

On Worksheet O-6, Part II, enter on the first available line of each column, the total statistics applicable to the cost center being allocated (e.g., in column 1, Cap Rel Costs-Bldg & Fixt enter on line 1 the total square feet of the building on which depreciation was taken). Use accumulated cost for allocating A&G expenses.

Such statistical base, including accumulated cost for allocating A&G expenses, does not include any statistics related to services furnished under arrangements except where:

- Both Medicare and non-Medicare costs of arranged for services are recorded in the hospice's books/records; or
- The contractor determines that the hospice is able to and does gross up the costs and charges for services to non-Medicare patients so that both cost and charges are recorded as if the hospice had furnished such services directly to all patients. (See CMS Pub. 15-1, chapter 23, §2314.)

For each cost center being allocated, enter that portion of the total statistical base applicable to each cost center receiving services. For each column, the sum of the statistics entered for cost centers receiving services must equal the total statistical base entered on the first line.

For each column on Worksheet O-6, Part II, enter on line 101, the total expenses of the cost center to be allocated. Obtain the total expenses from the first line of the corresponding column on Worksheet O-6, Part I, which includes the direct expenses from Worksheet O-6, Part 1, column 0 plus the allocated costs from previously closed cost centers. Divide the amount entered on Worksheet O-6, Part II, line 101 by the total statistical base entered in the same column on the first line. Enter the resulting unit cost multiplier (rounded to six decimal places) on line 102.

For each column on Worksheet O-6, Part II, multiply the unit cost multiplier on line 102 by the portion of the total statistical base applicable to each cost center receiving services and enter the result in the corresponding column and line on Worksheet O-6, Part I. For each column on Worksheet O-6, Part I, the sum of the costs allocated (line 100) must equal the total cost on the first line.

After the costs of the general service cost centers have been allocated on Worksheet O-6, Part I, enter on each line of column 18, the sum of the costs in columns 3A through column 17 for lines 50 through 71. The total costs entered on Worksheet O-6 Part I, column 18, line 100 must equal the total costs entered in column 0, line 100.

### Column Descriptions

Column 0--For each line, enter the total direct costs from the corresponding line on Worksheet O-5, column 3.

Column 3A--For each line, enter the sum of columns 0 through 3. The sum for each line is the accumulated cost and, unless an adjustment is required, is the Worksheet O-6, Part II, column 4 statistic for allocating A&G costs.

If an adjustment to the accumulated cost statistic on Worksheet O-6, Part II, column 4, is required to properly allocate A&G costs, enter the adjustment amount on Worksheet O-6, Part II, column 4A for the applicable line. For example, when the hospice contracts for HIRC or HGIP services and the contractual costs include A&G costs, the contractual costs reported on Worksheet O-3, column 7, line 25, or Worksheet O-4, column 7, line 25, may be used to reduce the accumulated cost statistic on Worksheet O-6, Part II, column 4A, line 52 or line 53, respectively.

For each line, the accumulated cost statistic on Worksheet O-6, Part II, column 4, is the difference between the amount on Worksheet O-6, Part I, column 3A and the adjustment amount on Worksheet O-6, Part II, column 4A. Accumulated cost for A&G is not included in the total statistic for the A&G cost center; therefore, transfer the amount on Worksheet O-6, Part I, column 3A, line 4, to Worksheet O-6, Part II, column 4A, line 4.

The total accumulated cost statistic for Worksheet O-6, Part II, column 4, line 4 is the difference between the total on Worksheet O-6, Part I, column 3A, line 101 and the amounts in column 4A of Worksheet O-6, Part II.

A negative cost center balance in the statistics for allocating A&G expenses causes an improper distribution of this overhead cost center. Negative balances are excluded from the allocation statistics when A&G expenses are allocated on the basis of accumulated cost.

Column 18--Transfer the amounts on lines 50 through 53 as follows:

<u>From Worksheet O-6, Part I,</u> <u>column 18:</u>	<u>To Worksheet O-8,</u> <u>column 3:</u>
line 50	line 1
line 51	line 6
line 52	line 11
line 53	line 16

#### 4164.4. WORKSHEET O-7 - APPORTIONMENT OF SNF-BASED HOSPICE SHARED SERVICE COSTS BY LEVEL OF CARE

This worksheet calculates the cost of ancillary services provided by SNF ancillary departments to SNF-based hospice patients.

##### Column Description

Column 1--For each cost center, enter in column 1, the cost-to-charge ratio from Worksheet C, column 3, line as indicated in column 0.

Columns 2 through 5--For each cost center, enter the charges, from the provider's records, for ancillary services provided by SNF ancillary departments to SNF-based hospice patients. Enter the charges by LOC in the appropriate LOC column.

Columns 6 through 9--For each column, calculate cost of ancillary services provided by SNF ancillary departments to SNF-based hospice patients as follows:

<u>Column:</u>	<u>Calculation:</u>
6	col. 1 x col. 2
7	col. 1 x col. 3
8	col. 1 x col. 4
9	col. 1 x col. 5

For each column 6 through 9, enter the sum of lines 1 through 10 on line 11.