

4020. WORKSHEET B, PART I - COST ALLOCATION - GENERAL SERVICE COSTS
AND WORKSHEET B-1 - COST ALLOCATION - STATISTICAL BASIS

Base cost data on an approved method of cost finding and on the accrual basis of accounting except where government institutions operate on a cash basis of accounting. (See 42 CFR 413.24(a).) Cost data based on such basis of accounting is acceptable subject to appropriate treatment of capital expenditures. Cost finding is the process of recasting the data derived from the accounts ordinarily kept by you to ascertain costs of the various types of services rendered. It is the determination of these costs by the allocation of direct costs and proration of indirect costs. The various cost finding methods recognized are outlined in 42 CFR 413.24. Worksheets B, Part I, and B-1 have been designed to accommodate the stepdown method of cost finding.

The provider can elect to change the order of allocation and/or allocation statistics, as appropriate, for the current cost reporting period if a request is received by the contractor, in writing, 90 days prior to the end of that reporting period. The contractor has 60 days to make a decision and notify the provider of that decision or the change is automatically accepted. The change must be shown to more accurately allocate the overhead or should demonstrate simplification in maintaining the changed statistics. If a change in statistics is requested, the provider must maintain both sets of statistics until an approval is made. If both sets are not maintained and the request is denied, the provider reverts back to the previously approved methodology. The provider must include with the request all supporting documentation and a thorough explanation of why the alternative approach should be used. (see CMS Pub. 15-1, §2313)

Simplified Cost Allocation Methodology

As an alternative approach to the cost finding methods identified in CMS Pub. 15-1, §2306, the provider may request a simplified cost allocation methodology. This methodology reduces the number of statistical bases a provider maintains. It may result in reducing Medicare reimbursement. A comparison is recommended if the possible loss reimbursement is surpassed by the reduced costs of maintaining voluminous statistics. The following statistical bases must be used for purposes of allocating overhead cost centers. There can be no deviation of the prescribed statistics and it must be utilized for all the following cost centers.

Buildings and Fixtures	Square Footage
Movable Equipment	Square Footage
Maintenance and Repairs	Square Footage
Operation of Plant	Square Footage
Housekeeping	Square Footage
Employee Benefits	Salaries
Cafeteria*	Salaries
Administrative and General	Accumulated Costs
Laundry and Linen	Patient Days
Dietary**	Patient Days
Social Service	Patient Days
Maintenance of Personnel	Eliminated and moved to A&G for simplified cost finding
Nursing Administration	Nursing Salaries
Central Services and Supply	Costed Requisitions
Pharmacy	Costed Requisitions
Medical Records and Library	Gross Patient Revenue
Nursing School*	Assigned Time
Interns and Residents	Assigned Time
Paramedical Education	Assigned Time
Nonphysician Anesthetists	100 percent to Anesthesiology

NOTE: The election of the alternative method discussed above cannot result in inappropriately shifting costs.

*Contract labor is not included and is not grossed up.

**If this is a meals on wheels program, a Worksheet A-8 adjustment is required.

Once the simplified method is elected, the provider must continue to use this method for no less than 3 years, unless a change of ownership occurs.

The 90-day and 60-day rule previously discussed in this section still applies (CMS Pub. 15-1, §2313).

Continuation of the Standard Allocation Methodology Instructions

Worksheet B, Part I, provides for the allocation of the expenses of each general service cost center to those cost centers which receive the services. The cost centers serviced by the general service cost centers include all cost centers within your organization, other general service cost centers, inpatient routine service cost centers, ancillary service cost centers, outpatient service cost centers, other reimbursable cost centers, special purpose cost centers, and nonreimbursable cost centers. Obtain the total direct expenses from Worksheet A, column 7.

All direct graduate medical education costs (inpatient and outpatient in approved programs) are reimbursed based on a specific amount per resident as computed on Worksheet E-4. Costs applicable to interns and residents must still be allocated in columns 21 and 22. These costs are, however, eliminated from total costs in column 25, unless you qualify for an exception. See the instructions for column 25 for a more detailed explanation.

