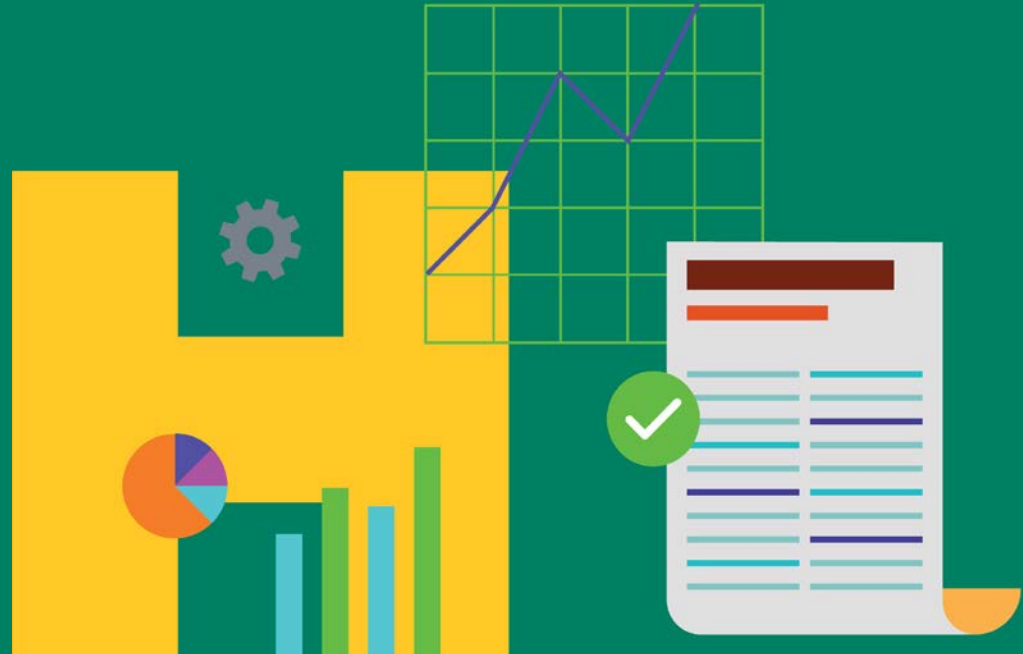


Ontario Healthcare Reporting Standards (OHRS)

SESSION 2



Agenda - Day 2



1. Key Concepts & Business Rules

- Functional Centres
- Secondary Financial Accounts

Quick Recap – Account Structure

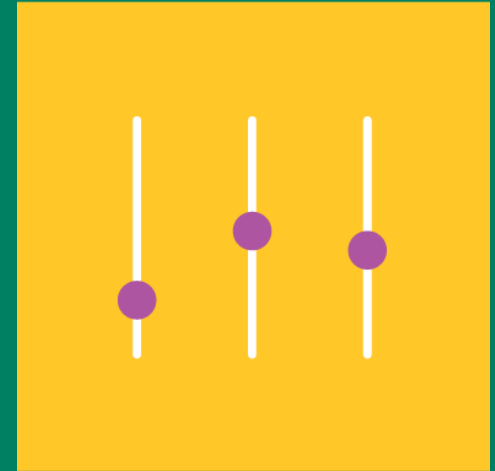
- Data is either financial or statistical
- Departments or Units are reported as Functional Centres (FCs)
 - Fund type is part of the FC
 - Similar Services are grouped together
 - FC's can be level 3, 4, or 5
- Expenses are reported by FCs
 - 5 digits and like expenses are grouped together
- Statistics are reported by FCs
 - 7 digits and like stats are grouped together
 - Patient activity stats are reported by Service Recipient codes

OHRIS and Your Internal Reporting

- Organizations may have a different account structure for their internal reporting (general ledger) from the OHRIS accounts
- Mapping to the OHRIS accounts is required for MIS trial balance submission
- **The standards, key concepts, principles and business rules must still be followed for the reporting of financial and statistical data regardless of**
 - whether you use a different Chart of Accounts
 - whether you use Program Reporting
- Always refer to Chapter 8 for Hospitals and Chapters 1 to 3
- Understanding OHRIS and the reporting framework is important when using comparative reports and healthcare analysis tools

Key Concepts

Business Rules



Key Concept

Key Concept is the MATCHING PRINCIPLE

- OHRS is based on the matching principal
 - Report Patient Activity where it occurs
 - Report all the costs associated with the activity
 - Report the all the associated statistics

Concepts & Rules - Why Important?

