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Department of Health and Mental Hygiene



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**Health Services Cost Review Commission**

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To: Chief Financial Officers of all Hospitals December 31, 2015  
Fiscal Years

From: Dennis N. Phelps  
Associate Director- Audit & Compliance

Date: February 5, 2016

RE: HSCRC Annual Filing

The due date for filing the HSCRC Annual report of Revenue and Volume (Annual Report) is once again approaching. Please note the following important elements of the Annual Report:

A. Due Date

The HSCRC Annual Report is required to be submitted to the Commission within 120 days after the end of each hospital's fiscal year. The due date for this year's submission for hospitals with December 31<sup>st</sup> year ends are May 2, 2016. There is no 7 day grace period. Any hospital that cannot meet its deadline must submit a written request for an extension to Donna Kinzer, Executive Director of the HSCRC, prior to the deadline, outlining the reasons for the extension request.

- Ensure that a copy of the hospital's credit and collection policy is submitted with the Annual Report and sent to the Commission by the due date.
- An electronic version of the Annual Report must be submitted in addition to 2 paper copies.
- Ensure that electronic filing of the Annual Report has been reconciled to paper copy. Electronic and paper copies that differ will be considered substantially inaccurate and subject to a \$1,000 per day fine.
- Any revisions to the Annual Report must be made to both the paper and electronic version. Please submit 2 paper copies of any revisions marked "Revised" with the date the revision was made and the changes highlighted. The revised electronic submission should also yellow highlight the revised entries.

- Schedules UCS, RVC, ORS, CFA, H4A and GR will not be required to be submitted with this year's Annual Report. They should be marked "N/A" on the Annual report check-off sheet.
- The attached Gross Patient Revenue Reconciliation Supplemental Schedule should be submitted with your Annual Report.
- The attached Reporting Schedule and Desk Audit should be utilized before your Annual Report is submitted.

If you have any questions on the annual submission, please call Chris Konsowski at (410)-764-2579.

## GROSS PATIENT REVENUE RECONCILIATION SCHEDULE

### Overview

In order to monitor compliance with the new Medicare All-Payer Model, each hospital is required to submit gross patient revenue data (GPR) on a monthly basis split between in-state, out-of-state as well as Medicare GPR split between Medicare Fee-for-Service (FFS) and Medicare non-FFS. The purpose of this Schedule is to ensure that the split of the Total GPR into in-state and out-of-state and the split of the Medicare data into FFS and non-FFS reported in the Monthly Reports agree with the hospital's records, and that the Total GPR reported on the Monthly Reports agrees with the Total GPR on Schedule RE of the Annual Submission of Revenues, Expenses and Volumes.

Your hospital's annual gross patient revenue should be reconciled to the Annual Report Schedule RE.

### Detailed Instructions

#### Heading Section

##### Institution Name Line

Enter on this line the complete name of the reporting hospital.

##### Institution Number Line

Enter on this line the Hospital Identification Number as reported in Appendix B of the HSCRC Accounting and Budget Manual.

##### Base Year

Enter on this line the period for which the data are reported.

#### Reporting Section

##### Line 1- Total In-State Revenue

###### Column 1

Enter on this line, the total annual in-state inpatient revenue.

###### Column 2

Enter on this line the total annual in-state outpatient revenue.

###### Column 3

Enter on this line the sum of column 1, total annual in-state inpatient revenue and column 2, total annual in-state outpatient revenue.

##### Line 2- Total Out-State Revenue

###### Column 1

Enter on this line, the total annual out-state inpatient revenue.

###### Column 2

Enter on this line the total annual out-state outpatient revenue.

Column 3

Enter on this line the sum of column 1, total annual inpatient revenue, and column 2, total annual outpatient revenue.

Line 3- Total Gross Patient Revenue

Column 1

Enter on this line the sum of Line 1, total annual in-state inpatient revenue and Line 2, total annual out-state inpatient revenue

Column 2

Enter on this line the sum of line 1, total annual in-state outpatient revenue and Line 2, total annual out-state outpatient revenue.

