Related Laws and Regulations

Selected California statues and regulations requiring health facilities to report financial data to the Office of Statewide Health Planning and Development are listed below.

If you want to see the official version of California statues, visit the California Legislative Information web site at: http://leginfo.legislature.ca.gov/faces/codes.xhtml.

If you want to see the official version of the California Code of Regulations, visit the Westlaw web site at: https://govt.westlaw.com.

California Health and Safety Code
Division 107. Statewide Health Planning and Development
Part 5. Health Data
Chapter 1. Health Facility Data

128675. This chapter shall be known as the Health Data and Advisory Council Consolidation Act.

128680. The Legislature hereby finds and declares that:

(a) Significant changes have taken place in recent years in the health care marketplace and in the manner of reimbursement to health facilities by government and private third-party payers for the services they provide.

(b) These changes have permitted the state to reevaluate the need for, and the manner of data collection from health facilities by the various state agencies and commissions.

(c) It is the intent of the Legislature that as a result of this reevaluation that the data collection function be consolidated in a single state agency. It is the further intent of the Legislature that the single state agency only collect that data from health facilities that are essential. The data should be collected, to the extent practical on consolidated, multipurpose report forms for use by all state agencies.

(d) It is the further intent of the Legislature to eliminate the California Health Facilities Commission, the State Advisory Health Council, and the California Health Policy and Data Advisory Commission, and to consolidate data collection and planning functions within the office.

(e) It is the Legislature’s further intent that the review of the data that the state collects be an ongoing function. The office shall annually review this data for need and shall revise, add, or delete items as necessary. The office shall consult with affected state agencies and the affected industry when adding or eliminating data items. However, the office shall neither add nor delete data items to the Hospital Discharge Abstract Data Record or the quarterly reports without prior authorizing legislation, unless specifically required by federal law or judicial decision.

(f) The Legislature recognizes that the authority for the California Health Facilities Commission is scheduled to expire January 1, 1986. It is the intent of the Legislature, by the enactment of this chapter, to continue the uniform system of accounting and reporting established by the commission and required for use by health facilities. It is also the intent of the Legislature to continue an appropriate, cost-disclosure program.
128685. Intermediate care facilities/developmentally disabled-habilitative, as defined in subdivision (e) of Section 1250, are not subject to this chapter.

128690. Intermediate care facilities/developmentally disabled-nursing, as defined in subdivision (h) of Section 1250, are not subject to this chapter.

128700. As used in this chapter, the following terms mean:

(a) “Ambulatory surgery procedures” mean those procedures performed on an outpatient basis in the general operating rooms, ambulatory surgery rooms, endoscopy units, or cardiac catheterization laboratories of a hospital or a freestanding ambulatory surgery clinic.

(b) “Emergency department” means, in a hospital licensed to provide emergency medical services, the location in which those services are provided.

(c) “Encounter” means a face-to-face contact between a patient and the provider who has primary responsibility for assessing and treating the condition of the patient at a given contact and exercises independent judgment in the care of the patient.

(d) “Freestanding ambulatory surgery clinic” means a surgical clinic that is licensed by the state under paragraph (1) of subdivision (b) of Section 1204.

(e) “Health facility” or “health facilities” means all health facilities required to be licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2.

(f) “Hospital” means all health facilities except skilled nursing, intermediate care, and congregate living health facilities.

(g) “Office” means the Office of Statewide Health Planning and Development.

(h) “Risk-adjusted outcomes” means the clinical outcomes of patients grouped by diagnoses or procedures that have been adjusted for demographic and clinical factors.

128705. On and after January 1, 1986, any reference in this code to the Advisory Health Council or the California Health Policy and Data Advisory Commission shall be deemed a reference to the office.

128730. (a) Effective January 1, 1986, the office shall be the single state agency designated to collect the following health facility or clinic data for use by all state agencies:

(1) That data required by the office pursuant to Section 127285.

(2) That data required in the Medi-Cal cost reports pursuant to Section 14170 of the Welfare and Institutions Code.
Related Laws and Regulations

California Health and Safety Code (Continued)

(3) Those data items formerly required by the California Health Facilities Commission that are listed in Sections 128735 and 128740. Information collected pursuant to subdivision (g) of Section 128735 and Sections 128736 and 128737 shall be made available to the State Department of Health Care Services and the State Department of Public Health. The departments shall ensure that the patient’s rights to confidentiality shall not be violated in any manner. The departments shall comply with all applicable policies and requirements involving review and oversight by the State Committee for the Protection of Human Subjects.

(b) The office shall consolidate any and all of the reports listed under this section or Sections 128735 and 128740, to the extent feasible, to minimize the reporting burdens on hospitals, provided, however, that the office shall neither add nor delete data items from the Hospital Discharge Abstract Data Record or the quarterly reports without prior authorizing legislation, unless specifically required by federal law or regulation or judicial decision.

128734.
(a) Each organization that operates, conducts, owns, or maintains a skilled nursing facility licensed pursuant to subdivision (c) of Section 1250 shall file with the office as part of the information required in subdivisions (a) to (e), inclusive, of Section 128735, whether the licensee, or a general partner, director, or officer of the licensee, has an ownership or control interest of 5 percent or more in a related party that provides any service to the skilled nursing facility. If the licensee, or the general partner, director, or officer of the licensee has such an interest, the licensee shall disclose all services provided to the skilled nursing facility, the number of individuals who provide that service at the skilled nursing facility, and any other information requested by the office. If goods, fees, and services collectively worth ten thousand dollars ($10,000) or more per year are delivered to the skilled nursing facility, the disclosure required pursuant to this subdivision shall include the related party’s profit and loss statement, and the Payroll-Based Journal public use data of the previous quarter for the skilled nursing facility’s direct caregivers.

(b) For purposes of this section, all of the following definitions shall apply:

(1) “Direct caregiver” shall have the same meaning as that term is defined in Section 1276.65.

(2) “Profit and loss statement” means the most recent annual statement on profits and losses finalized by a related party for the most recent year available.

(3) “Related party” means an organization related to the licensee provider or that is under common ownership or control, as defined in Section 413.17(b) of Title 42 of the Code of Federal Regulations.

(c) Current licensees shall provide the information required by this section to the office in a manner prescribed by the office.

(d) The provisions of this section shall become effective on January 1, 2020.

128735.
An organization that operates, conducts, owns, or maintains a health facility, and the officers thereof, shall make and file with the office, at the times as the office shall require, all of the following reports on forms specified by the office that are in accord, if applicable, with the
systems of accounting and uniform reporting required by this part, except that the reports required pursuant to subdivision (g) shall be limited to hospitals:

(a) A balance sheet detailing the assets, liabilities, and net worth of the health facility at the end of its fiscal year.

