

Data Sources for Hospital Financial Information

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Data Sources for Hospital Financial Information

- Virginia Health Information (VHI)
- Centers for Medicare and Medicaid Services (CMS)
- Department of Medical Assistance Services (DMAS)
- Internal Revenue Service (IRS)

Virginia Health Information Data

- VHI is an independent, nonprofit, 501(c)(3) health information organization established in 1993
- Formed to administer Virginia Health Care Data Reporting Initiatives to benefit Virginians
- Gathers and reports data on hospitals, long-term care, health insurance and physicians
- Hospital industry reports provide businesses, policymakers and others with information on hospital efficiency and productivity
- Other hospital reports provide information on quality, cost, patient satisfaction, cardiac care mortality and readmission information

VHI Hospital Industry Report

- VHI issues an annual industry report on Virginia Hospitals which ranks health care providers on their efficiency, productivity and outcomes of care.
- The report contains information on:
 - Performance outcomes
 - Performance rankings
 - Efficiency indicators
- Expanded hospital data ranks and details the volume and performance outcomes of 40 service lines offered in Virginia hospitals
- Performance rankings include charges, costs, productivity, financial viability, and community support
- Audited financial statements are used to verify information on provider performance
- Current report is based on 2014 data
 - The 2015 report will be available the week of December 6, 2016
 - Will be provided to legislators among others

VHI Hospital Report Data

- VHI has more detailed data on hospital financial information
- Detailed data include hospital name, type (acute, critical access hospital, etc.), location (urban, rural), regional planning area, hospital system, tax status, and fiscal year-end
- Financial data include:
 - Total operating revenue and expenses
 - Total interest, taxes, depreciation and amortization expenses
 - Earnings before interest, taxes, depreciation and amortization divided by revenue (EBITDA) and EBITDA margin
 - Operating income, non-operating gains or losses and revenue and gains in excess of expenses and losses
 - Operating margin and total margin for most recent two years (in this case 2014 & 2013) and variance

VHI Hospital Report Data

- Additional financial data include:
 - Gross inpatient and outpatient income from Medicare, Medicaid, other government, commercial and other payors
 - Reductions from:
 - Contractual differences between hospital charges and rates paid by third party payers
 - Charity care
 - Balance sheet
 - Cash flow data
 - Operating, investing and financing
 - Prior and current year cash balance
 - Interest and principal paid on long-term debt
- Admissions
- Physician, physician assistant, nurse and aide full-time equivalent and contract positions and commensurate labor expenses

VHI Hospital Data Enhancements

- VHI is working on on data enhancements for their reports to be implemented in 2017
- Convened a task force to review and assess hospital efficiency and financial data elements
- Task force is looking at expanding the collection of financial data from parent companies and subsidiaries
- Task force is also reviewing indicators for charity care, bad debt and taxes as well as cash debt coverage
- Task force will make recommendations as needed to the VHI Board

CMS Medicare Cost Report Data

- Hospitals submit cost reports to Medicare for reimbursement purposes
- Medicare cost report data is maintained in the Healthcare Cost Reporting Information System (HCRIS)
- The data is publicly available
- The hospital cost report contains over 7,300 data fields resulting in large data files and the need for statistical software to analyze
- Data typically used to determine the adequacy of Medicare payments, profit margins, occupancy rates, length of stay, business share by payer, cost analysis, and uncompensated care

Medicare Cost Report Worksheets

- **Cost Report Worksheets:**

- A series provides general ledger information
- B series allocates overhead costs
- C series shows revenue by patient treatment department to determine the cost/charge ratio
- D series determines the cost of treating the Medicare/Medicaid patients by reimbursement mechanism
- E series determines the due to/from Medicare program based on the reimbursement mechanism/cost/interim payments
- G series has the financial statements
- S series provides statistical information and wage index
- H series is home health services
- J, K, and M Series is clinics and freestanding components
- I series is End Stage Renal Dialysis

Example: Worksheet D-1, Part II

Computation of Inpatient Hospital

4090 (Cont.)

