

HMM, CPAs LLP

AUDIT | TAX | CONSULTING

TO: **Administrators/Controllers**
All Health Care Clients

FROM: Joseph Martello, CPA

RE: Medicare Co-Insurance Bad Debt

In order to claim bad debt in your facility's Medicare Cost Report, the attached **Exhibit 1, Listing of Medicare Bad Debts and Appropriate Supporting Data (in EXCEL format)** must be completed in its entirety, including ALL COLUMNS and a hard copy filed with the Medicare Cost Report.

You are encouraged to re-review your Medicare bad debt listing so as to minimize the impact of errors and limit the amount of any disallowance made by the auditors as the result of their testing. Please note, a revised listing cannot be submitted after the sampling process has been initiated.

Your facility's Exhibit 1, Medicare Bad Debt form **MUST be** returned to our office **NO LATER THAN APRIL 14, 2015** if your facility is claiming bad debts so that your Medicare cost report can be completed on a timely basis.

IF YOU NEED ADDITIONAL TIME TO FORWARD THIS INFORMATION, OR HAVE ANY QUESTIONS, PLEASE PHONE JOE MARTELLO AND SPEAK TO HIM DIRECTLY.