

**INSTRUCTIONS FOR THE 2024-2025
ADULT CARE COST REPORT**

COST AND REVENUE REPORTING SYSTEM

**For Facilities Providing Services to Recipients
of State/County Special Assistance for Adults**

CAPACITY OF 7 LICENSE BEDS OR MORE
Including Special Care Unit (SCU)

Reporting Deadline

Due date: **September 30, 2025**

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CONTACT INFORMATION:

For any questions regarding the Adult Care Cost Report, please contact Susan Kesler or Yashaciqa Davis. Susan can be reached at (919) 855-3680 or MS Teams/email at susan.kesler@dhhs.nc.gov. Yashaciqa can be reached at 919-527-7175 or MS Teams/email at Yashaciqa.davis@dhhs.nc.gov. Fax (919) 715-3095.

For any questions regarding the Agreed Upon Procedures (AUP) Report, please e-mail the question to AUP.questions@dhhs.nc.gov.

I. GENERAL INFORMATION

Objective:

To require facilities providing services to recipients of State/County Special Assistance for Adults to submit cost reports (where required, audited cost reports) of actual costs and to require the Department of Health and Human Services to adopt rules to ensure quality of care in these facilities.

Enabling legislation:

GS 131D-4.2, Session Law 2016-94, section 12G.2

Implementation Date:

This legislation modifies the original statute from cost reports being required annually, to every two years. The due dates as well as the reporting dates were also taken out to allow more flexibility. The department held meetings to redetermine dates. The cost report is now due on September 30th of odd numbered years. **The cost report period should be based on the latest fiscal/accounting year end of the facility ending on or before June 30, 2025. Combined nursing facilities reporting period should be based on the most recently completed Medicare cost report.**

Report Due Date:

All facilities, **except** Family Care Homes, must complete the cost report for the period based upon the latest fiscal/accounting year end of the facility ending on or before June 30, 2025. All reports must be submitted using the web-based program by **September 30, 2025** unless the facility has filed an exemption notification.

If the report is required to be audited, the Auditor's Report that has been prepared in accordance with either SSAE No. 19 or SAS No. 62 must be submitted along with the "audited" cost report by September 30, 2025.

Exemption Notification:

All facilities that are exempt because they do not receive any funds through the State/County Special Assistance for Adults Program should now enter their exemption information using the web-based cost report program. Exemptions **must** be submitted and entered EVERY cost reporting cycle into the program by the due date (September 30, 2025). Written notification will no longer be accepted. See Schedule A instructions for how to enter exemption information.

Access to records:

The Department of Health and Human Services shall have the authority to conduct audits and review audits (GS 131D-4.1-4.3)

Action for Noncompliance:

The Department of Health and Human Services may take the following actions to enforce compliance by a facility with the cost report requirements, or to punish noncompliance:

1. Suspend admissions to facilities that fail to submit cost reports or exemptions by the due date. Suspension of admissions shall remain in effect until the report is submitted or licenses are suspended or revoked.
2. Seek a court order to enforce compliance.

3. Suspend or revoke the home's license, subject to the provisions of Chapter 150B.

If the Agreed Upon Procedures (AUP) indicates the accountant was unable to perform certain procedures or utilized unapproved alternative procedures, the cost report and AUP will be returned for possible corrections. If corrections are not possible or timely, the cost report may be excluded from the rate setting figures. If the AUP indicates that the accountant was unable to verify total resident days or that the facility did not maintain documentation to support the allocation of personnel costs to cost centers, then the cost report data will be excluded from rate setting.

In addition, if any data on the cost report is subsequently revised and submitted to the Department after the AUP was received by the DHHS Office of the Controller, then an explanation for the revisions must be included with the cost report. If the revisions affect an expense item that was subjected to an AUP test, then a revised AUP must also be submitted along with the revised cost report.

Audit Requirements:

All homes with 7 or more beds, which receive State/County Special Assistance, must have their cost report audited in accordance with General statute 131D4.1-3 at least every two years. Now that cost reports are due every two years, the reports must be audited every time a cost report is due.

- Homes with a licensed bed capacity of 6 or less are **not** required to have their cost report audited.

If facilities meet the definition of a **cluster home** and home management files a consolidated cost report, the consolidated cost report should include all homes, which have common ownership, located on the same site, and using the same accounting system. The consolidated cost report will be audited in accordance with the audit requirements that have been established for an individual home with a licensed capacity of 12 beds each.

The Department of Health and Human Services has developed procedures intended to be applied during an agreed upon procedures engagement to meet the requirements of General Statute 131D-4.1-3, while at the same time containing the cost incurred by the homes. A Certified Public Accountant (CPA) or an independent accountant may perform the agreed upon procedures. The procedures should be performed in accordance with Statement on Standards For Attestation Engagements (SSAE) No. 19: *Agreed-Upon Procedures Engagements*. A report prepared by a CPA in accordance with Statement on Audition Standards (SAS) No. 62: *Special Reports* will also be accepted by the Department. The Department will **not** accept SAS No. 62 Report from an independent accountant.

Before an independent accountant is engaged to perform the AUP, home management should have the accountant review the Independent Accountant's Certification Form to ensure the accountant meets the minimum requirements that have been established by the Department. If the accountant meets the minimum requirements, the Independent Accountant's Certification Form **must** be completed by the accountant and submitted along with the cost report. In this case it will need to be emailed to the department.

Is Information Subject to Verification: Yes

File Electronically:

The Adult Care Home (ACH) Cost Report and Exemption form will only be accepted by using the web-based Adult Care Cost Report Program. All that is needed is a computer connected to the internet. Nothing needs to be downloaded. A User's manual with instructions for using the web-based ACH Cost Report program can be found on the Office of the Controller's (OOC) website at <https://www.ncdhhs.gov/about/administrative-offices/office-controller/adult-care-facilities>.

When the "Submit to OoC" button is clicked to submit the cost report to the Office of the Controller, that is the electronic equivalent of "The Certification of Accuracy". Any additional required information, AUPs or the

Independent Accountant’s Certification Form will still need to be emailed. All information must be submitted by September 30, 2025. It is strongly encouraged to attend one of the training classes offered to help users learn the program. This also includes those users who only submit an Exemption Form. If there should be any issues or questions when using the program, please call or email Susan Kesler or Yashaciqa Davis (see page 2 for contact information).

Where to get additional forms and/or information:

All information and forms are available on the DHHS Office of the Controller’s website at: <https://www.ncdhhs.gov/about/administrative-offices/office-controller/adult-care-facilities>. All information needed for the 2024-2025 cost reporting cycle will be found by clicking the link 2024-2025 Cost Report- AUPs. There can be found links for the web-based cost report program, instructions, the chart of accounts, Agreed-Upon Procedures (AUPs) and other forms.

- ❖ Pay specific attention to the reporting period and the licensed bed capacity in selecting the appropriate information.

Mailing the Cost Report:

The Department will no longer accept paper copies of the cost report or exemption forms. The web-based program must be used. All that is needed is a computer and a connection to the internet. Again, if there are issues with the web-based program, please contact Susan or Yashaciqa (again, see page 2).

| |
|-----------------------------|
| COST REPORT |
| GENERAL INSTRUCTIONS |

Starting with the cost reporting cycle 2022-2023, the DHHS Office of the Controller (OOC) started using a web-based cost report program to electronically submit the cost report and exemption information so it will automatically be collected into a master database. This has been developed to eliminate past issues with using Microsoft Access and the obsolete 32-bit based program. The program is beneficial for both the facility and OOC. It is easier to use and saves time and effort with the Adult Care Cost Reporting process. This system is the only way to submit the Adult Care Cost Report or Exemption Form for the 2025 cost reporting cycle.

Nothing needs to be downloaded to the user’s computer. To find the link to log in to the system go to the OOC website at <https://www.ncdhhs.gov/about/administrative-offices/office-controller/adult-care-facilities>. The username will be the facilities license number. The user will be able to print off blank copies of the schedules for the cost report as well as to submit the cost report. The Agreed Upon Procedures (AUP) will still have to be emailed to OOC.

REMINDERS for this year:

1. Cost Reporting Year – All facilities should report based on the latest fiscal/accounting year completed on or before June 30, 2025. The reporting period for combined nursing facilities should be of the most recently completed Medicare cost report.
2. The only line available for the Personal Care cost center is line 59. The only line available for Health Services cost center is line 72. The only line for Initial/Orientation Aide Training is line 88. It has been this way within the cost report program since the 2017 cost reporting cycle. Please read pages 27 through 31.
3. The username for logging into the system will be the facility license number assigned by the Division of Health Service Regulation (DHSR). Passwords and security questions were reset with the rollover. **Please see pages 6 through 8 for login and password instructions.**
4. Schedule of Related Party Transactions (Schedule D) – If the organization lists a related party expense, unless the cost meets ALL 4 conditions listed, see the 4 examples given starting on page 46, the related

party expense must be adjusted to the actual cost of the related organization. The amount to be adjusted should be put in the “Related Party Adjustments” column. See pages 47 through 51 for instructions.

5. Home of the Aged (HAL) facilities that are licensed for Special Care Unit (SCU) beds, a Schedule E must be completed before submitting. See pages 52 through 54.
6. Home for the Aged (HAL) facilities with 31+ beds must fill out Schedule F. It relates to information needed for the cost model process and has made the process so much easier. Please see pages 54 through 56.
7. Have added at the bottom of the manual a section called Lessons Learned, starting on page 57. This section gives some useful information on what was learned from using the web-based program last cost reporting cycle. Hope it will provide some helpful hints, things to look out for and double check.

LOGGING INTO PROGRAM

The website to get to the Adult Care Cost Report program is: [Adult Care Cost Report Program](#). The best web browser to use to get to the program is either Google Chrome or Microsoft Edge. If Firefox or any other web browser is used, the cost report program will not work well.

Here is the login screen for the web-based Adult Care Cost Report program.



Adult Care Web App

Login

Username

Password

Remember My Login

[Forgot Password](#)

Login

Cancel

Username - is going to be the license of the facility given by the Division of Health Service Regulation (DHSR). For an adult care home, the license would be something like HAL-000-000. For a Mental Health Group Home, the license would be something like MHL-000-000. For a dually licensed Nursing Home, which means they are licensed for both skilled nursing beds and adult care beds, the license would look like NH0000. This would include the dashes (-) in the license for both Adult Care and Mental Health facilities. Nursing homes do not have a dash (-) in their license so one does not need to be entered. It does not matter if the letters of the license are all upper-case (HAL) letters, all lower-case letters (mhl) or a combination of the two (Nh) when logging in. However, please be consistent and use the same configuration each time. No other license type can be used to log into the system.

Password – When the rollover took place, all passwords and security questions were reset. After all, how many would remember the password created 2 years ago or their answers to security questions. Not to mention staff who may have retired and new staff doing the cost report for the first time. The temporary password to use to log into the system for this cost reporting cycle will be **#FirstLogin1**. The system will automatically take the user to the Change Password screen. Key the temporary password into the “Current Password” line. Enter a new password

on the “New Password” line, using the following parameters. A password must be at least 10 characters in length. Contain upper- and lower-case letters, a number, and a special character. Enter the new password again under “Confirm Password”. Click “Update” when finished.



Adult Care Web App

Change Password

UserName

HAL-001-001

Current Password

New Password

Confirm Password

Update

Reminder, passwords are only good for 90 days. After 90 days the system will require them to be reset.

After logging in with the newly created password, the next screen to come up will be the Security Questions screen.



Adult Care Web App

Security Questions

UserName

HAL-051-047

--Select Security question--

Please follow these directions when setting up the answers to these questions:

- Use the drop-down arrow to bring up the 1st security question, **DO NOT ANSWER IT YET!!!!**
- Use the drop-down arrow to bring up the 2nd security question, **DO NOT ANSWER IT YET!!!!**
- Use the drop-down arrow to bring up the 3rd security question, **DO NOT ANSWER IT YET!!!!**
- Use the drop-down arrow to bring up the 4th security question, **DO NOT ANSWER IT YET!!!!**
- Use the drop-down arrow to bring up the 5th security question, now the user may answer this question along with the other 4 questions given above.

The screen should look something like the one below.

Security Questions

UserName

What was your childhood nickname?

What was your favorite food as child

In what city/town were you born?

What is your mothers middle name?

What was the name of your elementary school?

Save

There is no length or special character requirement. The answer to the question can be multiple words. It can be anything. The only requirement is that the same answer cannot be used more than once. If an answer is duplicated, the Save button will not be active.

These security questions will be used to help the user if they forget their password. If a user enters a wrong password, an error message saying, "Invalid username or password" will come up. If the same message comes up a second time, stop right there and click "Forgot Password" to use the security questions to help unlock the username. After entering the wrong password 3 times, the error message will change to, "Your Account is locked. Please contact C DHHS Office of the Controller to unlock Account or click Forgot Password Link". You can try clicking "Forgot Password", but it doesn't always work as well once the "Your Account is locked..." message comes up. Here is the Change Password screen.



Change Password

If you have forgotten your password, follow the prompts to reset your password, or unlock your account

•

UserName

Next

Enter the username (license number) and click Next. This will bring up the screen with security questions. Here only three security questions need to be answered. (Note: If answering the 5 security questions haven't been done first, clicking "Forgot Password" will do no good.) It doesn't matter which 3 questions are picked but the user must give the right answer to the question. Use the dropdown box to bring up one of the questions and provide the correct answer. Repeat by bringing up two more questions and providing the correct answers. When the correct answers are given, it will take the user to the "Change Password" screen. Then follow the directions given above.

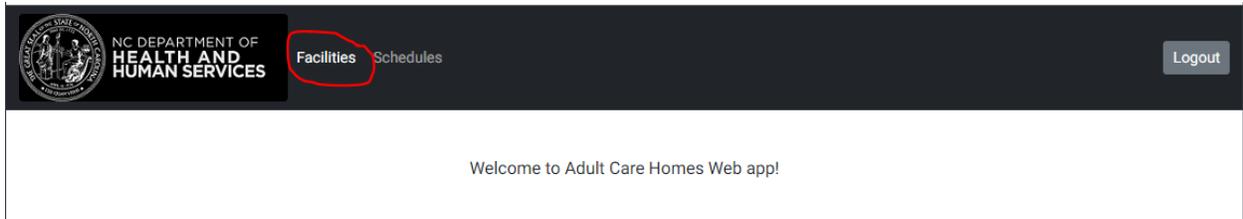
If the user gets locked out, please email a Rate Setting staff member to request the password to be reset. Make sure to give staff the username(s) that need to be unlocked. They will reply to the email with the new password(s). As the passwords will just be a string of characters, it is easiest to use copy and paste to get them into the system, as it is used twice. Please start the highlight for the copy at the back end of the password. If the highlight for the copy starts at the front, when Ctrl C is clicked it will sometimes include an extra space. The system sees that extra space as a character and will make the password invalid. On the main login screen, paste the reset password into the "Password" field. It will take the user to the "Change Password" screen. Then follow the directions given above.

