

# **2025**

## **Freestanding Outpatient Surgical Center (FOSC)**

### **Financial, Utilization, and Services Data Report**

# **Instructions**

Completion and submission of this report is required by  
Minnesota Statutes 144.695-144.703 and 62J.17,  
and Minnesota Rules, chapter 4650.



Health Economics Program  
Division of Health Policy  
Minnesota Department of Health

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## TABLE OF CONTENTS

SECTION	PAGE
I. Background.....	1
II. Filing Requirements	
A. General Requirements.....	2
B. Fee.....	2
C. Submitting Reports.....	2
D. Multi-facility Corporations .....	3
E. Request for Extension.....	3
F. Financial, Utilization, and Services Reports for Fiscal Year 2024 .....	3
G. Classification of Data.....	3
H. Audited Annual Financial Statement.....	3
I. Medicare Cost Report (MCR) .....	3
J. Fines .....	3
III. Information about Completing the Formset .....	4
IV. Instructions.....	5

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## I. Background

The Minnesota Department of Health is required by Minnesota Statutes 144.695-144.703, to collect accurate and reliable information about the financial and utilization characteristics of freestanding outpatient surgical centers in Minnesota, and to provide this information to public policymakers, purchasers of health care services, and to the public.

Until 1984, the requirements of Minnesota Statutes 144.695-144.703 applied only to hospitals, and the rules promulgated under Minnesota Statutes 144.703 described data collection applicable to hospitals. In 1984, reporting requirements under Minnesota Statutes 144.695-144.703 were extended to include freestanding outpatient surgical centers. The law, however, allowed the Commissioner of Health to grant outpatient surgical centers a group variance from compliance with Minnesota Rules, chapter 4650. This variance was applied to data collected through 1996. During 1996, the need for the variance was eliminated by incorporating the provisions of the variance into the revision of the rules. Minnesota Rules, chapter 4650, as amended, and effective in 1997, now apply to freestanding outpatient surgical centers.

These instructions summarize requirements for freestanding outpatient surgical centers' data reporting under the rules. The instructions are intended as a general reference guide only and should not be substituted for the actual text of Minnesota Rules, chapter 4650.

Copies of the following are available upon request from the Minnesota Department of Health:

- Minnesota Statutes 144.695-144.703
- Minnesota Statutes 62J.17
- Minnesota Rules, chapter 4650
- Statement of Need and Reasonableness (SONAR)

To obtain copies or request further information, please contact:

- Tracy Johnson / HCCIS
- Health Economics Program
- Minnesota Department of Health
- P.O. Box 64975
- St. Paul, MN 55164-0975
- Phone: 651-201-3572
- [Tracy.L.Johnson@state.mn.us](mailto:Tracy.L.Johnson@state.mn.us)

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## II. Filing Requirements

### A. General Requirements

Each freestanding outpatient surgical center licensed under Minnesota Statutes 144.50-144.56 and Minnesota Rules, chapter 4675 must submit:

- Financial, Utilization and Services Report for Fiscal Year 2025.
- A copy of Audited Annual Financial Statements or internal financial documents for Fiscal Year 2025.
- A copy of Medicare Cost Reports (if submitted to CMS) for Fiscal Year 2025.
- A copy of your facility's Charity Care policy per Section 9.
- A copy of your facility's Ownership Relationships per Section 10.

All reports for fiscal year 2025 are due on **March 1, 2026**.

### B. Fee (\$200)

Minnesota Rules, part 4650.0167 requires each freestanding outpatient surgical center to pay a filing fee of \$200 to the Commissioner of Health (payable to: **Treasurer, State of Minnesota**) upon submission of the reports listed in Part A above. **You will be invoiced separately for this fee. See paragraph C below.**

### C. Submitting Reports

Please submit one copy of each report (for each facility)

- Completed 2025 FOSC report.
- Audited Financial Statement as an uploaded attachment Medicare Cost Report—if applicable as an uploaded attachment Ownership Relationship Diagram as required in Section 10 as an uploaded attachment.
- Charity Care Policy if applicable as required in Section 9 as uploaded attachment.
- Filing fee of \$200.00 due upon receipt of invoice payable to: Treasurer, State of Minnesota (**U.S. Mail** to address below)—Please **identify your facility name and include your invoice number on your check and include a copy of the invoice with payment** when you send in the filing fee.

