

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: HB 539 Nursing Home Financial Reporting

SPONSOR(S): Trumbull

TIED BILLS: **IDEN./SIM. BILLS:** SB 1324

FINAL HOUSE FLOOR ACTION: 114 Y's 0 N's **GOVERNOR'S ACTION:** Approved

SUMMARY ANALYSIS

HB 539 passed the House on February 2, 2022, and subsequently passed the Senate on March 9, 2022.

Hospitals must annually submit audited actual financial experience to the Agency for Health Care Administration (AHCA). Nursing homes and their home offices, however, must submit actual unaudited financial experience.

The bill requires nursing homes and their home offices to report audited actual financial experience to the AHCA Nursing Home Uniform Reporting System. The bill aligns nursing home and their respective home office financial reporting requirements with hospital reporting requirements.

The bill has an indeterminate fiscal impact on AHCA. The bill has no fiscal impact on local government and an indeterminate fiscal impact on the private sector.

The bill was approved by the Governor on April 6, 2022, ch. 2022-49, L.O.F., and will become effective on July 1, 2022.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Current Situation

Effective July 1, 2021, nursing homes were required to submit annual actual unaudited, financial experience to the Agency for Health Care Administration's (AHCA) Florida Nursing Home Uniform Reporting System (NHURS) based on legislation passed during the 2021 Legislative Session. Previously, nursing homes, continuing care facilities, and state run hospitals were exempt from the requirement to submit their actual financial experience for the fiscal year to AHCA. Under current law, hospitals must submit their audited actual financial experience into the Florida Hospital Uniform Reporting System (FHURS). The FHURS is a database designed by AHCA expressly for the reporting of the hospitals' audited actual financial experience. The legislature enacted this requirement in 1992 and it has aided AHCA in making management decisions and the Legislature in making policy and budgetary decisions.

The AHCA utilizes hospital financial experience to determine amounts due for hospital assessments that support the Public Medical Assistance Trust Fund, which provides state matching funds for Medicaid hospital expenditures. Additionally, the information is used to ensure licensure compliance, for research, to prepare hospital financial data reports, and to respond to media and legislative requests. AHCA is currently developing and initiating rules and building systems to support the development of the NHURS. When rules are promulgated and the systems are operational the nursing homes' and their home offices' actual financial experience will be submitted to AHCA for review and analysis.

Effect of the Bill

The bill requires nursing homes and their respective home offices to annually submit audited actual financial experience to AHCA in NHURS. Nursing homes will now provide the same level of audited financial data that hospital must provide. Nursing home costs associated with providing the audited data are considered allowable Medicaid costs. This will enable nursing homes to include the costs associated with providing the audited data on cost reports used to calculate Medicaid nursing home prospective rates incorporated into the General Appropriations Act.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

There is an indeterminate impact on Medicaid nursing home expenditures. Nursing home costs associated with providing the audited data are considered allowable Medicaid costs. 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 would appropriate for statewide Medicaid costs.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

There may be an indeterminate impact on nursing home providers and their respective home offices due to the requirement to compile, audit, and submit financial data to AHCA's uniform reporting system.

D. FISCAL COMMENTS:

None.