Office of Health Care Access
FY 2010 Annual Reporting
General Instructions

General Filing Requirements:

Each hospital licensed as an acute care general or children's hospital shall submit to the Office of Health Care Access (OHCA) the reporting requirements for the FY 2010 Annual Reporting in accordance with Sections 19a-644 and 19a-649 of the Connecticut General Statutes (C.G.S.) and Section 19a-643-206 (b) of OHCA's Regulations. Waivers related to hospital affiliate filing requirements must be requested by no later than **Monday, February 21, 2011**, pursuant to Section 19a-643-206 (d) of OHCA's Regulations, as described in ***Attachment A*.** The FY 2010 Annual Reporting General Instructions have been updated from prior years' annual reporting general instructions and replace all previous versions.

The FY 2010 Annual Reporting requirements will be met by completing the input forms and related reports within the Hospital Reporting System (HRS) and filing in hard copy and/or as PDF files in Adobe Acrobat all other related documents. **All components of the hospital's FY 2010 Annual Reporting must be received by OHCA by no later than Monday, February 28, 2011.**

The hospital must submit an original document and one copy of all required hard copy (non-database) documents to OHCA. For Annual Reporting definitions, please see *Attachment B.*

Noted below is a list of the non-HRS related items that the hospital must provide to complete the 2010 Annual Reporting Filing along with the method of submitting *(hard copy or PDF files in Adobe Acrobat)* as required by OHCA. **Please submit all required electronic files on a CD ROM.**

- A **notarized Annual Reporting Filing Affidavit** signed and dated by the hospital's CEO or CFO *(hard copy)*;
- A **notarized No Audited Financial Statement Affidavit** for the hospital and parent corporation, if required *(hard copy)*;
- **Audited Financial Statements** - All FY 2010 general purpose Audited Financial Statements prepared by the hospital's Independent Accountants which contain an unqualified opinion *(original hard copies and PDF files in Adobe Acrobat)*;
- **FY 2010 Medicare Cost Report** - The hospital's, as filed, FY 2010 Medicare Cost Report and any prior years final and audited reports not previously submitted to OHCA. Please name the Medicare Cost Report file using a name from the table on page 2, followed by the status of the filing. For example, 2010_BCKUS_initial or 2005_YNHAV_audited. *(PDF files in Adobe Acrobat)*;
- **Legal chart of corporate structure** - The hospital's and parent corporation's most recent legal chart of corporate structure *(hard copy)*;

- **Officers and directors** - Separate current lists of officers and directors including each specific job title, for the hospital, its affiliates and its parent corporation as of February 28, 2011, *(hard copy and PDF files in Adobe Acrobat)*;
- **CHIME Hospital Utilization Reports** – *(PDF files in Adobe Acrobat)*;
- **Uncompensated care policies and procedures** - The hospital's uncompensated care policies and procedures that include a patient sliding fee scale and/or federal poverty income guidelines percentage, *(hard copy and PDF files in Adobe Acrobat)*;
- **Variance Explanations** - An explanation of variances for HRS Report 23 for each difference between the FY 2009 and FY 2010 amounts which result in a % greater than plus or minus 25% in the % Difference Column. Provide the variance explanations on a hard copy of the Excel report next to the line number. The hospital only needs to provide variance explanations for input amounts and won't be required to provide variance explanations for amounts that are calculated. *Please be thorough with your explanations to avoid the need for follow up completeness questions from OHCA staff even if this includes describing a group of variances in a paragraph. (hard copy and PDF files in Adobe Acrobat)*; and
- Any miscellaneous supporting documents *(hard copy)*.

FY 2010 Annual Reporting Docket Numbers

MCR Name	*Hospital*	*Docket Number*
2010-BCKUS	William W. Backus Hospital	10-001AR
2010-BRGPT	Bridgeport Hospital	10-023AR
2010-BRSTL	Bristol Hospital	10-002AR
2010-CTCMC	Connecticut Children's Medical Center	10-025AR
2010-DANBY	Danbury Hospital	10-024AR
2010-DAYKM	Day Kimball Hospital	10-003AR
2010-ESSSN	Essent-Sharon Hospital	10-033AR
2010-DMPSY	John Dempsey Hospital	10-026AR
2010-GRENH	Greenwich Hospital	10-027AR
2010-GRIFN	Griffin Hospital	10-028AR
2010-HARTF	Hartford Hospital	10-005AR
2010-HOCCT	Hospital of Central Connecticut	10-015AR
2010-HGRFD	Charlotte Hungerford Hospital	10-007AR
2010-JNSON	Johnson Memorial Hospital	10-029AR
2010-LAMEM	Lawrence & Memorial Hospital	10-008AR
2010-MANCH	Manchester Memorial Hospital	10-010AR
2010-MIDSX	Middlesex Hospital	10-012AR
2010-MIDST	MidState Medical Center	10-030AR
2010-MILFD	Milford Hospital	10-013AR
2010-NMILF	New Milford Hospital	10-017AR
2010-NRWLK	Norwalk Hospital	10-031AR
2010-RKVLE	Rockville General Hospital	10-032AR
2010-SAFNS	Saint Francis Hospital and Medical Center	10-018AR
2010-SAMRY	St. Mary's Hospital	10-019AR
2010-SARPH	Hospital of Saint Raphael	10-020AR
2010-SAVCT	St. Vincent's Medical Center	10-035AR
2010-STMFD	Stamford Hospital	10-034AR
2010-WATBY	Waterbury Hospital	10-021AR
2010-WNDHM	Windham Community Memorial Hospital	10-022AR
2010-YNHAV	Yale-New Haven Hospital	10-016AR

The FY 2010 Annual Reporting requirements include the following components:

