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1 Department of Health
2 Health Care Delivery Systems

3
4 Adopted Permanent Rules Relating to Aggregate Hospital Data

5
6 Rules as Adopted

7 4650.0102 DEFINITIONS.

8 [For text of subpart 1, see M.R.]

9 Subp. 1a. **Accounting and financial reporting expenses.**

10 "Accounting and financial reporting expenses" means all direct
11 costs related to fiscal services, such as general accounting,
12 budgeting, cost accounting, payroll accounting, accounts
13 payable, and plant and equipment and inventory accounting.
14 Direct costs include wages and benefits, supplies, purchased
15 services, and other resources used in performing these
16 accounting and financial reporting activities. Accounting and
17 financial reporting expenses does not include management
18 information systems costs.

19 [For text of subp 2, see M.R.]

20 Subp. 3. **Admissions or adjusted admissions.** "Admissions"
21 means the number of patients accepted for inpatient services in
22 beds licensed for inpatient hospital care exclusive of normal
23 newborn admissions. "Adjusted admissions" means the number of
24 admissions plus the quantity obtained from multiplying the
25 number of outpatient visits times the ratio of outpatient
26 revenue per outpatient visit divided by inpatient revenue per
27 admission.

28 Subp. 3a. **Admitting expenses.** "Admitting expenses" means
29 all direct costs incurred in inpatient and outpatient admission
30 or registration, whether scheduled or nonscheduled, and in the
31 scheduling of admission times. Direct costs include wages and
32 benefits, supplies, purchased services, and other resources used
33 in performing these admitting activities.

34 Subp. 3b. **Aggregate rate.** "Aggregate rate" means the
35 average gross patient revenue per adjusted admission for a full

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1 accounting period determined by dividing total gross patient
2 revenue by the number of adjusted admissions.

3 Subp. 3c. **Ambulatory surgical procedures.** "Ambulatory
4 surgical procedures" means all surgical services provided to
5 patients on either a hospital outpatient setting or an
6 outpatient surgical center licensed by the Department of Health
7 pursuant to Minnesota Statutes, sections 144.50 to 144.58.

8 [For text of subp 4, see M.R.]

9 Subp. 5. [See repealer.]

10 Subp. 6. **Bad debts.** "Bad debts" means the provision for
11 actual or expected uncollectible receivables resulting from the
12 extension of credit to patients. The amount should not include
13 any amount attributable to a reclassification of any expenses
14 incurred due to the provision of charity care. Income
15 reductions due to charity allowances, and contractual allowances
16 should be recorded as such in the records of a facility.

17 Subp. 7. [See repealer.]

18 Subp. 8. [See repealer.]

19 Subp. 9. **Charity care services.** "Charity care services"
20 means the dollar amount of health care services provided to
21 patients for which the provider did not charge or charged at a
22 level below the reasonable cost of the service, because the
23 provider determined that the patient was unable to pay part or
24 any of its reasonable costs. Charity care services includes
25 care provided to indigent patients, patients with inadequate or
26 no insurance, or patients receiving costly treatment.

27 Subp. 9a. **Community and wellness education expenses.**

28 "Community and wellness education expenses" means all direct
29 costs related to wellness programs, health promotion, community
30 education classes, support groups, and other outreach programs
31 and health screening, included in a specific community or
32 wellness education cost center or reclassified from other cost
33 centers. Community and wellness education expenses does not
34 include patient education programs. Direct costs include wages
35 and benefits, supplies, purchased services, and other resources
36 used in performing these community and wellness education

1 activities.

2 Subp. 10. **Cost.** "Cost" means the amount, measured in cash
3 and in-kind, services performed, or liability incurred, in
4 consideration of goods or services received or to be received.

5 Subp. 11. [See repealer.]

6 Subp. 12. [See repealer.]

7 Subp. 12a. **Donations.** "Donations" means the value of
8 goods and services, including in-kind donations, given to a
9 facility by an individual or organization not in fulfillment of
10 a legal obligation, with or without specific purpose, that will
11 offset overall costs incurred by the facility in its operation.

12 Subp. 13. **Education expenses.** "Education expenses" means
13 the net cost incurred by a facility of providing approved
14 educational activities.

15 "Approved educational activities" means formally organized
16 or planned programs of study operated or supported by an
17 institution, as distinguished from "on-the-job," "in-service,"
18 or similar work-learning programs. The net cost of approved
19 educational activities is the amount reported for this cost on
20 the Medicare cost report under Code of Federal Regulations,
21 title 42, section 413.20.

22 [For text of subps 14 and 15, see M.R.]

23 Subp. 16. [See repealer.]

24 Subp. 17. **Expenses.** "Expenses" means costs that have been
25 incurred in carrying on some activity and from which no benefit
26 will extend beyond the period for which the expenses are
27 recorded.

28 [For text of subps 18 and 19, see M.R.]

