

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**

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:

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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;

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

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

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

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

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

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

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

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

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

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

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

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

108

## SECTION 2.

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

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

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

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

120 ~~(3) Upon receipt of notification that the board has declined to select any of the persons~~  
121 ~~named in the governing body's list, the governing body shall submit a second list of three~~  
122 ~~eligible persons, no one of whom was named on the first list, to the board of the hospital~~  
123 ~~authority. The board at its next regular meeting after receipt of the second list shall select~~  
124 ~~one of the three persons named in the second list."~~

125 **SECTION 3.**

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

128 **SECTION 4.**

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