

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
TN 02-022

2. STATE
Ohio

FOR: CENTERS FOR MEDICAID AND MEDICAID SERVICES

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID) Title XIX

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2002

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN x AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
Section 1902 (a)(13)(A) of the Social Security Act

7. FEDERAL BUDGET IMPACT:
a. FFY 2002 \$2,044,420
b. FFY 2003 \$8,184,480

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19D rules: 5101:3-3-20.1, ~~5101:3-3-49.3~~, ~~5101:3-3-49.7~~,
5101:3-3-57, and 5101:3-3-58

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19D rule: 5101:3-3-20.1, 5101:3-3-49.3,
5101:3-3-49.7, 5101:3-3-57, and
5101:3-3-58

10. SUBJECT OF AMENDMENT:

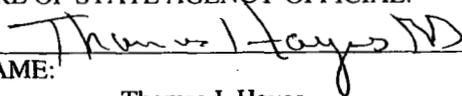
The rules contained in this amendment reflect changes to the Medicaid long term care reimbursement system pursuant to Ohio's
Am. Sub. S. B. 261.

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

x OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

Thomas J. Hayes

14. TITLE:

Director

15. DATE SUBMITTED:

September 4, 2002

16. RETURN TO:

Becky Jackson
Bureau of Health Plan Policy
Ohio Department of Job and Family Services
30 East Broad Street, 27th floor
Columbus, Ohio 43215-3414

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RECEIVED
APPROVED
APPROVED ON COPY ATTACHED
APPROVED BY REGIONAL OFFICIAL
SEP 25 2002
L-11-IL/IN/OH

ACTION: REVISED

DATE: 08/14/2002
03:24 PM

5101:3-3-20.1

Nursing facilities (NFs) and intermediate care facilities for the mentally retarded (ICFs-MR): Chart of accounts.

(A) The Ohio department of job and family services (ODJFS) requires that all facilities file cost reports annually to comply with section 5111.26 of the Revised Code.

(1) The use of the chart of accounts in table 1 through table 8 of appendix A of this rule is recommended to establish the minimum level of detail to allow for cost report preparation.

(2) If the recommended chart of accounts is not used by the provider, it is the responsibility of the provider to relate its chart of accounts directly to the cost report.

(3) Where a chart of account number has sub-accounts, it is recommended that the sub-accounts capture the information requested so that the information will be broken out for cost reporting purposes.

(4) For example, when revenue accounts appear by payor type, it is required that those charges be reported by payor type where applicable; when salary accounts are differentiated between #supervisory# and #other#, it is required that this level of detail be reported on the cost report where applicable.

(B) While the chart of accounts facilitates the level of detail necessary for medicaid cost reporting purposes, providers may find it desirable or necessary to maintain their records in a manner that allows for greater detail than is contained in the recommended chart of accounts.

(1) The recommended chart of accounts allows for a range of account numbers for a specified account.

(2) For example, account 1001 is listed for petty cash, with the next account, cash, beginning at account 1010. Therefore, a provider could delineate sub-accounts 1010-1, 1010-2, 1010-3, 1010-4, through 1010-9 as separate petty cash accounts. Providers need only use the sub-accounts applicable for their facility.

(C) Within the expense section (tables 5, 6, and 7), accounts identified as #salary# accounts are only to be used to report wages for facility employees.

(1) Wages are to include wages for sick pay, vacation pay and other paid time off, as well as any other compensation to be paid to the employee.

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(2) Expense accounts identified as #contract# accounts are only to be used for reporting the costs incurred for services performed by contracted personnel employed by the facility to do a service that would otherwise be performed by personnel on the facility's payroll.

(3) Expense accounts identified as #purchased nursing services# are only to be used for reporting the costs incurred for personnel acquired through a nursing pool agency.

(4) Expense accounts designated as #other# can be used for reporting any appropriate nonwage expenses, including contract services and supplies.

