

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Health Policy

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BILL: SB 1324

INTRODUCER: Senator Burgess

SUBJECT: Nursing Home Financial Reporting

DATE: February 1, 2022

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Looke</u>	<u>Brown</u>	<u>HP</u>	<u>Pre-meeting</u>
2.	_____	_____	<u>RC</u>	_____

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**I. Summary:**

SB 1324 amends s. 408.061, F.S., to specify that when a nursing home or the home office of a nursing home reports its actual financial experience for the fiscal year to the Agency for Health Care Administration (AHCA), as required in current law, the actual financial experience must be its audited actual experience.

The bill provides an effective date of July 1, 2022.

**II. Present Situation:**

Currently, nursing homes are required to submit financial data to the AHCA pursuant to s. 408.061(5)-(6), F.S. These provisions were added in 2021 by SB 2518 (ch. 2021-41, L.O.F.) and mirror provisions in current law that require other health care facilities to submit such data.<sup>1</sup> Prior to July 1, 2021, nursing homes were exempt from this reporting requirement.

Currently a nursing home must report, within 120 days after the end of its fiscal year, its actual financial experience for that fiscal year, including expenditures, revenues, and statistical measures. Such data may be based on internal financial reports that are certified to be complete and accurate by the chief financial officer of the nursing home. This actual experience must include the fiscal year-end balance sheet, income statement, statement of cash flow, and statement of retained earnings and must be submitted to the AHCA in addition to the information filed in the uniform system of financial reporting. However, unlike other health care facilities, data submitted by nursing homes is not required to be audited.

**Florida Hospital Uniform Reporting System (FHURS)**

The FHURS is the AHCA's reporting system used by hospitals to file financial data. Hospitals are required to file their Prior Year Actual Report (FHURS report) within 120 days after the

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<sup>1</sup> See s. 408.061(4), F.S.

close of their fiscal year end. In addition to the FHURS report, a copy of the signed audited financial statements is required. The auditor's report must contain an opinion. An audit report containing a disclaimer of opinion is not considered acceptable. Any differences between the FHURS report and the audited financial statements must be reconciled and/or explained.<sup>2</sup>

In addition to requiring nursing homes to report financial data, s. 408.061(5)-(6), F.S., requires the AHCA to establish a Florida Nursing Home Uniform Reporting System, or FNHURS.

### **III. Effect of Proposed Changes:**

SB 1324 amends s. 408.061, F.S., to specify that when a nursing home or the home office of a nursing home reports its actual financial experience for the fiscal year to the AHCA, as required in current law, the actual financial experience must be its audited actual experience.

The bill provides an effective date of July 1, 2022.

### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

None.

#### **B. Public Records/Open Meetings Issues:**

None.

#### **C. Trust Funds Restrictions:**

None.

#### **D. State Tax or Fee Increases:**

None.

#### **E. Other Constitutional Issues:**

None.

### **V. Fiscal Impact Statement:**

#### **A. Tax/Fee Issues:**

None.

#### **B. Private Sector Impact:**

None.

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<sup>2</sup> Hospital Financial Data, Agency for Health Care Administration, available at [https://ahca.myflorida.com/MCHQ/Central\\_Services/Financial\\_Ana\\_Unit/fa\\_data/index.shtml](https://ahca.myflorida.com/MCHQ/Central_Services/Financial_Ana_Unit/fa_data/index.shtml) (last visited Jan. 27, 2022).

**C. Government Sector Impact:**

There may be an indeterminate impact on Medicaid nursing home expenditures. Nursing home costs associated with providing the audited data are considered allowable Medicaid costs.<sup>3</sup> This will enable nursing homes to include the costs associated with providing the audited data in cost reports used to calculate Medicaid nursing home prospective rates incorporated into the General Appropriations Act. This may affect the amount the Legislature appropriates for statewide Medicaid costs.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following section of the Florida Statutes: 408.061.

**IX. Additional Information:****A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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<sup>3</sup> See Centers for Medicare & Medicaid Services Provider Reimbursement Manual 15-1, at 2102.2, and Florida Medicaid Cost Report: Nursing Home Chart of Accounts and Description: at entry 730560. Both on file with Senate Health Policy Committee staff.