SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

► **To be completed by organizations that answer "yes" to Form 990, Part VII, Line 9.**

OMB No. 1545-XXXX

20XX

Open to Public Inspection

Name of filing organization

Employer identification number

Part I Community Benefit Report

		(a) Number of activities or programs	(b) Persons served	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
	Charity Care						
1	Charity care at cost (from *worksheets 1 and 2)*						
2	Unreimbursed Medicaid (from *worksheet 3, column a)* . .						
3	Unreimbursed costs – other government programs (from *worksheet 3, column b)* . .						
4	**Total Charity Care**						
	Other Benefits						
5	Community health improvement services and community benefit operations (from worksheet 4)						
6	Health professions education (from worksheet 5)						
7	Subsidized health services (from worksheet 6)						
8	Research (from worksheet 7) .						
9	Cash and in-kind contributions to community groups (from worksheet 8) .						
10	**Total Other Benefits** . . .						
11	**Total Community Benefits** .						

12a Does the organization prepare an annual community benefit report? ☐ **Yes** ☐ **No**

b If yes, does the organization make it available to the public? ☐ **Yes** ☐ **No**

13a Does the organization have a charity care policy? ☐ **Yes** ☐ **No**

b If yes, describe. Include in the description whether the organization (a) bases eligibility for free or discounted care on federal poverty guidelines, income or asset levels, (b) applies such policy uniformly to all of its facilities or differently based on socio-economic factors, local law, and other community factors, and (c) imposes aggregate budget caps or other limitations that may result in persons otherwise eligible under the policy to not receive free or discounted care.

Part II Billing and Collections

Section A—Billing Information

	(a) Description	(b) Medicare	(c) Medicaid	(d) Other Government Programs	(e) Insured	(f) Uninsured	(g) Total
1	Gross charges						
2	Discounts						
3	Net expected						
4	Fees collected						

5 Explain how the organization calculates bad debt expense.

Section B—Collection Practices

6a Does the organization have a written debt collection policy? ☐ **Yes** ☐ **No**

b If yes, describe.

Part III Management Companies and Joint Ventures

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employee's profit % or stock ownership %	(e) Physician's profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

Part IV General Information

1 Describe how the organization assesses the health care needs of the communities it serves.

2 Describe how the organization's patient intake process informs and educates patients about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy, if applicable.

Part IV General Information *(continued)*

3 Describe the organization's emergency room policies and procedures, including hours of operation, if applicable.

4 Provide any other information important to describing how the organization's hospital facilities further its exempt purpose.

Part V Facility Information

(A) Provide the name and address of each of the organization's facilities, and type of service provided at each.	(B) Describe the activities and programs conducted at each facility
Name Address City & State Type	
Name Address City & State Type	
Name Address City & State Type	
Name Address City & State Type	
Name Address City & State Type	
Name Address City & State Type	
Name Address City & State Type	
Name Address City & State Type	
Name Address City & State Type	

Rationale

Schedule H is a new schedule and must be completed by organizations that operate a facility that provides hospital or medical care. In the hospital area, concerns continue to be raised about whether there are differences between for-profit and tax-exempt hospitals. While the health care sector has changed dramatically over the last forty years, the general tax rules governing this sector have not. The proposed schedule is designed to combat the lack of transparency surrounding the activities of tax-exempt organizations that provide hospital or medical care. In drafting the schedule, the Service tried to quantify, in an objective manner, the community benefit standard applicable to tax-exempt hospitals. For purposes of advancing the discussion in this area, the Service chose to utilize the Catholic Health Association's (CHA) community benefit reporting model. CHA is a respected leader in the area of charity care and community benefit reporting. The Service recognizes, however, that there will be alternative reporting models and welcomes comments in this area.

Overview

- Part I requires information on Community Benefit
    - The table and supporting worksheets have been adapted from "A Guide for Planning and Reporting Community Benefit", The Catholic Health Association of the United States, 2006

- Part II requires information on Billing and Collection Practices
    - This has been added to the Schedule in order to better reflect the revenue stream of the organization and to enhance transparency regarding these practices.

- Part III requires information on Management Companies and Joint Ventures
    - Focusing on understanding the structure of the organization and any inurement or private benefit issues.

- Part IV requests General Information on exempt activities and community needs assessment

- Part V requires an identification of all of the facilities an organization operates for the provision of hospital or medical care

20XX Instructions for Schedule H

Who Must File

All organizations that answer "yes" on Form 990, Part VII, line 9 must complete and attach Schedule H to Form 990.