1. Report 1 - FY 2010 Audited Financial Statements

Audited Financial Statements (AFS) that are final versions (not draft versions) and that are general purpose financial statements with all related schedules and notes, which express the unqualified opinion of an independent certified public accounting firm for the most recently completed fiscal year. The AFS should be for the hospital, each of its affiliates or related corporations except for those affiliates that did not prepare financial statements that were audited because they were inactive or that had an immaterial amount of total assets in relationship to the hospital or the hospital's parent corporation. Please note the following filing requirements:

- An original and one copy of the documents prepared and delivered by an independent certified public accounting firm in hard copy and also PDF files in Adobe Acrobat for all AFS submitted.
- For hospitals with subsidiaries, the hospital is required to submit audited consolidated financial statements for the hospital and consolidating financial statements that at a minimum contain a balance sheet and statement of operations, and that provide a breakout of the hospital's and each subsidiary's numbers with a Report of Independent Accountants on Other Financial Information.
- OHCA's definition of affiliate includes parent corporations as defined in Section 19a-644 (b), C.G.S. and Section 19a-643-201 (b) (1) of OHCA's Regulations. For hospitals with parent corporations, the hospital is also required to submit audited consolidated financial statements for its parent corporation and consolidating financial statements that at a minimum contain a balance sheet and statement of operations, and that provide a breakout of the hospital's and each affiliate's numbers with a Report of Independent Accountants on Other Financial Information.
- A note in the hospital's audited financial statements must identify individual amounts for the hospital's Gross Patient Revenue, Allowances, Charity Care and Net Patient Revenue. If the audited financial statements report only a combined total amount for Allowances and Charity Care, a separate amount for Charity Care must still be identified by the independent accountants.
- The hospital must submit a signed, dated and notarized affidavit concerning any hospital subsidiaries or related corporations under the hospital's control (see Report 3) for which no audited financial statements exist because in FY 2010 these entities were either inactive or had an immaterial amount of total assets. A copy of the original affidavit must also be submitted.
- The hospital's parent corporation must submit a signed, dated and notarized affidavit concerning any hospital affiliates, affiliate subsidiaries or related corporations under the hospital parent corporation's control (see Report 3) for which no audited financial statements exist because in FY 2010 these entities were either inactive or had an immaterial amount of total assets. A copy of the original affidavit must also be submitted.

- If the prior year's numbers have been restated by a material amount, please indicate the amounts and provide a description of why the amounts have been restated in your cover letter.

2. Report 2 - FY 2010 Medicare Cost Report

The Medicare Cost Report, as filed, for the most recently completed fiscal year, and any final audited Medicare Cost Reports for prior years that were not previously submitted to OHCA.

The "As Filed" FY 2010 Medicare Cost Report must be submitted to OHCA as a PDF file in Adobe Acrobat on a CD ROM. Final and audited Medicare Cost Reports not previously submitted for prior years should also be submitted as PDF files in Adobe Acrobat on a CD ROM.

3. **Report 3 - Most Recent Legal Chart of Corporate Structure**

The most recent legal chart of corporate structure including the hospital, each of its affiliates and subsidiaries and its parent corporation for the most recently completed fiscal year.

Identify all hospital affiliates or related corporations as defined in Section 19a-643-201 (b) (1) and (54) of OHCA's Regulations. Include new or inactive hospital affiliates or subsidiaries that were not legally dissolved as of September 30, 2010 on the legal chart. Do not include hospital affiliates and subsidiaries that were legally dissolved as of September 30, 2010 on the legal chart. *Inactive affiliates and related corporations must be labeled as such.*

The hospital **affiliates reported on HRS Report 3 must agree with Report 20.** Please shade all entities that do not have not-for-profit status issued from the Internal Revenue Service.

4. **Report 4 - Current Lists of Officers and Directors**

Separate current lists of officers and directors for the hospital, each of its affiliates and related corporations and its parent corporation.

These lists should be as of February 28, 2011, and include titles (i.e. Chairman, President, Secretary). Inactive affiliates and related corporations that have no current officers and directors must be labeled as such. Please check the current lists of officers and directors to be submitted to Report 3.

5. **Report 5 - Hospital, Affiliate and Related Corporation Net Assets**

HRS Report 5. A report that identifies by purpose the net assets of the hospital and each affiliate or related corporation at the end of the most recently completed fiscal year.

Inputs include net asset amounts for unrestricted, donor temporarily restricted, board temporarily restricted, and donor permanently restricted net assets and also intercompany eliminations. Inputs for a for profit entity include stockholder's equity such as preferred stock, common stock and retained earnings that will be reported as unrestricted net assets. All affiliates and related corporations must be listed.

The hospital's interest in the foundation amount must be deducted from the foundation's total net assets through an intercompany elimination. The fiscal year ending net assets on the Total of all Affiliates line must equal the total net assets reported in the Hospital Parent Corporation's Consolidating Financial Statements. The total intercompany eliminations must equal the total intercompany eliminations reported in the Hospital Parent Corporation's Consolidating Financial Statements.

6. **Report 6 - Transactions between the Hospital and Affiliates or Related Corporations**

HRS Report 6. A report that identifies all transactions between the hospital and each of its affiliates or related corporations during the most recently completed fiscal year.

These transactions include, but are not limited to the amount of any transfers of funds ***from the hospital to an affiliate*** to provide capital for the expansion of certain mission-related activities. Inputs include the Description of Transfer, which is an explanation of each transaction category (i.e. transfers of funds, transfers of assets, sales of services, purchases of services, and sales of commodities). Do not report an individual transfer unless it is the only one in that transfer category. If there are no transactions to report, the hospital must indicate "Nothing to Report".

