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hfma arkansas chapter

How to Become a Medicare Reimbursement Star

August 24, 2023

Tips for Optimizing your Medicare Cost Report

Arkansas Chapter Summer 2023 Conference

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Expert Speakers

Larry Millner, Ph.D.

Director, Medicare Reimbursement
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Emily Auten

Sr. Director, Government Navigation, MBD / S-10
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Ed Kelly

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The difficult reality for hospitals + health systems

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Last year is shaping up to be **"the worst operating year we've ever seen"** in the hospital sector, with 2023 set to be a **"make-or-break year"** for many.

- Fitch Ratings Senior Director Kevin Holloran

Margins plummeted

Labor expenses increased

Outpatient activity down

Medicare reimbursement cuts are expected to continue

-8.6% Margin decline on Medicare services in 2020

-9% Medicare margin projected to fall in 2022

$100B Combined underpayments from Medicare and Medicaid in 2020

Source:
- Becker's Hospital Review, April 2023
- KaufmanHall, Aug 2022
- AHA Fact Sheet May 2022

Millions will lose Medicaid coverage by June 2024

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Florida
Uninsured April 2023: 1,727,000
Uninsured June 2024: 2,069,000
19.8% ⬆

New York
Uninsured April 2023: 830,000
Uninsured June 2024: 988,000
19% ⬆

Texas
Uninsured April 2023: 3,558,000
Uninsured June 2024: 4,071,000
14.4% ⬆

California
Uninsured April 2023: 2,921,000
Uninsured June 2024: 3,327,000
13.9% ⬆

Source:
- Becker's Hospital Review, April 2023

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Session Agenda

1. Industry insights
2. DSH Empirically Justified Amount
3. Medicare Bad Debt
4. Worksheet S-10
5. 340B Drug Pricing Program

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Tips to chart your own course for financial success

- Know & stay compliant with latest regulatory updates
- Devote adequate resources to document & claim all Medicare & Medicaid payment you earn
- Break down silos with Rev Cycle
- Collaborate across RCM departments and ensure systems, people and processes are aligned

Five Points to Government Reimbursement Stardom

DSH Empirically Justified Amount

Empirically Justified DSH remains critical for revenue optimization

- Even though only 25% of what it was, it's still critical
- Use of the S-10 has severely cut UCC payment for most NY hospitals.

NY Hospitals with Highest DSH Payment Pre ACA

Empirical DSH as % of Total DSH & Uncompensated Care Reimbursement						
Hosp. Year End	UCC Metric	Number of Beds				
		1,400	650	1,100	500	1,200
12/31/2018	1/3 S-10	33.47%	49.80%	43.76%	38.03%	37.09%
12/31/2019	2/3 S-10	43.56%	54.73%	49.72%	44.94%	40.69%
12/31/2020	All S-10	63.59%	63.39%	61.85%	59.23%	46.25%
12/31/2021	All S-10	69.83%	66.87%	64.76%	59.50%	48.48%

DSH Provider Checklist

- Plan ahead to give your staff and state health department enough time for DSH reporting.
- Create an accurate submission file.
- Don't underestimate the importance of empirical DSH and double check your days.
- Amend your DSH listing within 12-months of initial cost report filing.
- Keep UB-04s on file for the MAC audit.

2024 Final Rule updates affect Arkansas DSH waiver days

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1. Hospitals in a state with Section 1115 Medicaid waiver demonstration that does not cover 100% of premium costs cannot include those patient days in the Medicaid fraction numerator.
   - Likely to affect the DPP of hospitals in a large majority of states
2. States in which 1115 waiver subsidies do not cover 100% of the premium costs to patients can include those dates in the numerator.
   - Includes Arkansas, Connecticut, Massachusetts, Oklahoma, Rhode Island, Tennessee, Utah and Vermont
3. Days for patients whose care is paid for by an Uncompensated Care Pool under the 1115 waiver cannot be included in the numerator of the Medicaid DSH fraction.

DSH Medicare Cost Report Exhibit

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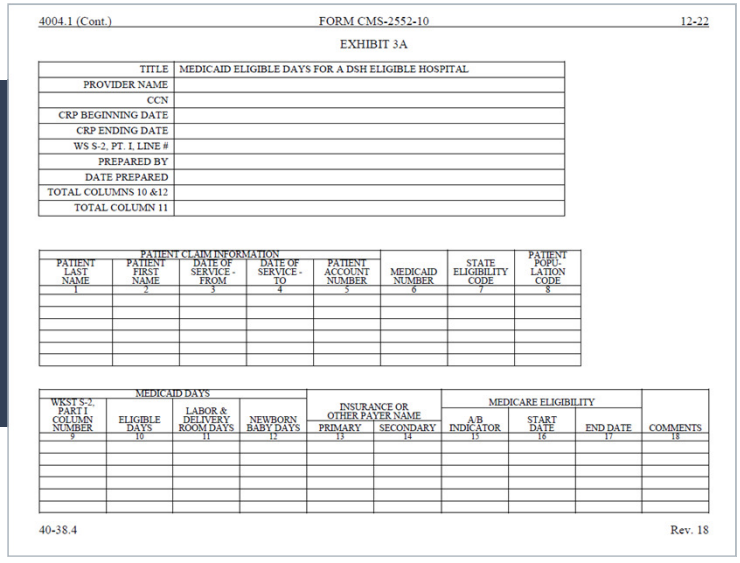
Revised Exhibit 3A

