



Michael J. Lewis, M.D., Ph.D., Secretary
West Virginia Department of
Health and Human Resources

Board Members
Sonia D. Chambers
Marilyn G. White

TO: Hospital Chief Financial Officers
Consultants

FROM: James L. Pitrolo, Jr. Chairman 

DATE: December 1, 2011

RE: Financial Disclosure – Revised Uniform Financial Report

In a memorandum dated October 14, 2011 the WV Health Care Authority (Authority) announced a forthcoming revision of the Uniform Financial Report (UFR), which is submitted by each hospital, as required under the Financial Disclosure Rule, §65-3-4.3.

The revised UFR template is now available and *must* be used for FY 2011. If UFRs are submitted on an earlier template, the UFR will be returned and, depending upon the timing, may cause the hospital to be out of compliance with the Financial Disclosure Rule.

ACCESS AND FILING

In order to access the template it must be downloaded from the Authority's website at: <http://www.hcawv.org/FinDisc/downloads.htm>. Instructions will also be available on this webpage.

The only official UFR submission is the electronic format. No paper submissions of the UFR are required. The new template is in EXCEL.xlsx format (Excel 2007 Workbook). Note that this is a new template and while we have tested it and believe it functions properly, the hospital is ultimately responsible for the accuracy of the data submitted to this agency.

The revision of the UFR was made primarily in order to match the changes instituted by Medicare of the designated Cost Centers within the Medicare Cost Report (FORM 2552-10). The timing of these changes necessitates a revision of deadlines for submitting the new UFR format. The revised submission schedule is included below and is only valid for the FY 2011 report. The deadlines for subsequent fiscal years will revert to the prior deadline of 150 days after the hospital's fiscal year end.

Hospital FYE	Current Due Date	Revised Due Date	Extension
6/30/11	11/30/11	1/31/12	60 Days
9/30/11	2/29/12	3/31/12	30 Days
12/31/11	5/31/12	None	None

The UFRs must be submitted by email to financial.disclosure@hcawv.org.

HIGHLIGHTED CHANGES

With the occasion of the change in Medicare designated Cost Centers, additional changes were made in order to provide clarity and improve the flow of the data between worksheets. This will make the report easier to compile and interpret.

For instance significant revisions to Worksheets 9 Part 1 through Part 16A were made. This change has eliminated the need for the separate Revenue Summary, which is no longer required and should not be submitted.

Additionally, because expense offsets for professional fees and other operating revenues were carried through until the final Worksheet 9 (Part 16A - the reconciliation worksheet), the profits in the Acute worksheet (Worksheet Part 1) were overstated in many instances. This was especially true when Other Operating and Non-Operating Revenues were reported in the Acute and Distinct Part Unit worksheets. This has been corrected.

Enclosed is an outline of the changes made. As noted above updated instructions will be available on the Authority's website; they are attached to the instructions dated 10-1-1994 and identified as Appendix C. Appendix B includes instructional changes that were issued on November 20, 2009, which were instituted in order to address the impact of derivative agreements, such as Credit Default Swaps, and other changes in market related accounting practices.

If you have any questions regarding the changes or problems with downloading the UFR and instruction file contact Lori Tarr by email at ltarr@hcawv.org or phone at 304.558.7000.

WV Health Care Authority (WVHCA)

Changes to the FY 2011 Uniform Financial Report (UFR)

- **Updated Cost Centers to Match Revised Medicare Cost Report (MCR) – 2552-10**
 - Some variation from the MCR exists for WVHCA purposes
 - A crosswalk for Cost Center comparisons is available for downloading at:
<http://www.hcawv.org/FinDisc/downloads.htm>
 - Revised Worksheets:
 - 1; 1-A Part 1; 1-A Part 2
 - 2; 2-A
 - 3
 - 4
 - 5; 5-C
 - 6; 6-A; 6-C
 - 7; 7-A
 - 8 and 8-B; 8A and 8-C
 - 9.1 – 9.16A

- **Significant revisions to Worksheets 9 (see details below) have eliminated the need to complete the Revenue Summary**

- **Detail of Additional Changes to Worksheets:**
 - Slight format changes to most worksheets with updated footnotes

 - Distinct Part Units (DPUs) have been updated:
 - Removed: Chemical Dependency (Adult and Adolescent); Psychiatric (Adolescent)
 - Added: Sub-provider – Other (aligns with unidentified Sub-provider Cost Center for Line 42; may be used to segregate Chemical Dependency); RHC/Other and FQHC/Other (RHC and FQHC aligns with additional Cost Centers added by Medicare). These two columns may be changed to report other DPUs not previously designated. No other column headers should be changed.

