957 CMR: CENTER FOR HEALTH INFORMATION AND ANALYSIS

957 CMR 9.00: HOSPITAL FINANCIAL DATA REPORTING REQUIREMENTS

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9.01: General Provisions

Scope and Purpose. 957 CMR 9.00 governs the financial reporting requirements for acute and non-acute hospitals, including hospital cost reports, charge books, and quarterly and annual hospital financial data filings.

9.02: Definitions

All defined terms in 957 CMR 9.00 are capitalized. As used in 957 CMR 9.00, unless the context requires otherwise, the following terms shall have the following meanings:

Acute Hospital. A hospital licensed under M.G.L. c. 111, § 51 which contains a majority of medical surgical, pediatric, obstetric, and maternity beds, as defined by the Department of Public Health.

Audited Financial Statements. A complete set of financial statements of an entity, including the notes to the financial statements, which are subject to an independent audit in accordance with *Generally Accepted Auditing Standards (GAAS)*. The independent auditor issues an opinion as to whether or not the accompanying financial statements are presented fairly in accordance with *Generally Accepted Accounting Principles (GAAP)*.

Charge. The uniform price for each specific service within a revenue center of a hospital.

CHIA. The Center for Health Information and Analysis established under M.G.L. c.12C.

CMS. The federal Centers for Medicare & Medicaid Services.

Consolidated Entity. A group of entities that includes a parent and all its subsidiaries presented as those of a single economic entity.

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Consolidating Schedule. A document that accompanies the consolidated Audited Financial Statements, which includes detailed financial statements of subsidiary hospital(s) and the other organizations that comprise the consolidated entity.

Hospital Cost Report. The Massachusetts Hospital Statement of Costs, Revenues, and Statistics.

Non-acute Hospital. A hospital which is defined and licensed under M.G.L. c. 111, § 51, with less than a majority of medical surgical, pediatric, maternity and obstetric beds, or any psychiatric facility licensed under M.G.L. c. 19, § 19, or any public health care facility.

Parent Organization. An entity that has a controlling financial interest in one or more subsidiaries.

9.03: General Reporting Requirements

(1) Required Reports for Acute and Non-acute Hospitals. Each Acute and Non-acute Hospital shall file with CHIA the following information:

(a) Hospital Cost Report. Each hospital's Hospital Cost Report shall be submitted annually in accordance with 957 CMR 9.04.

(b) Audited Financial Statements. Audited Financial Statements shall be submitted annually in accordance with 957 CMR 9.05.

(c) Other Information. Hospitals shall submit additional information in accordance with 957 CMR 9.06.

(2) Required Reports for Acute Hospitals Only. In addition to the requirements in 957 CMR 9.03(1), each Acute Hospital shall file with CHIA the following information:

(a) Hospital Standardized Financial Filings. Hospital financial data shall be submitted quarterly and annually in accordance with 957 CMR 9.07.

(b) Employee Compensation Reporting. Compensation data for each hospital's top ten compensated employees shall be submitted annually in accordance with 957 CMR 9.08.

(3) Audit. Submissions under 957 CMR 9.00 may be subject to audit by CHIA in accordance with 957 CMR 9.09.

(4) Certification of Filings. Each individual that submits information in accordance with 957 CMR 9.00 on behalf of an Acute or Non-acute Hospital hereby represents and warrants that he or she is duly authorized and has full authority to deliver the filings. Both the hospital and CHIA consent to the information submitter's use of an electronic signature to certify that each filing is true, correct, and accurate.

(5) Filing Deadlines. Unless otherwise specified in 957 CMR 9.00, each Acute and Non-acute Hospital shall submit documentation requested by CHIA within 15 business days from the date of the request. CHIA may, for cause, extend the filing date of the requested information, in response to a written request for an extension of time.

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(6) Generally Accepted Accounting Principles. All financial data submitted to CHIA in required reports must be in accordance with current *Generally Accepted Accounting Principles (GAAP)* as issued by the Financial Accounting Standards Board (FASB), or other appropriate accounting standards given the organization's governance such as the *Government Accounting Standards Board*

(GASB) as well as general industry practice, as evidenced in the *American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guides of Healthcare Organizations and Not-for-profit Organizations.*

9.04: Hospital Cost Reporting

(1) Reporting Requirements. Each Acute and Non-acute Hospital's Hospital Cost Report shall be submitted annually in accordance with the Hospital Cost Report instructions and any pertinent administrative bulletins issued by CHIA. Each hospital shall file one electronic copy of the Hospital Cost Report.

