

CHAPTER 46
 INDEPENDENT RURAL HEALTH CLINIC
 COST REPORT
 FORM CMS-222-17

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4600. GENERAL

These forms must be used by all independent rural health clinics (RHCs). These forms are required for determining Medicare payment for RHC services under 42 CFR 405, Subpart X.

An RHC must complete all applicable items on the worksheets. For its initial reporting period, the facility completes these worksheets with estimates of costs and visits and other information required by the reports. The contractor uses the estimates to determine an interim rate of payment for the facility. Following the end of the facility's reporting period, the facility is required to submit its worksheets using data based on its actual experience for the reporting period. This information is used by the contractor for determining the total Medicare payment due the RHC for services furnished Medicare beneficiaries.

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 0938-0107. The expiration date of this information collection instrument is September 30, 2020. The time required to complete this information collection is estimated to average 55 hours 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 concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850. Please do not send applications, claims, payments, medical records or any documents containing sensitive information to the PRA Reports Clearance Office. Please note that any correspondence not pertaining to the information collection burden approved under the associated OMB control number listed on this form will not be reviewed, forwarded, or retained. If you have questions or concerns regarding where to submit your documents, please contact 1-800-MEDICARE.

4600.1 Rounding Standards for Fractional Computations.--Throughout the Medicare cost report, required computations result in the use of fractions. Use the following rounding standards for such computations:

1. Round to 2 decimal places:
 - a. Rates
 - b. Cost per visit
 - c. Cost for pneumococcal vaccine

2. Round to 6 decimal places:
 - a. Ratios
 - b. Limit adjustments

4601. RECOMMENDED SEQUENCE FOR COMPLETING FORM CMS-222-17

<u>Step No.</u>	<u>Worksheet</u>	<u>Instructions</u>
1	S, Part I	Read §4603.1. Complete Part I.
2	S-1, Part I	Read §4604.1. Complete entire worksheet.
3	S-1, Part II	Read §4604.2. Complete entire worksheet.
4	S-2	Read §4605. Complete entire worksheet if applicable.
5	S-3	Read §4606. Complete entire worksheet.
6	A	Read §4607. Complete columns 1 through 3, lines 1 through 100.
7	A-6	Read §4608. Complete entire worksheet if applicable.
8	A	Read §4607. Complete columns 4 and 5, lines 1 through 100.
9	A-8-1, Parts I & II	Read §4610 through 4610.2. Complete entire worksheet if applicable.
10	A-8	Read §4609. Complete entire worksheet.
11	A	Read §4607. Complete columns 6 and 7, lines 1 through 100.
12	B, Parts I & II	Read §§4611 through 4611.2. Complete entire worksheet.
13	B-1	Read §4612. Complete if applicable.
14	C, Parts I & II	Read §§4613 through 4613.2. Complete lines 1 through 34.
15	C-1	Read §4614. Complete lines 1 through 4.
16	C, Part II	Read §§4613 through 4613.2. Complete lines 35 through 38.
17	S, Parts II & III	Read §4603.3. Complete Parts II & III.

4602. Acronyms and Abbreviations.--Throughout the Medicare cost report and instructions, a number of acronyms and abbreviations are used. For your convenience, commonly used acronyms and abbreviations are summarized below.

ACA	-	Affordable Care Act
CBSA	-	Core Based Statistical Areas
CCN	-	CMS Certification Number
CCM	-	Chronic Care Management
CFR	-	Code of Federal Regulations
CMS	-	Centers for Medicare & Medicaid Services
CNM	-	Certified Nurse Midwife
COL	-	Column
CP	-	Clinical Psychologist
CSW	-	Clinical Social Worker
ECR	-	Electronic Cost Report
FR	-	Federal Register
FTE	-	Full Time Equivalents
GME	-	Graduate Medical Education
HCRIS	-	Healthcare Cost Report Information System
HIC	-	Health Insurance Claim
HRSA	-	Health Resources and Services Administration
LPN	-	Licensed Practical Nurse
MPFS	-	Medicare Physician Fee Schedule
NP	-	Nurse Practitioner
NPR	-	Notice of Program Reimbursement
PA	-	Physician Assistant
PCRE	-	Primary Care Residency Expansion
RCE	-	Reasonable Compensation Equivalency limits
RN	-	Registered Nurse
TCM	-	Transitional Care Management
THC	-	Teaching Health Center

4603. WORKSHEET S - RURAL HEALTH CLINIC COST REPORT CERTIFICATION AND SETTLEMENT SUMMARY

4603.1 Part I - Cost Report Status.--This section is to be completed by the RHC and contractor as indicated on the worksheet. If this is a consolidated cost report, the organization must choose a primary RHC whose CMS certification number (CCN) must be utilized throughout the entire cost report.

Lines 1 and 2.--The provider must check the appropriate box to indicate on line 1 or 2, whether this cost report is being filed electronically or manually. For electronic filing, indicate on line 1, columns 2 and 3 respectively, the date and time corresponding to the creation of the electronic file. This date and time remains as an identifier for the file by the contractor and is archived accordingly. Line 2 is only completed by RHCs filing low utilization cost reports in accordance with CMS Pub. 15-2, chapter 1, §110 or RHCs demonstrating financial hardship in accordance with CMS Pub. 15-2, chapter 1, §133.

Line 3.--If this is an amended cost report, enter the number of times the cost report has been amended.

Line 4.--Enter an "F" if this is a full cost report or an "L" if this is a low Medicare utilization cost report, or an "N" if this is a no Medicare utilization cost report ("L" requires prior contractor approval, see CMS Pub. 15-2, chapter 1, §110).

Lines 5 through 12 are for contractor use only:

Line 5.--Enter the Healthcare Cost Report Information System (HCRIS) cost report status code that corresponds to the filing status of the cost report: 1=As submitted; 2=Settled without audit; 3=Settled with audit; 4=Reopened; or 5=Amended.

Line 6.--Enter the date (mm/dd/yyyy) the accepted cost report was received from the RHC.

Line 7.--Enter the 5 position contractor number.

Lines 8 and 9.--If this is an initial cost report enter "Y" for yes in the box on line 8. If this is a final cost report enter "Y" for yes in the box on line 9; if neither, enter "N". An initial report is the very first cost report for a particular RHC CCN. A final cost report is a terminating cost report for a particular RHC CCN.

Line 10.--Enter the Notice of Program Reimbursement (NPR) date (mm/dd/yyyy). The NPR date must be present if the cost report status code is 2, 3, or 4.

Line 11.--Enter the software vendor code of the cost report software used by the contractor to generate a HCRIS cost report file; use "4" for HFS or "3" for KPMG.

Line 12.--Complete this line only if the cost report status code on line 5 is "4". If this is a reopened cost report (response to line 5 cost report status, is "4"), enter the number of times the cost report has been reopened.

4603.2 Part II - Certification.--Ensure this certification page is read, prepared, and signed by an officer or administrator of the RHC after the cost report has been completed in its entirety.

4603.3 Part III - Settlement Summary.--Enter the balance due to or due from the Medicare program. Transfer the amount from Worksheet C, Part II, line 37.

4604. WORKSHEET S-1 - RURAL HEALTH CLINIC IDENTIFICATION DATA

This worksheet consists of two parts:

Part I - Rural Health Clinic Identification Data

Part II - Rural Health Clinic Consolidated Cost Report Participant Identification Data

4604.1 Part I - Rural Health Clinic Identification Data.--The information required on this worksheet is needed to properly identify the RHC, or in the case of a consolidated cost report, the primary RHC. In the case of a consolidated cost report, only the primary RHC completes the entire Worksheet S-1, Part I. All other RHCs filing under a consolidated cost report must be listed on subscripts of line 14 and must complete a separate Worksheet S-1, Part II.

Line 1, columns 1 through 4.--Enter in the appropriate column the site name, CCN, core based statistical area (CBSA) code (rural CBSA codes are assembled by placing the digits “999” in front of the two digit state code, e.g., for the state of Maryland the rural CBSA code is 99921), and certification date.

Line 1, column 5.--Indicate the type of control under which the RHC operates by entering a number from the list below:

- | | |
|--------------------------------------|---------------------------|
| 1 = Voluntary Nonprofit, Corporation | 7 = Governmental, Federal |
| 2 = Voluntary Nonprofit, Other | 8 = Governmental, State |
| 3 = Proprietary, Individual | 9 = Governmental, County |
| 4 = Proprietary, Corporation | 10 = Governmental, City |
| 5 = Proprietary, Partnership | 11 = Governmental, Other |
| 6 = Proprietary, Other | |

Line 2.--Enter the RHC’s street address in column 1 and the P.O. box in column 2 (if applicable).

