

HOSPITAL-BASED
RURAL HEALTH CLINICS
DIVISION OF MEDICAL ASSISTANCE
MEDICAID SCHEDULES
2015
INSTRUCTIONS

Effective for 2015 cost report year, the Medicaid schedules for the Medicaid Cost Report and Medicaid PPS Reconciliation have been combined. The instructions identify if specific schedules apply only to Cost Settled Providers or PPS Providers.

Per the North Carolina State Plan, Attachment 4.19-B, Section 2 for FQHC and RHC providers:

Effective for dates of service occurring January 1, 2001 and after, FQHCs and RHCs are reimbursed on a prospective payment rate. (PPS Provider)

Providers who elected to be reimbursed in accordance to the cost based methodology in effect on December 31, 2000, and who did not change their election prior to January 1, 2005 shall remain with that choice of cost based reimbursement methodology. (Cost Settled Provider)



**North Carolina Department of Health and Human Services
Division of Medical Assistance**

Pat McCrory
Governor

Richard O. Brajer
Secretary

Dave Richard
Deputy Secretary for Medical Assistance

September 1, 2015

Dear RHC Provider:

In accordance with the Medicaid Participation Agreement Paragraphs 6 and 7, FQHC\RHC providers are required to file an annual year ending cost report with the Division of Medical Assistance. Providers can access the cost reporting forms and instructions on-line at <http://www.dhhs.state.nc.us/dma/cost/rhcreports.htm> and select the appropriate cost report.

Your cost report is due by the end of the fifth month of the year ending service period. The following information **must** be submitted **along with your original Medicaid RHC cost report**:

- A copy of your facility's Medicare cost report.
- A copy of your facility "crosswalk" working trial balance to support Medicare report.
- Supporting documentation and working papers including, but are not limited to, calculation of costs for the Medicare report.
- Supporting documentation and working papers including, but are not limited to, calculation of costs for the Medicaid report.
- Defined chart of accounts.
- Log of bad debts, if applicable.
- Log of pneumococcal, influenza, and H1N1 immunizations administered to Medicaid beneficiaries included on DMA-HB8. This log must include each beneficiary's Medicaid ID number.
- Financial Statements, audited or unaudited, at time of submission.
- List of all State and Federal grant revenues including the title of the grant and amount of revenues for the reporting period.

Please submit the above-referenced cost report and information to:

US Mail
Audit Section
Attn: Joy Liu
Division of Medical Assistance
2501 Mail Service Center
Raleigh, NC 27699-2501

Express Mail/Shipping
Audit Section
Attn: Joy Liu
Division of Medical Assistance
333 East Six Forks Road, Suite 200
Raleigh, NC 27609

If a settlement is due the Medicaid program, make check payable to *Division of Medical Assistance* for the amount due and remit it under separate cover to:

DHHS Controller's Office
Accounts Receivable Medical Assistance
2022 Mail Service Center
Raleigh, NC 27699-2022

If you have questions, please contact Joy Liu at (919) 814-0022 or e-mail Joy.Liu@dhhs.nc.gov.

Sincerely,

Katherine Cardenas, CPA
Audit Manager

www.ncdhhs.gov
Tel 919-855-4100 • Fax 919-733-6608
Location: 1985 Umstead Drive • Kirby Building • Raleigh, NC 27603
Mailing Address: 2501 Mail Service Center • Raleigh, NC 27699-2501
An Equal Opportunity / Affirmative Action Employer

DMA HOSPITAL-BASED RHC MEDICAID SCHEDULES INSTRUCTIONS

RECOMMENDED SEQUENCE FOR COMPLETING MEDICAID SCHEDULES

The Medicaid Schedules are to be completed after the Medicare Cost Reporting Worksheets are completed.

