

SPECIFIC INSTRUCTIONS  
FOR COMPLETING THE FCP  
*Rev. 7/30/2025*

**NURSING FACILITY (NF)  
FACILITY COST PROFILE (FCP)  
FISCAL YEAR ENDED 6/30/2025**

**NEW FOR FY 2025:**

For the fiscal year 2025 Facility Cost Profiles (FCP), the completed 2025 FCP forms and required supporting documentation must be submitted to Myers and Stauffer through their secure portal. Please note this is a change from previous years when the required forms were submitted directly to the state. Myers and Stauffer will conduct a contact review with each facility in July 2025 to ensure access to the portal. If you have not received an email from Myers and Stauffer regarding the secure portal by September 1, 2025 or if you have any questions about the contact review, please reach out to Kirk Barnes at [KBarnes@mslc.com](mailto:KBarnes@mslc.com).

**Reminder from FY 2024:**

Make certain “Hours Worked” and “Hours Paid” on Schedule C are filled in accurately.

**Instructions for Schedules B, B-1, and C-2:**

1. All Provider Adjustments for Schedule B **must** be entered on Schedule B-1. The Revenue Category (“RevenueCat”) and Account Number (“AcctNo”) must be entered exactly as they appear on Schedule B. The account title will auto-fill.
2. Then enter the amount of the adjustment on Schedule B-1 in Column 6 “(6) (Debit) Credit”. The amount will be auto-filled in the appropriate column on Schedule B.

All providers must fill out the related party section (Section C) in Schedule C-2 (Sch C-2), even if indicating “No Related Parties.” Only fill out the Related Party Disclosure Statement if needed for more related party information than will fit on Sch C-2. Follow the instructions in the column headings of Section C of Sch C-2 and provide the additional information.

**Reminder for detailed general ledger:**

All providers must provide a detailed general ledger (G/L) in Excel, in addition to the trial balance that includes a crosswalk to the FCP accounts.

### Instructions for Schedules C and C-1 :

1. All Provider Adjustments for Schedule C **must** be entered on Schedule C-1. Enter those adjustments in the format “OXO” for the Cost Category and “XXX” for the Cost Account, adding a number or letter to the Cost Account “XXX” when needed. The account title will auto-fill.
2. Then enter the amount of the adjustment on Schedule C-1 in either the Non-Related Party column or the Related Party column. The amount will be auto-filled in the appropriate column on Schedule C.
3. A new account has been added which is only applicable to facilities participating in the NF NSGO UPL program. On Schedule C, in cost category 010 (Administrative and General), account 075 entitled “*Royalty Fee*” payments was added for amounts paid in accordance with management agreements between the NSGE<sup>1</sup> and the management company. These payments are distinct from payments for management services or home office costs. A provider adjustment should also be made on Schedule C-1 to remove these amounts since they are not reimbursable.
4. For NF NSGO UPL participating facilities, in order to balance expenditures to the general ledger, non-federal share (seed payments) or admin fees paid to the Department should be recorded in account 010-490. Since these amounts are unallowable, a provider adjustment will also need to be made to remove these transactions from reimbursable cost on Schedule C-1.

### Further Reminders:

- Please use the comment box, #8 on Schedule D, to explain daily rates on row 4 that are above or below the expected ranges, as well as differences between FCP Patient Days and Patient Day Assessment Days.
- Workers Compensation costs are to be reported in cost category 010, Management and General, account number 220, and not in any “Payroll Taxes & Emp Benefits” accounts.
- If ancillary services medical supplies expenses do not fit into any of the Ancillary Services Supplies/Other accounts, 080-112 through 080-117, put those expenses in account 080-490 and **submit the required Miscellaneous Detail Schedule**.

The Facility Cost Profile (FCP) is made up of seven schedules, a summary, and a UPL summary:

1. Schedule A: Certification and General Information
2. Schedule B: Revenue and Provider Adjustments
3. Schedule B-1: Revenue Adjustment Details
4. Schedule C: Expenses and Provider Adjustments
5. Schedule C-1: Expense Adjustment Details
6. Schedule C-2: Key and Related-Employee Compensation and Related-Party Disclosures

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<sup>1</sup> UAC R414-505-2(1) & (2) defines an NSGE as a hospital authority, hospital district, healthcare district, special services district, county, or city. An NSGO is defined as a nursing care facility where an NSGE holds the license and is party to the facility.

7. Schedule D: Patient Days and Occupancy
8. Summary of Schedules A through D
9. UPL Summary

Costs that are reported on the FCP should be allowable as determined by using the Medicare Provider Reimbursement Manual (CMS Pub. 15-1), State Rule, and the State Medicaid Plan and in all cases must be necessary, reasonable, and patient-care related.

**All cells shaded light yellow are to be filled in by the preparer, except for the Summary. All cells shaded light blue contain formulas and are protected. The instructions for each schedule are as follows:**

#### **Schedule A – Certification and General Information**

On this schedule the owner/officer and the FCP preparer certifies the reported information is true and accurate. In addition, facility management and ownership information are disclosed. Most of the information requested on Schedule A is self-explanatory. The following comments are meant to assist in completing Schedule A:

**Section A requires entering the actual time period for this FCP, Whether a year or a portion of a year.** Section A also requires filing a copy of the trial balance used in the preparation of the FCP **along with a legend showing which general ledger revenues and expenses are reported in which accounts on the FCP.** This allows the Department to reconcile the costs per the financial statements to the FCP reported expenses. If management fees or home office costs are included on the FCP, a copy of the management company or home office's **MEDICARE** cost report must be filed with the FCP.

**Section B** requires disclosure of information on the owner/licensee.

**Section C** requires the disclosure of related Utah Medicaid facilities either by common ownership or control. If not reported here, attach a separate list with the name and address of the parent company and a contact person's name, e-mail address, and phone number.