Line 3.--Enter the city in column 1, state in column 2, ZIP code in column 3, and county in column 4.

Line 4.--Enter the inclusive dates covered by this cost report. Enter in column 1, the cost report beginning date and enter in column 2, the cost report ending date.

Line 5.--Indicate whether this RHC is owned, leased or controlled by an entity that operates multiple RHCs. Enter a “Y” for yes or an “N” for no. If yes, complete lines 6 through 8. Otherwise, skip to line 9.

Lines 6 through 8.--Enter the name of the entity that owns, leases or controls the RHC, the street address, post office box (if applicable), Health Resources Services Administration (HRSA) grant award number assigned to the organization, city, state, and ZIP code.

Line 9.--Is this RHC part of a chain organization as defined in CMS Pub. 15-1, chapter 21, §2150, that claimed home office costs in a home office cost statement. Enter “Y” for yes or “N” for no. If yes, complete lines 10 through 12. Otherwise, skip to line 13.

Lines 10 through 12.--Enter the name of the chain organization, the street address, post office box (if applicable), the home office CCN, city, state, and ZIP code.

Line 13.--Is this RHC filing a consolidated cost report under CMS Pub. 100-02, chapter 13, §80.2. Enter “Y” for yes or “N” for no, in column 1. If yes, enter in column 2 the date the RHC requested approval to file a consolidated cost report, in column 3 the date the contractor approved the RHC’s request to file a consolidated cost report, and in column 4 the number of RHCs included in this consolidated cost report other than the primary RHC.

Line 14.--If the response to line 13, column 1 is yes, list on line 14, beginning with the subscript line 14.01, each RHC that is part of this consolidated cost report, excluding the RHC listed on line 1. Enter in column 1 the site name, column 2 the CCN, column 3 the CBSA, column 4 the date the RHC requested approval to file as part of a consolidated cost report, and column 5 the date the contractor approved the RHCs request to file as part of a consolidated cost report. Each RHC listed on line 14, beginning with the subscript line 14.01, must complete a separate Worksheet S-1, Part II.

Line 15.--Indicate if your RHC carries commercial malpractice coverage. Enter “Y” for yes or “No” for no. Malpractice insurance premiums are money paid by the RHC to a commercial insurer to protect the RHC against potential negligence claims made by their patients/clients.

Line 16.--If line 15 is yes, indicate if your malpractice insurance is a claims-made or occurrence policy. A claims-made insurance policy covers claims first made (reported or filed) during the year the policy is in force for any incidents that occur that year or during any previous period during which the insured was covered under a "claims-made" contract. The occurrence policy covers an incident occurring while the policy is in force regardless of when the claim arising out of that incident is filed. Enter 1 if the malpractice insurance is a claims-made policy. Enter 2 if the malpractice insurance is an occurrence policy.

Line 17.--Enter the total amount of malpractice premiums paid in column 1, enter the total amount of paid losses in column 2, and enter the total amount of self-insurance paid in column 3.

Malpractice paid losses is money paid by the RHC to compensate a patient/client for professional negligence. Malpractice self-insurance is money paid by the RHC where the RHC acts as its own insurance company (either as a sole or part-owner) to financially protect itself against professional negligence. Often RHCs will manage their own funds or purchase a policy referred to as captive insurance, which provides insurance coverage the RHC needs but could not obtain economically through the mainstream insurance market.

Line 18.--Indicate if malpractice premiums paid, paid losses, or self-insurance are reported in a cost center other than the Malpractice Premiums cost center, Worksheet A, line 28. Enter "Y" for yes or "N" for no. If yes, submit a supporting schedule listing cost centers and amounts.

Line 19.--Is this RHC and/or any consolidated RHCs involved in training residents in an approved graduate medical education (GME) program in accordance with 42 CFR 405.2468(f)? Enter "Y" for yes or "N" for no.

Line 20.--Have you received an approval for an exception to the productivity standard? Enter "Y" for yes and "N" for no.

Line 21.--Does the facility operate as other than a RHC? Enter "Y" for yes or "N" for no.

Line 22.--If line 21 is yes, enter the type of operation (i.e., laboratory or physicians services).

Line 23.--Enter on lines 23.01 through 23.07 the hours of operation (from/to) based on a 24 hour clock next to the appropriate day that the facility is available to provide RHC services. For example 8:00 am is 0800 and 5:30 pm is 1730.

Line 24.--If line 23 is yes, enter on lines 24.01 through 24.07 the hours of operation (from/to) next to the appropriate day that the facility is available to provide other than RHC services.

Line 25.--Did this facility participate in any payment demonstration during this cost reporting period? Enter "Y" for yes or "N" for no. If column 1 is yes, enter the type of demonstration in column 2. If the RHC participated in more than one demonstration, subscript this line as applicable.

Line 26.--Are there any related organization costs claimed as defined in CMS Pub. 15-1 chapter 10? Enter "Y" for yes or "N" for no. If yes, complete worksheet A-8-1.

4604.2 Part II - Rural Health Clinic Consolidated Cost Report Participant Identification Data.-- Each RHC that is included on Worksheet S-1, Part I, line 14, and applicable subscripts, who is filing as part of a consolidated cost report must complete a separate Worksheet S-1, Part II in the identical sequence that the consolidated RHCs are reported on Worksheet S-1, Part I, line 14 and its subscripts. Do not complete this worksheet for the primary RHC reported on Worksheet S-1, Part I, line 1.

Line 1.--Enter the RHC site name in column 1 and the RHC certification date in column 2. Indicate the type of control under which the RHC operates by entering a number from the list below in column 3.

- | | |
|--------------------------------------|---------------------------|
| 1 = Voluntary Nonprofit, Corporation | 7 = Governmental, Federal |
| 2 = Voluntary Nonprofit, Other | 8 = Governmental, State |
| 3 = Proprietary, Individual | 9 = Governmental, County |
| 4 = Proprietary, Corporation | 10 = Governmental, City |
| 5 = Proprietary, Partnership | 11 = Governmental, Other |
| 6 = Proprietary, Other | |

Enter the date the RHC terminated its participation in the Medicare program (if applicable) in column 4. In column 5, enter a "V" for a voluntary termination or an "I" for an involuntary termination.

If the RHC changed ownership immediately prior to the beginning of the cost reporting period enter the date of the change of ownership in column 6. Also submit the name and address of the new owner and a copy of the sales agreement with the cost report.

Line 2.--Enter the RHC's street address in column 1 and the P.O. box in column 2 (if applicable).

Line 3.--Enter the city in column 1, state in column 2, ZIP code in column 3, and county in column 4.

Line 4.--Indicate if your RHC carries commercial malpractice coverage. Enter "Y" for yes or "N" for no. Malpractice insurance premiums are money paid by the RHC to a commercial insurer to protect the RHC against potential negligence claims made by their patients/clients.

Line 5.--If line 4 is yes, indicate if your malpractice insurance is a claims-made or occurrence policy. A claims-made insurance policy covers claims first made (reported or filed) during the year the policy is in force for any incidents that occur that year or during any previous period during which the insured was covered under a "claims-made" contract. The occurrence policy covers an incident occurring while the policy is in force regardless of when the claim arising out of that incident is filed. Enter 1 if the malpractice insurance is a claims-made policy. Enter 2 if the malpractice insurance is an occurrence policy.

Line 6.--Enter the total amount of malpractice premiums paid in column 1, enter the total amount of paid losses in column 2, and enter the total amount of self-insurance paid in column 3. Malpractice paid losses is money paid by the RHC to compensate a patient/client for professional negligence. Malpractice self-insurance is money paid by the RHC where the RHC acts as its own insurance company (either as a sole or part-owner) to financially protect itself against professional negligence. Often RHCs will manage their own funds or purchase a policy referred to as captive insurance, which provides insurance coverage the RHC needs but could not obtain economically through the mainstream insurance market.

Line 7.--Does the facility operate as other than a RHC? Enter "Y" for yes or "N" for no.

Line 8.--If line 7 is yes, enter the type of operation (i.e., laboratory or physicians services).

Line 9.--Enter on lines 9.01 through 9.07 the hours of operation (from/to) based on a 24 hour clock next to the appropriate day that the facility is available to provide RHC services. For example 8:00 am is 0800 and 5:30 pm is 1730.