Col. 6 – Medicaid Number
Col. 7 – Sate Eligibility Code
Col. 8 – Patient Population Code
Col. 10 – Eligible Days
Col. 11 – L&D Days
Col. 12 – Newborn Baby Days
Col. 13 – A/B Indicator



4004.1 (Cont.) FORM CMS-2552-10 12-22

EXHIBIT 3A

TITLE	MEDICAID ELIGIBLE DAYS FOR A DSH ELIGIBLE HOSPITAL
PROVIDER NAME	
CCN	
CRP BEGINNING DATE	
CRP ENDING DATE	
WS S-2, PT. I, LINE #	
PREPARED BY	
DATE PREPARED	
TOTAL COLUMNS 10 &12	
TOTAL COLUMN 11	

PATIENT CLAIM INFORMATION							
PATIENT LAST NAME 1	PATIENT FIRST NAME 2	DATE OF SERVICE - FROM 3	DATE OF SERVICE - TO 4	PATIENT ACCOUNT NUMBER 5	MEDICAID NUMBER 6	STATE ELIGIBILITY CODE 7	PATIENT POPU-LATION CODE 8

MEDICAID DAYS				INSURANCE OR OTHER PAYER NAME		MEDICARE ELIGIBILITY			
WKST S-2, PART I COLUMN NUMBER 9	ELIGIBLE DAYS 10	LABOR & DELIVERY ROOM DAYS 11	NEWBORN BABY DAYS 12	PRIMARY 13	SECONDARY 14	A/B INDICATOR 15	START DATE 16	END DATE 17	COMMENTS 18

40-38.4 Rev. 18

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Case Study: DSH

What did we find? (Specific examples)

- Winning with Newborns
  - Hospital did not claim all DSH eligible newborn days
    - Found over 4% in additional value for Hospital E
    - In one year, 88% of the value we found was in Newborns
    - Important to include all newborn days
    - Mothers too!

- Acute Units
  - Hospital A decertified Psych
    - Need to remember to include these days

  - Tip – during DSH audit – will need UBs to support Acute Patient Days (Room & Board Codes)

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Medicare Bad Debt

It pays to have a thorough understanding of MBD rules and requirements

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Three areas of Medicare Bad Debt

Traditional	Indigent	Crossovers
Requires significant collection efforts and documentation Typically sent to collection agencies	Charity Deceased Bankrupt	Patients dually eligible for both Medicare and Medicaid

Deductible and coinsurance amounts due from patient are **subtracted from the total Medicare DRG payment**

Hospital may collect **65% of the amount** from Medicare if patient does not pay

Medicare Bad Debt has new issues to consider

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Claiming Crossovers:

Contractual
On or after 10/1/19

Hospitals will only be able to claim crossover accounts **if written off or can be traced to a bad debt expense account**; do not write-off to a contractual allowance account (MLN Connects 4/4/19)

Bad Debt Write Off
On or after 10/1/2020

Medicare Bad Debt **must be recorded in the provider's account records as a component of net revenue** and must not be written off to a contractual allowance account but must be charged to an uncollectable receivables account that results in a reduction in revenue.

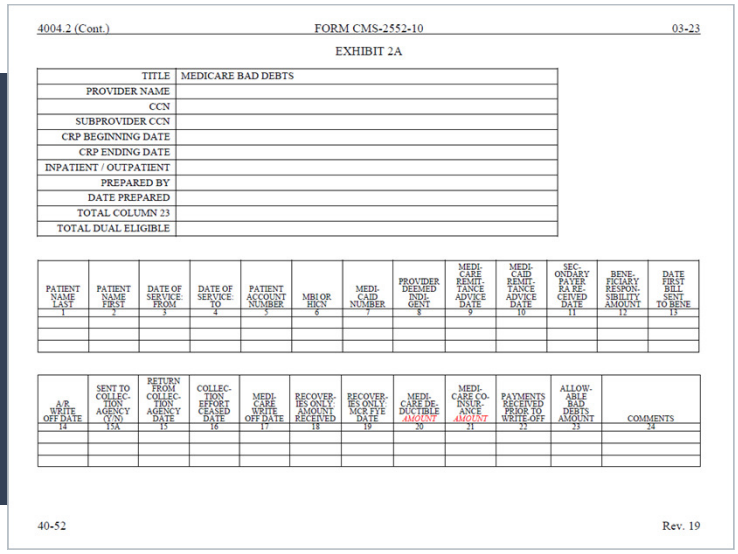
- Crossovers are not specifically addressed with the Final Rule clarification, so all accounts to be claimed as MBD should be reviewed

