Attachment T
Bid Solicitation 21DPP00633
T0894- Auditing Services, Acute Care Hospital Common Audit Program

2019 DESK AUDIT
NEW JERSEY ACUTE CARE HOSPITALS
COST REPORTS

Hospital Name : _____
Number: _____

Desk Edit Performed by : _____

Initial	Date	ALL FORMS		Comments
		1. Verify that the hospital name and number are entered on all forms and supporting schedules.		
		2. Verify that all forms have been completed with enough information. Compare them with the previous year's form for reasonableness and verify any significant differences with the hospital. Alert the department for any significant variance found.		
		3. Utilize the Edit Balance Reports of each Form to check the math (footings and cross-footings) on each form. If there is an error message, rectify the error.		
		4. Verify that the pre-printed wording on the forms has not been altered and that no additional data fields have been added. Data should not be entered in slashed fields.		
		5. All dollar amounts must be reported in thousands and all hours must be reported in whole numbers.		
		6. Initial each step of this Desk Edit when completed.		

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Hospital Name : 0
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Initial	Date	**Form B**		Comments
		1. Refer to the section entitled All Forms.		
		2. Do not zero out admissions if there are no costs or revenues on the Forms C & E, but add them if there are data for the cost center on these forms.		
		3. Total discharges on Line 7 should approximate admissions.		
		4. Verify that the certification section has been completed and signed by the responsible official.		
		5. Compare Form B Admissions to the B2 quarterly report summary provided by the state. For all variances ask hospital for support and write a memo note on the Adjustment report.		
		6. Admissions from Form B, Line1 Column L: Previous Year **2018**:		
		Current Year **2019**:		
		% Variance		0
		Anything over 5% forward to State, ask the provider for an explanation and/or support for variance		

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Initial	Date	Form B-5		Comments
		1. Refer to the section entitled All Forms.		
		The reported totals on Line 14 should equal the Form B totals less SNF amounts.		
		2. Do not zero out admissions for a payer category if there are no inpatient I/P revenues on the Form E-5, but add them if there is revenue. There must be charity care admissions.		

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Hospital Name : 0
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Initial	Date	Form B-6		Comments
		1. Refer to the section entitled All Forms.		
		2. Lines 1 through 14 should be net of admissions and agree to Line 17.		
		3. Lines 18 + 19 = Line 17 for Column B, Emergency Room.		
		4. There should be gross revenues on the Form E-6 and E-7 for all payer categories reporting volumes.		

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Initial	Date	Form C		Comments
		1. Refer to the section entitled All Forms.		
		2. Request that hospital insert costs for any center that has revenue on Form E, but do not zero out any cost center where there is no corresponding data.		
		3. Both hours and costs should be reported if there are physician or resident costs. Calculate the rates per hour in the Physicians and Residents cost centers for reasonableness and consistency to the prior year.		
		4. The expense recoveries in Column L should be entered in absolute numbers and not as negative numbers		
		5. The C Form should have supply costs and depreciation in almost every cost centers. Lease costs should be in the using cost center.		
		6. Verify that expense recoveries are reported in the A & G (patient telephone) and DTY (cafeteria meal sales) cost centers.		
		7. Only Plant (PLT) major movable equipment depreciation should be reported in the PLT cost center in Column J. All other major moveable equipment depreciation should be distributed between the using cost centers. Most or all of the building depreciation from Line 16 on the Form D-3 should be reported in the Building (BLD) cost center on Line 44, Column J.		
		8. The Drugs Sold to Patients (DRU) cost center should include most of the pharmacy supplies sold to patients.		
		9. Column M, Line 52 should equal the total on Line 24 on the Form C-4, reconciling items.		
		10. Obtain a reconciliation schedule from the hospital if the Total Operational Costs on Line 54 do not equal the Certified Financial Statement amount on Line 55.		

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Hospital Name : 0
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Initial	Date	Form C-3		Comments
		1. Refer to the section entitled All Forms.		
		2. The amounts listed on Lines 6, 9, 15, 19 & 25 should agree with the corresponding amounts listed on the C Form. Expense recoveries are not subtracted from the totals.		

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Hospital Name : 0
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Initial	Date	Form C-4		Comments
		1. Refer to the section entitled All Forms.		
		2. The bad debt provision should be included as a reconciling item if it is included in the total expenses on the C Form, row 55.		
		3. Verify that the column totals on Line 24 agree with the column totals from the C Form, Line 52.		

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Initial	Date	Form C-6		Comments
		1. Refer to the section entitled All Forms.		
		2. Line 5 should agree with Form C, Lines 1 through 8, less physician's salaries and fees. Ensure that Lines 1+2+3+4=5.		

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Hospital Name : 0
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Initial	Date	Form E		Comments
		1. Refer to the section entitled All Forms.		
		2. Add revenue for any center that has costs on the Form C, but do not zero out any cost center where there is no corresponding data.		
		3. Complete the gross revenue reconciliation worksheet and explain any material differences.		

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Hospital Name : 0
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Initial	Date	Form E-4		Comments
		1. Refer to the section entitled All Forms.		
		2. Complete the gross revenue reconciliation worksheet and explain any material differences.		
		3. Compare the previous year's Gross Revenue with the current year's Gross revenue for reasonableness and verify any significant differences with the hospital.		
		Line1, Column E: Gross Revenue from Patient Care:		
		Previous Year **2018:**		
		Current Year **2019:**		
		% Variance:		0
		4. Obtain and attach the supporting document from individual hospital to tie gross revenue of line 1, column E		
		5. Reconcile subsidy payments on Lines 4, 5 & 18 to the Financial Statement notes.		
		6. Ensure that the Bad Debt Provision, Line 16 and the Bad Debt Recoveries, Line 17 have been reported. The net of these two amounts should equal the entry on the L-3 Form, Line 31. If there is no amount there, the hospital is to provide an amount. Please see Audit Program instructions for the L-3, item #5.		

