**MEDICAID FQHC COST REPORTING**

(Source: CMS 222-92 Cost Report Instructions Modified for State of Louisiana Medicaid)

**GENERAL**

These forms must be used by all freestanding Federally Qualified Health Centers (FQHCs) when applying for a change to the Medicaid prospective payment system (PPS) rate due to a change in the scope of services provided.

Rounding Standards for Fractional Computations.--Throughout the Medicaid cost report, required computations result in the use of fractions. Use the following rounding standards for such computations:

1. Round to 2 decimal places:

a. Rates

b. Cost per visit

2. Round to 6 decimal places:

a. Ratios

b. Limit adjustments

**WORKSHEET S - FEDERALLY QUALIFIED HEALTH CENTER STATISTICAL DATA AND CERTIFICATION STATEMENT**

Part I - Statistical Data.--At the top of the worksheet, include Medicaid and Medicare Provider numbers in appropriate boxes. Indicate by checking the appropriate box whether the cost report being filed is a projected or an actual/final cost report.

Line 1.--Enter the full name of the FQHC.

Line 1.01.--Enter the street address and P.O. Box (if applicable) of the FQHC.

Line 1.02.--Enter the city, state and zip code of the FQHC.

Line 1.03.--Enter the county of the FQHC.

Line 2.--Enter the FQHC identification number that was provided by Medicaid.

Line 3.--Enter your appropriate designation (“U” for urban or “R” for rural). See §505.2 of the FQHC Manual for information regarding urban and rural designations.

Line 4.--Enter on the appropriate lines the inclusive dates covered by these worksheets.

Line 5.--

Column 1--Type of Control--Indicate the ownership or auspices of the FQHC by entering the number below that corresponds to the type of control of the FQHC.

Voluntary Non Profit Proprietary Government

 1=Corporation 3=Individual 7=Federal

 2=Other (specify) 4=Corporation 8=State

 5=Partnership 9=County

 6=Other ( specify) 10=City

 11=Other(specify)

If item 2,6, or 11 is selected, “Other (specify)” category, specify the type of provider in column 2 of the worksheet.

Column 4.--Date Certified--Enter the date the FQHC was certified for participation in the Medicaid program.

Line 6.--

Column 1--Source of Federal Funds--Indicate the source of Federal Funds by entering the number below that corresponds to the applicable source.

 1=Community Health Center (Section 330(d), Public Health Service Act)

 2=Migrant Health Center (Section 329 (d), Public Health Service Act)

 3=Health Services for the Homeless (Section 340 (d), Public Health Service Act)

 4=Appalachian Regional Commission

 5=Look-Alikes

 6=Other (Specify)

If item 6 is selected, “Other (Specify) category, specify the source in Column 2 of the worksheet.

Column 3--Enter the grant award number.

Column 4--Enter the date the grant was awarded.

Line 7.--In Column 1, list all physicians furnishing services at the FQHC and in Column 2 list the physician’s Medicaid billing number. This line is not applicable for cost reporting periods ending on or after May 31, 2009.

Line 8.--In Column 1, enter the name of all supervisory physicians and in Column 2, enter the number of hours spent in supervision. This line is not applicable for cost reporting periods ending on or after May 31, 2009.

Line 9.--Does the facility operate as other than a FQHC? Enter “Y” for yes or “N” for no.

Line 10.--If the answer on line 9 is yes, enter the type of operation (i.e., laboratory or physicians services).

Line 11.--Enter the hours of operation (from/to) based on a 24 hour clock next to the appropriate day that the facility is available to provide FQHC services. For example 8:00 am is 0800 and 5:30 pm is 1730.

Line 12.--If the answer on line 9 is yes, enter the hours of operation (from/to) next to the appropriate day that the facility is available to provide other than FQHC services.

Part II - Certification Statement.--The certification statement must be prepared and signed after the worksheets have been completed. The individual signing this statement must be an officer or other administrator.

**WORKSHEET A - RECLASSIFICATION AND ADJUSTMENT OF TRIAL BALANCE OF EXPENSES**

Use Worksheet A to record the trial balance of expense accounts from your books and records. The worksheet also provides for the necessary reclassification and adjustments to certain accounts. All cost centers listed do not apply to all FQHCs using this worksheet. For example, a facility might not employ laboratory technicians and does not, in that case, complete line 8. In addition to those lines listed, the worksheet also provides blank lines for other facility cost centers.