Medicare Bad Debt exhibit requires more work to complete

Revised Exhibit 2a

New columns with more data

- **Col. 10** – Medicaid remit date
- **Col. 11** – Secondary payer remit date
- **Col. 12** – Beneficiary responsibility amount
- **Col. 14** – A/R write off date
- **Col. 15 a / b** – Collection agency placement / return date
- **Col. 16** – Collection efforts ceased date
- **Col. 18/19** – Recoveries (amount / FY)
- **Col. 22** – Current year payments



4004.2 (Cont.) FORM CMS-2552-10 03-23

EXHIBIT 2A

TITLE	MEDICARE BAD DEBTS
PROVIDER NAME	
CCN	
SUBPROVIDER CCN	
CRP BEGINNING DATE	
CRP ENDING DATE	
INPATIENT / OUTPATIENT	
PREPARED BY	
DATE PREPARED	
TOTAL COLUMN 23	
TOTAL DUAL ELIGIBLE	

PATIENT NAME LAST 1	PATIENT NAME FIRST 2	DATE OF SERVICE FROM 3	DATE OF SERVICE TO 4	PATIENT ACCOUNT NUMBER 5	MBI OR HICN 6	MEDICAID NUMBER 7	PROVIDER DEEMED INDIGENT 8	MEDICARE REMITTANCE ADVICE DATE 9	MEDICAID REMITTANCE ADVICE DATE 10	SECONDARY PAYER RA RECEIVED DATE 11	BENEFICIARY RESPONSIBILITY AMOUNT 12	DATE FIRST BILL SENT TO BENE 13

A/R WRITE OFF DATE 14	SENT TO COLLECTION AGENCY (Y/N) 15A	RETURN FROM COLLECTION AGENCY DATE 15	COLLECTION EFFORT CEASED DATE 16	MEDICARE WRITE OFF DATE 17	RECOVERIES ONLY AMOUNT RECEIVED 18	RECOVERIES ONLY MCR FYE DATE 19	MEDICARE DEDUCTIBLE AMOUNT 20	MEDICARE COINSURANCE AMOUNT 21	PAYMENTS RECEIVED PRIOR TO WRITE-OFF 22	ALLOWABLE BAD DEBTS AMOUNT 23	COMMENTS 24

40-52 Rev. 19

Case Study: Medicare Bad Debt

Hospital Fiscal Year End	E Parts A&B Ded & Coins	MBD Claimed	% D&C Claimed	% D&C State Avg	Crossover Claimed	% Crossover Claimed	% Crossover State Avg	% Crossover of D&C Claimed
2016	13,546,840	172,286	1.27%	7.34%	0	0.00%	4.57%	0.00%
2017	13,451,115	637,006	4.74%	8.16%	0	0.00%	4.79%	0.00%
2018	14,900,106	432,048	2.90%	8.38%	0	0.00%	4.52%	0.00%
2019	15,682,058	481,599	3.07%	7.77%	0	0.00%	3.80%	0.00%
2020	14,088,584	618,828	4.39%	8.17%	0	0.00%	3.16%	0.00%
2021	15,040,262	640,658	4.26%	6.02%	0	0.00%	2.58%	0.00%

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Case Study: Medicare Bad Debt

Hospital Fiscal Year End	E Parts A&B Ded & Coins	MBD Claimed	% D&C Claimed	% D&C State Avg	Crossover Claimed	% Crossover Claimed	% Crossover State Avg	% Crossover of D&C Claimed
2016	3,392,721	275,085	8.11%	7.34%	0	0.00%	4.57%	0.00%
2017	3,423,005	682,109	19.93%	8.16%	0	0.00%	4.79%	0.00%
2018	3,465,023	940,947	27.16%	8.38%	0	0.00%	4.52%	0.00%
2019	3,509,271	642,398	18.31%	7.77%	0	0.00%	3.80%	0.00%

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There are many audit issues currently with Medicare Bad Debt

Self-Pay	Timely Billing	Deceased Accounts	Asset Test and Income Verification
$0 Balances Agency return dates vs. hospital BD balance write off Hospitals not writing Bad Debt balance to $0	120 days from last Medicare remit date or from the secondary insurance remit date (when applicable) Outlier issues	Estate verifications / inconsistency – even when using a vendor	Indigence must be completed by the Provider. Example – Ohio HCAP application is not enough

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Worksheet S-10

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UCC Policies and Procedures drive everything

Your hospital's **policies for bad debt and charity care are key factors** determining what you can put on the Worksheet S-10 and have it stand up to audit.

Do you know the last time your hospital updated its Charity Care or Bad Debt policies and procedures?

Are they congruent with all the latest requirements of your state?