<u>Step Number</u>	<u>Schedule</u>	<u>Cost Report Page</u>	<u>Instructions</u>
1	Facesheet	1	Page 2. Complete Sections 1 - 6.
2	DMA - HB1	2	Page 3. Complete Schedule.
3	DMA - HB2	3	Page 4. Complete Schedule.
4	DMA - HB3	4	Page 5. Complete Schedule.
5	DMA - HB4	5	Pages 6 - 7. Complete Schedule.
6	DMA - HB5	6	Page 7 - 8 . Complete Lines 1 - 3.
7	DMA - HB6	7	Page 8 - 9. Complete Schedule.
8	DMA - HB7	8	Page 9. Complete Schedule.
9	DMA - HB8	9	Page 9-10. Complete Schedule.
10	DMA - HB5	6	Page 8. Complete Lines 4 - 9.
11	DMA – HB9	10	Page 10 - 11. Cost-Settled Providers ONLY Complete Schedule.
12	DMA – HB10-A	11	Page 11. PPS Reconciled Providers ONLY Complete Schedule.
13	DMA – HB10-B	12	Page 12. PPS Reconciled Providers ONLY Complete Schedule
14	Facesheet	1	Page 2. Complete Certification Statement.
15	Cost Report Checklist		Page 13. Submit documents on the list to DMA.

DMA HOSPITAL-BASED RHC MEDICAID SCHEDULES INSTRUCTIONS

DMA-SCHEDULES

GENERAL INFORMATION AND CERTIFICATION - PAGE 1 (Cost Settled and PPS)

Warning: If you downloaded the Excel spreadsheet and are keying data into a worksheet, please remember you need only key data into the **lightly shaded cells**. Each worksheet contains formulas that process data only from the shaded cells and will not work correctly if you make entries in unshaded fields. If you experience problems with using Excel, simply print a blank copy of each schedule and fill it out using a pen or typewriter.

Note: Please follow the recommended sequence for completing your cost report schedules to assure the data flows correctly for all schedules.

1. Enter name, address, county and telephone number.
2. Enter cost reporting period. This period must coincide with the Medicare Cost Report.
3. Enter all NPI provider numbers and Medicaid Provider numbers assigned to facility. If additional space is needed, attach a separate sheet with the additional NPI provider numbers and Medicaid Provider Numbers. If no Medicaid Provider Number was assigned after 7/1/2013, enter only the NPI.
4. Check appropriate box identifying type of control.
5. Enter individual we should contact to answer questions about cost report schedules.
6. Enter address we should mail all Medicaid settlements if different from address of facility in Item 1.

Certification Statement

Enter the full name of the facility and reporting period covered by the report.

Statement must be signed by officer or administrator of the facility **after** all schedules have been completed. The statement filed **must** have an original signature.

**DMA HOSPITAL-BASED RHC MEDICAID SCHEDULES
INSTRUCTIONS**

ANALYSIS OF DIRECT CORE COSTS - PAGE 2 / DMA-HB1 (Cost Settled and PPS)

The purpose of this schedule is to compute Medicaid Net Direct Core Cost based on the Medicare Cost Report and the provider's working trial balance.

Line 1

Enter Total Direct Cost from the Medicare Cost Report, Worksheet A, Column 7, Line(s) applicable to the Rural Health Clinic(s) at the hospital.

Lines 2a – 2g are for identification of Other Ambulatory Services (Direct Non-Core) Costs.

Line 2a

Identify total Pharmacy cost included in Line 1, as documented in provider's working trial balance.

Line 2b

Identify total Dental cost included in Line 1, as documented in provider's working trial balance.

Line 2c

Identify total Health Check Services cost included in Line 1, as documented in provider's working trial balance.

Line 2d

Identify total Radiology Services cost included in Line 1, as documented in provider's working trial balance.

Line 2e

Identify total Norplant Services cost included in Line 1, as documented in provider's working trial balance.

Line 2f

Identify total Physician Hospital Services cost included in Line 1, as documented in provider's working trial balance.

Line 2g

Identify total Other (Miscellaneous Ambulatory) cost included in Line 1, as documented in provider's working trial balance.

Line 3

Sum Lines 2a – 2g

Line 4

Subtract Line 3 from Line 1.

**DMA HOSPITAL-BASED RHC MEDICAID SCHEDULES
INSTRUCTIONS**

ANALYSIS OF ALLOCATED CORE COSTS - PAGE 3 / DMA-HB2 (Cost Settled and PPS)

The purpose of this schedule is to identify all General Service Costs applicable to the Rural Health Clinic(s) and to allocate these costs between Core and Non-Core Services based on the Medicare Cost report and the provider's records.

Column 1

Lines 1a – 1u.

