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Medicare Cost Report Updates for SNFs Coming in September 2025

September 18, 2025

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Agenda

Why changes are being made

Overview of the Medicare cost report changes and worksheet details

Planning and documentation considerations providers can take

References and questions



Medicare Cost Report Purpose

The purpose of a Medicare cost report is to provide Medicare with detailed financial and statistical data about healthcare providers' costs, enabling CMS to determine appropriate Medicare payments and ensure accurate reimbursement for services. These reports are crucial for setting future prospective payment rates and wage indexes, as well as for auditing and oversight of Medicare payments. The data can also be used to inform policy decisions and improve the overall quality of care in Skilled Nursing Facilities (SNFs)

The report also requires SNFs to disclose costs associated with related parties. This helps ensure that related-party costs are not inflated and that Medicare is not overpaying for services.

SNF providers must file a Medicare cost report on an annual basis. The annual report is due 5 months after the end of the fiscal year. If report is not timely filed, CMS will withhold payment until a cost report is filed and accepted by the Medicare Administrative Contractor (MAC).



Why Did CMS Change the Medicare Cost Report?

First major change to report in 15 years!



Greater transparency into Medicare and Medicaid Managed Care revenues and census



Possible development of SNF wage index



Provide CMS more relevant data for rate-setting and allow for Medicare Trust Fund projections



Calculate more accurate program margins



Overview of Medicare Cost Report Changes

- *Effective for cost reporting periods ending on or after September 30, 2025*
- Reporting of Medicare Advantage/HMO and Medicaid HMO data
- Reporting room and board, and ancillary revenue for different payers
- Expansion of contract labor expenses
- Enhanced Home Office contract and wage expense reporting
- Separate reporting of the following expenses:
 - Quality Assurance and Performance Improvement (QAPI)
 - Training and In-Service Education
 - Patient Transportation Part A
 - IV therapy costs for administering IV fluids, drugs, or blood products.
 - Preventative vaccines
- Removal of non-applicable worksheets
- Hospice is now in the WS K series (previously O series)





Detail Review of Medicare Cost Report Changes



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Summary of Worksheet S Series Revisions

Worksheet S, Parts I, II, III and Worksheet S-2

Reorganized to remove lines for FQHC, RHC, and CMHC and obsolete questions

Worksheet S-3

Revised to collect Medicare and Medicaid HMO census

Revised S-3, Part V to add data collection for Home Office direct care expenditures

Worksheets S-5, S-6 and S-7

Eliminated obsolete worksheets from form



Old Worksheet S-3 Part I

08-16

FORM CMS-2540-10

4190 (Cont.)

SKILLED NURSING FACILITY AND
SKILLED NURSING FACILITY HEALTH CARE COMPLEX
STATISTICAL DATA

PROVIDER CCN:

PERIOD :
FROM _____
TO _____

WORKSHEET S-3
PART I

Component		Number of Beds	Bed Days Available	Inpatient Days / Visits					Discharges						
				Title V	Title XVIII	Title XIX	Other	Total	Title V	Title XVIII	Title XIX	Other	Total		
				1	2	3	4	5	6	7	8	9	10		11
1	Skilled Nursing Facility														1
2	Nursing Facility														2
3	ICF / IID														3
4	Home Health Agency														4
5	Other Long Term Care														5
6	SNF-Based CMHC														6
7	Hospice														7
8	Total (sum of lines 1-7)														8

Component	Average Length of Stay				Admissions					Full Time Equivalent		
	Title V	Title XVIII	Title XIX	Total	Title V	Title XVIII	Title XIX	Other	Total	Employees on Payroll	Nonpaid Workers	
	13	14	15	16	17	18	19	20	21	22	23	
1 Skilled Nursing Facility												1
2 Nursing Facility												2
3 ICF / IID												3
4 Home Health Agency												4
5 Other Long Term Care												5
6 SNF-Based CMHC												6



New Worksheet S-3 Part I

STATISTICAL DATA								PROVIDER CCN: _____		PERIOD: FROM: _____ TO: _____		WORKSHEET S-3 PART I	
PART I - VISITS AND CENSUS DATA													
		NUMBER OF BEDS	BED DAYS AVAILABLE	INPATIENT DAYS				DISCHARGES					
		1	2	TITLE V	TITLE XVIII	TITLE XIX	OTHER	TOTAL	TITLE V	TITLE XVIII	TITLE XIX	OTHER	TOTAL
		1	2	3	4	5	6	7	8	9	10	11	12
1	SNF - FFS												1
2	SNF - HMO												2
3	NF - FFS												3
4	NF - HMO												4
5	ICF/IID												5
6	HOSPICE												6
7	TOTAL												7
		AVERAGE LENGTH OF STAY						ADMISSIONS				FTE	
		TITLE V	TITLE XVIII	TITLE XIX	OTHER	TOTAL	TITLE V	TITLE XVIII	TITLE XIX	OTHER	TOTAL	EMPLOYEE	NON-PAID
		13	14	15	16	17	18	19	20	21	22	23	24
1	SNF - FFS												1
2	SNF - HMO												2
3	NF - FFS												3
4	NF - HMO												4
5	ICF/IID												5
6	HOSPICE												6
7	TOTAL												7

New: Reporting of SNF-HMO and NF-HMO inpatient, admissions, and discharges.

Removed: Reporting of Home Health Agency, Other Long-Term Care, SNF-Based CMHC and SNF-Based CORF.