Critical "non-covered" charges
"Charges for non-covered services provided to patients eligible for Medicaid or other indigent care programs (including charges for days exceeding a length of stay limit) can be included in charity care **if such inclusion is specified in the hospital's charity care policy** and the patient meets the hospital's charity care criteria."

If you don't state it in your policies, you can't claim it as a Bad Debt or as Charity Care.

How CMS calculates the Uncompensated Care Pool

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Three Factors Determine Size of the Pool and Your Share

Factor 1

75% of the total US DSH payments if there were no ACA?

- For FFY 2024 the CMS actuary says that 100% would be $13.353B.
- **Factor 1 is 75% of that, or $10.015B**

Factor 2

Is based upon the change in uninsured population which is multiplied by Factor 1

- This year Factor 2 is 59.29%
- **Thus, the FFY 2024 UCC Pool is $5,938,008,757. (Factor 1 x Factor 2)**
- **Proposed Rule 2024 Pool was $6,713, a drop of $161M. Final Rule drop is almost $950M.**

Factor 3

Each DSH hospital's share of the total pool based upon the metric used that year

- The metric has changed every year and will continue to do so

CMS has changed its definition of Uncompensated Care every year

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Worksheet S-10 Implementation Schedule

Year	Pool	C/R Yrs.	Cost Report Basis for Calculating Factor 3		
FFY 2014	$9.04B	1	Days Proxy 2011		
FFY 2015	$7.65B	1	Days Proxy 2012		
FFY 2016	$6.40B	1	Days Proxy 2012		
FFY 2017	$6.05B	Mean of 3	Days Proxy 2011	Days Proxy 2012	Days Proxy 2013
FFY 2018	$6.77B	Mean of 3	Days Proxy 2012	Days Proxy 2013	WS S-10 2014
FFY 2019	$8.27B	Mean of 3	Days Proxy 2013	WS S-10 2014	WS S-10 2015
FFY 2020	$8.35B	1		WS S-10 2015	
FFY 2021	$8.29B	1		WS S-10 2017	
FFY 2022	$7.19B	1		WS S-10 2018	
FFY 2023	$6.87B	Mean of 2	WS S-10 2018 | WS S-10 2019		
FFY 2024	$5.94B	Mean of 3	WS S-10 2018	WS S-10 2019	WS S-10 2020
FFY 2025	$?	Mean of 3	WS S-10 2019?	WS S-10 2020?	WS S-10 2021?

The costs of Charity Care and Bad Debt drive UCC payment

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Not shown is Line 1 which is key – "Cost to Charge Ratio"					
Uncompensated Care		**Uninsured patients**	**Insured patients**	**Total (col. 1 + col. 2)**	
		1	2	3	
20	Charity care charges and uninsured discounts for the entire facility (see instructions)				20
21	Cost of patients approved for charity care and uninsured discounts (see instructions)				21
22	Payments received from patients for amounts previously written off as charity care				22
23	**Cost of charity care (line 21 minus line 22)**				**23**
24	Does the amount on line 20 column 2, include charges for patient days beyond a length of stay limit imposed on patients covered by Medicaid or other indigent care program?				24
25	If line 24 is yes, enter the charges for patient days beyond the indigent care program's length of stay limit				25
26	Total bad debt expense for the entire hospital complex (see instructions)				26
27	**Medicare reimbursable bad debts for the entire hospital complex (see instructions)**				**27**
27.01	Medicare allowable bad debts for the entire hospital complex (see instructions)				27.01
28	Non-Medicare bad debt expense (see instructions)				28
29	**Cost of non-Medicare and non-reimbursable Medicare bad debt expense (see instructions)**				**29**
30	**Cost of uncompensated care (line 23 column 3 plus line 29)**				**30**
31	Total unreimbursed and uncompensated care cost (line 19 plus line 30)				31

Top 5 US & AR Hosps. By FFY 2024 Uncompensated Care Payment (UCC)

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US and AR Top 5 Hosp. By Overall Uncomp. Care Reimb.	FFY 2024 UCC Payment	2018 Line 30	2019 Line 30	2020 Line 30
Top 5 US Hospitals Ranked by FFY 2024 UCC Payments				
TX - 634 beds, 24,000 dischgs.	$116,867,341	$638,277,537	$680,529,518	$682,393,982
TX - 787 beds, 42,000 dischgs.	$93,840,494	$524,078,546	$486,600,826	$598,943,714
IL - 451 beds, 16,000 dischgs.	$61,195,558	$508,264,184	$242,155,552	$296,681,892
TX - 434 beds, 24,000 dischgs.	$56,189,954	$293,344,278	$292,536,737	$377,454,025
GA -517 beds, 28,000 dischgs.	$45,565,105	$232,744,069	$310,844,882	$269,627,106
Top 5 AR Hospitals Ranked by FFY 2024 UCC Payments				
AR - 521 beds, 26,000 dischgs.	$4,120,215	$20,699,197	$27,872,960	$27,934,324
AR - 256 beds, 17,000 dischgs.	$3,083,584	$17,834,072	$18,612,952	$18,662,686
AR - 248 beds, 14,000 dischgs.	$2,914,420	$12,750,992	$20,441,932	$20,496,974
AR - 785 beds, 28,000 dischgs.	$2,902,699	$17,914,714	$16,643,797	$15,261,681
AR - 384 beds, 211,000 dischgs.	$2,467,919	$14,946,465	$14,257,373	$13,194,069

