

Skilled Nursing Facilities Ownership and Financial Transparency

Senate Bill 650 (Chapter 493, Statutes of 2021) expands financial disclosure reporting for Skilled Nursing Facilities (SNFs) by requiring an organization that operates, conducts, owns, manages, or maintains a SNF to prepare annual consolidated financial statements of related entities and have those statements reviewed by a Certified Public Accountant (CPA), unless already audited. Starting with fiscal years ending December 31, 2023, the Department of Health Care Access and Information (HCAI) will collect, review, and publish these consolidated reports to its website. The bill also requires HCAI to review the consolidated reports for completeness. HCAI will continue to audit the individual SNF financial statements submitted pursuant to current law.

The consolidated reports will include basic financial statements for each individual operating entity, license holder, and related party which share five (5) percent common ownership and provides services to the facility. The reports will also include a statement detailing patient revenue by payer and other disclosures as well as a visual representation of the organization’s structure and related entities. All SNFs, whether they have related parties or not, would also have to disclose organizational visual representation documents for both related and non-related entities.

The list of upcoming activities below include program activities through June 2025. Per the requirements stated in the statute, HCAI will work with stakeholders to develop regulations to further specify reporting requirements.

Upcoming Activities	
Projected Time	Period Program Activities
January 2022 to December 2022	<ul style="list-style-type: none"> Initiate program planning for SNF consolidated report collection and review Begin rulemaking process to define consolidated reporting requirements
January 2023 to December 2023	<ul style="list-style-type: none"> Conduct outreach to SNFs regarding policy submissions and requirements of consolidated reporting Complete rulemaking process to define consolidated reporting requirements Configure HCAI data collection and reporting platform

January 2024 to June 2025	<ul style="list-style-type: none">• Begin receiving and reviewing initial consolidated reports from SNFs*• Publish consolidated reports to HCAI website, upon review
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**Note: First year reports will be based on SNF fiscal years ending December 31, 2023. Given SNF's various fiscal year end periods, first year reports may continue to be submitted through June 2025..*

--Fact Sheet Updated January 20, 2022