CHAPTER 4650

DEPARTMENT OF HEALTH

HOSPITAL AND SURGICAL CENTER REPORTING

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4650.0102 DEFINITIONS.

[For text of subps 1 to 2, see M R.]

Subp 2a **Adjustments and uncollectibles.** "Adjustments and uncollectibles" means the total of charity care and adjustments to charges under reimbursement agreements with payers

Subp 2b **Administrative expenses.** "Administrative expenses" means the sum of the following

A admitting, patient billing, and collection expenses,

B accounting and financial reporting expenses,

C quality assurance and utilization management program or activity expenses,

D community and wellness education expenses,

E promotion and marketing expenses,

F taxes, fees, and assessments,

G. malpractice expenses, and

H other administrative expenses

[For text of subp 3a, see M R]

Subp 4a **Available beds.** "Available beds" means the number of beds that can be made available for use within 24 hours, as of the end of a reporting period. Available beds include pediatric bassinets, isolation units, quiet rooms, and all other bed facilities that are set up for use by inpatients who have no other bed facilities assigned to or reserved for them Available beds do not include newborn bassinets, labor rooms, postanesthesia or postoperative recovery room beds, psychiatric holding beds, beds that are used only as holding facilities for patients prior to their transfer to another hospital, or any other bed facilities for patients receiving special procedures for a portion of their stay and who have other bed facilities assigned to or reserved for them.

Subp. 7a **Bad debt expense.** "Bad debt expense" means the dollar amount charged for care for which there was an expectation of payment but for which the patient is unwilling to pay

[For text of subp 8a, see M.R]

Subp 9 **Charity care adjustments.** "Charity care adjustments" means the dollar amount that would have been charged by a facility for rendering free or discounted care to persons who cannot afford to pay and for which the facility did not expect payment For purposes of reporting under part 4650.0112, charity care adjustments are included in adjustments and uncollectibles

[For text of subps 9a to 12b, see M R.]

Subp 12c. [Repealed, 26 SR 627]

[For text of subps 19a and 19c, see M R.]

Subp 20b. **Gross surgical center revenue from patient care.**"Gross surgical center revenue from patient care" means the total charges billed by the surgical center for patient care regardless of whether the surgical center expects to collect the amount billed

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[For text of subps 20d and 20e, see M R]

Subp. 20f **Hospital patient care services charges.** "Hospital patient care services charges" means the total charges billed by a hospital for care provided to admitted inpatients and registered outpatients by the hospital operating under its Minnesota hospital license Charges are counted in hospital patient care services charges regardless of whether the hospital expects to collect the amount billed Hospital patient care services charges include charges for hospital routine inpatient, outpatient, and ancillary services.

[For text of subps 24a and 24b, see M R]

Subp. 24c **Medical care surcharge.** "Medical care surcharge" means the expenses under Minnesota Statutes, section 256.9657. For purposes of reporting under part 4650.0112, medical care surcharge is an operating expense

[For text of subps 24e to 26e, see M R.]

Subp 26f. **Operating revenue.** "Operating revenue" means the sum of hospital patient care services charges, other patient care services charges, total adjustments and uncollectibles, and other operating revenue received as part of the normal day-to-day operation of the facility.

[For text of subp 28a, see M R]

Subp 28b. **Other operating revenue.** "Other operating revenue" means total income received as part of the normal day-to-day operation of a facility that is from services other than patient care and when no hospital medical record is generated. Other operating revenue includes:

A. donations and grants for charity care,

B private donations and grants for operations,

C. public funding for operations,

D. space rental,

E. medical record transcription fees,

F. operation of a hospital cafeteria,

G parking lot and ramp fees,

H gift shop revenues,

I. public phone proceeds,

J. recovery of radiology silver,

K. billing services for other health care entities,

L weight loss clinics;

M. auxiliary functions, and

N other income received as part of the normal day-to-day operation of the facility not related to patient care

Subp. 28c. **Other patient care services charges.** "Other patient care services charges" means the total charges billed by the hospital for patient care services that are provided by the hospital, as described in items A to D

