

CHAPTER 42

INDEPENDENT RENAL DIALYSIS FACILITY COST REPORT
FORM CMS-265-11

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This page is reserved for future use.

4200. GENERAL

Form CMS-265-11 must be completed by all independent end stage renal dialysis (ESRD) facilities that are not hospital-based for cost reporting periods ending on or after January 1, 2011. The Medicare Improvements for Patients and Providers Act (MIPPA) §153(b) required the implementation of a bundled ESRD prospective payment system (ESRD PPS) for services furnished on or after January 1, 2011. The ESRD PPS provides a single payment to ESRD facilities that covers all of the resources used in providing outpatient dialysis treatment, including supplies and equipment used to administer dialysis (in the ESRD facility or at a patient's home), drugs, biologicals, laboratory tests, training, and support services. Submit the form to your Medicare administrative contractor (MAC) (hereafter referred to as contractor) no later than the last day of the fifth month following the close of your cost reporting year. Round all reported amounts to the nearest dollar (unless specifically stated otherwise in the instructions) with negative figures or reductions in expenses shown in parentheses ().

Effective for cost reporting periods ending on and after December 31, 2004, the electronic cost report (ECR) file is the official means of cost report submission.

NOTE: This form is not used by ESRD facilities that are hospital-based. Hospital-based ESRD facilities continue to use Form CMS-2552.

In addition to completing Form CMS-265-11, submit a copy of your facility's audited (if available) or unaudited financial statement for the accounting period as specified in this cost report.

All facilities providing ESRD services to Medicare patients must meet conditions for coverage before they can qualify for Medicare reimbursement. These criteria are contained in 42 CFR 494.

The final cost report of a facility that voluntarily or involuntarily ceases to participate in the Medicare program is due no later than 150 days following the effective date of the termination of the facility agreement. The final cost report required from a facility that undergoes a change of ownership is due no later than 150 days following the effective date of the change of ownership.

Failure to submit this cost report may result in suspension of future payments until it is submitted, or revocation of your facility's certification to participate in the program.

If your costs have been determined on the cash basis of accounting, make adjustments to conform to the Medicare program requirement that the accrual method of accounting be used.

You are required to report the necessary accounting data in accordance with the Medicare principles of reimbursement. These principles are contained in the regulations at 42 CFR 413.20 and 42 CFR 413.24, and in the Provider Reimbursement Manual (CMS Pub. 15-1).

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 **0938-0236**. The expiration date of this information collection is **MM/DD/YYYY**. The time required to complete this information collection is estimated to average **66** 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 other 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 any questions or concerns regarding where to submit your documents, please contact 1-800-Medicare.

4200.1 Rounding Standards.--Throughout the ESRD cost report, where computations result in fractions, use the following rounding standards:

1. Round to two decimal places:
 - a. Percentages (e.g., percent ownership of facility, percent of customary work week devoted to business) (see 2b. below for exception)
 - b. Averages
 - c. Full time equivalents
 - d. Payment rate
 - e. Average cost per treatment
2. Round to six decimal places:
 - a. Ratios (e.g., unit cost multipliers)
 - b. Facility specific composite cost percentage

If a residual exists as a result of computing costs using a fraction, adjust the residual in the largest amount resulting from the computation. For example, in cost finding, a unit cost multiplier is applied to the statistics in determining costs. After rounding each computation, the sum of the allocation may be more or less than the total cost allocated. This residual is adjusted to the largest amount resulting from the allocation so that the sum of the allocated amounts equals the amount allocated.

4200.2 Acronyms and Abbreviations.--Throughout the ESRD cost report and instructions, a number of acronyms and abbreviations are used. For your convenience, commonly used acronyms and abbreviations are summarized below:

AKI	Acute Kidney Injury
CAPD	Continuous Ambulatory Peritoneal Dialysis
CBSA	Core Based Statistical Area
CCN	CMS Certification Number
CCPD	Continuous Cycling Peritoneal Dialysis
CFR	Code of Federal Regulations
CMS	Centers for Medicare and Medicaid Services
CMS Pub.	Centers for Medicare and Medicaid Services' Publication
<i>CRC</i>	<i>Capital Related Costs</i>
ESA	Erythropoiesis Stimulating Agent
ESRD	End Stage Renal Disease
FTE	Full Time Equivalent
IPD	Intermittent Peritoneal Dialysis
<i>HDPA</i>	<i>Home Dialysis Payment Adjustment Amount</i>
MAC	Medicare Administrative Contractor
MCP	Monthly Capitation Payment
NPR	Notice of Program Reimbursement
<i>TDAPA</i>	<i>Transitional Drug Add-on Payment Adjustment Amount</i>
<i>TPNIES</i>	<i>Transitional Add-on Payment Adjustment for New and Innovative Equipment and Supplies Amount</i>

4201. RECOMMENDED SEQUENCE FOR COMPLETING FORM CMS-265-11

<u>Step No.</u>	<u>Worksheet</u>	<u>Instructions</u>
1	S, Parts I & II	Read §4204.1.
2	S-1	Read §4205. Complete the entire worksheet.
3	S-2	Read §4205.1 Complete the entire worksheet.
4	A	Read §4206. Complete columns 1 through 4.
5	A-1	Read §4207. Complete entire worksheet if applicable.
6	A	Read §4206. Complete columns 5 and 6.
7	A-2	Read §4208. Complete entire worksheet.
8	A	Read §4206. Complete columns 7 and 8.
9	A-3	Read §4209. Complete entire worksheet if applicable.
10	A-4	Read §4210. Complete entire worksheet if applicable.
<i>11</i>	<i>A-7</i>	<i>Read §4210.50. Complete entire worksheet.</i>
<i>12</i>	B and B-1	Read §4211. Complete entire worksheets.
<i>13</i>	C	Read §4212. Complete entire worksheet.
<i>14</i>	D	Read §4213. Complete entire worksheet.
<i>15</i>	E, Parts I & II	Read §4214. Complete entire worksheet.
<i>16</i>	E-1, Part II	Read §4215.
<i>17</i>	F & F-1	Read §4216. Complete entire worksheet.
<i>18</i>	S, Part III	Read §4204.2.

4202. SEQUENCE OF ASSEMBLY

The following list of assembly of worksheets is provided so all facilities are consistent in the order of submission of their annual cost report. All facilities using Form CMS-265-11 are to adhere to this sequence. When worksheets are not completed because they are not applicable, blank worksheets are not included in the assembly of the cost report.

<u>Worksheet</u>	<u>Part(s)</u>
S	I, II, & III
S-1	
S-2	
A	
A-1	
A-2	
A-3	
A-4	I & II
<i>A-7</i>	<i>I & II</i>
B	
B-1	
C	
D	
E	I & II
E-1	I & II
F	
F-1	

4203. METHOD OF PAYMENT

4203.1 Payment for Physician Services.--Physician services are paid differently depending upon whether the service is an administrative service, routine professional service, or a service rendered to patients undergoing self-dialysis and home dialysis training. For a definition of these services and a description of the methods of payment for these services, see 42 CFR 414.313, 414.314, and 414.316.

A. Administrative Services.--Administrative services are physician services that benefit the facility generally and are supervisory in nature. The services are not directly related to the care of an individual patient, but are supportive of the facility as a whole and of benefit to patients in general. Examples of administrative services include supervision of staff, staff training, participation in staff conferences and in the management of the facility, and advising staff on the procurement of supplies.

B. Physician Routine Professional Services.--Physician routine professional services for outpatient maintenance dialysis are services furnished to individual patients. Physician routine professional services are reimbursed under the monthly capitation payment (MCP) method (see 42 CFR 414.314) unless an election is made by all of the physicians in the facility to be paid under the initial payment method.

Under the MCP method, the physician is paid an amount for each patient to cover all professional services rendered by the physician. The associated costs are not included as part of your cost. They are, however, reported on the cost report as a separate line item.

Under the initial method of payment, the contractor pays the provider for physicians' routine professional services. Payment under this method is in the form of an add-on to the composite rate and is included as part of your costs.

Certain services are not included in either the add-on under the initial method or in the MCP amount under the MCP method. These services are paid under the physician fee schedule and, therefore, are not included in your costs. These services are explained in 42 CFR 414.313(b) and 414.314(b), respectively.

C. Physician Payment for Self-Dialysis and Home Dialysis Training.--Payment for physician services rendered to dialysis patients undergoing self-dialysis training is a flat amount per patient. The payment is made in addition to any amounts payable under the initial or MCP methods. It is paid directly to the physician by the carrier and not included in your cost.

4203.2 Facility Payment for Self-Dialysis Training.--The base composite rate applies to outpatient maintenance dialysis furnished in the facility. A higher rate, consisting of the base plus a specified add-on, is paid for self-dialysis training sessions.

The Medicare program pays you for training both the patient and their dialysis partner if a partner is required. However, payment does not include travel to the facility or lost wages of the attendant during the training period. (See Medicare Claims Processing Manual, CMS Pub. 100-04, chapter 8, §50.8, for specific instructions regarding payment for training services.)

4203.3 Facility Payment for Laboratory Services Included in Composite Rate.--The costs of certain ESRD laboratory services performed by either the ESRD facility or an independent laboratory (as defined in CMS Pub. 100-04, chapter 8, §50.1) are included in the composite rate calculations. Therefore, payment for all of these tests is included in the composite rate and may NOT be billed separately to the Medicare program. This means that even though these laboratory tests may be furnished one time per month, you are paid for such services over the course of the month through the composite rate.

4203.4 Facility Payment for Home Dialysis.--For rules that apply to Medicare beneficiaries dialyzing at home, see CMS Pub. 100-04, chapter 8, §70.1.

4204. WORKSHEET S - INDEPENDENT RENAL DIALYSIS FACILITY COST REPORT CERTIFICATION

4204.1 Part I - Cost Report Status.--This section is to be completed by the provider and contractor as indicated on the worksheet.

Lines 1 through 3.--The provider must check the appropriate box to indicate on line 1, column 1, or line 2, whether this cost report is prepared electronically or manually. Only providers 1) reporting low Medicare utilization in accordance with CMS Pub. 15-2, chapter 1, §110; or 2) after demonstrating financial hardship in accordance with §133, may select line 2, manually prepared. For electronically prepared cost reports, enter the file creation date and time on line 1, columns 2 and 3, respectively. This file is your original submission and is not to be modified. If this is an amended cost report, enter on line 3 the number of times the cost report has been amended.

Line 4.--Enter the Independent Renal Dialysis Information System (IRDIS) cost report status code on line 4, column 1, of Worksheet S 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 5.--Enter the date (mm/dd/yyyy) an accepted cost report was received from the provider.

Line 6.--Enter the 5-position contractor number.

Lines 7 and 8.--If this is an initial cost report, enter "Y" for yes in the box on line 7. If this is a final cost report, enter "Y" for yes in the box on line 8. If neither, leave both lines 7 and 8 blank. An initial report is the very first cost report for a particular provider CMS certification number (CCN). A final cost report is a terminating cost report for a particular provider CCN.

Line 9.--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 10.--If this is a reopened cost report (response to line 4, column 1, is "4"), enter the number of times the cost report has been reopened.

Line 11.--Enter the software vendor code for the software used by the contractor to generate the HCRIS cost report file. Use "4" for HFS MCRIF32 or "3" for HFS CompuMax.

Line 12.--Enter the cost report Medicare utilization status. Enter "F" for a full cost report, "L" for a low Medicare utilization cost report, or "N" for a no Medicare utilization cost report.

4204.2 Part II - General.--

Line 1.--Enter the name of the facility.

Line 2.--Enter the street address and P.O. Box (if applicable).

Line 3.--Enter the city, State, and ZIP code.

Line 4.--Enter the county where the facility is located and the Core Based Statistical Area (CBSA).

Line 5.--Enter the provider CCN.

Line 6.--Enter the date the provider was certified.

Line 7.--Enter the name and phone number of the person to be contacted if any questions arise regarding the information in this report.

Line 8.--Enter the inclusive dates covered by this cost report. Generally, a cost reporting period consists of 12 consecutive calendar months or 13 four-week periods with an additional day (two in a leap year) added to the last week in the period to make it coincide with the end of the calendar year or month. See CMS Pub. 15-2, chapter 1, §110, for situations where a short period cost report may be filed. A new facility may select an initial cost reporting period of at least 1 month, but not in excess of 13 months. (See CMS Pub. 15-2, chapter 1, §102.1(B).)

Line 9.--Indicate in column 1 the type of control. Indicate the ownership or auspices of the facility by entering the number below that corresponds to the type of control of the facility.

Voluntary Non Profit
1 = Corporation
2 = Other (specify)

Proprietary
3 = Individual
4 = Corporation
5 = Partnership
6 = Other (specify)

Government
7 = Federal
8 = State
9 = County
10 = City
11 = Other (specify)

If item 2, 6, or 11, is selected (Other (specify) category), specify the type of control in column 2.

Line 10.--Indicate whether this facility qualified and was approved as a low-volume facility for this cost reporting period. Enter "Y" for yes or "N" for no. CMS adjusts the base rate for low-volume ESRD facilities. In order to receive this low-volume adjustment, a facility must attest in accordance with 42 CFR 413.232(f).

Line 10.01.--Indicate whether this facility is reporting no Medicare utilization in this cost reporting period. Enter "Y" for yes or "N" for no.

Line 10.02.--Indicate whether this facility is reporting low Medicare utilization in this cost reporting period. Enter "Y" for yes or "N" for no.

Line 11.--Indicate whether the physicians providing outpatient maintenance dialysis and other physician services for ESRD patients are paid under the initial method or the MCP method. Indicate the date of election of the initial method if applicable.

Column 1.--Enter the number 1 for the initial method and number 2 for the MCP method.

Column 2.--If the initial method is selected, enter the date of election of the initial method.

Line 12.--Indicate whether this facility was previously certified as a hospital-based unit. Enter "Y" for yes or "N" for no.

Line 13.--Indicate if this facility elected 100 percent PPS effective January 1, 2011. Enter "Y" for yes or "N" for no. This election must have been received by the ESRD facility's contractor by November 1, 2010. Requests received after this date will not be accepted regardless of postmark or delivery date.

New providers: ESRD facilities certified for Medicare participation on or after January 1, 2011, are paid based on 100 percent of the ESRD PPS payment. ESRD facilities certified for Medicare participation on or after January 1, 2011, must enter "Y" for yes.

Line 14.--If this facility did not elect to be paid based on 100 percent of the ESRD PPS payment and this cost reporting period is a December 31 fiscal year end, enter the transition period in column 2 as follows: For the fiscal year ending December 31, 2011, enter 1; for the fiscal year ending December 31, 2012, enter 2; for the fiscal year ending December 31, 2013, enter 3; and, for the fiscal year ending December 31, 2014, enter 4 for 100 percent ESRD PPS payment.

If this cost reporting period ends on a date other than December 31, indicate in column 1 the transition period effective for the portion of the cost reporting period prior to January 1. Indicate in column 2 the transition period effective for the portion of the cost reporting period on and after January 1. For example, a cost reporting period with a fiscal year ending October 31 would indicate the applicable transition periods as follows:

Fiscal year ending October 31, 2011: Leave column 1 blank as this would be pre-bundled ESRD PPS, and enter 1 in column 2 for the period of January 1, 2011, through October 31, 2011.

Fiscal year ending October 31, 2012: Enter 1 in column 1 for the period of November 1, 2011, through December 31, 2011, and enter 2 in column 2 for the period of January 1, 2012, through October 31, 2012.

Fiscal year ending October 31, 2013: Enter 2 in column 1 for the period of November 1, 2012, through December 31, 2012 and enter 3 in column 2 for the period of January 1, 2013, through October 31, 2013.

Fiscal year ending October 31, 2014: Enter 3 in column 1 for the period of November 1, 2013, through December 31, 2013 and enter 4 in column 2 for the period of January 1, 2014, through October 31, 2014.

For all cost reporting periods beginning on or after January 1, 2014, enter 4 in column 2 for 100 percent ESRD PPS payment.

Payments during the transition period 1 are a blend of 25 percent case-mix adjusted ESRD PPS and 75 percent basic case-mix adjusted composite rate (25/75). Payments during the transition period 2 are a blend of 50 percent case-mix adjusted ESRD PPS and 50 percent basic case-mix adjusted composite rate (50/50). Payments during the transition period 3 are a blend of 75 percent case-mix adjusted ESRD PPS and 25 percent basic case-mix adjusted composite rate (75/25). Payments for services rendered on and after January 1, 2014, are 100 percent ESRD PPS.

Lines 15 through 17.--Enter the amount of malpractice insurance premiums, paid losses and/or self-insurance premiums, respectively.

Line 18.--If malpractice premiums are reported in other than the A&G cost center, enter "Y" for yes and submit a supporting schedule listing the cost centers and amounts contained therein. Otherwise enter "N" for no.

Line 19.--If this facility is part of a chain organization, enter a "Y" for yes in column 1 and enter the name and address of the organization on lines 20 through 22. Otherwise enter "N" for no in column 1. See CMS Pub. 15-1, chapter 21, §2150, for a definition of a chain organization.

Line 20.--Enter the name of the home office.

Line 21.--Enter the street address and P. O. Box (if applicable) of the home office.

Line 22.--Enter the city, State, and ZIP code of the home office.

4204.3 Part III - Certification by a Chief Financial Officer or Administrator.--After the cost report is completed, an administrator or the Chief Financial Officer completes this certification section to comply with the regulations set forth in 42 CFR 413.24(f)(4)(iv)(A) and (B).

Line 1.--The signatory (administrator or Chief Financial Officer) must:

- when signing electronically through the ECR software, sign in column 1 as provided in 42 CFR 413.24(f)(4)(iv)(C)(1); and in column 2, enter "Y" (for yes) to check the electronic signature checkbox to transmit the cost report electronically with an electronic signature; or
- when signing outside the ECR software, sign in column 1 as provided in 42 CFR 413.24(f)(4)(iv)(C)(1); and enter a check mark in column 2, to check the electronic signature checkbox to submit the cost report with an electronic signature; or
- sign in column 1 as provided in 42 CFR 413.24(f)(4)(iv)(C)(2); and make no entry in column 2 to submit the cost report with an original signature.

Lines 2, 3, and 4.--Enter the signatory name, the signatory title, and the date signed on lines 2, 3, and 4, respectively.

4205. WORKSHEET S-1 - INDEPENDENT RENAL DIALYSIS FACILITY STATISTICAL DATA

In accordance with 42 CFR 413.24(a) and 413.24(c), you are required to maintain statistical records for proper determination of costs payable under the Medicare program. The statistics reported on this worksheet pertain to the renal dialysis department. The required data includes patient data, the number of treatments, number of machines, and home program data. In addition, full time equivalent (FTE) data is required for staff employees and contract employees.

Column Descriptions

Column 1--Enter the statistics for outpatient hemodialysis patients on lines 1 through 11.

Column 2--Enter the statistics for outpatient peritoneal dialysis patients on lines 1 through 11.

Column 3--Enter the statistics for training hemodialysis patients on lines 1 through 11.

Column 4--Enter the statistics for training peritoneal dialysis patients on lines 1 through 11.

Line Descriptions

Report the statistics on lines 1 through 11 for services furnished by you to patients that are in your facility or some other institution. Do not include services furnished to patients in their homes. Identify information as being either maintenance dialysis or training dialysis for either hemodialysis or peritoneal dialysis.

Line 1--Enter the number of treatments furnished directly at the facility and which were not billed to the Medicare program.

Line 2--Enter the number of treatments furnished under arrangements and which were not billed directly to the Medicare program by you. An arrangement is an agreement between you and another institution in which you agree to furnish specified services to patients of the other institution, but the other institution retains responsibility for those services and for obtaining reimbursement for services furnished to them.

Line 3--Enter the number of patients in the dialysis program at the end of the cost reporting period.