**Note new remit address:**

Minnesota Department of Health  
Financial Management  
P.O. Box 64975  
St. Paul, MN 55164-0975

**Please make check(s) payable to: Treasurer, State of Minnesota.** Please note that submissions with checks made payable to any other source will not be accepted.

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## **D. Multi-facility Corporations**

Minnesota Rules, part 4650.0138 requires reports for each individually licensed freestanding outpatient surgical center. A multi-facility corporation or organization operating more than one facility may act as the organization which reports for the outpatient surgical center and must provide all information separately for each outpatient surgical center. For exceptions to this requirement, see Minnesota Rules, part 4650.0139, subpart 2.

## **E. Request for Extension**

If a facility is unable to submit reports by March 1, 2026, the Commissioner may extend the period for submission. Any request for extension must be submitted from the HEP Data Portal by the due date and must include an explanation outlining why the extension is needed (Minnesota Rules, part 4650.0130, subpart 6).

## **F. Financial, Utilization, and Services Report for Fiscal Year 2025**

Minnesota Rules, part 4650.0113 requires freestanding outpatient surgical centers to report utilization, staffing, and financial information for fiscal year 2025, and current services, ownership, and affiliations. The Financial, Utilization, and Services Report for Fiscal Year 2025 in the HEP Portal is the form provided by the Minnesota Department of Health (MDH) to be used by outpatient surgical centers to report the required data.

## **G. Classification of Data**

With the exception of the freestanding outpatient surgical center administrative expenses reported in Section 8 of the report, the data reported on the Financial, Utilization and Services Report are classified as public and are made available upon request and may be used in reports generated by MDH. Pursuant to Minnesota Statutes 62J.321, subdivision 5, the administrative expense data is classified as non-public and will be made available only in an aggregate or summary form that does not identify an individual outpatient surgical center.

## **H. Audited Annual Financial Statement**

Minnesota Statutes 144.698 and Minnesota Rules, part 4650.0110 require all licensed outpatient surgical centers to provide an Audited Financial Statement. If you do not have an "audited" statement, MDH will accept internal documents that detail similar information (balance sheet detailing assets, liabilities, and net worth; detailed statement of income and expenses).

## **I. Medicare Cost Report (MCR)**

Minnesota Rules, part 4650.0111 requires the submission of a copy of the Medicare Cost Report (MCR) if a freestanding outpatient surgical center prepares a MCR pursuant to the requirements of the Social Security Act. If an MCR is not filed with CMS, this requirement may be disregarded.

## **J. Fines**

If a freestanding outpatient surgical center does not complete and submit a 2025 Financial, Utilization, and Services Report and does not submit copies of Audited Annual Financial Statements and Medicare Cost Reports by the required due date, does not request an extension, and does not respond to requests from the Commissioner to supply the reports or corrections to the required reports, the Commissioner shall charge the outpatient surgical center a fine (in addition to the original submission fee). The fine is

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a base of \$100 plus \$10 per day until the facility complies with the applicable requirements of Minnesota Rules, chapter 4650. The fine shall not exceed \$1,000 (Minnesota Rules, part 4650.0173).

## **Information about Completing the Report**

### **K. MDH requires the use of the HEP Portal to complete the report.**

Please access the HEP Portal by registering and choosing Freestanding Outpatient Surgical Centers. Please follow the instructions and certify the report when complete.

### **L. Report all data according to your facility's 2025 fiscal year.**

If you change your fiscal year, you may report required information for a period up to 13 months in one report. Please note that you must report information for all time periods. If the fiscal year change results in a period of more than 13 months, you must complete an additional report. (Minnesota Rules, part 4650.0113, subpart 2.)

