

The House Committee on Health offers the following substitute to SB 505:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 7 of Title 31 of the Official Code of Georgia Annotated, relating to
2 regulation and construction of hospitals and other health care facilities, so as to revise
3 provisions relating to required publication by hospital of certain financial documents on its
4 website; to provide for uniform reporting requirements; to require hospitals to annually
5 provide the Uniform Resource Locator for the webpage containing the financial documents;
6 to provide for increased penalties for noncompliance; to revise provisions relating to
7 appointments to fill vacancies on boards for hospital authorities; to provide for related
8 matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 Chapter 7 of Title 31 of the Official Code of Georgia Annotated, relating to regulation and
12 construction of hospitals and other health care facilities, is amended by revising Code Section
13 31-7-22, relating to required publication by hospital of certain documentation on website,
14 updating, penalty for noncompliance, enforcement, and individual criminal penalty, as
15 follows:

S. B. 505 (SUB)

- 1 -

16 "31-7-22.

17 (a) As used in this Code section, the term 'hospital' means a nonprofit hospital, a hospital
18 owned or operated by a hospital authority, or a nonprofit corporation formed, created, or
19 operated by or on behalf of a hospital authority.

20 (b) ~~Each Beginning October 1, 2019, each~~ hospital in this state shall be required to post
21 and maintain a link in a prominent location on the main page of its website to the most
22 recent version of each of the following documents in the format and manner established by
23 the department pursuant to subsection (d.1) of this Code section:

24 (1) Federal related disclosures:

25 (A) Copies of audited financial statements that are general purpose financial
26 statements, which express the unqualified opinion of an independent certified public
27 accounting firm for the most recently completed fiscal year for the hospital; each of its
28 affiliates, except those affiliates that were inactive or that had an immaterial amount of
29 total assets; and the hospital's parent corporation that include the following:

30 (i) A PDF version of all audited financial statements;

31 (ii) A note in the hospital's audited financial statements that identifies individual
32 amounts for such hospital's gross patient revenue, allowances, charity care, and net
33 patient revenue;

34 (iii) Audited consolidated financial statements for hospitals with subsidiaries and
35 consolidating financial statements that at a minimum contain a balance sheet and
36 statement of operations and that provide a breakout of the hospital's and each
37 subsidiary's numbers with a report from independent accountants on other financial
38 information; and

39 (iv) Audited consolidated financial statements for the hospital's parent corporation
40 and consolidating financial statements that at a minimum contain a balance sheet and
41 statement of operations and that provide a breakout of the hospital's and each

42 affiliate's numbers with a report from independent accountants on other financial
43 information; and

44 (B) ~~A copy~~ Copy of audited Internal Revenue Service Form 990, including Schedule
45 H for hospitals and other applicable attachments; provided, however, that for any
46 hospital not required to file IRS Form 990, the department shall establish and provide
47 a form that collects the same information as is contained in Internal Revenue Service
48 Form 990, including Schedule H for hospitals, as applicable; and

49 (2) Georgia supplemental disclosures:

50 (A) ~~The Copy of the~~ hospital's completed annual hospital questionnaire, as required by
51 the department;

52 (B) The community benefit report prepared pursuant to Code Section 31-7-90.1, if
53 applicable;

54 (C) The disproportionate share hospital survey, if applicable;

55 (D) Listing of all real property holdings of the hospital, including the location and size,
56 parcel ID number, purchase price, current use, and any improvements made to such
57 property;

58 (E) Listing of any ownership or interest the nonprofit hospital has in any joint venture,
59 partnership, subsidiary holding company, or captive insurance company; where any
60 such entity is domiciled; and the value of any such ownership or interest;

61 (F) Listing of any bonded indebtedness, outstanding loans, and bond defaults, whether
62 or not in forbearance; and any bond disclosure sites of the hospital;

63 (G) A report that identifies by purpose, the ending fund balances of the net assets of
64 the hospital and each affiliate as of the close of the most recently completed fiscal year,
65 distinguishing between donor permanently restricted, donor temporarily restricted,
66 board restricted and unrestricted fund balances. The hospital's interest in its foundation
67 shall be deducted from the foundation's total fund balance;

68 (H) ~~All Copy of all~~ going concern statements regarding the hospital;

(I) The most recent legal chart of corporate structure, including the hospital, each of its affiliates and subsidiaries, and its parent corporation, duly dated;

(J) A report ~~Report~~ listing the salaries and fringe benefits for the ten highest paid administrative positions in the hospital. Each position shall be identified by its complete, unabbreviated title. Fringe benefits shall include all forms of compensation, whether actual or deferred, made to or on behalf of the employee, whether full or part-time;

(K) Evidence of accreditation by accrediting bodies, including, but not limited to, the Joint Commission and DNV; and

(L) The ~~Copy of the~~ hospital's policies regarding the provision of charity care and reduced cost services to the indigent, excluding medical assistance recipients, and its debt collection practices.

(c) Each hospital in this state shall annually update the documents in the links posted pursuant to subsection (b) of this Code section ~~on~~ no later than July 1 of each year or more frequently at its discretion. Noncurrent documents shall remain posted and accessible on the hospital's website indefinitely.

(d) All documents listed in subsection (b) of this Code section shall be prepared in accordance with generally accepted accounting principles, as applicable.

(d.1) No later than December 31, 2024, the department shall establish a uniform template and criteria for reporting the documents required to be posted pursuant to this Code section. No later than July 1, 2025, all hospitals shall implement and utilize such uniform template and reporting criteria.

(e) Each hospital in this state shall annually provide to the department the Uniform Resource Locator to the link required pursuant to subsection (b) of this Code section no later than August 1 each year. The department shall also post a and maintain an updated link in a prominent location on its website to the documents listed in subsection (b) of this

~~Code section for~~ containing the Uniform Resource Locator for each hospital in this state as provided by each such hospital pursuant to this subsection.

(f) Any hospital that fails to ~~post the documents required pursuant to subsection (b) comply with any provision~~ of this Code section ~~within 30 days of the dates required in this Code section~~ shall be suspended from receiving any ~~state funds or any donations pursuant to Code Section 48-7-29.20~~ funds administered by the state; provided, however, that the department shall provide a hospital 30 days' notice of any deficiency and opportunity to correct such deficiency prior to any suspension of funds pursuant to this subsection.

(g) The department shall ~~have jurisdiction to enforce this Code section and to promulgate rules and regulations required to administer this Code section.~~

(h) Any person who knowingly and willfully includes false, fictitious, or fraudulent information in any documents required to be posted pursuant to this Code section shall be subject to a violation of Code Section 16-10-20."

SECTION 2.

Said chapter is further amended in Code Section 31-7-72, relating to creation of county and municipal hospital authorities, by revising subsection (b) as follows:

"(b) Appointments to fill vacancies on the board of any hospital authority activated on or after March 15, 1964, for either an unexpired or full term as fixed in the original resolution or ordinance creating the authority, shall be made as follows:

(1) The governing body of the area of operation shall submit a list of three eligible persons to the board of the hospital authority; and

(2) The board at its next regular meeting shall ~~either~~ select one of the three persons named in such list ~~or decline to select any of the persons named in the list. If the board declines to select any of the persons named on the list, it shall so notify the governing body; and~~