Note - The message that says "Your Account is locked. Please contact NC DHHS Office of the Controller to unlock Account or click on Forgot Password link". Do not try calling the Office of the Controller main number, they will have no clue how to help you. This message means to please contact a Rate Setting staff member, as listed on page 2 of this manual.

If a user should log into the system and get a blank screen with the message "Please wait... authorizing" and it just sits there, the username is locked/stuck. There is no amount of time that will unfreeze this username. Please email or call Rate Setting staff with the username that is stuck. It isn't something they can fix either and will have to contact the programmer to get the username un-stuck. This seemed to happen the most when the user didn't follow the directions given above on how to bring up and answer the questions on the "Security Questions" screen. Once the username has been un-stuck, Rate Setting staff will notify the user. The user should log in with the password they created. It will automatically take the user to the "Change Password" screen and then to

“Security Questions” screen for these questions to be answered again. Again, please follow the directions given above.

The first screen seen once logged in will look something like this:



Click on Facilities, that is circled in red.



Facilities

| License Id | Facility Id | Facility Name | Fiscal Year | Edit Facility |
|-------------|-------------|------------------------|-------------|---|
| HAL-001-001 | 05000 | Rose's Adult Care Home | 2022-2023 |  |

The next screen will show the cost report year or years available. As the years go by, and provided there is not a change in ownership, the user will be able to see a prior cost report(s) along with the current year. To view a current or prior year cost report, click on the little paper and pencil icon on the right (circled in red). In either case that will open the cost report to Schedule A.

- For a prior cost reporting cycle report, the cost report will open in read only mode. All fields are grayed out and no information can be changed.
- For the current reporting year, the boxes will be ready for information to be updated and/or entered.

When there is a change in ownership, that typically means the license number changes which will create a new username. The record retention requirements by the State of North Carolina for the Adult Care Cost Reports are for 10 years. As cost reports are received every two years, there can be up to 5 cost reports showing. After 10 years are up, the older cost reports will start to drop off.

COST REPORT

INSTRUCTIONS FOR SCHEDULE A

Let us look at Schedule A... in pieces:



SCHEDULE A

[Click Here To modify ExemptionReason](#)

| | | | |
|----------------------------|---|--------------------------|---|
| Year | FID | Facility | License |
| 2022-2023 | 05000 | Rose's Adult Care Home | HAL-001-001 |
| Special care unit : | <input type="radio"/> Yes <input checked="" type="radio"/> No | Reporting Basis : | <input checked="" type="radio"/> Cash <input type="radio"/> Accrual |
| Consolidated Report | <input type="radio"/> Yes <input checked="" type="radio"/> No | | <input type="checkbox"/> Exempted |

General Information

| | | | |
|--|---|---|--|
| Mailing Address Address : <input type="text"/> City : <input type="text"/> State : <input type="text" value="NC"/> ZIP : <input type="text"/> | | Physical Address Address : <input type="text"/> City : <input type="text"/> State : <input type="text" value="NC"/> ZIP : <input type="text"/> | |
| Facility Phone: | <input type="text" value="Phone Number"/> | Original Date Licensed: | <input type="text" value="mm/dd/yyyy"/> <input type="calendar"/> |
| County: | <input type="text"/> | NPI #: | <input type="text"/> |
| #If Medicare Provider Changed : | <input type="text"/> | Owner(s): | <input type="text"/> |
| Contact Person Phone: | <input type="text"/> | Contact Person Email: | <input type="text"/> |
| | | Issued Name: | <input type="text"/> |
| | | Medicare Provider #: | <input type="text"/> |
| | | Contact Person | <input type="text"/> |

The picture shown above shows what a new facility or one that changed ownership since the last cost reporting cycle. The first line states the cost reporting cycle, the FID which will be assigned by the Office of the Controller's staff, the facility name and license. None of the information on this line can be updated. The information under General Information will need to be keyed. For established facilities, those that did not have a change in ownership since the last cost reporting cycle, most of the General Information on Schedule A has been preloaded. There might be a thing or two that needs to be keyed (for example: NPI #, phone numbers, contact person email), but most information should be already there.

Before moving down, let us see if any of the check buttons here at the top need to be changed.

The first check box is for if the facility has Special Care Unit (SCU) beds. If the facility has SCU beds, then check the Yes button. This will make sure the program provides extra columns for the user to break out revenue, costs, and days between the regular adult care beds and the SCU beds. If the facility does not have SCU beds, then leave the No button checked. **NOTE: It is best to click this button to "Yes", if needed, AFTER the General Information section has been completed. See information below about the required email address.**

The Reporting Basis buttons are next. Please select whether the report is on cash or accrual basis. If you do not know, ask the accountant or tax preparer who does the facility books. They will know. Last reporting cycle, this wasn't checked when it should have been, let's do better this time.

The Consolidated Reports section, this will be No for most cost reports received as many of these facilities are no longer open. For the few that remain, there will be a few added steps. For the individual licenses within the consolidated group, the individual Schedule A information will need to be keyed. Log in using one of the facilities license, key in Schedule A, then click Submit at the bottom. That will bring up the Accountant Page for the

accountant information who is doing the Agreed Upon Procedures. See the Submit Cost Report section down on page 55. Go back to the top of the page and log out. Log into the next individual license and do the same thing. Make sure to make note of the Group ID # shown highlighted below.

Consolidated Report Yes No Exempted

#of homes Page of Group ID#

The Group ID # plus HAL in front (HAL-C6004) will be the username for where the consolidated revenue and expenses will be keyed for Schedules A, B, C-Direct, C-Indirect, D, E (if applicable) and F (if applicable).

For users who need to submit an exemption for the cost report, **DO NOT** click the Exempted button just yet. The information in the General Information **must be filled out first**. We will come back to this in a moment.

General Information

Enter the mailing address for the facility. Enter the city, state, and zip code. **NOTE:** This address will **NOT** be used for any correspondence as facilities can be bought or sold multiple times between cost-reporting cycles. Please update this information if needed.

Enter the location (physical address) of the facility if it is different from the mailing address. Enter the city, state, and zip code of the facility. Please update this information if needed. This is the address where cost report information will be sent to. Owners tend to change but the physical address of the facility doesn't. Please make sure facility personnel do not ignore cost report information when it is received and pass it on to the appropriate person.

Enter the facility phone number.

Enter the county name **where the home is physically located**. Use the dropdown box to pick to county.

Enter the original date that DHSR licensed the home.

Enter the facility's NPI number. NPI stands for Nation Provider Identifier number, which is a standard unique health identifier for health care providers adopted by the Health Insurance Portability and Accountability Act (HIPAA) in January 2004. All health care providers (except small health plans) must comply by having a NPI number. If additional information is needed about this national requirement, check out the following website: www.cms.gov/regulations-and-guidance/administrative-simplification/nationalprovidentstand and click on any of the links listed there.

If the facility already has applied and received a NPI number, please enter it in this box. The NPI number is 10 digits (numeric) number. No alpha character will be accepted nor anything less than 10 digits. **THIS IS A REQUIRED FIELD.**

Enter the Facility Medicaid provider number as assigned by NC Medicaid. If the license number changed during the cost reporting cycles, please provide the prior Medicaid provider number.

Enter the name of the owner(s).

Use the Issue Name field to put the name of the facility. Sometimes the name given above at the top says John Dow but the name of the facility is ABC Adult Care Homes. We can't at this point change the name at the top, but you can use this field to put the name ABC Adult Care Homes.

Enter the name of the contact person, their telephone number and email address, if different from the owner. The email address **is a required field**. This field cannot be left blank, and the user can't leave Schedule A to go to the

next screen without an email address. Make sure the email address is a valid one. The email address should be for the person who can answer questions concerning the cost report/exemption information if the Office of the Controller has a question, or if corrections need to be made. Please update this information each cost reporting cycle!

Now that the General Information section has been completed, if the provider needs to submit an exemption, the Exempted button can be clicked. That will bring up the possible reasons for qualifying for the exemption, see below. Please select the reason that best suits why this facility is exempt.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF THE CONTROLLER
2021-2022 ADULT CARE COST REPORT
EXEMPTION FORM

The Exemption Reason is saved. Close to return to ScheduleA form.

Please check the appropriate statement below

We are exempt from the 2021-2022 cost report requirement mandated by G.S. 131 D-4.1-4.3 because our facility did not receive any funds through the State/County Special Assistance for Adults Program.

We are exempt from the 2021-2022 Cost Report requirements mandated by G.S. 131 D-4.1-4.3 because our facility is refunding all funds received through the State/County Special Assistance for Adults Program.

We are exempt from the 2021-2022 Cost Reporting requirements mandated by G.S. 131 D-4.1-4.3 because the facility's current owner

on

The facility's fiscal/accounting year began on:

and ends on:

Cancel Save

The first exemption is the one used most often if the facility doesn't have any residents receiving State/County Special Assistance. Rarely is the second exemption reason used. The last exemption reason should only be used if the facility owner has owned the facility for **less than 6 months**. The first box, choose from the list provided, whether the facility was bought, sold, or closed. In the first date box, enter the date for when the facility was bought, sold, or closed on. The second date box is where to enter the beginning date of the facility's fiscal/accounting year (for this cost reporting cycle). The last date box is for entering the date for the end of the fiscal/accounting year (for this cost reporting cycle).

When the appropriate exemption reason has been clicked, now click Save. That will take the user back to Schedule A. On the Schedule A main screen, the "To Modify Exemption reason, [Click Here](#)" message can be seen. This can be clicked to bring up the exemption reasons too, but the Exempted button will still need to be clicked.

Nothing in Tax Information, Home Information or Bed Capacity Information need to be completed. If the user does fill out the information in these sections it is fine, but it isn't required. Again, fill out the General Information section and update contact information (if needed) first before clicking the Exempted button. Once all information has been completed, scroll down to the bottom of the screen and click "Submit".

Tax and Home Information

In the Tax Information section, check/select the tax status of the home in the Voluntary (Church, Other-Non-Profit) or For Profit (Solo Proprietorship, Corporation, Partnership, Other). This section was probably left blank or marked incorrectly the last cost reporting cycle. Only 1 button needs to be clicked, either under Voluntary or under For Profit. If the facility is not a Church or Other (non-profit) tab over to the For Profit side and choose one there. This section was cleared when the rollover took place. Please mark the correct choice.

Tax Information

Voluntary

Church Other (Non Profit)

For Profit

Solo Proprietorship Corporation Partnership Other (Profit)

Home Information

Do you own This Facility? Yes No

Ownership changed? Yes No

| | | | |
|--------------------------------|---|--------------------------------------|---|
| Date Home built | <input type="text" value="07/01/2023"/> | Number of Months in operation | <input type="text" value="0"/> |
| Date Home was renovated | <input type="text" value="07/01/2023"/> | From | <input type="text" value="07/01/2023"/> To <input type="text" value="06/30/2024"/> |
| Home fully Depreciated | <input type="radio"/> Yes <input checked="" type="radio"/> No | Is this a new Facility | <input type="radio"/> Yes <input checked="" type="radio"/> No |

In the Home Information section, select the appropriate box if the corporation/company/organization owns the facility that is licensed by the DHSR, select Yes.

Select the appropriate box if the ownership of the home changed during the cost report period. If Yes is checked, additional information will pop up as seen in this picture.

| | | | | | |
|-----------------------|---|---------------------|----------------------|------------|----------------------|
| Previous owner | <input type="text"/> | | | | |
| Address | <input type="text"/> | | | | |
| State | <input type="text" value=""/> | City | <input type="text"/> | ZIP | <input type="text"/> |
| Date | <input type="text" value="mm/dd/yyyy"/> | Old License# | <input type="text"/> | | |

Please indicate the name and address of the previous owner in the space provided and indicate the date of the ownership change. Also provide the old license number, if known.

Enter the date the facility was built, if known. The date currently shown in this field is a dummy date and doesn't mean a single thing. This date can be left or changed to something even more dummy, like 01/01/2001. Please

leave a date of some kind in this field. If the dates are known, please enter them. If only the year is known use January 1 and then put in the year.

Enter the date the facility was renovated, if applicable. Again, the date currently shown in this field is a dummy date and doesn't mean a single thing. This date can be left or changed to something even more dummy, like 01/01/2001. Please leave a date of some kind in this field.

Select the appropriate box to indicate if the facility is fully depreciated for tax purposes.

Enter the months of operation during the cost reporting period. This field **IS NOT** the total months of operation the facility has been opened or operated by this or any previous owner. This field is for the number of months being reported for this cost reporting cycle. The number for this field **SHOULD NEVER (EVER) BE GREATER THAN 12**. The number of months can be less than 12 but it can **NEVER** be greater than 12.

The From and To dates fields right under the Number of Months of operation should be the months being reported for this cost reporting cycle. During the rollover process these dates were set to 10/1/2023 in the From field. In the To field it was set to 9/30/2024. Please update these dates to the accounting/fiscal year end of the facility. If the dates shown here fall outside the reporting period expected for this cost reporting cycle, the cost report will be returned to the user for corrections.

- The first possible fiscal year for this cost reporting cycle would be any facility that goes by a federal fiscal year of 10/1/2023 through 9/30/2024. These dates are currently shown in the From and To fields. As February/2024 is included in this, remember to use 366 days when calculating residential days.
- The most used accounting year end is a calendar year. Therefore, the calendar year of 1/1/2024 through 12/31/2024. Remember the calendar year 2024 was a leap year, so make sure to use 366 days when calculating residential days.
- The last possible fiscal year end for this cost reporting cycle would be any facility that goes by a state fiscal year of 7/1/2024 through 6/30/2025. February/2024 is not included in this date range so 365 days would be used when calculating residential days.
- While the above three examples are the most often used fiscal/accounting year ends, any other 12-month period ending before 6/30/2025 is allowable.
- Partial year cost reports, where the facility was operated by the current owner for 6 months or more should be reported. For example, a cost report for 8 months of 2024 would show 8 in the Number of Months in Operation field; the From and To dates would show what 8 months of 2024 the cost report is for.
- Any owner of a facility open/owned for **LESS THAN 6 months**, can file an exemption. Please refer to the Exemption information provided above on page 13.
- If there are any questions concerning a valid date range allowable for the cost reporting cycle of 2024-2025, please contact a Rate Setting staff member.

Select the appropriate box if this is a new facility.

Bed Capacity Information

| Bed Capacity Information | | | |
|-----------------------------|---|----------------------------------|--------------------------------|
| 13. Licensed Bed Capacity | <input type="text" value="0"/> | 17. Total Licensed Bed Available | <input type="text" value="0"/> |
| Bed Capacity Changed | <input type="radio"/> Yes <input checked="" type="radio"/> No | | |
| # of Beds before Changed | <input type="text" value="0"/> | | |
| First date Changed | <input type="text" value="mm/dd/yyyy"/> | | |
| Second Date Changed | <input type="text" value="mm/dd/yyyy"/> | | |
| Total of Available Bed Days | <input type="text" value="0"/> | | |
| Total Resident Days | <input type="text" value="0"/> | | |
| Total State/County SA Days | <input type="text" value="0"/> | | |

Next Step | print ⬆

Line 13 – Enter current total Licensed Bed Capacity of the home as of the last day of the reporting period. (This is the bed capacity licensed by the DHSR)

Example: The XYZ Home for the Aged is licensed by DHSR for 7 beds and a calendar yearend.