FORM CMS-2552-10

09-15

COMPUTATION OF INPATIENT OPERATING COST		PROVIDER CCN: _____	PERIOD: FROM _____ TO _____	WORKSHEET D-1, PART II
		COMPONENT CCN:		
Check applicable boxes:	<input type="checkbox"/> Title V - I/P <input type="checkbox"/> Title XVIII, Part A <input type="checkbox"/> Title XIX - I/P	<input type="checkbox"/> Hospital <input type="checkbox"/> Subprovider (other) <input type="checkbox"/> IPF <input type="checkbox"/> IRF		<input type="checkbox"/> PPS <input type="checkbox"/> TEFRA <input type="checkbox"/> Other

PART II - HOSPITAL AND SUBPROVIDERS ONLY

PROGRAM INPATIENT OPERATING COST BEFORE PASS-THROUGH COST ADJUSTMENTS						1	
38	Adjusted general inpatient routine service cost per diem (see instructions)						38
39	Program general inpatient routine service cost (line 9 x line 38)						39
40	Medically necessary private room cost applicable to the Program (line 14 x line 35)						40
41	Total Program general inpatient routine service cost (line 39 + line 40)						41
		Total Inpatient Cost	Total Inpatient Days	Average Per Diem (col. 1 ÷ col. 2)	Program Days	Program Cost (col. 3 x col. 4)	
		1	2	3	4	5	
42	Nursery (title V & XIX only)						42
	Intensive Care Type Inpatient Hospital Units						
43	Intensive Care Unit						43
44	Coronary Care Unit						44
45	Burn Intensive Care Unit						45
46	Surgical Intensive Care Unit						46
47	Other Special Care Unit (specify)						47
						1	
48	Program inpatient ancillary service cost (Worksheet D-3, column 3, line 200)						48
49	Total Program inpatient costs (sum of lines 41 through 48) (see instructions)						49

Example: Worksheet G-3

Statement of Revenues and Expenses

4090 (Cont.)		FORM CMS-2552-10	10-12
STATEMENT OF REVENUES AND EXPENSES		PROVIDER CCN:	PERIOD: FROM _____ TO _____
		WORKSHEET G-3	

Description			
1	Total patient revenues (from Worksheet G-2, Part I, column 3, line 28)		1
2	Less contractual allowances and discounts on patients' accounts		2
3	Net patient revenues (line 1 minus line 2)		3
4	Less total operating expenses (from Worksheet G-2, Part II, line 43)		4
5	Net income from service to patients (line 3 minus line 4)		5
OTHER INCOME			
6	Contributions, donations, bequests, etc		6
7	Income from investments		7
8	Revenues from telephone and other miscellaneous communication services		8
9	Revenue from television and radio service		9
10	Purchase discounts		10
11	Rebates and refunds of expenses		11
12	Parking lot receipts		12
13	Revenue from laundry and linen service		13
14	Revenue from meals sold to employees and guests		14
15	Revenue from rental of living quarters		15
16	Revenue from sale of medical and surgical supplies to other than patients		16
17	Revenue from sale of drugs to other than patients		17
18	Revenue from sale of medical records and abstracts		18
19	Tuition (fees, sale of textbooks, uniforms, etc.)		19
20	Revenue from gifts, flowers, coffee shops, and canteen		20
21	Rental of vending machines		21
22	Rental of hospital space		22
23	Governmental appropriations		23
24	Other (specify)		24
25	Total other income (sum of lines 6-24)		25
26	Total (line 5 plus line 25)		26
27	Other expenses (specify)		27
28	Total other expenses (sum of line 27 and subscripts)		28
29	Net income (or loss) for the period (line 26 minus line 28)		29

Using Cost Report Data

- The Medicare cost report contains a significant amount of data, including financial data
- Due the volume of data, statistical software is required but analysis is available commercially
- The Department of Medical Assistance Services (DMAS) uses the Medicare cost report data and also requires submission of a Medicaid cost report to collect data necessary for Medicaid reimbursement purposes
- DMAS could assist in extracting and providing specific data from either Medicare or Medicaid cost reports that may be of use to the workgroup