Old Worksheet S-3 Part II

4190 (Cont.)		FORM CMS-2540-10		08-16		
SNF WAGE INDEX INFORMATION		PROVIDER CCN:	PERIOD : FROM _____ TO _____	WORKSHEET S-3 PARTS II & III		
PART II - DIRECT SALARIES						
	Amount Reported	Reclass. of Salaries from Wkst. A-6	Adjusted Salaries (col. 1 ± col. 2)	Paid Hours Related to Salary in col. 3	Average Hourly Wage (col. 3 ÷ col. 4)	
	1	2	3	4	5	
SALARIES						
1	Total salary (see instructions)					1
2	Physician salaries-Part A					2
3	Physician salaries-Part B					3
4	Home office personnel					4
5	Sum of lines 2 through 4					5
6	Revised wages (line 1 minus line 5)					6
7	Other Long Term Care					7
8	Home Health Agency					8
9	CMHC					9
10	Hospice					10
11	Other excluded areas					11
12	Subtotal excluded salary (sum of lines 7 through 11)					12
13	Total adjusted salaries (line 6 minus line 12)					13
OTHER WAGES AND RELATED COSTS						
14	Contract Labor: Patient Related & Mgmt.					14
15	Contract Labor: Physician services-Part A					15
16	Home office salaries & wage related costs					16
WAGE RELATED COSTS						
17	Wage related costs core (see Pt. IV)					17
18	Wage related costs other (see Pt. IV)					18
19	Wage related costs (excluded units)					19
20	Physicians Part A - WRC					20
21	Physicians Part B - WRC					21
22	Total adjusted wage related cost (see instructions)					22



New Worksheet S-3 Part II

PART II - SNF WAGE INDEX - DIRECT SALARIES							
	AMOUNT REPORTED	RECLASS- IFICATIONS	ADJUSTMENTS	TOTAL	PAID HOURS	AVERAGE HOURLY WAGE	
	1	2	3	4	5	6	
SALARIES							
1	TOTAL SALARY (SEE INSTRUCTIONS)						1
2	PHYSICIAN SALARIES-PART A						2
3	PHYSICIAN SALARIES-PART B						3
4	HOME OFFICE PERSONNEL						4
5	SUM OF LINES 2 THROUGH 4						5
6	REVISED WAGES (LINE 1 MINUS LINE 5)						6
7	HOME HEALTH AGENCY						7
8	HOSPICE						8
9	OTHER EXCLUDED AREAS						9
10	SUBTOTAL EXCLUDED SALARY (SUM OF LINES 7 THROUGH 9)						10
11	TOTAL ADJUSTED SALARIES (LINE 5 MINUS LINE 10)						11
OTHER WAGES AND RELATED COST							
12	CONTRACT LABOR: PATIENT RELATED & MGMT						12
13	CONTRACT LABOR: PHYSICIAN SERVICES-PART A						13
14	HOME OFFICE SALARIES AND WAGE RELATED COSTS						14
WAGE RELATED COSTS							
15	WAGE RELATED COSTS CORE (SEE PT. IV)						15
16	WAGE RELATED COSTS (EXCLUDED UNITS)						16
17	PHYSICIANS PART A - WRC						17
18	PHYSICIANS PART B - WRC						18
19	TOTAL ADJUSTED WAGE RELATED COST (SEE INSTRUCTIONS)						19

Added an “Adjustments” column in order to capture any salary related adjustments.



Old Worksheet S-3 Part III

PART III - OVERHEAD COST - DIRECT SALARIES

		Amount Reported	Reclass. of Salaries from Wkst. A-6	Adjusted Salaries (col. 1 ± col. 2)	Paid Hours Related to Salary in col. 3	Average Hourly Wage (col. 3 ÷ col. 4)	
		1	2	3	4	5	
1	Employee Benefits						1
2	Administrative & General						2
3	Plant Operation, Maintenance & Repairs						3
4	Laundry & Linen Service						4
5	Housekeeping						5
6	Dietary						6
7	Nursing Administration						7
8	Central Services and Supply						8
9	Pharmacy						9
10	Medical Records & Medical Records Library						10
11	Social Service						11
12	Nursing and Allied Health Ed. Act.						12
13	Other General Service (specify)						13
14	Total (sum lines 1 through 13)						14



New Worksheet S-3 Part III

10-24

FORM CMS-2540-24

4995 (CONT.)

STATISTICAL DATA

PROVIDER CCN:

PERIOD:

WORKSHEET S-3

FROM:

PART III

TO:

PART III - SNF WAGE INDEX - OVERHEAD COST - DIRECT SALARIES

	AMOUNT REPORTED	RECLASS OF SALARIES	ADJUSTED SALARIES	TOTAL	PAID HOURS	AVERAGE HOURLY WAGE	
	1	2	3	4	5	6	
1 EMPLOYEE BENEFITS DEPARTMENT							1
2 ADMINISTRATIVE AND GENERAL							2
3 PLANT OP, MAINT & REPAIRS							3
4 LAUNDRY AND LINEN SERVICE							4
5 HOUSEKEEPING							5
6 DIETARY							6
7 NURSING ADMINISTRATION							7
8 CENTRAL SERVICES AND SUPPLY							8
9 PHARMACY							9
10 MEDICAL RECORDS							10
11 MEDICAL SOCIAL SERVICES							11
12 ACTIVITIES PROGRAM							12
13 QA & PERFORMANCE IMPROVEMENT PROGRAM							13
14 TRAINING AND IN-SERVICE EDUCATION							14
15 PATIENT TRANSPORTATION PART A							15

New departments added (QAPI, Training, Transportation)
Adjustments column added.



Old Worksheet S-3 Part IV

Line 25 – Other Wage Related Costs – removed. If costs do not fit Lines 1-24 descriptions, should be reported elsewhere on the report.