The statistics reported in lines 4 through 8 are used to calculate your utilization rate.

Line 4--Enter the average number of times per week a patient received dialysis at the facility. This is computed by reporting your standard medical practice, if there was one (e.g., if you commonly dialyzed hemodialysis patients three times per week, report 3), or by counting the number of patient-weeks in the reporting period and dividing that number into the number of treatments by mode of dialysis.

Line 5--Enter the average number of days that you furnished dialysis in an average week. This is computed by counting the number of days you were open for business during the period covered by the cost report and dividing this amount by the number of weeks in that period. Normally, the cost reporting period is 12 months, so the number of weeks in the denominator is 52.

Line 6--Enter the average time of a typical patient dialysis session, including setup time in hours, rounded to the nearest half-hour.

Line 7--Enter the number of machines regularly available for use.

Line 8--Enter the number of standby machines held in reserve for patient overflow, emergency, and machine breakdown.

Line 9--Enter in each column the number of staff shifts in a typical week during the cost reporting period.

Line 10--Enter in each column the hours per shift in a typical week during the cost reporting period for the first shift on line 10.01, second shift on line 10.02, and the third shift on line 10.03.

Line 11--Enter on lines 11.01 through 11.04 the total number of treatments (by type of treatment) furnished to patients and the frequency of the treatment. Enter on line 11.01 the total number of

treatments (by type of treatment) furnished to patients who received dialysis one time per week. Enter on line 11.02 the total number of treatments (by type of treatment) furnished to patients who received dialysis two times per week. Enter on line 11.03 the total number of treatments (by type of treatment) furnished to patients who received dialysis three times per week. Enter on line 11.04, the total number of treatments (by type of treatment) furnished to patients who received dialysis more than three times per week. Enter in each column of line 11.05, the sum of the amounts entered on lines 11.01 through 11.04.

Line 12.--

Column 1.--Indicate the type of dialyzers used by entering the number below that corresponds to the type.

1=Hollow Fiber, 2=Parallel Plate, 3=Coil, 4=Other

Column 2.--If the dialyzers were reused, indicate the number of times. If none were reused, enter zero.

Column 3.--If “4, Other”, is indicated in column 1, then indicate the type of dialyzer used.

Line 13.--Enter the number of backup sessions furnished to home patients. A backup session is a maintenance dialysis session furnished in the facility to a home patient. A patient who receives backup dialysis is considered a home patient if there is a reasonable expectation that the need for in-facility backup dialysis is only temporary and that the patient will return to home dialysis within a reasonable period of time.

Column 1--Enter the number of back up sessions for continuous ambulatory peritoneal dialysis (CAPD) patients.

Column 2--Enter the number of back up sessions for other patients.

Column 3--Enter the number of back up sessions for continuous cycling peritoneal dialysis (CCPD) patients.

ESA STATISTICS--Effective January 1, 2005, and prior to January 1, 2011, Medicare paid for erythropoiesis stimulating agents (ESAs) based on the Average Sales Price Drug Pricing File. Effective January 1, 2011, payment for ESAs is included in the ESRD PPS payment.

Line 14.--Enter the total units of epoetin furnished by the facility during its cost reporting period divided by 1,000. For example, if a facility furnished 10,255,751 units, it reports 10,256 units on line 14. Round all numbers to whole numbers. Effective for cost reporting periods ending after December 31, 2012, do not use this line; report ESAs on line 15.01.

Line 15.--Enter the total units of Aranesp furnished by the facility during its cost reporting period. One unit is equal to 1 microgram (mcg). For example, if a facility furnished 1200 mcg, it reports 1200 units on line 15. Round all numbers to whole numbers. Effective for cost reporting periods ending after December 31, 2012, do not use this line; report ESAs on line 15.01.

Line 15.01.--Effective for cost reporting periods ending after December 31, 2012, identify the ESA furnished to patients during the cost reporting period in column 1 and enter the total units furnished in column 2. If more than one ESA was administered during the cost reporting period, continue subscripting line 15 beginning with line 15.02 to identify each additional ESA and the units furnished.

Line 16.--Enter the number of patients awaiting transplants at the end of this reporting period.

Line 17.--Indicate the number of patients who received transplants during this reporting period.

Home Program

The data requested on lines 18 and 19 pertain to a home dialysis program.

Line 18.--Enter the number of patients that began home dialysis training during this reporting period.

Line 19.--Enter the number of patients in the home program on the last day of your cost reporting period.

Line 20.--

Column 1.--Type of dialyzers used--Indicate the type of dialyzers used by entering the number below that corresponds to the type.

1=Hollow Fiber, 2=Parallel Plate, 3=Coil, 4=Other

Column 2.--If the dialyzers were reused, indicate the number of times. If none were reused, enter zero.

Column 3.--If column 1 is 4, indicate the type of dialyzer used.

Line 21.--Enter the number of hours in a normal work week in the space provided.

Lines 22 through 35.--The items in this part provide statistical data related to the facility's human resources. The human resource statistics are required for each of the job categories specified in lines 22 through 31 *for cost reporting periods beginning before January 1, 2022. For cost reporting periods beginning on or after January 1, 2022, complete lines 22 through 35. For all cost reporting periods, enter any additional category as needed on line 31.*

Column Descriptions

Column 1.--Enter the FTE employees on the payroll. These are staff for which you issued an IRS Form W-2. Staff FTEs are computed as the sum of all hours for which employees were paid during the year divided by 2080 hours, rounded to two decimal places.

If employees were paid for unused vacation, unused sick leave, etc., exclude hours so paid from the numerator in the calculations.

Personnel involved in more than one activity must have their time prorated among those activities. For example, physicians who provided professional services and administrative services are counted in both the physicians line and the administrative line according to the number of hours spent in each activity (see 42 CFR 414.310). To make this allocation, use the time log records if available, then use the results of time logs kept for a sample period (e.g., for 1 week per quarter, have all employees keep a time log), or use estimates based on personal interviews.

Column 2.--Enter the FTEs for contracted and consultant staff worked during the year and divide by 2080 hours.

Column 3.--Enter the sum of column 1 and column 2.

4205.1 WORKSHEET S-2 - INDEPENDENT RENAL DIALYSIS FACILITY REIMBURSEMENT QUESTIONNAIRE

The information required on this worksheet (formerly Form CMS-339) must be completed by all ESRD facilities submitting cost reports to the Medicare contractor under title XVIII of the Social Security Act (hereafter referred to as "the Act"). Its purpose is to assist you in preparing an acceptable cost report, to minimize the need for direct contact between you and your contractor, and to expedite review and settlement of cost reports. It is designed to gather pertinent information about key reimbursement concepts as well as to support certain financial and statistical entries on the cost report.

Where the instructions for this worksheet direct you to submit documentation/information, mail or otherwise transmit to the contractor immediately, after submission of the ECR. The contractor has the right under §§ 1815(a) and 1883(e) of the Act to request any missing documentation required to complete the desk review.

To the degree that the information in the questionnaire constitutes commercial or financial information that 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 consults the CMS Regional Office.

NOTE: The responses on all lines are Yes or No unless otherwise indicated. If, in accordance with the following instructions, you are requested to submit documentation, indicate the line number for each set of documents you submit.

Line Descriptions

Lines 1 through 14 are required to be completed by all ESRD facilities.

Line 1.--Indicate whether the provider changed ownership. 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 provider 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 provider was involved in business transactions, including management contracts, with individuals or entities (e.g., chain home offices, drug or medical supply companies) that were related to the provider 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 CMS Pub. 15-1, chapter 10, and 42 CFR 413.17.)

Line 4.--Indicate whether the financial statements were prepared by a Certified Public Accountant. Enter "Y" for yes or "N" for no in column 1. If you answer "Y" in column 1, enter "A" for audited, "C" for compiled, or "R" for reviewed in column 2. 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.

If you do not engage public accountants to prepare your financial statements, submit a copy of the financial statements you prepared, and written statements of significant accounting policy and procedure changes affecting Medicare reimbursement that 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 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 1. If you answer "Y" in column 1, submit a reconciliation with the cost report.

Line 6.--Indicate whether you are seeking reimbursement for bad debts resulting from Medicare deductible and coinsurance amounts that are uncollectible from Medicare beneficiaries. (See 42 CFR 413.89(e), 413.89(h)(3), 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. If you answer "Y", submit a completed Exhibit 1 or schedules duplicating the documentation requested on Exhibit 1 to support the bad debts claimed. Complete a separate Exhibit 1, as applicable, for bad debts for dates of service prior to January 1, 2011, and each subsequent calendar year.

Exhibit 1 displayed at the end of this section requires the following documentation:

Columns 1, 2, 3, and 4.--Patient Names, Medicare Beneficiary Identifier (MBI), Dates of Service (From) and (To).--The documentation required for these columns is derived from the beneficiary's bill. Furnish the patient's name, health insurance claim 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 and 6.--Indigency/Medicaid Beneficiary.--If the patient has been deemed indigent (either by virtue of being dual eligible for Medicare and Medicaid, or otherwise), place a check in column 5 for "yes". If the patient has a valid Medicaid number, enter the valid Medicaid 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 beneficiaries.

Columns 7 and 8.--Date First Bill Sent to Beneficiary and Date Collection Efforts Ceased.--This information is obtained from the provider's files and must correlate with the beneficiary name, MBI, and dates of service shown in columns 1, 2, and 3 of this exhibit. The date in column 8 represents the date that the unpaid account was 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(f), and CMS Pub. 15-1, chapter 3, §§308, 310, and 314.)

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

Columns 10 and 11.--Deductibles and Coinsurance--Record in these columns the beneficiary's unpaid deductible and coinsurance amounts that relate to covered services.

Column 12.--Total Medicare Bad Debts--Enter on each line of this column, the sum of the amounts in columns 10 and 11. Calculate the total bad debts amounts on all lines of column 12. This total must agree with the bad debts claimed on the cost report. Attach additional supporting schedules, if necessary, for bad debt recoveries.

NOTE: The information on Exhibit 1 (or the provider's schedules) is not captured in the ECR file. The exhibit/schedule may be submitted either manually (hard copy), or electronically (e.g. Medicare Cost Report e-Filing (MCR eF) portal, CD).

Line 7.--Indicate whether your bad debt collection policy changed during the cost reporting period. Enter "Y" for yes or "N" for no. If you answer "Y", submit a copy of the policy with the cost report.

Line 8.--Indicate whether patient deductibles and/or coinsurance were waived. Enter "Y" for yes or "N" for no. If you answer "Y", ensure the deductibles and/or coinsurance were not included on the bad debt listings (i.e., Exhibit 1 or your schedules) submitted with the cost report.

Line 9.--Indicate whether the cost report was prepared using the Provider Statistical & Reimbursement Report (PS&R) 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 charges found on the PS&R to the cost center groupings on the cost report.

Line 10.--Indicate whether the cost report was prepared using the PS&R for totals and provider 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 in column 2. Also, submit a detailed crosswalk between revenue codes, departments and charges on the PS&R to the cost center groupings on the cost report. This crosswalk must include which revenue codes were allocated to each cost center.

Line 11.--If you entered "Y" on either line 9 or 10, column 1, indicate whether adjustments were made to the PS&R data for additional claims that were 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", submit a schedule of claims not included on the PS&R. This schedule must include claims that are unprocessed or unpaid and must be identified by revenue codes consistent with those reported on the PS&R.

Line 12.--If you entered "Y" on either line 9 or 10, 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 that provides an audit trail from the PS&R to the cost report.

Line 13.--If you entered "Y" on either line 9 or 10, 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", enter a description of the other adjustments and documentation that provides an audit trail from the PS&R to the cost report.

Line 14.--Indicate whether the cost report was prepared using provider 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 consistent manner with the PS&R.
- Reconciliation of remittance totals to the provider's internal records.
- Include the name of the system used and indicate how the system was maintained (vendor or provider). If the provider 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.

EXHIBIT 1
LISTING OF MEDICARE BAD DEBTS AND APPROPRIATE SUPPORTING DATA

Provider Name _____
Prepared by _____

Provider CCN _____
Date prepared _____

FYE _____

Patient Name	MBI	Dates of Service		Indigency/ Medicaid Beneficiary (Check if applicable)		Date First Bill Sent to Beneficiary	Date Collection Effort Ceased	Remittance Advice Dates	Deductibles*	Co-Insurance*	Total
		From	To	Yes	Medicaid Number						
1	2	3	4	5	6	7	8	9	10	11	12

* These amounts must not be claimed unless the provider bills for these services with the intention of receiving payment. See instructions for Indigency/Medicaid Beneficiary, columns 5 and 6, for possible exception.

4206. WORKSHEET A - RECLASSIFICATION AND ADJUSTMENT OF TRIAL BALANCE OF EXPENSES

This worksheet provides for recording the trial balance of expense accounts from your accounting books and records. It also provides for the necessary reclassifications and adjustments to certain accounts.

The cost centers on this worksheet are listed in a manner that facilitates the combination of the various groups of cost centers for purposes of cost finding. All of the cost centers listed do not apply to all facilities using these forms. Complete only those lines that are applicable.

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

Do not change standard (i.e., preprinted) CMS line numbers and cost center descriptions. If you need to use additional or different cost center descriptions, do so by adding additional lines to the cost report. Do this in such a manner that the entries bear a logical relationship to the standard line description preceding the added line. Identify the line added as a numeric subscript of the immediately preceding line. That is, if two lines are added between lines 3 and 4, identify them as lines 3.01 and 3.02. If you add additional lines for reimbursable cost centers, add corresponding columns on Worksheets B and B-1 for each additional cost center.

Columns 1, 2, 3, and 4.--The expenses listed in these columns must be in accordance with your accounting books and records. List on the appropriate lines in columns 1, 2, 3, and 4 the total expenses incurred during the cost reporting period. The expenses must be detailed between salaries (columns 1 and 2) and other than salaries (column 3). The sum of columns 1, 2, and 3 must equal column 4. Any needed reclassifications and adjustments must be recorded in columns 5 and 7, as appropriate.

Column 5.--Enter any reclassifications among the cost center expenses that are needed to effect proper cost allocation.

Worksheet A-1 is provided to compute the reclassifications affecting the expenses specified therein. This worksheet need not be completed by all facilities but must be completed only to the extent that the reclassifications are needed and are appropriate in the particular facility's circumstances. Show reductions to expenses in parentheses ().

The net total of the entries in column 5 must equal zero on line 27.

Column 6.--Adjust the amounts entered in column 4 by the amounts entered in column 5 (increase or decrease) and extend the net balances to column 6. Column 6, line 27, must equal column 4, line 27.

Column 7.--Enter on the appropriate lines in column 7 the amounts of any adjustments to expenses indicated on Worksheet A-2, column 2. Indicate those adjustments to expenses that are reductions in the expense by showing the figure in parentheses (). The total on Worksheet A, column 7, line 27, must equal Worksheet A-2, column 2, line 100. The amounts entered on Worksheet A, column 7, lines 13, 19, and 23, must equal the amounts entered on Worksheet A, column 6, lines 13, 19, and 23, respectively.

Column 8.--Adjust the amounts in column 6 by the amounts in column 7 (increase or decrease) and extend the net balances to column 8.

For cost centers with an asterisk (*) in the cost center description column, transfer amounts in column 8 to the appropriate columns and lines on Worksheets B and B-1. See the instructions for Worksheets B and B-1.

Line Descriptions

Line 1.--This cost center includes capital-related costs such as depreciation, insurance, interest, rent, and property taxes for land and land improvements (both non-depreciable) and depreciable assets (buildings and fixtures, including building improvements and fixed equipment).

Line 2.--This cost center includes capital-related costs of movable equipment and related expenses such as depreciation, insurance, interest, personal property taxes, and rent. It includes items such as office furniture, office equipment, and electronic health records systems. Movable equipment does not include renal dialysis machines or support equipment; report renal dialysis machines and support equipment costs on line 6.

Line 3.--This cost center includes the direct expenses incurred in the operation and maintenance of the plant and equipment and protecting employees, visitors, and facility property. Operation and maintenance of plant includes the maintenance and service of utility systems, such as heat, light, water (excluding water treatment for dialysis purposes), air conditioning, and air treatment; the maintenance and repair of buildings, parking facilities, and equipment; painting; elevator maintenance; and performance of minor renovation of buildings and equipment. The utility cost of water is included on this line. The cost of water treatment for dialysis purposes is not entered on this line, but rather is included in line 6, machine capital-related or rental and maintenance.

Line 4.--Housekeeping includes the cost of routine activities such as mopping, vacuuming, cleaning restrooms, lobbies, waiting areas and otherwise maintaining patient and non-patient care areas.

Line 6.--This cost center includes capital-related costs of renal dialysis equipment. Renal dialysis equipment includes dialysis machines, rented and/or purchased, and the cost of maintenance of the dialysis machines and support equipment; and the costs of water purification equipment and associated maintenance and repair and installation costs necessary to render the water acceptable for use in dialysis. Examples of such equipment are water softener (resin or deionizer type) and reverse osmosis machines.

Line 7.--This cost center includes direct salaries of all personnel who furnished direct care to dialysis patients. Direct salaries include gross salaries and wages of all such personnel, e.g., registered and licensed practical nurses, nursing aides, technicians, social workers, and dieticians.

Salaries paid to physicians are not included in this cost center but are allocated to cost centers on line 11 and either line 16 or line 19. Administrative costs are reported on line 11 and routine professional costs related to costs of direct patient care are reported on line 16 or 19. To compute this allocation, first separate the costs of physician administrative services versus direct patient care services. Separate these costs by the time spent in each activity. The remainder, costs of direct patient care, is split between routine professional services, line 16 or line 19, and other medical services which may be billed for separately by the physician to the Medicare carrier. If you pay malpractice insurance premiums applicable to physicians, see instructions for malpractice cost adjustments on Worksheet A-2, line 19.

Line 8.--This cost center includes the cost of employee health and wellness benefits for direct patient care.

Line 9.--*For cost reporting periods beginning before January 1, 2022, this* cost center includes the direct cost of total dialysis supplies used in furnishing dialysis services. It includes the cost of supplies that are covered under the composite rate payment and separately billable supplies. Exclude the costs of meals served to patients. If these costs are included, adjust them out on Worksheet A-2, line 9.

For cost reporting periods beginning on or after January 1, 2022, this cost center includes the direct cost of dialysis supplies used in furnishing dialysis services including:

- *the direct cost of dialysis supplies that are used for adult patients.*
- *the direct cost of dialysis supplies that are used for pediatric patients (patients under age 18 years) and that are not included on line 9.01.*

Include the cost of supplies covered under the composite rate payment and separately billable supplies. Exclude the costs of meals served to patients. If the costs of meals are included, adjust them out on Worksheet A-2, line 9.

Line 9.01.--*For cost reporting periods beginning on after January 1, 2022, this cost center includes the cost of medical supplies used exclusively for pediatric patients, e.g., crit-lines, low volume lines and dialyzers, catheter kits, fistula needles and tape, saline flushes, bandages, chlorhexidine, tego caps for catheters, biopatch for catheter dressing, oxygen, suction, emergency supplies, monitors for vitals, and blood pressure cuffs. Do not include the costs of supplies used for both pediatric and adult patients; report the cost of supplies used for both pediatric and adult patients on line 9.*

Line 10.--This cost center includes the cost of all laboratory services (i.e., laboratory services that are either included or not included in the composite rate payment) performed either by your staff or an independent laboratory. Effective for claims with dates of service on or after January 1, 2011, all ESRD-related laboratory services are included in the ESRD PPS base rate. (See CMS Pub. 100-04, chapter 8, §50.1.)