Inputs also include the date of the transaction in month/day/year format as 9/30/20xx or other dates, and the Total Amount for each transaction category. For physical asset transfers, the amount should be the book value of the asset. In all instances if the effect of the transaction increases the intercompany balance, the amount should remain unsigned. If, on the other hand, the transaction decreases the intercompany balance, the amount should be preceded by a negative (-) sign.

7. **Report 6A - Transactions between Hospital Affiliates or Related Corporations**

HRS Report 6A. A report that identifies all transactions between hospital affiliates or related corporations during the most recently completed fiscal year.

These transactions include, but are not limited to, the amount of any transfers of funds for purchases of property, plant and equipment, transfers of assets, and sales/purchases of services or commodities between affiliates.

Inputs include the Affiliate Receiving Funds, which is the name of the affiliate that is receiving funds from another affiliate. Do not report an individual transaction unless it is the only one in that transaction category. If there are no transactions to report, the hospital must indicate "Nothing to Report".

Inputs also include the Description of Transfer, which is an explanation of the transfer of funds between the two affiliates, the Date of the transfer in month/day/year format as 9/30/2011 or other dates, and the Amount of the transfer. For physical asset transfers, the amount should be the book value of the asset. In all instances if the effect of the transaction increases the intercompany balance, the amount should remain unsigned. If the transaction decreases the intercompany balance, the amount should be preceded by a negative sign.

When reporting an intercompany transfer, report the transaction **only once** on the input form. For example, if the ABC Corp. transfers $10,000 of management services to XYZ Healthcare, there should be only one transaction resulting in an ending balance of $10,000 on the schedule. Do **not** report a corresponding transaction showing XYZ Healthcare transferring ($10,000) to the ABC Corp. resulting in an ending balance of $0.

8. Report 7 - Expenditures by Affiliates or Related Corporations for the Benefit of the Hospital

HRS Report 7. A report that identifies all expenditures incurred by each affiliate or related corporation for the benefit of the hospital, e.g., subsidized housing for staff, during the most recently completed fiscal year, and the amount of the expenditures.

HRS Report 7 should **not** include any transactions reported in HRS Report 6. The Hospital should provide supporting documentation or reference the AFS page number for any amounts that represent ongoing expenditures. Such support should include the nature of the arrangement for such ongoing expenditures and the expected duration of the expenditures.

Inputs include the Description of Expenditure, which in abbreviated terms is the nature and description of each expenditure. In all instances, the hospital should total all similar expenditures during the year as one single expenditure. If there are no expenditures to report, the hospital must indicate "Nothing to Report". Inputs also include the Amount of the expenditure and the Date of the expenditure in month/day/year format as 9/30/20xx or other dates.

9. Report 8 - Hospital Commitments or Endorsements for the Benefit of Affiliates or Related Corporations

HRS Report 8. A report that identifies all commitments or endorsements entered into by the hospital for the benefit of each affiliate or related corporation.

HRS Report 8 should **not** include any transactions included in HRS Reports 6, 6A and 7. Examples include guarantees of certain indebtedness of affiliates or related parties or becoming part of an obligated group for the benefit of an affiliate or related party. The hospital should provide supporting documentation for each described commitment and/or endorsement, such as a contract, a letter of understanding or reference the page number in the notes to the FY 2010 AFS.

Inputs include the Description of the Commitment and/or Endorsement, which in abbreviated terms describes the commitment and/or endorsement. If there are no

transactions to report, the hospital must indicate "Nothing to Report". Inputs also include the Amount of the commitment and/or endorsement and the Term in Years for the entire time period based upon the applicable expiration date of each commitment and/or endorsement.

10. **Reports 9, 10, 11, 12, 13 and 14 - CHIME Hospital Utilization Reports**

Reports 9, 10, 11, 12, 13 and 14. Hospital Utilization Reports to be submitted directly to OHCA by CHIME or by the hospital.

Pursuant to Section 19a-643-206(b) (9), (10), (11), (12), (13) and (14) of OHCA's Regulations, the CHIME hospital utilization reports to be submitted are as follows:

a. ***The total number of discharges and related number of patient days (Report 9)*** by town of origin, based on zip code and diagnostic category for the most recently completed fiscal year accounting for 100 percent of total discharges and the related patient days. **(CHIME Reports 920 and 921)**

b. ***The average length of stay and length of stay range (Report 10)*** by diagnostic category, age grouping and expected payer source. **(CHIME Reports 922 through 925)**

c. ***The total number of discharges (Report 11)*** to a residence, home health agency, another hospital, a skilled nursing facility, an intermediate care facility and to all other locations. **(CHIME Report 927)**

d. ***The total number of inpatient surgical procedures (Report 12)*** by diagnosis, principal surgical procedure and age grouping with the related number of cases and patient days. (**CHIME Report 928)**

e. ***Outpatient surgical procedures (Report 13)*** include ambulatory surgery by principal surgical procedure and age grouping with the related number of cases. For purposes of this section, ambulatory surgery is defined as surgical patient admissions discharged prior to the midnight census on the day of admission after the patient has undergone a surgical procedure requiring the use of a fully equipped operating room, i.e. one equipped to administer general anesthesia, whether or not the patient is admitted to a discrete ambulatory or same day surgery unit. (**CHIME Report 929)**

f. ***Case mix and revenue support schedules (Report 14)*** reported in a format acceptable to OHCA. Case mix means the average of inpatient cases, as differentiated by DRG, treated by a specific hospital during a given fiscal year. (**CHIME Report 930)**

A hospital's case mix index means, pursuant to Section 19a-659(10), C.G.S., the arithmetic mean of the Medicare diagnosis related group case weights assigned to each inpatient discharge for a specific hospital during a given fiscal year. The case mix index shall be calculated by dividing the hospital's total case mix adjusted discharges by the hospital's actual number of discharges for the fiscal year. The total case mix adjusted discharges are calculated by (A) multiplying

the number of discharges in each diagnosis-related group by the Medicare weights in effect for that same diagnosis-related group and fiscal year, and (B) then totaling the resulting products for all diagnosis-related groups.

