

# **MEDICAID COST REPORT-FAMILY CARE HOMES**

## **Cost Report Instructions for the Reporting Period October 1, 2007 through September 30, 2008**

Reporting Deadline: **January 31, 2009**

### **MAILING ADDRESS**

**DIVISION OF MEDICAL ASSISTANCE  
FINANCE MANAGEMENT-RATE SETTING  
ATTN: ELIZABETH GRADY  
MAIL SERVICE CENTER 2501  
RALEIGH, NC 27699 - 2501**

### **OVERNIGHT / EXPRESS MAIL ADDRESS**

**ELIZABETH GRADY  
DMA / FINANCE MANAGEMENT  
RATE SETTING SECTION  
1985 UMSTEAD DRIVE  
RALEIGH, NC 27603**

**PHONE: (919) 855-4207**

<b>COST REPORT INSTRUCTIONS FOR SCHEDULE A</b>
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Cost Report  
Line Number

Description

The cost report may be prepared on a Cash or Accrual Basis. Please select whether the report is on cash or accrual basis.

**Part I General**

1. Enter the name of the facility as licensed by the NC Division of Health Service Regulation; the location (physical address) of the home, the city, state, and zip code of the home; and business and FAX telephone number(s).
- 1a. Enter the mailing address of the home; if different than above, enter the city, state, and zip code.
2. Enter the County name **where the home is physically located**
3. Enter license number as assigned by the NC Division of Health Service Regulation. (For example: FCL-789-123, etc.)
4. Enter most recent date home was licensed by the NC Division of Health Service Regulation.
5. Enter the name of the individual/corporation/entity to whom the license was issued.
6. **You must** enter your Medicaid Provider number as assigned by the NC Division of Medical Assistance. If the Medicaid Provider Number changed during the cost report period, please provide the prior Medicaid provider number.
7. Enter the National Provider Number (NPI) assigned through the NC Division of Medical Assistance.
8. Enter the name of the owner (s).
- 8a. Enter the name of a contact person and the contact's telephone number, if different than owner. This should be the contact person if there are questions about the cost report.

**Part II Tax Information**

9. Enter the tax status of the home by placing an "X" in the space provided.

**Part III Home Information**

10. If you or your corporation/company/organization own the facility which is licensed by the Division of Health Service Regulation, place an "X" in the appropriate space.
11. If the ownership of the home changed during the cost report period, place an "X" in the appropriate space.
- 11.a./b. If **YES** is marked in Number 10, indicate the name and address of the previous owner in the spaces and indicate what the date of the ownership change was in 11b.
12. Enter date home was built.
13. Enter in the appropriate space an "X" to indicate if the home has been fully depreciated for tax purposes in previous years.
14. Enter current bed capacity of the home as of the last day of the reporting period. This is the bed capacity licensed by the Division of Health Service Regulation.

15. Enter in the appropriate box whether a change in the licensed bed capacity as established by the Division of Health Service Regulation occurred during the cost reporting period.
16. If the response for Line 15 is YES, enter the date of the change and the bed capacity before the change.
17. Enter the months the home was in operation and identify the cost reporting period.
18. Enter the total number of Licensed Beds during the cost report period. Licensed beds are computed by multiplying the number of licensed beds throughout the cost report period by the number of days in the period. If there is an increase or decrease in the number of licensed beds during the period, the number of licensed beds for each month of the cost reporting period should be multiplied by the number of days during the month.

**Example:**

The cost report period is October 1, 2007 through September 30, 2008. The home is licensed for 5 beds on October 1, 2007 and 6 beds on January 1, 2008.

<u>Month/Year</u>	Number of		<u>Licensed Bed Capacity</u>	=	<u>Licensed Bed Days</u>
	<u>Days in Month</u>	<u>Times</u>			
October 2007	31	X	5	=	155
November 2007	30	X	5	=	150
December 2007	31	X	5	=	155
January 2008	31	X	6	=	186
February 2008	28	X	6	=	168
March 2008	31	X	6	=	186
April 2008	30	X	6	=	180
May 2008	31	X	6	=	186
June 2008	30	X	6	=	180
July 2008	31	X	6	=	186
August 2008	31	X	6	=	186
<u>September 2008</u>	30	X	6	=	<u>180</u>
Total Licensed Bed Days					2,098

Month / Year	Number of Days in Month	Licensed Bed Capacity	=	Licensed Bed Days
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
		X	=	
TOTAL:				

19. Enter the number of Available Bed Days during the cost report period. Available bed days are computed by multiplying the number of beds available during a month by the number of days in the month. Available bed days usually equal licensed bed days. If there is an increase or decrease in the number of beds available during the period, the number of beds available for each month of the cost report period should be multiplied by the number of days during the month.

Example:

The cost report period is October 1, 2007 through September 30, 2008. The home is licensed for 6 beds. Home had 5 available beds on October 1, 2007 and 6 on January 1, 2008.

<u>Month/Year</u>	<u>Licensed Beds</u>	<u>Licensed Beds Available</u>	<u>X</u>	<u>Number of Days in Month</u>	<u>=</u>	<u>Licensed Bed Days Available for Occupancy</u>
October 2007	6	5	X	31	=	155
November 2007	6	5	X	30	=	150
December 2007	6	5	X	31	=	155
January 2008	6	6	X	31	=	186
February 2008	6	6	X	28	=	168
March 2008	6	6	X	31	=	186
April 2008	6	6	X	30	=	180
May 2008	6	6	X	31	=	186
June 2008	6	6	X	30	=	180
July 2008	6	6	X	31	=	186
August 2008	6	6	X	31	=	186
September 2008	6	6	X	30	=	180
Total Available Bed Days:						2,098

The number of Available Bed Days (Line 19) may equal or be less than the number of Licensed Beds Available (Line 18), but they may **not** be greater.

Month / Year	Licensed Beds	Licensed Beds Available	X	Number of Days in Month	=	Licensed Bed Days Available for Occupancy
			X		=	
			X		=	
			X		=	
			X		=	
			X		=	
			X		=	
			X		=	
			X		=	
			X		=	
			X		=	
			X		=	
			X		=	
TOTAL:						

20. Enter the total number of Resident Days (private and State/County Special Assistance) for the home during the cost report period. It includes days residents were in the home plus reserve bed days. Total Resident Days does not distinguish between paid or non-paid days.

