



Disclaimer

All information provided is of a general nature and is not intended to address the circumstances of any particular individual or entity. Additionally, a majority if the information contained herein is proposed and should be further examined once final rules have been published. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

Any unauthorized reprint or use of this material is prohibited. No part of these materials may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or by any information storage and retrieval system without express written permission from FORVIS, LLP.

FORV/S

Meet Your Presenters



Veronika Kryzhanovska, CPA, FHFMA
Senior Manager

501.954.6374
veronika.kryzhanovska@forvis.com



Josh Reaper, CPA, CHFP
Manager

501.954.6305
josh.reaper@forvis.com

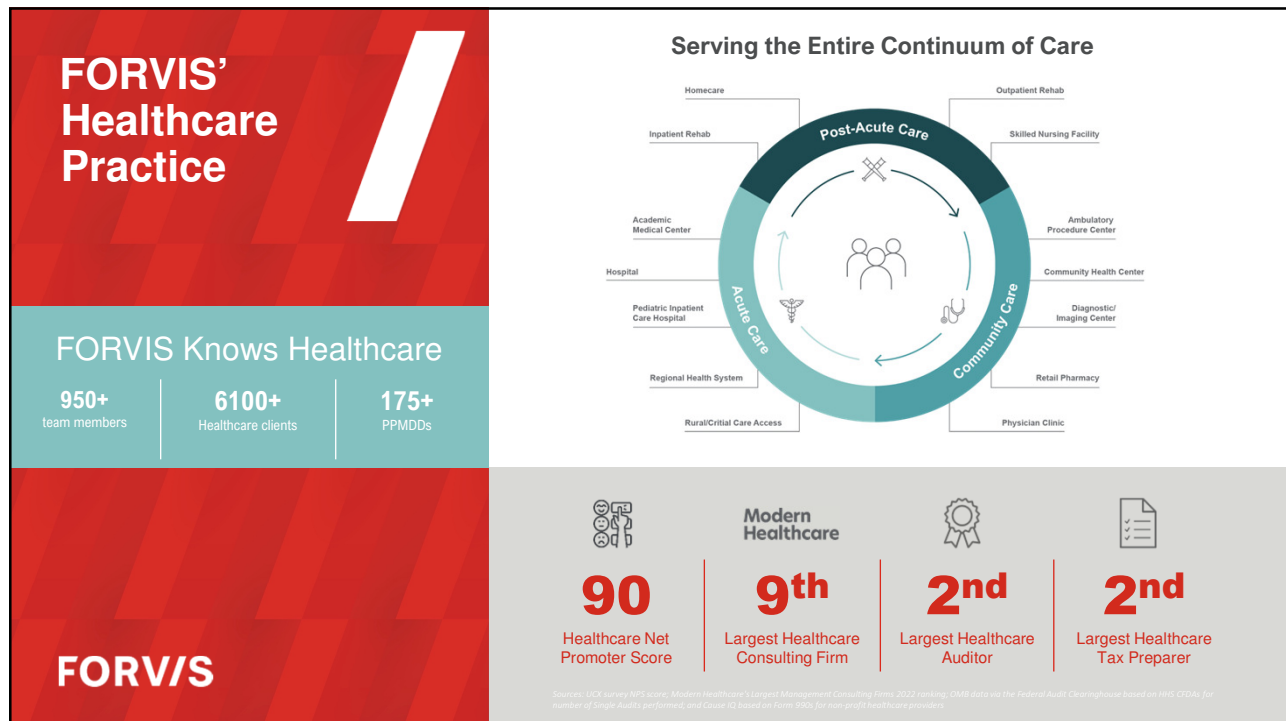
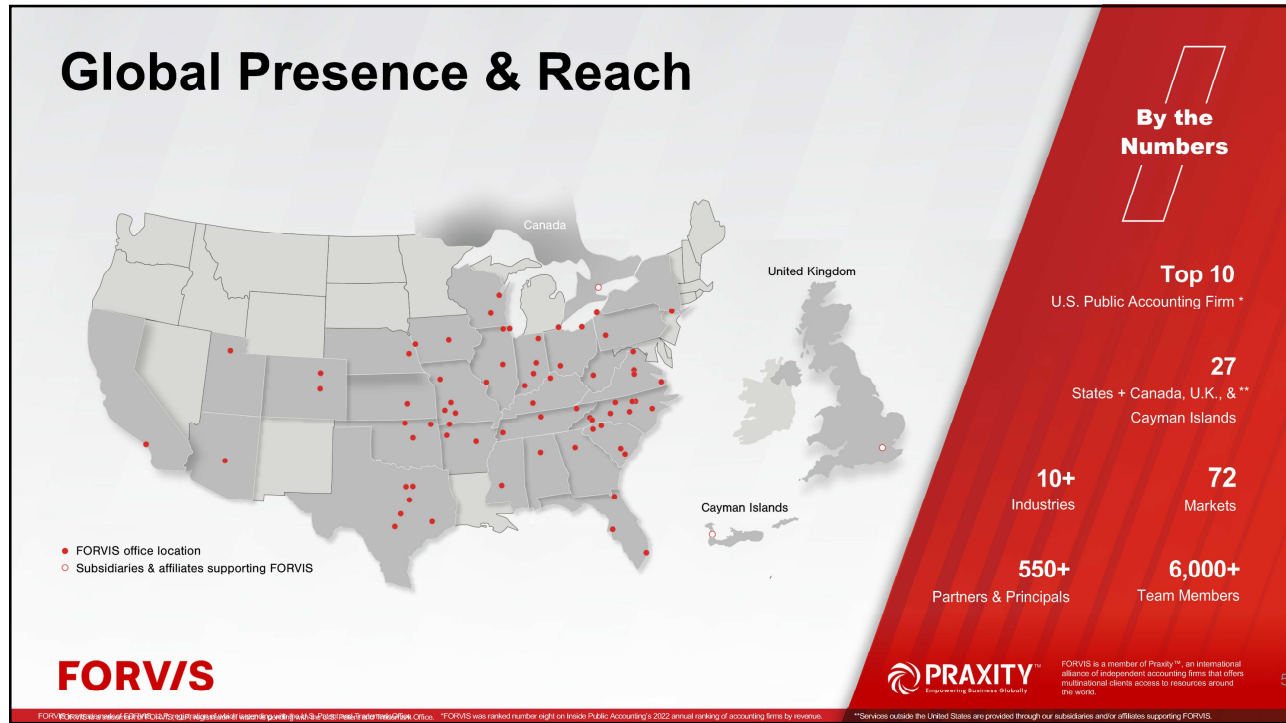
FORV/S

