

# Hospital Cost Reporting Checklist

COVID-19 has prompted key questions hospitals should address at various points in their cost report worksheets. Those responsible for signing the cost report should be aware of these questions and comfortable with the cost report preparers' answers. This resource is designed to help ensure appropriate diligence for those preparing and reviewing their entities' cost reports. Depending on a healthcare organization's specific facts and circumstances, other documentation may be required, and some of the documentation suggested in the checklist may not be applicable. Ultimately, an organization should perform a thorough professional analysis (including appropriate legal review).

## S Worksheets

<b>S   Certification</b>	
Who will sign the report?	
Is the signer fully aware of all the potential changes and regulations and their obligations once signed?	
What level of <i>independent</i> review has been completed?	
<b>S-3 Part I   Patient statistics</b>	
How will overall volume changes impact disproportionate share hospital (DSH), medical education, and cost-based (CAH, TEFRA) reimbursement formulas, both in the short and long term?	
What process has been used to capture temporary changes in available beds so the indirect medical education (IME) formula is not negatively impacted?	
How has the modified use of observation services been captured in various statistical measures?	
<b>S-3 Part II   Wage index</b>	
Have all COVID-19-related bonuses, overtime, and other forms of special payments and wage-related costs (benefits) been captured as wages or wage-related costs, and have all the hours not representing worked hours been properly adjusted for the wage index calculation?	
Have all purchased services accounts been scrubbed to determine whether additional COVID-19-related contract labor (patient care and administrative) has been identified and included in wage index data?	
What long-term consequences in reported wage index values will result from the aberrant patient care volumes (increases and decreases) experienced by different hospitals in different ways?	
<b>S-10   Uncompensated care costs</b>	
How has the cost/charge ratio changed due to COVID-19-related patient care activity (or lack thereof)?	
Has the hospital's charity care policy been changed because of COVID-19 and particularly the HRSA COVID-19 Uninsured Program?	
Have actual charity care and bad debt write-offs been deferred, therefore making it necessary to make changes to the amounts included in uncompensated care calculations for both federal and state purposes?	

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## A-G Worksheets

<b>A   Trial balance of expenses</b>	
Have all COVID-19-related expenses been identified and reported in the correct cost centers to ensure proper matching of total costs and charges?	
Have any buildings, building improvements, or moveable equipment purchased with Provider Relief Fund grants (or other donations) been properly capitalized with appropriate depreciation claimed in expenses for the appropriate cost reporting periods?	
Have any COVID-19-related bonuses paid to physicians (or other Part B practitioners) been evaluated in terms of commercial reasonableness and fair market value?	
<b>B-1   Cost allocation statistics</b>	
Have temporary changes in space (including additional rented spaces) been properly reflected in occupancy-type overhead cost centers such as building depreciation, plant operation, and housekeeping?	
Have the cost allocation statistics been updated for current-period volume-related changes, such as increased inpatient activity, decreased surgeries, and increased emergency department visits, or are the prior-year statistics still being used?	
Have increased departmental supply and staffing costs and hours been properly evaluated in various cost allocation statistics?	
<b>C and D   Charges used for apportionment</b>	
Have any new charges established to accommodate the unique COVID-19 circumstances been recorded so that they are aligned with where the related cost is reported in the cost report, both from the perspective of general ledger cost centers and the correct UB-04 revenue codes?	
Have increased costs associated with purchased services and supplies been reflected in the chargemaster?	
Are hospital charges properly reported for any outpatient departments established and included as 340B sites?	
<b>E Series   Settlement data</b>	
Do the reported gross and net reimbursement amounts reflect the temporary increase in payments and the deferral of the sequestration amount?	
Have any temporary adjustments to the count of interns and residents resulting from changes in assignments for both IME and direct graduate medical education (DGME) been reflected in these calculations, and have they been isolated so they do not incorrectly impact future cost reporting periods?	
Have amounts advanced to the provider as Medicare Advanced or Accelerated Payments (MAAP) been excluded from current settlement considerations?	
<b>G Series   Financial statements</b>	
How have MAAP amounts been reflected in balance sheet (G) and income statement (G-3) values?	
Have amounts received under the Provider Relief Fund been reported on the newly created income statement (G-3) schedule, rather than within net patient service revenue or other revenue?	
Has revenue associated with the HRSA COVID-19 Uninsured Program been reported within net patient service revenue?	