### **M. Provision for Bad Debt.**

Due to a change in Financial Accounting Standards Board (FASB) rules, Provision for Bad Debts is now included in Total Adjustments and Uncollectibles. It is no longer included in Total Operating Expense.

### **N. Complete all items of the report unless it is specifically noted as optional.**

These optional items have been added to get a more accurate picture of your facility for research purposes. It is to your advantage to provide this additional data.

### **O. Leave data accounts *blank* when they are not applicable to your facility.**

Use a zero only when the amount is zero.

### **P. Report actual numbers in all categories whenever reasonably possible.**

If it is not reasonably possible to report actual information, the surgical center may estimate using reasonable methods. When an entry is an estimate, please identify it as an estimate. Note that, upon request, the surgical center must provide a written explanation of the method used for the estimate. (Minnesota Rules, part 4650.0112, subpart 1c.)

### **Q. In some instances, two different accounts will require identical information.**

### **R. Report all financial data in *whole* dollars.**

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## III. Instructions

### Facility Identification - DATA tab page 1

#### A. HCCIS ID

The HCCIS ID is the unique ID assigned to your facility for the HCCIS data collection. All the contact information MDH has on file for your facility will be pre-populated. Please verify the information and make any necessary corrections.

#### B. NPI

This is the National Provider Identifier. Enter this number if you have been assigned an NPI from the Centers for Medicare & Medicaid Services (CMS). See the CMS [National Provider Identifier Standard \(https://www.cms.gov/regulations-and-guidance/administrative-simplification/nationalproviderstand\)](https://www.cms.gov/regulations-and-guidance/administrative-simplification/nationalproviderstand) webpage for more information.

#### C. Certification Statement

An officer of the surgical center such as the administrator, chief executive officer, chief financial officer, or controller must certify the report by registering and checking the certification check box.

### Section 3: Services and Capacity Number of Surgical Cases:

The number of *patients* registering for surgical procedures. One patient per given date of service equals one surgical case. It is understood that a patient could be registering for multiple procedures on the same date of service. This would be considered as one surgical case for that date of service.

### Section 3: Non-Surgical Procedures or Services

Please identify if your facility provides any of the non-surgical services listed.

### Section 3: Procedure Summary

List the top 10 procedures most frequently performed during the reporting year in descending order. List each procedure by name and CPT code number, report the number of procedures performed, and identify if the procedure is surgical or non-surgical. Enter only one CPT code per line. Current Procedural terminology code numbers are contained in the "Physician's Current Procedural Terminology" manual.

All Other Surgical Procedures Performed:

All other (besides the top 10 previously reported) surgical procedures performed at your facility during the fiscal year.

All Other Non-Surgical Procedures Performed:

All other (besides the top 10 previously reported) non-surgical procedures performed at your facility during the fiscal year.

Total Procedures:

Total procedures performed at your facility during the fiscal year.

### Section 4: Employee Classification of FTEs

Full-Time Equivalent Employee (FTE):

An employee or any combination of employees that are paid by the facility for 2,080 hours of

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employment per year.

**Physician FTEs:**

Includes medical interns, medical residents, and all other physicians (doctors of medicine or doctors of osteopathic medicine) in all physician specialties.

RN FTEs: Total RN FTEs.

LPN FTEs: Total LPN FTEs.

**Nurse Anesthetist:**

The qualifications generally required for a nurse anesthetist include graduation from an accredited school of nursing, graduation from an accredited program in nurse anesthesia, current licensure by the Minnesota Board of Nursing as a registered nurse, and certification as a CRNA by the American Association of Nurse Anesthetists.

**Imaging Technician FTEs:**

Includes Ultrasound, X-Ray, DEXA, Mammography, all Advanced Diagnostic Imaging (MRI, CT, PET, etc.) staff, and other imaging staff.

**Laboratory Technologist/Technician FTEs:**

This classification includes both laboratory technologists and technicians.

**Other FTEs:**

This classification includes FTEs for employees not specifically designated by the other employee classifications such as administrative staff, housekeeping, etc. This includes health and non-health related personnel.