 - Other Cost Centers and/or Distinct Part Units (DPUs) specification to be required in designated cell in Cost Center row header

- Formula changes have been made in multiple worksheets. All “off-page” formulas have been removed and calculations are made within the cells. See further information below related to how costs are allocated.
- Worksheet 1, 1-A
 - Worksheets re-aligned horizontally
- Worksheet 2, 2-A
 - Ambulatory Surgery – Surgery minutes will be required if visits are reported
 - Observation – Hours will be required if visits are reported
- Worksheet 6_6A
 - Columns are updated to match updates that occurred in the General Service Cost Centers.
- Worksheet 6-C
 - Formula Changes – An expense amount is calculated for Swing Bed (Line 44B) and Observation (Line 92) Cost Centers if utilization is reported. Cost amounts are based on Cost per Day or Equivalent Day in the case of Observation. If a hospital reports Inpatient Observation Revenue an inpatient equivalent utilization is calculated and included in the formula.

This will eliminate the duplication of Observation expenses that has occurred at times on Worksheets 7A and 8B.

- Worksheets 7, 7-A
 - Unit Columns updated to match DPUs
 - Physician Offices should only report Gross Patient Revenue and Expenses that are not Professional Fee Revenues or Expenses on these worksheets on Columns 14 and 15 (See Worksheet 9 footnotes and instructions below for where to include Professional Fee Revenues and Expenses). These are the only columns that are to be changed should a column header need to be changed.
 - Formula Changes –
 - Costs for Inpatient Routine, Inpatient DPUs (Lines 30 – 46) are pulled directly from Worksheet 6-C into the designated unit.
 - Costs for Observation (Line 92) are calculated based on the portion of revenue for each unit.
 - Other Cost Centers are calculated in the same manner as before using the cost-to-charge ratio calculated on Worksheet 6-C.

- Worksheet 8-8B, 8A – 8C -
 - Formula Changes –
 - Costs for Inpatient Routine (Lines 30 – 46) are calculated using amounts from Worksheet 6-C and allocated to the payors by Gross Patient Revenue reported on Worksheets 8 and 8C.
 - Costs for Observation (Line 92) are calculated using the amount from Worksheet 6-C and allocated to the payors by Gross Patient Revenue reported on Worksheets 8 and 8C.
 - Other Cost Centers are calculated in the same manner as before using the cost-to-charge ratio calculated on Worksheet 6-C.

- Worksheet 9 – significant changes for all worksheets.
 - Worksheet 9.16A is deleted. Reconciliation (add back of excluded expenses) occurs within each unit’s worksheet.
 - Distinct Part Unit worksheets are updated to match Columns on Worksheets 7 & 7A.
 - Built in formulas are added. These pull total amounts from Worksheet 7 and 7A. For Worksheet 9.1 (Acute) Gross Patient Revenue (Line 1) and Operating Expenses (Line 6) formulas are embedded, which pull the respective Revenues and Expenses from Worksheets 8 and 8-B and subtract the amounts keyed in the Distinct Part Unit Worksheets. **NOTE: For those hospitals that use Worksheets 9.14A-E this formula may need adjusting, if units are not included on Worksheets 7 & 7A.**
 - Built-in conditional math error message in Column O (allows for +/- \$10 off for rounding). This will automatically flag errors between Worksheets 7 and 8, and 7A and 8B, hopefully, allowing for earlier correction and a shorter review process.
 - Total Professional Fee Revenues (Line 2) and Expenses (Line 6A), if any, are to be reported for each unit’s (Acute and DPUs) Worksheet 9. Payor formulas are embedded, which allocate the total amount based on Gross Patient Revenue.
 - Other Operating Revenue Offset to Expenses (Line 6B) has an embedded formula to allocate to the units and the payors based on Gross Patient Revenue.
 - Amounts which equal Other Excluded Expenses (Line 6C), if any, are to be reported, in part or in whole, to whichever unit or units as is determined to be appropriate. Payor formulas are embedded, which allocate the total amount based on Gross Patient Revenue.
 - Automatic calculations occur for Other Operating (Line 8) and Non-operating Revenue (Line 9). Amounts are pulled from WS 5-C and allocated to the worksheets based on unit Gross Patient Revenue.