Line 11.--This cost center is used to record the expenses of several costs incurred in maintaining the facility. Examples are fiscal services, legal services, accounting, recordkeeping, data processing, purchasing, taxes, telephone, home office costs, malpractice costs, and physicians' administrative services. The physicians' administrative services are services rendered by physicians that are directly related to the support of the facility and not directly related to the care of individual patients. (See §4203.1A.) Malpractice costs include allowable insurance premiums, direct losses, and expenses related to direct losses. The cost of malpractice insurance premiums paid by the facility, applicable to physicians, is adjusted out in column 7. If you pay malpractice insurance premiums applicable to physicians, see instructions for malpractice cost adjustments on Worksheet A-2, line 19.

Line 12.--This cost center includes the direct cost of total drugs used in furnishing dialysis services. It includes the costs of parenteral drugs used in the dialysis procedure that are covered under the composite rate payment (see CMS Pub. 100-04, chapter 8, §50.2). In addition to drugs included in the composite rate, this cost center includes separately billable injectable drugs provided to the facility's patients. Effective for claims with dates of service on or after January 1, 2011, ESRD-related injectable drugs and biologicals and oral equivalents of those injectable drugs and biologicals are included and are no longer separately billable. Report all drugs, ESRD-related and

non-ESRD-related (including approved ESAs), on this line (see CMS Pub. 100-04, chapter 8, §50.2). Do not include on this line any ESA drug cost for dates of service prior to January 1, 2011, as these costs must be reported on line 23.

Line 16.--Enter the cost of physician routine professional services covered under the initial method of physician payment. See 42 CFR 414.310 for a definition of these services.

Line 17.--Use this line to record the cost applicable to any reimbursable cost center not provided for on this worksheet.

Line 18.--Enter the sum of lines 11 and 13 through 17.

Line 19.--This cost center includes compensation (i.e., direct salaries, fringe benefits, etc.) of physicians for professional services that are related to the care of the patient and medical management over the period of time the patient is on dialysis. These costs are adjusted out on Worksheet A-2, line 10, and are not transferred in the cost report because they are not included in the composite rate.

Line 20.--This cost center includes the direct expenses incurred in obtaining blood directly from donors and whole blood and packed red blood cells from suppliers. Include in this cost center in column 3 (Other), the processing fee charged by suppliers. These items are billed separately and reimbursement is not included in the composite rate.

Line 21.--This cost center includes the direct costs associated with hepatitis B, influenza, pneumococcal vaccines and their administration when furnished to eligible beneficiaries in accordance with coverage rules. Vaccines remain separately payable under the ESRD PPS. (See CMS Pub. 100-04, chapter 8, §60.6) In addition, in accordance with §3713 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, during the COVID-19 public health emergency (PHE), enter the cost of COVID-19 vaccines and monoclonal antibody products for treatment of COVID-19 and their administration to Medicare and Medicare Advantage (MA) enrollees for calendar years 2020 and 2021.

Line 22.--This non-reimbursable cost center accumulates the cost incurred by you for services related to the physicians' private practices. Examples of such costs are depreciation costs for the space occupied, moveable equipment used by the physicians' offices, administrative services, medical records, housekeeping, maintenance and repairs, operation of plant, drugs, medical supplies, and nursing services.

Line 23.--This cost center includes the cost of approved ESAs furnished to both in-facility and home-program ESRD patients for services prior to January 1, 2011. These costs are adjusted out on Worksheet A-2, lines 15 through 18 respectively, and are not transferred to any worksheets in the cost report.

Effective January 1, 2011, these costs are reimbursed through the ESRD PPS payment system and are reported on line 12.

Line 24.--This cost center includes the direct cost of support services provided to Method II home patients. Under this option, the patient elects to make his/her own arrangements for securing the necessary supplies and equipment to dialyze at home through a Method II supplier. (See CMS Pub. 100-04, chapter 8, §90). Effective January 1, 2011, §153b of the Medicare Improvements for Patients and Providers Act (MIPPA) eliminates Method II and all home dialysis claims must be billed by a renal dialysis facility and paid under the ESRD PPS.

Lines 25 and 26.--Use these lines to record the cost applicable to any nonreimbursable cost centers not provided for on this worksheet, e.g., Supplementary Medical Insurance premiums paid by the facility on behalf of beneficiaries financially unable to pay the premiums. Label the lines used to indicate the purpose of their use.

Line 27.--Enter the sum of the amounts on lines 5 through 10, 12, 18, and 19 through 26.

4207. WORKSHEET A-1 - RECLASSIFICATIONS

This worksheet provides for the reclassification of certain amounts to effect proper cost allocation under cost finding. Specifically identify the cost centers affected in your accounting records. If more lines are needed than provided on this worksheet, submit additional copies of this worksheet and enter the additional information on them. The following are some examples of costs which are reclassified on this worksheet.

1. If the total employee health and welfare benefits are included in administrative and general on Worksheet A, column 4, line 11, then reclassify these costs to Worksheet A, column 5, line 8. Reclassify employee health and welfare benefits relating to physicians' routine professional services to Worksheet A, column 5, line 16 or 19.

2. Reclassify the insurance expense applicable to the building and/or fixtures, moveable equipment, dialysis machines, and supportive equipment included in administrative and general on Worksheet A, column 4, line 11, to Worksheet A, column 5, lines 1, 2, and 6, respectively.

3. Reclassify any interest expense applicable to funds borrowed for administrative and general purposes (operating expenses, etc.) or for the purchase of buildings and/or fixtures, moveable equipment, dialysis machines, or supportive equipment included in interest on Worksheet A, column 4, line 13, to Worksheet A, column 5, lines 11, 1, 2, and 6, respectively.

4. Reclassify rent expenses applicable to the rental of buildings and fixtures and to moveable equipment included in administrative and general from Worksheet A, column 5, line 11, to Worksheet A, column 5, lines 1 and 2, respectively. See instructions for Worksheet A-3 for treatment of rental expense for related organizations. Reclassify expenses (such as insurance, interest and taxes) applicable to machine depreciation or rental and maintenance of dialysis machines and supportive equipment to Worksheet A, column 5, line 6.

5. Reclassify any taxes (real property taxes and/or personal property taxes) applicable to buildings, fixtures, moveable equipment, dialysis machines, and support equipment included in administrative and general on Worksheet A, column 4, line 11, to Worksheet A, column 5, lines 1, 2, and 6, respectively.

Transfer the amount of increase (column 4) and decrease (column 7) of Worksheet A-1, applicable to the various cost centers, to Worksheet A, column 5.

You may have charged some of these amounts to the proper cost center before the end of the accounting period. Therefore, complete Worksheet A-1 only to the extent that expenses differ from the result that would be obtained using the instructions in the preceding paragraphs.

4208. WORKSHEET A-2 - ADJUSTMENTS TO EXPENSES

This worksheet provides for the adjustments to the expenses listed on Worksheet A, column 6. These adjustments, which are required under the Medicare principles of reimbursement, are to be made on the basis of cost, or amount received. Enter the total amount received (revenue) only if the cost (including direct cost and all applicable overhead) cannot be determined. If the 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. The following symbols are to be entered in column 1 to indicate the basis for adjustment: "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 Worksheet A-2 are (1) those needed to adjust expenses to reflect actual 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.)

Where an adjustment to an expense affects more than one cost center, you must record the adjustment to each cost center on a separate line on Worksheet A-2.

Line Descriptions

Line 1.--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 5.--Enter any adjustments to the various cost centers which have been included as costs paid directly by the carrier for physician's services which are separately billable, i.e., declotting of shunts for facilities whose physicians are paid under the MCP method.

Line 6.--Enter allowable home office costs which have been allocated to you and which are not already included in your cost report. Use additional lines to the extent that various facility cost centers are affected. (See CMS Pub. 15-1, chapter 21.) For cost reporting periods ending on or after January 31, 2019, do not use this line.

Line 7.--The amount entered is obtained from Worksheet A-3, Part B, column 6, line 5. Note that Worksheet A-3, Part B, lines 1 through 4, represent the detail of the various cost centers to be adjusted on Worksheet A.

Line 8.--Remove the direct cost plus applicable overhead of operating vending machines from allowable cost. If cost cannot be calculated, then income received may be used.

Line 9.--Enter any adjustments to the cost for meals served to patients. Under Part B of Medicare, only medical services are covered in an outpatient setting. Therefore, food costs must be excluded from the total costs.

Line 10.--Enter the total compensation of physician routine professional services which are paid under the MCP method and related to the care of patients. This must equal the amount on Worksheet A, column 7, line 19.

Line 11.--Enter the direct cost including applicable overhead of dialysis services furnished to a hospital under arrangements.

Lines 13 and 14.--Where capital-related expenses computed in accordance with the Medicare principles of reimbursement differ from capital-related expenses per your books, enter the difference on lines 13 and 14. (See CMS Pub. 15-1, chapter 1.)

Line 15.--Enter rebates taken on epoetin purchases prior to January 1, 2011.

Line 16.--Enter the cost of the approved drug epoetin furnished to both in-facility and home ESRD patients. This amount must equal the amount on Worksheet A, column 7, line 23, less the amount, if any, entered on line 15 of this worksheet. For services rendered on or after January 1, 2011, do not complete this line as epoetin will be paid as part of the ESRD PPS payment.

Line 17.--Enter rebates taken on Aranesp purchases prior to January 1, 2011.

Line 18.--Enter the cost of the approved drug Aranesp furnished to both in-facility and home ESRD patients. This amount must equal the amount on Worksheet A, column 7, line 23, less the amount, if any, entered on line 17 of this worksheet. For services rendered on or after January 1, 2011, do not complete this line as Aranesp will be paid as part of the ESRD PPS payment.

Line 19.--Enter rebates taken on epoetin purchases on or after January 1, 2011. Do not use for purchases on or after January 1, 2012; use line 20.01.

Line 20.--Enter rebates taken on Aranesp purchases on or after January 1, 2011. Do not use for purchases on or after January 1, 2012; use line 20.01.

Line 20.01.--Enter rebates taken on ESA drug purchases on or after January 1, 2012.

Line 21.--Enter the cost of malpractice insurance premiums paid by the facility specifically identified as physicians' malpractice premiums on this line.

Lines 22 through 99.--Enter any additional adjustments which are required under the Medicare principles of reimbursement. Appropriately label the line to indicate the nature of the required adjustments.

Line 100.--Enter the sum of lines 1 through 99. Transfer the amounts in column 2 to Worksheet A, column 7.

4209. WORKSHEET A-3 - STATEMENT OF COSTS OF SERVICES FROM RELATED ORGANIZATIONS

In accordance with 42 CFR 413.17, costs applicable to services, facilities, and supplies furnished to you by organizations related to you 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 you by organizations related to you by common ownership or control. In addition, certain information concerning the related organizations with which you transacted business is required. (See CMS Pub. 15-1, chapter 10.)

Part A.--If any costs included on Worksheet A resulted from transactions with related organizations as defined in CMS Pub. 15-1, chapter 10, check "Yes" and complete Parts B and C.

If there are no costs included in Worksheet A which resulted from transactions with related organizations as defined in CMS Pub. 15-1, chapter 10, check "No" and do not complete the remainder of this form.

Part B.--Costs incurred and adjustments required for services, facilities, and supplies furnished to you by organizations related to you by common ownership or control are includable in your allowable cost at the cost to the related organizations. Such cost must not exceed the amount a prudent and cost conscious buyer would pay for comparable services, facilities, or supplies that could be purchased elsewhere.

Complete each line as necessary and complete all columns for each of those lines.

Column 1.--Enter the line number from Worksheet A that corresponds to the cost center for which the adjustment is being made.

Column 2.--Enter the cost center from Worksheet A for which the adjustment is being made.

Column 3.--Enter the item of service, facility, or supply that you obtained from the related organization.

Column 4.--Enter the allowable cost to your organization for the service, facility, or supply that was obtained from the related organization. The allowable cost is the lesser of the amount a prudent and cost conscious buyer pays for a comparable service, facility, or supply purchased elsewhere or the actual cost incurred by the related party. (See CMS Pub. 15-1, chapter 10.)

Column 5.--Enter the cost charged to your organization by the related organization for the service, facility, or supply that was obtained from the related organization.

Column 6.--Enter the amount in column 4 less the amount in column 5. Transfer the(se) amount(s) to the corresponding line of Worksheet A, column 7.

Part C.--This part is used to report your interrelationship to organizations furnishing services, facilities, or supplies to you. The requested data relative to all individuals, partnerships, corporations, or other organizations having either a financial interest in the facility, a common ownership of the facility, or control over the facility as defined in CMS Pub. 15-1, chapter 10, must be shown in columns 1 through 6, as appropriate.

Complete only those columns which are pertinent to the type of relationship which existed.

Column 1.--Enter the appropriate symbol which describes your interrelationship to the related organization.

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

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

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

Column 5.--If the individual in column 2 or your facility had a financial interest in the related organization, enter the percent of ownership in such organization.

Column 6.--Enter the type of business in which the related organization engaged (e.g., laboratory drugs and/or supplies).

4210. WORKSHEET A-4 - STATEMENT OF COMPENSATION

Administrative services are those services directly related to the support of your facility and are not related directly to the dialysis patients' care. When listing the percent of work devoted to the business by a person who performed more than one duty, the person's combined percentage may not total over 100 percent. For example, if one person was both an administrator and a medical director, and spent 60 percent the workweek as an administrator, then a maximum of 40 percent can be reported as time spent as the medical director. Use a separate line per person per function. When one person performed more than one function, indicate this in column 1 by entering "same as line."

4210.1 Part I - Statement of Total Compensation to Owners.--Include the title, function, and percentage of time devoted to the business for the owners and employees related to the owners. In addition, show the total compensation (including fringe benefits, perquisites, and maintenance) included in allowable cost that was earned by sole proprietors, partners, and corporation officers, as owner(s) of your organization. Compensation is the total benefit received and receivable by the owner for the services rendered to the institution. It includes salary amounts earned for managerial, administrative, professional, and other services; the amounts paid by the institution for the personal benefit of the owner; the cost of the assets and services that the owner received from the institution; and deferred compensation.

4210.2 Part II - Statement of Total Compensation to Administrators, Assistant Administrators, and/or Medical Directors or Others Performing These Duties (Other than Owners).--Include the title, percent of time devoted to the business and total compensation (including fringe benefits, perquisites, and maintenance) earned by employed administrators, assistant administrators, medical directors, or others who performed these duties. (See CMS Pub. 100-04, chapter 8, §40.6.)

4210.50 WORKSHEET A-7 - ANALYSIS OF CAPITAL COST CENTERS

The Worksheet A-7 provides for the analysis of the capital cost centers on Worksheet A for cost reporting periods beginning on or after January 1, 2022. Include assets and the related other capital costs, directly allocated to the provider from the home office or related organization. The worksheet consists of two parts:

Part I Analysis of Capital Costs from Worksheet A, Lines 1 and 2

Part II Analysis of Renal Dialysis Equipment Costs from Worksheet A, Line 6

4210.51 Part I - Analysis of Capital Costs from Worksheet A, Lines 1 and 2.--Summarize the amounts in the capital related cost centers on Worksheet A, lines 1 and 2, column 8.

Column 1.--Report depreciation expense for each capital related cost center. On line 1, enter the depreciation expense reported on Worksheet A, line 1, column 3, adjusted by depreciation amounts on Worksheets A-1, A-2, and A-3. On line 2, enter the depreciation expense reported on Worksheet A, line 2, column 3, adjusted by depreciation amounts on Worksheets A-1, A-2, and A-3. On line 3, sum lines 1 and 2.

Column 2.--Report lease expense for each capital related cost center. On line 1, enter the lease expense reported on Worksheet A, line 1, column 3, adjusted by lease amounts on Worksheets A-1, A-2, and A-3. On line 2, enter the lease expense reported on Worksheet A, line 2, column 3, adjusted by lease amounts on Worksheets A-1, A-2, and A-3. On line 3, sum lines 1 and 2.

Column 3.--Report interest expense for each capital related cost center. On line 1, enter the interest expense reported on Worksheet A, line 1, column 3, adjusted by interest amounts on Worksheets A-1, A-2, and A-3. On line 2, enter the interest expense reported on Worksheet A, line 2, column 3, adjusted by interest amounts on Worksheets A-1, A-2, and A-3. On line 3, sum lines 1 and 2.

Column 4.--Report insurance expense for each capital related cost center. On line 1, enter the insurance expense reported on Worksheet A, line 1, column 3, adjusted by insurance amounts on Worksheets A-1, A-2, and A-3. On line 2, enter the insurance expense reported on Worksheet A, line 2, column 3, adjusted by insurance amounts on Worksheets A-1, A-2, and A-3. On line 3, sum lines 1 and 2.

Column 5.--Report tax expense for each capital related cost center. On line 1, enter the tax expense reported on Worksheet A, line 1, column 3, adjusted by tax amounts on Worksheets A-1, A-2, and A-3. On line 2, enter the tax expense reported on Worksheet A, line 2, column 3, adjusted by tax amounts on Worksheets A-1, A-2, and A-3. On line 3, sum lines 1 and 2.

Column 6.--Report other capital related expense for each capital related cost center. On line 1, enter the other capital related expense reported on Worksheet A, line 1, column 3, adjusted by other capital related amounts on Worksheets A-1, A-2, and A-3. On line 2, enter the other capital related expense reported on Worksheet A, line 2, column 3, adjusted by other capital related amounts on Worksheets A-1, A-2, and A-3. On line 3, sum lines 1 and 2.

Column 7.--For each line, enter the sum of columns 1 through 6. Lines 1 and 2, column 7, must equal Worksheet A, lines 1 and 2, column 8, respectively.

4210.52 Part II - Analysis of Renal Dialysis Equipment Costs from Worksheet A, Line 6.--
Segregate and identify the depreciation expense and capital lease expense reported on
Worksheet A, lines 1 and 2, for renal dialysis equipment reported on Worksheet A, line 6.

Column Descriptions

Columns 1 through 4.--For each column 1 through 3, enter the depreciation expense for
hemodialysis machines, peritoneal dialysis machines, and water purification equipment,
respectively. For each line in column 4, sum columns 1, 2, and 3.

Columns 5 through 8.--For each column 5 through 7, enter the capital lease expense for
hemodialysis machines, peritoneal dialysis machines, and water purification equipment,
respectively. For each line in column 8, sum columns 5, 6, and 7.

Line Descriptions

Lines 1 and 2.--On line 1, report the portion of the costs reported on Worksheet A, line 6, related
to renal dialysis equipment used for in-facility dialysis services and related maintenance and
repairs. On line 2, report the portion of the costs reported on Worksheet A, line 6, related to renal
dialysis equipment used for home dialysis services and related maintenance and repairs.

Line 3.--For each column, sum lines 1 and 2. Line 3, column 9, must equal Worksheet A, line 6,
column 8.

**4211. WORKSHEET B - COST ALLOCATION - GENERAL SERVICE COSTS AND
WORKSHEET B-1 - COST ALLOCATION - STATISTICAL BASIS**

Worksheet B provides for cost finding by using a combined methodology of cost centers and apportioning the costs to those cost centers that receive the services. The cost centers that are serviced include all cost centers within your organization; that is, separately billable, reimbursable cost centers, and nonreimbursable cost centers. Obtain the total direct expenses from Worksheet A, column 8.

Worksheet B-1 provides for the statistics necessary to allocate the cost to the revenue producing and nonreimbursable cost centers on Worksheet B.

To facilitate the allocation process, the general format of Worksheets B and B-1 are identical for columns 1 through 8. The column and line numbers for columns 1 through 8 are identical on the two worksheets.

The statistical bases shown at the top of each column on Worksheet B-1 are the recommended bases of allocation of the cost centers indicated. Use these statistical bases of allocation unless you have contractor approval in writing to use different bases. (See CMS Pub. 15-1, chapter 23, §2313.)

Certain cost centers are combined on Worksheet B-1 for cost allocation purposes. These combinations are not optional; that is, facilities must combine and allocate these costs as shown on the worksheet. The total costs of each combined group of cost centers are allocated in one process to the revenue producing and nonreimbursable cost centers.