If the cost elements of a cost center are maintained separately on your books, a reconciliation of costs per the accounting books and records to those on this worksheet must be maintained by you and are subject to review by your intermediary.

Standard (i.e., preprinted) line numbers and cost center descriptions cannot be changed. If a provider needs to use additional or different cost center descriptions, it may do so by adding additional lines to the cost report. Identify the added line as a numeric subscript of the immediately preceding line. That is, if two lines are added between lines 5 and 6, identify them as lines 5.01 and 5.02.

Also, submit the working trial balance of the facility with the cost report. A working trial balance is a listing of the balances of the accounts in the general ledger to which adjustments are appended in supplementary columns and is used as a basic summary for financial statements.

Column Descriptions

Columns 1 through 3.--The expenses listed in these columns must be in accordance with your accounting books and records.

Enter on the appropriate lines in columns 1 through 3 the total expenses incurred during the reporting period. Detail the expenses as Compensation (column 1) and Other (column 2). The sum of columns 1 and 2 must equal column 3. Record any needed reclassification and adjustments in columns 4 and 6, as appropriate.

Column 4.--Enter any reclassification among cost center expenses which are needed to effect proper cost allocation.

Worksheet A-1 is provided to compute the reclassification affecting the expenses specified therein. This worksheet need not be completed by all facilities but must be completed only to the extent that the reclassification is needed and appropriate in the facility’s circumstances.

NOTE: The net total of the entries in column 4 must equal zero on line 62.

Column 5.--Adjust the amounts entered in column 3 by the amounts in column 4 (increase or decrease) and extend the net balances to column 5. The total of column 5, line 62, must equal the total of column 3, line 62.

Column 6.--Enter on the appropriate lines the amounts of any adjustments to expenses indicated on Worksheet A-2, column 2. The total on Worksheet A, column 6, line 62, must equal the amount on Worksheet A-2, column 2, line 12.

Column 7.--Adjust the amounts in column 5 by the amounts in column 6 (increases or decreases) and extend the net balances to column 7.

Transfer the amounts in column 7 to the appropriate lines on Worksheet B.

Line Descriptions

Lines 1 through 11.--Enter the costs of your health care staff on the appropriate line by type of staff.

Line 12.--Enter the sum of the amounts on lines 1 through 11.

Line 13.--Enter the cost of physician medical services furnished under agreement.

Line 14.--Enter the expenses of physician supervisory services furnished under agreement.

Line 16.--Enter the sum of the amounts on lines 13 through 15.

Lines 17 through 23.--Enter the expenses of other health care costs.

Line 24.--Enter the sum of the amounts on lines 17 through 23.

Line 24.01 through 24.06.--Enter the expenses of other Medicaid ancillary services. Only report KidMed expenses on line 24.03 if you have a separate department on the working trial balance to track KidMed expenses otherwise include cost on the appropriate lines above.

Line 24.06.--Enter the sum of the amounts on lines 24.01 through 24.06.

Line 25.--Enter the sum of the amounts on lines 12, 16, and 24 and 24.07. Transfer this amount to Worksheet B, Part II, line 10.

Lines 26 through 36.--Enter the overhead expenses related to the facility.

Line 37.--Enter the sum of the amounts on lines 26 through 36.

Lines 38 through 48.--Enter the expenses related to the administration and management of the clinic.

Line 49.--Enter the sum of the amount on lines 38 through 48.

Line 50.--Enter the sum of lines 37 and 49. Transfer the total amount in column 7 to Worksheet B, Part II, line 14.

Lines 51 through 56.--Enter the cost centers applicable to services other than FQHC services (excluding overhead).

Line 57.--Enter the sum of the amounts on lines 51 through 56.

Lines 58 through 60.--Enter the cost of services that are not reimbursable under Medicaid.

Line 61.--Enter the sum of the amounts on lines 58 through 60.

Line 62.--This is the total cost of the facility. It is the sum of the amounts on lines 25, 50, 57, and 61.

