

3622.3 Part III - Skilled Nursing Facility, Other Nursing Facility, and Intermediate Care Facility/Mental Retardation Only.--This part provides for the apportionment of inpatient operating costs to titles V, XVIII, and XIX and the application of a limitation on reimbursable cost for these provider components. If the hospital-based SNF elects reimbursement under PPS for cost reporting periods beginning prior to July 1, 1998, complete lines 66 through 70 for data purposes only. For cost reporting periods beginning on or after July 1, 1998, complete lines 66 through 82 for data purposes only. When this worksheet is completed for a component, show both the hospital and component numbers. Any reference to the nursing facility will also apply to the intermediate care facility/mental retardation unit.

NOTE: If you have made a swing bed election for your certified SNF and hospital complex, do not complete this part for the SNF (Worksheet S-2, line 29 response is "Y"). Treat all the days and costs as swing bed days and costs and include them with the hospital. (See CMS Pub. 15-I, §2230.9B.)

Line Descriptions

Line 66--Enter the SNF or other nursing facility routine service cost from Part I, line 37.

Line 67--Determine the adjusted general inpatient routine service cost per diem by dividing the amount on line 66 by inpatient days, including private room days, shown on Part I, line 2.

Line 68--Determine the routine service cost by multiplying the program inpatient days, including the private room days in Part I, line 9, by the per diem amount on line 67.

Line 69--Determine the medically necessary private room cost applicable to the program by multiplying the days shown in Part I, line 14 by the per diem in Part I, line 35.

Line 70--Add lines 68 and 69 to determine the total program general inpatient routine service cost.

Line 71--Enter the capital-related cost allocated to the general inpatient routine service cost center. For title XVIII, transfer this amount from Worksheet B, sum of Parts II and III, column 27, line 34 (SNF). For titles V and XIX, transfer this amount from Worksheet B, sum of Parts II and III, column 27, line 35 (NF).

Line 72--Determine the per diem capital-related cost by dividing the amount on line 71 by the days in Part I, line 2.

Line 73--Determine the program capital-related cost by multiplying line 72 by the days in Part I, line 9.

Line 74--Determine the inpatient routine service cost by subtracting line 73 from line 70.

Line 75--Enter the aggregate charges to beneficiaries for excess costs obtained from your records.

Line 76--Enter the total program routine service cost for comparison to the cost limitation. Obtain this amount by subtracting line 75 from line 74.

NOTE: If you are a new provider not subject to the inpatient routine service cost per diem limitation, do not complete lines 77 and 78. (See 42 CFR 413.30(e)(2).)

Line 77--Enter the inpatient routine service cost per diem limitation. This amount is provided by your intermediary. This information is no longer required for cost reporting periods beginning on or after July 1, 1998.

Line 78--Enter the inpatient routine service cost limitation. Obtain this amount by multiplying the number of inpatient days shown on Part I, line 9 by the cost per diem limitation on line 77. This computation is no longer required for cost reporting periods beginning on or after July 1, 1998.

Line 79--Enter the amount of reimbursable inpatient routine service cost determined by adding line 73 to the lesser of line 76 or line 78. If you are a new provider not subject to the inpatient routine service cost limit, enter the sum of lines 73 and 76. For title XVIII, for cost reporting periods beginning on or after July 1, 1998, enter the amount from line 70.

Line 80-- Enter the program ancillary service amount from Worksheet D-4, column 3, line 101.

Line 81--Enter (only when Worksheet D-1 is used for a hospital-based SNF and NF) the applicable program's share of the reasonable compensation paid to physicians for services on utilization review committees to an SNF and/or NF. Include the amount eliminated from total costs on Worksheet A-8. If the utilization review costs are for more than one program, the sum of all the Worksheet D-1 amounts reported on this line must equal the amount adjusted on Worksheet A-8.

Line 82--Enter the total program inpatient operating cost by adding the amounts on lines 79 through 81. Transfer this amount to the appropriate Worksheet E-3, Part II, line 1 except for SNFs participating in the NHCQM demonstration and SNFs with cost reporting periods beginning on or after July 1, 1998. For NF and ICF/MR, transfer this amount to Worksheet E-3, Part III, column 1, line 1 for titles V and XIX.

3622.4 Part IV - Computation of Observation Bed Pass Through Cost--This part provides for the computation of the total observation bed costs and the portion of costs subject to reimbursement as a pass through cost for observation beds that are in the general acute care routine area of the hospital and/or subprovider. A separate computation must be made if a subprovider is claiming observation bed costs. For title XIX, insert the amount calculated for title XVIII for the hospital and subprovider, if applicable. To avoid duplication of reporting observation bed costs, do not transfer the title XIX amount to Worksheet C.

Line 83--Enter the total observation bed days from your records. Total observation days for the hospital and subprovider (if applicable) should equal the days computed on Worksheet S-3, Part I, column 6, line 26.

Line 84--Enter the result of general inpatient routine cost on line 27 divided by line 2.

Line 85--Multiply the number of days on line 83 by the cost on line 84 and enter the result. Transfer this amount to Worksheet C, Parts I and II, column 1, line 62. When transferring the amount to Worksheet C, be sure to combine with the subprovider if applicable.

Lines 86 through 89--These lines compute the observation bed costs used to apportion the routine pass through costs and capital-related costs associated with observation beds for PPS and TEFRA providers.

Column 1--For line 86, transfer the amount from Worksheet D, Part I, column 1, line 25 for the hospital and line 31 for the subprovider, if applicable. For line 87, transfer the amount from Worksheet D, Part I, column 4, line 25 or line 31. For lines 88 and 89, enter on each line the cost from Worksheet D, Part III, columns 1 and 2 and subscripts respectively, line 25 or line 31. Subscript line 89 to agree with Worksheet D, Part III, columns 2, 2.01 and 2.02 (01/00).

Column 2--Enter on each line the general inpatient routine cost from line 27. Enter the same amount on each line.

Column 3--Divide column 1 by column 2 for each line, and enter the result. If there are no costs in column 1, enter 0 in column 3.

Column 4--Enter the total observation cost from line 85 on each line. Enter the same amount on each line.

Column 5--Multiply the ratio in column 3 by the amount in column 4. Use this cost to apportion routine pass through costs associated with observation beds on Worksheet D, Parts II and IV.

Transfer the amount in column 5:

<u>From</u>	<u>To</u>	<u>To</u>
<u>Wkst. D-1, Part IV</u>	<u>Wkst. D, Part II</u>	<u>Wkst D, Part IV</u>
Col. 5, line 86	Col. 1, line 62	
Col. 5, line 87	Col. 2, line 62	
Col. 5, line 88		Col. 1, line 62
Col. 5, line 89 and subscripts		Col. 2, line 62 and subscripts

If observation bed services are also furnished by a subprovider, transfer to the hospital's and subprovider's Worksheet D, Parts II and IV the sum of the hospital's and subprovider's amounts from Worksheet D-1, Part IV