Line 10.--If 7 is yes, enter on lines 10.01 through 10.07 the hours of operation (from/to) next to the appropriate day that the facility is available to provide other than RHC services.

4605. WORKSHEET S-2 - RURAL HEALTH CLINIC REIMBURSEMENT QUESTIONNAIRE

This worksheet collects organizational, financial and statistical information previously reported on Form CMS-339. Where instructions for this worksheet direct the RHC to submit documentation/information, mail or otherwise transmit the requested documentation to the contractor with submission of the electronic cost report (ECR). The contractor has the right under §§1815(a) and 1883(e) of the Act to request any missing documentation. When filing a consolidated cost report, this worksheet applies only to the primary RHC.

To the degree that the information in the questionnaire constitutes commercial or financial information which is confidential and/or is of a highly sensitive personal nature, the information will be protected from release under the Freedom of Information Act. If there is any question about releasing information, the contractor should consult with the CMS Regional Office.

NOTE: The responses on all lines are “yes” or “no” unless otherwise indicated. When the instructions require documentation, indicate on the documentation the Worksheet S-2 line number the documentation supports. Lines 1 through 19 are required to be completed by all RHCs reported on Worksheet S-1, Part I, line 1.

Line 1.--Indicate whether the RHC has changed ownership immediately prior to the beginning of the cost reporting period. Enter “Y” for yes or “N” for no in column 1. If column 1 is “Y”, enter the date the change of ownership occurred in column 2. Also, submit the name and address of the new owner and a copy of the sales agreement with the cost report.

Line 2.--Indicate whether the RHC has terminated participation in the Medicare program. Enter “Y” for yes or “N” for no in column 1. If column 1 is “Y”, enter the date of termination in column 2, and “V” for voluntary or “I” for involuntary in column 3.

Line 3.--Indicate whether the RHC is involved in business transactions, including management contracts, with individuals or entities (e.g., chain home offices, drug or medical supply companies) that are related to the RHC or its officers, medical staff, management personnel, or members of the board of directors through ownership, control, or family and other similar relationships. Enter “Y” for yes or “N” for no in column 1. If column 1 is “Y”, submit a list of the individuals, the organizations involved, and a description of the transactions with the cost report.

NOTE: A related party transaction occurs when services, facilities, or supplies are furnished to the provider by organizations related to the provider through common ownership or control. (See Pub. 15-1, chapter 10 and 42 CFR 413.17.)

Line 4.--Indicate in column 1 whether the financial statements were prepared by a certified public accountant; enter "Y" for yes or "N" for no. If column 1 is yes, indicate the type of financial statements in column 2 by entering "A" for audited, "C" for compiled, or "R" for reviewed. Submit a complete copy of the financial statements (i.e., the independent public accountant's opinion, the statements themselves, and the footnotes) with the cost report. If the financial statements are not available for submission with the cost report enter the date they will be available in column 3. Indicate whether the total expenses and total revenues reported on the cost report differ from those on the filed financial statements? Enter "Y" for yes or "N" for no in column 4. If "Y", submit a reconciliation with the cost report.

If column 1 is no, submit a copy of the internally prepared financial statements, and written statements of significant accounting policy and procedure changes affecting Medicare reimbursement which occurred during the cost reporting period. You may submit the changed accounting or administrative procedures manual in lieu of written statements.

Line 5.--Indicate whether Intern-Resident costs were claimed on the current cost report. Enter "Y" for yes or "N" for no in column 1.

Line 6.--Indicate whether Intern-Resident program(s) have been initiated or renewed during the cost reporting period. Enter "Y" for yes or "N" for no in column 1. If you answer "Y" in column 1, submit copies of the certification(s)/program approval(s) with the cost report. (See 42 CFR 413.79(l) for the definition of a new program.)

Line 7.--Indicate whether graduate medical education costs were directly assigned to cost centers other than the "Allowable GME Costs" on Worksheet A, line 29. Enter "Y" for yes or "N" for no in column 1. If you answer "Y" in column 1, submit a listing of the cost centers and amounts with the cost report.

Line 8.--Indicate whether you are seeking reimbursement for bad debts resulting from Medicare deductible and/or coinsurance amounts which are uncollectible from Medicare beneficiaries. (See 42 CFR 413.89(e) and CMS Pub. 15-1, chapter 3, §§306 - 324 for the criteria for an allowable bad debt.) Enter "Y" for yes or "N" for no in column 1. If you answer "Y" in column 1, submit a completed Exhibit 1 or internal schedule duplicating, at a minimum, the documentation requested on Exhibit 1 to support the bad debts claimed.

Exhibit 1 requires the following documentation:

Columns 1, 2, 3, 4 - Patient Names, Health Insurance Claim (HIC) Number, and Dates of Service (From - To).--The documentation required for these columns is derived from the beneficiary's bill. Furnish the patient's name, HIC number and dates of service that correlate to the claimed bad debt. (See CMS Pub. 15-1, chapter 3, §314 and 42 CFR 413.89.)

Columns 5 & 6--Indigency/Medicaid Beneficiary.--If the patient included in column 1 has been deemed indigent, place a check in column 5. If the patient in column 1 has a valid Medicaid number, include this number in column 6. See the criteria in CMS Pub. 15-1, chapter 3, §§312 and 322 and 42 CFR 413.89 for guidance on the billing requirements for indigent and Medicaid beneficiary.

Columns 7 & 8--Date First Bill Sent to Beneficiary & Date Collection Efforts Ceased.--This information should be obtained from the RHC's files and should correlate with the beneficiary name, HIC number, and dates of service shown in columns 1, 2, 3 and 4 of this exhibit. The date in column 8 represents the date that the unpaid account is deemed worthless, whereby all collection efforts, both internal and by an outside entity, ceased and there is no likelihood of recovery of the unpaid account. (See 42 CFR 413.89(e) and (f), and CMS Pub. 15-1, chapter 3, §§308, 310, and 314.)

Column 9--Medicare Remittance Advice Dates.--Enter in this column the remittance advice dates that correlate with the beneficiary name, HIC number, and dates of service shown in columns 1, 2, 3, and 4 of this exhibit.

Column 10--Coinsurance/Total Medicare Bad Debts.--Record on each line of this column the beneficiary's unpaid coinsurance amount that relates to covered services. Calculate the total bad debts by summing up the amounts on all lines of column 10. This "total" must agree with the bad debts claimed on the cost report. Attach additional supporting schedules, if necessary, for bad debt recoveries.

Line 9.--If line 8 is yes, indicate whether your bad debt collection policy changed during the cost reporting period. Enter "Y" for yes or "N" for no in column 1. If you answer "Y" in column 1, submit a copy of the revised bad debt collection policy with the cost report.

Line 10.--If line 8 is yes, indicate whether patient coinsurance amounts were waived. Enter "Y" for yes or "N" for no in column 1. If you answer "Y" in column 1, ensure that they are not included on the bad debt listings (i.e., Exhibit 1 or your internal schedules) submitted with the cost report.

Line 11.--Indicate whether the cost report was prepared using the Provider Statistical & Reimbursement (PS&R) Report only. Enter "Y" for yes or "N" for no in column 1. If column 1 is "Y" enter the paid through date of the PS&R in column 2. Also, submit a crosswalk between revenue codes and visits found on the PS&R to the cost center groupings on the cost report. This crosswalk will reflect a cost center to revenue code match only.

Line 12.--Indicate whether the cost report was prepared using the PS&R for totals and the RHC's records for allocation. Enter "Y" for yes or "N" for no in column 1. If column 1 is "Y" enter the paid through date of the PS&R used to prepare this cost report in column 2. Also, submit a detailed crosswalk between revenue codes and visits on the PS&R to the cost center groupings on the cost report. This crosswalk must show visits by cost center and include which revenue codes were allocated to each cost center. The total visits on the cost report must match the total visits on the PS&R (as appropriately adjusted for unpaid claims, etc.) to use this method. Supporting work papers must accompany this crosswalk to provide sufficient documentation as to the accuracy of the RHCs records.

Line 13.--If you entered "Y" on either line 11 or 12, indicate whether adjustments were made to the PS&R data for additional claims that have been billed but not included on the PS&R used to file this cost report. Enter "Y" for yes or "N" for no in column 1. If column 1 is "Y", include a schedule which supports any claims not included on the PS&R. This schedule should include totals consistent with the breakdowns on the PS&R, and should reflect claims that are unprocessed or unpaid as of the cut-off date of the PS&R used to file the cost report.