Line 13a - *SCU Only* of the total beds identified on line 13, separately identify the number of “Special Care Unit Beds” and “Other Beds” (regular adult care beds) on this line. **Note:** The sum of this line must be equal to line 13.

Line 17 – for Total Licensed Bed Days Available, this will automatically calculate and display the licensed bed days. It does that by taking the number of beds listed in the Licensed Bed Capacity line and multiplying that number by the number of days in the period. Using the example of 7 beds shown in line 13, that would be 7 beds times 366 days or 2,562.

Line 17a - *SCU Only* of the Total Licensed Bed Days Available identified on line 17, separately identify the number of “Special Care Unit Bed Days” and “Other Days” on this line. **Note:** The sum of this line must be equal to line 17.

Select the appropriate box to indicate whether there was a change in the Licensed Bed Capacity during the cost reporting period. If Yes is clicked, the above greyed out boxes will open to allow for the number of beds change along with the date(s) of the change. Dates in the First Date Changed and Second Date Changed, are dummy dates. If the user wishes to change them to a dummier date like 01/01/2001 that is fine. Click Yes, make the change and then click No, but please leave some kind of date in these fields.

Enter the number of Available Bed Days during the cost report period. Available bed days at first will be automatically calculated by multiplying the number of beds available during a month by the number of days in the month. Most of the time the number calculated on line 17 will be the same number that needs to be keyed for Available Bed Days. The number of Available Bed Days can and should be updated if needed.

The number may be different because the facility may choose not to fill beds up to their licensed capacity. (For example, if there was not enough staff to cover beds during the pandemic.) The license for the facility did not change but there was not enough staff to cover all beds, if filled. So, the number of beds available was less than licensed. If there was an increase or decrease in the number of beds available during the

period, the number of beds available for each month of the cost report period should be multiplied by the number of days during the month.

SCU Only of the Total Available Bed Days, separately identify the number of "SCU Beds" and "Other Beds" on this line. Note: the sum of this line must be equal to line 17.

Enter the number of Total Resident Days (private and State/County Special Assistance) for the home during the cost report period is at first automatically calculated. It should be corrected to only include the days there was a resident's head in a bed. It can also include days a bed was held open for a resident on therapeutic leave or in the hospital. Total Resident Days do not distinguish between private paid, or SA paid days. It should represent ALL residents' days.

The number of Total Resident Days will be taken from the home's census records or computed based on dates when residents were admitted, discharged, or on leave from the facility.

The number of Total Resident Days may equal or be less than the number of Total Available Bed Days, but it may **NOT** be greater.

SCU Only of the Total Resident Days, separately identify the number of "SCU Beds" and "Other Beds" on this line. **Note:** the sum of both SCU and Other bed days must be equal to Total Resident Days.

Enter the number of Total State/County SA Days for the home during the cost report period. This number is at first automatically calculated, however it should be updated to reflect the actual days a resident was receiving SA. DO NOT include private pay residents.

The number of State/County SA (Special Assistance) Days will be taken from the home's census or computed based on dates State/County Special Assistance residents were admitted, discharged, or on leave from the home.

The number of total State/County SA Days may be equal to or less than the Total Resident Days, but it may **NOT** be greater.

SCU Only of the total number of State/County SA Days separately identify the number of "Special Care Unit SA Days" and "Other SA Days" on this line. **Note:** the sum of both SCU and Other bed days must equal Total State/County SA Days.

SCU ONLY as stated above the sum of both the SCU Beds and Other Beds lines need to match Total Available Bed Days, Total Resident Days and Total State/County SA Days, depending on the line being worked on. If SCU Beds and Other Bed lines don't add up to the amounts shown on the total lines, then the Next Step button will disappear until it is corrected.

If there are any questions or need help understanding how numbers for Total of Available Bed Days, Total Resident Days and Total State/County SA Days are calculated, please do not hesitate to ask. If these days do not make sense when reviewed by Rate Setting, the cost report will be sent back for the user to make corrections. Please call or email to ask questions for help understanding what goes on these 4 lines.

Note: A common occurrence during the last cost reporting cycle is that when 17 Total Licensed Bed Days Available was automatically calculated by the system those same numbers were also put in the Total Available, Total Resident and Total SA day fields as well. Users didn't seem to update these fields with actual numbers. It is hard to believe that so many facilities last cycle were 100% full all year. Please make sure to update/key actual days into the Total Available, Total Resident and Total SA day lines.

To have a printed copy of Schedule A, click the print button at the bottom of the page. To get a copy of schedules, whether there is data in each schedule or if wanting a blank copy to work with, make sure to have the number of beds for #13 keyed first. That will bring up the correct schedules based on the size of the home. When finished keying information into each schedule, the Print button will be at the bottom of each page. Each schedule prints individually.

To move on to Schedule B, click the button Next Step. If the Exempted button at the top was clicked, this button should show as Submit. The black arrow pointing up on the right if clicked will take the user to the top of the screen.

With the cost reports being submitted electronically, when the Submit button is clicked that is what will count as the signatures of accuracy.

COST REPORT

INSTRUCTIONS FOR SCHEDULE B

Payments received from insurance, residents, family members, etc. for reimbursement of purchases of medicines and other purchases for residents should be netted out against the expense account and not reported as income under “other receipts”.

Special Care Unit Instructions - Adult Care Bed revenues should be reported in columns 1 and 2. Special Care Unit Bed revenues should be reported in columns 3 and 4. Column 5 is a grand total of both Adult Care and Special Care Unit revenues combined. These are calculated automatically by the program.

Schedule B looks and works the same as it did in the Microsoft Access version of the program but let us look at each section:

REVENUES ON BEHALF OF STATE/COUNTY SPECIAL ASSISTANCE RESIDENTS

Everything in this section of Sched B has to do with the revenues related to those residents receiving State/County Special Assistance.

| | | Adult Care Homes |
|----|---|------------------|
| 1 | State/Country Special Assistance | 0 |
| 2 | Social Security | 0 |
| 3 | Supplemental Security Income | 0 |
| 4 | Personal Care Services | 0 |
| 5 | Medical Transportation | 0 |
| 6 | Mental Health Revenues | 0 |
| 7 | Other (Insurance, Veterans Benefits, Railroad, Etc) | 0 |
| 8 | Less Refunds | 0 |
| 9 | Less PCS overpayments or recoupments | 0 |
| 10 | Total SA Resident Revenues | 0 |

1. Enter total revenues collected from, or on behalf of residents from the NC Division of Social Services and NC Division of Services for the Blind for the State/County Special Assistance to Adults program.

2. Enter total revenues collected from or on behalf of State/County Special Assistance residents for Social Security Benefits.
3. Enter total revenues collected from or on behalf of State/County Special Assistance residents for Supplemental Security Income benefits.
4. Enter total revenues collected from reimbursement of Personal Care Services (PCS) for Special Assistance/Medicaid Eligible Residents. These revenues are applicable to expenses identified in the Personal Care Cost Center on Schedule C (line 59).
5. Enter total revenues collected for reimbursement of Medical Patient Transportation of Special Assistance/Medicaid Eligible Residents.
6. Enter total Mental Health revenues collected from or on behalf of State/County Special Assistance residents. This includes any CAP funds received and Medicaid.
7. Enter total revenues collected from all other sources for Special Assistance/Medicaid Eligible residents, including but not limited to private insurance, veteran benefits, railroad pensions, family contributions, etc. It is not necessary to show each time.
8. Enter the total dollar amount of Resident Revenue which has been returned to Special Assistance/Medicaid Eligible residents (this defaults to a negative figure). This includes but is not limited to patient refunds (refunds due to personal allowance of State/County Special Assistance (SA) funds) and refunds due to either the resident's death or the resident's movement from the home.
9. Enter the total amount refunded to NC Medicaid during the current cost reporting period for Personal Care Services (PCS) (this defaults to a negative figure).
10. This line will automatically be calculated by adding lines 1 -7, then subtracting lines 8 and 9.

RECEIPTS FROM PRIVATE PAY RESIDENTS

Everything in this section of Sched B has to do with the revenues related to private pay residents only.

| Receipts from Private Pay Residents | | Adult Care Homes |
|-------------------------------------|--|------------------|
| 11 | Private Pay Receipts (Social Security,SSI,Insurance,Veterans Benefits,Railroads,Etc): | 0 |
| 11.a | 100% Private Pay(Non-SA eligible residents): | 0 |
| 12 | Mental Health Revenues: | 0 |
| 13 | Less Refunds: | 0 |
| 14 | Total Private Pay Revenues | 0 |

11. Enter total revenues collected from all other sources from or on behalf of private pay residents. **Excluding cash payments** as that needs to go on the next line, but including and not limited to insurance, veteran benefits, railroad pensions, etc. It is not necessary to show each type.

11a. Enter total (cash) revenues collected from Non-SA residents to pay for residential services.

12. Enter total Mental Health revenues collected from or on behalf of private pay residents.

13. Enter the total dollar amount of Resident Revenue that was returned to private pay residents (this defaults to a negative figure). This includes but is not limited to patient refunds due to either the resident's death or the resident's movement from the home (this defaults to a negative figure).

14. This line will automatically calculate by adding lines 11 – 12, then subtracting line 13.

NON-RESIDENT RELATED REVENUE

Everything in this section of Sched B has to do with revenues unrelated to residents.

15. Enter total receipts from all sources other than for resident's care and maintenance. Items to be included but not limited to: vending machine proceeds, cafeteria receipts, barber and beauty shop receipts and miscellaneous sale of goods. NC Sales and Use Tax refunds should be included if the home does not separate the payment of the sales tax from the cost of the goods purchased in the accounting records. If the sale and use taxes were posted as receivables, then the refunds would not be reported in this income category.

| Non Resident related Revenue | | |
|------------------------------------|------------------------------|--------------------------------|
| Adult Care Homes | | |
| 15 | Receipts from other Sources | <input type="text" value="0"/> |
| 15.a | SA Financial Assistance: | <input type="text" value="0"/> |
| 16 | Less Refunds: | <input type="text" value="0"/> |
| 17 | Total non-resident Revenues: | <input type="text" value="0"/> |
| 18 | Total Revenues | <input type="text" value="0"/> |
| Net Profit Or Loss | | |
| 19 | Less Total Expenses | <input type="text" value="0"/> |
| 20 | Net Profit or Loss | <input type="text" value="0"/> |

[print](#) [Go to previous step](#) [Go to next step](#)

15a. Enter total received for SA Financial Assistance granted by the General Assembly. This if any of these funds are still received, it has been done through grant money in recent years and not something Rate Setting staff can see. The last Rate Setting staff could see ended December 2020.

16. Enter the total dollar amount of revenue refunded which was received from non-resident sources (this defaults to a negative figure).

17. Total Non-Resident Related Revenues are automatically calculated by subtracting line 16 from lines 15 and 15a.

18. Total Revenue is automatically calculated by adding lines 10, 14 and 17.

The button "Net Profit or Loss" can be clicked. It will bring lines 19 and 20 up. Until information is keyed on Schedule's C-Direct and C-Indirect, it is just going to show total revenue. After all information is keyed on Schedule C-Direct and Schedule C-Indirect, this button can be pressed to see the total net profit or loss.

19. This line will automatically pull in the Total Expense from line 240, Schedule C-Indirect.

20. This line will automatically calculate by subtracting line 19 from line 18. This represents the facility's net profit (loss) for the cost reporting period.

To move to the next schedule, Schedule C-Direct, click "Go to next step". To go back to the previous schedule, in this case Schedule A, click "Go to previous step". To print Schedule B, whether it is blank or with data, click "print". To show the Net Profit or Loss information on the printed schedule, make sure to come back to print that after all information has been keyed on Schedules C-Direct and C-Indirect. The arrow on the right if clicked will take the user to the top of the screen.

COST REPORT

INSTRUCTIONS FOR SCHEDULE C

General Guidelines:

All facilities should maintain monthly timesheets for all employees that work in more than one cost center. Facilities are required to utilize the timesheets to allocate the employee's personal costs (salaries/wages, payroll taxes, and employee benefits) to the various cost centers.

It is suggested that the facility prepare worksheets that summarize the individual monthly timesheets for each employee to arrive at the overall percentages of time the employee devoted to the various cost center for supporting documentation.

Special Care Unit Instructions

Adult Care Bed expenses should be reported in columns 1, 2 and 3. Special Care Unit Bed expenses should be reported in columns 4, 5 and 6. Column 7 is a grand total of both Adult Care and Special Care Unit expenses combined. Column 7 will calculate automatically.

Schedule C will look like the Microsoft Access version of the program, at least in line numbers.

DIRECT COST CENTERS

HOUSEKEEPING/LAUNDRY

| Housekeeping/Laundry | | | |
|-------------------------------------|---|--------------|----------|
| | Paid Hours | Unpaid hours | Expenses |
| 1 | Salaries and Wages | 0 | 0 |
| 2 | Casual Labor | 0 | 0 |
| 3 | Payroll Taxes | | 0 |
| 4 | Employee Benefit Program | | 0 |
| 5 | Meetings/Seminars/Training | | 0 |
| 6 | Travel costs | | 0 |
| 7 | Housekeeping/Laundry Supplies | | 0 |
| 8 | Linen and Bedding | | 0 |
| 9 | Contract Services | 0 | 0 |
| 10 | Miscellaneous | | 0 |
| House Keeping Laundry Totals | | | |
| 10a | Miscellaneous Related Party Adj from Schedule D | | 0 |
| 20 | Total Housekeeping/Laundry | 0 | 0 |

1. Salaries and Wages:

- Enter in column 1 the total number of hours worked by paid staff.
- Enter in column 2 the total number of hours worked by unpaid staff.
- Enter in column 3 the wages for all housekeeping/laundry personnel (salaries and wages)
- **If wages are keyed into column 3, there must be hours in column 1.** Cannot continue to the next line until hours are reported.

2. Casual Labor (Incidental/Short-Term Employment):

- Enter in column 1 the total number of hours worked by paid staff.
- Enter in column 3 the wages for the cost of housekeeping and laundry labor for incidental, short-term employment.
- **If wages are keyed into column 3, there must be hours in column 1.** Cannot continue to the next line until hours are reported.