**Section D** requires disclosure of management company information.

**Section E** discloses whether the report is a first or final report due to a change in operations. If so, then disclosure of the old and new owner is necessary to determine filing responsibilities.

**Section F** discloses whether the facility changed names and the date of the change.

**Section G** lists facility's current **National Provider Identifier (NPI)** issued by CMS and previous NPI (if it changed during the reporting period or from the previous reporting period).

**Section H** requires disclosure of Medicare intermediary information.

**Section I** lists the facility's Medicare provider number.

**Section J** lists the facility's capitalization dollar threshold, which must be consistent with the capitalization dollar threshold used on the FRV Data Report.

### **Schedule B – Revenue**

This schedule identifies revenue by financial category:

- Medicaid-Utah [01]  
Instead of the previous two accounts, 01 and 02, this revenue category is now divided into 4 revenue accounts:
  - 01 “Net Daily Rate Revenue – Utah”. This is the sum of two subaccounts, 01.a for Gross Medicaid Routine Revenue, and 01.b for Contractual Adjustments.
  - 02 “UPL Payments”. This line is to include the total payments sent to the facility by the Utah Dept. of Health, with no deductions for fees paid or payable to an NSGO and no deductions for “seed”, aka Medicaid match. **NOTE: UPL payments are to be reported on a cash basis.**
  - 03 “Medicaid Ancillary Revenue”. Revenue received from Utah Medicaid for Ancillary Services needs to be included on this line.
  - 04 “Quality Incentive Revenue”. Quality Incentive payments will now be reported on this line instead of in Revenue Category 10 “MISCELLANEOUS INCOME” in account “Other”.
- Medicaid-Non-Utah [02]
- Medicare [03]
- Medicare-HMO [04]
- Veterans [05]
- Private (Includes private-pay clients and non-government insurance) [06]
- Hospice-Medicaid [07]
- Hospice-Non-Medicaid [08]
- Other revenue with patient days [09]
- Miscellaneous Income [10] - **Again**, report Quality Incentive Payments in Revenue Category 01 - 04 Medicaid-Utah as stated above, not here, as in the past.

It is expected that Medicaid revenue (and corresponding days) be classified correctly retro-active to July 1 of the fiscal year for which the FCP is prepared. As noted below, please make the following adjustments:

- During the time period that a patient's Medicaid eligibility is being determined, classify the days and revenue as Medicaid. In the event the patient is not approved for Medicaid, the days and revenue should be reclassified out of the Medicaid category.
- Social Security and other sources of payments for Medicaid patients, such as private sources, should be classified as Medicaid revenues on Schedule B. This will capture the full revenue received for Medicaid clients by patient classification.
- Revenues and days for all financial classifications of patients are to be reported using the accrual basis of accounting. *The exception is UPL revenue, which is to be reported on a cash basis.* If your Medicare Cost Report is based on a different fiscal year, you must report Medicare revenue and days from July 1 - June 30.

**If there are significant variances on the FCP for the reporting period, the Division of Integrated Healthcare (DIH) will require corrections to be made and a revised FCP submitted.**

In Column 4 list the gross revenue and any contractual adjustments per the facility's general ledger.

**Contractual Adjustments** – an adjustment used to offset the difference between Medicaid or other classification of revenue billed verses collected. Report contractual adjustments that reduce revenue as negative numbers; and in the rare cases where contractual agreements increase revenue, report as positive numbers.

Provider adjustments must be entered on Schedule B-1 as instructed. Record any provider adjustments as required by CMS Pub 15-1, State Rule, and State Plan Attachment 4.19-D. Record debits, any amounts that reduce the dollar figures in Column 4, as negative numbers. Record credits, any amounts that increase the dollar figures in Column 4, as positive numbers.

### **Miscellaneous Income – Revenue Category 10**

Telephone - Revenues received from pay phones, phone charges to patients and other phone-related services.

Employee/Guest Meals - Revenues received from the sale of meals to guests and employees.

Laundry and Linen Services - Revenues received from laundering or dry-cleaning patients' clothes, employee laundry services, and other related laundry services provided.

Rental of Space - Revenues received from rental of office space, rooms, or buildings owned by the Provider.

Employee Sales - Revenues received from the sale of goods and services to employees not reported elsewhere.

Equipment Rentals - Revenues received from equipment rental.

Contributions/Donations - Revenues received from contributions, donations, gifts, etc. Amounts should be offset against any fund-raising expenses if included in the FCP. Fund-raising expenses in excess of fund-raising revenue are non-allowable.

Interest Income - Revenues received from interest accounts or instruments. Amount received should be offset against interest expense if reported in the FCP.

Vending Machines - Revenues and commissions received from vending machine. Revenues should be offset against any expenses if included in the FCP. Expenses in excess of revenue are non-allowable.

Gift Shop/Snack Bar - Revenues received from the operation of a gift shop or snack bar. Revenues should be offset against any expenses if included in the FCP. Expenses in excess of revenues are non-allowable.

Barber/Beauty Shop - Revenues received from the operation of a barber or beauty shop. Revenues should be offset against expenses if included in the FCP. Expenses in excess of revenues are non-allowable.

Other - Any other revenue received not listed above. Incentive Payments should not be included on this line, but in Revenue Category [01], account 04 as stated above. If the amount is greater than \$5,000, you **must** provide a separate detailed schedule.

