



**Department  
of Health**

**Office of  
Health Insurance  
Programs**

# **2023 Institutional Cost Report (ICR)**

**NYS Department of Health  
Division of Finance and Rate Setting  
Bureau of Hospital and Clinic Rate Setting**

*ICR Road Shows: April 15, 2024 – April 18, 2024*

# Agenda

- **Software to Use**
- **Software, Support & Electronic Filing Procedures**
- **2023 ICR Audit Fees**
- **Health Commerce System (HCS)**
- **Department of Health (DOH) Public Website**
- **2023 ICR Updates & Reminders**
- **Questions?**



# Software to Use

## ➤ **HFS MCRIF32 Software (NEW for 2023)**

- 2023 Institutional Cost Report (ICR) and Medicare Cost Report (MCR) Submissions
- Has backwards compatibility
- Final version pending release from Health Financial Systems (HFS)

## ➤ **Legacy Compu-Max Software**

- 2021 ICR Audit Resubmissions (audit is currently ongoing)
- 2022 ICR Resubmissions (until DOH directs otherwise)
- May use to start 2023 ICR & MCR – do not submit
  - HFS Report Wizard may be used to convert files for new HFS Software



# Software, Support & Filing Procedures

## ➤ Obtaining Software and Support

- **HFS MCRIF32 Software will be available for download from the HFS website**
  - Hospitals were notified on 1/23/2024 and 2/26/2024 to register through HFS
    - ❖ Registration is ongoing
  - MCR software is available for download now, ICR portion is pending release
- **ICR support, problem resolution and questions:**
  - Send email to: [Hospital.ICR@health.ny.gov](mailto:Hospital.ICR@health.ny.gov)
  - Include in subject line: “2023 ICR – hospital name”
  - For problem resolution, send your “.mcrx” file to this email address. The file will then be forwarded to HFS, if necessary.

**Note: Please do not send files via secure e-mail (only necessary when PHI data is present)**



**Department  
of Health**

Office of  
Health Insurance  
Programs

# Software, Support & Filing Procedures

## ➤ Electronic Filing Procedures

- **DH file: Electronic submission through Health Commerce System (HCS) – Hosp Institutional Cost Rpt application)**
  - Due date: Friday, June 14, 2024 (**ICR ONLY**)
- **Supporting documents due within 5 business days of ICR submission to be considered a valid cost report submission**
  - Signed CFO/CEO certification (Verify Document Control Number (DCN) matches ICR)
  - Audited Financial Statements (Final)
    - ❖ “Draft” statements are not acceptable for audit purposes
  - Audit Fee Form (Proof of Payment)

# Software, Support & Filing Procedures

## ➤ Electronic Filing Procedures - continued

- Email supporting document files to: [AFS@health.ny.gov](mailto:AFS@health.ny.gov)
  - **Signed CFO/CEO Certification:**
    - ❖ File named with 7-digit operating certificate number and “\_CFO”  
Example: 1234567\_CFO
  - **Audited Financial Statements:**
    - ❖ File named with 7-digit operating certificate number and “\_AFS”  
Example: 1234567\_AFS
  - **Audit Fee Form:**
    - ❖ File named with 7-digit operating certificate number and “\_AFF”  
Example: 1234567\_AFF

**Note: Please do not send files via secure e-mail (only necessary when PHI data is present)**

# 2023 ICR Audit Fees

## ➤ Audit Fee Payment/Form

- Due within 5 business days of filing ICR
- Same banking information as previous years
- Same fee schedule as previous years – available on DOH website
  - Fee schedule: [http://www.health.ny.gov/facilities/hospital/audit\\_fee/](http://www.health.ny.gov/facilities/hospital/audit_fee/)
- Email notification to be released for facility-specific audit fees
- Additional fees may be assessed when # of submissions exceeds 2
- Email completed Audit Fee Form to: [AFS@health.ny.gov](mailto:AFS@health.ny.gov)
  - One form may be used to report fees paid for multiple hospitals in a system



# Health Commerce System (HCS)

- **Website:** [https://commerce.health.state.ny.us/public/hcs\\_login.html](https://commerce.health.state.ny.us/public/hcs_login.html)
- **Communication Tool**
  - Secure network for posting provider information
  - Important to keep email address current to receive notifications
    - User's responsibility
    - Email list is separate from the DOH public website electronic mailing lists
- **HCS Help Contact**
  - Commerce Accounts Management Unit: 1-866-529-1890 or [camu@health.ny.gov](mailto:camu@health.ny.gov)
    - HCS accounts
    - Password resets
    - Removal of employees
- **HCS Access Contact**
  - Hospital Fee-for-Service Rate Unit: [HospFFSunit@health.ny.gov](mailto:HospFFSunit@health.ny.gov)
    - Receiving access to the ICR (or other hospital applications)
    - Rate-related questions





# Department of Health (DOH) Public Website

- **Institutional Cost Report (ICR) web page:**  
[https://health.ny.gov/facilities/hospital/rate\\_setting/centers/index.htm](https://health.ny.gov/facilities/hospital/rate_setting/centers/index.htm)
- **Information posted for Inpatient Rates and APR-DRG Weights:**  
<https://www.health.ny.gov/facilities/hospital/reimbursement/apr-drg/>
- **Information posted for Outpatient Rates and APGs:**  
[https://www.health.ny.gov/health\\_care/medicaid/rates/apg/](https://www.health.ny.gov/health_care/medicaid/rates/apg/)
- **Electronic Mailing List Subscriptions (DOH web pages):**
  - ❖ **Inpatient Rates:** <https://www.health.ny.gov/facilities/hospital/reimbursement/apr-drg/listserv/>
  - ❖ **Outpatient Rates/APGs:** [https://www.health.ny.gov/health\\_care/medicaid/rates/listserv/](https://www.health.ny.gov/health_care/medicaid/rates/listserv/)



