

DEPARTMENT: Reimbursement	POLICY DESCRIPTION: Review of Cost Report
PAGE: 1 of 1	REPLACES POLICY DATED: 4/22/98, 9/30/99, 7/1/06, 9/1/18
EFFECTIVE DATE: October 1, 2020	REFERENCE NUMBER: RB.003
APPROVED BY: Ethics and Compliance Policy Committee	

<p>SCOPE: Reimbursement Department, all Company Facilities required to file a cost report, Parallon and all other Corporate Subsidiaries and Departments.</p>
<p>PURPOSE: To ensure that the filed cost report has been reviewed for accurate presentation of the facility's operations, compliance with applicable regulations, and adequate documentation to support the costs claimed.</p>
<p>POLICY: The Reporting Director is responsible for a detailed review of the filed cost report to ensure the filed cost report complies with applicable government regulations. The Division Director is responsible for a review of the filed cost report to ensure the filed cost report accurately reports financial operations of the individual facility and the services provided to program beneficiaries.</p>
<p>PROCEDURE:</p> <ol style="list-style-type: none"> 1. The Reporting Director must perform a detailed review of the filed cost report using a cost report review checklist provided by the VP of Reimbursement, or his/her designee. All issues identified in this review are to be resolved by the Reporting Manager to the satisfaction of the Reporting Director. Material issues are to be communicated to the Division Director and the facility CFO. 2. The Division Director is responsible for reviewing the cost report to ensure all operational changes have been incorporated in the cost report. The Division Director is also responsible for reviewing the appropriateness of reserve issues. 3. The completed filed cost report, any reserves to be recorded, and the transmittal letter will be presented by the Reporting Director to the facility CEO/CFO prior to the filing due date for final review. As part of this review, it is the responsibility of the facility CEO/CFO to review the report with the cost report preparer and/or Reporting Director and/or Division Director. 4. After submission of the filed report, the Reporting Director will provide a written management letter to the facility CFO and Group Managing Director. The purpose of the letter will be to identify significant changes in cost reporting and address issues deemed pertinent to the next cost reporting period. A copy of this letter should be placed in the permanent file.
<p>REFERENCES: N/A</p>