00
	Other state or local government indigent care program (see i				]
13.00	Net revenue from state or local indigent care program (Not in			0	13.00
14.00	Charges for patients covered under state or local indigent ca 10)		d in lines 6 or	0	14.00
15.00	State or local indigent care program cost (line 1 times line :			0	15.00
16.00	Difference between net revenue and costs for state or local in	ndigent care program (1	ine 15 minus line	0	16.00
	<pre>13; if &lt; zero then enter zero) Grants, donations and total unreimbursed cost for Medicaid,</pre>	CHIP and state/local i	ndigent care proc	irams (see	-
	instructions for each line)	entr and state/ local i	na igent care prog	Trains (see	
17.00	Private grants, donations, or endowment income restricted to			0	17.00
18.00	Government grants, appropriations or transfers for support of			0	
19.00	Total unreimbursed cost for Medicaid , CHIP and state and local 8, 12 and 16)	al indigent care progra	ms (sum of lines	0	19.00
		Uninsured		Total (col. 1	
		patients		+ col. 2)	
***************************************	Uncompensated Care (see instructions for each line)	1.00	2.00	3.00	
20.00	Charity care charges and uninsured discounts for the entire fa	acility	0 0	0	20.00
	(see instructions)				
21.00	Cost of patients approved for charity care and uninsured disc	ounts (see	0 0	0	21.00
22.00	instructions)				22.00
22.00	Payments received from patients for amounts previously written charity care	n off as	0	0	22.00
23.00	Cost of charity care (line 21 minus line 22)		0 0	0	23.00
-				1.00	
24.00	Does the amount on line 20 column 2, include charges for patie		h of stay limit		24.00
25.00	imposed on patients covered by Medicaid or other indigent care If line 24 is yes, enter the charges for patient days beyond		am's length of	0	25.00
26.00	stay limit			_	36.60
26.00 27.00	Total bad debt expense for the entire hospital complex (see in Medicare reimbursable bad debts for the entire hospital comple	0			
	Medicare allowable bad debts for the entire hospital complex			0	
	Non-Medicare bad debt expense (see instructions)	(322 111321 42210113)		0	
	Cost of non-Medicare and non-reimbursable Medicare bad debt ex	kpense (see instruction	s)	0	
30.00	Cost_of uncompensated care (line 23 column 3 plus line 29)			0	30.00
31.00	Total unreimbursed and uncompensated care cost (line 19 plus	Ine 30)		0	31.00

## MEDICAID COST

	Uncompensated and indigent care cost computation		
1.00	Cost to charge ratio (Worksheet C, Part I line 202 column 3 divided by line 202 column 8)	0.000000	1.00
	Medicaid (see instructions for each line)		1
2.00	Net revenue from Medicaid	0	2.00
3.00	Did you receive DSH or supplemental payments from Medicaid?		3.00
4.00	If line 3 is yes, does line 2 include all DSH and/or supplemental payments from Medicaid?		4.00
5.00	If line 4 is no, then enter DSH and/or supplemental payments from Medicaid	0	5.00
6.00	Medicaid charges	0	6.00
7.00	Medicaid cost (line 1 times line 6)	0	7.00
8.00	Difference between net revenue and costs for Medicaid program (line 7 minus sum of lines 2 and 5; if	0	8.00
	< zero then enter zero)		
	Children's Health Insurance Program (CHIP) (see instructions for each line)		
9.00	Net revenue from stand-alone CHIP	0	9.00
10.00	Stand-alone CHIP charges	0	10.00
11.00	Stand-alone CHIP cost (line 1 times line 10)	0	11.00
12.00	Difference between net revenue and costs for stand-alone CHIP (line 11 minus line 9; if < zero then	0	12.00
	enter zero)	·	

## OTHER PROGRAMS

	Other state or local government indigent care program (see instructions for each line)		
	Net revenue from state or local indigent care program (Not included on lines 2, 5 or 9)	0	13.00
	Charges for patients covered under state or local indigent care program (Not included in lines 6 or		14.00
	10)		
15.00	State or local indigent care program cost (line 1 times line 14)	0	15.00
16.00	Difference between net revenue and costs for state or local indigent care program (line 15 minus line	0	16.00
	13; if < zero then enter zero)		
	Grants, donations and total unreimbursed cost for Medicaid, CHIP and state/local indigent care programs (see		
	instructions for each line)		
17.00	Private grants, donations, or endowment income restricted to funding charity care	0	17.00
18.00	Government grants, appropriations or transfers for support of hospital operations	0	18.00
19.00	Total unreimbursed cost for Medicaid , CHIP and state and local indigent care programs (sum of lines	0	19.00
Total Control of the	8, 12 and 16)		