Worksheet B-1 provides for the proration of the statistical data needed to equitably allocate the expenses of the general service cost centers on Worksheet B, Part I. To facilitate the allocation process, the general format of Worksheets B, Part I, and B-1 is identical. Each general service cost center has the same line number as its respective column number across the top. Also, the column and line numbers for each general service cost center are identical on the two worksheets. In addition, the line numbers for each routine service, ancillary outpatient service, other reimbursable, special purpose, and nonreimbursable cost center are identical on the two worksheets. The cost centers and line numbers are also consistent with Worksheet A. If you have subscripted any lines on Worksheet A, subscript the same lines on these worksheets.

NOTE: General service columns 1 through 23 and subscripts thereof must be consistent on Worksheets B, Parts I, and II; H-2, Part I; J-1, Part I; K-5, Part I; and L-1, Part I.

The statistical basis shown at the top of each column on Worksheet B-1 is the recommended basis of allocation of the cost center indicated which must be used by all providers completing this form (Form CMS 2552-10), even if a basis of allocation other than the recommended basis of allocation was used in the previous iteration of the cost report (Form CMS 2552-96). If a different basis of allocation is used, you must indicate the basis of allocation actually used at the top of the column subject to the applicable provisions of CMS Pub 15-1, §2313. Additionally, the following overhead cost center statistics can be substituted for the recommended statistics printed on Worksheet B-1 subject to the applicable provisions of CMS Pub 15-1, §2313.

Cost Center

Housekeeping
Cafeteria
Maintenance of Personnel
Medical Records

Statistical Basis

Square Footage
FTEs
Eliminate and move to A&G
Gross Patient Revenue

Most cost centers are allocated on different statistical bases. However, for those cost centers with the same basis (e.g., square feet), the total statistical base over which the costs are allocated differs because of the prior elimination of cost centers that have been closed.

The general service cost centers are ordered sequentially such that the cost centers that render the most services to and receive the least services from other cost centers are listed first. When closing the general service cost centers, first close the cost centers that render the most services to and receive the least services from other cost centers. List the cost centers in this sequence from left to right on the worksheets. However, your circumstances may be such that a more accurate result is obtained by allocating to certain cost centers in a sequence different from that followed on these worksheets.

NOTE: General service cost centers are not allocated to provider-based physician (PBP) clinical lab service (line 61) because this cost center is treated as a purchased service under arrangements provided only to program beneficiaries.

If the amount of any cost center on Worksheet A, column 7, has a credit balance, show this amount as a credit balance on Worksheet B, Part I, column 0. Allocate the costs from the applicable overhead cost centers in the normal manner to the cost center showing a credit balance. After receiving costs from the applicable overhead cost centers, if a general service cost center has a credit balance at the point it is allocated, do not allocate the general service cost center. Rather, enter the credit balance in parentheses on line 201 as well as on the first line of the column and on line 202. This enables column 24, line 202, to crossfoot to columns 0 and 4A, line 202 if the provider has intern & resident costs or a post-stepdown adjustment in column 25. However, column 26 will cross foot to columns 0 and 4A if the provider has no interns & residents costs or a post-stepdown adjustment in column 25. After receiving costs from the applicable overhead cost centers, if a revenue producing cost center has a credit balance on Worksheet B, Part I, column 26, do not carry forward a credit balance to any worksheet.

On Worksheet B-1, enter on the first line in the column of the cost center being allocated the total statistical base over which the expenses are allocated (e.g., in column 1, capital-related cost - building and fixtures, enter on line 1 the total square feet of the building on which depreciation was taken). For all cost centers to which the capital-related cost is allocated, enter that portion of the total statistical base applicable to each. The sum of the statistical base applied to each cost center receiving the services rendered must equal the total base entered on the first line. Use accumulated cost for allocating administrative and general expenses.

Do not include any statistics related to services furnished under arrangements except if:

- Both Medicare and non-Medicare costs of arranged for services are recorded in your records; or
- Your contractor determines that you are able to (and do) gross up the costs and charges for services to non-Medicare patients so that both cost and charges are recorded as if you had furnished such services directly to all patients. (See CMS Pub. 15-1, §2314.)

