

5101:3-3-42.4      **Nursing facilities (NFs): nonreimbursable costs.**

The following costs are not reimbursable to NFs through the prospective reimbursement cost reporting mechanism, except as specified under Chapter 5101:3-3 of the Administrative Code, nonreimbursable costs include but are not limited to:

- (A) Fines or penalties paid under sections 5111.28, 5111.35 to 5111.62, and 5111.99 of the Revised Code.
- (B) Disallowances made during the audit of the NF's cost report which are sanctioned through adjudication in accordance with Chapter 119. of the Revised Code.
- (C) Costs which exceed prudent buyer tests of reasonableness which may be applied pursuant to the provisions of the provider reimbursement manual (centers for medicare and medicaid services (CMS) Publication 15-1, [www.cms.hhs.gov/manuals](http://www.cms.hhs.gov/manuals)), during the audit of the NF's cost report.
- (D) The costs of physical, occupational, and speech therapies provided by appropriately licensed therapists or therapy assistants. The cost of services provided by an appropriately licensed audiologist. This does not apply to maintenance therapies provided by nursing staff.
- (E) The costs of ancillary services rendered to NF residents by providers who bill medicaid directly. Ancillary services include but are not limited to: physicians, legend drugs, radiology, laboratory, oxygen, and resident-specific medical equipment.
- (F) Cost per case-mix units in excess of the applicable peer group ceiling for direct care cost.
- (G) Expenses in excess of the capital costs limitations.
- (H) Expenses associated with lawsuits filed against the Ohio department of job and family services (ODJFS) which are not upheld by the courts.
- (I) Cost of meals sold to visitors or public (i.e., meals on wheels).
- (J) Cost of supplies or services sold to nonfacility residents or public.
- (K) Cost of operating a gift shop.

Replaces: 5101:3-3-56  
Effective: 02/09/2006  
R.C. 119.032 review dates: 02/01/2011

CERTIFIED ELECTRONICALLY

---

Certification

01/30/2006

---

Date

Promulgated Under: 119.03  
Statutory Authority: 5111.02  
Rule Amplifies: 5111.20, 5111.26, 5111.263, 5111.265, 5111.266  
Prior Effective Dates: 12/30/77, 8/3/79, 7/1/80, 1/1/84, 7/1/88 (Emer),  
9/25/88, 12/30/88 (Emer), 3/31/89 (Emer), 6/18/89,  
10/1/89, 12/20/91, 9/30/93 (Emer.), 1/1/94, 12/17/98,  
9/12/03