(D) Completion of the cost report as required in section 5111.26 of the Revised Code will require that the number of hours paid be reported (depending on facility type of control, on an accrual or cash basis) for all salary expense accounts. Providers# record keeping should include accumulating hours paid consistent with the salary accounts included within the recommended chart of accounts.

Replaces: 5101:3-3-20.1

Effective:

R.C. 119.032 review dates:

Certification

Date

Promulgated Under: 119.03
Statutory Authority: 5111.02
Rule Amplifies: RC Sections 5111.01,
5111.02, 5111.23, 5111.23.5,
5111.24, 5111.25, 5111.26,
5111.27, 5111.28

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Appendix A

CHART OF ACCOUNTS

TABLE 1

BALANCE SHEET ACCOUNTS-ASSETS

CURRENT ASSETS

1001 Petty Cash

1010 Cash in Bank

1010-1	-	General Account
1010-2	-	Payroll account
1010-3	-	Savings account
1010-4	-	Imprest cash funds
1010-5	-	Certificates of deposit
1010-6	-	Money market
1010-7	-	Resident funds

These cash accounts represent the amount of cash deposited in banks or financial institutions.

1030 Accounts Receivable

1030-1	-	Private
1030-2	-	Medicare
1030-3	-	Medicaid
1030-4	-	Other Payors

The balances in these accounts represent the amounts due the LTCF for services delivered and/or supplies sold.

1040 Allowance for Uncollectible Accounts Receivable

This account represents the estimated amount of uncollectible receivables.

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CHART OF ACCOUNTS

1050 Notes Receivable

This account represents notes receivable due on demand, or that portion of notes due within twelve (12) months of the balance sheet date.

1060 Allowance for Uncollectible Notes Receivable

This account represents the estimated amount of uncollectible notes receivables.

1070 Other Receivables

- 1070-1 - Employees
- 1070-2 - Sundry

1080 Cost Settlements

- 1080-1 - Medicare
- 1080-2 - Medicaid

These accounts represent amounts due provider from current or prior unsettled cost reporting periods.

1090 Inventories

- 1090-1 - Medical and program supplies
- 1090-2 - Dietary
- 1090-3 - Gift shop
- 1090-4 - Housekeeping supplies
- 1090-5 - Laundry and linen
- 1090-6 - Maintenance

These accounts represent the cost of unused LTCF supplies.

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Appendix A

CHART OF ACCOUNTS

1100 Prepaid Expenses

1100-1	-	Insurance
1100-2	-	Interest
1100-3	-	Rent
1100-4	-	Pension plan
1100-5	-	Service contract
1100-6	-	Taxes
1100-7	-	Other

These accounts represent payments for costs which will be charged to future accounting periods.

1110 Short - Term Investments

1110-1	-	U.S. Government securities
1110-2	-	Marketable securities
1110-3	-	Other

1120 Special Expenses

1120-1	-	Telephone systems
1120-2	-	Prior authorized medical equipment

Unamortized cost of telephone systems and prior authorized medical equipment. Amortized cost of telephone systems acquired before 12/1/92, if the costs were reported as administrative and general on the facility's cost report for the period ending 12/31/92, should be reported in account 7225. Amortized cost of prior authorized medical equipment should be reported in account 6010.

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CHART OF ACCOUNTS

1200 Property, Plant and Equipment
[All ICFs-MR need only use groups (A) and (C).]

Nursing facilities that did not change ownership on or after 7/01/93 need only use groups (A) and (C). Nursing facilities that did change provider agreement on or after 7/01/93 use groups (A), (B), and (C).

- (A) 1200-1 - Land
- 1200-2 - Land improvements
- 1200-3 - Building and building improvements
- 1200-4 - Equipment
- 1200-5 - Transportation equipment
- 1200-6 - Leasehold improvements
- 1200-7 - Financing cost - cost of issuing bonds, underwriting fees, closing cost, mortgage points, etc.