### **Schedule B-1 – Revenue Adjustment Details**

This schedule gives the detail of the provider's expense adjustments reported in Schedule B, Column 5. In Column 1 number the adjustment (ex. 1, 2, 3...). In Column 2 type the purpose of the adjustment in sufficient detail so someone who is not familiar with your facility can understand the meaning. In Column 3 type the "Revenue Category" from Schedule B, Column 1 (ex. "01"). In Column 4 type the "Account Number" from Schedule B, Column 2 (ex. "02"). The account "Title" from Schedule B will auto-fill. In Column 6 record the amount that will auto-fill in Schedule B, Column 5. Record a debit, an adjustment that reduces revenue, as a negative number. Record a credit, an adjustment that increases revenue, as a positive number. The total of this schedule should agree with the total of Schedule B, Column 5. If there is a variance between the total adjustments on Schedule B and Schedule B-1, please make necessary corrections.

## Schedule C – Expenses and Provider Adjustments

The purpose of this schedule is to report the operating costs of the facility adjusted for allowable costs as determined by CMS Pub. 15-1, State Rule, and State Plan Attachment 4.19-D.

Costs are classified into nine cost categories. To determine if a reported cost is allowable, the following criteria should be used: Was it necessary, reasonable, and patient-care related?

**Note:** For NF NSGO UPL participating facilities, to balance expenditures to the general ledger, non-federal share (seed payments) or admin fees paid to the Department should be recorded in account 010-490. Since these amounts are unallowable, a provider adjustment will also need to be made to remove these transactions from reimbursable cost on Schedule C-1.

Following is a discussion of important issues for each cost category:

**Column (4)** report expenses per the General Ledger. The total of column 4 should agree with the total expenses per the facility's General Ledger. The General Ledger should be clearly coded – **cross-walked** – to indicate where each expense account was reported on Schedule C of the FCP.

**Column (5)** *Record non-related party adjustments on Schedule C-1. Column 5 on Schedule C will be auto-filled.* Report **non-related** party adjustments as required by CMS Pub. 15-1, State Rule, and/or State Plan Attachment 4.19-D. Record a debit, an adjustment that increases an expense, as a positive number. Record a credit, an adjustment that decreases an expense, as a negative number.

**Column (6)** *Record related party adjustments On Schedule C-1. Column 6 on Schedule C will be auto-filled.* Report related party adjustments separately in this column instead of in column (5), as required by CMS Pub. 15-1, State Rule, and/or State Plan Attachment 4.19-D. Record a debit, an adjustment that increases an expense, as a positive number. Record a credit, an adjustment that decreases an expense, as a negative number.

**Column (7)** self-calculating

**Column (8)** report hours worked in the various cost categories: Plant Operation and Maintenance, Dietary, Laundry and Linen, etc. **In cost category 070, Nursing, report hours worked annually by Medical Director\*, Registered Nurse (RN), Licensed Practical Nurse (LPN), Certified Nurse Aide (CNA), and Others.**

*\* Only applies to Account Numbers: 012 Nurse Admin Salaries, 013 Nurse Admin Payroll Tax and Benefits, and 050 Purchased Nursing Services*

**Column (9)** report hours paid (which includes hours worked, sick hours, vacation hours, etc.) in the various cost categories.

#### **Cost Category 010 - General Administrative**

**Account 010 Administrator Salary** – If the administrator is also the owner or a related party, the total compensation including benefits must go through the compensation reasonableness test. If the owner or related-party's compensation exceeds the highest non-related administrator in the county and surrounding counties, then an adjustment is necessary to the cost on Schedule C, which will be made by the Division.

**Account 011 Asst. Admin. Salary** - Salary paid to an assistant administrator. *Related-party disclosure required, related-party compensation reasonable test may apply.*

**Account 012 Office Salaries and Wages** - Salaries of administrative personnel including secretary, bookkeeper and telephone operator. Salaries and wages must be charged to the center that is served by the employee. In some cases, this may require the allocation of an expense item to two or more centers.

**Account 040 Payroll Taxes and Employee Benefits** - Payroll taxes and benefits for administrative personnel whose salaries were charged to cost category 010, accounts 010 through 012.

**Account 050 Director's Fees** - Fees paid to outside directors for actual services. *Related-party disclosure required; related-party compensation reasonable test may apply.*

**Account 060 Management Services** - Expenses for services of management from another entity. If owners receive compensation through the management service, the amount of compensation allocated to the facility must be disclosed in Schedule C-2, Section A. *Related-party disclosure required.*

**Account 070 Home Office Charges** - Apportioned home office expenses for certain centralized services provided by the home office and apportioned expenses for the home office, such as rent or depreciation, interest expense, equipment, personnel, etc. Any profit or markup beyond actual cost must be adjusted out. *Related-party disclosure required; related-party compensation reasonableness test may apply.*

**Account 075 "Royalty Fee" payments** – report the "Royalty Fee" payments made in accordance with management agreements between the NSGE and the management company. These payments are distinct from home office charges (account 070) or payments for management services (account 060).



**Account 080 Advertising** - May include costs for want-ad advertising for new employees and a one-quarter yellow page advertisement. If advertising costs are for the purpose of increased utilization, they must be adjusted out for FCP purposes. Advertising to increase utilization is non-allowable per CMS Pub. 15-1.

**Account 090 Telephone** - Charges for all telephone and paging systems.

**Account 100 Dues, Subscriptions, and Licenses** - Includes membership in professional societies, cost of trade journals, and fees for institutional licenses.

**Account 110 Office Supplies, Printing and Postage** - Bookkeeping materials, pencils, ink, etc. Printed forms, stationery, etc. Cost of operating a copy machine. Cost of postage.

**Account 120 Legal and Accounting** - For legal and accounting costs to be allowable, these must be for services associated with the operation of the facility. Any retainer fees are an unallowable cost, unless it can be shown that actual services were performed. (Legal fees and expenses incurred in acquiring real estate should be added to the cost of the property purchased rather than be charged to this account.