**WORKSHEET A-1 - RECLASSIFICATION**

This worksheet provides for the reclassification of certain amounts to effect the proper cost allocation. The cost centers affected must be specifically identifiable in your accounting records. Use reclassifications in instances in which the expenses applicable to more than one of the cost centers listed on Worksheet A are maintained in your accounting books and records in one cost center. For example, if a physician performs administrative duties, the appropriate portion of his/her compensation, payroll taxes and fringe benefits must be reclassified from "Facility Health Care Staff Cost" to "Facility Overhead", line 38 for the office salaries and line 45 for the benefits and taxes.

**WORKSHEET A-2 - ADJUSTMENTS TO EXPENSES**

This worksheet provides for adjusting the expenses listed on Worksheet A, column 5. Make these adjustments, which are required under the Medicare/Medicaid principles of reimbursement, on the basis of cost, or amount received. Enter the total amount received (revenue) only if the cost (including the direct cost and all applicable overhead) cannot be determined. However, if total direct and indirect cost can be determined, enter the cost. Once an adjustment to an expense is made on the basis of cost, you may not, in future cost reporting periods determine the required adjustment to the expense on the basis of revenue. Enter the following symbols in column 1 to indicate the basis for adjustments: "A" for costs and "B" for amount received. Line descriptions indicate the more common activities which affect allowable costs or result in costs incurred for reasons other than patient care and, thus, require adjustments.

Types of items to be entered on this worksheet are (1) those needed to adjust expenses incurred, (2) those items which constitute recovery of expenses through sales, charges, fees, etc, and (3) those items needed to adjust expenses in accordance with the Medicare/Medicaid principles of reimbursement. (See CMS Pub. 15-1, §2328.)

If an adjustment to an expense affects more than one cost center, record the adjustment to each cost center on a separate line on this worksheet.

Line Descriptions

Line 1.--Investment income on restricted and unrestricted funds which are commingled with other funds must be applied together against the total interest expense included in allowable costs. (See CMS Pub. 15-1, §202.2.)

Apply the investment income on restricted and unrestricted funds which are commingled with other funds against the Administrative, Depreciation - Buildings and Fixtures, Depreciation - Equipment, and any other appropriate cost centers on the basis of the ratio that interest expense charged to each cost center bears to the total interest expense charges to all of your cost centers.

Line 5.--Enter the allowable home office costs which have been allocated to the facility. Use additional lines to the extent that various facility cost centers are affected. (See CMS Pub. 15-1, chapter 21.)

Line 6.--Obtain the amount to be entered on this line from Supplemental Worksheet A-2-1, Part II, column 6, line 5. Note that Worksheet A-2-1, Part II, lines 1 through 4, represent the detail of the various cost centers to be adjusted on Worksheet A.

Line 8.--Enter the amount which represents the allowable cost of the services furnished by National Health Service Corp (NHSC) personnel. Obtain this amount from your intermediary.

Lines 9 and 10.--If depreciation expense computed in accordance with Medicare/Medicaid principles of reimbursement differs from depreciation expenses per your books, enter the difference on lines 9 and/or 10.

**WORKSHEET A-2-1 - STATEMENT OF COSTS OF SERVICES FROM RELATED ORGANIZATIONS**

In accordance with 42 CFR 413.17, cost applicable to services, facilities, and supplies furnished to you by organizations related to you by common ownership or control are includable in your allowable cost at the cost to the related organization subject to the exceptions outlined in 42 CFR 413.17(d). This worksheet provides for the computation of any needed adjustments to costs applicable to services, facilities, and supplies furnished to you by organizations related to you. In addition, certain information concerning the related organizations with which you have Transacted business is shown. (See CMS Pub. 15-1, chapter 10.)

Part I - Introduction.--If there are any costs included in Worksheet A which resulted from transactions with related organizations as defined in CMS Pub. 15-I, chapter 10, check the "Yes" box and complete Parts II and III.

If there are no costs included in Worksheet A which resulted from transactions with related organizations as defined in CMS Pub. 15-1, chapter 10, check the "No" box and do not complete the rest of the form.