(b) A statement of income, expenses, and operating surplus or deficit for the annual fiscal period, and a statement of ancillary utilization and patient census.

(c) A statement detailing patient revenue by payer, including, but not limited to, Medicare, Medi-Cal, and other payers, and revenue center.

(d) A statement of cashflows, including, but not limited to, ongoing and new capital expenditures and depreciation.

(e) (1) A statement reporting the information required in subdivisions (a), (b), (c), and (d) for each separately licensed health facility operated, conducted, or maintained by the reporting organization.

(2) Notwithstanding paragraph (1), a health facility that receives a preponderance of its revenue from associated comprehensive group practice prepayment health care service plans and that is operated as a unit of a coordinated group of health facilities under common management may report the information required pursuant to subdivisions (a) and (d) for the group and not for each separately licensed health facility.

(f) Data reporting requirements established by the office shall be consistent with national standards, as applicable.

(g) A Hospital Discharge Abstract Data Record that includes all of the following:

(1) Date of birth.

(2) Sex.

(3) Race.

(4) ZIP Code.

(5) Preferred language spoken.

(6) Patient social security number, if it is contained in the patient’s medical record.

(7) Prehospital care and resuscitation, if any, including all of the following:

(A) “Do not resuscitate” (DNR) order on admission.

(B) “Do not resuscitate” (DNR) order after admission.

(8) Admission date.
Related Laws and Regulations

California Health and Safety Code (Continued)

(9) Source of admission.

(10) Type of admission.

(11) Discharge date.

(12) Principal diagnosis and whether the condition was present on admission.

(13) Other diagnoses and whether the conditions were present on admission.

(14) External causes of morbidity and whether present on admission.

(15) Principal procedure and date.

(16) Other procedures and dates.

(17) Total charges.

(18) Disposition of patient.

(19) Expected source of payment.

(20) Elements added pursuant to Section 128738.

(h) It is the intent of the Legislature that the patient’s rights of confidentiality shall not be violated in any manner. Patient social security numbers and other data elements that the office believes could be used to determine the identity of an individual patient shall be exempt from the disclosure requirements of the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

(i) A person reporting data pursuant to this section shall not be liable for damages in an action based on the use or misuse of patient-identifiable data that has been mailed or otherwise transmitted to the office pursuant to the requirements of subdivision (g).

(j) A hospital shall use coding from the International Classification of Diseases in reporting diagnoses and procedures.

(k) On or before July 1, 2021, the office shall promulgate regulations as necessary to implement subdivision (e). A health facility that receives a preponderance of its revenue from associated comprehensive group practice prepayment health care service plans and that is operated as a unit of a coordinated group of health facilities under common management shall comply with the reporting requirements of subdivisions (b), (c), and (e) once the office finalizes related regulations.

128740.

(a) The following summary financial and utilization data shall be reported to the office by a hospital within 45 days of the end of a calendar quarter. Adjusted reports reflecting changes as a result of audited financial statements may be filed within four months of the close of the hospital’s fiscal or calendar year. The quarterly summary financial and utilization data shall
California Health and Safety Code (Continued)

conform to the uniform description of accounts as contained in the Accounting and Reporting Manual for California Hospitals and shall include all of the following:

(1) Number of licensed beds.

(2) Average number of available beds.

(3) Average number of staffed beds.

(4) Number of discharges.

(5) Number of inpatient days.

(6) Number of outpatient visits.

(7) Total operating expenses.

(8) Total inpatient gross revenues by payer, including Medicare, Medi-Cal, county indigent programs, other third parties, and other payers.

(9) Total outpatient gross revenues by payer, including Medicare, Medi-Cal, county indigent programs, other third parties, and other payers.

(10) Deductions from revenue in total and by component, including the following: Medicare contractual adjustments, Medi-Cal contractual adjustments, and county indigent program contractual adjustments, other contractual adjustments, bad debts, charity care, restricted donations and subsidies for indigents, support for clinical teaching, teaching allowances, and other deductions.

(11) Total capital expenditures.

(12) Total net fixed assets.

(13) Total number of inpatient days, outpatient visits, and discharges by payer, including Medicare, Medi-Cal, county indigent programs, other third parties, self-pay, charity, and other payers.

(14) Total net patient revenues by payer including Medicare, Medi-Cal, county indigent programs, other third parties, and other payers.

(15) Other operating revenue.

(16) Nonoperating revenue net of nonoperating expenses.

(b) The office shall make available at cost, to any person, a hard copy of any hospital report made pursuant to this section and in addition to hard copies, shall make available at cost, a computer tape of all reports made pursuant to this section within 105 days of the end of every calendar quarter.
California Health and Safety Code (Continued)

(c) The office shall adopt by regulation guidelines for the identification, assessment, and reporting of charity care services. In establishing the guidelines, the office shall consider the principles and practices recommended by professional health care industry accounting associations for differentiating between charity services and bad debts. The office shall further conduct the onsite validations of health facility accounting and reporting procedures and records as are necessary to assure that reported data are consistent with regulatory guidelines.

128755.
(a) (1) Hospitals shall file the reports required by subdivisions (a), (b), (c), and (d) of Section 128735 with the office within four months after the close of the hospital’s fiscal year except as provided in paragraph (2).

(2) If a licensee relinquishes the facility license or puts the facility license in suspense, the last day of active licensure shall be deemed a fiscal year end.

(3) The office shall make the reports filed pursuant to this subdivision available no later than three months after they were filed.

(b) (1) Skilled nursing facilities, intermediate care facilities, intermediate care facilities/developmentally disabled, hospice facilities, and congregate living facilities, including nursing facilities certified by the department to participate in the Medi-Cal program, shall file the reports required by subdivisions (a), (b), (c), and (d) of Section 128735 with the office within four months after the close of the facility’s fiscal year, except as provided in paragraph (2).

(2) (A) If a licensee relinquishes the facility license or puts the facility licensure in suspense, the last day of active licensure shall be deemed a fiscal year end.

(B) If a fiscal year end is created because the facility license is relinquished or put in suspense, the facility shall file the reports required by subdivisions (a), (b), (c), and (d) of Section 128735 within two months after the last day of active licensure.

(3) The office shall make the reports filed pursuant to paragraph (1) available not later than three months after they are filed.

(4) (A) Effective for fiscal years ending on or after December 31, 1991, the reports required by subdivisions (a), (b), (c), and (d) of Section 128735 shall be filed with the office by electronic media, as determined by the office.

(B) Congregate living health facilities are exempt from the electronic media reporting requirements of subparagraph (A).