- (B) NFs that changed provider agreement on or after 7/01/93 use this group to report assets acquired through a change of provider agreement on or after 7/01/93.
 - 1200-8 - Land acquired on or after 7/01/93 through a change of provider agreement
 - 1200-9 - Building and building improvements acquired on or after 7/01/93 through a change of provider agreement
 - 1200-10 - Equipment acquired on or after 7/01/93 through a change of provider agreement

- (C) (Assets under capital lease)
 - 1200-18 - Assets under capital lease - prior to 5/27/92
 - 1200-19 - Assets under capital lease - on or after 5/27/92

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CHART OF ACCOUNTS

1250 Accumulated Depreciation and Amortization - Prop., Plant & Equip.
[All ICFs-MR need only use groups (A) and (C).]

Nursing facilities that did not change ownership on or after 7/01/93 need only use groups (A) and (C). Nursing facilities that did change provider agreement on or after 7/01/93 use groups (A), (B), and (C).

- (A) 1250-1 - Land improvements
- 1250-2 - Building and building improvements
- 1250-3 - Equipment
- 1250-4 - Transportation equipment
- 1250-5 - Leasehold improvements
- 1250-6 - Financing cost-cost of issuing bonds, underwriting fees, closing cost, mortgage points, etc.

(B) NFs that changed provider agreements on or after 7/01/93 use this group to report assets acquired through a change of provider agreement on or after 7/01/93.

- 1250-7 - Building and building improvements acquired on or after 7/01/93 through a change of provider agreement
- 1250-8 - Equipment acquired on or after 7/01/93 through a change of provider agreement

(C) (Assets under capital lease)

- 1250-15 - Assets under capital lease - prior to 5/27/92
- 1250-16 - Assets under capital lease - on or after 5/27/92

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CHART OF ACCOUNTS

1300 Renovations

As defined in section 5111.25 of the Revised Code. [All NFs AND ICFs-MR need only use groups (A) and (B).]

- (A) 1300-1 - Building and building improvements
- 1300-2 - Equipment
- 1300-3 - Leasehold improvements
- 1300-4 - Financing Cost - cost of issuing bonds, underwriting fees, closing cost, mortgage points, etc.

(B) (Assets under capital lease)

- 1300-9 - Assets under capital lease - prior to 5/27/92
- 1300-10 - Assets under capital lease - on or after 5/27/92

1350 Accumulated Depreciation and Amortization - Renovations

[All NFs AND ICFs-MR need only use groups (A) and (B).]

- (A) 1350-1 - Building and building improvements
- 1350-2 - Equipment
- 1350-3 - Leasehold improvements
- 1350-4 - Financing cost - cost of issuing bonds, underwriting fees, closing costs, mortgage points, etc.

(B) (Assets under capital lease)

- 1350-9 - Assets under capital lease - prior to 5/27/92
- 1350-10 - Assets under capital lease - on or after 5/27/92

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OTHER ASSETS

1400 Non-Current Investments

- 1400-1 - Certificates of deposit
- 1400-2 - U.S. Government securities
- 1400-3 - Bank savings account
- 1400-4 - Marketable securities
- 1400-5 - Cash surrender value of insurance
- 1400-6 - Replacement reserve
- 1400-7 - Funded depreciation

1410 Deposits

- 1410-1 - Workers' compensation
- 1410-2 - Leases
- 1410-3 - Other

1420 Due From Owners/Officers

- 1420-1 - Officers
- 1420-2 - Owners

1430 Deferred Charges and Other Assets

- 1430-1 - Escrow accounts
- 1430-2 - Deferred loan costs and finance charges except property, plant and equipment
- 1430-3 - Organization expenses
- 1430-4 - Goodwill
- 1430-5 - Start-up costs

1440 Notes Receivable - Long Term

This account represents notes receivable or portion thereof due more than twelve (12) months from balance sheet date.

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