**CENTER FOR HEALTH INFORMATION AND ANALYSIS**

**INSTRUCTIONS**

**HOSPITAL SYSTEM FINANCIAL PERFORMANCE REPORT**

**Annual and Quarterly Standardized Financial Statements**

**Revised January 2024**



Contents

**Section I: General Information Regarding the Submissions**

Standards 3

Submission Requirements 3

Comments 3

Due Dates 3

**Section II: Data Explanations/Definitions for Annual and Quarterly Submissions – Financial Reports**

Balance Sheet 4

Statement of Operations 9

Financial Metrics 10

Financial Metrics (Without COVID-19 Relief Funds) 14

**Section III: Data Explanations/Definitions for Annual and Quarterly Submissions – Temporary Staffing**

Categories of Expenses 17

Reporting Requirements 17

**Section I: General Information Regarding the Submissions**

**Standards**

These are the instructions for the Annual and Quarterly Financial submissions. Data will be submitted according to the parent system. Each template will have 3 tabs. Parent organizations and hospitals will submit a Balance Sheet and a Statement of Operations and physician organizations will submit a Statement of Operations. These statements must be prepared in accordance with Generally Accepted Accounting Principles (GAAP). NOTE: Report amounts in whole dollars.

Beginning in July 2023, an additional schedule related to temporary staffing expenses will be collected for parent organizations, hospitals, and physician organizations. This will be collected in a separate template.

**Submission Requirements**

Each hospital health system, acute hospital, and physician organization is required to file Annual and Quarterly Standardized Financial Statements electronically. Effective August 15, 2018, each report will be submitted according to hospital health system. **If a system has more than 2 acute hospitals, they will receive a custom template from CHIA. If there are any changes to a hospital health system, please contact CHIA as soon as possible.** Reports are required to be filed using the pre-formatted Excel template and submitted through the CHIA Submissions portal located on CHIA’s webpage. The pre-formatted standard Excel template for systems with two or less hospitals, Instructions, and User Guide are available on CHIA’s webpage.

Hospital staff must be registered with CHIA to submit a financial statement filing. Submitters / users should use their existing usernames and passwords.

New users will need to complete the [User Agreement for Hospitals](http://www.chiamass.gov/assets/docs/p/inetuseragreementhospital.pdf). Completed forms should be submitted to [DL-Data-Submitter-HelpDesk@chiamass.gov](mailto:DL-Data-Submitter-HelpDesk@chiamass.gov).

For more information, please see CHIA Submissions and [INET Questions & Answers](http://www.chiamass.gov/information-for-data-submitters/#inetinfo).

**Comments**

An entity may wish to disclose information it feels would provide explanation and clarification of data presented and provide CHIA staff and the public with additional useful information or explanation for a variance from the audited financial statement that might not be evident from the financial statements alone.

**Due Dates**

Each Health Hospital System, Acute Hospital, and Physician Organization shall file its Quarterly Hospital Standardized Financial Filing within 45 days after the end of each of the first three quarters of the entity’s fiscal year.

Each hospital health system, hospital, and physician organization shall file its Annual Hospital Standardized Financial Filing within 100 days of the end of its fiscal year. The annual filing is referred to as the Q5 filing.

**Section II: Data Explanations/Definitions for Annual and Quarterly Submissions – Financial Reports**

Explanations and definitions of each data item required for both the Quarterly Financial and the Annual Financial submissions appear below.

*NOTE: Report amounts in whole dollars.*

*NOTE: Line Numbers represent a coding system. Therefore some line numbers contain decimal points and others are skipped or not included.*

**Line Description Definition**

1Organization Name Choose from drop down list

1.1 Organization ID This will populate automatically based on the

organization name

2 Submitter Email Email address for submitter

3 Fiscal Year Choose from drop down list

3.1 Reporting Period Choose from drop down list: Q1, Q2, Q3,

Q5 (Annual)

**4 Balance Sheet Heading – No Information Required**

4.1 Assets Heading – No Information Required

5 Current Assets Heading – No Information Required

6 Cash and Cash Equivalents Cash Equivalents are short term, highly liquid

investments (including note receivables) with

a maturity of 3 months or less, excluding

amounts whose use is limited by Board

designation or other arrangements under trust

agreements or with third party payers.