3

Agenda

- Introductions & Overview
- Wage Index
- Transmittal 18: Bad Debts, S-10 & Medicare DSH
- IPPS Rate Updates
- OPPS Rate Updates

4



Wage Index

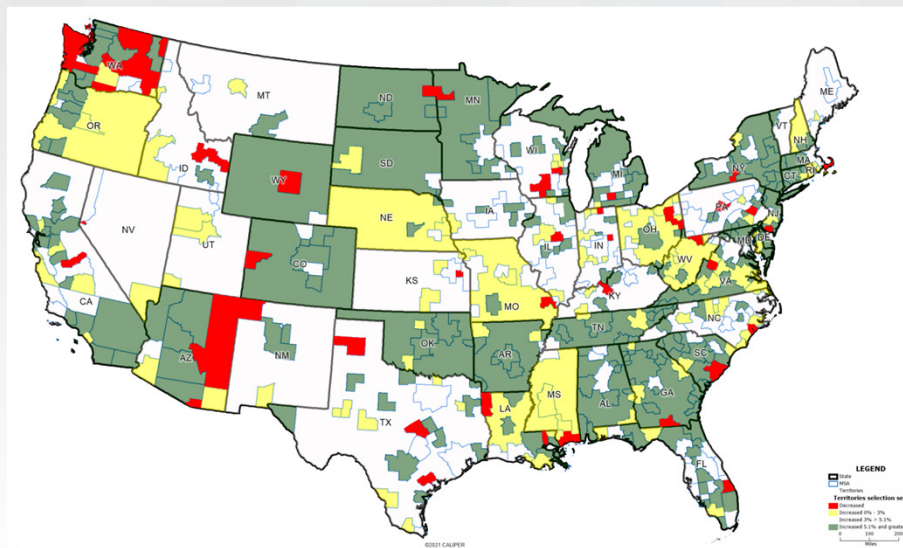
FORV/S

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

FFY 2024 Public Use File (PUF) by CBSA

KEY:

- ☐ Green increase at or above National
- ☐ White increase 3 to 5% (above national in PY)
- ☐ Yellow increase below 3%
- ☐ Red decrease



FORV/S

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

National Trends in Key Areas

Wage Index anticipated swings in AHW due to COVID-19	FFY 2023 final	FFY 2024 final	FFY 2025 as-filed
Unadjusted AHW (total salaries/total hours)	3.3%	4.6%	4.8%
Physician Part A (salaried + contracted as a percentage of total salaries)	1.4%	1.4%	1.6%
Patient care contract labor (as a percentage of total salaries)	3.1%	3.9%	7.7%
A&G contract labor (as a percentage of total salaries)	1.4%	1.4%	1.7%

FORV/S

9

Final FFY 2024 Wage Index

- Final occupational mix adjusted National average hourly wage \$50.34
 - Final increase of 5.47%
 - Starting unadjusted increase for FFY 2025 is already 4.8% before changes
- Continued evolvement for handling of 412.103 hospitals
 - FFY 2024 final to now include the wage index data into the calculation of rural wage index and rural floor even if an existing MGCRB reclassification ("dual reclass" status)
- Final modification to Rural wage index calculation – see next slide
- Quartile adjustment continues for FFY 2024 (low wage index hospital policy) and is pending current litigation
 - FFY 2024 25th percentile = 0.8667
- Imputed floor and State Frontier Floor policies continue
- Permanent cap on wage index decrease to continue (5%)

FORV/S

FORV/S is a trademark of FORV/S, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

Rural Wage Index

- Rural floor computed three ways (highest takes effect):