Line 14.--If you entered "Y" on either line 11 or 12, column 1, indicate whether adjustments were made to the PS&R data for corrections of other PS&R information. Enter "Y" for yes or "N" for no in column 1. If column 1 is "Y", submit a detailed explanation and documentation which provides an audit trail from the PS&R to the cost report.

Line 15.--If you entered "Y" on either line 11 or 12, column 1, indicate whether other adjustments were made to the PS&R data. Enter "Y" for yes or "N" for no in column 1. If column 1 is "Y", include a description of the other adjustments and documentation which provides an audit trail from the PS&R to the cost report.

Line 16.--Indicate whether the cost report was prepared using RHC records only. Enter "Y" for yes or "N" for no in column 1. If column 1 is "Y", submit detailed documentation of the system used to support the data reported on the cost report. If detailed documentation was previously supplied, submit only necessary updated documentation with the cost report.

The minimum requirements are:

- Internal records supporting program utilization statistics, charges, prevailing rates and payment information broken into each Medicare bill type in a manner consistent with the PS&R report.
- A reconciliation of remittance totals to the provider's internal records.
- The name of the system used and system maintainer (vendor or RHC). If the RHC maintained the system, include date of last software update.

NOTE: Additional information may be supplied such as narrative documentation, internal flow charts, or outside vendor informational material to further describe and validate the reliability of your system.

Line 17.--Enter the first name, last name, and the title/position held by the cost report preparer in columns 1, 2, and 3, respectively.

Line 18.--Enter the employer/company name of the cost report preparer.

Line 19.--Enter the telephone number and email address of the cost report preparer in columns 1 and 2, respectively.

EXHIBIT 1
LISTING OF MEDICARE BAD DEBTS AND APPROPRIATE SUPPORTING DATA

RHC Name _____
 RHC CCN _____
 FYE _____

Prepared By _____
 Date Prepared _____

Patient Name	HIC. No.	Dates of Service		Indigency& Medicaid Beneficiary (Check if applicable)		Date First Bill Sent to Beneficiary	Date Collection Efforts Ceased	Medicare Remittance Advice Dates	Co-Insurance/ Total Medicare Bad Debts*
		From	To	Yes	Medicaid Number				
1	2	3	4	5	6	7	8	9	10

*These amounts must not be claimed unless the RHC bills for these services with the intention of receiving payment.
 See instructions for columns 5 and 6 - Indigency/Medicaid Beneficiary, for possible exception.
 These amounts must not be claimed if they were included on a previous Medicare bad debt listing or cost report.

4606. WORKSHEET S-3 - RURAL HEALTH CLINIC STATISTICAL DATA

This worksheet collects statistical data regarding the number and types of visits by title, as well as, the number of visits performed by interns and residents. Only those visits that qualify as a face to face encounter associated with a beneficiary receiving services under the Medicare fee for service program are included in column 2. Visits attributable to beneficiaries enrolled in a Medicare Advantage plan must be included in column 4. For the purposes of the Medicare program, a beneficiary who receives care at an RHC can be seen for three types of visits:

- Medical Visit - A face to face encounter between an RHC patient and one of the following: a physician, physician assistant, nurse practitioner, certified nurse midwife, registered nurse, or licensed practical nurse. Transitional Care Management (TCM) services can also be a medical visit if it meets the TCM billing requirements.
- Medical Visit for Subsequent Illness or Injury.
- Mental Health Visit - A face to face encounter between an RHC patient and one the of the following: a clinical psychologist, clinical social worker, or a physician, physician assistant, nurse practitioner, certified nurse midwife, registered nurse, licensed practical nurse for mental health services.

All visits performed by interns and residents who are funded by a Teaching Health Center (THC) or Primary Care Residency Expansion (PCRE) grant from HRSA must be included in column 4 (other), lines 1 through 4, as applicable, on this worksheet.

Column 0.--Use this column to identify the primary RHC listed on Worksheet S-1, Part I, line 1, and if you are filing a consolidated cost report, each RHC listed on Worksheet S-1, Part I, line 14, beginning with the subscripted line 14.01, in the exact same order.

Columns 1 through 3.--Enter the number of medical visits, mental health visits, and visits performed by interns and residents, if applicable, for each program (title V, title XVIII, and title XIX). Intern and resident visits are a subset of the medical or mental health visits. Include dually eligible (Medicare/Medicaid) beneficiaries in column 2.

Column 4.--Enter the number of medical visits, mental health visits, and visits performed by interns and residents, for all other payors by adding visits in columns 1 through 3 and subtracting from total visits reported in column 5.

Column 5.--Enter the total medical visits, mental health visits, and visits performed by interns and residents, for the entire facility. The total in this column will be used to compute all other payors in column 4.

Line 1.--Enter the number of medical visits applicable to columns 1 through 3, and 5. Each visit to the RHC by the beneficiary counts as a single visit, even in the case where a beneficiary returns to the RHC in the same day for a subsequent illness or injury. If you are filing under a consolidated cost report, line 1 must contain the medical visits exclusively for the primary CCN and you must subscript line 1 to report the number of medical visits for each additional RHC included in this consolidated cost report. Each subscript of line 1, column 0, must contain a corresponding CCN from Worksheet S-1, Part I, line 14, beginning with subscripted line 14.01, in the exact same order. Enter the number of medical visits applicable to columns 1 through 3, and 5, for each RHC listed on line 1 and its subscripts.

Line 2.--Enter the total number of medical visits (sum of line 1 and its subscripts) for each applicable column.

Line 3.--Enter the number of mental health visits applicable to columns 1 through 3, and 5. Each visit to the RHC by the beneficiary counts as a single visit, even in the case where a beneficiary returns to the RHC in the same day for a subsequent illness or injury. If you are filing under a consolidated cost report, line 3 must contain the mental health visits exclusively for the primary CCN and you must subscript line 3 to report the number of mental health visits for each additional RHC included in this consolidated cost report. Each subscript of line 3, column 0, must contain a corresponding CCN from Worksheet S-1, Part I, line 14, beginning with subscripted line 14.01, in the exact same order. Enter the number of mental health visits applicable to columns 1 through 3, and 5, for each RHC listed on line 3 and its subscripts.

Line 4.--Enter the total number of mental health visits (sum of line 3 and its subscripts) for each applicable column.

Line 5.--Enter the total number of visits performed by interns and residents applicable to columns 1 through 3, and 5. If you are filing under a consolidated cost report, line 5 must contain the visits performed by interns and residents exclusively for the primary CCN and you must subscript line 5 to report the number of visits performed by interns and residents for each additional RHC included in this consolidated cost report. Visits reported on line 5 and its subscripts, are a subset of the medical and mental health visits reported on lines 1 and 3 and their subscripts. Each subscript of line 5, column 0, must contain a corresponding CCN from Worksheet S-1, Part I, line 14, beginning with subscripted line 14.01, in the exact same order. Enter the number of visits performed by interns and residents applicable to columns 1 through 3, and 5 for each RHC listed on line 5 and its subscripts.

Line 6.--Enter the total number of visits performed by interns and residents (sum of line 5 and its subscripts) for each applicable column.

Line 7.--Enter the total number of medical and mental health visits (sum of lines 2 and 4).

NOTE: When reporting data for RHCs reporting under the consolidated cost reporting provisions, subscript lines 1, 3, and 5 in the identical sequence that the consolidated RHCs are reported on Worksheet S-1, Part I, line 14, beginning with subscripted line 14.01.

4607. WORKSHEET A - RECLASSIFICATION AND ADJUSTMENT OF TRIAL BALANCE OF EXPENSES

Use Worksheet A to record the trial balance of expense accounts from your accounting books and records. The worksheet also provides for the necessary reclassifications and adjustments to certain accounts. All cost centers listed do not apply to all RHCs using this worksheet. For example, an RHC that does not have an intern and resident program will not complete lines 29 and/or 78. In addition to those lines listed, the worksheet also provides blank lines for other RHC cost centers. Complete only those lines that are applicable.

If the cost elements of a cost center are maintained separately on your books, a reconciliation of costs per the accounting books and records to those on this worksheet must be maintained and are subject to review by your contractor.

Standard (i.e., preprinted) CMS line numbers and cost center descriptions cannot be changed. If additional or different cost center descriptions are needed, add additional lines to the cost report. Where an added cost center description bears a logical relationship to a standard line description, the added label must be inserted immediately after the related standard line. Added cost centers must be appropriately coded. Identify the added line as a numeric subscript of the immediately preceding line. That is, if two lines are added between lines 25 and 26, identify them as lines 25.01 and 25.02.

