

LC002269

JANUARY SESSION, A.D. 2025

18 (2) Directly or indirectly influences, directs, or manages the finances, including setting the

1 budget, of the covered nursing facility, including any person or entity that is entitled to receive
2 (directly or indirectly) five percent (5%) or more of any profits or revenue of the covered nursing
3 facility; or

4 (3) Directly or indirectly influences or directs day-to-day operations of the covered nursing
5 facility.

6 **40-8.16-4. Implementation and compliance.**

7 (a) The department of human services (the "department") shall establish rules, regulations
8 and procedures for the implementation of this chapter, including the format and timeline for the
9 submission of required information.

10 (b) The department shall monitor compliance with these reporting requirements and may
11 impose penalties for non-compliance, including fines or suspension of operating licenses.

12 **40-8.16-5. Disclosure required.**

13 On and after July 1, 2025, at the time of all reporting periods, any individual or entity that
14 has an ownership interest in a covered facility pursuant to § 40-8.16-4, shall submit to the
15 department the following information:

16 (1) The entity's legal and doing business as (DBA) name, the state in which the entity is
17 incorporated, and the legal names of the owners of the entity along with their ownership
18 percentages;

19 (2) A balance sheet detailing the assets, liabilities, and equity of the entity;

20 (3) A statement of income, expenses, and operating surplus or deficit of the entity;

21 (4) A statement of cash flows from operating activities, investment activities, and financing
22 activities, which includes capital expenditures, amortization, and depreciation; and

23 (5) A detailed statement of the goods and services provided by the entity to the covered
24 nursing facility, including an affidavit that the entity has assessed the fair market value of the goods
25 and services it has provided to the covered nursing facility and that the goods and services provided
26 by the entity were traded at no more than fair market value.

27 **40-8.16-6. Public disclosure.**

28 All disclosed financial information shall be made available to the public in a manner that
29 protects the privacy of individual owners while ensuring transparency and accountability in the
30 financial operations of nursing facilities.

31 SECTION 2. This act shall take on July 1, 2025.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO HUMAN SERVICES -- NURSING HOME FINANCIAL TRANSPARENCY
ACT

- 1 This act would mandate transparency in nursing home finances and would establish
- 2 procedures for compliance.
- 3 This act would take effect on July 1, 2025.

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