Column 3

Enter on this line the sum of Line 1, total annual in-state revenue and Line 2, total annual out-state revenue.

Line 4- Medicare FFS Revenue

Column 1

Enter on this line the Medicare FFS total annual in-state inpatient revenue.

Column 2

Enter on this line the Medicare FFS total annual out-state inpatient revenue.

Column 3

Enter on this line the Medicare FFS total annual in-state outpatient revenue.

Column 4

Enter on this line the Medicare FFS total annual out-state outpatient revenue.

Column 5

Enter on this line the sum of column 1, Medicare FFS in-state inpatient revenue, column 2, Medicare FFS out-state inpatient revenue, column 3, Medicare FFS in-state outpatient revenue and column 4, Medicare FFS out-state outpatient revenue.

Line 5- Medicare Non-FFS Revenue

Column 1

Enter on this line the Medicare Non-FFS total annual in-state inpatient revenue.

Column 2

Enter on this line the Medicare Non-FFS total annual out-state inpatient revenue.

Column 3

Enter on this line the Medicare Non-FFS total annual in-state outpatient revenue.

Column 4

Enter on this line the Medicare Non-FFS total annual out-state outpatient revenue.

**Column 5**

Enter on this line the sum of column 1, total annual Medicare Non-FFS in-state inpatient revenue, column 2, total annual Medicare Non-FFS out-state inpatient revenue, column 3, total annual Medicare Non-FFS in-state outpatient revenue and column 4, total annual Medicare Non-FFS out-state outpatient revenue.

**Line 6- Total Medicare Revenue**

**Column 1**

Enter on this line the sum of Line 4, total annual Medicare FFS in-state inpatient revenue and Line 5, total annual Medicare Non-FFS in-state inpatient revenue.

**Column 2**

Enter on this line the sum of Line 4, total annual Medicare FFS out-state inpatient revenue and Line 5, total annual Medicare Non-FFS out-state inpatient revenue.

**Column 3**

Enter on this line the sum of Line 4, total annual Medicare FFS in-state outpatient revenue and Line 5 total annual Medicare Non-FFS in-state outpatient revenue.

**Column 4**

Enter on this line the sum of Line 4, total annual Medicare FFS out-sate outpatient revenue and Line 5 total annual Medicare Non-FFS out-state outpatient revenue.

**Column 5**

Enter on this line the sum of Line 4, total annual Medicare FFS revenue and Line 5, total annual Medicare Non-FFS revenue.

**SUPPLEMENTAL SCHEDULE  
GROSS PATIENT REVENUE RECONCILIATION  
SCHEDULE**

INSTITUTION NAME \_\_\_\_\_ BASE YEAR \_\_\_\_\_  
 INSTITUTION NUMBER \_\_\_\_\_

**Section I  
TOTAL GROSS PATIENT REVENUE**

Line #	Col 1 Inpatient	Col 2 Outpatient	Col 3 Total
1	Total In-State Revenue		
2	Total Out-State Revenue		
3	Total Gross Patient Revenue		

**Section II  
TOTAL MEDICARE/NON-FFS Revenue**

	Col 1 In-State I/P Revenue	Col 2 Out-State I/P Revenue	Col 3 In-State O/P Revenue	Col 4 Out-State O/P Revenue	Col 5 Total Revenue
4	Medicare FFS Revenue				
5	Non-FFS Revenue				
6	Total Revenue				