(c) A hospital shall file the reports required by subdivision (g) of Section 128735 as follows:

(1) For patient discharges on or after January 1, 1999, through December 31, 1999, the reports shall be filed semiannually by each hospital or its designee not later than six months after the end of each semiannual period, and shall be available from the office no later than six months after the date that the report was filed.
(2) For patient discharges on or after January 1, 2000, through December 31, 2000, the reports shall be filed semiannually by each hospital or its designee not later than three months after the end of each semiannual period. The reports shall be filed by electronic tape, diskette, or similar medium as approved by the office. The office shall approve or reject each report within 15 days of receiving it. If a report does not meet the standards established by the office, it shall not be approved as filed and shall be rejected. The report shall be considered not filed as of the date the facility is notified that the report is rejected. A report shall be available from the office no later than 15 days after the date that the report is approved.

(3) For patient discharges on or after January 1, 2001, the reports shall be filed by each hospital or its designee for report periods and at times determined by the office. The reports shall be filed by online transmission in formats consistent with national standards for the exchange of electronic information. The office shall approve or reject each report within 15 days of receiving it. If a report does not meet the standards established by the office, it shall not be approved as filed and shall be rejected. The report shall be considered not filed as of the date the facility is notified that the report is rejected. A report shall be available from the office no later than 15 days after the date that the report is approved.

(d) The reports required by subdivision (a) of Section 128736 shall be filed by each hospital for report periods and at times determined by the office. The reports shall be filed by online transmission in formats consistent with national standards for the exchange of electronic information. The office shall approve or reject each report within 15 days of receiving it. If a report does not meet the standards established by the office, it shall not be approved as filed and shall be rejected. The report shall be considered not filed as of the date the facility is notified that the report is rejected. A report shall be available from the office no later than 15 days after the date that the report is approved.

(e) The reports required by subdivision (a) of Section 128737 shall be filed by each hospital or freestanding ambulatory surgery clinic for report periods and at times determined by the office. The reports shall be filed by online transmission in formats consistent with national standards for the exchange of electronic information. The office shall approve or reject each report within 15 days of receiving it. If a report does not meet the standards established by the office, it shall not be approved as filed and shall be rejected. The report shall be considered not filed as of the date the facility is notified that the report is rejected. A report shall be available from the office no later than 15 days after the report is approved.

(f) Facilities shall not be required to maintain a full-time electronic connection to the office for the purposes of online transmission of reports as specified in subdivisions (c), (d), and (e). The office may grant exemptions to the online transmission of data requirements for limited periods to facilities. An exemption may be granted only to a facility that submits a written request and documents or demonstrates a specific need for an exemption. Exemptions shall be granted for no more than one year at a time, and for no more than a total of five consecutive years.

(g) The reports referred to in paragraph (2) of subdivision (a) of Section 128730 shall be filed with the office on the dates required by applicable law and shall be available from the office no later than six months after the date that the report was filed.

(h) The office shall post on its Internet Web site and make available to any person a copy of any report referred to in subdivision (a), (b), (c), (d), or (g) of Section 128735, subdivision (a) of
California Health and Safety Code (Continued)

Section 128736, subdivision (a) of Section 128737, Section 128740, and, in addition, shall make available in electronic formats reports referred to in subdivision (a), (b), (c), (d), or (g) of Section 128735, subdivision (a) of Section 128736, subdivision (a) of Section 128737, Section 128740, and subdivisions (a) and (c) of Section 128745, unless the office determines that an individual patient's rights of confidentiality would be violated. The office shall make the reports available at cost.

128760.
(a) On and after January 1, 1986, the systems of health facility accounting and auditing formerly approved by the California Health Facilities Commission shall remain in full force and effect for use by health facilities, but shall be maintained by the office.

(b) The office shall allow and provide, in accordance with appropriate regulations, for modifications in the accounting and reporting systems for use by health facilities in meeting the requirements of this chapter if the modifications are necessary to do any of the following:

(1) To correctly reflect differences in size of, provision of, or payment for, services rendered by health facilities.

(2) To correctly reflect differences in scope, type, or method of provision of, or payment for, services rendered by health facilities.

(3) To avoid unduly burdensome costs for those health facilities in meeting the requirements of differences pursuant to paragraphs (1) and (2).

(c) The office shall allow and provide, in accordance with appropriate regulations, for modifications to discharge data reporting format and frequency requirements if these modifications will not impair the office's ability to process the data or interfere with the purposes of this chapter. This modification authority shall not permit the office to administratively require the reporting of discharge data items not specified pursuant to Section 128735.

(d) The office shall allow and provide, in accordance with appropriate regulations, for modifications to emergency care data reporting format and frequency requirements if these modifications will not impair the office's ability to process the data or interfere with the purposes of this chapter. This modification authority shall not permit the office to require administratively the reporting of emergency care data items not specified in subdivision (a) of Section 128736.

(e) The office shall allow and provide, in accordance with appropriate regulations, for modifications to ambulatory surgery data reporting format and frequency requirements if these modifications will not impair the office's ability to process the data or interfere with the purposes of this chapter. The modification authority shall not permit the office to require administratively the reporting of ambulatory surgery data items not specified in subdivision (a) of Section 128737.

(f) The office shall adopt comparable modifications to the financial reporting requirements of this chapter for county hospital systems consistent with the purposes of this chapter.
Related Laws and Regulations

California Health and Safety Code (Continued)

128765. (a) The office shall maintain a file of all the reports filed under this chapter at its Sacramento office. Subject to any rules the office may prescribe, these reports shall be produced and made available for inspection upon the demand of any person, and shall also be posted on its Internet Web site, with the exception of discharge and encounter data that shall be available for public inspection unless the office determines, pursuant to applicable law, that an individual patient’s rights of confidentiality would be violated.

(b) The reports published pursuant to Section 128745 shall include an executive summary, written in plain English to the maximum extent practicable, that shall include, but not be limited to, a discussion of findings, conclusions, and trends concerning the overall quality of medical outcomes, including a comparison to reports from prior years, for the procedure or condition studied by the report. The office shall disseminate the reports as widely as practical to interested parties, including, but not limited to, hospitals, providers, the media, purchasers of health care, consumer or patient advocacy groups, and individual consumers. The reports shall be posted on the office’s Internet Web site.

(c) Copies certified by the office as being true and correct copies of reports properly filed with the office pursuant to this chapter, together with summaries, compilations, or supplementary reports prepared by the office, shall be introduced as evidence, where relevant, at any hearing, investigation, or other proceeding held, made, or taken by any state, county, or local governmental agency, board, or commission that participates as a purchaser of health facility services pursuant to the provisions of a publicly financed state or federal health care program. Each of these state, county, or local governmental agencies, boards, and commissions shall weigh and consider the reports made available to it pursuant to this subdivision in its formulation and implementation of policies, regulations, or procedures regarding reimbursement methods and rates in the administration of these publicly financed programs.

(d) The office shall compile and publish summaries of individual facility and aggregate data that do not contain patient-specific information for the purpose of public disclosure. Upon request, these shall include summaries of observation services data, in a format prescribed by the office. The summaries shall be posted on the office’s Internet Web site. The office may initiate and conduct studies as it determines will advance the purposes of this chapter.

