



**OFFICE OF LONG-TERM
LIVING BULLETIN**

ISSUE DATE December 22, 2009	EFFECTIVE DATE January 1, 2010	NUMBER 03-10-01
SUBJECT Electronic Submission of the Cost Report (MA-11) Form for Reporting Periods Ending 12/31/09 and Thereafter		BY  Jennifer Burnett, Deputy Secretary Office of Long-Term Living

PURPOSE:

The purpose of this bulletin is to notify nursing facilities of the release of the revised Financial and Statistical Report – Form MA-11 (MA-11). The revised MA-11 incorporates modifications to certain instructions, supporting document descriptions and to specific cost report schedules and also includes additional schedules and instructions which are specific to county nursing facilities. Use of the revised cost report (MA-11) will be mandatory beginning with the periods ending 12/31/09 and thereafter.

SCOPE:

This bulletin applies to all county (public), general (non-public), hospital-based and special rehabilitation nursing facilities enrolled in the Medical Assistance (MA) Program.

BACKGROUND/DISCUSSION:

On January 1, 1996, the Department of Public Welfare (Department) implemented 55 PA.Code Chapter 1187, the Nursing Facilities Services Case-Mix Reimbursement System. On January 1, 2001, the Department implemented electronic submission of the MA-11 cost report and modified the MA-11 and Instructions. In June 2005, the MA-11 was revised to provide clarification, include an updated MA Day of Care definition and additional information needed to track portions of the Nursing Facility Assessment Program. Since then, reporting and submission issues have been identified and 55 PA.Code Chapter 1189, for County Nursing Facilities, was adopted June 23, 2006 and became effective July 1, 2006.

To help clarify reporting and submission issues that arose since the last revision of the MA-11 and include requirements for County Nursing Facilities, the Department has revised the MA-11 again. The modifications will clarify reporting and submission issues, include schedules and instructions for County Nursing Facilities and provide accurate and consistent reporting of Nursing Facility costs.

The Department presented the revised MA-11 to representatives of the nursing facility industry and their associations as well as nursing facility providers at meetings and conferences to obtain their input and understanding of the modifications.

COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:

Department of Public Welfare/Department of Aging
Office of Long-Term Living, Bureau of Finance, Rate Setting Division
555 Walnut Street, Forum Place, 5th Floor
Harrisburg, PA 17101-1919
Attn: Dave Mayer/ damayer@state.pa.us

Visit the Office of Long-Term Living's Web site at www.dpw.state.pa.us/About/OLTL

PROCEDURE:

All Nursing Facilities with a cost report year ending December 31, 2009 and after, will use the attached revised form MA-11. Full disclosure and supportive additional information are required with the Certification Report Package. Nursing facilities will file all cost reports in accordance with §1187.73, §1187.75 and §1187.76. County facilities should also refer to §1189. Failure to file an acceptable report will result in adjustment of the facility's per diem rate and may also result in the termination of the facility's provider agreement according to §1187.80.

A new or ongoing nursing facility will file the MA-11 within 120 days following the close of its fiscal year which will be either June 30 or December 31 in accordance with §1187.73, §1187.76 and §1189.71. Except in a leap year, the MA-11 reporting period ending June 30 is due annually on or before October 28 and the MA-11 reporting period ending December 31 is due annually on or before April 30.

The MA-11 receipt date recognized by the Department for the filing of the MA-11 is the date the Certification Report Package is received at the address noted at www.PAMA11.com, under Points of Contact, or is the date the Certification Report Package is date-stamped as received by the Rate Setting Division, as of close of business at 5 P.M. A postmark date is not considered the date of receipt. The cost report standard file must be submitted far enough in advance of the due date that a Certification Report can be produced and the Certification Report and supporting documents can be received by the Department in the mail or by delivery on or before the due date. Refer to the MA-11 Cost Report Submission System End User Manual, Section 5, concerning the acceptability process.

Final reporting must be in accordance with §1187.75 and §1187.80.

Modifications of MA-11 and Instructions

INSTRUCTIONS FOR FINANCIAL AND STATISTICAL REPORT – FORM MA-11

General Instructions

A sentence was added, before the last sentence, in the second paragraph. The sentence reads: **County facilities should also refer to Chapter 1189.**

Completion of Schedules

The third paragraph was changed to read: **Report all data in the appropriate areas of the standard file. If you use an unlabeled "other" line, identify the reported item or service. Do not use "See attachment" or similar terms in the standard file. If you are unable to key the actual line number and/or amount in the standard file, submit a separate schedule with the Certification Report. For example, an Adjustment to Expenses on Schedule E may apply to several Schedule C line numbers. On Schedule E the total amount of the adjustment should be listed in Column A and verbiage such as "Separate Schedule" should be noted in Column B. A separate schedule must then be mailed with the Certification Report detailing the breakdown of the amount by line number. The**

schedule must be labeled by the title and line number and the name of this separate schedule must be listed in the Additional Supporting Documents area.

COMPLETION OF CERTIFICATION REPORT

Administrator/Preparer Signature

Under the Administrator/Preparer Signature several changes were made. Added contact person, additional contact requirements and changed reference to Certification Schedule Part and line number.