A Other patient care services charges include charges billed by the hospital for patient care services provided by hospital components to persons who are not admitted as inpatients or registered as outpatients of the hospital Charges for the sale of reference laboratory services, reference radiology services, durable medical equipment, and retail pharmacy supplies are included under this item

B. Other patient care services charges include charges billed by the hospital for the professional component of patient care services provided by physicians and by billable midlevel practitioners whose scope of practice allows them to practice independent of direct physician supervision This applies to physicians and billable midlevel practitioners, whether they are employed by the hospital or under contract with the hospital, when the charges are billed and received by the hospital; unless the hospital acts merely as a billing agent

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C Charges for patient care services that are hospital patient care services charges as defined in subpart 20f are not included as other patient care services charges

D. Charges are included as other patient care services charges regardless of whether the hospital expects to collect the amount billed

[For text of subps 30 to 31a, see M R]

Subp 31b. **Private donations and grants for operations.** "Private donations and grants for operations" means revenues from an individual, group, foundation, or corporate donor that are designated for supporting the continued operation of the facility. Private donations and grants for operations do not include donations and grants for charity care For purposes of reporting under part 4650 0112, private donations and grants for operations are operating revenue

[For text of subps 32a and 32b, see M R.]

Subp 32c **Public funding for operations.** "Public funding for operations" means revenue from taxes or other municipal, county, state, or federal government sources, including grants and subsidies, that are designated for supporting the continued operation of a facility Public funding for operations does not include donations and grants for charity care. For purposes of reporting under part 4650 0112, public funding for operations is operating revenue.

[For text of subps 32d to 35b, see M.R]

Subp 35c **Sole community hospital financial assistance grant.** "Sole community hospital financial assistance grant" means a grant awarded under Minnesota Statutes, section 144 1484, subdivision 1 For purposes of reporting under part 4650.0112, a sole community hospital financial assistance grant is public funding for operations

Subp. 35d **Specialized hospital.** "Specialized hospital" means a state-operated facility licensed as a specialized hospital under Minnesota Statutes, sections 144.50 to 144 58, to provide services to inpatients for the diagnosis and treatment of mental illness

[For text of subp 39a, see M R]

Statutory Authority: *MS s 62J 321; 144 56; 144 703*

History: *26 SR 627*

4650.0111 MEDICARE COST REPORT.

A hospital or outpatient surgical center shall submit to the commissioner or the voluntary, nonprofit reporting organization approved by the commissioner a copy of the facility's cost report as filed under United States Social Security Act, title XVIII, stated in Code of Federal Regulations, title 42, section 413.20, and the uniform cost report required under United States Code, title 42, section 1320a The hospital or outpatient surgical center shall also submit a copy of any supplemental reconciliation schedules tying the financial statement to the cost report

Statutory Authority: *MS s 62J 321, 144 56, 144 703*

History: *26 SR 627*

4650.0112 FINANCIAL, UTILIZATION, AND SERVICES REPORT; HOSPITALS.

[For text of subps 1 to 1c, see M R]

Subp 2 **Utilization information.** Utilization information must include

[For text of items A to E, see M R]

F the number of licensed beds, the number of licensed bassinets, the number of available beds, the maximum daily census and the minimum daily census for the reporting period, and the average number of beds used by the facility for swing beds and subacute or transitional care,

G the total number of births,

H the number of swing bed and subacute or transitional care discharges categorized by destination;

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I any changes m the number of licensed beds during the reporting year and the effective dates of the changes,

J the number of physicians with admitting privileges, and

K the average length of stay.

