

HOUSE No. 539

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act relative to nursing home audit disallowances..

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Section 7 of chapter 118G of the General Laws, as appearing in the 2006 Official Edition,
2 is hereby amended by inserting in line 31 following the words, "...costs incurred in that base
3 year." the following:—

4 In the event the division conducts or utilizes an audit of nursing facilities' base year costs
5 for the purpose of reducing rates below levels that would be in effect in the absence of the audit,
6 the division shall:—

7 (1) conduct a field audit of 50 per cent of total nursing facilities licensed in the base year
8 in accordance with specified, uniform criteria;

9 (2) inform each audited nursing facility in writing of its right to appeal to the division of
10 administrative law appeals each and every audit disallowance to which the nursing facility is
11 subject;

12 (3) delay implementing the audit until all appeals by nursing facilities have been
13 completely adjudicated by the division of administrative law appeals;

14 (4) delay implementing the audit until the division has conducted a public hearing the
15 notice of which describes with particularity the methodology, audit criteria and substantive
16 standards utilized in the audit and the impact of implementing the audit on quality care for
17 nursing facility residents; and

18 (5) not implement any audit disallowance that is not fully concluded in accordance with
19 the preceding subsections by one year after the conclusion of the base period.