

## **97046.1 Required Reports**

### **(a)**

An organization that operates, conducts, owns, manages, or maintains a skilled nursing facility or facilities licensed pursuant to subdivision (c) of Section 1250 of the Health and Safety Code shall prepare and file an annual consolidated financial report to the Department.

### **(b)**

The annual consolidated financial report, as defined in Section 97046 subsection (a), shall be reviewed by a certified public accountant. If the annual consolidated report is audited by a certified public accountant, the audit report shall be submitted. If the audit report does not include all of the required statements, those statements shall be reviewed by a certified public accountant. (1) The audit or review for compliance with GAAP for items (1) through (5) in subsection (c) shall be in accordance with GAAS and SSARS. (2) Items (6) and (7) in subsection (c) shall be reviewed for compliance with the Accounting and Reporting Manual for California Long-Term Care Facilities, incorporated by reference in Section 97019.

#### **(1)**

The audit or review for compliance with GAAP for items (1) through (5) in subsection (c) shall be in accordance with GAAS and SSARS.

#### **(2)**

Items (6) and (7) in subsection (c) shall be reviewed for compliance with the

Accounting and Reporting Manual for California Long-Term Care Facilities, incorporated by reference in Section 97019.

**(c)**

The annual consolidated financial report shall include, but not be limited to, the following statements: (1) A balance sheet detailing the assets, liabilities, and net worth at the end of the fiscal year. (2) A statement of changes in equity, also referred to as a statement of retained earnings, for the fiscal year. (3) A statement of income, expense, and operating surplus or deficit for the fiscal year. (4) A statement of cash flows, including ongoing and new capital expenditures and depreciation. (5) A combined financial statement that includes all entities reported in the consolidated financial report, unless the organization is prohibited from including a combined financial statement in a consolidated financial report pursuant to a state or federal law or regulation or a national accounting standard. When applicable, the organization must disclose to the office the applicable state or federal law or regulation or national accounting standard. (6) A Statement of Patient Census by payer. (7) A Statement of Patient Revenue by payer and by routine and ancillary revenue center.

**(1)**

A balance sheet detailing the assets, liabilities, and net worth at the end of the fiscal year.

**(2)**

A statement of changes in equity, also referred to as a statement of retained earnings, for the fiscal year.

**(3)**

A statement of income, expense, and operating surplus or deficit for the fiscal year.

**(4)**

A statement of cash flows, including ongoing and new capital expenditures and depreciation.

**(5)**

A combined financial statement that includes all entities reported in the consolidated financial report, unless the organization is prohibited from including a combined financial statement in a consolidated financial report pursuant to a state or federal law or regulation or a national accounting standard. When applicable, the organization must disclose to the office the applicable state or federal law or regulation or national accounting standard.

**(6)**

A Statement of Patient Census by payer.

**(7)**

A Statement of Patient Revenue by payer and by routine and ancillary revenue center.

**(d)**

The organization as specified in subsection (a) shall submit to the Department the individual financial information required by subsection (c) from each operating entity, licenseholder, and related party in which the organization has an ownership or control interest of 5% or more and that provides any service, facility, or supply to the skilled nursing facility.

**(e)**

The organization as specified in subsection (a) shall submit to the Department a document outlining a visual representation of the organization's structure that includes: (1) All related parties in which the organization has an ownership or control interest of 5 percent or more and that provide any service, facility, or supply to the skilled nursing facility. (2) Unrelated parties that provide services, facilities, or supplies to the skilled nursing facility or facilities that are operated,

conducted, owned, managed, or maintained by the organization, including, but not limited to, management companies and property companies, and that are paid more than two hundred thousand dollars (\$200,000) by the skilled nursing facility.

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**(2)**

Unrelated parties that provide services, facilities, or supplies to the skilled nursing facility or facilities that are operated, conducted, owned, managed, or maintained by the organization, including, but not limited to, management companies and property companies, and that are paid more than two hundred thousand dollars (\$200,000) by the skilled nursing facility.

**(f)**

If any component in subsections (c), (d), or (e) is not included an explanation must be given.

**(g)**

The Department shall assess documents to determine compliance with this Article.