29 Subp. 19a. **Full-time equivalent employee.** "Full-time
30 equivalent employee" means an employee or any combination of
31 employees that are reimbursed by the facility for 2,080 hours of
32 employment per year.

33 Subp. 19b. **Government subsidies.** "Government subsidies"
34 means an appropriation or allocation of money made by the
35 government to a facility to offset the costs incurred by the
36 facility for the provision of direct patient care or other

1 operations in which the governmental entity desires to
2 participate, or which is considered a proper subject for
3 government aid, because the purpose is likely to be of benefit
4 to the public.

5 Subp. 20. [See repealer.]

6 Subp. 20a. **Grants.** "Grants" means an award of money
7 pursuant to a written agreement signed by the eligible grant
8 applicant and by the official representative of the organization
9 awarding the grant, setting forth the amount of funds, the time
10 period within which the funds are to be expended, the purpose
11 for which the funds may be used, and other contractual
12 conditions.

13 Subp. 20b. **Gross patient revenue.** "Gross patient revenue"
14 means the amount charged at the facility's established rates and
15 recorded on an accrual basis regardless of whether the facility
16 expects to collect the amount.

17 Subp. 20c. **Health maintenance organization.** "Health
18 maintenance organization" has the meaning given in Minnesota
19 Statutes, section 62D.02, subdivision 4.

20 Subp. 21. [See repealer.]

21 Subp. 21a. **Insurance company.** "Insurance company" means
22 an organization licensed under Minnesota Statutes, chapter 60A,
23 to offer, sell, or issue a policy of accident and sickness
24 insurance as defined in Minnesota Statutes, section 62A.01.

25 Subp. 22. **Interest expenses.** "Interest expenses" means
26 costs incurred by the facility due to necessary and proper
27 interest on funds borrowed for operating and plant capital
28 needs. Interest on funds borrowed for operating needs is the
29 cost incurred for funds borrowed for a relatively short term.
30 This interest is usually attributable to funds borrowed for
31 purposes such as working capital for normal operating expenses.
32 Interest on funds borrowed for plant capital needs is the cost
33 incurred for funds borrowed for plant capital purposes, such as
34 the acquisition of facilities and equipment, and capital
35 improvements. These borrowed funds are usually long-term loans.

36 Subp. 23. [See repealer.]

1 Subp. 23a. **Licensed beds or setup beds.** "Licensed beds"
2 means the number of acute care beds licensed by the Department
3 of Health, pursuant to Minnesota Statutes, sections 144.50 to
4 144.58. "Setup beds" means the average number of licensed beds
5 set up and staffed for use during the reporting period. It is
6 determined by adding the total number of beds set up and staffed
7 for inpatient utilization each day of the hospital's reporting
8 period and dividing this figure by the total number of days in
9 the reporting period.

10 [For text of subp 24, see M.R.]

11 Subp. 24a. **Malpractice expenses.** "Malpractice expenses"
12 means all direct costs of malpractice including malpractice
13 insurance, self-insurance expenses including program
14 administration, malpractice losses not covered by insurance, and
15 malpractice attorney fees.

16 Subp. 24b. **Management information systems expenses.**
17 "Management information systems expenses" means all direct costs
18 related to maintaining and operating the data processing system
19 of the facility, including such functions as admissions, medical
20 records, patient charges, decision support systems, and fiscal
21 services. Direct costs include wages and benefits, supplies,
22 purchased services, and other resources used in accomplishing
23 these management information systems activities.

24 Subp. 24c. **Medical care surcharge.** "Medical care
25 surcharge" means the surcharge under Minnesota Statutes, section
26 256.9657, subdivision 2, paid to the Department of Human
27 Services.

28 Subp. 24d. **MinnesotaCare.** "MinnesotaCare" means the
29 program established under Minnesota Statutes, section 256.9352,
30 subdivision 1.

31 Subp. 24e. **MinnesotaCare tax.** "MinnesotaCare tax" means
32 the tax expense established under Minnesota Statutes, section
33 295.52, paid to the Minnesota Department of Revenue.

34 Subp. 24f. **Net inpatient revenue.** "Net inpatient revenue"
35 means net patient revenue for the facility's inpatient services.

36 Subp. 24g. **Net outpatient revenue.** "Net outpatient

1 revenue" means net patient revenue for the facility's outpatient
2 services.

3 Subp. 24h. **Net patient revenue.** "Net patient revenue"
4 means the facility's gross patient revenue less adjustments and
5 allowances for uncollectible receivables. Net patient revenue
6 does not include a deduction from gross patient revenue for bad
7 debts, which should be reported as expenses in accordance with
8 generally accepted accounting principles.

9 Subp. 25. **Net receivables.** "Net receivables" means the
10 dollar amount receivable at the end of an accounting period less
11 allowances for uncollectibles and contractual adjustments.

12 Subp. 25a. **Nonprofit health service plans.** "Nonprofit
13 health service plans" has the meaning as service plan
14 corporations in Minnesota Statutes, section 62C.02, subdivision
15 6.