# 2023 ICR Updates

## ➤ Exhibits (changes, additions & clarifications)

- **Exhibit 1 (Hospital Identification Data)**

- **Report inpatient service closures**

- ❖ Only when entire service closes for an exempt unit area (i.e., All Psychiatric Units)
    - ❖ Indicate if permanent or temporary and date

- **Exhibit 33 (Outpatient Statistical Data, Visits by Source)**

- **“Other” service area added**

- ❖ To be used for non-standard Outpatient services
    - ❖ Must add header label (avoids fatal edit)
    - ❖ Ensure proper Medicaid Service Code assignment



# 2023 ICR Updates

## ➤ Exhibits (changes, additions & clarifications) - continued

- **Exhibit 41 (Medicaid Funded Depreciation Schedule)**
  - **Negative depreciation values may not be reported for:**
    - ❖ Depreciation Expense
    - ❖ Capital Asset Purchases
    - ❖ Capital Debt Payments



# 2023 ICR Updates

## ➤ Edits

- **New edits**

- **Highlight inconsistencies between reported utilization, costs and/or charges**
- **All new edits/changes to edits will be highlighted in the edit listing**

- **Importance of Edits**

- **Improve data integrity**

- ❖ Budgetary Analysis, DSH Model, Directed Payments, etc

- **Highlight data anomalies**

- ❖ Low utilization, positive values entered as negatives & vice versa, etc

- **Help reduce ICR audit findings and/or questions**

- ❖ May prevent reporting errors and avoid audit findings
- ❖ Edit explanations reviewed by DOH and provided to auditors



# 2023 ICR Updates

## ➤ Edits - continued

### • Types of Edits

#### ▪ Fatal (3xxxx)

- ❖ Identify the cause and make appropriate correction(s)
- ❖ Notify ICR mailbox when edit is believed non-applicable and cannot be cleared

#### ▪ Non-Fatal (4xxxx)

- ❖ Intent is to identify unexpected data or combinations
- ❖ Only change data if an entry is incorrect or omitted
- ❖ Do not make changes to unsupported values just to clear edit(s)
  - ✓ Edits comparing Exhibit 3 (S-3, Part I) versus Exhibits 32, 33, & 34 (Utilization)
  - ✓ PS&R versus Patient Financial System
- ❖ All non-fatal edits require a valid explanation



# 2023 ICR Updates

## ➤ Edits - continued

### • Edit Responses

- Explanations should provide insight
  - ❖ Cannot be left blank (Fatal Edit)
  - ❖ Should not state “Confirmed”, except for edits requesting confirmation (ex - edit 41806)
    - ✓ Stating “Correct”, “Affirmed” or similar is insufficient
  - ❖ Should not state “Will review during audit”
  - ❖ Adequate explanations will help avoid inquiries from DOH/auditors

***Note: Any edits that require reporting corrections should be done BEFORE filing either the Medicare or Medicaid cost report***



# 2023 ICR Updates

## ➤ Primary Payor Reporting

- **After posting the Explanation of Benefit (EOB), self-responsible amounts are still the primary payor**
  - Not the secondary payor, if different from primary
  - Not self-pay or uninsured
- **Charity Care Primary Payor**
  - Only if entire account does not have third-party coverage and was or is to be written off
  - Hospital Financial Aid Law (HFAL)
    - ❖ Use lines 382, 383, 386 and 391 on Exhibit 46 to report Charity Care reductions
- **Payor changes for later eligibility determination**



# 2023 ICR Updates

## ➤ Primary Payor Reporting – continued

- **Centers for Medicare and Medicaid Services**

- Issued Final Rule on February 23, 2024
- The DSH Third-Party Payer Rule (89 FR 37, pp. 13916–13948)
- Ensure that Primary payor is being reported appropriately
- ICR Instructions and/or FAQs to updated based on ongoing discussions with DSH Team





# 2023 ICR Updates

## ➤ Offsets

- **Typically, would reduce revenue or expense to zero**
  - Unless limited, such as interest restricted in use by donor of principal
- **Should not result in negative expense**
  - Offset shouldn't exceed expense amount
- **Reminders**
  - When including ending accrual, consider beginning accrual
  - Use hard-coded lines on Exhibit 18, when available
    - ❖ Parking, lines 068 and 069, Malpractice line 025
  - Expenses reported on exhibit 18 are after reclasses and adjustments



# 2023 ICR Updates

## ➤ Reminders

### • 2023 ICR Submissions

- Please review past audit findings and/or adjustments to avoid similar reporting errors
- Backup documentation for various exhibits should be kept on-hand for audit purposes
- DCN's should match - ICR submission and CFO certification
- Recommendation – submit audited financial statements and CFO certifications same day as ICR submission
- Initial ICR submission should always include the most accurate data
  - ❖ Unaudited data may be used by the Department at any time
  - ❖ Ready to be audited (do not plan to fix exhibits during audit)





# Questions?

ICR Questions: [Hospital.ICR@health.ny.gov](mailto:Hospital.ICR@health.ny.gov)



Department  
of Health

Office of  
Health Insurance  
Programs