



# Medicare Reimbursement for PLUS

Healthcare facilities in the United States receive most of their funding from the federal government and insurance companies, a system known as third-party payor. Payments are supervised by the Centers for Medicare and Medicaid Services (CMS), a federal agency within the United States Department of Health and Human Services. CMS has created detailed cost reporting forms which must be used by various types of healthcare facilities to report their costs to financial intermediaries (contractors which work with CMS) in order to receive reimbursement payments.

The cost reporting forms are spreadsheets which are accompanied by extremely detailed instructions how they are to be filled in and what costs are allowed. After financial intermediaries review the forms reimbursement payments are made to the healthcare providers. Pluslux has carefully reviewed

cost reporting forms for six types of healthcare facilities which collectively are the vast majority of healthcare facilities in the United States. We have identified precisely where reimbursement is provided for laundry operating expenses in each cost reporting form. Pluslux's due diligence leads to the conclusion that PLUS is fully reimbursable by Medicare as an approved laundry/housekeeping operating expense. Congress does, however, approve the federal budget each year and can from time to time impose overall caps on Medicare reimbursement or subject reimbursement to budget sequestration. Notwithstanding that, since PLUS includes parts and labor, avoids a capital expenditure, eliminates the risk of expensive repairs in the future, and provides for periodic upgrading of the equipment, we believe PLUS is a superior financial model for most healthcare facilities.

Below are actual CMS cost reporting form worksheet images for each type of healthcare facility that is reimbursed for PLUS. These will be of interest to prospective PLUS customers because they are familiar with these CMS cost reporting forms.

## Skilled Nursing Facilities

CMS form 2540-10, Worksheet A:

RECLASSIFICATION AND ADJUSTMENT OF TRIAL BALANCE OF EXPENSES		
COST CENTER DESCRIPTIONS		
A	B	C
<b>GENERAL SERVICE COST CENTERS</b>		
1	0100	Capital-Related Costs – Buildings and Fixtures
2	0200	Capital-Related Costs – Moveable Equipment
3	0300	Employee Benefits
4	0400	Administrative and General
5	0500	Plant Operation, Maintenance and Repairs
6	0600	Laundry and Linen Service

Worksheet BI:

COST ALLOCATION – GENERAL SERVICE COSTS		
COST CENTER DESCRIPTIONS		
A	B	C
<b>GENERAL SERVICE COST CENTERS</b>		
1	0100	Capital-Related Costs – Buildings and Fixtures
2	0200	Capital-Related Costs – Moveable Equipment
3	0300	Employee Benefits
4	0400	Administrative and General
5	0500	Plant Operation, Maintenance and Repairs
6	0600	Laundry and Linen Service

Worksheet B1:

COST ALLOCATION – STATISTICAL BASICS		
COST CENTER DESCRIPTIONS		
A	B	C
<b>GENERAL SERVICE COST CENTERS</b>		
1	0100	Capital-Related Costs – Buildings and Fixtures
2	0200	Capital-Related Costs – Moveable Equipment
3	0300	Employee Benefits
4	0400	Administrative and General
5	0500	Plant Operation, Maintenance and Repairs
6	0600	Laundry and Linen Service

Worksheet K and K3 instructions for CMS 2540-10:

For a [nursing home] that maintains its own inpatient beds, **these costs include** (but are not limited to) the costs of furnishing 24 hours nursing care within the facility, patient meals, **laundry and linen services**, and housekeeping.

## Hospitals

### CMS form 2552-10, Worksheet A:

RECLASSIFICATION AND ADJUSTMENT OF TRIAL BALANCE OF EXPENSES		
COST CENTER DESCRIPTIONS		
A	B	C
<b>GENERAL SERVICE COST CENTERS</b>		
1	00100	Capital Related Costs – Buildings and Fixtures
2	00200	Capital Related Costs – Moveable Equipment
3	00300	Other Capital Related Costs
4	00400	Employee Benefits
5	00500	Administrative and General
6	00600	Maintenance and Repairs
7	00700	Operation of Plant
8	00800	<b>Laundry and Linen Service</b>
9	00900	Housekeeping

### Worksheet A instructions for CMS 2552-10:

Line 8 -- Laundry and linen services includes the cost of routine laundry and linen services whether performed in-house or by outside contractors.