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Hospital Name : 0
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Initial	Date	Form E-5		Comments
		1. Refer to the section entitled All Forms.		
		2. Ensure Line 1: Inpatient Revenue for each payer category agrees to Provider's records by payer category		
		3 Complete the gross revenue reconciliation worksheet and explain any material differences.		
		4 Review CostCk3b. If there are large differences between the % of Admissions by Payer versus the % of Inpatient Revenue by Payer, question the hospital. Use the "Total" hospitals analysis on the last page of the CostCk3b as a reasonableness reference.		
		5. Review CostCk6b. There should not be negative Net Revenue. Have the hospital resubmit the Form? When column M, of the E5 and E6 is summed, it should match the E4, column E. If there is a difference, have the hospital reconcile the difference.		
		6. There should be an entry for the Bad Debt Provision, Line 16 and the Bad Debt Recoveries, Line 17. This should be the inpatient portion of the entries from the total amount on the E4 form, lines 16 and 17.		

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Initial	Date	Form E-6		Comments
		1. Refer to the section entitled All Forms.		
		2. Ensure Line 1: Outpatient revenue for each payer category agrees to Provider's records by payer category		
		3. Complete the gross revenue reconciliation worksheet and explain any material differences		
		4. Review CostCk5b. If there are large differences between the % of Outpatient Volume by Payer versus the % of Outpatient Revenue by Payer, question the hospital. Use the "Total" hospitals analysis on the last page of the CostCk5b as a reasonableness reference		
		5. Review CostCk6b. There should not be negative Net Revenue. Have the hospital resubmit the Form? When column M, of the E5 and E6 is summed, it should match the E4, column E.		
		6. There should be an entry for the Bad Debt Provision, Line 16 and the Bad Debt Recoveries, Line 17. This should be the outpatient portion of the entries from the total amount on the E4 form, lines 16 and 17.		

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Hospital Name : 0
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Initial	Date	Form E-7		Comments
		1. Refer to the section entitled All Forms.		
		2. Form E-7, Column L totals for revenue by payer, less Column J & K (MICU, Other MICU) should agree to the corresponding payer category amounts on Line 1 of the Form E-6. Ask the hospital to correct any differences.		

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Hospital Name : 0
Number: 0

Initial	Date	Form L-1		Comments
		1. Refer to the section entitled All Forms. All numbers must be in thousands ($000).		
		2. Trace each line item to the Certified Financial Statements. Obtain as much detail as possible from the Financial Statements and ensure that the subtotal amounts are not reported on one or two lines above it.		
		3. Verify that:		
		Total assets = total liabilities + net assets on Form L-1		
		Net assets (ending) on the Statement of Operations Form L-3 = Net assets on the Balance Sheet		
		4. Assets whose use is limited should be separated according to the descriptions on Lines 13, 41, 42, & 43. The current portion should be reported on Line 13 and netted against the trustee held funds on Line 43. Refer to the notes in the Financial Statements for a detailed distribution if it is not presented on the Balance Sheet. Restricted funds should be reported in Columns B & C.		
		5. All property plant and equipment should be reported as unrestricted funds in Column A, on Page 2.		
		6. Utilize the Edit Balance Reports to check the math:		
		Lines 16 + 35 + 46 = 47		
		Lines 65 + 76 = 77		
		Line 47 = 79		

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Hospital Name : 0
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Initial	Date	Form L-3		Comments
		1. Refer to the section entitled All Forms.		
		All numbers must be in thousands ($000).		
		2. Trace each line item to the Certified Financial Statements. Obtain as much detail as possible from the Financial Statements. If the hospital only provides a Consolidated Certified Financial Statement, request supplementary statements that show the breakout, containing the hospital data that ties to Form L3 line items. Attach break down of each hospital's item that tallies to L3 .		
		2a. Compare the line/column from the AFS used to reconile to L3 to that of the PY to make sure they are consistently including the same entities. L3 should include all units on the providers acute care hospital license.		
		3. Complete the reconciliation worksheet for gross revenue.		
		4. Operating Revenue reported on Line 15: Operating Revenue reported in Audited Financials: Attach the reconciliation sheet.		

		5. Ensure that the Provision for Bad Debt (Net of Recoveries) is reported as an expense on line 31 on the L-3 Form. Likewise, the bad debt offset should not be found in Net Patient Service Revenue, lines 4 through 9 or Other Revenue, line 14 of the L-3 Form. This may be different from the reporting on the Certified Financial Statements, but it should be reported here as identified on the Form.		
		6. Ensure that other and non-operating revenues are reported on the Form L-3 as they are presented on the Financial Statement.		
		7. Ensure that subsidy receipts are reclassified to net patient service revenue if they are included in other revenue on the Financial Statements. Reclassify them to Line 7, Other Deductions.		
		8. The end of year net assets on the Form L-3 must agree to the net assets on the Balance Sheet.		
		9. Review the Cross Check L3c. The Operating Margin should be within a range of -20 to 20. If it is out of the range, ask the hospital to review and confirm or revise if it is an error.		

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Hospital Name : 0
Number: 0

Initial	Date	Form L-4		Comments
		1. Refer to the section entitled All Forms.		
		2. Trace each line item to the Certified Financial Statements . Obtain as much detail as possible from the Financial Statements. If the hospital only provides a Consolidated Certified Financial Statement, request supplementary statements that show the breakout, containing the hospital data.		

Reviewers Signature : _____ Date : _____