7 Short-term Investments Investments in equity or fixed-income

securities with a maturity of 3 to 12 months.

8 Current Assets – Whose Any current portion of assets whose use is

Use is Limited limited as board-designated, trustee-held, or

other designations.

9 Receivables Heading – No Information Required

10 Net Patient Accounts Receivable Patient accounts receivable, less an allowance

for uncollectible and contractual adjustments.

11 Receivables Due From Affiliates Transferred funds (including loans, advances,

transfers, and equity contributions made) that

are expected to be received from affiliated

entities within the current accounting period.

12 Third Party Settlements Includes amounts reported as current that

represent final settlements due to the organization.

12.1 Other Current Assets Includes receivables and all other current

assets except those cited in 10, 11, & 12.

16 Total Current Assets Total of rows 6 through 12.1.

17 Non-Current Assets Heading – No Information Required

18 Non-Current - Assets Whose Any noncurrent portion of assets, whose use is

Use is Limited limited, either identified as board-designated,

trustee-held, or other designations.

19 Contribution Receivables Includes contributions, pledges, gifts, and

bequests from donors that are not expected to

be collected during the current period.

19.1 Interest in Net Assets Interest in net assets of a beneficiary

organization if those entities have an on-going

economic interest in one another. (FASB 136)

22 Investment in Affiliates Amount recorded as equity investments in

other entities, which are related to the organization.

25 Gross Property, Plant, and Equipment Gross value of land, buildings, equipment,

(PP&E) construction in progress, and capitalized

leases.

26 Less: Accumulated Depreciation Includes depreciation of PP&E and

amortization of capitalized leases.

27 Net Property, Plant, and Equipment Net amount of land, buildings, equipment,

construction in progress, and capitalized

leases. This is a calculated field (Line 25 minus Line 26).

27.1 Other Non-Current Assets All other Non-Current assets not included in lines 18-27

28 Total Non-Current Assets Total of rows 18, 19, 19.1, 22, 27, 27.1.

29 Total Assets Total of rows 16 & 28.

30 Liabilities and Net Assets or Equity Heading – No Information Required

31 Current Liabilities Heading – No Information Required

32 Current Long-Term Debt Current portion of long-term debt, capital

leases, and notes payable.

34 Estimated Third Party Settlements Estimates of amounts expected to be received

from third parties. This may be in excess of

allowable amounts actually received

and may therefore be paid back to third parties

or else resolved favorably and recognized as

revenue in the future. Also include the current portion

of deferred revenue.

35 Current Liabilities Due to Affiliates Transferred funds (including loans, advances,

transfers and equity contributions received)

that are expected to be paid or returned to

affiliated entities within the current

accounting period.

36 Other Current Liabilities All other current liabilities not included on lines 31-34.

37 Total Current Liabilities Total of row 32 through 36.

38 Long Term Liabilities Heading – No Information Required

39 Long Term Debt Net of Current Includes long-term debt (do not include

Portion current portion), obligations under capital

leases and notes payable.

42 Non-Current Liabilities Due Transferred funds (including loans, advances,

to Affiliates transfers and equity contributions received)

that are not expected to be paid or returned to

affiliated entities in the current

accounting period.

44 Other Non-Current Liabilities All other non-current liabilities not included on lines 39 & 42.

45 Total Non-Current Liabilities Total of row 39 through 44.

46 Total Liabilities Total of rows 37 and 45.

47 Net Assets or Equity Heading – No Information Required

*Note:* Non-Profit facilities should complete information related to Net Assets. For-Profit facilities should report their Equity on Line 48.

48 Net Unrestricted Assets Not-for-Profit Entities, in accordance with FASB No.

2016-14, shall report *net assets without donor*

*restrictions.* For-Profit entities should report all classifications

of Equity.