3. Payroll Taxes:

- Enter in column 3 the cost of taxes paid by employer. Items could include:
 - o FICA
 - o FUTA
 - o SUTA

4. Employee Benefit Program:

- Enter in column 3 the cost of benefits paid by employer. Items could include:
 - o Dental insurance

- Health insurance
- Life insurance
- Retirement
- Uniforms
- Worker's compensation

5. **Meetings/Seminars/Training:**

- Enter in column 3 the cost of housekeeping and laundry personnel attending meetings, seminars, and conferences. Items could include:
 - Tuition/Registration/Fees
 - Training materials

6. **Travel Costs:**

- Enter in column 3 the cost incurred by housekeeping and laundry personnel providing services to patients, training facility personnel and other business-related functions. Items could include:
 - Travel cost (mileage reimbursement, public transportation costs, etc.)
 - Lodging (hotel/motel) costs when incurred for business related purposes.
 - Meals for facility personnel when incurred for business related purposes.
 - Parking fees when incurred for business-related purposes.

7. **Housekeeping/Laundry Supplies:**

- Enter in column 3 the cost of cleaning and laundry supplies and materials. Items could include:
 - Brooms, mops, detergents, etc.
 - Office supplies
 - Printed forms
 - Non-capitalized equipment (vacuum cleaner, mop bucket, buffer, linen cart, scale marking machine, etc.)

8. **Linen and Bedding:**

- In column 3, enter the cost of linen and bedding. Items could include:
 - Linens
 - Bedding
 - Sheets
 - Mattresses
 - Pillows and cases
 - Blankets
 - Towels
 - Washcloths

9. **Contract Services:**

- Enter in column 1 the number of hours worked by the individual(s) under contract.
- Enter in column 3 the cost of contracted housekeeping and laundry services.
- **If wages are keyed into column 3, there must be hours in column 1.** Cannot continue to the next line until hours are reported.

10. **Miscellaneous:**

- Enter in Column 3 the cost of other housekeeping/laundry items not considered in the above accounts.

The button "House Keeping Laundry Totals" can be clicked. It will bring up lines 10a and 20. Both lines will automatically calculate.

10a. **Related Party Adjustment:**

- Any amount on this line will automatically be pulled from Schedule D if related party expenses are identified for this cost center.

20. **Total of Housekeeping/Laundry:** calculates and displays this total automatically.

| |
|----------------|
| DIETARY |
|----------------|

21. **Salaries and Wages:**

- Enter in column 1 the total number of hours worked by paid staff.
- Enter in column 2 the total number of hours worked by unpaid staff.
- Enter in column 3 all dietary and food service personnel salaries and wages.
- **If wages are keyed into column 3, there must be hours in column 1.** Cannot continue to the next line until hours are reported.

22. **Casual Labor (Incidental/Short-Term Employment):**

- Enter in column 1 the total number of hours worked by paid staff.
- Enter in column 3 the cost of dietary and food service personnel salaries and wages.
- **If wages are keyed into column 3, there must be hours in column 1.** Cannot continue to the next line until hours are reported.

| Dietary | | | | |
|-----------------------|---|--------------------------------|--------------------------------|--------------------------------|
| | | Paid Hours | Unpaid hours | Expenses |
| 21 | Salaries and Wages | <input type="text" value="0"/> | <input type="text" value="0"/> | <input type="text" value="0"/> |
| 22 | Casual Labor | <input type="text" value="0"/> | | <input type="text" value="0"/> |
| 23 | Payroll Taxes | | | <input type="text" value="0"/> |
| 24 | Employee Benefit Program | | | <input type="text" value="0"/> |
| 25 | Meetings/Seminars/Training | | | <input type="text" value="0"/> |
| 26 | Travel Costs | | | <input type="text" value="0"/> |
| 27 | Contract services | <input type="text" value="0"/> | | <input type="text" value="0"/> |
| 28 | Dietary supplies | | | <input type="text" value="0"/> |
| 29 | Food | | | <input type="text" value="0"/> |
| 30 | Miscellaneous | | | <input type="text" value="0"/> |
| Dietary Totals | | | | |
| 30a | Miscellaneous Related Party Adj from Schedule D | | | <input type="text" value="0"/> |
| 40 | Total Dietary | <input type="text" value="0"/> | <input type="text" value="0"/> | <input type="text" value="0"/> |

23. Payroll Taxes:

- Enter in column 3 the cost of taxes paid by employer. Items could include:
 - o FICA
 - o FUTA
 - o SUTA

24. Employee Benefits Program:

- Enter in column 3 the cost of benefits paid by employer. Items could include:
 - o Dental Insurance
 - o Health Insurance
 - o Life Insurance
 - o Retirement
 - o Uniforms
 - o Worker's compensation

25. Meetings/Seminars/Training:

- Enter in column 3 the cost of dietary and food service personnel attending meetings, seminars, and conferences. Items could include:
 - o Tuition/Registration/Fees
 - o Training materials

26. Travel Costs:

- In column 3, enter the cost incurred by dietary personnel providing services to patients, training facility personnel and other business-related functions. Items could include:
 - o Travel costs (mileage reimbursement, public transportation costs, etc.)
 - o Lodging (hotel/motel) costs when incurred for business related purposes.
 - o Meals for facility personnel when incurred for business related purposes.
 - o Parking fees when incurred for business-related purposes.

27. Contract Services:

- Enter in column 1 the total hours worked by individuals under contract.
- In column 3, enter the cost of contracted dietary and food services.
- **If wages are keyed into column 3, there must be hours in column 1.** Cannot continue to the next line until hours are reported.

28. Dietary Supplies:

- In column 3, enter the cost of dietary supplies. Items could include:
 - o General kitchen supplies
 - o Plates, cups, forks, knives, spoons, etc.
 - o Non-capitalized equipment (blender, coffee urn, food car, etc.)

29. Food:

- In column 3, enter the cost of food and nutritional supplements. Items could include:
 - o Meat, vegetables, dairy products, etc.

30. Miscellaneous

Enter in column 3 the cost of other dietary items not included in the above accounts.

When the button "Dietary Totals" is clicked, it will bring up lines 30a and 40. Both lines will automatically calculate.

30a. Related Party Adjustment

Any amount on this line will automatically be pulled from Schedule D if related party expenses are identified for this cost center.

40. **Total Dietary:** calculates and displays this total automatically.

| |
|------------------------------|
| RECREATION ACTIVITIES |
|------------------------------|

41. **Salaries/Wages:**

- Enter in column 1 the total number of hours worked by paid staff.
- Enter in column 2 the total number of hours worked by unpaid staff.
- Enter in column 3 all recreation activities personnel salaries and wages.
- **If wages are keyed into column 3, there must be hours in column 1.** Cannot continue to the next line until hours are reported.

42. **Casual Labor (Incidental/Short-Term Employment):**

- Enter in column 1 the total number of hours worked by paid staff.
- Enter in column 3 the cost of recreation activities labor for incidental, short-term employment.
- **If wages are keyed into column 3 there must be hours in column 1.** Cannot continue to the next line until hours are reported.

| Recreation Activities | | | | |
|-----------------------------------|---|--------------------------------|--------------------------------|--------------------------------|
| | | Paid Hours | Unpaid hours | Expenses |
| 41 | Salaries and Wages | <input type="text" value="0"/> | <input type="text" value="0"/> | <input type="text" value="0"/> |
| 42 | Casual Labor | <input type="text" value="0"/> | | <input type="text" value="0"/> |
| 43 | Payroll Taxes | | | <input type="text" value="0"/> |
| 44 | Employee Benefit Program | | | <input type="text" value="0"/> |
| 45 | Meetings/Seminars/Training | | | <input type="text" value="0"/> |
| 46 | Travel Costs | | | <input type="text" value="0"/> |
| 47 | Contract services | <input type="text" value="0"/> | | <input type="text" value="0"/> |
| 48 | Supplies | | | <input type="text" value="0"/> |
| 49 | Miscellaneous | | | <input type="text" value="0"/> |
| Recreation Activity Totals | | | | |
| 49a | Miscellaneous Related Party Adj from Schedule D | | | <input type="text" value="0"/> |
| 50 | Total Recreational Activities | <input type="text" value="0"/> | <input type="text" value="0"/> | <input type="text" value="0"/> |

43. Payroll Taxes:

- Enter in column 3 the cost of taxes paid by employer. Items could include:
 - FICA
 - FUTA
 - SUTA

44. Employee Benefit Program:

- Enter in column 3 the cost of benefits paid by employer. Items could include:
 - Dental insurance
 - Health insurance
 - Life insurance
 - Retirement
 - Uniforms
 - Worker's compensation

45. Meetings/Seminars/Training:

- Enter in column 3 the cost of recreational activity personnel attending meetings, seminars, and conferences. Items could include:
 - Tuition/Registration/Fees
 - Training materials

46. Travel Costs:

- Enter in column 3 the cost incurred providing services to patients, training facility personnel and other business-related functions. Items could include:
 - Travel costs (mileage reimbursement, public transportation costs, etc.)
 - Lodging (hotel/motel) costs when incurred for business related purposes.
 - Meals for facility personnel when incurred for business related purposes.
 - Parking fees when incurred for business-related purposes.

47. Contract Services:

- Enter in column 1 the number of hours worked by individuals under contract.
- Enter in column 3 the cost of all contracted recreation activity services.
- **If wages are keyed into column 3, there must be hours in column 1.** Cannot continue to the next line until hours are reported.

48. Supplies:

- Enter in column 3 the cost of supplies for recreation activities furnished to residents. Items could include:
 - Recreational supplies
 - Art supplies
 - Games
 - Non-capitalized equipment (camera, DVD, stereo, etc.)

49. Miscellaneous:

- Enter in column 3 the cost of other recreation activity items not included in the above accounts. Items could include:
 - Cable TV expense

The button "Recreation Activity Totals" can be clicked. It will bring up lines 49a and 50. Both lines will automatically calculate.

49a. Related Party Adjustment

Any amount on this line will automatically be pulled from Schedule D if related party expenses are identified for this cost center.

50. **Total Recreational Activities:** calculates and displays this total automatically.

PCS COST CENTERS

| |
|----------------------|
| PERSONAL CARE |
|----------------------|

General Note: This is for all Personal Care Services provided to Special Assistance residents and private pay residents in the home.

The following is a list of tasks/staff time which can be included under the Personal Care Services Cost Center as referenced in Clinical Coverage Policy 3L. The tasks and services should be performed at least once a week.

- I. Personal care allowed by NC State Plan:
 - i. Hands-on assistance to address unmet needs with qualifying ADLs.
 - ii. Set-up, supervision, cueing, prompting, and guiding, when provided as part of the hands-on assistance with qualifying ADLs.
 - iii. Assistance with home management IADLs that are directly related to the beneficiary’s qualifying ADLs and essential to the beneficiary’s care at home.
 - iv. Assistance with medication when directly linked to a documented medical condition or physical or cognitive impairment.
 - v. Assistance with adaptive or assistive devices when directly linked to a qualifying ADL.
 - vi. Assistance with the use of durable medical equipment when directly linked to the qualifying ADLs.
 - vii. Assistance with special assistance (assistance with ADLs that requires a nurse aide II) and delegated medical monitoring tasks.

The following should be provided under EPSDT criteria for beneficiaries under 21 years of age:

- Supervision (observation resulting in an intervention) and monitoring (precautionary observation) related to qualifying ADLs.
- Cueing prompting, guiding and coaching related to qualifying ADLs.
- After school care if PCS tasks are required during the time and no other individuals or programs are available to provide this service.
- Additional hours of service authorization.

Medication assistance is covered when:

- Delivered in a private residence and consists of medication self-administration assistance described in 10A NCAC 12J.
- Delivered in an adult care home and includes medication administration as defined in 10A NCAS 13F and 13G.

There is no change in how the PCS cost centers work. The only lines available to input information on are the Miscellaneous lines. See the following screens:

Personal Care

| | Paid Hours | Unpaid hours | Expenses |
|---|------------|--------------|----------|
| 51 Salaries and Wages Aides | 0 | 0 | 0 |
| 52 Salaries and Wages Aides | 0 | 0 | 0 |
| 53 Casual Labor | 0 | | 0 |
| 54 Payroll Taxes | | | 0 |
| 55 Employee Benefit Program | | | 0 |
| 56 Meetings/Seminars/Training | | | 0 |
| 57 Travel costs | | | 0 |
| 58 Contract Services | 0 | | 0 |
| 59 Miscellaneous | | | 0 |
| Personal Care Totals | | | |
| 59a Miscellaneous Related Party Adj from Schedule D | | | 0 |
| 60 Total Personal Care | 0 | 0 | 0 |

Lines 51 – 58: Are grayed out where no data can be keyed into the lines. It has been this way when using the cost report program since the 2017 cost reporting cycle. Any costs that go on these lines, please combine, and include as a lump sum to be keyed on the Miscellaneous expense line 59.

59. Miscellaneous:

Enter in column 3 the lump sum amount to include all costs from line items 51 through 58 and any other Personal Care items not included in the above amounts.

The button “Personal Care Totals” can be clicked. It will bring up lines 59a and 60. Both lines will automatically calculate.

59a. Related Party Adjustment

Any amount on this line will automatically be pulled from Schedule D if related party expenses are identified for this cost center.

60. Total Personal Care: calculates and displays this total automatically.

HEALTH SERVICES

Health Services

| | Paid Hours | Unpaid hours | Expenses |
|---|------------|--------------|----------|
| 61 Salaries and Wages | 0 | 0 | 0 |
| 62 Casual Labor | 0 | | 0 |
| 63 Payroll Taxes | | | 0 |
| 64 Employee Benefit Program | | | 0 |
| 65 Meetings/Seminars/Training | | | 0 |
| 66 Travel Costs | | | 0 |
| 67 Contract services | 0 | | 0 |
| 68 Non Legend Drugs and Medical Services | | | 0 |
| 69 Legend Drugs | | | 0 |
| 70 Beauty and Barber shop | | | 0 |
| 71 Bloodborne pathogen (OSHA) | | | 0 |
| 72 Miscellaneous | | | 0 |
| Health Services Totals | | | |
| 72a Miscellaneous Related Party Adj from Schedule D | | | 0 |
| 80 Total Health services | 0 | 0 | 0 |

Lines 61 – 71: Are grayed out where no data can be keyed into the lines. It has been this way when using the cost report program since the 2017 cost reporting cycle. Any costs that go on these lines, please combine, and include as a lump sum to be keyed on the Miscellaneous expense line 72.

72. Miscellaneous:

Enter in column 3 the lump sum amount to include all costs from line items 61 through 71 and any other Health Service items not included in the above amounts.

The button “Health Services Totals” can be clicked. It will bring up lines 72a and 80. Both lines will automatically calculate.

72a. Related Party Adjustment

Any amount on this line will automatically be pulled from Schedule D if related party expenses are identified for this cost center.

80. Total Health Services: calculates and displays this total automatically.

INITIAL/ORIENTATION AIDE TRAINING

| Initial/Orientation Aide Training | | | | |
|-----------------------------------|---|------------|--------------|----------|
| | | Paid Hours | Unpaid hours | Expenses |
| 81 | Salaries and Wages | 0 | 0 | 0 |
| 82 | Casual Labor | 0 | | 0 |
| 83 | Payroll Taxes | | | 0 |
| 84 | Employee Benefit Program | | | 0 |
| 85 | Meetings/Seminars/Training | | | 0 |
| 86 | Travel Costs | | | 0 |
| 87 | Contract services | 0 | | 0 |
| 88 | Miscellaneous | | | 0 |
| IOAT Totals | | | | |
| 88a | Miscellaneous Related Party Adj from Schedule D | | | 0 |
| 90 | Total Initial/Orientation | 0 | 0 | 0 |

Lines 81 – 87: Are grayed out where no data can be keyed into the lines. It has been this way when using the cost report program since the 2017 cost reporting cycle. Any costs that go on these lines, please combine, and include as a lump sum to be keyed on the Miscellaneous expense line 88.