Key Concept & Business Rules

- Ensure accurate, consistent and standardized OHRS data

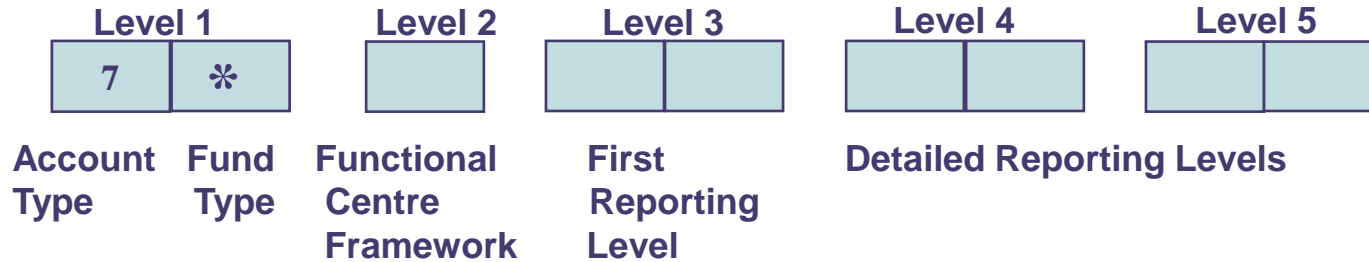
Remember your OHRS Data is used

- Nationally & provincially for analysis & planning
- Provincially, the OHRS data is used in the Ontario Cost Distribution Methodology (OCDM)
 - **The OCDM results inform the funding models**

OHRS & Functional Centres Summary

- OHRS is a framework for reporting both **financial** and **statistical** information related to your day to day operations **using FCs**
- FCs are subdivisions, (departments, cost centres or units) of an organization used to record budgeted and actual revenue, expenses and statistics pertaining to the activity being carried out
 - Capture the cost of labour, supplies and equipment required to perform the specific function
 - Capture statistics such as workload, compensation earned hours and service recipient activity related to the services provided

Account Structure - *Functional Centre (FC)*



Functional Centres are always "7"

- 1 Administrative
- 2 Inpatient Nursing
- 3 Ambulatory Care
- 4 Diagnostic & Therapeutic
- 5 Community Services
- 7 Research
- 8 Education
- 9 Undistributed

Functional Centres (FC) Key Concepts

- FCs are subdivisions or departments and units of an organization based on the services provided or the activity being carried out
- Choose the FC based on the main service being provided in the department or unit
- FCs are based on “FUNCTION”
- The staff and supplies must be clearly linked or identified to the functional centre

Functional Centres (FC) Key Concepts: Which Level?

- When determining a functional centre account level consider
 - the level of detail required to effectively meet information needs
 - the practicality, ease and cost of collecting data
 - the size and complexity of the organization
 - the external reporting requirements
- If detailed lower level FCs are used internally, report that level within your MIS Trial Balance submission – **no need to roll up**
- Transactional allocations between FCs is NOT recommended

Functional Centres Rules

- If possible do not open or create a FC for just one person
- If it does happen, the external MOH feedback reporting will be flagged as FOI based on freedom of information rules
 - Examples may be French Language Services or Volunteer Services in the admin framework
- Recommend to have at least 5 employees in a FC
- When there are less than 5 use a combined functional centre, such as combined lab, imaging or therapies

Functional Centres Key Concepts

- FCs are based on “FUNCTION”
- FCs are not based on funding or programs
- When program or site reporting is required for internal purposes, create internal accounts based on the OHRS FC logic