49 Net Temporarily Restricted Assets Due to changes in FASB No. 2016-14 Presentation of Financial

Statements for Not-for-Profit Entities, this line should be left

blank.

50 Net Permanently Restricted Assets Due to changes in FASB No. 2016-14 Presentation of Financial

Statements for Not-for-Profit Entities, this line should include

*net assets with donor restrictions.* For-Profit entities should leave this line blank.

51 Total Net Assets or Equity Total of rows 48 through 50.

52 Total Liabilities and Net Assets or Total of rows 46 and 51.

Equity

**53 Statement of Operations Heading – No Information Required**

54 Operating Revenue Heading – No Information Required

55 Net Patient Service Revenue Net Patient Service Revenue received from claims-based

payment arrangements. This should be

calculated as Gross Patient Service Revenue

less contractual adjustments, less charity / free

care charges, less courtesy or policy discounts

and less the provision for bad debt.

55.1 Alternative Payment Methods Revenue received from Alternative

Payment Methods. These are payment

arrangements which are not based solely on

Fee-for-Service payment arrangements.

Alternative Payment Methods may include,

but are not to be limited to, shared savings

arrangements, Bundled Payments, and Global

Payments. Alternative payment methodologies

may also include Fee-for-Service payments,

which are settled or reconciled with a bundled

or Global Payment.

57 Other Operating Revenue Includes revenue from services other than

health care provided to patients, as well as

sales & services to non-patients. Do not include any

relief funds related to COVID-19.

57.01 Other Operating Revenue: Federal Total COVID-19 relief funds received

COVID-19 Relief Funds from federal sources reported as operating revenue.

57.02 Other Operating Revenue: State & Total COVID-19 relief funds received

Other COVID-19 Relief Funds from the state or other sources, such as private

grants or contributions reported as operating revenue.

57.1 Net Assets Released from Net assets released from donor restrictions

Restrictions Used for Operations by incurring expenses and thus satisfying

donor stipulations or by occurrence of other

events or passage of a particular time period,

specified by donor(s).

57.2 Total Operating Revenue Total of rows 55 through 57.1.

57.3 Non-Operating Revenue Heading – No Information Required

58 Investment Income Investment income, including interest

income, dividend income and realized gains/

(losses) from sale of investment actively

traded.

58.1 Net Contribution Revenue Donation, gift, or bequest of cash or other assets

from a donor, and that are not revocable,

repayable or reciprocal.

58.2 Unrealized Gains/Losses Change in value of investment(s) entity has yet to realize by

selling.

59 Non-Operating Gains or Losses These are gains and losses that result from a

Provider’s peripheral or incidental transactions.

These may include- (i) Subsidies received

from governmental or community agencies.

(ii) Net realized gains/losses resulting from

increases and decreases in the value of

"passive investments”. (iii) Gains/losses on sale or

disposal of assets.

59.1 Other Non-Operating Revenue All other non-operating revenue not included on lines 58-59.

64.1 Total Non-Operating Revenue Total of rows 58 through 59.1.

65 Total Unrestricted Revenue, Gains, Total of rows 57.2 and 64.1.

and Other Support

66 Expenses Heading – No Information Required

66.1 Salary and Benefit Expense Includes salaries, wages and cost of fringe

benefits such as paid vacations and

contribution to pension funds. Salaries refer

to amounts of compensation. Wages refer to

the pay earned by employees at a certain rate

per hour, day or week.

66.2 Outside Medical and Pharmacy Services Amounts paid for Outside Medical and

Pharmacy Services to other providers for

patients where revenue was received through

Alternative Payment Methods.

68 Depreciation and Amortization Depreciation is the allocation of the cost of

tangible fixed assets. Amortization refers to

allocation of cost of intangible assets (for

example, periodic payments on capital leases).

69 Interest Expense Charges made for the use of money over a

period of time.

70 Health Safety Net Assessment Payments to the Health Safety Net.

71 Other Operating Expenses Operating Expenses not reported in

rows 66.1 through 70.

72 Net Nonrecurring Gains and Losses Amounts related to one-time, non-

recurring or highly infrequent gains or losses.

