

1 A bill to be entitled
2 An act relating to nursing home accountability;
3 amending s. 400.141, F.S.; requiring licensed nursing
4 home facilities to comply with certain rules adopted
5 by the Agency for Health Care Administration;
6 requiring the agency to adopt rules establishing a
7 medical loss ratio for the disposition of Medicaid
8 revenue in excess of expenses for nursing home
9 facilities; providing the method of calculating the
10 medical loss ratio; requiring that a nursing home
11 facility pay any excess Medicaid revenue to the agency
12 by a specified date under certain circumstances;
13 requiring the agency to collect such payments;
14 authorizing the use of refunds of excess Medicaid
15 revenue to fund initiatives that improve the quality
16 of care or quality of life for nursing home facility
17 residents; requiring a nursing home facility to limit
18 the use of excess Medicaid revenues for management
19 salaries and for contracted staff or contracted
20 services; prohibiting a nursing home facility from
21 using more than a specified percentage of its total
22 expenses funded through the Medicaid program for
23 certain salaries; prohibiting a nursing home facility
24 from contracting with certain management companies for
25 staffing or services; providing an exception;

26 requiring a nursing home facility to post specified
 27 information on its Internet website and update such
 28 information annually; requiring a nursing home
 29 facility to post a certain list on its Internet
 30 website and submit such list to the agency; requiring
 31 that such list be updated within a specified
 32 timeframe; requiring a nursing home facility to post
 33 summaries of certain contracts or agreements on its
 34 Internet website within a specified timeframe;
 35 requiring the agency to adopt rules; amending s.
 36 408.061, F.S.; requiring nursing homes and their home
 37 offices to annually file with the agency their audited
 38 actual experience for purposes of financial reporting;
 39 providing an effective date.

40

41 Be It Enacted by the Legislature of the State of Florida:

42

43 Section 1. Paragraphs (x), (y), and (z) are added to
 44 subsection (1) of section 400.141, Florida Statutes, to read:

45 400.141 Administration and management of nursing home
 46 facilities.—

47 (1) Every licensed facility shall comply with all
 48 applicable standards and rules of the agency and shall:

49 (x) Comply with rules adopted by the agency which
 50 establish a medical loss ratio for the disposition of revenue in

51 excess of expenses for nursing home facilities.

52 1. The agency shall adopt rules requiring that a minimum
53 of 75 percent of the total Medicaid revenue of a nursing home
54 facility be spent on costs related to patient care, of which 55
55 percent must be spent on direct care, as defined by agency rule.
56 Patient care costs are calculated by combining direct care and
57 indirect care costs pursuant to agency rule.

58 2. If any nursing home facility fails to spend at least 75
59 percent of its total Medicaid revenue on patient care costs as
60 defined by agency rule, the nursing home facility must pay such
61 excess revenue to the agency by January 1 of the following
62 fiscal year. The agency shall collect such payments by any
63 method it deems necessary, including, but not limited to,
64 deductions or offsets from payments made under the Medicaid
65 program. Refunds of excess Medicaid revenue collected by the
66 agency shall be used to fund initiatives that improve the
67 quality of care or quality of life for residents of nursing home
68 facilities. Such initiatives may include, but need not be
69 limited to, surveillance and inspection activities; activities
70 designed to improve the quality, performance, and compliance of
71 poorly performing nursing home facilities; training and
72 education for facility staff; and activities to encourage
73 resident and consumer involvement in initiatives to improve the
74 quality of care or quality of life for residents of facilities.

75 (y) Limit the use of excess Medicaid revenues for

76 management salaries and for contracted staff or contracted
 77 services that are provided at a cost that exceeds the current
 78 market rates for such services.

79 1. A nursing home facility may not use more than 15
 80 percent of its total expenses funded through the Medicaid
 81 program for executive or managerial salaries.

82 2. A nursing home facility may not contract for staffing
 83 or services with any management company that has an ownership
 84 interest in the facility at a rate exceeding 10 percent of the
 85 facility's in-house staffing or service costs, unless an
 86 emergency has been declared as determined by the agency or as
 87 defined by agency rule.

88
 89 The agency shall adopt rules to implement this paragraph.

90 (z) Post on its Internet website, and update annually, the
 91 maximum rates to be charged for the use of facilities and the
 92 provision of services, including the rates for services paid
 93 through public and private payer sources.

94 1. A nursing home facility shall post on its Internet
 95 website a list of all facility owners and submit such list to
 96 the agency for posting on the agency's Internet website. Such
 97 list must be updated within 30 days after any changes are made
 98 to the list.

99 2. A nursing home facility shall also post on its Internet
 100 website a summary of any contract or agreement entered into by

101 the facility for the provision of goods or services in which the
 102 facility has an ownership interest and pays for such goods or
 103 services using any portion of Medicaid funds within 30 days
 104 after such contract or agreement is executed.

105
 106 The agency shall adopt rules to implement this paragraph.

107 Section 2. Subsections (5) and (6) of section 408.061,
 108 Florida Statutes, are amended to read:

109 408.061 Data collection; uniform systems of financial
 110 reporting; information relating to physician charges;
 111 confidential information; immunity.—

112 (5) Within 120 days after the end of its fiscal year, each
 113 nursing home as defined in s. 408.07 shall file with the agency,
 114 on forms adopted by the agency and based on the uniform system
 115 of financial reporting, its actual financial experience for that
 116 fiscal year, including expenditures, revenues, and statistical
 117 measures. Such data may be based on internal financial reports
 118 that are certified to be complete and accurate by the chief
 119 financial officer of the nursing home. A nursing home's actual
 120 financial experience shall be its audited actual experience.

121 This audited actual experience must include the fiscal year-end
 122 balance sheet, income statement, statement of cash flow, and
 123 statement of retained earnings and must be submitted to the
 124 agency in addition to the information filed in the uniform
 125 system of financial reporting. The financial statements must tie

126 to the information submitted in the uniform system of financial
127 reporting, and a crosswalk must be submitted along with the
128 financial statements.

129 (6) Within 120 days after the end of its fiscal year, the
130 home office of each nursing home as defined in s. 408.07 shall
131 file with the agency, on forms adopted by the agency and based
132 on the uniform system of financial reporting, its actual
133 financial experience for that fiscal year, including
134 expenditures, revenues, and statistical measures. Such data may
135 be based on internal financial reports that are certified to be
136 complete and accurate by the chief financial officer of the
137 nursing home. The actual financial experience of the home office
138 of a nursing home shall be its audited actual experience. This
139 audited actual experience must include the fiscal year-end
140 balance sheet, income statement, statement of cash flow, and
141 statement of retained earnings and must be submitted to the
142 agency in addition to the information filed in the uniform
143 system of financial reporting. The financial statements must tie
144 to the information submitted in the uniform system of financial
145 reporting, and a crosswalk must be submitted along with the
146 audited financial statements.

147 Section 3. This act shall take effect October 1, 2022.