88. Miscellaneous:

Enter in column 3 the lump sum amount to include all costs from line items 81 through 87 and any other Initial/Orientation items not included in the above amounts.

The button “IOAT Totals” can be clicked. It will bring up lines 88a and 90. Both lines will automatically calculate.

88a. Related Party Adjustment

Any amount on this line will automatically be pulled from Schedule D if related party expenses are identified for this cost center.

90. Total Initial/Orientation: calculates and displays this total automatically.

By clicking the “Totals” button at the bottom of the screen that will bring up the following information:

| Totals | | | |
|---------------------------|---|---|---|
| Total Direct Cost Centers | 0 | 0 | 0 |
| Total PCS Cost Centers | 0 | 0 | 0 |
| Totals | 0 | 0 | 0 |

^

The Total Direct Cost Center, Total PCS Cost Centers and Totals lines will automatically calculate. The Total Direct Cost Centers line will add the total lines 20, 40 and 50 together. The Total PCS Cost Centers will add up the total lines 60, 80 and 90 together. The Totals line will add the Total Direct Cost Center to Total PCS Cost Center lines together to give a grand total for Schedule C-Direct.

The button “print” will print off a copy of Schedule C-Direct only. It can be printed as a blank copy or with data keyed in the schedule.

The button “Go to previous step” will take the user back to Schedule B.

The button “Go to next step” will take the user on to Schedule C-Indirect.

The black up arrow on the right can be used at any time to go back up to the top of page.

INDIRECT COST CENTERS

ADMINISTRATION AND GENERAL

91. Salaries and Wages:

- Enter in column 1 the total number of hours worked by paid staff.
- Enter in column 2 the number of hours worked by unpaid staff.
- Enter in column 3 all administrative personnel salaries and wages of individuals responsible for administering the activities of the home and assigned to classifications of administrator, assistant administrator, secretary, bookkeeper, etc.
- **If wages are keyed into column 3 there must be hours in column 1.** Cannot continue to the next line until hours are reported.

92. Casual Labor (Incidental/Short-Term Employments):

- Enter in column 1 the total number of hours worked by paid staff.
- Enter in column 3 the cost of administrative labor for incidental, short-term employment.
- **If wages are keyed into column 3, there must be hours in column 1.** Cannot continue to the next line until hours are reported.

93. Payroll Taxes:

- Enter in column 3 the cost of taxes paid by employer. Items could include:
 - o FICA
 - o FUTA
 - o SUTA

94. Employee Benefit Program:

- Enter in column 3 the cost of benefits paid by employer. Items could include:
 - Dental insurance
 - Health insurance
 - Life insurance
 - Retirement
 - Uniforms
 - Worker's compensation

| Administration and General | | | | |
|----------------------------|--------------------------------|------------|--------------|----------|
| | | Paid Hours | Unpaid hours | Expenses |
| 91 | Salaries and Wages | 0 | 0 | 0 |
| 92 | Casual Labor | 0 | | 0 |
| 93 | Payroll Taxes | | | 0 |
| 94 | Employee Benefit Program | | | 0 |
| 95 | Meetings/Seminars/Training | | | 0 |
| 96 | Travel costs | | | 0 |
| 97 | Contract Services | 0 | | 0 |
| 98 | Employee Criminal Record Check | | | 0 |
| 99 | Office Supplies and Materials | | | 0 |
| 100 | Management Services | | | 0 |
| 101 | Central Office Overhead | | | 0 |
| 102 | Interest-Operating | | | 0 |
| 103 | Advertising | | | 0 |
| 104 | Anotization | | | 0 |

95. Meetings/Seminars/Training:

- Enter in column 3 the cost of administrative personnel attending meetings, seminars, and conferences. Items could include:
 - Tuition/Registration/Fees
 - Training materials

96. Travel Costs:

- Enter in column 3 the cost incurred providing services to patients, training facility personnel and other business-related functions. Items could include:
 - Travel costs (mileage reimbursement, public transportation costs, etc.)
 - Lodging (hotel/motel) costs when incurred for business related purposes.

- Meals for facility personnel when incurred for business related purposes.
- Parking fees when incurred for business-related purposes.

97. Contracted Services:

- Enter in column 1 the total number of hours worked by individuals under contract.
- Enter in column 3 the cost for contracted administrative services.
- **If wages are keyed into column 3, there must be hours in column 1.** Cannot continue to the next line until hours are reported.

98. Employee Criminal Records Check Fees:

- Enter in column 3 the cost for employee criminal records check fees

99. Office Supplies and Materials:

- Enter in column 3 the cost of office supplies and other administrative supplies. Items could include:
 - General office supplies
 - Printed forms
 - Letterhead and envelopes
 - Checks, deposit clips, and other banking forms
 - Non-capitalized equipment (fax machine, calculator, etc.)

100. Management Services:

- Enter in column 3 the cost of contracted management services.

101. Central Office Overhead:

- Enter in column 3 the cost of central office allocated to the facility for centralized services furnished by a home office.

102. Interest – Operating:

- Enter in column 3 the financing cost of operating capital for other than fixed assets (land, buildings, equipment, automobiles, etc.). Items could include:
 - Interest on operating loans
 - Fees for general lines of credit
 - Interest on credit card purchases
 - Interest on other revolving credit purchases

103. Advertising:

- Enter in column 3 the cost of brochures, pamphlets, and all promotional and public relations expenses.

104. Amortization:

- Enter in column 3 the cost of current write-off of capitalized items. Items could include:
 - Cost of establishing the entity or organization

105. Data Processing:

- Enter in column 3 the cost of operating a data processing unit or contracted computer services. Items could include:
 - Contracted data processing services
 - Software expense
 - Data processing supplies

| | | | | | |
|---------------|---|---|---|---|---|
| 105 | Data Processing | | | | 0 |
| 106 | Legal and Accounting | | | | 0 |
| 107 | Audit | | | | 0 |
| 108 | Telephone and Telegraph | | | | 0 |
| 109 | Travel and Entertainment | | | | 0 |
| 110 | Dues and Subscriptions | | | | 0 |
| 111 | Insurance-General | | | | 0 |
| 112 | License | | | | 0 |
| 113 | Bad Debts | | | | 0 |
| 114 | Postage | | | | 0 |
| 115 | Miscellaneous | | | | 0 |
| Totals | | | | | |
| 115a | Miscellaneous Related Party Adj from Schedule D | | | | 0 |
| 120 | Total Administration | 0 | 0 | 0 | 0 |

106. Legal and Accounting:

- Enter in column 3 the cost of acquiring contracted legal and accounting services for the facility's operations.

107. Audit:

- Enter in column 3 the cost of having an audit performed by an accounting or Certified Public Accountant (CPA

108. Telephone and Telegraph:

- Enter in column 3 the cost of telephone and telegraph services for all communication services (including pagers).

109. Travel and Entertainment:

- Enter in column 3 the cost of travel and entertainment for business purposes.

110. Dues and Subscriptions:

- Enter in column 3 the cost of membership and professional societies, cost of trade journals and publications, and cost of subscriptions to newspapers and magazines for residents.

111. Insurance – General:

- In column 3, enter the cost of all business insurance not related to property or employees.

112. Licenses:

- In column 3, enter the federal, state, and local licensing fees.

113. Bad Debts:

- Enter in column 3 the cost of bad debts in circumstances where a resident with SSA or Social Security coverage is served by a home and this revenue is diverted from paying for the cost of care. Costs of this nature shall be limited to one occurrence of a consecutive resident stay not to exceed sixty (60) days.

114. Postage:

- Enter in column 3 the cost of postage.

115. Miscellaneous:

- Enter in column 3 the cost of other administrative items not included in the above accounts.

The button “Totals” can be clicked to bring up lines 115a and 120. Both lines will automatically calculate.

115a. Related Party Adjustment

Any amount on this line will automatically be pulled from Schedule D if related party expenses are identified for this cost center.

120. Total Administration: calculates and displays this total automatically.

| |
|------------------------------|
| OPERATION/MAINTENANCE |
|------------------------------|

121. Salaries and Wages:

- Enter in Column 1 the total number of hours worked by paid staff.
- Enter in Column 2 the total number of hours worked by unpaid staff.
- Enter in column 3 all maintenance personnel salaries and wages.
- **If wages are keyed into column 3, there must be hours in column 1.** Cannot continue to the next line until hours are reported.

122. Casual Labor (Incidental/Short-Term Employment):

- Enter in column 1 the total number of hours worked by paid staff.
- Enter in column 3 the cost of labor for incidental, short-term employment.
- **If wages are keyed into column 3, there must be hours in column 1.** Cannot continue to the next line until hours are reported.

123. Payroll Taxes:

- Enter in column 3 the cost of taxes paid by employer. Items could include:
 - o FICA
 - o FUTA
 - o SUTA

Operation/Maintenance

| | Paid Hours | Unpaid hours | Expenses |
|--------------------------------------|------------|--------------|----------|
| 121 Salaries and Wages | 0 | 0 | 0 |
| 122 Casual Labor | 0 | | 0 |
| 123 Payroll Taxes | | | 0 |
| 124 Employee Benefit Program | | | 0 |
| 125 Meetings/Seminars/Training | | | 0 |
| 126 Travel Costs | | | 0 |
| 127 Contract services | 0 | | 0 |
| 128 Supplies | | | 0 |
| 129 Auto and Truck Maintenance | | | 0 |
| 130 Repair and Maintenance-Buildings | | | 0 |
| 131 Repair and Maintenance-Equipment | | | 0 |
| 132 Utilites | | | 0 |
| 133 Sanitary and Pest Control | | | 0 |
| 134 Miscellaneous | | | 0 |

Totals

124. Employee Benefit Program:

- Enter in column 3 the cost of benefits paid by employer. Items could include:
 - o Dental insurance
 - o Health insurance
 - o Life insurance
 - o Retirement
 - o Uniforms
 - o Worker's compensation

125. Meetings/Seminars/Training:

- Enter in column 3 the cost of operations and maintenance personnel attending meetings, seminars, and conferences. Items could include:
 - o Tuition/Registration/Fees
 - o Training materials

126. Travel Costs:

- Enter in column 3 the cost incurred providing services to patients, training facility personnel and other business-related functions. Items could include:

- Travel costs (mileage reimbursement, public transportation costs, etc.)
- Lodging (hotel/motel) costs when incurred for business related purposes.
- Meals for facility personnel when incurred for business related purposes.
- Parking fees when incurred for business-related purposes.

127. Contracted Services:

- Enter in column 1 the total number of hours worked by individuals under contract.
- Enter in column 3 the cost of contracted maintenance and security services.
- **If wages are keyed into column 3, there must be hours in column 1.** Cannot continue to the next line until hours are reported.

128. Supplies:

- Enter in column 3 the cost of all supplies and materials to operate and maintain the facility. Items could include:
 - Chemicals
 - Shop supplies
 - Tools
 - Gasoline and oil for lawn equipment
 - Non-capitalized equipment (lawn mower, etc.)

129. Automobile & Truck Maintenance and Upkeep:

- In column 3, enter the cost of all maintenance and upkeep on vehicles owned by the facility (other than cost applicable to Medically Related Patient Transportation). Items could include:
 - Registration fees
 - Gasoline
 - Oil
 - Tires
 - Lubrication
 - Vehicle repairs

130. Repairs and Maintenance – Buildings and Grounds:

- Enter in column 3 the cost of all materials and labor to repair and maintain buildings and grounds.

131. Repairs and Maintenance – Equipment:

- Enter in column 3 the cost of all materials and labor to repair and maintain equipment (other than cost applicable to Medically Related Patient Transportation). Items could include:
 - Office equipment
 - Furniture and fixtures
 - Plant machinery and equipment

132. Utilities:

- Enter in column 3 the cost for all utilities. Items could include:
 - Electricity
 - Gas (natural gas, propane, butane – NOT gasoline)
 - Fuel (fuel oil used to heat and cool building – NOT gasoline)
 - Water (water and sewer services)

133. Sanitary and Pest Control:

- In column 3, enter the cost of sanitation (garbage) and pest control services.

134. Miscellaneous:

- Enter in column 3 the cost of other operations and maintenance items not included in the above accounts.

The button "Totals" can be clicked to bring up lines 134a and 140. Both lines will automatically calculate.

134a. Related Party Adjustment

Any amount on this line will automatically be pulled from Schedule D if related party expenses are identified for this cost center.

120. Total Operation/Maintenance: calculates and displays this total automatically.

OTHER COST CENTERS

| |
|-------------------------------|
| MEDICAL TRANSPORTATION |
|-------------------------------|

General Notes:

This relates to the transportation of both Private Pay residents and Medicaid eligible residents. Include only actual transportation costs in this cost center. Waiting time is to be included in the Health Services Cost Center. (All other transportation costs should be reported in the appropriate cost center based on the purpose of the transportation.)

The travel log for Medical Transportation is the primary source of documentation. When the total time for Medical Transportation differs from the total time for Medical Transportation from timesheets for cost report, the home must reconcile the differences on the timesheet for the cost report based on the travel logs.

Only paid hours are to be used in determining the hours worked. The paid hours would include holidays, sick time, and overtime. The overtime hours should be the actual hours worked and not the overtime ratio (1 ½ hours) used to calculate the pay.

141. Salaries and Wages:

- Enter in column 1 the total number of hours worked by paid staff.
- Enter in column 2 the total number of hours worked by unpaid staff.
- Enter in column 3 the cost of all salaries and wages for personnel furnishing medically related patient transportation.
- **If wages are keyed into column 3, there must be hours in column 1.** Cannot continue to the next line until hours are reported.

142. Casual Labor (Incidental/Short-Term Employment):

- Enter in column 1 the total number of hours worked by paid staff.
- Enter in column 3 the cost of labor for incidental, short-term employment applicable to medically related patient transportation.
- **If wages are keyed into column 3, there must be hours in column 1.** Cannot continue to the next line until hours are reported.