This category may include: gains/losses from

the sale of land or lines of businesses, casualty

or natural disaster losses.

73 Total Expenses Including Nonrecurring Total of rows 66.1 through 72.

Gains / Losses

74 Total Excess of Revenue, Gains, and Row 65 minus row 73.

Other Support Over Expenses

74.1 Other Changes in Unrestricted Heading – No Information Required

Net Assets

78 Transfers From / To Parent and Affiliates Includes funds transferred from and/or

to parent and affiliates.

78.1 Other Changes in Unrestricted Net Changes in unrestricted net assets not reported on

Assets Line 78, 80 or 81.

79 Sub-Total Increase/Decrease in Total of rows 74, 78, and 78.1.

Unrestricted Net Assets

80 Changes in Unrestricted Assets Amounts related to Changes in

Related to Pension Activities Unrestricted Assets Related to Pension

Activities other than the annual net periodic

pension expense.

81 Changes in Accounting Any adjustments resulting from changes in

Principles accounting principles.

82 Total Increase/Decrease in Total of rows 79 through 81.

Unrestricted Net Assets

**170 Financial Metrics Heading – No Information Required**

171A Operating Margin Definition: Operating Income / Total Revenue

Operating Margin is a critical ratio that

measures how profitable the organization is when

looking at the performance of its primary

activities.

Operating income is income from normal

operations of an organization, including patient care

and other activities, such as research, gift

shops, parking, and cafeteria, minus the

expenses associated with such activities.

This metric includes all COVID-19 relief funds received.

Operating Margin =

(Line 57.2 -Line 73) / Line 65

Line 57.2: Total Operating Revenue

Line 73: Total Expenses Including

Nonrecurring Gains / Losses

Line 65: Total Unrestricted Revenue,

Gains, and Other Support.

172A Non-Operating Margin Non-Operating Margin

Definition: Non-Operating Income / Total

Revenue.

Non-operating income includes items that are

not related to operations, such as investment

income, contributions, gains from the sale of

assets and other unrelated business activities.

Non-Operating Margin = Line 64.1 / Line 65

Line 64.1: Total Non-Operating Revenue

Line 65: Total Unrestricted Revenue,

Gains, and Other Support.

173A Total Margin Total Margin

Definition: Total Income / Total Revenue

This ratio evaluates the overall profitability of the organization using both operating surplus (or loss) and non-operating surplus (or loss).

This metric includes all COVID-19 relief funds received.

Total Margin = Line 74 / Line 65

Line 74: Total Excess of Revenue, Gains, and

Other Support Over Expenses.

Line 65: Total Unrestricted Revenue, Gains,

and Other Support

174 Current Ratio Definition: Total Current Assets / Total

Current Liabilities

This ratio measures the organization's ability to

meet its current liabilities with its current

assets (assets expected to be realized in cash

during the fiscal year). A ratio of 1.0 or higher

indicates that all current liabilities could be

adequately covered by the organization’s existing

current assets.

Current Ratio = Line 16 / Line 37

Line 16: Total Current Assets

Line 37: Total Current Liabilities

175 Days in Accounts Receivable Definition: Net Patient Accounts Receivable/

(Net Patient Service Revenue / # of days in

period)\*

This ratio measures the average number of

days it takes to collect payments due. A larger number

of days represents cash that is unavailable for

use in operations.

Average Days in Accounts Receivable = Line

10 / (Line 55 / Days in Period\*)

Line 10: Net Patient Accounts Receivable

Line 55: Net Patient Service Revenue

\*Note: Number of days in period: Quarter 1=

91.25, Quarter 2 = 182.5, Quarter 3 =

273.75, or Q5/Annual = 365 days.

176 Average Payment Period Definition: (Total Current Liabilities-

Estimated 3rd Party Settlements) / [(Total

Expenses-(Depreciation Expense and

Amortization Expense))/number of days in period)]\*

This ratio measures the average number of

days it takes an organization to pay its bills.