Hospital Data
A = Geographically rural hospitals
A1 = Subset of geographically rural hospitals with either MGCRB or "Lugar" reclassification
B = Geographically urban hospitals with §412.103 rural reclassification
B1 = Subset of geographically urban hospitals with §412.103 rural reclassification and MGCRB reclassification ("dual" reclassification)
C = Cross state MGCRB reclassification to rural area

	Current Calculation: Rural Wage Index is the highest of	Proposed Calculation: Rural Wage Index if the Highest of
Calculation 1	A	A + B
Calculation 2	A – A1	(A – A1) + (B – B1)
Calculation 3	A + (B-B1) + C	A + B + C

FORV/S

Other Wage Index items

- Occupational Mix surveys were due June 30, 2023
 - No change in rules since 2019
 - Based on Calendar Year (CY) 2022 payroll
- Wage Index audits for FFY 2025 are underway – stay current on audit requests
- MGCRB reclassification requests were due 9/1/23 to be effective starting 10/1/24

FORV/S

National Average Historical Trend

FEDERAL YEAR	INCREASE FROM PRIOR YEAR	FEDERAL YEAR	INCREASE FROM PRIOR YEAR
2009	4.3%	2017	2.2%
2010	4.0%	2018	2.2%
2011	4.3%	2019	2.1%
2012	3.7%	2020	2.9%
2013	3.4%	2021	2.4%
2014	2.4%	2022	2.7%
2015	2.3%	2023	2.7%
2016	2.5%	2024 per FINAL rule	5.5%

And for FFY 2025.....

Expect over 7% increase

FORV/S

13

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

Wage Index – Final FFY 2024

CBSA	Area Name	State	State Code	FY 2024 Average Hourly Wage	3-Year Average Hourly Wage (2022, 2023, 2024)	Wage Index	GAF	Reclassified Wage Index	Reclassified GAF	FY 2023 Wage Index	Change	Eligible for Rural Floor Wage Index
04	ARKANSAS	AR	04	36.9292	35.0270	0.7988	0.8574	0.7988	0.8574	0.7270	9.88%	
26	MISSOURI	AR	04	38.3310	37.2215	0.7988	0.8574	0.7988	0.8574	0.7687	3.92%	
22220	Fayetteville-Springdale-Rogers, AR	AR	04	41.0308	40.2224	0.7988	0.8574	0.7988	0.8574	0.8519	-6.23% Y	
22900	Fort Smith, AR-OK	AR	04	42.4011	39.3757	0.8239	0.8758	0.8239	0.8758	0.7968	3.40%	
26300	Hot Springs, AR	AR	04	44.6543	40.8560	0.9662	0.9767	0.9662	0.9767	0.8988	7.50%	
27860	Jonesboro, AR	AR	04	39.3553	38.4448	0.7988	0.8574	0.7988	0.8574	0.7989	-0.01% Y	
30780	Little Rock-North Little Rock-Conway, AR	AR	04	43.6112	40.8703	0.8474	0.8928	0.8224	0.8747	0.8450	0.28%	
32820	Memphis, TN-MS-AR	AR	04	41.3598	40.1762	0.8037	0.8610	0.7988	0.8574	0.8230	-2.35%	
33740	Monroe, LA	AR	04	38.6875	36.4212			0.7988	0.8574	0.7378	8.27%	
38220	Pine Bluff, AR	AR	04	37.6732	36.6467	0.7988	0.8574			0.7417	7.70% Y	
44180	Springfield, MO	AR	04	39.3922	37.7137			0.7988	0.8574	0.7729	3.35%	
45500	Texarkana, TX-AR	AR	04	44.4680	41.4468	0.8641	0.9048			0.8710	-0.79%	

FORV/S

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

Uncompensated Care: Worksheet S-10

FORV/S

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

15

Factor 1 and Factor 2

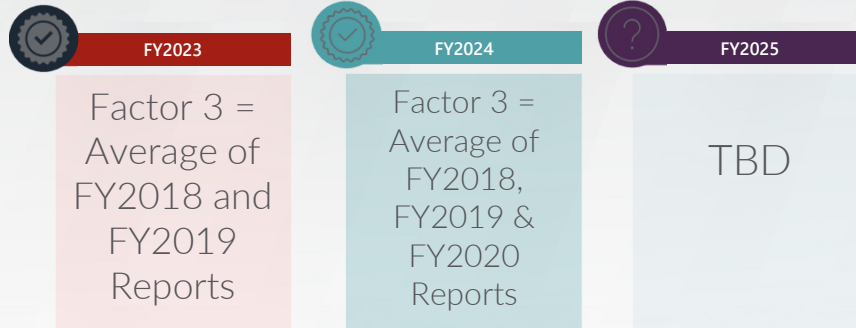
- Estimated DSH (Factor 1)
 - FFY 2022 = \$10,488,564,546
 - FFY 2023 = \$10,461,731,029
 - FFY 2024 = \$10,015,191,022
- Factor 2
 - FFY 2022 = 68.57%
 - FFY 2023 = 65.71%
 - FFY 2024 = 59.29%
- Uncompensated Care Pool
 - FFY 2022 = \$7,192,008,710
 - FFY 2023 = \$6,874,403,459
 - FFY 2024 = \$5,938,006,757

FORV/S

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

Factor 3

Future uncompensated care payments will be based on:



*Medicaid ratio is based on HCRIS extract last updated December 2022. March 2023 updated data is used for the final rule. The 2020 SSI ratio was used on proposed Rule. The 2021 SSI ratio was used for the final rule.