143. Payroll Taxes:

- Enter in column 3 the cost paid by employer. Items could include:
 - o FICA
 - o FUTA
 - o SUTA

| Medical Transportation | | | |
|---------------------------------------|------------|--------------|----------|
| | Paid Hours | Unpaid hours | Expenses |
| 141 Salaries and Wages Aides | 0 | 0 | 0 |
| 142 Casual Labor | 0 | | 0 |
| 143 Payroll Taxes | | | 0 |
| 144 Employee Benefit Program | | | 0 |
| 145 Meetings/Seminars/Training | | | 0 |
| 146 Travel costs | | | 0 |
| 147 Contract Services | 0 | | 0 |
| 148 Depreciation-Autos | | | 0 |
| 149 Rent-Equipment | | | 0 |
| 150 Auto and Truck maintenance | | | 0 |
| 151 Equipment repairs and Maintenance | | | 0 |
| 152 Interest-Automobiles | | | 0 |
| 153 Insurance-Automobile | | | 0 |
| 154 Miscallanous | | | 0 |

144. Employee Benefit Program:

- Enter in column 3 the cost of benefits paid by employer. Items could include:
 - o Dental insurance
 - o Health insurance
 - o Life insurance
 - o Retirement
 - o Uniforms
 - o Worker's compensation

145. Meetings/Seminars/Training:

- Enter in column 3 the cost of reimbursing medical transportation personnel attending meetings, seminars, and conferences. Items could include:
 - o Tuition/Registration/Fees
 - o Training materials

146. Travel Costs:

- Enter in column 3 the cost incurred by transportation personnel providing services to patients. Items could include:
 - o Travel costs (mileage reimbursement, public transportations costs, etc.)
 - o Parking fees when incurred for medical transportation.

147. Contract Services:

- Enter in column 1 the total number of hours worked by individuals under contract.
- Enter in column 3 the cost of contracted medical transportation services.
- **If wages are keyed into column 3, there must be hours in column 1.** Cannot continue to the next line until hours are reported.

148. Depreciation – Automobiles:

- Enter in column 3 the cost of the purchase of an automobile or van used for medical transportation prorated over its expected life.

149. Rent – Equipment:

- Enter in column 3 all costs to rent or lease equipment and/or vehicles used for medical transportation.

150. Automobile & Truck Maintenance and Upkeep:

- Enter in column 3 all costs to maintain and operate vehicles owned by the facility used for medical transportation. Items could include:
 - o Registration fees
 - o Gasoline
 - o Oil
 - o Tires
 - o Lubrication
 - o Vehicle repairs

151. Repairs and Maintenance – Equipment:

- Enter in column 3 all material and labor costs to repair and maintain equipment used for medical transportation. Items could include:
 - o Wheelchair lift repair

152. Interest – Automobile:

- In column 3, enter all interest expense on vehicles used for medical transportation.

153. Insurance – Automobile:

- Enter in column 3 all insurance expenses on vehicles used for medical transportation.

154. Miscellaneous:

- Enter in column 3 the cost of other medical transportation items not included in the above accounts.

The button “Totals” can be clicked to bring up lines 154a and 160. Both lines will automatically calculate.

154a. Related Party Adjustment

Any amount on this line will automatically be pulled from Schedule D if related party expenses are identified for this cost center.

160. Total Medical Transportation: calculates and displays this total automatically.

MENTAL HEALTH SERVICES
 (FOR USE ONLY BY GROUP HOMES RECEIVING MENTAL HEALTH FUNDING)

161. Salaries and Wages:

- Enter in column 1 the total number of hours worked by paid staff.
- Enter in column 2 the total number of hours worked by unpaid staff.
- Enter in column 3 all mental health service personnel salaries and wages.
- **If wages are keyed into column 3, there must be hours in column 1.** Cannot continue to the next line until hours are reported.

| Mental Health Services | | | |
|--|--------------------------------|--------------------------------|--------------------------------|
| | Paid Hours | Unpaid hours | Expenses |
| 161 Salaries and Wages | <input type="text" value="0"/> | <input type="text" value="0"/> | <input type="text" value="0"/> |
| 162 Casual Labor | <input type="text" value="0"/> | | <input type="text" value="0"/> |
| 163 Payroll Taxes | | | <input type="text" value="0"/> |
| 164 Employee Benefit Program | | | <input type="text" value="0"/> |
| 165 Meetings/Seminars/Training | | | <input type="text" value="0"/> |
| 166 Travel Costs | | | <input type="text" value="0"/> |
| 167 Contract services | <input type="text" value="0"/> | | <input type="text" value="0"/> |
| 168 Supplies | | | <input type="text" value="0"/> |
| 169 Miscellaneous | | | <input type="text" value="0"/> |
| Totals | | | |
| 169a Miscellaneous Related Party Adj from Schedule D | | | <input type="text" value="0"/> |
| 170 Total Health services | <input type="text" value="0"/> | <input type="text" value="0"/> | <input type="text" value="0"/> |

162. Casual Labor (Incidental/Short-Term Employment):

- Enter in column 1 the total number of hours worked by paid staff.
- Enter in column 3 the cost of mental health service labor for incidental, short-term employment.
- **If wages are keyed into column 3, there must be hours in column 1.** Cannot continue to the next line until hours are reported.
-

163. Payroll Taxes:

- Enter in column 3 the cost of taxes paid by employer. Items could include:
 - o FICA
 - o FUTA
 - o SUTA

164. Employee Benefit Program:

- Enter in column 3 the cost of benefits paid by employer. Items could include:
 - o Dental insurance
 - o Health insurance
 - o Life insurance
 - o Retirement
 - o Uniforms
 - o Worker's compensation

165. Meetings/Seminars/Training:

- Enter in column 3 the cost of mental health service personnel attending meetings seminars, and conferences. Items could include:
 - o Tuition/Registration/Fees
 - o Training materials

166. Travel Costs:

- In column 3, enter the cost incurred by mental health services personnel providing services to patients, training facility personnel and other business-related functions. Items could include:
 - o Travel costs (mileage reimbursement, public transportation costs, etc.)
 - o Lodging (hotel/motel) costs when incurred for business related purposes.
 - o Meals for facility personnel when incurred for business related purposes.
 - o Parking fees when incurred for business-related purposes.

167. Contract Services:

- Enter in column 1 the total number of hours worked by individuals under contract.
- In column 3, enter the cost of contracted mental health services. Items could include:
 - o Speech therapy
 - o Occupational therapy
 - o Physical therapy
 - o Psychological services
- **If wages are keyed into column 3, there must be hours in column 1.** Cannot continue to the next line until hours are reported.

168. Supplies:

- Enter in column 3 the cost of supplies for mental health services.

169. Miscellaneous:

- Enter in column 3 the cost of other mental health service items not included in the above accounts.

The button "Totals" can be clicked to bring up lines 161a and 170. Both lines will automatically calculate.

169a. Related Party Adjustment

Any amount on this line will automatically be pulled from Schedule D if related party expenses are identified for this cost center.

170. Total Health Services: calculates and displays this total automatically.

CAPITAL COST CENTERS

| |
|-------------------------------|
| PROPERTY/OWNERSHIP/USE |
|-------------------------------|

For Chart of Accounts depreciation accounts numbers 171-174, the guidelines provided by the United States Internal Revenue Service for tax purposes should be followed.

171. Depreciation – Land Improvements:

- Enter in column 3 the cost of land improvements prorated over its expected life. Items could include:
 - o Parking lots
 - o Curbs and guttering
 - o Sidewalks
 - o Landscaping

| Property/Ownership/Use | | Paid Hours | Unpaid hours | Expenses |
|------------------------|---|------------|--------------|----------|
| 171 | Depreciation-Land | | | 0 |
| 172 | Depreciation-Buildings | | | 0 |
| 173 | Depreciation-Equipments | | | 0 |
| 174 | Depreciation-Automobiles | | | 0 |
| 175 | Rent or Facility | | | 0 |
| 176 | Rent-Buildings/Land | | | 0 |
| 177 | Rent-Auto/Equipments | | | 0 |
| 178 | Real Estate Taxes | | | 0 |
| 179 | Interest-Mortgage/Fixed Assets | | | 0 |
| 180 | Interest-Other Capital Assets | | | 0 |
| 181 | Insurance-Fixed Assets | | | 0 |
| 182 | Miscellaneous | | | 0 |
| Totals | | | | |
| 182a | Miscellaneous Related Party Adj from Schedule D | | | 0 |
| 190 | Total Property/Ownership | | | 0 |

172. Depreciation – Buildings and Improvements:

- Enter in column 3 the cost of the building(s) and building improvements prorated over its expected life.

173. Depreciation – Equipment:

- Enter in column 3 the cost of equipment NOT affixed to building prorated over its expected life. Items could include:

- Office furniture and fixtures
- Patient's room furniture and fixtures
- Office machines and equipment
- Telephone equipment
- Kitchen equipment
- Laundry equipment
- Maintenance equipment
- Lawn mowers and tractors
- Specialized medical equipment
- Wheelchairs
- Specialized education equipment
- Computer equipment
- Software
- Security equipment

174. Depreciation – Automobiles:

- Enter in column 3 the cost to purchase an automobile or van used by the facility (other than cost applicable to medical transportation prorated over its expected life).

175. Rent for Facility:

- Enter in column 3 the cost of renting or leasing the facility where services are being provided to residents.

176. Rent for Other Buildings/Land:

- Enter in column 3 the cost of renting or leasing other buildings or land. Including rent of homes rented for staff to meet resident requirements, temporary storage, land, etc.

177. Rent for Other Automobiles/Equipment:

- Enter in column 3 the cost of leasing equipment. Items could include:
 - Copier rental
 - Computer equipment rental
 - Office furniture and equipment rental
 - Telephone equipment rental
 - Automobile leases (other than cost applicable to medical transportation)
 - Patient furniture and equipment (other than cost applicable to medical transportation)
 - Specialized medical equipment rental (other than cost applicable to medical transportation)
 - Wheelchair rental (other than cost applicable to medical transportation)
 - Other equipment rental (other than cost applicable to medical transportation)

178. Real Estate Taxes:

- In column 3, enter the cost of all property taxes.

179. Interest – Mortgage:

- Enter in column 3 the cost of all mortgage interest on fixed assets (NOT on operating capital). Items could include:
 - Land and land improvements
 - Buildings and building improvements.

180. Interest – Other Capital Assets:

- Enter in column 3 the cost of all interest on fixed assets (NOT on operating capital). Items could include:
 - Equipment
 - Automobiles (other than interest cost related to medical transportation)

181. Insurance – Fixed Assets:

- In column 3, enter the cost of all insurance on property ONLY. (NOT liability, worker’s compensation, life, or other non-property insurance)

182. Miscellaneous:

- Enter in column 3 the cost of other property/ownership/use items not included in the above accounts.

The button “Totals” can be clicked to bring up lines 161a and 170. Both lines will automatically calculate.

182a. Related Party Adjustment

Any amount on this line will automatically be pulled from Schedule D if related party expenses are identified for this cost center.

190. Total Property/Ownership calculates and displays this total automatically.

| NON-REIMBURSABLE | | | |
|------------------------------|------------------------------------|------------|--------------|
| Non-Reimbursable Cost Center | | | |
| | | Paid Hours | Unpaid Hours |
| 191 | Miscellaneous | | 0 |
| 200 | Total Non-Reimbursable cost Center | | 0 |

Totals

191. Miscellaneous:

- In column 3, enter the cost associated with miscellaneous matters. Examples include state/federal income taxes, lobbyists, penalties, vending services, contributions, and bad debts other than those listed on line 113.

200. Total Non-Reimbursable: calculates and displays this automatically.

The button “Totals” here brings up the Summary of Cost Center Totals

| SUMMARY OF COST CENTER TOTALS |
|--------------------------------------|
|--------------------------------------|

All these totals will calculate and display automatically when the above “Totals” button is clicked.

210. Total of Direct Care Centers:

- The sum of total lines 20, 40 and 50 in column 1
- The sum of total lines 20, 40 and 50 in column 2
- The sum of total lines 20, 40 and 50 in column 3

215. Total of PCS Cost Centers:

- The sum of total lines 60, 80 and 90 in column 1
- The sum of total lines 60, 80 and 90 in column 2
- The sum of total lines 60, 80 and 90 in column 3

220. Total of Indirect Cost Centers:

- The sum of total lines 120 and 140 in column 1
- The sum of total lines 120 and 140 in column 2
- The sum of total lines 120 and 140 in column 3

| Summary of Cost Center Totals | | | |
|--|------------|--------------|----------|
| | Paid Hours | Unpaid hours | Expenses |
| 210 Total of Direct Cost Center(Add line 20,40,50) | 0 | 0 | 0 |
| 215 Total of pcs cost Center(Add line 60,80,90) | 0 | 0 | 0 |
| 220 Total of InDirect cost Center(Add line 120 and 140) | 0 | 0 | 0 |
| 225 Total of Other cost Center(Add line 160 and 170) | 0 | 0 | 0 |
| 230 Total of capital cost Center(Add line 190) | | | 0 |
| 235 Total of Non-Reimbursable cost Center(Add line 200) | | | 0 |
| 240 Total of all Cost Center(Add line 210,215,220,225,230 and 235) | 0 | 0 | 0 |

print Previous Step Go to next step



225. Total of Other Cost Centers:

- The sum of total lines 160 and 170 in column 1
- The sum of total lines 160 and 170 in column 2
- The sum of total lines 160 and 170 in column 3

230. Total of Capital Cost Centers:

- The total of line 190 in column 3

235. Total of Non-Reimbursable Cost Center:

- The total of line 200 in column 3

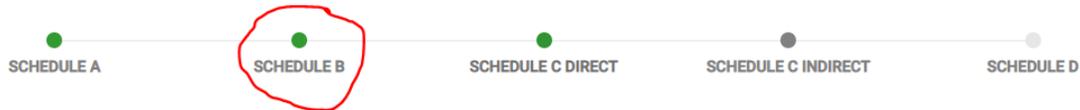
240. Total of all Cost Centers:

- The sum of total lines 210, 215, 220, 225, 230 and 235 in column 1
- The sum of total lines 210, 215, 220, 225, 230 and 235 in column 2
- The sum of total lines 210, 215, 220, 225, 230 and 235 in column 3

If line 240 doesn't calculate, is blank, go back through the screens to make sure a field on Sched C-Direct or C-Indirect was left blank. The system sees a blank field as null and hasn't a clue how to add or subtract a null value, so it doesn't. Every field on Sched B, C-Direct or C-Indirect must have a value in it, even if the value is zero (0). Correct the blank field with a zero or correct number, then come back and click the Total button.

Now the user can go back to Schedule B. To go back to Schedule B that can be done by clicking the "Go to previous step" button until arriving at Schedule B. It can also be done by clicking Schedule B at the top of the page (see below). The schedules names at the top can be clicked to go backwards to get to schedules, it doesn't work if trying to go forward. Anyway, on Schedule B when the "Net Profit or Loss" button is clicked now, the total

expenses from line 240 will automatically be shown on line 19 and Net Profit or Loss will be calculated on line 20. If Net Profit or Loss does not calculate, is blank, again go back and look for a field that was left blank. It is good practice that once the value has been added into the blank field to come back to Sched B and click the Net Profit or Loss button. That way it pulls the correction all the way through the system.



The button “print” will print off a copy of Schedule C-Indirect only. It can be printed as a blank copy or with data keyed in the schedule.

The button “Go to previous step” will take the user back to Schedule C-Direct.

The button “Go to next step” will take the user on to Schedule D.

