

CMS PROPOSES CHANGES TO COST REPORTING AND PRRB APPEAL REGULATIONS

EXECUTIVE SUMMARY

CMS issued a proposed rule that, if finalized, may make it harder for hospitals to file cost report-based appeals or possibly reimbursement-related appeals from the Federal Register. Hall Render has already submitted comments to CMS on behalf of its client hospitals, but hospitals are welcomed and encouraged to submit their own comments to CMS by June 30, 2014.

DISCUSSION

In the May 15, 2014 Federal Register (available [here](#)), CMS proposed new regulations with the potential to greatly complicate hospital cost reporting and Medicare Provider Reimbursement Review Board ("PRRB") reimbursement appeals. The proposed rule would change the jurisdictional requirements for PRRB review. Current Board jurisdictional requirements to declare costs or protest issues on a cost report would be changed to substantive requirements to adequately document claimed costs. The effect would be that appeals previously subject to jurisdictional challenge would instead be subject to dismissal on the grounds that the hospital failed to meet the substantive reimbursement requirement to document the costs for which the hospital claims it is entitled.

At this time, these are only proposed rule changes. It remains to be seen whether CMS will formally adopt them in the final FFY 2015 rule, likely to be released in August. Hospitals have until June 30, 2014 to submit comments regarding the proposed rule. On June 5, 2014, Hall Render submitted comments on behalf of its client hospitals opposing the proposed rule and seeking clarification of various aspects of it. We are also engaged in other efforts to convince Congress and CMS that the proposed rules are not in accord with the law and should be rejected.

PRACTICAL TAKEAWAYS

- The proposed rule changes suggest that hospitals should remain vigilant to declare all costs and exercise all appropriate reimbursement options in their cost reports and to include protesting issues that challenge CMS policy.
- If hospitals wish to submit comments individually, refer to 79 Fed. Reg. 27978 for the various options for submitting comments. The deadline to submit comments is June 30, 2014.

If you have any questions regarding this issue, please contact Elizabeth Elias at eelias@hallrender.com or (317) 977-1468.

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