FORV/S

Merging Hospitals

- Mergers IN the final rule tables
 - UCC is added together and not rebased (FY21 Final Rule)
 - Subject to mid-year rule
- Mergers NOT IN the final rule tables
 - Treated like new hospital and UCC is calculated during cost report and denominator is most recently audited data
- Interim UCC per discharge payments based on data for surviving hospital

FORV/S

New Hospitals and Trim Methodology

- New Hospitals
 - Able to receive interim empirically justified DSH
 - Unable to receive interim UCC payments
 - UCC calculated on hospital's FY2024 cost report as numerator and denominator is FY2020 cost report data
- Trim methodology
 - Use state-wide average where CCR is in excess of 3 SD above national geometric mean

FORV/S

FORV/S is a trademark of FORV/S, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

Medicare Disproportionate Share (DSH)

FORV/S

FORV/S is a trademark of FORV/S, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

20

Medicare DSH – 1115 Waiver days

- Effective October 1, 2023, 1115 Waiver days **allowed** are for patients who receive:
 - Health insurance covering inpatient hospital services
 - Premium assistance covering 100% of the premium for inpatient hospital services
- Patients are excluded if covered by the 1115 demonstration-authorized Uncompensated/Undercompensated care pools

FORV/S

Medicare DSH – Capital DSH

- Effective for discharges occurring on or after October 1, 2023, hospitals reclassified as rural under § 412.103 will no longer be considered rural for purposes of determining eligibility for capital DSH payments.

FORV/S

Transmittal 18

FORV/S

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

23

Transmittal 18

**Published
December 29, 2022**

Effective for cost report
periods beginning on or
after October 1, 2022

Creation of Exhibit 3A:
Detail support for
Medicaid eligible days

Creation of Exhibit 2A:
Detail support for
Medicare Bad Debt

**Creation of a two-part S-
10:**
Part I Total Hospital
Complex
Part II Hospital Only

Creation of Exhibit 3B:
Detail support for S-10
Charity Care

Creation of Exhibit 3C:
Detail support for S-10
Bad Debts

FORV/S

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

24

Exhibit 3A – Medicaid Eligible Days

TITLE	MEDICAID ELIGIBLE DAYS FOR A DSH ELIGIBLE HOSPITAL
PROVIDER NAME	
CCN	
CRP BEGINNING DATE	
CRP ENDING DATE	
WS S-2, PT. 1, LINE #	
PREPARED BY	
DATE PREPARED	
TOTAL COLUMNS 10 & 12	
TOTAL COLUMN 11	

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

MEDICAID DAYS				INSURANCE OR OTHER PAYER NAME		MEDICARE ELIGIBILITY			
WS S-2, PART 1 COLUMN NUMBER	ELIGIBLE DAYS	LABOR & DELIVERY ROOM DAYS	NEWBORN BABY DAYS	PRIMARY	SECONDARY	A/B INDICATOR	START DATE	END DATE	COMMENTS
9	10	11	12	13	14	15	16	17	18

FORV/S

25

Exhibit 3A– Medicaid Eligible Days

S-2 Lines 24 & 25

- Col 1 - In State Paid Medicaid Days
- Col 2 – In State Medicaid Unpaid Eligible Days
- Col 3 – Out of State Medicaid Paid Days
- Col 4 – Out of State Medicaid Unpaid Eligible Days
- Col 5 – Medicaid HMO Paid and Eligible Days (In State and Out of State)
- Col 6 – Other Medicaid Days (Labor and Delivery)

FORV/S

26

Exhibit 3A – Medicaid Eligible Days

Column 8 – Patient Population Code

- New requirement
- Code required to identify restricted (R1-R9) / unrestricted eligibility (U1-U9)
- States do not provide restricted / unrestricted so a crosswalk will have to be created
- Examples of restricted codes are labor & delivery (R1), emergency only (R2), etc.

Column 11 – Labor & Delivery Days

- New requirement
- Must equal days on Worksheet S-2 Part I, Line 24, Col. 6

FORV/S

27

Exhibit 3A – Medicaid Eligible Days Example

Newborn Days Example:

Mother admission date was 3/1/2023, and was discharged on 3/3/2023, therefore 2 days are reported in column 10. The mother's newborn baby admission was on 3/1/2023, and was discharged on 3/8/2023. The first 2 days are reported in column 12 (Newborn Baby Days), and 5 days are reported in column 10 (Eligible Days).