Revenue support schedules shall include identification of gross charges by payer classification for each diagnostic category and shall indicate and quantify the factors comprising each category such as payer classification and service area. Report 14 should provide discharges by DRG, using discharges according to the CHIME definition of inpatient. In addition, the report also includes an adjustment section to allow for reconciliation of discharges, as defined in OHCA's Regulations, to the discharges that CHIME includes as inpatient discharges.

11. Report 15 - Uncompensated Care Policies and Procedures

Report 15. The uncompensated care policies and procedures of the hospital for the most recently completed fiscal year.

Each hospital shall annually file information concerning uncompensated care that includes a copy of the hospital's policies and procedures related to charity care and bad debts for financial activity associated with patient accounts receivable, which were in effect for the hospital's most recently completed fiscal year, **duly dated**.

Hospital uncompensated care means, pursuant to Section 19a-659(6), C.G.S., the total amount of charity care and bad debts determined by using the hospital's published charges and consistent with the hospital's policies regarding charity care and bad debts, ***which have been approved and are on file at OHCA***. Include with the charity care and bad debts policies and procedures a copy of the hospital's patient sliding fee scale, and/or indicate the federal poverty income guidelines percentage used by the hospital for FY 2010.

12. Report 16 - Donations and Funds Restricted for Indigent Care and Free Beds

HRS Report 16. A report identifying all donations and funds, which are or have been restricted for the care of indigent patients for the most recently completed fiscal year.

This report will include, but is not limited to, information which identifies the principal balance and all earned income for the most recently completed fiscal year as well as projected interest income expected to be earned during the next fiscal year (FY 2011). Inputs include the following:

a. Donations recorded during the fiscal year.

b. Income realized and accrued during the fiscal year on the existing balances at the beginning of the fiscal year.

c. Expenditures made during the fiscal year, which equal the Actual Total Dollar Amount provided to all patients from Hospital Bed Funds on HRS Report 17A.

d. Unrealized gains and losses during the fiscal year.

e. Projected interest income from interest bearing funds for the next fiscal year (FY 2011).

13. Report 17 - Hospital Bed Funds Held or Administered by the Hospital

HRS Report 17. A report from each hospital that holds or administers one or more hospital bed funds that is maintained and annually compiled by the hospital for the most recently completed fiscal year, and that includes both the hospital's patient activity and bed fund activity information pursuant to Section 19a-509b (f), C.G.S.

HRS Report 17 is divided into two separate reports, Reports 17A and 17B as follows:

A. Report 17A - Patient Activity. Inputs include the following:

1. The number of applications for hospital bed funds;
2. The number of patients receiving hospital bed fund grants;
3. The actual total dollar amount provided to all patients from Hospital Bed Funds;
4. The names of the Hospital Bed Funds used; and
5. The total amount provided to each patient from hospital bed funds. The total amount of hospital bed funds provided to all patients must equal the expenditures reported on HRS Report 16, line 3.

In the Patient Activity section, if the Hospital has no Hospital Bed Fund information to input, please enter zero on line 1 and also enter "Nothing to Report" in the first row for Patient #1. If the Hospital has Hospital Bed Fund information to input, please complete line 1, and for each patient beginning with Patient #1, enter the complete name of the Hospital Bed Fund utilized and the amount provided from the bed fund for each patient number.

The information listed above may be uploaded into Report 17A from a previously completed Excel spreadsheet. Do not leave blanks in any column which contains data in other columns (i.e. an amount with no corresponding fund name). Do <u>not</u> enter any patient identification information other than the hospital bed fund name and the amount provided from that fund beginning with Patient #1 listed in Column 1.

B. Report 17B - Bed Fund Activity. Inputs include the following:

1. The name of each Hospital Bed Fund;
2. The fair market value of the principal of each individual hospital bed fund, or the principal attributable to each bed fund if held in a pooled investment;
3. The total actual earnings for each hospital bed fund or the actual earnings attributable to each hospital bed fund;

4. The actual dollar amount of earnings reinvested as principal, if any; and
5. The actual dollar amount of earnings available for patient care.

Do not leave blanks in any column which contains data in other columns (i.e. an amount with no corresponding fund name). In the Bed Fund Activity section, if the hospital has no Hospital Bed Fund information to input, enter "Nothing to Report" on line 1, and also enter zeros on line 1, Columns 3 through 6. If the Hospital has Hospital Bed Fund information to input, for each hospital bed fund beginning with line 1, enter the complete name of the Hospital Bed Fund and the applicable amounts. Do not enter any other information, and specifically do not report the use of any **operating funds**.

14. Report 18 - Hospital Collection Placement Policies and Collection Agent Information

HRS Report 18. A report that provides hospital debt collection information including debt collection placement policies and procedures and individual collection agent information for the most recently completed fiscal year.

The debt collection information required to be input pursuant to Section 19a-673c, C.G.S. is divided into two sections on HRS Report 18 as follows:

I. General Collection Processes and Procedures. Inputs include the hospital's general collection placement processes and policies for assigning a debt to a collection agent, compensating a collection agent for services rendered and the total recovery rate on all accounts assigned (excluding Medicare accounts) to collection agents by the hospital.

II. Specific Collection Agent Information. Inputs include the names of the individual collection agents used by the hospital, the type of collection agent, whether the collection agent is a related corporation or entity of the hospital, the processes and policies under which accounts are placed with each of these collection agents, how each collection agent is compensated, and the recovery rate for each individual collection agent used.

