

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 their Parent Organization and Physician Organization(s) for the submissions of hospital cost reports, charge books, and quarterly and annual 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, and the teaching hospital of the University of Massachusetts Medical School.

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.

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.

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Physician Organization. A medical practice or group of practices comprised of physicians organized to provide patient care services (regardless of its legal form or ownership) that is financially controlled by the same Parent Organization as the acute hospital.

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, Physician Organizations, and Parent Organizations. Each Acute Hospital, Physician Organization, and their Parent Organization shall file with CHIA standardized financial filings on a quarterly and annual basis in accordance with 957 CMR 9.07.

(3) Required Reports for Acute Hospitals Only. Each Acute Hospital shall file with CHIA compensation data for each hospital's top ten compensated employees annually in accordance with 957 CMR 9.08.

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

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

(6) Filing Deadlines. Unless otherwise specified in 957 CMR 9.00, each Acute Hospital, Non-acute Hospital, Parent Organization and Physician Organization 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.

(7) 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 957 CMR 9.04(2)(a) and (b):

(a) 1. Hospitals with a fiscal year ending between January 1<sup>st</sup>, and September 30<sup>th</sup>, shall file a Hospital Cost Report by March 1<sup>st</sup> of the following year.

2. Hospitals with a fiscal year ending between October 1<sup>st</sup>, and December 31<sup>st</sup>, shall file a Hospital Cost Report within 150 days of the Medicare CMS year end.

9.04: continued

(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

(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: Standardized Financial Filings

(1) General Reporting Requirements. Each Acute Hospital, Physician Organization, and their Parent Organization shall file financial data as required by CHIA, as detailed in 957 CMR 9.07(2) and (3) Each entity shall submit the required data electronically in accordance with CHIA's instructions or administrative bulletins.

Standardized Financial Filing Requirements. For Acute Hospitals and Parent Organizations, standardized filings shall include a balance sheet and a statement of operations. For Physician Organizations, standardized financial filings shall include a statement of operations. CHIA may request additional information regarding the financial condition of the Parent Organization, Acute Hospital, or the Physician Organization if necessary.

(2) Quarterly Standardized Financial Filing.

(a) Reporting Requirements. Each Acute Hospital, Physician Organization, and their Parent Organization shall submit Standardized Financial Filings for the first three quarters of the entity's fiscal year. Entities shall report cumulative year-to-date financial information ending with the most recently completed fiscal quarter.

(b) Due Dates. Quarterly Standardized Financial Filing shall be filed within 45 days after the end of each quarter. CHIA may, for cause, extend the filing date in a response to a written request for an extension of time. CHIA may note in its publications the name of an entity that either failed to meet the filing deadline, or that requested and received an extension of the filing date.

9.07: continued

(3) Annual Standardized Financial Filing.

(a) Reporting Requirements. In addition to the reporting requirements in 957 CMR 9.07(2), each Acute Hospital, Physician Organization, and their Parent Organization shall submit an Annual 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 Standardized Financial Filing differs from information in the Audited Financial Statements and consolidating schedules, reconciliations must be provided electronically. Each Acute Hospital, Physician Organization, and their Parent Organization must report any subsequent changes to its Audited Financial Statements.

(b) Due Date. Annual Standardized Financial Filings shall be filed electronically within 100 days of the end of the 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. Submissions shall be filed electronically with CHIA annually by August 15<sup>th</sup> 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, Provider Organization, or Parent Organization pursuant to 957 CMR 9.00 shall be subject to audit by CHIA. Each such entity 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, Physician Organization, or Parent Organization 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, Physician Organization, or Parent Organization 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 each adjustment to which there is an objection, the reason for each objection, and include all supporting documentation.
3. CHIA may schedule a conference on objections if it determines that a conference would promote resolution of the disputed adjustments.
4. Upon review of the objections, CHIA shall notify the hospital, Physician Organization, or Parent Organization of its determination in writing. If CHIA disagrees with the objections, in whole or in part, CHIA shall provide an explanation of its reasoning. A hospital, Physician Organization or Parent Organization may request an audit adjustment dispute hearing if it does not agree with CHIA's determination.

9.10: Compliance and Penalties

The Center will provide written notice to Acute Hospitals, Non-acute Hospitals, Physician Organizations, and Parent Organizations that fail to comply with the reporting deadlines established in 957 CMR 9.00.

(1) The Center will notify Acute Hospitals, Non-acute Hospitals, Physician Organizations, and Parent Organizations that failure to respond within two weeks of the written notice, without just cause, may result in penalties. In accordance with M.G.L. c. 12C, § 11, Acute Hospitals, Non-acute Hospitals, Physician Organizations, and Parent Organizations may be subject to a penalty of up to \$1,000 per week for each week that they fail to provide the required health care data and information, up to an annual maximum of \$50,000.

(2) Any remedy available under 957 CMR 9.10 is in addition to other sanctions and penalties that may apply under the provisions of other statutes and regulations.

(3) Acute Hospitals, Non-acute Hospitals, Physician Organizations, and Parent Organizations that fail to comply with the requirements of 957 CMR 9.00 will be subject to all penalties and remedies allowed by law and the Center will take all necessary steps to enforce 957 CMR 9.10, including a petition to the Superior Court for an order enforcing the same.

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 M.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 957 CMR 9.00 shall be provided to any person requesting such records after deletion of the portions which are considered nonpublic under 957 CMR 9.12.

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.

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