INTERNAL REPORTING Column #	1	2	3	4	EXTERNAL MOHLTC
Location	Site I	Site I	Site II	Site II	
Program	Program A	Program B	Program A	Program B	
Nursing	I 71 2 10 A	I 71 2 10 B	II 71 2 10 A	II 71 2 10 B	71 2 10
Physiotherapy	I 71 4 50 A	I 71 4 50 B	II 71 4 50 A	II 71 4 50 B	71 4 50
Occupational Therapy	I 71 4 55 20 A	I 71 4 55 20 B	II 71 4 55 20 A	II 71 4 55 20 B	71 4 55 20
Social Work	I 71 4 70 A	I 71 4 70 B	II 71 4 70 A	II 71 4 70 B	71 4 70

Functional Centres Key Concepts

- If your hospital reports based on program and the internal functional centres are NOT based on the OHRS FC logic
 - Mapping for the MIS trial balance is more difficult and may have accuracy and data quality issues
 - Compensation expenses and statistics mapped using paid hours and paid hours detail
 - Other expenses by expense detail or other internal usage reports

Functional Centres

Rules



FC Rules Admin & Support Services 7*1

- Administrative and support costs are expenses for the whole organization and must be reported in framework 1
- Vice-presidents over clinical services are reported in admin
- Administrative and support expenses cannot be distributed to direct care functional centres.
- Inter-departmental revenue and expense accounts can be used to allocate some admin expenses to assist with internal accountability
 - the allocation should have value and be useful

FC Rules Inpatient (IP) Nursing 7* 2

- Service Recipient (patient) statistics are required
- Inpatient FCs reported match to the designated inpatient (IP) bed types within the hospital – for example
 - Mental health inpatient beds reported using FCs 71 276*
 - Rehabilitation inpatient beds reported using FCs 71 281*
- IP FCs are primarily intended to capture nursing expenses and activities
- Main operating rooms are in this framework
- Outpatients may receive services in inpatient nursing FCs

FC Rules Ambulatory Care 7* 3

- Service Recipient (patient) statistics are required
- Ambulatory Care (AC) FCs are primarily intended to capture nursing expenses and activities, although in some unique FCs the primary care giver may not be a nurse i.e. ophthalmology, dental and chiropody clinics
- Emergency, Day Surgery Operating Room, Day/Night Care, (Dialysis and Oncology) are in this framework
- Inpatients may receive services in ambulatory care FCs

FC Rules Diagnostic & Therapy (D & T) Services 7* 4

- Service Recipient (patient) statistics are required
- **Workload reporting is a requirement for all diagnostic and therapy FCs**
- Refer to CIHI's MIS standards for workload methodologies and standards
- Both IPs and OPs receive services
- Therapy staff (social worker or psychologist for example) often provide their services in the inpatient or outpatient areas but they must be reported in the appropriate framework 4 FC based on their discipline

FC Rules Community Services 7* 5

- Community framework 5 FCs
 - Not defined by location but by the type of service provided
 - Access to services does not require the referral from a primary care practitioner or specialist and clients can access services directly
 - The unique staff skills and equipment of a hospital are not a requirement
- Hospital **based** services are not reported in the community FCs

FC Rules Community Services 7* 5 (cont'd)

- Hospital based services for community include
 - Specialized Mental Health Services
 - Health Promotion, Education & Development
 - Provincial & Regional programs with **no** patient services
- Long Term Care Home and Community Mental Health & Addiction services provided are reported with 7*5 FCs but with different sector codes and fund types
- Check your ON Health Agency accountability and funding agreements when in doubt

Community Services 7* 5 (cont'd)

Question: What key factor helps determine whether a service is hospital based or community based?

