

256R.08 REPORTING OF FINANCIAL STATEMENTS.

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

- (1) provide the state agency with a copy of its audited financial statements or its working trial balance;
- (2) provide the state agency with a statement of ownership for the facility;
- (3) provide the state agency with separate, audited financial statements or working trial balances for every other facility owned in whole or in part by an individual or entity that has an ownership interest in the facility;
- (4) upon request, provide the state agency with separate, audited financial statements or working trial balances for every organization with which the facility conducts business and which is owned in whole or in part by an individual or entity which has an ownership interest in the facility;
- (5) provide the state agency with copies of leases, purchase agreements, and other documents related to the lease or purchase of the nursing facility; and
- (6) upon request, provide the state agency with copies of leases, purchase agreements, and other documents related to the acquisition of equipment, goods, and services which are claimed as allowable costs.

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

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

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

Subd. 2. **Extensions.** The commissioner may grant up to a 15-day extension of the reporting deadline to a nursing facility for good cause. To receive such an extension, a nursing facility shall submit a written request by January 1. The commissioner shall notify the nursing facility of the decision by January 15. Between January 1 and February 1, the nursing facility may request a reporting extension for good cause by telephone and followed by a written request.

Subd. 3. **False reports.** If a nursing facility knowingly supplies inaccurate or false information in a required report that results in an overpayment, the commissioner shall:

- (1) immediately adjust the nursing facility's payment rate to recover the entire overpayment within the rate year;
- (2) terminate the commissioner's agreement with the nursing facility;
- (3) prosecute under applicable state or federal law; or

(4) use any combination of the foregoing actions.

Subd. 4. **Violations and penalties.** A nursing facility that violates this section is subject to section 256R.04, subdivisions 7 and 8.

History: 2016 c 99 art 1 s 8