Average Payment Period = (Line 37 – 34) / [(Line 73 – Line 68) / Days in Period\*]

Line 37: Total Current Liabilities

Line 34: Third Parties Settlements

Line 73: Total Expenses Including Nonrecurring Gains / Losses

Line 68: Depreciation and Amortization Expense

\*Note: Number of days in period: Quarter 1=

91.25, Quarter 2 = 182.5, Quarter 3 =

273.75, or Q5/Annual = 365 days.

177 Debt Service Coverage Ratio Definition: (Excess of Revenue, Gains and

Other Support + Depreciation Expense and

Amortization Expense + Interest Expense)/

(Interest Expense + Current Long-Term Debt)

This ratio measures the ability of an organization to

cover current debt obligations with funds

derived from both operating and non-

operating activity. Higher ratios indicate a

organization is better able to meet its financing

commitments. A ratio of 1.0 indicates that

average income would just cover current

interest and principal payments on long-term

debt.

Debt Service Coverage Ratio = (Line 74 +

Line 68 + Line 69) / (Line 69 + Line 32)

Line 74: Total Excess of Revenue, Gains, and

Other Support Over Expenses

Line 68: Depreciation and Amortization Expense

Line 69: Interest Expense

Line 32: Current Long Term Debt

178 Cash Flow to Total Debt Definition: (Excess of Revenue, Gains and

Other Support Over Expenses + Depreciation

and Amortization Expense) / (Total Current

Liabilities + Long-Term Debt Net of Current

Portion)

This ratio reflects the amount of cash flow being

applied to total outstanding debt (all

current liabilities in addition to long-term

debt), and reflects how much cash can be

applied to debt repayment. The lower the

ratio, the more likely an organization will be unable

to meet debt payments of interest and

principal, and the higher the likelihood of

violating any debt covenants.

Cash Flow to Total Debt = (Line 74 + Line

68) / (Line 37 + Line 39)

Line 74: Total Excess of Revenue, Gains,

and Other Support Over Expenses

Line 68: Depreciation and Amortization

Expense

Line 37: Total Current Liabilities

Line 39: Long Term Debt Net of Current

Portion

179 Equity Financing Ratio Definition: Total Net Assets/Total Assets

This ratio reflects the ability of an organization to take

on more debt and is measured by the proportion

of total assets financed by equity. Low values

indicate an organization used substantial debt

financing to fund asset acquisition and,

therefore, may have difficulty taking on more

debt to finance further asset acquisition.

Equity Financing = (Line 51/Line 29)

Line 51: Total Net Assets or Equity

Line 29: Total Assets

180 Average Age of Plant Definition: Indicates the financial age of the

fixed assets of the organization. The older the

average age, the greater the short term need for

capital resources.

Average Age of Plant = Line 26  / Line 68

Line 26: Accumulated Depreciation

Line 68: Depreciation and Amortization Expense

181 Days Cash on Hand Definition: The number of days the organization can continue to

pay its operating expenses with the amount of cash available.

Days Cash on Hand = (Line 6 + Line 7) / [(Line 73 – Line 68) / Days in Period\*]

Line 6: Cash and Cash Equivalents

Line 7: Short Term Investments

Line 73: Total Expenses

Line 68: Depreciation and Amortization

\*Note: Number of days in period:

Quarter 1= 91.25, Quarter 2 = 182.5, Quarter 3 =

273.75, or Q5/Annual = 365 days.

182 Long Term Debt to Total Capitalization Definition: Ratio of entity’s long-term debt to its total capital.

LTD to Total Capitalization = Line 39 / (Line 39 + Line 48)

Line 39: Long Term Debt Net of Current Portion

Line 48: Net Unrestricted Assets

**Financial Metrics (Without COVID-19 Relief Funds) Heading – No Information Required**

170B Total Excess of Revenue, Gains, Row 65 minus rows 57.01, 57.02, and 73.

And Other Support Over Expenses

(Without COVID-19 Relief Funds)

171B Operating Margin (Without COVID-19 Definition: Operating Income / Total Revenue

Relief Funds)

Operating income is income from normal

operations of an organization, including patient care

and other activities, such as research, gift

shops, parking, and cafeteria, minus the

expenses associated with such activities.