TIP: This schedule must be completed even if the organization did not check the box on Form 990, Schedule A, Part I, line 3.

TIP: If an organization operates multiple facilities that provide medical or hospital care, only complete one Schedule H, aggregating information for Parts I through IV. However, the organization must separately list each of its facilities in Part V of this Schedule.

If the organization is not required to file Form 990, it is not required to file Schedule H.

Period Covered

Schedule H (Form 990) covers the same period as the Form 990 with which it is filed.

For purposes of listing its facilities, a "facility that provides medical or hospital care" generally means a building, other structure, or campus that is dedicated to providing medical or hospital care. A facility that provides medical or hospital care generally does not include a component wing or department of a hospital, clinic, or other discrete facility. An organization may determine whether a building, other structure, campus, or component is a separate facility for purposes of this Schedule by reference to how it reports information to federal, state or local governments for reimbursement, reporting, or other regulatory purposes.

Part I Community Benefit Report

TIP: Worksheets referenced below are found at the end.

Line 1 "Charity care at cost" - use Worksheet 1, *Traditional Charity Care*. This Worksheet may be completed using either the organization's cost accounting system or the ratio of costs to charges calculated using Worksheet 2, *Ratio of Costs to Charges.*

Line 2 "Unreimbursed Medicaid" – use Worksheet 3, *Unpaid Costs of Medicaid and Other Public Programs*.

Line 3 "Unreimbursed costs – other government programs" – use Worksheet 3, *Unpaid Costs of Medicaid and Other Public Programs*.

Line 4 "Total charity care" is the total of the numbers in lines 1-3 (*i.e.,* charity care at cost, unreimbursed Medicaid, unreimbursed costs—other government programs) for each column.

Line 5 "Community health improvement services" means activities carried out or supported for the express purpose of improving community health. They extend beyond patient care activities and are usually subsidized by the health care organization. Community services do not generate inpatient or outpatient bills, although there may be a nominal patient fee or sliding fee scale. To

calculate the expenses for each community health improvement service, for purposes of completing columns C-F, use Worksheet 4, *Community Health Improvement Services and Community Benefit Operations*.

"Community benefit operations" means community health needs assessments and/or asset assessments, and other costs associated with community benefit strategy and planning. To calculate the expenses for each community benefit operation, for purposes of completing columns C-F, use Worksheet 4, *Community Health Improvement Services and Community Benefit Operations*.

Line 6 "Health professions education" means the negative margin (the difference between costs and reimbursements) incurred in providing clinical settings, internships, and programs for physicians, nurses, and other health professionals. It also refers to scholarships for health professional education. To calculate health professions education expenses for columns C-F, use Worksheet 5, *Net Cost of Health Professions Education*.

Line 7 "Subsidized health services" means clinical services provided despite a financial loss, when the financial loss is so significant that negative margins remain after removing the amounts of charity care and Medicaid shortfalls. Nevertheless, the organization provides the service because it meets an identified community need. If no longer offered, the service would either be unavailable in the community or become the responsibility of government or another not-for-profit organization. To calculate subsidized health services expenses for columns C-F, use Worksheet 6, *Net Cost of Subsidized Health Services*.

Line 8 "Research" means studies shared with persons outside of the organization on health care delivery, unreimbursed studies on therapeutic protocols, evaluation of innovative treatments, and research papers prepared by staff for professional journals. To calculate research expenses for columns C-F, use Worksheet 7, *Unsponsored Cost of Research*.

Line 9 "Cash and in-kind contributions to community groups" means contributions made by the organization to health care organizations and other community groups to improve the health of the community.

Line 10 "Total other benefits" is the total of the numbers in lines 5-9 (*i.e.,* community health improvement services and community benefit operations, health professions education, subsidized health services, research, cash and in-kind contributions to community groups) for each column.

Line 11 "Total community benefits" is the total of the numbers in lines 4 and 10 (*i.e.,* total charity care and total other benefits) for each column.

All of the Worksheets referenced in these Instructions are intended to assist the organization in completing Schedule H, but should not be submitted to the Internal Revenue Service with the Form 990. The Worksheets are to be retained by the organization to substantiate the information reported on the Schedule.

