

 <p>HAWAII HEALTH SYSTEMS C O R P O R A T I O N <i>"Touching Lives Everyday"</i></p> <p>Policies and Procedures</p>	<p>Quality Through Compliance</p>	<p>Policy No.:</p> <p>FIN 1004</p>
		<p>Revision No.:</p> <p>N/A</p>
<p>Subject:</p> <p>Protested Items</p>	<p>Issued by:</p> <p>Corporate Compliance Committee</p>	<p>Effective Date:</p> <p>December 13, 1999</p>
	<p>Approved by:</p> <p>HHSC Board of Directors By: Carolyn Nii Its: Secretary/Treasurer</p>	<p>Supersedes Policy:</p> <p>N/A</p> <p>Page:</p> <p>1 of 1</p>

- I. **OBJECTIVE:** To protect appeal rights when claiming costs on the cost report that may be contrary to commonly applied Medicare and/or Medicaid regulations.
- II. **POLICY:** All items claimed in the cost report to protect appeal rights that are contrary to commonly applied Medicare and/or Medicaid regulations and/or past audit adjustments where Hawaii Health Systems Corporation (HHSC) does not agree with the program's interpretation of policy will be disclosed to the intermediary in the cost report's transmittal letter and must be reported on the protest line of the settlement worksheet. The disclosure will include the reimbursement effect of the issue. Fiscal intermediary prior year audit adjustments are implemented and are either not claimed for reimbursement or claimed for reimbursement and clearly identified as protested amounts on the cost report.
- III. **PROCEDURE:** The protested items and the estimated reimbursement effect of those items will be reported on the cost report transmittal letter. The protested issues will not be included in the body of the cost report, rather they will only be reported on the protested amount line. The effect of each issue may be estimated by applying a reasonable methodology, which closely approximates the actual reimbursement effect of the issue as if it had been determined through the cost finding process. The cumulative effect on reimbursement for all disputed issues is shown as an adjustment to the balance due to the program (provider) in the reimbursement settlement computation. The actual effect on reimbursable cost(s) is determined after final adjudication of the issue(s). The latest available fiscal intermediary audit adjustments will be reviewed and not claimed for reimbursement or claimed and clearly identified as protested amounts on the cost report.