Please make sure that you have listed the names and information for collection agents that are registered with the State of Connecticut, Department of Banking and any referenced in the hospital's bad debts policies and procedures contained in Report 15 of the hospital's FY 2010 Annual Reporting.

15. Report 19 - Salaries and Fringe Benefits of the Ten Highest Paid Hospital Positions

HRS Report 19. A report listing the salaries and fringe benefits for the ten highest paid positions in the hospital.

Inputs for this report must be made in the order from the highest total combined salary and fringe benefits to the tenth highest. Each position shall be identified by a complete job title. Enter the ***specific job title*** which denotes each individual position's department or area of responsibility in the hospital. Please note that generic position titles (e.g. "MD") are not acceptable.

Inputs include the accrued salary for the fiscal year ending September 30th from payroll records, and the Hospital's determination of total fringe benefits for the fiscal year ending September 30th ***from payroll records and other Hospital records***.

Fringe benefits shall include all forms of compensation whether actual or deferred, made to or on behalf of the employee whether full time or part-time. Fringe benefits shall include, but not be limited to, the following:

a. The cost to the hospital of all health, life, disability or other insurance or benefit plans;

b. The cost of any employer payments or liability to employee retirement plans or programs;

c. The cost or value of any bonus, incentive or longevity plans not included under normal salary reporting guidelines;

d. The cost or value of any housing, whether in the form of a house, apartment, condominium, dormitory or room of any type, whether full-time or only available for part-time use, if subsidized in full or in part by the hospital and not located directly within a hospital building offering direct patient care;

e. The fair market value of any office space, furnishings, telephone service, support service staff, support service equipment, billing or collection services or similar benefits provided to any person for use when seeing non-hospital or private patients or clients. This value shall be prorated based on the total number of hospital and non-hospital patient billing units or provider man-hours involved. For purposes of this subparagraph, if both hospital and non-hospital clients are served from the same location, hospital patients are defined as patients who are billed directly by the hospital for the service provided and for whom the hospital retains the full payment received as part of its gross operating revenue;

f. the fair market value of the cost or subsidy of the use of any automobile, transportation tickets or passes, free or reduced parking, travel expenses, hotel accommodations, etc.; and

g. Any items of value available to employees and not specifically listed above.

16. Report 20 - Report of Each Joint Venture, Partnership and Corporation Related to the Hospital

HRS Report 20. A report containing the name of each joint venture, partnership and corporation affiliated with the hospital and specific information about each entity for the most recently completed fiscal year.

HRS Report 20 will display all previously entered affiliates from the prior year's Annual Reporting. The hospital **affiliates reported on HRS Report 20 must agree with** the affiliates listed on the Legal Chart of Corporate Structure on **Report 3** of the hospital's FY 2010 Annual Reporting.

Affiliates and their related information can be edited, eliminated or added on HRS Report 20. Inactive affiliates that have not been legally dissolved and that were registered with the Secretary of the State of Connecticut as of September 30, 2010 must be included in all of the same HRS Reports in which active affiliates are reported. To eliminate Hospital affiliates that were legally dissolved as of September 30, 2010, the hospital must click on the dissolved flag button on HRS Report 20.

Please be sure to include in your cover letter an explanation for each affiliate that was added or legally dissolved in FY 2010.

Inputs for HRS Report 20 include the following information for each joint venture, partnership and corporation related to the hospital:

a. Affiliate Name- Full legal name of the entity as filed with the Secretary of the State.

b. Affiliate Description - Brief description of the entity's business purpose.

c. Affiliate Type of Service - Please select the affiliate service type from the list below.

d. Tax Status - For each affiliate a "For Profit" or "Not for Profit" must be entered.

e. Affiliate Address - Street address, town, state and zip code. Do <u>not</u> use a P.O. Box.

f. CEO Name - Name of the CEO of the entity.

g. CEO Title - Complete job title of the person listed on the CEO Name line.

h. CT Agent Name - Name of the Connecticut Agent for Service.

i. CT Agent Company - Name of the employer of the Connecticut Agent for Service.

j. CT Agent Address - Street address, town, state and zip code. Do <u>not</u> use a P.O. Box.

17. Report 21 - Hospital Salaries and Fringe Benefits paid by Joint Ventures, Affiliates and Related Corporations

HRS Report 21. A report containing the salaries and the fair market value of any fringe benefits as described in Section 19a-643-206(b)(21) of OHCA's Regulations, paid to hospital employees by each joint venture, partnership and related corporation either directly or indirectly, and also salaries and fringe benefits paid to the employees of each hospital affiliate or related corporation by the hospital.

A hospital employee is anyone who provides a service (excluding contracted services) that incurs a salary expense for the hospital.

Inputs include the total salaries and total fringe benefits paid by related entities to hospital employees. If there are no transactions to report, the hospital must input zeros. Inputs also include the total salaries and total fringe benefits paid by the hospital to employees of hospital related entities. If there are no transactions to report, the hospital must indicate "Nothing to Report" on HRS Report 21.

18. Report 22 - Transfer of Assets or Operations or Change of Control from the Hospital to a For Profit Entity

HRS Report 22. A report of all transfers of assets, transfers of operations or changes of control involving the hospital's clinical or nonclinical services or functions from the hospital to a person or entity organized or operated on a for profit basis.

Inputs that describe a hospital transfer of hospital assets or operations, or change in control involving hospital clinical or nonclinical services or functions to a for profit person or entity occurred pursuant to Section 19a-644 (c), C.G.S. and required by Section 19a-643-22, Regulations, which include the following:

a) The name of the For Profit person or entity involved in each transfer or change of control;

b) A description of each transfer or change of control involving hospital clinical or nonclinical services or functions;

c) A description of each hospital clinical or nonclinical service or function that was transferred or involved in a change of control to a for profit person or entity;

d) The date that the transfer or change of control occurred; and

e) The amount of the transfer or change of control of hospital services or functions.

