For cost reporting periods ending on or after March 31, 2000, home health agencies (HHA) must submit cost reports currently required under the Medicare regulations in a standardized electronic cost reporting (ECR) format. (See 42 CFR Part 413.24 (f) (4).)

The medium for transfer of cost reports submitted electronically to *contractors* is either *a compact diskette (CD), or a flash drive*. These forms of transmission must be in IBM compatible format and the character set must be in ASCII. You must seek advanced approval from your *contractor* to use other media such as magnetic tape, telephone transfer (i.e., modem), *electronic mail (e-mail), or a secured website.*

If you do not use CMS approved cost reporting vendors systems for the HHAs, CMS provides you with free software which produces a standardized output file (consisting of input data and various check figures) for electronic submission to any contractor. This software does not, however, produce a completed cost report. Contact your contractor to obtain the software.

An acceptable cost report from providers filing electronic cost reports (ECRs) means that all the following items have been included in the submission:

1. A *compact diskette (CD) or a flash drive* of the ECR utilizing a CMS-approved vendor with the current specification date submitted.

2. An ECR that passes all level 1 edits.

3. A submitted print image file of the cost report except when using CMS free software.

4. The certification page (Worksheet S) of the ECR file with the actual signature of an officer (administrator or chief financial officer).

5. An exact match of the encryption code, date and time for the ECR displayed on the certification page to that of the ECR file encryption code, date and time. *The date and time printed on the signed certification page must match the date and time in the ECR file's type 1 record.*

6. An exact match of the encrytion code, date and time for the print image displayed on the certification page to that of the print image file encryption code, date and time except when using CMS free software. *The date and time printed on the signed certification page must match the date and time within the print image file.*

7. For teaching hospitals, a complete Intern and Resident Information System (IRIS) diskette that will pass all IRIS system edits.

8. The settlement summary on the electronic certification page agrees with the settlement summary *or applicable worksheet* on the Medicare cost report produced from the electronic file.

9. A completed, signed and submitted Form CMS-339 (Formally CMS-339).

If the cost report does not contain the information/documentation described in Items 1-9 or 1-3 above, the contractor/intermediary will reject the cost report immediately. However, if the cost report diskette is bad or damaged, the contractor/contractor will not reject the cost report immediately but will return it with instructions that a good diskette must be resubmitted within 15 days from the date of the letter. The contractor/intermediary will mail this letter shortly after receipt of the cost report because the cost report must still be accepted or rejected within 30 days from the date of the

original cost report submission (i.e., the 15-days to resubmit a bad or damaged diskette does not extend the acceptability period to 45 days). If a good diskette is not received within 15 days from the date of the request letter, the *contractor / intermediary* will reject the cost report.

If the submitted cost report is considered unacceptable for reasons other than a bad or damaged cost report diskette, or because a good cost report diskette is not resubmitted by the provider within 15 days of the request letter, the contractor/contractor returns the cost report to the provider with a letter explaining the reasons for rejection. If the due date for the cost report has expired, the contractor/contractor will institute withholding of the interim payments and/or assessment of interest and penalties and issue a demand letter as soon as possible but no later than 30 days after the due date of the cost report.