Column Descriptions

Columns 2 and 3.--These columns are used to allocate costs reported on Worksheet A, lines 1 through 4, to the various cost centers. Column 2 allocates costs to the various cost centers and column 3 further allocates these costs by modality between Adults and Pediatrics. On Worksheet B-1, enter in column 2, the square footage statistics for cost centers 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, and 19 through 22. On Worksheet B-1, enter in column 3, the total number of treatments for Adults and Pediatrics, by modality on subscripted lines 8 through 17.

Enter on Worksheet B, column 2, the costs allocated for cost centers 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, and 19 through 22. On Worksheet B, column 3, enter on the subscripted lines 8 through 17, the costs allocated in column 2 to their respective modalities between Adults and Pediatrics based on a percentage of treatments to total treatments for each modality multiplied by the costs allocated on the respective lines on Worksheet B, column 2.

*Column 7.--For cost reporting periods beginning before January 1, 2022, this column allocates the costs of **supplies** (i.e., ESRD related and non-ESRD related) provided to both Medicare and non-Medicare patients, that were furnished by, billed by, and reimbursed to, your facility. Do not include the cost of any **supplies** that were billed by physicians as such costs are not part of your facility's costs. To determine the costs allocated to the various cost centers, report actual costs if separate expense accounts are maintained, or allocate **the** costs based on the supplier's charges as reported on the costed requisitions. The cost or costed requisitions used for allocation purposes must bear a consistent relationship to the costs of all items and services. (See CMS Pub. 100-04, chapter 8, §50.1.)*

For cost reporting periods beginning on or after January 1, 2022, this column allocates the cost of supplies that are used for both adult and pediatric patients, (i.e., ESRD related and non-ESRD related) provided to both Medicare and non-Medicare patients, that were furnished by, billed by, and reimbursed to, your facility. Do not include the cost of supplies used exclusively for pediatric patients. Do not include the cost of any items or services that were billed by physicians as such costs are not part of your facility's costs. To determine the costs allocated to the various cost centers, report actual costs if separate expense accounts are maintained, or allocate the costs based on the supplier's charges as reported on the costed requisitions. The cost or costed requisitions used for allocation purposes must bear a consistent relationship to the costs of the supplies. (See CMS Pub. 100-04, chapter 8, §50.1.)

Column 7.01.--For cost reporting periods beginning on or after January 1, 2022, this column allocates the cost of supplies used exclusively for pediatric (under age 18) patients, (i.e., ESRD related and non-ESRD related) provided to both Medicare and non-Medicare patients, that were furnished by, billed by, and reimbursed to, your facility. Do not include the cost of supplies used for pediatric patients that are also used for adult patients. Do not include the cost of any supplies that were billed by physicians as such costs are not part of your facility's costs. To determine the costs allocated to the various cost centers, report actual costs if separate expense accounts are maintained, or allocate the costs based on the supplier's charges as reported on the costed requisitions. The cost or costed requisitions used for allocation purposes must bear a consistent relationship to the costs of the supplies. (See CMS Pub. 100-04, chapter 8, §50.1.)

*Column 8.--This column allocates the costs of **laboratory services** (i.e., ESRD related and non-ESRD related) provided to both Medicare and non-Medicare patients, that were furnished by, billed by, and reimbursed to, your facility. Do not include the cost of **any laboratory services** that were billed by physicians as such costs are not part of your facility's costs. To determine the costs allocated to the various cost centers, report actual costs if separate expense accounts are maintained, or allocate these costs based on the supplier's charges as reported on the costed requisitions. The cost or costed requisitions used for allocation purposes must bear a consistent relationship to the costs of all items and services. (See CMS Pub. 100-04, chapter 8, §50.1.)*

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NOTE: Costs of drugs and biologicals are reported in column 10 and subsequently allocated into columns 11, 12, and 13, in order to determine basic composite rate costs and ESRD PPS costs. Basic composite rate costs are used in the determination of allowable bad debts.

Column 10.--This column allocates the cost of drugs (i.e., ESRD related and non-ESRD related), provided to both Medicare and non-Medicare patients, to lines 2 through 5. These drugs and biologicals include ESAs and any oral form of such agents as well as other drugs and biologicals that are furnished by, billed by, and reimbursed to, your facility. Do not include the cost of any drugs that were billed by physicians as such costs are not part of your facility's costs. To determine the costs allocated to lines 2 through 5, use actual costs if separate expense accounts are maintained, or allocate these costs based on the supplier's charges as reported on the costed requisitions. The cost or costed requisitions used for allocation purposes must bear a consistent relationship to the costs of all items and services. (See CMS Pub. 100-04, chapter 8, §50.2)

Columns 11, 12 and 13.--These columns are used to allocate the costs identified on column 10, lines 2, 3, and 4, to the various modes of treatment on subscribed lines 8 through 17, based on actual costs or supplier's charges.

Line Descriptions

Items and services that are covered under the composite rate are those commonly furnished as part of a typical dialysis service. These costs are reimbursed through your dialysis rate and may not be separately billed. The costs of items and services covered under the composite payment rate are allocated to the various modes of treatment on subscribed lines 8 through 17, Worksheet B. The costs of separately billable items and services are not allocated to various modes of treatment because they are not considered one of the dialysis service costs that are used in computing the composite payment rate.

Effective January 1, 2011, the ESRD PPS provides a single payment to ESRD facilities that will cover all of the resources used in furnishing an outpatient dialysis treatment, including supplies and equipment used to administer dialysis (in the ESRD facility or at a patient's home), drugs, biologicals, laboratory tests, training, and support services.

Line 2.--Drugs included in basic composite rate are ESRD-related drugs and biologicals that were paid under the composite rate payment system prior to January 1, 2011, and are considered in the calculation of the basic case-mix composite rate effective January 1, 2011.

Line 3.--The cost of ESAs prior to January 1, 2011, is adjusted on Worksheet A-2. For services rendered on or after January 1, 2011, the cost of ESAs (including oral forms) is included in the ESRD PPS payment and are included on line 3 for proper allocation.

Line 4.--ESRD-related other drugs are drugs that are reimbursed under the ESRD PPS payment system effective January 1, 2011. DO NOT include the cost of oral-only drugs.

Line 4.01.--Acute Kidney Injury (AKI) related other drugs are drugs that are reimbursed in the AKI payment rate effective for services furnished on or after January 1, 2017. Do not include the cost of oral-only drugs.

Line 5.--Non-ESRD related drugs, supplies and lab services - for dates of service prior to January 1, 2011, these drugs, supplies and lab services are not reimbursed under the composite payment rate and are separately billable. For dates of service on or after January 1, 2011, include on this line the cost of drugs and biologicals, supplies, and lab services administered during dialysis for non-ESRD related conditions as well as oral-only drugs. Non-ESRD related drugs, supplies, and lab services, as well as oral-only drugs, are excluded from the ESRD PPS payment and are separately payable.

Line 5.01.--AKI non-renal dialysis related drugs, supplies and lab services are those items and services, furnished to AKI patients, that are not considered to be renal dialysis services as defined in 42 CFR 413.171, but that are related to the patient's dialysis treatment as a result of their AKI, and are separately payable. For services on or after January 1, 2017, include the cost of AKI non-renal dialysis related drugs, biologicals, laboratory services, and supplies, that ESRD facilities are certified to furnish. AKI non-renal dialysis related drugs, supplies, and lab services, are excluded from the AKI payment rate and are separately payable. (See 42 CFR 413.374.)

Use the following procedures in completing these worksheets.

1. Enter on Worksheet B-1, columns 2 and 4 through 10, line 24, and Worksheet B, columns 3 through 10, line 1, the following costs to be allocated. Obtain these costs from Worksheet A as follows:

<u>From Worksheet A, column 8, line --</u>	<u>To Worksheet B-1, line 24, and Worksheet B, line 1, column --</u>
5 Capital-Related, Operation and Maintenance of Plant, and Housekeeping	2 on Wkst. B-1 and 3 on Wkst. B
6 Capital-Related Costs Renal Dialysis Equipment	4
7 Salaries for Direct Patient Care	5
8 Employee Health and Welfare Benefits for Direct Patient Care	6
9 Supplies	7
10 Laboratory	8
18 Administrative and General and Other	9
12 Drugs	10

2. On Worksheet B, column 1, line 1, enter the total of columns 8A through 10, line 1.

3. On Worksheet B, column 1, lines 6, 7, and 19 through 22, enter the direct costs of the revenue-producing and nonreimbursable cost centers from Worksheet A, column 8, lines 20 through 22, and 24 through 26, respectively.

4. On Worksheet B, column 1, line 23, enter the total of column 1, lines 1 through 22. This total must equal the amount on Worksheet A, column 8, line 27.

5. On Worksheet B-1, column 2, enter on lines 8 through 22, the portion of the total statistical base over which the expenses of the cost center are to be allocated. The statistical base to be used is cited in the column heading and reflects only those statistics applicable to the revenue producing and nonreimbursable cost centers. Enter in column 2, line 23, the sum of lines 8 through 22.

6. On Worksheet B-1, column 3, enter on subscripted lines 8 through 17 the portion of the total statistical base over which the expenses of the cost center are to be allocated. The statistical base to be used is cited in the column heading and reflects only those statistics applicable to the revenue producing cost centers.

7. On Worksheet B-1, columns 4 through 8, enter on lines 2 through 7, subscripted lines 8 through 17, and lines 19 through 22, the portion of the total statistical base over which the expenses of the cost centers are to be allocated. The statistical base to be used in each column is cited in the column heading and reflects only those statistics applicable to the revenue producing and nonreimbursable cost centers. Enter in columns 4 through 8, line 23, the sum of lines 2 through 22.

8. On Worksheet B-1, column 10, enter on lines 2 through 5, the portion of the total statistical base over which the expenses of the cost centers are to be allocated. The statistical base to be used in column 10 is cited in the column heading and reflects only those statistics applicable to lines 2 through 5. Enter in column 10, line 23, the sum of lines 2 through 5.

9. On Worksheet B-1, columns 2, 4 through 8, and 10, line 25, determine the unit cost multiplier by dividing the amount on line 24 by the total statistics on line 23. The unit cost multiplier is rounded to the nearest six decimal places (e.g., $\$4,000/15,000$ square feet = .266667).

10. On Worksheet B-1, column 3, subscripted lines 8 through 17, determine the percentage of Adult treatments, Pediatrics treatments, and AKI treatments, to total treatments by modality (e.g., line 8.01 Adults/(sum of lines 8.01, 8.02, and 8.03)). Multiply the percentages calculated for each modality by their respective costs on Worksheet B, column 2, lines 8 through 17 ((e.g. line 8.01 Adults/(sum of lines 8.01, 8.02, and 8.03)) times Worksheet B, column 2, line 8) and enter each result on Worksheet B, column 3, subscripted lines 8 through 17.

11. On Worksheet B-1, multiply the appropriate unit cost multipliers computed in step 9 by the individual cost center statistics in columns 2, 4 through 8, and 10. Enter the resulting amounts in the corresponding columns and lines of Worksheet B.

12. On Worksheet B, columns 3 through 8, and 10, enter on line 23, the sum of the amounts computed on lines 2 through 22. Do not include in these totals the amounts entered on line 1. For each column, the amount on line 23 must equal the amount on line 1.

13. On Worksheet B, column 8A, line 1, enter the sum of line 1, columns 3 through 8. For each line 2 through 22, on Worksheet B, column 8A, enter the sum of columns 1 through 8.

14. On Worksheet B, column 8A, line 23, enter the total of lines 2 through 22. This total plus the amounts in columns 9 and 10, line 1, must equal the amount in column 1, line 23.

15. Transfer the total on Worksheet B, column 8A, line 23, to Worksheet B-1, column 9, line 23.

16. On Worksheet B-1, column 9, line 25, determine the unit cost multiplier by dividing the amount on line 24 by the amount on line 23.

17. On Worksheet B-1, multiply the appropriate unit cost multiplier computed in step 16 by the individual cost center amounts greater than zero in column 8A of Worksheet B. Exclude any cost centers with negative amounts in column 8A of Worksheet B as the negative amounts will cause an improper distribution of this overhead cost center. Enter the resulting amounts in the corresponding lines of Worksheet B, column 9. On Worksheet B, column 9, enter on line 23, the sum of the amounts computed on lines 2 through 22. The amount on line 23 must equal the amount on line 1.

18. From Worksheet B, column 10, enter as follows:

<u>From Worksheet B, column 10, line --</u>	<u>To Worksheet B-1, line 24, and Worksheet B, line 1, column --</u>
2 Drugs Included in Composite Rate	11
3 ESAs	12
4, 4.01 ESRD-Related Other Drugs plus AKI-Related Other Drugs	13

19. On Worksheet B-1, columns 11, 12, and 13, enter on subscripted lines 8 through 17, the portion of the total statistical base over which the expenses of the cost centers are to be allocated. The statistical base to be used in columns 11, 12, and 13, are cited in the column heading and reflects only those statistics applicable to the revenue producing cost centers. Enter in columns 11, 12, and 13, line 23, the sum of lines 2 through 22.

20. On Worksheet B-1, columns 11, 12, and 13, determine the unit cost multiplier by dividing the amount on line 24, by the total statistics on line 23.

21. On Worksheet B-1, multiply the appropriate unit cost multipliers computed in step 20 by the individual cost center statistics in columns 11, 12, and 13. Enter the resulting amounts in the corresponding columns and lines of Worksheet B.

22. On Worksheet B, column 11A, line 5, enter the total of line 1, columns 8A through 11. For each line 6 through 17.02, and each line 19 through 22, enter the total of columns 8A, 9 and 11.

23. On Worksheet B, column 11A, line 18, enter the subtotal of lines 2 through 17.02.

24. On Worksheet B, column 11A, line 23, enter the total of lines 18 through 22.

25. On Worksheet B, column 13A, for each line 2 through 17.02, and each line 9 through 22, enter the total of columns 11A through 13.
26. On Worksheet B, column 13A, line 18, enter the subtotal of lines 2 through 17.02.
27. On Worksheet B, column 13A, line 23, enter the total of lines 18 through 22. The amount on line 23 must equal the amount in column 1, line 23.
28. Transfer the expenses from Worksheet B as follows:

From Worksheet B	To
Column 13A, line 8.01	Worksheet C, column 2, line 8.01
Column 13A, line 8.02	Worksheet C, column 2, line 8.02
Column 13A, line 8.03	Worksheet C, column 2, line 8.03
Column 13A, line 9.01	Worksheet C, column 2, line 9.01
Column 13A, line 9.02	Worksheet C, column 2, line 9.02
Column 13A, line 9.03	Worksheet C, column 2, line 9.03
Column 13A, line 10.01	Worksheet C, column 2, line 10.01
Column 13A, line 10.02	Worksheet C, column 2, line 10.02
Column 13A, line 11.01	Worksheet C, column 2, line 11.01
Column 13A, line 11.02	Worksheet C, column 2, line 11.02
Column 13A, line 12.01	Worksheet C, column 2, line 12.01
Column 13A, line 12.02	Worksheet C, column 2, line 12.02
Column 13A, line 13.01	Worksheet C, column 2, line 13.01
Column 13A, line 13.02	Worksheet C, column 2, line 13.02
Column 13A, line 14.01	Worksheet C, column 2, line 14.01
Column 13A, line 14.02	Worksheet C, column 2, line 14.02
Column 13A, line 15.01	Worksheet C, column 2, line 15.01
Column 13A, line 15.02	Worksheet C, column 2, line 15.02
Column 13A, line 16.01	Worksheet C, column 2, line 16.01
Column 13A, line 16.02	Worksheet C, column 2, line 16.02
Column 13A, line 17.01	Worksheet C, column 2, line 17.01
Column 13A, line 17.02	Worksheet C, column 2, line 17.02

The totals in column 13A, lines 5 through 7, and lines 19 through 22, are not transferred because only the amounts for the reimbursable cost centers are transferred to Worksheet C.

4212. WORKSHEET C - COMPUTATION OF AVERAGE COST PER TREATMENT --
ESRD PPS

This worksheet records the apportionment of total costs under ESRD PPS. The information on this worksheet is used in the calculation of the facility specific composite cost ratio computed on Worksheet E, Part II, and to compute the average cost per treatment under ESRD PPS. This information is used for overall program evaluation, determining the appropriateness of program reimbursement rates, and meeting statutory requirements of determining the cost of ESRD PPS care.

Column 1.--Enter the total number of treatments/patient weeks by type for all renal dialysis patients from your records. These statistics include all treatments furnished to all patients, both Medicare and non-Medicare.

Column 2.--Enter the total cost transferred from Worksheet B, column 13A, subscripted lines 8 through 17.

Column 3.--Enter the average cost per treatment determined by dividing the cost entered on each line in column 2 by the number of treatments/patient weeks entered on each line in column 1.

Line 18.--Transfer the expense from Worksheet C, column 2 to Worksheet E, Part II, line 1.

Line 19.--Report "total provider treatments" on this line. This line is informational only. This line will be used for contractor verification. CCPD and CAPD are daily treatment modalities, and ESRD facilities are paid the equivalent of three hemodialysis treatments for each week that CCPD and CAPD treatments are provided.

Compute hemodialysis equivalent treatments for lines 16.01, 16.02, 17.01, and 17.02, by multiplying the number of weeks reported in column 1 times three treatments for each week. Add to this amount the treatments computed on line 18, column 1.

4213. WORKSHEET D - COMPUTATION OF AVERAGE COST PER TREATMENT --
BASIC COMPOSITE RATE

This worksheet records the apportionment of basic composite rate cost to the various modalities of Medicare dialysis treatments.

This information is used for overall program evaluation, determining the appropriateness of bad debt reimbursement, and meeting statutory requirements of determining the cost of ESRD basic composite rate. For cost reporting periods that straddle January 1, 2011, report the rates for each modality on Worksheet D as follows: For the portion of the cost reporting period prior to January 1, 2011, enter the average composite rate for each modality in column 6. For the portion of the cost reporting period on and after January 1, 2011, enter the average ESRD PPS payment rate for each modality in column 6.02. For cost reporting periods that straddle January 1, 2012, January 1, 2013, and January 1, 2014, report the average ESRD PPS payment rate for each

modality on Worksheet D as follows: For the portion of the cost reporting period prior to January 1, enter the average ESRD PPS payment rate for each modality in column 6.01. For the portion of the cost reporting period on and after January 1, enter the average ESRD PPS payment rate for each modality in column 6.02.

Column 1.--Enter the total number of treatments/patient weeks by modality for all dialysis patients reported on Worksheet C, column 1, lines 8.01 through 17.02 (i.e. Worksheet C, column 1, sum of lines 8.01 8.02, and 8.03, report on Worksheet D, column 1, line 1). These statistics include all treatments furnished to all patients, both Medicare and non-Medicare.

Column 2.--Enter the total cost transferred from Worksheet B, column 11A, by modality, to lines 1 through 10 (i.e., Worksheet B, column 11A, sum of lines 8.01, 8.02, and 8.03, report on Worksheet D, column 2, line 1).

Column 3.--Enter the average cost of treatment determined by dividing the cost entered on each line in column 2 by the number of treatments/patient weeks entered on each line in column 1.

Columns 4 through 7.02.--Report treatments furnished to Medicare beneficiaries that were billed to, and reimbursed by the program directly.

Column 4.--For cost reporting periods that straddle January 1, 2011, enter in column 4, the total number of treatments or patient weeks billed to Medicare for services rendered prior to January 1, 2011.

Column 4.01.--For cost reporting periods that straddle January 1, 2012, January 1, 2013, or January 1, 2014, enter the total number of treatments or patient weeks billed to Medicare for services rendered prior to January 1.

Column 4.02.--For cost reporting periods that straddle or begin January 1, 2011, January 1, 2012, or January 1, 2013, enter the total number of treatments or patient weeks billed to Medicare for services rendered on and after January 1. For cost reporting periods that straddle January 1, 2014, enter the total number of treatments or patient weeks billed to Medicare for services rendered on and after January 1.

