

DEPARTMENT: Reimbursement Department	POLICY DESCRIPTION: Protested Items
PAGE: 1 of 1	REPLACES POLICY DATED: 4/22/98, 7/1/06, 1/24/09
EFFECTIVE DATE: October 1, 2020	REFERENCE NUMBER: RB.006
APPROVED BY: Ethics and Compliance Policy Committee	

<p>SCOPE: Reimbursement Department, all Company Facilities that file cost reports, Parallon and all other Corporate Departments.</p>
<p>PURPOSE: To ensure that all reimbursement personnel utilize the protest lines of the cost report to protect appeal rights when claiming costs on the cost report that are contrary to clearly expressed Program policy.</p>
<p>POLICY: All items claimed in the cost report to protect appeal rights that are contrary to clearly expressed Program policy (i.e., law, regulation, Provider Reimbursement Manual - CMS Publication 15-2, Intermediary Letter, etc.) and/or past audit adjustments where the Company does not agree with the Program's interpretation of policy will be disclosed to the Fiscal Intermediary/Medicare Administrative Contractor in the cost report's transmittal letter and must be reported on the protest line of the settlement worksheet.</p> <p>The disclosure will include the reimbursement effect of the issue if it can be estimated. If unable to estimate, it should be disclosed in the transmittal letter that the reimbursement effect could not be determined at the time of filing, but is expected to exceed \$10,000.</p>
<p>PROCEDURE: Effective with cost reports filed on or after 5/31/90, Transmittal No. 12 to the Provider Reimbursement Manual (CMS Pub 15-2) requires the reimbursement effect of appeal issues to be reported on the protested amount line of the settlement worksheet. Company policy further requires the protested items and the estimated reimbursement effect (if it can be determined) of those items be reported on Supplemental Schedule A (see Disclosure Procedure Policy, RB.008). These appeal issues cannot be included in the body of the cost report, rather they can only be reported on the protested amount line. In most instances, the effect of each issue may be estimated by applying a reasonable methodology, which closely approximates the actual reimbursement effect of the issue as if it had been determined through the cost finding process. In addition, copies of the work papers used to develop the estimated adjustments must be submitted with the cost report in order for the intermediary to evaluate the reasonableness of the methodology for purposes of establishing whether the cost report is acceptable. The cumulative effect on reimbursement for all disputed issues is shown as an adjustment to the balance due to the Program (provider) in the reimbursement settlement computation. The actual effect on reimbursable cost(s) is determined after final adjudication of the issue(s).</p>
<p>REFERENCES:</p> <ol style="list-style-type: none"> 1. Transmittal Letter No. 12, Provider Reimbursement Manual Part II. 2. Disclosure Procedure Policy, RB.008