Added contact person to subheading. Now reads: **Administrator/Preparer Signature and Contact Person:**

Administrator's Signature – Changed last sentence in paragraph to read as follows: **The telephone number, fax number and e-mail address must be the contact information for the responsible officer or administrator.**

Contact Person - Paragraph added between Administrator's paragraph and Preparer's paragraph. Reads: **Contact Person - The person designated as the contact will be notified if additional information is needed for the cost report acceptance process or audit. The designated contact person is authorized to resolve all concerns regarding the facility cost report. If the contact person cannot be reached, the facility officer or administrator will be contacted.**

Preparer's Signature - Changed all references of Certification Schedule, Part II, line 2a to **Certification Schedule, Part IV, line 4a.**

Added contact person to last sentence before text box. Reads: **The Administrator/Preparer Signature and Contact Person area will appear as follows on the Certification Report:**

Boxed Area

Several changes made in the boxed area as follows:

Added sentence at end of second paragraph. Reads: **I authorize the contact person designated below to resolve all issues regarding the cost report acceptance process or audit.**

Facility Officer or Administrator - Added two information lines for Fax Number and E-mail address to read as follows: **Fax Number: _____; E-mail Address: _____**

Contact Person - Added Contact Person's section after Facility Officer or Administrator. Reads: **Contact Person reported on the Certification Schedule, Part III, line 3a is JOHN DOE. Contact's Title: _____; Contact's Employer: _____; Telephone Number: _____; Fax Number: _____; E-mail Address: _____.**

Added validation code for Contact Person's section. This information will automatically print on the Certification Report. Reads: **Contact Person's Name; Contact Person's Title; Contact Person's Employer; Contact Person's Telephone Number; Contact Person's Fax Number (May be blank. If not blank, must be a 10 digit number.); Contact Person's E-mail Address (May be blank.).**

Preparer's section - Changed Certification Schedule, Part II, line 2a to **Certification Schedule, Part IV, line 4a.**

Required Supporting Documents

Changed the sequence of requirements listed under required supporting documents.

Added the word legible to first sentence in text box. Reads: **One legible copy of these documents must be mailed with your completed Certification Report in order for your cost report to be acceptable.**

Added new requirement for Certification Schedule, PART II, line 2a. Reads:

Certification Schedule, PART II, line 2a - If your facility is affiliated with another entity through ownership, management or contractual agreement attach a listing of the components of the entire entity. If the entity files a Medicare Home Office cost report, the Medicare Home Office report and the intermediary audit report with adjustments must be submitted with the MA-11, at audit, or when available.

Loan Schedule - Removed "**either/or Schedule C, line 35 or**" from first sentence. Reads:

Loan Schedule - Classified loan schedule to support costs submitted on Schedule G, line 12.

Sch. C, line 31 - Added additional option for proof of payment for real estate taxes. Reads:

Sch. C, line 31 – 2. Submit proof of any and all payments (even if partial payments) to the taxing authority in the form of copies of receipted bills, canceled checks (front and back) or verification from taxing authority on letterhead which includes tax period, location of property, amount paid, date paid and signature.

Sch. C, Line 32 - updated the web site link address and added number 1, 2 and 3 in front of requirements. Website link reads: **<http://www.pama11.com/downloads/SchCline32.XLS>**.

Sch. C, Line 40, Column A – Added a new requirement to read as follows:

Sch. C, line 40, Column A - Schedules to support an entry of other than blank or zero on Schedule C, line 40. 1. Submit a reconciliation of the gross wages reported on the MA-11 to the gross wages reported on the four (4) PA UC-2 (or 941) tax forms, by quarter, along with copies of the summary page of the PA UC-2 tax returns showing

gross wages for each quarter of the cost report year. **2.** Submit copies of the summary page of each payroll register showing gross wages for each pay period during the cost report year, including those payroll registers used in computing the accrued wages at beginning and end of year. If the payroll registers do not clearly show the pay period ending date and pay date, handwrite those dates on the copies. **3.** Submit a schedule showing inter-company transfers of employees between facilities, if applicable. This schedule should show the employees' names, the dates of transfer, the employees' wage rates at the time of transfer, and the hours worked at each facility. **4.** Submit a schedule of fringe benefits related to inter-company transfer of employees. **5.** Submit the computations for the beginning and ending accrual of wages included in the cost report wages.

Suggested format for salary reconciliation is located on Pennsylvania's MA-11 Cost Report Submission System website:

<http://www.pama11.com/downloads/SchCLine40ColumnA.XLS>.

Sch. C, Column J – Added a new requirement to read as follows:

Sch. C, Column J - Schedule to support an entry > 0.0000 on any line, Column J. The documentation should enable allocated expenses to be traced from the facility General Ledger to the cost report. See instructions to Schedule C for the correct format.

Added validation code for Sch. C, Column J. Reads: **Sch C, Column J - Schedule to support Allocation (%) to Residential & Other > 0.0000 submitted on Schedule C, Lines 1-8, 10, 11, 13-19, 21-27, 29, 31, or 32, Column J.**

Sch. D, line 10 - Removed "or B" from first sentence. Reads: **Sch. D, line 10 - Schedule to support an entry of other than blank or zero on Schedule D, Line 10, Column A.**

Sch. D, line 19 – Added a new requirement to read as follows: **Sch. D, line 19 - Schedule to support income greater than \$500 reported on Schedule D, line 19. Indicate the source, the amount, and where the related Schedule C expenses appear.**

Removed all reference to requirement for Sch. D, lines 22 thru 25.

Sch. I, line 2 – Added a new requirement to read as follows:

Sch. I, line 2 - Schedule to support number of meals served on lines (2a) through (2g). The schedule should include headings for the meals served categories listed on Schedule I questions (2a) through (2f) on one axis and time (months or weeks), on the other axis with category totals. Resident days times three is not a valid calculation to support the number of meals served.

Sch. I, line 6 was changed to read as follows:

Sch. I, line 6 - Shared costs must be allocated per Schedule C instructions.

Sch. I, line 11 was changed to read as follows:

Sch. I, line 11 - Schedule of related parties to support response of "YES" on Schedule I, line 11. Identify the name, title and/or function, number of hours worked per week, salaries/wages, fringe benefits, and line of Schedule C on which this is recorded.

Removed reference to Sch. I, line 18.

Merged Sch. K requirements. Removed reference to Sch. K, Line 15, Column C and Sch. K, column C. Sch. K. reads as follows:

Sch. K – Schedule to support all transactions between the facility and the related business. The schedule must show the calculation used to determine the amount of profit entered in Column C even if the profit is zero. The schedule should also include any additional lines greater than 14 needed to complete the information for the facility. See Schedule K examples at <http://www.pama11.com/downloads/schedulek.doc>.