FC Rules – Research 7* 7

- Research FCs are used to record the expenses and revenues (grants) that relate to research activities conducted by hospitals
- Should be a balanced FC with no deficit or surplus
- Does not include clinical services that result from research
- Normally fund type 3 but can be fund type 1

FC Rules Education 7* 8

- Education FCs report the expenses associated with in-service education and the compensation of staff who provide and coordinate the education for employees or students
 - The compensation expenses for staff attending in-service education is reported in the staff's FC **not** in Education FC
 - Does not include Patient (SR) education – part of direct service provision
- Formal education programs for undergraduate, postgraduate and medical students are in this framework

FC Rules Undistributed 7* 9

- These FCs are day to day operations but the activities are not normally associated with health services or are services that are sold
 - Non Service Recipient Food Services
 - Marketed Services
 - Fund Raising
- The primary purpose is revenue generation
- Revenues are generally recorded as recoveries or as other revenue
- Non SR Food Services is for hospital run cafeteria & coffee shops
- Fund Raising FC is used when there is no hospital foundation

FC Rules Undistributed 7* 9 (cont'd)

- Marketed Services is the sale and rental of services and goods
 - Retail Pharmacy, Rental of TVs
- A marketed services FC is used when the service is on going and significant otherwise an external recovery is reported in FC providing the service
- Marketed Service Compensation FC is used when staff provide material services to other organizations
- Must never include the direct provision of clinical services to registered clients

Secondary Financial Accounts

Revenue - Framework
1 Revenue / Recoveries



Financial Secondary Accounts (FSA) - Revenues

110 Funding

11004 thru 11019 OH, CCO & MOHLTC

11020 thru 11045 Funding from other sources

110 ** Service Recipient Revenue

11050 thru 11093 Other Responsibility for Payment

112 ** LTCH Envelope Revenue

12* ** Recoveries

130 ** Contributed Services

131 ** Amortized Contributed Services

140 ** Donations

141 ** Amortized Donation

150 ** Grants

151 ** Amortized Grants

160 ** Investment income

165 ** Unrealized Gain/Loss

170 ** Transfers from Other funds

190 ** Miscellaneous

Key Concepts (FSA) - Revenue versus Recovery

Revenue

- Revenue accounts reflect the total income used to finance the operations of the healthcare organization
- Funding allocation, Payment for healthcare services
- Never “netted” with expenses

Recoveries

- Occur when financial resources, which were intended to fund a hospital specific activity, are used and then repaid.
- A recovery reimburses the cost of the item or service – are netted for cost comparisons
- Not associated with your hospital patient activity

Key Concepts FSA – Recoveries External

External (F 120**)

- Organizations outside the hospital provide a recovery
- Referred-In (F 12030)
 - Cost re-imbusement of services provided to SRs of other organizations

Within Legal Entity accounts (F 1 21 **)

- Used to distribute expenses between fund types, to marketed services or to other sectors administrative allocation

Key Concepts FSA – Recoveries Within Entity – ON

Within Legal Entity accounts (F 1 21 **)

- ON specific hospital accounts to distribute expenses for
 - Major Clinical Equipment Maintenance (F12195)
 - Internal Laundering Process (F12196)
 - Outpatient/Client Food (12197)
- These expenses are charged to the functional centre to provide a more accurate cost of the resources required to provide care for specific patient types

Key Concepts SFA - Recoveries Inter-Department

Inter-departmental accounts (F 1 22 **)

- Used when an organization wishes to distribute administrative costs to functional centres internally within a fund type
- The values for the recovery and distributed costs must be equal – net to zero
- The charge-out should be of value and fulfill a need.
- **Inter-departmental accounts are ignored for external financial reporting and costing**

FSA Revenues/Funding Rules

- MOH, OH and CCO funding must be reported as revenue in the AC 81 911
- When revenues including one-time funding, donations and grants are linked to a specific activity or function report in the FC
- When revenues cannot be linked to a specific FC, the financial account is linked to an accounting centre

FSA Revenues & Recoveries Rules

- All revenues from the provision of inpatient services must be reported in the Undistributed Accounting Centres 8* 9 15 **
- All revenue from outpatient/client services is to be reported in the FC providing the service
- Recoveries are reported in the functional centre incurring the associated expense

Secondary Financial Accounts

Expense - Framework

3* Compensation

4* Supplies,

5* Service Recipient Supplies > \$250.