Enter on line 202 of Worksheet B-1 the total expenses of the cost center being allocated. Obtain this amount from Worksheet B, Part I from the same column and line number used to enter the statistical base on Worksheet B-1. (In the case of capital-related costs - buildings and fixtures, this amount is on Worksheet B, Part I, column 1, line 1.)

Divide the amount entered on line 202 by the total statistic entered in the same column on the first line. Enter the resulting unit cost multiplier on line 203. Round the unit cost multiplier to six decimal places.

Multiply the unit cost multiplier by that portion of the total statistics applicable to each cost center receiving the services rendered. Enter the result of each computation on Worksheet B, Part I, in the corresponding column and line. (See §4000.1 for rounding standards.)

After applying the unit cost multiplier to all the cost centers receiving the services rendered, the total cost (line 202) of all the cost centers receiving the allocation on Worksheet B, Part I, must equal the amount entered on the first line. Perform the preceding procedures for each general service cost center. Complete the column for each cost center on both Worksheets B, Part I, and B-1 before proceeding to the column for the next cost center.

If a general service cost center has a credit balance at the point it is allocated on Worksheet B, Part I, do not allocate the general service cost centers. However, display the statistic departmentally, but do not calculate a unit cost multiplier for lines 203 and 205 on Worksheet B-1. Use line 204 of Worksheet B-1 in conjunction with the allocation of capital-related costs on Worksheet B, Part II. Complete line 204 for all columns after Worksheets B, Part I, and B-1 are completed and the amount of direct and indirect capital-related cost is determined on Worksheet B, Part II, column 2A. Use line 205 for all columns in allocating the direct and indirect capital-related cost on Worksheet B, Part II. Compute the unit cost multiplier (after the amount entered on line 204 has been determined) by dividing the capital-related costs recorded on line 204 by the total statistic entered in the same column on the first line. Round the unit cost multipliers to six decimal places. (See instructions for Worksheet B, Part II, for the complete methodology and exceptions.)

Do not use line 200 to allocate costs on Worksheet B, Part I.

Since intern and resident costs are segregated into two cost centers, properly allocate general service costs applicable to each center. A listing of general service cost centers which may be applicable and the appropriate allocation to the separate cost centers for the intern and resident costs is presented below.

<u>Cost Center</u>	<u>Salary & Salary Related Fringe Benefits</u>	<u>Other</u>
Capital Related Costs - Bldgs. & Fixtures		X
Capital Related Costs - Movable Equipment		X
Employee Benefits	X	X
Administrative and General	X	X
Maintenance and Repair		X
Operation of Plant		X
Housekeeping		X
Cafeteria	X	X
Maintenance of Personnel		X

After the costs of the general service cost center have been allocated on Worksheet B, Part I, enter in column 24 the sum of the costs in columns 4A through 23 for lines 30 through 201. Once overhead is allocated to these cost centers, they are closed and the costs are not further allocated to the revenue producing cost centers.

Since costs applicable to direct graduate medical education costs (inpatient and outpatient in approved programs) are reimbursed based on a specific amount per resident, exclude these costs from the total costs in column 26. Enter on each line in column 25 the sum of the amounts shown on each line in columns 21 and 22. If you qualify for the exception (cost reimbursed hospital such as CAHs do not offset I&R costs), enter only the amounts from Worksheet B-2.

In addition, when an adjustment to expenses is required after cost allocation, enter the amount applicable to each cost center in column 25 of Worksheet B, Part I. Corresponding adjustments to Worksheet B, Part II, may be applicable for capital-related cost adjustments. Submit a supporting worksheet showing the computation of the adjustments in addition to completing Worksheet B-2.

NOTE: The amount reported in column 25 must equal both the sum of the amounts shown in columns 21 and 22 and the amount on Worksheet B-2, unless you qualify for the exception. See the instructions for column 25 for a more detailed explanation.

Other examples of adjustments to expenses which may be required after cost allocation are (1) the allocation of available costs between the certified portion and the non-certified portion of a distinct part provider, and (2) costs attributable to unoccupied beds in a hospital with a restrictive admission policy. (See CMS Pub. 15-1, §§2342-2344.3.)