Subp 2a **Services information.** Services information must

A. specify whether the following services are provided on or off site, and whether the services are provided by facility staff or by contractual arrangement

[For text of subitems (1) to (16), see M R]

(17) reproductive health services-genetic counseling,

[For text of subitems (18) to (21), see M R]

(22) diagnostic X-ray services,

(23) emergency department or emergency room services, including radio, paging, and telemedicine capabilities, level of trauma care, and the number of hours per week that the emergency department or emergency room is staffed with contracted physicians rather than hospital-employed physicians,

(24) diagnostic ultrasound services, and

(25) laboratory services,

B provide the following measures of utilization

(1) the total number of catheterizations,

[For text of subitems (2) to (11), see M.R]

(12) the number of outpatient surgical registrations,

(13) the number of inpatient surgical admissions,

(14) the number of open-heart surgical procedures,

(15) the number of kidney, bone marrow, heart, and other transplants, and the total number of organic transplants, and

(16) the number of emergency department or emergency room registrations, and the number of admissions through the emergency department or emergency room, and

[For text of item C, see M R]

Subp 2b **Additions in required services information.** When medical or technological advances introduce a new health care service or when information about an existing health care service is important for policy analysis purposes, the commissioner shall determine if information about the health care service will be requested under this chapter. To make this determination, the commissioner shall consider.

[For text of items A and B, see M R]

C whether information about the service is important consumer, industry, or policy analysis information,

[For text of items D and E, see M R]

[For text of subp 2c, see M R]

Subp 3 **Financial information.** Financial information must include

[For text of items A to C, see M R]

D regulatory and compliance reporting expenses,

E hospital patient care services charges and other patient care services charges,

F the sum of hospital patient care services charges and other patient care services charges

(1) by type of payer,

(2) by inpatient, outpatient, and other patient category;

(3) by outpatient services categories,

(4) for services provided in swing beds,

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(5) for subacute or transitional care services,

(6) by the top ten diagnosis related groups, as those groups are maintained under Code of Federal Regulations, title 42, part 412, and

(7) by designated care unit or revenue center,

G a statement of adjustments and uncollectibles by type of payer, for charity care, and by inpatient or outpatient category.

(1) for hospital patient care services, and

(2) for other patient care services,

[For text of items H to J, see M R]

K a copy of charity care policies, including a description of, if applicable, income guidelines, asset guidelines, medical assistance status impact on charity care eligibility, and sliding fee schedules, charity care services provided, other benefits provided to the community, costs in excess of public program payments; and other community services costs,

L. a description of the care provided in swing beds,

M the medical care surcharge and MinnesotaCare tax paid,

N provision for bad debts

(1) for hospital patient care services, and

(2) for other patient care services,

O all other operating expenses by a natural classification of expense,

P nonoperating revenue and nonoperating expenses,

Q. nonoperating donations and grants and nonoperating public funding,

R salaries and wages by employee classification, and

S the number of full-time equivalent residents, resident salaries and benefits, and research expenses

Subp 6 **Budget year reporting.** A hospital shall report budgeted information or reasonable estimates of total operating expenses, the sum of hospital patient care services charges and other patient care services charges, total adjustments and uncollectibles, total salaries and wages, total patient days, total admissions, and total outpatient registrations for the hospital's full accounting period during which it submits the report This period is called the budget year

[For text of subp 7, see M.R]

Statutory Authority: *MS s 62J 321; 144 56; 144 703*

History: *26 SR 627*

4650.0113 FINANCIAL, UTILIZATION, AND SERVICES REPORT; OUTPATIENT SURGICAL CENTERS.

[For text of subps 1 to 3, see M R]

Subp 4 **Financial, utilization, and services information.** Financial, utilization, and services information must include

[For text of items A to G, see M R]

H gross surgical center revenue from patient care,

I. charges by type of payer;

J adjustments and uncollectibles by type of payer, and for charity care,

K bad debt and total operating expenses;

L total administrative expenses,

M. an estimate of regulatory and compliance reporting expenses,

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[For text of items N to T, see M R]

U. a general estimate of the change in the amount of charity care the surgical center expects to provide in the budget year.