16 [For text of subp 26, see M.R.]

17 Subp. 27. [See repealer.]

18 Subp. 28. [See repealer.]

19 Subp. 28a. **Other support services expenses.** "Other
20 support services expenses" means all costs for the overall
21 operation of the facility associated with management,
22 administration, and legal staff functions, including the costs
23 of governing boards, executive wages and benefits, auxiliary and
24 other volunteer groups, purchasing, telecommunications, printing
25 and duplicating, receiving and storing, and personnel
26 management. Other support services expenses includes all wages
27 and benefits, donations and support, direct and in-kind, for the
28 purpose of lobbying and influencing policymakers and
29 legislators, including membership dues, and all expenses
30 associated with public policy development, such as response to
31 rulemaking and interaction with government agency personnel
32 including attorney fees to review and analyze governmental
33 policies. Other support services expenses does not include the
34 costs of public relations included in promotion and marketing,
35 the costs of legal staff already allocated to other functions,
36 and the costs of medical records, social services, and nursing

1 administration.

2 [For text of subp 29, see M.R.]

3 Subp. 30. **Outpatient visit.** "Outpatient visit" means an
4 acceptance of a patient by a hospital for the purpose of
5 providing outpatient services. Each acceptance of a patient by
6 a hospital for purposes of providing outpatient services for a
7 distinct episode of care counts as one outpatient visit
8 regardless of the number of clinics attended during that visit.
9 Outpatient visits include all visits to hospital outpatient and
10 ancillary departments, emergency visits, and outpatient
11 surgeries.

12 Subp. 30a. **Patient.** "Patient" has the meaning given in
13 Minnesota Statutes, section 144.335, subdivision 1.

14 Subp. 30b. **Patient billing and collection expenses.**
15 "Patient billing and collection expenses" means all direct costs
16 incurred in insurance verification, including coordination of
17 benefits; in preparing and submitting claim forms; and in
18 cashiering, credit, and collection functions. Direct costs
19 include wages and benefits, professional fees, supplies,
20 purchased services, and other resources used in performing these
21 billing and collection activities. Patient billing and
22 collection expenses does not include management information
23 systems costs.

24 Subp. 30c. **Patient days.** "Patient days" means the total
25 number of days of care for which patients received inpatient
26 hospital services during the reporting period, excluding normal
27 newborn days of care. Days of care means the total number of
28 patient days accumulated by patients at the time of discharge.

29 Subp. 31. **Plant capital needs.** "Plant capital needs"
30 means finances which relate to land, land improvement, building
31 and building equipment, and movable equipment. The annual
32 increment shall be reported as the annual straight-line
33 depreciation expenses on land, land improvements, buildings and
34 fixtures, building improvements, and fixed and movable equipment.

35 Subp. 31a. **Plant, equipment, and occupancy expenses.**
36 "Plant, equipment, and occupancy expenses" means all direct

1 costs associated with plant, equipment, and occupancy expenses,
2 including maintenance, repairs, and engineering expenses,
3 building rent and leases, equipment rent and leases, and
4 utilities. Plant, equipment, and occupancy expenses includes
5 interest expenses and depreciation.

6 Subp. 32. [See repealer.]

7 Subp. 32a. **Promotion and marketing expenses.** "Promotion
8 and marketing expenses" means all direct costs related to
9 marketing, promotion, and advertising activities such as
10 billboards, yellow page listings, cost of materials, advertising
11 agency fees, marketing representative wages and fringe benefits,
12 travel, and other expenses allocated to the promotion and
13 marketing activities. Promotion and marketing expenses does not
14 include costs charged to other departments within the hospital.

15 Subp. 32b. **Quality assurance expenses.** "Quality assurance
16 expenses" means all direct costs associated with any activities
17 or programs established for the purpose of quality of care
18 evaluation and utilization management. These costs may be
19 included in a specific quality assurance cost center or may need
20 to be reclassified from other cost centers, for example, medical
21 staff, medical records, or finance. Activities include quality
22 assurance, development of practice protocols, utilization
23 review, peer review, provider credentialing, and all other
24 medical care evaluation activities. Direct costs include wages
25 and benefits, supplies, purchased services, and other resources
26 used in performing these quality assurance activities.

27 Subp. 33. [See repealer.]

28 Subp. 34. [See repealer.]

29 Subp. 34a. **Regulatory and compliance reporting expenses.**
30 "Regulatory and compliance reporting expenses" means an estimate
31 of all direct costs of the facility associated with, or directly
32 incurred in the preparation and filing of financial,
33 statistical, or other utilization, satisfaction, or quality
34 reports, or summary plan descriptions that are required by
35 federal, state, and local agencies, or other third parties.
36 Direct costs include wages and benefits, professional fees,

1 supplies, purchased services, and the cost of other resources
2 used to fulfill these reporting requirements.