After the adjustments have been entered on Worksheet B, Part I, column 25, subtract the amounts in column 25 from the amounts in column 24, and enter the resulting amounts in column 26 for each line. The cost subtotal entered in column 24, line 202 must equal the total costs entered in column 0, line 202.

Transfer the totals in column 26, lines 30 through 46 (inpatient routine service cost centers), lines 50 through 76 (ancillary service cost centers), lines 88 through 93 (outpatient service cost centers), lines 94 through 101 (other reimbursable cost centers), and 105 through 117 (special purpose cost centers) to Worksheet C, Parts I and II, column I, lines 30 through 98. For provider based RHC/FQHCs transfer the total costs to Worksheet M-2.

Transfer the total cost in column 26, line 100 (intern/resident services not in approved teaching program) to Worksheet D-2, Part I, column 2, line 1.

The total outpatient rehabilitation costs in column 26, line 93 and subscripts, must agree with Worksheet J-1, Part I, column 26, line 22, for each provider type.

Do not transfer ASC costs from column 26, line 115. Do not transfer the nonreimbursable cost center totals (lines 190 through 193).

NOTE: Do not transfer negative numbers.

Column Descriptions

Column 1--Include only capital costs for building and fixtures. See the instructions for Worksheet A, line 1, for a discussion capital-related costs for building and fixtures.

Column 2--Include only capital costs for movable equipment. See the instructions for Worksheet A, line 2, for a discussion capital-related costs for movable equipment.

Worksheet B, Part I, Column 25--*Hospitals other than CAHs*--Accumulate in this column the costs for interns and residents. Except as provided in 42 CFR 413.77(e)(1), the costs of interns and residents (direct graduate medical education costs for inpatient and outpatient in approved programs) *for PPS and TEFRA hospitals* are paid on a per resident amount (PRA) through Worksheet E-4. In order to avoid duplicate payments *of interns and residents costs*, enter the sum of the amounts reported on each line in columns 21 and 22 in the appropriate line of column 25. *When an adjustment to expenses is required after cost allocation, enter on the appropriate lines in this column the amounts from Worksheet B-2.* The total of columns 21 and 22 and the appropriate lines on Worksheet B-2 must equal the total of column 25.

NOTE: *In accordance with 42 CFR 413.77(e), if a hospital did not have any approved medical residency programs or did not participate in Medicare during the base period but either condition changes in a cost reporting period beginning on or after October 1, 2006 and the residents are not on duty during the first month of the cost reporting period in which the hospital first begins to train residents, the contractor establishes a per-resident amount (PRA) using information from the first cost reporting period immediately following the cost reporting period during which the hospital participates in Medicare and residents began training at the hospital. Any interns and residents costs incurred during the cost reporting period, prior to the base period used to calculate the PRA, are reimbursed as pass-throughs based on reasonable costs on Worksheets D, Parts III and IV and D-2, Part II if applicable. If Worksheet S-2, Part I, line 57, column 1 is "Y" and column 2 is "N", do not include in column 25 the interns and residents costs from columns 21 and 22.*

If Worksheet S-2, Part I, Line 57, column 1 contains an "N" or column 2 contains a "Y", include in column 25 the interns and residents in approved programs costs from columns 21 and 22 because these costs will be reimbursed on a per-resident amount basis through Worksheet E-4.

CAHs--If you are CAH and responded "Y" to Worksheet S-2, Part I, question 107, (indicating that you have an I&R training program) the GME elimination is not performed. Consequently, do not include in column 25 the intern and resident costs from columns 21 and 22.

Worksheet B-1, Column 5A--Enter the costs attributable to the difference between the total accumulated cost reported on Worksheet B, Part I, column 4A, line 202 and the accumulated cost reported on Worksheet B-1, column 5, line 5. Enter any amounts reported on Worksheet B, Part I, column 4A for (1) any service provided under arrangements to program patients and which is not grossed up and (2) negative balances. Enter a negative one (-1) in the accumulated cost column to identify the cost center which should be excluded from receiving any A & G costs. If some of the costs from that cost center are to receive A & G costs then enter in the reconciliation column the amount not to receive A & G costs to assure that only those costs to receive overhead receive the proper allocation. Including a statistical cost which does not relate to the allocation of administrative and general expenses causes an improper distribution of overhead. In addition, report on line 5 the administrative and general costs reported on Worksheet B, Part I, column 5, line 5 since these costs are not included on Worksheet B-1, column 5 as an accumulated cost statistic.