**Total Surgical Center FTEs:**

Total of all categories listed above.

## **Section 4: Physicians with Staff Privileges**

**Physicians with staff privileges:**

List only licensed physicians who have applied and been granted staff privileges by the surgical center's Board of Directors or equivalent.

## **Section 5: Natural Expense Summary\* - Optional**

\*Although **some of** this section is optional, providing this data gives a more accurate picture about your facility for research comparison. It is to your advantage to provide this additional data.

**Salaries and Wages:**

Salaries and wages should include only actual W-2 earnings. These salaries should reflect only the surgical center portion of staff allocations between the surgical center and affiliated organizations such as a nursing home or clinic.

**Malpractice Expenses:**

All costs of malpractice including malpractice insurance self-insurance expenses including program administration, and malpractice losses not covered by insurance, including deductibles and malpractice attorney fees.



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MinnesotaCare Tax:

Expenses for the MinnesotaCare tax under Minnesota Statutes 295.52 and 295.582.

Other Expenses:

Other expenses should encompass any residual surgical center specific expenses not included in the other distinct natural expense classifications. A lump sum allocation of all expenses to an affiliated entity may not be netted into this line but must be properly designated to their correct expense categories. This figure **cannot** be negative.

Total Operating Expenses:

***This item is required.*** All costs directly associated with providing patient care or other services that are part of the normal day-to-day operation of the facility.

## Section 6: Patient Care Charges

Total Charges from Patient Care:

The total charges billed by the facility for patient care regardless of whether the facility expects to collect the amount billed.

## Section 6: Primary Payer Charge Summary

A managed care organization is defined in Minnesota Statutes 62Q.01, subdivision 5, as **(1)** a health maintenance organization operating under chapter 62D; **(2)** a community integrated service network as defined under section 62N.02, subdivision 4a; or **(3)** an insurance company licensed under chapter 62A, **(4)** a nonprofit health service plan corporation operating under 62C, **(5)** a fraternal benefit society operating under chapter 64B, or **(6)** any other health plan company, to the extent that it covers health care services delivered to Minnesota residents through a preferred provider organization or a network of selected providers.

“Managed Care Organizations Adjustments & Uncollectibles” includes adjustments for such organizations as HMOs, and insurance companies delivering care through a PPO or provider network.

Below is a partial listing of some these organizations in Minnesota:

- Blue Cross Blue Shield
- Blue Plus
- Medica
- HealthPartners
- Hennepin Health
- UCare MN
- PreferredOne
- Sanford Health

The bottom of the screen includes a link labeled “Audit Check.” Clicking on this link will take you to another section where you can review your data in a preliminary audit. This is for your information only to aid you in completion of the report. If your facility does not fall within the stated ranges, you may be contacted by MDH staff for possible corrections.

Medicare Charges:

Patient Charges billed to Medicare intermediaries such as Noridian Administrative Services for Medicare Patients only.

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MDH is frequently asked to provide data on the utilization and financial trends for MA and MinnesotaCare. Eligibility and payment policies related to these programs vary greatly. It is important that these categories be separated, so MDH can analyze trends by program types particularly as eligibility for the programs change. This information is frequently requested by legislators and other state analysts to assist them in policy formation on a program level. This information needs to be collected separately, by program, for MDH to fulfill requests for data and to describe trends for each program.

**MA and MinnesotaCare Patient Charges:**

Total Charges billed by the facility for Medical Assistance and MinnesotaCare Non-Managed Care patients. Facilities that do not have individual program itemizations for the MA and MinnesotaCare programs should leave the program specific lines blank and enter the total in this line. ***This cell is not locked.***

**MA Patient Charges:**

Patient Charges billed to the Minnesota Department of Human Services for both PMAP and non-PMAP Medicaid Patients only.

**MinnesotaCare Patient Charges:**

Patient Charges billed to the Minnesota Department of Human Services for MinnesotaCare Patients only.