08-16		FORM CMS-2540-10		4190 (Cont.)	
SNF WAGE RELATED COSTS		PROVIDER CCN:	PERIOD : FROM _____ TO _____	WORKSHEET S-3 PART IV	
Part A - Core List				Amount Reported	
RETIREMENT COST					
1	401k Employer Contributions				1
2	Tax Sheltered Annuity (TSA) Employer Contribution				2
3	Qualified and Non-Qualified Pension Plan Cost				3
4	Prior Year Pension Service Cost				4
PLAN ADMINISTRATIVE COSTS (Paid to External Organizations)					
5	401K/TSA Plan Administration fees				5
6	Legal/Accounting/Management Fees-Pension Plan				6
7	Employee Managed Care Program Administration Fees				7
HEALTH AND INSURANCE COST					
8	Health Insurance (Purchased or Self Funded)				8
9	Prescription Drug Plan				9
10	Dental, Hearing and Vision Plan				10
11	Life Insurance (If employee is owner or beneficiary)				11
12	Accidental Insurance (If employee is owner or beneficiary)				12
13	Disability Insurance (If employee is owner or beneficiary)				13
14	Long-Term Care Insurance (If employee is owner or beneficiary)				14
15	Workers' Compensation Insurance				15
16	Retirement Health Care Cost (Only current year, not the extraordinary accrual required by FASB 106. Non cumulative portion)				16
TAXES					
17	FICA - Employers Portion Only				17
18	Medicare Taxes - Employers Portion Only				18
19	Unemployment Insurance				19
20	State or Federal Unemployment Taxes				20
OTHER					
21	Executive Deferred Compensation				21
22	Day Care Cost and Allowances				22
23	Tuition Reimbursement				23
24	Total Wage Related cost (sum of lines 1 -23)				24
Part B Other than Core Related Cost				Amount Reported	
25	Other Wage Related Costs (specify)				25



Old Worksheet S-3 Part V

4190 (Cont.)		FORM CMS-2540-10		08-16	
SNF REPORTING OF DIRECT CARE EXPENDITURES		PROVIDER CCN:		PERIOD : FROM _____ TO _____	
				WORKSHEET S-3 PART V	
	Amount Reported	Fringe Benefits	Adjusted Salaries (col. 1 + col. 2)	Paid Hours Related to Salary in col. 3	Average Hourly Wage (col. 3 ÷ col. 4)
OCCUPATIONAL CATEGORY	1	2	3	4	5
Direct Salaries					
Nursing Occupations					
1 Registered Nurses (RNs)					1
2 Licensed Practical Nurses (LPNs)					2
3 Certified Nursing Assistants/Nursing Assistants/Aides					3
4 Total Nursing (sum of lines 1 through 3)					4
5 Physical Therapists					5
6 Physical Therapy Assistants					6
7 Physical Therapy Aides					7
8 Occupational Therapists					8
9 Occupational Therapy Assistants					9
10 Occupational Therapy Aides					10
11 Speech Therapists					11
12 Respiratory Therapists					12
13 Other Medical Staff					13
Contract Labor					
Nursing Occupations					
14 Registered Nurses (RNs)					14
15 Licensed Practical Nurses (LPNs)					15
16 Certified Nursing Assistants/Nursing Assistants/Aides					16
17 Total Nursing (sum of lines 14 through 16)					17
18 Physical Therapists					18
19 Physical Therapy Assistants					19
20 Physical Therapy Aides					20
21 Occupational Therapists					21
22 Occupational Therapy Assistants					22
23 Occupational Therapy Aides					23
24 Speech Therapists					24
25 Respiratory Therapists					25
26 Other Medical Staff					26



New Worksheet S-3 Part V

Added greater home office reporting to better align with PBJ reporting.

10-24		FORM CMS-2540-24		4995 (CONT.)	
STATISTICAL DATA		PROVIDER CCN:	PERIOD:	WORKSHEET S-3	
			FROM:	PART V	
			TO:		
PART V - SNF REPORTING OF DIRECT CARE EXPENDITURES					
	AMOUNT REPORTED 1	EMPLOYEE WAGE- RELATED COSTS 2	ADJUSTED SALARIES (COL 1 + COL 2) 3	PAID HOURS RELATED TO SALARY IN COL 3 4	AVERAGE HOURLY WAGE (COL 3 ÷ COL 4) 5
DIRECT SALARIES					
NURSING EMPLOYEES					
1 REGISTERED NURSE					1
2 LICENSED PRACTICAL NURSE					2
3 CERTIFIED NURSING ASSISTANT					3
4 TOTAL NURSING EXPENDITURES					4
TECHNICAL / PROFESSIONAL EMPLOYEES					
5 PHYSICAL THERAPIST					5
6 PHYSICAL THERAPY ASSISTANT					6
7 OCCUPATIONAL THERAPIST					7
8 OCCUPATIONAL THERAPY ASSISTANT					8
9 SPEECH-LANGUAGE PATHOLOGIST					9
10 THERAPY AIDES AND STUDENTS					10
11 RESPIRATORY THERAPIST					11
12 OTHER MEDICAL STAFF					12
CONTRACT LABOR					
NURSING EMPLOYEES					
15 REGISTERED NURSE					15
16 LICENSED PRACTICAL NURSE					16
17 CERTIFIED NURSING ASSISTANT					17
18 TOTAL NURSING EXPENDITURES					18
TECHNICAL / PROFESSIONAL EMPLOYEES					
19 PHYSICAL THERAPIST					19
20 PHYSICAL THERAPY ASSISTANT					20
21 OCCUPATIONAL THERAPIST					21
22 OCCUPATIONAL THERAPY ASSISTANT					22
23 SPEECH-LANGUAGE PATHOLOGIST					23
24 THERAPY AIDES AND STUDENTS					24
25 RESPIRATORY THERAPIST					25
26 OTHER MEDICAL STAFF					26
HOME OFFICE CHAIN ORGANIZATION					
NURSING EMPLOYEES					
29 REGISTERED NURSE					29
30 LICENSED PRACTICAL NURSE					30
31 CERTIFIED NURSING ASSISTANT					31
32 TOTAL NURSING EXPENDITURES					32
TECHNICAL / PROFESSIONAL EMPLOYEES					
33 PHYSICAL THERAPIST					33
34 PHYSICAL THERAPY ASSISTANT					34
35 OCCUPATIONAL THERAPIST					35
36 OCCUPATIONAL THERAPY ASSISTANT					36
37 SPEECH-LANGUAGE PATHOLOGIST					37
38 THERAPY AIDES AND STUDENTS					38
39 RESPIRATORY THERAPIST					39
40 OTHER MEDICAL STAFF					40



