

ESTIMATED USEFUL LIVES OF CAPITAL ASSETS

	<u>USEFUL LIFE</u>
STEREO EQUIPMENT	5
STEREO TACTIC FRAME	5
STERILIZER, MOVABLE	12
STERIS STERILIZATION SYSTEM	7
STETHOSCOPE	5
STRESS TESTER	10
STRETCHER	10
SURGICAL SHAVER	5
TABLE	
ANESTHETIC	15
AUTOPSY	20
ELECTROHYDRAULIC TILT	10
EXAMINING	15
FOLDING	10
FOOD PREPARATION	15
FRACTURE	15
INSTRUMENT	15
LIGHT	15
METAL	15
OBSTETRICAL	20
OPERATING	15
ORTHOPEDIC	10
OVERBED	15
POOL	10
REFRIGERATED	10
THERAPY	15
TRACTION	10
UROLOGICAL	15
WOOD	15
TANK	
CLEANING	10
FULL-BODY	15
HOT-WATER	10
THERAPY	15
TDX ANALYZER	7
TELEMETRY UNIT	5

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ENACTED

ESTIMATED USEFUL LIVES OF CAPITAL ASSETS

	<u>USEFUL LIFE</u>
TELEPHONE, CORDLESS	5
TELEPHONE EQUIPMENT FOR DEAF	5
TELEPHONE MONITORS	10
TELESCOPE, MICROLENS	10
TELESCOPIC SHOULDER WHEEL	15
TELETHERMOMETER	10
TELEVISION	
MONITOR	5
RECEIVER	5
TENT	
AEROSOL	10
OXYGEN	8
THERMOMETER, ELECTRIC	5
TIME RECORDING EQUIPMENT	10
TISSUE-EMBEDDING CENTER	8
TISSUE PROCESSOR	7
TITRATOR, AUTOMATIC	10
TOASTER, COMMERCIAL	10
TONOMETER	10
TOTALAP	10
TOURNIQUET, AUTOMATIC	10
TOURNIQUET SYSTEM	7
TRACTION UNIT	10
TRACTOR	10
TRANSCRIBING EQUIPMENT	5
TRANSCUTANEOUS NERVE STIMULATOR SYSTEM	5
TRANSESOPHAGEAL TRANSDUCER	5
TREADMILL, ELECTRIC	8
TRUCK (AUTOMOTIVE)	
FORKLIFT	10
MULTIPURPOSE FILLING	15
PICKUP	4
PLATFORM	12
VAN	4

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	<u>USEFUL LIFE</u>
TRUCK (HAND)	
HOT-FOOD	10
TRAY	12
TUBE DRYER	10
TUBE TESTER	5
TUMBLER, LAUNDRY	15
TYPEWRITER	
ELECTRIC	5
MANUAL	5
ULTRASONIC CLEANER	10
ULTRASONIC FETAL HEART MONITOR	7
ULTRASOUND, DIAGNOSTIC	5
ULTRASOUND UNIT, THERAPEUTIC	7
URN, COFFEE	10
VACUUM CLEANER	8
VACUVETTE	10
VALET, OFFICE	15
VEGETABLE PEELER, ELECTRIC	10
VENDING MACHINE	10
VENTILATOR, RESPIRATORY	10
VIAL FILLER	10
VIBRATOR	10
VIDEO	
CAMERA	5
CASSETTE	5
LIGHT SOURCE	5
MONITOR	5
PRINTER	5
WISE, LARGE BENCH	20
WALKIE-TALKIE	5
WARMER	
DISH	10
FOOD	10

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	<u>USEFUL LIFE</u>
WASHING MACHINE	
COMMERCIAL	10
DOMESTIC	8
WATER COOLER, BOTTLE	10
WELDER	10
WHEELCHAIR	5
WIRE TIGHTENER-TWISTER	10
WORD PROCESSOR	
LARGE	5
SMALL	5
WORK STATION	10
X-RAY EQUIPMENT	
DEVELOPING TANK	10
FILM DRYER	8
FILM PROCESSOR	8
FURNITURE	15
IMAGE INTENSIFIER	5
INTENSIFYING SCREENS	5
SILVER RECOVERY UNIT	7
X-RAY UNIT	
FLUOROSCOPIC	5
MOBILE	5
RADIOGRAPHIC	5
SUPERFICIAL THERAPY	5
WIRING	5

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\_\_\_\_\_  
DATE

PROMULGATED UNDER: CHAPTER 119.  
STATUTORY AUTHORITY: RC SECTION 5111.02.  
RULE AMPLIFIES: RC SECTIONS 5111.01, 5111.02, 5111.25

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5101:3-3-512 Cost of ownership and efficiency incentive for nursing facilities (NFs).