Financial Statements - Removed two sentences. Reads as follows: **Financial Statements - Facility-specific financial statements to support a response of "NO" to "Schedule L Completed?"**.

Removed all reference to Schedule M line items.

Removed all reference to Schedule MA-4 line items.

ONLY FOR COUNTY NURSING FACILITIES:

Added a new section. Sch. 1189-B requirements read as follows:

Sch. 1189-B, Line 4 – Schedule to support the loss on the sale of fixed and movable assets recorded on Schedule 1189-B, Line 4, Column A.

Sch. 1189-B, Line 5 – Schedule to support an entry of other than blank or zero on 1189-B, Line 5, Column A.

Sch. 1189-B, Line 6 – Schedule to support an entry of other than blank or zero on 1189-B, Line 6, Column A.

Sch. 1189-B, Line 7 – Schedule to support an entry of other than blank or zero on 1189-B, Line 7, Column A.

Sch. 1189-B, Line 12 – Schedule to support an entry of other than blank or zero on 1189-B, Line 12, Column A.

Sch. 1189-B, Line 13 – Schedule to support an entry of other than blank or zero on 1189-B, Line 13, Column A.

Sch. 1189-B, Line 14 – Schedule to support an entry of other than blank or zero on 1189-B, Line 14, Column A.

Sch. 1189-B, Line 15 – Schedule to support an entry of other than blank or zero on 1189-B, Line 15, Column A.

Additional Supporting Documents

Added the word legible to the first sentence in text box. Reads: **One legible copy of these documents must be mailed with your completed Certification Report, if they are applicable to the facility.**

Medicare Home Office Report - New section, added between Medicare Report and Financial Statements. Reads:

Medicare Home Office Report – If the entity files a Medicare Home Office cost report, the Medicare Home Office report and the intermediary audit report with adjustments must be submitted with the MA-11, or as soon as each is available.

Financial Statements - Removed last two sentences. Reads as follows:

Financial Statements - Facility-specific financial statements, if available.

Allocation Letter - Added “ed” to the word preprint. Reads:

Allocation Letter - Letter from the Department signifying that an allocation basis other than "actual" or preprinted allocation is acceptable for Schedule C, column K.

Sch. C, line 15 - New section, added after Allocation Letter. Reads:

Sch. C, line 15 - Submit documentation to support beauty and barber policies.

- 1.** Submit the written policy that identifies all routine and non-routine beauty and barber services provided by the facility.
- 2.** Submit a list of the fees charged by the facility for each routine or non-routine beauty or barber service.
- 3.** Submit documentation that explains the facility's computation of the routine and non-routine beauty and barber costs reported on line 15.

Routine services are defined by each facility and are available to MA residents at no charge. The facility expense for all routine services, regardless of payor type, is allowable. Non-routine services include any additional or supplemental services for which an MA resident can be charged. The expenses for these services are then considered non-routine for all residents in the facility regardless of payor type. The facility expense for all non-routine service is not allowable. If routine and non-routine beauty and barber expense cannot be identified or is not supplied, beauty and barber revenue (net of any contractual adjustments) will be offset up to the total expense amount.

COST REPORT FILING

First paragraph, second sentence updated mailing address information and Division name. Reads: **The MA-11 receipt date recognized by the Department for the filing of the MA-11 is the date the Certification Report Package is received at the address noted at www.PAMA11.com, under Points of Contact, or is the date the Certification Report Package is date-stamped as received by the Rate Setting Division, as of close of business at 5 P.M.**

Combined fourth and fifth paragraphs and removed mail and delivery addresses. Reads: **Mail or deliver two copies of the Certification Report with original signatures and one copy of the supporting documents to the address located on the Certification Report and www.PAMA11.com, under Points of Contact.**

CERTIFICATION SCHEDULE

Added two new sections, FACILITY AFFILIATION INFORMATION and CONTACT PERSON'S INFORMATION. Previous PART II, PART III and PART IV were renumbered. Sections now read: **PART I. COST REPORT AND FACILITY INFORMATION, PART II. FACILITY AFFILIATION INFORMATION, PART III. CONTACT PERSON'S INFORMATION, PART IV. PREPARER INFORMATION, PART V. CERTIFICATION STATEMENT, PART VI. MEDICARE INTERMEDIARY.**

PART II reads:

PART II. FACILITY AFFILIATION INFORMATION; LINE NO. Question; (2a) Is your facility affiliated with another entity through ownership, management or contractual agreement?, Yes/No, If "YES", attach a listing of the components of the entire entity. (2b) If "YES", name the entity: Home Office _____; Management Company _____; Other Controlling Entity _____.; (2c) Is this a change from the last cost reporting period?, Yes/No

PART III reads:

PART III. CONTACT PERSON'S INFORMATION; LINE NO. QUESTION; (3a) CONTACT PERSON'S NAME: _____; (3b) CONTACT PERSON'S TITLE: _____; (3c) CONTACT PERSON'S EMPLOYER: _____; (3d) CONTACT PERSON'S TELEPHONE NUMBER: _____; (3e) CONTACT PERSON'S FAX NUMBER: _____; (3f) CONTACT PERSON'S E-MAIL ADDRESS: _____.

Added validation code for contact person's information. Reads: **Contact Person Name: Must not be blank; Contact Person's Title: Must not be blank; Contact Person's Employer: Must not be blank; Contact Person's Telephone Number: Must be a 10 digit number; Contact Person's Fax Number: May be blank. If not blank, must be a 10 digit number; Contact Person's E-mail Address: May be blank.**

PART IV.

Added question lines for Firm Fax Number and Preparer's E-mail Address. PART IV now reads as follows:

(4a) COST REPORT PREPARED BY (if Other than Facility): _____; (4b) PREPARER'S FIRM NAME (If applicable): _____; (4c) FIRM TELEPHONE NUMBER: _____; (4d) FIRM FAX NUMBER: _____; (4e) PREPARER'S E-MAIL ADDRESS: _____

Added validation code for PART IV lines 4d and 4e. Reads: **Firm Fax Number: May be blank. If not blank, must be a 10 digit number; Preparer's E-mail Address: May be blank.**

PART V.

