HEALTH

HEALTH SYSTEMS BRANCH

OFFICE OF HEALTH CARE FINANCING

OFFICE OF POPULATION HEALTH

HEALTHCARE QUALITY AND INFORMATICS PROGRAM

HEALTH CARE QUALITY ASSESSMENT UNIT

Hospital Financial Reporting

Notice of Readoption with Technical Changes: N.J.A.C. 8:31B

Authorized By: Shereef M. Elnahal, MD, MBA, Commissioner, Department of Health (with the approval of the Health Care Administration Board).

Authority: N.J.S.A. 26:2H-1 et seq., particularly 26:2H-5, 5.1, 5.1b, 12, 18, 18.47, 18.55, 18.57, 18.58, 18.59, 18.59c, 18.59i, and 18.62.

Effective Date: , 2018.

New Expiration Date: , 2025.

Take notice, pursuant to Executive Order No. 66 (1978) and N.J.S.A. 52:14B-5.1, that the Commissioner (Commissioner) of the Department of Health (Department) hereby readopts N.J.A.C. 8:31B Hospital Financial Reporting, which was to expire June 29, 2018.

N.J.A.C. 8:31B establishes rules governing hospital reporting of uniform billing and cost data to implement the Health Care Facilities Planning Act, N.J.S.A. 26:2H-1 through 26 ("Act"). The Department collects uniform billing data to calculate Medicaid reimbursement rates; analyze market share, treatment patterns, and patient demographics; inform health care quality assessment activities (such as the Department's annual compilation of the "Hospital Quality Assessment" report, available at http://www.nj.gov/health/healthcarequality/); and conduct other public health assessment,

planning, and policy development activities. The Department collects hospital cost reports and other financial information to calculate, among other disbursements, the amounts of charity care and uncompensated care disproportionate share payments from the Health Care Subsidy Fund that are due to hospitals serving a disproportionate number of low-income patients, see N.J.S.A. 26:2H-18.58, and to inform the Department's hospital financial stability oversight responsibilities, see, for example, N.J.S.A. 26:2H-5, 5.1a, and 5.1b, and the Health Care Stabilization Fund Act, N.J.S.A. 26:2H-18.74 through 18.78.

N.J.A.C. 8:31B has been part of the New Jersey Administrative Code since at least 1979. The Department has amended and readopted the chapter many times over the years, most significantly to implement hospital rate setting and the activities of the Hospital Rate Setting Commission, until the early 1990s, upon the passage of the Health Care Reform Act of 1992 (HCRA), P.L. 1992, c. 160, approved November 30, 1992, effective in part on January 1, 1993, and codified in part at N.J.S.A. 26:2H-18.50 through 18.70. The HCRA amended the Act by eliminating the hospital rate setting and reimbursement system, deregulating the hospital marketplace, eliminating the Hospital Rate Setting Commission as of January 1, 1994, and establishing the Health Care Subsidy Fund, from which the Department distributes, among other disbursements, charity care and uncompensated care disproportionate share payments to hospitals that serve a disproportionate number of low-income patients. See N.J.S.A. 26:2H-18.58.

The HCRA did not eliminate the authority of the Commissioner, pursuant to the Act, to require hospitals to report financial, statistical, and patient demographic and diagnostic information. Therefore, the existing chapter reflects Department rulemaking activity since

the mid-1990s that continued hospital reporting requirements for this information, and removed references to rate setting activities and the functions and purposes of the eliminated Hospital Rate Setting Commission. Nevertheless, the Department has not updated some provisions of the chapter since their original promulgation in the late 1970s and the 1980s.

