	Government Programs	No.	GP - 3
	Title: MEDICARE COST REPORT AUDIT REVIEWS AND APPEALS	Page:	1 of 4
		Effective Date:	09-27-11
		Retires Policy Dated:	03-01-10
		Previous Versions Dated:	08-17-04; 04-01-98

I. SCOPE:

This policy applies to (1) Tenet Healthcare Corporation and its wholly-owned subsidiaries and affiliates (each, an “Affiliate”); (2) any other entity or organization in which Tenet Healthcare Corporation or an Affiliate owns a direct or indirect equity interest greater than 50%; and (3) any hospital or healthcare facility in which Tenet Healthcare Corporation or an Affiliate either manages or controls the day-to-day operations of the facility (each, a “Tenet Facility”) (collectively, “Tenet”).

II. PURPOSE:

Cost reports are filed with the fiscal intermediaries of the Centers for Medicare and Medicaid Services (CMS) and various state Medicaid agencies. These reports may be used to determine the amount of reimbursement or portions of reimbursement due providers for the treatment of Medicare and Medicaid patients. The Medicare program and some Medicaid agencies review the cost reports and issue a determination of the amount of reimbursement due the provider for elements of reimbursement settled through the cost report.¹ The Medicare program and most Medicaid agencies have formal processes for providers to (1) effect corrections to the NPRs, and (2) appeal determinations with which they disagree.

The purpose of this policy is to set forth the responsibilities of the Government Programs Department (“Department”), the Tenet Facility and Conifer in connection with the Medicare and Medicaid cost report audit review and appeals process.

III. POLICY:

It is Tenet’s intent and policy that reimbursement claimed in the cost report and ultimately settled through the NPR is that reimbursement which Tenet is entitled to receive under the applicable rules, regulations and statutes.

The Department is responsible for the preparation, audit support, settlement review of the cost reports, as well as the post settlement process. Tenet will use all reasonable means to ensure that cost report settlements are calculated properly and take the appropriate action when discrepancies, errors, omissions or matters with which we disagree are identified.²


In order to minimize subsequent appeals and reopening requests, every effort will be made during the course of the audit of the cost report and exit conference to resolve as many issues as possible prior to the issuance of the NPR.³

With the assistance of Tenet’s Law Department, outside legal counsel may be engaged to assist in the resolution of cost report settlement disputes.

¹For the purpose of this policy, these payment determinations are hereinafter referred to as a Notice of Program Reimbursement (NPR).

²Includes underpayments and overpayments.

³This effort requires the full cooperation of the Tenet hospital personnel and Conifer.


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IV. PROCEDURE:⁴

A. Department Responsibilities

1. Within 180 days of the date of the original NPR or any amended NPR, the Department will review all NPRs and the accompanying adjustments.
2. Each audit adjustment will be reviewed for mathematical accuracy, reasonableness and appropriate application of program rules, regulations and statutes. The audit review will include an evaluation of the overall settlement and identification of audit errors, for which, either a “Request for Reopening,” appeal, or other action is needed. The purpose of this review is twofold:
 - a. Identify procedural/calculation errors which result in an overstatement or understatement
 - b. Identify adjustments made by the Medicare Administrative Contractor with which the Department disagrees based on regulatory interpretations.
 - c. Identify any adjustments that should be brought to the attention of the Sr. Director of Cost Reporting to consider: (1) in the subsequent year cost report filing for the affected hospital(s), and/or (2) for a cost reporting policy change.
3. A “Request for Reopening” for any errors, including but not limited to audit errors or other errors discovered after the NPR is received, that the Department believes can be resolved administratively will be filed within the time frame permitted. Generally, this is within three years of the date of the NPR. For those audit issues that the Department believes cannot be resolved administratively, a formal appeal will be filed. In all cases, steps will be taken to ensure that Tenet’s appeal rights will be preserved as deemed necessary.
 - a. The Department will file the Request for Hearing with all required documentation, including position papers, and supporting documentation within the prescribed time frames.
 - b. The Department will follow individual state guidelines for Medicaid appeals.

⁴The procedures set forth in this policy are based on Medicare regulations and instructions. Although the Medicaid programs have similar processes, the timeframes and forums may differ from Medicare.

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- c. The Department Director of Appeals will coordinate with the Department Director of Cost Reporting regarding the treatment of appeal items on cost reports submitted subsequent to the appeal review described in Section IV.A.1.

B. Tenet Facility/Conifer Responsibilities

The vast majority of information reported in the cost report is based on the books and records of the Tenet Facility and information generated or maintained by Conifer. The deadlines and documentation requirements imposed by Medicare and Medicaid for pursuing corrections to cost report settlements and appeals of NPRs require the full cooperation of the Tenet Facility and Conifer.

1. The Tenet Facility and Conifer shall assist the Department with any and all requests relating to cost report audit review and appeal process.
2. The Tenet Facility will promptly forward any correspondence pertaining to Medicare audits, appeals or settlements to the attention of the Department Vice President.


C. Reporting Potential Cost Report Compliance Matters

Any person that believes incorrect information may have been reported in a cost report that could result in an overpayment should follow the procedures in [Regulatory Compliance Policy COMP-RCC 4.21, Internal Reporting of Potential Compliance Issues](#). Examples of potential reportable cost report issues include:

1. Inaccurate documentation provided to the Department for submission of the cost report (e.g., characterizing non-allowable marketing as an allowable covered cost).
2. Inaccurate information provided to refute a proposed audit adjustment or to support an appeal.
3. Failure to timely respond to any information requests pertaining to the cost report, including but not limited to information required to support a cost report audit or appeal.
4. Accounting or other documentation errors that may require a disclosure to the Medicare Administrative Contractor or amending a previously filed cost report.

D. Auditing and Monitoring

Corporate Audit Services will audit adherence to this policy as part of its routine audits.

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E. Enforcement

All employees whose responsibilities are affected by this policy are expected to be familiar with the basic procedures and responsibilities created by this policy. Failure to comply with this policy will be subject to appropriate performance management pursuant to all applicable policies and procedures, up to and including termination. Such performance management may also include modification of compensation, including any merit or discretionary compensation awards, as allowed by applicable law.

V. REFERENCES:

- [42 CFR §405.1811, et seq.](#)

- [42 CFR §405.1885](#)

- [Medicare Provider Reimbursement Manual \(CMS Pub 15\) Part I, § 2931](#)

- [CMS Pub. 100-6, Chapter 8 § 100](#)

- [Regulatory Compliance Policy COMP-RCC 4.21, Internal Reporting of Potential Compliance Issues](#)