6* Sundry

7* Equipment,

8* Contracted Out

9* Building and Grounds



FSA – Compensation

3 ** 10	Employee Worked Compensation
3 ** 30	Employee Benefit Compensation
3 ** 40	Employee Benefit Contributions
3 ** 42	Canada Pension Plan
3 ** 44	Provincial Pension Plan [HOOPP]
3 ** 45	Other Pension Plan
3 ** 47	Employment Insurance
3 ** 49	Employment Insurance Rebate
3 ** 50	Worker Safety and Insurance Board (WSIB)
3 ** 55	Disability Income Replacement [HOODIP]
3 ** 56	Disability Income Replacement – Other
3 ** 60	Employer Health Tax [EHT]
3 ** 62	Medical Care Insurance
3 ** 64	Extended Health Care Insurance
3 ** 70	Drug Plan Insurance
3 ** 72	Dental Plan Insurance
3 ** 74	Vision Care Plan Insurance
3 ** 76	Group Life Insurance [HOGLIP]
3 ** 77	Group Life Insurance – Other
3 ** 78	Employer Provided Perquisites
3 ** 79	Relocation/Moving cost of Hired Employees
3 ** 80	Employer Benefit Not Elsewhere Classified
3 ** 81	Signing Bonus – New Hires
3 ** 82	Benefit Contribution Dollars in Lieu
3 ** 85	Other Termination Benefits
3 ** 90	Purchased Service Compensation

**Compensation =
Worked And Benefit Salaries
+ Purchased Services
+ Employer Benefits**

**	Broad Occupational Group
10	Management & Operational Support
50	Unit Producing Personnel
80	Nurse Practitioner Personnel
90	Medical Personnel

Key Concepts SFA – Compensation MOS & UPP

Management & Operational Support (MOS) (3 10 **)

- MOS are the personnel, including purchased staff, whose primary function is the management or support of the operation of the functional centre
- MOS staff facilitate the provision of the primary service by UPP staff

Unit Producing Personnel (UPP) (3 50 **)

- UPP are those personnel, including purchased service staff, whose primary function is to carry out the activities that contribute directly to the fulfillment of the mandate of the service for the specific functional centre.
- In all instances where workload systems are present, these personnel are credited with units of service

Key Concepts SFA Compensation NP & MED

Nurse Practitioner (NP) (3 80 **)

- Nurse Practitioner broad grouping is only used to report nurses that are officially registered in the College of Nurses of Ontario regulated roles in primary health care or specialized acute care **and are working in these clinical roles**
- Workload is not reported

Medical Personnel (MED) (3 90 **)

- MED are medical doctors, physician assistants, surgical first assistants and anesthesia assistants who are paid by the organization
- This may be on a fee for service basis, stipend or on a salary
- Health care assistants are working in a clinical role, supplementing physician services under the supervision of a registered physician

Which Broad Occupational Group (BOG) ?

- BOG is based on the activities or duties being performed
- **80/20 Rule**
- When an employee performs multiple functions, such as UPP and MOS or provides service to more than one functional centre, the 80/20 Rule needs to be considered as follows
 - If an employee spends 80% or more of their time performing duties to a particular BOG, the position should be assigned solely to that BOG
 - If an employee spends less than 80% of their time performing duties to a particular BOG, the position should be apportioned between the two, based on the number of hours for the different types of work

If your payroll system tracks employee time to multiple FCs – use it

Broad Occupational Groups MOS vs. UPP

Who is UPP in a Nursing IP Unit?

- Ward Clerk
- Registered Nurse
- Registered Practical Nurse
- Nurse Practitioner
- All of the above

Broad Occupational Groups MOS vs. UPP

Who is UPP in the Executive Directors Office?

- Chief Executive Officer
- Secretary to the CEO
- Administrative Clerk
- Vice President of Nursing
- All of the above
- None of the above

Broad Occupational Groups MOS vs. UPP

Who is UPP in the Finance Department?