**Account 130 Utilization Review** - Fees for physician's services, availability, visits and utilization review.

**Account 140 Travel, Seminars and Administrative Training** - Administrative travel and training costs charged to this account must be for the advancement of patient care or efficient operation of the facility. All reimbursements for meals, lodging, gas, oil, and mileage must be properly documented with invoices, receipt, and mileage logs to support the expense and meet IRS guidelines. Expenses not properly documented will not be allowed.

**Account 150 Data Processing** - The expenses of operating a data processing department and/or fees paid an outside firm for computer services. Expenses may be broken between in-house and contractor services. *Related-party disclosure required.*

**Account 160 Amortization-Organization** - Organization expense and startup costs.

**Account 170 Patient Day Assessment** – Total of monthly assessment payments made to the Department of Health based on total patient days net of Medicare days.

**Account 180 Interest-Operating Loans** - Interest expense on operating loans.

**Account 190 Income Taxes** - Local, state, and federal income taxes. These need to be adjusted to zero by use of column 5. These are not allowable expenses for the Medicaid cost report.

**Account 200 Bad Debts** - Expense incurred by the periodic writing-off of uncollectible accounts receivable. Since this is an unallowable expense for Medicaid cost reporting, the amount needs to be adjusted to zero by use of column 5.

**Account 210 Contributions** - Any gift to a charitable organization for which no goods or services are received. Adjust this amount to zero by use of column 5 since they are not an allowable expense for Medicaid cost reporting.

**Account 220 Workers Compensation** - Cost of insurance premiums to cover unemployment benefits.

**Account 230 Professional/General Liability Insurance** - Premiums paid for the year to protect against malpractice liability involved with professional nursing home care and general liability involved with losses or damage to the provider's physical and personal property. This also includes protection against interruption of the normal operations of the facility or for theft losses.

**Account 240 Civil Money Penalties (Medicare and Medicaid)** - Penalties assessed and paid to either Medicare or Medicaid. These are unallowable expenses for Medicaid Cost reporting. Adjust to zero by using column 5.

**Account 250 Other Taxes (Attach Detail Schedule)** - Other taxes paid, other than those identified above.

**Account 270 Other Penalties/fines** - Any other penalties or fines paid other than civil money penalties paid to either Medicare or Medicaid. These are unallowable expenses for Medicaid cost reporting. Adjust to zero by using column 5.

**Account 280 Transportation Salaries & Wages** - Salaries paid to employees who work to furnish transportation for the facility.

**Account 290 Transportation Payroll Taxes & Employee Benefits** - Payroll taxes and benefits paid on the salaries of the employees reported in account 280.

**Account 300 Gifts** - Amounts paid in cash or for items given to individuals or businesses in which no service was involved. Costs incurred by providers for gifts or donations to charitable, civic, educational, medical or political entities are not allowable.

**Account 310 Bank/Service Charges** - Expenses paid to your bank for their service charges.

**Account 320 Public Relations** - Expenses incurred that are appropriate and helpful in developing, maintaining, and furnishing covered services to Medicaid beneficiaries. Such costs must be common and accepted occurrences in the field of Medicaid care.

**Account 330 Purchased Services** - Services employed from outside sources for general administrative duties. *Related-party disclosure required.*

**Account 340 Recruiting Expense** - Expenses that are reasonable and appropriate in seeking and obtaining employees for the facility.

**Account 350 TV/Cable/Satellite Expense** – TVs in patient rooms and costs associated therewith usually *are not allowable*. See §2106 of Pub. 15-1 for details.

**Account 360 Beauty & Barber Expense** – Beauty and barber expenses incurred for patients. Any expenses reported here should be used to offset any revenue reported in Schedule C.

**Account 490 Miscellaneous** - All administrative expenses not classified in a specific account. If the total amount reported exceeds \$2,000, a separate detailed schedule *must* be attached. *For NF NSGO UPL participating facilities, in order to balance expenditures to the general ledger, it is required that any non-federal share (seed payments) or admin fees paid to the Department be included in this account. Since these amounts are unallowable, a provider adjustment will also need to be made to remove these transactions from reimbursable cost by making the needed entries on Schedule C-1.*

## **Cost Category 020 - Property and Related Expenses, Including Capital Equipment Such as Durable Medical Equipment (DME)**

**Account 230 Building Rent** - Cost of building rent should be reported in this account. If the rent agreement qualifies as a capital lease or a related-party transaction then disclosure on Schedule C-2, Section “C.”, is necessary, along with recording any adjustments on Schedule C-1. Also, for rent paid to a related party lessor, note the following from CMS Pub. 15-1:

### 1011.5 Rental Expenses Paid to a Related Organization

*A provider may lease a facility from a related organization within the meaning of the principles of reimbursement. In such case, the rent paid to the lessor by the provider is not allowable as cost. The provider, however, would include in its costs the costs of ownership of the facility. Generally, these would be costs such as depreciation (subject to the principles in Chapter 1), interest on the mortgage, real estate taxes, and other expenses attributable to the leased facility. The effect is to treat the facility as though it were owned by the provider. (See section 1212 of Chapter 12 regarding the treatment of the owner's equity in the leased assets.)*

*Related-party disclosure required.*

**Account 240 Building Depreciation** - This is the cost of the building prorated over its expected life. Straight-line depreciation is the acceptable method of depreciation for FCP purposes. Estimated useful lives for assets should correspond to those found in the American Hospital Association publication “Estimated Useful Lives of Depreciable Hospital Assets,” current edition. Report depreciation on items of building improvements as distinguished from repairs and maintenance. Includes depreciation on items of fixed equipment that are affixed to the building (not subject to transfer or removal) and have a fairly long life. This would include boilers, call systems, fire alarm systems, heating, and air conditioning systems.