Added a sentence at the end of the paragraph under CERTIFICATION BY OFFICER OR ADMINISTRATOR OF PROVIDER(S). Reads: **The designated contact person is authorized to resolve all concerns regarding the facility cost report acceptance process or audit.**

INSTRUCTIONS FOR CERTIFICATION SCHEDULE

Several changes were made to the instructions for the certification schedule. Instructions were added for FACILITY AFFILIATION INFORMATION and CONTACT PERSON'S INFORMATION. Instructions for PART II, PART III and PART IV were renumbered in the same format as the Certification Schedule. Text was added to instruction in PART I, Facility Name and MA No. and in PART IV, Firm Fax Number and Preparer's E-mail Address were added.

PART I. COST REPORT AND FACILITY INFORMATION

Third paragraph reads: **Facility Name - The facility's name at the end of the cost reporting period, as listed on the "Password and Connectivity" letter mailed to the administrator by the Department.**

Fourth paragraph reads: **MA No. – The provider's 13-digit Medical Assistance Provider Number, ex. 007777777777, at the end of the cost reporting period.**

PART II. FACILITY AFFILIATION INFORMATION

This is a new section. Reads:

PART II: FACILITY AFFILIATION INFORMATION; Chain organizations are generally defined as multiple providers owned, leased, or through any other device, controlled by a single organization. For Medicare and/or Medicaid purposes, a chain organization consists of a group of two or more health care facilities or at least one health care facility and any other business or entity owned, leased, managed, or, through any other device, controlled by one organization. Chain organizations include, but are not limited to, chains operated by for profit/proprietary organizations and chains operated by various religious, charitable, and governmental organizations. A chain organization may also include business organizations engaged in other activities not directly related to health care.

The controlling organization is known as the chain "home office." Typically, the chain "home office:"

- **Maintains uniform procedures in each facility for handling admissions, utilization review, preparation and processing admission notices and bills**
- **Maintains and centrally controls individual provider cost reports and fiscal records.**
- **In addition, a major portion of the Medicare audit for each provider in the chain can be performed centrally at the chain "home office."**

Line 2a: Enter Yes or No. If "YES", attach a listing of the components of the entire entity.

Line 2b: If Line 2a is yes, enter the name of the entity for Home Office, Management Company and/or Other Controlling Entity.

Line 2c: Enter Yes or No.

PART III. CONTACT PERSON'S INFORMATION

This is a new section. Reads:

PART III: CONTACT PERSON'S INFORMATION; Contact Person - The person authorized to resolve all concerns regarding the cost report acceptance process or audit.; Contact Person's Name - The contact person's name.; Contact Person's Title - The contact person's title.; Contact Person's Employer - The contact person's employer.; Contact

Person's Telephone Number - The contact person's telephone number.; Contact Person's Fax Number - The contact person's fax number.; Contact Person's E-mail Address - The contact person's e-mail address.

PART IV. PREPARER INFORMATION

Added instruction for Firm Fax Number and Preparer's E-mail Address. PART IV. reads:

PART IV: PREPARER INFORMATION; Prepared By - Name of the individual who prepared the cost report if the preparer was not an employe of the facility. Otherwise, leave blank.; Preparer's Firm Name - The preparer's firm name.; Firm Telephone Number - The preparer's telephone number.; Firm Fax Number - The preparer's fax number.; Preparer's E-mail Address - The preparer's e-mail address.

SUMMARY - SCHEDULE A

Under PART III. STATISTICAL DATA added the word “**overall**” in line 4 and removed Resident days at 90% occupancy (Line (2) X .90) in line 5 and added new text. Added two validation codes.

Line 4 reads: **Percent overall occupancy (Line (3)/Line (2)) (Round to 4 decimals).**

Line 5 now reads: **Percent MA occupancy (Line (6)/Line (3)) (Round to 4 decimals)**

Validation codes – **If any line of Schedule A, Column B, is completed, I6 must be answered yes.** Validation code for Schedule A, Line 5, Column A reads: **Must = SchA6A/SchA3A rounded to 4 decimals (ex., .9545)**

INSTRUCTIONS FOR SUMMARY – SCHEDULE A

PART III: STATISTICAL DATA

The instructions for Line 4 were changed to read as follows:

Line 4 - The percentage of nursing facility actual resident days to the nursing facility bed days available should be calculated for the nursing facility. Determine the percentage of overall occupancy by dividing the nursing facility actual resident days (Line 3) by the nursing facility bed days available (Line 2). Please be sure the number you encode is expressed in decimal form to the fourth decimal place. (Thus 71.45% is to be encoded in decimal form as .7145).

Line 5 instructions were replaced with new instructions. Line 5 instructions read as follows:

Line 5 - The percentage of MA occupancy should be calculated for the nursing facility. Determine the percent of MA occupancy by dividing the total MA resident days of care (Line 6) by the nursing facility actual resident days (Line 3). Please be sure the number

you encode is expressed in decimal form to the fourth decimal place. (Thus 71.45% is to be encoded in decimal form as .7145).

SUMMARY OF RESIDENT CENSUS RECORDS – SCHEDULE B

Reformatted columns J and K so it is clear these columns are for Nursing Facility Hospital Leave Days.

INSTRUCTIONS FOR SUMMARY OF RESIDENT CENSUS RECORDS – SCHEDULE B

Column F - Added "such as Part A or Medicare Advantage " to the end of the sentence so the sentence reads: **F. NURSING FACILITY MEDICARE: Record by month, the number of Medicare nursing facility resident days of care regardless of type, such as Part A or Medicare Advantage.**

Column H - Removed the second paragraph so the instruction reads: **H. RESIDENTIAL AND OTHER: Record by month, the number of total actual residential and other days provided to match Schedule A, Column B, Line 3.**

Column J – Instruction was added to read: **J. NURSING FACILITY HOSPITAL LEAVE DAYS MA: Do not include in any columns other than J.**

Column K – Instruction was added to read: **K. NURSING FACILITY HOSPITAL LEAVE DAYS OTHER: Do not include in any columns other than K.**

COMPUTATION AND ALLOCATION OF ALLOWABLE COST SCHEDULE C

Several changes were made to Schedule C. Under Cost Centers "RNAC" (Registered Nurse Assessment Coordinator) was added to line 2 and "HAI" (Health Care-Associated Infections) Assessment to line 33, the Allocation basis was changed for lines 2, 5, 18, 19, 26 and 27 and two validation codes were added.