The number of Total Resident Days will be taken from the home's census records or computed based on dates residents were admitted, discharged, or on leave from the home.

The number of Total Resident Days (Line 20) may equal or be less than the number of Available Bed Days (Line 18), but they may **not** be greater.

21. Enter the total number of State/County Special Assistance Resident Days for the home during the cost report period. DO NOT include private pay residents.

The number of State/County Special Assistance Days will be taken from the home's census or computed based on dates State/County Special Assistance residents were admitted, discharged, or on leave from the home.

The number of total State/County Special Assistance Days (Line 21) may equal or be less than the Total Resident Days (Line 20), but they may **not** be greater.

22. Enter the total days covered by the Medicaid Adult Care Home - Personal Care Service Program.

#### **Part IV Certification of Accuracy**

Complete Part IV as indicated.

**COST REPORT  
INSTRUCTIONS FOR SCHEDULE B**

**This Cost Report may be prepared on a Cash or Accrual basis.**

**General Notes:**

**Enter on the lines provided on Schedule B the Name of the Home, Medicaid Provider Number as assigned by the Division of Medical Assistance, and the cost reporting period.**

Payments received from insurance, residents, family members, etc., for reimbursement of purchases of medicines and other purchases for residents should be netted out against the expense account and not reported as income under "other receipts".

Cost Report  
Line Number

Description

**RECEIPTS ON BEHALF OF STATE COUNTY SPECIAL ASSISTANCE RESIDENTS**

1. Enter total revenues collected from or on behalf of residents from the NC Division of Social Services and NC Division of Services for the Blind for the State / County Special Assistance to Adults program.
2. Enter total revenues collected from or on behalf of State / County Special Assistance residents for Social Security Benefits.
3. Enter total revenues collected from or on behalf of State / County Special Assistance residents for Supplemental Security Income benefits.
4. Enter total revenues collected for reimbursement of Personal Care Services (PCS) for Special Assistance/ Medicaid Eligible Residents.
5. Enter total revenues collected for reimbursement of Medical Patient Transportation for Special Assistance / Medicaid Eligible Residents.
6. Enter total Mental Health revenues collected from or on behalf of State/County Special Assistance residents.
7. Enter total CAP-MR revenues collected from or on behalf of State/County Special Assistance residents.
8. Enter total revenues collected from all other sources for Special Assistance / Medicaid Eligible residents, including but not limited to private insurance, veteran benefits, railroad pensions, family contributions, etc. It is not necessary to show each type.
9. Enter total dollar amount of Resident Revenue which has been returned to Special Assistance / Medicaid Eligible residents. This includes, but is not limited to patient refunds (refunds due to personal allowance of State/County Special Assistance (SA) funds and refunds due to either the resident's death or the resident's movement from the home.
10. Enter total dollar amount of Resident Revenue which has been returned to Medicaid billing error(s) and overpayments. This includes, but is not limited to refunds due to ineligibility, claims submitted in error, and refunds due to either the resident's death or the resident's movement from the home.
11. Total SA Resident Revenues: Add Lines 1-8 then subtract Lines 9 and 10

## RECEIPTS FROM PRIVATE PAY RESIDENTS

12. Enter total revenues collected from all other sources from or on behalf of private pay residents, including but not limited to insurance, veteran benefits, railroad pensions, family contributions, etc. It is not necessary to show each type.
13. Enter total Mental Health revenues collected from or on behalf of private pay residents.
14. Enter total dollar amount of Private Pay Residents Revenue which has been returned to private pay residents. This includes, but is not limited to patient refunds due to either the resident's death or the resident's movement from the home.
15. Total Private Pay Revenues: Add Lines 12-13 then subtract Line 14.

## NON-RESIDENT RELATED REVENUE

16. Enter total revenues received from the Staffing Grant (State/County Funded), which provided additional staffing money for facilities to meet the new third shift staffing requirements.
17. Enter total receipts, net of refunds, from all sources other than for residents' care and maintenance. Items to be included but not limited to: vending machine proceeds, cafeteria receipts, barber and beauty shop receipts and miscellaneous sale of goods. NC Sales and Use Tax refunds should be included if the home does not separate the payment of the sales tax from the cost of the purchased goods in the accounting records. If the sales and use taxes are posted as receivables, then the refunds would not be reported in this income category.
18. Enter total dollar amount of revenue refunded which was received from non-resident sources.
19. Total Non-Resident Related Revenues: Add Lines 16-17 then subtract Line 18.
20. Total Income Reported: Add Lines 11, 15, and 19.
21. Enter the total dollar from Schedule C, Line 160, Column 4.
22. Subtract Line 21 from Line 20. This represents the home's net profit (loss) for the cost reporting period.

**SCHEDULE OF EXPENSES  
INSTRUCTIONS FOR SCHEDULE C**

**This Cost Report may be prepared on a Cash or Accrual Basis.**

**General Instructions:**

Enter on the lines provided on Schedule C, the Home Name, Medicaid Number, and the cost Report period for which report is being prepared.

All facilities are required to maintain monthly timesheets on all employees that worked in more than one cost center. The facilities are required to utilize the timesheets to allocate the employee's personnel costs (salaries/wages, payroll taxes, and employee benefits) to the various cost centers.

It is suggested that the home prepare worksheets that summarize the individual monthly timesheets for each employee to arrive at the overall percentages of time the employee devoted to the various cost centers for supporting documentation.

**PERSONAL CARE**

**General Note:** This is for all PC Services provided to S/A clients or private pay clients in the home. The timesheet for Personal Care is the primary source of documentation for PCS activities. When the total time for PCS from these timesheets/payroll records differs from total time for PCS from timesheet for Cost Report, the home must reconcile the differences on the timesheet for the Cost Report based on the timesheets/payroll records.

For column 1, only paid hours are to be used to determine the hours worked. The paid hours would include holidays, sick time, and overtime. The overtime hours should be the actual hours worked and not the overtime ratio (1 1/2 hours) used to calculate the pay.

Column 2 should include hours worked by unpaid owners/operators.