**Account 250 Building Interest Expense** - Interest expense on mortgages and current period write-off of financing expenses. *It is expected that all home office costs be reported in Cost Category 010 - General Administrative, Account 070 “Home Office Charges.”*

**Account 260 “Real Property” Property Tax** - Any property tax assessed for real property. Real Property is defined as land and improvements, including buildings and property that are permanently attached to the land or customarily transferred with the land.

**Account 270 “Real Property” Property Insurance** - Cost of maintaining mortgage insurance required to get a building loan or lease and cost of all insurance related to real property. This does not include insurance for business personal property or business interruption insurance. Report those amounts in 010-230, “Professional/General Liability insurance.” *It is expected that all home office costs, including real property insurance on the home office and the cost of any mortgage insurance on the home office, be reported in Cost Category 010 - General Administrative, Account 070 “Home Office Charges.”*

**Account 280 Vehicle Depreciation** – The costs reported in this account are for facility vehicles prorated over their expected life. If the cost includes an administrator vehicle or one that is used for both personal and business purposes, then proper documentation and mileage logs must be maintained to support the business and personal use and the amount of depreciation taken must follow IRS guidelines. Personal use must be included as part of the compensation to those who receive the benefit. *It is expected that all home office costs be reported in Cost Category 010 - General Administrative, Account 070 “Home Office Charges.”*

**Account 290 Vehicle Interest Expense** - Interest expense on vehicles and current period write-off of financing expenses. If vehicle is used for personal and business use, only the business allocation can be expensed. *It is expected that all home office costs be reported in Cost Category 010 - General Administrative, Account 070 “Home Office Charges.”*

**Account 300 Vehicle Property Tax** - Property tax assessed for vehicle(s). If vehicle is used for personal and business use, only the business allocation can be expensed.

**Account 310 Vehicle Insurance** - Cost of maintaining vehicle insurance. If vehicle is used for personal and business use, only the business allocation can be expensed.

**Account 320 Equipment Leases (Operating Leases Only)** - Payments made on an equipment lease, including a lease of durable medical equipment (DME). *Related-party disclosure required.*

**Account 330 Equipment Depreciation** - The cost of equipment, including durable medical equipment (DME) should be prorated over its expected life. *It is expected that all home office costs be reported in Cost Category 010 - General Administrative, Account 070 "Home Office Charges."*

**Account 340 Equipment Interest Expense** – Interest expense on equipment, current period write-off of financing expenses, and personal property related interest. *It is expected that all home office costs be reported in Cost Category 010 - General Administrative, Account 070 "Home Office Charges."*

**Account 350 Personal Property Tax** - Any property tax assessed for Personal Property such as furniture or equipment.

**Account 360 Gain/Loss on Asset Disposition** – Report the gain or loss on the sale or other disposition of an asset. This must agree with the amounts reported on the facility's financial statements.

**Account 490 Miscellaneous** - Expenses not provided for above. If the total amount reported exceeds \$2,000, a separate detailed schedule **must** be attached.

### **Cost Category 030 - Plant Operation and Maintenance**

Costs included in this category are for the operation, maintenance, and repair of facility property. Costs not to be included are those for fixed assets, improvements, betterments, and major repairs that will benefit more than the current year. These items should be properly accounted for in the fixed assets and depreciated over their estimated useful lives.

**Account 012 Salaries and Wages** - Gross salaries of carpenters, electricians, engineers, firemen, heating plant employees, machinists, painters, plumbers, watchmen and other employees engaged in the operation or maintenance of the building equipment and grounds.

**Account 040 Payroll Taxes and Employees Benefits** - Includes that portion of payroll taxes and benefits paid by the employer charged to Plant and Maintenance personnel.

**Account 110 Supplies** - Supplies and parts required to repair and maintain the equipment used by this department.

**Account 230 Equipment Rental-Short Term** - Cost of renting equipment for use by Plant Operation and Maintenance Department on a short-term basis. *Related-party disclosure required.*

**Account 240 Furniture and Equipment Less Than the Facility's Capitalization Dollar Threshold** - The costs reported in this account should be for items that are under the facility's capitalization dollar threshold and/or have a life expectancy of one year or less.

**Account 310 Purchased Services/Consultants** - Services contracted from outside sources to repair or maintain facility and/or equipment. *Related-party disclosure required.*

**Account 320 Repair and Maintenance-Building and Grounds** - Cost of materials used in repair and maintenance of building and grounds.

**Account 330 Repair and Maintenance-Equipment** - Cost of materials used in repair and maintenance of equipment.

**Account 340 Repairs and Maintenance-Vehicles** - The costs included in this account are for the operation, maintenance, and repair of facility-owned vehicles. If costs are included for an administrator vehicle or one that is allowed personal and business use, then proper documentation and mileage logs must be maintained to support the expense and the amount of business use versus personal use in accordance with IRS guidelines. The cost of operating automobiles, ambulances and other motor vehicles includes registration fees, gasoline, oil, tires, lubrication and other repairs and maintenance.

**Account 350 Utilities** - Costs for gas, electricity, fuel and water.

**Account 490 Miscellaneous** - Expenses not provided for above. If total amount reported exceeds \$2,000, a separate detailed schedule **must** be attached.

#### **Cost Category 040 - Dietary**

**Account 012 Salaries and Wages** - Gross salaries of dietitians, chefs, cooks, and dishwashers and all other employees assigned to the kitchen, dining room or cafeteria.

**Account 040 Payroll Taxes and Employees Benefits** - Includes that portion of payroll taxes and benefits paid by the employer charged to Dietary personnel.

