

4047. ANALYSIS OF RENAL DIALYSIS DEPARTMENT COSTS

This worksheet provides for the analysis of the direct and indirect expenses related to the renal dialysis cost centers, allocation of cost between inpatient and outpatient renal dialysis services where separate cost centers are not maintained, and the allocation of the cost to the various modes of outpatient dialysis treatment. The ancillary renal dialysis cost center is serviced by the general cost centers and includes all reimbursable cost centers within the provider organization which provide services to the renal dialysis department. The cost used in the analysis for the renal dialysis department is obtained, in part, from Worksheets A; B, Part I; and C. Complete a separate Worksheet I series for lines 74 and 94 of Worksheet A. In other words, complete one Worksheet I series for line 74, and one for line 94, if appropriate.

4048. WORKSHEET I-1 - ANALYSIS OF RENAL DIALYSIS DEPARTMENT COSTS

This part provides for recording the direct salaries and other direct expenses applicable to the total inpatient and outpatient renal dialysis cost center or outpatient renal dialysis cost center where you maintain a separate and distinct outpatient renal dialysis cost center. If you have more than one renal dialysis department, and/or more than one home dialysis department, submit one Worksheet I series combining the renal dialysis departments and a separate Worksheet I series combining the home dialysis departments. You must also have on file, as supporting documentation, a Worksheet I series for each renal dialysis department and for each home dialysis department along with the appropriate workpapers. File this documentation with exception requests in accordance with CMS Pub. 15-1, chapter 27, §2720. Do not combine the cost of the renal dialysis with home program dialysis reported separately on Worksheet A, lines 74 and 94.

This worksheet also provides for recording the indirect expenses applicable to the total renal or outpatient renal dialysis department obtained from Worksheet B, Part I, columns 1 through 23, line 74 as adjusted for post stepdown adjustments, if any. When completing a separate Worksheet I for home program dialysis, transfer the direct expenses from Worksheet B, Part I, columns 1 through 23, line 94. Do not combine the cost of the renal department with home program dialysis. These costs are listed separately on Worksheet A, lines 74 and 94, respectively.

Column Descriptions

Column 1--Enter on lines 1 through 8 the amounts included from Worksheet A, column 7 for salaries only. Enter on lines 10 through 16 and 18 through 26 the amounts from Worksheet B, Part I, all columns for lines 74 and 94. The subtotal on Worksheet I-1, line 27, agrees with the sum of Worksheet B, Part I, column 26, line 74, or line 94 if a home dialysis cost center was established and used on Worksheet A.

Column 2--This column lists the statistical bases for allocating costs on Worksheet I-3.

Column 3--Enter paid hours per type of staff listed on lines 1 through 6.

Column 4--Enter FTEs by dividing column 3 by 2080 hours.

Line Descriptions

Lines 1 through 6--Enter on these lines the direct patients care salaries after adjustments and reclassification that you reported in column 7 of Worksheet A. Direct patient care salary includes only the salary of staff providing direct patient care services. Also include fee paid to non-employees providing direct patient care services. Time spent furnishing administrative or management services by direct patient care personnel is reported on line 8, non-patient care salary.

Line 7--Include on this line amounts paid to physicians for their administrative services of managing the renal department. These payments are subject to the limitation contained in CMS Pub. 15-1, chapter 8, §40.6. Also include payments to physicians for their medical services if the box on line 21 of Worksheet S-5 is marked the initial method. No payment to physicians for patient medical services should appear on this line if the monthly capitation payment (MCP) box is marked on Worksheet S-5. Under the MCP, contractors pay physicians directly for their medical services.

Line 8--Enter the amount of salaries paid non-patient care personnel after reclassifications and adjustments that you report in column 7 of Worksheet A.

Lines 10 through 16--Include on the appropriate lines costs directly charged to the renal department after reclassifications and adjustments. Report other direct costs on line 16 that cannot be specifically identified on lines 11 through 15. Line 15 must include all ESA costs effective for cost reporting periods beginning on or after October 1, 2015.

Lines 17--Add lines 9 through 16. The total in column 1 must agree with the total on Worksheet A, column 7 for line 74 or line 94, as appropriate.

Lines 18 through 26--Enter the allocated general service costs from Worksheet B, Part I, lines 74 or 94, as listed in the chart below.

NOTE: Line 25 excludes the costs of all ESA's administered to ESRD patients in the renal department and home program identified on Worksheet B-2, lines 1, 2, 3 or 4.

<u>Worksheet I-1, Part I, Column 1, Line Number</u>	<u>General Service Cost Centers</u>	<u>Worksheet B, Part I, Lines 74 or 94, Columns</u>
18	Capital-Related Costs- Buildings and Fixtures	1
19	Capital-Related Costs- Moveable Equipment	2
20	Employee Benefits	4
21	Administrative and General	5
22	Maintenance & Repairs, Operation of Plant and Housekeeping	Sum of 6, 7, and 9
23	Medical Education Programs	Sum of 20, 21, 22, 23, and 25 (medical education only)

24	Central Services & Supplies	14
25	Pharmacy	15
26	Other Allocated Costs	Sum of 8, 10, 11, 12, 13, 16, 17, 18, and 19

Line 27--For cost reporting periods beginning prior to October 1, 2015, add lines 17 through 26. This total must agree with the total on Worksheet B, Part I, column 26, line 74 or line 94, if a home dialysis cost center was established. Effective for cost reporting periods beginning on or after October 1, 2015, add lines 17 through 26. This total must agree with the total on Worksheet B, Part I, column 24, line 74, or line 94 if a home dialysis cost center was established, less the sum of columns 21 and 22, as appropriate.

Lines 28, 29, and 30--These lines provide for the allocation of costs associated with routine dialysis services furnished to renal patients from other ancillary departments. Enter the cost to charge ratio from Worksheet C, Part I, column 9. Payment for routine laboratory services, as defined in CM Pub. 100-02, chapter 11, §30.2, is paid for under the composite payment rate. No separate payment is made for routine laboratory tests. The costs of these services are allocated to the renal department based on the provider's laboratory cost to charge ratio from Worksheet C, Part I, column 9, line 60. Providers must maintain a log of routine laboratory charges for allocating routine laboratory costs to the renal department. The lab charges reported on Worksheet C do not include the lab charges for ESRD therefore those charges must be grossed up in accordance with CMS Pub. 15-1, chapter 23, §2314. The cost to charge ratio must be recalculated and applied against the charges reported in column 3 of this worksheet. Do not gross up ESRD charges. Instead, the cost to charge ratio for lab charges reported on Worksheet C will be used.

Line 31--Enter the sum lines 27 through 30.