3 Subp. 35. **Research expenses.** "Research expenses" means
4 the costs incurred by a facility for research purposes.
5 Research means a systematic, intensive study directed toward a
6 better scientific knowledge of the science and art of
7 diagnosing, treating, curing, and preventing mental or physical
8 disease, injury, or deformity; relieving pain; and improving or
9 preserving health. Research may be conducted at a laboratory
10 bench without the use of patients or it may involve patients.
11 Furthermore, there may be research projects that involve both
12 laboratory bench research and patient care research.

13 Subp. 36. **Revenue or income.** "Revenue" or "income" means
14 the value of a facility's established charges for all facility
15 services rendered to patients less expected or incurred
16 contractual allowances, and discounts granted to patients or
17 insurers, prepayment plans, and self-insured groups.

18 Subp. 37. **Revenue center.** "Revenue center" means a
19 service center which incurs direct operating expenses and which
20 generates revenue from patients on the basis of charges
21 customarily made for services that center offers directly to
22 patients. Revenue centers may include the following service
23 centers of a facility:

24 A. Daily patient services (routine and special
25 services) including: adult services, pediatric services,
26 intensive care services, coronary care services, chemical
27 dependency services, mental health services, rehabilitation
28 services, neonatal services, and other services.

29 [For text of items B and C, see M.R.]

30 Subp. 38. **Service center.** "Service center" means an
31 organizational unit of a facility for which historical and
32 projected statistical and financial information relating to
33 revenues and expenses are accounted. A service center may be a
34 revenue center or a nonrevenue center.

35 [For text of subp 39, see M.R.]

36 Subp. 39a. **Taxes, fees, and assessments.** "Taxes, fees,

1 and assessments" means the direct payments made to government
2 agencies including property taxes; medical care surcharge;
3 MinnesotaCare tax; unrelated business income taxes; any
4 assessments imposed by local, state, or federal jurisdiction;
5 all fees associated with the facility's new or renewal
6 certification with state or federal regulatory agencies; and any
7 fees or fines paid to government agencies for examinations
8 related to regulation.

9 Subp. 40. **Third-party payers.** "Third-party payers" mean
10 insurance companies, health maintenance organizations licensed
11 under Minnesota Statutes, chapter 62D, nonprofit health service
12 plans, self-insured or self-funded plans, and governmental
13 insurance programs, including the health insurance programs
14 authorized by the United States Social Security Act, title V,
15 title XVIII, and title XIX.

16 4650.0104 SCOPE.

17 All acute care hospitals and freestanding outpatient
18 surgical centers licensed under Minnesota Statutes, sections
19 144.50 to 144.58 are subject to the Minnesota health care cost
20 information system established by parts 4650.0102 to 4650.0176.

21 Beds located in acute care hospitals, which are not
22 licensed as acute care beds under Minnesota Statutes, sections
23 144.50 to 144.58, are not subject to the Minnesota health care
24 cost information system. Where costs incurred through the
25 operation of these beds are commingled with the costs of
26 operation of acute care beds in a facility subject to the
27 system, associated revenue and expenses and other related data
28 must be separated in a manner consistent with the normal
29 requirements for allocation of costs as stated by Code of
30 Federal Regulations, title 20, section 405.453.

31 Citations of federal law or federal regulations
32 incorporated in parts 4650.0102 to 4650.0176 are for those laws
33 and regulations as amended.

34 4650.0108 REPORT REQUIREMENTS.

35 The system shall require an annual financial statement, a

1 Medicare cost report, a revenue and expense report, and rate
2 notification reports.

3 4650.0110 ANNUAL FINANCIAL STATEMENT.

4 Subpart 1. Reporting requirements. A facility shall
5 submit an annual financial statement to the system. This annual
6 financial statement must include a balance sheet, a statement of
7 income and expenses, a statement of changes in fund balances,
8 and a statement of cash flows and must meet the requirements of
9 subparts 2 to 5.

10 Subp. 2. Balance sheet. The balance sheet must include
11 information on:

12 A. Current assets, including: cash; marketable
13 securities; accounts and notes receivable; allowances for
14 uncollectible receivables and third party contractals;
15 receivables from third-party payers; pledges and other
16 receivables; due from other funds; inventory; and prepaid
17 expenses.

18 [For text of items B and C, see M.R.]

19 D. Current liabilities, including: notes and loans
20 payable; accounts payable; accrued compensation and related
21 liabilities; other accrued expenses; advances from third-party
22 payers; payable to third-party payers; due to other funds;
23 income taxes payable; and other current liabilities.

24 [For text of item E, see M.R.]

25 If a facility maintains a balance sheet which includes
26 information that differs from the information required for the
27 balance sheet under this subpart, the facility may substitute
28 its balance sheet. This balance sheet must include a narrative
29 description of the scope and type of differences between its
30 balance sheet and the balance sheet required under this subpart.