The black arrow on the right can be used at any time to go back up to the top of the page.

COST REPORT

INSTRUCTIONS FOR SCHEDULE D

Nursing Homes are exempt from reporting the Related Party Transaction.

Definitions:

- A. **“Related to the home”** means that the home, to a significant extent, is associated or affiliated with, or has control of, or is controlled by, the organization and/or individual furnishing the services, facilities, or supplies.
- B. **“Common ownership”** exists when an individual or individuals possess significant ownership or equity in the home and the institution or organization serving the home.
- C. **“Control”** exists where an individual or an organization has the power, directly or indirectly, to significantly influence or direct the actions or policies of an organization or institution. The term “control” includes any kind of control, whether it is legally enforceable and however it is exercisable or exercised. It is the reality of control which is decisive, not its form or the mode of its exercise.
- D. **“Necessary services”** are those services needed for the efficient operation and sound management of the facility such that had the owners or owner-related individual did not render the services, the facility would have had to employ another person to perform the services.
- E. **“Ownership interest”** means the entitlement to a legal or equitable interest in any property of the facility whether such interest is in the form of capital, stock, or profits of the facility.
- F. **“Owner”** – An owner shall be considered any individual with a 5% or more ownership interest in the facility.
- G. **“Owner-Related Individual”** – An owner-related individual shall be considered an individual who is a member of an owner’s immediate family which includes spouse, natural or adoptive parent, natural or adopted child, stepparent, stepchild, sibling or stepsibling, in-laws, grandparents, and grandchildren.
- H. **“Compensation”** means the total benefits received by the owner or the services he renders to the institution. Such compensation shall include:

- (1) Salary amounts paid for managerial, administration, professional, and other services.
- (2) Amounts paid by the institution for the personal benefits of the proprietor.
- (3) Adopted child and adoptive parent.
- (4) Deferred compensation
- (5) Compensation reported for tax purposes.

In determining whether a home is related to a supplying organization and/or individual, the tests of common ownership and control must be applied separately. If the elements of common ownership or control are not present in both organizations, the organizations are deemed not to be related to each other.

The existence of an immediate family relationship will create an irrefutable presumption of relatedness through control or attribution of ownership or equity interests. The following persons are considered immediate family for adult care program purposes:

- (1) Husband and wife
- (2) Natural parent, child, and sibling
- (3) Adopted child and adoptive parent
- (4) Stepparent, stepchild, stepsister, and stepbrother
- (5) Father-in-law, mother-in-law, sister-in-law, brother-in-law, son-in-law, and daughter-in-law
- (6) Grandparent and grandchild

Some examples of common types of transactions between related parties are:

- (a) Sales
- (b) Purchases
- (c) Transfers of realty and personal property
- (d) Services received or furnished (i.e., accounting, management, engineering, and legal services)
- (e) Use of property and equipment by lease or otherwise
- (f) Borrowing and lending
- (g) Guarantees
- (h) Maintenance of bank balances as compensation balances for the benefit of another
- (i) Intercompany billings based on allocations of common costs
- (j) Filing or consolidated tax returns

General Instructions – Schedule D:

Here is a look at Schedule D.



Add Line Item

| Line Item | Related Party Name | Relationship | Other | Expense Amount | Paid Hours | Line Item Description | Cost Center | Related Party Adjustments |
|-----------|--------------------|--------------|-------|----------------|------------|-----------------------|-------------|---------------------------|
|-----------|--------------------|--------------|-------|----------------|------------|-----------------------|-------------|---------------------------|

Previous Step | Go to next step | Finish

Click on the “Add Line Item” button and that will bring up the next screen where the related party information is to be entered.

Add Line Item
✕

| | |
|--|---|
| Line Item <input style="width: 95%; height: 25px;" type="text"/> | Paid Hours <input style="width: 95%; height: 25px;" type="text"/> |
| Related Party Name <input style="width: 95%; height: 25px;" type="text"/> | Line Item Description <input style="width: 95%; height: 25px;" type="text"/> |
| Relationship <input style="width: 95%; height: 25px;" type="text"/> | Cost Center <input style="width: 95%; height: 25px;" type="text"/> |
| Other <input style="width: 95%; height: 25px;" type="text"/> | Related party Adjustments <input style="width: 95%; height: 25px;" type="text"/> |
| Expense Amount <input style="width: 95%; height: 25px;" type="text"/> | |

Cancel
Continue

Using the Line Item drop-down arrow, it will show only the lines that contain expenses on Schedule C-Direct and/or Schedule C-Indirect. If no expenses are on a specific line of Schedule C, then the line cannot be selected. **Note:** for a non-SCU facility, lines 59, 88 and 72 may show up at the bottom of the list instead of in chronological order.

In the Related Party Name box is where to identify the name of the related party (organization and/or individual).

In the Relationship box, use the drop-down arrow to choose the relationship between the related party and the facility. **DO NOT LEAVE THIS BLANK!** Choose one item from the following list:

- Affiliated (a party that, directly or indirectly, through one or more intermediaries' controls, is controlled by, or is under common control with the facility)
- Family member, immediate family of management
- Owner
- Partner
- Principle
- Shareholder
- Subsidiary
- Other – if this is used in the Relationship box, the Other box just below is where to state the relationship

The Expense Amount box will show the amount of expense that is shown on the line chosen. This amount can be left as shown if all the expense is related to the person/organization being keyed. Or if only part of the expense is related to the person/organization, then change the amount to reflect the amount relevant for this person/organization. The next time the same line is used the expense amount will be reduced by the first amount used.

Paid Hours box will show the number of hours that is shown on the line (if applicable) chosen. This can be left as shown if the hours are all related to the person/organization being keyed. Or if only part of the hours is related to the person/organization, then change the hours to reflect the amount relevant for this person/organization. The next time the same line is used the hours will be reduced by the hours used the first time.

The Line Item Description box will automatically be filled in. It will reflect the name of the line item chosen.

Cost Center box will automatically be filled in. It will reflect the name of the cost center of the chosen line.

Related party adjustment box is where any unallowable related party expense that reduces the total expense for the cost center are identified.

- If there are any costs included in Schedule C which result from transactions with related organizations, as defined in CMS 15-1 (Provider Reimbursement Manual), Chapter 10, they must be identified on Schedule D. Unless the cost meets all four of the exceptions below, the related party expense must be adjusted to reflect the value that would have been paid to an unrelated organization in the open market, as represented by management of the provider organization. For illustrative purposes, three examples are listed below:

Example #1 – Acme Cleaning Supply shares common ownership with ABC Assisted Living and is deemed a related party. Acme sold \$18,000 of cleaning supplies to ABC Assisted Living. The actual cost of the supplies was \$13,000. \$13,000 is the allowable amount because that is what the supplies cost. The difference between \$18,000 and \$13,000 must be adjusted off. Schedule D would look like this:

| Line Item | Related Party Name | Relationship | Other | Expense Amount | Paid Hours | Line Item Description | Cost Center | Related Party Adjustments |
|-----------|----------------------|--------------|-------|----------------|------------|-------------------------------|----------------------|---------------------------|
| 7 | Acme Cleaning Supply | Affiliated | | 18000 | 0 | Housekeeping/Laundry Supplies | Housekeeping/Laundry | -5000 |

The minus sign must be keyed in the Related Party Adjustment column. Note: If the related party adjustment has to do with a PCS cost center, the lines 59, 72 or 88 should referenced her on Schedule D.

Example #2 – Central office overhead expenses are allocated to XYZ Assisted Living from the corporate home office (Eureka Homes). The amount determined to be allocated is \$25,000. To add this \$25,000 to XYZ Assisted Living’s cost report, first there must be at least a dollar on line 101 on Schedule C-Indirect and then Schedule D would look like this:

| | | | | | | | | |
|-----|--------------|------------|--|---|---|-------------------------|----------------------------|-------|
| 101 | Eureka Homes | Affiliated | | 1 | 0 | Central Office Overhead | Administration and General | 24999 |
|-----|--------------|------------|--|---|---|-------------------------|----------------------------|-------|

Example #3 – Rent payments of \$50,000 for the facility are made to EFG, LLC a related party. The related party lease expense of \$50,000 is removed so the actual ownership cost of the facility can be added. Next the related party ownership costs that include allowable depreciation (\$40,000), mortgage interest (\$3,000) and property insurance (\$2,000) are added. Again, there must be at least a dollar on line 172, 179 and 181.

| | | | | | | | | |
|-----|----------|---------------|--|-------|---|--------------------------------|------------------------|--------|
| 172 | John Doe | Family Member | | 1 | | Depreciation-Buildings | Property/Ownership/Use | 39999 |
| 179 | John Doe | Family Member | | 1 | 0 | Interest-Mortgage/Fixed Assets | Property/Ownership/Use | 2999 |
| 181 | John Doe | Family Member | | 1 | 0 | Insurance-Fixed Assets | Property/Ownership/Use | 1999 |
| 175 | EFG, LLC | Family Member | | 50000 | 0 | Rent or Facility | Property/Ownership/Use | -50000 |

Added for Schedule D with this web-based program, if there is an adjustment for a home with both SCU beds and Adult Care beds, the adjustment can be split between both sides. There was no room in the Microsoft Access version to have the adjustment be split and it was just shown under SCU totals. With this web-based version there is now plenty of room. Using example 1 above with a facility with SCU and regular adult care beds to illustrate.

| Line Item | Related Party Name | Relationship | Other | Expense Amount | SCU Expense Amount | Paid Hours | SCU Paid Hours | Line Item Description | Cost Center | Related Party Adjustments | SCU Related Party Adjustments |
|-----------|------------------------|--------------|-------|----------------|--------------------|------------|----------------|-------------------------------|----------------------|---------------------------|-------------------------------|
| 7 | Acme Cleaning Supplies | Affiliated | | 9000 | 9000 | 0 | 0 | Housekeeping/Laundry Supplies | Housekeeping/Laundry | -2500 | -2500 |

- Related party transactions meeting **ALL** 4 of the following conditions are deemed non-related by exception.
 - The related party organization is a bona fide separate organization. This means that the related party organization is a separate proprietorship, partnership, joint venture, association, or corporation and not merely an operating division of the provider organization.
 - A substantial part of the related party organization’s business activity is transacted with other providers not related to the provider in an open, competitive market providing the same type of services, facilities, or supplies.
 - The services, facilities or supplies can be commonly obtained from outside sources rather than producing the item internally.
 - The charge to the provider is in line with the charges of such services, facilities or supplies in the open market and no more than the charge made under comparable circumstances to others by the related party for such services, facilities, or supplies.

Compensation to Owners and Owner Related Individuals:

Allowability of Compensation and Recordkeeping Requirements:

Owners of provider organizations often render services as managers, administrators, or in other capacities. In such cases, it is equitable that reasonable compensation for the necessary services rendered be an allowable cost. To do otherwise would disadvantage such owners in comparison with corporate providers or providers employing non-owners in comparison with corporate providers or providers employing non-owner persons to perform the same services.

Distribution of profits is a form of compensation paid to a proprietor. However, this form of compensation is **not an allowable cost** of the facility because it is not contingent on the performance of necessary services. Where a proprietor renders necessary services for the institution, the institution is, in effect, employing his/her services and reasonable compensation for these services is an allowable cost. The salaries of owners and owner-related employees are subject to the requirements of reasonableness. Reasonableness of compensation will be determined by reference to or in comparison with compensation paid for comparable services and responsibilities in comparable institutions or it may be determined by other appropriate means. Where the services are rendered on less than a full-time basis, the allowable compensation should reflect an amount proportionate to a full-time basis.

Compensation for the services of owners and owner-related employees shall be an allowable cost provided these services are adequately documented to be necessary, and such employees are adequately documented to be qualified to provide these services. Adequate documentation shall include but not be limited to:

1. Date and time of services contemporaneous recordkeeping
2. Position description
3. Individual’s educational qualifications, professional title, and work experience
4. Type and extent of ownership interest
5. Relationship to and name of owner (if an owner-related individual)

COST REPORT

SPECIAL CARE UNIT ONLY

INSTRUCTIONS FOR SCHEDULE E

General Note:

Any facility which is licensed for Special Care Unit beds, must complete Schedule E. Schedule E identifies the auditable basis/method used for allocating costs between Adult Care and Special Care Unit beds.

The allocation method must be indicated for each cost center containing a total in Schedule C. If several expense line items within a cost center are allocated using more than one method, the allocation method detail for each line number must be provide under "Information".

Supporting documentation must be available for a CPA to validate the allocation method when performing the Agreed Upon Procedures (AUP) for these items.

General Information:

Schedule E

Basis of allocation between Special care and Adult care Beds

| | | | |
|---|----------------------|--|----------------------|
| Total square footage of Special Care Unit | <input type="text"/> | Total square footage of Adult care bed units | <input type="text"/> |
| Total Square foot of all others | <input type="text"/> | Total square footage of SNF/ICF bed unit | <input type="text"/> |
| | | Total Square footage of Facility | <input type="text"/> |

| | | | |
|----------------------|----------------------|----------------------|----------------------|
| SCU Sq ft: | Adult Care Sq ft: | SCU Res days | Adult Care Res days |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

[Add Line Item](#)

| Cost Center | Allocation | Comment |
|----------------------|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> |

[Previous Step](#) | [Go to next step](#)

Please enter all square footage information used by the facility into the Square Footage boxes. The boxes "SCCU Sq Ft" and "Adult Care Sq Ft" will be calculated from the information entered. The boxes "SCU Res days" and "Adult Care Res Days" will calculate based on the information entered on Schedule A. Though, please note it may take logging out of the facility and logging back in for the Res Days percentages to show correctly. Note this for printing out a copy of Schedule E.

Click on the "Add Line Item" and the following window will come up:

Add Schedule Information [X]

Cost Center

Allocation By

Information/Comments

[Cancel](#) [Continue](#)

Click on the Cost Center drop down arrow, that will list the total lines from all cost centers.

Click on the Allocation By drop down arrow to choose the allocation method. The choices are: Direct, Square Footage, Resident Days and Other. If all costs with a cost center were directly charged, choose Direct from the drop-down box. If all costs within the cost center were allocated by square footage, then choose Square Footage. If all the costs within the cost center were allocated by resident days, then choose Resident Days from the drop-down menu. If in a cost center the costs were allocated by more than one allocation, then choose Other from the drop-down menu. If Other is chosen, click in the “Information/Comments” box to identify by line number the multiple allocation methods used. For example, Operation/Maintenance cost center line 121, 123 & 124 are allocated by resident days, lines 132 & 133 are allocated by square footage and anything else was directly charged. This example would look like this:

| Cost Center | Allocation | Comment |
|-------------------------|------------|--|
| Operation / Maintenance | Other | lines 121,123,124-res days; lines 13,133-sq ft; lines 122,128,129,130,131-direct |

No matter which allocation is chosen, additional notes can be put under in the “Information/Comments” field. However, if Other is chosen, information must be entered. A delete feature has been added to this schedule. If a line was entered incorrectly, please click the trash can icon to the right to delete the line. The add the line back in correctly.

