



After performing preliminary research of the Healthcare Cost Report Information System (HCRIS) datasets published by the Center of Medicare and Medicaid Services (CMS), we have found potential significant reimbursement opportunities for numerous hospitals nationwide.

Teaching hospitals are reimbursed by CMS for the indirect and direct costs associated with training residents. The calculation used to determine the reimbursement amount for direct costs is based on the following factors:

1. Number of full-time interns and residents in base year
2. Number of full-time interns and residents in current year
3. Hospital-specific Per Resident Amount (PRA)
4. Medicare Utilization

The reimbursement opportunities we have identified are associated with #4 – Medicare Utilization.

In terms of the Direct Graduate Medical Education (DGME) calculation, Medicare utilization refers to the percentage of Medicare and Medicare Advantage (MA) patient days to total patient days, as reported on *Worksheet S-3 Part I* of the Medicare cost report. For MA patient days to be included on *Worksheet S-3 Part I*, CMS requires providers to submit “no pay” claims to the Medicare Administrative Contractors (MAC). This type of duplicate billing is often referred to as *shadow billing*, since claims are submitted to both the MA plan for payment, and MAC as “no pay” or “information only” billing.

Because there is no expected payment from Medicare for the MA claims, the practice of shadow-billing is often overlooked – especially for the inpatient days associated with a hospital’s Inpatient Psychiatric Facility (IPF) and/or Inpatient Rehabilitation Facility (IRF).

Medicare allows the provider to bill retroactively up to 365 days from the applicable patient’s discharge date. As a result, there is still time to capture a significant portion of the patient discharges that can be reported in the most recently filed Medicare cost report for your hospital.

If you are interested in learning more about this opportunity, and the variety of reimbursement services that we offer at The Rybar Group, please reach out to:

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