For componentized A&G cost centers, the accumulated cost center line number must match the reconciliation column number. Include in the column number the alpha character "A", i.e., if the accumulated cost center for A&G is line 5.03 (Other A&G), the reconciliation column designation must be 5A.03.

Worksheet B-1, Column 5--The administrative and general expenses are allocated on the basis of accumulated costs. Therefore, the amount entered on Worksheet B-1, column 5, line 5, is the difference between the amounts entered on Worksheet B, Part I, column 4A and Worksheet B-1, column 5A. A negative cost center balance in the statistics for allocating administrative and general expenses causes an improper distribution of this overhead cost center. Exclude negative balances from the allocation statistics.

Worksheet B-1, Column 23--Enter the appropriate statistics based on assigned time. If, however, the use of assigned time is not appropriate for that paramedical education program (i.e., a non-direct patient care cost center), a different statistical basis may be used. For example, if you have a paramedical education program for hospital administration, using assigned time as the statistical basis may be inappropriate. Use accumulated costs as the statistical basis for allocating hospital administrative paramedical education program costs.

4021. WORKSHEET B, PART II - ALLOCATION OF CAPITAL-RELATED COSTS

This worksheet provides for the determination of direct and indirect capital-related costs allocated to those cost centers which receive the services. The cost centers serviced by the general service cost centers include all cost centers within your organization, other general service cost centers, inpatient routine service cost centers, ancillary service cost centers, outpatient service cost centers, other reimbursable cost centers, special purpose cost centers, and nonreimbursable cost centers. Hospitals receiving 100 percent Federal rate for IPPS capital payments complete Worksheet B, Part II in its entirety.

NOTE: Unless there is a change in ownership or the provider has elected the alternative method described in §4017, the hospital must continue the same cost finding methods (including its cost finding bases) in effect in the hospital's prior cost reporting period. If there is a change in ownership, the new owners may request that the contractor approve a change in order to be consistent with their established cost finding practices. (See CMS Pub. 15-1, §2313.)

Part II is completed by all IPPS hospitals and IPPS excluded hospitals which were part of a complex subject to IPPS. Freestanding hospitals excluded from IPPS are not required to complete Part II.

See the instructions for Worksheet A, lines 1 and 2, for a discussion of capital-related costs.

Use these worksheets in conjunction with Worksheets B, Part I and B-1. The format and allocation process employed are identical to that used on Worksheets B, Part I and B-1. Any cost centers, subscripted lines, and/or columns added to Worksheet A are also added to Worksheet B, Part II, in the same sequence.

Column 0--Where capital-related costs have been directly assigned to specific cost centers on Worksheet A, column 7, in accordance with CMS Pub. 15-1, §2307, enter in this column those amounts directly assigned from your records. Where you include cost incurred by a related organization, the portion of these costs that are capital-related costs is considered directly assigned capital-related costs of the applicable cost center. For example, if you are part of a chain organization that includes some costs incurred by the home office of the chain organization in your administrative and general cost center, the amount so included represents capital-related costs included in this column.

Columns 1 and 2--Obtain the amounts entered in columns 1 and 2, lines 4 through 199, from the corresponding columns and lines on Worksheet B, Part I.

Column 2A--Enter the sum of columns 0 through 2 for each line.

Enter on line 204 of Worksheet B-1 for each column the capital-related costs allocated. Report these costs on the first line of each column on Worksheet B, Part II. (See exceptions below.) Complete a unit cost multiplier for each column by dividing the amount on line 204 of Worksheet B-1 by the statistic reported on the first line of the same column. Enter the unit cost multiplier on line 205 and round to six decimal places, e.g., .0622438 is rounded to .062244. The allocation process on Worksheet B, Part II is identical to that used on Worksheets B, Part I and B-1.

