Tips and Tricks For Understanding Worksheet S-10

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Objectives

1. DESCRIBE S-10
2. DESCRIBE HOW S-10 WILL IMPACT DSH
3. APPLY WHAT YOU KNOW ABOUT S-10 TO THE PREPARATION OF THE INFORMATION IN THE FUTURE

Poll

LEVEL OF KNOWLEDGE ABOUT S-10

- How many know what S-10 is?
- How many have completed S-10 or helped complete S-10?
- How many have read the instructions for S-10?
  - How many times?
- How many are CAH hospitals?
- How many are PPS hospitals?
- Has anyone been audited for S-10?

What is S-10?

MEDICARE WORKSHEET THAT CALCULATES UNREIMBURSED AND UNCOMPENSATED CARE COST

Section 112(b) of the Balanced Budget Refinement Act (BBRA) requires that short-term acute care hospitals (§1886(d) of the Act) submit cost reports containing data on the cost incurred by the hospital for providing inpatient and outpatient hospital services for which the hospital is not compensated.

Note that this worksheet does not produce the estimate of the cost of treating uninsured patients required for disproportionate share payments under the Medicaid program.

UNCOMPENSATED CARE: Consists of charity care, non-Medicare bad debt, and non-reimbursable Medicare bad debt. Uncompensated care does not include courtesy allowances, or discounts given to patients that do not meet the hospital's charity care policy, or discounts given to uninsured patients that do not meet the hospital's FAP, or bad debt reimbursed by Medicare.

Health Financial Systems | OCEANS PPS HOSPITAL | In Lieu of Form CMS-2552-10

HOSPITAL UNCOMPENSATED AND INDIGENT CARE DATA | Provider CCN: 200080 | Period: From 07/01/2015 To 06/30/2016 | Worksheet S-10 | Date/Time Prepared: 10/13/2016 5:47 pm

		1.00	
	Uncompensated and indigent care cost computation		
1.00	Cost to charge ratio (Worksheet C, Part I line 202 column 3 divided by line 202 column 8)	0.577136	1.00
	Medicaid (see instructions for each line)		
2.00	Net revenue from Medicaid	2,601,527	2.00
3.00	Did you receive DSH or supplemental payments from Medicaid?	Y	3.00
4.00	If line 3 is "yes", does line 2 include all DSH or supplemental payments from Medicaid?	N	4.00
5.00	If line 4 is "no", then enter DSH or supplemental payments from Medicaid	950,432	5.00
6.00	Medicaid charges	7,001,392	6.00
7.00	Medicaid cost (line 1 times line 6)	4,040,755	7.00
8.00	Difference between net revenue and costs for Medicaid program (line 7 minus sum of lines 2 and 5; if < zero then enter zero)	488,796	8.00
	State Children's Health Insurance Program (SCHIP) (see instructions for each line)		
9.00	Net revenue from stand-alone SCHIP	0	9.00
10.00	Stand-alone SCHIP charges	0	10.00
11.00	Stand-alone SCHIP cost (line 1 times line 10)	0	11.00
12.00	Difference between net revenue and costs for stand-alone SCHIP (line 11 minus line 9; if < zero then enter zero)	0	12.00
	Other state or local government indigent care program (see instructions for each line)		
13.00	Net revenue from state or local indigent care program (Not included on lines 2, 5 or 9)	0	13.00
14.00	Charges for patients covered under state or local indigent care program (Not included in lines 6 or 10)	0	14.00
15.00	State or local indigent care program cost (line 1 times line 14)	0	15.00
16.00	Difference between net revenue and costs for state or local indigent care program (line 15 minus line 13; if < zero then enter zero)	0	16.00
	Uncompensated care (see instructions for each line)		
17.00	Private grants, donations, or endowment income restricted to funding charity care	0	17.00
18.00	Government grants, appropriations or transfers for support of hospital operations	0	18.00
19.00	Total unreimbursed cost for Medicaid , SCHIP and state and local indigent care programs (sum of lines 8, 12 and 16)	488,796	19.00