Internal Revenue Service (IRS) Data

- IRS data from hospital private foundations that are organized for charitable purposes are exempt from federal income taxes
 - Must apply to the IRS for tax exemption
 - Required to file an annual return on Form 990-PF with the IRS
- Statistics on private foundations are compiled from IRS Form 990-PF, an annual information return that includes data on excise tax liability, charitable distributions, administrative expenditures, as well as income statement and balance sheet information
- IRS makes available 990 forms through several mechanisms
 - Individual may request a copy of either the exemption application or the annual information or tax return
 - IRS website to view exempt organization forms free of charge
 - Amazon Web Services contains publicly available data on electronically filed Forms 990 in a machine-readable format through [Amazon Web Services \(AWS\)](#). The publicly available data does not include donor information or other personally identifiable information.
 - Over 60 percent of all Form 990 returns are electronically filed with the IRS
 - Image files
 - DVD
- Other websites compile publicly available IRS Form 990-PF data
 - Example: <http://foundationcenter.org/find-funding/990-finder>

IRS Form 990-PF

Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation

► Do not enter social security numbers on this form as it may be made public.
► Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

OMB No. 1545-0052

2016

Open to Public Inspection

For calendar year 2016 or tax year beginning , 2016, and ending , 20

Name of foundation		A Employer identification number	
Number and street (or P.O. box number if mail is not delivered to street address)		Room/suite	B Telephone number (see instructions)
City or town, state or province, country, and ZIP or foreign postal code		C If exemption application is pending, check here ► <input type="checkbox"/>	
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here . . . ► <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation . . . ► <input type="checkbox"/>	
H Check type of organization: <input type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here . . . ► <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$	J Accounting method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)		
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here . . . ► <input type="checkbox"/>			

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check ► <input type="checkbox"/> if the foundation is not required to attach Sch. B				

IRS Form 990-PF

Part I Analysis of Revenue and Expenses <i>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)</i>		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities				
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)				
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11					
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions)				
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	24 Total operating and administrative expenses. Add lines 13 through 23				
25 Contributions, gifts, grants paid					
26 Total expenses and disbursements. Add lines 24 and 25					

IRS Form 990-PF

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing				
	2 Savings and temporary cash investments				
	3 Accounts receivable ▶ Less: allowance for doubtful accounts ▶				
	4 Pledges receivable ▶ Less: allowance for doubtful accounts ▶				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions) . .				
	7 Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶				
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges				
	10a Investments—U.S. and state government obligations (attach schedule)				
	b Investments—corporate stock (attach schedule)				
	c Investments—corporate bonds (attach schedule)				
	11 Investments—land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶				
	12 Investments—mortgage loans				
	13 Investments—other (attach schedule)				
Liabilities	14 Land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶				
	15 Other assets (describe ▶)				
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)				
	17 Accounts payable and accrued expenses				
	18 Grants payable				
	19 Deferred revenue				
Net Assets or Fund Balances	20 Loans from officers, directors, trustees, and other disqualified persons				
	21 Mortgages and other notes payable (attach schedule)				
	22 Other liabilities (describe ▶)				
	23 Total liabilities (add lines 17 through 22)				
	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31.				
	27 Capital stock, trust principal, or current funds				
	28 Paid-in or capital surplus, or land, bldg., and equipment fund				
	29 Retained earnings, accumulated income, endowment, or other funds				
	30 Total net assets or fund balances (see instructions)				
	31 Total liabilities and net assets/fund balances (see instructions)				
Part III Analysis of Changes in Net Assets or Fund Balances					
1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1				
2 Enter amount from Part I, line 27a	2				

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1 a				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(j) F.M.V. as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) Excess of col. (j) over col. (k), if any		
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)	<input type="checkbox"/> gain, also enter in Part I, line 7 <input type="checkbox"/> (loss), enter -0- in Part I, line 7		2	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): <input type="checkbox"/> gain, also enter in Part I, line 8, column (c) (see instructions). <input type="checkbox"/> (loss), enter -0- in Part I, line 8			3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

☐ section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2015			
2014			
2013			
2012			
2011			

Questions?