**Commercial Insurers, Nonprofit Health Plans, Private (non-public programs) Patient Charges:**

- Commercial insurers include insurers, corporations, or associations providing health insurance such as Allstate, State Farm, etc.
- Nonprofit corporation insurers such as Blue Cross Blue Shield

**Section 6: Primary Payer Adjustments and Uncollectibles**

The bottom of the screen includes a link labeled “Audit Check.” Clicking on this link will take you to another section where you can review your data in a preliminary audit. This is for your information only to aid you in completion of the report. If your facility does not fall within the stated ranges, you may be contacted by MDH staff for possible corrections.

**Medicare Adjustments:**

Difference between Patient Charges billed to and payments received from Medicare intermediaries such as Noridian Administrative Services for Medicare Patients only.

MDH is frequently asked to provide data on the utilization and financial trends for MA and MinnesotaCare. Eligibility and payment policies related to these programs vary greatly. It is important that these categories be separated so MDH can analyze trends by program types, particularly as eligibility for the programs change. This information is frequently requested by legislators and other state analysts to assist them in policy formation on a program level. This information needs to be collected separately, by program, for MDH to fulfill requests for data and to describe trends for each program.

**MA and MinnesotaCare Adjustments:**

Total Adjustments for Medical Assistance and MinnesotaCare accounts. Facilities that do not have individual program itemizations for the MA and MinnesotaCare Non-Managed Care programs should leave the program specific lines blank and enter the total in this line. ***This cell is not locked.***

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#### MA Adjustments:

Difference between Patient Charges billed to the Minnesota Department of Human Services and payments received from DHS for both PMAP and non-PMAP Medicaid Patients only.

#### MinnesotaCare Adjustments:

Difference between Patient Charges billed to the Minnesota Department of Human Services and payments received from DHS for MinnesotaCare Patients only.

#### Commercial Insurers, Nonprofit Health Plans, Private (non-public programs) Adjustments:

- Commercial insurers include insurers, corporations, or associations providing health insurance such as Allstate, State Farm, etc.
- Nonprofit corporation insurers such as Blue Cross Blue Shield

#### Self-Pay Discounts:

This category includes discounts for persons who qualify for partial bill or sliding scale discounts under a provider's policy that provides discounts to the uninsured. This includes discounts applied to those that qualify for a discount under the Fair Price for the Uninsured agreement with the Minnesota Attorney General's office. Do not include prompt pay discounts or staff courtesy discounts; these should be recorded under Other Payers Adjustments and Uncollectibles.

Self-Pay discounts should be reported under Charity Care Adjustments if the discount is specifically included in your hospital's Charity Care policy. If a self-pay discount is included in Charity Care, do not report the amount in Self Pay Discounts.

- Example: If an uninsured patient is eligible for a self-pay discount of 10% but is not eligible for charity care, record the 10% discount in Self-Pay Discounts.
- Example: If an uninsured patient is eligible for a self-pay discount of 10% and eligible for charity care under your hospital's charity care policy for the rest of their bill, include 100% of the charge in Charity Care Adjustments. Do not include any part of the bill in Self Pay Discounts.

#### Charity Care Adjustments:

The total dollar amount that would have been charged by a facility for rendering free or discounted care to persons who cannot afford to pay and for which the facility did not expect payment. For purposes of reporting under Minnesota Rules, chapter 4650.0112, charity care adjustments are included in adjustments and uncollectibles.

To determine what meets the requirements for reporting Charity Care on this report, see Minnesota Rules chapter 4650.0115.

Note: Charity care allowances should include all **Hill Burton** obligations. Charity care is a **required** field in the FOSC and **cannot** be reported in Bad Debt Expense.

#### Provision for Bad Debts:

***This item is required.***

Due to a change in Financial Accounting Standards Board (FASB) rules, Provision for Bad Debts is now included in Total Adjustments and Uncollectibles. It is no longer included in Total Operating Expense. More information can be found in the [Update No. 2011-07—Health Care Entities \(Topic 954\): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities \(A Consensus of the](#)

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[FASB Emerging Issues Task Force](#)).