Cost center coding is a methodology for standardizing the meaning of cost center labels as used by health care providers on the Medicare cost reports. The Form CMS-222-17 provides for preprinted cost center descriptions that may apply to RHC services on Worksheet A. In addition, a space is provided for a cost center code. The preprinted cost center labels are automatically coded by CMS approved cost reporting software, hereafter referred to as the standard cost centers. One additional cost center description with general meaning has been identified. This additional description will hereafter be referred to as a nonstandard label with an "Other..." designation to provide for situations where no match in meaning to the standard cost centers can be found. Refer to Worksheet A, line 10. Additionally, nonstandard cost center descriptions have been identified through analysis of frequently used labels.

The use of this coding methodology allows providers to continue to use labels for cost centers that have meaning within the individual institution. The four digit cost center codes that are associated with each RHC's label in their electronic file provide standardized meaning for data analysis. RHCs are required to compare any added or changed label to the descriptions offered on the standard or nonstandard cost center tables. A description of cost center coding and the table of cost center codes are in §4695, Table 5 of the electronic reporting specifications.

Also, submit the working trial balance of the facility with the cost report. A working trial balance is a listing of the balances of the accounts in the general ledger to which adjustments are appended in supplementary columns and is used as a basic summary for financial statements.

Column Descriptions

Columns 1 through 3.--The expenses listed in these columns must be in accordance with your accounting books and records.

Enter on the appropriate lines in columns 1 through 3 the total expenses incurred during the reporting period. Detail the expenses as salaries (column 1) and other than salaries (column 2). The sum of columns 1 and 2 must equal column 3. Record any needed reclassification and adjustments in columns 4 and 6, as appropriate.

Column 1.--Salaries are the gross salaries paid to employees before taxes and other items are withheld. Salaries include paid vacation, holiday, sick, other-paid-time off, severance and bonus pay. (See CMS Pub. 15-1, chapter 21.) Enter salaries from the RHC's accounting books and records.

Column 2.--Enter all costs other than salaries from the RHC's accounting books and records.

Column 3.--For each cost center, add the amounts in columns 1 and 2 and enter the total in column 3.

Column 4.--For each cost center, enter the net amount of reclassifications from Worksheet A-6. The net total of the entries in column 4 must equal zero on line 100. Show reductions to expenses as negative numbers.

Column 5.--Adjust the amounts entered in column 3 by the amounts in column 4 (increase or decrease) and extend the net balances to column 5. The total of column 5, line 100, must equal the total of column 3, line 100.

Column 6.--Enter on the appropriate lines the amounts of any adjustments to expenses indicated on Worksheet A-8, column 2. The total on Worksheet A, column 6, line 100, must equal the amount on Worksheet A-8, column 2, line 50.

Column 7.--Adjust the amounts in column 5 by the amounts in column 6 (increases or decreases) and extend the net balances to column 7.

Transfer the amounts in column 7 to the appropriate lines on Worksheet B and Worksheet B-1.

Line Descriptions

Line 1 - Physician.--This cost center includes the costs incurred by the RHC for physicians providing direct patient care services and general supervisory services, participation in the establishment of plans of care, supervision of care and services, periodic review and updating of plans of care, and establishment of governing policies by the governing board. The costs incurred for teaching physicians and interns and residents must be reported on line 29.

Line 2 - Physician Assistant.--This cost center includes the costs incurred by the RHC for physician assistants (PA), including the costs for PAs providing physician services.

Line 3 - Nurse Practitioner.--This cost center includes the costs of nursing care provided by nurse practitioners (NP), including NPs providing physician services.

Line 4 -- Certified Nurse Midwife.--This cost center includes the costs of services provided by a Certified Nurse Midwife (CNM).

Line 5 - Registered Nurse.--This cost center only includes the costs of nursing care provided by registered nurses (RNs) who perform nurse services in accordance with CMS Pub. 100-02, chapter 13, §190.

Line 6 - Licensed Practical Nurse.--This cost center only includes the costs of nursing care provided by licensed practical nurses (LPNs) who perform visiting nurse services in accordance with CMS Pub. 100-02, chapter 13, §190.

Line 7 - Clinical Psychologist.--This cost center includes the costs of a clinical psychologist (CP) who holds a doctorate in psychology and is licensed or certified by the State in which he or she practices, for diagnostic, assessment, preventative and therapeutic services directed at individuals.

Line 8 - Clinical Social Worker.--This cost center includes the costs of a clinical social worker (CSW) who possesses a master's degree or doctorate in social work and meets specified criteria established by regulation. The CSW must directly examine the patient, or directly review the patient's medical information, to provide diagnosis, treatment and consultation.

Line 9 - Laboratory Technician.--This cost center includes the costs of a person who, under the supervision of a medical technologist or physician, performs microscopic and bacteriologic tests of human blood, tissue, and fluid for diagnostic and research purposes.

Line 10.--Enter costs for all other health care staff not entered on lines 1 through 9.

Line 14.--Enter the sum of the amounts on lines 1 through 10.

Lines 11 through 13.--Reserved for future use.

Line 15 - Physician Services Under Agreement.--This cost center includes the costs incurred by the RHC for physicians services that are provided on a short term or irregular basis under agreements.

Line 16 - Physician Supervision Under Agreement.--This cost center includes the costs incurred by the RHC for physician supervision services under agreement.

Line 17.--Enter the sum of the amounts on lines 15 and 16.

Lines 18 through 24.--Reserved for future use.

Line 25 - Medical Supplies.--This cost center includes the routine cost of supplies used in the normal course of caring for patients, such as gloves, masks, swabs, or glycerin sticks, and the non-routine costs of medical supplies that can be traced to individual patients.

Line 26 - Transportation (Health Care Staff).--This cost center includes the cost of owning or renting vehicles, public transportation expenses, parking, tolls, or payments to employees for driving their private vehicles to see patients or for other RHC business.

Line 27 - Depreciation-Medical Equipment.--Enter the medical equipment depreciation expense.

Line 28 - Malpractice Premiums.--Enter the malpractice premiums expense for the cost reporting period.

Line 29 - Allowable GME Costs.--Enter the total allowable interns and residents costs. This cost center includes the costs associated with allowable direct GME costs set forth in 42 CFR 405.2468(f). These include residents' salaries and fringe benefits (including travel and lodging expenses where applicable); the allowable portion of the teaching physicians' salaries and fringe benefits that are related to the time spent teaching and supervising residents (i.e., lecture time, time spent filling out resident evaluations, mentoring, and program development) subject to the

reasonable compensation equivalency limits (RCEs) (42 CFR 415.70); and overhead costs that are directly assigned to the intern and resident program. If the overhead costs for the direct GME are not identified and recorded on this line in columns 1 or 2, a reclassification to this cost center is required. The reclassification must be made on a factual and auditable basis on Worksheet A-6 (see §4608).

Additionally, an RHC must include all allowable direct costs associated with an intern and/or resident program funded by a THC and/or PCRE grant from HRSA on line 29, only if the program meets the requirements set forth in 42 CFR 405.2468(f). If the direct costs associated with an intern and/or resident who is funded by a THC and/or PCRE grant are included in line 29, the RHC must reclassify the direct costs associated with the THC and/or PCRE programs funded by HRSA to line 78, nonallowable GME costs.

A “moonlighting” resident or fellow is a postgraduate medical trainee who is practicing independently, outside the scope of his or her residency training program and would be treated as a physician within the scope of the privileges granted by the RHC. Therefore, costs associated with a “moonlighting” intern or resident are reported in the physician services cost center, not the allowable GME cost center.

Line 30 - Pneumococcal Vaccines & Med Supplies.--This cost center includes the cost of the pneumococcal vaccines and the medical supplies attributable to pneumococcal vaccinations.

Line 31 - Influenza Vaccines & Med Supplies.--This cost center includes the cost of the influenza vaccines and the medical supplies attributable to influenza vaccinations.

Line 32.--Enter the expenses of other health care costs not entered on lines 25 through 31.

Line 38.--Enter the sum of the amounts on lines 25 through 32.

Line 39.--Enter the sum of the amounts on lines 14, 17, and 38. Transfer the total amount in column 7 to Worksheet B, Part II, line 12 reduced by the amount on line 29, column 7.

Lines 33 through 37.--Reserved for future use.

Lines 40 through 48.--Enter the overhead expenses related to the facility.