(e) In order to ensure that accurate and timely data are available to the public in useful formats, the office shall establish a public liaison function. The public liaison shall provide technical assistance to the general public on the uses and applications of individual and aggregate health facility data and shall provide the director with an annual report on changes that can be made to improve the public’s access to data.

128770. (a) Any health facility or freestanding ambulatory surgery clinic that does not file any report as required by this chapter with the office is liable for a civil penalty of one hundred dollars ($100) a day for each day the filing of any report is delayed. No penalty shall be imposed if an extension is granted in accordance with the guidelines and procedures established by the office.

(b) Any health facility that does not use an approved system of accounting pursuant to the provisions of this chapter for purposes of submitting financial and statistical reports as required by this chapter shall be liable for a civil penalty of not more than five thousand dollars ($5,000).
Related Laws and Regulations

California Health and Safety Code (Continued)

(c) Civil penalties are to be assessed and recovered in a civil action brought in the name of the people of the State of California by the office. Assessment of a civil penalty may, at the request of any health facility or freestanding ambulatory surgery clinic, be reviewed on appeal, and the penalty may be reduced or waived for good cause.

(d) Any money that is received by the office pursuant to this section shall be paid into the General Fund.

128775.
(a) Any health facility or freestanding ambulatory surgery clinic affected by any determination made under this part by the office may petition the office for review of the decision. This petition shall be filed with the office within 15 business days, or within a greater time as the office may allow, and shall specifically describe the matters which are disputed by the petitioner.

(b) A hearing shall be commenced within 60 calendar days of the date on which the petition was filed. The hearing shall be held before an employee of the office, or an administrative law judge employed by the Office of Administrative Hearings. If held before an employee of the office, the hearing shall be held in accordance with any procedures as the office shall prescribe. If held before an administrative law judge employed by the Office of Administrative Hearings, the hearing shall be held in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. The employee or administrative law judge shall prepare a recommended decision including findings of fact and conclusions of law and present it to the office for its adoption. The decision of the office shall be in writing and shall be final. The decision of the office shall be made within 60 calendar days after the conclusion of the hearing and shall be effective upon filing and service upon the petitioner.

(c) Judicial review of any final action, determination, or decision may be had by any party to the proceedings as provided in Section 1094.5 of the Code of Civil Procedure. The decision of the office shall be upheld against a claim that its findings are not supported by the evidence unless the court determines that the findings are not supported by substantial evidence.

(d) The employee of the office, or the administrative law judge employed by the Office of Administrative Hearings or the Office of Administrative Hearings, may issue subpoenas and subpoenas duces tecum in a manner and subject to the conditions established by Article 11 (commencing with Section 11450.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code.

(e) This section shall become operative on July 1, 1997.

128780.
Notwithstanding any other provision of law, the disclosure aspects of this chapter shall be deemed complete with respect to district hospitals, and no district hospital shall be required to report or disclose any additional financial or utilization data to any person or other entity except as is required by this chapter.

128785.
On January 1, 1986, all regulations previously adopted by the California Health Facilities Commission that relate to functions vested in the office and that are in effect on that date, shall remain in effect and shall be fully enforceable to the extent that they are consistent with this
Related Laws and Regulations

California Health and Safety Code (Continued)

chapter, as determined by the office, unless and until readopted, amended, or repealed by the office.

128810.  
The office shall administer this chapter and shall make all regulations necessary to implement the provisions and achieve the purposes stated herein.
**97003. Accounting System Requirements.**

(a) The hospital accounting system prescribed by this Chapter shall be used by all hospitals licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2, Health and Safety Code.

(b) The long-term care facility accounting system prescribed by this Chapter shall be used by all skilled nursing facilities, intermediate care facilities, intermediate care facilities/developmentally disabled, and congregate living health facilities licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2, Health and Safety Code.


**97005. Definitions.**

As used in this Chapter:

(a) “Act” means the Health Data and Advisory Council Consolidation Act set forth in Chapter 1, Part 5 of Division 107 (commencing with Section 128675) of the Health and Safety Code.

(b) “Unrestricted funds” means funds which bear no external restrictions as to use or purpose: i.e., funds which can be used for any legitimate purpose designated by the governing board as distinguished from funds restricted externally.

(c) “Restricted funds” means funds restricted by donors or grantors for specific purposes. The term refers to plant replacement and expansion, specific purpose and endowment funds.

(d) “Long-term care facility” and “long-term care facilities” mean all skilled nursing facilities, intermediate care facilities, intermediate care facilities/developmentally disabled, and congregate living health facilities licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2, Health and Safety Code.

(e) “Preponderance” means 51 percent or more of gross in-patient revenue. This definition also applies to Section 128760 of the Health and Safety Code.

(f) “Director” means the Director of the Office of Statewide Health Planning and Development.

(g) “Health facility” or “health facilities” means all health facilities required to be licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code.

(h) “Health facility gross operating cost for the provision of health care services” (Section 127280(a), Health and Safety Code) means total patient-related operating expenses as reported to the Office for the fiscal years ending on or before June 30 of the previous calendar year on:

(1) Hospital disclosure report CHC 7041 d-1, column 1, line 200, for hospitals, and
Related Laws and Regulations

California Code of Regulations, Title 22 (Continued)

(2) Long-term care facility disclosure report CHFC 7041 d-1, column 1, line 200, for long-term care facilities.

(i) “New health facility” means any health facility beginning or resuming operations for the first time within a 12-month period.

(j) Disclosure reports, extension requests, appeal petitions, and other items are deemed to have been “filed” or “submitted” with the Office:

(1) as of the date they are postmarked by the United States Postal Service if properly addressed and postage prepaid;

(2) as of the date they are dated by a commercial carrier if properly addressed and delivery fee prepaid;

(3) when received by the Office via FAX machine or other electronic device;

(4) when received by the Office via hand delivery; or

(5) when otherwise received by the Office.

(k) “Hospital accounting manual,” “manual for hospitals” and “hospital manual” mean the “Accounting & Reporting Manual for California Hospitals” published by the Office and more particularly described by Section 97018 of this Chapter.

(l) “Long-term care manual,” “manual for long-term care facilities,” and “LTC manual” mean the “Accounting and Reporting Manual for California Long-term Care Facilities” published by the Office and more particularly described by Section 97019 of this Chapter.

(m) “Owner” means any individual or organization having a five percent or more equity interest, direct or indirect, in the entity licensed as a health facility.

(n) “Office” and “OSHPD” mean the Office of Statewide Health Planning and Development.

(o) “Licensee” means the person, firm, partnership, association, corporation, political subdivision of the state, or other governmental agency within the state licensed to operate a health facility.