If the hospital has no transfers or changes in control to report, the hospital must indicate "Nothing to Report" on HRS Report 22.

19. Report 23 - Charity Care and Reduced Cost Services Provided by the Hospital

HRS Report 23. A report that identifies the Hospital Charity Care and Reduced Cost Services provided by the hospital that reports (1) the number of applicants for charity care and reduced cost services, (2) the number of approved applicants, and (3) the total and average charges and costs of the amount of charity care and reduced cost services provided pursuant to Section 19a-649(b), C.G.S.

Please note that applicants are considered to be patients and do not represent individual encounters by a single patient.

In Section A., for Hospital Charity Care <u>reported in the hospital's audited financial statement notes</u>, inputs for related information include the following:

1. The number of applicants for Charity Care,
2. The number of approved applicants for Charity Care,
3. The amount of Charity Care from the hospital's audited financial statement notes,
4. The hospital's FY 2009 Ratio of Cost to Charges provided by OHCA,
5. Charity Care inpatient charges,
6. Charity Care outpatient Emergency Department charges,
7. Charity Care outpatient charges excluding ED charges,
8. Charity Care number of patient days,
9. Charity Care number of discharges,
10. Charity Care number of outpatient Emergency Department visits, and
11. Charity Care number of outpatient visits excluding ED visits.

In Section B., for Hospital Bed Funds reported in the hospital's HRS Report 17A, inputs for related information include the following:

1. The number of applicants for Hospital Bed Funds from HRS Report 17A,
2. The number of approved applicants for Hospital Bed Funds from the hospital's HRS Report 17A,
3. The total charges amount for Hospital Bed Funds provided to all patients from the hospital's HRS Report 17A,
4. The hospital's FY 2009 Ratio of Cost to Charges provided by OHCA,
5. Hospital Bed Funds inpatient charges,
6. Hospital Bed Funds outpatient Emergency Department charges,
7. Hospital Bed Funds outpatient charges excluding ED charges,
8. Hospital Bed Funds number of patient days,
9. Hospital Bed Funds number of discharges,
10. Hospital Bed Funds number of outpatient Emergency Department visits, and
11. Hospital Bed Funds number of outpatient visits excludes ED visits.

The Hospital must provide an explanation for each difference between the FY 2009 and FY 2010 amounts which result in a % greater than plus or minus 25% in the % Difference Column of HRS Report 23. Variance explanations should be submitted on a hard copy of the Excel report next to the line number and should be for input amounts only. OHCA is not requiring variance explanations for amounts that are calculated.

Attachment A

FY 2010 Annual Reporting – Affiliate Reporting Waiver

The FY 2010 Annual Reporting submission is due at the Office of Health Care Access (OHCA) on **Monday, February 28, 2011**. In this submission, certain information concerning each affiliate of the Hospital is required pursuant to Sections 19a-643-206(b) (1), (3), (4), (5), (6), (7), (8), (20), and (21) of OHCA's Regulations. However, requests for a waiver of information related to reporting by affiliates must be requested by **Monday, February 21, 2011** for the FY 2010 Annual Reporting submission, pursuant to Section 19a-643-206(d) of OHCA's Regulations.

A hospital requesting a partial waiver of the information required to be submitted to OHCA by an affiliate must request the waiver from OHCA no later than one week prior to the due date of the required submission. The waiver request must include the following information:

(1) A legal chart of corporate structure showing the hospital and each of its affiliates and the lines of reporting authority and control;

(2) The name, address, title and telephone number of the President and Chief Executive Officer of each affiliate;

(3) A list identifying each affiliate for which a waiver of informational filings is requested, specifically identifying the filings to which the request pertains, when they are due, and the reasons for the request; and

(4) A statement signed under penalty of false statement by the President and Chief Executive Officer of the Connecticut hospital for each affiliate listed in (3) above, which states that the affiliate for which the partial waiver is requested:

(A) Does not direct or control the Connecticut hospital seeking the partial waiver; and

(B) Does not do business with or share facilities, finances, personnel or services with the Connecticut hospital; and

(C) Is not located in Connecticut and does not do business in Connecticut; or

(D) Has provided an explanation of why the hospital should be given a waiver of some or all of the affiliate's filing requirements even though (A), (B), or (C) above do not apply. The explanation shall include details of the extent to which (A), (B) and/or (C) do apply.

Attachment B

FY 2010 Annual Reporting HRS Report Definitions

1. Report 5 – Hospital, Affiliate and Related Corporation Net Assets

a. Unrestricted Net Assets – the net assets which bear no external restrictions as to use or purpose and which can be used for any purpose including Board-Designated funds, as distinguished from net assets restricted externally for specific operating purposes, for plant replacement and expansion, or designated as endowment funds.[1]

b. Restricted Net Assets – the net assets temporarily or permanently restricted by donors for specific purposes. The term refers to specific purpose funds and endowment funds.[2]

c. Permanently Restricted Net Assets – the net assets held in trust by others and endowment gifts that have been restricted by donors to be maintained in perpetuity.

d. Temporarily Restricted Net Assets – the donated net assets which by the terms of the gift become available either for any purpose designated by the governing board or for a specific purpose designated by the donor upon the happening of an event or upon the passage of a stated period of time.[3]

e. Specific Purpose Funds – the funds restricted externally by a donor, or otherwise, for a specific purpose or project. Board-designated funds do not constitute specific purpose funds.[4]

f. Endowment Funds - the funds in which a donor has stipulated as a condition of the gift, that the principal amount of the fund is to be maintained inviolate and in perpetuity, and that only income from investments of the fund may be expended.[5]

g. Amount Restricted by Board – the amount of funds that have been restricted by the Board of Trustees.

h. Amount Restricted by Donor – the two amounts including the amount that has been temporarily restricted by the donor and the amount that has been permanently restricted by the donor. Only these two amounts should be reported for amounts restricted by donor.

i. Intercompany Eliminations – the eliminating adjustments in the hospital's or parent corporation's consolidating balance sheet and statement of operations for hospital subsidiary or affiliate financial activity. The amount of the hospital's interest in the foundation deducted from the foundation's total net assets is an example of such intercompany eliminations.