**SECTION 600**  
**REPORTING SCHEDULE FOR ANNUAL REPORT**  
**OF REVENUE AND EXPENSES AND VOLUMES**

TABLE OF CONTENTS NOT  
SUBMITTING APPLICABLE

SCHEDULES VIA, VIB, VIC, VID-INPATIENT AND PATIENT DAYS		
SCHEDULES V2A, V2B, - OUTPATIENT VISITS		
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SCHEDULES E1 TO E9-AUXILIARY ENTERPRISES		
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SCHEDULE RC - RECONCILIATION OF BASE YR & BUDGET YR EXPENSES TO SCHEDULE RE		
SCHEDULE RE - STATEMENT OF REVENUE AND EXPENSES		
SCHEDULE RE-R - RECONCILIATION OF THE AUDITED FINANCIALS TO RE SCHEDULE		
SCHEDULE AHA-R - RECONCILIATION OF FINANCIAL STATEMENTS TO AHA SUBMISSION		
SCHEDULES J1, J2-OVERHEAD EXPENSE APPORTIONMENT		
SCHEDULES J3, J4-OVERHEAD EXPENSE APPORTIONMENT (PSYCH HOSPITALS)		
SCHEDULES JS1, JS2-OVERHEAD STATISTICAL APPORTIONMENT		
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SCHEDULE UR1 TO UR9 - UNREGUALTED SERVICES		
SCHEDULE URS - UNREGULATED SERVICES SUMMARY		
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SCHEDULE TRE-TRANSACTIONS WITH RELATED ENTITIES		
SCHEDULE D21A - OUTPATIENT SURGERY PROCEDURE BASED		
SCHEDULE SB - SUPPLEMENTAL BIRTHS		
SCHEDULE SBCI, SBCII - STANDBY COSTS-TRAUMA PHYSICIANS		
SCHEDULE MTC - MIEMMS REGULATORY TRAUMA COST SUMMARY		
SCHEDULES MTC-A TO MTC-F - REGULATORY TRAUMA COSTS		
SUPPLEMENTAL SCHEDULE 1 -SUMMARY OF OTHER & NON-OPERATING REVENUE (RE)		
SUPPLEMENTAL SCHEDULE 2 - RECONCILIATION OF DEPRECIATION & LEASE/RENTALS (UA)		
SUPPLEMENTAL SCHEDULE 3 - RECONCILIATION OF UCC (PDA)		
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SUPPLEMENTAL SCHEDULE 5 - SUPPLEMENT TO FS AND RE SCHEDULES TO DISCLOSE NON-OPERATING REVENUE AND EXPENSE (RE)		
SUPPLEMENTAL SCHEDULES 6 - STANDBY COSTS (SBC-I & SBC-II)		

\*I HEREBY CERTIFY THAT I HAVE REVIEWED THIS LIST OF ANNUAL REPORT SCHEDULES AND AM SUBMITTING ALL SCHEDULE APPLICABLE TO \_\_\_\_\_ HOSPITAL.

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

Health Services Cost Review Commission  
Desk Audit Program  
Annual Report Submissions  
Effective For Hospital Annual Filings and  
Rate Realignment Submissions

Hospital Name: \_\_\_\_\_  
Hospital Number: \_\_\_\_\_  
Fiscal Year Ending: \_\_\_\_\_  
Date Completed: \_\_\_\_\_

This desk review audit is designed to accomplish the following:

- Verify the accuracy of the submitted base year expenses to Schedule RE and reconciliation of Schedule RE to the hospital's financial statements.
- Reconcile the monthly volume reports to the Annual Filing.
- A review of the special audit performed by the hospital's independent accountants.
- Preparation of an audit report highlighting problems incurred during the desk audit and recommendations on how to correct problems found.

The "Desk Audit" program consists of the following individual steps:

- Annual Filing to be submitted to the HSCRC
- Procedures for handling received annual rate reviews
- Review of computerized desk audit program error printouts
- Manual checks to be performed on the Annual Filing
- Reconciliation of revenue and statistics between the quarterly revenue of rate realignment schedules
- Manual review of rate realignment schedules
- Review of the HSCRC special audit report
- Summary



Health Services Cost Review Commission  
Desk Audit Program  
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I. Annual Reports to be submitted to the HSCRC

The following reports will be received from each hospital:

- Two (2) copies of the Annual Filing
- Two (2) copies of the audited financial statements
- One (1) copy of the special audit report due twenty (20) days after Annual Filing submitted

II. Procedures for handling received Annual Filing:

The commission's statistical clerk will maintain a control log of all required reports and will distribute the reports in the following manner.