Based on discussions with industry facility associations, the following are acceptable documentation of bases of allocations:

For Salaries, Casual Labor, Payroll Taxes, Employee Benefits:

- If an employee is 100% dedicated to the Special Care Unit or to the regular Adult Care part of the facility, salaries and related benefits can be direct charged to the designated cost center for the type of operation.
- For employees that work in both units interchangeably, the allocation of personnel cost must be documented through timesheets indicating the time being spent by cost center as well as by type of client being served (Special Care Unit client or Adult Care Home client). This documentation is also required for Personal Care Services.
- For employees that are not clearly identifiable (such as food service or administrative, etc.), the respective costs may be allocated to the appropriate unit based upon the percentage of residential days of the unit to the total residential days. Or by another reasonable method provided that the method is a verifiable and auditable basis for allocating facility costs between these two types of bed so that a CPA can validate these allocations.

For all other non-personnel expenditures items:

- Expenditure items can be direct charged to the designated Special Care Unit and Adult Care Home cost centers when the costs clearly benefit only one of those areas. If an invoice includes items specific for each of the unit, split invoicing is allowable to charge the appropriate cost to the correct center. The following items are examples of the types of expenditures that most likely would be direct charged or slit invoiced: Meeting/Seminars/Training, Housekeeping/Laundry Supplies, Linen & Bedding, Contract Services, Beauty & Barber Shop, Bloodborne Pathogens, Non-Legend Drugs and Medical Supplies. Legend Drugs, Dietary Supplies, Food & Recreation Supplies.
- For cost items that have no distinguishable benefit to only one of the units, that cost is to be allocated to the appropriate unit based upon the percentage of residential days of the unit to the total residential days. Typical costs falling under this allocation method would be administrative line items.

- Again, any on-personnel cost can be treated in either of the two prescribed methods noted above but must have clear benefit if direct charged to a particular unit.

Facility Costs (line items in Property/Ownership/Use Cost Center and Utilities):

- Facility costs **must** be allocated based on square footage associated with Special Care Unit beds verses Adult Care beds.

COST REPORT HAL LICENSED FACILITIES WITH 31+ BEDS ONLY

INSTRUCTIONS FOR SCHEDULE F

In the past there were issues in getting enough information from facilities to do the Adult Care Cost Modeling exercise. The information required for cost modeling wasn't requested until a couple of months after cost reports had been submitted. With hopes it would be easier to provide the information at the same time while working on the cost report, this step was added into the cost report program and has worked very well. Facilities with a HAL license **AND** are licensed with 31 beds or more will have to fill this out. This schedule **will not** appear if the HAL facility is only licensed for beds between 7 to 30. This schedule will not appear if a license starts with NH or MHL licenses are keyed.

Based on the letter from the Division of Aging and Adult Services, dated November 21, 2016, cost modeling will be performed every two years when the cost reports are submitted. Cost modeling is developed from the following criteria:

- Mixture of both private pay and public funding
- Occupancy rate at a minimum of 80%
- Inclusion of Special Care Units (SCU) within facilities and those that are stand-alone facilities
- Representation from the following size categories: 31-60 beds, 61-90 beds, and 91+ beds
- Must have been in business for at least one year (same owner for that year)
- No disproportionately high indirect cost ratios compared to direct cost
- No history of penalties and fines.

Facility representatives and staff from the DHHS Office of the Controller will determine the cost model participants that meet the above criteria. Use the cost model information submitted along with the cost report figures to determine the cost model rate.

The information needed for cost modeling has to do with the type of positions worked within the facility. In the cost report the total hours worked for a cost center, say Housekeeping and Laundry, are lumped together in the Paid Hours or Unpaid Hours columns. For cost modeling, these lumped hours need to be broken out into the positions working those hours. Not down to the individual employees working in the positions but to the individual job classification.

General Instructions:

Add Line Item

| Position | Cost Center | Adult Care Paid Hours | Adult Care Unpaid Hours |
|----------|-------------|-----------------------|-------------------------|
| | | | |

Previous Step
Finish

Click on the "Add Line Item" button and the following window will come up.

✕

Add Schedule F

| | |
|--|--|
| Position <input style="width: 90%; height: 25px;" type="text"/> | Paid Hours <input style="width: 90%; height: 25px;" type="text"/> |
| Cost Center <input style="width: 90%; height: 25px;" type="text"/> | UnpaidHours <input style="width: 90%; height: 25px;" type="text"/> |

Cancel
Continue

Click on the Position down arrow to choose a job classification from the list. For a list of each job classification and description of what the basic job duties are for that classification are can be found on the Office of the Controller’s website at: <https://www.ncdhhs.gov/about/administrative-offices/office-controller/adult-care-facilities>. Please match the job description to the positions worked within the facility as closely as possible.

Click on the Cost Center down arrow to choose the cost center from the cost report the hours were reported in.

Based on the Cost Center chosen, the program will automatically bring up the total hours keyed for the Paid Hours and Unpaid Hours columns. If all the hours shown are for the one position, click Continue. If there are multiple positions within the cost center than change the hours to only the hours associated with the position shown.

Example 1: There were a total of 8,127.25 hours keyed in the Paid Hours column for the Dietary Cost Center (line 21) on Schedule C-Direct. Based on the job classification and description of the basic duties, there are three positions that work within the cost center. The positions matched up closely to: First-line Managers of Food Preparation & Service Workers, Cook and Food Server. On Schedule F:

- Click on “Add Line Item”. From the Position drop down menu, choose the title, First-line Manager of Food Preparation & Serving Workers. Choose Dietary from the Cost Center drop down menu. In the Paid Hours field, it will show the total hours for the Dietary cost center as shown on line 40, in this case it shows as 8,127.25. The manager for this cost center was a full-time employee which means they worked 2,080 hours (40 hrs. per week times 52 weeks per year). So, change the 8,127.25 hours shown to 2,080. Click “Continue”.
- Click on “Add Line Item”. From the Position drop down menu, choose the title, Cooks, Institution and Cafeteria. Choose Dietary from the Cost Center drop down menu. This time in Paid Hours, there it will only show 6,047.25. The cook is a full-time position too, so change the 6,047.25 to 2,080. Click Continue”
- Click on “Add Line Item”. From the Position drop down menu, choose the last title of Food Server, Non-Restaurant. Choose Dietary from the Cost Center drop down menu. The remaining hours of 3,967.25 go to this position. Click “Continue”.

| Position | Cost Center | Adult Care Paid Hours | Adult Care Unpaid Hours |
|----------|--|-----------------------|-------------------------|
| Dietary | First-Line Supervisors of Food Preparation and Serving Workers | 2080 | 0 |
| Dietary | Cooks, Institution and Cafeteria | 2080 | 0 |
| Dietary | Food Server, Non-Restaurant | 3967 | 0 |

If there are contract hours listed in a cost center, those hours also need to be included on Schedule F along with the job classification to match the type of service the contract paid for.

The total number of hours (paid, unpaid and contract) keyed on Schedule F, need to match the to match the total number of hours (paid, unpaid and contract) keyed on both Schedule C-Direct and Schedule C-Indirect. If all the hours are not allocated to positions, the user will not be able to submit the cost report. An error message will come up saying all the hours were not allocated. Go back through the cost centers and see what hours are still showing.

COST REPORT

INSTRUCTIONS FOR SUBMITTING THE COST REPORT

Depending on the size of the facility will depend on the last schedule requiring information. For a facility with 7 to 30 beds with SCU beds, Schedule E will be the last schedule. For a facility with 7 to 30 beds without SCU beds, Schedule D will be the last schedule. For a facility with 31 beds or more, the last schedule will be Schedule F.

As discussed on page 13 above, if an Exemption is being submitted, there will be a "Submit" button on the bottom of Sched A. For the "Submit" button to appear again the General Information section of Sched A must be filled out **first**, then click the "Exempted" button. That will take the user to the Exemption screen. Choose the reason for being exempt, click Save. That will take the user back to Sched A, scroll down and the "Submit" button should be at the bottom of the page.

When all information has been entered into the cost report and the report is ready to be submitted to the Office of the Controller, click "Submit to OoC". The next screen will be where to enter the information on the accountant or CPA who performed the Agreed Upon Procedures (AUPs).

This Facility is required to have agreed upon procedure this year

Prepared By Accountant CPA New1

Select Accountant/CPA

Name

Street

City State Zip

Phone

Email

Cancel Save as Accountant Save as CPA

The tables behind this screen contain the accountant and CPAs entered last cost reporting cycle. To choose an accountant, click the Accountant button, and use the dropdown arrow in the field to bring up the accountant's information. To choose a CPA, click the CPA button and again use the dropdown arrow in the field to bring up the CPAs information. If the accountant or CPA is not on the list, then click the New button, enter their information

and click the appropriate SAVE button. Please note, there is not a way to edit information that was miss keyed or has changed once the save buttons have been clicked. If something needs correcting, please enter the information again using the New button. Taking out information keyed in error or that is no longer valid will have to be done on the backend so please notify Rate Setting staff.

Once the Save button is clicked on the accountant/CPA screen, the cost report will be signed and submitted. All the fields will now turn gray. That means they are read only and no information can be added or changed.

Once the cost report has been submitted, if it is discovered that a correction needs to be made, the facility will need to contact Rate Setting staff to ask for the cost report to be opened back up. When the cost report is opened, the facility can log back in to make the correction. Click the Submit to OoC button again. That will bring up the Accountant/CPA screen again, if applicable. By opening the cost report up, the accountant/CPA information is taken out and will have to be picked again. Click Save and the cost report will be resubmitted.

If upon a desk review by the Rate Setting staff, if there are issues with the resident days, paid hours column left blank, the dates of service, fields left blank so cost report doesn't total, required schedules not completed or say food was left off the cost report, then Rate Setting staff will use the Contact Person's email address and/or phone number given on Schedule A to notify the facility about a question or an error that was found. This makes the contact person's information important to include on Schedule A. The cost report will be opened to allow the facility to make any needed corrections to submit the cost report again. The Rate Setting staff are no longer able to make corrections, even minor ones, for facilities. Corrections must be made by the facility.

Submitting AUPs

For facilities with over 7 beds, AUPs are required. To submit AUPs, please send an email with the signed pdf copy of the AUP attached to Rate Setting staff (Susan Kesler or Yashaciqa Davis). Rate Setting staff will match up the AUPs received by email with the cost reports submitted through the web-based program. If a cost report submitted through the program requires an AUP and the AUP is never received, the cost report will still be considered incomplete, and the facility could end up on the delinquent list at the end of the cost reporting cycle.

COST REPORT

Lessons Learned

Here are some of the lessons learned during the first cycle of using the web-based Adult Care Cost Report program. Many of the things listed here are part of the information already provided above. Just wanted to list some of them here as a quick reference.

- The best web browser to use when bringing up the cost report program is Google Chrome or Microsoft Edge.
- With the rollover process the passwords and security question answers from the prior cost reporting cycle have been erased. See the Password section (pages 6 & 7) above for the new temporary password. Security questions will also need to be answered again, please follow those directions given above on pages 7 & 8.
- If a user gets the message that their account is locked, please contact a Rate Setting staff member. Prefer that contact be by email. Please provide the username(s) that need to be unlocked. The staff member will reset the password, and the user will get a return email with the new temporary password. It is best to use copy and paste to get this string of characters into the system. Please start the highlight for the copy at the back end of the password and highlight to the front. If the highlight is started at the front to the back, when Ctrl C is clicked, it will sometimes include a blank space as part of the copy. The system sees the blank space as part of the copy. The system sees this blank space as an additional character and

will make the password invalid. As this reset password must be used twice, this is another reason using copy and paste is best.

- If the user logs in and gets a blank screen with the message “Please wait... authorizing”, please email a Rate Setting staff member with the username. The username is “stuck”. No amount of waiting will get it unstuck. Rate Setting staff will have to contact the programmer to get the username “unstuck”. The user will get a reply email when they can try logging in again. The user once in the system will have to create a new password and answer 5 security questions.
- For anyone logging in or getting their username unstuck, the Security Question screen is going to come up. Please follow these directions to answer those questions. By doing it this way, less usernames got “stuck”:
 - o Use the drop-down arrow to bring up the 1st security question, **DO NOT ANSWER IT YET!!!!**
 - o Use the drop-down arrow to bring up the 2nd security question, **DO NOT ANSWER IT YET!!!!**
 - o Use the drop-down arrow to bring up the 3rd security question, **DO NOT ANSWER IT YET!!!!**
 - o Use the drop-down arrow to bring up the 4th security question, **DO NOT ANSWER IT YET!!!!**
 - o Use the drop-down arrow to bring up the 5th security question, now the user may answer this question along with the other 4 questions given above.
- On Sched A, the General Information section must be filled out for every cost report or exemption being submitted. **NOTHING** will be saved if the Contact Person Email field is left blank. This email address even needs to be keyed before the SCU button can be clicked from No to Yes. This is a required field!!!
- It is a “safety” feature of the program that if the SCU button is clicked to either Yes or No, or the number of beds on line 13 of Sched A are changed **AFTER** information is keyed on Sched B or C, an error message will come up saying the information on Sched B and C (D, E and F) will be erased. That is correct. The user has no choice but to click OK to the message and rekey the information on Sched B and C.
- On Sched B, C1, C-Direct and C-Indirect, **EVERY FIELD MUST** have a number of some kind in it, even if that number is a zero. A blank field is considered a null value. The system hasn’t a clue how to add or subtract a null value, so it doesn’t. When any total button is clicked and shows no total, it is likely a field somewhere above it was left blank. When a blank field is corrected with a number, it is best to go back to Sched B to click the Net Profit or Loss button. That pulls the correction of the blank field all the way through the system. Then go back to the end of the cost report to click Submit to OoC. Otherwise upon review and the system shows the blank totals, Rate Setting staff will be opening the cost report back up and contacting the user to make the corrections.
- If there is an expense on **ANY** Salaries & Wages, Casual Labor or Contract Services line of the cost report, **THERE MUST BE HOURS SHOWN IN THE PAID HOURS COLUMN!!!!** Each of these lines has an open Paid or Unpaid Hours column. The column was put there for a reason and **MUST BE USED** if there is an expense. For the Contract Services line if no hour information is available, please at least put a 1 there. The Paid and UnPaid Hours should be based on what staff worked and were paid for the Salaried & Wage and Casual Labor lines. Depending on the size of the expenses, 1 hour in the Paid or UnPaid Hours (for salary line) field would likely be questioned by Rate Setting staff when doing a desk review. If the Paid Hours column is left as a zero, upon review Rate Setting staff will open the cost report back up and contact the user to make the correction.
- The web-based program will time out after about 20 to 30 minutes. When it times out, the user is not automatically logged out. However, things in the program don’t work as they should and probably won’t save information keyed after it has timed out. Please click the Logout button. Completely close the browser used to bring up the cost report program. Bring up a new browser screen, log into the Adult Care Cost Report Program again.