

**Webinar will
begin shortly!**



ARTS PROFORMA COST REPORT

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Ayana Washington

July 29, 2021

HOUSEKEEPING



MUTE

All lines have been muted for the duration of this training.



QUESTIONS

Feel free to ask questions using the Q&A panel at any point during today's session.



RECORDING

This session is being recorded.



HELP

Ask a question using the Q&A panel
or
Email Training@mslc.com

ARTS Proforma Cost Report

Introduction to Presenters

Andrea Crump - Andrea is a Sr. Manager with Myers and Stauffer LC with over 30 years of experience in healthcare accounting. She assists DMAS with the review of cost reports for hospitals, FQHC/RHC facilities, Rehabs, Nursing Facilities, and ICF-IID cost settlements and rate setting.

Ayana Washington - Ayana is a Manager with Myers and Stauffer LC with nine years of experience in healthcare accounting. She currently manages the review of approximately 109 Virginia Medicaid cost reports for hospitals.

ARTS Proforma Cost Report

OBJECTIVE: To share information on the following:

- Completing the proforma cost report for rate setting
- Documentation needed when submitting the cost report
- Submitting the cost report

ARTS Proforma Cost Report

RTF Form 608 V 2 will be used for this rate setting process

Schedule A - Statistics

- Record name, address, NPI, fiscal period
- Check type of facility certified
- Inpatient Statistical Data:
 - Complete lines 1-8 as indicated - line 3 total beds available should be # of beds times number days in year/period.
- Line 9 - report number of FTEs as indicated
- Line 10 - report most prevalent semi-private room rate in effect at the fiscal year end
- Lines 11-13 - report information as indicated

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Schedule B - Classification of Adjustment and Expenses

- Record salaries and expenses as listed in the trial balance/general ledger in columns 1 and 2. **NOTE:** Administration and General, column 2 will come from expenses listed on Schedule B-2.
- Column 3 is the total of columns 1 and 2.
- Column 4 will include the total adjustments (increases/decreases) made to each cost center line as indicated on Schedule B-1.
- Column 5 is the facility's adjusted expenses.
- Non-Allowable ARTS costs on lines 25-30 will be deducted on Sch F - amounts should be entered as positive numbers.

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Schedule B-1 Adjustment/Reclass to Expenses

- This schedule is provided to record adjustments (decreases) for non-reimbursable costs. Examples: marketing, contributions, offset of miscellaneous income.
- This schedule is provided to record adjustments (increases) for allowable expenses not recorded in the trial balance. Examples: overhead costs, allocations from related parties.
- The total adjustment amounts should trace to Column 4 of Schedule B.
- Do not change/overwrite/markout a standard description line in the Description column. Indicate the basis for the adjustment (A=Expense amount; B=Offset of income amounts).
- Record the description of adjustment, basis, amount of adjustment, name of cost center and the line number of the cost center.

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Schedule B-2 Analysis of Administrative and General-Other

- This schedule provides an analysis/breakdown of the Administrative and General (A&G) costs - Other.
- The total A&G costs should trace to Schedule B, line 1, column 2 (There is a formula in that cell on Schedule B to pick up the total).

Schedule C Statement of Services from Related Organization

- Complete this schedule if the RTF has incurred costs which are the result of transactions with a related organization.
- Related organizations are defined in Chapter 10 of the CMS PUB 15:1.
- If there are costs from related organizations, complete sections B and/or C.

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Allocations

- *Per CMS Pub. 15-1: 2150.3 (C), "The allowable home office costs that have not been directly assigned to specific chain components must be allocated among the providers (and any nonprovider activities in which the home office may be engaged) on a basis designed to equitably allocate the costs over the chain components or activities receiving the benefits of the costs."*
- In all instances where costs are being allocated, providers must use an appropriate, equitable method for allocations. Providers may elect the allocation method they deem most appropriate for their facility and the type of cost being allocated; but documentation must be provided to support the allocation statistic, and justification for the statistic used may be requested.

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Schedule D Statement of Compensation of Owners

- Compensation as used in this schedule is defined in Chapter 9 of the CMS Pub. 15-1.
- Complete information as indicated - for sole proprietor, partners or corporate officers.
- If no information is needed, please include “N/A” on first line of schedule.

Schedule E Statement of Compensation Paid to Administrators (other than owners)

- Compensation used in this schedule is defined in 12VAC30-90-52-(B).
- Complete information as indicated.
- If no information is needed, please include “N/A” on first line.

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Schedule F Calculation of Residential Treatment Facility Cost Per Day

- This schedule is provided for calculating the Medicaid Program cost per day as well as includes the certification statement to be signed by an official of the Facility.
- To be valid, a completed cost report MUST be signed by an authorized Officer/Administrator of the facility.
- All fields on schedule are formulas except Line 2 - Total RTF Medicaid Program Days.

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Documentation Needed for Review of Cost Report

- Completed cost reporting form(s) provided by DMAS with signed certifications.
- The provider's trial balance/general ledger.
- Grouping schedule that shows amounts from the trial balance/general ledger that agree to amounts reported on the cost report (Schedule B, B-1, B-2).
- Documentation for total patient days and Medicaid patient days (NO PHI)
- Depreciation schedule or summary with depreciation expense that agrees to amounts reported in the cost report.
- Home office cost report, if applicable.
- Allocation schedules of costs from related organizations (Schedule C)

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Submission of Cost report/documentation

The completed cost report and documentation as described above should be submitted to the DMAS cost settlement and auditing contractor, Myers and Stauffer LC by email to ARTSproforma@mslc.com.

Contacts for cost report:

- Andrea Crump - acrump@mslc.com
- Ayana Washington - awashington@mslc.com
- Les Wingfield - lwingfield@mslc.com

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QUESTIONS????