(p) “Home office” means the office of the controlling organization. A home office generally incurs costs and provides services to or on behalf of the individual health facility.

(q) “SIERA” means the Office’s System for Integrated Electronic Reporting and Auditing that is the secure online transmission system through which reports are submitted and corrected, and report extension requests are submitted using an internet web browser. SIERA is available on the Office’s internet web site at: https://siera.oshpd.ca.gov.

97007. Notice of Change in Health Facility Fiscal Year, Licensure, Name, Address, or Closure.

(a) Each license of a health facility shall notify the Office in writing whenever the health facility fiscal year is changed. Notification shall be made within 30 days of such action by the health facility. The notice shall include the health facility name, street address, and both old and new fiscal year ending dates.

(b) Each licensee of a health facility shall notify the Office in writing within 30 days of the effective date of any change of licensee of the health facility. Such notice shall include the following, as applicable: the old and new names of the health facility, the names of the former and new licensees, permanent or forwarding street and mailing addresses of the former and new licensees, old and new telephone numbers of the health facility, the telephone number of the former licensee if available to the new licensee, the telephone number of the new licensee, the names of the owners having a five percent or more interest in the health facility, the names of the chair and members of the governing body, and the name of the individual in charge of the day-to-day operation of the health facility.

(c) Each licensee of a health facility shall notify the Office in writing within 30 days of any change in the name, or telephone number, or street and mailing addresses of the health facility. Such notice shall include the old and new names of the health facility and/or the old and new street and mailing addresses of the health facility, and old and new telephone numbers.

(d) Each licensee of a health facility shall notify the Office in writing within 30 days of any change in the owners having a five percent or more interest in the health facility, in the chair and members of the governing body, and in the individual in charge of the day-to-day operation of the health facility.

(e) Each licensee of a health facility shall notify the Office in writing within 30 days of the facility's closure. Such notice shall include the last date patient care was provided, the final date of licensure, the street and mailing address of the health facility, the permanent or forwarding mailing address of the health facility licensee, the telephone number of the health facility licensee.

(f) Each licensee of a hospital shall notify the Office in writing within 30 days of the date the license is placed in suspense. Such notice shall include the last date patient care was provided, the date the license was placed in suspense, the street and mailing address of the health facility, the permanent or forwarding mailing address of the health facility licensee, and the telephone number of the health facility licensee.


Each licensee of a health facility beginning operations, whether in a newly constructed facility or in an existing facility, pursuant to a new license or a license previously in suspense, shall provide the Office the following information in writing within seven days after the effective date of the license: name of health facility, name of licensee, street and mailing addresses of the health facility and the licensee, telephone numbers of the health facility and the licensee.
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including area codes, fiscal year ending date, date when first patients are expected to be admitted, names of the owners having a five percent or more interest in the health facility, names of the chair and members of the governing body, and name of the individual in charge of the day-to-day operation of the health facility.


97015. Chart of Accounts.
(a) All hospitals shall use in their books of account the Chart of Accounts set forth in the “Accounting and Reporting Manual for California Hospitals,” as specified by section 97018, except as provided herein. If individual requirements for information make further breakdown of an account necessary, hospitals may use subaccounts provided they can be combined into the prescribed account framework for reporting purposes.

(b) All long-term care facilities shall use in their books of account the Chart of Accounts set forth in the “Accounting and Reporting Manual for California Long-term Care Facilities” as specified by Section 97019, except as provided herein. If individual requirements for information make further breakdown of an account necessary, long-term care facilities may use subaccounts provided they can be combined into the prescribed account framework for reporting purposes.


97016. Accrual Accounting.
A full accrual basis of accounting for revenue and expenses is required for all health facilities. Revenues shall be given recognition in the period during which the service is provided. Except as may be provided in the long-term care manual prescribed by Section 97019, patient revenue shall be recorded at the full established rates regardless of the amounts actually paid to the health facility by or on behalf of the patients. Revenue deductions in all health facilities shall be given accounting recognition in the same period that the related revenues are recorded. Health facility expenses shall be given recognition in the period in which there is (1) a direct identification or association with the revenue of the period, as in the case of services rendered to patients; (2) an indirect association with revenue of the period, as in the case of salaries or rent; or (3) a measurable expiration of asset costs even though not associated with the production of revenue for the current period, as in the case of losses from fire.


97017. Special Accounting Requirements and Account Codes.
(a) Health facilities shall segregate accounts between unrestricted funds and restricted funds. Within the restricted fund classification shall be such funds as specific purpose funds, endowment funds, plant replacement and expansion funds, and other special purpose funds.

(b) All hospitals shall use in their books and records the account coding structure specified in the “Accounting and Reporting Manual for California Hospitals” as specified by Section 97018.
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(c) All long-term care facilities shall use in their books and records the account coding structure specified in the “Accounting and Reporting Manual for California Long-term Care Facilities,” as specified by Section 97019.


(a) To assure uniformity of accounting and reporting procedures among California hospitals, the Office shall publish an “Accounting and Reporting Manual for California Hospitals,” which shall be supplemental to the system adopted by this Chapter. The “Accounting and Reporting Manual for California Hospitals,” Second Edition as amended October 1, 2019, shall not be published in full in the California Code of Regulations, but is hereby incorporated by reference. All hospitals must comply with systems and procedures detailed in the hospital manual. Copies of the “Accounting and Reporting Manual for California Hospitals” may be obtained from the Office at 2020 West El Camino Avenue, Suite 1100, Sacramento, CA 95833. The Office shall provide each new hospital with a copy of the hospital manual. The hospital manual published by the Office shall be the official and binding interpretations of accounting and reporting treatment within the hospital accounting and reporting system.

(b) Requests for modifications to the accounting and reporting systems as set forth by the hospital manual shall be filed as provided under Section 97050.


97019. Accounting and Reporting Manual for California Long-Term Care Facilities.
(a) To assure uniformity of accounting and reporting procedures among long-term care facilities, the Office shall publish an “Accounting and Reporting Manual for California Long-Term Care Facilities”, which will be supplemental to the system adopted by this Chapter. The “Accounting and Reporting Manual for California Long-Term Care Facilities”, Second Edition (Manual) as amended October 1, 2019, shall not be published in full in the California Code of Regulations, but is hereby incorporated by reference. For report periods ending prior to January 1, 2020, facilities must use the version of the Manual as amended October 1, 2019. For reporting periods ending on or after January 1, 2020, facilities must use the “Accounting and Reporting Manual for California Long-Term Care Facilities”, Second Edition (the Manual) as amended April 1, 2020 which is hereby incorporated by reference. All long-term care facilities must comply with the systems and procedures detailed in the applicable version of the Manual. Copies of the Manual may be obtained from the Office at 2020 West El Camino Avenue, Suite 1100, Sacramento, CA 95833, or by downloading from the OSHPD website. The Office shall provide each new long-term care facility with a copy of the “Accounting and Reporting Manual for California Long-Term Care Facilities”. The Manual published by the Office shall be the official and binding interpretations of accounting and reporting treatment within the long-term care facility accounting and reporting system.
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(b) Requests for modifications to the accounting and reporting systems as set forth by the Manual shall be filed as provided under Section 97050.


