

5101:3-3-42

**Nursing facilities (NFs): 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 to table 8 of appendix A to 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 accounts 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, to 1010-9 as separate 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.
  - (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 by 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.

Effective:

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Certification

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Date

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