Column 3 should include unpaid hours provided by volunteers.

The following is a list of tasks/staff time which are to be included under the Personal Care Cost Center:

**I. Personal care tasks which require 20 or 40 hours of training as listed in Adult Care Home Licensure Rules 13G .0501(h) and 13F .0501(c)**

**II. Personal care tasks requiring 75 hours of training as listed in Adult Care Home Licensure Rules 13G .0501 (i) and 13F .0502 (b) (crossed-referenced in 13H .0409).**

**III. Other personal care allowed by ACH Licensure Rules:**

- Administration of drugs as required by Rule 13B .1917;
- Supervision of residents as required by GS 131D-2(a)(1b) and Rules 13H .0407(a), 13H 0406(a), 13G .0406, 13G .0901(4) and 13F .0604, to include protective supervision of behavior;
- Feeding techniques for residents with swallowing problems;
- Bowel or bladder training involving hands-on and invasive activities such as enemas, suppositories, and catheterizations;
- Assist residents with toileting and maintaining bowel and bladder incontinence
- Assist residents with mobility and transferring
- Provide care for normal, unbroken skin
- Assist with personal hygiene to include mouth care, hair and scalp

- Grooming, care of fingernails, and bathing in shower, tub, bed basin
- Trim hair
- Shave resident
- Provide basic first aid
- Assist residents with dressing
- Assist with feeding residents with special conditions but no swallowing difficulties
- Assist and encourage physical activity
- Take and record temperature, pulse, respiration, routine height and weight
- Trim toenails for residents without diabetes or peripheral vascular disease
- Perineal care
- Apply condom catheters
- Turn and position
- Collect urine or fecal specimens
- Take and record blood pressure if a registered nurse has determined and documented staff to be component to perform this task
- Empty and record drainage of catheter bag
- Test urine or fecal specimens
- Non-sterile dressing procedures
- Force and restrict fluids
- Attending to any other personal care needs, scheduled or unscheduled, residents may be unable to meet for themselves
- Applying and removing ace bandages, ted hose and binders
- Enemas, suppositories and vaginal douches
- Positioning and emptying of the urinary catheter bag and cleaning around the urinary catheter
- Chest physiotherapy or postural drainage
- Clean dressing changes
- Collecting and testing of fingerstick blood samples
- Care of well established colostomy or ilcostomy
- Care for pressure ulcers
- Inhalation medication by machine
- Maintaining accurate intake and output data
- Medication administration through gastrostomy feeding tube
- Medication administration through injection (NOTE: Unlicensed staff may only administer subcutaneous injections according to the appropriate licensure rule).
- Oxygen administration and monitoring
- The care of residents who are physically restrained and the use of care practices as alternatives to restraints
- Oral suctioning
- Care of well established tracheotomy
- Administrating and monitoring of gastrostomy tube feedings
- Application of prescribed heat therapy
- Application and removal of prosthetic devices except as used in early post-operative treatment for shaping of the extremity
- Ambulation using assistive devices
- Range of motion exercises
- Any other prescribed physical or occupational therapy
- Transferring semi-ambulatory or non=ambulatory residents

#### **IV. Indirect Components of Personal Care when performed by staff member**

**(i.e.: Owner/Administrator, aide, supervisor-in-charge, nurse):**

- Conduct initial assessment and prepare care plans;
- Conduct reassessments and prepare new care plans as needed;
- Conduct annual reassessment/care plans;
- Obtain physician approval of care plans;
- Obtain case manager's verification/authorization of heavy care residents' eligibility for Enhanced ACH/PCS and ACH/CMS coverage;
- Conduct and document quarterly monitoring and supervisory reviews;
- Document service provision by staff.

In addition, the cost to provide Health Services and Initial / Orientation Aide Training should be included in this cost center. The costs related to employees attending Initial / Orientation Aide Training including wages and travel expenses are also reported.

**Cost Report**  
**Line Number**

**Description**

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1. **Salaries / Wages for Aides**  
 Enter in column 1 the total number of hours worked by all paid personal care aide personnel.  
 Also include personnel that attended and/or taught the personal care training seminars.  
 Enter in column 2 the total number of PCS hours worked by unpaid owners/operators.  
 Enter in column 3 the total number of PCS hours worked by unpaid volunteers.  
 Enter in column 4 the wages for all personal care aide personnel. Also include personnel that attended and/or taught the personal care training seminars identified in line #5.
  
2. **Salaries / Wages for all others**  
 Enter in column 1 the total number of hours worked by paid other staff doing personal care services.  
 Also include personnel that attended and/or taught the personal care training seminars.  
 Enter in column 2 the total number of hours worked by unpaid other staff doing Personal Care Services.  
 Enter in column 3 the total number of hours worked by unpaid other volunteers doing PCS.  
 Enter in column 4 the wages for all Other Personal Care staff. Also include personnel that attended and/or taught the personal care training seminars.
  
3. **Casual Labor (Incidental / Short-Term Employment)**  
 Cost of personal care services labor for incidental, short-term employment.
  
4. **Payroll Taxes**  
 Enter in column 4 the cost of taxes paid by employer. Items include:
  - FICA
  - FUTA
  - SUTA
  
5. **Employee Benefit Program**  
 Enter in column 4 the cost of benefits paid by employer. Items include:
  - Dental Insurance
  - Health Insurance
  - Life Insurance
  - Retirement
  - Uniforms
  - Worker's Compensation
  
6. **Meetings/Seminars/Training**  
 Enter in column 4 the cost of Personal Care personnel in attending meetings, seminars, and conferences. PCS training includes cost of training/tuition fees. Only include cost as related to MAINTAINING current skill level.  
 Items include:
  - Tuition / Registration / Fees
  - Training Materials

