

Office of Statewide Health Planning and Development
ACCOUNTING AND REPORTING MANUAL FOR
CALIFORNIA LONG-TERM CARE FACILITIES

REPORTING REQUIREMENTS AND INSTRUCTIONS

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LISTING OF REPORTING FORMS

4010

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INSTRUCTIONS FOR COMPLETING DISCLOSURE REPORTS **4020**

General **4020.1**

These instructions relate to preparation of the Integrated Disclosure and Medi-Cal Cost Report (Disclosure Report).

The following rules apply to completing and submitting the Disclosure Report:

1. The Medicare cost report will not be accepted in lieu of the Integrated Disclosure and Medi-Cal Cost Report.
2. All amounts are to be reported in whole dollars unless otherwise indicated. Rounding to the nearest ten, hundred, or thousand is not acceptable.

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**Page 10.2 - Adjustments to Trial Balance Expenses
for Other Revenue Offsets**

4020.2

This form must be completed by all facilities and is a supplemental worksheet to page 10.1(3). The total on line 100 of this page must agree with Other Operating Revenue, page 8, column 1, line 20.

- Enter on line 5, Vending Machine Commissions (Account 5710).
- Enter on line 10, Laundry and Linen Revenue (Account 5720).
- Enter on line 15, Social Services Fees (Account 5730).
- Enter on line 20, Donated Supplies Revenue (Account 5740).
- Enter on line 25, Telephone Revenue (Account 5750).
- Enter on line 30, Transfers from Restricted Funds for Operating Expenses (Account 5760).
- Enter on line 35, Nonpatient Food Services (Account 5770).
- Enter on line 40, Television/Radio Charges (Account 5780).
- Enter on line 45, Parking Revenue (Account 5790).
- Enter on line 50, Rebates and Refunds on Expenses (Account 5800).
- Enter on line 55, Nonpatient Room Rentals (Account 5810).
- Enter on line 60, Nonpatient Drug Sales (Account 5820).
- Enter on line 65, Nonpatient Supplies Sales (Account 5830).
- Enter on line 70, Medical Records and Abstract Sales (Account 5840).
- Enter on line 75, Cash Discounts on Purchases (Account 5850).

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- Enter on line 80, Sale of Scrap and Waste (Account 5860).
- Enter on line 85 through 95, Other Operating Revenue (Account 5990).
- Total lines 5 through 95 and enter on line 100.
 - a. Where amounts received can be attributed to or identified with specific expenses of functions that gave rise to the revenue, the amounts received are netted against the expenses relating to that function or functions. For example, amounts received from charges for Laundry and Linen will be netted against the expense related to "Laundry and Linen."
 - b. Where amounts received cannot be attributed to or identified with specific reimbursable or nonreimbursable expenses, the total amount must be netted against Administration.

Transfer the amounts to page 10.1(3), column 11, lines as appropriate.

Pages 10.3 and 10.4 - Adjustments to Trial Balance Expense

4020.3

These pages are supplemental worksheets to page 10.1 and are completed by Medi-Cal providers only.

Medi-Cal providers are advised that where allowable Medi-Cal costs are not otherwise defined by the State, the facility must refer to the Provider Reimbursement Manual (HCFA Publication 15-1) issued by the U.S. Health Care Financing Administration for the determination of allowable costs.

There are three types of adjustments commonly made:

- 1) Adjustments to eliminate expenses specifically nonreimbursable under Medi-Cal. Generally, expenses are not reimbursable if they are not related to patient care.
- 2) Adjustments to record reimbursable expenses not recorded in the trial balance, such as imputed expenses for non-paid workers.
- 3) Adjustments for revenues received which are actually recoveries of costs through sales, charges, fees, grants, gifts, etc.

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- a. Where amounts received can be attributed to or identified with specific expenses of the functions that gave rise to the revenue and are reimbursable, the amounts received are netted against the expense relating to that function (not to exceed the amount of expense). For example, amounts received from charges for medical records will be netted against the expense related to "medical records."
- b. Where amounts received cannot be attributed to or identified with specific reimbursable or nonreimbursable expenses, the total amount must be netted against administrative expense.
- c. Amounts received which are related to identifiable nonreimbursable costs should not be netted against expenses on page 10.1.