The provision for actual or expected doubtful accounts resulting from the extension of credit. This includes the total dollar amount charged for health care services that were provided for which there was an expectation of payment. Do not include charity care or self-pay discounts in this category; only include the portion of the charge for which there was an expectation of payment. Per Minnesota Rules chapter 4650.0116, in determining whether to classify charity care as bad debt expense, the facility must consider the following points:

- The facility must presume that the patient is able and willing to pay until and unless the facility has reason to consider this a charity care case under its charity care policy and the facility classifies this as a charity care case.
- The facility includes as bad debt expense unpaid deductibles, co-insurance, co-payments, and non-covered services and any other unpaid patient responsibilities.

**Other Adjustments and Uncollectibles:**

This includes Champus, Workman's Comp., Auto, etc. This category also includes small balance write offs, staff courtesy discounts, and prompt pay discounts.

## **Section 7: Primary Net Patient Revenue**

**Net Patient Revenue:**

Patient care revenues expected to be collected after accounting for discounts and allowances. FOSC net patient revenue should tie to net patient service revenue located on the statement of revenue and expense or combined statement of operations in the surgical center's audited financial statements. ***In the absence of surgical center specific audited financial statements, an internal surgical center specific income statement or audit statement reconciliation should be provided.***

## **Section 7: Other Operating Revenue\* - Optional**

\*Although this section is optional, providing this data gives a more accurate picture about your facility for research comparison. It is to your advantage to provide this additional data.

This section refers to revenue derived from the daily operation of the surgical center through non-patient care services. Specific examples include donations and grants, space rental, medical record transcription fees, parking lot/ramp fees, auxiliary functions, public phone proceeds, recovery of radiology silver, billing services for other health care entities, and Public Funding for Operations such as revenues from taxes or other municipal, county, state, or federal government sources, including grants and subsidies, that are designated for supporting the continued operation of a facility. Public funding for operation does **not** include funding for charity care. For purposes of reporting, public funding for operation is operating revenue.

## **Section 7: Operating Income\* - Optional**

\*Although some of this section is optional, providing this data gives a more accurate picture about your facility for research comparison. It is to your advantage to provide this additional data.

**Operating Revenue:**

The sum of net patient revenue and other income received as part of the normal day-to-day operation of the facility.

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Operating Expense:

***This item is required.*** All costs directly associated with providing patient care or other services that are part of the normal day-to-day operation of the facility. Income/Loss from Facility Operations: Difference between Operating Revenue and Operating Expense.

### **Section 7: Non-Operating Revenue\* - Optional**

\*Although this section is optional, providing this data gives a more accurate picture about your facility for research comparison. It is to your advantage to provide this additional data.

This section refers to revenue that is not related to patient care activities or daily surgical center operations. Examples of non-operating revenue include interest income, non-operating donations and grants, unrestricted donations, and **actual** and **realized** gains from the sale of either assets or investments.

Non-Operating Revenue:

All income received that is not directly related to the normal day-to-day operations of the facility.

### **Section 7: Non-Operating Expense\* - Optional**

\*Although this section is optional, providing this data gives a more accurate picture about your facility for research comparison. It is to your advantage to provide this additional data.

This section refers to expense that is **not** related to patient care activities or daily surgical center operations. Examples of non-operating expense include **actual** and **realized** losses from the sale or disposal of either assets or investments.

Non-Operating Expense:

All costs not directly associated with the normal day-to-day operations of the facility.

### **Section 7: Revenue in Excess of Expense\* - Optional**

\*Although this section is optional, providing this data gives a more accurate picture about your facility for research comparison. It is to your advantage to provide this additional data.

Extraordinary Items; Gain/(Loss):

Material Gains or Losses identified in the surgical center's Audited Financial Statement as a result of an event that is both unusual in nature and infrequent in occurrence (ex: void of bond debt, catastrophic weather conditions).

### **Section 9: Charity Care**

If your facility has a written charity care policy, please attach a copy when submitting your report to MDH.

### **Section 10: Ownership Relationships**

Please attach a copy of a diagram of the ownership relationships of your facility when submitting your report to MDH.