FORV/S

28

Exhibit 3A – Medicaid Eligible Days

Column 15, 16 & 17– Medicare Eligibility

- New Requirement
- Identification of Medicare Parts A & B Eligibility
- Partial stay Medicare Eligibility

Column 18 – Comments

- CMS allows for additional information that may be included, such as multiple eligible codes and definition of user defined restricted aid codes, and in some cases 1115 Waiver Days
- Specifically, CMS indicates to not include DOB or SSN

FORV/S

29

Exhibit 3A – Medicaid Eligible Days

Key Points

- Separate listings required for each CCN S-2, Pt I, Lines 24 & 25
- Recheck that Eligible Days entered on S-2, Part 1, Lines 24 & 25, agree with listings to prevent cost report rejection
- SCHs are to file Exhibit 3A only if DRG + DSH amounts exceed HSR payments

FORV/S

30

Exhibit 2A– Medicare Bad Debts

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	PATIENT NAME FIRST	DATE OF SERVICE FROM	DATE OF SERVICE TO	PATIENT ACCOUNT NUMBER	MBI OR HICN	MEDI-CAID NUMBER	PROVIDER DEEMED INDICENT	MEDI-CARE REMITTANCE ADVISE DATE	MEDI-CAD REMITTANCE ADVISE DATE	SEC-ONDARY PAYER RA RECEIVED DATE	BENE-FICIARY RESPONSIBILITY AMOUNT	DATE FIRST BILL SENT TO BENE
1	2	3	4	5	6	7	8	9	10	11	12	13

A/R WRITE OFF DATE	SENT TO COLLECTION AGENCY (Y/N)	RETURN FROM COLLECTION AGENCY DATE	COLLECTION EFFORT CEASED DATE	MEDI-CARE WRITE OFF DATE	RECOVER-IES ONLY AMOUNT RECEIVED	RECOVER-IES ONLY MCR FTE DATE	MEDI-CARE DE-DUCTIBLE AMOUNT*	MEDI-CARE CO-INSURANCE AMOUNT*	PAYMENTS RECEIVED PRIOR TO WRITE-OFF	ALLOW-ABLE BAD DEBTS AMOUNT	COMMENTS
14	15A	15B	16	17	18	19	20	21	22	23	24

FORV/S

31

Exhibit 2A – Medicare Bad Debts

ADDITIONAL FIELDS REQUIRED

- Medicaid RA date
- secondary payer RA date
- A/R write-off date
- date returned from collection agency
 - collection effort cease date
- beneficiary responsible amount
 - recovery detail

COLUMN 14

A/R Write-Off Date

- Date in which the account is transferred out of active A/R
- Historically difficult to identify in some provider EHR systems

FORV/S

32

Exhibit 2A – Medicare Bad Debts

COLUMN 10 Medicaid RA Date	COLUMN 11 Secondary RA Date	COLUMN 12 Beneficiary Responsible Amount	COLUMN 18 Recoveries
<ul style="list-style-type: none"> Must have a date or AD (Alternate Documentation) AD should be very rare 	<ul style="list-style-type: none"> If secondary payer rejects, enter denial or notification date 	<ul style="list-style-type: none"> Deduct/Coinsurance, for dual eligible the amount the patient is responsible for paying (\$3.40 in SC) 	<ul style="list-style-type: none"> Not new but format is - all data elements required.

FORV/S

33

FORV/S is a trademark of FORV/S, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

Exhibit 2A – Medicare Bad Debts Example

TRADITIONAL CASE STUDY: Patient A has Medicare and owes their \$1,408 deductible for the most recent stay at your hospital. The hospital collects on this patient for at least 120 days, deems the account uncollectible and writes off the account balance to zero on 8/7/2023.

1 PATIENT NAME LAST	2 PATIENT NAME FIRST	3 DATE OF SERVICE: FROM	4 DATE OF SERVICE: TO	5 PATIENT ACCOUNT NUMBER	6 MBI OR HICN	7 MEDICAID NUMBER	8 PROVIDER DEEMED INDIGENT	9 MEDICARE REMITTANCE ADVICE DATE	10 MEDICAID REMITTANCE ADVICE DATE	11 SECONDARY PAYER RA RECEIVED DATE	12 BENEFICIARY RESPONSIBILITY AMOUNT
Doe	Jane	4/1/2021	4/3/2021	123456789	Z0S55S531		N	4/17/2021			\$1,408.00
13 DATE FIRST BILL SENT TO BENE	14 A/R WRITE OFF DATE	15A SENT TO COLLECTION AGENCY (Y/N)	15 RETURN FROM COLLECTION AGENCY DATE	16 COLLECTION EFFORT CEASED DATE	17 MEDICARE WRITE OFF DATE	18 RECOVERIES ONLY: AMOUNT RECEIVED	19 RECOVERIES ONLY: MCR FYE DATE	20 MEDICARE DEDUCTIBLE AMOUNT	21 MEDICARE COINSURANCE AMOUNT	22 PAYMENTS RECEIVED PRIOR TO WRITE-OFF	23 ALLOWABLE BAD DEBTS AMOUNT
5/2/2021	8/30/2021	Y	8/5/2023	8/5/2023	8/7/2023			\$1,408.00	\$0.00	\$200.00	\$1,208.00

FORV/S

34

FORV/S is a trademark of FORV/S, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

Exhibit 2A – Medicare Bad Debts Example

CROSSOVER CASE STUDY: Patient B has Medicare with Medicaid as a secondary payer. They have a \$1,408 deductible for their most recent stay at your hospital. The hospital bills Medicaid for the deductible and Medicaid pays \$108. Remaining balance is written-off to an implicit price concession on 8/7/2023.

