

4902.100 WORKSHEET A-8-1 - RELATED ORGANIZATIONS AND HOME OFFICE COSTS

In accordance with 42 CFR 413.17, costs applicable to services, facilities, and supplies furnished to the provider by organizations related to the provider by common ownership or control are includable in the allowable cost of the provider at the cost to the related organization. However, such cost must not exceed the price of comparable services, facilities, or supplies that could be purchased elsewhere. (See 42 CFR 413.17(d) for exceptions) This worksheet computes needed adjustments to costs applicable to services, facilities, and supplies furnished to the SNF by organizations related to the provider. In addition, certain information concerning the related organizations with which the provider has transacted business must be shown. (See CMS Pub. 15-1, chapter 10.)

Complete this worksheet if you answered yes to question 16 or 23, on Worksheet S-2. Do not complete Worksheet A-8-1 if Worksheet A does not include cost that resulted from transactions with related organizations or a HO/CO.

4902.101 Part I - Costs Incurred and Adjustments Required as a Result of Transactions with Related Organizations or Claimed Home Office Costs.

Cost applicable to services, facilities, and supplies furnished to the provider by organizations related to the provider by common ownership or control, i. e., a HO/CO or other related party, are includable in the allowable cost of the provider at the cost to the related organization. However, such cost must not exceed the price of comparable services, facilities, or supplies that could be purchased elsewhere.

Column 1.--Enter the Worksheet A line number from your books and/or records associated with the acquisition of services, facilities, and/or supplies from related organizations or HO/CO.

Column 2.--The Worksheet A cost center description is automatically completed based on the line number entered in column 1.

Column 3.--Enter the specific expense category from your books and/or records associated with the acquisition of services, facilities, and/or supplies from related organizations or HO/CO.

Column 4.--Enter the Part II line number related to the expense reported in column 3. For example, Genesis Home Office leases the SNF's physical plant from Genesis Property Management, a related organization. The home office reports the lease expense on line 1, column 3 and identifies Genesis Property Management as a related organization in Part II, line 1. On Part I, line 1, column 4, the home office enters 1, the line number from Part II, to identify the interrelationship.

Column 5.--Enter the allowable cost from the books and/or records of the related organization which includes only the actual cost incurred by the related organization for services, facilities, and/or supplies and excludes any markup, profit or amounts that otherwise exceed the acquisition cost of such items.

Column 6.-- Enter the amount included on Worksheet A for services, facilities, and/or supplies acquired from related organizations.

Column 7.--Enter the result of column 5 minus column 6.

4902.102 Part II - Interrelationship Between Related Organizations and/or Home Office.

Use this part to show the interrelationship of the provider to organizations furnishing services, facilities, or supplies to the provider. The requested data relative to all individuals, partnerships, corporations, or other organizations having either a related interest to the provider, a common ownership of the provider, or control over the provider as defined in CMS Pub. 15-1, chapter 10, must be shown in columns 1 through 7, as appropriate.

Complete only those columns that are pertinent to the type of relationship that exists.

Column 1.--Enter the appropriate symbol that describes the interrelationship of the provider to the related organization.

Column 2.--If the symbols A, D, E, F, or G are entered in column 1, enter the name of the related individual in column 2.

Column 3.--If the individual indicated in column 2 or the organization indicated in column 4 has a financial interest in the provider, enter the percent of ownership in the provider.

Column 4.--Enter the name of the related corporation, partnership, or other organization.

Column 5.--If the organization in column 4 is a HO/CO, enter the Medicare Home Office # used when completing the SNF's home office cost statement.

Column 6.--If the individual indicated in column 2 or the provider has a financial interest in the related organization, enter the percent of ownership in such organization.

Column 7.--Enter the type of business in which the related organization engages (e.g., medical drugs and/or supplies, laundry and linen service).