31 Subp. 3. Income and Expenses. The statement of income and
32 expenses must include:

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

34 C. reductions in gross revenues that result from
35 charity care, contractual adjustments, administrative and policy

1 adjustments, and other factors;

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

3 F. a statement of expenses by a natural
4 classification of expenses for the facility as a whole. The
5 natural classification of expenses may include such factors as:

6 (1) salaries and wages, including: management
7 and supervision; technicians and specialists; registered nurses;
8 licensed practical nurses; aides and orderlies; clerical and
9 other administrative employees; environment and food service
10 employees; physicians; nonphysician medical practitioners;
11 vacation, holiday, sick pay, and other nonworked compensation;

12 (2) employee benefits, including: FICA; state
13 and federal unemployment insurance; group health insurance;
14 pension and retirement; workers' compensation insurance; and
15 group life insurance;

16 (3) professional fees, medical, including:
17 physician's remuneration; and therapists and other
18 nonphysicians;

19 (4) other professional fees, including:
20 consulting and management services; legal services; auditing
21 services; and collection services;

22 (5) special departmental supplies and materials;

23 (6) general supplies, including: office and
24 administrative supplies; employee wearing apparel; instruments
25 and minor medical equipment which are nondepreciable; minor
26 equipment which is nondepreciable; and other supplies and
27 materials;

28 (7) purchased services, including: medical
29 purchased services; repairs and maintenance purchased services;
30 medical school contracts-purchased services; and other purchased
31 services; and

32 (8) other direct expenses, including: provision
33 for bad debts, depreciation, amortization, and rental or lease
34 expenses necessary to maintain an adequate plant capital fund,
35 under part 4650.2400; utilities-electricity; utilities-gas;
36 utilities-water; utilities-oil; other utilities;

1 insurance-professional liability; insurance-other; licenses and
2 taxes other than income taxes; telephone and telegraph; dues and
3 subscriptions; outside training sessions; travel; and other
4 direct expenses.

5 If a facility maintains accounts that include information
6 resulting in detailed statements of income and expenses which
7 differ from the information required for the statement of income
8 and expenses under this subpart, the facility may substitute its
9 statement of income and expenses. This statement must include a
10 narrative description of the scope and type of differences
11 between its statement of income and expenses and the statement
12 required under this subpart.

13 Subp. 4. **Notes and footnotes.** The annual financial
14 statement must include all notes and footnotes to:

- 15 (1) the balance sheet;
16 (2) the statement of income and expenses;
17 (3) the statement of cash flows; and
18 (4) the statement of changes in fund balances.

19 Subp. 5. **Attestation by public accountant.** The annual
20 financial statement must be accompanied with an attestation by a
21 qualified, independent public accountant that the contents of
22 the balance sheet and statement of income and expenses have been
23 audited.

24 Subp. 6. **Attestation by governing authority.** The annual
25 financial statement must be accompanied with an attestation by
26 the governing authority of the facility or its designee that the
27 contents of the report are true.

28 4650.0111 MEDICARE COST REPORT.

29 A facility shall submit to the system on an annual basis an
30 unaudited copy of the facility's cost report filed under United
31 States Social Security Act, title XVIII, stated in Code of
32 Federal Regulations, title 42, section 413.20, and the uniform
33 cost report required under United States Code, title 42, section
34 1320a. These cost reports must correspond to the same
35 accounting period as that used in the compilation of data for

1 other requirements for the annual financial statement. The
2 report must be accompanied by an attestation by the governing
3 authority of the facility or its designee that the contents of
4 the report are true.

5 4650.0112 REVENUE AND EXPENSE REPORT.

6 Subpart 1. Reporting requirements. A facility shall
7 submit a report of revenue and expense to the system on an
8 annual basis. This report must include statistical and
9 financial information for:

10 [For text of item A, see M.R.]

11 B. The facility's full accounting period during which
12 a facility files this report with the system. This period shall
13 be known as the current year. Information for at least the
14 first three months of the current year must be actual;
15 information for the remaining months of the current year must be
16 estimated based on budgeted information for this year.

17 Subp. 2. Statistical information. Statistical information
18 for the revenue and expense report must include:

19 A. the number of patient days for the facility, by
20 third-party payer, and for the daily patient services of each
21 revenue center;

22 B. the number of admissions for the facility, by
23 third-party payer, and for daily patient services of each
24 revenue center;

25 C. the total number of nonacute patient days for the
26 facility including swing bed days, nursery days, and nursing
27 home days;

28 D. the average number of full-time equivalent
29 employees for the facility for each service center, and for
30 employee classification;

31 E. the total number of nonacute admissions including
32 swing bed admissions and nursing home admissions;

33 F. the number of licensed beds, the number (the
34 statistical mean) of beds physically present, and the number
35 (the statistical mean) of setup beds for the facility and each

1 appropriate service center, excluding nursery bassinets;

2 G. the total number of births for the facility;

3 H. the total number of major surgical procedures and
4 ambulatory surgical procedures for the facility;

5 I. the number of outpatient visits for the facility,
6 including the number of emergency visits, outpatient department
7 visits, and same day surgery visits; and

8 J. the number of units of service provided by each of
9 the facility's other service centers. The facility shall select
10 the statistic that best measures the level of activity for a
11 particular function or service center and that, in addition, is
12 compiled on a routine basis by the facility to serve as the
13 appropriate unit of service for each of its service centers.

