

interpretation of current law. This would clarify that and change that so that it would allow the flexibility for the county who is leasing the hospital to another entity to retain some responsibility for management and costs of operation. For example, if a county would enter into a five year lease with some large hospital and they would go through the five years, and if that leasing entity, lessee, would not take care of maintenance and repair the way the county would like it to, when they got the facility back after five years they might have something that might need a lot of repair, might cost them a lot of money, and it might result in a real problem for the county. This would allow the county to have some ability to retain some control over maintenance and also management of the facility while it's being leased out. Counties would like to have that flexibility. We're seeing more and more leasing interests by facilities because of the economics of it, and because the economies of scale that are associated with being affiliated with a larger facility in the health care industry. Another significant item, or at least it's worth mentioning, I think, in the bill, is that this bill would allow county hospitals to submit their budgets to the county on an accrual basis, to do their budget on an accrual basis, which is generally considered, in the health care industry as I understand it, to be more accurate than the cash method of accounting anyway. This accrual method of accounting is required under federal law, but as it stands right now county hospitals have to do the accrual accounting method for federal law to comply, but they have to turn around and do a cash method of accounting to comply with state law. So, in effect, they have to pay their accounting people to do it two ways under present way. This allows them to do it all on an accrual basis, which is more efficient and it makes more sense. And those in the industry say that it's more accurate than the cash method of accounting anyway. This also changes the date for reporting budgets and year end financial statements from the present state of law, which is the first week in June, to July 15th. This is more in line with the budget year and with the yearly financial statements which hospitals prepare. By moving it to July 15th it just avoids some duplication of work and allows them the necessary time to get their accounting done and reported in a timely fashion. Those are the main elements of the bill. If there are any questions, I'd be glad to try to answer them. The bill is...I would say it's important, but it's not earth-shaking in terms of any great policy changes, but I would entertain questions, if there are any. Thank you, Madam President.