The desk-reviewed, actual, allowable, per diem cost of ownership established in this rule is subject to the provisions set forth under rule 5101:3-3-51 of the Administrative Code. The costs of ownership directly attributable to the purchase, rent, or lease of property and equipment costs from one related party to another through common ownership or control as defined under rule 5101:3-3-01 of the Administrative Code shall be based upon the lesser of the actual purchase, rent, or lease of property and equipment costs or the actual costs of the related party.

- (A) The desk-reviewed, actual, allowable, per diem cost of ownership is based upon certified beds for property costs and equipment set forth under paragraphs (A)(1) to (A)(3) of this rule for the calendar year preceding the fiscal year in which the rate will be paid, except as otherwise specified under rules 5101:3-3-515, 5101:3-3-516, and 5101:3-3-53 of the Administrative Code. The desk-reviewed actual, allowable, per diem cost of ownership includes:
- (1) The costs of ownership directly related to purchasing or acquiring capital assets include:
- (a) Depreciation expense for the cost of building(s) equal to the actual cost depreciated under rule 5101:3-3-511 of the Administrative Code. The provider is not to change the accumulated depreciation that has been previously reported. This accumulated depreciation will be carried forward as previously reported and audited. The current depreciation will then be added to accumulated depreciation as recognized.
- (b) Depreciation expense for major components of property and fixed equipment equal to the actual cost depreciated under rule 5101:3-3-511 of the Administrative Code. The provider is not to change the accumulated depreciation that has been previously reported. This accumulated depreciation will be carried forward as previously reported and audited. The current depreciation will then be added to accumulated depreciation as recognized.

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- (c) Depreciation expense for major movable equipment equal to the actual cost depreciated under rule 5101:3-3-511 of the Administrative Code. The provider is not to change the accumulated depreciation that has been previously reported. This accumulated depreciation will be carried forward as previously reported and audited. The current depreciation will then be added to accumulated depreciation as recognized.
  - (d) Interest expense incurred on money borrowed for construction or the purchase of real property, major components of that property, and equipment.
  - (e) Depreciation expense for costs paid or reimbursed by any government agency, if that part of the prospective per diem rate is used to reimburse the government agency and a loan provides for repayment over a time-limited period.
  - (f) Amortization expense of financing costs.
- (2) The costs of ownership directly related to renting or leasing capital assets include:
- (a) Rent or lease expense of facilities, including any major components and major movable equipment, as set forth under rule 5101:3-3-515 of the Administrative Code.
  - (b) Rent or lease expense of major movable equipment that is not covered under rule 5101:3-3-515 of the Administrative Code is the actual rental cost of that equipment from an unrelated party as defined under rule 5101:3-3-01 of the Administrative Code.
- (3) The costs of ownership directly related to the amortization of leasehold improvements. These costs shall be expensed over the lesser of the remaining life of the lease, but not less than five years, or the useful life of the improvement as specified under rule 5101:3-3-511 of the Administrative Code. If the useful life of the improvement is less than five years, it may be amortized over its useful life. Options on leases will not be considered. Effective July 1, 1993, lessees who report leasehold improvements and who leave the program before the minimum amortization period is complete, as set forth under paragraph (A)(3) of this rule, will not receive reimbursement for the balance of unamortized costs.

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- (B) The desk-reviewed, actual, allowable, per diem cost of ownership for assets acquired through a change of ownership shall be established under rule 5101:3-3-516 of the Administrative Code.
- (C) ~~THE~~ SUBJECT TO PARAGRAPH (C)(3) OF THIS RULE, ~~THE~~ THE Ohio department of human services (ODHS) shall pay each NF an efficiency incentive that is equal to fifty per cent of the difference between ~~the following~~: THE AMOUNTS SPECIFIED IN PARAGRAPHS (C)(1) AND (C)(2) OF THIS RULE.
- (1) Eighty-eight and sixty-five one hundredths per cent of the facility's desk-reviewed, actual, allowable, per diem cost of ownership which includes depreciation for costs that are paid or reimbursed by any government agency; and
- (2) The applicable efficiency incentive ceiling for each NF specified under paragraph (D) of this rule.
- (3) THE EFFICIENCY INCENTIVE PAID TO A NURSING FACILITY EFFECTIVE SEPTEMBER 1, 1995 SHALL NOT EXCEED THE GREATER OF THE FOLLOWING:
- (a) THE EFFICIENCY INCENTIVE THE FACILITY WAS PAID DURING THE FISCAL YEAR ENDING JUNE 30, 1994;
- (b) THREE DOLLARS PER RESIDENT PER DAY, ADJUSTED ANNUALLY FOR RATES PAID BEGINNING JULY 1, 1994, FOR THE INFLATION RATE FOR THE TWELVE-MONTH PERIOD BEGINNING ON THE FIRST DAY OF JULY OF THE CALENDAR YEAR PRECEDING THE CALENDAR YEAR THAT PRECEDES THE FISCAL YEAR FOR WHICH THE EFFICIENCY INCENTIVE IS DETERMINED AND ENDING ON THE THIRTIETH DAY OF THE FOLLOWING JUNE, USING THE CONSUMER PRICE INDEX FOR SHELTER COSTS FOR ALL URBAN CONSUMERS FOR THE NORTH CENTRAL REGION, AS PUBLISHED BY THE UNITED STATES BUREAU OF LABOR STATISTICS.
- (D) The applicable efficiency incentive ceiling for each NF shall be used under paragraph (C)(2) of this rule as follows:
- (1) For facilities with dates of licensure prior to January 1, 1958, four dollars and twenty-four cents per ~~patient~~ RESIDENT day;