97030. Failure to Meet Accounting Requirements.

(a) If the Office determines either by routine desk audit, on-site audit, or other means that a health facility is not substantially using on a day-to-day basis in its books and records the system of accounting prescribed by this Article, considering all modifications granted by the Office pursuant to Section 97050 and the special accounting provisions provided to health facilities by this Chapter and the Act, then the health facility shall be considered to be out of compliance with the prescribed system of accounting. If such a determination is made, the Office shall begin the following process:

(1) The Office shall notify the licensee at the mailing address of the health facility of the determination of noncompliance and the licensee shall have 90 days in which to file the following in writing with the Office:

(A) A copy of the health facility's current Chart of Accounts with account codes and titles certified by an official of the facility that it is the Chart of Accounts that is used on a day-to-day basis by the health facility and

(B) A detailed plan of action for the health facility to come into full compliance with the Office's specified system of accounting, including the planned date of implementation.

(2) The Office shall have 30 days from receipt of the Chart of Accounts and the plan of action required in (a)(1)(A) and (B) of this Section in which to review and respond in writing to the licensee regarding acceptance or rejection of the filed Chart of Accounts and plan of action.

(3) If the proposed plan of action is not approved by the Office, then the licensee shall be notified at the mailing address of the health facility that the licensee has a maximum of 30 days in which to file a revised plan of action.

(4) The Office shall have 30 days from receipt of the revised plan of action in which to review and respond in writing to the licensee regarding the revised plan's approval. With approval, the Office shall include a modification consistent with the approved plan of action.

(5) If the licensee fails to meet either of the deadlines established in (a)(1) or (a)(3), then the licensee shall be liable for a civil penalty, to be assessed and recovered in a civil action brought in the name of the people of the State of California by the Office, of one hundred dollars ($100) a day for each day either deadline is missed. For each determination of non-compliance described in this subsection, the total amount the health facility can be penalized is not to exceed five thousand dollars ($5,000). Within fifteen days after a penalty begins to accrue, the Office shall notify the licensee at the mailing address of the health facility of the penalty accrual and potential liability. The notification will include the licensee's right to appeal the penalty pursuant to Section 97052.
(b) After a health facility has been determined to be non-compliant and has failed to develop an approved plan of action to implement the prescribed system of accounting, the health facility shall be liable for a penalty of five thousand ($5,000) each time the health facility files a report pursuant to either Section 128735(a) through (e) or Section 128740 of the Health and Safety Code. Within fifteen days after each penalty is determined, the Office shall notify the licensee at the mailing address of the health facility of the potential liability. The notification will include the licensee's right to appeal the penalty pursuant to Section 97052.


97040. Required Annual Reports.
(a) The licensee of each health facility shall submit the following reports, except as provided in Section 97044, to the Office within four months after the end of each reporting period:

(1) A balance sheet for the unrestricted (general) funds.

(2) A balance sheet for the restricted funds.

(3) A statement of changes in equity (fund balances) for both unrestricted and restricted funds.

(4) A statement of income and expense.

(5) A statement of cash flows for the unrestricted funds.

(6) A cost finding report.

(7) A detailed statistical report.

(8) That data required for Medi-Cal cost reimbursement pursuant to Section 14170 of the Welfare and Institutions Code (skilled nursing, intermediate care and congregate living health facilities only).

(9) A statement detailing patient revenue by payor and revenue center except, that hospitals authorized to report as a group pursuant to subdivision (d) of section 128760 of the Health and Safety Code are not required to report by revenue center.

(10) And such other reports and worksheets as the Office enacts through the regulation process to constitute accurate and sufficiently detailed statistical reports and to enable proper completion of the above reports as set forth in the Office's "Accounting and Reporting Manual for California Hospitals," as specified in Section 97018, and the Office's "Accounting and Reporting Manual for California Long-Term Care Facilities," as specified in Section 97019.

(b) A reporting period, which may be less than one year, ends:

(1) at the close of the health facility's annual accounting period (fiscal year),

(2) on the last day of patient care when the health facility no longer accepts patients,
(3) on the last day of patient care at the old facility when the health facility closes to relocate to a new facility,

(4) on the last day of licensure of the entity relinquishing the license when there is a change in licensee, or

(5) on the last day of patient care when the license is placed in suspense.

(c) Health facilities that want to submit reports for periods exceeding 12 months must request a modification in accordance with Section 97050.

(d) The licensee is responsible for reporting for the entire period of licensure, even if there is an agreement between the parties on a change in licensee for the new licensee to operate the facility prior to the new license being effective. However, a reporting modification would be considered if a new licensee wants to report for a period which begins prior to the effective date of the license and for the reporting period of the entity relinquishing the license to end prior to the last day of its licensure.


(a) For quarterly reports required by Health and Safety Code Section 128740, a report period, which may be less than three months, ends:

(1) at the end of a calendar quarter,

(2) on the last day of patient care when the hospital no longer accepts patients,

(3) on the last day of patient care at the old facility when the hospital closes to relocate to a new facility,

(4) on the last day of licensure of the entity relinquishing the license when there is a change in licensee, or

(5) on the last day of patient care when the license is placed in suspense.

(b) A hospital using a thirteen-period accounting cycle must request a modification pursuant to Section 97050 to define alternative quarterly report periods.


(a) Health facilities shall report to the Office as follows:

(1) Health facilities shall prepare annual disclosure reports required by subsections (a) through (e) of Section 128735, Health and Safety Code, in a standard electronic format as approved by the Office pursuant to subsection (3) and file annual disclosure reports with the Office pursuant
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to subsection (4). Health facilities may file requests for modifications to this reporting requirement, as provided under Section 97050, where meeting this requirement would not be cost-effective for the facility.

(2) To meet the requirement of subsection (1), health facilities shall use a program approved pursuant to subsection (3), which can be either a third-party program or their own program. Health facilities intending to use a third-party program are not required to notify the Office of that intent. The Office shall notify all health facilities and third parties with Office-approved electronic reporting programs of any change in the electronic reporting requirements. The Office shall maintain and make available a list of all programs approved pursuant to subsection (3).