		Uninsured patients	Insured patients	Total (col. 1 + col. 2)	
		1.00	2.00	3.00	
20.00	Total initial obligation of patients approved for charity care (at full charges excluding non-reimbursable cost centers) for the entire facility	1,644,221	219,854	1,864,075	20.00
21.00	Cost of initial obligation of patients approved for charity care (line 1 times line 20)	948,939	126,886	1,075,825	21.00
22.00	Partial payment by patients approved for charity care	1,567	0	1,567	22.00
23.00	Cost of charity care (line 21 minus line 22)	947,372	126,886	1,074,258	23.00

		1.00	
24.00	Does the amount in 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?	N	24.00
25.00	If line 24 is "yes," charges for patient days beyond an indigent care program's length of stay limit	0	25.00
26.00	Total bad debt expense for the entire hospital complex (see instructions)	3,121,444	26.00
27.00	Medicare bad debts for the entire hospital complex (see instructions)	20,773	27.00
28.00	Non-Medicare and non-reimbursable Medicare bad debt expense (line 26 minus line 27)	3,100,671	28.00
29.00	Cost of non-Medicare and non-reimbursable Medicare bad debt expense (line 1 times line 28)	1,789,509	29.00
30.00	Cost of uncompensated care (line 23 column 3 plus line 29)	2,863,767	30.00
31.00	Total unreimbursed and uncompensated care cost (line 19 plus line 30)	3,352,563	31.00

Transmittal 11 adds Line 27.01
Medicare allowable bad debts for the entire hospital complex

Cost to Charge Ratio	0.577136

Medicaid	Medicaid
Charges	7,001,392
RCC	0.577136
Cost	4,040,755
Supplemental	(950,432)
Medicaid Costs	3,090,323
Net Revenue	2,601,527
Unreimbursed Medicaid Cost	488,796

Changes in Transmittal 11 – not reflected in calculation

Charity Care	Uninsured	Insured	Total
Charges	1,644,221	219,854	1,864,075
RCC	0.577136	0.577136	0.577136
Cost	948,939	126,886	1,075,825
Payments	1,567	-	1,567
Cost of Charity	947,372	126,886	1,074,258

Line 27.01 = Medicare allowable BD at 100%

Bad Debts	3,121,444
Medicare BD	20,773
non-Medicare BD	3,100,671
RCC	0.577136
non-Medicare Bad Debt Cost	1,789,509

Line 28 = non-Medicare bad debt – Line 26 less line 27.01

Cost of Charity	1,074,258
non-Medicare Bad Debt Cost	1,789,509
Cost of Uncompensated Care	**2,863,767**

Unreimbursed Medicaid Cost	488,796
Cost of Uncompensated Care	2,863,767
Total Unreimbursed & Uncompensated Care Cost	3,352,563

S-10 Instructions

READ – RE-READ – READ AGAIN

LINES 2 THROUGH 8 – UNREIMBURSED COST FOR MEDICAID:

- Medicaid net revenue is "payments received or expected for title XIX covered services delivered during the cost reporting period"
- Covered services "except physician and other professional services"
- Medicaid is primary payer

LINES 20 THROUGH 23 – CALCULATION OF COST OF CHARITY CARE:

- Line 20: Column 1 = total charity care charges; Column 2 = deductible & coinsurance charges (but not deductible & coinsurance claimed as Medicare bad debt)

S-10 Instructions

READ – RE-READ – READ AGAIN

Line 20 - Column 1	
Prior to October 1, 2016	**Beginning on or after October 1, 2016**
Total initial payment obligation measured at full charges to patients, including uninsured patients, given full or partial discount for services **delivered during the cost reporting period**	Actual charge amounts of uninsured patients given full or partial discounts that were: (1) determined following charity care policy and (2) **written off during this cost reporting period, regardless of when the services were provided**
Include in Column 1 charges for non-covered services provided to patients eligible for Medicaid if the patient meets the hospital's policy criteria	Include in Column 1 charges for non-covered services provided to patients eligible for Medicaid if the patient meets the hospital's policy criteria
Do not include charges for courtesy allowances	Do not include charges for courtesy discounts for those who do not meet the hospital's charity care policy
Except physician and other professional services	Except physician and other professional services