The following are descriptions of the type of information to be reported in each column of the table in Part I of Schedule H:

Column A "Number of activities or programs" means, for each of the line items listed under "Other Benefits" (*i.e.,* community health improvement services and community benefit operations, health professions education, subsidized health services, research, contributions to community

groups), the number of the organization's activities or programs conducted during the year that involve the activity/program reflected on the line item. An activity or program must be reported on only one line so that it is not counted more than once in determining the total number of the organization's community benefit activities or programs. For instance, an activity that has components of both research and health professions education is to be reported on only the "research" or "health professions education" line, whichever is the primary component of the activity.

Column B "Persons served" means the number of persons to whom the organization provided medical care during the year.

Column C "Total community benefit expense" means the total gross expense of the activity incurred during the year, as calculated on the worksheets for each line item.

Column D "Direct offsetting revenue" means revenues from the activity received during the year that offset the total community benefit expense of that activity, as calculated on the worksheets for each line item.

Column E "Net community benefit expense" means the total net expense of the activity incurred during the year, as calculated on the worksheets for each line item.

Column F "Percent of total expense" means, for the net community benefit expense of each line item, the percentage of the organization's total expenses for the reporting period attributable to that line item. To obtain this number for each line item, divide the "net community benefit expense" listed for that line item in column (e) by the number in line 24, Column (A) of Part V of the Form 990.

Line 12a: Answer "yes" or "no" to this question. Answer "yes" if the organization prepared a written report that includes, but is not limited to, a description of the programs and services described in Part I of this Schedule.

Line 12b: Answer "yes" or "no" to this question. Some of the ways in which an organization can make its community benefit report available to the public are to post the report on the organization's website, to publish and distribute the report to the public, and to submit the report to a state agency or other organization that distributes the report to the public.

Line 13b: Describe the organization's charity care policy, if applicable.
This description should include, but is not necessarily limited to:

a) whether the organization determines eligibility for full or partial charity care on the basis of Federal Poverty Guidelines. For instance, if a patient's family income must be less than a certain percentage of the Federal Poverty Guidelines for the patient to qualify for free care, indicate that percentage. Similarly, if a patient's family income must be within a certain income range to qualify for discounted care, indicate that income range.

b) whether the organization determines eligibility for full or partial charity care on the basis of an asset test. For purposes of this question, "asset test" means a limit on the amount of total or liquid assets that a patient or the patient's family may own to qualify for free or discounted care.

c) whether the organization applies its charity care policy uniformly throughout all of its facilities, or whether the application of the policy varies from facility to facility based on socio-economic factors, local law, or other factors.

d) whether the amount of free or discounted care provided under the policy is limited by budget caps or other conditions that may result in persons otherwise eligible under the policy to not receive free or discounted care.

e) how and when the organization informs patients of the terms and availability of the policy. Some of the ways in which an organization can inform patients of the terms of the policy are to post the policy in admissions areas, emergency rooms, and other areas of the organization's facilities in which eligible patients are likely to be present; to provide a copy of the policy to patients as part of the intake process; to provide a copy of the policy to patients with discharge materials; and to include the policy or a summary of the policy in patient bills.

Part II Billing & Collections

Section A - Billing Information Table

For purposes of completing the Billing Information table, care provided to any patient should be classified according to the status of the patient, rather than based on whether the particular care would be covered under a public or private insurance program or policy. For example, if a patient is covered by private insurance, but the care she receives is not covered by her policy, the expenses attributable to care provided to that patient are to be entered under column e for "Insured" but not under column f for "Uninsured".

If a patient has more than one type of insurance, the care provided to that patient is to be classified under the first program listed in the table that the patient is covered under. For example, if a patient is eligible for both Medicare and a state program that covers expenses that Medicare does not cover, the expenses attributable to care provided to that patient are to be entered under column b for "Medicare", not under column d for "Other Government Programs."

"Medicare" (column b) refers to regular Medicare, Medicare Advantage plans, and any similar Medicare-related plan.

"Medicaid" (column c) refers to both regular Medicaid and to any Medicaid HMO.

"Other Government Programs" (column d) refers to any hospital or medical care program other than Medicare and Medicaid that is sponsored by any federal, state, or local government or any instrumentality thereof. However, it does not refer to any insurance program provided by a government or instrumentality to its employees or retirees in a manner similar to a private insurance program. Those programs are considered private insurance for this table.

"Insured" (column e) means any person covered by a private insurance program, including under any employer-sponsored or group-sponsored insurance or self-insured arrangement, and by any individual insurance contract.