# UNCOMPENSATED CARE COST OF CHARITY CARE

**************************************	3 · · · · · · · · · · · · · · · · · · ·	Uninsured	Insured	Total (col. 1	
		patients	patients	+ col. 2)	
		1.00	2.00	3.00	
	Uncompensated Care (see instructions for each line)				
20.00	Charity care charges and uninsured discounts for the entire facility	0	(	0	20.00
	(see instructions)				
21.00	Cost of patients approved for charity care and uninsured discounts (see	0	(	0	21.00
	instructions)				
22.00	Payments received from patients for amounts previously written off as	0	(	0	22.00
	charity care				
23.00	Cost of charity care (line 21 minus line 22)	0	(	0	23.00
				1.00	
24.00	Does the amount on line 20 column 2, include charges for patient days bey	ond a length of	stay limit		24.00
	imposed on patients covered by Medicaid or other indigent care program?	<del>-</del>	-		
25.00	If line 24 is yes, enter the charges for patient days beyond the indigent	length of	.0	25.00	
	stay limit	· ·	<del></del>		

# 2552-10 CR INSTRUCTIONS

Uncompensated care—Consists of charity care, non-Medicare bad debt, and non-reimbursable Medicare bad debt. Uncompensated care does not include courtesy allowances, discounts given to patients that do not meet the hospital's charity care policy, or discounts given to uninsured patients that do not meet the hospital's FAP, or bad debt reimbursed by Medicare.

#### 2552-10 CR INSTRUCTIONS: LINE 20

• Enter in column 1, the total charges, or the portion of the total charges, written off to charity care, for uninsured patients, and patients with coverage from an entity that does not have a contractual relationship with the provider who meet the hospital's charity care policy or FAP. In addition, enter in column 1, charges for non-covered services provided to patients eligible for Medicaid or other indigent care programs, if such inclusion is specified in the hospital's charity care policy or FAP and the patient meets the hospital's policy criteria. The total charges or the portion of total charges is the amount the patient is not responsible for paying (e.g., 100% of charges if the patient qualified for 100% discount or 70% of charges if the patient qualified for a 70% partial discount).

#### 2552-10 CR INSTRUCTIONS: LINE 20

• Enter in column 2, the deductible and coinsurance payments required by the payer for insured patients covered by a public program or private insurer with which the provider has a contractual relationship that were written off to charity care. In addition, enter in column 2, the non-covered charges for days exceeding a length-of-stay limit for patients covered by Medicaid or other indigent care programs if such inclusion is specified in the hospital's charity care policy or FAP and the patient meets the hospital's policy criteria. Do not include in column 2 amounts of deductible and coinsurance claimed as Medicare bad debt.

#### 2552-10 CR INSTRUCTIONS

- Line 22--
- For cost reporting periods beginning on or after October 1, 2016, charity care charges or uninsured discounts reported on line 20 include amounts written off with no expectation of payment. Enter all payments received during this cost reporting period, regardless of when the services were provided, from patients for amounts previously written off on line 20 as charity care or uninsured discounts. Enter such payments for the entire facility, except physician or other professional services. Use column 1 for payments received from uninsured patients and patients with coverage from an entity that does not have a contractual relationship with the provider, and use column 2 for payments received from patients covered by a public program or a private insurer with which the provider has a contractual relationship. Do not include grants or other mechanisms of funding for charity care on line 22. Payments entered on this line must not exceed charity care or uninsured discount amounts written off in the cost reporting period. Do not include payments received that represent a patient's liability, or amounts that were not previously written off on line 20 as charity care or uninsured discounts.

# UNCOMPENSATED CARE COST OF CHARITY CARE

		Uninsured patients	Insured patients	Total (col. 1 + col. 2)	
		1.00	2.00	3.00	
	Uncompensated Care (see instructions for each line)				
20.00	Charity care charges and uninsured discounts for the entire facility	0	C	0	20.00
	(see instructions)	·			
21.00	Cost of patients approved for charity care and uninsured discounts (see	0	C	0	21.00
· · · · · · · · · · · · · · · · · · ·	instructions)				
i	Payments received from patients for amounts previously written off as	0	C	0	22.00
	charity care				
23.00	Cost of charity care (line 21 minus line 22)	0	(	) 0	23.00
		14 44 5 9 44 10 10 44 10 10 40 10			
				1.00	
	Does the amount on line 20 column 2, include charges for patient days bey	ond a length o	f stay limit		24.00
	imposed on patients covered by Medicaid or other indigent care program?				
	If line 24 is yes, enter the charges for patient days beyond the indigent	care program'	s length of	.0	25.00
	stay limit				

# TOTAL BAD DEBT EXEPNSE LINE 31 TOTAL UCC AMOUNT LINE 30 IS FACTOR 3

26.00	Total bad debt expense for the entire hospital complex (see instructions)	0	26.00
27.00	Medicare reimbursable bad debts for the entire hospital complex (see instructions)	0	27.00
27.01	Medicare allowable bad debts for the entire hospital complex (see instructions)	0	27.01
28.00	Non-Medicare bad debt expense (see instructions)	0	28.00
29.00	Cost of non-Medicare and non-reimbursable Medicare bad debt expense (see instructions)	0	29.00
30.00	Cost of uncompensated care (line 23 column 3 plus line 29)	0	30.00
31.00	Total unreimbursed and uncompensated care cost (line 19 plus line 30)	0	31.00