Summary of Worksheet A Series Revisions

Worksheet A

Contract labor costs column added
Additional standard cost centers added

Removed cost centers for nursing and allied health education, other long-term care, clinic, RHC, FQHC, CMH, interest expense, and utilization review

Worksheet A-7

Added Part II to report reconciliation of capital costs

Worksheet A-8-1

Added a column to identify the Medicare home office number used when completing the SNF's home office cost statement



Old Worksheet A (Lines 1-47)

4190 (Cont.)			FORM CMS-2540-10	
RECLASSIFICATION AND ADJUSTMENT OF TRIAL BALANCE OF EXPENSES			PROVIDER CCN:	
Cost Center Description			SALARIES	OTHER
A	B	C	1	2
TOTAL (col. 1 + col. 2)			3	
GENERAL SERVICE COST CENTERS				
1	0100	Capital-Related Costs - Buildings & Fixtures		
2	0200	Capital-Related Costs - Movable Equipment		
3	0300	Employee Benefits		
4	0400	Administrative and General		
5	0500	Plant Operation, Maintenance and Repairs		
6	0600	Laundry and Linen Service		
7	0700	Housekeeping		
8	0800	Dietary		
9	0900	Nursing Administration		
10	1000	Central Services and Supply		
11	1100	Pharmacy		
12	1200	Medical Records and Library		
13	1300	Social Service		
14	1400	Nursing and Allied Health Education		
15		Other General Service Cost		
INPATIENT ROUTINE SERVICE COST CENTERS				
30	3000	Skilled Nursing Facility		
31	3100	Nursing Facility		
32	3200	ICE/ITD		
33	3300	Other Long Term Care		
ANCILLARY SERVICE COST CENTERS				
40	4000	Radiology		
41	4100	Laboratory		
42	4200	Intravenous Therapy		
43	4300	Oxygen (Inhalation) Therapy		
44	4400	Physical Therapy		
45	4500	Occupational Therapy		
46	4600	Speech Pathology		
47	4700	Electrocardiology		



Old Worksheet A

(Lines 48-100)

09-11			FORM CMS-2540-10	
RECLASSIFICATION AND ADJUSTMENT OF TRIAL BALANCE OF EXPENSES				PROVIDER CCN:
Cost Center Description			SALARIES	OTHER
A	B	C	1	2
			TOTAL (col. 1 + col. 2)	
			3	
48	4800	Medical Supplies Charged to Patients		
49	4900	Drugs Charged to Patients		
50	5000	Dental Care - Title XIX only		
51	5100	Support Surfaces		
52		Other Ancillary Service Cost		
OUTPATIENT SERVICE COST CENTERS				
60	6000	Clinic		
61	6100	Rural Health Clinic (RHC)		
62	6200	FOHC		
63		Other Outpatient Service Cost		
OTHER REIMBURSABLE COST CENTERS				
70	7000	Home Health Agency Cost		
71	7100	Ambulance		
72		Outpatient Rehabilitation (specify)		
73	7300	CMHC		
74		Other Reimbursable Cost		
SPECIAL PURPOSE COST CENTERS				
80	8000	Malpractice Premiums & Paid Losses		
81	8100	Interest Expense		
82	8200	Utilization Review		
83	8300	Hospice		
84		Other Special Purpose Cost		
89		SUBTOTALS (sum of lines 1 through 84)		
NON REIMBURSABLE COST CENTERS				
90	9000	Gift, Flower, Coffee Shops and Canteen		
91	9100	Barber and Beauty Shop		
92	9200	Physicians' Private Offices		
93	9300	Nonpaid Workers		
94	9400	Patients' Laundry		
95		Other Nonreimbursable Cost		
100		TOTAL		



New Worksheet A

(Lines 1-27)



			SALARIES & WAGES 1	CONTRACT LABOR COSTS 2	LABOR SUBTOTAL 3	OTHER COSTS 4	SUBTOTAL 5	
GENERAL SERVICE COST CENTERS								
1	0100	CAPITAL RELATED - BUILDINGS & FIXTURES						1
2	0200	CAPITAL RELATED - MOVABLE EQUIPMENT						2
3	0300	EMPLOYEE BENEFITS DEPARTMENT						3
4	0400	ADMINISTRATIVE AND GENERAL						4
5	0500	PLANT OP, MAINT & REPAIRS						5
6	0600	LAUNDRY AND LINEN SERVICE						6
7	0700	HOUSEKEEPING						7
8	0800	DIETARY						8
9	0900	NURSING ADMINISTRATION						9
10	1000	CENTRAL SERVICES AND SUPPLY						10
11	1100	PHARMACY						11
12	1200	MEDICAL RECORDS						12
13	1300	MEDICAL SOCIAL SERVICES						13
14	1400	ACTIVITIES PROGRAM						14
15	1500	QA & PERFORMANCE IMPROVEMENT PROGRAM						15
16	1600	TRAINING AND IN-SERVICE EDUCATION						16
17	1700	PATIENT TRANSPORTATION PART A						17
18	1800							18
INPATIENT ROUTINE NURSING COST CENTERS								
25	2500	SKILLED NURSING FACILITY						25
26	2600	NURSING FACILITY						26
27	2700	ICF/IID						27

Note: Contract labor costs are required for any and all departments, not just direct care.