Enter the total General Service Cost for each cost center from the Medicare Cost Report, Worksheet B, Part I, Columns 1 - 23, Line(s) applicable to the Rural Health Clinic(s) of the hospital.

Line 2

Sum Lines 1a – 1u.

Line 3

Enter total amount from Line 2 which is applicable only to Core costs (Column 3, Line 2 plus all Pharmacy costs on line 1n).

Line 4

Subtract Line 3 from Line 2. (Transfer this figure to Schedule DMA-HB4, Line 3.)

Line 5

Divide Schedule DMA-HB1 Line 4 by Schedule DMA-HB1 Line 1. Round this ratio to two decimal places (0.00).

Column 2

Lines 1a – 1m and Lines 1o – 1u

Enter ratio calculated in Column 1, Line 5.

Column 3

Lines 1a – 1u

Multiply Column 1 times Column 2 for each cost center.

Line 2

Sum Lines 1a – 1u. (Transfer this amount to DMA-HB3, Line 1b.)

**DMA HOSPITAL-BASED RHC MEDICAID SCHEDULES
INSTRUCTIONS**

COST OF MEDICAID CORE SERVICES - PAGE 4 / DMA-HB3 (Cost Settled and PPS)

The purpose of this schedule is to calculate the total cost for Medicaid Core Services.

Line 1a

Enter Direct Core Services Cost from Schedule DMA-HB1, Line 4, Column 2.

Line 1b

Enter Allocated Core Services Costs from Schedule DMA-HB2, Line 2, Column 3.

Line 1c

Enter sum of Line 1a plus Line 1b.

Line 2

Enter total number of Rural Health Clinic(s) Core Service visits. (From provider's Medicare Cost Report, Worksheet M-3, Line 6 Total Adjusted Visits.)

Line 3

Divide Line 1c by Line 2.

Line 4

Enter Upper Payment Limit per visit for specific Cost Reporting year. Note: If the hospital has less than 50 beds, enter N/A on this line.

Line 5

Enter Lessor of Line 3 or Line 4.

Line 6

Enter total number of Medicaid Covered Core Visits for Core Services (From provider's records, including Mental Health visits. See NOTE below.)

Line 7

Multiply Line 5 times Line 6.

**DMA HOSPITAL-BASED RHC MEDICAID SCHEDULES
INSTRUCTIONS**

ALLOCATION OF OVERHEAD COST - PAGE 5 / DMA-HB4 (Cost Settled and PPS)

The purpose of this schedule is to allocate overhead costs to each ambulatory cost center and compute the average cost per encounter or unit of service.

Column 2

Lines 1a – 1g

Transfer costs from Schedule DMA-HB1 / Page 2 to the corresponding cost center.

Line 2

Sum Lines 1a – 1g.

Line 3

Enter overhead cost from Schedule DMA-HB2 / Page 3, Line 4.

Line 4

Divide Line 3 by Line 2. Round this amount to the fifth decimal place (0.00000).

Column 3

Line 1a

Multiply Unit Cost Multiplier (Column 2, Line 4) times Pharmacy Cost (Column 2, Line 1a) and enter amount on Line 1a.

Line 1b

Multiply Unit Cost Multiplier (Column 2, Line 4) times Dental Cost (Column 2, Line 1b) and enter amount on Line 1b.

Line 1c

Multiply Unit Cost Multiplier (Column 2, Line 4) times Health Check Services Cost (Column 2, Line 1c) and enter amount on Line 1c.

Line 1d

Multiply Unit Cost Multiplier (Column 2, Line 4) times Radiology Services Cost (Column 2, Line 1d) and enter amount on Line 1d.

Line 1e

Multiply Unit Cost Multiplier (Column 2, Line 4) times Norplant Services Cost (Column 2, Line 1e) and enter amount on Line 1e.

Line 1f

Multiply Unit Cost Multiplier (Column 2, Line 4) times Physician Hospital Services Cost (Column 2, Line 1f) and enter amount on Line 1f.

Line 1g

Multiply Unit Cost Multiplier (Column 2, Line 4) times Other Specified Cost (Column 2, Line 1g) and enter amount on Line 1g.