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- (2) For facilities with dates of licensure after December 31, 1957, but prior to January 1, 1968:
  - (a) Five dollars and twenty-four cents per ~~patient~~ RESIDENT day if the cost of construction was three thousand five hundred dollars or more per bed;
  - (b) Four dollars and twenty-four cents per ~~patient~~ RESIDENT day if the cost of construction was less than three thousand five hundred dollars per bed.
  
- (3) For facilities with dates of licensure after December 31, 1967, but prior to January 1, 1976:
  - (a) Six dollars and twenty-four cents per ~~patient~~ RESIDENT day if the cost of construction was five thousand one hundred fifty dollars or more per bed;
  - (b) Five dollars and twenty-four cents per ~~patient~~ RESIDENT day if the cost of construction was less than five thousand one hundred fifty dollars per bed, but exceeded three thousand five hundred dollars per bed;
  - (c) Four dollars and twenty-four cents per ~~patient~~ RESIDENT day if the cost of construction was three thousand five hundred dollars or less per bed.
  
- (4) For facilities with dates of licensure after December 31, 1975, but prior to January 1, 1979:
  - (a) Seven dollars and twenty-four cents per ~~patient~~ RESIDENT day if the cost of construction was six thousand eight hundred dollars or more per bed;
  - (b) Six dollars and twenty-four cents per ~~patient~~ RESIDENT day if the cost of construction was less than six thousand eight hundred dollars per bed but exceeded five thousand one hundred fifty dollars per bed;
  - (c) Five dollars and twenty-four cents per ~~patient~~ RESIDENT day if the cost of construction was five thousand one hundred fifty dollars or less per bed, but exceeded three thousand five hundred dollars per bed;
  - (d) Four dollars and twenty-four cents per ~~patient~~ RESIDENT day if the cost of construction was three thousand five hundred dollars or less per bed.

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- (5) For facilities with dates of licensure after December 31, 1978, but prior to January 1, 1981:
- (a) Seven dollars and seventy-four cents per ~~patient~~ RESIDENT day if the cost of construction was seven thousand six hundred twenty-five dollars or more per bed;
  - (b) Seven dollars and twenty-four cents per ~~patient~~ RESIDENT day if the cost of construction was less than seven thousand six hundred twenty-five dollars per bed but exceeded six thousand eight hundred dollars per bed;
  - (c) Six dollars and twenty-four cents per ~~patient~~ RESIDENT day if the cost of construction was six thousand eight hundred dollars or less per bed but exceeded five thousand one hundred fifty dollars per bed;
  - (d) Five dollars and twenty-four cents per ~~patient~~ RESIDENT day if the cost of ~~constructions~~ CONSTRUCTION was five thousand one hundred fifty dollars or less but exceeded three thousand five hundred dollars per bed;
  - (e) Four dollars and twenty-four cents per ~~patient~~ RESIDENT day if the cost of construction was three thousand five hundred dollars or less per bed.
- (6) For facilities with dates of licensure which occurred in calendar year 1981 or any year thereafter prior to December 22, 1992, the following amount:
- (a) For facilities with construction costs less than seven thousand six hundred twenty-five dollars per bed, the applicable amounts for the construction costs specified under paragraphs (D)(5)(b) to (D)(5)(e) of this rule;
  - (b) For facilities with construction costs of seven thousand six hundred twenty-five dollars or more per bed, six dollars per ~~patient~~ RESIDENT day, provided that for calendar year 1981 and annually thereafter prior to December 22, 1992, ODHS shall adjust the amount for fluctuations in ~~constructions~~ CONSTRUCTION costs calculated by ODHS using the "Dodge Building Cost Indexes, Northeastern and North Central States," published by Marshall and Swift, using 1980 as the base year and increase the amount as adjusted by one dollar and seventy-four cents.

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