- One (1) copy of the Annual Filing and hospital's financial statement to the "Public Reading File".
- One (1) copy of the Annual Filing, financial statement and special audit report to the "Master File".

**If any of the above schedules have not been submitted immediately contact the appropriate hospital personnel.**

Review the heading section on all submitted forms as follows:

- Verify the hospital name, number, and fiscal year dates are properly completed on all submitted schedules. (Note: Hospital number is found in Appendix B of the HSCRC Accounting and Budget Manual).
- Verify that for Schedule V1A thru V3D, J1 & J2 and M & MA that no changes have been made to the column service headings and department abbreviations.

Review all schedules to determine that the following guidelines have been followed:

- All statistics reported on schedules V1A thru V3D, JS1, JS2, H3A and M are reported in whole numbers.
- Insure that all expenses and FTEs reported are rounded to one (1) decimal place. (Ex. 362.5)

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Review the following schedules for the following common errors or omissions:

**Table of Context**

- Attestation from CFO

**Schedule V1**

- For each cost revenue line with statistics reported on Col. 2, Col. 1 must also be completed.
- For each revenue cost line where data is reported, Col. 5 must be completed.
- For each revenue cost center where data is reported, Col. 6 must be completed to three (3) decimal places.
- Trace total day statistics per Schedule V1, Col. 2 to the patient days statistics on Schedule D, Col. 1, lines D1 thru D14.

**Schedule V3**

- Trace base units reported in Col. 3 to their corresponding line on Schedule D, Col. 1.

**Schedule V5**

- Col.2 must be completed.
- On Schedule V2 & V5, Clinic should be reported in visits.

**Schedule OADP**

- Trace amounts per Col. 8 to their corresponding Schedule C, Col. 6, Lines C1 thru C15; Schedule D, Col. 6, Lines D1 thru D81; Schedule E1 thru E6, Col. 2; Schedule F1 thru F4 ; Schedules P2A thru P51 and Schedule UR1 thru UR6.
- Trace Col. 1 (FTE) to Schedule C, Col. 8, lines C1 thru C14 and to Schedule D, lines D1 thru D81, Col.9.

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**Schedule UA**

- Insure that UA Col. 5 & 6, Line C equals Schedule RE, Col. 1, Line Q.
- The depreciation/amortization & leases/rental expense should agree on both schedules. (UA Schedule - Line A, RE Schedule - Line Q)
- Insure that UA Col. 6, Line C equals Schedule H4, Col. 3, Line B. Col. 1, Line C, Malpractice, should be completed.
- Trace to Line Q, Supplemental Schedule 2 should detail Line A & Line Q

**Schedule P1A**

- Trace amounts per Col. 4 to their corresponding Schedule D, Col. 3 amounts. (If P1A is not found, see Physician Support Services on Schedule RC. If there is no total found this page should not be flagged as an error. )

**C Schedules**

- Col. 8 must be completed to five (5) decimal places. (\$485 as .00485)
- Col. 9 must be completed if Col. 2 is completed.
- Insure that Square Feet (volume data) reported on C5 (Plant Operations) and C6 (Housekeeping) are not the same. Plant Operations square feet is gross square feet and Housekeeping is net square feet.
- Trace the base unit amounts per Sch. C, Lines C1 thru C14 to their corresponding base unit amount on schedule JS1 & JS2.

**D Schedules**

- Col. 8 must be completed to five (5) decimal places. (\$485 as .00485)
- Col. 9 must be completed if Col. 2 & 3 are completed.
- Col. 5 must be completed if either Col. 1, 2, 3, or 4 is completed.
- Trace Col. 6 to the corresponding lines on Schedule OADP, Col. 8.
- MSS (D26) and CDS (D27), Col. 1 units should be carried over to V5, Line S (EIPA).

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**E & F Schedules**

- Column 3 must be completed.

