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Tuesdays at Ten:

New York State Cost Report Readiness

March 12, 2024



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Meet the Presenters



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Agenda

- Introductions

- Cost Report Challenges

- Best Practice

- Closing

What is a Cost Report?

- **LinkedIn** - A cost report is a document that summarizes the actual and forecasted costs of a project, program, or portfolio. It is an essential tool for monitoring and controlling the performance and profitability of your projects.
- **Centers for Medicare & Medicaid Services (CMS)** - The cost report contains provider information such as facility characteristics, utilization data, cost and charges by cost center (in total and for Medicare), Medicare settlement data, and financial statement data.

Types of Cost Reports

- **Institutional Hospital Cost Report (ICR)**
- **Medicare Cost Report**
- **Adult Care Facility Cost Report**
- **Home Care Cost Report**
- **Consolidated Fiscal Report (CFR)**
- **Statewide Standards of Payment (SSOP)**
- **Residential Health Care Facility (RHCF)**
- **Ambulatory Health Care Facility (AHCF)**

Importance of Cost Reporting

- Support for individual program and industry spending
- Compliance with reporting regulations
- Rate setting
- Final reimbursement
- Government audits

Challenges

Timing

Resources

Systems

Catch up with
changes

Understanding
of funding and
impacts

...More

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Impact

Late filings

**Missing
important
information**

**Cost report
revisions and
recertifications**

**Reimbursement
impact**

**Desk review and
audit findings**

...More

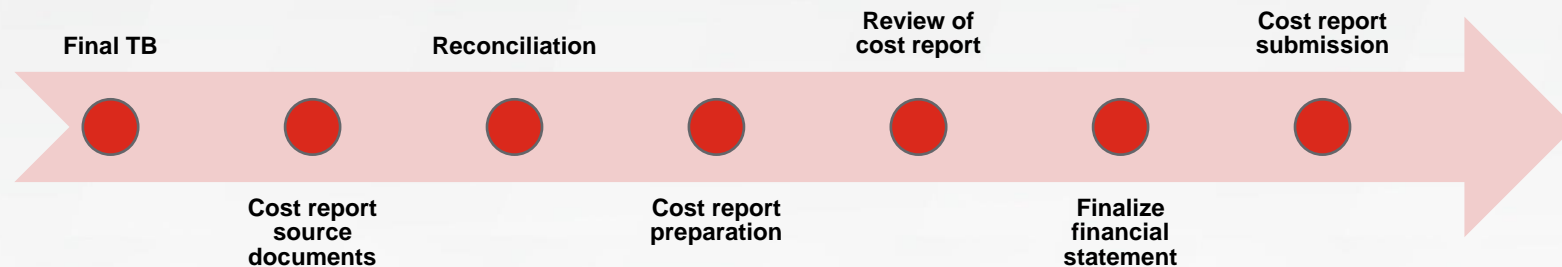
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Timing



- **Due date**
- **Extensions (not to be expected)**
- **Implications/penalties for late submission**





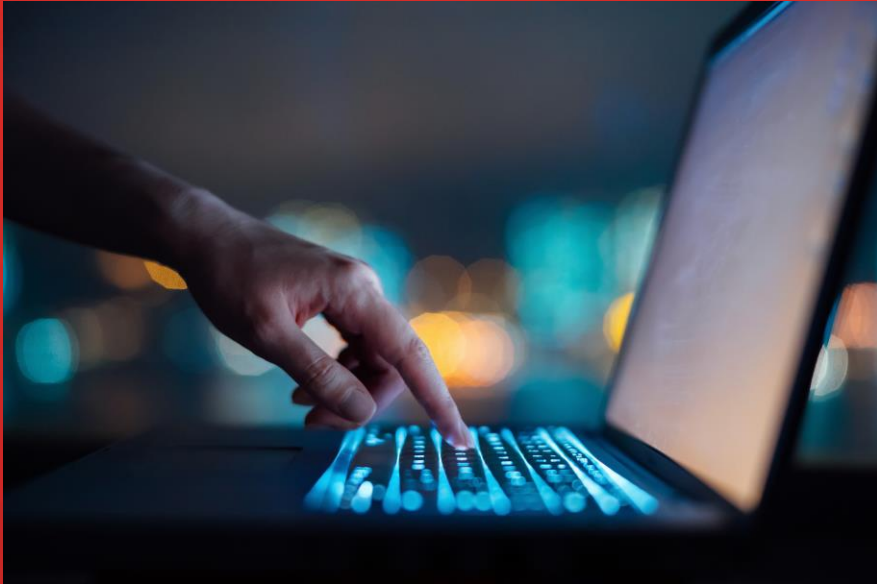
Resources



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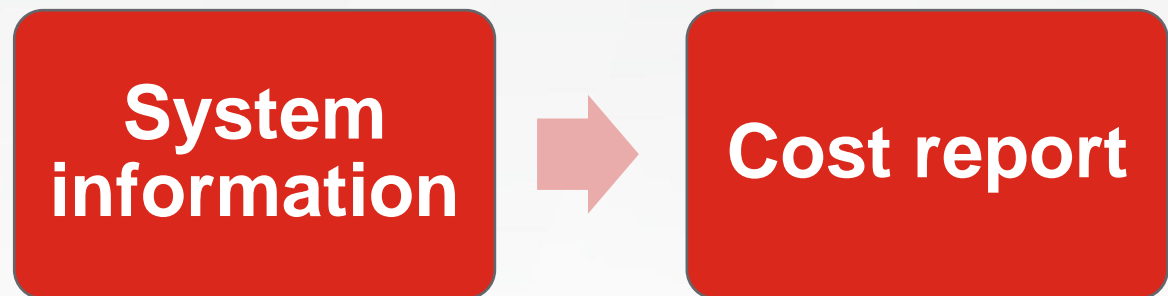
- **Who is doing what (by when)**
 - Internal
 - External
- **Priority**
- **Support (personnel, technology, professional advisors...)**

System



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- **General ledger system**
- **Human resources (HR) system**
- **Payroll system**
- **Billing system**



Reconciliation

Reconciliation

Reconciled?

Trial Balance (TB) agrees with Financial Statement total

Salaries reconcile in total to the IRS Form 941

Units agree with level report

Reconciled!

TB by cost center agrees with financial statements and functional statement

Salaries schedule \$ agrees with TB and each cost center

Units captured follow cost report guidance and have been agreed with audit and reconciled to program/site/funding source level

Information captured to smallest reporting units on cost report

Re-classes and allocation captured correctly

Reasonability of costs to be recorded

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Catching up with changes



- **Funding changes**
- **Program changes**
- **Accounting changes**
- **Cost report changes**

Talk to your trusted advisor!!!



Funding Impact



- Rate rebasing/reform
- Rate reconciliation
- Contract funding
- Strategize your cost reporting

Talk to your trusted advisor!!!

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Start now



- Timely reconciliation
- Ongoing regular analysis for financial and non-financial cost report data
- Centralize the collection of information used to prepare the cost report
- Provide regular cost report training to fiscal and program leaders
- Advanced planning
- Review cost report before finalization

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Looking into the future



- Consider usage of new general ledger/payroll/HR/billing systems or upgraded functions in the systems for cost report needs
- Systems are set up for multi-reporting purposes including cost reporting

Questions?

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