

Module 6: Table 5

SLIDE #1: Introduction

This module will cover Table 5, income and expenses. Prisons, Indian Health Service, Section 638, and Immigration and Nationalization Service sites do not report this table.

SLIDE #2: Table 5

Table 5 is split into 2 portions, one covering income and one covering expenses. There's also a reporting of surplus or deficits and the accounting method used at your site.

SLIDE #3: Income and expenses

On table 5 income is reported on Lines 1 through 3.

Expenses are reported on lines 4 through 12.

Line 13 reflects the difference between income and expenses and will show either a surplus or deficit.

SLIDE #4: Accounting Method

On line 14, you will indicate your accounting method. There are 3 methods: cash, accrual or modified accrual.

Cash method means your income is recognized as cash received and expense is recognized as cash disbursed, like a checking account.

Accrual method means your income is recognized in the period it is earned and expenses are recorded in the period they are incurred.

Modified accrual method is: a combination of cash and accrual methods, such as when income is recognized when earned and expenses are recorded when paid.

Accrual is the more accurate representation of financial performance and is recommended.

SLIDE #5: Income

The income portion of table 5 is divided into 3 lines. Line 1 is for federal income, line 2 is for income generated from patient service revenue, and line 3 is for income from state, local and other sources. This portion of the table asks you to report the income based on the individual that made the payment to you, regardless of what the original source was. For example, many revenue streams can be derived back to federal programs; however, they are administered at the state level. WIC is an example of such a federal program, where the state actually receives the funds and disperses them to the individual providers. In that instance WIC funds would not be reported as federal revenue but on line 3 as state, local or other.

Federal revenue would include any sources where a federal entity or agency pays you directly. It would exclude any payments made by NHSC to your provider, in that those

revenues do not actually impact the health center but rather the individual provider outside of your own reimbursement to that provider.

Line 2 reports on patient service revenue. Line 2 of table 5, relates to the total amount collected on table 4- If table 4 is a cash table then you must report table 5 on a cash basis. In this situation, the revenue you earned would be equal to the cash collected on table 4, or Table 4 line 14 column b will be equal to Table 5 line 2.

If you are reporting table 5 on an accrual basis, the difference between cash collections and revenue earned would be based on allowances and other considerations for collection rates, and therefore would not be equal to the Patient Service Revenue on line 14 table 4.

Lastly, line 3, which refers to state, local and other income would include all other sources of income such as: State grants, funds paid to the site by local entities including other health centers, local charities or other community benefit organizations. It would also include other income derived through other mechanisms, such as interest on any assets held in banks, vending machine payments, copying of patients' records, etc. If you are part of a larger organization and your site derives indirect income from the sponsors, meaning that the sponsor earns revenue but that revenue can not be directly traced to your site you are not required or asked to report what portion of the indirect revenue of the sponsor would be relevant to your site.

SLIDE #6: Expenses

The expense portion of the table is reported on lines 5 through 12.

The first 2 lines, lines 5 and 6 cover all expenses related to your staff, divided between providers and non-providers. For a definition for which of your staff are considered providers, refer to appendix A of your UDS instruction manual or you may look to see which providers on table 3 of the UDS are able to generate encounters.

For example, nurses should be reported on the provider line even if at your particular site the nurses do not generate encounters or do not generate encounters for all of their activity. All other staff should be reported on the non-provider line, including clinically related support staff, front office support staff, and other general administrative staff. All other expenses should be reported on the remaining lines.

Supplies would include all supplies related to the provision of medical or other health services at your site. Equipment would include those types of major equipment purchases that normally would be capitalized and depreciated. Again if you are reporting on a cash basis you would report the expense only at the time that the equipment is purchased. If you are reporting on an accrual basis, you would report the depreciation of that equipment that took place during the calendar year.

Professional liability or malpractice insurance should be reported for all your providers. In some larger organizations, the insurance is purchased through the sponsoring agency;

however, it should be possible for the site to determine what the relevant expense for your individual providers would be.

Other clinical expenses would cover the cost of all items not listed in the lines above. This would include things like the cost of continuing medical education, professional dues, any purchased pharmacy or lab services, etc.

Lastly, administration facility and other expenses does not cover the cost of staff involved in administration, only the direct costs of such expenses. This would include computer equipment, general office supplies, professional services, cleaning services, heat, light, etc. A complete definition of each of these lines is reported in the UDS user manual and you should feel free to refer to that manual for detail.

When all revenue and expense information has been entered, you'll notice that the software automatically calculates a surplus or deficit on line 13.

This amount is automatically calculated based on what is entered for revenue and for expenses. If you are using a modified accrual method or a cash basis in which the revenue and expenses may not match in terms of the time period the surplus or deficit may be partially reflecting a difference in the 2 accounting methods. This is acceptable if you are reporting on one of these alternate accounting methods.

SLIDE #7: Thank you

Thank you. If you are interested in learning more about the UDS reporting requirements and step-by-step instructions for completing the UDS tables, please visit the other modules available online. In addition, the UDS helpline is available to answer questions at 1-888-459-1080, or via e-mail at udshelp@nhscdata.net.