- 7. Travel Costs**  
Enter in column 4 the cost incurred by Personal Care Staff for travel expenses related to participating in PCS training. Items include:
- Travel costs (mileage reimbursement, public transportation costs, etc.)
  - Lodging (hotel/motel) costs when incurred for business related purposes
  - Meals for facility personnel when incurred for business related purposes
  - Parking fees when incurred for business related purposes
- 8. Contract Services**  
Enter in column 1 the total number of hours worked by the individual(s) under contract who perform personal care services.  
Enter in column 4 the cost of contracted Personal Care Services.
- 9. Non-Legend Drugs and Medical Supplies**  
Enter in column 4 the cost of non-prescription drugs and medical supplies. Items include:
- Non-Prescription Stock Drugs
  - Adhesives
  - Dressings
  - Gauze
  - Gloves
  - Syringes
  - Incontinence Supplies (disposable diapers, underpads, etc.)
  - Non-Capitalized Equipment (Chart holder, drug chart, glucometer, humidifier, blood pressure cuff, physician scale, shower chair, stethoscope, suction machine, wheelchair, Geri chair, commode chair, etc.)
- 10. Legend Drugs**  
Enter in column 4 the cost of those prescription drugs exceeding the pharmacy service limitation of six prescriptions per month per resident.
- 11. Beauty and Barber Shop**  
Enter in column 4 the cost of furnishing beauty and barber services to residents. Items include:
- Beauty and Barber supplies used for basic hair care services
  - Personal Hygiene basic supplies (shampoo, razors, shaving cream, etc.)
- 12. Bloodborne Pathogens (OSHA)**  
Enter in column 4 the cost of meeting OSHA standards for bloodborne pathogens and infectious materials. This includes supplies, protective equipment/clothing, vaccinations, training materials, hazard signs/labels, waste disposal, and medical records retention.
- 13. Miscellaneous**  
Cost of other personal care service items not considered in the above accounts.
- 13a. Related Party Adjustments**  
Any amount on this line will automatically be pulled from Schedule D if related party expenses need to be adjusted to the actual cost of the related organization.

## HOUSEKEEPING / LAUNDRY, DIETARY and RECREATION

**General Note:** This cost center includes all allowable costs related to Housekeeping/Laundry, dietary and recreation cost centers.

Cost Report  
Line Number

Description

- | Cost Report<br>Line Number | Description   |
|----------------------------|---|
| 21.                        | <p><b>Salaries / Wages</b><br/>           Enter in column 1 the total number of hours worked by paid staff furnishing housekeeping/laundry, dietary and recreation.<br/>           Enter in column 2 the total number of housekeeping/laundry, dietary and recreation hours worked by unpaid Owners/operators.<br/>           Enter in column 3 the total number of housekeeping/laundry, dietary and recreation hours worked by unpaid Volunteers.<br/>           Enter in column 4 the cost of all salaries and wages of personnel furnishing housekeeping/laundry, dietary and recreation.</p> |
| 22.                        | <p><b>Casual Labor (Incidental / Short-Term Employment)</b><br/>           Cost of housekeeping/laundry, dietary and recreation labor for incidental, short-term employment.</p>  |
| 23.                        | <p><b>Payroll Taxes</b><br/>           Enter in column 4 the cost of taxes paid by employer. Items include:</p> <ul style="list-style-type: none"> <li>- FICA</li> <li>- FUTA</li> <li>- SUTA</li> </ul>  |
| 24.                        | <p><b>Employee Benefit Program</b><br/>           Enter in column 4 the cost of benefits paid by employer applicable to housekeeping/laundry, dietary and recreation. Items include:</p> <ul style="list-style-type: none"> <li>- Dental Insurance</li> <li>- Health Insurance</li> <li>- Life Insurance</li> <li>- Retirement</li> <li>- Uniforms</li> <li>- Worker's Compensation</li> </ul>  |
| 25.                        | <p><b>Meetings / Seminars / Training</b><br/>           Enter in column 4 the cost of housekeeping/laundry, dietary and recreation personnel in attending meetings, seminars, and conferences. Items include:</p> <ul style="list-style-type: none"> <li>- Tuition / Registration / Fees</li> <li>- Training Materials</li> </ul>   |
| 26.                        | <p><b>Travel Costs</b><br/>           Enter in column 4 the cost incurred by housekeeping/laundry, dietary and recreation personnel in providing services to patients. Items include:</p> <ul style="list-style-type: none"> <li>- Travel costs (mileage reimbursement, public transportation costs, etc.)</li> <li>- Lodging (hotel/motel) costs when incurred for business related purposes</li> <li>- Meals for facility personnel when incurred for business related purposes</li> <li>- Parking fees when incurred for business related purposes</li> </ul>                                  |
| 27.                        | <p><b>Contract Services</b><br/>           Enter in column 1 the total number of hours worked by individuals under contract to provide housekeeping/laundry, dietary and recreation.<br/>           Enter in column 4 the cost of contracted housekeeping/laundry, dietary and recreation.</p>  |

Cost Report  
Line Number

Description

- 28. Linen and Bedding**  
Enter in column 4 the cost of linen and bedding. Items include:
- Linens, Bedding, Sheets
  - Mattresses, Pillows and Cases
  - Blankets, Towels, and Washcloths
- 29. Food**  
Enter in column 4 the cost of food and nutritional supplements. Items include:
- Meats, Vegetables, Dairy Products, etc.
- 30. Supplies**  
Enter in column 4 the cost of supplies for housekeeping/laundry, dietary and recreation. Items include:
- Recreation Supplies**, Art Supplies, Games, Non-Capitalized Equipment (Camera, VCR, stereo, typewriter, etc.).
  - Housekeeping Supplies**: Cost of cleaning and laundry supplies and materials. Items include Brooms, Mops, Detergents, etc. Non-Capitalized Equipment (vacuum cleaner, mop bucket, buffer, linen cart, scale, marking machine, etc.).
  - Dietary Supplies**: General Kitchen Supplies Plates, Cups, Forks, Knives, cleaning supplies and Materials for Kitchen/Dining area, Non-Capitalized Equipment (blender, coffee urn, food cart, etc.).
  - Operation/Maintenance** supplies include chemicals, shop supplies, tools, gasoline and oil for lawn equipment and non-capitalized equipment (lawn mower, etc.).
- 31. Miscellaneous**  
Enter in column 4 the cost of other housekeeping/laundry, dietary and recreation items not considered in the above accounts.
- 31a. Related Party Adjustments**  
Any amount on this line will automatically be pulled from Schedule D if related party expenses need to be adjusted to the actual cost of the related organization.