"Uninsured" (column f) means any person who is not covered by any public or private insurance program or policy. In addition, this group includes any person who would have been eligible for insurance coverage, but did not receive it because he or she failed to complete the required paperwork. For this purpose, a person covered by Medicare, Medicaid, or Other Government Programs is not an uninsured person.

The following are explanations for how each line in the Billing Information table should be completed:

Line 1 "Gross Charges" is the sum of all charges attributable to all care provided to patients who are in any of the categories specified in the columns (b) through (f). No discounts of any kind are to be deducted from this sum. If the organization uses a common paymaster, the charges from the common paymaster should be utilized.

Line 2 "Discounts" includes any and all billing or contractual discounts or allowances applied to the gross charges. These discounts include but are not limited to discounts negotiated with a private insurance company, discounts applied by a government program, early payment discounts, discounts granted automatically to persons without insurance, and discounts granted to charity care patients. A discount may be any portion of a gross charge, including 100% of that charge. More than one discount may apply to a given charge. For example, a charge may be discounted by reason of a patient's insurance policy and the co-pay may be further discounted through the organization's charity care policy. "Discounts" does not include an allowance, reduction, or adjustment offered or provided to settle or collect an amount previously billed, such as to encourage collection of a past due amount.

Line 3 "Net Expected" is the total amount the organization expects to attempt to collect with respect to the gross charges specified on line 1, without reduction or increase for the time value of the stream of expected payments. If a patient is making installment payments over 5 years, the total amount of the payments that is expected to be paid under the installment agreement must be included, excluding interest or similar charges, if any.

Line 4 "Fees Collected" is the total amount collected by the organization with respect to the gross charges specified on line 1.

The following are instructions for completion of the balance of Part II of the Schedule:

Line 5: Provide the definition that the organization uses for "bad debt." Indicate, if applicable, whether this definition is one that is used or required for State reporting purposes.

Line 6a: Answer "yes" or "no" to this question. The debt collection policy may be a portion of a written policy that covers all billing and collections practices.

Line 6b: Describe the debt collection policy as fully as possible in the space provided. The description should include a statement of how and when the organization informs patients of the terms of the policy as well as a description of how the organization collects debts from patients. If the organization uses collection procedures or refers collections to third parties, describe when such procedures are used or when such referrals take place. State whether amounts that are designated as charity care may be subject to collection procedures or referred for collection to a third party either before or after the charity care determination is made.

Part III Management Companies & Joint Ventures

List any management company or joint venture (whether taxed as a partnership or a corporation) of which the organization is a partner or shareholder and (1) for which current or former officers, directors, trustees, or key employees of the organization, or physicians who have staff privileges with one or more of the organization's facilities, own in the aggregate more than 5% of the profits

interests or stock of such partnership or corporation, and (2) that either (a) provides management services used by the organization in its provision of hospital or medical care, or (b) provides hospital or medical care, or owns or provides real, tangible personal, or intangible property used by the organization or by others to provide hospital or medical care. Examples of such entities include an ancillary joint venture formed by the organization and its officers or physicians to conduct an exempt or unrelated business activity, a company owned by the organization and its officers or physicians that owns and leases to the organization a hospital facility, and a company that owns and leases to entities other than the organization diagnostic equipment or intellectual property used to provide hospital and medical care. Do not include publicly traded entities or entities whose sole income is passive investment income from interest or dividends. Provide all the information requested in the table for each such entity.

Name of Entity (column a). State the full legal name of the entity.

Description of Primary Activity of Entity (column b). Briefly describe the primary business activity or activities conducted by the management company or joint venture.

Organization's Profit % or Stock Ownership % (column c). State the organization's percentage of profits interest in (for an entity taxed as a partnership) or stock ownership of (for an entity taxed as a corporation) the entity that is owned by the organization.

Officers, Directors, Trustees, or Key Employees' Profit % or Stock Ownership % (column d). State the percentage of profits interest in (for an entity taxed as a partnership) or stock ownership of (for an entity taxed as a corporation) the entity by any of the organization's current or former officers, directors, trustees, or key employees. Ownership interests of former officers, directors, trustees and key employees must be included for at least 5 years after they cease to be an officer, director, trustee or key employee.

