

## CMS DID NOT FINALIZE PROPOSED CHANGES TO COST REPORTING REQUIREMENTS AND PRRB APPEALS

### EXECUTIVE SUMMARY

In the FY 2015 Inpatient PPS Final Rule, CMS did not finalize problematic changes to the cost reporting requirements that the agency introduced in the proposed rule. On behalf of clients of Hall Render and Baker Healthcare Consulting, Hall Render previously opposed the proposed rule in comments to CMS and consultations with members of Congress. CMS heard these concerns and chose not to finalize the proposed regulations.

### DISCUSSION

On August 4, 2014, CMS published the FY 2015 Inpatient PPS **Final Rule** and declined to finalize its proposed new regulations with the potential to greatly complicate hospital cost reporting and Medicare Provider Reimbursement Review Board ("PRRB") reimbursement appeals.

Hall Render submitted comments on behalf of its clients and then **went to Capitol Hill** to meet with staff at health-related congressional committees to convey concerns about the proposed regulations. CMS stated that it received numerous comments on the proposed changes: "The concerns raised by commenters about the breadth of the proposed provisions, and the questions raised in public comments about the interpretations we provided in the preamble to the proposed rule, have instead provided us with an opportunity to further and more fully dissect and digest the public comments."

The proposed rule would have changed 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 the hospital failed to meet the substantive reimbursement requirement to document the costs for which the hospital claims it is entitled.

It remains to be seen whether CMS will formally adopt the proposed regulations in later rulemaking.

### PRACTICAL TAKEAWAYS

- The PRRB appeals regulations did not change as proposed.
- Hospitals should continue to remain vigilant to declare all costs and exercise all appropriate reimbursement options in their cost reports, to include protesting issues that challenge CMS policy.

If you have any questions regarding this issue, please contact Elizabeth A. Elias at [eelias@hallrender.com](mailto:eelias@hallrender.com) or (317) 977-1468 or your regular Hall Render attorney.

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