For cost reporting periods beginning on or after January 1, 2014, enter the number of ESRD PPS treatments billed to Medicare in column 4 and eliminate columns 4.01 and 4.02.

Column 5.--Enter total expenses determined by multiplying the sum of columns 4, 4.01, and 4.02, by the average cost per treatment entered on each corresponding line in column 3. Transfer the total from column 5, line 11, to Worksheet E, Part I, line 1.

Column 6.--For cost reporting periods that straddle January 1, 2011, report your Medicare payment rates for each modality on Worksheet D as follows: For the portion of the cost reporting period occurring prior to January 1, 2011, enter the average composite rate for each modality in column 6. For cost reporting periods ending on or after June 30, 2016, determine the amounts entered on the appropriate lines by dividing the total payments on each corresponding line in column 7, by the number of treatments entered on each line in column 4.

Column 6.01--For cost reporting periods that straddle January 1, 2012, January 1, 2013, or January 1, 2014, report the average ESRD PPS payment rate for each modality in column 6.01 for the portion of the cost reporting period occurring prior to January 1.

Column 6.02--For cost reporting periods that straddle or begin January 1, 2011, January 1, 2012, or January 1, 2013, report the average ESRD PPS payment rate for each modality in column 6.02 for the portion of the cost reporting period occurring on and after January 1. For cost reporting periods that straddle January 1, 2014, report the average ESRD PPS payment rate for each modality in column 6.02 for the portion of the cost reporting period occurring on and after January 1.

The ESRD composite payment rates and the ESRD PPS payment rates are average payments calculated based on the total Medicare payments (by type of treatment) divided by the total corresponding ESRD treatments per the facility's PS&R data. For example, the total Medicare payment for hemodialysis is divided by the total ESRD hemodialysis treatments.

For cost reporting periods beginning on or after January 1, 2014, enter all ESRD PPS payment rates in column 6, and eliminate columns 6.01 and 6.02.

Column 7--Enter total payment due amounts determined by multiplying the number of treatments or patient weeks entered on each line in column 4 by the payment rate entered on each corresponding line in column 6. Transfer the total from column 7, line 11, to Worksheet E, Part I, line 2, column 1. For cost reporting periods ending on or after June 30, 2016, enter total program payment by the type of treatment for the reporting period. Since this amount is calculated on a patient basis and is case mix adjusted, the total program payment will be specific for each modality. Obtain this from the PS&R. Transfer the total from column 7, line 11, to Worksheet E, Part I, line 2, column 1.

Column 7.01--Enter total payment due amounts determined by multiplying the number of treatments or patient weeks entered on each line in column 4.01 by the payment rate entered on each corresponding line in column 6.01. Transfer the total from column 7.01, line 11, to Worksheet E, Part I, line 2.01, column 1.

Column 7.02--Enter total payment due amounts determined by multiplying the number of treatments or patient weeks entered on each line in column 4.02 by the payment rate entered on each corresponding line in column 6.02. Transfer the total from column 7.02, line 11, to Worksheet E, Part I, line 2.02, column 1.

Column 8--Enter the sum of columns 7, 7.01, and 7.02 into their corresponding line in column 8.

Lines 9 and 10--Report CAPD and CCPD treatments by patient weeks. Patient weeks are computed by totaling the number of weeks each patient dialyzed at home by CCPD and/or CAPD. Obtain this information from your records.

Line 11--For columns 1, 4, 4.01, and 4.02, enter the sum of lines 1 through 8. For columns 2, 5, 7, 7.01, 7.02, and 8, enter the sum of lines 1 through 10.

4214. WORKSHEET E - CALCULATION OF BAD DEBT REIMBURSEMENT

4214.1 Part I - Calculation of Reimbursable Bad Debts Title XVIII - Part B.--Under the composite rate payment system for services prior to January 1, 2011, the contractor pays the facility its allowable ESRD bad debts, up to the facility's unreimbursed reasonable costs as determined under Medicare principles. Under the ESRD PPS payment system, effective for dates of service on and after January 1, 2011, the contractor pays the facility for allowable ESRD bad debts, up to the facility's unreimbursed reasonable costs for those items and services associated with the basic case-mix adjusted composite rate portion of the ESRD PPS payment rate. Allowable bad debts must relate to specific Medicare deductibles and coinsurance amounts.

Determination of bad debt amounts for the basic case-mix adjusted composite rate payment portion of the ESRD PPS payment, is based on the percentage of basic composite rate payment costs to total costs on a facility specific basis. The facility specific composite rate percentage is applied to the facility's total bad debt amounts associated with the ESRD PPS payment. The resulting bad debt amount is used to determine the allowable Medicare bad debt payment in accordance with 42 CFR 413.89 of the regulations. During the transition periods, apply the facility specific composite cost percentage to the bad debt amounts associated with the transition portion of the ESRD PPS payment.

The resulting bad debt amount will be added to the bad debt amount associated with the transition portion of the facility's ESRD reasonable costs to determine the total allowable Medicare bad debt (For example, a facility that does not elect 100 percent PPS, will be in transition period 1 for services rendered beginning January 1, 2011 through December 31, 2011. Under transition period 1, services rendered during this period are paid based on 75 percent composite rate and 25 percent ESRD PPS payment rate. The facility specific composite cost percentage will be applied to 25 percent of the bad debts and the resulting bad debt amount will be added to the transitional 75 percent to determine the total allowable bad debt pertaining to services rendered during this period).

EXCEPTION: The transition period payment method will not apply to an ESRD for services rendered on and after January 1, 2011, that (1) elected 100 percent of the payment amount to be based on the ESRD PPS payment, or (2) was certified for Medicare participation and began providing dialysis services on or after January 1, 2011.

Column 1.--Enter the total amounts by line description.

Column 2.--This column is used to compute the appropriate reduction to each amount reported in column 1, based on the facility's transition period and application of their facility specific composite cost ratio.

Line 1.--Enter the sum of the amount from Worksheet D, column 5, line 11. The amount reported is reflective of the provider's calculated basic composite rate payment cost.

Line 2.--For cost reporting periods that straddle January 1, 2011, enter in column 1, the sum of the amount from Worksheet D, column 7, line 11, minus any applicable Part B deductibles. Enter in column 2, the amount reported in column 1. For cost reporting periods beginning on or after January 1, 2014, enter in column 1, the sum of the amount from Worksheet D, column 7, line 11, minus any applicable Part B deductibles. Enter in column 2, the amount reported in column 1 times the facility specific composite cost ratio from Worksheet E, Part II, line 3. For cost reporting periods beginning on or after January 1, 2014, do not complete lines 2.01 and 2.02.

Line 2.01.--Enter in column 1, the sum of the amount from Worksheet D, column 7.01, line 11, minus any applicable Part B deductibles. Enter in column 2, the portion of the amount reported in column 1 as it relates to the ESRD PPS payment times the facility specific composite cost ratio from Worksheet E, Part II, line 3. Add to this amount the composite cost portion of the payment. For cost reporting periods beginning on or after January 1, 2014, do not complete this line.

Line 2.02.--Enter in column 1, the sum of the amount from Worksheet D, column 7.02, line 11, minus any applicable Part B deductibles. Enter in column 2, the portion of the amount reported in column 1 as it relates to the ESRD PPS payment times the facility specific composite cost ratio from Worksheet E, Part II, line 3. Add to this amount the composite cost portion of the payment. For cost reporting periods beginning on or after January 1, 2014, do not complete this line.

Line 2.03.--Enter the sum of lines 2, 2.01, and 2.02, in columns 1 and 2 accordingly.

Line 3.--Enter the amount for outlier payments applicable to Medicare (Part B) patients from your records. (Informational only.)

Line 4.--Reserved for future use.

Line 5.--Enter 80 percent of the amount on line 2.03, column 2.

Line 6.--Enter the amount on line 1 minus the amount on line 5.

Line 7.--Enter in column 1, the amount shown in your records for deductibles and coinsurance billed to Medicare (Part B) patients. Include only deductibles and coinsurance amounts that are related to the payments listed on line 2, column 1, and apply to Medicare beneficiaries under the composite payment rate. Enter in column 2, the amount reported in column 1. For cost reporting periods beginning on or after January 1, 2014, enter in column 1, the amount shown in your records for deductibles and coinsurance billed to Medicare (Part B) patients. Enter in column 2, the amount reported in column 1 times the facility specific composite cost ratio from Worksheet E, Part II, line 3.

For cost reporting periods beginning on or after January 1, 2014, do not complete lines 7.01 and 7.02.

Line 7.01.--Enter in column 1, the amount shown in your records for deductibles and coinsurance billed to Medicare (Part B) patients. Include only deductibles and coinsurance amounts that are related to the payments listed on line 2.01, column 1, and apply to Medicare beneficiaries under the ESRD PPS payment rate. Enter in column 2, the portion of the amount reported in column 1, as it relates to the ESRD PPS payment times the facility specific composite cost ratio from Worksheet E, Part II, line 3.

Line 7.02.--Enter in column 1, the amount shown in your records for deductibles and coinsurance billed to Medicare (Part B) patients. Include only deductibles and coinsurance amounts that are related to the payments listed on line 2.02, column 1, and apply to Medicare beneficiaries under the ESRD PPS payment rate. Enter in column 2, the portion of the amount reported in column 1, as it relates to the ESRD PPS payment times the facility specific composite cost ratio from Worksheet E, Part II, line 3.

Line 7.03.--Enter the sum of column 2, lines 7, 7.01, and 7.02. If that sum is less than 20 percent of the amount reported on line 2.03, column 2, enter 20 percent of the amount reported on line 2.03, column 2.

Line 8.--Enter in column 1, the bad debt amount for deductible and coinsurance, net of recoveries, for services rendered prior to January 1, 2011. Transfer this amount to column 2.

Line 9.--Enter in column 1, the bad debt amount for deductible and coinsurance, net of recoveries for services rendered on or after January 1, 2011, but before January 1, 2012. Enter in column 2, 75 percent of the amount in column 1, plus 25 percent of the amount in column 1, times the facility specific composite cost ratio on Worksheet E, Part II, line 3. If the provider indicated "Y" on Worksheet S, line 13, and elected 100 percent PPS, do not complete this line but complete line 12.

Line 10.--Enter in column 1, the bad debt amount for deductible and coinsurance, net of recoveries, for services rendered on or after January 1, 2012, but before January 1, 2013. Enter in column 2, 50 percent of the amount in column 1, plus 50 percent of the amount in column 1, times the facility specific composite cost ratio on Worksheet E, Part II, line 3. If the provider indicated "Y" on Worksheet S, line 13, and elected 100 percent PPS, do not complete this line but complete line 12.

Line 11.--Enter in column 1, the bad debt amount for deductible and coinsurance, net of recoveries, for services rendered on or after January 1, 2013, but before January 1, 2014. Enter in column 2, 25 percent of the amount in column 1, plus 75 percent of the amount in column 1, times the facility specific composite cost ratio on Worksheet E, Part II, line 3. If the provider indicated "Y" on Worksheet S, line 13, and elected 100 percent PPS, do not complete this line but complete line 12.

Line 12.--Enter in column 1, the bad debt amount for deductible and coinsurance, net of recoveries, for services rendered on or after January 1, 2014. Enter in column 2, 100 percent of the amount in column 1, times the facility specific composite cost ratio on Worksheet E, Part II, line 3. If the provider indicated "Y" on Worksheet S, line 13, and elected 100 percent PPS, DO NOT complete lines 9, 10, or 11, but enter in column 1, the bad debt amount for deductible and coinsurance, net of recoveries for all services rendered on or after January 1, 2011. Enter in column 2, 100 percent of the amount in column 1, times the facility specific composite cost ratio on Worksheet E, Part II, line 3.

Line 13.--Enter in column 1, the sum of lines 8 through 12, column 1. This amount must correspond to the provider's bad debt listing(s). Enter in column 2, the sum of lines 8 through 12, column 2.

Line 14.--Subtract the amount on line 13, column 2, from the amount on line 7.03, and enter the result.

Line 15.--Subtract the amount on line 14 from the amount on line 6 and enter the result. If the amount on line 14 exceeds the amount on line 6, do not complete line 16. For cost reporting periods beginning on or after January 1, 2013, do not complete this line.

Line 16.--For cost reporting periods ending on or before September 30, 2012, enter the lesser of the amount on line 13, column 2, or the amount on line 15. For cost reporting periods beginning on or after October 1, 2012, enter the lesser of the amount on line 13, column 2, times 88 percent, or the amount on line 15. For cost reporting periods beginning on or after January 1, 2013, enter the amount on line 13, column 2, times 88 percent. For cost reporting periods beginning on or after October 1, 2013, enter the amount on line 13, column 2, times 76 percent. For cost reporting periods beginning on or after October 1, 2014, enter the amount on line 13, column 2, times 65 percent.

Line 17.--Enter the gross reimbursable bad debts for dual eligible beneficiaries. This amount is reported for statistical purposes only. This amount must also be included in the amount on line 13, i.e., line 17, is a subset of line 13.

Line 18.--Your contractor will enter the Part A tentative adjustments from Worksheet E-1, column 2, line 1.99.

Line 19.--Enter the sequestration adjustment amount. For cost reporting periods that overlap or begin on or after April 1, 2013, enter the sequestration adjustment amount as [(2 percent times total days in the cost reporting period that occur during the sequestration period, divided by total days in the entire cost reporting period), rounded to four decimal places) times line 16]. If line 16 is less than zero, do not calculate the sequestration adjustment. **Note:** In accordance §3709 with the CARES Act, as amended by §102 of the Consolidated Appropriations Act of 2021, do not apply the sequestration adjustment to the period of May 1, 2020, through March 31, 2021. *Public Law 117-7, entitled "An Act to Prevent Across-the-Board Direct Spending Cuts, and for Other Purposes," signed into law on April 14, 2021, extended the suspension period for sequestration through December 31, 2021.*

Line 20.--Enter the net of the amount on line 16 minus lines 18 and 19. Enter a negative amount in parentheses ().

4214.2 Part II - Calculation of Facility Specific Composite Cost Percentage.--A facility specific composite cost percentage is applied to the facility's total bad debt amounts and associated cost data necessary to compute the ESRD facility bad debt payments. This percentage is computed by dividing your facility's basic composite rate costs by your total allowable expenses.

Line 1.--Enter total allowable expenses from Worksheet C, column 2, line 18.

Line 2.--Enter total composite costs from Worksheet D, column 2, line 11.

Line 3.--Compute the facility specific composite cost percentage (line 2 divided by line 1).

4215. WORKSHEET E-1 - ANALYSIS OF PAYMENTS TO PROVIDER FOR SERVICES RENDERED

4215.1 Part I - For Contractor Use Only

Line 1.--List the date and amount of each tentative settlement payment for this cost reporting period.

Line 2.--Enter the net settlement amount (balance due to the provider or balance due to the program) for the NPR or, if this settlement is after a reopening of the NPR, for this reopening. Transfer this amount from Worksheet E, Part I, line 20.

Line 3.--Enter the contractor name, the contractor number, and the NPR date, in columns 0, 1, and 2, respectively.

4215.2 Part II - To be Completed by Provider

Line 4.--For cost reporting periods that begin or overlap January 1, 2012, if your response on Worksheet S, Part II, line 10, is "Y", enter the amount of your low volume payments.

Lines 5, 6, and 7.--For cost reporting periods beginning on or after January 1, 2022, enter the payments for TDAPA (Transitional Drug Add-on Payment Adjustment Amount), HDPA (Home Dialysis Payment Adjustment Amount), and TPNIES (Transitional Add-on Payment Adjustment for New and Innovative Equipment and Supplies Amount) respectively, from the PS&R. (Report for information purposes.)

4216. WORKSHEETS F - BALANCE SHEET AND WORKSHEET F-1 - STATEMENT OF REVENUES AND EXPENSES.

These worksheets are prepared from your accounting books and records. Additional worksheets may be submitted if necessary.

Complete all worksheets in the "F" series. Worksheets F and F-1 are completed by all providers. Cost reports that do not include the "F" series worksheets are considered incomplete and unacceptable.

4216.1 Worksheet F - Balance Sheet.--

Complete this worksheet based on your accounting books and records.

4216.2 Worksheet F-1 - Statement of Revenues and Expenses.--

Complete this worksheet based on your accounting books and records.

Line 31.50--COVID-19 PHE Funding.--Enter the aggregate revenue received for COVID-19 Public Health Emergency (PHE) funding including both Provider Relief Fund and Small Business Association Loan Forgiveness amounts.

This page is reserved for future use.

Form CMS-265-11 Worksheets

The following is a listing of the Form CMS-265-11 worksheets and page numbers.

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Wkst. A-2	42-308
Wkst. A-3	42-309
Wkst. A-4	42-310
<i>Wkst. A-7</i>	<i>42-310.1 - 42-310.2</i>
Wkst. B	42-311 - 42-312
Wkst. B-1	42-313 - 42-313.4
Wkst. C	42-314
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Wkst. E, Parts I & II	42-316
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ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
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ELECTRIBUC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 1 - RECORD SPECIFICATIONS

Table 1 specifies the standard record format to be used for electronic cost reporting. Each electronic cost report submission (file) has four types of records. The first group (type 1 records) contains information for identifying, processing, and resolving problems. The text used throughout the cost report for variable line labels (e.g., Worksheet A) and variable column headers (Worksheet B-1) is included in the type 2 records. Refer to Table 5 for cost center coding. The data detailed in Table 3 are identified as type 3 records. The encryption coding at the end of the file, records 1, 1.01, and 1.02, are type 4 records.

The medium for transferring ECR files to contractors is CD, flash drive, or the CMS-approved MCR eF portal, [URL: <https://mcref.cms.gov>]. ECR files must comply with CMS specifications. Providers must seek approval from their contractors regarding the method of submission to ensure that the method of transmission is acceptable.

The following are requirements for all records:

1. All alpha characters must be in upper case.
2. For micro systems, the end of record indicator must be a carriage return and line feed, in that sequence.
3. No record may exceed 60 characters.

Below is an example of a Type 1 record with a narrative description of its meaning.

1	2	3	4	5	6
12345678901	2345678901	2345678901	2345678901	2345678901	234567890
1	1	2725992011001	20113656A99P001	20121362011001	

Record #1: This is a cost report file submitted by Provider CCN 272599 for the period from January 1, 2011, (2011001) through December 31, 2011, (2011365). It is filed on Form CMS-265-11. It is prepared with vendor number A99's PC based system, version number 1. Position 38 changes with each new test case and/or approval and is an alpha character. Positions 39 and 40 remain constant for approvals issued after the first test case. This file is prepared by the ESRD facility on May 15, 2012 (2012136). The electronic cost report specification dated January 1, 2011, (2011001), is used to prepare this file.

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 1 - RECORD SPECIFICATIONS (Cont.)

FILE NAMING CONVENTION

Name each cost report ECR file in the following manner:
RDNNNNNN.YYL, where

1. RD (ESRD Electronic Cost Report) is constant;
2. NNNNNN is the 6-digit CMS Certification Number;
3. YY is the year in which the provider's cost reporting period ends; and
4. L is a character variable (A through Z) to enable separate identification of files from ESRD facilities with two or more cost reporting periods ending in the same calendar year.

Name each cost report PI file in the following manner: PINNNNNN.YYL, where

1. PI (Print Image) is constant;
2. NNNNNN is the 6-digit CMS Certification Number;
3. YY is the year in which the provider's cost reporting period ends; and
4. L is a character variable (A through Z) to enable separate identification of files from ESRD facilities with two or more cost reporting periods ending in the same calendar year.