Key Takeaway

- The size difference between the top US and AR facilities is not remarkable.
- AR shows **only 4% to 5% of UCC** (Line 30) of Top US hospitals
- AR gets **only 3% to 5% of UCC Payments** of Top US hospitals

Data Source: CMS Public Use File for IPPS 2024 Final Rule

The S-10 Concentrates the Distribution of UCC Dollars

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US and AR Top 5 Hosp. By Overall Uncomp. Care Reimb.	FFY 2024 UCC Payment	2024 Per Claim Payment	Avg. # Part A Claims	2024 Factor 3
Top 5 US Hospitals Ranked by FFY 2024 UCC Payments				
TX - 634 beds, 24,000 dischgs.	$116,867,341	$120,616	969	1,942.02
TX - 787 beds, 42,000 dischgs.	$93,840,494	$39,462	2,378	1,489.91
IL - 451 beds, 16,000 dischgs.	$61,195,558	$49,915	1,226	1,111.79
TX - 434 beds, 24,000 dischgs.	$56,189,954	$30,242	1,858	863.20
GA -517 beds, 28,000 dischgs.	$45,565,105	$12,552	3,630	767.35
Top 5 AR Hospitals Ranked by FFY 2024 UCC Payments				
AR - 521 beds, 26,000 dischgs.	$4,120,215	$813	5,070	71.39
AR - 256 beds, 17,000 dischgs.	$3,083,584	$677	4,553	53.68
AR - 248 beds, 14,000 dischgs.	$2,914,420	$871	3,345	48.72
AR - 785 beds, 28,000 dischgs.	$2,902,699	$363	7,996	50.94
AR - 384 beds, 211,000 dischgs.	$2,467,919	$470	5,247	43.04

Factor 3 of 1,000 equals one per cent (1%) of the total Uncompensated Care Pool

Key Takeaway

- Fewer FFS Medicare pts. mean large UCC add-ons per discharge.
- The top 5 US hospitals obtain over 6% if the total UCC pool. (Almost 2,400 DSH hospitals qualify for the pool)

Data Source: CMS Public Use File for IPPS 2024 Final Rule

The Cost to Charge Ratio (CCR) Varies Greatly

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US and AR Top 5 Hosp. By Overall Uncomp. Care Reimb.	FFY 2024 UCC Payment	2018 Line 1	2019 Line 1	2020 Line 1
Top 5 US Hospitals Ranked by FFY 2024 UCC Payments				
TX - 634 beds, 24,000 dischgs.	$116,867,341	36.39%	43.28%	43.28%
TX - 787 beds, 42,000 dischgs.	$93,840,494	19.97%	18.16%	21.77%
IL - 451 beds, 16,000 dischgs.	$61,195,558	71.59%	71.85%	80.61%
TX - 434 beds, 24,000 dischgs.	$56,189,954	28.58%	28.11%	31.64%
GA -517 beds, 28,000 dischgs.	$45,565,105	16.80%	16.30%	18.13%
Top 5 AR Hospitals Ranked by FFY 2024 UCC Payments				
AR - 521 beds, 26,000 dischgs.	$4,120,215	28.90%	31.05%	31.05%
AR - 256 beds, 17,000 dischgs.	$3,083,584	24.13%	25.26%	25.26%
AR - 248 beds, 14,000 dischgs.	$2,914,420	19.78%	23.32%	23.32%
AR - 785 beds, 28,000 dischgs.	$2,902,699	22.31%	19.92%	20.39%
AR - 384 beds, 211,000 dischgs.	$2,467,919	28.98%	28.92%	29.90%

Key Takeaway

- The national average CCR is ~28%.
- 3 of the Top 5 US hospitals exceed that in all 3 years.
- 2 of the Top 5 AR hospitals exceed that all 3 years.

Data Source: CMS Public Use File for IPPS 2024 Final Rule

Worksheet S-10 considerations matter and need close attention

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Costs vs Charges – Optimize Line 1

Remember Line 30 is the "Cost" of Charity Care & Bad Debt not the Charges

- If your CCR is ~20% you need to find $5 in Charges to yield $1 more on Line 30
- If it's ~33% you only need to find $3 to yield $1 more on Line 30

You need to report every allowable dollar you can because others will

- This is still a "Zero Sum Game"

WS S-10 is being routinely audited

- Last year approximately 95% of providers saw a WS S-10 audit

The **S-10 deals with costs not charges**, and most everything is multiplied by your Cost to Charge Ratio which is line 1 of Worksheet S-10.

