

06/17/2010 4:59 PM

Below are DCR's responses to the comments from the National Association of Public Hospitals and Health Systems.

1. Total Unreimbursed and Uncompensated Care Cost: The commenter expressed concerns about the possibility of double counting charity care on Worksheet S-10, line 31. We revised the corresponding cost reporting instructions and Worksheet S-10, line 31 to reflect the calculation as the sum of lines 19 and 30 to eliminate the possibility of double counting charity care. (See attachments: file "pr2\_4010\_to\_4019.6.doc", page 40-82, line 31 highlighted in yellow and file "255210\_S.XLS", tab "S-10" highlighted in yellow, line 31 highlighted in yellow.)



255210\_S.XLSpr2\_4010\_to\_4019.6.doc

2. Uncompensated and Indigent Care Cost Computation: The commenter recommended using a more comprehensive cost to charge ratio that includes all facility costs and charges with respect to the calculation of charity. We revised the applicable instructions for Worksheet C, Part I, "lines 30 through 98" to reflect that the calculation of the facility cost to charge ratio includes all costs and all charges of reimbursable costs centers, including Medicare as well as non-Medicare costs and charges. Worksheet S-10, line 1 continues refer to Worksheet C, Part I, line 200 for total facility costs and total facility charges. (See attachments: file "pr2\_4020\_to\_4029.2.doc", page 40-130, "lines 30 through 117" highlighted in yellow (before incorporating this comment it was "lines 30 through 98") and file "255210\_C.XLS", tab "CI" highlighted in yellow, lines 99 through 117 highlighted in yellow.)



pr2\_4020\_to\_255210\_C.XLS4029.2.doc

3. Medicaid Revenues: The commenter recommends that intergovernmental transfers be allowed to be subtracted from Medicaid revenues (line 2 of Worksheet S-10). The instructions for Worksheet S-10, line 2 require such payments to be presented as net revenue. Consequently, it is implicit in the cost report instructions that all amounts included on line 2 be presented as net revenues which also applies to intergovernmental transfers. (Requires no revisions to instructions or worksheets.)
4. Charity Care Costs: The commenter strongly suggested that the instructions for Worksheet S-10, line 22 be revised to only include payments **received** from patients approved for partial charity care services, and not also payments **expected** from these patients. We disagree with the commenter's suggestions. Payments expected to be received from patients must be included in line 22 as such payments have not yet been deemed bad debts. Once the partial payments expected to be received from these patients has been subjected to the applicable deeming process in its entirety, such amounts would be then be identified as bad debts and be included on line 26 (total bad debt expense for the entire facility). (Requires no revisions to instructions or worksheets.)

