

80 - Summary of Provider Reimbursement Principle Topics

(Rev. 4, 10-01-01)

The following list summarizes the general topics covered in the “Provider Reimbursement Manual” (Pub. 15). These principles will be used in determining the reasonableness of costs incurred by HMO/CMPs by providers of services and other facilities owned or operated by the cost-based HMO/CMP, and whether or not they are allowable costs. Principles relating to cost apportionment and the payment process are contained in Chapter 17 of this manual. Absent specific instructions in this manual, an HMO/CMP should apply those principles of reimbursement of provider costs contained in the “Provider Reimbursement Manual” (Pub. 15).

Topic	Chapter Reference in “Provider Reimbursement Manual,” Part I
Depreciation	1
Interest Expense	2
Bad Debts, Charity, and Courtesy Allowances	3
Cost of Educational Activities	4
Research Costs	5
Value of Services of Non-paid Workers	7
Purchase Discounts and Allowances, and Refunds of Expense	8
Compensation of Owners	9
Cost to Related Organizations	10
Return on Equity Capital of Proprietary Providers	12
Reasonable Cost of Therapy and Other Services Furnished by Outside Suppliers	14
Costs Related to Patient Care	21
Determination of Cost of Services to Beneficiaries (Cost Apportionment Chapter)	22
Adequate Cost Data and Cost Finding	23
Payment to Providers (Payment Process Chapter)	24
Limitations on Coverage of Costs Under Medicare and Notice of Schedule of Limits on Provider Costs	25
Lower of Cost or Charges	26
ESRD Services and Supplies (Outpatient	27

Topic

**Chapter Reference in
“Provider
Reimbursement
Manual,” Part I**

Maintenance Dialysis Services)

Prospective Payments