Payer mix is a key component

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Historical Payer Mix for Top 5 US & AR Hospitals

US and AR Top 5 Hosp. By Overall Uncomp. Care Reimb.	10 Yr. Mcd. Day Per Cent Avg.	10 Yr. Mcr. Day Per Cent Avg.	Total M&M Pts.	Potential Comml. or No Pay, etc
Top 5 US Hospitals Ranked by FFY 2024 UCC Payments				
TX - 634 beds, 24,000 dischgs.	56.15%	9.85%	66.00%	34.00%
TX - 787 beds, 42,000 dischgs.	59.85%	12.09%	71.94%	28.06%
IL - 451 beds, 16,000 dischgs.	54.47%	14.29%	68.76%	31.24%
TX - 434 beds, 24,000 dischgs.	54.20%	19.86%	74.06%	25.94%
GA -517 beds, 28,000 dischgs.	40.08%	27.67%	67.75%	32.25%
Top 5 AR Hospitals Ranked by FFY 2024 UCC Payments				
AR - 521 beds, 26,000 dischgs.	40.76%	33.52%	74.28%	25.72%
AR - 256 beds, 17,000 dischgs.	24.67%	49.42%	74.09%	25.91%
AR - 248 beds, 14,000 dischgs.	18.34%	47.71%	66.05%	33.95%
AR - 785 beds, 28,000 dischgs.	25.44%	45.93%	71.37%	28.63%
AR - 384 beds, 211,000 dischgs.	25.95%	53.35%	79.30%	20.70%

Key Takeaway

- The Top 5 US hospitals have very high Medicaid populations
- Small Medicare and commercial populations may be the key

Source: Historical HCRIS data

Historical UCC Payment for Top 5 US & AR Hospitals

Pool Year	2022	2023	2024
Pool Size	$7,192,008,710	$6,874,403,459	$5,938,006,757
Diff. Yr over Yr	-13.24%	-4.42%	-13.62%

Hospital Payments	FFY 2022	FFY 2023	FFY 2024
Top 5 US Hospitals Ranked by FFY 2024 UCC Payments			
TX - 634 beds, 24,000 dischgs.	$136,173,047	$133,502,119	$116,867,341
TX - 787 beds, 42,000 dischgs.	$111,809,312	$102,422,377	$93,840,494
IL - 451 beds, 16,000 dischgs.	$108,435,404	$76,429,166	$61,195,558
TX - 434 beds, 24,000 dischgs.	$62,583,409	$59,339,764	$56,189,954
GA -517 beds, 28,000 dischgs.	$53,637,227	$51,874,082	$45,565,105
Top 5 AR Hospitals Ranked by FFY 2024 UCC Payments			
AR - 521 beds, 26,000 dischgs.	$4,416,061	$4,907,938	$4,120,215
AR - 256 beds, 17,000 dischgs.	$3,804,802	$3,690,135	$3,083,584
AR - 248 beds, 14,000 dischgs.	$2,720,355	$3,349,490	$2,914,420
AR - 785 beds, 28,000 dischgs.	$3,822,007	$3,502,147	$2,902,699
AR - 384 beds, 211,000 dischgs.	$3,188,747	$2,958,890	$2,467,919

Key Takeaway

- If the uninsured population shrinks, the UCC pool shrinks
- The pool has dropped ~$1.25B in two years with an inconsistent economy.

Data Source: CMS Public Use File for IPPS 2024 Final Rule

Bad Debt is even more important now

HFY 2020 Detailed Bad Debt & Uncompensated Care for 3 Groups Ranked by UCC Payment

US and AR Top 5 By Overall Uncomp. Care Reimbursement	Mcr. Reimb. Bad Debt Line 27	Charity Care Line 23	Non Medicare Bad Debt Line 29	Uncomp. Care Line 30	FFY 2024 UCC Payment	% Due To Line 23 Charity Care	% Due To Line 29 Bad Debt
Top 5 US Hospitals Ranked by FFY 2024 UCC Payments							
TX - 634 beds, 24,000 dischgs.	$2,988,962	$645,169,598	$37,224,384	$682,393,982	$116,867,341	94.55%	5.45%
TX - 787 beds, 45,000 dischgs.	$3,610,790	$490,775,714	$108,167,000	$598,943,714	$93,840,494	81.94%	18.06%
IL - 451 beds, 16,000 dischgs	$2,635,693	$179,631,779	$117,050,113	$296,681,892	$61,195,558	60.55%	39.45%
TX - 400 beds, 27,000 dischgs.	$1,380,563	$274,341,419	$103,110,606	$377,454,025	$56,189,954	72.68%	27.32%
GA - 517 beds, 28,000 dischgs.	$3,138,041	$145,597,823	$124,029,283	$269,627,106	$45,565,105	54.00%	46.00%
Top 5 AR Hospitals Ranked by FFY 2024 UCC Payments							
AR - 521 beds, 26,000 dischgs.	$1,816,637	$11,438,655	$16,510,669	$27,934,324	$4,120,215	40.95%	59.11%
AR - 256 beds, 17,000 dischgs.	$1,135,481	$13,830,330	$4,832,356	$18,662,686	$3,083,584	74.11%	25.89%
AR - 248 beds, 14,000 dischgs.	$455,828	$15,359,462	$5,137,512	$20,496,974	$2,914,420	74.94%	25.06%
AR - 785 beds, 28,000 dischgs.	$1,671,544	$11,389,082	$3,872,599	$15,261,681	$2,902,699	74.63%	25.37%
AR - 384 beds, 21,000 dischgs.	$2,623,186	$5,733,228	$7,460,840	$13,194,069	$2,467,919	43.45%	56.55%

