

Program Memorandum

Intermediaries

Department of Health and
Human Services (DHHS)
HEALTH CARE FINANCING
ADMINISTRATION (HCFA)

Transmittal A-01-22

Date: FEBRUARY 6, 2001

CHANGE REQUEST 1501

SUBJECT: Extension of Due Date for Filing Provider Cost Reports

In accordance with 42 CFR 413.24(f), providers are required to file their cost reports on an annual basis on or before the last day of the fifth month following the close of the period covered by the cost report.

There have been significant changes to the hospital cost report due to the implementation of the outpatient prospective payment system (OPPS), effective August 1, 2000. The first cost reporting period affected by these changes is the August 31, 2000 fiscal year end, which is due to be filed by January 31, 2001. Due to the time required to test and approve electronic cost report vendor systems implementing these cost report changes, there will not be sufficient time for providers to file cost reports by the January 31, 2001 due date. Therefore, a 90-day, 60-day, and 30-day extension will be granted for the August 31, 2000, September 30, 2000, and October 31, 2000, fiscal year ends, respectively. These cost reports will be due April 30, 2001. In addition, a 60-day and 30-day extension will be granted community mental health centers (CMHCs) for fiscal years ending August 31, 2000, and September 30, 2000, respectively, as a result of the effect of the OPPS on CMHCs.

The worksheets for a provider-based hospice have been approved by the Office of Management and Budget and will be available for use following electronic vendor approval. The testing for the provider-based hospice will begin March 1, 2001, and will be combined with the testing for the changes made to the home health agency (HHA) cost report worksheets reflecting prospective payment. Vendor approval is expected by April 16, 2001. A 60-day and 30-day extension will be granted for providers with fiscal years ending October 31, 2000, and November 30, 2000, for free-standing HHAs, hospitals with a hospital-based HHA, skilled nursing facilities (SNFs) with a SNF-based HHA, and provider-based hospices. Those cost reports will be due May 31, 2001. Providers with provider-based hospice will continue to file the hard copy Form HCFA-1984-99 as an attachment to the electronic cost report through the cost reporting period ending September 30, 2000.

SNFs that filed their cost report utilizing the Form HCFA-2540S, will no longer be permitted to file using that form for cost reports filed on or after February 1, 2001. We have incorporated the Form HCFA-2540-96S worksheets into the Form HCFA-2540-96. Testing for those worksheets will commence February 1, 2001. Cost reports required to be filed for fiscal years ending September 30, 2000, October 31, 2000, November 30, 2000, and December 31, 2000, will be due May 31, 2001. The extension will only apply to SNFs with less than 1500 Medicare days that have previously qualified to utilize the simplified method of SNF cost reporting.

The extensions identified will also apply to any short period cost reporting period ending within the timeframe specified above.

The Provider Statistical and Reimbursement Report (PS&R) has experienced programming difficulties resulting from the accommodation of recent changes in billing procedures. The Provider Reimbursement Manual, Part II (PRM-II),

Chapter 100, addresses due dates of cost reports when the PS&R is not mailed timely to the provider. Cost reports are due 5 months from the end of the fiscal year or 30 days from the date of receipt by the provider of the PS&R. This modification will continue for as long as necessary until such time as an accurate PS&R can be issued to the provider. If an accurate PS&R is not received by the provider 30 days prior to the above referenced extension dates, cost report due dates will be established under the PRM-II, Chapter 100.

This modification does not preclude a provider from filing its cost report timely, and basing the filing of the cost report on the provider's own records and claims data. Intermediaries should exercise caution when issuing tentative settlements in the absence of an accurate PS&R.

For purposes of determining interest on overpayments to a provider, a cost report filed no later than the extended due date, as determined under this Program Memorandum (PM), will be considered a timely filed cost report within the meaning of 42 CFR 413.24(f)(2). With respect to a cost report not filed on or before the extended due date, interest and penalties will begin, within the meaning of 42 CFR 405.378, on the day following the date the cost report was due and will continue until the cost report is filed.

You must forward this PM to all your providers.

Implementation and effective date: For cost reporting periods as specified within the PM.

These instructions should be implemented within your current budget.

Contact person for this PM is Tom Talbott on (410) 786-4592.

This PM may be discarded December 31, 2001.