1 PATIENT NAME LAST	2 PATIENT NAME FIRST	3 DATE OF SERVICE: FROM	4 DATE OF SERVICE: TO	5 PATIENT ACCOUNT NUMBER	6 MBI OR HCN	7 MEDICAID NUMBER	8 PROVIDER DEEMED INDIGENT	9 MEDICARE REMITTANCE ADVISE DATE	10 MEDICAID REMITTANCE ADVISE DATE	11 SECONDARY PAYER RA RECEIVED DATE	12 BENEFICIARY RESPONSIBILITY AMOUNT
Doe	John	4/1/2023	4/3/2023	I23456789	Z0S55S531	ZZZ7894123	N	4/17/2023	5/5/2023		\$0.00
13 DATE FIRST BILL SENT TO BENE	14 A/R WRITE OFF DATE	15A SENT TO COLLECTION AGENCY (Y/N)	15 RETURN FROM COLLECTION AGENCY DATE	16 COLLECTION EFFORT CEASED DATE	17 MEDICARE WRITE OFF DATE	18 RECOVERIES ONLY: AMOUNT RECEIVED	19 RECOVERIES ONLY: MCR FYE DATE	20 MEDICARE DEDUCTIBLE AMOUNT	21 MEDICARE COINSURANCE AMOUNT	22 PAYMENTS RECEIVED PRIOR TO WRITE-OFF	23 ALLOWABLE BAD DEBTS AMOUNT
	8/7/2023	N		8/7/2023	8/7/2023			\$1,408.00	\$0.00	\$108.00	\$1,300.00

FORV/S

35

Transmittal 18 – Worksheet S-10



S-10 PART I
Total Hospital Complex



S-10 PART II
Exclude Psych Unit, SNF,
HHA, ESRD, etc.

FORV/S

36

Transmittal 18 – Worksheet S-10 Charity

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

TOTAL THIRD PARTY ALLOWANCE PAYMENTS 12	INSURED CONTRACTUAL ALLOWANCE AMOUNT 13	OTHER NON-ALLOWABLE AMOUNTS 14	TOTAL PAYMENT 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

FORV/S

37

Exhibit 3B S-10 – Charity Care

COLUMN 6 Insurance Status	COLUMN 11 Deduct./Coins./Copay	COLUMN 13 Contractual Allowance Amount	COLUMN 16 Bad Debt Write-Off
<ul style="list-style-type: none"> Options are uninsured (1), insured (3) & insured not covered (2) Includes no contractual relationship, exhausted benefits, non-covered, etc. 	<ul style="list-style-type: none"> Deductible & coinsurance must be separately identified This could create issues during data retrieval 	<ul style="list-style-type: none"> Required only for insured and insured not covered accounts. 	<ul style="list-style-type: none"> Report amount written-off A/R in the system regardless of the date.

FORV/S

38

Exhibit 3B – Medicare S-10 Example

UNINSURED CASE STUDY: Patient C is uninsured and per the financial assistance policy receives an uninsured discount of 70%.

1 PATIENT NAME LAST	2 PATIENT NAME FIRST	3 DATE OF SERVICE: FROM	4 DATE OF SERVICE: TO	5 PATIENT ACCOUNT NUMBER	6 INSURANCE STATUS	7 PRIMARY PAYOR	8 SECONDARY PAYOR	9 TOTAL CHARGES FOR CLAIM	10 PHYSICIAN / PROFESSIONAL CHARGES
Doe	Jane	4/1/2023	4/3/2023	123456789	1	SELF PAY		\$15,125.00	\$0.00
11 DEDUCTIBLE / COINSURANCE / COPAY AMOUNTS	12 TOTAL THIRD PARTY PAYMENTS	13 INSURED CONTRACTUAL ALLOWANCE AMOUNT	14 OTHER NON- ALLOWABLE AMOUNTS	15 TOTAL PATIENT PAYMENTS	16 AMOUNTS WRITTEN OFF AS BAD DEBT	17 UNINSURED DISCOUNT AMOUNTS	18 CHARITY CARE NON-COVERED CHARGES	19 OTHER CHARITY CARE CHARGES	20 AMOUNTS WRITTEN OFF TO CHARITY CARE AND UNINSURED DISCOUNTS
	\$0.00		\$0.00	\$0.00	\$4,537.50	\$10,587.50	\$0.00	\$0.00	\$10,587.50

FORV/S

39

Exhibit 3B – Medicare S-10 Example

INSURED CASE STUDY: Patient D is insured and owes your hospital their \$1,500 deductible. The patient applies for charity through the financial application and is ultimately approved for 80% write-off. The remaining 20% is collected on and ultimately goes to the collection agency.

