



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

AB-1953 Skilled nursing facilities: disclosure of interests in business providing services. (2017-2018)

SHARE THIS:  

Date Published: 09/17/2018 09:00 PM

Assembly Bill No. 1953

CHAPTER 383

An act to add Section 128734 to the Health and Safety Code, relating to health care facilities.

[Approved by Governor September 14, 2018. Filed with Secretary of State September 14, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1953, Wood. Skilled nursing facilities: disclosure of interests in business providing services.

Existing law requires each applicant for a license to operate a skilled nursing facility or intermediate care facility to disclose to the State Department of Public Health, among other things, the names and addresses of any person or organization, or both, having an ownership or control interest of 5% or more in a management company that operates, or is proposed to operate, the facility.

Existing law requires an organization that operates, conducts, owns, or maintains a health facility, and the officers of the health facility, to make and file with the Office of Statewide Health Planning and Development, at the times as the office requires, a report that includes certain accounting information, including, but not limited to, a balance sheet detailing assets, liabilities, and net worth of the health facility, a statement of income, expenses, and operating surplus or deficit, and a statement of cashflows. Existing law provides civil penalties for a violation of that provision.

As part of that report, effective January 1, 2020, this bill would require an organization that operates, conducts, owns, or maintains a skilled nursing facility to additionally report to the office whether the licensee, or a general partner, director, or officer of the licensee, has an ownership or control interest of 5% or more in a related party, as defined, that provides any service to the skilled nursing facility. The bill would specifically require the licensee under those circumstances to disclose all services provided to the skilled nursing facility, the number of individuals who provide that service at the skilled nursing facility, and any other information requested by the office. If goods, fees, and services collectively worth \$10,000 or more per year are to be delivered to the skilled nursing facility, the bill would require the disclosure to include the related party's profit and loss statement and the Payroll-Based Journal public use data of the previous quarter for the skilled nursing facility's direct caregivers.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 128734 is added to the Health and Safety Code, to read:

128734. (a) Each organization that operates, conducts, owns, or maintains a skilled nursing facility licensed pursuant to subdivision (c) of Section 1250 shall file with the office as part of the information required in subdivisions (a) to (e), inclusive, of Section 128735, whether the licensee, or a general partner, director, or officer of the licensee, has an ownership or control interest of 5 percent or more in a related party that provides any service to the skilled nursing facility. If the licensee, or the general partner, director, or officer of the licensee has such an interest, the licensee shall disclose all services provided to the

skilled nursing facility, the number of individuals who provide that service at the skilled nursing facility, and any other information requested by the office. If goods, fees, and services collectively worth ten thousand dollars (\$10,000) or more per year are delivered to the skilled nursing facility, the disclosure required pursuant to this subdivision shall include the related party's profit and loss statement, and the Payroll-Based Journal public use data of the previous quarter for the skilled nursing facility's direct caregivers.

(b) For purposes of this section, all of the following definitions shall apply:

(1) "Direct caregiver" shall have the same meaning as that term is defined in Section 1276.65.

(2) "Profit and loss statement" means the most recent annual statement on profits and losses finalized by a related party for the most recent year available.

(3) "Related party" means an organization related to the licensee provider or that is under common ownership or control, as defined in Section 413.17(b) of Title 42 of the Code of Federal Regulations.

(c) Current licensees shall provide the information required by this section to the office in a manner prescribed by the office.

(d) The provisions of this section shall become effective on January 1, 2020.