Data Source: CMS FFY 2024 Public Use Files IPPS Final Rule

Bad Debt brings in more than you may expect

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HFY 2020 Detailed Bad Debt & Uncompensated Care for 3 Groups Ranked by UCC Payment

Description of Hospitals	FFY 2022 UCC Payment	% Due To Line 23 Charity Care	% Due To Line 29 Bad Debt	$ Due To Line 29 Bad Debt	Mcr. Reimb. Bad Debt Line 27	Total Value Due To Bad Debt
Top 5 US Hospitals Ranked by FFY 2023 UCC Payments						
TX - 634 beds, 24,000 dischgs.	$116,867,341	94.55%	5.45%	$6,375,078	$2,988,962	$9,364,040
TX - 787 beds, 45,000 dischgs.	$93,840,494	81.94%	18.06%	$16,947,243	$3,610,790	$20,558,033
IL - 451 beds, 16,000 dischgs	$61,195,558	60.55%	39.45%	$24,143,526	$2,635,693	$26,779,219
TX - 400 beds, 27,000 dischgs.	$56,189,954	72.68%	27.32%	$15,349,632	$1,380,563	$16,730,195
GA - 517 beds, 28,000 dischgs.	$45,565,105	54.00%	46.00%	$20,960,086	$3,138,041	$24,098,127
Top 5 AR Hospitals Ranked by FFY 2023 UCC Payments						
AR - 521 beds, 26,000 dischgs.	$4,120,215	40.95%	59.11%	$2,435,266	$1,816,637	$4,251,903
AR - 256 beds, 17,000 dischgs.	$3,083,584	74.11%	25.89%	$798,437	$1,135,481	$1,933,918
AR - 248 beds, 14,000 dischgs.	$2,914,420	74.94%	25.06%	$730,492	$455,828	$1,186,320
AR - 785 beds, 28,000 dischgs.	$2,902,699	74.63%	25.37%	$736,550	$1,671,544	$2,408,094
AR - 384 beds, 21,000 dischgs.	$2,467,919	43.45%	56.55%	$1,395,532	$2,623,186	$4,018,718

Data Source: CMS FFY 2024 Public Use Files IPPS Final Rule

WS S-10 – Exhibit 3b Charity Care

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Revised Exhibit 3B

- **Col. 6** - Insurance Status
  - 1 – Uninsured
  - 2 – Insured but not covered for various reasons (exhausted benefits, etc.)
  - 3 - Insured
- **Col. 11** – Deductible, coinsurance and copay amounts are required now for every insured account
- **Col. 14** – Other Non-Allowable Amounts
- **Col. 16** – Amounts Written Off As Bad Debt
- **Col. 17** – Uninsured Discount Amounts
- **Col. 19** – Other Charity Care Charges

12-22 FORM CMS-2552-10 4012.2 (Cont.)

EXHIBIT 3B

TITLE	CHARITY CARE CHARGES
PROVIDER NAME	
HOSPITAL CCN	
COMPONENT CCN	
CRP BEGINNING DATE	
CRP ENDING DATE	
PREPARED BY	
DATE PREPARED	
UNINSURED COLUMN 20	
INSURED COLUMN 20	

PATIENT CLAIM INFORMATION										
PATIENT NAME - LAST 1	PATIENT NAME - FIRST 2	DATE OF SERVICE - FROM 3	DATE OF SERVICE - TO 4	PATIENT ACCOUNT NUMBER 5	INSURANCE STATUS 6	PRIMARY PAYOR 7	SECONDARY PAYOR 8	TOTAL CHARGES FOR CLAIM 9	PHYSICIAN / PROFESSIONAL CHARGES 10	DEDUCTIBLE / COINSUR / COPAY AMOUNTS 11

TOTAL THIRD PARTY PAYMENTS 12	INSURED CONTRACTUAL ALLOWANCE AMOUNT 13	OTHER NON-ALLOWABLE AMOUNTS 14	TOTAL PATIENT PAYMENTS 15	AMOUNTS WRITTEN OFF AS BAD DEBT 16	UNINSURED DISCOUNT AMOUNTS 17	CHARITY CARE - NON-COVERED CHARGES 18	OTHER CHARITY CARE CHARGES 19	AMOUNTS WRITTEN OFF TO CHARITY CARE AND UNINSURED DISCOUNTS 20	WRITE OFF DATE 21

