STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
Bureau for Medical Services
350 Capital Street, Room 251
Charleston, West Virginia 25301
Telephone: (304) 558-1700 Fax: (304) 558-1542

Earl Ray Tomblin
Governor

Karen Bowling
Cabinet Secretary

DATE: June 30, 2014

TO: Medicaid Certified Nursing Homes
(Please give a copy of this memo to your cost report preparer)

FROM: Kelley Johnson, Program Manager for LTC Facilities kj

RE: Financial and Statistical Reports

DUE DATE IS AUGUST 29, 2014

AREAS HIGHLIGHTED IN YELLOW ARE NEW REPORTING REQUIREMENTS OR REMINDERS

The Department of Health and Human Resources Financial and Statistical Report for the six month period ending June 30, 2014 must be submitted (postmarked) no later than August 29, 2014. Recent desk reviews and rate setting cycles have identified a few recurring problems regarding cost report information submitted to the Department of Health and Human Resources (DHHR) for rate determination. As a result, the following are requirements that **MUST** be adhered to by each nursing facility seeking a rate for Medicaid participation:

- The Medicaid Grouping Report, the Facility Trial Balance, the Trial Balance by Medicaid Chart of Accounts, the Schedule of Adjusting Entries and the 8 dbf files (all generated by the cost report software) **MUST** be included with the facility cost report. Please also include the **e-mail address of the cost report preparer. The 8 dbf files should be submitted on a CD or floppy disk. A CD is preferred. Do not put the dbf files inside of a folder on the disk.**

- **Please make sure all insurance is properly categorized on WV22 lines 21-Property Insurance, 22-Liability Insurance, 23-Malpractice Insurance, and 24-Other Insurance. According to Chapter 514.13.32, effective January 1, 2013, Damage Awards and Negotiated Settlements:** Liability damages paid by the provider, either imposed by law or assumed by contract, which should reasonably have been covered by liability insurance, are not allowable. Any settlement negotiated by the provider or award resulting from a court or jury decision of damages paid by the provider in excess of the limits of the provider's policy, as well as the associated legal deductibles or legal costs is non-allowable.

- Total assets on WV10 **MUST** equal total equity/liabilities on WV12. The cost report will be deemed incomplete and returned if it is not in balance. A rounding difference of less than $10.00 will be considered acceptable.

- **ALL** "Other" accounts (including Central Office) **MUST** be described in detail on a separate accompanying schedule unless the account description on the Medicaid Grouping Report is sufficient to identify the contents of the account ("purchased services" **IS NOT SUFFICIENT**).

- **ALL** "Purchased Services" accounts listed on the cost report and grouping report **MUST** be described in detail on a separate accompanying schedule. Please include vendor name, amount and purpose of service.

- **ALL** "Consulting Services" accounts listed on the cost report and grouping report **MUST** be described in detail on a separate accompanying schedule. Please include vendor name, amount and description of service.

- **ALL** items posted to the Medicaid account #8790 – Public Relations **MUST** be described in detail on a separate accompanying schedule. Allowable are promotional expenses such as brochures, pens, mugs, resident funeral flowers but **NOT** TV, radio, newspaper advertising (#8632); family/resident activities (#7420), employee flowers (#9950) and you must document that you received public recognition of some kind (ex. name in program, on signs, radio announcement) for contributions to groups and charities or it will be considered a donation and moved to non-allowable (acct# 9950).

- Bedholds are reported on the Census Report on WV6. Please submit a schedule with the following information (a sample schedule is attached for your use):

  1. Reported bedholds by payer type (Medicaid or Other)
  2. Midnight census and occupancy percentage for reported Medicaid bedholds only
  3. Resident identifier with discharge and re-admit dates for Medicaid bedholds only
  4. List whether or not the Medicaid bedhold was billed and payment was received (Only paid bedholds should be included on WV6)

- Please do not staple reports or other supporting schedules. Due to scanning, please print **ONLY** on one side of the paper.

- Please make sure that all supporting schedules have totals that can be easily traced to the account listed on the cost report or the Medicaid Grouping Report.

- Nursing home administrator salaries are reviewed for reasonableness. Please refer to Section 514.31.1 of the Medicaid Provider Manual for the calculation. For the cost report period January 1 – June 30, 2014, the administrator salary cap is $88.54/hr for the small bed group and $82.64/hr for the large bed group. The facility is allowed the lesser of their actual expense (total compensation of the administrator) or the CAP.

- For the cost report period January 1, 2014 – June 30, 2014 the standard mileage rate is $.47. Please report **BOTH** facility vehicle mileage and employee reimbursement mileage on WV8. Logs must be kept for both types of mileage. Please use account #8750 for all vehicle expenses such as, but not limited to employee mileage reimbursement, rental or lease payments, fuel, interest, repairs, routine maintenance, inspections and licenses, insurance and depreciation.

- To ensure that all expenses are mapped properly, please put employee background checks on WV 21/16 (#9070), copier rental and maintenance on WV 20/24 (#8660), shredding service on WV 20/42 (#8820) and hazardous waste disposal on WV 22/8 (#9270).

- A portion of AHCA and WVHCA dues are non-allowable and should be mapped to WV24/23 (#9950). The non-allowable portions for 2014 are 29% for AHCA and 12.75% for WVHCA. Medicaid account #9950 should be used with "Non-Allowable Dues" as the account description.

- According to Medicaid Regulation 514.10 Ancillary Services, the nursing facility must have formal arrangements for the provision of ancillary services which are necessary to support the primary activities of the nursing facility; however, they are not included in the per-diem rate.

  - Prescription Drugs
  - Prosthetics and Orthotics
  - Dental Services
  - Vision Care Services
  - Podiatry Services
  - Laboratory, X-Ray, and Other Diagnostic Services
  - Ambulance Services

Because these services are billed directly to the Bureau, they are **NOT** included in the per diem rate and, therefore, should **NOT** appear on the cost report. Any of the above expenses found on the cost report during desk review will be moved to non-allowable unless a written description and supporting documentation are submitted to justify the departure from Medicaid Regulation 514.10.

- On WV3, please use the **facility's** address & phone number for the Administrator and Assistant Administrator information. Due to privacy regulations, personally identifiable information is no longer permitted.

- Please send all cost reports to:

  Jeanne Snow
  WV DHHR Office of Accountability & Management Reporting
  One Davis Square, Suite 304
  Charleston, WV 25301

Any cost report which does not comply with the DHHR regulations will be considered unacceptable and subject to the penalty for delinquent reporting of costs in accordance with the state plan.

Extensions will be granted only under extenuating circumstances. Written requests for extensions should be addressed to Jeanne Snow at the address above and must be received by close of business on August 29, 2014.

For any questions concerning the cost report, please contact Jeanne Snow, Director of Rate Setting at (304) 558-8334 or Jeanne.L.Snow@wv.gov.