

Comment Summaries and Responses for Form CMS 2540-23 60-day Comments

No.	Summary	Response
1	One commenter suggested that CMS revise the header on Worksheet S, Part II, line 1, column 2 from "Checkbox" to "Y/Blank" since those are the two response options available.	CMS appreciates the commenter's recommendation to revise the header on Worksheet S, Part II, line 1, column 2. While we agree the only entries are Y or blank, CMS refers to the checkbox in regulation at 42 CFR 413.24(f)(4)(iv)(C)(1); therefore, we will continue to consistently refer to this box in all cost report packages as checkbox until the regulations are updated.
2	The commenter supports the elimination of SNF-based CMHCs, FQHCs and RHCs but is concerned about problems arising in MCR eF when a component is certified as SNF-based.	CMS appreciates the commenter's support of the elimination of SNF-based worksheet series for CMHC, FQHC and RHC. CMS is working closely with OFM and the various policy areas to ensure there are no existing conflicts. Additionally, CMS will no longer designate an RHC, FQHC or CMHC as SNF based.
3	One commenter noticed there is no re-initialization of the line numbers on Worksheet S-2, Part II which is inconsistent with other forms.	CMS acknowledges the commenter's observation about the lack of reinitialization of the line numbers on Worksheet S-2, Part II. We will no longer separate the worksheet into parts and will just refer to it as W/S S-2.
4	One commenter asked CMS to consider using separate columns to identify related organization salaries verses Home Office/Chain Organization salaries instead of using column 3 on Worksheet A to report both types of salaries.	CMS appreciates the commenter's suggestion to use separate columns to break-out related organization salary expense and Home Office/Chain Organization salary expense on Worksheet A instead of using column 3 to report both types of salary expense. To remove confusion and uncertainty of column 3 achieving our intentions we have removed column 3 and renumbered the columns on Worksheet A. All HO/CO costs must continue to be reported on Worksheet A-8-1.
5	One commenter noticed Line 73 on Worksheet A is used to accumulate costs for SNF-based CORFs, OPTs, OOTs or OSPs even though these provider-based components are no longer supported on the Form 2540-23.	CMS acknowledges the commenter's observation of the instructions for Worksheet A, Line 73. This line will remain on the cost report to accumulate the direct costs associated with outpatient rehabilitation as noted in the instructions. This is to ensure proper allocation of general services costs to the various outpatient rehabilitation units.
6	One commenter supports the revisions to Worksheet A-8-1 and believes there will be less confusion between Part I and Part II with	CMS appreciates the commenter's support for the revisions to Worksheet A-8-1, Part I and Part II.

	the addition of column 4 to Part I of the worksheet. Additionally, they feel that the new column 5 on Part II of the worksheet will help identify home office costs.	
7	One commenter noticed Worksheet A and A-6 separately identify salary amounts versus other costs while the Worksheet A-8 and A-8-1 do not have this breakout. The commenter feels the same breakout between salary and other cost on Worksheet A-8 and A-8-1 would help automate Worksheet B-1 salary statistics and wage index information.	CMS appreciates the commenter's suggestion to include a breakout between salary and other costs on Worksheet A-8 and A-8-1 as is currently proposed on Worksheet A and A-6. CMS may consider the commenter's suggestion in a future iteration of the cost report; however, sees less of a need for such specificity in a SNF as opposed to a hospital.
8	The commenter appreciates the addition of Worksheet C-6 to support the reclassification of charges from the working trial balance. They also believe the addition of Worksheet C-8 would be beneficial to cost report stakeholders.	CMS acknowledges the commenter's support for the new Worksheet C-6 to support the reclassification of charges from the working trial balance. CMS appreciates the recommendation of including a Worksheet C-8 to support adjustments to charges and may consider the suggestion in a future iteration of the cost report.
9	One commenter believes the term Fund Balances is not applicable for the SNF cost report and suggests using equity or net assets instead as many nursing homes are for profit/non-governmental entities.	CMS acknowledges the commenter's input on the term Fund Balances on the Worksheet G. CMS may consider the commenter's recommendation in a future iteration.
10	One commenter question's why CMS is including a line on Worksheet G-3 for PHE funding and suggests this line could be addressed instructionally.	CMS appreciates the commenter's question about the line on Worksheet G-3 for PHE funding. Line 25 will remain on Worksheet G-3 to ensure providers can include amounts applicable to PHE funding.
11	The commenter requested clarity about whether utilization review cost on Worksheet E, Part A is reimbursable or not. They suggested using the Other Adjustment line to address this uncommon cost.	CMS acknowledges the commenter's inquiry about utilization review cost on Worksheet E, Part A. Although the dedicated line for utilization review cost has been removed from Worksheet E, Part A, amounts applicable to utilization review cost can be included on line 8, Other Adjustment.
12	The commenter observed a contradiction in the instructions for Worksheet A concerning which line to place the cost of medical supplies in administering preventative (not therapeutic) influenza, pneumococcal, hepatitis B and COVID-19 vaccines paid under Medicare Part B and feels the language for these costs should be corrected in the instructions.	CMS appreciates the commenter's observation of a contradiction in the instructions between line 60 and line 80 on Worksheet A. We are correcting line 80 to read: Medical supplies attributable to preventative pneumococcal, influenza, hepatitis B and COVID-19 vaccines and monoclonal antibody products for treatment of COVID-19 and their administration are reported on line 60.
13	One commenter believes facilities will not be	CMS disagrees with the commenter and