(2) Due Dates. Each hospital shall file a Hospital Cost Report with CHIA in accordance with the due dates specified in the Medicare 2552 Cost Report filing schedule, as determined by CMS.

(a) For the fiscal year 2015 filing:

1. Hospitals with a fiscal year ending between January 1, 2015 and September 30, 2015 shall file a Hospital Cost Report by March 31, 2016.
2. Hospitals with a fiscal year ending between October 1, 2015 and December 31, 2015 shall file a Hospital Cost Report by May 31, 2016.

(b) A hospital may request an extension of up to two weeks after the Medicare Cost Report due date to submit the Hospital Cost Report to CHIA.

9.05: Audited Financial Statements

(1) Reporting Requirements.

(a) Each Acute and Non-acute Hospital shall submit a copy of its Audited Financial Statements if an independent financial statement audit occurs at the hospital-level.

(b) Each parent organization shall submit a copy of the consolidated-level Audited Financial Statements as well as a Consolidating Schedule if an independent financial statement audit occurs at a consolidated level above that of the hospital. Consolidating Schedules must be accompanied by a signed statement by the consolidated entity's chief financial officer attesting that the information contained in the Consolidating Schedules fairly represents, in all material respects, the financial condition and results of operations of the subsidiary organizations.

(2) Due Date. Audited Financial Statements shall be filed electronically within 100 days after the end of the hospital's fiscal year, or that of the parent organization if 957 CMR 9.05(1)(b) applies.

9.06: Other Hospital Reporting Requirements

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(1) Medicare 2552 Cost Report. Due Date. Each Acute and Non-acute Hospital shall file electronically one copy of its Medicare 2552 Cost Report, including any Home Office Cost Reports within 150 days after the end of its fiscal year.

(2) Charge Books.

(a) Reporting Requirements. Each Acute and Non-acute Hospital shall file with CHIA an electronic copy of its Charge book. Each Charge book shall be accompanied by a statement from the hospital detailing charge modifications implemented after the last filing.
(b) Due Date. Each hospital shall file one electronic copy of its Charge book at the beginning of each fiscal year and within 30 days following each quarter in which Charges are revised. Such Charge book shall contain the Charges in effect on the last day of said quarter.

9.07: Acute Hospital Standardized Financial Filings

(1) General Reporting Requirements. Each Acute Hospital shall file financial data, information on changes in services, and utilization data as required by CHIA, as detailed in 957 CMR 9.07(2) and (3) Each hospital shall submit the required data electronically in accordance with CHIA's instructions or administrative bulletins.

Hospital Standardized Financial Filing Requirements. Each standardized filing shall include a balance sheet, a statement of operations, and a cash flow statement. CHIA may request additional information regarding the financial condition of the hospital, if necessary.

(2) Quarterly Hospital Standardized Financial Filing.

(a) Reporting Requirements. Each Acute Hospital shall file its Quarterly Hospital Standardized Financial Filing for the first three quarters of the hospital's fiscal year. Hospitals shall report cumulative year-to-date financial information ending with the most recently completed fiscal quarter. The Quarterly Hospital Standardized Financial Filing shall also include information on changes in services and utilization statistics as well as monthly statistics on beds, days, and discharges. The utilization statistics shall reflect only activity of the most recently completed fiscal quarter and shall not be cumulative.
(b) Due Dates. Each Acute Hospital shall file its Quarterly Hospital Standardized Financial Filing within 45 days after the end of each quarter. CHIA may post on its website the name of any hospital that fails to meet the filing deadline or fails to file required data. CHIA will note on the website if it has approved a hospital's request for an extension of the filing date.

(3) Annual Hospital Standardized Financial Filing.

(a) Reporting Requirements. In addition to the reporting requirements in 957 CMR 9.07(2), each Acute Hospital must submit an Annual Hospital Standardized Financial Filing for its fiscal year, which must reconcile with Audited Financial Statements or Consolidating Schedules filed pursuant to 957 CMR 9.05(1). If the data in the annual financial filing differs from the hospital's or parent organization's consolidated Audited Financial Statements, the hospital must file reconciliations electronically. Hospitals must report any subsequent changes to its Audited Financial Statements.

