4130. WORKSHEET E - Parts I and II

Worksheet E is used to calculate reimbursement settlement. Use the applicable part of Worksheet E as follows:

Part I - Calculation of Reimbursement Settlement for Title XVIII

Part II - Calculation of Reimbursement Settlement for Title V and Title XIX

4130.1 Part I - Calculation of Reimbursement Settlement for Title XVIII.--Use this part to calculate reimbursement settlement under SNF PPS for program services. SNFs are reimbursed by Medicare under SNF PPS for cost reporting periods beginning on or after July 1, 1998.

Part A - Inpatient Service PPS Provider Computation of Reimbursement

Line 1.--Enter the prospective payment amount from your PS&R.

Line 2.--Enter the sum of title XVIII Nursing & Allied Health costs, from Worksheet D, Part III, column 5, line 100 and Worksheet D-1, Part II, line 5.

Line 3.--Enter the sum of lines 1 and 2.

Line 4.--Enter the amounts paid or payable by workmen's compensation and other primary payers where program liability is secondary to that of the primary payer. There are six situations under which Medicare payment is secondary to a primary payer:

1. Workmen's compensation,
2. No fault coverage,
3. General liability coverage,
4. Working aged provisions,
5. Disability provisions, and
6. Working ESRD beneficiary provisions.

Generally, when payment by the primary payer satisfies the liability of the program beneficiary, for cost reporting purposes, the services are considered to be non-program services. (The primary payment satisfies the beneficiary's liability when you accept that payment as payment in full. Note this on no-pay bills submitted in these situations.) The patient days and charges are included in total patient days and charges but are not included in program days and charges. In this situation, no primary payer payment is entered on line 4.

However, if the payment by the primary payer does not satisfy the beneficiary's obligation, the program pays (in situations 1, 2, and 3) the amount it otherwise pays (absent primary payer payment) less the primary payer payment and any deductible and coinsurance. In situations 1, 2, and 3, primary payer payment is not credited toward the beneficiary's deductibles and coinsurance. In situations 4 and 5, the program pays the lesser of (a) the amount it otherwise pays (without regard to the primary payer payment or deductible and coinsurance) less the primary payer payment; or (b) the amount it otherwise pays (without regard to primary payer payment or deductibles and coinsurance) less applicable deductible and coinsurance. In situations 4 and 5, primary payer payment is credited toward the beneficiary's deductible and coinsurance obligation.

If the primary payment does not satisfy the beneficiary's liability, include the covered days and charges in program days and charges and include the total days and charges in total days and charges for cost apportionment purposes. Enter the primary payer payment on line 4 to the extent that primary payer payment is not credited toward the beneficiary's deductible and coinsurance (situations 4 and 5). Primary payer payments that are credited toward the beneficiary's deductible and coinsurance are not entered on line 4.

Line 5.--Enter the Part A coinsurance billed to Medicare beneficiaries. Include any primary payer payments applied to Medicare beneficiaries' coinsurance in situations where the primary payer payments do not fully satisfy the obligation of the beneficiary to the provider. Do not include any primary payer payments applied to Medicare beneficiaries' coinsurance in situations where the primary payer payment fully satisfies the obligation of the beneficiary to the provider. DO NOT INCLUDE coinsurance billed to program patients for physicians' professional services.

Line 6.--Enter program allowable bad debts for deductibles and coinsurance (from your records), excluding deductibles and coinsurance for physicians' professional services and net of bad debt recoveries.

Line 7.--Enter the allowable bad debts for full-benefit dual eligible individuals. This amount must also be included in the amount on line 6.

Line 8.--Calculate reimbursable bad debts as follows: ((line 6 - line 7) times 70 percent) PLUS the amount on line 7. For cost reporting periods that begin on or after October 1, 2012, as amended by section 3201(b) of the Middle Class Tax Extension and Job Creation Act of 2012, calculate this line as follows: [((line 6 - line 7) times 65 percent) + (line 7 times 88 percent)]. For cost reporting periods that begin on or after October 1, 2013, calculate this line as follows: [((line 6 - line 7) times 65 percent) + (line 7 times 76 percent)]. For cost reporting periods that begin on or after October 1, 2014, calculate this line as follows: line 6 times 65 percent.

Line 9.--Enter the amount of recovery of reimbursable bad debts. This amount is for statistical purposes only, and does not enter into any reimbursement calculation.

Line 10.--Enter the applicable program's share of the reasonable compensation paid to physicians for services in utilization review committees applicable to the SNF.