(3) Programs to be used for preparing reports in a standard electronic format pursuant to subsection (1) must be approved by the Office in advance and must meet the Office’s specifications for electronic reporting. To be approved, electronic report preparation programs must be able to apply Office-specified edits to the data being reported and must be able to produce a standardized output file that meets the Office’s specified electronic formats. Specifications for preparing hospital annual reports in a standard electronic format shall be provided by the Office upon request and shall include file and record formats, editing criteria, and test case requirements, as published by the Office in the May 2019 issue of “Instructions and Specifications for Developing Approved Software to Prepare the California Hospital Annual Disclosure Report,” and herein incorporated by reference in its entirety. For report periods ending prior to January 1, 2020, specifications for preparing LTC facility annual reports in a standard electronic format shall be provided by the Office upon request and shall include file and record formats, editing criteria, and test case requirements, as published by the Office in the May 2019 issue of “Instructions and Specifications for Developing Approved Software to Prepare the California Long-term Care Facility Integrated Disclosure & Medi-Cal Cost Report,” and herein incorporated by reference in its entirety. For report periods ending on or after January 1, 2020, specifications for preparing LTC facility annual reports in a standard electronic format shall be provided by the Office upon request and shall include file and record formats, editing criteria, and test case requirements, as published by the Office in the October 2019 issue of “Instructions and Specifications for Developing Approved Software to Prepare the California Long-Term Care Facility Integrated Disclosure and Medi-Cal Cost Report”, and incorporated by reference in its entirety. To obtain approval for an electronic report preparation program, a request, together with the Office’s specified test case and a signed statement certifying that the program includes all Office-specified edits, must be filed with the Office at 2020 West El Camino Avenue, Suite 1100, Sacramento, CA 95833, at least 90 days prior to the end of the reporting period to which the program applies. The Office shall review the test case and respond within 60 days by either approving or disapproving the request. The Office may limit the approval of the electronic report preparation program to a specified period of time or reporting period(s). If disapproved, the Office shall set forth the basis for a denial. The Office may seek additional information from the requestor in evaluating the request. Changes to the Office’s electronic reporting specifications may require the programs used for preparing reports in a standard electronic format to be re-approved.

(4) Health facilities must file annual disclosure reports with the Office using SIERA.

(5) Hospitals shall prepare and file the quarterly reports required by Section 128740, Health and Safety Code, with the Office using SIERA. Hospitals may file requests for modifications to this reporting requirement, as provided under Section 97050, where meeting this
requirement would not be cost-effective for the hospital.

(b) Health facilities shall use SIERA to revise reports that have been filed with the Office according to subsection (a).

(c) Congregate living health facilities are exempt from the electronic reporting requirements of subsections (a) and (b). Congregate living health facilities may file annual disclosure reports using SIERA or using hard-copy report forms.


97041.1. Primary Contact Person.
(a) Each health facility shall designate a primary contact person for SIERA and shall notify the Office’s Accounting and Reporting Systems Section in writing, by email, or through SIERA of the designated person’s name; the name of the organization, health facility, or home office where the designated person works; mailing address; business phone number; email address; and whether the primary contact person is a health facility official or home office official. The primary contact person shall be a health facility or home office employee, but shall not be a health facility consultant.

(b) Each health facility shall notify the Office’s Accounting and Reporting Systems Section in writing, by email, or through SIERA within 15 days after any change in the person designated as the primary contact person, or in the primary contact person’s name, mailing address, business phone number, or email address.

(c) Each health facility’s primary contact person shall identify individuals who may use SIERA on behalf of the facility. The primary contact person shall add or remove approved users in SIERA on behalf of the facility. SIERA users may be individuals such as health facility employees, home office employees, or health facility consultants.


97042. Comparative Reports.
Each health facility, except for new health facilities, shall include prior year comparative figures when reporting balance sheet-unrestricted funds, balance sheet-restricted funds, statement of cash flows-unrestricted funds, and statement of income and expense.


97043. Form of Authentication.
(a) Each health facility report as specified by Sections 128735(a) through (e) and Section 128740 of the Health and Safety Code will be accompanied by a report certification signed by a duly authorized official of the health facility or of the health facility’s home office that certifies under penalty of perjury that, as applicable, the Office of Statewide Health Planning and Development’s accounting and reporting system as set forth in either the Office’s “Accounting
and Reporting Manual for California Hospitals” or “Accounting and Reporting Manual for California Long-term Care Facilities” has been implemented by the health facility; that the data in the accompanying report are based on the appropriate system; and that to the best of the official's knowledge and information, each statement and amount in the accompanying report is believed to be true and correct.

(b) Health facilities must submit report certifications using SIERA.

(c) Report certifications signed by health facility consultants are not acceptable.


97044. Exceptions to Required Reports.
County hospitals and State health facilities not operating under an enterprise system of accounting are not required to submit balance sheet statements, statement of changes in equity, or a statement of cash flows. However, all County and State health facilities are encouraged to move toward full compliance with all regulatory reporting requirements.


97045. Failure to File Required Reports.
Any health facility which does not file with the Office any report completed as required by this Article is liable for a civil penalty of one hundred dollars ($100) a day to be assessed and recovered in a civil action brought in the name of the people of the State of California by the Office for each day the filing of such report with the Office is delayed, considering all approved extensions of the due date as provided in Section 97051. Assessed penalties may be appealed pursuant to Section 97052. Within fifteen days after the date the reports are due, the Office shall notify the health facility of reports not yet received, the amount of liability, and potential future liability for failure to file said reports when due.


97050. Request for Modifications to Approved Accounting and Reporting Systems.
(a) To obtain modifications to the uniform accounting and reporting systems specified by Sections 97017, 97018, and 97019, including modifications to the account coding structure, health facilities must file a written request for modifications with the Office. Health facilities must have an Office-approved modification prior to implementation of any change to the applicable uniform accounting system. Modification requests shall specify the precise changes being requested and the reason(s) the changes are needed. Requests from health facilities for modification to the applicable uniform accounting system, including requests to use an alternate coding scheme, shall be accompanied by (1) a cross reference between the facility's proposed account codes and titles, and the account codes and titles in the applicable accounting and reporting manual and (2) the facility's account definitions. The Office shall either approve or disapprove requests for modification within 60 days of the date the request was filed with the Office by the health facility, or the request shall be considered approved as submitted. However, if additional information is required from the health facility to evaluate the request, the Office
shall have 30 days from the receipt of the additional information to approve or disapprove the request. The Office may also seek additional information from other appropriate sources to evaluate the request. Approved requests for systems modifications are subject to annual review and renewal by the Office.

(b) The Office shall grant modifications upon written application to licensed health facilities that are an integral part of a residential care complex to permit accounting and reporting for assets, liabilities, and equity for the entire residential care complex rather than require separate accounting and reporting for health care related assets, liabilities, and equity. Requests for modifications under this paragraph shall be submitted prior to the start of the accounting period to which the modifications are to apply and shall specify the proposed balance sheet account related modifications.