- Director of Finance
- Finance Manager
- Supervisor of Payroll
- Accounts Payable Clerk
- Budget Analyst
- Finance Secretary
- All of the above
- None of the Above

Key Concepts FSA Compensation

- Compensation includes the cost of all earned hours and is further classified into the categories of **worked** and **benefit** or **purchased service**
 - Worked - staff are present, available and are providing service
 - Benefit - staff are paid but not available for service
 - Purchased Service – individuals perform work normally performed by an employee under the supervision of the hospital
- Workload is linked to worked and purchased service salaries
- Accrual of compensation expenses and hours is required as pay periods do not usually align with financial reporting periods

Key Concepts Compensation Worked

3**10	Employee Worked Compensation	3**1000	Earned Hours - Employee Worked Hours
3**30	Employee Benefit Compensation	3**3000	Earned Hours - Employee Benefit Hours
3**90	Purchased Service Compensation	3**9000	Earned Hours – Purchased Service Hours
12022	Recoveries External - Compensation	3**0200	External Recovery Earned Hours

Worked Compensation \$

Hourly rate + shift premium

Hourly rate at time and a half or double time

Based on minimum hours per contract or actual hours if greater

Worked Hours

Regular scheduled hours

Overtime hours worked

Callback hours worked

Key Concepts Compensation Benefit

3**10	Employee Worked Compensation	3**1000	Earned Hours - Employee Worked Hours
3**30	Employee Benefit Compensation	3**3000	Earned Hours - Employee Benefit Hours
3**90	Purchased Service Compensation	3**9000	Earned Hours – Purchased Service Hours
12022	Recoveries External - Compensation	3**0200	External Recovery Earned Hours

Benefit Compensation \$

Hourly rate

Hourly rate or % of the rate

Benefit Hours

Statutory holidays

Vacation hours accrued

Education

Bereavement

Other Paid absences

Sick Hours

Vacation hours are earned and accrued to a vacation bank

Key Concepts Question

Your time here today – how would you record it?

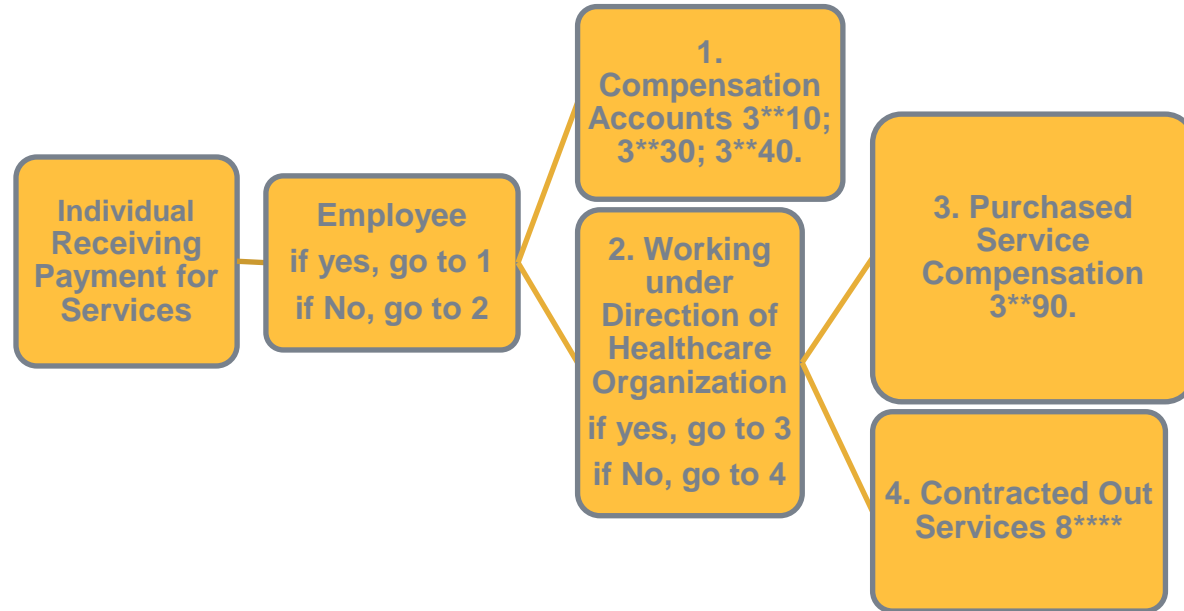
Key Concepts FSA Compensation – Employer Benefits 3**40 to 3**85