Line 59.--Enter the sum of the amounts on lines 40 through 48.

Lines 49 through 58.--Reserved for future use.

Lines 60 through 68.--Enter the expenses related to the administration and management of the RHC.

Lines 69 through 72.--Reserved for future use.

Line 73.--Enter the sum of the amount on lines 60 through 68.

Line 74.--Enter the sum of lines 59 and 73. Transfer the total amount in column 7 to Worksheet B, Part II, line 16.

Line 75 - Pharmacy.--This cost center includes only the costs of routine drugs (both prescription and over the counter), pharmacy supplies, pharmacy personnel, and pharmacy services, provided incident to an RHC visit.

Line 76 - Dental.--Enter the cost incurred for dental services rendered (excluding overhead).

Line 77 - Optometry.--Enter the cost incurred for optometry services rendered (excluding overhead).

Line 78 - Nonallowable GME Pass Through Costs.--This cost center includes the costs associated with an intern and resident program not approved by Medicare.

Line 79 - Telehealth.--This cost center includes the cost of telehealth distant-site services as described in CMS Pub. 100-02, chapter 13, §200.

Line 80 - Chronic Care Management.--This cost center includes the cost related to the structured recording of patient health information, an electronic health care plan addressing all health issues, access to chronic care management (CCM) services, managing care transitions, and coordinating and sharing patient information with practitioners and providers outside the practice. CCM services are reimbursed as an add-on payment based on the Medicare Physician Fee Schedule (MPFS). See 80 FR 71080 (November 16, 2015).

Line 81.--Enter the cost applicable to services other than RHC services (excluding overhead) not entered on lines 75 through 80.

Lines 82 through 85.--Reserved for future use.

Line 86.--Enter the sum of the amounts on lines 75 through 81.

Line 87 through 89.--Enter other cost of services that are not reimbursable under Medicare.

Line 90.--Enter the sum of the amounts on lines 87 through 89.

Lines 91 through 99.--Reserved for future use.

Line 100.--This is the total cost of the facility. It is the sum of the amounts on lines 39, 74, 86, and 90.

4608. WORKSHEET A-6 - RECLASSIFICATIONS

This worksheet provides for the reclassification of certain amounts to effect the proper cost allocation. The cost centers affected must be specifically identifiable in your accounting records. Use reclassifications in instances in which the expenses applicable to more than one of the cost centers listed on Worksheet A are maintained in your accounting books and records in one cost center. For example, if a physician performs administrative duties, the appropriate portion of his/her compensation, payroll taxes and fringe benefits must be reclassified from "Facility Health Care Staff Cost" to "Facility Overhead", line 60 for the office salaries and line 67 for the benefits and taxes.

Column 1.--Identify each reclassification adjustment by assigning an alpha character (e.g., A, B, C) in column 1. Do not use numeric designations.

Columns 2, 3, and 4.--For each increase reclassification, enter the corresponding cost center description in column 2, the Worksheet A cost center line number reference in column 3, and reclassification amount in column 4.

Columns 5, 6, and 7.--For each decrease reclassification, enter the corresponding cost center description in column 5, the Worksheet A cost center line number reference in column 6, and reclassification amount in column 7.

4609. WORKSHEET A-8 - ADJUSTMENTS TO EXPENSES

This worksheet provides for adjusting the expenses listed on Worksheet A, column 5. Make these adjustments, which are required under the Medicare principles of reimbursement, on the basis of cost, or amount received. Enter the total amount received (revenue) only if the cost (including the direct cost and all applicable overhead) cannot be determined. However, if total direct and indirect cost can be determined, enter the cost. Once an adjustment to an expense is made on the basis of cost, you may not, in future cost reporting periods determine the required adjustment to the expense on the basis of revenue. Enter the following symbols in column 1 to indicate the basis for adjustments: "A" for costs and "B" for amount received. Line descriptions indicate the more common activities which affect allowable costs or result in costs incurred for reasons other than patient care and, thus, require adjustments.

Types of items to be entered on this worksheet are (1) those needed to adjust expenses incurred, (2) those items which constitute recovery of expenses through sales, charges, fees, etc., and (3) those items needed to adjust expenses in accordance with the Medicare principles of reimbursement. (See CMS Pub. 15-1, chapter 23, §2328.)

If an adjustment to an expense affects more than one cost center, record the adjustment to each cost center on a separate line on this worksheet.

Columns 2, 3, and 4.--For each adjustment, enter the amount in column 2, enter the Worksheet A cost center line number reference in column 4, and enter the corresponding cost center description in column 3.

Line Descriptions

Lines 1 through 3.--Investment income on restricted and unrestricted funds which are commingled with other funds must be applied together against, but should not exceed, the total interest expense included in allowable costs. (See CMS Pub. 15-1, chapter 2.)

Apply the investment income on restricted and unrestricted funds which are commingled with other funds against the administrative and general, the capital-related - buildings and fixtures, the capital-related - moveable equipment and any other appropriate cost centers on the basis of the ratio that interest expense charged to each cost center bears to the total interest expense charged to all of your cost centers.

Line 7.--Enter the amount from Worksheet A-8-1, column 6, line 5.

Line 10.--Enter the amount which represents the allowable cost of the services furnished by Public Health Service personnel. Obtain this amount from your contractor.

Lines 11 and 12.--If depreciation expense computed in accordance with Medicare principles of reimbursement differs from depreciation expenses per your books, enter the difference on lines 11 and/or 12.

Line 13.--Enter RCE adjustment for teaching physicians. RCE limits apply to the portion of the teaching physician's salary associated with teaching residents (i.e., lecture time, time spent filling out resident evaluations, mentoring, and program development, etcetera as these activities are "direct GME" activities). See CMS Pub. 15-1, chapter 21.

Line 14 through 49.--Enter any additional adjustments required under the Medicare principles of reimbursement. Label the lines appropriately to indicate the nature of the required adjustments.

Line 50.--Enter the sum of lines 1 through 49. Transfer the amounts in column 2 to the appropriate lines on Worksheet A, column 6.

4610. WORKSHEET A-8-1 - STATEMENT OF COSTS OF SERVICES FROM RELATED ORGANIZATIONS AND HOME OFFICE COSTS

In accordance with 42 CFR 413.17, costs applicable to services, facilities, and supplies furnished to the RHC by organizations related to the RHC by common ownership or control are includable in your allowable cost at the cost to the related organization, except for the exceptions outlined in 42 CFR 413.17(d). This worksheet provides for the computation of any needed adjustments to costs applicable to services, facilities, and supplies furnished to the RHC by organizations related to the RHC or costs associated with the home office. However, such cost must not exceed the amount a prudent and cost conscious buyer pays for comparable services, facilities, or supplies that are purchased elsewhere.

4610.1 Part I - Costs Incurred and Adjustments Required as a Result of Transactions with Related Organizations or Claimed Home Office Costs.--This part of the worksheet provides for the computation of adjustments needed to properly report costs of services, facilities, and supplies furnished to the RHC by related organizations or costs associated with the home office.

Columns 1 and 2.--Enter in column 1 the Worksheet A cost center line number to be adjusted. Enter the corresponding cost center description in column 2.

Column 3.--Enter the description of the related organization or home office expense item.

Column 4.--Enter the allowable costs from the books and/or records of the related organization or home office. Allowable costs are the actual costs incurred by the related organization or home office for services, facilities, and/or supplies and exclude any markup, profit or amounts that otherwise exceed the acquisition cost of such items.

Column 5.--Enter the amount included on Worksheet A for services, facilities, and/or supplies acquired from related organizations and/or home office.

Column 6.--Enter the result of column 4 minus column 5.

4610.2 Part II - Interrelationship to Related Organizations and/or Home Office.--This part of the worksheet identifies the interrelationship between the RHC and individuals, partnerships, corporations, or other organizations having either a related interest to, a common ownership with, or control over the RHC as defined in CMS Pub. 15-1, chapter 10. Complete columns 1 through 6 as applicable for each interrelationship.

Complete only those columns that are pertinent to the type of relationship that exists.

Column 1.--Enter the symbol that represents the interrelationship between the RHC and the related organization or home office. Select from the following choices:

<u>Symbol</u>	<u>Relationship</u>
A	Individual has financial interest (stockholder, partner, etc.) in both related organization and in provider
B	Corporation, partnership or other organization has financial interest in provider
C	Provider has financial interest in corporation, partnership, or other organization
D	Director, officer, administrator or key person of provider or organization
E	Individual is director, officer, administrator or key person of provider and related organization
F	Director, officer, administrator or key person of related organization or relative of such person has financial interest in provider
G	Other (financial or non-financial) -- specify

Column 2.--If the symbol entered in column 1 is A, D, E, F, or G, enter the name of the related individual in column 2.