Part II - Costs Incurred and Adjustments Required.--Cost applicable to services, facilities, and supplies furnished to you by organizations related to you by common ownership or control are includable in your allowable cost at the cost to the related organizations. However, such cost must not exceed the amount a prudent and cost conscious buyer pays for comparable services, facilities, or supplies that are purchased elsewhere.

Complete each line as necessary and complete all columns for each of those lines.

Column 1.--Enter the line number from Worksheet A which corresponds to the cost center for which the adjustment is being made.

Column 2.--Enter the cost center from Worksheet A for which the adjustment is being made.

Column 3.--Enter the item of service, facility, or supplies which you obtained from the related organization.

Column 4.--Enter the cost to your organization for the service, facility, or supplies which were obtained from the related organization.

Column 5.--Enter the allowable cost of the service, facility, or supplies which were obtained from the related organization. The allowable cost is the lesser of the cost of the service, facility, or supplies to the related organization or the amount a prudent and cost conscious buyer pays for a comparable service, facility or supply purchased elsewhere.

Column 6.--Enter the amount in column 4 minus the amount in column 5. Transfer the(se) amount(s) to the corresponding line of Worksheet A, column 6.

Part III - Interrelationship of Facility to Related Organization(s).-Use this part to show your interrelationship to organizations furnishing services, facilities, or supplies to you. The requested data relative to all individuals, partnerships, corporations or other organizations having either a related interest to you, a common ownership with you, or control over you as defined in CMS Pub. 15-1, chapter 10, is shown in columns 1 through 6, as appropriate.

Complete only those columns which are pertinent to the type of relationship which exists.

Column 1.--Enter the appropriate symbol which describes your interrelationship to the related organization.

Column 2.--If the symbol A, D, E, F or G is entered in column 1, enter the name of the related individual in column 2.

Column 3.--If the individual indicated in column 2 or the organization indicated in column 4 has a financial interest in you, enter the percent of ownership.

Column 4.--Enter the name of the related organization, partnership or other organization.

Column 5.--If you or the individual indicated in column 2 has a financial interest in the related organization, enter the percent of ownership in such organization.

Column 6.--Enter the type of business in which the related organization engages (e.g., medical drugs and/or supplies, laundry and linen service.)

**WORKSHEET B - VISITS AND OVERHEAD COST FOR FQHCs**

Worksheet B is used by the FQHC to summarize (1) the visits furnished by your health care staff and by physicians under agreements with you, and (2) the overhead costs incurred by you which apply to FQHC services.

Part I - Visits and Productivity.--Use Part I to summarize the number of facility visits furnished by the health care staff and to calculate the number of visits to be used in the rate determination. Productivity standards established by CMS are applied as a guideline that reflects the total combined services of the staff. Apply a level of 4200 visits for each physician and a level of 2100 visits for each nonphysician practitioner.

Lines 1 through 9 of Part I list the types of practitioners (positions) for whom facility visits must be counted and reported.

Line 1--Enter the number of FTEs and total visits furnished to facility patients including KidMed by staff physicians working at the facility on a regular ongoing basis.

Line 1.01—Enter the number of FTEs and total visits for services furnished to facility patients including KidMed by staff physicians working under contractual agreement with you on a regular ongoing basis in the FQHC facility. These physicians are subject to productivity standards. See 42 CFR 491.8.

Column 1.--Record the number of all full time equivalent (FTE) personnel in each of the applicable staff positions in the facility practice (See CMS Pub. 27, §503 for a definition of FTEs).

Column 2.--Record the total visits actually furnished to all patients (including KidMed) by all personnel in each of the applicable staff positions in the reporting period. Count visits in accordance with instructions in Section 22.1 (Encounter) of the FQHC Louisiana Medicaid Services Manual.

Column 3.--This is the number of visits required by productivity standards. No entry is required.

Column 4.--This is the minimum number of facility visits the personnel in each staff position are expected to furnish. Enter the product of column 1 and column 3.

Column 5.--Enter the greater of the visits from column 2 or column 4. Intermediaries have the authority to waive the productivity guideline in cases where you have demonstrated reasonable justification for not meeting the standard. In such cases, the intermediary could set any number of visits as reasonable (not just your actual visits) if an exception is granted. For example, if the guideline number is 4200 visits and you have only furnished 1000 visits, the intermediary need not accept the 1000 visits but could permit 2500 visits to be used in the calculation.