RECORD NAME: Type 1 Records - Record Number 1

	<u>Size</u>	<u>Usage</u>	<u>Loc.</u>	<u>Remark</u>
1. Record Type	1	X	1	Constant "1"
2. For Future Use	10	9	2-11	Numeric only
3. Spaces	1	X	12	
4. Record Number	1	X	13	Constant "1"
5. Spaces	3	X	14-16	
6. ESRD Provider CCN	6	9	17-22	Field must have 6 numeric characters.
7. Fiscal Year Beginning Date	7	9	23-29	YYYYDDD - Julian date; first day covered by this cost report
8. Fiscal Year Ending Date	7	9	30-36	YYYYDDD - Julian date; last day covered by this cost report
9. MCR Version	1	X	37	Constant "6" (for FORM CMS-265-11)
10. Vendor Code	3	X	38-40	To be supplied upon approval. Refer to page 42-502.
11. Vendor Equipment	1	X	41	P = PC; M = Main Frame

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 1 - RECORD SPECIFICATIONS (Cont.)

RECORD NAME: Type 1 Records - Record Number 1 (Cont.)

	<u>Size</u>	<u>Usage</u>	<u>Loc.</u>	<u>Remark</u>
12. Version Number	3	X	42-44	Version of extract software, e.g., 001=1st, 002=2nd, etc. or 101=1st, 102=2nd. The version number must be incremented by 1 with each recompile and release to client(s).
13. Creation Date	7	9	45-51	YYYYDDD - Julian date; date on which the file was created (extracted from the cost report)
14. ECR Spec. Date	7	9	52-58	YYYYDDD - Julian date; date of electronic cost report specifications used in producing each file. Valid for cost reporting periods ending on or after 2021090 (March 31, 2021). Prior approvals: 2019031 for cost reporting periods ending on or after January 31, 2019; 2017365 for cost reporting periods ending on or after December 31, 2017; 2014090 for cost reports beginning on or after March 31, 2014; 2012275 for cost reports beginning on or after October 1, 2012; and 2011001 for cost reporting periods ending on or after January 1, 2011.

RECORD NAME: Type 1 Records - Record Numbers 2 through 99

	<u>Size</u>	<u>Usage</u>	<u>Loc.</u>	<u>Remark</u>
1. Record Type	1	9	1	Constant "1"
2. Spaces	10	X	2-11	
3. Record Number	2	9	12-13	#2 - Reserved for future use. #3 - Vendor information; optional; left justified in positions 21 through 60. #4 - The time that the cost report is created. This is represented in military time as alpha numeric. Use positions 21 through 25. Example 2:30 pm is expressed as 14:30. #5 through 99 - Reserved for future use.
4. Spaces	7	X	14-20	Spaces (optional)
5. ID Information	40	X	21-60	Left justified to position 21.

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 1 - RECORD SPECIFICATIONS (Cont.)

RECORD NAME: Type 2 Records for Labels

	<u>Size</u>	<u>Usage</u>	<u>Loc.</u>	<u>Remarks</u>
1. Record Type	1	9	1	Constant "2"
2. Wkst. Indicator	7	X	2-8	Alphanumeric. Refer to Table 2.
3. Spaces	2	X	9-10	
4. Line Number	3	9	11-13	Numeric
5. Sub-line Number	2	9	14-15	Numeric
6. Column Number	3	X	16-18	Alphanumeric
7. Sub-column Number	2	9	19-20	Numeric
8. Cost Center Code	4	9	21-24	Numeric. Refer to Table 5 for appropriate cost center codes.
9. Labels/Headings				
a. Line Labels	36	X	25-60	Alphanumeric, left justified
b. Column Headings Statistical Basis & Code	10	X	21-30	Alphanumeric, left justified

The type 2 records contain text that appears on the printed cost report. Of these, there are three groups: (1) Worksheet A cost center names (labels); (2) column headings for step-down entries; and (3) other text appearing in various places throughout the cost report.

A Worksheet A cost center label must be furnished for every cost center with cost or charge data anywhere in the cost report. The line and sub-line numbers for each label must be the same as the line and sub-line numbers of the corresponding cost center on Worksheet A. The columns and sub-column numbers are always set to zero.

Column headings for the General Service cost centers on Worksheets B and B-1 are supplied once. They consist of one to three records. Each statistical basis shown on Worksheet B-1 is also to be reported. The statistical basis consists of one or two records (lines 4-5). Statistical basis code is supplied only to Worksheet B-1 columns and is recorded as line 6. The statistical code must agree with the statistical bases indicated on lines 4 and 5, i.e., code 1 = square footage, code 2 = dollar value, and code 3 = all others. Refer to Table 2 for the special worksheet identifier to be used with column headings and statistical basis and to Table 3 for line and column references.

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 1 - RECORD SPECIFICATIONS (Cont.)

The following type 2 cost center descriptions are to be used for all Worksheet A standard cost center lines.

<u>Line</u>	<u>Description</u>
1	CAP REL COSTS-BLDG & FIXT
2	CAP REL COSTS-MVBLE EQUIP
3	OPERATION & MAINTENANCE OF PLANT
4	HOUSEKEEPING
6	CAP REL COSTS-RENAL DIALYSIS EQUIP
7	SALARIES FOR DIRECT PATIENT CARE
8	EH&W BENEFITS FOR DIRECT PT. CARE
9	SUPPLIES
<i>9.01</i>	<i>SUPPLIES-PEDIATRIC</i>
10	LABORATORY
11	ADMINISTRATIVE & GENERAL
12	DRUGS
13	INTEREST EXPENSE
14	LAUNDRY AND LINEN
15	MEDICAL RECORDS
16	PHY ROUT PROF SVCS-INITIAL METHOD
19	PHY ROUT PROF SVCS-MCP METHOD
20	WHOLE BLOOD & PACKED RED BLOOD CELLS
21	VACCINES
22	PHYSICIANS PRIVATE OFFICES
23	ESA'S
24	METHOD II PATIENTS

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
 TABLE 1 - RECORD SPECIFICATIONS (Cont.)

Type 2 records for Worksheet B-1, columns 2 through 13, for lines 1 through 6, are listed below. The numbers running vertical to line 1 descriptions are the general service cost center line designations.

LINE						
	1	2	3	4	5	6
2	CAP REL	OP & MAINT	& HOUSE	SQUARE	FEET	1
3	STEP DOWN	OF COL 2		# OF TREAT	MENTS	3
4	CAP REL	REN DIAL	EQUIP	% TIME		3
5	SALARIES	FOR DIR	PT CARE	HRS OF	SERVICE	3
6	EH&W BENE	FOR DIR	PT CARE	GROSS	SALARIES	3
7	SUPPLIES			CHARGES		3
7.01	<i>SUPPLIES-</i>	<i>PEDIATRIC</i>		<i>CHARGES</i>		<i>3</i>
8	LABORATORY			CHARGES		3
10	DRUGS			CHARGES		3
11	DRUGS	INCLD IN	COMP RATE	CHARGES		3
12	ESA'S			CHARGES		3
13	ESRD	REL DRUGS		CHARGES		3

Examples of type 2 records are below. Either zeros or spaces may be used in the line, sub-line, column, and sub-column number fields (positions 11 through 20). However, spaces are preferred. Refer to Tables 5 and 6 for additional cost center code requirements.

Examples:

Worksheet A line labels with embedded cost center codes:

2A000000	1	0100CAP REL COSTS-BLDG & FIXT
2A000000	2	0200CAP REL COSTS-MVBLE EQUIP
2A000000	12	1200DRUGS
2A000000	15	1500MEDICAL RECORDS
2A000000	19	1900PHY ROUT PRO SERVICES-MCP METHOD
2A000000	23	2300ESA'S

Examples of column headings for Worksheets B-1 and B; statistical bases used in cost allocation on Worksheet B-1; and statistical codes used for Worksheet B-1 (line 6) are displayed below.

2B10000*	1	2	CAP REL OP
2B10000*	2	2	OF MAINT
2B10000*	3	2	& HOUSE
2B10000*	4	2	SQUARE
2B10000*	5	2	FEET
2B10000*	6	2	1
2B10000*	1	3	CAP REL
2B10000*	2	3	REN DIAL
2B10000*	3	3	EQUIP
2B10000*	4	3	% TIME
2B10000*	6	3	3

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 1 - RECORD SPECIFICATIONS (Cont.)

RECORD NAME: Type 3 Records for Non-label Data

	<u>Size</u>	<u>Usage</u>	<u>Loc.</u>	<u>Remarks</u>
1. Record Type	1	9	1	Constant "3"
2. Wkst. Indicator	7	X	2-8	Alphanumeric. Refer to Table 2.
3. Spaces	2	X	9-10	
4. Line Number	3	9	11-13	Numeric
5. Sub-line Number	2	9	14-15	Numeric
6. Column Number	3	X	16-18	Alphanumeric
7. Sub-column Number	2	9	19-20	Numeric
8. Field Data				
a. Alpha Data	36	X	21-56	Left justified. (Y or N for yes/no answers; dates must use MM/DD/YYYY format - slashes, no hyphens.) Refer to Table 6 for additional requirements for alpha data.
b. Numeric Data	16	9	21-36	Right justified. May contain embedded decimal point. Leading zeros are suppressed; trailing zeros to the right of the decimal point are not. Positive values are presumed; no A+@ signs are allowed. Use leading minus to specify negative values. Express percentages as decimal equivalents, i.e., 8.75 percent is expressed as .087500. All records with zero values are dropped. Refer to Table 6 for additional requirements regarding numeric data.

Samples of type 3 records are below.

3A000000	11	1	36000
3A000000	15	2	12064
3A000000	19	1	144000

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 1 - RECORD SPECIFICATIONS (Cont.)

The line numbers are numeric. In several places throughout the cost report (see list below), the line numbers themselves are data. The placement of the line and sub-line numbers as data must be uniform.

Worksheet A-1, columns 3 and 6
Worksheet A-2, column 4
Worksheet A-3, Part B, column 1

Examples of records (*) with a Worksheet A line number as data are below.

	3A1000A0	1	0	EMP. HEALTH & WELFARE BENE	
	3A1000A0	1	A		
*	3A1000A0	1	3		8.00
	3A1000A0	1	4		61743
*	3A1000A0	1	6		11.00
	3A1000A0	1	7		82263
	3A1000A0	2	0	EMP HEALTH & WELFARE BENE	
	3A1000A0	2	1	A	
*	3A1000A0	2	3		19.00
	3A1000A0	2	4		20520
	3A200000	20	0	MISC INCOME	
	3A200000	20	1	B	
	3A200000	20	2		-106896
*	3A200000	20	4		21.00
*	3A30000B	1			10.00
	3A30000B	1	3	LABORATORY	
	3A30000B	1	4		18000
	3A30000B	1	5		23121

RECORD NAME: Type 4 Records - File Encryption

This type 4 record consists of 3 records: 1, 1.01, and 1.02. These records are created at the point in which the ECR file has been completed and saved to disk and insures the integrity of the file.

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 2 - WORKSHEET INDICATORS

This table contains the worksheet indicators that are used for electronic cost reporting. A worksheet indicator is provided for only those worksheets for which data are to be provided.

The worksheet indicator consists of seven digits in positions 2 through 8 of the record identifier. The first two digits of the worksheet indicator (positions 2 and 3 of the record identifier) always show the worksheet. The third digit of the worksheet indicator (position 4 of the record identifier) is always 0. For Worksheets A-1 and A-2, if there is a need for extra lines on multiple worksheets, the fifth and sixth digits of the worksheet indicator (positions 6 and 7 of the record identifier) identify the page number. The seventh digit of the worksheet indicator (position 8 of the record identifier) represents the worksheet or worksheet part.

Worksheets That Apply to the Independent Renal Dialysis Facility Cost Report

<u>Worksheet</u>	<u>Worksheet Indicator</u>	
S, Part I	S000001	
S, Part II	S000002	
S, Part III	S000003	
S-1	S100000	
S-2	S200000	
A	A000000	
A-1	A100?A0	(a)
A-2	A200000	
A-3, Part A	A30000A	
A-3, Part B	A30000B	
A-3, Part C	A30000C	
A-4, Part I	A400001	
A-4, Part II	A400002	
<i>A-7, Part I</i>	<i>A700001</i>	
<i>A-7, Part II</i>	<i>A700002</i>	
B-1 (For use in column headings)	B10000*	
B	B000000	
B-1	B100000	

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 2 - WORKSHEET INDICATORS (Cont.)

<u>Worksheet</u>	<u>Worksheet Indicator</u>
C	C000000
D	D000000
E, Part I	E000001
E, Part II	E000002
E-1, Part I	E100001
E-1, Part II	E100002
F	F000000
F-1	F100000

FOOTNOTES:

(a) Worksheet A-1

For Worksheet A-1, include the worksheet identifier reclassification code as the 5th and 6th digits (positions 6 and 7 in the ECR file). For example, 3A600?A0 or 3A6000A0.

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN
DESIGNATIONS

This table identifies those data elements necessary to calculate an ESRD cost report. It also identifies some figures from a completed cost report. These calculated fields (e.g., Worksheet B, column 8) are needed to verify the mathematical accuracy of the raw data elements and to isolate differences between the file submitted by the ESRD facility and the report produced by the contractor. Where an adjustment is made, that record must be present in the electronic data file. For explanations of the adjustments required, refer to the cost report instructions.

Table 3 "Usage" column is used to specify the format of each data item as follows:

9	Numeric, greater than or equal to zero.
-9	Numeric, may be either greater than, less than, or equal to zero.
9(x).9(y)	Numeric, greater than zero, with x or fewer significant digits to the left of the decimal point, a decimal point, and exactly y digits to the right of the decimal point.
X	Character.

Consistency in line numbering (and column numbering for general service cost centers) for each cost center is essential. The sequence of some cost centers does change among worksheets.

Table 3 refers to the data elements needed from a standard cost report. When a standard line is subscripted, the subscripted lines must be numbered sequentially with the first sub-line number displayed as "01" or "1" (with a space preceding the 1) in field locations 14-15. It is unacceptable to format in a series of 10, 20, or skip sub-line numbers (i.e., 01, 03), except for skipping sub-line numbers for prior year cost center(s) deleted in the current period or initially created cost center(s) no longer in existence after cost finding. Exceptions are specified in this manual. For Other (specify) lines, i.e., Worksheet settlement series, all subscripted lines should be in sequence and consecutively numbered beginning with subscripted line number 01. Automated systems should reorder these numbers where providers skip or delete a line in the series.

Drop all records with zero values from the file. Any record absent from a file is treated as if it were zero.

All numeric values are presumed positive. Leading minus signs may only appear in data with values less than zero that are specified in Table 3 with a usage of "-9". Amounts that are within preprinted parentheses on the worksheets, indicating the reduction of another number, are reported as positive values.

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN
DESIGNATIONS

<u>DESCRIPTION - Worksheet S</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Part I: Cost report Status				
Provider Use Only				
Electronically prepared cost report	1	1	1	X
Manually prepared cost report	2	1	1	X
If this is an amended report, enter the number of times the provider resubmitted this cost report = (0-9)	3	1	1	9
Creation Date (MM/DD/YYYY)	3	2	10	X
Creation Time (XX:XX:XX XX)	3	3	11	X
Contractor Use Only				
Cost Report Status	4	1	1	X
Date Received	5	1	10	X
Contractor Number	6	1	5	X
First Cost Report for Provider CCN	7	1	1	X
Last Cost Report for Provider CCN	8	1	1	X
NPR Date: (MM/DD/YYYY)	9	1	10	X
If line 4, column 1, is "4", enter number of times reopened = (0-9)	10	1	1	9
Enter the contractor's ADR vendor code	11	1	1	X
Medicare Utilization	12	1	1	X
Part II: General				
Name	1	1	36	X
Street	2	1	36	X
P.O. Box	2	2	9	X
City	3	1	36	X
State	3	2	2	X
ZIP Code	3	3	10	X
County	4	1	36	X
CBSA Code (XXXXXX)	4	2	5	X
Provider CCN (XXXXXXX)	5	1	6	X
Date Certified (MM/DD/YYYY)	6	1	10	X
Contact Person Name	7	1	36	X
Phone number (XXX-XXX-XXXX)	7	2	12	X

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN
DESIGNATIONS

<u>DESCRIPTION - Worksheet S (Cont.)</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Cost reporting period beginning date (MM/DD/YYYY)	8	1	10	X
Cost reporting period ending date (MM/DD/YYYY)	8	2	10	X
Type of control: (See Table 3B)	9	1	2	9
Other(Specify)	9	2	36	X
Is this facility approved as a low-volume facility for this cost reporting period? (Y/N)	10	1	1	X
Is this facility reporting no Medicare utilization for this cost reporting period? (Y/N)	10.01	1	1	X
Is this facility reporting low Medicare utilization for this cost reporting period? (Y/N)	10.02	1	1	X
Type of physicians' reimbursement: (See Table 3B)	11	1	1	9
Date of election of initial method (MM/DD/YYYY)	11	2	10	X
Was this facility previously certified as a hospital-based unit? (Y/N)	12	1	1	X
Did your facility elect 100 percent PPS effective January 1, 2011? (Y/N)	13	1	1	X
If you responded "N" to line 13, enter in col. 1 the year of transition for periods prior to January 1	14	1	1	X
And enter in col. 2 the year of transition for periods after December 31	14	2	1	X
Malpractice premiums	15	1	9	-9
Malpractice paid losses	16	1	9	-9
Malpractice self insurance	17	1	9	-9
Are malpractice premiums and/or paid losses reported in other than the A&G cost center? (Y/N)	18	1	1	X
If you are part of a chain organization enter "Y" for yes or "N" for no.	19	1	1	X

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN
DESIGNATIONS

DESCRIPTION - Worksheet S (Cont.)	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
If line 19 is "Y", enter the name:	20	1	36	X
Street	21	1	36	X
P.O. Box	21	2	9	X
City	22	1	36	X
State	22	2	2	X
ZIP code of the organization	22	3	10	X

Part III - Certification

Signature of chief financial officer or administrator	1	1	36	X
Checkbox (enter "Y" if electronic signature; otherwise, leave blank)	1	2	1	X
Printed Name	2	1	36	X
Title	3	1	36	X
Signature date (mm/dd/yyyy)	4	1	10	X

DESCRIPTION - Worksheet S-1	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
<u>Renal Dialysis Statistics</u>				
Number of treatments not billed to Medicare and furnished directly	1	1-4	11	99
Number of treatments not billed to Medicare and furnished under arrangement	2	1-4	11	99
Number of patients currently in dialysis program	3	1-4	11	9
Average time per week patient receives dialysis	4	1-4	5	9(2).99
Number of days in average week for patient dialysis treatments	5	1-4	4	9
Average time of patient dialysis treatment including set up time	6	1-4	5	9(2).99
Number of machines regularly available for use	7	1-4	11	9
Number of standby machines	8	1-4	11	9
Number of shifts in typical week during regular reporting period	9	1-4	11	9

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
 TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN
 DESIGNATIONS

<u>DESCRIPTION - Worksheet S-1 (Cont.)</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
<u>Renal Dialysis Statistics (Cont.)</u>				
Hours per shift in typical week during regular reporting period:				
First shift	10.01	1-4	9	9
Second shift	10.02	1-4	9	9
Third shift	10.03	1-4	9	9
Number of treatments provided:				
One (1) time per week	11.01	1-4	11	9
Two (2) times per week	11.02	1-4	11	9
Three (3) times per week	11.03	1-4	11	9
More than three (3) times per week	11.04	1-4	11	9
Total Treatments	11.05	1-4	11	9
Type of dialyzers used: (See Table 3C)	12	1	1	9
If dialyzers are reused, indicate the number of times	12	2	11	9
If other is selected, specify type	12	3	36	X
Number of back-up sessions furnished to home patients:				
CAPD	13	1	11	9
Other	13	2	11	9
CCPD	13	3	11	9
Number of units of epoetin furnished during cost reporting period	14	1	11	9
Number of units of Aranesp furnished during cost reporting period	15	1	11	9
ESA furnished during cost reporting period	15.01	1	36	X
Number of units of ESA furnished during cost reporting period	15.01	2	11	9
<u>Transplant Statistics:</u>				
Number of patients who are awaiting transplants	16	1	11	9
Number of patients who received transplants during this period	17	1	11	9
<u>Home Program:</u>				
Number of patients commencing home dialysis training during this period	18	1	11	9
Number of patients currently in home program	19	1	11	9
Types of dialyzers used: (See Table 3C)	20	1	1	9
If dialyzers are reused, indicate the number of times:	20	2	11	9
If other is selected, specify type	20	3	36	X
Number of hours in a normal work week	21	1	6	9(3).99