Line 20 - Column 2	
Prior to October 1, 2016	**Beginning on or after October 1, 2016**
Coinsurance & deductible amounts	Coinsurance & deductible amounts
	Note: When reporting charity care or uninsured discounts for cost reporting periods beginning on or after October 1, 2016, amounts a hospital received for charity care charges reported on line 20 of a prior cost reporting period and not reported on line 22 of a prior cost reporting period, must be offset on line 22 of the current cost report. Lines 20 and 22 must be completed independently. Do not record on line 20 net charity care charges; line 20 must include all charges and line 22 must include all receipts.

S-10 Instructions

READ – RE-READ – READ AGAIN

Line 22 – Column 1 (Uninsured patients) & 2 (Insured patients)	
Prior to October 1, 2016	**Beginning on or after October 1, 2016**
Payments received or expected to be received from patients approved for charity care or uninsured discounts for serviced delivered during this cost reporting period	Enter all payments received during this cost reporting period, regardless of when the services were provided, from patients for amounts previously written off on line 20 as charity care or uninsured discounts
Payments from payers should not be included on this line	

More on S-10 Instructions

READ – RE-READ – READ AGAIN

LINE 26 – BAD DEBT EXPENSE FOR THE ENTIRE HOSPITAL COMPLEX:

- "Written off during this cost reporting period…regardless of date of service" net of recoveries
- "Include such bad debts for all services except physician and other professional services"
- Include amounts reported as Medicare bad debts in the cost report for all components

LINE 27 – MEDICARE REIMBURSABLE BAD DEBTS
Also referred to as adjusted bad debts (at 65%)

LINE 27.01 – MEDICARE ALLOWABLE BAD DEBTS
From cost report worksheets for all components – allowable bad debts

LINE 30 – UNCOMPENSATED CARE COST (LINE 23 COLUMN 3 AND LINE 29)

LINE 31 – UNREIMBURSED AND UNCOMPENSATED CARE COST (LINE 30 + LINE 19)

Uses of S-10

HOW DOES MEDICARE USE S-10?

- Charity care charges from S-10 Line 20 are used in the calculation of the HIT incentive payment amount
  - Higher charity care charges result in higher Medicare utilization used to calculate the incentive payment
  - HIT E-1 Part II not completed for cost reporting periods beginning on or after October 1, 2016

- **IPPS FY 2018 Final Rule incorporates S-10 Line 30 into the calculation Factor 3 of the DSH calculation**

DSH Calculation

FACTORS

- **FACTOR 1:** Basically 75% of the total estimate of Medicare DSH payments
- **FACTOR 2:** 1 minus the percent change in the percent of individuals under the age of 65 who are uninsured as a result of ACA minus 0.2 percentage points for FY 2017
  - For FY 2018 CMS changed its data source, did not limit change to those under 65 which resulted in an additional $800 million being added to the DSH pool
- **FACTOR 3:** Scaled average ratio of hospital data to national data:
  - Low-income days (Medicaid 2012 + SSI 2014) for FY 2012
  - Low-income days (Medicaid 2013 + SSI 2015) for FY 2013
  - UCC for FY 2014

