

1.1 ..... moves to amend H.F. No. 2548 as follows:

1.2 Page 23, after line 30, insert:

1.3 "Sec. .... Minnesota Statutes 2018, section 256R.08, subdivision 1, is amended to read:

1.4 Subdivision 1. **Reporting of financial statements.** (a) No later than February 1 of each  
1.5 year, a nursing facility shall:

1.6 (1) provide the state agency with a copy of its audited financial statements or its working  
1.7 trial balance;

1.8 (2) provide the state agency with a statement of ownership for the facility;

1.9 (3) provide the state agency with separate, audited financial statements or working trial  
1.10 balances for every other facility owned in whole or in part by an individual or entity that  
1.11 has an ownership interest in the facility;

1.12 (4) provide the state agency with information regarding whether the licensee, or a general  
1.13 partner, director, or officer of the licensee, has an ownership or control interest of five  
1.14 percent or more in a related party or related organization that provides any service to the  
1.15 skilled nursing facility. If the licensee, or the general partner, director, or officer of the  
1.16 licensee has such an interest, the licensee shall disclose all services provided to the skilled  
1.17 nursing facility, the number of individuals who provide that service at the skilled nursing  
1.18 facility, and any other information requested by the state agency. If goods, fees, and services  
1.19 collectively worth \$10,000 or more per year are delivered to the skilled nursing facility, the  
1.20 disclosure required pursuant to this subdivision shall include the related party and related  
1.21 organization profit and loss statement, and the Payroll-Based Journal public use data;

1.22 ~~(4)~~(5) upon request, provide the state agency with separate, audited financial statements  
1.23 or working trial balances for every organization with which the facility conducts business

2.1 and which is owned in whole or in part by an individual or entity which has an ownership  
2.2 interest in the facility;

2.3 ~~(5)~~ (6) provide the state agency with copies of leases, purchase agreements, and other  
2.4 documents related to the lease or purchase of the nursing facility; and

2.5 ~~(6)~~ (7) upon request, provide the state agency with copies of leases, purchase agreements,  
2.6 and other documents related to the acquisition of equipment, goods, and services which are  
2.7 claimed as allowable costs.

2.8 (b) Audited financial statements submitted under paragraph (a) must include a balance  
2.9 sheet, income statement, statement of the rate or rates charged to private paying residents,  
2.10 statement of retained earnings, statement of cash flows, notes to the financial statements,  
2.11 audited applicable supplemental information, and the public accountant's report. Public  
2.12 accountants must conduct audits in accordance with chapter 326A. The cost of an audit  
2.13 shall not be an allowable cost unless the nursing facility submits its audited financial  
2.14 statements in the manner otherwise specified in this subdivision. A nursing facility must  
2.15 permit access by the state agency to the public accountant's audit work papers that support  
2.16 the audited financial statements submitted under paragraph (a).

2.17 (c) Documents or information provided to the state agency pursuant to this subdivision  
2.18 shall be public.

2.19 (d) If the requirements of paragraphs (a) and (b) are not met, the reimbursement rate  
2.20 may be reduced to 80 percent of the rate in effect on the first day of the fourth calendar  
2.21 month after the close of the reporting period and the reduction shall continue until the  
2.22 requirements are met.

2.23 (e) Licensees shall provide the information required in this section to the commissioner  
2.24 in a manner prescribed by the commissioner.

2.25 (f) For purposes of this section, the following terms have the meaning given:

2.26 (1) "profit and loss statement" means the most recent annual statement on profits and  
2.27 losses finalized by a related party for the most recent year available; and

2.28 (2) "related party" means an organization related to the licensee provider or that is under  
2.29 common ownership or control, as defined in Code of Federal Regulations, title 42, section  
2.30 413.17(b).

2.31 **EFFECTIVE DATE.** This section is effective November 1, 2019."

2.32 Renummer the sections in sequence and correct the internal references

3.1 Amend the title accordingly