1 PATIENT NAME LAST	2 PATIENT NAME FIRST	3 DATE OF SERVICE: FROM	4 DATE OF SERVICE: TO	5 PATIENT ACCOUNT NUMBER	6 INSURANCE STATUS	7 PRIMARY PAYOR	8 SECONDARY PAYOR	9 TOTAL CHARGES FOR CLAIM	10 PHYSICIAN / PROFESSIONAL CHARGES
Doe	Joe	5/1/2023	5/3/2023	123456789	3	ANTHEM	SELF PAY	\$24,566.00	\$0.00
11 DEDUCTIBLE / COINSURANCE / COPAY AMOUNTS	12 TOTAL THIRD PARTY PAYMENTS	13 INSURED CONTRACTUAL ALLOWANCE AMOUNT	14 OTHER NON- ALLOWABLE AMOUNTS	15 TOTAL PATIENT PAYMENTS	16 AMOUNTS WRITTEN OFF AS BAD DEBT	17 UNINSURED DISCOUNT AMOUNTS	18 CHARITY CARE NON-COVERED CHARGES	19 OTHER CHARITY CARE CHARGES	20 AMOUNTS WRITTEN OFF TO CHARITY CARE AND UNINSURED DISCOUNTS
\$1,500.00	\$5,133.00	\$17,933.00	\$0.00	\$0.00	\$300.00	\$0.00	\$0.00	\$1,200.00	\$1,200.00

FORV/S

40

Exhibit 3B – Medicare S-10 Example

INSURED NOT COVERED CASE STUDY: Patient E is insured but has exhausted their benefits. The hospital's financial assistance policy states that patients whose benefits are exhausted are covered under the policy. As such the hospital writes the account off to zero.

1 PATIENT NAME LAST	2 PATIENT NAME FIRST	3 DATE OF SERVICE: FROM	4 DATE OF SERVICE: TO	5 PATIENT ACCOUNT NUMBER	6 INSURANCE STATUS	7 PRIMARY PAYOR	8 SECONDARY PAYOR	9 TOTAL CHARGES FOR CLAIM	10 PHYSICIAN / PROFESSIONAL CHARGES
Doe	Jill	5/1/2023	5/3/2023	123456789	2	ANTHEM	SELF PAY	\$24,566.00	\$0.00
11 DEDUCTIBLE / COINSURANCE / COPAY AMOUNTS	12 TOTAL THIRD PARTY PAYMENTS	13 INSURED CONTRACTUAL ALLOWANCE AMOUNT	14 OTHER NON- ALLOWABLE AMOUNTS	15 TOTAL PATIENT PAYMENTS	16 AMOUNTS WRITTEN OFF AS BAD DEBT	17 UNINSURED DISCOUNT AMOUNTS	18 CHARITY CARE NON-COVERED CHARGES	19 OTHER CHARITY CARE CHARGES	20 AMOUNTS WRITTEN OFF TO CHARITY CARE AND UNINSURED DISCOUNTS
\$0.00	\$0.00	\$17,933.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,633.00	\$0.00	\$6,633.00

FORV/S

41

Transmittal 18 – Worksheet S-10 Bad Debts

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	PATIENT FIRST NAME	DATE OF SERVICE - FROM	DATE OF SERVICE - TO	PATIENT ACCT NUMBER	INSURANCE STATUS	PRIMARY PAYOR	SECONDARY PAYOR

SERVICE INDICATOR (IF / OP)	TOTAL CHARGES	TOTAL PHYS. ICLN / PROFES- SIONAL CHGS	TOTAL PATIENT PAYMENTS	TOTAL THIRD PARTY PAYMENTS	PATIENT CHARITY CARE AMOUNT	CONTRACTUAL ALLOWANCE / OTHER AMOUNT	A/R WRITE OFF DATE	PATIENT BAD DEBT WRITE OFF AMOUNT

FORV/S

42

IPPS Rate Updates

FORV/S

FORV/S is a trademark of FORV/S, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

FFY2024 Final Rule – At a Glance



**+2.1B OPERATING
PAYMENTS**



**+474M CAPITAL
PAYMENTS**



**-364 NEW
TECHNOLOGY**



=2.2B IPPS PMTS

FORV/S

FORV/S is a trademark of FORV/S, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

Section V: IP Rate update Final Rule FY24

FFY 2024	W/ Quality & Meaningful Use	W/ Quality W/O Meaningful Use	W/O Quality W/ Meaningful Use	W/O Quality & Meaningful Use
Market basket rate of increase	3.3%	3.3%	3.3%	3.3%
Adjustment if no quality data submitted			-0.825%	-0.825%
Adjustment if not a meaningful user		-2.475%		-2.475%
Productivity adjustment	-0.20%	-0.20%	-0.20%	-0.20%
Change to standardized amount	3.1%	0.625%	2.275%	-0.20%

FORV/S

FORV/S is a trademark of FORV/S, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

Section V: RRC

- Rural hospital may be classified as a Rural Referral Center (RRC) if:
 - CMI of at least 1.8066 national-all urban value or the median CMI value for urban hospitals for the census region

Region	Proposed Case-Mix Index Value
1. New England (CT, ME, MA, NH, RI, VT)	1.5272
2. Middle Atlantic (PA, NJ, NY)	1.5791
3. East North Central (IL, IN, MI, OH, WI)	1.6726
4. West North Central (IA, KS, MN, MO, NE, ND, SD)	1.7392
5. South Atlantic (DE, DC, FL, GA, MD, NC, SC, VA, WV)	1.65775
6. East South Central (AL, KY, MS, TN)	1.662
7. West South Central (AR, LA, OK, TX)	1.8348
8. Mountain (AZ, CO, ID, MT, NV, NM, UT, WY)	1.8582
9. Pacific (AK, CA, HI, OR, WA)	1.8094

- Discharges of at least 5,000 for the year

FORV/S

FORV/S is a trademark of FORV/S, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