**PROPERTY / OWNERSHIP / USE**

**General Note:** This cost center includes all allowable costs related to the acquisition and/or use of the physical assets including building, fixed equipment and movable equipment.

For depreciation account numbers 41-44, the guidelines provided by the United States Internal Revenue Service for tax purposes should be followed.

Cost Report  
Line Number

Description

- 41. Depreciation - Land Improvements**  
**For Depreciation, the guidelines provided by the United States Internal Revenue Service for tax purposes should be followed:**  
Enter in column 4 the cost of land improvements prorated over its expected life. Items include:
- Parking lots, Curbs and guttering
  - Sidewalks, Landscaping

- 42. Depreciation - Buildings and Improvements**  
**For Depreciation, the guidelines provided by the United States Internal Revenue Service for tax purposes should be followed:**  
Enter in column 4 the cost of the building(s) and building improvements prorated over its expected life.
- 43. Depreciation - Equipment**  
**For Depreciation, the guidelines provided by the United States Internal Revenue Service for tax purposes should be followed:**  
Enter in column 4 the cost of equipment NOT affixed to building prorated over its expected life. Items include:
- Office Furniture and Fixtures
  - Patient's Room Furniture and Fixtures
  - Office Machines and Equipment
  - Telephone Equipment
  - Kitchen Equipment, Laundry Equipment
  - Maintenance Equipment, Lawn Mowers and Tractors
  - Specialized Medical Equipment
  - Wheel Chairs
  - Specialized Educational Equipment
  - Computer Equipment and Software
- 44. Depreciation - Automobiles**  
Enter in column 4 the cost of the purchase of an automobile or van used exclusively for Medically Related Patient Transportation prorated over its expected life.
- 45. Rent for Facility**  
Enter in column 4 the cost of renting or leasing facility where services are being provided to residents.
- 46. Rent for Other: Buildings / Land**  
Enter in column 4 the cost for rent of homes rented for staff to meet resident requirements, temporary storage, land, etc.
- 47. Rent for Other: Automobiles / Equipment**  
Enter in column 4 the cost of leasing equipment. Items include:
- Copier Rental
  - Computer Equipment Rental
  - Office Furniture and Equipment Rental
  - Telephone Equipment Rental
  - Automobile Leases (other than cost applicable to Medically Related Patient Transportation)
  - Patient Furniture and Equipment (other than cost applicable to Medically Related Patient Transportation).
  - Specialized Medical Equipment Rental (other than cost applicable to Medically Related Patient Transportation).
  - Wheelchair Rental (other than cost applicable to Medically Related Patient Transportation).
  - Other Equipment Rental (other than cost applicable to Medically Related Patient Transportation).
- 48. Real Estate Taxes**  
Enter in column 4 the cost of all property taxes.

- 49. Interest - Mortgage / Fixed Asset**  
Enter in column 4 the cost of all mortgage interest on fixed assets (NOT on operating capital). Items include:
- Land and Land improvements
  - Buildings and Buildings improvements
  - Equipment
  - Automobiles (other than interest cost related to Medically Related Patient Transportation).
- 50. Interest – Other Capital Areas**  
Enter in column 4 the cost of all other capital interest on other capital assets (NOT on operating capital). Items include:
- Equipment
  - Automobiles (other than interest cost related to medically related patient transportation)
- 51. Insurance - Fixed Assets**  
Enter in column 4 the cost of all insurance on property ONLY. (NOT liability, worker's compensation, disability, life, or other non-property insurance). Cost of all automobile insurance, including liability (other than cost applicable to Medically Related Patient Transportation).
- 52. Miscellaneous**  
Enter in column 4 the cost of other property / ownership / use items not considered in the above accounts.
- 52a. Related Party Adjustments**  
Any amount on this line will automatically be pulled from Schedule D if related party expenses need to be adjusted to the actual cost of the related organization.

**MEDICALLY RELATED PATIENT TRANSPORTATION**

**General Note:** This cost center relates to the transportation of both Private Pay residents and Medicaid eligible residents. Include only actual transportation cost in this cost center. Waiting time is to be included in the Administration and General Services Cost Center. (All other transportation should be reported in the appropriate Cost Center based on the purpose of the transportation.)

- 61. Salaries / Wages**  
Enter in column 1 the total number of hours worked by paid staff furnishing medically related patient transportation.  
Enter in column 2 the total number of medically related patient transportation hours worked by unpaid Owners/operators.  
Enter in column 3 the total number of medically related patient transportation hours worked by unpaid Volunteers.  
Enter in column 4 the cost of all salaries and wages of personnel furnishing medically related patient transportation
- 62. Casual Labor (Incidental / Short-Term Employment)**  
Cost of medically related patient transportation labor for incidental, short-term employment.

- 63. Payroll Taxes**  
Enter in column 4 the cost of taxes paid by employer applicable to medically related patient transportation. Items include:
- FICA
  - FUTA
  - SUTA
- 64. Employee Benefit Program**  
Enter in column 4 the cost of benefits paid by employer applicable to medically related patient transportation. Items include:
- Dental Insurance
  - Health Insurance
  - Life Insurance
  - Retirement
  - Uniforms
  - Worker's Compensation
- 65. Meetings / Seminars / Training**  
Enter in column 4 the cost of medically related patient transportation personnel in attending meetings, seminars, and conferences. Items include:
- Tuition / Registration / Fees
  - Training Materials
- 66. Travel Costs**  
Enter in column 4 the cost incurred by medically related patient transportation personnel to provide services to patients. Items include:
- Travel costs (mileage reimbursement, public transportation costs, etc.)
  - Parking fees when incurred for business related purposes
- 67. Contract Services**  
Enter in column 1 the number of hours worked by the individuals(s) under contract.  
Enter in column 4 the cost of contracted Services.
- 68. Depreciation - Automobiles**  
**For Depreciation, the guidelines provided by the United States Internal Revenue Service for tax purposes should be followed:**  
Enter in column 4 the cost of the purchase of an automobile or van used by the home (other than cost applicable to Medically Related Patient Transportation) prorated over its expected life.
- 69. Rent - Equipment**  
Enter in column 4 all cost to rent or lease equipment used for Medicaid Medically Related Patient Transportation and all cost to rent or lease a vehicle used for Medically Related Patient Transportation .
- 70. Automobile & Truck Maintenance and Upkeep**  
Enter in column 4 all costs to maintain and operate vehicles owned by the home used for Medically Related Patient Transportation. Items include:
- Registration Fees
  - Gasoline
  - Oil
  - Tires
  - Lubrication
  - Vehicle Repairs