New Worksheet A (Lines 30-47)

			SALARIES & WAGES	CONTRACT LABOR COSTS	LABOR SUBTOTAL	OTHER COSTS	SUBTOTAL	
			1	2	3	4	5	
ANCILLARY SERVICE COST CENTERS								
30	3000	RADIOLOGY - DIAGNOSTIC						30
31	3100	RADIOLOGY - THERAPEUTIC/CHEMOTHERAPY						31
32	3200	LABORATORY						32
33	3300	IV THERAPY						33
34	3400	RESPIRATORY THERAPY						34
35	3500	PHYSICAL THERAPY						35
36	3600	OCCUPATIONAL THERAPY						36
37	3700	SPEECH LANGUAGE PATHOLOGIST						37
38	3800	AUDIOLOGY						38
39	3900	ELECTROCARDIOLOGY						39
40	4000	MEDICAL SUPPLIES CHARGED TO PATIENTS						40
41	4100	DRUGS: DRUGS CHARGED TO PATIENTS						41
42	4200	DRUGS: IV SOLUTIONS						42
43	4300	DENTAL CARE						43
44	4400	APPLIANCES AND EQUIPMENT						44
45	4500	BLOOD AND BLOOD PRODUCTS						45
46	4600	BLOOD TRANSFUSION/PROCESSING/STORAGE						46
47	4700							47

Note: Line numbers have changed, more ancillary cost center lines to use (if applicable).



New Worksheet A (Lines 60-100)

			SALARIES & WAGES	CONTRACT LABOR COSTS	LABOR SUBTOTAL	OTHER COSTS	SUBTOTAL	
			1	2	3	4	5	
OUTPATIENT SERVICE COST CENTERS								
60	6000	SCREENING & PREVENTATIVE SERVICES						60
61	6100	OUTPATIENT LABORATORY						61
62	6200	PORTABLE X-RAY SERVICES						62
63	6300	OUTPATIENT DURABLE MEDICAL EQUIPMENT						63
64	6400							64
OUTPATIENT REIMBURSABLE COST CENTERS								
70	7000	HOME HEALTH AGENCY						70
71	7100	AMBULANCE						71
72	7200	HOSPICE						72
73	7300	OUTPATIENT REHABILITATION (SPECIFY)						73
74	7400							
COST REIMBURSED COST CENTERS								
80	8000	PREVENTIVE VACCINES						80
81	8100							81
89	8900	SUBTOTALS						89
NONREIMBURSABLE COST CENTERS								
90	9000	GIFT, FLOWER, COFFEE SHOPS & CANTEEN						90
91	9100	NONPAID WORKERS						91
92	9200	PHYSICIAN PRIVATE OFFICES						92
93	9300							93
100		TOTAL						100

1. Added preventive vaccines as reimbursable service.
2. Reduced non-reimbursable cost centers.



New Worksheet A-6

RECLASSIFICATIONS							PROVIDER CCN: _____	PERIOD: FROM: _____ TO: _____		WORKSHEET A-6	
	EXPLANATION OF RECLASSIFICATION	CODE 1	INCREASES				DECREASES				WKST A-7 REF 10
			COST CENTER 2	LINE # 3	SALARY 4	OTHER 5	COST CENTER 6	LINE # 7	SALARY 8	OTHER 9	
1											1
2											2
3											3
4											4
5											5
6											6
7											7
8											8
9											9
10											10

Note – WS A-6 does NOT have a contract labor reclass column. It DOES have a new column for WS A-7 column reference.



New Worksheet A-7

RECONCILIATION OF CAPITAL COST CENTERS					PROVIDER CCN: _____	PERIOD: FROM: _____ TO: _____	WORKSHEET A-7	
PART I - ANALYSIS OF CHANGES IN CAPITAL ASSET BALANCES								
	BEGINNING BALANCE	ACQUISITIONS			DISPOSALS AND RETIREMENTS	ENDING BALANCE	FULLY DEPRECIATED ASSETS	
	1	PURCHASES 2	DONATIONS 3	TOTAL 4	5	6	7	
1	LAND							1
2	LAND IMPROVEMENTS							2
3	BUILDINGS AND FIXTURES							3
4	BUILDING IMPROVEMENTS							4
5	FIXED EQUIPMENT							5
6	MOVABLE EQUIPMENT							6
7	SUBTOTAL							7
8	RECONCILING ITEMS							8
9	TOTAL							9
PART II - RECONCILIATION OF CAPITAL COST CENTERS (SUMMARY OF CAPITAL)								
	DEPRECIATION	LEASE	INTEREST	INSURANCE	TAXES	OTHER CAPITAL RELATED COSTS	TOTAL	
	1	2	3	4	5	6	7	
1	CAPITAL RELATED COSTS - BUILDINGS & FIXTURES							1
2	CAPITAL RELATED COSTS - MOVABLE EQUIPMENT							2
3	TOTAL							3

Note – Part II added to reconcile capital costs back to lines 1 & 2 of Worksheet A.



Summary of Worksheet A-8 Series Revisions

Worksheet A-8

Lines Condensed

Worksheet A-8-1

A-8-1 Part I added column 4 to reference which related party in A-8-1 Part II the transaction belongs to