**Account 310 Purchased Services/Consultants** - Dietary services supplied from outside sources (i.e., caterers, dietary consultants, etc.). *Related-party disclosure required.*

**Account 380 Food** - Cost of food purchased, prepared in the regular kitchen (including special diets) and consumed by patients. If desired, separate accounts may be maintained for the major types of food such as meats, fish, etc. *Related-party disclosure required.*

**Account 390 Food Preparation and Serving Supplies** - Cost of supplies used in processing and preparing raw food for consumption by patients. Also included are dishes, glassware, silverware, paper products used in kitchen, dining room and on patient's trays, kitchen utensils, soaps and detergents, menus, aprons and uniforms for dietary personnel and all the other miscellaneous supplies and expenses. *Related-party disclosure required.*

**Account 490 Miscellaneous** - Expenses not assignable to one of the above dietary areas. If total amount reported exceeds \$2,000, a separate detailed schedule **must** be attached.

#### **Cost Category 050 - Laundry and Linen**

**Account 012 Salaries and Wages** - Salaries of laundry employees and those handling lines such as seamstresses, laundry persons, and ironers.

**Account 040 Payroll Taxes and Benefits** - Includes that portion of payroll taxes and benefits paid by the employer charged to Laundry and Linen personnel.

**Account 110 Supplies** - Cost of laundry soap, bleaches, detergents, starch, pressing cloths, and other supplies necessary to operate laundry and linen services.

**Account 310 Purchased Services/Consultants** - Laundry and linen services supplied from outside sources. *Related-party disclosure required.*

**Account 410 Linen and Bedding** - Cost of purchasing or renting linen, bedding, sheets, mattresses, pillows, pillowcases, blankets, towels, and washcloths.

**Account 490 Miscellaneous** - Expenses not assignable to one of the above laundry accounts. If total amount reported exceeds \$2,000, a separate detailed schedule **must** be attached.

#### **Cost Category 060 - Housekeeping**

**Account 012 Salaries and Wages** - Gross salaries of housekeepers, maids, porters, floor and wall washers and other housekeeping employees.

**Account 040 Payroll Taxes and Benefits** - Includes that portion of payroll taxes and benefits paid by the Employer charged to Housekeeping personnel.

**Account 110 Supplies** - Cost of brooms, brushes, cleaning compounds, disinfectants, drinking cups, germicides, insecticides, laboratory supplies, mops, paper towels, polish, soap and other housekeeping supplies.

**Account 310 Purchased Services/Consultants** - Contract labor or outside services for housekeeping. *Related-party disclosure required.*

**Account 490 Miscellaneous** - Expenses not provided for above. If total amount reported exceeds \$2,000, a separate detailed schedule **must** be attached.

### **Cost Category 070–Nursing**

Costs included in this category are for nursing services, medical supplies and the delivery of professional medical services. *Related-party disclosure required.*

**Account 012 Nurse Administrative Salaries** - The costs included in this account are for wages and salaries paid to Registered Nurses, Licensed Practical Nurses, Certified Nursing Aides serving as directors, in-service trainers, staff coordinators, staff developers, or any other personnel associated with nursing that do not perform on-hands care and whose duties are administrative in nature. This also includes medical records clerks.

**Account 013 Nurse Administrative Payroll Taxes and Benefits** - The costs included in this account are those associated with the taxes and benefits paid to the personnel classified in account 012.

**Account 040 Nursing Direct Care Salaries and Wages** - The costs included in this account are for salary and wages paid to registered nurses, licensed practical nurses, nurse aides and any other personnel involved with direct on-hands care. **Do not report any salaries for licensed therapists.** The salaries of Certified Nursing Aides can only be included **if the services performed have not been separately billed by the therapist.** **CNA salaries for time spent performing administration, housekeeping, dietary, laundry, recreation, and maintenance cannot be included in direct nursing.**

**Account 041 Nursing Direct Care Payroll Tax & Benefits** - The costs included in this account are those associated with the taxes and benefits paid to the personnel classified in account 040.



**Account 050 Purchased Nursing Services** - The costs included in this account are for the payment of services provided by non-employees. These could be for registered nurses, licensed practical nurses, certified nursing aides and any other personnel involved with nursing. **Do not report any licensed physical or occupational therapy costs or certified nursing aides if billed under the supervision of a licensed therapist.**

**Account 110 Medical Supplies** - The costs included in this account are for medical supplies used in direct patient care. It may include items that are considered routine for Medicaid purposes but ancillary by the facility. Supplies such as toothpaste, shampoo, facial tissues, disposable briefs, gowns, water pitchers, basins, bedpans, nursing station stock items, etc., are included. **Put DME with cost under the capitalization threshold in 030-240; rental equipment with short term leases that are not operating leases go into 030-230; only equipment leases that qualify as operating leases go into 020-320.**

**Account 111 Non-Medical Supplies** - The costs included in this account are for non-medical supplies associated with nursing such as charts, forms, and medical record supplies.

**Account 230 Oxygen Equipment & Rental** - Cost of oxygen related equipment and rental such as demurrage.

**Account 430 Respiratory/Inhalation Therapies** - Fees paid to respiratory or inhalation therapists.

**Account 440 Nurse Aide Training Costs** - The costs included in this account are for nurse aide training for evaluation, instruction, testing and materials. Do not include wages or salaries paid to aides to attend the training.

**Account 490 Miscellaneous (Attach Detail Schedule)** - Cost of miscellaneous items not included in any other account. If the total amount reported exceeds \$2,000, a separate schedule **must** be attached.

#### **Cost Category 080 - Ancillaries Not In Medicaid Daily Rate.**

Costs included in these accounts are for ancillary services either not included in the Medicaid daily rate or not covered by Medicaid.

**Account 013 Physician & Psychiatrist - Staff Salaries** - Fees paid to physicians and psychiatrists for direct care.

**Account 014 Physician & Psychiatrist Payroll tax & Benefit** - Includes that portion of payroll taxes and benefits paid by the employer charged to physician & psychiatrist costs for direct care.