(c) The Office may grant modifications, upon written request, to licensees operating and maintaining more than one physical plant on separate premises under a single consolidated hospital license, issued pursuant to Health and Safety Code Section 1250.8, to file separate annual disclosure reports and quarterly financial and utilization reports for each location. The Office may also grant modifications, upon written request, to licensees of hospitals to file annual disclosure reports and quarterly financial and utilization reports for their mental health or rehabilitation care operations separately from the rest of the hospital operations. Licensees granted modifications under this paragraph shall be responsible for all regulatory requirements for each separate report. Separate extension requests, filed under the provisions of Section 97051, shall be required for each report, and penalties, assessed pursuant to Section 97045, shall be assessed on each delinquent report.

(d) In determining what modifications will be granted to health facilities under (a) or (c), the Office may take into account, but not be limited to the following factors:

(1) the data reported are comparable to data reported from other health facilities to the maximum extent feasible as determined by the Office;

(2) the report substantially complies with the purposes of the Health Data and Advisory Council Consolidation Act;

(3) the facility has considered and has a plan for the eventual or gradual implementation of the general accounting and reporting systems prescribed by the Office; and

(4) the burden on the health facility to report otherwise required data is sufficiently great that the cost to the health facility of preparing these data would outweigh the benefit to the people of the State of California.


97051. Requests for Extension Time to File Required Reports.
Any licensee of a health facility may file with the Office requests for reasonable extensions of time to file any or all of the reports required pursuant to subdivisions (a) through (e) of Section 128735, Section 128740, or Section 128755, Health and Safety Code. Licensees of health facilities are encouraged to file extension requests as soon as it is apparent that the required
related laws and regulations

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Reports will not be completed for submission on or before their due date. Health facilities shall submit requests for the extension of report due dates using SIERA. The requests for extension shall include the reason the extension is needed.

The Office may grant extensions but not to exceed an accumulated total, for all extensions and corrections, of 90 days for annual reports required by Section 97040 and 30 days for quarterly reports required by Health and Safety Code Section 128740. For an annual report, 60 days of extension will be granted on a first request. If a second request is filed, 30 days will be granted. For a quarterly report, all 30 days of extension will be granted on the first request.

The Office shall respond to an extension request with an email confirmation to the requestor notifying them of the number of extension days granted.

Health facilities that do not use 90 total extension days for submission of an annual report, or 30 total extension days for a quarterly report, will have the remaining days available for corrections.

If the Office determines that SIERA was unavailable for report submission for one or more periods of four or more continuous supported hours during the four State working days before a due date established pursuant to Health and Safety Code Section 128755 or Section 128740, the Office shall extend the due date by seven days.


97052. Appeal Procedure.
(a) Any health facility affected by any determination made under the Act by the Office may appeal the decision. This appeal shall be filed with the Office within 15 business days after the date the notice of the decision is received by the health facility and shall specifically describe the matters which are disputed by the petitioner.

(b) A hearing on an appeal shall, at the discretion of the Director, be held before either of the following:

(1) An employee of the Office appointed by the Director to act as hearing officer.

(2) A hearing officer employed by the Office of Administrative Hearings.


97053. Conduct of Hearing.
(a) The hearing, when conducted by an employee of the Office appointed by the Director to serve as hearing officer, shall not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs.

(b) When the hearing is conducted by an employee of the Office, the hearing shall be recorded by a tape recording, unless the appellant agrees to provide a certified shorthand reporter at the

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appellant's expense. If the appellant provides a certified shorthand reporter, the original of the transcript shall be provided directly to the Office.

(c) A copy of the tape recording or of the transcript, if made, shall be available to any person so requesting who has deposited with the Office an amount of money which the Director has determined to be sufficient to cover the costs of the copy of the tape recording or transcript.


97054. Decision on Appeal.
(a) The employee or hearing officer shall prepare a recommended decision which includes findings of fact and conclusions of law.

(b) This proposed decision shall be presented to the Office for its consideration.

(c) The Office may adopt the proposed decision, or reject it and decide the matter as described in paragraph 1 below.

(1) If the Office does not adopt the proposed decision as presented, it will furnish a Notice of Rejection of Proposed Decision along with a copy of the proposed decision to appellant and, if applicable, appellant's authorized representative. The Office will provide appellant the opportunity to present written arguments to the Office. The decision of the Office will be based on the record, including the hearing record, and such additional information as is provided by the appellant.

(d) The decision of the Office shall be in writing. It shall be made within 60 calendar days after the conclusion of the hearing and shall be final.


97062. Notice of Assessment.
The Office shall mail a notice of special fee assessment and a remittance advice form to each health facility immediately after the assessment rate is set by the Office. The remittance advice form shall be completed by each health facility and returned to the Office with full payment of the special fee amount.


97063. Basis of Assessment.
The basis of assessment is the total gross operating expenses obtained from the disclosure reports filed for the report period which ended on or before June 30 of the previous calendar year, as more particularly described in Section 97005(h).

97064. Exceptions to the Basis of Assessment.
(a) New health facilities which have no fiscal years ending on or before June 30 of the preceding calendar year are not liable for the special fee.

(b) New health facilities which have a fiscal year ending during the twelve month period preceding and including June 30 of the previous calendar year but which is less than 12 months, shall be liable for the special fee based on the gross operating expenses of the partial fiscal year.

(c) If a health facility does not have a fiscal year ending during the twelve month period preceding and including June 30 of the previous calendar year due to a change in licensee, the special fee shall be based on the gross operating expenses of the previous licensee's last completed fiscal year, expanded to 12 months if applicable. If the gross operating expenses of the previous licensee's last fiscal year are not available to the current licensee, the special fee shall be the last special fee paid by the previous licensee plus ten percent. The Office shall furnish the amount of the last special fee paid by the previous licensee upon request of the affected health facility.

(d) If a health facility does not have a complete fiscal year ending during the twelve month period preceding and including June 30 of the previous calendar year due to a change in licensee, the special fee shall be based on the gross operating expenses of the partial fiscal year expanded to 12 months. The partial fiscal year is those months from the start of health facility operations under the new licensee to the end of the fiscal year.

(e) If a health facility does not have a complete fiscal year ending during the 12 month period preceding and including June 30 of the previous calendar year due to a change in fiscal year, the special fee shall be based on the gross operating expenses of the partial fiscal year expanded to 12 months. The partial fiscal year is those months from the close of the last complete fiscal year to the end of the new partial fiscal year.

(f) The Office shall determine the basis of assessment for special fee amounts due from health facilities in those circumstances not specifically covered above.


97065. Delinquent Special Fees.
To enforce payment of delinquent special fees, the Office shall notify the State Department of Health Services not to issue a license and not to renew the existing license of the delinquent health facility until the special fees have been paid, pursuant to Section 127280, Health and Safety Code. A copy of the Office notice to the State Department of Health Services shall be sent to the delinquent health facility.