### See also Worksheet K, lines 7 & 8 instructions:

For a [hospital] that maintains its own inpatient beds, **these costs include** (but are not limited to) the costs of furnishing 24 hours nursing care within the facility, patient meals, **laundry and linen services**, and housekeeping.

## Hospices

### CMS form 1984-99, Worksheet A:

RECLASSIFICATION AND ADJUSTMENT OF TRIAL BALANCE OF EXPENSES		
COST CENTER DESCRIPTIONS		
A	B	C
<b>GENERAL SERVICE COST CENTERS</b>		
1	0100	Capital-Related Costs – Buildings and Fixtures
2	0200	Capital-Related Costs – Moveable Equipment
3	0300	Employee Benefits
4	0400	Administrative and General
5	0500	Plant Operation, Maintenance and Repairs
6	0600	Laundry and Linen Service
<b>INPATIENT CARE SERVICE</b>		
10	1000	<b>Inpatient - General Care</b>
11	1100	<b>Inpatient - Respite Care</b>

### Worksheet A instructions for CMS 1984-99:

For a hospice that maintains its own inpatient beds, **these costs include** (but are not limited to) the costs of furnishing 24 hours nursing care within the facility, patient meals, **laundry and linen services**, and housekeeping.

## Rural Health Clinics

### CMS form 222-92, Worksheet A:

RECLASSIFICATION AND ADJUSTMENT OF TRIAL BALANCE OF EXPENSES		
COST CENTER		
30	3000	Depreciation-Buildings and Fixtures
31	3100	Depreciation-Equipment
32	3200	<b>Housekeeping and Maintenance</b>

### Worksheet A instructions for CMS 222-92:

Lines 26 through 36 -- Enter the overhead expenses related to the facility. For Rural Health Clinics laundry would be covered by housekeeping since it is not broken out separately, because these facilities generally do not generate a lot of laundry.

## Renal Dialysis Facilities

### CMS form 265-11, Worksheet A:

COST CENTERS		
1	0100	Capital Related Costs – Buildings and Fixtures
2	0200	Capital Related Costs – Moveable Equipment
3	0300	Operation and Maintenance of Plant
4	0400	Housekeeping
5		Subtotal (sum of lines 1 through 4)*
6	0600	Machine Cap-Rel or Rental & Maint*
7	0700	Salaries for Direct Patient Care*
8	0800	EH&W Benefits for Direct Pt. Care
9	0900	Supplies*
10	1000	Laboratory*
11	1100	Administrative and General
12	1200	Drugs*
13	1300	Interest Expense
14	1400	<b>Laundry and Linen</b>

## Home Health Agencies

### CMS form 1728-94, Worksheet K:

GENERAL SERVICE COST CENTERS	
1	Capital-Related Costs – Buildings and Fixtures
2	Capital-Related Costs – Moveable Equipment
3	Plant Operation and Maintenance
4	Transportation – Staff
5	Volunteer Service Coordination
6	Administrative and General
INPATIENT CARE SERVICE	
10	<b>Inpatient - General Care</b>
11	<b>Inpatient - Respite Care</b>

### Worksheet K instructions for CMS 1728-94:

If a [Home Health Agency] maintains its own inpatient beds, direct patient care costs include 24-hour nursing care within the facility, patient meals, **laundry and linen services**, and housekeeping.

In addition to the cost reporting form spreadsheets, CMS has assigned cost codes which cover PLUS laundry expenses: Skilled Nursing Facilities, cost code 0600; Hospitals, cost code 0900; Hospices, cost codes 1000 & 1100; Rural Health Clinics, cost code 3200; Renal Dialysis Facilities, cost code 1400; and Home Health Agencies, cost code 500.

We encourage all healthcare organizations to carefully consider the advantages of PLUS and to contact Pluslux with any questions, or for assistance in receiving a PLUS proposal.