**Account 017 Physical Therapy - Staff Salaries** - Fees paid to physical therapist for direct care.

**Account 018 Physical Therapy Payroll tax & Benefit** - Includes that portion of payroll taxes and benefits paid by the employer charged to fees paid to physical therapist for direct care.

**Account 019 Speech Therapy-Staff Salaries** - Fees paid to speech therapist for direct care.

**Account 040 Speech Therapy Payroll tax & Benefit** - Includes that portion of payroll taxes and benefits paid by the employer charged to speech therapy for direct care.

**Account 041 Audiology Therapy-Staff Salaries** - Fees paid to audiology therapist for direct care.

**Account 042 Audiology Therapy Payroll tax & Benefit** - Includes that portion of payroll taxes and benefits paid by the employer charged to audiology therapy.

**Account 043 Occupational Therapy-Staff Salaries** - Fees paid to occupational therapist.

**Account 044 Occupational Therapy Payroll tax & Benefit** - Includes that portion of payroll taxes and benefits paid by the employer charged to occupational therapy direct care.

**Account 045 Laboratory & Radiology-Staff Salaries** - Fees paid to laboratory & radiology staff for direct care.

**Account 046 Laboratory & Radiology Payroll tax & Benefit** - Includes that portion of payroll taxes and benefits paid by the employer charged to laboratory & radiology direct care.

**Account 112 Physician & Psychiatrist-Supplies/Other** - Physician & Psychiatrist supplies used in direct patient care. Includes items that are furnished routinely and relatively uniformly to all patients and/or stocked in gross supply and distributed or used individually in small quantities.

**Account 113 Physical Therapy-Supplies/Other** - Physical Therapy supplies used in direct patient care. Includes items that are furnished routinely and relatively uniformly to all patients and/or stocked in gross supply and distributed or used individually in small quantities.

**Account 114 Speech Therapy-Supplies/Other** - Speech Therapy supplies used in direct patient care. Includes items that are furnished routinely and relatively uniformly to all patients and/or stocked in gross supply and distributed or used individually in small quantities.

**Account 115 Audiology Therapy-Supplies/Other** - Audiology Therapy supplies used in direct patient care. Includes items that are furnished routinely and relatively uniformly to all patients and/or stocked in gross supply and distributed or used individually in small quantities.

**Account 116 Occupational Therapy-Supplies/Other** - See explanation in 112-115.

**Account 117 Laboratory & Radiology-Supplies/Other**-See explanation in 112-115.

**Account 311 Purchased Physician & Psychiatrist (non-employee)** - Contract labor or outside services for physician & psychiatrists. *Related-party disclosure required.*

**Account 312 Purchased Physical Therapy (non-employee)** - See explanation in 311. *Related-party disclosure required.*

**Account 313 Purchased Services-Speech Therapy (non-employee)** - See explanation in 311. *Related-party disclosure required.*

**Account 314 Purchased Services-Audiology Therapy (non-employee)** - See explanation in 311. *Related-party disclosure required.*

**Account 315 Purchased Services-Occupational Therapy (non-employee)** - See explanation in 311. *Related-party disclosure required.*

**Account 316 Laboratory & Radiology Service** - Cost of contracted services for facility patients. *Related-party disclosure required.*

**Account 350 Other Direct Care** - Cost of other professional services for direct patient care including psychologists, podiatrists, and optometrists. *Related-party disclosure required.*

**Account 360 Dental Services** - Cost of dental care

**Account 370 Emergency Ambulance** – Cost of emergency ambulance for life threatening or emergency situations.

**Account 380 Eye Glasses, Dentures, and Hearing Aids** – Cost of eye glasses, dentures, and hearing aids

**Account 390 Special Equipment Approved by Medicaid** – Cost of equipment for individual patients that is currently limited to air flotation beds and water flotation beds that are self-contained, thermal regulated, and alarm regulated, and mattresses and overlays specific for decubitus care, and customized (Medicaid definition) and motorized wheelchairs.

**Account 400 Prosthetic Devices** – Cost of prosthetic devices that Medicaid defines as (1) artificial legs, arms, and eyes; (2) special braces for the leg, arm, back, and neck; and (3) internal body organs. Specifically excluded are urinary collection and other retention systems. This definition requires catheters and other related devices to be covered by the per diem payment rate.

**Account 450 Prescription Drugs** – Cost of prescription drugs (legend drugs) plus antacids, insulin and total nutrition, parental or enteral diet given through gastrostomy, jejunostomy, IV or stomach tube. In addition, antilipemic agents and hepatic agents or high nitrogen agents are billed by pharmacies directly to Medicaid.

**Account 460 Oxygen Gas** - Cost of oxygen

**Account 490 Miscellaneous** - Expenses not provided for specifically above. If total amount reported exceeds \$2,000, a separate detailed schedule **must** be attached.

### **Cost Category 090 - Recreational Activities and Social Services**

The costs included in this category are for recreational activities and special services offered by the facility.

**Account 012 Salaries and Wages** - Gross salaries of recreation directors and all other employees assigned to recreation and social services.

**Account 040 Payroll Taxes and Employee Benefit** - Includes that portion of payroll taxes and benefits paid by the employer charged to Recreational personnel.

**Account 310 Purchased Services/Consultants** - Cost of outside consultants and contract type activities. *Related-party disclosure required.*

**Account 470 Recreational Therapies** - Fees paid to recreational therapist.

**Account 480 Sheltered Workshops** - Expenses incurred for sheltered workshop programs.

**Account 490 Miscellaneous** - Expenses not assignable to one of the above. If the total amount reported exceeds \$2,000, a separate detailed schedule **must** be attached.