Physician's Profit % or Stock Ownership % (column e). State the percentage of profits interest in (for an entity taxed as a partnership) or stock ownership of (for an entity taxed as a corporation) the entity by any physicians who have staff privileges with one or more of the organization's facilities.

If a physician with staff privileges with one or more of the organization's facilities is also a current or former officer, director, trustee or key employee of the organization, include his or her profit or stock ownership percentage in column (d) and omit it from column (e). If a physician with staff privileges with one or more of the organization's facilities is also a former officer, director, trustee or key employee of the organization, include his or her profit or stock ownership percentage in column (d) and omit it from column (e) for 5 years. After 5 years, include his or her profit or stock ownership percentage in column (e).

Part IV General Information

Provide descriptions as requested, where applicable.

Part V Facility Information

If an organization operates multiple facilities that provide medical or hospital care, only complete one Schedule H. However, the organization must separately list each of its facilities in Part V of this Schedule.

For purposes of listing its facilities, a "facility that provides medical or hospital care" means a building, other structure, or campus that is dedicated to providing medical or hospital care. A facility that provides medical or hospital care does not include a component wing or department of a hospital, clinic, or other discrete facility.

“Medical or hospital care” includes the type of care provided by hospitals, rehabilitation institutions, outpatient clinics, skilled nursing facilities, and community mental health or drug treatment centers. A facility that provides medical or hospital care includes one that treats any physical or mental disability or condition, whether on an inpatient or outpatient basis. Such facilities also include those of non-medical institutions (*e.g.,* colleges, prisons) that operate facilities that provide medical or hospital care.

A facility that provides medical or hospital care does not include a convalescent home or home for children or the aged, a cooperative hospital service organization, or an institution whose principal purpose or function is to train handicapped individuals to pursue a vocation. Nor does it include a facility whose principal purpose or function is to provide medical education or medical research, unless it is also actively used in providing medical or hospital care to patients as an integral part of medical education or medical research.

Provide the name, address, and type of service (*e.g.,* general hospital, psychiatric, rehabilitation, orthopedic, obstetrics and gynecology, cancer, long-term acute care) provided for each of the organization’s facilities in Column A, and describe the activities and programs of each facility in Column B.

Form 990 Hospital Schedule--Community Benefit Worksheets

These worksheets can be used to account for and report community benefit programs and services in Part I of the Form 990 Hospital Schedule.

Worksheets

1 Traditional Charity Care
2 Ratio of Cost to Charges
3 Unpaid Cost of Medicaid and Other Public Programs
4 Community Health Improvement Services and Community Benefit Operations
5 Net Cost of Health Professions Education
6 Net Cost of Subsidized Health Services
7 Unsponsored Cost of Research

Worksheet 1
Traditional Charity Care

Use this worksheet to calculate the cost of charity care.

Total number of persons served: _____

Calculation of the net cost of charity care

	Method 1: Ratio of cost to charges	Method 2: Cost accounting system
1. **Charges forgiven for charity**		
2. Inpatient charges	$	$
3. Outpatient charges	$	$
4. Total charges	$	$
5. **Cost of charity care**		
6. Ratio of cost to charges (from Worksheet 2)		
7. Estimated cost (line 4 x line 6)	$	$
8. Any other direct contributions to charity care programs	$	$
9. Total charity care costs (add lines 7 and 8)	$	$
10. **Revenue received to support charity**		
11. Payments from uncompensated care pools or programs	$	$
12. Philanthropy received and/or used to support charity*	$	$
13. All other sources of funding	$	$
14. Total offsetting revenue (add lines 11-13)	$	$
15. **Net traditional charity care** (line 9 minus line 13)	$	$

*Excludes resources received from foundations or other entities that are related parties and share common governance.

Worksheet 2
Ratio of Costs to Charges

Use the formula below to calculate a ratio of costs to charges

1. Adjusted total operating expenses

2. Total operating expenses (including bad debt expenses)	$
3. Less: Adjustments	
4. Other operating revenue	$
5. Medicaid taxes	$
6. *Operating expenses for subsidized health services*	$
7. Expenses for other programs for persons qualifying for charity care	$
8. Other programs for the broader community expenses	$
9. Total adjustments	$
10. Adjusted total operating expenses (line 2 minus line 9)	$
11. Adjusted total gross charges	$
12. Total gross charges (including bad debt charges)	$
13. Less: Adjustments	
14 *Gross charges for subsidized health services*	$
15 Total adjustments	$
16 Adjusted total gross charges	$

17. Ratio calculation

A. Adjusted total operating expense (from line 10)	$
B. Adjusted total gross charges (from line 16)	$
Calculated patient cost-to-charge ratio: A ÷ B =	

*Reduce operating expenses for the amount of other operating revenue that has an associated operating expense. Some operating revenue or income (e.g., from joint ventures) should not be included in the adjustment.

