

 <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 1008</p>
		<p>Revision No.:</p> <p>N/A</p>
<p>Subject:</p> <p>Disclosure/Transmittal Letter</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 2</p>

I. **OBJECTIVE:** To specify issues to be disclosed in the Medicare and Medicaid cost reports.

II. **POLICY:** A transmittal letter will accompany all filed Medicare cost reports to notify the fiscal intermediary of the following issues:

- Changes in cost reporting from the prior year
- New issues or complex transactions for current cost reporting period
- Any issues that may be subject to Program regulation interpretive difference
- Protested items

III. **PROCEDURE:** A transmittal letter to accompany the cost report will be drafted by the Director of Reimbursement/Cost Report Consultant. The transmittal letter and disclosures should be presented to the facility CEO and CFO prior to filing the Medicare cost report. Items that must be covered under the following specific categories are to be disclosed in the transmittal letter.

A. Changes in Cost Reporting From The Prior Year: Issues that would be perceived as a change from prior period cost reports are to be disclosed regardless of the settlement impact. Examples of such changes could be, but are not limited to, changes in allocation statistics, changes in the treatment of specific non-allowable costs, and costs included in the cost report that are not adequately documented.

B. New Issues or Complex Transactions for Current Cost Reporting Period:

1. Issues that would be perceived as new issues for the current cost reporting period are to be disclosed regardless of the settlement impact. Examples of such issues could be, but are not limited to, the addition of a new unit, the establishment of new programs within the facility, and claiming reimbursement for components not previously claimed (i.e., Disproportionate Share Payments).
2. Complex transactions are those issues that are unique to Hawaii Health Systems Corporation (HHSC) and where the Medicare principles for reporting such issues may be ambiguous. Example wording to describe such transactions is to be

provided by the Corporate Vice President and Chief Financial Officer or his/her designee.

- C. Issues Subject to Program Interpretive Difference:** All issues reported which might be interpreted or treated different by the fiscal intermediary will be disclosed. Examples of such issues could be, but are not limited to, issues, which the fiscal intermediary has treated inconsistently between facilities in HHSC or items or amounts claimed which could be obtained from more than one source.

- D. Protested Items:** All issues reported on the protest line of the cost report to protect the hospital's appeal rights must be disclosed in the transmittal letter. Issues included on the protest line are those issues where HHSC disagrees with the cost report treatment required by Medicare regulations or program instruction, and/or the fiscal intermediary has previously reviewed and made adjustments for specific issues that HHSC disagrees with treatment of those issues.