### **Sections 11 and 12 Capital Expenditure Commitments**

Minnesota Statutes 62J.17 requires that health care providers report all major capital spending

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commitments of \$1 million or more to the Minnesota Department of Health.

Providers are required to report major capital expenditures on an annual basis. The law previously required providers to report within 60 days after the date of the spending commitment.

The Minnesota Department of Health will continue retrospective reviews of major capital spending commitments, as required by Minnesota Statutes 62J.17, subdivision 5a, and prospective reviews under certain circumstances, as specified by Minnesota Statutes 62J.17, subdivision 6a.

“Major spending commitment” means an expenditure in excess of \$1,000,000 for:

- Acquisition of a unit of medical equipment.
- A capital expenditure for a single project for the purposes of providing health care services, other than for the acquisition of medical equipment.
- Offering a new specialized service not offered before.
- Planning for an activity that would qualify as a major spending commitment under this paragraph.
- A project involving a combination of two or more of the activities in clauses (1) to (4).

The cost of acquisition of medical equipment, and the amount of a capital expenditure, is the total cost to the provider regardless of whether the cost is distributed over time through a lease arrangement or other financing or payment mechanism.

#### **Capital Expend Detail Section 11:**

For all projects that are over 1 million, report the detail in this section. Note that the parts of any project can be reported in more than one category but should not be double counted. Reporting this information is required by Minnesota Statutes 62J.17, subdivision 2 and 144.698, subdivision 1.

#### **Capital Expend Project Specific Section 12:**

Providers are required to submit information sufficient to allow MDH to complete a retrospective review of each major capital spending commitment on the Capital Expend Project Specific tab of the form and should include:

- A detailed description of the project, its purpose, the street address of the facility, and the total cost of the project.
- The date of the spending commitment, such as the date of board authorization.
- The expected impact of the project on clinical effectiveness or the quality-of-care received by the patients that the provider serves.
- The extent to which equivalent services or technology are already available to the patient population within a service area of at least 10 miles.
- The distance in miles to the location of the nearest equivalent services or technology that are available to the provider’s actual and potential patient population.
- A statement describing the pursuit of or existence of any lawful collaborative arrangements, and the names of parties and a description of their involvement.

To complete the retrospective review on a particular project, MDH may request additional information about the project. Providers that fail retrospective review may become subject to prospective review of major capital spending commitments.

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## Section 8: Administrative Expenses:

NOTE: The information reported in this section is classified as **nonpublic** data according to Minnesota Statutes 62J.321. This means it is not available to the public unless in aggregate form.

Report **surgical center only** information. Record all direct and indirect expenses related to Total Administrative Expenses. Include the portions of Cost of Regulatory and Compliance Reporting, MIS, and Plant, Equipment and Occupancy Expenses as appropriate in Total Administrative Expenses.

Total Administrative Expenses:

The sum of the following expenses:

- **Admitting, patient billing, and collections:** All the costs related to inpatient and outpatient admission or registration, whether scheduled or non-scheduled; the scheduling of admission times; insurance verification, including coordination of benefits; preparing and submitting claim forms; and cashing, credit, and collection functions.
- **Accounting and financial reporting:** All costs related to fiscal services, such as general accounting, budgeting, cost accounting, payroll accounting, accounts payable, and plant, equipment, and inventory accounting.
- **Quality assurance and utilization management program or activity:** All costs associated with any activities or programs established for the purpose of quality-of-care evaluation and utilization management. Activities include quality assurance, development of practice protocols, utilization review, peer review, provider credentialing, and all other medical care evaluation activities.
- **Community and wellness education:** All the costs related to wellness programs, health promotion, community education classes, support groups, and other outreach programs and health screening included in a specific community or wellness education cost center or reclassified from other cost centers. Community and wellness education expenses does not include patient education programs.
- **Promotion and marketing:** All costs related to marketing, promotion, and advertising activities such as billboards, yellow page listing, cost of materials, advertising agency fees, marketing representative wages and fringe benefits, travel, and other expenses allocated to the promotion and marketing activities. Promotion and marketing expenses does not include costs charged to other departments within the surgical center.
- **Taxes, fees, and assessments:** The direct payments made to government agencies—including property taxes; medical care surcharge; MinnesotaCare tax; unrelated business income taxes; any assessments imposed by local, state, or federal jurisdiction; all fees associated with the facility's new or renewal certification with state or federal regulatory agencies, including fees associated with Joint Commission on Accreditation of Healthcare Organizations (JCAHO) accreditation; and any fees or fines paid to government agencies for examinations related to regulation.
- **Malpractice:** All costs of malpractice—including malpractice insurance, self-insurance expenses including program administration, and malpractice losses not covered by insurance, including deductibles and malpractice attorney fees.
- **Other administrative expenses:** All costs for the overall operation of the facility associated with management, administration, and legal staff functions—including the costs of governing boards, executive wages and benefits, auxiliary and other volunteer groups, purchasing, telecommunications, printing and duplicating, receiving and storing, and personnel management. Other administrative expenses include all wages and benefits,