S-10 Line 30

NH & VT HOSPITALS: FY 2018 DSH CALCULATION
TABLE 18 SUPPLEMENTAL DATA

FY 2018 Final Rule: Implementation of Section 3133 of the Affordable Care Act - Medicare DSH - Supplemental Data											
		Medicaid Days		SSI Days		Uncompensated Care Costs		Total Uncompensated Care Amount	Estimated Per Claim Amount		Projected to Receive DSH in FY 2018
PROV	Hospital	2012	2013	2014	2015	2014	Factor 3			Claims Average	
300001	Concord	5,198	5,598	743	770	25,651,039	0.000444255	3,006,136	$ 522.17	5,757	YES
300003	Mary Hitchcock	40,020	22,835	1,893	2,571	5,214,579	0.000512717	3,469,401	$ 434.00	7,994	YES
300005	Lakes Region	2,274	-	290	411	6,433,825	0.000127980	N/A	$ 356.53	2,429	SCH
300011	St. Joseph	-	1,280	316	381	4,096,608	0.000083831	N/A	N/A	2,350	NO
300012	Elliot	10,473	9,804	774	866	12,375,695	0.000356054	2,409,306	$ 527.90	4,564	YES
300014	Frisbie	2,290	2,454	334	312	6,626,004	0.000134326	908,945	$ 548.88	1,656	YES
300017	Parkland	882	992	156	164	1,875,958	0.000044512	N/A	N/A	1,761	NO
300018	Wentworth-Douglass	3,490	3,868	480	453	8,056,737	0.000178697	1,209,185	$ 410.17	2,948	YES
300019	Cheshire	2,736	1,525	104	251	4,521,914	0.000089620	606,434	$ 359.91	1,685	YES
300020	Southern NH MC	5,125	5,293	603	439	11,595,562	0.000253022	1,712,120	$ 578.22	2,961	YES
300023	Exeter	-	-	281	276	9,209,831	0.000157710	N/A	N/A	2,606	NO
300029	Portsmouth	2,640	2,097	361	546	3,305,306	0.000094410	N/A	N/A	3,598	NO
300034	Catholic	5,397	7,023	628	785	11,338,161	0.000270740	1,832,012	$ 346.84	5,282	YES
470001	CVMC	2,467	2,561	489	617	2,311,881	0.000085572	N/A	$ 294.98	1,963	SCH
470003	Fletcher Allen	27,386	26,919	3,721	3,451	12,510,405	0.000707792	4,789,412	$ 646.95	7,403	YES
470005	Rutland	4,319	3,629	934	1,347	4,180,438	0.000147027	N/A	$ 339.44	2,931	SCH
470011	Brattleboro Mem	1,375	1,718	158	153	1,993,134	0.000056175	380,116	$ 541.48	702	YES
470012	SVMC	2,414	2,467	472	472	2,864,043	0.000090114	N/A	$ 333.39	1,829	SCH
470024	NMC	1,851	1,867	447	330	2,620,875	0.000074985	N/A	$ 415.90	1,220	SCH

Issues

ISSUES WITH USING S-10 DATA

- S-10 data lacks accuracy
- S-10 data lacks consistency
- S-10 data lacks completeness
- S-10 data is not audited (mostly)
- S-10 database may not include all eligible hospitals
  - SCH and Rural Demonstration Project hospitals
- Unreimbursed costs attributable to Medicaid and SCHIP are not included in the calculation of UCC used in DSH

Other Comments

COMMENTS ABOUT S-10 IN IPPS FINAL RULE

- CMS is developing a process for auditing S-10 data
  - FY 2017 would be the first year for which S-10 data will be subject to desk review
- Corrected FY 2014 and FY 2015 S-10 data was allowed to be resubmitted to Medicare by October 31, 2017
  - Now you will want to refer to Transmittal 11 if resubmitting
- Instructions for S-10 were updated in November 2016
  - Please refer to S-10 instructions when completing for future cost reports
- S-10 is intended to capture UCC associated under all the hospitals Medicare provider agreements including provider-based facilities, however, S-10 is not intended to capture UCC related to physician services

What to do Now?

WHAT CAN YOU DO WITH NEW UNDERSTANDING OF S-10?

- Anticipate that S-10 will become more important in future years
- Try to understand the impact of the numbers you are including on S-10
- Know that the higher charity care charges resulted in higher HIT incentive payments
- Know that higher UCC will result in better DSH reimbursement
- Think Medicaid expansion

Contact Me

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