Line 11.--Enter the sum of line 3, plus line 8 and 10 for title XVIII, plus or minus the sum of lines 4, and line 5.

Line 12.--Enter interim payments from Worksheet E-1, column 2, line 4.

NOTE: Include amounts received from PPS (for inpatient routine services) as well as amounts received from ancillary services.

Line 13.--Your contractor will enter the Part A tentative adjustments from Worksheet E-1, column 2.

Line 14.--Enter OTHER adjustments. For example, enter an adjustment resulting from changing the recording of vacation pay from cash basis to accrual basis. (See CMS Pub. 15-1, §2146.4.) Specify the adjustment in the space provided.

Line 14.50.--Enter all demonstration payment adjustment amounts before sequestration. Obtain this amount from the PS&R.

Line 14.55.--Enter all demonstration payment adjustment amounts after sequestration. Obtain this amount from the PS&R.

Line 14.75.--For cost reporting periods that overlap or begin on or after May 1, 2020, enter the sequestration adjustment for non-claims based amounts as [(2 percent times (total days in the cost reporting period that occur during the sequestration period, divided by total days in the entire cost reporting period, rounded to four decimal places) times the sum of (lines 2, 8, 10, and line 14 and its subscripts not previously identified)]. If the sum of lines 2, 8, 10, and line 14 and its subscripts not previously identified is less than zero, do not calculate the sequestration adjustment. (Note: In accordance with §3709 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, as amended by §102 of the Consolidated Appropriations Act of 2021, do not apply the sequestration adjustment to the period of May 1, 2020, through March 31, 2021.)

Line 14.99.--For cost reporting periods that overlap or begin on or after April 1, 2013, enter the sequestration adjustment amount as [(2 percent times (total days in the cost reporting period that occur during the sequestration period beginning on or after April 1, 2013, divided by total days in the entire cost reporting period, rounded to four decimal places)) times the sum of (line 11, minus line 14.50, plus or minus line 14 and its subscripts not previously identified)]. If the sum of line 11 minus line 14.50, plus or minus line 14 and its subscripts not previously identified is less than zero, do not calculate the sequestration adjustment.

For cost reporting periods that overlap or begin on or after May 1, 2020, enter the sequestration adjustment amount from the PS&R (claims based amounts). (Note: In accordance with §3709 of the CARES Act, as amended by §102 of the Consolidated Appropriations Act of 2021, the sequestration adjustment for the period of May 1, 2020, through March 31, 2021, is not applicable.)

Line 15.--Enter the sum of the amount on line 11 minus lines 12, 13, 14.50, 14.55, *14.75,* and 14.99, plus or minus line 14 and its subscripts not previously identified. Transfer this amount to Worksheet S, Part III, column 2, line 1.

Line 16.--Enter the program reimbursement effect of protested items. Estimate the reimbursement effect of the nonallowable items by applying reasonable methodology which closely approximates the actual effect of the item as if it had been determined through the normal cost finding process. (See §115.2.) Attach a worksheet showing the details and computations for this line.

Part B - Ancillary Service Computation of Reimbursement Lessor of Cost of Charges - Title XVIII Only

Use this part to calculate reimbursement settlement for Part B services for SNFs under title XVIII.

Line 17.--Enter the amount of Part B ancillary services furnished to Medicare patients. Obtain this amount from Worksheet D, Part I, column 5, line 100.

Line 18.--Enter the vaccine cost from Worksheet D, Part II, line 3.

Line 19.--Enter the sum of the amounts on lines 17 and 18.

Line 20.--Report the charges applicable to the ancillary services from Worksheet D, Part I, column 3, line 100, plus Worksheet D, Part II, Line 2.

Line 21.--*If Worksheet S-2, Part I, line 29, column 2, is "Y", the provider is exempt from the application of lower of cost or charges, enter the total reasonable costs from line 19. If Worksheet S-2, Part I, line 29, column 2, is "N", enter the lesser of line 19 or 20.*

Line 22.--Enter the amounts paid or payable by workmen's compensation and other primary payers when program liability is secondary to that of the primary payer. There are six situations under which Medicare payment is secondary to a primary payer:

1. Workmen's compensation,
2. No fault coverage,
3. General liability coverage,
4. Working aged provisions,
5. Disability provisions, and
6. Working ESRD beneficiary provisions.

Generally, when payment by the primary payer satisfies the liability of the program beneficiary, for cost reporting purposes, the services are considered non-program services. (The primary payment satisfies the beneficiary's liability when you accept that payment as payment in full. Note this on no-pay bills submitted in these situations.) The patient days and charges are included in total patient days and charges but are not included in program patient days and charges. In this situation, no primary payer payment is entered on line 22.