14 For example, although patient days might be used as the
15 unit of service for daily patient services, treatments,
16 procedures, visits, hours, or other statistics would be the
17 applicable measure of activity in other service centers.

18 Subp. 3. **Financial information.** Financial information for
19 the revenue and expense report must include:

20 A. a statement of expenses for the facility and for
21 each of its service centers and a statement according to natural
22 classifications of expenses as provided by part 4650.0110,
23 subpart 3, item F, the medical care surcharge amount paid by the
24 facility, and the MinnesotaCare tax paid by the facility;

25 B. a statement of management information systems
26 expenses and plant, equipment, and occupancy expenses. A
27 hospital licensed for 50 or more beds shall make percentage
28 allocations of management information systems expenses and
29 plant, equipment, and occupancy expenses ~~must-be-made~~ to each of
30 the support services functions listed in item C. A hospital
31 licensed for fewer than 50 beds shall estimate percentage
32 allocations of management information systems expenses and
33 plant, equipment, and occupancy expenses to total support
34 services;

35 C. a statement of total support services expenses for
36 the facility, ~~and~~. A hospital licensed for 50 or more beds

1 shall make a statement of expenses for each of the following
2 support services functions: admitting; patient billing and
3 collection; accounting and financial reporting; quality
4 assurance; community and wellness education; promotion and
5 marketing; research; education; taxes, fees, and assessments;
6 malpractice; and other support services. The **statement**
7 statements required by this item may be estimated from existing
8 accounting methods with allocation to specific categories based
9 on a written methodology that is available for review by the
10 commissioner and that is consistent with the methodology
11 described in this part;

12 D. an estimate of the cost of regulatory and
13 compliance reporting;

14 E. a statement of patient charges for the facility by
15 type of payer, including Medicare, medical assistance,
16 MinnesotaCare, health maintenance organizations, nonprofit
17 health service plans, insurance companies, and self-pay and by
18 inpatient or outpatient category;

19 F. a statement of revenue for the facility for each
20 of its service centers;

21 G. a statement of adjustments and uncollectibles for
22 the facility by type of payer, including Medicare, medical
23 assistance, MinnesotaCare, health maintenance organizations, and
24 for charity care, for Hill Burton Act care under United States
25 Code, title 42, section 291, et seq., and for other discounts,
26 and by inpatient or outpatient category;

27 H. a statement of other operating revenue including
28 revenue from research, education, donations, grants, and
29 government subsidies;

30 I. a statement of total operating revenue and
31 expenses and of income or loss from facility operations;

32 J. a statement of total direct and indirect costs for
33 the facility and for each of its service centers before and
34 after the allocation of expenses;

35 K. a statement of total direct and indirect costs for
36 the facility by type of payer, including Medicare, medical

1 assistance, and MinnesotaCare;

2 L. a statement of the gross and net receivables by
3 type of purchaser of services and a statement of the average
4 aggregate number of days' charges outstanding at the end of each
5 period;

6 M. a statement of the capital budget of the facility;
7 and

8 N. information on services provided at no charge or
9 for a reduced fee to patients unable to pay, and information on
10 other benefits provided to the community, including unpaid
11 public programs, nonbilled services, and other community
12 services.

13 Subp. 4. [See repealer.]

14 Subp. 5. **Accounts as substitute for revenue and expense**
15 **report.** If a facility maintains its accounts in a way that
16 results in detailed statements of income, expenses, and
17 statistics differing in form and content from those recommended
18 by parts 4650.0108 to 4650.0114 and 4650.0130, subpart 1, the
19 facility may substitute the information it has available.
20 However, in all such cases the facility shall submit a detailed
21 reconciliation of the differences between the two sets of
22 information and presentations in conjunction with the revenue
23 and expense report.

24 4650.0114 RATE NOTIFICATION REPORTS.

25 Subpart 1. **Reporting requirements.** A facility shall
26 submit a rate notification report if it wishes to amend or
27 modify the aggregate rates for the budget year stated in the
28 revenue and expense report then on file with the system. When
29 changes in the aggregate rates during the budget year are the
30 result of legislative policy and appropriations to facilities
31 subject to parts 4650.0102 to 4650.0176 and operated by the
32 commissioner of human services, a rate notification report is
33 not required.

