

MEDICARE POST-ACUTE CARE PAYMENT REFORM DEMONSTRATION

HHA Financial Interview Protocol/Information Request

[Provider Name]

Medicare Provider ID Number: [XXXXXX]

Names and Titles of Interviewee(s):

[Name 1 (Title 1)]; [Name 2 (Title 2)]; etc.

The focus of this study is to understand the variation in patient care resource use and costliness both within a particular setting as well as across settings. Ultimately, the purposes are to better understand the characteristics, care, expense and outcomes of different types of patients seen in different post acute settings; identify the variable cost for providing appropriate, high-quality care to each type of patient, regardless of setting; and identify fixed costs unique to each setting.

The goals of this interview/information collection request are to: (1) understand the factors that influence per day and per stay costs in your agency; (2) obtain information about the fixed and variable cost components of your different service areas; (3) obtain salary information for professional staff and selected job categories; and (4) identify high-cost nonlabor-related direct care costs that are not expected to be similarly distributed across all patients or not uniformly distributed during an episode.

This interview questionnaire is divided in two sections. The first section contains questions or requests that we would appreciate if you could send us prior to our visit. The second contains questions we can discuss during our visit.

Section A: Pre-Site Visit Questions

Before our visit, please let us know the following:

1. Are there any costly ancillary services (e.g., costly supplies, such as dressings, etc.) that you provide patients that are not billed for separately on a Medicare claim? If so, can you identify those that cost at least \$500 per unit?
2. Does your organization maintain an electronic database/data warehouse of visit logs indicating the time that a home health nurse, therapist, aide, etc., spends in each visit face-to-face with each client? If so, is it possible for you to produce reports for the demonstration that, for a two-week period, provide the following information for each visit?

Date	Medicare HIC Number (leave blank if not a Medicare beneficiary)	Face-to-Face Time with Patient/Client (minutes)	Staff Level/Accreditation (RN, LPN, PT, PTA, Aide, etc.)

It is important to distinguish between RNs and LPNs/LVNs, PTs and PTAs, etc.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-XXXX. The time required to complete this information collection is 90 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments regarding the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Clearance Officer, Mail Stop C4-26-05, Baltimore, MD 21244-1850.

3. Do you have a cost accounting system other than the indirect cost allocations that are done for the Medicare Cost Report? If so, is it more detailed than Medicare Cost Reports? Please provide the detail on how your individual cost centers “roll up” to the Medicare Cost Report cost centers. Also, do you use your internal cost accounting system to automatically populate the Medicare Cost Report?
4. Does your cost accounting system identify or estimate fixed and variable costs for the agency as a whole, and for separate offices/divisions/departments/services? If so, additional questions will be asked in the face-to-face portion of this interview. Also, what definition of “fixed” do you use for these allocations of fixed and variable cost? In other words, do you define “fixed costs” to be those costs that would remain unchanged with a modest (5 to 10 percent) increase in volume? Or all costs associated with plant and equipment? Etc.
5. Please provide a copy of your most recently-submitted Medicare Cost Report for discussion during the interview. Please describe if there are any internal or external auditing of your Medicare Cost Reports and the nature of these audits.

Section B: Questions to Discuss During the Site Visit

We will discuss the following questions/requests during our in-person site visit interview. However, you may wish to prepare them in advance.

6. Please describe the different types of home health, home care, etc. services (skilled nursing care, physical therapy, home health aide, home infusion, etc.) your organization provides.

Service	Currently Offer Service?	Cost Report Line (For “Other” Services)
Medicare-Reimbursable		
Skilled Nursing Care		
Physical Therapy		
Occupational Therapy		
Speech/Language Pathology		
Medical Social Services		
Home Health Aide		
Other (e.g., DME)		
Non-Reimbursable		
Home Dialysis Aide Services		
Respiratory Therapy		
Private Duty Nursing		
Other		

7. If (and only if) your cost accounting system already incorporates estimates of the percentages of costs in each cost center/department/service line/etc., can you:
 - a. Provide us with your organization’s estimated fixed cost percentages for the following types of services, or for individual cost centers typically included in these types of services? (Note that the cost center descriptions are similar to those on Medicare Cost Reports, but not all agencies would be expected to have all of these services.) For each service category (e.g., Administration) we have included a set of cost centers based on Medicare Cost Report lines. However, the cost centers you use in your organization may differ from those listed below, so we include them only to guide your thinking about your

estimates of percentages of costs in each category attributable to fixed versus variable costs. We understand that these may be estimates, rather than known percentages, but we are relying on your knowledge of your agency's cost structure.

Cost Category	Cost Center Examples	Estimated Fixed Cost Percentage
Agency Costs	Operation of Plant; Maintenance & Repairs	
Administration	General Administrative; Business and Financial; Personnel; Human Resources; Cafeteria; Nursing Administration; Medical Records; Continuing Education	
Home Nursing Care	Skilled Nursing Care; Medical Social Services; Home Health Aide	
Home-Based Therapy Services	Physical Therapy; Occupational Therapy; Speech Pathology	
Other Home-Based Services	Medical Supplies Charged to Patients; Durable Medical Equipment; Drugs Charged to Patients	

- b. Also, can you describe how you developed these measures of the percentages of each cost center/service line considered fixed? For example, do you consider all capital-related costs to be 100% fixed, supplies and non-managerial labor costs to be 0% fixed (100% variable), etc.? Also, on what basis do you consider costs "fixed"—for example, did you consider a cost center as "fixed" if you don't expect them to vary with a 10% change in volume, not to vary over the course of a 2 year period, etc.?

8. Staffing

- a. Do you have contracted nursing or therapy staff whose costs appear on the Medicare cost report? If so, are fringe benefits and other non-wage costs for these staff reported similarly as for regular employees? Are these costs assigned directly to HHA-reimbursable cost centers or are they assigned to overhead (administrative) cost centers?
- b. Please provide average per-visit wages for the following staff categories. If possible, please restrict to programs/offices/divisions participating in this study. We will use these wages to weight times reported by staff for working with, or on the behalf of, patients served by these participating programs.

Staff Category	Staff Type	Salaried Staff		Per Visit (“Per Diem”) Staff		Contract Staff	
		Per Visit Wage	FTEs	Per Visit Wage	FTEs	Per Visit Wage	FTEs
Nursing Staff	RNs						
	LPNs/LVNs						
	Nursing Assistants/Aides						
	Advance Practice Nurses/NPs						
Therapy Staff	Physical Therapists						
	Occupational Therapists						
	Respiratory Therapists						
	Speech Therapists						
	Therapy Assistants						
	Therapy Aides						
Social Work/Case Management	Social Worker						
	Case Manager						
	Utilization Review						
Managerial Staff	Nurse Manager						
	Therapy Staff Manager						
	Discharge Planning Manager						
Other							

9. Is there anything in particular you would like to comment about in the Medicare Cost Report you provided? Are there any aspects of your cost finding, use of non-standard cost centers, composition of cost centers, etc., that you think we should be aware of when analyzing your Cost Report?