

DEPARTMENT: Reimbursement	POLICY DESCRIPTION: Adequate Documentation
PAGE: 1 of 2	REPLACES POLICY DATED: 4/22/98, 9/30/99, 7/1/06
EFFECTIVE DATE: October 1, 2020	REFERENCE NUMBER: RB.005
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 cost reports are filed based on adequate documentation that is auditable and verifiable.</p>
<p>POLICY: All data included in filed cost reports will be based on auditable, verifiable, and adequate documentation. Hospitals must provide adequate cost data for filing cost reports. This must be based on their financial and statistical records which must be capable of verification by auditors (Internal and External). The cost data must be based on an approved method of cost finding and on the accrual basis of accounting.</p>
<p>PROCEDURE: Adequate cost information must be obtained from the hospital's records to support claims for reimbursement by Medicare. The requirement of adequate data implies that the data be accurate and in sufficient detail to accomplish the purposes for which it is intended. Adequate data capable of being audited is consistent with good business concepts and effective and efficient management of any organization. In order to provide the required cost data and not impair comparability, financial and statistical records should be maintained in a manner consistent from one period to another. However, a proper regard for consistency need not preclude a desirable change in accounting procedures if there is reason to effect such change.</p> <p>This adequate documentation policy may encompass (but is not limited to) the following:</p> <ul style="list-style-type: none"> ▪ Cost Report Work Papers ▪ Trial Balances ▪ Chart of Accounts ▪ Provider and professional components of physician fees are supported by auditable physician time records. ▪ Contract services, such as physical, speech and occupational therapies are supported by contracts and logs that reflect hours of service. Changes or new agreements in patient care services furnished through contractual arrangements. ▪ Purchased management and/or administrative services supported by contracts, descriptions of services, etc. ▪ Program accreditation of GME programs and required documentation of interns and residents for indirect medical education costs. ▪ Patient services for all payor types (inpatient and outpatient) supported by payor logs, reconciliations, PS&Rs, etc. ▪ Allocation statistics (including current time studies, square footage surveys, etc.) ▪ Bad Debts - See Bad Debt Policy for required documentation. ▪ Leases/Rental Agreements ▪ Debt Instruments/Agreements

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- For Disproportionate Share (DSH) providers, it will be necessary to maintain an auditable record of patient days used in the calculation of DSH reimbursement.

REFERENCES:

1. 42 CFR 413.24
2. OIG Compliance Program Guidance for Hospitals, Fed. Register, February 23, 1998