



August 31, 2009

CMS
Office of Strategic Operations and Regulatory Affairs
Division of Regulations Development
Attention: CMS-2552-10 and CMS-10097
Room C4-26-05
7500 Security Boulevard
Baltimore, Maryland 21244-1850

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Dear CMS,

The University of Tennessee Medical Center (UTMC) is a 581 bed teaching hospital and Level 1 Trauma Center located in Knoxville, TN. UTMC appreciates the opportunity to submit comments to the Centers of Medicare & Medicaid Services (CMS) on changes to the Hospital Cost Report Form (CMS-2552-10) for periods beginning on or after February 1, 2010.

We have arranged our comments by Worksheet number as follows:

W/S S-2, P I, L20-21 – Medicaid Days: The 2552-10 will require Medicaid Eligible Days to be reported in the following categories:

In State Medicaid paid days	In State Medicaid eligible days	Out-of State Medicaid paid days	Out-of State Medicaid eligible days	Medicaid HMO days	Other Medicaid days
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Previously the Medicaid days were only reported as either HMO or non-HMO. Our Medicaid Program (TNCare) is entirely administered as a HMO program, there is no fee for service care provided. In states such as ours, are you expecting all Medicaid related days to be reported on Line 21, Column 5 as HMO? Additionally, we obtain a listing of Medicaid Eligible Days directly from the State. This detailed listing by patient does identify all eligible days for Medicaid but does not identify those days that are paid by Medicaid. There will be a significant burden imposed on providers if we are required to identify paid days separately from eligible days.

W/S S-3, Pt V - Contract Labor and Benefit – The 2552-10 will now require Contract Labor and Benefits to be reported in this new worksheet.

The draft instructions for this form are very limited in terms of guidance on what is required. Further definition is required to determine if the reportable contract cost includes the following:

- Contract Labor – as defined in W/S S-3, Pt II, L 11
- Contract Labor: Physicians – as defined in W/S S-3, Pt II, L 13
- Administrative & General under Contract – as defined in W/S S-3, Pt II, L 28
- Housekeeping under Contract – as defined in W/S S-3, Pt II, L 33
- Dietary under Contract – as defined in W/S S-3, Pt II, L 35
- Other Contract Labor – other than what is defined above

Additionally, there will be a significant burden imposed on providers if we are required to separately identify benefit costs. Many vendors who provide contract labor are paid a flat rate for their services and the benefit cost is not separately identified. Inconsistencies will occur among providers who are unable to separate the benefit costs.

W/S S-10 – Uncompensated and Indigent Care

We support proposed changes to reflect a more logical worksheet. We have several concerns in how CMS is proposing to refine the worksheet.

The proposed worksheet differs from the existing cost report in one significant area. The worksheet now eliminates the Medicaid, SCHIP and other state or local indigent care patients from the determination of total uncompensated care cost. We urge CMS to recognize these patient costs in the calculation of total uncompensated costs.

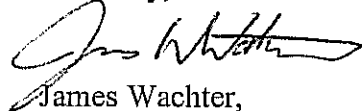
In the course of redesigning this worksheet we also ask CMS to consider modification of the source for the cost-to-charge ratio (CCR). The CCR being used is from W/S C which includes only Medicare reimbursable costs. A CCR which reflects total costs rather than Medicare costs would more accurately compute uncompensated costs especially when applied to non-Medicare patient charges. This full cost CCR should be based on costs from W/S A, Col 3 and charges from W/S C, Col 8.

The proposed worksheet requires maintaining information on the total initial obligation/charge for the patient, whether or not the patient was approved for full or partial charity care, any patient payments that have been made, and whether or not the patient has insurance. The task of identifying this information is not readily captured at this time. It will be both difficult and burdensome compile information in the manner you are seeking.

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Again, we thank you for the opportunity to comment on proposed changes to the Medicare Cost Report Forms.

Sincerely,

A handwritten signature in black ink, appearing to read "James Wachter", with a stylized, sweeping underline.

James Wachter,
Reimbursement Specialist
University Health System