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN
DESIGNATIONS

<u>DESCRIPTION - Worksheet S-1 (Cont.)</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Text as needed for blank line	31	0	36	X
Number of full time equivalent employees				
Staff	22-35	1	6	9(3).99
Contract	22-35	2	6	9(3).99
Total	22-35	3	6	9(3).99

<u>DESCRIPTION - Worksheet S-2</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Provider Organization and Operation				
Has the Provider changed ownership immediately prior to the beginning of the cost reporting period?	1	1	1	X
If column 1 is "Y", enter the date of the change in column 2. (see instructions)	1	2	10	X
Has the provider terminated participation in the Medicare Program? (Y/N)	2	1	1	X
If column 1 is yes, enter in column 2 the date of termination	2	2	10	X
If column 1 (line 2) is yes, enter in column 3, "V" for voluntary or "I" for involuntary. (V/I)	2	3	1	X
Is the provider 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 provider or its officers, medical staff, management personnel, or members of the board of directors through ownership, control, or family and other similar relationships? (Y/N)	3	1	1	X

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN
DESIGNATIONS

<u>DESCRIPTION - Worksheet S-2 (Cont.)</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Financial Data and Reports				
Were the financial statements prepared by a Certified Public Accountant? (Y/N)	4	1	1	X
If column 1 is "Y" enter "A" for Audited, "C" for Compiled, or "R" for Reviewed in column 2.	4	2	1	X
Submit a complete copy, or enter date available in column 3. (see instructions) If column 1 is "N" see instructions.	4	3	10	X
Are the cost report total expenses and total revenues different from those on the filed financial statements? (Y/N)	5	1	1	X
Bad Debts				
Is the provider seeking reimbursement for bad debts? (Y/N)	6	1	1	X
If line 6 is "Y", did the provider's bad debt collection policy change during this cost reporting period? (Y/N)	7	1	1	X
If line 6 is "Y", are patient deductibles and or coinsurance waived? (Y/N)	8	1	1	X
PS&R Report Data				
Was the cost report prepared using the PS&R report only? (Y/N)	9	1	1	X
If column 1 is yes, enter paid through date of the PS&R report.	9	2	10	X
Was the cost report prepared using the PS&R for totals and the provider's records for allocation? (Y/N)	10	1	1	X
If column. 1 is "Y" enter the paid through date of the PS&R report used to prepare this cost report in column 2.	10	2	10	X
If line 9 or 10 is "Y", were adjustments made to PS&R data for additional claims that have been billed but are not included on the PS&R used to file this cost report? (Y/N)	11	1	1	X

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN
DESIGNATIONS

<u>DESCRIPTION - Worksheet S-2 (Cont.)</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
If line 9 or 10 is "Y", were adjustments made to PS&R data for corrections of other PS&R information? (Y/N)	12	1	1	X
If line 9 or 10 is "Y", were adjustments made to PS&R data for Other?(Y/N)	13	1	1	X
If line 13 is "Y", then describe the other adjustments.	13	0	36	X
Was the cost report prepared only using the provider's records? (Y/N) If yes, see instructions.	14	1	1	X
<u>DESCRIPTION - Worksheet A</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Physicians salaries by department	9-12, 14-17, 19-26	1	9	-9
Total physicians salaries	27	1	9	9
Other salaries by department	3-4, 6-12, 14-17, 20-26	2	9	-9
Total other salaries	27	2	9	9
Other direct costs by department	1-4, 6, 8-17, 19-26	3	9	-9
Total other direct costs	27	3	9	9
Net expenses for allocation by department	1-4, 6-17, 19-26	8	9	-9
Total expenses for allocation	27	8	9	9

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN
DESIGNATIONS

<u>DESCRIPTION - Worksheet A-1</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
For each expense reclassification:				
Explanation	1-99	0	36	X
Reclassification identification code	1-99	1	2	X
Increases:				
Worksheet A line number	1-99	3	6	9(3).99
Reclassification amount	1-99	4	9	9
Decreases:				
Worksheet A line number	1-99	6	6	9(3).99
Reclassification amount	1-99	7	9	9
Total Increases	100	4	9	9
Total Decreases	100	7	9	9
<u>DESCRIPTION - Worksheet A-2</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Description of adjustment	22-99	0	36	X
Basis (A or B)	1-6, 8-9, 11-15, 17, 19-99	1	1	X
Amount	1-6, 8-100	2	9	-9
Worksheet A line number	1-6, 8, 9, 11, 12, 21-99	4	6	9(3).99

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN
DESIGNATIONS

<u>DESCRIPTION - Worksheet A-3</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
<u>Part A</u> - Are there any related organization costs included on Worksheet A? (Y/N)	1	1	1	X
<u>Part B</u> - Costs incurred and adjustments required as a result of transactions with related organization(s):				
Worksheet A line number	1-4	1	6	9(3).99
Expense item(s)	1-4	3	36	X
Amount included in Worksheet A	1-4	4	9	-9
Amount allowable in reimbursable cost	1-4	5	9	-9
Total	5	4-6	9	-9
<u>Part C</u> - Interrelationship of facility to related organization(s):				
Type of interrelationship (A through G)	1-4	1	1	X
If type is G, specify description of relationship	1-4	0	36	X
Name of related individual or organization	1-4	2	36	X
Percentage of ownership	1-4	3	6	9(3).99
Name of related individual or organization	1-4	4	36	X
Percentage of ownership of provider	1-4	5	6	9(3).99
Type of business	1-4	6	36	X

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN
DESIGNATIONS

<u>DESCRIPTION - Worksheet A-4</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Part I - Owners Compensation				
Title	1-10	1	36	X
Function	1-10	2	36	X
Sole Proprietorships - Percentage of work week devoted to business	1-10	3	6	9(3).99
Partners				
Percent share of operating profit (loss)	1-10	4A	6	9(3).99
Percentage of work week devoted to business	1-10	4B	6	9(3).99
Corporation Owners				
Percent of provider's stock owned	1-10	5A	6	9(3).99
Percentage of work week devoted to business	1-10	5B	6	9(3).99
Total compensation included in allowable cost	1-10	6	11	9
Part II – Total Compensation Other Than Owners				
Title	1-10	1	36	X
Percentage of work week devoted to business	1-10	2	6	9(3).99
Total compensation	1-10	3	11	9

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS

<u>DESCRIPTION - Worksheet A-7</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
<i>Part I - Analysis of Capital Costs from Worksheet A, Lines 1 and 2 Summary of capital depreciation, lease, interest, insurance, taxes, and other capital related costs</i>	1-2	1-6	11	-9
<i>Part II - Analysis of Renal Dialysis Equipment Costs from Worksheet A, Line 6 Summary of capital depreciation and capital lease costs by renal dialysis equipment type</i>	1-2	1-8	11	-9

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE,
AND COLUMN DESIGNATIONS

<u>DESCRIPTION - Worksheet B and B-1</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Column heading (cost center name)	1-3 +	2-13	10	X
Statistical basis	4, 5 +	2-13	10	X

- + Refer to Table 1 for specifications and Table 2 for the worksheet identifier for column headings. There may be up to five type 2 records (3 for cost center name and 2 for the statistical basis) for each column. However, for any column that has less than five type 2 record entries, blank records or the word blank is not required to maximize each column record count.

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
 TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN DESIGNATIONS

<u>DESCRIPTION - Worksheet B</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Costs after cost finding by department	5-7, 8.01-8.03, 9.01-9.03, 10.01-10.02, 11.01-11.02, 12.01-12.02, 13.01-13.02, 14.01-14.02, 15.01-15.02, 16.01-16.02, 17.01-17.02, 19-22	13A	9	-9
Total costs after cost finding	23	13A	9	9
<u>DESCRIPTION - Worksheet B-1</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
All cost allocation statistics	2-22	2-8, 10-13	9	9
<u>DESCRIPTION - Worksheet C</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Total number of treatments	8.01-15.02, 18	1	11	9
Total CAPD patient weeks	16.01-16.02	1	11	9
Total CCPD patient weeks	17.01-17.02	2	11	9
Total provider treatments (informational only)	19	1	11	9
<u>DESCRIPTION - Worksheet D</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Total number of treatments	1-8,11	1	11	9
Total CAPD patient weeks	9	1	11	9
Total CCPD patient weeks	10	1	11	9
Number of treatments-Medicare	1-8, 11	4, 4.01, 4.02	11	9
CAPD patient weeks-Medicare	9	4, 4.01, 4.02	11	9
CCPD patient weeks-Medicare	10	4, 4.01, 4.02	11	9
Average Payment Rates	1-10	6, 6.01, 6.02	6	9(3).99
Total Payment Due	1-10	7, 7.01, 7.02, 8	11	9

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
 TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN
 DESIGNATIONS

<u>DESCRIPTION - Worksheet E, Part I</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Part I - Calculation of Reimbursable Bad Debts Title XVIII - Part B				
Total expenses related to care of Medicare beneficiaries	1	1	11	9
Total payment due net of Part B deductibles	2-2.03	1, 2	11	9
Outlier payments	3	1	11	9
Program payments (80 percent of line 2.03, column 2)	5	1	11	9
Amount of cost to be recovered from Medicare patients (line 1 minus line 5)	6	1	11	9
Deductibles & coinsurance billed to Medicare Part B patients	7-7.02	1, 2	11	9
Total deductibles & coinsurance billed to Medicare Part B patients for comparison	7.03	1	11	9
Bad debts for deductibles & coinsurance net of bad debt recoveries for services rendered prior to 1/1/2011	8	1, 2	11	9
Transition period 1 (75-25 percent) bad debts for deductibles & coinsurance net of bad debt recoveries for services on or after 1/1/2011 but before 1/1/2012	9	1, 2	11	9
Transition period 2 (50-50 percent) bad debts for deductibles & coinsurance net of bad debt recoveries for services on or after 1/1/2012 but before 1/1/2013	10	1, 2	11	9
Transition period 3 (25-75 percent) bad debts for deductibles & coinsurance net of bad debt recoveries for services on or after 1/1/2013 but before 1/1/2014	11	1, 2	11	9
100 percent PPS bad debts for deductibles & coinsurance net of bad debt recoveries for services rendered on or after 1/1/2014	12	1, 2	11	9
Total bad debts (sum of lines 8 through 12)	13	1, 2	11	9
Net deductibles and coinsurance billed to Medicare Part B patients	14	1, 2	11	9
Unrecovered from Medicare Part B patients	15	1, 2	11	9
Reimbursable bad debts	16	1	11	-9
Reimbursable bad debts for dual eligible beneficiaries	17	1	11	9
Sequestration adjustment amount	19	1	11	9
Balance due provider/(program)	20	1	11	-9

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN DESIGNATIONS

<u>DESCRIPTION - Worksheet E, Part II</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Reimbursable bad debts	16	1	11	-9
Reimbursable bad debts for dual eligible beneficiaries	17	1	11	9
Sequestration adjustment amount	19	1	11	9
Balance due provider/(program)	20	1	11	-9
Part II - Calculation of Facility Specific Composite Cost Percentage				
Total allowable expenses	1	1	9	9
Total composite costs	2	1	9	9
Facility specific composite cost percentage	3	1	9	9.9(6)
<u>DESCRIPTION - Worksheet E-1, Part I</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
TO BE COMPLETED BY CONTRACTOR				
Enter the date of the tentative payment from program to provider (mm/dd/yyyy)	1.01-1.49	1	10	X
Enter the amount of the tentative payment from program to provider	1.01-1.49	2	9	-9
Enter the date of the tentative payment from provider to program (mm/dd/yyyy)	1.50-1.98	1	10	X
Enter the amount of the tentative payment from provider to program	1.50-1.98	2	9	-9
Name of contractor	3	0	36	X
Contractor number	3	1	5	X
Date of NPR (mm/dd/yyyy)	3	2	10	X
<u>DESCRIPTION - Worksheet E-1, Part II</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
TO BE COMPLETED BY PROVIDER				
Low volume payment amount	4	1	9	9
<i>TDAPA</i>	<i>5</i>	<i>1</i>	<i>9</i>	<i>9</i>
<i>HDP A</i>	<i>6</i>	<i>1</i>	<i>9</i>	<i>9</i>
<i>TPNIES</i>	<i>7</i>	<i>1</i>	<i>9</i>	<i>9</i>

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
 TABLE 3 - LIST OF DATA ELEMENTS WITH WORKSHEET, LINE, AND COLUMN
 DESIGNATIONS

<u>DESCRIPTION - Worksheet F</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
For all ESRD (end stage renal disease) facilities (see note):				
Balance sheet account balances	1-10, 12-26, 28-31, 34-41, 43-47, 50, 51	1	9	-9
Other (specify)	47	0	36	X

NOTE: For contra accounts (reported on lines 6, 14, 16, 18, 20, 22, and 24), the usage is -9.

<u>DESCRIPTION - Worksheet F-1</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Total patient revenues	1	1	9	9
Allowances and discounts on patients' accounts	2	1	9	9
Blank lines (specify)	5-10, 11-16	0	36	X
Increases to operating expenses reported on Worksheet A	5-10	1	9	9
Decreases to operating expenses reported on Worksheet A	11-16	1	9	9
Other revenues	19-31	1	9	9
Blank lines (specify)	27-31	0	36	X
COVID-19 PHE funding	31.50	1	9	9
Net income or (loss) for the period	33	2	9	9

<u>DESCRIPTION - Worksheet F-1</u>	<u>LINE(S)</u>	<u>COLUMN(S)</u>	<u>FIELD SIZE</u>	<u>USAGE</u>
Total patient revenues	1	1	9	9

TABLE 3A - WORKSHEETS REQUIRING NO INPUT

Worksheet B

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 3B - TABLES TO WORKSHEET S

<u>Type of Control</u>	<u>Type of Reimbursement</u>	<u>Transition Period</u>
1 = Voluntary Non Profit, Corporation	1 = Initial Method	1 = FYE 12/31/2011
2 = Voluntary Non Profit, Other	2 = MCP Method	2 = FYE 12/31/2012
3 = Proprietary, Individual		3 = FYE 12/31/2013
4 = Proprietary, Corporation		4 = FYE 12/31/2014
5 = Proprietary, Partnership		
6 = Proprietary, Other	<u>Cost Report Status</u>	
7 = Government, Federal	1 = As Submitted	
8 = Government, State	2 = Settled without Audit	
9 = Government, County	3 = Settled with Audit	
10 = Government, City	4 = Reopened	
11 = Government, Other	5 = Amended	

TABLE 3C - TABLES TO WORKSHEET S-1

Type of Dialyzers Used

1 = Hollow Fiber	3 = Coil
2 = Parallel Plate	4 = Other

TABLE 3D - LINES THAT CANNOT BE SUBSCRIBED
(BEYOND THOSE PREPRINTED)

<u>Worksheet</u>	<u>Lines</u>
S, Parts I, II, & III	All
S-1	1-14, 16-30, 32-35
S-2	1-14
A	1-16, 18-25, 27
A-1	All
A-2	1-21, 100
A-3, Part A	All
A-3, Part B	1-3, 5
A-3, Part C	1-3
A-4, Part I	1-9
A-4, Part II	1-9
<i>A-7, Part I</i>	<i>1-3</i>
<i>A-7, Part II</i>	<i>1-3</i>
B	1-20, 23
B-1	1-20, 23-25
C	All
D	1-8
E, Parts I & II	All
E-1, Parts I & II	1.01-1.03, 1.50-1.52, 2-7
F	All
F-1	1-4, 17-27, 32-33

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 5 - COST CENTER CODING

INSTRUCTIONS FOR PROGRAMMERS

Cost center coding is required because there are thousands of unique cost center names in use by providers. Many of these names are peculiar to the reporting provider and give no hint as to the actual function being reported. Using codes to standardize meanings makes practical data analysis possible. The method to accomplish this must be rigidly controlled to assure accuracy.

For any added cost center names (the preprinted cost center labels must be pre-coded), preparers must be presented with the allowable choices for that line or range of lines from the lists of standard and nonstandard descriptions. They then select a description that best matches their added label. The code associated with the matching description, including increments due to choosing the same description more than once, will then be appended to the user's label by the software.

Additional guidelines are:

- Do not allow any pre-existing codes for the line to be carried over.
- Do not pre-code all "Other" lines.
- For cost centers, the order of choice must be standard first, then specific nonstandard, and finally the nonstandard "Other . . ."
- For the nonstandard "Other . . .", prompt the preparers with, "Is this the most appropriate choice?," and then offer the chance to answer yes or to select another description.
- Allow the preparers to invoke the cost center coding process again to make corrections.
- For the preparers' review, provide a separate printed list showing their added cost center names on the left with the chosen standard or nonstandard descriptions and codes on the right.
- On the screen next to the description, display the number of times the description can be selected on a given report, decreasing this number with each usage to show how many remain. The numbers are shown on the cost center tables.
- Do not change standard cost center lines, descriptions and codes. The acceptable formats for these items are listed on page 42-524 of the Standard Cost Center Descriptions and Codes. The proper line number is the first two digits of the cost center code.

INSTRUCTIONS FOR PREPARERS

Coding of Cost Center Labels

Cost center coding standardized the meaning of cost center labels used by health care providers on the Medicare cost reporting forms. The use of this coding methodology allows providers to continue to use their labels for cost centers that have meaning within the individual institution.

The four digit codes that are required to be associated with each label provide standardized meaning for data analysis. Normally, it is necessary to code only added labels because the preprinted standard labels are automatically coded by CMS-approved cost report software.

Additional cost center descriptions have been identified. These additional descriptions are hereafter referred to as the nonstandard labels. Included with the nonstandard descriptions is an "Other . . ." designation to provide for situations where no match in meaning can be found. Refer to Worksheet A, line 17, 25 or 26.

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 5 - COST CENTER CODING

Both the standard and nonstandard cost center descriptions along with their cost center codes are shown on Table 5. The "use" column on that table indicates the number of times that a given code can be used on one cost report. You are required to compare your added label to the descriptions shown on the standard and nonstandard tables for purposes of selecting a code. Most CMS-approved software provides an automated process to present you with the allowable choices for the line/column being coded and automatically associates the code for the selected matching description with your label.

Additional Guidelines

Categories

Make a selection from the proper category such as general service description for general service lines, nonreimbursable cost center descriptions for nonreimbursable cost center lines, etc.

Use of a Cost Center Coding Description More Than Once

Often a description from the "standard" or "nonstandard" tables applies to more than one of the labels being added or changed by the preparer. In the past, it was necessary to determine which code was to be used and then increment the code number upwards by one for each subsequent use. This was done to provide a unique code for each cost center label. Now, most approved software associate the proper code, including increments as required, once a matching description is selected. Remember to use your label. You are matching to CMS' description only for coding purposes.

Cost Center Coding and Line Restrictions

Use cost center codes only in designated lines in accordance with the classification of cost center(s), e.g., lines 22 through 26 may only contain cost center codes within the nonreimbursable services cost center category of both standard and nonstandard coding. Refer to Table 1 for Type 2 cost center descriptions.