	able to carve out Part A ambulance cost from other ambulance costs resulting in amounts that are not accurate on the cost report.	believes transportation costs that are the responsibility of the SNF can be separately identified and reported on Line 17. These costs are not separately billable and are the responsibility of the SNF. However, ambulance costs reported on Line 71 are considered separately billable services under Part B and therefore should be separately identifiable.
14	The commenter expressed concern over accurate reporting of patient days, admissions, and discharges split between HMO and FFS on Worksheet S-3, Part II for payers that are not Medicare and Medicaid and suggested those payors should not have to breakout their data between HMO and FFS.	CMS appreciates the commenter's concern about non-Medicare and Medicaid payors accurately splitting their patient days, admissions, and discharges between HMO and FFS on Worksheet S-3, Part II. CMS is only concerned about the breakout of Medicare and Medicaid as it relates to Traditional vs. HMO. We will shade the HMO for other payors to require one entry for SNF or NF in column 6 - Other.
15	One commenter wants to know if the costs associated with a SNF-based assisted living facility or other long-term care will be posted to the nonreimbursable cost centers instead of using line 33 Other Long Term Care on the previous iteration of the SNF cost report.	CMS acknowledges the commenter's question about where costs associated with a SNF-based assisted living facility or other long-term care will be posted on Worksheet A. Areas that occupy space within the building of a SNF but are not part of the Medicare-certified SNF, such as, an assisted living facility, must be reported in a nonreimbursable cost center.
16	A commenter asked why CMS is not mandating reports for investigating elder abuse at nursing facilities. They also want to know why CMS isn't performing random spot checks or mandating video cameras in senior citizen homes to reduce elder abuse.	CMS appreciates the commenter's inquiry about mandating reporting, installing video cameras, and performing random spot checks to investigate elder abuse at nursing facilities and senior citizen homes, we will forward these concerns to the appropriate division for future consideration; however, this question is outside the scope of this PRA.
17	One commenter noticed the description on Worksheet A-8, line 10 and the instructions for that same line do not match.	CMS agrees with the commenter's observation about the variance between the description of line 10 on Worksheet A-8 and the description of line 10 in the instructions for Worksheet A-8. We will make the necessary change to the Worksheet A-8, line 10 description so the language matches the instructions.
18	One commenter requested clarification for Worksheet A-8, line 22, Short Term Inpatient Hospice Care offset to ensure this does not mean government pass-through payments that the hospice passes onto the SNF, which are actually SNF state revenues.	CMS appreciates the commenter's request for clarification. The instructions for Worksheet A-8, line 22 are not specific to government pass-through payments but are described as a hospice that has contracted with the SNF to provide short term inpatient care for pain

		control, symptom management, or respite services for a patient who has elected the hospice benefit.
19	The commenter observed that the Worksheet C-6 only allows reclassifications from various ancillary cost centers and does not allow for reclassifications of charges from routine revenues.	CMS agrees with the commenter's concern about Worksheet C-6. We have added the routine cost centers to Worksheet C to allow reclassifications of routine and ancillary cost center charges on Worksheet C-6.

<p>20</p>	<p>One commenter requested clarification on separating the HO/CO &amp; Related Party labor costs, specifically asking if these are only for costs included in HO/CO management fees; if this included both salary and non-salary labor costs, then how would the accumulated salaries on Worksheet B-1 be calculated and how would the salaries and salary reclassifications on Worksheet S-3, Parts III and V be calculated; in situations when related party salaries are included in regular salary accounts and are not from home office or chain office employees, e.g., an RN who is the wife of the owner of the SNF, would that also be separated into the related party columns on both Worksheet A and S-3 V; if these costs are reclassified on Worksheet A-6, do the HO/CO/ related party salaries belong in the salary column or the other column; if there is a related party contract therapy company, would those costs go in there, as well; and If amounts are reported in the HO/CO/ related party columns on both Worksheets A and S-3 V, do they still need to be reported on Worksheet A-8-1?</p>	<p>CMS appreciates the commenter’s request for clarification on separating HO/CO and Related Party labor costs.</p> <p>Worksheet S-3, Part V, column 10 is not looking for management fees but labor costs coming from a HO/CO or the categories of professionals in lines 1 – 14.</p> <p>The salaries on Worksheet B-1 are to reflect salaries reported on Worksheet A column 1, that is, they are salaries incurred directly by the SNF and associated with employee benefits reported on Worksheet A, line 3.</p> <p>No, related party costs are those costs that are not included in the regular salary account. If the SNF contracted with the wife in your example, then the contract salaries would be reported as related party costs.</p> <p>When reclassifying salaries on Worksheet A-6 that reclassification is relative to salaries reported on Worksheet A, column 1 and not any salary amounts that may be reported in columns 2 or 3.</p> <p>Contract therapy cost can be identified on Worksheet S-3, Part V, column 11, by practitioner. In those instances where it cannot be identified by practitioner, only report contract labor cost on Worksheet A, column 2 and if it is related disclose that information on Worksheet A-8-1.</p> <p>Yes, Worksheet A, column 3 are for amounts that are reported in the provider’s trial balance of expenses. If the amount was not included and is being brought over or adjusted that must be completed using Worksheet A-8-1. Column 3 is limited to HO/CO related party cost that are reported on the SNF’s accounting ledger on a timely basis (daily, weekly, monthly). For example, the amount reported on Worksheet A, column 3 would have formerly been reported on Form CMS-2540-10, Worksheet A, column 2, “Other.” This holds true for contract labor also where the amounts were previously reported on CMS-2540-10, Worksheet A, column 2, we are now requiring that they are identified separately on Worksheet A, columns 2 and 3.</p>
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