34 Subp. 2. **Content of report.** The rate notification report
35 must include statistical and financial information for:

1 A. the period of the budget year immediately
2 preceding the effective date of amendments or modifications to
3 the aggregate rates for the budget year which are stated in the
4 revenue and expense report then on file with the system. Data
5 for this period must be actual for all expired months of the
6 budget year, but may be projected for the 60-day period
7 immediately preceding filing;

8 B. the period beginning on the effective date of
9 these amendments or modifications and ending at the end of the
10 last day of the budget year. Information for this period must
11 be projected on the basis of these aggregate rate amendments or
12 modifications;

13 C. the pricing policy of the facility which
14 incorporates the overall pricing policy and financial objectives
15 of the institution. This must be supplemented by a statement of
16 budgeted increases in charges, revenue, and aggregate rates for
17 the budget year including:

18 (1) dates on which gross patient revenue will be
19 adjusted;

20 (2) for each date, the resulting aggregate dollar
21 amount and weighted average percent of increase in budget year
22 aggregate rates and gross patient revenue for each revenue
23 center;

24 (3) for each date, the resulting aggregate dollar
25 and weighted average percent of increase in budget year total
26 facility gross revenues; and

27 (4) for each date, the resulting aggregate dollar
28 amount and percent of increase in the budget year aggregate rate.

29 Subp. 3. **Statistical information on report.** Statistical
30 information for each period established by subpart 2 for the
31 rate notification report must include that required of a
32 facility for the revenue and expense report under part
33 4650.0112, subparts 2 and 5. The information must be recorded
34 for each period stated by subpart 2. This information must show
35 any change in the budget year from the projected information
36 then on file with the system.

1 Subp. 4. **Financial information on report.** Financial
2 information for each period established by subpart 2 for the
3 rate notification report must include that required of a
4 facility for the revenue and expense report under part
5 4650.0112, subparts 3 and 5. The information must be recorded
6 for each period stated by subpart 2. This information must show
7 any change in the budget year from the projected information
8 then on file with the system.

9 [For text of subp 5, see M.R.]

10 4650.0130 PROVISIONS FOR FILING REPORTS.

11 [For text of subpart 1, see M.R.]

12 Subp. 2. **Filing reports.** Documents must be filed
13 personally or by the United States Postal Service with the
14 system during normal business hours. The system must indicate
15 on the report forms the address or addresses for filing reports.

16 [For text of subps 3 and 4, see M.R.]

17 4650.0132 FILING OF ANNUAL FINANCIAL STATEMENT.

18 Subpart 1. **Filing report.** All facilities described in
19 part 4650.0104 shall file a report of annual financial statement
20 as required by part 4650.0110 with the system within 120 days
21 after the close of that facility's full accounting period.

22 Subp. 2. **Failure to file.** Any facility which fails to
23 file the annual financial statement, and which has not requested
24 an extension of time under part 4650.0140 to file that report,
25 is in violation of parts 4650.0102 to 4650.0174, and may be
26 charged with a late fee under part 4650.0172.

27 4650.0133 FILING OF MEDICARE COST REPORT.

28 Subpart 1. **Filing report.** All facilities described in
29 part 4650.0104 shall file with the system at least annually a
30 Medicare cost report as required by part 4650.0111.

31 A. The unaudited Medicare cost report must be filed
32 no later than the time it is required to be filed with the
33 federal Medicare Fiscal Intermediary. The facility shall inform
34 the system of this date when filing other information required

1 by this report.

2 B. The audited Medicare cost report must be submitted
3 as soon as reasonable to substitute for the unaudited Medicare
4 cost report. The submission of an audited Medicare cost report
5 does not affect the official filing date of the Medicare cost
6 report.

7 Subp. 2. Failure to file. Any facility which fails to
8 file the Medicare cost report, and which has not requested an
9 extension of time under part 4650.0140, is in violation of parts
10 4650.0102 to 4650.0174, and may be charged with a late fee under
11 part 4650.0172.

12 4650.0134 FILING OF REVENUE AND EXPENSE REPORT.

13 Subpart 1. Filing report. All facilities described in
14 part 4650.0104 shall file a revenue and expense report, as
15 required by part 4650.0112, with the system within 150 days
16 after the close of that facility's full accounting period.

17 Subp. 2. Failure to file. Any facility which fails to
18 file a report of revenue and expense, and which has not
19 requested an extension of time under part 4650.0140 to file that
20 report, is in violation of parts 4650.0102 to 4650.0174, and may
21 be charged with a late fee under part 4650.0172.

22 A facility which fails to file a report of revenue and
23 expense, and which has requested an extension of time under part
24 4650.0140 to file that report, may be charged an additional late
25 fee as authorized by part 4650.0172.

26 4650.0136 FILING OF RATE NOTIFICATION REPORTS.

27 A facility shall file a rate notification report if:

28 [For text of item A, see M.R.]

29 B. these amendments or modifications were not
30 included in the report of revenue and expense then on file with
31 the system.

32 The rate notification report must be filed 60 days before
33 the effective date of the amendments or modifications.

34 4650.0150 COMPLETENESS.

1 Subpart 1. **Review by system.** The system shall review each
2 report required by parts 4650.0102 to 4650.0174 in order to
3 ascertain that the report is complete. A report is filed when
4 the system has ascertained that the report is complete.

5 "Complete" means that the report contains adequate data for the
6 system to begin its review in a form determined to be acceptable
7 by the system according to parts 4650.0110 to 4650.0114.