A-8-1 Part II added column 5 to report home office number

Worksheet A-8-2

Part A vs Part B Hours
Memberships, continuing education, malpractice insurance



New Worksheet A-8

ADJUSTMENTS TO EXPENSES			PROVIDER CCN: _____	PERIOD: FROM: _____ TO: _____	WORKSHEET A-8
	DESCRIPTION OF ADJUSTMENT	BASIS 1	AMOUNT 2	WORKSHEET A	
				COST CENTER 3	LINE NO. 4
1	INVESTMENT INCOME ON RESTRICTED FUNDS (CMS PUB. 15-1, CHAPTER 2)				1
2	TRADE, QUANTITY, TIME, AND OTHER DISCOUNTS ON PURCHASES (CMS PUB. 15-1, CHAPTER 8)				2
3	REBATES AND REFUNDS OF EXPENSES (CMS PUB. 15-1, CHAPTER 8)				3
4	RENTAL OF PROVIDER SPACE BY SUPPLIERS (CMS PUB. 15-1, CHAPTER 8)				4
5	TELEPHONE SERVICES (CMS PUB. 15-1, CHAPTER 21)				5
6	TELEVISION AND RADIO SERVICES (CMS PUB. 15-1, CHAPTER 21)				6
7	PARKING LOT (CMS PUB. 15-1, CHAPTER 21)				7
8	REMUNERATION APPLICABLE TO PROVIDER-BASED PHYSICIAN ADJUSTMENT	WKST A-8-2			8
9	SALE OF SCRAP, WASTE, ETC. (CMS PUB. 15-1, CHAPTER 23)				9
10	RELATED ORGANIZATION AND HOME OFFICE COST TRANSACTIONS (CMS PUB. 15-1, CHAPTER 10)	WKST A-8-1			10
11	LAUNDRY AND LINEN SERVICE				11
12	REVENUE - EMPLOYEE MEALS				12
13	COST OF MEALS - GUESTS				13
14	SALE OF MEDICAL SUPPLIES TO OTHER THAN PATIENTS				14
15	SALE OF DRUGS TO OTHER THAN PATIENTS				15
16	REVENUE - COPYING COSTS OF MEDICAL RECORDS AND ABSTRACTS				16
17	VENDING MACHINES				17
18	INCOME FROM IMPOSITION OF INTEREST, FINANCE, OR PENALTY CHARGES (CMS PUB. 15-1, CHAPTER 21)				18
19	INTEREST EXPENSE ON MEDICARE OVERPAYMENTS AND BORROWINGS TO REPAY MEDICARE OVERPAYMENTS				19
20	DEPRECIATION-BUILDINGS AND FIXTURES			CRC-B&F	1
21	DEPRECIATION-MOVABLE EQUIPMENT			CRC-ME	2
22	SHORT TERM INPATIENT HOSPICE CARE				22
23	HOSPICE NON-CORE CONTRACTED SERVICES				23
24					24
25					25
26					26
27					27
28					28
29					29
30					30
100	TOTAL				100



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New Worksheet A-8-2

PROVIDER - BASED PHYSICIAN ADJUSTMENTS							PROVIDER CCN: _____	PERIOD: FROM: _____ TO: _____	WORKSHEET A-8-2	
WKST A LINE NO.	SPECIALTY / PHYSICIAN IDENTIFIER	TOTAL REMUNERATION	PROFESSIONAL COMPONENT	PROVIDER COMPONENT	RCE AMOUNT	ACTUAL HOURS		UNADJUSTED RCE LIMIT	FIVE PERCENT OF UNADJUSTED RCE LIMIT	
						PROFESSIONAL SERVICES	PROVIDER SERVICES			
1	2	3	4	5	6	7	8	9	10	
1										1
2										2
3										3
4										4
5										5
6										6
7										7
8										8
9										9
10										10
100	TOTAL									100

WKST A NO.	SPECIALTY / PHYSICIAN IDENTIFIER	MEMBERSHIPS & CONTINUING ED		MALPRACTICE INSURANCE		ADJUSTED RCE LIMIT	RCE DISALLOW- ANCE	ADJUSTMENT		
		COST	PROVIDER COMPONENT	COST	PROVIDER COMPONENT					
1	2	11	12	13	14	15	16	17		
1										1
2										2
3										3
4										4
5										5
6										6
7										7
8										8
9										9
10										10
100	TOTAL									100



Summary of Worksheet C and D Revisions

Worksheet C

Revised to reflect revisions on Worksheet A
Added column to reflect reclassification of charges from Worksheet C-6

Worksheet C-6 (NEW Worksheet)

Added to reclassify charges between cost centers for cost-to-charge ratio calculations on Worksheet C

Worksheet D

Combined Part I and II
Eliminated Part III
Revised to reflect revisions on Worksheet A

Worksheet D-1

Eliminated Part II



Old Worksheet C

4190 (Cont.)		FORM CMS-2540-10		08-16	
RATIO OF COST TO CHARGES FOR ANCILLARY AND OUTPATIENT COST CENTERS		PROVIDER CCN:	PERIOD : FROM _____ TO _____	WORKSHEET C	
Cost Center Description		Total (from Wkst. B, Pt. I, col. 18)	Total Charges	Ratio (col. 1 divided by col. 2)	
		1	2	3	
ANCILLARY SERVICE COST CENTERS					
40	Radiology				40
41	Laboratory				41
42	Intravenous Therapy				42
43	Oxygen (Inhalation) Therapy				43
44	Physical Therapy				44
45	Occupational Therapy				45
46	Speech Pathology				46
47	Electrocardiology				47
48	Medical Supplies Charged to Patients				48
49	Drugs Charged to Patients				49
50	Dental Care - Title XIX only				50
51	Support Surfaces				51
52	Other Ancillary Service Cost				52
OUTPATIENT SERVICE COST CENTERS					
60	Clinic				60
61	Rural Health Clinic (RHC)				61
62	FQHC				62
63	Other Outpatient Service Cost				63
71	Ambulance				71
100	Total				100