P.L. 2009, c. 263, "An Act concerning billing for, and reporting of certain information by, certain health care providers and supplementing Title 26 of the Revised Statutes," approved January 17, 2010, effective July 1, 2011, and codified in part at N.J.S.A. 26:2H-5.1c through 5.1f, amended the Act. N.J.S.A. 26:2H-5.1c requires ambulatory care facilities that the Department licenses to provide surgical services (hereinafter referred to as "ambulatory surgery centers") to use a common billing form, which the Commissioner is to designate, for each patient when billing for health care services. N.J.S.A. 26:2H-5.1c states that, to the extent applicable, the form is to provide the same information that hospitals provide through uniform billing. N.J.A.C. 26:2H-5.1d requires the Commissioner to "make publicly available the identification number for the physician or physicians, as applicable, that appear on hospital billing forms and billing forms of ambulatory care facilities licensed to provide surgical services, to the extent that doing so is consistent with the 'Health Insurance Portability and Accountability Act of 1996'" (HIPAA). N.J.S.A. 26:5.1f directs the Department to promulgate rules to implement these requirements.

The Department is developing rulemaking to revise N.J.A.C. 8:31B. Anticipated substantive revisions would update and recodify the uniform billing and reporting standards at existing Subchapter 2 as a separate chapter of the New Jersey Administrative Code,

and implement N.J.S.A. 26:2H-5.1c, which requires ambulatory surgery centers to adhere to uniform billing standards and, as appropriate, 5.1d, concerning the sharing of health care providers' identification numbers. In addition, the anticipated rulemaking would streamline the cost reporting standards at Subchapters 3 through 5 to conform to New Jersey Administrative Code style and formatting conventions of the Administrative Rules Division of the New Jersey Office of Administrative Law, incorporate by reference applicable accounting and reporting principles, correspondingly delete the reiteration of these principles at Subchapter 4, and promulgate required reporting forms.

N.J.A.C. 8:31B will expire before the Department can promulgate the rulemaking that is in development, described above, if the Department does not readopt the chapter. Therefore, the Commissioner has reviewed existing N.J.A.C. 8:31B and determined that the existing chapter remains necessary, proper, reasonable, efficient, and understandable, and responsive to the purposes for which the Department originally promulgated it, as amended and supplemented over time, and should be readopted, pending the Department's promulgation of the anticipated rulemaking, described above. Therefore, pursuant to N.J.S.A. 52:14B-5.1 and N.J.A.C. 1:30-6.4(h), N.J.A.C. 8:31B is readopted and shall continue in effect for seven years.

The Department is making technical changes throughout the chapter to update contact information, citations, and references to publications that the chapter incorporates by reference as amended and supplemented, and reflect the reorganization, and attendant renaming, of the Department pursuant to N.J.S.A. 26:1A-2.1. In addition, the Department is making technical corrections, limited to sections affected by the changes listed in the

preceding sentence, to delete unnecessary capitalization and correct grammar and punctuation. The Department is making a technical correction at N.J.A.C. 8:31B-1.2 to the definition of the term, “Uniform Bill—Patient Summary,” to reflect the use thereof with respect to types of patients, other than inpatients, that is, outpatients and same-day surgery patients.

Full text of the readopted rules can be found in the New Jersey Administrative Code at N.J.A.C. 8:31B.

Full text of the adopted technical changes follow (additions indicated in boldface, **thus**; deletions indicated in brackets, [thus]):

SUBCHAPTER 1. GENERAL PROVISIONS

8:31B-1.1[.] Purpose and scope

The purpose of this chapter is to satisfy the requirements of the Health Care Facilities Planning Act, [P.L. 1971, c.136 as amended by P.L. 1978, c.83; P.L. 1991, c.187; P.L. 1992, c.160; P.L. 1998, c.43; and P.L. 2004, c.54 and c.113] **N.J.S.A. 26:2H-1 through 26**, and support the public policy of the State that hospital and related health care services of the highest quality, of demonstrated need, efficiently provided and properly utilized at a reasonable cost, be available to inhabitants of the State.

8:31B-1.2 Definitions

The following words and terms, as used in this chapter, shall have the following meanings unless the context clearly indicates otherwise.

…

"Department" means the [New Jersey] Department of Health [and Senior Services].

"Financial [Elements] **elements**" means those items of revenue, expense[s]**,** and other data defined in N.J.A.C. 8:31B-4 for reporting to the Department [of Health and Senior Services].

