

Introduction to Medicare Cost Reports

Faith Asper, MHS

Director, ResDAC Assistance Desk

Overview

- **What are the Medicare cost reports?**
- **Which types of facilities submit cost reports?**
- **What types of research can be conducted with the cost reports?**

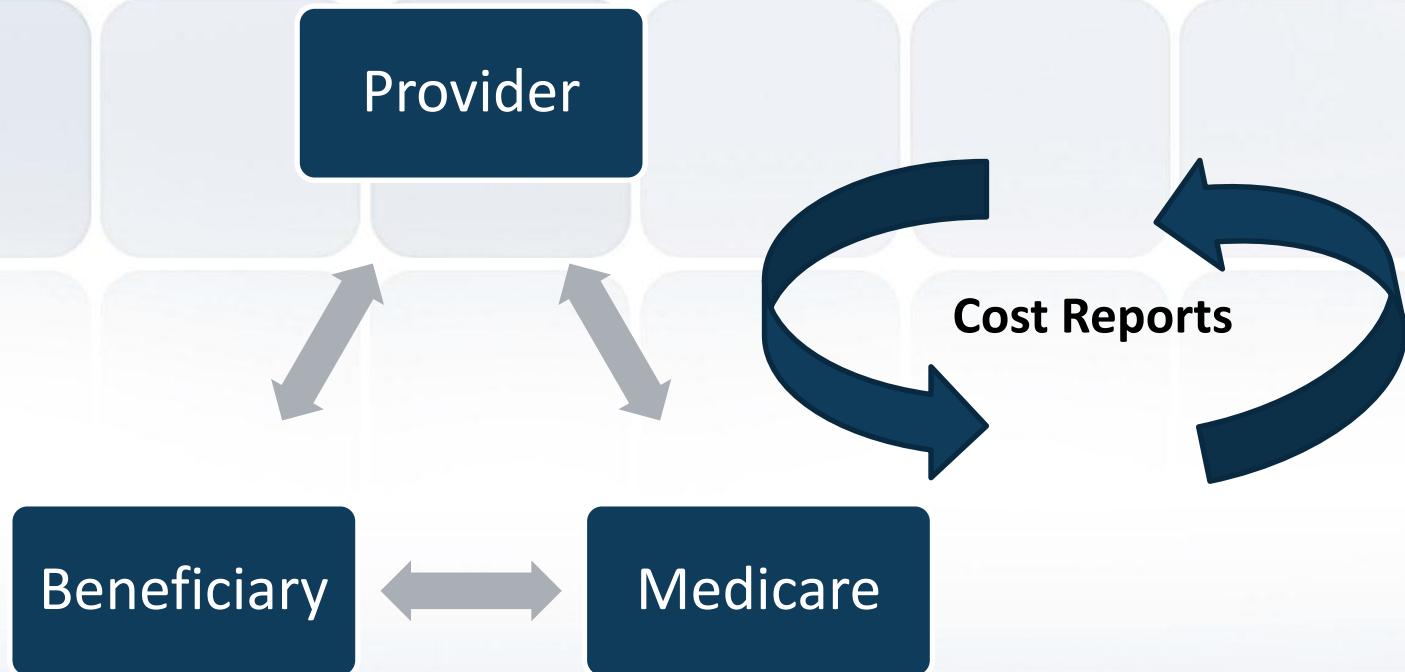
Medicare Cost Reports

A series of forms that collect descriptive, financial, and statistical data to determine:

- Medicare over or underpaid the provider
 - Facility that cares for Medicare patients
 - Facility receives Medicare payment
- Collect information for use in setting prospective payment rates
 - Wage Index
 - DSH adjustment
 - IME/GME
 - Outliers

Medicare Cost Reports

- Cost report process happens outside of care delivery



Medicare Cost Reports

- **Providers submit cost reports annually**
- **Cost reports are available for institutional providers**
 - Not required for physicians or other non-institutional providers
- **The only national data available for all types of providers (non-profit, for-profit, government)**

Medicare Cost Reports

- **The worksheets collect the following types of information:**
 - **Facility characteristics (ownership status, type of facility)**
 - **Statistical**
 - **Financial**
 - **Cost**
 - **Charge**
 - **Wage Index information**

Medicare Cost Reports

Example of Hospital Form 2552-10, Worksheet S-3, Part I

10-12 FORM CMS-2552-10 4090 (C)

