



2020 West El Camino Avenue, Suite 800  
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hcai.ca.gov



## **NOTICE OF PROPOSED RULEMAKING**

### CALIFORNIA CODE OF REGULATIONS

Title 22, Division 7, Chapter 10: Health Facility Data – Due Date for Skilled Nursing Facility Annual Consolidated Reporting

#### Section 97046.4

The Department of Health Care Access and Information (HCAI) proposes to adopt the proposed regulations described below after considering all comments, objections, and recommendations regarding the proposed action.

Pursuant to the Health and Safety Code (HSC) §128734.1, HCAI has established guidance and reporting requirements for skilled nursing facilities and the organization that operates, conducts, owns, manages or maintains them regarding the compilation and submission of Annual Consolidated Financial Reports (ACFRs). Pursuant to HSC §128734.1, skilled nursing facilities (SNF) are required to submit an ACFR to HCAI each fiscal year.

Current regulations state that the ACFRs are due within four months of the organization's fiscal year-end. Most organizations have a fiscal year-end of December 31 which makes the ACFRs due at the end of April. California Code of Regulations (CCR) Section 97046.5 provides an additional 90-day extension upon request, making the final due date for these organizations the end of July. Stakeholder input has indicated that there are several issues with this due date including 1) it is the same due date as the Long-Term Care Annual Financial Disclosure Report (LAFDR) which creates a staffing crunch for Certified Public Accountant (CPA) firms, 2) data from the LAFDR flows into the ACFR and often times is not available by the current due date, 3) most companies only engage their CPA once to audit financial statements and to prepare tax returns (with extension these are due in mid-October). This makes the required financial documents not available for submission to HCAI until late October. Therefore, the current due date does not coincide with the availability of the documents required for organizations to comply with HSC Section 128734.1.

HCAI is proposing to amend California Code of Regulations (CCR) Section 97046.4 to change the due date from “within four months of the organization's fiscal year-end” to “within eight months of the organization's fiscal year-end”. Assuming a December 31

fiscal year-end, this will make the ACFRs due at the end of August, and November with an extension.

HCAI anticipates these proposed regulations to be effective for fiscal years ending on or after January 1, 2026. The effective date of the proposed amendment will be the applicable effective date pursuant to Government Code §11343.4.

## **I. PUBLIC HEARING**

HCAI has not scheduled a public hearing on this proposed action. However, HCAI will hold a hearing if it receives a written request for a public hearing from any interested person, or his or her authorized representative, no later than 15 days before the close of the written comment period.

## **II. WRITTEN PUBLIC COMMENT PERIOD AND CONTACT PERSON**

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action. All comments must be received by HCAI no later than 5:00 p.m. on April 14, 2026.

Inquiries and written comments regarding the proposed action should be addressed to the primary contact person named below. Comments delivered by email are suggested. Comments may also be hand delivered or mailed.

Lexie Bloyd, Audit Supervisor  
Information Services Division  
Department of Health Care Access and Information  
Tel: (916) 326-3833  
Email: [lexie.bloyd@hcai.ca.gov](mailto:lexie.bloyd@hcai.ca.gov)  
Mailing address: 2020 West El Camino Avenue, Suite 1100, Sacramento, CA 95833-1880

Inquiries and comments may also be directed to the backup contact person at the same mailing address:

Ty Christensen, Audit Manager  
Information Services Division  
Tel: (916) 326-3856  
Email: [ty.christensen@hcai.ca.gov](mailto:ty.christensen@hcai.ca.gov)

Comments should include the author's name, U.S. Postal Service address, and email address, if applicable, for HCAI to provide copies of any notices for proposed changes to the regulation text on which additional comments may be solicited.

### **III. AUTHORITY AND REFERENCE**

Authority: California Health and Safety Code, Section 128810.

Reference: California Health and Safety Code, Sections 128734.1

### **IV. INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW**

#### **A. Summary of Existing Law**

Pursuant to the Health and Safety Code (HSC) §128734.1, HCAI has established guidance and reporting requirements for skilled nursing facilities and the organization that operates, conducts, owns, manages or maintains them regarding the compilation and submission of Annual Consolidated Financial Reports (ACFRs). Pursuant to HSC §128734.1, skilled nursing facilities (SNF) are required to submit an ACFR to HCAI each fiscal year. Current regulations state that the ACFRs are due within four months of the organization's fiscal year-end.