Line descriptions on page 10.3 indicate the more common areas which affect allowable costs or result in costs incurred other than patient care and, thus, require adjustment. This list is not all inclusive. Additional space is provided on page 10.4, if needed. If page 10.4 is used, combine the amounts entered as indicated on the page and then transfer the subtotals on page 10.4, lines 37, 47 and 57 to page 10.3, lines 145, 185 and 205, respectively.

Note: The revenues reported as Other Operating Revenue on page 10.2 must also be reported on page 10.3, and offset against the related expenses on page 10.1, column 13.

Note: Section 2314 of the Deficit Reduction Act (DEFRA) of 1984 amended the federal requirements regarding Medicare and Medi-Cal reimbursement for capital related costs. For nursing homes sold after July 18, 1984, reimbursement for capital related costs is limited to the lesser of the valuation of assets to the owner of record on July 18, 1984, or the acquisition cost of the new owner.

Generally, allowable capital related costs and balance sheet account valuations of the new owner cannot exceed (but can be less than) those of the previous owner of record on July 18, 1984. Typical expenses that may require adjustment are depreciation and interest. Typical balance sheet items that may require adjustment are property, plant, and equipment, and the related acquisition debt. Any expenses that exceed this limitation must be reported on line 135 of page 10.3 and adjusted in column 13, page

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10.1(3). Adjustments related to balance sheet account valuations that exceed this limitation must be reported on page 5.4 and adjusted in column 3, pages 5.1 and 5.2.

- Identify in column 2 the trial balance line number where the expense to be adjusted is now reported on page 10.1.
- Enter in column 3 ("Basis") either "A" for cost basis or "B" for amount received.
- Enter in column 4 the total amount of the required adjustment and whether it is an increase or (decrease) adjustment.
- Enter in column 5 the amount of the total adjustment in column 4 which relates to the health care portion. For facilities which have both residential and health care services, the health care portion of the adjustment should be in the same ratio to the total adjustment as the related health care expense was to total expense (i.e., if health care expenses are 80% of a given cost center, then health care should receive 80% of a related adjustment amount entered in column 4). For non-residential care providers, column 5 will be the same as column 4.
- Briefly explain in column 6 why each adjustment was made.

Transfer the net amounts in column 5 to page 10.1, column 13, lines as appropriate.

Note: Beauty and Barber expenses are to be reclassified from Other Ancillary Services on page 10.3.

Essentially, all costs other than reasonable, ordinary, necessary, patient related expenses are nonreimbursable and may not be included in establishing a rate for Medi-Cal skilled nursing and intermediate care facilities.

Refer to HCFA Publication 15-1 for additional information.

Page 10.1 - Expense Trial Balance Worksheet

4020.4

This report page provides for the reporting of the trial balance of expenses from the facility's accounting books and records. It also provides for the direct assignment and apportionment of expenses related to both residential care and health care activities.

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Finally, it provides for offsetting other operating revenue in column 11, and for Medi-Cal program adjustments in column 13.

Each account title is labeled with an account number from the Office of Statewide Health Planning and Development (OSHPD) Uniform Accounting System. This is the required system of accounting and reporting for all long-term care facilities in California.

COLUMNS 1, 2, 3, and 4

- List on the appropriate lines in columns 1, 2, 3, and 4 the total expenses incurred during the reporting period. The expenses must be detailed between salaries and wages (column 1), employee benefits (column 2), and other expenses (column 3). Column 1 includes only salaries and wages related to productive hours. Compensation for time off, along with all other employee benefits, must be included in column 2. The sum of columns 1, 2, and 3 must equal column 4. Do not change or add line labels. Also, do not draw additional lines in any column.
- For columns 1, 2, and 3, enter the sum of lines 5 through 170 on line 175.
- Complete the Supplemental Expense Information items on lines 180, 185, and 190 as indicated below.
 - Enter raw food costs, natural expense classification .55, on line 180, column 3.
 - Enter total Workers' Compensation Insurance expense, natural expense classification .27, on line 185, column 2.
 - Enter total State Unemployment Insurance expense, natural expense classification .22, on line 190, column 2.
- For column 4, enter the sum of lines 5 through 135 on line 150, and enter the sum of lines 150 through 170 on line 175.