Column 3.--If the individual reported in column 2, or the organization reported in column 4, has a financial interest in the RHC, enter the percent of ownership.

Column 4.--Enter the name of each related corporation, partnership, or other organization.

Column 5.--If the RHC, or an individual reported in column 2, has a financial interest in the organization reported in column 4, enter the percent of ownership.

Column 6.--Enter the type of business of the related organization (e.g., medical drugs and/or supplies, janitorial services).

4611. WORKSHEET B - VISITS AND OVERHEAD COST FOR RHC SERVICES

Worksheet B is used by the RHC to summarize (1) the visits furnished by your health care staff and by physicians under agreements with you, and (2) the overhead costs incurred by you which apply to RHC services.

4611.1 Part I - Visits and Productivity.--Use Part I to summarize the number of facility visits furnished by the health care staff and to calculate the number of visits to be used in the rate determination. Productivity standards established by CMS are applied as a guideline that reflects the total combined services of the staff. Apply a level of 4200 visits for each physician and a level of 2100 visits for each nonphysician practitioner. (See CMS Pub. 100-02, chapter 13, §80.4)

Lines 1 through 11 (and applicable subscripts) of Part I list the types of practitioners (positions) for whom facility visits must be counted and reported.

Line 1--Enter the number of full time equivalents (FTEs) and total visits furnished to facility patients by staff physicians working at the facility on a regular ongoing basis. Also include on this line, physician data (FTEs and visits) for services furnished to facility patients by staff physicians working under contractual agreement with you on a regular ongoing basis in the RHC facility. These physicians are subject to productivity standards.

Column 1--Record the number of all FTE personnel in each of the applicable staff positions in the facility practice.

Column 2--Record the total visits actually furnished to all patients by all personnel in each of the applicable staff positions in the reporting period. Count visits in accordance with instructions in 42 CFR 405.2463(a) defining a visit.

Column 3--Productivity standards established by CMS are guidelines that reflect the total combined services of the staff. Apply a level of 4200 visits for each physician and 2100 visits for each nonphysician practitioner. However, if you were granted an exception to the productivity standards (answered yes to question 22 of Worksheet S-1, Part I), enter on lines 1 through 3 the number of productivity visits approved by the contractor.

Contractors have the authority to waive productivity guidelines in cases where you have demonstrated reasonable justification for not meeting the standard. In such cases, the contractor may set any number of visits as reasonable (not just actual visits) if an exception is granted. For example, if the guideline is 4200 visits and you furnished only 1000 visits, the contractor may permit 2500 visits to be used in the calculation.

Column 4--This is the minimum number of facility visits the personnel in each staff position are expected to furnish. Enter the product of column 1 and column 3.

Column 5--Enter the greater of the visits from column 2 or column 4. Contractors have the authority to waive the productivity guideline in cases where you have demonstrated reasonable justification for not meeting the standard. In such cases, the contractor could set any number of visits as reasonable (not just your actual visits) if an exception is granted. For example, if the guideline number is 4200 visits and you have only furnished 1000 visits, the contractor need not accept the 1000 visits but could permit 2500 visits to be used in the calculation.

Line 5--Enter the total of lines 1 through 4.

Line 10--Enter the total of lines 5 through 9.

Line 11.--Enter the number of visits furnished to facility patients by physicians under agreement with you who do not furnish services to patients on a regular ongoing basis in the RHC facility. Physician's services under agreements with you are (1) all medical services performed at your site by a nonstaff physician who is not the owner or an employee of the facility, and (2) medical services performed at a location other than your site by such a physician for which the physician is compensated by you. While all physician services at your site are included in RHC services, physician services furnished in other locations by physicians who are not on your full time staff are paid to you only if your agreement with the physician provides for compensation for such services.

4611.2 Part II - Determination of Total Allowable Cost Applicable to RHC Services.--Use Part II to determine the amount of overhead cost applicable to RHC services.

Line 12.--Enter the cost of RHC services (excluding overhead and allowable GME costs) from Worksheet A, column 7, line 39, less the amount on Worksheet A, column 7, line 29.

Line 13.--Enter the cost of services (other than RHC services) excluding overhead from Worksheet A, column 7, sum of lines 86 and 90.

Line 14.--Enter the cost of all services (excluding overhead), determined as the sum of lines 12 and 13.

Line 15.--Enter the percentage of RHC services. This percentage is determined by dividing the amount on line 12 (the cost of RHC services) by the amount on line 14 (the cost of all services, excluding overhead).

Line 16.--Enter the total overhead costs incurred from Worksheet A, column 7, line 74. It is the sum of facility costs and administrative overhead costs.

Line 17.--Enter the overhead amount applicable to RHC services. Multiply the ratio on line 15 (the percentage of RHC services) by the amount on line 16 (total overhead).

Line 18.--Enter the total allowable cost of RHC services. Enter the sum of line 12 (cost of RHC services other than overhead services) and line 17 (overhead services applicable to RHC services).

4612. WORKSHEET B-1 - COMPUTATION OF PNEUMOCOCCAL AND INFLUENZA VACCINE COST

The cost and administration of pneumococcal and influenza vaccine to Medicare beneficiaries are 100 percent reimbursable by Medicare. This worksheet provides for the computation of the cost of the pneumococcal vaccine.

Line 1.--Enter the health care staff cost from Worksheet A, column 7, line 14.

Line 2.--Enter the ratio of the estimated percentage of time involved in administering pneumococcal and influenza vaccine injections to the total health care staff time. Do not include physician service under agreement time in this calculation. Obtain the estimated percentage of time spent from your accounting books and records.

Line 3.--Multiply the amount on line 1 by the amount on line 2 and enter the result.

Line 4.--Enter the cost of pneumococcal and influenza vaccines and the cost of related medical supplies from Worksheet A column 7, lines 30 and 31, in columns 1 and 2, respectively.

Line 5.--Enter the sum of lines 3 and 4.

Line 6.--Enter the amount of total direct cost of the facility from Worksheet A, column 7, line 39.

Line 7.--Enter the amount from Worksheet A, column 7, line 74.

Line 8.--Divide the amount on line 5 by the amount on line 6 and enter the result.

Line 9.--Multiply the amount on line 7 by the amount on line 8 and enter the result.

Line 10.--Enter the sum of the amounts on lines 5 and 9.

Line 11.--Enter in columns 1 and 2 respectively, the total number of pneumococcal and influenza vaccine injections from your records.

Line 12.--Enter the cost per pneumococcal and influenza vaccine injection by dividing the amount on line 10 by the number on line 11 and entering the result.

Line 13.--Enter from your records the number of pneumococcal and influenza vaccine injections administered to Medicare beneficiaries, in columns 1 and 2 respectively.

Line 14.--Enter the cost per pneumococcal and influenza vaccine injection by multiplying the amount on line 12 by the amount on line 13.

Line 15.-- Enter the total cost of pneumococcal and influenza vaccines and administration by entering the sum of the amounts in columns 1 and 2, line 10. Transfer this amount to Worksheet C, Part I, line 2.

Line 16.--Enter the Medicare cost of pneumococcal and influenza vaccine and administration by entering the sum of the amount in columns 1 and 2, line 14. Transfer the result to Worksheet C, Part II, line 23.

4613. WORKSHEET C - DETERMINATION OF MEDICARE PAYMENT

Use this worksheet to determine the interim all inclusive rate of payment and the total Medicare payment reimbursement calculation for RHC services rendered to program patients for the reporting period.

4613.1 Part I - Determination of Rate for RHC Services.--Use Part I to calculate the cost per visit for RHC services and to apply the screening guideline established by CMS on your health care staff productivity.

Line 1.--Enter the total allowable cost from Worksheet B, Part II, line 18.

Line 2.--Enter the total cost of pneumococcal and influenza vaccine from Worksheet B-1, line 15.

Line 3.--Subtract the amount on line 2 from the amount on line 1 and enter the result.

Line 4.--Enter the greater of the minimum or actual visits by the health care staff from Worksheet B, Part I, column 5, line 10.

Line 5.--Enter the visits made by physicians under agreement from Worksheet B, Part I, column 5, line 11.

Line 6.--Enter the total adjusted visits (sum of lines 4 and 5).