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(b) Due Date. Each hospital shall file its Annual Hospital Standardized Financial Filing electronically within 100 days of the end of its fiscal year.

9.08: Employee Compensation Reporting by Acute Hospitals

(1) Reporting Requirements. Each Acute Hospital shall report to CHIA the total compensation, including salary and benefits information, paid by the hospital and/or any related organization to the top ten highest compensated employees of the hospital. Filing instructions will be published on CHIA's website. The reported information must include:

(a) Employee name;
(b) Title and position description(s);
(c) Specialty;
(d) Base compensation;
(e) Bonus and incentive compensation;
(f) Other reportable compensation;
(g) Retirement and other deferred compensation;
(h) Non-taxable benefits; and
(i) Whether the individual is a current or former employee as of the date of submitting the filing to CHIA.

(2) Due Dates.

(a) The initial submission shall be filed electronically with CHIA on August 15, 2016 and shall include information from calendar years 2013 and 2014.
(b) Subsequent submissions shall be filed electronically with CHIA annually by August 15th for data from the calendar year two years prior.

9.09: Audits

(1) General. All information provided by, or required from, any Acute or Non-acute Hospital pursuant to 957 CMR 9.00 shall be subject to audit by CHIA. Each hospital shall make available all books and records relating to its operations for the audit period, as requested by CHIA. Each hospital shall submit all cost information requested by CHIA, including information necessary to document reported costs and monitor the hospital's financial condition.

(2) Processing of Audit Adjustments.

(a) Notification. After audit, CHIA shall notify a hospital of its proposed audit adjustments. The notification shall be in writing and shall contain a complete listing of all proposed adjustments.
(b) Objection Process.

1. A hospital may file a written objection to a proposed audit adjustment within 15 business days of the notice.
2. The written objection must, at a minimum, specify:
   a. each adjustment to which the hospital objects,
   b. the specific reason for each objection; and
   c. all documentation which supports the hospital's position.

3. Upon review of the hospital's objections, CHIA shall notify the hospital of its determination in writing. If CHIA disagrees with the hospital's objections, in whole or in part, CHIA shall provide the hospital with an explanation of its reasoning.
4. The hospital may request a conference on objections after receiving CHIA's explanation of reasons. CHIA shall schedule such a conference on objections if it determines that further articulation of the hospital's position would promote resolution of the disputed adjustments. If a resolution is still not reached, CHIA may schedule an audit adjustment dispute hearing.

9.10: Compliance and Penalties

(1) If an Acute or Non-acute Hospital or parent organization fails to submit required data to CHIA on a timely basis, or fails to correct submissions rejected because of errors, CHIA shall provide written notice to the hospital or parent organization. If the hospital or parent organization fails to provide the required information within two weeks following receipt of said written notice, CHIA will take all necessary steps to enforce 957 CMR 9.10 to the fullest extent of the law.

(2) Hospitals and parent organizations that do not comply with the reporting requirements of 957 CMR 9.00 are subject to a penalty of up to $1,000 per week for each week that the hospital or parent organization fails to provide the required data, up to a maximum of $50,000 in accordance with M.G.L. c. 12C, § 11.

(3) CHIA will notify the Attorney General's Office to enforce the provisions of 957 CMR 9.10(1) and (2).

9.11: Administrative Bulletins

CHIA may issue administrative bulletins from time to time to clarify, add to, or change reporting requirements under 957 CMR 9.00.

9.12: Nonpublic Information

Information furnished pursuant to 957 CMR 9.05 under an assurance of confidentiality in accordance with G.L. c. 12C §5 shall not be subject to the disclosure provision of the public records law. Any reasonable segregable portion of a record filed pursuant to this regulation shall be provided to any person requesting such records after deletion of the portions which are considered nonpublic under this paragraph.

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9.13: Severability

The provisions of 957 CMR 9.00 are severable. If any such provisions or the application of such provisions to any hospital or circumstances shall be held to be invalid or unconstitutional, such invalidity shall not be construed to affect the validity or constitutionality of any remaining provisions of 957 CMR 9.00 or the application of such provisions.

REGULATORY AUTHORITY

957 CMR 9.00: M.G.L. c. 12C.