Change in Treatment of Rural Classification for Capital DSH

- Beginning October 1, 2023 CMS will begin paying Capital DSH to Urban Hospitals with a Rural Reclassification
- CMS Response to Recent Court Decisions

FORV/S

FORV/S is a trademark of FORV/S, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

Section V: Low Volume Adjustment

- Extension of temporary changes to LV methodology for FY 2023 and FY 2024.
 - 15 miles between nearest proximity hospital
 - Less than 3,800 Total Discharges
- Criteria will revert to 2010 methodology starting in FY 2025
 - 25 miles between nearest proximity hospital
 - Less than 200 Total Discharges
- Application for payment is required to be received by the MAC by 9/1/2023
 - If the MAC received it after 9/1/2023 it may be acceptable, but likely not retroactive to the start of the Federal Fiscal Year

FORV/S

FORV/S is a trademark of FORV/S, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

Section V: Low Volume Adjustment

Fiscal Years	Road Miles	Total Discharges	Payment Adjustment
2019 through 2024	>15	<= 500	0.25
		> 500 < 3,800	$0.25 - [0.25/3300] * (\text{number of total discharges} - 500) = (95/330) - (\text{number of total discharges}/13,200)$
2025 and subsequent years	>25	< 200	0.25

FORV/S

Section V: Medicare Dependent Hospitals

- Legislation extended the Medicare Dependent Hospital (MDH) program through FY 2024.
- If classified as MDH 9/30/2022 no need to reapply
- If rural classification for MDH was canceled on or after October 1, 2022 then provider must request to be reclassified as rural and reapply for MDH classification.

FORV/S

Section V: Hospital Readmissions Reduction Program

- Currently includes six measures:
 - Acute myocardial infarction
 - Heart failure
 - Pneumonia
 - Elective primary total hip arthroplasty/total knee arthroplasty
 - Chronic obstructive pulmonary disease
 - Coronary artery bypass graft surgery
- No additional proposals or updates

FORV/S

Section V: Hospital Value-Based Purchasing (VBP) Program

- Update to the Medicare Spending per Beneficiary measure beginning in FY 2028
- Measure updates to the Hospital-Level Risk-Standardized Standardized Complication Rate Following Elective Primary THA/TKA beginning in FY 2030
- New measure Severe Sepsis and Septic Shock: Management Bundle for FY 2026
- Updates to the Data Collection and Submission Requirements for the HCAHPS Survey Measure in FY 2027
- Updates to performance standards and scoring methodology including application of the Health Equity Adjustment
- Consistent with prior year, propose to reduce each hospital's base-operating DRG payment by 2% but would assign each hospital a value-based incentive percentage that matches the 2% reduction to the base operating DRG payment amount

FORV/S

Section V: Hospital-Acquired Condition (HAC) Reduction Program

- Currently six measures adopted to date with no proposed additions or removals
- Establish a validation reconsideration process for hospitals that failed to meet data validation requirements, beginning with the FY 2025 program year, affecting CY 2022 discharges.
- Modify the targeting criteria for data validation to include hospitals that received an Extraordinary Circumstances Exception (ECE) during the data periods validated beginning with the FY 2027 program year, affecting CY 2024 discharges.

FORV/S

FORV/S is a trademark of FORV/S, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

Section V: Rural Community Hospital Demonstration Program

- Last extended by the Consolidated Appropriations Act of 2021
- 26 participating hospitals based on the following criteria:
 - Located in a rural area or is treated as being in a rural area under the Act
 - Has fewer than 51 beds (excluding distinct units)
 - Provides 24-hour emergency care services
 - Is not designated or eligible for designation as a CAH
- Updates to budget neutrality calculations

FORV/S

FORV/S is a trademark of FORV/S, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

OPPS Updates

FORV/S

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

55

OPPS – Calendar Year 2024 Proposed rules takeaways

- If Quality measures are met:
 - 2.8% increase to OPPS payment rates (3% increase less a 0.2% productivity adjustment)
 - Also applies to ASC's
- Hospital price transparency requirement updates
 - must now use CMS template to display data
- 340B payments – same payment of standard default rate ASP + 6%
 - Separate proposed rule specifically to address the low payments from 2018-2022
- Comment period ended 9/11/23
- Anticipated final rule is early November 2023 to be effective starting 1/1/24

FORV/S

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

Contact Information



Veronika Kryzhanovska, CPA, FHFMA
Senior Manager

501.954.6374
veronika.kryzhanovska@forvis.com



Josh Reaper, CPA, CHFP
Manager

501.954.6305
josh.reaper@forvis.com

FORVIS

57

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

Thank you!

forvis.com

The information set forth in this presentation contains the analysis and conclusions of the author(s) based upon his/her/their research and analysis of industry information and legal authorities. Such analysis and conclusions should not be deemed opinions or conclusions by FORVIS or the author(s) as to any individual situation as situations are fact specific. The reader should perform its own analysis and form its own conclusions regarding any specific situation. Further, the author(s) conclusions may be revised without notice with or without changes in industry information and legal authorities. FORVIS has been registered in the U.S. Patent and Trademark Office, which registration is pending.

FORVIS

Assurance / Tax / Advisory