Note: Periodic hair trims must be provided to Medi-Cal patients without charge. The expenses related to providing the periodic hair trims to Medi-Cal patients must be accounted and reported as an expense of the appropriate routine services cost centers. All other beauty and barber expenses are to be reported as "Other Ancillary Services" on line 100. For Medi-Cal providers only, beauty and barber expenses included in

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Other Ancillary Services are then adjusted in column 13 by transferring the expenses from line 100 to line 140.

COLUMNS 5 through 9

- Columns 5 through 9 must be completed only by those facilities providing residential care activities as well as health care activities. All others transfer the amounts in column 4 to column 10.

COLUMN 5 - Residential Care Facilities Only

- Enter in column 5 for each line item those expenses included in column 4 which are directly identifiable as residential care expenses. (Directly identifiable expenses are defined as those expenses which require no computations to determine, e.g., invoiced amounts related to residential care only). Total lines 5 through 70 and enter the result on line 150. Total lines 150 through 170 and enter the result on line 175.

COLUMN 6 - Residential Care Facilities Only

- Enter in column 6 for each line item those expenses included in column 4 which are directly identifiable as health care expenses. (Directly identifiable expenses are defined as those expenses which require no computation to determine, e.g., invoiced amounts related to health care only.) Total lines 5 through 170 on line 175.

COLUMN 7 - Residential Care Facilities Only

- Subtract columns 5 and 6 from column 4 for lines 5 through 70, and for lines 155 through 175, and enter the results in column 7.

COLUMNS 8 and 9 - Residential Care Facilities Only

For allocations in column 8, the following definitions apply:

Square feet -

The number of square feet in each health care section and the nonhealth care section of the facility should be determined either by a physical measurement of the facility or by a measurement from blueprints. Floor area measurements should be taken from the center

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of walls to the center of adjoining corridors if a hallway services more than one department. Hallways, waiting rooms, storage areas, etc., serving only one section should be included in that section. Exclude stairwells, elevators, and other shafts. General and unused areas are also to be excluded. When changes in assigned area have been made during the year as a result of new construction, relocation, expansion, or curtailment of services, statistical data should be maintained to allow for the development of "weighted" areas for the fractional part of the year. For example, the addition or deletion of 1,200 square feet for a six-month period would be an adjustment of 600 square feet. Where the same area serves more than one function, this area must be apportioned between or among the appropriate functions.

Clean dry pounds of linen processed -

If a summary of actual pounds processed during the current period, segregated by residential care activities and health care activities, is not available, a study should be made to determine the percentage of laundry processed for each. Those percentages should then be multiplied by total clean, dry pounds processed during the current period to arrive at the necessary statistics.

Meals served -

The number of meals served to residents and the number of meals served to patients, excluding snacks and fruit juices served between the three regularly scheduled meals.

- Enter the apportionment factor (fraction expressed as a decimal carried to 6 decimals) of total statistics, which are used in providing residential care, by cost center on lines 5 through 70 according to the following:
- Lines 5 through 55 (apportionment factor for residential care portion of total square feet) are calculated as follows:

$$\begin{array}{rcl} \text{Total square feet} & & \text{Total square feet of} \\ \text{used in providing} & \div & \text{facility used in} \\ \text{residential care} & & \text{providing residential} \\ & & \text{care and health care} \end{array} = \begin{array}{l} \text{Apportionment factor} \\ \text{for total square feet} \\ \text{allocable to residential} \\ \text{care} \end{array}$$

- Line 60 (apportionment factor for residential care portion of total clean, dry pounds of linen processed) is calculated as follows:

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$$\begin{array}{l} \text{Total pounds of} \\ \text{clean dry linen} \\ \text{processed for} \\ \text{residential care} \end{array} \div \begin{array}{l} \text{Total pounds of} \\ \text{clean dry linen} \\ \text{processed for} \\ \text{residential and} \\ \text{health care} \end{array} = \begin{array}{l} \text{Apportionment factor} \\ \text{for total pounds of} \\ \text{linen processed} \\ \text{allocable to residential} \\ \text{care} \end{array}$$

- Line 65 (apportionment factor for residential care portion of total meals served) is calculated as follows:

$$\begin{array}{l} \text{Number of} \\ \text{residential} \\ \text{care meals served} \end{array} \div \begin{array}{l} \text{Total residential and} \\ \text{health care meals} \\ \text{served} \end{array} = \begin{array}{l} \text{Apportionment factor} \\ \text{for total meals served} \\ \text{allocable to residential} \\ \text{care} \end{array}$$

- Line 70 (apportionment factor for residential care portion of total revenue) is calculated as follows:

$$\begin{array}{l} \text{Total residential} \\ \text{care revenue} \\ \text{recorded in Account} \\ \text{9100} \end{array} \div \begin{array}{l} \text{Total revenue} \\ \text{(Accounts 3100} \\ \text{through 4900 +} \\ \text{residential care} \\ \text{revenue)} \end{array} = \begin{array}{l} \text{Apportionment factor} \\ \text{for total revenue} \\ \text{allocable to residential} \\ \text{care} \end{array}$$

- At this point, the apportionment factors for all cost centers except Social Services, Activities, Administration, and Inservice Education - Nursing (lines 155 through 170) should be entered in column 8. Multiply column 7 times column 8, for line 5 through 70, and enter the results in column 9.
- Total lines 5 through 70, column 9 and enter the result on line 150.
- To calculate the apportionment factor for Social Services, Activities, Administration, and Inservice Education - Nursing, column 9, lines 155 through 170, perform the following calculation:

$$\text{Line 150, columns 5 and 9} \div \text{Line 150, column 4} = \begin{array}{l} \text{Apportionment factor of} \\ \text{accumulated cost allocable} \\ \text{to residential care} \end{array}$$

- Enter the results to six decimal places in column 8, lines 155 through 170.

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- Multiply column 7, lines 155 through 170 times column 8, lines 155 through 170 and enter the results in column 9, lines 155 through 170.

Note: No other apportionment bases are to be used without the prior written approval of the Office.

- Total lines 150 through 170, column 9 and enter the result on line 175.

COLUMN 10

- Subtract columns 5 and 9 from column 4 and enter the results in column 10, lines 5 through 170.
- Total lines 5 through 170, column 10 and enter the results on line 175.

Note: The expenses relating to health care in column 10 must be transferred to the Statement of Income - General Fund, page 8. The total of the residential care expenses (column 5, line 175) must be netted against residential care revenues and included in nonhealth care revenues and expenses, column 1, line 210 of the Statement of Income (page 8).

COLUMNS 11 and 12

- The amounts in column 11 are brought forward from page 10.2 to the appropriate lines on this page. Then, for all lines, subtract column 11 from column 10, and enter the results in column 12.

COLUMNS 13 and 14 - (Medi-Cal Providers Only)

These columns are to be completed by Medi-Cal providers only.

- The amounts in column 13 are brought forward from page 10.3 to the appropriate lines on this page. Use brackets to show adjustments decreasing expenses. Then, for all lines, add columns 10 and 13, and enter the results in column 14.

Note: Beauty and Barber and Other Nonreimbursable Expenses must be entered on lines 140 and 145 respectively. Beauty and Barber expenses are reclassified from Other Ancillary Services in column 13.

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- Total lines 5 through 170, and enter the result on line 175.

Page 4.1 - Facility Patient Days by Payer

4020.5

Enter in columns 1 through 5, the number of patient (census) days (including days for bedholds and leaves of absence) by payer and by routine services revenue center.