…

"Uniform Bill[-]**—**Patient Summary" (also referred to as the **National Uniform Bill, the** UB-04, **or the** CMS 1450) means a common billing and reporting form used by the hospital for each inpatient (see N.J.A.C. 8:31B-2[)].

SUBCHAPTER 2. HOSPITAL REPORTING OF UNIFORM BILL DATA (INPATIENT, SAME-DAY SURGERY, AND EMERGENCY DEPARTMENT OUTPATIENT)

8:31B-2.1 Purpose

(a) The purpose of this subchapter is to provide the basis for a single patient data reporting system to satisfy the health planning requirements of the Health Care Reform Act of 1992 (P.L. 1992, c. 160). The subchapter incorporates herein by reference the National Uniform Bill (UB-04, CMS 1450), as amended and supplemented, as the common hospital billing format for all payers. The data elements and design of the form have been determined by the National Uniform Billing Committee (NUBC). The NUBC includes representatives of the Federal Government, major payers**,** and hospital associations. The NUBC is a Designated Standard**s** Maintenance Organization (DSMO) in accordance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA) as

adopted by the United States Congress. The Uniform Bill shall be transmitted electronically according to the HIPAA-compatible Health Care Service: Data Reporting 837 Version 5010 format**,** incorporated herein by reference, as amended and supplemented. The HIPAA-compatible Health Care Service: Data Reporting 837 Version 5010 format is developed and maintained by the DSMO, Accredited Standards Committee X12 (ASC X12) of the American National Standards Institute (ANSI). The UB-04, as amended and supplemented, can be obtained from the [American Hospital Association,] National Uniform Billing Committee **in care of the American Hospital Association**, [29th Floor, 1] **155** North [Franklin] **Wacker Drive, Suite 400**, Chicago, IL 60606**, telephone (312) 422-3397, telefacsimile (312) 422-4526, website: http://www.nubc.org**. The HIPAA-compatible Health Care Service: Data Reporting 837 Version 5010 electronic format can be obtained from **the** Washington Publishing Company, [747 177th Lane NE, Bellevue] **2107 Elliott Avenue, Suite 305, Seattle**, WA [98008] **98121, telephone (425) 562-2245, telefacsimile (775) 239-2061, website http://www.wpc-edi.com**.

(b) This subchapter will continue to allow hospitals to:

1. Satisfy Department [of Health and Senior Services] reporting requirements for patient**-**level clinical and financial information;

2. Allow [for] common and consistent reporting of revenues for services related to patient care; and

3. (No change).

8:31B-2.2[.] Implementation

Beginning January 1, 1981, N.J.A.C. 8:31B-2.1, the rule on [Hospital] **hospital** reporting of Uniform Bill**—**Patient Summaries [(Inpatient)], has been used as a common billing and reporting mechanism for each inpatient discharged **from,** and ambulatory same**-**day surgery outpatient treated in [each acute care general]**, a** hospital. As of December 1, 2003, this rule will also apply to emergency department outpatient[s].

8:31B-2.4[.] Guidelines for completion of the patient billing and abstract form

(a) Procedural guidelines for completing the patient billing and abstract form follows:

1. Guidelines for completing the billing form have been developed by the NUBC for Medicare, Medicaid, TRICARE, and [Commercial Insurers] **commercial insurers**.

2. (No change.)

3. Additional data elements required for the Department [of Health and Senior Services] by this rule are described in detail by an addendum to the National Uniform Bill Manual. Note: The addendum consists of instructions for filling out the new, Federally mandated form; copies of the addendum can be obtained from the Department.

(b) Billing timelines requirements are as follows:

1. A UB shall be completed, finalized**,** and submitted to the [Data Intermediary] **data intermediary** for each patient within 30 days of discharge of the patient.

