

In subsection (a) of this section, the reference to the calculation of net operating expenses "for a fiscal year" is added for clarity.

Also in subsection (a) of this section, the reference to "that fiscal year" is substituted for the former reference to "the year in question" for clarity.

In subsection (c)(1) and (2) of this section, the former reference to "the later of October 1, 1996 or" is deleted as obsolete.

In subsection (c)(3) of this section, the reference to the minimum rate "required under paragraph (2) of this subsection" is added for clarity.

Also in subsection (c)(3) of this section, the reference to "extend[ing]" the time is substituted for the former reference to "authoriz[ing] an additional amount of" time for brevity.

Defined terms: "Certified financial statement" § 10-401

"Department" § 10-101

"Facility" § 10-401

"Net operating expenses" § 10-419

"Provider" § 10-401

10-421. OPERATING RESERVES — COMPUTATION.

(A) COMPUTING OPERATING RESERVES.

(1) A PROVIDER SHALL COMPUTE OPERATING RESERVES FOR EACH FACILITY AS OF THE END OF THE FACILITY'S MOST RECENT FISCAL YEAR.

(2) WHEN A PROVIDER FILES AN APPLICATION FOR A RENEWAL CERTIFICATE OF REGISTRATION, THE PROVIDER SHALL SHOW COMPLIANCE WITH OPERATING RESERVE REQUIREMENTS BY INCLUDING WITH THE APPLICATION:

(I) A LETTER TO THE DEPARTMENT FROM A CERTIFIED PUBLIC ACCOUNTANT THAT STATES THE AMOUNT SET ASIDE; OR

(II) A CERTIFIED FINANCIAL STATEMENT THAT STATES THE AMOUNT SET ASIDE.

(B) APPLICATION OF OTHER RESERVES.

A PROVIDER MAY APPLY TOWARD THE OPERATING RESERVES REQUIRED BY § 10-420(B) OF THIS SUBTITLE ANY RESERVES, EXCEPT DEBT SERVICE RESERVES, THAT ARE MAINTAINED UNDER APPLICABLE FINANCING DOCUMENT REQUIREMENTS IF THE RESERVES ARE AVAILABLE TO THE PROVIDER TO MEET THE FACILITY'S OPERATING EXPENSES.

(C) VALUE OF INVESTMENTS.

FOR THE PURPOSE OF COMPUTING A PROVIDER'S OPERATING RESERVES, INVESTMENTS HELD TO THE CREDIT OF THE RESERVES SHALL BE CALCULATED AT THEIR MARKET VALUE AS OF THE END OF THE PROVIDER'S MOST RECENT FISCAL YEAR FOR WHICH A CERTIFIED FINANCIAL STATEMENT IS AVAILABLE.