- These are the healthcare organization's contribution to the cost of the various benefits provided to its employees
- Cost is significant
- Benefit contributions are not based on hours
- Benefit contributions must be reported by FC

- Benefit Contribution Dollars in Lieu or the % employees receive on their pay when not entitled to vacation time or paid sick time is a benefit not a benefit salary
- **Benefit salaries and benefit contributions are not the same**

Employee, Purchased Personnel, Contracted-Out Key Concept⁴⁸

- A service is considered "purchased" when the organization is responsible for the quality and productivity of the service and the purchased services staff are under the direction of the healthcare organization
- Contracted-Out services are reported when another agency or organization is contracted to provide operational services but they retain all direct responsibility including the quality and productivity of the service



Key Concept FSA Contracted-Out Services 8**** & Rules

- The expense related to services performed for the hospital by a contracted-out third party provider using their personnel, and typically their supplies, equipment and premises
- The third party provider is accountable for service provision based on the agreement/contract
 - Contracted-Out expenses must be reported in the FC which would have provided the service in-house
 - Contracted-Out SR activity must be also reported in matching FC
- Expense is not compensation - earned hours and workload are not reported

Question: Employee, Purchased Service or Contracted-Out

How would shared staff from another hospital be reported?

How would Security Staff from an outside agency be reported?

How would shared lab services be reported?

What is the OHRS account number that would be used?

Key Concepts FSA – Supplies 4**** & 5**** & Rules

Supplies 4****

- Supplies bought in bulk are set up as inventory (BSA) and expensed to FC as used
- Supplies must be charged to the FC that used them
- Supplies are used to provide the service of the FC
- Most supply expense accounts can be linked to any functional centre but there are a few exceptions
 - Utilities in Plant Operations

Service Recipient Specific Supplies 5****

- Medical/Surgical & Drugs that are identified at the patient level
- And/or each unit cost greater than \$250

FSA – Supplies 4**** & 5**** Question 1

What account would you use for hand sanitizers?

What FC would you charge it to?

FSA – Supplies 4**** & 5**** Question 2

Pandemic Supplies such as Tamiflu & Covid 19 vaccinations – how & where would you report it?

How would you report the cost of flu & covid 19 shots for employees?

FSA – Supplies 4**** & 5**** Question 3

What Financial Account and Functional Centre would Medical Oxygen be charged to?

Key Concepts FSA – Sundry 6**** & Rules

Sundry 6****

- Sundry expenses are “administrative” in nature and are not a direct expense of FC service provision
- Sundries must be charged to the FC that incurred them
- Most sundry expense accounts are linked to specific FCs such as
 - Bank charges in Finance
 - Bad debt expense in Accounting Centres
- Sundry expense accounts travel and telephone can be used in any functional centre

Key Concepts FSA – Equipment 7**** & Rules

- All clinical and non-IT equipment expenses must be reported in the FC using the equipment to provide service
 - Clinical equipment is used in the direct provision of patient care
- IT equipment expenses must be reported in the Information System FC
 - Interfaces to and from clinical equipment are IT
- Equipment expenses include software

Key Concepts FSA – Equipment 7**** & Rules

- Equipment expenses 7**** does not include the purchase of capital equipment
- Includes equipment below the capital threshold (\$1000 to \$5000)
- OHRS capital equipment threshold chosen is followed consistently
- Amortization and accretion expense for capital equipment is recorded in the FC using the equipment