Statutory Authority: *MS s 62J 321; 144 56, 144 703*

History: *26 SR 627*

4650.0115 CHARITY CARE REPORTING.

Subpart 1 **Facility requirements.** For a facility to report amounts as charity care adjustments, the facihty must

A. generate and record a charge,

B have a policy on the provision of charity care that contains specific eligibility criteria and is communicated or made available to patients,

C have made a reasonable effort to identify a third-party payer, encourage the patient to enroll in public programs, and, to the extent possible, aid the patient in the enrollment process, and

D ensure that the patient meets the charity care criteria of this part.

Subp 2 **Classification as charity care adjustments.** In determining whether to classify care as charity care, the facility must consider the following:

A charity care may include services that the provider is obligated to render independently of the ability to collect;

B charity care may include care provided to patients who meet the facility's charity care guidelines and have partial coverage, but who are unable to pay the remainder of their medical bills This does not apply to that portion of the bill that has been determined to be the patient's responsibility after a partial charity care classification by the facility,

C charity care may include care provided to low-income patients who may qualify for a public health insurance program and meet the facility's eligibility criteria for charity care, but who do not complete the application process for public insurance despite the facility's reasonable efforts,

D. charity care may include care to individuals whose eligibility for charity care was determined through third-party services employed by the facility for information-gathering purposes only,

E. charity care does not include contractual allowances, which is the difference between gross charges and payments received under contractual arrangements with insurance companies and payers,

F charity care does not include bad debt;

G. charity care does not include what may be perceived as underpayments for operating public programs,

H charity care does not include unreimbursed costs of basic or clinical research or professional education and training,

I charity care does not include professional courtesy discounts,

J. charity care does not include community service or outreach activities, and

K charity care does not include services for patients against whom collection actions were taken that resulted in a financial obligation documented on a patient's credit report with credit bureaus

Subp. 3 **Reporting categories.** When reporting charity care adjustments, the facihty must report total dollar amounts and the number of contacts between a patient and a health care provider during which a service is provided for the following categories

A care to patients with family incomes at or below 275 percent of the federal poverty guideline,

B care to patients with family incomes above 275 percent of the federal poverty guideline, and

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C care to patients when the facility, with reasonable effort, is unable to determine family incomes.

Statutory Authority: *MS s 62J 321, 144.56, 144 703*

History: *26 SR 627*

4650.0117 BAD DEBT REPORTING.

In determining whether to classify care as a bad debt expense, a facility must

A presume that a patient is able and willing to pay until and unless the facility has reason to consider the care as a charity care case under its charity care policy and the facility classifies the care as a charity care case, and

B include as a bad debt expense any unpaid deductibles, coinsurance, copayments, noncovered services, and other unpaid patient responsibilities

Statutory Authority: *MS s 62J 321, 144.56, 144 703*

History: *26 SR 627*

4650.0138 REPORTING; OTHER SITUATIONS.

Subpart 1. **Organizations operating more than one facility.** Except as allowed under part 4650 0139, subpart 2, reports required by this chapter are required for each individually licensed hospital, psychiatric hospital, specialized hospital, and outpatient surgical center. If an organization operating more than one facility submits reports for more than one facility, the organization shall provide all information separately for each individually licensed hospital, psychiatric hospital, specialized hospital, or outpatient surgical center covered by the reports

Subp 2 **Institutional information.** This subpart applies when a hospital is affiliated with an institution that includes a nursing home, clinic, home health agency, hospice agency, or other facility or agency and the audited financial statement does not specifically break out the hospital's individual revenue and expense from that of the other facilities or agencies of the institution The hospital must include the following institutional information in its report to tie the hospital-specific information to the institution's audited financial statement·

A gross nursing home charges from patient care,

B. gross clinic charges from patient care,

C gross home health charges from patient care,

D. gross hospice charges from patient care,

E gross ambulance services charges from patient care,

F other institution charges from patient care,

G total adjustments and uncollectibles,

H total other operating revenue,

I total operating revenue,

J total operating expenses,

K total nonoperating revenue,

L total nonoperating expenses,

M. extraordinary items resulting in a gain or loss, and

N. other changes to unrestricted net assets.

Statutory Authority: *MS s 62J 321, 144 56; 144 703*

History: *26 SR 627*

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