

Chapter 246-454 WAC

**HOSPITALS—SYSTEM OF ACCOUNTING, FINANCIAL REPORTING, BUDGETING,
COST ALLOCATION**

Last Update: 12/18/18

WAC

246-454-001 Purpose.

246-454-010 Definitions.

~~246-454-020 Adoption and establishment of uniform system.~~

246-454-050 Submission of year-end report.

246-454-070 Submission of quarterly reports.

246-454-080 Alternative system of financial reporting.

~~246-454-090 Modifications of uniform system.~~

~~246-454-110 Uniformly applicable interpretive rulings and minor manual modifications.~~

~~246-454-120 Penalties for violation.~~

WAC 246-454-001 Purpose.

This chapter is adopted by the Washington state department of health pursuant to implement the provisions of RCW ~~43.70.052 70.170.100~~ and ~~43.70.053 43.70.050~~ relating to uniform reporting of data elements identifying each hospital's revenues, expenses, contractual allowances, charity care, bad debt, other income, total units of inpatient and outpatient services, and other financial and employee compensation information. regarding the establishment of a uniform system of accounting, financial reporting, budgeting and cost allocation for hospitals in Washington state. This system shall be utilized by each hospital to record and report to the department its revenues, expenses, other income, other outlays, assets and liabilities, and units of service and to submit information, as may be required by the department, pertaining to the total financial needs of the hospital and the resources available or expected to become available to meet such needs.

WAC 246-454-010 Definitions.

The definitions in this section apply throughout the chapter unless the context clearly requires otherwise.

(1) "Department" means the Washington state department of health created by chapter 43.70 RCW.

(2) "Hospital" means any health care institution which is required to qualify for a license under chapter 70.41 RCW; or as a psychiatric behavioral health hospital under chapter 71.12 RCW.

~~(3) "Manual" means the *Washington State Department of Health Accounting and Reporting Manual for Hospitals*, third edition adopted under WAC 246-454-020.~~

~~(4) "System of accounts" means the list of accounts, code numbers, definitions, units of measure, and principles and concepts included in the manual.~~

~~**WAC 246-454-020 Adoption and establishment of uniform system.**~~

~~The department, pursuant to RCW 70.170.100, hereby adopts and establishes a uniform system of accounting, financial reporting, budgeting, and cost allocation for hospitals in Washington state, which system is described in the department's publication entitled *Washington State Department of Health Accounting and Reporting Manual for Hospitals*, third edition, which publication is hereby incorporated by this reference. The hospital shall utilize the manual for submitting information as may be required by the department, pertaining to the total financial needs of the hospital and the resources available or expected to become available to meet such needs.~~

WAC 246-454-050 Submission of year-end report.

(1) Each hospital annually shall file its year-end report with the department within ~~one hundred twenty~~ 120 days after the close of its fiscal year in the form and manner specified ~~by the department. in the manual.~~ Provided, however, The one hundred twenty 120-day period may be extended up to and including an additional sixty 60 days upon submission of adequate justification to the department. If more than one hospital is operated by the reporting organization, the information required by this section shall be reported for each hospital separately.

(2) Information submitted pursuant to this section shall be certified by the hospital's administrative and financial officers, that such reports, to the best of their knowledge and belief, have been prepared in accordance with the form and manner specified by the department ~~prescribed system of accounting and reporting~~, and fairly state the financial position of the hospital as of the specified date. The department also may require

attestation as to such statements from responsible officials of the hospital so designated by the governing body, if any, of the hospital.

WAC 246-454-070 Submission of quarterly reports.

Each hospital shall submit a quarterly summary utilization and financial report within ~~forty-five~~ 45 days after the end of each calendar quarter. The quarterly report shall contain that information specified by the department and shall be submitted in the form and manner specified by the department.

WAC 246-454-080 Alternative system of financial reporting.

Upon receipt of a request in detail to the satisfaction of the department, the department in its discretion may approve an alternative system for reporting of information under ~~WAC 246-454-030 or 246-454-050 or 246-454-070~~ by a hospital for such period(s) or portion thereof as the department shall specify, if:

(1) The hospital charges no fee to users of its services, presents no billing, either direct or indirect, to users of its services, and presents no billing and accepts no payment for services from private or public insurers.

(2) The hospital is significantly different from other hospitals in one or more of the following respects: Size; financial structure; methods of payment for services; or scope, type, and method of providing services.

(3) The hospital has other pertinent distinguishing characteristics.

(4) Such alternative system will avoid otherwise unduly burdensome costs in meeting the requirements specified ~~of the uniform reporting system established~~ by the department.

~~WAC 246-454-090 Modifications of uniform system.~~

~~The department, after due consideration, in its discretion, may prepare and publish modifications of the manual, for such period and under such conditions as the department shall determine. Such modifications shall be prepared in the format of, and shall be adopted by the department as a rule pursuant to chapter 34.04 [34.05] RCW. A copy of such modifications shall be mailed to each hospital and manual holder of record.~~

~~WAC 246-454-110 Uniformly applicable interpretive rulings and minor manual modifications.~~

~~(1) The department is authorized to make uniformly applicable interpretive rulings with respect to matters contained in the manual. The department is also authorized to correct typographical and coding errors as well as make other minor organizational modifications when such corrections and modifications appear to be necessary.~~

~~(2) Any such interpretive ruling, correction, or modification shall be in writing and distributed as an attachment to a consecutively numbered transmittal. Such transmittal shall describe the changes in detail and shall include instructions regarding the placement of such material in the manual. Each hospital and manual holder of record shall be sent a copy of any such transmittal together with all attachments.~~

WAC 246-454-120 Penalties for violation:

RCW 70.170.070 provides that every person who shall violate or knowingly aid and abet the violation of chapter 70.170 RCW or any valid orders, rules, or regulations thereunder, or who fails to perform any act which that chapter makes it his/her duty to perform shall be guilty of a misdemeanor. Following official notice to the accused by the department of the existence of an alleged violation, each day upon which a violation occurs shall constitute a separate violation. Any person violating the provisions of chapter 70.170 RCW may be enjoined from continuing such violation. Failure to file the reports required by WAC 246-454-030(1), 246-454-050(1), and 246-454-070 shall constitute a violation, and the department may levy a civil penalty not to exceed one thousand dollars per day for each day following official notice of the violation by the department. The department may grant extensions of time to file the reports, in which cases failure to file the reports shall not constitute a violation until the extension period has expired.

Chapter 246-451 WAC

HOSPITALS—ASSESSMENTS AND RELATED REPORTS

Last Update: 6/1/94

WAC 246-451-010 Definitions.

As used in this chapter, unless the context requires otherwise,

- (1) "Department" shall mean the Washington state department of health created by chapter 43.70 RCW.
- (2) "Hospital" shall mean any health care institution which is required to qualify for a license under chapter RCW 70.41.020(2) RCW; or as a behavioral health psychiatric hospital under chapter 71.12 RCW.
- (3) "Gross operating costs" shall mean the sum of direct operating expenses required to be reported in the year-end report submitted pursuant to WAC 246-454-050 or,

Proposed Draft Rule Recommendations:
Chapter 246-454 WAC, WAC 246-451-010 and 246-451-050

if the year-end report was not submitted, the quarterly report submitted pursuant to WAC 246-454-070 for the same period of time. cost centers 6000-8999, as specified in the manual adopted under WAC 246-454-020.

WAC 246-451-050 Reporting of information.

For the purpose of calculating the assessment, the department will use the most recent year-end report submitted pursuant to WAC 246-454-050 or, if the year-end report was not submitted, the quarterly report submitted pursuant to WAC 246-454-070 for the same period of time.