I. RESIDENT CARE COSTS

Line 2 - Under Cost Centers column added "/RNAC" after Director of Nursing. Reads: **Director of Nursing/RNAC.** Under Column K, changed the allocation basis from Direct Salary to **Actual Costs.**

Line 3 – Under Column K, changed the allocation basis from % Resident Days to **Actual Costs.**

Line 5 - Under Column K, changed the allocation basis from Direct Salary to **Actual Costs.**

Line 18 – Under Column K, inserted **Actual Costs** as allocation basis.

Line 19 - Under Column K, inserted **Actual Costs** as allocation basis.

II. OTHER RESIDENT RELATED COSTS

Line 26 – Under Column K, inserted **Actual Costs** as allocation basis.

Line 27 – Under Column K, inserted **Actual Costs** as allocation basis.

IV. CAPITAL COSTS

Line 33 - Added "/HAI (Health Care-Associated Infections) Assessment" in cost center after Nursing Facility Assessment. Now Reads: **Nursing Facility Assessment/HAI Assessment**

Validation Codes

Validation code added which reads as follows: **If Resident Care expenses are reported on line 1, Column H and there are expenses reported on line 3, Column D then expenses must be reported for line 3 in Column H.** Another validation code added that reads as follows: **If line(s) 18, 19, 26 and/or 27, Column J, have 100% allocation reject it.**

INSTRUCTIONS FOR COMPUTATION AND ALLOCATION OF ALLOWABLE COST- SCHEDULE C

COLUMNS

Several changes were made to column instructions. Added additional paragraphs to Column A, removed paragraphs in Column I. and J., added instruction for Column J and changed first paragraph for Column K.

A. SALARY COST: Enter the amount of gross salaries and wages of employes of the facility.

List the gross wages and pay dates for each payroll register included in the PA UC-2 (or Form 941) tax returns. Include the computations for the beginning and ending accruals reported in the reconciliation.

Submit a schedule of reconciling items between the MA-11 wages and the PA UC-2 (or Form 941) tax returns. If differences are due to inter-company transfers of employes, submit a schedule showing the employes' names, the dates of transfer, the employes' wage rates at the time of transfer, and the hours worked at each facility. Prepare a schedule of fringe benefits related to inter-company transfer of employes.

I and J. ALLOCATION (%) TO NURSING FACILITY AND TO THE RESIDENTIAL & OTHER:
Removed second and third instruction paragraphs.

J. ALLOCATION (%) TO RESIDENTIAL & OTHER: Submit documentation showing how the reported expenses were allocated, and showing the corresponding percentages. Documentation is adequate if it tracks the expenses from the facility's General Ledger to the cost report. For each allocation calculation, the documentation must include:

- **Direct Salary:** Trial balance detail showing nursing and residential salary expense allocated. Documentation of the percentage calculation. A condensed salary expense summary may be submitted in place of the trial balance detail.
- **% Resident Days:** Schedule of Nursing and Residential & Other resident days and documentation of the percentage calculation.
- **Actual Costs:** Trial balance detail showing actual expenses allocated and documentation of the percentage calculation.
- **# Meals Served:** Schedule documenting actual meals served. The schedule should include headings for the meals served categories on one axis and time (months or weeks), on the other axis with category totals. Resident days times three is not a valid calculation to support the number of meals served. Documentation of the percentage calculation.
- **Pounds of Laundry:** Schedule documenting pounds of laundry processed monthly. Documentation of the percentage calculation.
- **Sq. Ft.:** Documentation supporting the facility square feet identifying the individual components of the Nursing and Resident & Other total amounts. Documentation of the percentage calculation including an identification of the areas of Nursing, Residential & Other square feet used to determine the percentage.

K. ALLOCATION BASIS: The allocation basis in Column K should be completed for Line 8. The allocation basis for Lines 1-7, 9-19, 21-27, 29, 31 and 32, is preprinted in Column K. Include the preprinted allocation basis in the standard file. For Lines 16, 23-25, and 31-32, note whether square feet or actual is used for the allocation basis. The allocation basis for Line 29 may not be changed.

LINE NO.

I. RESIDENT CARE COSTS (RC)

1. Revised instruction to read as follows: **NURSING: Salary and benefit costs and/or contract nursing services to include approved feeding assistants only while providing specific duties related to feeding of residents.**

2. Added "REGISTERED NURSE ASSESSMENT COORDINATOR (RNAC)" in label and in first sentence. Reads: **DIRECTOR OF NURSING/REGISTERED NURSE ASSESSMENT COORDINATOR (RNAC): Salary and benefit costs and/or contract Director of Nursing services or Registered Nurse Assessment Coordinator (RNAC), unless the individual(s) also routinely provides resident care, whereupon the costs should be included with Nursing.**

15. Changed instruction to read: **BEAUTY AND BARBER SERVICES: Salary and benefit costs and/or contract services and supplies to provide beauty and barber services. If routine and non-routine beauty and barber expense cannot be identified or are not supplied, beauty and barber revenue (net of any contractual adjustments) will be offset up to the total expense amount. Refer to the Additional Supporting Documents section for more details.**

18. Changed instruction to read: **RESIDENT CARE COSTS: Not to be used for allocation of residential and other costs.**

19. Changed instruction to read: **RESIDENT CARE COSTS: Not to be used for allocation of residential and other costs.**

II. OTHER RESIDENT RELATED COSTS (ORR)

26. Changed instruction to read: **OTHER RESIDENT RELATED COSTS: Not to be used for allocation of residential and other costs.**

