



STATE OF WEST VIRGINIA  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Bureau for Medical Services

Commissioner's Office

350 Capitol Street Room 251

Charleston, West Virginia 25301-3706

Telephone: (304) 558-1700 Fax: (304) 558-1451

Joe Manchin III  
Governor

Martha Yeager Walker  
Secretary

MEMORANDUM

**DATE:** June 26, 2007

**TO:** Medicaid Certified Nursing Homes  
(Please give a copy of this memo to your cost report preparer)

**FROM:** Shelley Baston, RNC, MBA  
Deputy Commissioner

**RE:** Financial and Statistical Reports

The Department of Health and Human Resources Financial and Statistical Report for the six (6) month period ending June 30, 2007, must be submitted no later than August 29, 2007 (postmarked). A trial balance using the Medicaid Chart of Accounts must be a part of the cost reporting process (**Medicaid Grouping Report**), as well as the eight (8) dbf files created by the cost report software.

The most recent desk review and rate setting cycle has identified a few recurring problems regarding cost report information submitted to the Department of Health and Human Resources (DHHR) for rate determination. The following are requirements that must be adhered to by each nursing facility seeking a rate for Medicaid participation:

- **ALL** "Other" accounts (including Central Office) **must** be described in detail on a separate accompanying schedule, unless the account description on the Medicaid Grouping Report is sufficient to identify the contents of the account ("purchased services" IS NOT SUFFICIENT).
- A six (6) month trial balance that agrees with the mandated Medicaid Chart of Accounts must be submitted with the facility cost report. The **Medicaid Grouping Report** must be included; the Facility Trial Balance and the Trial Balance by Medicaid Chart of Accounts are optional.
- A portion of AHCA and WVHCA dues are non-allowable and should be mapped to page WV24 Non-Allowable Expenses. The non-allowable portion for 2007 is 29.8% for AHCA and 12% for WVHCA. Medicaid account #9950 should be used with "Non-Allowable Dues" as the account description.
- **ALL** "Purchased Services" accounts must be described in detail on a separate accompanying schedule.

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RE: Financial and Statistical Reports

- Bedholds are reported on the Census Report on WV6. Please submit a schedule with the following information:
  1. Reported bedholds by payer type (Medicaid or Other)
  2. Midnight census for reported MEDICAID bedholds only
  3. Resident identifier with discharge and re-admit dates for MEDICAID bedholds only
- Nursing home administrator salaries are reviewed for reasonableness. Please refer to Section 531.1 of the Medicaid Provider Manual for the calculation. The cap will be \$66.68/hr for small bed group and \$72.10/hr for large bed group. The facility is allowed the lesser of their actual expense (total compensation of the administrator) or the cap.
- The phase in of the new cost of capital methodology will be 25% old and 75% new.
- During the cost report period January 1, 2007 – June 30, 2007, the standard mileage rate changed from was \$0.445. Please use \$0.445 on the Mileage Log on WV8.
- Effective January 2, 2007, the address for the submission of the cost report changed. Please send all cost reports to Jeanne Snow, Office of Accountability & Management Reporting, 1900 Kanawha Blvd., E, Bldg. 3, Room 550, Charleston, West Virginia 25305.

Any cost report which does not comply with the DHHR regulations will be considered unacceptable and subject to the penalty for delinquent reporting of costs in accordance with the state plan amendment.

Extensions will be granted only under extenuating circumstances. Written requests for extensions should be addressed to Jeanne Snow, Office of Accountability & Management Reporting, 1900 Kanawha Blvd., E., Bldg. 3, Room 550, Charleston, West Virginia 25305.

For questions concerning this report, call Jeanne Snow, Office of Accountability & Management Reporting at (304) 558-8333.

SB:NM

pc: Jeanne Snow