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donations and support, direct and in-kind, for the purpose of lobbying and influencing policy makers and legislators, including membership dues, and all expenses associated with public policy development—such as response to rulemaking and interaction with government agency personnel including attorney fees for reviewing and analyzing governmental policies. Other administrative expense does not include the costs of public relations included in promotion and marketing expenses, the costs of legal staff already allocated to other functions, or the costs of medical records, social services, and nursing administration.

## Section 8: Cost of Regulatory and Compliance Reporting

The information reported in this section is classified as **nonpublic** data according to Minnesota Statutes 62J.321. This means it is not available to the public unless in aggregate form.

Note: Whenever reasonably possible, you are required to report **actual** numbers. If it is not reasonably possible, you may estimate using reasonable methods. Upon request, you must provide a written explanation of the method used for the estimate.

### Total Cost of Regulatory and Compliance Reporting Expenses:

Total Cost of Regulatory and Compliance Reporting Expenses must be greater than the sum of the FOSC annual license fee and the filing fee for this report. All costs of the facility associated with or directly incurred in the preparation and submission of financial, statistical, or other utilization, satisfaction, or quality reports, or summary plan descriptions that are required by federal, state, and local agencies. This includes Federal Ambulatory Surgery Association (FASA) and Accreditation Association for Ambulatory Health Care, Inc. (AAAHC).

The portion of Total Cost of Regulatory and Compliance Reporting Expenses that is administrative expenses is to be reported in Total Administrative Expenses **and** included in the total of Total Cost of Regulatory and Compliance Reporting Expenses.

## Section 8: MIS and Occupancy Expenses

Completion and submission of this page is **required** by Minnesota Rules, chapter 4650.0112, subpart 3.

Pursuant to Minnesota Statutes 62J.321, subdivision 5, the information provided in the sections on this page is classified as **nonpublic**. This means it is not available to the public unless in aggregate form.

This section establishes the costs related to maintaining and operating a data processing system and the costs associated with plant, equipment, and occupancy. The amounts reported for these accounts include the total estimated costs for **surgical center only** expenses.

Total Management Information System Expenses: All costs related to maintaining and operating the data processing system of the facility—including such functions as admissions, medical records, patient charges, decision support systems, and fiscal services. The portion of Total Management Information System Expenses that is administrative expenses is to be reported in Total Administrative Expenses **and** included in the total of Total Management Information System Expenses.

Total Plant, Equipment, and Occupancy Expenses: All costs related to plant, equipment, and occupancy expenses, including maintenance, repairs, and engineering expenses, building rent and leases, equipment rent and leases, and utilities. Plant, equipment, and occupancy expenses include interest expenses and depreciation. The portion of Total Plant, Equipment, and Occupancy Expenses that is administrative expenses is to be reported in Total Administrative Expenses **and**



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included in the total of Total Plant, Equipment, and Occupancy Expenses

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*To obtain this information in a different format, call: 612-201-4520.*