## S-10 IN EXCEL

			Uninsured		Insured	Total
Line 1	Cost to Charge Ratio		0.197905			
Line 20		Cl	narity Charges & Discounts	Ch	arity Deductible & Consurance + Non-Covered Medicaid	
		\$	7,907,812	\$	398,478	\$ 8,306,290
Line 21	Cost of Charity	\$	1,564,996	\$	398,478	\$ 1,963,474
Line 22	Payments from Patients	\$	-	\$	-	\$ -
Line 23	Cost of Charity	\$	1,564,996	\$	398,478	\$ 1,963,474
Line 26	Total Bad Debt Expense					\$ 20,692,592.00
Line 27	Medicare Reimbursed Bad Debts					\$ 1,466,264
Line 28	Medicare Allowable Bad Debt					\$ 2,255,790
	Hidden Data - Non-Reimb Medicare Bad Debt(line 28 less line 26					\$ 789,527
	Hidden Data - Non Medicare Bad Debt (line 26 less line 28)					\$ 18,436,802
	Hidden Data - Non Medicare Bad Debt Cost					\$ 3,648,735
Line 29	Cost of Non-Medicare & Non Reimb Bad Debt					\$ 4,438,262
Line 30	Cost of Uncompensated Care (line 23 plus line 29)					\$ 6,401,735

#### TAKE AWAY

• Whether or not a Bad Debt qualifies for Charity Care doesn't impact the Charity Care cost calculation for uninsured patients

• However, if you have Deductible and Coinsurance for insured patients in total Bad Debt, then consideration should be given to having insured patients as part of the Financial Assistance Plan. Why have the Deductible and Coinsurance reduced by the cost to charge ratio when it can count dollar for dollar.

#### CHARITY CARE REQUIRED DATA FIELDS

## TOTAL CHARITY CARE REQUIRED DATA FIELDS Insurance Status When Services Were Provided (Insured or Uninsured)

- b. Primary Payor Plan
- c. Secondary Payor Plan
- d. Payment Transaction Code
- e. Patient Identification Number (PCN)
- f. Patient Name
- q. Patient Birth Date
- h. Social Security Number
- Patient Gender
- Admit Date
- k. Discharge Date
- 1. Service Indicator (Inpatient / Outpatient)
- m. Revenue Code (See Note above)
- n. Revenue Code Total Charges for the Claim (See Note above)
- o. Date of Write Off to Charity Care
- P. Total Patient Payments for Services Provided
- q. Total Third Party Payments for Services Provided
- r. Patient Charity Contractual Amount
- p. Other Contractual Amount (insurance write-off, courtesy discount, etc.)
- Q. Non-Covered Charges for Days Exceeding LOS Limit for Patients Covered by Mcaid or Oth Indigent Care

## TOTAL BAD DEBT REQUIRED FIELDS

#### TOTAL BAD DEBT REQUIRED DATA FIELDS Insurance Status When Services Were Provided (Insured or Uninsured) Primary Payor Plan Secondary Payor Plan Patient Identification Number (PCN) Patient Name Patient Birth Date Social Security Number Patient Gender **Admit Date** Discharge Date Service Indicator (Inpatient / Outpatient) Revenue Code (See Note above) Revenue Code Total Charges for the Claim (See Note above) Date of Write Off to Bad Debt Total Patient Payments for Services Provided Total Third Party Payments for Services Provided **Patient Charity Contractual Amount** Other Contractual Amount (insurance write-off, courtesy discount, etc.)

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Patient Bad Debt Write-Off Amount

#### **AUDIT ISSUES**

- Providers given two weeks to respond
- Review of Financial Assistance Policy so be ready
- Bad Debt should be in Bad Debt accounts (not contractual account)
- Charity Care should be in Charity accounts (no contractual account)
- Exclude Physician, Professional, non-hospital service from listing
- MAC and Contractors (Requests are a little different)
  - Sampling techniques can have a big impact on disallowance of charity care and total hospital bad debt

#### **AUDIT ISSUES**

- Are your discounts left in a contractual account or moved to Bad Debt or Charity?
  - Patient has \$10,000 charge, 40% uninsured discount.
  - Hospital Books \$4,000 to Uninsured Discount Contractual
  - Patient only pays \$1,000
  - Hospital writes off \$ 5,000
  - For S-10, what is the Total Hospital Bad Debt?

#### THINGS TO DO...

- Verify your data when the proposed rules are issued. Tie out your S-10 to the federal register published amount.
- Review your Financial Assistance Plan (FAP). Are you following the FAP?
- Should you change the FAP to include Medicaid and Insured
- Make sure Bad Debt and Charity discounts are not buried in contractual allowance accounts
- Be proactive during the audit process.....no appeals