#### **B. Policy Statement Overview/Specific Benefits of the Proposed Regulations**

HCAI is proposing to amend CCR Section 97046.4 to change the due date from within four months of the organization's fiscal year-end to within eight months of the organization's fiscal year-end to allow for the required documents to be compiled. We anticipate these proposed regulations to be effective for fiscal years ending on or after January 1, 2026.

#### **C. Determination of Inconsistency/Incompatibility with Existing Law**

As required by Government Code Section 11346.5(a)(3)(D), HCAI evaluated the language contained in the proposed regulation and determined these proposed regulations are not inconsistent with or incompatible with existing state regulations. HCAI also determined there are no comparable federal regulations or statutes.

#### **D. Documents Incorporated by Reference**

There are no documents incorporated by reference in these proposed regulations.

### **V. DISCLOSURES REGARDING THE PROPOSED ACTION**

HCAI has made the following initial determinations:

A. Mandate on local agencies and school districts: None.

- B. Cost or savings to any state agency: None. Costs are absorbable with current resources.
- C. Cost to any local agency or school district which must be reimbursed in accordance with Government Code Sections 17500 through 17630: None.
- D. Other nondiscretionary costs or savings imposed on local agencies: None.
- E. Cost or savings in federal funding to the state: None.
- F. Cost impact on a representative person or business: None.
- G. Statewide adverse economic impact directly affecting business and Individuals: HCAI has made an initial determination that the regulations will not have a significant, statewide adverse economic impact directly affecting business, including the ability of California business to compete with businesses in other states.
- H. Significant effect on housing costs: None.
- I. Effect on small business: No skilled nursing facilities match the small business definition stated in Government Code Section 11342.610.
- J. Business Reporting Requirement: HCAI determined it is necessary for the welfare of the people of the State of California that this regulation, which requires a report, apply to business.
- K. The agency is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

## **VI. STATEMENT OF THE RESULTS OF THE ECONOMIC IMPACT ANALYSIS (EIA)**

HCAI prepared an Economic Impact Analysis in the Initial Statement of Reasons and concludes that:

- A. this regulatory action will not create jobs within the state;
- B. this regulatory action will not eliminate jobs within the state;
- C. this regulatory action will not create new businesses;
- D. this regulatory action will not eliminate existing businesses;
- E. this regulatory action will not affect the expansion of businesses currently doing business in the state; and

F. the benefits to the public are that changing the due date will lead to more complete, accurate documents that HCAI will make available to the public.

## **VII. REASONABLE ALTERNATIVES**

HCAI must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of HCAI would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

## **VIII. AVAILABILITY OF EXPRESS TERMS, INITIAL STATEMENT OF REASONS, AND INFORMATION UPON WHICH PROPOSED RULEMAKING IS BASED**

HCAI will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the address given for the contact persons. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the text of the proposed changes to the regulations, the initial statement of reasons, and an economic impact analysis contained in the initial statement of reasons.

## **IX. AVAILABILITY OF SUBSTANTIAL CHANGES TO ORIGINAL PROPOSAL**

After considering all timely and relevant comments received, HCAI may adopt the proposed regulations substantially as described in this notice. If HCAI makes modifications which are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before HCAI adopts the regulations as revised.

Please send requests for copies of the modified text to the listed contact person. The modified text will also be available on the website at <https://hcai.ca.gov/about/laws-regulations/>. HCAI will accept written comments on the modified regulations for 15 days after the date on which they are made available.

## **X. AVAILABILITY OF FINAL STATEMENT OF REASONS**

The Final Statement of Reasons, including all the comments and responses, will be available, after its completion, through the HCAI website at <https://hcai.ca.gov/about/laws-regulations/>. The Final Statement of Reasons will also be available for review from the designated contact person.

## **XI. AVAILABILITY OF DOCUMENTS ON THE INTERNET**

The Notice of Proposed Action, Initial Statement of Reasons, the text of the proposed regulations in italics and strikeout, and any documents incorporated by reference can be accessed through HCAI's website at <https://hcai.ca.gov/about/laws-regulations/>.