



**Department
of Health**

2024 Institutional Cost Report (ICR)

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

ICR ROAD SHOW - MARCH 31, 2025

AGENDA

- **Software and Support**
- **Filing Procedures**
- **2024 ICR Audit Fees**
- **Health Commerce System (HCS)**
- **Department of Health (DOH) Public Website**
- **2024 ICR Updates & Reminders**
- **Questions?**

SOFTWARE AND SUPPORT

➤ HFS MCRIF32 Software

- 2024 Institutional Cost Report (ICR) and Medicare Cost Report (MCR) Submissions
- Used for 2022 and forward reporting
- Initial release of 2024 software will be communicated to providers

➤ Obtaining Software and Support

- ICR support, problem resolution and questions:
 - Send email to: Hospital.ICR@health.ny.gov
 - Subject line: “2024 ICR – hospital name”
 - For problem resolution, send “.mcrx” file to this email address; file will be forwarded to HFS, if necessary
- (Note: Please do not send files via secure email)***

FILING PROCEDURES

- **Electronic Filing Procedures & Documentation**
 - **DH file: Electronic submission through Health Commerce System (HCS) – “Hosp Institutional Cost Rpt” application**
 - Due date: Friday, June 13, 2025 (**ICR ONLY**)
 - Note: please verify that the software version used to create the DH file is the latest version accepted by DOH before uploading your file to the HCS (communications are sent as versions change)
 - **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)



FILING PROCEDURES

➤ Electronic Filing Procedures - continued

- Email supporting document files to: 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 any of these files via secure e-mail)



2024 ICR AUDIT FEES

➤ Audit Fee Payment/Form

- Due within 5 business days of filing ICR
- Same banking information as previous years
- Fee schedule is available on DOH website (subject to change pending new audit contract)
 - Fee schedule: 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
 - 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

➤ **Communication Tool**

- Secure network for posting provider information
- Important to keep email address current to receive notifications
 - User's responsibility to keep account updated
 - 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
 - HCS accounts
 - Password resets
 - Removal of employees

➤ **HCS Access Contact**

- Hospital Fee-for-Service Rate Unit: HospFFSunit@health.ny.gov
 - Receiving access to the ICR (or other hospital applications)
 - Rate-related questions



DEPARTMENT OF HEALTH PUBLIC WEBSITE

- **Institutional Cost Report (ICR) web page:**
https://health.ny.gov/facilities/hospital/rate_setting/centers/index.htm
- **Information posted for APR-DRG Weights and Inpatient Rates:**
<https://www.health.ny.gov/facilities/hospital/reimbursement/apr-drg/>
- **Information posted for APGs and Outpatient Rates:**
https://www.health.ny.gov/health_care/medicaid/rates/apg/
- **Electronic Mailing ListServ 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/



2024 ICR UPDATES

➤ Exhibits (changes, additions & clarifications)

• Exhibit 1 (Hospital Identification Data)

- New questions added to report presence of self-insured plans
 - ❖ Hospital plan utilization reported as “Self Insured”?
 - ✓ *“Does the hospital report patients primarily covered by the hospital's health insurance plan(s) as self-insured?”*
 - Is hospital considered a HCRA electing provider?
 - Is hospital paying for indemnity, etc. coverage?
 - ❖ Non-Hospital self insurance plan utilization reported as “Self Insured”?
 - ✓ *“...were patients of any non-hospital self-insured plans also included?”*

• Exhibit 15 (Post Stepdown Adjustments)

- Capital post step down adjustment for Medicaid not allowed



2024 ICR UPDATES

➤ Exhibits (changes, additions & clarifications)

- **Exhibit 26A / 26B (Statement of Revenue & Expenses)**

- Rural Emergency Hospital (REH) Facility Fee
 - ❖ Use Other Revenue Lines 155 – 159 to report payments received

- **Exhibit 32 (Inpatient Days & Discharges by Source)**

- Added “Dual Diagnosis Psychiatric – Child” service category
 - ❖ Only 1 provider currently approved to bill this service

2024 ICR UPDATES

➤ Exhibits (changes, additions & clarifications)