**DMA HOSPITAL-BASED RHC MEDICAID SCHEDULES
INSTRUCTIONS**

DMA-HB4, continued

Line 2

Sum Lines 1a – 1g. Amount **must** agree with Overhead Cost in Column 2, Line 3.

Column 4

Lines 1a – 1g

Sum Columns 2 and 3 for each Line.

Line 2

Sum Columns 2 and 3.

Column 5

Lines 1a – 1g

Total number of encounters / units of service for **all** beneficiaries served by the provider. This would include Medicare, Medicaid, private, and insurance beneficiaries.

Number of prescriptions must be used for Pharmacy and encounters / units of service for all other Ambulatory Services.

Column 6

Lines 1a – 1g

Compute the average cost for each Ambulatory Service. Divide Column 4 by Column 5. Transfer amounts to Schedule DMA-HB5 / Column 2, Lines 1a – 1g.

DETERMINATION OF MEDICAID REIMBURSEMENT - PAGE 6 / DMA-HB5 (Cost Settled and PPS)

The purpose of this schedule is to compute the Medicaid cost of each Ambulatory Service based on the number of **Medicaid** encounters / units of service, Total Reimbursement Cost (Core and Ambulatory), and Amount Due Provider / Program.

Column 2

Lines 1a – 1g

Transfer costs from Schedule DMA-HB4, Page 5, Column 6 to the corresponding cost center.

Column 3

Lines 1a – 1g

Enter total number of **Medicaid** encounters / units of service furnished by the provider for each Ambulatory Service. This information is from the provider's records.

Column 4

Lines 1a – 1g

Multiply Cost per Encounter (Column 2) times Number of Medicaid Encounters (Column 3).

Line 2

Enter Subtotal of Lines 1a – 1g, Column 4.

Line 3

Enter Total Medicaid Core Cost transferred from Schedule DMA-HB3 / Page 4, Line 7.

**DMA HOSPITAL-BASED RHC MEDICAID SCHEDULES
INSTRUCTIONS**

DMA-HB5, continued

Line 4

Enter Total Medicaid Cost of Pneumococcal and Influenza Vaccine Injections transferred from Schedule DMA-HB8 / Page 9, Column 3, Line 4.

Line 5

Enter Total of Lines 2, 3, and 4.

Line 6

Enter Amount Received / Receivable from Medicaid based on Core and Ambulatory Services furnished to Medicaid Beneficiaries. Amount transferred from Schedule DMA-HB6, Page 7, Column 2, Line 4.

Line 7

Subtract Line 6 from Line 5.

Line 8

Enter Amount of Bad Debts from Schedule DMA-HB7 / Page 8, Line 5.

Line 9

Compute Amount Due Provider (Program). Add Lines 7 and 8.

SUMMARY OF MEDICAID PAYMENTS - PAGE 7 / DMA-HB6 (Cost Settled and PPS)

The purpose of this schedule is to identify Medicaid Received / Receivable amounts and provider numbers for which HP and/or NC Tracks rendered payments. These amounts are applicable to Core and Ambulatory Services furnished during the cost reporting period. **Do not include Co-payments billed/received for Core Services, Fees billed/received for Carolina Access, or Medicare Crossover Payments. Medicaid Pregnancy Medical Home Incentive Payments (S0280 / S0281) are excluded. Co-payments for Ambulatory Services are included.**

Column 2

Lines 1a – 1g

Enter Received / Receivable amount for each Ambulatory Service based on the provider's records.

Line 2

Enter Received / Receivable amount for Core Services based on the provider's records.

Line 3

Enter Received / Receivable Third Party Liability amount for Ambulatory and Core Services based on the provider's records.

Line 4

Compute Total Medicaid Payments. Add Lines 1a – 1g, 2, and 3. Transfer this amount to Schedule DMA-HB5 / Page 6, Column 4, Line 6 and DMA-HB9 / Page 10, Line 6.

Column 3

Lines 1a – 1g

Enter provider numbers used by HP and/or NC Tracks to make payments for each Ambulatory Service. Please note, if more space is needed, provider numbers may be listed in the comments section at the bottom of the page.

**DMA HOSPITAL-BASED RHC MEDICAID SCHEDULES
INSTRUCTIONS**

DMA – HB6, continued

Line 2

Enter provider numbers used by HP and/or NC Tracks to make payments for Core Services.