**Cost Report**  
**Line Number**

**Description**

- 71. Repairs and Maintenance - Equipment**  
Enter in column 4 all material and labor cost to repair and maintain equipment used for Medically Related Patient Transportation. Items include:  
- Wheelchair Lift Repair
- 72. Interest - Automobile**  
Enter in column 4 all interest expense on vehicles used for Medically Related Patient Transportation.
- 73. Insurance - Automobile**  
Enter in column 4 all insurance expense on vehicles used for Medically Related Patient Transportation.
- 74. Miscellaneous**  
Enter in column 4 the cost of other medically related patient transportation items not considered in the above accounts.
- 74a. Related Party Adjustments**  
Any amount on this line will automatically be pulled from Schedule D if related party expenses need to be adjusted to the actual cost of the related organization.

**ADMINISTRATION and GENERAL**

**THIS COST CENTER INCLUDES ALL ALLOWABLE COSTS RELATED TO ADMINISTRATION AND OPERATIONS/ MAINTENANCE COST CENTERS**

Administration and General Cost Center includes all costs needed to administer the facility including the staff costs for the administrator, assistant administrator, bookkeeping and secretarial personnel, etc. It includes the costs of data processing, dues and subscriptions, employee criminal records check fees, travel, legal and accounting fees, and a variety of other administrative costs. Also take in to account costs to operate or maintain the functionality and appearance of the facility. Examples include maintenance staff, utilities, repairs and maintenance on all equipment, automobiles, buildings and grounds.

**Cost Report**  
**Line Number**

**Description**

- 81. Salaries / Wages**  
Enter in column 1 the total number of hours worked by paid administration and general personnel responsible for administering the activities of the home and assigned to classifications of administrator, assistant administrator, secretary, bookkeeper, etc. .  
Enter in column 2 the total number of administration and general personnel hours worked by unpaid owners/operators.  
Enter in column 3 the total number of administration and general personnel hours worked by unpaid volunteers.  
Enter in column 4 all administration and general personnel salaries and wages of individuals responsible for administering the activities of the home and assigned to classifications of administrator, assistant administrator, secretary, bookkeeper, etc.
- 82. Casual Labor (Incidental / Short-Term Employment)**  
Cost of labor for incidental, short-term employment.
- 83. Payroll Taxes**  
Enter in column 4 the cost of taxes paid by employer. Items include:  
- FICA  
- FUTA  
- SUTA

**84. Employee Benefit Program**

Enter in column 4 the cost of benefits paid by employer. Items include:

- Dental Insurance
- Health Insurance
- Life Insurance
- Retirement
- Uniforms
- Worker's Compensation

**85. Meetings / Seminars / Training**

Enter in column 4 the cost of personnel in attending meetings, seminars, and conferences. Items include:

- Tuition / Registration / Fees
- Training Materials

**86. Travel Costs**

Enter in column 4 the cost incurred by the facility in providing services to patients, training facility personnel and other business related functions. Items include.

- Travel costs (mileage reimbursement, public transportation costs, etc.)
- Lodging (hotel/motel) costs when incurred for business related purposes
- Meals for facility personnel when incurred for business related purposes
- Parking fees when incurred for business related purposes

**87. Contract Services**

Enter in column 1 the total number of hours worked by contracted service individuals.  
Enter in column 4 the cost of contracted Services.

**88. Employee Criminal Record Check Fees**

Enter in column 4 the cost of employee criminal record checks.

**89. Office Supplies and Materials**

Enter in column 4 the cost of office supplies and other administrative supplies. Items include:

- General Office Supplies
- Printed Forms
- Letterhead and Envelopes
- Checks, Deposit Slips, and other Banking Forms
- Non-Capitalized Equipment (fax machine, calculator, etc.)

Cost of operation/maintenance; chemicals supplies. Items include:

- Shop supplies
- Tools
- Gasoline and oil for lawn equipment
- Not-capitalized equipment (lawn mower, etc.)

**90. Management Services**

Enter in column 4 the cost of contracted Management Services.

If a management company performs any direct care services and maintains time records to document the performance of those services, then the costs associated with the direct care services should be identified in the appropriate cost center as a contracted service. DO NOT INCLUDE THOSE COSTS ON THIS LINE.

- 91. Central Office Overhead**  
Enter in column 4 the cost of central office allocated to home for centralized services furnished by a home office.
- If you have more than one facility, the basis of the allocation among facilities may be: (A) specific time records of work performed at each facility, or (B) patient days in each facility to which the costs apply relative to the total patient days in all the facilities to which the costs apply.
- 92. Interest - Operating**  
Enter in column 4 the financing cost of operating capital for other than fixed assets (land buildings, equipment, automobiles, etc.). Items include:
- Interest on Operating Loans
  - Fees for General Lines of Credit
  - Interest on Credit Card Purchases
  - Interest on Other Revolving Credit Purchases
- 93. Advertising**  
Enter in column 4 the cost of brochures, pamphlets, and all promotional and public relations expenses.
- 94. Amortization**  
Enter in column 4 the cost of current write-off of capitalized items. Items include:
- Cost of establishing the entity or organization
- 95. Data Processing**  
Enter in column 4 the cost of operating a data processing unit or contracted computer services. Items include:
- Contracted Data Processing Services
  - Software Expense
  - Data Processing Supplies
- 96. Legal and Accounting**  
Enter in column 4 the cost of acquiring contracted Legal and Accounting Services for home's operations.
- 97. Audit**  
Enter in column 4 the cost of having an audit performed on the cost report by an Accountant or Certified Public Accountant (CPA).
- 98. Telephone and Telegraph**  
Enter in column 4 the cost of telephone and telegraph services for all communication services (including pagers).
- 99. Travel and Entertainment**  
Enter in column 4 the cost of travel and entertainment for business purposes.
- 100. Dues and Subscriptions**  
Enter in column 4 the cost of membership in professional societies, cost of trade journals and publications and cost of subscriptions to newspapers and magazines for residents.
- 101. Insurance - General**  
Enter in column 4 the cost of all business insurance not related to property or employees.
- 102. Licenses**  
Enter in column 4 the cost of federal, state, and local licensing fees.