2. Where claims administration and cash flow considerations would dictate a more current billing than the 30**-**day requirement, a preliminary version of the UB containing only those items required for the particular payer need be utilized at the time of billing. In

interim billing cases, it is required that the full patient billing and abstract information be completed and submitted to the data intermediary in compliance with the data intermediary time limits and these rules, specifically N.J.A.C. 8:31B-2.5(g). Data items reported to the data intermediary for transmission to the Department [of Health and Senior Services] shall not differ from data upon which payment was based.

3. (No change.)

8:31B-2.5 Health data submissions to the Department [of Health and Senior Services]

(a) A data intermediary shall be selected as follows:

1. A data intermediary is the data processor approved by the Department [of Health and Senior Services] responsible for collecting, editing, generating selected reports, and submitting the UB data to the Department [of Health and Senior Services].

2. (No change.)

(b) — (c) (No change.)

(d) To assess the accuracy and reliability of the data provided to the Department [of Health and Senior Services], the Department [of Health and Senior Services] **periodically** shall [periodically] audit selected records in the hospital.

(e) Data shall be edited as follows:

1. The data received by the intermediary from the hospital must be edited prior to submission to the Department [of Health and Senior Services], in accordance with the current contract between the Department and the data intermediary.

2. Problems detected by these edits shall be corrected by the [Intermediary] **data intermediary** and the hospital.

3. (No change.)

(f) Reports shall be produced as follows:

1. The data intermediary shall produce, for the Department [of Health and Senior Services] and each hospital, a set of periodic reports [which] **that** will accurately represent the data submitted by each hospital, in accordance with the current contract between the Department and the data intermediary.

2. In addition, hospitals may designate an additional organization, known as a data reporter, to assist in the verification of the accuracy and reliability of the data submitted to the **data** intermediary. The Department [of Health and Senior Services] shall direct the data intermediary, selected under (a) above, to release a hospital's data to the reporter only upon receipt of a current signed agreement between the hospital and the data reporter. This agreement shall be updated annually, and shall:

i. (No change.)

ii. Provide [for the] protection of confidential data consistent with Department [of Health and Senior Services] procedures; and

iii. Allow [for] subsequent re-release of the data by the reporter only when the procedures[,] set by the Department [of Health and Senior Services,] have been followed.

3. These reports are to be used by the hospitals, in conjunction with any other information provided by their data collector or the Department [of Health and Senior Services], to verify the accuracy and reliability of the data submitted].

4. The ultimate responsibility for the completeness and accuracy of the UB data submitted to the Department [of Health and Senior Services] rests with the hospital.

5. (No change.)

(g) Data shall be submitted to the Department [of Health and Senior Services] as follows:

1. Those data elements required to be submitted to the Department [of Health and Senior Services] by each hospital through the data intermediary are described in detail in the addendum to the UB guidelines. Instructions are available from the Department for formatting the UB data elements into an electronic format for reporting to the Department [of Health and Senior Services] using the HIPAA-compatible Health Care Service: Data Reporting 837 Version 5010 electronic format. These instructions are known as the New Jersey ANSI ASC X12 Addendum Guide, incorporated herein by reference. The New Jersey ANSI ASC X12 Addendum Guide can be obtained from Program Manager, Health Care Quality Assessment Program, PO Box 360, Trenton, NJ 08625-0360.

2. These required data, edited pursuant to (e) above, shall be submitted to the Department [of Health and Senior Services] by the data intermediary in a computer-processable format and medium, specified by the current contract between the Department and the data intermediary, within [5] **five** days of the end of each calendar month.

3. (No change.)

4. Records not received by the Department [of Health and Senior Services] (including corrections of fatal errors and records with missing or incorrect information)[,] within the time frames specified, shall be subject to a penalty of $1.00 per record per day. The Department shall provide 30 days**'** notice of its intent to close the data base. The data base shall be closed no sooner than 90 days following the end of the calendar year and no additional cases shall be added after that time.

5. All data submitted to the Department [of Health and Senior Services] will be edited upon receipt by the data intermediary and any problems detected shall be corrected by the data intermediary with any necessary assistance from the hospital.

(h) — (i) (No change.)

