

# SENATE NO. 389

## **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 1. Notwithstanding any general or special law to the contrary, in the event the  
2 division of health care finance and policy conducts or utilizes an audit of nursing facilities' base  
3 year costs for the purpose of reducing rates below levels that would be in effect in the absence  
4 of the audit, the division shall (1) conduct a field audit of fifty percent of total nursing facilities  
5 licensed in the base year in accordance with specified, uniform criteria; (2) inform each audited  
6 nursing facility in writing of its right to appeal to the division of administrative law appeals  
7 each and every audit disallowance to which the nursing facility is subject; (3) delay  
8 implementing the audit until all appeals by nursing facilities have been completely adjudicated  
9 by the division of administrative law appeals; (4) delay implementing the audit until the division  
10 has conducted a public hearing the notice of which describes with particularity the  
11 methodology, audit criteria and substantive standards utilized in the audit and the impact of  
12 implementing the audit on quality care for nursing facility residents; and (5) not implement any

- 13 audit disallowance that is not fully concluded in accordance with the preceding subsections by
- 14 one year after the conclusion of the base period.