27. Changed instruction to read: **OTHER RESIDENT RELATED COSTS: Not to be used for allocation of residential and other costs.**

IV. CAPITAL COSTS

31. In bolded sentence, added additional option for proof of payment. Reads: **Proof of payment to the taxing authority must also be submitted in the form of copies of receipted bills, canceled checks (front and back) or verification from taxing authority on letterhead which includes tax period, location of property, amount paid, date paid and signature.**

32. Updated the website link address. Reads as follows:
<http://www.pama11.com/downloads/SchCLine32.XLS>.

33. Added "HEALTH CARE-ASSOCIATED INFECTIONS (HAI) ASSESSMENT" in label and first sentence. Reads: **NURSING FACILITY ASSESSMENT/HEALTH CARE-ASSOCIATED INFECTIONS (HAI) ASSESSMENT: Nursing facility assessment and health care-associated infections (HAI) assessment payments to include penalties and interest on nursing facility assessments.**

REVENUES AND ADJUSTMENTS TO REVENUES - SCHEDULE D

Revised Schedule D. Added 6 additional columns, reduced the number of lines and subheadings changed in I and II. Reads as follows:

Subheadings

I. RESIDENT, II. OTHER, III. DEDUCTIONS FROM REVENUES.

Lines under subheadings

I. RESIDENT: lines 1 thru 12; II. OTHER: lines 13 thru 22; III. DEDUCTIONS FROM REVENUES: lines 23 thru 31.

Columns

Medical Assistance (A), Medicare Part A (B), Medicare Part B (C), Private Pay & Other (D), Total General Ledger (E), Nursing Facility (F), Residential & Other (G), Revenue Adjustments to Schedule C (H), and Schedule C Line Number (I).

INSTRUCTIONS FOR REVENUES AND ADJUSTMENTS TO REVENUES – SCHEDULE D

Several changes were made to the instructions. The paragraphs below the heading were changed, column B instruction was added and instructions were changed for line numbers.

Paragraphs below the heading read as follows:

Encode all Schedule D data in the standard file, including cost category descriptions for lines 11, 12, 20, 21 and 25. The Schedule C line number for Schedule D, Line 10 must be presented on a separate schedule mailed with the Certification Report and is not encoded in the standard file.

The revenue reported in Column E must be equal to the revenue recorded in the facility's General Ledger, and must include both routine and ancillary revenue from all payor sources. The revenue amounts recorded in Columns A through D must total the amount recorded in Column E. The revenue reported in Column E must be allocated between Column F (Nursing Facility) and Column G (Residential & Other), based upon the gross amount charged to each resident classification. Revenues that are to be offset against Schedule C expenses should be recorded in Column H. An offset may not always be required. However, the revenue/revenue type must be identified. A recommended line for any adjustment to be made on Schedule C is provided in Column I. The revenue offset should be matched with the related expense. If a different Schedule C line is more accurate, insert the actual line used. An offset to Schedule C expenses must be shown as a negative number using a negative sign in front of the number.

COLUMN

COLUMN B. instruction added which reads as follows: **MEDICARE PART A: Medicare Part A revenues regardless of type, including revenues from Medicare Advantage.**

LINE NO.

Changed instructions to read as follows:

Line 1 through 12: Routine daily service revenue should be reported in the appropriate columns as gross revenue by the primary payor source (i.e., if the primary payor is Medicare and the Medical Assistance program pays for co-insurance, the gross routine service revenue should be reported in the appropriate Medicare column). Identify any revenues in Column H that resulted from charges for other than the usual and customary room and board. For example, a facility may buy medical/nursing supplies in bulk, and resell the material. NOTE: If there is an entry in Column E, Line 10 of other than zero, there must also be an entry in Column H, Line 10 of other than zero.

Line 13 through 17: The direct and indirect expenses related to these revenue categories are not allowable. The expenses should be eliminated. However, if the revenue is an accurate measure of the direct and indirect expense then the related revenue may be an acceptable offset.

Line 18: Line 18, Column D should include all unrestricted interest and investment income. All interest and investment income is unrestricted unless the income is restricted by the donor or the income is specifically excluded by Medical Assistance regulations. Line 18, Column H should offset this income to the amount of administrative interest expense reported on Schedule G, line 12.

Line 19 through 21: Identify any other income. If the amount on any of these lines is greater than \$500, separate detail must be attached to the Certification Report, indicating the source, the amount, and where the related Schedule C expenses appear.

Line 22: Add Lines 1 through 21.

Line 23 through 25: Residents' revenues should be recorded at the established rate even though some charges may not be paid (uncollectible accounts, Line 23) or some payors may pay less than the amount charged (contractual adjustments, Line 24). Lines 23 through 25 must be shown as a positive number if the deduction reduces gross revenue.

Line 26: Add Lines 23 through 25.

Line 27: Line 22 minus Line 26.

Line 28 – Removed instruction line 28.

Line 29: The net income or net loss must agree with the Comparative Balance Sheet, Schedule L. If it does not, attach a reconciliation with appropriate explanation.

Line 30:

- **Line 30a is the total Schedule D adjustments.**
- **Line 30b is the total Schedule E adjustments.**

Line 31: Add Line 30a and 30b. Line 31, total adjustments MUST agree with Schedule C, Column E, Line 40.