SUBCHAPTER 3. FINANCIAL MONITORING AND REPORTING [REGULATIONS]

8:31B-3.11[.] Same**-**day surgery

(a) Same [Day Surgery]**-day surgery** is considered an alternative mode of health care delivery [which] **that** the Department [of Health and Senior Services] considers to be efficient and worthy of encouragement. Same [Day Surgery]**-day surgery** is intended to lower the cost of health care and provide the appropriate level of care to patients who are otherwise classified as inpatients. The patient, by definition:

1. — 3. (No change.)

8:31B-3.17 Financial elements reporting[/]**;** audit adjustments

(a) The [Audited Aggregate Current Cost Data Base] **audited aggregate current cost data base** is developed from financial elements reported to [New Jersey State] **the** Department [of Health and Senior Services] and includes:

1. –2. (No change.)

3. Capital [Facilities Costs] **facilities costs**: [Capital] **capital** cash requirements (as defined in N.J.A.C. 8:31B-4.21).

(b) All reported financial information shall be reconciled by the hospital to the hospital's audited financial statement. In addition, having given adequate notice to the hospital, the Department [of Health and Senior Services] may perform a cursory or detailed on-site review at the Department's discretion of all financial information and statistics to verify consistent reporting of data and extraordinary variations in data relating to the development of the [Current Cost Base (CCB)] **current cost base**. Any adjustments made subsequent to the financial review (including Medicare and Medicaid audits and [New Jersey State] Department [of Health and Senior Services] reviews) shall be brought to the attention of the Commissioner by the hospital, the Department [of Health and Senior Services], appropriate fiscal intermediary or payer where appropriate and shall be applied proportionately to the [Cost Base] **cost base**.

(c) (No change.)

8:31B-3.25[.] Net income from other sources

(a) The net gain (loss) from [Other Operating] **other operating** and [Non-Operating Revenues] **non-operating revenues** (as defined in N.J.A.C. 8:31B-4.61 through 4.67), and expenses of the reporting period are items considered as recoveries of**,** or increases to**,** [the Costs Related] **costs related** to [Patient Care] **patient care** (see N.J.A.C. 8:31B-4.61 through 4.67) as reported to the [New Jersey State] Department [of Health and Senior Services].

(b) Such revenue shall include all [Other Operating] **other operating** and [Non-Operating Revenues] **non-operating revenues** and [Expenses] **expenses** reported per NJ Acute Care Hospital Cost Report cost center costs and “expense recoveries” as Case B (see N.J.A.C. 8:31B-4.61 through 4.67), and all other items reported per the Uniform Cost Reporting Regulation as to their Case specified in N.J.A.C. 8:31B-4.61 through 4.67.

SUBCHAPTER 4. FINANCIAL ELEMENTS AND REPORTING

8:31B-4.9[.] Consistency

(a) Consistency refers to continued uniformity during a period and from one period to another in methods of accounting, mainly in valuation bases and methods of accrual, as reflected in the financial statements of an accounting entity. Consistency is very important to the development and analysis of trends on a year to year basis and as a means of forecasting. However, consistency does not require continued adherence to a suboptimal method or procedure. Any change of accounting procedure, consistent with the materiality principal, must be brought to the attention of the Department [of Health and Senior

Services] by way of a cover letter which will accompany the hospital's Financial Elements Report to include both a description and analysis of reporting impact of such accounting procedure changes.

(b) — (c) (No change.)

8:31B-4.16[.] Fund accounting

(a) (No change.)

(b) Funds transferred to the [Operating Fund] **operating fund** from the [Restricted Fund] **restricted fund** for board**-**restricted activities must be recorded in the [Unrestricted Fund] **unrestrticted fund** as nonoperating revenue and as operating expense when expended. For reporting purposes**,** the recording of transactions among and within the [Unrestricted Fund] **unrestricted** and [Restricted Funds] **restricted funds** are to be in accordance with the AICPA Hospital Audit Guide.