Equipment Accounts

MOHLTC		7 10 00	Equip Maintenance – External	(Sum of 710 20 to 7 10 42)
		7 10 20	Equipment Maintenance – Contract	
		7 10 22	Software Maintenance – Contract	
		7 10 40	Equipment Maintenance - Other External	
		7 10 42	Software Maintenance - Other External	
MOHLTC		7 20 00	Major Clinical Equipment Maintenance - Internal	Distributed to FC F72000 = F12195
MOHLTC		7 30 00	Replacement of Major Equipment Parts	
MOHLTC		7 50 00	Amortization on Major Equip. - Distributed	Charged to FC using the equipment.
MOHLTC		7 51 00	Net Gain or Loss on Disposal - Distributed	Charged to FC incurring the gain/loss.
MOHLTC	ON	7 51 10	Net Gain or Loss on Disposal – Distributed GRE	
MOHLTC	ON	7 52 00	Accretion - Major Equip. - Distributed	Charged to FC using the equipment.
MOHLTC		7 55 00	Interest on Major Equipment Loans	Distribute to functional centres
MOHLTC	ON	7 57 00	Accretion - Major Equip. – Info. Sys.- Distributed	Charged to FC using the equipment.
MOHLTC		7 60 00	Rental/Lease of Equipment	Distribute to functional centres
MOHLTC		7 65 00	Minor Equipment Purchases	Distribute to functional centres
MOHLTC		7 80 00	Amortization - Software License and Fees	Distribute to functional centres
MOHLTC		7 90 00	Equipment Expense Not Elsewhere Classified	Distribute to functional centres

BSA – Long Term Assets – Capital Equipment Rules

MOHLTC	ON	3* 8 50	Major Equipment <u>Excluding IS</u> - Distributed - Accum. Total Previous Years
MOHLTC		3* 8 51	Major Equipment <u>Excluding IS</u> - Distributed - Accum. Amortization
MOHLTC	ON	3* 8 54	Major Equipment <u>Excluding IS</u> - Distributed & Purchased in <u>Current Fiscal Year</u>
MOHLTC	ON	3* 8 57	Major Equipment IS - Distributed - Accum. Total Previous Years
MOHLTC	ON	3* 8 58	Major Equipment IS - Distributed - Accum. Amortization
MOHLTC	ON	3* 8 62	Major Equipment IS - Distributed & Purchased in <u>Current Fiscal Year</u>
MOHLTC		3* 8 65	Leasehold Improvements
MOHLTC		3* 8 66	Leasehold Improvements - Accum. Amortization
MOHLTC		3* 8 70	Construction in Progress - Accumulated Total Previous Years
MOHLTC		3* 8 71	Construction in Progress - Current Year

- Capital equipment must be recorded as an asset and not expensed
- Capital equipment for Information Systems is reported separately
- Current year purchases for all capital equipment is reported
- OHS capital equipment threshold is \$1000 to \$5000

Major Equipment – Information Systems

Accounts Payable	Food Services Department Management
Accounts Receivable	Health Record Management
Admission, Discharge and Transfer	Maintenance
Assessment Tools	Materiel Management
Budget/Forecasting	Order Entry/Results Reporting
Central Patient Index	Patient Scheduling
Clinical Documentation	Personal Computers (including connected peripherals such as printers, scanners and monitors) used for "office" purposes for all FCs
Clinical Laboratory Department Management	Personnel, Human Resources
Compensation, Payroll	Pharmacy Department Management
Cost Allocation, Case Costing	Statistical General Ledger
Diagnostic Imaging Department Management	Workload Measurement Systems for all FCs
Financial General Ledger	

Key Concepts FSA – Buildings & Grounds 9**** & Rules

- Service contracts for building & grounds and building equipment expense can only be charged to Plant Maintenance or Plant Operations
- Service contracts for waste removal and disposal can only be charged to Plant Maintenance or Housekeeping
- Renovations are only charged to Plant Maintenance

Review and Discussion



Homework

Reporting departments/units in the correct functional centre?

Following the Key Concepts & Matching Principle?

Using correct financial secondary accounts for revenue vs. recovery, compensation & supplies?

Review the material.