

**DRAFT HOSPITAL ATTESTATION RULEMAKING
FOR 9 A.A.C. 11, ARTICLE 2**

R9-11-202. Hospital Annual Financial Statement

- A. A hospital administrator or designee shall submit to the Department, no later than 120 calendar days after the ending date of the hospital's fiscal year:
1. An annual financial statement prepared according to generally accepted accounting principles; ~~and~~
 2. A report of an audit by an independent certified public accountant of the annual financial statement required in subsection (A)(1); and
 3. An attestation, signed and dated by the hospital administrator or designee, that the hospital is not passing on the cost of the hospital assessment, established in A.R.S. § 36-2901.08(A), to a patient or a third-party payor that is responsible for paying for the patient's care.
- B. If a hospital is part of a group of health care institutions that prepares a combined annual financial statement and is included in the combined annual financial statement, the hospital administrator or designee may submit the combined annual financial statement if the combined annual financial statement:
1. Is prepared according to generally accepted accounting principles,
 2. Identifies the hospital, and
 3. Contains a financial statement specific to the hospital.
- C. The Department shall grant a hospital a 30-day extension for submitting an annual financial statement and audit of the annual financial statement required in subsection (A) if the hospital administrator or designee submits a written request for an extension that:
1. Includes the name, physical address, mailing address, and telephone number of the hospital;
 2. Includes the name, telephone number, mailing address, and e-mail address of:
 - a. The hospital administrator; and
 - b. An individual, in addition to the hospital administrator, who may be contacted about the extension request;
 3. Includes the date the hospital's annual financial statement and audit of the annual financial statement is due to the Department;

4. Specifies that the hospital is requesting a 30-day extension from submitting the annual financial statement and audit of the annual financial statement required in subsection (A); and
 5. Is submitted to the Department at least 30 calendar days before the annual financial statement and audit of the annual financial statement is due to the Department.
- D. The Department shall send a written notice of approval of a 30-day extension to a hospital that submits a request for an extension that meets the requirements specified in subsection (C) within seven business days after receiving the request.
- E. If a request by a hospital administrator or designee for a 30-day extension does not meet the requirements specified in subsection (C), the Department shall provide to the hospital a written notice that specifies the missing or incomplete information. If the Department does not receive the missing or incomplete information within 10 calendar days after the date on the written notice, the Department shall consider the hospital's request withdrawn.
- F. Before the end of the 30-day extension specified in subsection (C), a hospital administrator or designee may request an additional extension for submitting an annual financial statement and audit of the annual financial statement by submitting a written request that:
1. Includes the information specified in subsections (C)(1) through (C)(3),
 2. Specifies for how many calendar days the hospital is requesting an extension from submitting the annual financial statement and audit of the annual financial statement,
 3. Is submitted to the Department at least 14 calendar days before the annual financial statement and audit of the annual financial statement is due to the Department, and
 4. Includes the reasons for the additional extension request.
- G. In determining whether to approve or deny a request for a hospital to receive an additional extension as specified in subsection (F) for submitting an annual financial statement and audit of the annual financial statement, the Department shall consider the following:
1. The reasons for the additional extension request provided according to subsection (F)(4);
 2. The length of time for which the additional extension is being requested according to subsection (F)(2); and
 3. If the hospital has a history of the following items:
 - a. Repeated violations of the same statutes or rules,
 - b. Patterns of noncompliance with statutes or rules,
 - c. Types of violations of statutes or rules,
 - d. Total number of violations of statutes or rules,

- e. Length of time during which violations of statutes or rules have been occurring, and
 - f. Noncompliance with an agreement between the Department and the hospital.
- H. The Department shall send written notice of approval or denial to a hospital that requests an additional extension specified in subsection (F) for submitting an annual financial statement and audit of the annual financial statement within seven business days after receiving the request.
- I. If the Department denies a request for an additional extension specified in subsection (F), a hospital may appeal the denial according to A.R.S. Title 41, Chapter 6, Article 10.
- J. If a hospital administrator or designee does not submit an annual financial statement and a report of an audit of the annual financial statement according to this Section, the Department may assess civil penalties as specified in A.R.S. § 36-126.