CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-20 One-Time Notification	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 2253	**Date: February 8, 2019**
	Change Request 10919

SUBJECT: Implementation of Additional Contact with Providers in the Event of a Rejected Cost Report Filing

I. SUMMARY OF CHANGES: This Change Request (CR) instructs the Medicare Administrative Contractor (MAC) to initiate additional contact with the provider in the event that a provider's cost report is rejected.

EFFECTIVE DATE: March 12, 2019
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: March 12, 2019

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	

III. FUNDING:
For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:
One Time Notification

Attachment - One-Time Notification

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I. GENERAL INFORMATION

A. Background: Providers that participate in the Medicare program are required to submit a cost report within 5 months of their cost reporting fiscal year end or 30 days after receipt of valid Provider Statistical and Reimbursement (PS&R) reports from the Medicare Administrative Contractor (MAC), whichever date is later. 42 CFR 413.24(f)(5)(iii) states: "The contractor makes a determination of acceptability within 30 days of receipt of the provider's cost report. If the cost report is considered unacceptable, the contractor returns the cost report with a letter explaining the reasons for the rejection. When the cost report is rejected, it is deemed an unacceptable submission and treated as if a report had never been filed." The Centers for Medicare & Medicaid Services (CMS) Publication 15-2, Section 140 states: "If the submitted cost report is considered unacceptable for reasons other than a bad or damaged cost report diskette, or because a good cost report diskette is not resubmitted by the provider within 15 days of the request letter, the contractor returns the cost report to the provider with a letter explaining the reasons for rejection. If the due date for the cost report has expired, the contractor will institute withholding of the interim payments and/or assessment of interest and penalties and issue a demand letter as soon as possible but no later than 30 days after the due date of the cost report." See https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Paper-Based-Manuals-Items/CMS021935.html for the full publication.

Since the provider is immediately placed on payment suspension upon rejection of a cost report in which the due date for the cost report submission has expired, the provider is unaware of the payment suspension until receipt of the rejection letter and subsequent demand letter issued by the MAC.

B. Policy: In order to avoid unnecessary payment suspension, for items that cause rejection of submitted cost reports but are easily corrected by the provider, CMS is issuing this CR to instruct the MACs to have additional contact with the provider in the event a submitted cost report is rejected.

Upon the rejection of a provider's submitted cost report, the MAC shall contact the provider via telephone or email with read receipt, within 24 hours of cost report rejection to notify the provider of the rejection and payment suspension, if applicable. The MAC shall initiate contact with the same provider contact in which the cost report rejection letter is being mailed.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
10919.1	Upon the rejection of a provider's submitted cost report, the MAC shall contact the provider via telephone or email with read receipt, within 24 hours of cost report rejection to notify the provider of the rejection and payment suspension, if applicable.	X		X						
10919.1.1	The MAC shall initiate contact with the same provider contact to which the cost report rejection letter is being mailed.	X		X						
10919.1.2	If the MAC is contacting the provider via telephone but is unable to reach the provider contact, the MAC shall document the attempt to contact the provider including documentation of the message left on the provider's voicemail notifying of the cost report rejection.	X		X						
10919.1.2.1	The MAC shall document unsuccessful attempts to contact the provider relating to cost report rejection in the provider's acceptability file.	X		X						

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
	None					

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Barbara Shadle, 410-786-6475 or barbara.shadle@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):
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ATTACHMENTS: 0