



DignityAlliance Massachusetts

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Joint Committee on Elder Affairs 5/15/23 Hearing

S.377/H.633 An Act relative to transparency and accountability in nursing homes

Sponsor: Sen. Patricia Jehlen and Rep. Sally Kerans

Co-sponsors: Sens. Mark Montigny and James Eldridge, and Rep. Balsler

May 15, 2023

Senator Patricia Jehlen
Joint Committee on Elder Affairs, Chair
Delivered by email: Patricia.Jehlen@masenate.gov

Representative Thomas M. Stanley
Joint Committee on Elder Affairs, Chair
Delivered by email: Thomas.Stanley@mahouse.gov

Dear Chair Jehlen and Chair Stanley:

Dignity Alliance Massachusetts (Dignity Alliance) is providing this testimony in strong support of **[S.377/ H.633](#) An Act relative to transparency and accountability in nursing homes** in order to improve the quality of care, dignity, and quality of life of Massachusetts nursing home residents. Dignity Alliance is a broad-based group representing a wide range of stakeholders dedicated to transformative change to ensure the dignity of older adults, people with disabilities, and caregivers. We are committed to advancing new ways of providing long-term services, support, living options, and care while respecting choice and self-determination. Dignity Alliance works through education, legislation, regulatory reform, and legal strategies for this mission to become reality throughout the Commonwealth.

Bill Summary: This bill, commencing with fiscal years ending December 31, 2025, would, except as specified, require an organization that operates, conducts, owns, manages, or maintains one or more nursing homes to prepare and file with the office an annual consolidated financial report that includes data from all operating entities, license holders, and related parties in which the organization has an ownership or control interest of 5% or more and that provides any service, facility, or supply to the nursing home. The bill would require a duly authorized official of the organization to certify the report, as specified. The bill would require the Department of Public Health with the Center for Health Information to develop policies and procedures to outline the format of information to be submitted, determine if the annual consolidated financial report is

complete, and post those reports and related documents to its website. California, New York, and New Jersey are among the states leading efforts to establish the true financial cost that taxpayers and policy makers need to know before supplementing appropriations whether for staff or any other operational need. Nursing home owners and operators need to place people over profits.

Resources: [These Administrative Actions Would Improve Nursing Home Ownership And Financial Transparency In The Post COVID-19 Period | Health Affairs](#), published in Health Affairs. Authors: Charlene Harrington, Anne Montgomery, Terris King, David Grabowski, and Michael Wasserman.

The California statute, on which S377/H633 are modelled, provides expanded financial disclosure reporting for Skilled Nursing Facilities (SNFs) by requiring an organization that operates, conducts, owns, manages, or maintains a SNF to prepare annual consolidated financial statements of related entities and have those statements reviewed by a Certified Public Accountant (CPA), unless already audited. Starting with fiscal years ending December 31, 2023, the Department of Health Care Access and Information (HCAI) will collect, review, and publish these consolidated reports to its website. The bill also requires HCAI to review the consolidated reports for completeness. HCAI will continue to audit the individual SNF financial statements submitted pursuant to current law. The consolidated reports will include basic financial statements for each individual operating entity, license holder, and related party which share five (5) percent common ownership and provides services to the facility. The reports will also include a statement detailing patient revenue by payer and other disclosures as well as a visual representation of the organization's structure and related entities. All SNFs, whether they have related parties or not, would also have to disclose organizational visual representation documents for both related and non-related entities.

See fact sheet for additional details: [HCAI Fact Sheet Template](#).

Thank you for the opportunity to provide testimony regarding such important issues to protect nursing home residents. We must strive to make improvements to ensure the safety and dignity of all living in long-term care.

Contact: Richard T. Moore, Chair, Dignity Alliance Legislative Committee,
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Dignity Alliance Massachusetts, a grass-roots coalition of aging and disability service and advocacy organizations and supporters, works to secure fundamental changes in the provision of long-term services, support, and care. A coalition of more than 30 organizations, committed to a new vision of dignity and care for older and disabled people in Massachusetts! Positions are not necessarily the opinions of all members.