- 103. Bad Debts**  
Enter in column 4 the cost of Bad Debts in circumstances where a resident with SSI or Social Security coverage is served by a home and this revenue is diverted from paying for the cost of care. Costs of this nature shall be limited to one occurrence of a consecutive resident stay not to exceed sixty (60) days.
- 104. Postage**  
Enter in column 4 the cost of postage.
- 105. Automobile & Truck Maintenance and Upkeep**  
Enter in column 4 the cost of all maintenance and upkeep on vehicles owned by the home (other than cost applicable to Medically Related Patient Transportation). Items include:  
  - Registration Fees, Gasoline, Oil, Tires
  - Lubrication, Vehicle Repairs
- 106. Repairs and Maintenance - Buildings and Grounds**  
Enter in column 4 the cost of all materials and labor to repair and maintain buildings and grounds.
- 107. Repairs and Maintenance - Equipment**  
Enter in column 4 the cost of all materials and labor to repair and maintain equipment (other than costs applicable to Medically Related Patient Transportation). Items include:  
  - Office equipment, Furniture and fixtures
  - Plant machinery and equipment
- 108. Utilities**  
Enter in column 4 the cost for all utilities. Items include:  
  - Electricity
  - Gas (Natural gas, propane, butane - NOT gasoline)
  - Fuel (Fuel oil used to heat and cool building - NOT gasoline)
  - Water (water and sewer services)
- 109. Sanitary and Pest Control**  
Enter in column 4 the cost of sanitation (garbage) and pest control services.
- 110. Miscellaneous**  
Enter in column 4 the cost of other items not considered in above accounts.
- 110a. Related Party Adjustments**  
Any amount on this line will automatically be pulled from Schedule D if related party expenses need to be adjusted to the actual cost of the related organization.

## NON-REIMBURSABLE

Providers have a responsibility to operate economically and efficiently so that their costs are reasonable. Providers are required to provide services at the lowest possible costs in compliance with Federal and State laws, regulations for licensing and certification, and standards for quality of care and patients' safety. Providers are also responsible for the financial actions of their agents (e.g., management companies) in this regard.

**Cost Report**  
**Line Number**

**Description**

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**121a.**

**Miscellaneous**

Examples include and are consistent with non-reimbursable costs:

- Fireworks
- Luxury items (especially luxury vehicles)
- Owner's personal use of company vehicle
- Personal travel cost
- Tobacco products or alcoholic beverages (unless prescribed by a licensed physician)
- Entertainment costs for owners/operators (such as tickets to sporting events, concerts, ski trips, cruises). However, costs incurred for purposes of employee morale, specifically, annual employee picnic, annual Christmas party, annual employee award ceremony, sponsorship of employee athletic program are allowable to the extent they are reasonable.
- Professional musicians
- Vending machine expenses (see note below)
- State or federal corporate income taxes, plus any penalties and interest
- Bad debts other than those listed on Line 103
- Life insurance (except for employee group plans)
- Contributions, including political or church related, charity and courtesy allowances
- Penalties or interest on income taxes
- Personal income taxes, plus any penalties and interest
- Retainers, (unless itemized services of equal value have been rendered)
- Country club dues
- Fines or penalties

NOTE: For these non-allowable expenses that generate income, such as prescription drugs, vending machines, etc., expense should be identified as a miscellaneous non-reimbursable cost when determinable. If the provider cannot determine the proper amount of expense that is to be identified, then the income that was generated must be offset in full to the appropriate cost center.

<b>MENTAL HEALTH CONTRACTED SERVICES</b> <b>(FOR USE ONLY BY GROUP HOMES RECEIVING MENTAL HEALTH FUNDING)</b>
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This cost center includes the cost of all mental health, therapy and physician services and supplies separately reimbursed by Area Mental Health Programs or Medicaid or Medicare Part B.

**Cost Report**  
**Line Number**

**Description**

- | <b>Cost Report<br/>Line Number</b> | <b>Description</b>  |
|------------------------------------|---|
| <b>131.</b>                        | <p><b>Salaries / Wages</b><br/>           Enter in column 1 the total number of hours worked by paid mental health contracted services staff.<br/>           Enter in column 2 the total number of Mental Health Contracted Services hours worked by unpaid owners/operators.<br/>           Enter in column 3 the total number of Mental Health Contracted Service hours worked by volunteers.<br/>           Enter in column 4 all mental health service personnel salaries and wages.<br/>           Items include:</p> <ul style="list-style-type: none"> <li>- Physician fees</li> <li>- Ambulance service</li> <li>- Physicians' fees for other than utilization review or medical directors or medical consultants as required by law</li> <li>- Physical therapy</li> <li>- Occupational therapy</li> <li>- Speech therapy</li> <li>- Oxygen therapy</li> <li>- Parenteral/enteral therapy</li> </ul> |
| <b>132.</b>                        | <p><b>Casual Labor (Incidental / Short-Term Employment)</b><br/>           Cost of labor for incidental, short-term employment.</p>   |
| <b>133.</b>                        | <p><b>Payroll Taxes</b><br/>           Enter in column 4 the cost of taxes paid by employer. Items include:</p> <ul style="list-style-type: none"> <li>- FICA</li> <li>- FUTA</li> <li>- SUTA</li> </ul>  |
| <b>134.</b>                        | <p><b>Employee Benefit Program</b><br/>           Enter in column 4 the cost of benefits paid by employer. Items include:</p> <ul style="list-style-type: none"> <li>- Dental Insurance</li> <li>- Health Insurance</li> <li>- Life Insurance</li> <li>- Retirement</li> <li>- Uniforms</li> <li>- Worker's Compensation</li> </ul>   |
| <b>135.</b>                        | <p><b>Meetings / Seminars / Training</b><br/>           Enter in column 4 the cost of mental health service personnel in attending meetings, seminars, and conferences. Items include:</p> <ul style="list-style-type: none"> <li>- Tuition / Registration / Fees</li> <li>- Training Materials</li> </ul>  |

**136. Travel Costs**

Enter in column 4 the cost incurred by mental health contracted services personnel in providing services to patients, training facility personnel and other business related functions. Items include.