(c) Funds fall into four categories: [Unrestricted Funds, Donor Restricted Plant] **"unrestricted" funds, "donor-restricted plant** and [Equipment Fund] **equipment" funds**, [Specific Purpose Funds] **"specific-purpose" funds,** and [Endowment Funds] **"endowment" funds**. The accounts within each fund are **to be** self-balancing, and each fund constitutes a separate subordinate accounting entity. This subsection outlines the conditions and events which require separate accountability within the established funds.

1. Unrestricted [Funds] **funds** are used to account for all monies **that are** not restricted by donors or grantors in accordance with the rules set forth in this section. Two funds are to be established for unrestricted funds:

i. Operating [Fund] **fund** is used to account for funds derived from ongoing patient care and related day-to-day activities of the hospital, except for the portions of such funds otherwise classified here.

ii. Board [Designated Funds] **-designated funds** are unrestricted funds [which] **that** have been designated for specific purposes by the [hospitals] **hospital's** governing board. The board retains the right to undesignate such funds. The amount of such board**-**designated funds for capital replacement and renovation as well as the sources and applications of all [Board Designated Funds] **board-designated funds** shall be reported annually to the Department [of Health and Senior Services] per N.J.A.C. 8:31B-4.13.

2. Restricted [Internally Generated Major Moveable Equipment Replacement Fund **internally generated major moveable equipment replacement fund** ("[Equipment Fund] **equipment fund**") is a fund**,** to be used to account for the portion of all [Net Revenues Related] **net revenues related** to [Patient Care] **patient care** for the leasing, depreciation**,** or replacement of major moveable equipment.

i. – ii. (No change.)

3. Restricted [Internally Generated Plant Replacement and Major Renovation Fund] **internally generated plant replacement and major renovation fund** ("[Plant Fund] **plant fund**") is used to account for the portion of all [Net Revenues Related] **net revenues related** to [Patient Care] **patient care** (specified as the [Capital Facilities Allowance] **capital facilities allowance**) for the acquisition, preservation, renovation**,** and replacement of the "plant," (as defined in N.J.A.C. 8:31B-4.21), i.e., buildings, building

components, fixed equipment, land**,** and capitalized assets other than minor or major moveable equipment. It will also account for all capitalized "plant" expenditures plus all debt service payments on long**-**term debt other than those that may be assigned to the ["Equipment Fund."] **equipment fund.** Income earned (losses incurred) on investments (at market value) of the [Plant Fund] **plant fund**, less any income taxes attributable to such income, is restricted to the same capital purposes as the fund principal.

4. Donor [Restricted Plant] **-restricted plant** and [Equipment Fund] **equipment fund**: [Resources] **resources** restricted by donors for the acquisition or construction of plant assets or the reduction of related debt are to be accounted for in the [Donor Restricted Plant] **-restricted plant** and [Equipment Fund] **equipment fund**.

i. Income earned on investments and any losses incurred, valuing securities as at market value, must be reflected as an addition/reduction to the [Donor Restricted Plant] **donor-restricted plant** and [Equipment Fund Balance] **equipment fund balance,** if so specified by the donor.

5. Specific Purpose Funds] **-purpose funds**: [Funds] **funds** received [which] **that** are restricted for a specific purpose must be accounted for in a [Specific Purpose Fund] **specific-purpose fund**. Revenue and [Expense] **expense** transactions resulting from these resources, not otherwise restricted by the donor(s), must be recorded as other [Operating] **operating** revenue and operating expenses per the appropriate cost center or classification in the period in which these transactions are incurred. (In some instances**,** the transactions resulting from these resources will be recorded as non-operating revenue and expense.)

6. Endowment [Funds] **funds**: [Funds] **funds** classified as [Endowment Funds] **endowment funds** include:

i. (No change.)

ii. Term endowments (principal is available for use upon the passage of time or the occurrence of an event).

8:31B-4.73[.] Obstetric Acute Care Unit (OBS)

(a) Function:

1. The provision of care to the mother before, during and following delivery on the basis of physicians' orders and approved nursing care plans is provided in the Obstetric Acute Care Unit. Obstetrics may include services to clean gynecological patients treated in beds licensed by the Department [of Health and Senior Services] as obstetrics.