• Exhibit 33 (Outpatient Utilization)

- OASAS transitioned some providers to a new Comprehensive Outpatient Program (COP), that combines all 3 outpatient services under a single certification: *Chemical Dependency (CD) Clinic, CD Rehab and Opioid Treatment Plan (OTP)*
 - ❖ Hospital-based **weeks or weekly bundles** reported under “**OASAS Weekly Services**”
 - ✓ Any services provided in an OTP
 - ✓ Any Medication Assisted Treatment (MAT) services provided in a COP
 - ❖ Hospital-based **visits** reported under “**OASAS Visit Services**”
 - ✓ Visit-based services provided in a COP, CD clinic or CD rehab for persons not receiving MAT
 - ❖ Free-standing services reported under “**OASAS Programs**” service area
 - ✓ Non-hospital-based services, Medicaid Service Code 959 (non-reimbursable for ICR purposes)
 - ✓ Not required to be reported in the ICR

Note: DOH continues to work with OASAS to clarify reporting instructions for these services



2024 ICR UPDATES

➤ Exhibits (changes, additions & clarifications)

- **Exhibit 41 (Funded Depreciation Schedule)**

- Depreciation Fund - Related Party Account Allowed
 - ❖ Should be discrete / set aside for hospital
 - ❖ Assets preserved for hospital
 - ❖ Proof for ICR auditors

- **Exhibit 42 (Waiver of Depreciation Funding Consideration)**

- Tool used to consider waivers for depreciation not funded
- Formula adjustments have been made
- Negative amounts not allowed for certain fields (treated as zero instead)



2024 ICR UPDATES

➤ Exhibits (changes, additions & clarifications)

- **Exhibit 46 (Patient Services Revenue)**

- Update to Summary for Mental Health totals

- **Exhibit 50 (Patient Financial Aid Report)**

- Increased eligibility for charity care based on statutory changes
- New reporting requirements due to Hospital Financial Aid Law (HFAL) changes
 - ❖ Demographic reporting – required for services on and after October 1, 2024
 - ✓ Age, race/ethnicity, gender, insurance status and income level
 - ❖ Some questions have been added, updated or removed

2024 ICR UPDATES

➤ Exhibits (changes, additions & clarifications)

• ICR Schedule 3 (Capital Costs)

- Rounding Differences, Line 990 – review and correct, where necessary
- Known causes:
 - ❖ Invalid capital subscript
 - ❖ Incorrect allocation code (Exhibit 11)
 - ❖ May prorate if cost and Exhibit 19 statistics differ
 - ❖ Incorrect entry – wrong capital amount reported or included in wrong cost center
 - ❖ Negative cost at point of stepdown
- Differences should be resolved to less than \$10



2024 ICR UPDATES

➤ Edits

- **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

- **New edits**

- Highlight inconsistencies between reported utilization, costs and/or charges

- All new edits/changes to edits will be highlighted in the edit listing



2024 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



2024 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 are also insufficient
 - ❖ Indicating “Will review during audit” is not acceptable
 - ❖ Adequate explanations will help avoid inquiries from DOH/auditors
 - ❖ Edits 43201 (days) and 43206 (discharges): edits where differences between PS&R for Exhibit 3 and the hospital billing system for Exhibit 32 are expected

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

2024 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**

2024 ICR UPDATES

➤ Primary Payor Reporting – continued

- **NEW “Essential Plan 200-250” as Primary Payor Category**
 - New as of 4/1/2024
 - 2024 ICR – report if data is available, not mandatory
 - 2025 ICR – report if data is available, system updates s/b in process
 - 2026 ICR – reporting will be mandatory
- **Centers for Medicare and Medicaid Services (CMS)**
 - 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 be updated based on ongoing discussions with DSH Team



2024 ICR UPDATES

➤ Reminders

- **2023 and 2024 ICR Submissions (Pre-Audit)**
 - 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)
- **2023 and 2024 ICR audits expected to be done simultaneously**





QUESTIONS?

EMAIL: HOSPITAL.ICR@HEALTH.NY.GOV



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