Line 4.--Enter the total of lines 1 through 3.

Line 8.--Enter the total of lines 4 through 7.01.

Line 9.--Enter the number of visits furnished to facility patients by physicians under agreement with you who do not furnish services to patients on a regular ongoing basis in the FQHC facility. Physicians services under agreements with you are (1) all medical services performed at your site by a nonstaff physician who is not the owner or an employee of the facility, and (2) medical services performed at a location other than your site by such a physician for which the physician is compensated by you. While all physician services at your site are included in FQHC services, physician services furnished in other locations by physicians who are not on your full time staff are paid to you only if your agreement with the physician provides for compensation for such services.

Part II - Determination of Total Allowable Cost Applicable To FQHC Services.--Use Part II to determine the amount of overhead cost applicable to FQHC services.

Line 10.--Enter the cost of FQHC services (excluding overhead) from Worksheet A, column 7, line 25.

Line 11.--Enter the cost of services (other than FQHC services) excluding overhead from Worksheet A, column 7, sum of lines 57 and 61.

Line 12.--Enter the cost of all services (excluding overhead). It is the sum of lines 10 and 11.

Line 13.--Enter the percentage of FQHC services. This percentage is determined by dividing the amount on line 10 (the cost of FQHC services) by the amount on line 12 (the cost of all services, excluding overhead).

Line 14.--Enter the total overhead costs incurred from Worksheet A, column 7, line 50. It is the sum of facility costs and administrative overhead costs.

Line 15.--Enter the overhead amount applicable to FQHC services. It is determined by multiplying the amount on line 13 (the percentage of FQHC services) by the amount on line 14 (total overhead).

Line 16.--Enter the total allowable cost of FQHC services. It is the sum of line 10 (cost of FQHC services other than overhead services) and line 15 (overhead services applicable to FQHC services).

**WORKSHEET C - DETERMINATION OF MEDICAID PAYMENT**

Part I - Determination of Rate For FQHC Services.--Use Part I to calculate the cost per visit for FQHC services and to apply the screening guideline established by CMS on your health care staff productivity.

Line 1.--Enter the total allowable cost from Worksheet B, Part II, line 16.

Line 2.--Enter the greater of the minimum or actual visits by the health care staff from Worksheet B, Part I, column 5, line 8.

Line 3.--Enter the visits made by physicians under agreement from Worksheet B, Part I, column 5, line 9.

Line 4.--Enter the total adjusted visits (sum of lines 2 and 3).

Line 5.--Enter the adjusted cost per visit. This is determined by dividing the amount on line 1 by the visits on line 4.

Part II - Determination of Total Payment.--Use Part II to determine the total Medicaid payment due you for covered FQHC services furnished to Medicaid beneficiaries during the reporting period.

Lines 6 through 11.--Complete columns 1 and 2 of lines 6 through 11 to identify costs and visits affected by different payment limits during a cost reporting period. For lines 6 through 11, enter in column 3 the sum of columns 1 and 2 (and 2.01, if applicable). Enter the rates and the corresponding data chronologically in the appropriate column as they occur during the cost reporting period. For example, if only one payment limit is applicable during the cost reporting period complete column 1 only. Column 2 can be subscripted to accommodate the possibility of three per visit limits during a cost reporting period.

Line 6.--Enter the maximum rate per visit that can be received by you. Obtain this amount from your intermediary.

Line 7.--Enter the number of Medicaid covered visits from your intermediary records.

Line 8.--Enter the subtotal of Medicaid cost. This cost is determined by multiplying the rate per visit on line 6 by the number of visits on line 7 (the total number of covered Medicaid beneficiary visits for FQHC services during the reporting period).

Line 9.--Enter Other Coverage amounts from intermediary records.

Line 10.—Enter other adjustments or prospective adjustments as necessary.

Line 11.--Enter the net Medicaid cost – sum of lines 8-10.

Line 12.--Enter the total payments made to you for covered services furnished to Medicaid beneficiaries during the reporting period (from intermediary records).

Line 13.--Enter the total amount due to/from the Medicaid program (sum of lines 11 and 12).