### **Schedule C-1 – Expense Adjustment Details**

*This schedule provides the detail of the provider's expense adjustments and will also auto-fill those adjustments on Schedule C. Enter the adjustment number in column (1). Type the purpose of the adjustment in Column (2) such that someone not familiar with your facility can understand*

*the meaning. Enter the cost category in the format "0X0" in column (3). Enter the cost account number in column (4) in the format "XXX", with an added letter or number when needed. The cost account title will auto-fill in column (5). In column (6) enter a non-related party adjustment amount. In column (7) enter a related party adjustment. The amounts entered in column (6) or (7) will be auto-filled to the appropriate cost category/account number/non-related party or related party column on Schedule C. Record a debit, an adjustment that increases an expense, as a positive number. Record a credit, an adjustment that decreases an expense, as a negative number. The totals of columns 6 and 7, found above those columns on Schedule C-1, should agree with the totals of columns 5 and 6 on Schedule C. If there is a variance between the totals on Schedule C-1 and Schedule C, make the necessary corrections.*

## **Schedule C-2 – Key and Related-Employees’ Compensation and Related-Party Disclosures\***

**Sections A & B have been changed to allow easier copying and pasting of key employee and related employee information.**

**Section A** requires the disclosure of compensation to key personnel.\*\* This includes the administrator, office manager, director of nursing, owners, officers, and any other key personnel receiving compensation. Included are lines to “check” if the person is related to owners of the nursing home, and their “hours worked annually” and “hours paid annually”. If a key employee is related to the owner(s) his/her compensation is subject to the compensation reasonableness test stated in the instructions for “Administrator Salary”, 010-010, above. If an adjustment is necessary to the cost on Schedule C, it will be made by the Division.

**Section B** requires the disclosure of compensation to owner’s family members not already reported in section A.\*\* This information is used to determine reasonableness of compensation to family members. If compensation to owner-administrators or family members exceeds Medicaid guidelines for reasonableness, or exceeds the amount paid to others in similar positions, then adjustments to the reported expenses are necessary on Schedule C, Column 5. Section B also includes columns for related employees’ “hours worked” and “hours paid”. “Hours Worked” are those hours actually worked at the facility by an employee. “Hours Paid” include hours worked as well as hours paid for vacation, sick leave, etc.

**Section C** requires the disclosure of any related-party transactions. It now has 8 columns of information required. The 6<sup>th</sup> column of information calculates by formula the adjustment amount that must be entered on Schedule C-1 (Sch C-1). All items listed require full disclosure of the cost and any necessary adjustments to that amount are to be reported on Schedules C and C-1. Any profit or mark-up on related-party goods or services must be adjusted out for Medicaid FCP purposes.\*\*\* Supporting documentation is required for all costs reported in this section including an attached schedule for each item. Mark an “X” in the last (8<sup>th</sup> column) to show this documentation is attached.

Use the Related Party Disclosure Statement if additional room is needed for related party disclosures.

\* FCP Schedule A, page 1: "...any misrepresentation, falsification, concealment, or omission of material facts constitutes fraud and I may be prosecuted under applicable federal or state law."

\*\* CMS PUB. 15-1 CHAPTER 9 COMPENSATION OF OWNERS §902.5: "...the following persons are considered immediate relatives: (1) husband and wife, (2) natural parent, child and sibling, (3) adopted child and adoptive parent, (4) step-parent, step-child, step-sister, and step-brother, (5) father-in-law, mother-in-law, sister-in-law, brother-in-law, son-in-law, and daughter-in-law, (7) grandparent and grandchild."

\*\*\* CMS PUB. 15-1 Chapter 10 COSTS TO RELATED ORGANIZATIONS §1000: "...such cost must not exceed the price of comparable services, facilities, or supplies that could be purchased elsewhere. The purpose of this principle is two-fold: (1) to avoid the payment of a profit factor to the provider through the related organization (whether related by common ownership or control), and (2) to avoid payment of artificially inflated costs which may be generated from less than arm's-length bargaining. "

### **Schedule D – Patient Days & Occupancy**

The purpose of this schedule is to report the total patient days provided by the facility as summarized through patient records and census reports. **It is imperative that facilities reconcile their patient records monthly and adjust for clients who become retro-eligible for another category.**

Several new lines have been added to aid the accurate reporting of patient days. Row 2, "FCP Patient Days", is for recording patient days for the fiscal year by payer type when the FCP is prepared. Row 3 references the Net Revenue from Schedule B for each financial category. Row 4 divides the net revenue in Row 3 by the number of days in Row 2 for a daily rate per financial category. If the daily average is outside of the expected range for that category, then the cell in Row 4 turns orange. In addition, if there is revenue but no corresponding days, an "Error" message appears in Row 4.

The next section records the Patient Day Assessment days for comparison to the FCP days. Row 6 shows the total Patient Day Assessment days by category reported for the Patient Day Assessment throughout the fiscal year.

If FCP days are different from Patient Day Assessment days as reported by payer category on Row 6, then the cells in Row 7 turn orange.

The “NOTES” section in row 8 has been added, ENLARGED, and set up to wrap text. Use this area to explain why daily rates are below or above the expected range and to explain legitimate differences between FCP days and Patient Day Assessment days. Although the total patient days between the FCP and the Patient Day Assessment should be close, it is reasonable to see differences in financial category reporting due to retro-eligible patients.

“OCCUPANCY” Section

Report total licensed beds on Line 1. Report Medicaid Certified Beds on Line 2. The remaining lines in this section are all calculated.

**Summary of Schedules**

Key information and totals from the previous schedules are rolled up to the Summary tab. This information is used for auditing, industry analysis, and other purposes. All cells in this worksheet are protected.