STANDARD COST CENTER DESCRIPTIONS AND CODES

	<u>CODE</u>	<u>USE</u>
GENERAL SERVICE COST CENTERS		
Capital Related - Buildings and Fixtures	0100	(01)
Capital Related - Movable Equipment	0200	(01)
Operation and Maintenance of Plant	0300	(01)
Housekeeping	0400	(01)
Cap Rel Costs-Renal Dialysis Equip	0600	(01)
Salaries for Direct Patient Care	0700	(01)
Emp. Health & Welfare Benefits for Direct Patient Care	0800	(01)
Supplies	0900	(01)
<i>Supplies-Pediatric</i>	<i>0901</i>	<i>(01)</i>

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 5 - COST CENTER CODING

STANDARD COST CENTER DESCRIPTIONS AND CODES (Cont.)

Laboratory	1000	(01)
Administrative and General	1100	(01)
Drugs	1200	(01)
Interest Expense	1300	(01)
Laundry and Linen	1400	(01)
Medical Records	1500	(01)
Physicians' Routine Professional Services-Initial Method	1600	(01)
Physicians' Routine Professional Services-MCP Method	1900	(01)
Whole Blood & Packed Red Blood Cells	2000	(01)
Vaccines	2100	(01)
NON REIMBURSABLE COST CENTER		
Physicians' Private Offices	2200	(01)
ESA'S prior to 1/1/2011	2300	(01)
Method II Patients (Direct Dealing)	2400	(01)

NONSTANDARD COST CENTER DESCRIPTIONS AND CODES

	<u>CODE</u>	<u>USE</u>
GENERAL SERVICE COST CENTERS		
Other	1700	(10)
NONREIMBURSABLE COST CENTERS		
Other Nonreimbursable	2500	(01)
Other Nonreimbursable	2600	(10)

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 6 - EDITS

Medicare cost reports submitted electronically are subjected to various edits, which are divided into two categories: level 1 and level 2. These include mathematical accuracy edits, certain minimum file requirements, and other data edits. Any vendor software that produces an electronic cost report file for Medicare ESRD must automate all of these edits. Failure to properly implement these edits may result in the suspension of a vendor's system certification until corrective action is taken. The vendor's software should provide meaningful error messages to notify the ESRD of the cause of every exception. The edit message generated by the vendor systems must contain the related 4 digit and 1 alpha character, where indicated, reject/edit code specified below. Any file containing a level 1 edit will be rejected by your contractor without exception.

Level 1 edits (1000 series reject codes) test that the file conforms to processing specifications, identifying error conditions that would result in a cost report rejection. These edits also test for the presence of some critical data elements specified in Table 3. Level 2 edits (2000 series edit codes) identify potential inconsistencies and/or missing data items that may have exceptions and should not automatically cause a cost report rejection. Resolve these items and submit appropriate worksheets and/or data supporting the exceptions with the cost report. Failure to submit the appropriate data with your cost report may result in payments being withheld pending resolution of the issue(s).

The vendor requirements (above) and the edits (below) reduce contractor processing time and unnecessary rejections. Vendors should develop their programs to prevent their client ESRD facilities from generating either a hard copy substitute cost report or electronic cost report file where level 1 edits exist. Ample warnings should be given to the provider where level 2 edit conditions are violated.

NOTE: Dates in brackets [] at the end of an edit indicate the effective date of that edit for cost reporting periods ending on or after that date. Dates followed by a "b" are for cost reporting periods beginning on or after the specified date. Dates followed by an "s" are for services rendered on or after the specified date unless otherwise noted. [10/31/2000]

I. Level 1 Edits (Minimum File Requirements)

<u>Edit</u>	<u>Condition</u>
1000	The first digit of every record must be either 1, 2, 3, or 4 (encryption code only). [01/01/2011]
1005	No record may exceed 60 characters. [01/01/2011]
1010	All alpha characters must be in upper case. This is exclusive of the encryption code, type 4 record, record numbers 1, 1.01, and 1.02. [01/01/2011]
1015	For micro systems, the end of record indicator must be a carriage return and line feed, in that sequence. [01/01/2011]
1020	The independent renal dialysis facility provider number (record #1, positions 17 through 22) must be valid and numeric. [01/01/2011]
1025	All dates (record #1, positions 23 through 29, 30 through 36, 45 through 51, and 52 through 58) must be in Julian format and legitimate. [01/01/2011]

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 6 - EDITS

I. Level 1 Edits (Minimum File Requirements) (Cont.)

<u>Edit</u>	<u>Condition</u>
1030	The fiscal year beginning date (record #1, positions 23 through 29) must be less than the fiscal year ending date (record #1, positions 30 through 36). [01/01/2011]
1035	The vendor code (record #1, positions 38 through 40) must be a valid code. [01/01/2011]
1050	The type 1 record #1 must be correct and the first record in the file. [01/01/2011]
1055	All record identifiers (positions 1 through 20) must be unique. [01/01/2011]
1060	Only a Y or N is valid for fields that require a Yes/No response. [01/01/2011]
1075	Cost center integrity must be maintained throughout the cost report. For subscribed lines, the relative position must be consistent throughout the cost report. [01/01/2011]
1080	For every line used on Worksheet A, there must be a corresponding type 2 record. [01/01/2011]
1090	Fields requiring numeric data (charges, treatments, costs, FTEs, etc.) may not contain any alpha character. [01/01/2011]
1100	In all cases where the file includes both a total and the parts that comprise that total, each total must equal the sum of its parts. [01/01/2011]
1110	Numeric fields cannot exceed 11 positions. [06/30/2018]
1005S	The cost reporting period ending date (Worksheet S, Part II, column 2, line 8) must be on or after January 1, 2011. [01/01/2011]
1010S	The cost reporting period beginning date (Worksheet S, Part II, column 1, line 8) must precede the cost reporting period ending date (Worksheet S, Part II, column 2, line 8). [01/01/2011]
1015S	The independent renal dialysis facility name, address, city, State, ZIP code, provider CCN, certification date, county and CBSA (Worksheet S, Part II, line 1, column 1; line 2, column 1; line 3, columns 1, 2, and 3; line 4, columns 1 and 2; and lines 5 and 6, column 1) must be present and valid. [01/01/2011]
1019S	Worksheet S, Part III, line 1, column 2, must be either "Y" or blank; lines 2 and 3, column 1, must have entries; and line 4, column 1, must have a date on or after the fiscal year ending date (Worksheet S, Part II, line 8, column 2). Do not apply this edit if Worksheet S, Part I, line 4, is 2, 3, or 4. [03/31/2021]
1020S	The type of control (Worksheet S, Part II, line 9, column 1) must be present and a valid code of 1 through 11. If code 2, 6, or 11 is entered, there must be an entry in column 2. [01/01/2011]
1021S	If Worksheet S-1, column 2, line 11.05, is greater than zero, Worksheet C, column 1, sum of lines 9.01 and 9.02, must be greater than zero. [12/31/2015]

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 6 - EDITS

I. Level 1 Edits (Minimum File Requirements) (Cont.)

<u>Edit</u>	<u>Condition</u>
1022S	If Worksheet S-1, column 1, line 14 or 15, or column 2, line 15.01 (including all subscripted lines of line 15.01), is greater than zero, then Worksheet A, column 8, line 12, must be greater than zero. [01/01/2011]
1023S	For cost reporting periods ending after December 31, 2012, Worksheet S-1, lines 14 and 15, must be blank. [01/01/2013]
1024S	For cost reporting periods ending after December 31, 2012, if Worksheet A, column 8, line 12, is greater than zero, Worksheet S-1, column 2, line 15.01, and its subscripts, must be greater than zero. Do not apply this edit to cost reporting periods ending on or after December 31, 2019. [01/01/2013]
1025S	The independent renal dialysis total number of hours per work week must be greater than zero (0) (Worksheet S-1, line 21, column 1). [01/01/2011]
1026S	For cost reporting periods ending on or after December 31, 2019, if Worksheet B-1, column 10, line 3, is greater than zero, Worksheet S-1, column 2, line 15.01, and its subscripts, must be greater than zero. [12/31/2019]
1030S	The total number FTEs for Social Workers must be greater than zero (0) (Worksheet S-1, line 27, sum of columns 1 and 2). [01/01/2011]
1035S	Worksheet S-2 must have a response in every ECR file for: Column 1: lines 1 through 6, 9, 10, and 14. If line 1, column 1 = "Y", then line 1, column 2, must be present. If line 2, column 1 = "Y", then line 2, columns 2 and 3, must be present. If line 4, column 1 = "Y", then line 4, column 2, must be present. If line 6 = "Y", then lines 7 and 8 must be present. If line 9, column 1 = "Y", then line 9, column 2, must be present. If line 10, column 1 = "Y", then line 10, column 2, must be present. If lines 9 or 10, column 1 = "Y", then line 11 must be present. If lines 9 or 10, column 1 = "Y", then line 12 must be present. If lines 9 or 10, column 1 = "Y", then line 13 must be present. [12/31/2015]
1000A	All amounts reported on Worksheet A, columns 1 through 3, line 27, must be greater than or equal to zero. [01/01/2011]
1005A	For cost reporting periods beginning on or after January 1, 2011, Worksheet A, column 8, line 23, must be zero. [01/01/2011b]
1020A	For reclassifications reported on Worksheet A-1 the sum of all increases (column 4) must equal the sum of all decreases (column 7). [01/01/2011]
1025A	For each line on Worksheet A-1, if there is an entry in columns 3, 4, 6, or 7, there must be an entry in column 1. There must be an entry on each line of column 4 for each entry in column 3 (and vice versa), and there must be an entry on each line of column 7 for each entry in column 6 (and vice versa). [01/01/2011]

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 6 - EDITS

I. Level 1 Edits (Minimum File Requirements) (Cont.)

<u>Edit</u>	<u>Condition</u>
1040A	For Worksheet A-2 adjustments on lines 1 through 6, and 8 through 21, if there is an amount in column 2, there must be an entry in columns 1 and 4, and if any of lines 22 through 99, and subscripts, has an entry in column 2, then all columns 0, 1, 2, and 4, must have entries. Only valid line numbers may be used in column 4. [01/01/2011]
1044A	If Worksheet S, Part II, line 19, is "Y", then Worksheet S-2, line 3, must be "Y", and Worksheet A-3, Part A, line 1, must be "Y". If Worksheet A-3, Part A, line 1, is "Y", then Worksheet S-2, line 3, must be "Y", and vice versa. [01/31/2019]
1045A	If there are any transactions with related organizations or home offices as defined in CMS Pub. 15-1, chapter 10 (Worksheet A-3, Part A, column 1, line 1, is "Y"), Worksheet A-3, Part B, columns 4 or 5, sum of lines 1 through 4, must be greater than zero; and Part C, column 1, any one of lines 1 through 4, must contain any one of alpha characters A through G. Conversely, if Worksheet A-3, Part A, column 1, line 1, is "N", Worksheet A-3, Parts B and C, must not be completed. [01/01/2011]
<i>1050A</i>	<i>Worksheet A-7, Part I, line 3, column 7, must equal the sum of Worksheet A, line 1, column 8, plus Worksheet A, line 2, column 8. [01/01/2022b]</i>
<i>1055A</i>	<i>Worksheet A-7, Part II, line 3, column 9, must equal Worksheet A, line 6, column 8. [01/01/2022b]</i>
1000B	On Worksheet B-1, all statistical amounts must be greater than or equal to zero. [04/01/2005]
1005B	For each overhead cost center with a net expense for cost allocation greater than zero (Worksheet A, column 8, lines 1 through 4 and 6 through 12,), the corresponding total cost allocation statistics (Worksheet B-1, columns 2 through 13, sum of lines 2 through 22) must also be greater than zero. Exclude from this edit any column that uses accumulated cost as its basis for allocation and any reconciliation column. [01/01/2011]
1010B	Worksheet B, columns 11A and 13A, line 23, must be greater than zero. [01/01/2011]
1020B	If Worksheet A, line 12, is greater than zero, Worksheet B-1, column 10, sum of lines 2 through 5, must be greater than zero. [12/31/2015]
1025B	If Worksheet S-1, column 2, line 15.01, and its subscripts, are greater than zero, Worksheet B-1, column 10, line 3, must be greater than zero. [12/31/2015]
1030B	If Worksheet B-1, column 10, line 2, is zero then Worksheet B-1, column 11, line 23, must be zero. [12/31/2015]
1031B	If Worksheet B-1, column 10, line 3, is zero then Worksheet B-1, column 12, line 23, must be zero. [12/31/2015]
1032B	If Worksheet B-1, column 10, line 4, is zero then Worksheet B-1, column 13, line 23, must be zero. [12/31/2015]

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 6 - EDITS

I. Level 1 Edits (Minimum File Requirements) (Cont.)

<u>Edit</u>	<u>Condition</u>																						
1000C	For each line on Worksheet C (lines 8.01 through 17.02), if column 1 is greater than zero, then Worksheet C, column 2, for that line must also be greater than zero, and vice versa. [01/01/2011]																						
1010C	Total treatments on Worksheet C, column 1, must equal total treatments on Worksheet D, column 1, as noted below. [01/01/2011]																						
	<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>Worksheet C</u></th> <th style="text-align: left;"><u>Worksheet D</u></th> </tr> </thead> <tbody> <tr> <td>Sum of lines 8.01, 8.02, and 8.03</td> <td>Line 1</td> </tr> <tr> <td>Sum of lines 9.01, 9.02, and 9.03</td> <td>Line 2</td> </tr> <tr> <td>Line 10.01 plus line 10.02</td> <td>Line 3</td> </tr> <tr> <td>Line 11.01 plus line 11.02</td> <td>Line 4</td> </tr> <tr> <td>Line 12.01 plus line 12.02</td> <td>Line 5</td> </tr> <tr> <td>Line 13.01 plus line 13.02</td> <td>Line 6</td> </tr> <tr> <td>Line 14.01 plus line 14.02</td> <td>Line 7</td> </tr> <tr> <td>Line 15.01 plus line 15.02</td> <td>Line 8</td> </tr> <tr> <td>Line 16.01 plus line 16.02</td> <td>Line 9</td> </tr> <tr> <td>Line 17.01 plus line 17.02</td> <td>Line 10</td> </tr> </tbody> </table>	<u>Worksheet C</u>	<u>Worksheet D</u>	Sum of lines 8.01, 8.02, and 8.03	Line 1	Sum of lines 9.01, 9.02, and 9.03	Line 2	Line 10.01 plus line 10.02	Line 3	Line 11.01 plus line 11.02	Line 4	Line 12.01 plus line 12.02	Line 5	Line 13.01 plus line 13.02	Line 6	Line 14.01 plus line 14.02	Line 7	Line 15.01 plus line 15.02	Line 8	Line 16.01 plus line 16.02	Line 9	Line 17.01 plus line 17.02	Line 10
<u>Worksheet C</u>	<u>Worksheet D</u>																						
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1000D	Worksheet D, column 1, lines 9, 10, or 11, must be greater than zero. [01/01/2011]																						
1010D	For each line on Worksheet D, the sum of columns 4, 4.01, and 4.02, must be less than or equal to the total in column 1 for the same line. [01/01/2011]																						
1000E	Worksheet E, Part I, line 1, must be greater than zero when the sum of Worksheet D, line 11, columns 4, 4.01, and 4.02, is greater than 0. [01/01/2011]																						
1010E	For Worksheet E, Part I, column 1, line 2.03, must be greater than zero and less than or equal to Worksheet D, column 8, line 11. Do not apply this edit if Worksheet S, Part II, line 10.01, is Y. [01/01/2011]																						
1015E	Worksheet E, Part II, line 1, must be greater than or equal to line 2. [01/01/2011]																						
1020E	Worksheet E, Part II, line 3, must be less than or equal to 1. [12/31/2015]																						

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 6 - EDITS

II. Level 2 Edits (Potential Rejection Errors)

These conditions are usually, but not always, incorrect. These edit errors should be cleared when possible through the cost report. When corrections on the cost report are not feasible, provide additional information in schedules, note form, or any other manner as may be required by your contractor. Failure to clear these errors in a timely fashion, as determined by your contractor, may be grounds for withholding payments.

<u>Edit</u>	<u>Condition</u>
2000	All type 3 records with numeric fields and a positive usage must have values equal to or greater than zero (supporting documentation may be required for negative amounts). [01/01/2011]
2005	Only elements set forth in Table 3, with subscripts as appropriate, are required in the file. [01/01/2011]
2010	The cost center codes (positions 21 through 24) (type 2 records) must be a code from Table 5, and each cost center code must be unique. [01/01/2011]
2015	Standard cost center lines, descriptions, and codes should not be changed. (See Table 5.) This edit applies to the standard line only and not subscripts of that code. [01/01/2011]
2020	All standard cost center codes must be entered on the designated standard cost center line and subscripts thereof as indicated in Table 5. [01/01/2011]
2025	Only nonstandard cost center codes within a cost center category may be placed on standard cost center lines of that cost center category. [01/01/2011]

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 6 - EDITS

II. Level 2 Edits (Potential Rejection Errors) (Cont.)

<u>Edit</u>	<u>Condition</u>																																																																					
2030	The standard cost centers listed below must be reported on the lines as indicated and the corresponding cost center codes may only appear on the lines as indicated. No other cost center codes may be placed on these lines or subscripts of these lines, unless indicated herein. [01/01/2011]																																																																					
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2035	The administrative and general standard cost center code (1100) may appear only on line 11. [01/01/2011]																																																																					
2040	All calendar format dates must be edited for 10 character format, e.g., 01/01/2011 (MM/DD/YYYY). [01/01/2011]																																																																					
2045	All dates must be possible, e.g., no "00", no "30" or "31" in February. [01/01/2011]																																																																					
2005S	If the response on Worksheet S, Part II, line 10, is "Y", the total treatments on Worksheet C, column 1, line 19, must be less than 4000. [01/01/2011]																																																																					
2010S	If the response on Worksheet S, Part II, line 10, is "Y", effective for cost reporting periods that overlap 1/1/2012, there should be an amount on Worksheet E-1, Part II, line 4, and vice versa. [01/01/2012s].																																																																					
2015S	The independent renal dialysis facility certification date (Worksheet S, column 1, line 6) should be on or before the cost report beginning date (Worksheet S, column 1, line 8). [01/01/2011]																																																																					

ELECTRONIC REPORTING SPECIFICATIONS FOR FORM CMS-265-11
TABLE 6 - EDITS

II. Level 2 Edits (Potential Rejection Errors) (Cont.)

<u>Edit</u>	<u>Condition</u>
2020S	The length of the cost reporting period should be greater than 27 days and less than 459 days. [01/01/2011]
2100S	The following statistics from Worksheet S-1, should be greater than zero: a. Total treatments for the independent renal dialysis facility (columns 1 through 4, line 11.05) [01/01/2011]
2000A	Worksheet A-1, column 1 (reclassification code), must be alpha characters. [01/01/2011]
2020A	Worksheet A-3, Part A, must contain a "Y" or "N" response. [01/01/2011]
2025A	For each cost center identified on Worksheet A-3, column 1, the corresponding amount on Worksheet A-3, column 5, must be less than or equal to the corresponding cost center on Worksheet A, column 6. [12/31/2015]
2000B	At least one cost center description (lines 1 through 3), at least one statistical basis label (lines 4 through 5), and one statistical basis code (line 6) must be present for each general service cost center. This edit applies to all general service cost centers required and/or listed. [01/01/2011]
2005B	The column numbering among these worksheets must be consistent. For example, data in capital related costs - buildings and fixtures is identified as coming from column 1 on all applicable worksheets. [01/01/2011]
2000F	Total assets on Worksheet F (line 33) must equal total liabilities and fund balances (line 51). [01/01/2013b]
2010F	Net income or loss (Worksheet F-1, column 2, line 33) should not equal zero. [01/01/2013b]

NOTE: CMS reserves the right to require additional edits to correct deficiencies that become evident after processing the data commences and, as needed, to meet user requirements.