2. – 3. (No change.)

(b) (No change.)

8:31B-4.79[.] Neo-Natal Intensive Care Unit (NNI)

(a) Function:

1. A Neo-Natal Intensive Care Unit provides care to newborn infants that is of a more intensive nature than care provided in Pediatric Acute or Newborn Nursing units. Care is provided on the basis of physicians' orders and approved nursing care plans. The units are staffed with specially trained nursing personnel and contain specialized support equipment for treatment of those newborn infants who require intensified, comprehensive

observation and care. Neo-Natal Intensive Care Units are designated perinatal centers by the Department [of Health and Senior Services,]**.** Medical and Surgical Supplies should be reported in accordance with N.J.A.C. 8:31B-4.55.

2. (No change.)

(b) (No change.)

8:31B-4.80[.] Newborn Nursery (NBN)

(a) Function:

1. (No change.)

2. Functions include constant observation of newborns; checking on progress of newborns; feeding and diapering newborns; assisting pediatricians during examination and treatment; operating special equipment; dispensing prescribed medication; [and] educating new mothers on infant care; maintaining newborns' charts; requisitioning and sorting medical supplies[;]**,** drugs**,** and infant[s] formulae; and scheduling newborns for ancillary services.

3. Costs associated with units designated by the Department [of Health and Senior Services] as perinatal centers should be reported in this cost center.

(b) – (c) (No change.)

8:31B-4.109[.] Medical Records (MRD)

(a) Function:

1. Medical Records is responsible for creating and maintaining a medical record for all patients and for maintaining a tumor registry in accordance with Department [of Health and Senior Services] requirements. The revenue and cost associated with medical records transcriptions for persons outside of the hospital should be reported as reconciliations per N.J.A.C. 8:31B-4.62 through 4.66.

2. Functions include coding; typing; abstracting; filing; indexing; accessing; [preparation of] **preparing** birth and death certificates; processing [of] court and other types of inquiries; [maintenance] **maintaining** and reporting [of] data such as patient days, visits, ancillary services**,** and statistics**,** by patient, disease, physician**,** and operation; and coordinating the flow of statistics with certain hospital stations.

(b) (No change.)

8:31B-4.131[.] Financial elements report

The Commissioner of Health [and Senior Services] shall approve Financial Elements report forms, also known as Acute Care Hospital Cost Reports, and reporting instructions consistent with the five Parts of the Financial Elements and Reporting Regulations for completion by all New Jersey hospitals. The Commissioner may refine these report forms for research purposes by adding, modifying, or changing cost centers. Hospitals shall submit information on these forms electronically in a format compatible with Department specifications.

SUBCHAPTER 5. STANDARDS FOR HOSPITAL NOTIFICATION REGARDING OFFSET OF MEDICAID PAYMENTS AND CHARITY CARE SUBSIDY PAYMENTS TO COLLECT HOSPITAL DEBTS DUE TO THE STATE

8:31B-5.1[.] Hospital notification regarding offset

(a) The [Department of Human Services'] Division of Medical Assistance and Health Services [will] **of the Department of Human Services**, upon receipt of documentation from the Department [of Health and Senior Services], **will** apply an offset to a hospital's Medicaid payments to collect delinquent statutory and/or regulatory debts owed by the hospital to the State.

(b) On the 10th day after the due date, the Department [of Health and Senior Services] shall send each hospital that is delinquent in paying its statutory and/or regulatory debt a notice of intent to initiate an offset to its Medicaid payments.

(c) If the Department [of Health and Senior Services] receives a payment from a hospital for the delinquent amount after an offset has been initiated, the amount of offset shall be applied to any statutory debts owed by the hospital to the State within the next 30 days.

(d) The Department [of Health and Senior Services] shall request the Division of Medical Assistance and Health Services to initiate maximum offsets until individual hospital debts are satisfied. Offset payment schedules may be negotiated with individual hospitals based on financial stability.