

Snapshot of 12 State Hospital Financial Reporting Laws & Lessons Learned

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What is the primary purpose of reporting?

	Publish Data for Public Use	Support Agency Regulatory Duties	Broad Financial Concerns	Improve Population Health
Arizona*				
California	X		X	
Colorado		X		
Florida	X	X		
Georgia	X			
Indiana*				
Maine	X			X
Maryland	X	X		
Massachusetts			X	
Missouri*				
New Jersey	X		X	
Washington	X	X	X	

*Arizona, Indiana, and Missouri do not have a stated purpose for hospital financial reporting requirements in their statutes.

Reporting purpose: Key takeaways

State laws' explicit purposes for requiring hospital financial reporting vary

- Most common goals are to share information with the public about:
 - General hospital financial transparency and broad hospital financing concerns (not cost containment)
 - Specific service prices to encourage consumer shopping

Lesson: The intent of the laws drive their implementation, most financial reporting to date is not connected to cost containment.

Which types of hospitals must report?

	Acute Hospitals	Non-Acute Hospitals	Psychiatric Hospitals	Nursing Homes	Hospice Facilities	Intermediate Care Facilities
Arizona	X	X	X	X	X	
California	X	X	X	X	X	X
Colorado	X					
Florida	X	X	X	X	X	X
Georgia	X (nonprofit only)					
Indiana	X					
Maine	X					
Maryland*	X	X	X			
Massachusetts	X	X				
Missouri	X					
New Jersey	X	X**		X		
Washington	X		X			

*Maryland excludes government hospitals.

**New Jersey requires limited financial information from non-acute hospitals.

Required reporting by facility type: Key takeaways

Most states require financial reporting from acute care hospitals, fewer collect data from other types of medical facilities.

Lesson: Reporting from acute care hospitals is important, but does not capture the full picture of health system finances.

State disclosure requirements for standard reports

	Audited Financial Statement	Audited Financial Statement Consolidating Schedule	Medicare Cost Report	IRS Form 990	Chargemaster
Arizona	X	X	X		X
California					X
Colorado	X	X	X	X	
Florida	X	X			
Georgia	X	X		X	
Indiana	X		X		
Maine	X	X	X	X	
Maryland	X	X			
Massachusetts	X	X	X	X	X
Missouri*					
New Jersey	X			X	
Washington				X	

*Missouri does not require any of these “standard” reports, but instead requires other financial data determined by statute and agency rulemaking.

Supplemental reporting requirements

	Requires submission of financial and other data electronically in accordance with state-specific reporting manual requirements.	Requires submission of financial and other data but has not developed a detailed accounting and reporting manual.
Arizona		X
California	X	
Colorado		X
Florida	X	
Georgia		X
Indiana		X
Maine		X
Maryland	X	
Massachusetts	X	
Missouri		X
New Jersey		X
Washington	X	

Data elements reported: Key takeaways

- State laws vary in what data elements are required and how they are reported
 - Standard and supplemental data is required
 - Some states provide reporting manuals, some do not

Lessons:

- A lack of clear reporting templates/manuals can compromise the usefulness of the information received
- A lack of uniform instructions reduces the opportunity to track trends over time
- Some states require hospitals to submit [chargemasters](#) which are unlikely to be accurate reflections of actual hospital expenses

Disclosure: Who receives hospital data?

	Department of Health (No Specialized Division)	Specialized State Agency
Arizona	X	
California		X Office of Statewide Health Planning and Development
Colorado		X Department of Health Care Policy and Financing
Florida		X Agency for Health Care Administration
Georgia	X	
Indiana	X	
Maine		X Maine Health Data Organization and Department of Health and Human Services
Maryland		X Health Services Cost Review Commission
Massachusetts		X Center for Health Information and Analysis
Missouri	X	
New Jersey	X	
Washington State	X	

Analysis and public reporting: What happens with the data?

	Mandate for Agency to Collect Data	Mandate for Agency to Publicize Data	Mandate for Agency to Analyze Data (e.g., ratios, trends, etc.)	Agency Uses Data for Ad Hoc Analyses
Arizona	X	X		
California	X	X	X	
Colorado	X	X		
Florida	X	X	X	
Georgia*		X		
Indiana	X	X		
Maine	X	X	X	X
Maryland	X	X	X	X
Massachusetts	X	X	X	X
Missouri	X			X
New Jersey*	X	X	X	X
Washington State	X	X	X	

* Georgia and New Jersey require that identified data be posted on individual hospital websites (or linked via a hospital website to specific report) and on a state agency website. Georgia does not require direct submission of data to the state or any analysis/synthesis of the data by the state agency.

Collection and analysis: Key takeaways

The state office responsible for collecting and analyzing hospitals' financial data matters.

- Its scope of authority and focus on targeted objectives vs. overarching cost containment efforts affects how a state will use the data

Lesson: Identify or create a state office with explicit charge for understanding health system costs to collect, analyze, and coordinate the sharing of data.

Timeline: When do hospitals report?

	Days after Fiscal Year Close					Specific Date
	Beginning of FY	90 – 100	120	150	180	
Arizona				X		
California			X			
Colorado			X			
Florida			X			
Georgia						X (July 1)
Indiana			X			
Maine					X	
Maryland**		X	X			
Massachusetts*	X (charge book)	X (audited financial statements)		X (Medicare cost report and state-specific report)		
Missouri						X (April 15)
New Jersey*					X	
Washington			X			X (IRS Form 990 – May 15 or 135 days after the fiscal year closes)

*In addition to year-end reports, the following states require more frequent reports: Maryland (unaudited monthly data within 30 days), Massachusetts (charge book within 30 days following each quarter when charges are revised), New Jersey (unaudited monthly data and cumulative unaudited quarterly financial statements 45 days after the end of the quarter), and Washington State (unaudited quarterly financial and utilization data 45 days after end of quarter).

+ Maryland's statute requires annual files 90 days after year's end, but all hospitals are granted an automatic 30-day extension, leading to reports being due 120 days after the end of the hospital's fiscal year.

Enforcement: What are the penalties for noncompliance?

	Civil Penalty with Fine	Disqualification from State Programs (Medicaid)	Injunctive Relief	No Clear Penalty
Arizona	X (up to \$300/violation)			
California	X (\$100/day for delays or up to \$5,000)			
Colorado				X
Florida	X (up to \$1,000/day)			
Georgia		X		
Indiana			X	
Maine	X (\$100 - \$500/day up to \$25,000)			
Maryland	X (up to \$1,000/day)			
Massachusetts	X (\$1,000/week up to \$50,000/year)			
Missouri		X		
New Jersey	X (\$50 - \$1,000)			
Washington State	X (up to \$1,000/day)	X (May lose Medicaid Quality Incentive Payment for non-reporting) ⁺		

+ SB 5185 enacted in 2017, amended RCW 74.60.020(4)(f) to make Medicaid Quality Incentive funds contingent upon “substantial compliance” with financial reporting to its Department of Health.

Overall Lessons

Fully addressing state health system cost containment efforts requires financial data from across health system facilities and state laws that:

- Meet an explicit cost reduction/containment purpose;
- Provide precise data elements with information to develop actionable strategies;
- Include clear, uniform instructions that result in consistent, comparable data that can be used to chart overall trends;
- Identify a state office responsible for receiving, analyzing, and sharing data with other state agencies and the public; and
- Include penalties for noncompliance to ensure timely and accurate delivery of data

NASHP is developing a model law and data template that states can adapt, which will be available soon!