**Schedule RC**

- Trace Unassigned Expenses (UA) on Line A, Col. 3 to Schedule UA, Line A, Col. 10.
- Trace Physicians Part B Service expenses on Line B, Col. 1 to Schedule P2, Line A, Col. 7.
- Trace Physician Support Services expenses on Line C, Col. 1 to Schedule P3, Line A, Col. 7.
- Trace Resident, Intern Services expenses on Line D, Col. 1 to Schedule P4 & P5, Line D, Col. 7.
- Trace Overhead Expenses on Line E, Col.3 to Schedule OES, Line P, Col. 1.
- Trace Patient Care Centers base year expenses to Schedule D, Col. 5, Lines D1 thru D81. (Add all D lines to get total)
- Trace Auxiliary base year expenses on Line G, Col. 3 to E Schedules, Line B, Col. 3.
- Trace Other Institution Programs base year expenses on Line H, Col. 3 to F Schedules, Line B, Col. 3.
- Trace Unregulated Services base year expenses on Line I, Col. 2 to Schedule UR1 thru UR15, Line B, Col. 3. (By adding totals excluding UR6 – Physicians Part B)
- Trace total operating expenses on Line M, Col. 3 to Schedule RE, Line S, Col. 3.
- Trace Non-operating expenses from Line N, Col. 3 to Schedule RE, Line V, Col. 3.

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**Schedule RE**

- Both Col. 1 & 2 must be completed.
- Line Z (Working Capital Ratio) must be completed.
- RE Col. 1, Lines A & C should equal Schedule V5, Col. 1, Line A. Inpatient revenue should agree on these schedules.
- RE Col. 1, Lines B & D should equal Schedule V5, Col. 1, Line H. Outpatient revenue should agree on these schedules.
- Compare amounts on AHA-R, Col. 1, Lines A, C, E, G, H, I, J, K & L with the corresponding lines on Schedule RE.
- Insure that Gross Revenue on Line E, Col. 1 agrees with Schedule PDA, Line A, Col. 3.
- Insure that Bad Debts/Uncompensated Care on Line F & G, Col. 1 agrees with Schedule PDA, Line G, Col. 3.

**Schedule JS1 and JS2**

- Col. 5 for ADM should be Schedule C3, SSS Total Expense Col. 7, for MSS should be Schedule C7, CSS Total Expense Col. 7; and for CDS should be Schedule C8, PHM Col. 7.
- Col.10 Lines MSS 56 & CDS 57 are calculated by adding Cols. 7 thru 11.

**Schedule J1 and J2**

- Schedule J1 – Line A, Columns 1 through 6, 11 and 12 Trace to applicable Schedule C, Column 7
- Schedule J1 – Line A Total of Column 8, AA and 9 should equal the total of the applicable schedule Cs, Column 7.

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**Schedule H1 thru H4**

- Schedule H1, Col. 10 must be completed.
- Schedule H1, Col. 10, Line B & C (principal and interest) should equal H4, Col. 1, Line A (debt service).
- Schedule H1, Col.10, Line D should equal Schedule H4, Col. 1, Line B.
- The rental & leases should equal.

**Schedule PDA**

- Schedule PDA needs a supplemental schedule if information is shown on Line E. (Detail of MCO Revenue)

**Schedule M and MA**

- Schedule M, Col.1 (OFC Direct) Total Direct Offsets to rates are limited to the amount of the Direct Offsets approved by the Commission in the hospital's most recent full rate setting. Approval Direct Offsets are rare.
- Schedule MA, Col.2, (Percentage Offsets) should be the result of multiplying the Other Financial Considerations percentage from Schedule G (Other Financial Considerations) Line S, Column 3 by the Level II Costs Schedule M, Column 11.

**Schedule OES**

- Trace General Service Centers, Col.3 to the C Schedules, Col. 3, Lines C1 thru C14.
- Trace Data Processing Expense (Line O) to Schedule OADP, Col.4, Line C1.

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**ACS Schedule**

- Insure that Column 1, Line U (total costs) agrees with Schedule RE, Col. 1, Line S (expenses- HSCRC regulated).
- If “Other” expense (Line T) is 20% or more than the Medical & Surgical Supplies (Line E) then the hospital needs to submit detail documentation to support the “Other” expense.