Line 3

Enter provider numbers which Third Party Liability payments were made for Medicaid covered services.

Comments

Use this section as needed. For example, cost reports with multiple providers may list the provider numbers here if column 3, lines 1a-1g have insufficient space.

BAD DEBTS - PAGE 8 / DMA-HB7 (Cost Settled and PPS)

The purpose of this schedule is to compute the amount of Net Bad Debts incurred by the facility.

Line 1

Enter the total co-payment amount billed to Medicaid beneficiaries from the provider's records.

Line 2

Enter the co-payment amounts received from Medicaid beneficiaries from the provider's records.

Line 3

Compute Medicaid Bad Debts. Subtract Line 2 from Line 1.

Line 4

Enter any recovery of previous Medicaid amounts written off as Bad Debts from the provider's records.

Line 5

Compute Net Bad Debts. Subtract Line 4 from Line 3. Transfer this amount to Schedule DMA-HB5 / Page 6, Column 4, Line 8.

COST OF PNEUMOCOCCAL AND INFLUENZA VACCINES - PAGE 9 / DMA-HB8 (Cost Settled and PPS)

The purpose of this schedule is to compute the Medicaid cost of Pneumococcal and Influenza Vaccine Injections based on the number of injections for Medicaid beneficiaries.

NOTE: Effective for services rendered on or after September 1, 2009, the administration of influenza H1N1 vaccines furnished by RHCs and FQHCs are cost reimbursed. However, no cost will be incurred for influenza H1N1 vaccine as this is provided free of charge to provider/suppliers. To account for the cost of administering seasonal influenza vaccines, influenza H1N1 vaccines, and or both vaccines administered during the same patient visit, column 3 is for seasonal influenza vaccines and its administration, column 4 is added for administration of only H1N1 vaccines, and column 5 is for the administration of both the seasonal influenza and H1N1 vaccines during the same patient visit.

Columns 2, 3, 4, and 5

Line 1

Enter cost of Pneumococcal and Influenza Vaccine Injections and its (their) administration and the administration of H1N1 vaccines in the applicable column from the provider's records.

DMA HOSPITAL-BASED RHC MEDICAID SCHEDULES INSTRUCTIONS

DMA-HB8, continued

Line 2

Enter the number of Pneumococcal, Influenza, H1N1, and Seasonal Influenza and H1N1 Vaccine Injections administered to Medicaid beneficiaries in the applicable column. This information is from the provider's records.

NOTE: Do NOT include injections for the following beneficiaries on Line 2:

- Children aged 0 – 18 years who received vaccines in addition to a Health Check assessment, or if vaccine administration is the only service provided on the date of service, or
- Children enrolled in the Health Choice program.

Line 3

Multiply Cost per Vaccine Injection (Line 1) times number of Medicaid Vaccine Injections (Line 2).

Line 4

Enter the Medicaid cost of Pneumococcal, Influenza, H1N1 and Seasonal Influenza and H1N1 Vaccine Injections. Sum of Columns 2, 3, 4, and 5, Line 3. Transfer this amount to Schedule DMA-HB5 / Page 6, Column 4, Line 4.

PPS RECONCILIATION SCHEDULE – COST-SETTLED PROVIDERS–PAGE 10 / DMA-HB9

The purpose of this schedule is to compute PPS payments based on the number of Medicaid Encounters and identify Gross Amount Due Provider or Program.

Lines a - e

Enter total number of **Medicaid** encounters furnished by the provider for each Ambulatory Service. This information is from the providers records.

Line 1

Compute Total Medicaid Encounters. Enter subtotal of lines a - e.

Line 2

Enter PPS rate from DMA Rate Setting.

Line 3

Compute Prospective Payments. Multiply Line 1 times Line 2.

Line 4

Enter Total Reimbursable Costs from DMA-HB5. Sum of Line 5 and Line 8.

Line 5

Enter Greater of Line 3 or Line 4.

