

Hospitals

Question # 1: Are hospitals required to get an interest waiver for new facility construction?

Answer: Yes, interest waivers should still be requested. The hospital should contact **Office of Grants Policy, Oversight and Evaluation Director** at 202-260-6825 to obtain further information.

Question # 2: Have new hospital cost principles been issued?

Answer: No. The hospital cost principles are located in Appendix IX to Part 75.

Question # 3: Should observation bed days be included when calculating patient care per diem rates?

Answer: Yes, the cost for observation bed days should be included in the adult and pediatric inpatient costs. The days are found on the Form CMS2552 on worksheet S-3, part 1.

Question # 4: Are the costs for interns and residents an allocable indirect cost?

Answer: No, the National Institutes of Health (NIH) issued a regulatory bulletin disallowing the intern and resident cost as an indirect cost. All intern and resident costs should be charged directly to grants or contracts as appropriate.

Question # 5: Can you allocate costs after they have been stepped down on Worksheet B Part1?

Answer: No, cost cannot be reallocated after the step-down process.

Question # 6: What should be submitted with an indirect cost rate or research patient care proposal?

Answer: A summary sheet of the indirect cost rate calculation and a list of the patient care per diem rates and ancillary services being proposed should be submitted to the CAS. The proposal should also include a complete copy of a signed and dated Form CMS2552 or an equivalent document; audited financial statements and a reconciliation of the proposal to the CMS2552. For new grantees, please contact your local CAS Field Office for further information.

Question # 7: Can multi-year predetermined rates be issued for indirect cost rates and research patient care rates?

Answer: Yes; predetermined rates can be issued for current and future years. This may only be done if the Grantee does not have contracts with the Federal Government. The predetermined rates cannot be changed by either the government or the grantee unless subject to regulatory policy issued in Section III of the hospital rate agreement or Section II of the research patient care rate agreement.
