

IA Section [135.74 – 135.88](#) (Hospital Financial Reporting) vs. NASHP Model

<u>IA</u>	<u>NASHP</u>
Required Reporting	
<p>IA Law prescribes a few, specific elements to be reported annually:</p> <ul style="list-style-type: none"> • A balance sheet detailing assets, liabilities, and net worth of the hospital or health care facility • Statement of income and expenses • Such other reports of the costs incurred in rendering services as the department prescribes <p>It also gives the department the authority to develop a uniform reporting system by which hospitals and health care facilities shall respectively record their revenues, expenses, other income, other outlays, assets and liabilities, and units of service, according to functional activity center.</p>	<p>NASHP model requires a few elements but largely dictates what an agency needs to develop through rulemaking. NASHP’s model data template includes a much more detailed look at hospital finances than IA’s current transparency law.</p> <p>The uniform reporting requirements shall include, but are not limited to:</p> <ul style="list-style-type: none"> • gross and net patient revenues by payer • other income • operating costs • other expenses • investment income and other non-patient services revenues, • <i>Assets (current assets, non-current assets, receivables)</i> • <i>Liabilities (current liabilities, non-current liabilities)</i> • fund balances, <p>Requires audited financial statements to be reported as well as revenues and expenses incurred for providing services to patients who qualify for financial assistance and for patients who are not expected to pay, and utilization statistics, as specified by the agency</p>
	<p>NASHP model captures COVID-19 federal funding:</p> <p>Uniform reporting requirements shall include an accounting of revenues received by any entity subject to this statute pursuant to the Coronavirus Aid, Relief, and Economic Stability Act of 2019, Public Law 116-136, and any other COVID-19 federal relief funding. This accounting must include both reporting on the amount of funds received, the source of those funds and the uses of those funds.</p>
	<p>NASHP model captures additional grant funding and donations:</p>

	Uniform reporting requirements shall include an accounting of other revenues received by any entity subject to this statute pursuant to an appropriation of the state, private donations, as well as grants made by federal and state governments, and grants made by private foundations, meant to mitigate the economic impact of the coronavirus on the state’s hospitals and related entities.
Level of Reporting	
Facility-level Organizations that operate multiple facilities must report information separately for each facility	System-level NASHP’s model law and template are designed to be completed at a hospital system level.
Responsibility for Agency Research, Analysis, and Reports	
IA’s requirement for annual reports to the legislature and governor was repealed – the department can conduct research and analysis from “time-to-time” Studies must be conducted with the objective of determining whether or not regulation of hospital and health care facility rates and charges by the state of Iowa is necessary to protect the health or welfare of the people and can look at: <ul style="list-style-type: none"> • The rates charged and costs incurred by hospitals and health care facilities are reasonably related to the services offered by those respective groups of institutions • Aggregate rates of hospitals and of health care facilities are reasonably related to the aggregate costs incurred by those respective groups of institutions. • Rates are set equitably among all purchasers or classes of purchasers of hospital and of health care facility services. • The rates for particular services, supplies or materials established by hospitals and by health care facilities are reasonable. Determination of reasonableness of rates shall include consideration of a fair rate of return to proprietary hospitals and health care facilities. 	NASHP model requires the state agency to investigate finances on an “on-going basis” and requires annual reports reflecting the financial status of hospitals. NASHP model template automatically analyzes hospital-reported data and helps determine profitability, liquidity, solvency, and other key markets of financial status. Other additional reports may include but are not limited to: <ul style="list-style-type: none"> • analyses of financial condition, resources, and performance of the hospital sector, • trends in hospital prices and costs over time and across similar types of hospitals, • the impact of uncompensated care on hospitals and related entities, cross-subsidization of services within hospitals and its effect on costs and prices for care, • the use of emergency relief funds made in response to the COVID-19 pandemic, provided by the federal and state governments

Confidentiality	
All data gathered and compiled and all reports prepared under this section, except privileged medical information, shall be open to public inspection.	NASHP model requires release of data only in aggregate form and shall not publicly identify a hospital found to be in financial distress
Enforcement	
<ul style="list-style-type: none"> • The department has the right to inspect the books, audits and records of any hospital or health care facility as reasonably necessary to verify reports • Civil penalty not to exceed \$500 for each offense 	<ul style="list-style-type: none"> • The agency has the authority to inspect and audit the financial records of individual and corporate ownership, including books and records of related entities with which a reporting entity has had transactions, to determine compliance • Fine not to exceed \$1,000 per day for each violation • Can be referred to appropriate licensing board