Line 7.--Enter the adjusted cost per visit. This is determined by dividing the amount on line 3 by the visits on line 6.

Lines 8 through 16.--Complete columns 1 and 2 for lines 8 through 16 to identify costs and visits affected by different payment limits during a cost reporting period. The payment limits are updated every January 1. However, the possibility exists that payment limits may also be updated other than on January 1. Complete columns 1 and 2 (and if applicable add a column 3 for lines 8 through 16, if the cost reporting overlaps 3 payment limit update periods) If only one payment limit is applicable during the cost reporting period (calendar year reporting period), complete column 2 only.

Line 8.--Enter the per visit payment limit. Obtain this amount from your contractor.

Line 9.--Enter the lesser of the amount on line 7 or line 8.

4613.2 Part II - Determination of Total Payment.--Use Part II to determine the total Medicare payment due you for covered RHC services furnished to Medicare beneficiaries during the reporting period.

Line 10.--Enter the number of Medicare covered visits excluding mental health services. Obtain this from your contractor records. This visit count must equal the visits on Worksheet S-3, column 5, line 2.

Line 11.--Enter the subtotal of Medicare cost. This cost is determined by multiplying the rate per visit on line 9 by the number of visits on line 10 (the total number of covered Medicare beneficiary visits excluding mental health services for RHC services during the reporting period).

Line 12.--Enter the number of Medicare covered visits for mental health services. Obtain this from your contractor records. This visit count must equal the visits on Worksheet S-3, column 5, line 4.

Line 13.--Enter the Medicare covered cost for mental health services by multiplying the rate per visit on line 9 by the number of visits on line 12.

Line 14.--Enter the total Medicare cost. This is equal to the sum of the amounts on lines 11 and 13.

Line 15.--Enter the Medicare beneficiary's deductible amount. RHCs obtain this amount from the PS&R report.

Line 16.--Enter the net Medicare cost excluding pneumococcal and influenza vaccine and administration. Determine by subtracting the amount on line 15 from the amount on line 14.

NOTE: Section 4104 of ACA eliminates coinsurance and deductible for preventive services. RHCs must provide detailed healthcare common procedure coding system (HCPCS) coding for preventive services to ensure coinsurance and deductible are not applied. Providers must maintain this documentation in order to apply the appropriate reductions on lines 19 and 20.

Line 17.--Enter the total Medicare charges from the contractor's records (PS&R report).

Line 18.--Enter the total Medicare preventive charges from the provider's records or the PS&R report.

Line 19.--Enter the total Medicare preventive costs ((line 18 divided by line 17) times line 14)).

Line 20.--Enter the total program non-preventive costs ((line 16 minus line 19) times 80 percent)).

Line 21.--Enter the sum of lines 19 and 20.

Line 22.--Enter the total allowable GME pass-through costs determined by dividing Medicare visits (sum of Worksheet C, Part II, columns 1 and 2, lines 10 and 12) by the total visits (from Worksheet C, Part I, line 6) and multiply that result by (the sum of the total allowable GME cost reported on Worksheet A, column 7, line 29). NOTE: If Worksheet S-1, Part I, line 21, column 1 is "N", GME pass-through costs on this line must be zero.

Line 23.--Enter the Medicare cost of pneumococcal and influenza vaccines and their administration from Worksheet B-1, line 16.

Line 24.--Enter the sum of lines 21 through 23.

Line 25.--Enter Medicare allowable bad debts, reduced by bad debt recoveries. If recoveries exceed the current year's bad debts, lines 25 and 26 will be negative.

Line 26.--Multiply the amount (including negative amounts) from line 25 by 65 percent.

Line 27.--Enter the gross reimbursable bad debts for dual eligible beneficiaries. This amount is reported for statistical purposes only. These amounts also are included on line 25.

Line 28.--Enter the sum of lines 24 and 26.

Line 29.--Enter all demonstration payment adjustment amounts before sequestration.

Line 30.--Enter any other adjustment. If the other adjustment is an addition to costs, enter the amount as a negative. Specify the adjustment in the space provided.

Line 31.--Enter the result of line 28 minus lines 29 and 30.

Line 32.--Enter the sequestration adjustment amount as [(2 percent times line 31)]. Do not apply the sequestration calculation when gross reimbursement is less than zero.

Line 33.--Enter all demonstration payment adjustment amounts after sequestration.

Line 34.--Enter the result of line 31 minus lines 32 and 33.

Line 35.--Enter the amount of interim payments from Worksheet C-1, column 2, line 4.

Line 36.--**FOR CONTRACTOR USE ONLY.**--Enter the tentative settlement amount from Worksheet C-1, column 2, line 5.99.

Line 37.--Enter the total amount due to/from the program (line 34 minus lines 35 and 36). Transfer this amount to Worksheet S, Part III, column 1, line 1.

Line 38.--Enter the Medicare reimbursement effect of protested items. Estimate the reimbursement effect of the non-allowable items by applying a reasonable methodology which closely approximates the actual effect of the item as if it had been determined through the normal cost finding process. (See 42 CFR 413.24(j)(2)(i)) Attach a schedule showing the supporting details and computations for this line.

4614. WORKSHEET C-1 - ANALYSIS OF PAYMENTS TO THE RURAL HEALTH CLINIC FOR SERVICES RENDERED

Complete lines 1 through 4 of this worksheet only for Medicare interim payments paid by the contractor. Do not complete it for purposes of reporting interim payments for titles V or XIX.

The remainder of this worksheet is completed by your contractor. All amounts reported on this worksheet must be for services rendered during the cost reporting period for which the costs are included in this cost report.

Line Descriptions

Line 1.--Enter the total Medicare interim payments paid to the RHC. The amount entered must reflect the sum of all interim payments paid on individual bills (net of adjustment bills) for services rendered in this cost reporting period. Do not include MA supplemental payments on this worksheet. The amount entered must also include amounts withheld from your interim payments due to an offset against overpayments applicable to the prior cost reporting periods. Do not include (1) any retroactive lump sum adjustment amounts based on a subsequent revision of the interim rate, (2) tentative or net settlement amounts, or (3) interim payments payable.

Line 2.--Enter the total Medicare interim payments payable on individual bills. Since the cost in the cost report is on an accrual basis, this line represents the amount of services rendered in the cost reporting period but not paid as of the end of the cost reporting period. It does not include payments reported on line 1.

Line 3.--Enter the amount of each retroactive lump sum adjustment and the applicable date.

Line 4.--Enter the total amount of the interim payments (sum of lines 1, 2, and 3.99). Transfer this amount to Worksheet C, Part II, line 35.

DO NOT COMPLETE THE REMAINDER OF WORKSHEET C-1. LINES 5 THROUGH 8 ARE FOR CONTRACTOR USE ONLY. (EXCEPTION: IF WORKSHEET S, PART I, LINE 3 IS GREATER THAN ZERO (AMENDED COST REPORT), THE RHC MAY COMPLETE LINES 5 THROUGH 7.)

Line 5.--List separately each tentative settlement payment after the cost report is accepted together with the date of payment. If the cost report is reopened after the NPR has been issued, report all settlement payments prior to the current reopening on this line.

Line 6.--Enter the net settlement amount (balance due the RHC or balance due the program) for the NPR, or, if this settlement is after a reopening of the NPR, for this reopening. Enter in column 2 the amount from Worksheet C, Part II, line 37.

NOTE: On lines 3, 5, and 6, when an RHC to program amount is due, show the amount and date on which the RHC agrees to the amount of repayment even though total repayment is not accomplished until a later date.

Line 7.--Enter the sum of the amounts on lines 4, 5.99, and 6 in column 2. Enter amounts due the program as a negative number. The amount in column 2 must equal the amount on Worksheet C, Part II, line 34.

Line 8.--Contractor approving official must verify the accuracy of this worksheet, sign and date.

EXHIBIT 1 - Form CMS-222-17

The following is a listing of the Form CMS-222-17 worksheets and the page number location.

<u>Worksheets</u>	<u>Page(s)</u>
Wkst. S, Part I	46-303
Wkst. S-1, Part I	46-304
Wkst. S-1, Part II	46-305
Wkst. S-2	46-306
Wkst. S-3	46-307
Wkst. A	46-308 - 46-309
Wkst. A-6	46-310
Wkst. A-8	46-311
Wkst. A-8-1	46-312
Wkst. B, Parts I & II	46-313
Wkst. B-1	46-314
Wkst. C, Parts I & II	46-315
Wkst. C-1	46-316