

Senate Bill 505

By: Senators Tillery of the 19th, Cowsert of the 46th, Watson of the 1st, Dolezal of the 27th,
Gooch of the 51st and others

AS PASSED SENATE

A BILL TO BE ENTITLED
AN ACT

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

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 Article 1 of Chapter 7 of Title 31 of the Official Code of Georgia Annotated, relating to
12 regulation of hospitals and related institutions, is amended by revising Code Section 31-7-22,
13 relating to required publication by hospital of certain documentation on website, updating,
14 penalty for noncompliance, enforcement, and individual criminal penalty, as follows:

15 "31-7-22.

16 (a) As used in this Code section, the term:

S. B. 505

17 (1) 'Community benefit' means:

18 (A) In counties with a population of 100,000 or less, charity care and government
19 sponsored indigent healthcare at a level that is reasonable in relation to the community
20 needs, as determined through the community needs assessment, the available resources
21 of the hospital or hospital system, and the tax exempt benefits received by the hospital
22 or hospital system; and

23 (B) In counties with a population of more than 100,000:

24 (i) Charity care and government sponsored indigent healthcare provided in an amount
25 equal to at least 100 percent of the hospital's or hospital system's tax exempt benefits,
26 excluding federal income tax; or

27 (ii) Charity care provided in a combined amount equal to at least 5 percent of the
28 hospital's or hospital system's net patient revenue.

29 (2) 'Hospital' ~~'hospital'~~ means a nonprofit hospital, a hospital owned or operated by a
30 hospital authority, or a nonprofit corporation formed, created, or operated by or on behalf
31 of a hospital authority.

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

36 (1) Federal related disclosures:

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

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

- 43 (ii) A note in the hospital's audited financial statements that identifies individual
44 amounts for such hospital's gross patient revenue, allowances, charity care, and net
45 patient revenue;
- 46 (iii) Audited consolidated financial statements for hospitals with subsidiaries and
47 consolidating financial statements that at a minimum contain a balance sheet and
48 statement of operations and that provide a breakout of the hospital's and each
49 subsidiary's numbers with a report from independent accountants on other financial
50 information; and
- 51 (iv) Audited consolidated financial statements for the hospital's parent corporation
52 and consolidating financial statements that at a minimum contain a balance sheet and
53 statement of operations and that provide a breakout of the hospital's and each
54 affiliate's numbers with a report from independent accountants on other financial
55 information; and
- 56 (B) ~~A copy~~ A copy of audited Internal Revenue Service Form 990, including Schedule
57 H for hospitals and other applicable attachments; provided, however, that for any
58 hospital not required to file IRS Form 990, the department shall establish and provide
59 a form that collects the same information as is contained in Internal Revenue Service
60 Form 990, including Schedule H for hospitals, as applicable; and
- 61 (2) Georgia supplemental disclosures:
- 62 (A) ~~The Copy of the~~ The Copy of the hospital's completed annual hospital questionnaire, as required by
63 the department;
- 64 (B) The community benefit report prepared pursuant to Code Section 31-7-90.1, if
65 applicable;
- 66 (C) The disproportionate share hospital survey, if applicable;
- 67 (D) Listing of all real property holdings of the hospital, including the location and size,
68 parcel ID number, purchase price, current use, and any improvements made to such
69 property;

- 70 (E) Listing of any ownership or interest the nonprofit hospital has in any joint venture,
71 partnership, subsidiary holding company, or captive insurance company; where any
72 such entity is domiciled; and the value of any such ownership or interest;
- 73 (F) Listing of any bonded indebtedness, outstanding loans, and bond defaults, whether
74 or not in forbearance; and any bond disclosure sites of the hospital;
- 75 (G) A report that identifies by purpose, the ending fund balances of the net assets of
76 the hospital and each affiliate as of the close of the most recently completed fiscal year,
77 distinguishing between donor permanently restricted, donor temporarily restricted,
78 board restricted and unrestricted fund balances. The hospital's interest in its foundation
79 shall be deducted from the foundation's total fund balance;
- 80 (H) ~~All Copy of all~~ going concern statements regarding the hospital;
- 81 (I) The most recent legal chart of corporate structure, including the hospital, each of
82 its affiliates and subsidiaries, and its parent corporation, duly dated;
- 83 (J) ~~A report~~ **Report** listing the salaries and fringe benefits for the ten highest paid
84 administrative positions in the hospital. Each position shall be identified by its
85 complete, unabbreviated title. Fringe benefits shall include all forms of compensation,
86 whether actual or deferred, made to or on behalf of the employee, whether full or
87 part-time;
- 88 (K) Evidence of accreditation by accrediting bodies, including, but not limited to, the
89 Joint Commission and DNV; and
- 90 (L) ~~The Copy of the~~ hospital's policies regarding the provision of charity care and
91 reduced cost services to the indigent, excluding medical assistance recipients, and its
92 debt collection practices.
- 93 (c) Each hospital in this state shall annually update the documents in the links posted
94 pursuant to subsection (b) of this Code section ~~on~~ no later than July 1 of each year or more
95 frequently at its discretion. Noncurrent documents shall remain posted and accessible on
96 the hospital's website indefinitely.

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

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

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

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

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

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

121

SECTION 2.

122 This Act shall become effective upon its approval by the Governor or upon its becoming law
123 without such approval.

124

SECTION 3.

125 All laws and parts of laws in conflict with this Act are repealed.