HOSPITAL AND HOSPITAL HEALTH CARE COMPLEX STATISTICAL DATA PROVIDER CCN: PERIOD FROM _____ TO WORKSHEET S-3 PART I

Component	Worksheet A Line No.	No. of Beds	Bed Days Available	CAH Hours	Inpatient Days / Outpatient Visits / Trips				Full Time Equivalents			Discharges			
					Title V	Title XVIII	Title XIX	Total All Patients	Total Interns & Residents	Employees On Payroll	Nonpaid Workers	Title V	Title XVIII	Title XIX	Total All Patients
					5	6	7	8	9	10	11	12	13	14	15
1	Hospital Adults & Peds. (columns 5, 6, 7 and 8 exclude Swing Bed, Observation Bed and Hospice days)														
2	HMO														
3	HMO IPF <i>Subprovider</i>														
4	HMO IRF <i>Subprovider</i>														
5	Hospital Adults & Peds. Swing Bed SNF														
6	Hospital Adults & Peds. Swing Bed NF														
7	Total Adults and Peds. (exclude observation beds) (see instructions)														
8	Intensive Care Unit														
9	Coronary Care Unit														
10	Burn Intensive Care Unit														
11	Surgical Intensive Care Unit														
12	Other Special Care														
13	Nursery														
14	Total (see instructions)														
15	CAH visits														
16	Subprovider - IPF														
17	Subprovider - IRF														

Medicare Cost Reports

- View worksheet examples submitted for Hospitals
 - S-3, Part 1 (Statistical)
 - S-10 (Uncompensated Care)
 - C, Part 1 (Cost and charges)
 - E, Part A (Settlement summary)
 - G-3 (Financial)

Medicare Cost Reports

Types of Facilities Submitting Cost Reports

- Hospitals
- Skilled Nursing Facilities
- Home Health Care Agencies
- Hospices
- Renal Dialysis
- Independent Rural Health Clinic and Freestanding Federally Qualified Health Center

Medicare Cost Reports

Types of Facilities Submitting Cost Reports

- **Facilities that submit cost reports but they are not currently available as a downloadable file.**
 - **Organ Procurement Organization and Tissue Typing Laboratory**

Medicare Cost Reports

Types of Facilities Not Included

- Cost reports are NOT required and therefore, NOT available for the following providers.
 - Federal Hospitals
 - » Veterans Hospitals
 - » Indian Health Services Hospitals
 - Some children's hospitals
 - Emergency Hospital (hospitals outside of the US)
- Represents about 10% of all hospitals
 - Source: [CMS Data Compendium](#), 2011 Edition, Table VI.1.

Medicare Cost Reports

Types of Research

- **Examine facility characteristics**
- **Determine financial health of a facility**
- **Calculate cost**

Medicare Cost Reports

Types of Research

- **Examine facility characteristics**
 - Facility size (beds)
 - Teaching facility
 - Ownership (for-profit, non-profit, government)
 - Total Beds
 - Total Patient Days
 - Total Discharges
- **Most found on Worksheet S-3, Part I**

Medicare Cost Reports

Types of Research

- **Determine financial health of a facility**
 - Revenues
 - Expenses
 - Net income (or loss)
 - Payer Mix (Medicare, Medicaid, All Other)
 - Bad debt
 - » Charity Care/Uncompensated care collected for Hospitals
- **Worksheet G-3, S-3, Part I, and S-10**

Medicare Cost Reports

Types of Research

- **Calculate cost**

- **Cost information will vary by the facility submitting the information**
 - » **Hospitals submit cost and charge information**
 - » **SNFs submit cost per day**
 - » **HHA submit cost per visit**
 - » **Hospice submit cost per day**
 - » **Renal Dialysis submit cost per treatment**
 - » **Rural Health Clinics submit cost per visit**
- **Total costs for all patients**
- **Medicare costs**

Medicare Cost Reports

Types of Research that can NOT be conducted

- **Physician ‘cost’**
 - Physicians don't submit cost reports
- **Discharges and cost by MS-DRG or other specific procedure**
 - Cost reports collect general information by cost center
- **Detailed payer mix (discharges, revenues)**
 - Cost reports collect discharges and revenues for Medicare, Medicaid, and Total

Medicare Cost Reports Summary

- Annual data available
- Available for institutional providers
- Includes facility characteristics, financial information, and cost and charges
- The only national data available for all types of providers (non-profit, for-profit, government)