- Travel costs (mileage reimbursement, public transportation costs, etc.)
- Lodging (hotel/motel) costs when incurred for business related purposes
- Meals for facility personnel when incurred for business related purposes
- Parking fees when incurred for business related purposes

**137. Contract Services**

Enter in column 1 the total number of hours worked by individuals under contract. Enter in column 4 the cost of contracted Mental Health Services. Items include:

- Physician fees
- Ambulance service
- Physicians' fees for other than utilization review or medical directors or medical consultants as required by law
- Physical therapy
- Occupational therapy
- Speech therapy
- Oxygen therapy
- Parenteral/enteral therapy
- Radiology
- Laboratory
- Dental work

**138. Supplies**

Enter in column 4 the cost of supplies for Mental Health Contracted Services. Items include:

- Life sustaining equipment, such as oxygen concentrators, respirators, and ventilators and other specifically approved equipment
- Intravenous fluids
- Billable medical supplies
- Glasses & hearing aids

**139. Miscellaneous**

Enter in column 4 the cost of other Mental Health Contracted Service items not considered in above accounts.

**139a. Related Party Adjustments**

Any amount on this line will automatically be pulled from Schedule D if related party expenses need to be adjusted to the actual cost of the related organization.

<b>TOTAL: ALL COST CENTERS</b>
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**TOTAL OF ALL COST CENTERS.**

## SCHEDULE OF UNPAID / UNCOMPENSATED OWNER HOURS

### SCHEDULE C – SUPPLEMENT

Enter in the Column titled Cost Report Line No. the Family Care Home Cost Report Line Number that the Unpaid Owner Hours are reported on.

Enter in the Column titled Cost Report Line Description the Family Care Home Cost Report Line description that the Unpaid Owner Hours are reported on.

Enter in the Column titled Cost Center Title the Family Care Home Cost Report cost center title that the Unpaid Owner Hours are reported in.

Enter in the Column titled Name of Person the person's name that worked the Unpaid Owner Hours.

Enter in the Column titled Relationship to Owner / Provider the person's relation to the Owner / Provider.

Enter in the Column titled Unpaid Hours the number of hours worked during the cost reporting period in the Cost Center. These hours will be in the Patient logs and / or in the Time Sheets for Cost Report.

## RELATED PARTY EXPENSES – Schedule D

Nursing Homes are exempt from completing/preparing the Related Party Transactions.

### Definitions:

- A. **“Related to the home”** means that the home to a significant extent is associated or affiliated with, or has control of, or is controlled by, the organization and/or individual furnishing the services, facilities, or supplies.
- B. **“Common ownership”** exists when an individual or individuals possess significant ownership or equity in the home and the institution or organization serving the home.
- C. **“Control”** exist where an individual or an organization has the power, directly or indirectly, significantly to influence or direct the actions or policies of an organization or institution. The term “control” includes any kind of control, whether or not it is legally enforceable and however it is exercisable or exercised. It is the reality of the control that is decisive, not its form or the mode of its exercise.
- D. **“Necessary services”** are those services needed for the efficient operation and sound management of the facility such that had the owners or owner-related individual not rendered the services, the facility would have had to employ another person to perform the services.
- E. **“Ownership interest”** means the entitlement to a legal or equitable interest in any property of the facility whether such interest is in the form a capital, stock, or profits of the facility.
- F. **“Owner”** An owner shall be considered any individual with a 5% or more ownership interest in the facility.
- G. **“Owner-Related Individual”** An owner-related individual shall be considered an individual who is a member of an owner's immediate family which includes spouse, natural or adoptive parent, natural or adopted child, stepparent, stepchild, sibling or stepsibling, in-laws, grandparents and grandchildren.
- H. **“Compensation”** means the total benefits received by the owner for the services he/she renders to the institution. Such compensation shall include:
  - a. Salary amounts paid for managerial, administration, professional and other services
  - b. Amounts paid by the institution for the personal benefits of the proprietor
  - c. The cost of assets and services which the proprietor received from the institution
  - d. Deferred compensation
  - e. Compensation reported for tax purpose

In determining whether a home is related to a supplying organization and/or individual, the tests of common ownership and control are to be applied separately. If the elements of common ownership or control are not present in both organizations, the organizations are deemed not to be related to each other.

The existence of an immediate family relationship will create an irrefutable presumption of relatedness through control or attribution of ownership or equity interests. The following persons are considered immediate family for Adult Care Program purposes:

- Husband and wife
- Natural parent, Child and sibling
- Adopted child and adoptive parent
- Step Parent, step-child, step-sister, and step-brother
- Father-in-law, mother-in-law, sister-in-law, brother-in-law, son-in-law and daughter-in-law
- Grandparent and grandchild

Some examples of common types of transaction between related parties are:

- Sales
- Purchases
- Transfers of realty and personal property
- Services received or furnished, for example:
  - Accounting
  - Management
  - Engineering
  - Legal service
- Use of property and equipment by lease or otherwise
- Borrowing and lending
- Guarantees
- Maintenance of bank balances as compensating balances for the benefit of another
- Intercompany billings based on allocations of common costs
- Filings of consolidated tax returns

**General Instructions – Schedule D:**

For each type of related party cost/expense, please complete the following fields:

1. Description of the expense/cost line item
2. Identification of the line item number and the Cost Center that the expense/cost was reported under
3. Name of the Related Party (organization and/or individual)
4. Description of the relationship between the related party and the home  
Examples are:
  - Parent company
  - Subsidiary
  - Subsidiary of a common parent company
  - Principal owner
  - Immediate family of principal owners
  - Management
  - Immediate family of management
  - Affiliate (a party that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with the home)
  - Different divisions within the same company
5. Total amount of the related party transaction/expense
6. Total number of paid hours, if applicable, that corresponds to the expense (salaries and wages, casual labor and contract services) being reported.
7. Any amount of the Related Party Adjustment line will automatically be pulled from Schedule D if related party expenses need to be adjusted to the actual cost of the related organization.