Multiply the unit cost multipliers on line 205 by the portion of the total statistic on Worksheet B-1 applicable to each cost center. Enter the result of each computation on Worksheet B, Part II, respectively, in the corresponding column and line.

After the unit cost multipliers have been applied to all the cost centers, the total cost on Worksheet B, Part II, line 202 of all the cost centers receiving the allocation must equal the amount allocated on the first line of the column. However, this is not true in circumstances described in the second paragraph of exceptions below. Perform these procedures for each general service cost center. Complete the column for each cost center on Worksheets B-1 and B, Part II before proceeding to the column for the next cost center.

EXCEPTIONS: When a general service cost center is not allocated on Worksheet B, Part I because it has a negative balance at the point it is to be allocated, the capital-related cost for the same general service cost center on Worksheet B, Part II, is not allocated. Enter the total capital-related cost on line 201, the negative cost center line. This enables column 2A, line 202 to cross foot to column 26, line 202, if no intern and resident cost or post step-down adjustments are identified in column 25. Otherwise column 2A, line 202 will crossfoot to line 24.

When a general service cost center has a negative direct cost balance on Worksheet B, Part I, column 0 and the negative balance becomes positive through the cost allocation process, adjust the amount of capital-related cost determined on Worksheet B, Part II for that general cost center to reflect the amount allocated on Worksheet B, Part I. Determine the adjusted amounts of capital-related cost allocated on Worksheet B, Part II, by dividing the capital-related cost by the total indirect cost allocated to the specific cost center on Worksheet B, Part I. (Do not include the negative direct cost.) Then multiply that ratio by the net amount allocated on Worksheet B, Part I for that specific cost center. For cross footing purposes, enter the adjusted capital-related costs on the first line of the column and the differences between the total capital-related cost and the adjusted capital-related cost on line 201 of Worksheet B, Part II. This enables column 2A, line 202 to cross foot to column 26, line 202, if no intern and resident cost or post step-down adjustments are identified in column 25. Otherwise column 2A, line 202 will crossfoot to line 24.

After all the capital-related costs of the general service cost centers have been allocated on Worksheet B, Part II, enter in column 24 the sum of columns 2A through 23 for lines 30 through 201.

When an adjustment to expenses is required after cost allocation, show the amount applicable to each cost center in column 25 of Worksheet B, Part II. Submit a supporting worksheet showing the computation of the adjustment in addition to completing Worksheet B-2.

Adjustments to expenses which may be required after cost allocation include (1) the allocation of available costs between the certified portion and the noncertified portion of a distinct part provider and (2) costs attributable to unoccupied beds of a hospital with a restrictive admission policy. (See CMS Pub. 15-1, §§2342-2344.3.)

After the adjustments have been entered on Worksheet B, Part II, column 25, subtract the amounts in column 25 from the amounts in column 24, and enter the resulting amounts in column 26 for each line. The total costs entered in column 26, line 202 must equal the total costs entered in column 2A, line 202, if no intern and resident cost or post step-down adjustments are identified in column 25, otherwise column 2A, line 202 will equal line 24.

On Worksheet B, Part II, columns 19 through 23, lines 30 through 194 are shaded because the full amount of nonphysician anesthetists and medical education costs is obtained from Worksheet B, Part I, columns 19 through 23. Enter these amounts on line 200 for cross footing purposes. If column 20 is subscribed for additional education cost centers qualifying as educational pass through costs (see the instructions for Worksheet A, lines 20 through 23), the subscribed column(s) must be shaded similarly to column 20.

Since capital-related cost, non-physician anesthetists, and approved education programs are not included in the operating cost per discharge, columns 19 through 23, lines 30 through 194 are shaded on Worksheet B, Part II, for all lines except 19 through 23, 200, 201, and 202. These are the only lines and columns where an approved educational cost center can be shown. For purposes of this paragraph only, the statistic for line 200 is the sum of the statistics on lines 30 through 117 and 190 through 194 on Worksheet B-1 for the same column. Enter these amounts on line 200 for cross footing purposes. Use line 200 of Worksheet B-1, columns 19 through 23, for this purpose in the allocation of capital-related cost on Worksheet B, Part II. Use the statistic on line 200 together with the statistics on lines 19 through 23 of Worksheet B-1 to allocate columns 19 through 23 of Worksheet B, Part II. If column 20 is subscripted for additional education cost centers qualifying as educational pass through costs (see the instructions for Worksheet A, lines 20 through 23), the subscripted column(s) must be shaded similarly to columns 20 through 23

The total for each column includes lines 200 and 201 for cross footing purposes.

