

The NEW Medicare Home Health Cost Report CMS Form 1728-20 Part I (of II)

Presented by
John Reisinger, CPA, Principal
Innovative Financial Solutions for Home Health

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2pm ET

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CMS Form 1728-20

- ▶ The Medicare Cost Report is a required filing for most all health care facilities participating in the Medicare program
- ▶ For Home Health, the new form (1728-20), was instituted last year for all reporting periods:
 - ▶ Beginning on/after Jan 1, 2020 and
 - ▶ Ending on/after 12/31/20

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CMS Form 1728-20

- ▶ Although a flawed form, it is one that we need to file annually (for every reporting period)
- ▶ Via the Cost Report, CMS et al, are able to identify agency-specific and industry-wide financial & operational metrics:
 - ▶ Visit utilization, costs, profitability, Medicare Margins (i.e., profitability) etc...

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CMS Form 1728-20

- ▶ This new form (1728-20), was the first significant change to the Home Health MCR in 25 years
- ▶ And there were a lot of significant Δ s
 - ▶ Increased disciplines,
 - ▶ New cost centers,
 - ▶ And a new worksheet, to name a few

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CMS Form 1728-20

- ▶ In these presentations (*today & Feb 17th*), I'll be discussing the new HH MCR
 - ▶ Today's presentation will be looking at the first-half of the MCR,
 - ▶ And pt II, looking at the second-half of the MCR
 - ▶ Paying particular attention to the changes with this new version of the HH MCR

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CMS Form 1728-20

- ▶ The regular HH MCR is broken-out into six separate worksheet (W/S) series:
 - ▶ The S-Series, which focuses on operational, demographic and statistical information
 - ▶ Made up of W/S's S, S-2 (pts I & II), and S-3 (pts I, II, III, IV & V)
 - ▶ The A-Series, which focuses on costs
 - ▶ Made up of W/Ss A, A-6, A-8 and A-8-1
 - ▶ The B-Series, which focuses on cost allocations
 - ▶ Made up of W/Ss B and B-1

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- ▶ The C-Series, calculating Medicare Costs
 - ▶ Comprised solely of W/S C (pts I & II)
- ▶ The D-Series, identifying Medicare payments
 - ▶ Comprised of W/Ss D and D-1
- ▶ And the F-Series, presenting the BS and P&L
 - ▶ Comprised of W/Ss F and F-1
- ▶ Some HHA MCRs can also include the O-Series
 - ▶ This would be for HHAs that have a Hospice as a sub-unit
 - ▶ But that is beyond the scope of this presentation

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- ▶ Today's presentation will be focusing on the first three Series:
 - ▶ the S-series
 - ▶ the A-series
 - ▶ and the B-series
- ▶ *With the second-half of the MCR covered on the Feb 17 presentation*

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The Worksheet S-Series

- ▶ As previously noted, the S-series focuses primarily on operational, demographic and statistical information,
- ▶ And includes the following:
 - ▶ W/S S
 - ▶ W/S S-2
 - ▶ and W/S S-3

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► **W/S S**

- This W/S is oft overlooked in its degree of importance, but should not be
- As it is the Certification Page
- And it is by this Certification that many individuals that thought to scam the program have found themselves in jail

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► **W/S S cont'd**

PART B - CERTIFICATION

MISREPRESENTATION OR FALSIFICATION OF ANY INFORMATION CONTAINED IN THIS COST REPORT MAY BE PUNISHABLE BY CRIMINAL, CIVIL AND ADMINISTRATIVE ACTION, FINE AND/OR IMPRISONMENT UNDER FEDERAL LAW. FURTHERMORE, IF SERVICES IDENTIFIED IN THIS REPORT WERE PROVIDED OR PROCURED THROUGH THE PAYMENT, DIRECTLY OR INDIRECTLY, OF A KICKBACK OR WERE OTHERWISE ILLEGAL, CRIMINAL, CIVIL AND ADMINISTRATIVE ACTION, FINES AND/OR IMPRISONMENT MAY RESULT.

CERTIFICATION BY CHIEF FINANCIAL OFFICER OR ADMINISTRATOR OF PROVIDER(S)

I HEREBY CERTIFY that I have read the above certification statement and that I have examined the accompanying electronically filed or manually submitted cost report and the Balance Sheet and Statement of Revenue and Expenses prepared by _____ (Provider Name(s) and Number(s)) for the cost reporting period beginning _____ and ending _____ and that to the best of my knowledge and belief, this report and statement are true, correct, complete and prepared from the books and records of the provider in accordance with applicable instructions, except as noted. I further certify that I am familiar with the laws and regulations regarding the provision of health care services, and that the services identified in this cost report were provided in compliance with such laws and regulations.

