
Information Requirements for Hospital Equity Restructuring Analysis

All information should be compiled on a historical basis for at least the last five years. Audit information must be available through the last seven years. The assessment team should note any information which is either incomplete, not current, or contradictory for further analysis.

Access to this information requires a written executive directive board resolution detailing authorization to review documents normally considered proprietary on a “hold harmless” basis. This authorization must include permission to contact auditors, regulatory agencies, board committee members, and related sponsoring organizations to qualify information received on the survey process.

Financial

- 1) Audits and supportive documentation.
- 2) Board minutes, including financial reports and the minutes of any finance, property, or executive committees.
- 3) Cost reports, appeal documents, and intermediary fiscal judgments or actions.
- 4) Revenue history and projections, expense history and projections, and current budget documentation.

Strategic

- 1) Existing planning documents and current strategic plan.
- 2) C.O.N. applications - approved, existing, or pending.
- 3) Current medical staff listing with admissions and utilization patterns by physician or practice, as well as by payor classification.
- 4) Market analyses, patient origin studies, and marketing and promotional program descriptions.
- 5) Capital plan or capital equipment budget.
- 6) Debt instruments, bond restrictions, and qualifying letters of credit.

Regulatory

- 1) Accreditation documents, waivers, and exceptions.
- 2) Licensure renewal documents including public health inspection reports.
- 3) Fire safety facility inspection reports.
- 4) Facility planning documents.
- 5) Local health system plan or state HSP regarding the status of the institution. Compliance responses, if appropriate.

Other

- 1) Contracts with health systems, consortiums, HMOs, PPOs, medical staff joint ventures, administrators, vendors, management companies, service firms, etc.
- 2) Current charter detailing corporate structure, sponsorship, or municipal affiliation.
- 3) Risk review summaries detailing current or pending legal actions, QA committee actions, medical staff credential committee deliberations, etc.
- 4) Real estate title documents or title insurance information.

While this information may seem extensive, each category is essential to the evaluation of the risk involved in any kind of hospital equity restructuring.