Transfer:

<u>From Worksheet B, Part II, Column 26</u>	<u>To Worksheet D, Part I</u>
Line 30 - Adults and Pediatrics	Column 1, line 30 for the hospital
Lines 31-35 - Intensive Care Type Inpatient Hospital Units	Column 1, lines 31 through 35
Line 40 - IPF Subprovider	Column 1, line 40
Line 41 - IRF Subprovider	Column 1, line 41
Line 42 - Subprovider	Column 1, line 42
Line 43 - Nursery	Column 1, line 43 for titles V and XIX
<u>From Worksheet B, Part II, Column 26</u>	<u>To Worksheet D-1, Part III</u>
Line 44 - SNF	Line 75 for the SNF
Sum of lines 44 and 45	Line 75 for the NF
<u>From Worksheet B, Part II, Column 26</u>	<u>To Worksheet D, Part II</u>
Lines 50-76 - Ancillary Services	Column 1, lines 50-76
Lines 90, 91, subscripts of 92, and 93 - Outpatient Service Cost	Column 1, lines 90, 91, subscripts of 92, and 93
Lines 94, 95, and 98 - Other Reimbursable Cost Centers	Column 1, lines 94, 95, and 98
	<u>To Worksheet C, Part II, Column 2</u>
Lines 50-98	Lines 50-98

4022. WORKSHEET B-2 - POST STEP-DOWN ADJUSTMENTS

This worksheet provides an explanation of the post step down adjustments reported in column 25 of Worksheets B, Parts I and II, and L-1, Part I.

Column Descriptions

Column 1--Enter a brief description of the post step down adjustment.

Column 2--Make post step down adjustments on Worksheets B, Parts I and II, and L-1, Part I. Enter the worksheet part to which the post step down adjustment applies. For lines 74 and/or 94 remove the amount for ESAs (i.e., Epoetin and Aranesp) reported on Worksheet S-5 lines 13, 14, 17, 18, and subscripts of line 22, columns 2 and 3.

Use the codes below to identify the worksheet in which the adjustment applies:

<u>Code</u>	<u>Worksheet</u>
1	B, Part I
2	B, Part II
3	L-1, Part I

Column 3--Enter the worksheet line number to which the adjustment applies.

Column 4--Enter the amount of the adjustment. Transfer these amounts to the appropriate lines on Worksheets B, Parts I, and II, or L-1, Part I, column 25.

Line Descriptions

Line 1--Enter the amount of the EPO adjustment for the renal dialysis inpatient department from Worksheet S-5, line 13. Do not use this line effective for cost reporting periods ending after December 31, 2012.

Line 2--Enter the amount of the EPO adjustment for the home dialysis program from Worksheet S-5, line 14. Do not use this line effective for cost reporting periods ending after December 31, 2012.

Line 3--Enter the amount of the Aranesp adjustment for the renal dialysis inpatient department from Worksheet S-5, line 17. Do not use this line effective for cost reporting periods ending after December 31, 2012.

Line 4--Enter the amount of the Aranesp adjustment for the home dialysis program from Worksheet S-5, line 18. Do not use this line effective for cost reporting periods ending after December 31, 2012.

Line 5--Enter the amount of the ESA adjustment for the renal dialysis inpatient department from Worksheet S-5, sum of the subscripts of line 22, column 2. Complete this line effective for cost reporting periods ending after December 31, 2012.

Line 6--Enter the amount of the ESA adjustment for the home dialysis program from Worksheet S-5, sum of the subscripts of line 22, column 3. Complete this line effective for cost reporting periods ending after December 31, 2012.

Lines 7 - 59--Enter any additional adjustments that are required under the Medicare principles of reimbursement. Label the lines appropriately to indicate the nature of the required adjustments. If the number of blank lines is not sufficient, use additional Worksheets B-2.