This metric calculates what the operating margin would

have been if no COVID-19 relief funds were received.

Operating Margin is a critical ratio that

measures how profitable the organization is when

looking at the performance of its primary

activities.

Operating Margin (Without COVID-19 Relief Funds) =

((Line 57.2 – Line 57.01 – Line 57.02) - Line 73) / (Line 65 – Line 57.01 – Line 57.02)

Line 57.2 Total Operating Revenue

Line 57.01 Other Operating Revenue: Federal COVID-19 Relief

Funds

Line 57.02 Other Operating Revenue: State & Other COVID-19

Relief Funds

Line 73 Total Expenses Including

Nonrecurring Gains / Losses

Line 65 Total Unrestricted, Revenue

Gains, and Other Support.

172B Non-Operating Margin (Without Non-Operating Margin

COVID-19 Relief Funds) Definition: Non-Operating Income / Total

Revenue.

Non-operating income includes items that are

not related to operations, such as investment

income, contributions, gains from the sale of

assets and other unrelated business activities.

Non-Operating Margin = Line 64.1 / (Line 65 – Line 57.01 – Line 57.02)

Line 64.1 Total Non-Operating Revenue

Line 65 Total Unrestricted Revenue,

Gains, and Other Support.

Line 57.01 Other Operating Revenue: Federal COVID-19 Relief

Funds

Line 57.02 Other Operating Revenue: State & Other COVID-19

Relief Funds

173B Total Margin (Without COVID-19 Total Margin

Relief Funds) Definition: Total Income / Total Revenue

This ratio evaluates the overall

profitability of the organization using both operating surplus (or loss) and non-operating surplus (or loss).

This metric calculates what the total margin would

have been if no COVID-19 relief funds were received.

Total Margin = Line 170B / (Line 65 – Line 57.01 – Line 57.02)

Line 170B Total Excess of Revenue, Gains, and

Other Support Over Expenses. (Without COVID-19 Relief Funds)

Line 65 Total Unrestricted Revenue, Gains,

and Other Support

Line 57.01 Other Operating Revenue: Federal COVID-19 Relief

Funds

Line 57.02 Other Operating Revenue: State & Other COVID-19

Relief Funds

**Section III: Data Explanations/Definitions for Annual and Quarterly Submissions – Temporary Staffing**

Beginning in July 2023, an additional schedule has been added to report information on temporary staffing expenses. All of the amounts reported must also be included in the appropriate expense line on the statement of operations. Parent organizations, hospitals, and physician organizations are required to report all applicable information.

Explanations of each expense category and the reporting requirements for each appear below.

*NOTE: Report expense amounts in whole dollars.*

**Categories of Expenses**

Temporary RN Staffing

Temporary RN Staffing include registered nurses on short-term contracts obtained through a third-party staffing agency, including but not limited to per diem nurses, travel nurses, and nurses on assignment for a few months at a time.

Temporary non-RN Clinical Staffing

Temporary non-RN Clinical Staffing include clinical staff that are not registered nurses or physicians obtained through a third-party staffing agency. These contracts may last days or a few months.

Temporary Physician/Hospitalist Staffing

Temporary Physician/Hospitalist Staffing (e.g. locums) include physicians working on a temporary basis and paid as independent contractors either through a contract or third-party agency.

**Reporting Requirements**

For each category of funding, the following must be reported:

Total Amount Spent Aggregate amount spent by the entity for the reporting period to date.

Total Hours Aggregate hours recorded for the reporting period to date.

Line Reported on in Standardized Financials Where the amount is reported in the Standardized Financial Filing

Drop Down List of Options:

Salary and Benefit Expense

Outside Medical and Pharmacy Expense

Depreciation and Amortization Expense

Interest Expense

Health Safety Net Assessment

Other Operating Expenses

Net Nonrecurring Gains and Losses

Other (Use Comment Section)

Reported in Audited Financials As Description of line the expense was recorded in the audited financial statements (Annual Filing Only)