8 [For text of subps 2 and 3, see M.R.]

9 Subp. 4. [See repealer.]

10 Subp. 5. **Amending reports.** If a facility discovers any
11 error in its statements or calculations in any of its submitted
12 reports ascertained by the system to be complete, it shall
13 inform the system of the error and submit an amendment to a
14 report. In the case of a rate notification report or a revenue
15 and expense report, the submittal of an amended report by a
16 facility to the system shall not affect the date of filing,
17 provided the facility informs the system of any errors before
18 the system publishes the facility's financial information. An
19 amended revenue and expense report or rate notification report
20 not meeting the conditions established by this part must be
21 refiled as if it were a new report.

22 [For text of subp 6, see M.R.]

23 4650.0156 OPEN APPLICATION PERIOD.

24 A voluntary, nonprofit reporting organization may apply for
25 approval of its reporting and review procedures after January 1
26 and before March 31 of a fiscal year, for operation of the
27 Minnesota health care cost reporting system during the next
28 subsequent fiscal year.

29 4650.0158 CONTENTS OF APPLICATION.

30 An application for approval shall include:

31 A. general information about the applicant
32 organization, including: organization's name, address,
33 telephone number, contact person, proposed staff, and a detailed
34 description of its computing facilities;

35 B. a detailed statement of the type of reports and

1 administrative procedures proposed by the applicant which shall
2 demonstrate that, in all instances, the reports and procedures
3 are substantially equivalent to those established by the system,
4 pursuant to parts 4650.0108 to 4650.0114, and 4650.0130 to
5 4650.0150;

6 C. a statement that all reports determined to be
7 complete and information filed with the applicant from its
8 participating facilities will be available for inspection by the
9 commissioner of health and the public within five working days
10 after completeness of reports is proposed to be determined;

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

12 4650.0160 REVIEW OF APPLICATION.

13 Subpart 1. **Commissioner's decision.** By May 15 of each
14 year, the commissioner of health shall issue a decision
15 regarding an application from a voluntary, nonprofit reporting
16 organization that the procedures for reporting and review
17 proposed by the applicant are approved or disapproved. Approval
18 by the commissioner is effective immediately.

19 [For text of subps 2 and 3, see M.R.]

20 4650.0166 FEES.

21 Facilities whose reports are reviewed by the commissioner
22 of health as distinct from a voluntary, nonprofit reporting
23 organization shall submit filing fees with revenue and expense
24 reports and rate notification reports which are submitted to the
25 commissioner. These fees are based on the cost of report
26 reviews and the number of beds licensed as acute care beds in a
27 facility, pursuant to Minnesota Statutes, sections 144.50 to
28 144.58.

29 4650.0168 REVENUE AND EXPENSE REPORT FEE.

30 Whenever a facility submits a revenue and expense report to
31 the commissioner of health as distinct from a voluntary,
32 nonprofit reporting organization, it shall accompany this report
33 with a filing fee based upon the following schedules if the
34 report is timely:

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

2 4650.0170 RATE NOTIFICATION REPORT FEE.

3 Whenever a facility submits a rate notification report to
4 the commissioner of health as distinct from the voluntary,
5 nonprofit reporting organization, it shall accompany this report
6 with a filing fee. This fee shall be one-half of the revenue
7 and expense report fee, as established by part 4650.0168,
8 provided the report is timely.

9 4650.0172 TIMELY REPORT.

10 Subpart 1. **Late fee schedule.** "Timely" means that each
11 report has been submitted within the time prescribed by part
12 4650.0132, subpart 1, 4650.0133, subpart 1, 4650.0134, subpart
13 1, or 4650.0136, as appropriate; that an extension of these
14 reporting times, as permitted by part 4650.0140, has not been
15 necessary; and that the report has been determined to be
16 complete under part 4650.0150. If a report does not meet these
17 standards, the commissioner may require the submission of an
18 additional late fee according to the following late fee schedule.

19 [For text of subps 2 to 4, see M.R.]

20 4650.0174 SUSPENSION OF FEES.

21 The commissioner of health may suspend all or any portion
22 of the filing fees and late fees if a facility shows cause.
23 Cause may consider such factors as:

24 A. the inability of a facility to pay the fees
25 without directly affecting the aggregate rates;

26 [For text of items B and C, see M.R.]

27

28 INSTRUCTION TO REVISOR. The Revisor of Statutes shall
29 substitute the reference 4650.0174 for each reference to
30 4650.0176 where it occurs in Minnesota Rules.

31 REPEALER. Minnesota Rules, parts 4650.0102, subparts 5, 7, 8,
32 11, 12, 16, 20, 21, 23, 27, 28, 32, 33, and 34; 4650.0112,
33 subpart 4; 4650.0116; 4650.0118; 4650.0120; 4650.0122;
34 4650.0150, subpart 4; 4650.0152; and 4650.0176, are repealed.