New Worksheet C

10-24		FORM CMS-2540-24		4995 (CONT.)	
RATIO OF COST TO CHARGES FOR ANCILLARY AND OUTPATIENT COST CENTERS		PROVIDER CCN:	PERIOD:	WORKSHEET C	
			FROM:		
			TO:		
	TOTAL COST	TOTAL CHARGES	RECLASS- IFICATIONS	RECLASSIFIED CHARGES	COST TO CHARGE RATIO
	1	2	3	4	5
INPATIENT ROUTINE NURSING COST CENTERS					
25	SKILLED NURSING FACILITY				25
26	NURSING FACILITY				26
27	ICF/IID				27
ANCILLARY SERVICE COST CENTERS					
30	RADIOLOGY - DIAGNOSTIC				30
31	RADIOLOGY - THERAPEUTIC/CHEMOTHERAPY				31
32	LABORATORY				32
33	INTRAVENOUS THERAPY				33
34	RESPIRATORY THERAPY				34
35	PHYSICAL THERAPY				35
36	OCCUPATIONAL THERAPY				36
37	SPEECH LANGUAGE PATHOLOGIST				37
38	AUDIOLOGY				38
39	ELECTROCARDIOLOGY				39
40	MEDICAL SUPPLIES CHARGED TO PATIENTS				40
41	DRUGS: DRUGS CHARGED TO PATIENTS				41
42	DRUGS: IV SOLUTIONS				42
43	DENTAL CARE				43
44	APPLIANCES AND EQUIPMENT				44
45	BLOOD AND BLOOD PRODUCTS				45
46	BLOOD TRANSFUSION/PROCESSING/STORAGE				46
47					47
OUTPATIENT SERVICE COST CENTERS					
64					64
OUTPATIENT REIMBURSABLE COST CENTERS					
71	AMBULANCE				71
COST REIMBURSED SERVICES COST CENTERS					
80	PREVENTIVE VACCINES				80
81					81
100	TOTAL				100



Worksheet C-6

RECLASSIFICATIONS OF CHARGES						PROVIDER CCN: _____	PERIOD: FROM: _____ TO: _____		WORKSHEET C-6
	EXPLANATION OF RECLASSIFICATION 1	CODE 2	INCREASES			DECREASES			
			WORKSHEET C COST CENTER 3	WKST C LINE NO. 4	AMOUNT 5	WORKSHEET C COST CENTER 6	WKST C LINE NO. 7	AMOUNT 8	
1									1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10

Document cost-to-charge ratio reclassifications made.



Old Worksheet D Part I

03-18		FORM CMS-2540-10		4190 (Cont.)	
APPORTIONMENT OF ANCILLARY AND OUTPATIENT COST		PROVIDER CCN:	PERIOD : FROM _____ TO _____	WORKSHEET D PART I	
Check applicable box:	☐ Title V (1)	☐ Title XVIII	☐ Title XIX (1)		
Check applicable box:	☐ SNF	☐ NF	☐ ICF / IID	☐ Other _____	☐ PPS - Must also complete Part II
PART I - CALCULATION OF ANCILLARY AND OUTPATIENT COST					
Ratio of Cost to Charges (from Wkst. C, col. 3)	Health Care Program Charges		Healthcare Program Cost		
1	Part A 2	Part B 3	Part A (col. 1 x col. 2) 4	Part B (col. 1 x col. 3) 5	
Cost Center Description					
ANCILLARY SERVICE COST CENTERS					
40 Radiology					40
41 Laboratory					41
42 Intravenous Therapy					42
43 Oxygen (Inhalation) Therapy					43
44 Physical Therapy					44
45 Occupational Therapy					45
46 Speech Pathology					46
47 Electrocardiology					47
48 Medical Supplies Charged to Patients					48
49 Drugs Charged to Patients					49
50 Dental Care - Title XIX only					50
51 Support Surfaces					51
52 Other Ancillary Service Cost					52
OUTPATIENT COST CENTERS					
60 Clinic					60
61 Rural Health Clinic (RHC)					61
62 FQHC					62
63 Other Outpatient Service Cost					63
71 Ambulance (2)					71
100 Total (sum of lines 40 - 71)					100

(1) For titles V and XIX use columns 1, 2 and 4 only.
 (2) Line 71 columns 2 and 4 are for titles V and XIX. No amounts should be entered here for title XVIII.



Old Worksheet D Part II

4190 (Cont.)		FORM CMS-2540-10		03-18
APPORTIONMENT OF ANCILLARY AND OUTPATIENT COST		PROVIDER CCN:	PERIOD : FROM _____ TO _____	WORKSHEET D PARTS II & III
TITLE XVIII ONLY				
PART II - APPORTIONMENT OF VACCINE COST				
1	Drugs charged to patients - ratio of cost to charges (from Wkst. C, col. 3, line 49)			1
2	Program vaccine charges (From your records or the PS&R report)			2
3	Program costs (line 1 x line 2) (Title XVIII, PPS providers, transfer this amount to Wkst. E, Pt. I, line 18)			3



New Worksheet D

10-24		FORM CMS-2540-24			4995 (CONT.)		
APPORTIONMENT OF ANCILLARY AND OUTPATIENT COSTS					PROVIDER CCN:	PERIOD:	WORKSHEET D
						FROM:	
						TO:	
SELECT PROGRAM	☐ TITLE V	☐ TITLE XVIII	☐ TITLE XIX				
SELECT COMPONENT	☐ SNF	☐ NF	☐ ICF / IID				
	RATIO OF COST TO CHARGES	HEALTHCARE CHARGES			HEALTHCARE COSTS		
		INPATIENT	OUTPATIENT	PREVENTIVE VACCINES	INPATIENT	OUTPATIENT	PREVENTIVE VACCINES
	1	2	3	4	5	6	7
ANCILLARY SERVICE COST CENTERS							
30 RADIOLOGY - DIAGNOSTIC							30
31 RADIOLOGY - THERAPEUTIC/CHEMOTHERAPY							31
32 LABORATORY							32
33 INTRAVENOUS THERAPY							33
34 RESPIRATORY THERAPY							34
35 PHYSICAL THERAPY							35
36 OCCUPATIONAL THERAPY							36
37 SPEECH LANGUAGE PATHOLOGIST							37
38 AUDIOLOGY							38
39 ELECTROCARDIOLOGY							39
40 MEDICAL SUPPLIES CHARGED TO PATIENTS							40
41 DRUGS: DRUGS CHARGED TO PATIENTS							41
42 DRUGS: IV SOLUTIONS							42
43 DENTAL CARE							43
44 APPLIANCES AND EQUIPMENT							44
45 BLOOD AND BLOOD PRODUCTS							45
46 BLOOD TRANSFUSION/PROCESSING/STORAGE							46
47							47
OUTPATIENT SERVICE COST CENTERS							
64							64
OUTPATIENT REIMBURSABLE COST CENTERS							
71 AMBULANCE							71
COST REIMBURSED SERVICES COST CENTERS							
80 PREVENTIVE VACCINES							80
81							81
100 TOTAL							100