Line 6

Enter Amount Received from Medicaid from DMA-HB6 Line 4

**DMA HOSPITAL-BASED RHC MEDICAID SCHEDULES
INSTRUCTIONS**

DMA-HB9, continued

Line 7

Subtract Line 6 from Line 5. If this is a negative amount (Due Program), the total amount due **must** be remitted under separate cover with check made payable to *Division of Medical Assistance* to the address below:

**DHHS Controller's Office
Accounts Receivable Medical Assistance
2022 Mail Service Center
Raleigh, NC 27699-2022**

PPS RECONCILIATION SCHEDULE – PPS PROVIDERS– PAGE 11 / DMA-HB10-A

The purpose of this schedule is to compute PPS payments for PPS-reconciled providers only based on the number of Medicaid Encounters and identify Gross Amount Due Provider or Program.

NOTE: In accordance with the North Carolina State Plan, Attachment 4.19-B, Section 2, a provider is a PPS reconciled provider if one of the following conditions apply:

- **The RHC-FQHC provider was enrolled in the Medicaid program prior to January 1, 2001, elected to be PPS reconciled, and did not change their election prior to January 1, 2005.**
- **The RHC-FQHC provider was newly enrolled in the Medicaid program on or after January 1, 2001.**
- **A Cost-settled Provider had a change of ownership on or after January 1, 2005.**

Lines a - e

Enter total number of **Medicaid** encounters furnished by the provider for each Ambulatory Service. This information is from the providers records.

Line 1

Compute Total Medicaid Encounters. Enter subtotal of lines a - e.

Line 2

Enter PPS rate from DMA Rate Setting.

Line 3

Compute Total Prospective Payments. Multiply Line 1 times Line 2.

Line 4

Enter Amount Received from Medicaid from DMA-5, Line 6.

Line 5

Subtract Line 4 from Line 3 If this is a negative amount (Due Program), the total amount due **must** be remitted under separate cover with check made payable to *Division of Medical Assistance* to the address below:

**DHHS Controller's Office
Accounts Receivable Medical Assistance
2022 Mail Service Center
Raleigh, NC 27699-2022**

**DMA HOSPITAL-BASED RHC MEDICAID SCHEDULES
INSTRUCTIONS**

**SCOPE OF SERVICE CHANGES SCHEDULE – PPS RECONCILED PROVIDERS ONLY- PAGE 11 /
DMA-HB10-B**

The purpose of this schedule is for the FQHC or RHC PPS Reconciled provider to notify DMA of any change(s) in the scope of services provided during the cost reporting period.

Please complete Schedule DMA-HB10-B for each NPI.

Lines 1.a. through 1.j.

Indicate if there was No Change (column 2), an Added Service (column 3), and the date the service was added (column 4), or a Discontinued Service (column 5) and date the service was discontinued (column 6) for each service.

After completing all schedules, print and complete the Certification Form as instructed below:

CERTIFICATION STATEMENT

Enter the full name of the facility and reporting period covered by the report.

Ensure the Certification Statement is signed by an officer or administrator of the facility after all schedules have been completed. The Audit Section **must** have an original signature on the submitted form or the cost report will be considered incomplete.

QUESTIONS ABOUT COST REPORT PREPARATION:

If you have questions about the preparation of the cost reporting forms, please contact Joy Liu at (919) 814-0022 or e-mail Joy.Liu@dhhs.nc.gov.

**DMA HOSPITAL-BASED RHC MEDICAID SCHEDULES
INSTRUCTIONS**

PPS-Reconciled providers must submit a full copy of your signed and certified facility Medicare cost report (CMS 222-92) **along with your original Medicaid FQHC\RHC cost report.**

For **Cost-Settled providers**, the following information **must** be submitted **along with your original Medicaid FQHC\RHC cost report:**

- _____ A copy of your facility’s Medicare cost report.

- _____ A copy of your facility “crosswalk” working trial balance to support Medicare report.

- _____ Supporting documentation and working papers including calculation of costs for the Medicare cost report.

- _____ Supporting documentation and working papers including calculation of costs for the Medicaid cost report.

- _____ Defined chart of accounts.

- _____ Log of bad debts, if applicable.

- _____ Log of pneumococcal, influenza, and H1N1 immunizations administered to Medicaid beneficiaries included on DMA-HB8. This log must include each beneficiary’s Medicaid ID number.

- _____ Financial Statements, audited or unaudited, at time of submission.

- _____ List of all Federal grant revenues including the title of the grant and the amount of revenue for the reporting period.