SIGNATURE OF CHIEF FINANCIAL OFFICER OR ADMINISTRATOR	CHECKBOX	ELECTRONIC SIGNATURE STATEMENT
1	2	1
		I have read and agree with the above certification statement. I certify that I intend my electronic signature on this certification to be the legally binding equivalent of my original signature.

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► **W/S S cont'd**

- So, via this Certification page of the MCR, the signatory is certifying compliance with all Medicare Rules and Regulations
- Do you know what you're certifying?
- Does your MCR preparer assist/explain?

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► **W/S S cont'd - Poll Question:**

► **What basis of accounting can be used for preparing the MCR?**

- a) Cash
- b) Accrual
- c) Cash Hybrid
- d) The basis used to maintain its books

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► **W/S S cont'd - Poll Question:**

- a) **Cash - *this is the basis most HHAs use***
- b) **Accrual - *common, but not a majority of HHAs***
- c) **Cash Hybrid - *used by orgs w/large inventories***
- d) **The basis used by the HHA to maintain its books**

► **And the answer is:**

► **So, what if ...**

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► **W/S S-2, pt I**

- **This worksheet is mostly all questions about demographic and operational information about the agency for this reporting period**

► **W/S S-2, pt II**

- **This worksheet is the one-page PRQ replacement that was first implemented back in 2016**

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W/S S-3, pt IV

► For identifying PPS/Episodic info

		PNL	PNL	LTPA	FEP	Total
	Descriptive	Episodes/Periods Without Outlets	Episodes/Periods With Outlets	Episodes/Periods	Episodes/Periods	Episodes/Periods
		1.00	2.00	3.00	4.00	5.00
1.00	Skilled Nursing Care Visits	0	0	0	0	0
2.00	Skilled Nursing Care Changes	0	0	0	0	0
3.00	Physical Therapy Visits	0	0	0	0	0
3.00	Physical Therapy Changes	0	0	0	0	0
3.00	Congenital Therapy Visits	0	0	0	0	0
4.00	Congenital Therapy Changes	0	0	0	0	0
7.00	Speech-Language Pathology Visits	0	0	0	0	0
8.00	Speech-Language Pathology Changes	0	0	0	0	0
9.00	Medical Social Service Visits	0	0	0	0	0
10.00	Medical Social Service Changes	0	0	0	0	0
11.00	Home Health Aide Visits	0	0	0	0	0
12.00	Home Health Aide Changes	0	0	0	0	0
13.00	Tone Visits (uses of Items 1, 3, 5, 7, 9 and 11)	0	0	0	0	0
14.00	Other Changes	0	0	0	0	0
15.00	Tone Changes (uses of Items 2, 4, 6, 8, 10, 12, and 14)	0	0	0	0	0
16.00	Total Number of Episodes/Periods	0	0	0	0	0
17.00	Total Number of Change Episodes/Periods	0	0	0	0	0
18.00	Total Non-Renewal Medical Supply Changes	0	0	0	0	0

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HealthRev PARTNERS The Worksheet S-Series

W/S S-3, pt V - NEW worksheet

► For identifying direct care costs (for a HH-specific W12)

STATISTICAL DATA DIRECT CARE EXPENDITURES

Worksheet S-3 Part V

OCCUPATIONAL CATEGORY	Amount Reported 1.00	Prize Benefits 2.00	Admitted Salaries 3.00	Final Hours Related to Salary 4.00	Average Hourly Wage 5.00
Direct Salaries					
1.00	Nursing Supervisor	0	0	0	0.00 1.00
2.00	Registered Nurse	0	0	0	0.00 2.00
3.00	Licensed Practical Nurse	0	0	0	0.00 3.00
4.00	Tone Staying (uses of Items 1 through 3)	0	0	0	0.00 4.00
5.00	Physical Therapy Supervisor	0	0	0	0.00 5.00
6.00	Physical Therapist	0	0	0	0.00 6.00
7.00	Physical Therapy Assistant	0	0	0	0.00 7.00
8.00	Congenital Therapy Supervisor	0	0	0	0.00 8.00
9.00	Congenital Therapist	0	0	0	0.00 9.00
10.00	Congenital Therapy Assistant	0	0	0	0.00 10.00
11.00	Speech-Language Pathology Supervisor	0	0	0	0.00 11.00
12.00	Speech-Language Pathologist	0	0	0	0.00 12.00
13.00	Other Medical Staff	0	0	0	0.00 13.00
Contract Labor					
14.00	Nursing Supervisor	0	0	0	0.00 14.00
15.00	Registered Nurse	0	0	0	0.00 15.00
16.00	Licensed Practical Nurse	0	0	0	0.00 16.00

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W/S A - a prescribed expense presentation format


► For each of the cost centers identified on the worksheet we are required to identify:

- Salaries/Wages (Col 1)
- Employee Benefits (Col 2 - s.b. all, by cost center)
- Transportation (Col 3)
- Contracted Services (Col 4), and
- Other Costs (Col 5 - those costs that don't fit in the above 4)


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The Worksheet A-Series



► W/S A cont'd


► Note the new cost centers (these are the rows)

GENERAL SERVICE COST CENTERS		HHA REIMBURSABLE SERVICES		HHA NONREIMBURSABLE SERVICES	
1.00	00100 CAPITAL RELATED-BUILDINGS & FIXTURES	16.00	01600 SKILLED NURSING CARE-RN	39.00	03900 HOME DIALYSIS AIDE SERVICES
2.00	00200 CAPITAL RELATED-MOVABLE EQUIPMENT	17.00	01700 SKILLED NURSING CARE-LPN	40.00	04000 RESPIRATORY THERAPY
3.00	00300 PLANT OPERATION & MAINTENANCE	18.00	01800 PHYSICAL THERAPY	41.00	04100 PRIVATE DUTY NURSING
4.00	00400 TRANSPORTATION	19.00	01900 PHYSICAL THERAPY ASSISTANT	42.00	04200 CLINIC
5.00	00500 TELECOMMUNICATIONS TECHNOLOGY	20.00	02000 OCCUPATIONAL THERAPY	43.00	04300 HEALTH PROMOTION ACTIVITIES
6.00	00600 ADMINISTRATIVE & GENERAL	21.00	02100 CERTIFIED OCCUPATIONAL THERAPY ASST	44.00	04400 DAY CARE PROGRAM
7.00	00700 NURSING ADMINISTRATION	22.00	02200 SPEECH LANGUAGE PATHOLOGY	45.00	04500 HOME DELIVERED MEALS PROGRAM
8.00	00800 MEDICAL RECORDS	23.00	02300 MEDICAL SOCIAL SERVICES	46.00	04600 HOMEMAKER SERVICES
		24.00	02400 HOME HEALTH AIDE	47.00	04700 TELEHEALTH
		25.00	02500 MEDICAL SUPPLIES CHARGED TO PATIENTS	48.00	04800 ADVERTISING
		26.00	02600 DRUGS	49.00	04900 FUNDRAISING
		27.00	02700 COST OF ADMINISTERING VACCINES		
		28.00	02800 DURABLE MEDICAL EQUIPMENT OXYGEN		
		29.00	02900 DISPOSABLE DEVICES		
37.00	05700 HOSPICE				
100.00	TOTAL				


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The Worksheet A-Series



► W/S A cont'd

► Following are the columns on W/S A

SALARIES	EMPLOYEE BENEFITS	TRANSPORTATION	CONTRACTED PURCHASED SERVICES	OTHER COSTS	TOTAL
1.00	2.00	3.00	4.00	5.00	6.00

► The 1st five I've already noted


► Following are the last 4

RECLASSIFICATION	RECLASSIFIED TRIAL BALANCE	ADJUSTMENTS	EXPENSES FOR COST ALLOCATION
7.00	8.00	9.00	10.00


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The Worksheet A-Series





► W/S A cont'd - columns

- Previously discussed columns 1 thru 5
- Col 6 is the sum of cols 1 thru 5
- Col 7 is for reclassifications
- Col 8 reclassified TB (Total costs Col 8 = Col 6)
- Col 9 is for adjustments (Medicare non-allowable costs)
- Col 10 is the adjusted TB (Total costs Col 10 <= Col 6)

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Summary

- ▶ So today, we've gone over the first-half of the MCR for HH
 - ▶ the S-series which is primarily for identifying the HHA's operational, demographic and statistical information
 - ▶ the A-series, which is all about costs, and
 - ▶ the B-series, which is all about the allocation of the General Service Cost Center's costs to the other cost centers used on the MCR

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Summary

- ▶ On Feb 17th, we'll discuss the second-half of the HH MCR
 - ▶ W/S C - for determining Medicare costs
 - ▶ The D-series - identifying Medicare payments to the agency, and
 - ▶ The F-series, which is the prescribed format for the Balance Sheet and the P&L

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Summary

Thank you for your time!

Q&A

43 min 50 sec on 1/16/22

41 min 15 sec on 1/17/22 am

42 min 30 sec on 1/17/22 pm

44 min 15 sec on 1/18/22

41 min 21 sec on 1/19/22 am

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Contact Information

John M. Reisinger, CPA *(TN Licensed)*
Innovative Financial Solutions for Home Health
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Empower your case managers to become the front-line for protecting your bottom-line.

www.ifsforhomehealth.com
<http://www.linkedin.com/in/johnmreisingercpa>
<mailto:jreisinger@ifsforhomehealth.com>

Tampa, FL
Ph. # (813) 994-1147
Fax # (866) 547-8553

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www.ifsforhomehealth.com

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