Rev. 18 40-80.9

WS S-10 – Exhibit 3c Total Bad Debts

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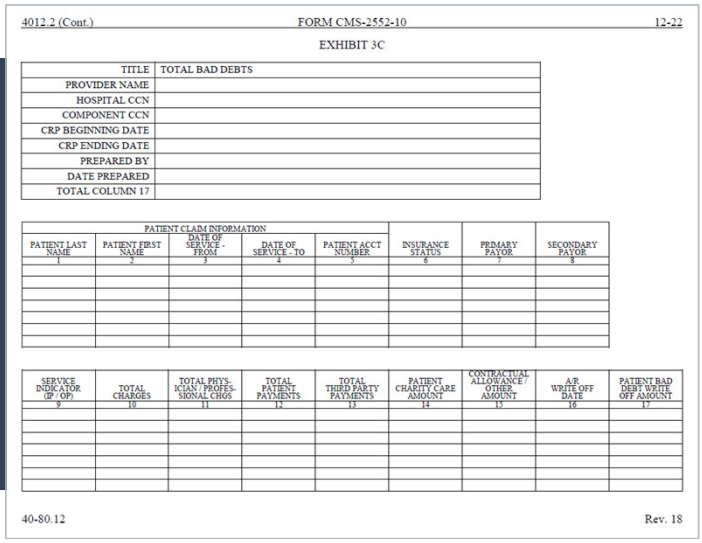
Revised Exhibit 3C

- **Col. 6** - Insurance Status
  - 1 – Uninsured
  - 2 – Insured but not covered for various reasons (exhausted benefits, etc.)
  - 3 – Insured
- **Col. 14** – Patient Charity Care Amount
- **Col. 16** – A/R Write Off Date



4012.2 (Cont.) FORM CMS-2552-10 12-22

EXHIBIT 3C

TITLE	TOTAL BAD DEBTS
PROVIDER NAME	
HOSPITAL CCN	
COMPONENT CCN	
CRP BEGINNING DATE	
CRP ENDING DATE	
PREPARED BY	
DATE PREPARED	
TOTAL COLUMN 17	

PATIENT CLAIM INFORMATION							
PATIENT LAST NAME 1	PATIENT FIRST NAME 2	DATE OF SERVICE - FROM 3	DATE OF SERVICE - TO 4	PATIENT ACCT NUMBER 5	INSURANCE STATUS 6	PRIMARY PAYOR 7	SECONDARY PAYOR 8

SERVICE INDICATOR (IP / OP) 9	TOTAL CHARGES 10	TOTAL PHYSICIAN / PROFESSIONAL CHGS 11	TOTAL PATIENT PAYMENTS 12	TOTAL THIRD PARTY PAYMENTS 13	PATIENT CHARITY CARE AMOUNT 14	CONTRACTUAL ALLOWANCE / OTHER AMOUNT 15	A/R WRITE OFF DATE 16	PATIENT BAD DEBT WRITE OFF AMOUNT 17

40-80.12 Rev. 18

Prepare for WS S-10 Medicare audits

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- CMS has pushed back on audit time frames preferring to **let MACs set their own schedule**.
- Audit sampling depends on MAC. Usually **based on high and low dollar strata**.
- Error extrapolations can result in **significant adjustments**

- Minimize audit adjustments by **completing two of the first steps taken by auditor**
  - **Check for duplicates** - run log against prior year listing checking for duplicate PCN's and DOS
  - Math should work
- Auto claims, OOS Medicaid, Worker's Compensation claims **may be claimed as Uninsured Charity**
- Auditor will check for reversals

Medicare Bad Debt and S-10 Provider Checklist

- Have well-written and consistent policies for all bad debt and charity care. And follow them.
- Keep necessary documentation for all categories over time.
- Separate different categories of patient listings so any audit adjustments are extrapolated to a smaller population.
- Document non-Medicare Bad Debt as well as you do MBD.
- Understand the relationship between DSH, MBD, 340B, and the S-10 and develop an internal work plan to include all of them.
- Know your MAC and understand what documentation is required and what can be re-opened or amended and when.

Continue to do everything you can to optimize your DSH percentage. It impacts so much!

340B Drug Pricing Program

340B Drug Pricing Program

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Your Emperical DSH will get you in the 340B program and keep you in

- Have internal team **track your DSH %** throughout the year
- If you fall out of the program, **Cloudmed can help you get back into the program** quickly

When you are in the program, get all the value you deserve

- **Ineligible Claims** – capture ineligible prescriptions written by employed providers
- **Referral Capture** – capture eligible prescriptions written by referral providers

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THANK YOU

For questions: larry.millner@cloudmed.com