Note: Operating expenses and gross charges for subsidized health services should be excluded from the formula (as shown in italics) if your organization has a cost accounting system to measure those services.

Worksheet 3
Unpaid Costs of Medicaid and Other Public Programs

Use this worksheet to determine the unpaid costs of Medicaid and other public programs.

Unpaid Costs of Public Programs	(a) Medicaid	(b) Other public programs	(c) Total
1. Persons served			
2. Total expenses (Choose A or B)			
A. From cost accounting system, or	$	$	$
B. From program cost report	$	$	$
3. Expenses before Medicaid taxes (from 2A or 2B)	$	$	$
4. Medicaid taxes	$	$	$
5. Total expenses (add lines 3 and 4)	$	$	$
6. Reimbursement and other support			
7. Medicaid disproportionate share hospital funds	$	$	$
8. Other inpatient	$	$	$
9. Other outpatient	$	$	$
10. Total reimbursement and other support	$	$	$
11. Net costs of public programs (line 5 minus line 10)	$	$	$

Worksheet 4
Community Health Improvement Services and Community Benefit Operations

This form can be used to document and report statistical and financial information for each community benefit health service and community benefit operation.

Title of activity: _____

_____

Brief description: _____

_____

_____

_____

_____

Staff hours: _____

Volunteer hours: _____

Number of persons served: _____

Salaries:	$ _____
Purchased services:	$ _____
Supplies:	$ _____
Other direct expenses:	$ _____
Indirect expenses:	$ _____

Funding and offsetting revenue:

Foundation/fundraising:	$ _____
Grants/support:	$ _____
Source of grant:	$ _____
Fees:	$ _____
Other (voluntary contributions, etc.):	$ _____

Worksheet 5
Net Cost of Health Professions Education

Use this worksheet to calculate the net costs of health professions education.

Number of Persons Served:		
Costs		
1	Direct medical education costs	
	A Interns and residents	$
	B Other health professionals	$
	C Community programs	$
2	Total direct medical education costs (add lines 1A, 1B, 1C)	$
3	Indirect medical education costs	$
4	Total education costs (add lines 2 and 3)	$
Funding sources		
5	Direct medical education funding	
	A Direct Medicare reimbursement	$
	B Fees charged for community programs	$
	C Other explicit support of education programs	$
6	Total direct medical education funding (add lines 5A, 5B, 5C)	$
7	Indirect medical education reimbursement	$
8	Total education revenue/reimbursement (add lines 6 and 7)	$
Net cost of health education (line 4 minus line 8)		$

Worksheet 6
Net Cost of Subsidized Health Services

Use this worksheet to report statistical and financial information for qualifying subsidized health services

Calculation of net cost of subsidized health service

	Total program	Medicaid	Charity care	Program net of Medicaid and charity care
1. **Number of persons served**				
2. **Charges**				
3. Inpatient	$	$	$	$
4. Outpatient	$	$	$	$
5. Total charges (add lines 3 and 4)	$	$	$	$
6. **Total expenses (choose A or B)**				
A. From cost accounting system	$	$	$	$
B. Using cost-to-charge ratio (from Worksheet 2)	$	$	$	$
7. Total expenses (from 6A or 6B)	$	$	$	$
8. **Reimbursement and other support**				
9. Inpatient	$	$	$	$
10. Outpatient	$	$	$	$
11. Other support	$	$	$	$
12. Total reimbursement and other support (add lines 9-11)	$	$	$	$
Net cost of subsidized health services (line 7 minus line 12)	$	$	$	$

Worksheet 7
Unsponsored Cost of Research

Use this worksheet to calculate the unsponsored costs of research.

1	**Costs**	
2	Research expense	
	a. Direct expense	$
	b. Hospital indirect expense	$
3	Total research costs (add lines 2A, 2B)	$
4	**Funding sources**	
5	Research grants	
	a. Direct expense	$
	b. Hospital indirect expense	$
6	Total research revenue (add lines 5A, 5B)	$
	Net research cost (line 3 minus line 6)	$