However, if the payment by the primary payer does not satisfy the beneficiary's obligation, the program pays (in situations 1, 2, and 3) the amount it otherwise pays (absent primary payer payment) less the primary payer payment and any applicable deductible and coinsurance. In situations 1, 2, and 3, primary payer payment is not credited toward the beneficiary's deductibles and coinsurance. In situations 4 and 5, the program pays the lesser of (a) the amount it otherwise pays (without regard to the primary payer payment or deductibles and coinsurance) less the primary payer payment; or (b) the amount it otherwise pays (without regard to primary payer payment or deductibles and coinsurance) less applicable deductible and coinsurance. In situations 4 and 5, primary payer payment is credited toward the beneficiary's deductible and coinsurance obligation.

If the primary payment does not satisfy the beneficiary's liability, include the covered days and charges in program days and charges and include the total days and charges in total days and charges for cost apportionment purposes. Enter the primary payer payment on line 22 to the extent that primary payer payment is not credited toward the beneficiary's deductible and coinsurance. Primary payer payments that are credited toward the beneficiary's deductible and coinsurance are not entered on line 22.

Line 23.--Enter the Part B deductible and coinsurance billed to Medicare beneficiaries. Include any primary payer payments applied to Medicare beneficiaries' coinsurance in situations where the primary payer payments do not fully satisfy the obligation of the beneficiary to you. Do not include any primary payer payments applied to Medicare beneficiaries' coinsurance in situations where the primary payer payment fully satisfies the obligation of the beneficiary to you. DO NOT INCLUDE coinsurance billed to program patients for physicians' professional services.

Line 24.--Enter program allowable bad debts for deductibles and coinsurance (from your records), excluding deductibles and coinsurance for physicians' professional services and net of bad debt recoveries.

Line 24.01.--For cost reporting periods that begin on or after October 1, 2012, enter the allowable bad debts for dually eligible beneficiaries. This amount must also be included in the amount on line 24.

Line 24.02.--For cost reporting periods that begin prior to October 1, 2012, enter the amount from line 24. For cost reporting periods that begin on or after October 1, 2012, calculate this line as follows: [((line 24 - line 24.01) times 65 percent) + (line 24.01 times 88 percent)]. For cost reporting periods that begin on or after October 1, 2013, calculate this line as follows: [((line 24 - line 24.01) times 65 percent) + (line 24.01 times 76 percent)]. For cost reporting periods that begin on or after October 1, 2014, calculate this line as follows: line 24 times 65 percent.

Line 25-- Enter the sum of the amounts on lines 21, and 24.02, minus the amounts on lines 22, and 23.

Line 26.--Enter interim payment from Worksheet E-1, column 4, line 4.

Line 27.--Your contractor will enter the Part B tentative adjustments from Worksheet E-1, column 4.

Line 28.--Enter OTHER adjustments

Line 28.50.--Enter all demonstration payment adjustment amounts before sequestration. Obtain this amount from the PS&R.

Line 28.55.--Enter all demonstration payment adjustment amounts after sequestration. Obtain this amount from the PS&R.

Line 28.99.--For cost reporting periods that overlap or begin on or after April 1, 2013, enter the sequestration adjustment amount as [(2 percent times (total days in the cost reporting period that occur during the sequestration *period*, divided by total days in the entire cost reporting period, rounded to four decimal places)) times the sum of (line 25, minus line 28.50, plus or minus line 28 and its subscripts not previously identified)]. If the sum of line 25 minus line 28.50, plus or minus line 28 and its subscripts not previously identified is less than zero, do not calculate the sequestration adjustment. *(Note: In accordance with §3709 of the CARES Act, as amended by §102 of the Consolidated Appropriations Act of 2021, do not apply the sequestration adjustment to the period of May 1, 2020, through March 31, 2021.)*

Line 29.--Enter the sum of the amount on line 25 minus lines 26, 27, 28.50, 28.55, and 28.99, plus or minus line 28 and its subscripts not previously identified. Transfer this amount to Worksheet S, Part III, column 3, line 1.

Line 30.--Enter the program reimbursement effect of protested items. Estimate the reimbursement effect of the nonallowable items by applying reasonable methodology which closely approximates the actual effect of the item as if it had been determined through the normal cost finding process. (See §115.2.) Attach a worksheet showing the details and computations for this line.

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