New Worksheet E, Parts A and B

CALCULATION OF REIMBURSEMENT SETTLEMENT - MEDICARE PART A		PROVIDER CCN:	PERIOD: FROM: _____ TO: _____	WORKSHEET E PART A
1	INPATIENT PPS AMOUNT			1
2	ALLOWABLE BAD DEBTS			2
3	ALLOWABLE BAD DEBTS FOR INDIGENT DUAL ELIGIBLE BENEFICIARIES			3
4	REIMBURSABLE BAD DEBTS			4
5	TOTAL REIMBURSABLE COST			5
6	PRIMARY PAYER AMOUNTS			6
7	COINSURANCE			7
8				8
9	DEMONSTRATION PAYMENT ADJUSTMENT AMOUNT BEFORE SEQUESTRATION			9
10	SEQUESTRATION AMOUNT FOR NON-CLAIMS BASED ITEMS			10
11	SEQUESTRATION AMOUNT			11
12	DEMONSTRATION PAYMENT ADJUSTMENT AMOUNT AFTER SEQUESTRATION			12
13	NET REIMBURSABLE COST			13
14	INTERIM PAYMENTS			14
15	TENTATIVE ADJUSTMENT			15
16	BALANCE DUE PROVIDER/PROGRAM			16
17	PROTESTED AMOUNTS			17

- Name change from Worksheet E, Part I, Part A and Worksheet, E, Part I, Part B to Worksheet E, Part A and Worksheet E, Part B.
- More consistent across other cost reporting settlement worksheets.



Summary of Worksheet G Revisions

Worksheet G-1

Eliminated Statement of Changes in Fund Balances collection

Worksheet G-2

Removed obsolete lines
Expanded reporting of patient revenues by payer type

Worksheet G-3

Per Instructions, “this worksheet requires the reporting of total revenues for the entire SNF and total operating expenses for the entire SNF. If cost report total revenues and total expenses differ from those on your filed financial statement, submit a reconciliation report with the cost report submission.”



Old Worksheet G-2, Parts I and II

4190 (Cont.)		FORM CMS-2540-10		08-16
STATEMENT OF PATIENT REVENUES AND OPERATING EXPENSES		PROVIDER CCN:	PERIOD : FROM _____ TO _____	WORKSHEET G - 2 PARTS I & II
PART I - PATIENT REVENUES				
Revenue Center		INPATIENT	OUTPATIENT	TOTAL
		1	2	3
General Inpatient Routine Care Services				
1	Skilled nursing facility			1
2	Nursing facility			2
3	ICF / IID			3
4	Other long term care			4
5	Total general inpatient care services (sum of lines 1 - 4)			5
All Other Care Service				
6	Ancillary services			6
7	Clinic			7
8	Home health agency			8
9	Ambulance			9
10	RHC/FQHC			10
11	CMHC			11
12	Hospice			12
13	Other (specify)			13
14	Total patient revenues (sum of lines 5 - 13) (transfer to Wkst. G-3, col. 3, line 1)			14



New Worksheet G-2, Parts I and II

STATEMENT OF PATIENT REVENUES AND OPERATING EXPENSES						PROVIDER CCN: _____	PERIOD: FROM: _____ TO: _____	WORKSHEET G-2				
PART I - PATIENT REVENUES												
	INPATIENT					OUTPATIENT					TOTAL 11	
	MEDICARE FFS 1	MEDICARE HMO 2	MEDICAID 3	MEDICAID HMO 4	OTHER 5	MEDICARE FFS 6	MEDICARE HMO 7	MEDICAID 8	MEDICAID HMO 9	OTHER 10		
GENERAL INPATIENT ROUTINE CARE SERVICES												
1	SKILLED NURSING FACILITY										1	
2	NURSING FACILITY										2	
3	ICF/IID										3	
4	TOTAL GENERAL INPATIENT CARE SERVICES										4	
ALL OTHER SERVICES												
5	ANCILLARY SERVICES										5	
6	HOME HEALTH AGENCY										6	
7	AMBULANCE										7	
8	HOSPICE										8	
9	ALL OTHER REVENUES										9	
10	TOTAL PATIENT REVENUES										10	
PART II - OPERATING EXPENSES												
		TOTAL 1										
11	OPERATING EXPENSES											11
12												12
13	TOTAL ADDITIONS											13
14												14
15	TOTAL DEDUCTIONS											15
16	TOTAL OPERATING EXPENSES											16

- Expanded reporting of patient revenues by payer types.
- No longer includes Other Long-Term Care.





Data Collection Changes and Recommendations



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Documentation Considerations

- Understand financial and census software for tracking and reporting capabilities with new requirements.
- Review general ledger account structure to allow for proper reporting of the following:
 - Revenue by payer type
 - Contract labor by vendor/service performed
 - Payroll reporting of QAPI, Training and In-Service Education and Patient Transportation Part A



Anticipated Changes for 2025 and 2026 Reporting



There are **no changes** to vaccine cost or Medicare bad debt settlements



Utilization review cost reimbursement removed



Assisted living/independent living are to be reported as non-reimbursable cost center. Statistical data still needed for allocation of costs



Additional time necessary for transition year to update groupings (census, revenue and expenses)



Resources

- [The Provider Reimbursement Manual - Part 2, Provider Cost Reporting Forms and Instructions, Chapter 49, Form CMS-2540-24](#)
- Skilled Nursing Facility Cost Report Instructions – CMS Pub. 15-II Chapter 49
- [CMS Transmittal R1P249i](#) – Summary of major revisions to the cost report Form CMS-2540-10 to CMS-2540-24



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