

ALABAMA DEPARTMENT OF PUBLIC HEALTH
STATE COMMITTEE OF PUBLIC HEALTH
ADMINISTRATIVE CODE

CHAPTER 420-12-1
HOSPITAL DISCHARGE DATA SYSTEM

420-12-1-.04 Penalty Assessment.

(1) The Department will assess a civil penalty of five cents (\$.05) per Discharge Record per day for each day the Discharge Data required to be reported is delinquent.

(2) The maximum civil penalty for a Delinquent Discharge Data Report is ten dollars (\$10) for each Discharge Record. The Department will issue a written notice of assessment of the civil penalty to any hospital that has a pending Delinquent Discharge Data Report.

(3)(a) For hospitals failing to submit any Discharge Data Reports by the submission deadline, the number of inpatient hospital Discharge Records for a particular hospital's Delinquent Discharge Data Report per quarter will be estimated by dividing the number of total inpatient discharges in the most current report on file for that hospital by four (4).

(b) The number of outpatient Discharge Records for a particular hospital's Delinquent Discharge Data Report per quarter will likewise be estimated using data from the hospital's most recent report on file with the Department.

(c) The sum of the estimates of inpatient Discharge Records and outpatient Discharge Records from (a) and (b) above will be used to calculate the penalty assessed for a Delinquent Discharge Data Report. Any positive or negative adjustments to the final estimate, up to a maximum of ten percent (10%), will be made once the actual Discharge Data Reports are received by the Department.

(4) Hospitals not submitting any Discharge Data Reports by the submission deadline will begin accruing penalties for Delinquent Discharge Data Reports on the day immediately following the date of the submission deadline and will cease accruing penalties on the day when the actual Discharge Data Reports are received by the Department or the maximum penalty of ten dollars (\$10) per Discharge Record is reached, whichever occurs first.

(5) Hospitals which do not submit corrected Discharge Data Reports within the additional fifteen (15) days allocated for error correction will accrue Delinquent Discharge Data Report penalties beginning the sixteenth day after the date of the Department's

written error notification to the hospital and will cease accruing penalties on the day when the actual corrected Discharge Data Reports are received by the Department or the maximum penalty of ten dollars (\$10) per Discharge Record is reached, whichever occurs first. The State Health Officer has the authority to delay, modify, or waive any penalty imposed for failure to correct any particular data element if the failure to correct is due to force majeure or other extraordinary circumstances beyond the control of the hospital.

(6) For all 2022 discharges, the allowable error rate for Discharge Data Reports will be no more than five percent (5%). For all discharges in 2023 and subsequent years, the allowable error rate will be no more than three percent (3%). Discharge Data Reports that fall within the acceptable error rate will not be subject to any Delinquent Discharge Data Report penalties. Hospitals that exceed the acceptable error rate will be penalized based on total errors, unless corrected within the time period provided in paragraph (5) of this rule.

(7) Upon receipt of a notice of civil penalty assessment from the Department, the hospital has the right to an informal conference with the State Health Officer. A written request for an informal conference must be received by the State Health Officer within thirty (30) calendar days of the hospital's receipt of the notice of assessment. The notice of assessment will estimate the approximate penalty per day to be assessed, based on the estimated number of Discharge Records to be contained in the Discharge Data Report, as set forth in paragraph 3 above. The notice of assessment will also state that penalties will accrue until the date that the Delinquent Discharge Data Reports are received or the maximum penalty of ten dollars (\$10) per Discharge Record is reached.

(8) Penalties will cease to accrue for hospitals requesting an informal conference with the State Health Officer until the date the conference is held. An informal conference will be held within thirty (30) days of the date of the State Health Officer's receipt of the request for an informal conference. After the informal conference or, if no conference is requested, after the time for requesting the informal conference has expired, the Department may proceed to collect any applicable civil penalty assessment.

(9) In its request for an informal conference, the hospital may request that the Department waive the civil penalty assessment. The State Health Officer may waive the penalty in cases of an act of God or other acts beyond the control of the hospital, or at the discretion of the State Health Officer, or for other reasons reasonably related to compliance with Code of Ala. 1975, §22-21-410, et seq. Waiver of the penalty is in the sole discretion of the State Health Officer.

(10) If the hospital wishes to appeal the decision of the State Health Officer following the informal conference, a written request for a hearing before an Administrative Law Judge must be sent to the State Health Officer within fifteen (15) calendar days of the State Health Officer's written decision. Such hearing is to be conducted in accordance with the requirements for contested case hearings under the Alabama Administrative Procedure Act and the Department's rules for contested cases pursuant to Chapter 420- 1-3.

(11) A hospital with unpaid civil penalties levied more than thirty (30) calendar days prior to the expiration of such hospital's license shall not be eligible to renew its license until all unpaid penalties, except for penalties subject to appeal and penalties for which payment arrangements have been made that are satisfactory to the Department, have been paid in full.

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Statutory Authority: Code of Ala. 1975, §22-21-410, et seq.

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