

CMS Formal Response to Comments Received on Form CMS 276

1. **CMS Response:** CMS has added back the Administrative and General line to the budget report. Cost plans should continue to tie Column 1 on the budget report to Column 1 from the prior year's Worksheet E, plus or minus any reclassifications from Column 2.
2. **CMS Response:** Worksheet A, Part III, Line 4, the label should read that the line pulls from Part II, Line 10, instead of 11. CMS agrees and has updated the label to correct for this error. The formula was correct and did not need to be revised.
3. **CMS Response:** CMS has clarified the instructions related to uploading the Certification Statement in HPMS; however, has left certain details vague as the HPMS module is frequently updated. DCPA will issue an instructional memorandum with specific steps as they are finalized.
4. **CMS Response:** The instructions for Worksheet A, Part II, Column 5, Line 11 – Estimated Deductibles and Coinsurance did not match the formula. The formula reflects that this line pulls from Worksheet A, Part III, Column 1, Line 15 **minus Lines 13 and 14**. CMS has updated the instructions to match the formula, as the formula correctly calculates Part II, Column 5, Line 11.
5. **CMS Response:** CMS has updated Worksheet E, Line 16 to read 'DED+CO paid by the MAC/Carrier/Intermediary' as it did so originally. Line 16a has been deleted. Correlated updates to Worksheet M, Line 5a and Worksheet I were made as well.
6. **CMS Response:** CMS feels that the suggested way of calculating Part B Costs not subject to Coinsurance may not be equitable to the Cost Plans or to CMS. If total allowable costs were first brought to Worksheet K, they would be subject to apportionment. The Medicare portion could become inflated or deflated based on the statistical method utilized by the Plan. Because these costs are reimbursed at 100% by Medicare, CMS does not believe apportionment on Worksheet K is appropriate.

CMS anticipates all applicable Part B costs not subject to coinsurance to be reclassified from the appropriate cost centers on Worksheet F. If there are adjustments related to services provided by related parties on Worksheet G, then an additional adjustment should be entered to account for Medicare-only Part B costs not subject to coinsurance. As stated in the Cost Report Instructions, a worksheet showing these separate items shall be submitted with the 4th quarter and Final Cost Report.
7. **CMS Response:** CMS agrees that the label on Worksheet L, Column 2, Line 21 may be incorrect, as the label states that the information is pulled from Worksheet K, Line 19, but the formula links to Worksheet K, Line 23. The label has been updated to correctly state that the information flows from Worksheet K, Line 23.
8. **CMS Response:** CMS has updated the percentage to calculate at 25%. However, since this percentage reduces yearly, this will be done manually by each plan's servicing auditor during the desk review process for years 2013 and forward. At the next revision of the cost report, this will be updated again.
9. **CMS Response:** CMS has corrected the instructions to reflect "that for the 2012 budget, the 2012 and 2010 cot reports should be used."

10. **CMS Response:** CMS has evaluated and revised Worksheet B and Worksheet N to better reflect the prior year under/ (over) collections, actual voluntary under collections and guidance from the Managed Care Manual. Specifically, calculations of Total Amount Allowed to be Charged on worksheet N will now only reflect *involuntary* under or over-collections from the *prior* period. These will be adjusted for the current member months, similar to the budget report. Worksheet N will also limit the voluntary under collection from current period's budget report to only the actual amount of under-collection. Previously, a voluntary under collection on the budget could result in an over collection on the final report due to the budget's use of estimated amounts. The additional revisions to worksheet N will eliminate this unintended consequence. Finally, Worksheet N will now differentiate between voluntary and involuntary collections. Only involuntary amounts will be carried forward to the next year Budget and Final reports. CMS will work directly with the Cost Plans to reconcile the previously calculated collections and the new calculation.