**SCOPE:** Government Programs - Reimbursement Department, all Company Facilities that file cost reports, Shared Services and all other Corporate Departments.

**PURPOSE:** To ensure that non-allowable costs are not claimed for reimbursement in the filed cost reports.

**POLICY:** Costs which are non-allowable, and costs not supported by verifiable and auditable data, will not be claimed for reimbursement in the filed cost reports.

**PROCEDURE:** It is the Company’s policy to exclude non-allowable costs on the filed cost reports regardless of materiality and Medicare settlement impact.

In accordance with the Standardized Workpaper Package with Instructions Policy, RB.002, the facilities will be provided examples of non-allowable costs, a list of general ledger cost centers to be analyzed for identifying non-allowable costs, and guidelines for reporting these non-allowable costs on the filed cost report.

As a matter of company policy, the determination of the filed cost report treatment for non-allowable costs will be made using the following guidelines:

- Non-allowable costs to which general services do not apply are to be offset on the Medicare cost report worksheet A-8, or
- Non-allowable costs to which general services do apply will be established as non-reimbursable cost centers with appropriate allocation statistics assigned for the carve-out of applicable overhead, or
- Other methods may be used as approved by the Fiscal Intermediary/Medicare Administrative Contractor.

**REFERENCES:**
- Provider Reimbursement Manual, Part I, Sections 2102.3 and 2328
- Standardized Workpaper Package with Instructions Policy, RB.002
- HCA’s Chart of Accounts
- 42 U.S.C. 1395x(v) (8)