Line 32 through 36 - **Removed instruction lines 32 through 36.**

ADJUSTMENTS TO EXPENSES – SCHEDULE E

I. NONALLOWABLE COSTS

Line No. 2 – Replaced Nonstandard or Nonuniform Fringe Benefits with new text and prefilled column B with a line number. Line 2 now reads: **“Non-routine Beauty & Barber Expenses”** and column (B) Schedule C Line Number is prefilled with **“Line 15.”**

INSTRUCTIONS FOR ADJUSTMENTS TO EXPENSES – SCHEDULE E

I. NONALLOWABLE COSTS

Line 2 – Replaced instruction with a new instruction that reads as follows: **Routine services are defined by each facility and are available to MA residents at no charge. The facility expense for all routine services, regardless of payor type, is allowable. Non-routine services include any additional or supplemental services for which an MA resident can be charged. The expenses for these services are then considered non-routine for all residents in the facility regardless of payor type. The facility expense for all non-routine service is not allowable.**

DEPRECIATION – SCHEDULE F

Footnote (1) – Changed to read as follows: **Submit a schedule of additions and deletions since the last report period as outlined in Required Supporting Documents for PPE.**

Footnote (2) - Added Column A to end of footnote. Reads as follows: **Difference between Column B and Column C must equal amount shown on Schedule L, Line 13, Column A.**

Edit number (2) on Line 11, column (C) Accumulated Depreciation To Date – Changed validation code to read as follows: **Lines 5 and 6 - 10 must = line 11. Column B less column C must = SchL13A.**

ADMINISTRATIVE COSTS – SCHEDULE G

A validation code was added for line numbers (3) and (4) to read as follows: If facility completed question 3 or 4 on Sch. G, the facility must complete Part II (Facility Affiliation Information) of the Certification Schedule.

NURSING CARE STAFFING – SCHEDULE H

Added "(Only for Nursing Facility Services)" under the schedule heading. Reads as follows: **Nursing Care Staffing (Only for Nursing Facility Services).**

Removed edit footnotes [1], [2], [3] and [4] at bottom of the page. Removed edit reference numbers [1], [2], [3] and [4] from the schedule. Changed edit reference number [5] on line 13 column A to [1] and the number on edit footnote [5] to [1].

INSTRUCTIONS FOR NURSING CARE STAFFING – SCHEDULE H

Second paragraph under heading - Added text to instructions. Reads as follows: **Schedule H is a summary schedule of nursing care staffing for nursing facility services. Do not include any nursing staff information for residential and other areas. Complete all applicable items.**

Removed the third, fourth and fifth instruction paragraphs under the heading.

SUPPLEMENTAL INFORMATION AND QUESTIONNAIRE – SCHEDULE I

There were several changes made to this schedule as follows:

Removed "INFORMATION AND" from the title of this schedule. The schedule is now titled: **SUPPLEMENTAL QUESTIONNAIRE.**

Removed the **PART I. SUPPLEMENTAL INFORMATION** page in its entirety.

Removed the labels **PART II. QUESTIONNAIRE** and **PART II. QUESTIONNAIRE – (Continued)**, located in the box to the right side of LINE NO. heading.

Line No. (1) - Changed Schedule D, Line 19 to "**Schedule D, Line 18**".

Line No. (2) and its subsections – There were several changes made as follows:

Added the words "actual and served" to "State number of meals:" and underneath that statement added "Resident days times three is NOT acceptable". Reads: **State actual number of meals served:, Resident days times three is NOT acceptable.**

Removed (2a) Resident meals from the list and added "Nursing facility resident meals" and "Non-nursing facility resident meals". Reads as follows: **(2a) Nursing facility resident meals; (2b) Non-nursing facility resident meals; (2c) Employee meals; (2d) Volunteer meals; (2e) Visitor meals; (2f) Other (identify); (2g) Total, all meals**

Inserted the following sentence as part of Line 2 and its subsections: **Provide supporting documentation as prescribed in Required Supporting Documentation Section.**

Line No. (6) – Changed last sentence to read as follows: **If "YES", shared costs must be allocated per Schedule C instructions.**

Line No. (7) – Removed “used for nursing facility services” in question (7) and inserted a second question as (7a). Both questions read as follows: **(7) What is the total square footage of the facility? (7a) What is the total square footage of the facility used for nursing facility services?**

Line No. (8) – Removed the word “nursing” in the first sentence. Reads as follows: **Do you have any nonallowable cost centers in the facility (such as a gift shop, snack shop, administrator’s or other employee’s living quarters, and/or other areas not related to resident care)?**

Footnote under Line No. (9) - Removed ", **PART II**" and "**and 18**" from the first sentence in the footnote and added the word "**and**" before the number 8. Reads as follows: **Encode all Schedule I data in the standard file, including the "Identify" designation for lines 2, 6 and 8.**

Line No. (11) - In second part of question, removed requirement for SSN of related employee and added “and/or” between Title and Function. Reads as follows: **If “YES”, attach a separate schedule identifying Name, Title and/or Function, number of hours worked per week, salaries/wages, fringe benefits, and line of Schedule C on which this is recorded.**

Line No. 14 – First paragraph, first sentence, added "working capital" before loans. Reads as follows: **Were there any working capital loans, notes, or advances from officers, employees, members of the Board of Directors, or owners due from the facility during the report period?**

Changed second paragraph to read as follows: **If "YES", attach a schedule identifying name of lender, purpose of loan, period of loan, interest rate, interest expense and balance of loan at end of report period.**

Line No. 18 – Removed in its entirety.

Line No. 19 – Removed in its entirety.

Footnote under Line No. (19) – Changed first paragraph to read as follows: **Encode all Schedule I data in the standard file.**

STATEMENT OF COMPENSATION OF OWNERS, DIRECTORS, AND RELATED INDIVIDUALS – SCHEDULE J

Changed the column B heading to read as follows: **Reserved (B)**

INSTRUCTIONS FOR STATEMENT OF COMPENSATION OF OWNERS, DIRECTORS, AND RELATED INDIVIDUALS – SCHEDULE J

Replaced Column B instruction with new instruction. Reads as follows: **Column B – Reserved.**

FACILITY TRANSACTIONS WITH RELATED PARTIES – SCHEDULE K

The only change was to the column F heading. Removed “or SSN” from the heading and now reads as follows: **EIN (F)**

INSTRUCTIONS FOR FACILITY TRANSACTIONS WITH RELATED PARTIES – SCHEDULE K

In third paragraph, first sentence, corrected reference to "Schedule J". Reads as follows: **If Schedule K is not applicable to the provider, code Schedule K Completed? as “NO”; otherwise, code “YES” and complete Schedule K.**

