

HCAI Hospital Financial Data

<https://hcai.ca.gov/data/cost-transparency/hospital-financials/>

References: [Reporting Manual 7000](#), [System of Accounts 2000](#)

Summary of the data: Annual financial disclosure reports at the hospital-level with reporting on volumes, capacity, revenues, costs, labor, capital, and materials for California hospitals.

Publicly available: Yes

Years available: I've gone back as far as the 1990 fiscal year but earlier years may be available (years not included on the website need to be requested by contacting dataandreports@hcai.ca.gov). Fiscal years 1990-2000 are available as text files. Fiscal years 2001-present are available as Excel files. I provide code on my website that imports both text and Excel files and consolidates them into a single data set of variables.

Below is a Q&A that I put together with questions I've had while working with these data. I researched the answers via conversations with HCAI staff and reading the reporting manuals above. The content is solely my responsibility and does not necessarily represent the views of HCAI or any other organization. All errors are mine.

1. What is tracked by OSHPD / HCAI facility number:
The OSHPD / HCAI facility number tracks a hospital's physical location. It does not change if the hospital's ownership changes, but it will change if the hospital moves to another physical location, new building, etc...
2. How to track hospital ownership changes:
The health system is a field produced by OSHPD / HCAI and tracks hospital's ownership. It is determined by HCAI reviewing the hospitals' reported owners and hospitals' web sites.
3. What do we know about physician salaries and hours worked:
 - Physician salaries are not reported directly with other labor salaries and hours on Page 21 unless the physicians are directly hired by the hospital. California law prohibits physicians from being directly employed by hospitals due to conflict of interest (county hospitals being an exception). Under very specific circumstances, physician salaries are reported on Page 15 Columns 1 and 2 (direct salaries and benefits to physicians that are directly employed) and Page 15 Column 3 (contracted amount paid to physicians that are natural expense classification code 0.20).

- Most hospitals do not employ physicians directly and instead have financial arrangements with physicians. These arrangements are complex – for example, financial arrangements between the hospital and the physician could differ even for physicians that work within the same hospital unit of the hospital (e.g. Medical/Surgical Intensive Care). The financial arrangements for hospital-based physicians are reported on Page 3.2. The main types of arrangements are listed but note that there is also an “Other” category. Note that the reported financial arrangements are for hospital-based physicians but hospitals contract with non hospital-based physicians whose counts are reported on Page 1.
 - Depending on the financial arrangement for hospital-based physicians, hospitals *may* be required to report expenditures on hospital-based physicians on Page 15, Column 3. For example, for physicians that have joint + contracted arrangements there are reporting requirements. Column 3 is therefore not a comprehensive report of the compensation paid to non-employee physicians that work in hospitals. This is noted in 7020.4 of the reporting manual referenced above: “The need for this is because all hospitals do not record the professional component as an expense; either because the physician does his own billing, or because such amounts are recorded in an agency account by the hospital.”
 - Columns 1-3 sum to Column 4 total. Column 4 total is then broken down into Columns 5-10 for compensation based on activity listed in the column heading and may be based on a percentage of time. The reporting manual states that: “Medicare rationales (the written allocation agreement between the hospital and the physician specifying how the physician spends his or her time) may be used as a starting place for determining allocation percentages.”
 - Physician hours are reported only for physicians that are directly employed and these hours are on Page 21, Column 16 for the salaries reported on Page 15, Column 1. Physician hours are not reported for physicians that are classified 0.20.
4. What does the “active medical staff” reported on Page 1 measure:
Active staff reported on Page 1 are “hospital-based and nonhospital based physicians who are voting members of and can hold office in the Medical Staff organization of the hospital.” These staff are set up to be similar with recognized board clinical specialties at the time and not functional revenue cost centers. There was no intention of tying the two together. Of the five categories of physicians that work in a hospital (Attending, Associate, House Staff, Courtesy, Consulting), only Courtesy and Consulting are excluded. See details in 7020.13-7020.14 of the reporting manual for details.
5. Are there “nursing float” hours that need to be allocated to hospital unit:
The Nursing float cost center is for the hospital’s tracking purposed only for nursing staff that work in more than one cost center. Ideally, each month, those hours should be assigned to the cost center(s) based on the number of hours worked in each cost center so there should never be any hours left in the Nursing float cost center when it comes time to file the report.
6. Are Kaiser hospitals included:

Kaiser hospitals had an exemption in legislation that was partially removed. Beginning with fiscal year end 12/31/2021 reports, Kaiser hospitals must report expenses like all other hospitals. State hospitals and some Psychiatric Health Facilities may report a limited number of report pages, such as Page 0 through Page 9. Hospitals that are designated as small/rural are stored in their database but the designation is not reported to hospitals in the disclosure report. The definition for small and rural hospital was obtained from Section 124840 of the California Health and Safety Code. The Pivot Profile data product can on the other hand identify small/rural facilities.

- Section 124840 of California Health and Safety Code:
- “Small and rural hospital” means an acute care hospital that meets either of the following criteria:
 - o Meets the criteria for designation within peer group six or eight, as defined in the report entitled Hospital Peer Grouping for Efficiency Comparison, dated December 20, 1982.
 - o Meets the criteria for designation within peer group five or seven and has no more than 76 acute care beds and is located in an incorporated place or census designated place of 15,000 or less population according to the 1980 federal census.

7. Capital reported on Page 5 and investments reported on Page 5.2:

- Page 5.2 is a statement of changes in PPE. Page 5 Lines 80-200 is different.

8. Details on the cost reporting at the hospital unit level:

- The goal is to try to do some analysis to find the total expenses for running a given hospital unit with the caveat that only direct expenditures to the hospital unit are reported in the form. The portion of total expenses that is therefore “allocated” to each hospital unit is allocated using the statistical basis on Page 19 (Page 19 are statistics that are the basis for cost allocation calculations).
- The purpose of Pages 15 and 16 are to isolate professional component expenses in Column 9, and Student compensation in Column 13, and reallocate the rest of the expenses from those two pages based on the descriptions at the bottom of the columns on Page 16. You shouldn’t use Column 4 from those pages.
- Pages 17 and 18 are used for reporting direct expenses for each hospital cost center by natural classification of expense group.
- Page 20 has most of the costs. Page 20 is only missing the costs identified on Page 15, Column 9 and Column 13 which you can see on Page 10, Column 13, Line 415. Page 20 has non-revenue producing cost centers (similar to indirect costs) in Line 5 to Line 280, cost recoveries in Line 350 to Line 440, revenue producing cost centers (similar to direct costs) in Line 505 to Line 900, purchased patient services cost centers are Line 910 and Line 911. Non-operating cost center is Line 915.
- Page 10 is optional for hospitals to complete, however, if it is left blank then OSHPD / HCAI will calculate the costs for Page 10 on the audited version of the report when the report review is complete. Page 10 pulls the adjusted direct expenses by patient revenue producing center / non-revenue producing center from Page 20 Column 1 (Page 17 and 18 Column 12) and then takes the allocated costs for each from Page 20 Column 16. You can find total costs on Page 10, Column 9, Line 435 plus Page 10,

Column 13, Line 415. Non-operating costs are on Page 10, Column 9, Line 420 and are not allocated to revenue producing lines.

9. Details on the revenue reporting at the hospital unit level:

Data on revenues and deductions from revenue are reported by payor category at an aggregated (rather than unit) level. The deductions are known for each payor category but not known at the cost center (unit) level. Therefore, the deductions that are reported on Page 10 are estimated using Page 17 (direct expenses) and patient revenues by cost center. You can think about the deductions and allocated costs at the hospital unit level as estimates rather than reported directly by hospitals.