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[1] Hospital Financial Review Regulations Sec.19a-643-201(b)(64)
[2] Hospital Financial Review Regulations Sec.19a-643-201(b)(55)
[3] Hospital Financial Review Regulations Sec.19a-643-201(b)(60)
[4] Hospital Financial Review Regulations Sec.19a-643-201(b)(58)
[5] Hospital Financial Review Regulations Sec.19a-643-201(b)(19)

2. Report 6 – Transactions between the Hospital and Affiliates or Related Corporations

a. Beginning Unconsolidated Intercompany Balance – the balance as of the close of the previous fiscal year.

b. Description of Transfer – any transfer of funds, transfer of assets, or sales/purchases of services or commodities. For physical asset transfers, the amount should be the book value of the asset.

c. Transfer to Hospital – any transfer of funds, transfer of assets, or sales/purchases of services or commodities transferred to the hospital from an affiliate.

d. Transfer from Hospital – any transfer of funds, transfer of assets, or sales/ purchases of services or commodities transferred from the Hospital to an affiliate.

3. Report 6A – Transactions between Hospital Affiliates or Related Corporations

a. Affiliate Transferring Funds - the name of the affiliate that is transferring funds to another affiliate.

b. Affiliate Receiving Funds - the name of the affiliate that is receiving funds from the affiliate that is transferring these funds.

c. Description of Transfer - an explanation of the transfer of funds between two affiliates or related corporations.

d. Beginning Unconsolidated Intercompany Balance – the balance as of the close of the previous fiscal year.

e. Amount – for physical asset transfers, the amount that should be the book value of the asset. In all instances if the effect of the transaction increases the intercompany balance, the amount should remain unsigned. If the transaction decreases the intercompany balance, the amount should be preceded by a negative (-) sign.

4. Report 7 – Expenditures by Affiliates/Related Corps. for the Benefit of the Hospital

Description of Expenditure – an explanation of the type of expenditures incurred by each affiliate for the benefit of the Hospital.

5. Report 8 – Hospital Commitments/Endorsements for the Benefit of Affiliates/Related Corporations

a. Description of the Commitment and/or Endorsement - the explanation of the hospital commitment and/or endorsement for the benefit of affiliates or related corporations. For example, a hospital could enter into a commitment to guarantee lease payments on

property for the benefit of an affiliate for a fixed term, or put up collateral in the form of cash or cash equivalents for any debt financing entered into for the benefit of an affiliate. In addition, with an endorsement the hospital could provide some form of helpful support for an affiliate.

b. Term - the time period that includes applicable expiration date of the commitment.

6. Report 16 – Donations and Funds Restricted for Indigent Care and Free Beds

a. Indigent Care – funds that have been designated by the hospital for the poor and less fortunate who are unable to pay for their medical care.

b. Free Beds – any gifts of money, stock, bonds, financial instruments or other property made by a donor for the purpose of establishing a fund to provide inpatient or outpatient medical care to patients at a hospital.

c. Other – other hospital free care not included in Indigent Care and Free Beds.

d. Donations – new funds contributed during the fiscal year by donors.

e. Income – funds earned during the year from investments on the principal balances.

f. Expenditures – amounts spent from Indigent Care and Free Beds on patient care.

g. Unrealized Gain/Losses – changes in fund balances that have not been realized.

h. Projected Interest Income – the amount of interest projected to be earned by the hospital on its indigent care and free bed funds during the current fiscal year.

7. Report 17 – Hospital Bed Funds Held or Administered by the Hospital

a. Patient – the person for whom hospital beds funds are expended for a hospital bill.

b. Fair Market Value of Principal – the market value of each bed fund principal or the principal attributable to each bed fund if it is held in a pooled investment.

c. Actual Earnings – the dollar amount of total earnings for each hospital bed fund or the earnings attributable to each hospital bed fund.

d. Earnings Reinvested – the dollar amount of earnings reinvested as principal, if any.

e. Earnings Available – the dollar amount of earnings available for patient care.

8. Report 18 – Hospital Collection Placement Policies and Collection Agent Information

a. General hospital collection placement policies and procedures - the standard policies and procedures used to assign all patient debts to collection agents.[6]

b. Specific hospital collection placement policies and procedures – individual policies and procedures that vary by collection agent used to assign a debt to individual collection agents.

c. Recovery Rate – the recovery rate on accounts assigned to collection agents, exclusive of Medicare accounts, either for all collection agents in aggregate or for individual collection agents.