Column C – Amount of Profit - The instruction was changed and the example was moved to the web site. Reads as follows: **Indicate amount of profit in Column C. Losses are reported as zero. A supporting schedule is required to be sent with the Certification Report that shows the calculation used to determine the amount of profit entered in Column C even if the profit is zero. The schedule should also include any additional lines greater than 14 needed to complete the information for the facility. Total profit from Schedule K, line 16, Column C needs to be shown on Schedule E, Line 20, Column A. Examples of supporting schedules can be viewed at <http://www.pama11.com/downloads/schedulek.doc>.**

Column F – EIN or SSN - Removed "or SSN" in label and instruction. Reads as follows: **Column F - EIN: Indicate the federal EIN of the related party/business. Do not encode hyphens.**

INSTRUCTIONS FOR COMPARATIVE BALANCE SHEET – SCHEDULE L

Changed the line number in the last paragraph, first sentence from Schedule D, Line 34 to “**Schedule D, Line 29.**”

STATEMENT OF CHANGES IN FUNDED DEPRECIATION – SCHEDULE M

Removed Schedule M.

INSTRUCTIONS FOR STATEMENT OF CHANGES IN FUNDED DEPRECIATION – SCHEDULE M

Removed Schedule M instructions.

ANNUAL FINANCIAL REPORT OF RESIDENT PERSONAL FUND MANAGEMENT – SCHEDULE MA-4

Removed Schedule MA-4.

INSTRUCTIONS FOR ANNUAL FINANCIAL REPORT OF RESIDENT PERSONAL FUND MANAGEMENT – SCHEDULE MA-4

Removed Schedule MA-4 instructions.

PRIVATE PAY AND MEDICARE RATE CERTIFICATION STATEMENTS – SCHEDULE MA-58

Added another question line in PART III. ADMINISTRATOR INFORMATION. Reads as follows: **(3d) Administrator’s E-mail Address:**.

Added a validation code for PART III., lines (3c) and (3d). Reads as follows: **Administrator's Fax Number: May be blank. If not blank, must be a 10 digit number; Administrator's E-mail Address: May be blank.**

ONLY FOR COUNTY NURSING FACILITIES

SUPPLEMENTAL SCHEDULES 1189-A AND 1189-B

Added a new section that only applies to county nursing facilities. Reads as follows:

Supplemental Schedules 1189-A and 1189-B; (Applies Only to County Nursing Facilities); County nursing facilities must complete supplemental schedules 1189-A and 1189-B in order to adjust costs to those identified in §1189.51.

**COMPUTATION AND ALLOCATION OF CHAPTER 1189 ALLOWABLE COSTS –
SCHEDULE 1189-A**

This is a new schedule that is similar to Schedule C. The schedule is titled: **COMPUTATION AND ALLOCATION OF CHAPTER 1189 ALLOWABLE COSTS – SCHEDULE 1189-A.**

The schedule contains five cost centers (**I. RESIDENT CARE COSTS, II. OTHER RESIDENT RELATED COSTS, III. ADMINISTRATIVE COSTS, IV. CAPITAL COSTS and V. CHAPTER 1189 NURSING FACILITY ALLOWABLE COSTS-SUMMARY**).

There are eight columns (**Ch. 1187 Allowable Costs + Capital (A), Adjustments from Sch. 1189-B (B), Ch. 1189 Allowable Costs (C), ALLOCATION \$ Nursing Facility (D), ALLOCATION \$ Residential & Other (E), ALLOCATION % Nursing Facility (F), ALLOCATION % Residential & Other (G), Allocation Basis (H)**).

There are a total of 45 lines (**I. RESIDENT CARE COSTS: lines 1 thru 20; II. OTHER RESIDENT RELATED COSTS: lines 21 thru 28; III. ADMINISTRATIVE COSTS: lines 29 and 30; IV. CAPITAL COSTS: lines 31 thru 40; and V. CHAPTER 1189 NURSING FACILITY ALLOWABLE COSTS-SUMMARY: lines 41 thru 45**).

INSTRUCTIONS FOR CHAPTER 1189 ALLOWABLE COSTS – SCHEDULE 1189-A

Added two instruction pages for Chapter 1189 Allowable Costs-Schedule 1189-A.

Column instructions pertain to: PART I, PART II, PART III and PART IV

Lines 1 – 40 read as follows: **See instructions for Schedule C for line item descriptions.**

Lines 41 thru 45 – There are individual instructions that pertain to the specific line.

ADJUSTMENTS TO CHAPTER 1187 ALLOWABLE COSTS – SCHEDULE 1189-B

This is a new schedule. The schedule is titled: **ADJUSTMENTS TO CHAPTER 1187 ALLOWABLE COSTS – SCHEDULE 1189-B.**

The schedule has two sections: **I. ADDITIONS ALLOWABLE UNDER CMS PUB 15-1 and II. ADJUSTMENTS TO CAPITAL AND OTHER COSTS.**

There are two columns: **ADJUSTMENTS (A) and SCHEDULE 1189-A LINE NUMBER (B).**

There are a total of 17 lines: **I. ADDITIONS ALLOWABLE UNDER CMS PUB 15-1: lines 1 thru 8 and II. ADJUSTMENTS TO CAPITAL AND OTHER COSTS: lines 9 thru 17.**

INSTRUCTIONS FOR ADJUSTMENT TO 1187 ALLOWABLE COSTS – SCHEDULE 1189-B

Added one instruction page for Adjustment to 1187 Allowable Costs - Schedule 1189-B.

There are three instruction paragraphs under the heading and individual instructions for the specific line(s).

COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:

**Department of Public Welfare/Department of Aging
Office of Long Term Living, Bureau of Finance, Rate Setting Division
555 Walnut Street, Forum Place, 5th Floor
Harrisburg, PA 17101-1919**

Attn: Dave Mayer/ damayer@state.pa.us

Visit the Office of Long Term Living's Web site at www.dpw.state.pa.us/About/OLTL