9. Report 19 – Salaries and Fringe Benefits of the Ten Highest Paid Hospital Positions

a. Position Title – the name of a position that is identified by its complete, unabbreviated title.[7]

b. Salary – the total amount of earnings and payroll deductions owed to employees, governmental units and other entities accruing in the current fiscal year but not payable until the following fiscal year. The accrued salary for the fiscal year ending September 30th obtained from payroll records.

c. Fringe Benefits [8] - employee benefits that include all forms of compensation, whether actual or deferred, made to or on behalf of the employee whether full or part-time. fringe benefits shall include but not be limited to the following:

i. The cost to the hospital of all health, life, disability or other insurance or benefit plans;

ii. The cost of employer payments or liability to employee retirement plans or programs;

iii. The cost or value of any bonus, incentive or longevity plans not included under normal salary reporting guidelines;

iv. The cost or value of any housing, whether in the form of a house, apartment, condominium, dormitory or room of any type, whether full-time or only available for part-time use, if subsidized in full or in part by the hospital and not located directly within a hospital building offering direct patient care;

v. The fair market value of any office space, furnishings, telephone service, support service staff, support service equipment, billing or collection services or similar benefits provided to any person for use when seeing non-hospital or private patients or clients. This value shall be prorated based on the total number of hospital and non-hospital patient billing units or provider man-hours involved. For purposes of this

[6] Hospital Financial Review Regulations Sec.19a-643-206(b)(18)(A through D)
[7] Hospital Financial Review Regulations Sec.19a-643-206(b)(19)
[8] Hospital Financial Review Regulations Sec.19a-643-206(b)(19)(A through G)

subparagraph, if both hospital and non-hospital clients are served from the same location, hospital patients are defined as patients who are billed directly by the hospital for the service provided and for whom the hospital retains the full payment received as part of its gross operating revenue;

vi. The fair market value of the cost or subsidy of the use of any automobile, transportation tickets or passes, free or reduced parking, travel expenses, hotel accommodations, etc.; and

vii. Any items of value available to employees and not specifically listed above.

10. Report 20 - Each Joint Venture, Partnership and Corporation Related to the Hospital

a. Affiliate - a person, entity or organization controlling, controlled by, or under common control with another person, entity or organization, including but not limited to parent corporations, holding companies, related entities, joint ventures and partnerships. Factors to be considered include: common ownership of fifty or more percent; shared boards of directors; purpose; and whether an entity operates for the benefit of others. Control exists where an individual or organization has the power, directly or indirectly, to direct the actions or policy of an organization or entity. A person, entity or organization may be an affiliate for purposes of a particular project.[9]

b. Related Corporation - a corporation that is related to a hospital where the corporation is an affiliate or where the hospital has an ownership interest of ten per cent (10%)or more in the corporation or where the corporation has an ownership interest in the hospital of ten per cent (10%)or more.[10]

c. Affiliate Name – the full legal name as filed with the Secretary of the State.

d. Affiliate Description – a brief description of the entity's business purpose.

e. Affiliate Type of Service – the affiliate information reported consistent with Section 19a-643-206(b)(20)(D) of OHCA's Regulations. (See list of service types in HRS.)

f. Tax Status - the indication of a "For Profit" or "Not for Profit" status of the entity.

g. Affiliate Address – the Street Address, Town, State and Zip Code of the Affiliate. Do not use a P.O. Box as a Street Address.

h. CEO Name – the name of the person listed as the CEO of the entity.

i. CEO Title – the complete job title of the person listed on the CEO Name line.

j. CT Agent Name – the name of the Connecticut Agent for Service.

[9] Hospital financial Review Regulations Sec.19a-643-201(b)(1)
[10] Hospital financial Review Regulations Sec.19a-643-201(b)(54)

k. CT Agent Company – the name of the Connecticut Agent for Service employer.

l. CT Agent Address - the Street Address, Town, State and Zip Code of the Connecticut Agent for Service. Do not use a P.O. Box as a Street Address.

11. Report 21 – Hospital Salaries and Fringe Benefits paid by Joint Ventures, Affiliates and Related Corporations

a. Salaries and Fringe Benefits (directly or indirectly) – the salaries and the fair market value of any fringe benefits paid to hospital employees by each joint venture, partnership and related corporation, either directly or indirectly, and by the hospital to the employees of any of its affiliates or related entities.

b. Indirect payments – these include, but are not limited to, payments made to each affiliate or related entity.

c. Hospital employee - anyone who provides a service (excluding contracted services) that incurs a salary expense for the hospital.

12. Report 22 – Transfer of Assets or Operations or Change of Control from the Hospital to a For Profit Entity

For Profit Person or Entity - a person or entity organized or operated solely on a for profit basis.

13. Report 23 – Charity Care and Reduced Cost Services Provided by the Hospital

a. Applicants - for purposes of this HRS Report, applicants are considered to be patients and do not represent individual encounters by a single patient.

b. Charity Care Charges (from note in audited financial statements) - the total amount of hospital charity care charges that agrees with the total amount reported in a Note included in the hospital's FY 2010 audited financial statements. The hospital care provided to patients who meet certain criteria under the hospital's written charity care policy. Charity care can either be without charge or at amounts less than established rates.

c. Hospital Bed Funds Charges - the total amount of hospital bed funds charges equals the actual total dollar amount provided to all patients from hospital bed funds that is listed on HRS Report 17A, line 2. B.

d. Ratio to Cost Charges (RCC) – the ratio that indicates the percentage of total operating expense to the total of gross patient charges plus other operating revenue for FY 2009 that was provided to the hospitals by OHCA.

e. Patient Days – the number of days that a patient received inpatient hospital services that included each day's 12:00 a.m. midnight census.

f. Discharges – the number of patients who were discharged on a date subsequent to the date admitted to the hospital for treatment as inpatients, except that it shall also mean such patients who were admitted and discharged on the same day, where such patients died or left against medical advice or were formally released from the hospital.

g. Outpatient Emergency Department Visits – the number of visits by patients seen in a hospital emergency room that were treated and discharged.

h. Outpatient Visits (Excludes ED Visits) – the number of visits by patients who have not been admitted to the hospital while receiving hospital services on an outpatient basis, excluding outpatient Emergency Department visits. Each appearance of a patient in the hospital constitutes one visit regardless of the number of diagnostic tests and/or therapeutic treatments that the patient receives during each outpatient visit.