Count the day of admission, but not the day of discharge. Count as one, each patient admitted and discharged the same day. If a patient moves from one routine services cost center to another, actual patient (census) days for each routine service must be reported. If a patient changes one payer category to another during his or her stay, report patient (census days) by the primary payer for each day.

- Complete column 1 with all patient days for which Medicare was the primary payer.
- Complete column 2 with all patient days for which Medi-Cal was the primary payer.
- Complete column 3 with all Self-Pay patient days (all patient days for which the primary payer is the patient or patient's family, not a third-party payer).
- Complete column 4 with all Managed Care patient days (all patient days for which the primary payer is a health maintenance organization or other managed care plan).
- Complete column 5 with all patient days for which some other third -party is the primary payer (including Veterans Administration, Department of Mental Health, private long-term care insurance, continuing care contract, and charity patient days.)
- Complete column 6, lines 5 through 70, with the totals of columns 1 through 5 for each line.

Page 4.2 - Facility Revenue Information

4020.6

Gross revenue must be accounted and reported at the facility's full-established rates for the routine and ancillary services provided during the period, regardless of the amounts received or to be received as reimbursement for the services. Do not adjust gross revenues for contractual adjustments, cost report settlements, administrative and charity adjustments, or other deductions from revenue for reporting revenues in columns 2, 4, 6, and 8.

Gross routine services and ancillary services revenue must be accounted and reported by payer category, based on the primary payer for the patient receiving the services. For

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example, if a patient's routine services are reimbursable by Medi-Cal, but their ancillary services are reimbursable by Medicare Part B, both the routine and ancillary services should be recorded as Medi-Cal revenue.

For each routine and ancillary service:

- Complete column 1 with gross inpatient Medicare revenue.
- Complete column 2 with gross outpatient Medicare revenue.
- Complete column 3 with gross inpatient Medi-Cal revenue.
- Complete column 4 with gross outpatient Medi-Cal revenue.
- Complete column 5 with gross inpatient Self-Pay revenue.
- Complete column 6 with gross outpatient Self-Pay revenue.
- Complete column 7 with gross inpatient Managed Care revenue.
- Complete column 8 with gross outpatient Managed Care revenue.
- Complete column 9 with gross inpatient Other Payer revenue.
- Complete column 10 with gross outpatient Other Payer revenue.
- Complete column 11, lines 5 through 45 and lines 105 through 155, with the totals of columns 1, 3, 5, 7, and 9 for each line.
- Complete column 12 lines 105 through 155, with the totals of columns 2, 4, 6, 8, and 10 for each line.
- Complete line 70, columns 1, 3, 5, 7, 9, and 11 with the sums of lines 5 through 45.
- Complete line 170, columns 1 through 12, with the sums of lines 105 through 155.
- Complete line 175, columns 1 through 12, with the sums of lines 70 and 170.
- Enter Charity Adjustments on line 205, column 1.
- Enter Administrative Adjustments on line 210, column 1.

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- Enter Contractual Adjustments – Medicare on line 215, column 1. Include all Medicare settlements related to Medicare cost reports for prior periods that were not determinable until the current period. If the Medicare cost report for the current period has not yet been completed, be sure that contractual adjustments for the current period reflect the facility's best estimate of final reimbursement for services provided to Medicare recipients during the period.
- Enter Contractual Adjustments - Medi-Cal on line 220, column 1.
- Enter Contractual Adjustments - Managed Care on line 222, column 1.
- Enter Contractual Adjustments - Other Payer on line 225, column 1.
- Enter all Other Deductions from Revenue on line 230, column 1.
- Complete line 240, column 1, with the sum of lines 205 through 230.

Page 4.3 - Other Census and Revenue Information

4020.7

- Enter the number of licensed beds at the end of the current reporting year in column 1, line 5. This figure is based on the number of beds according to the facility's license (excluding beds in suspense) at the end of the reporting period.
- In column 1, line 10, enter the average number of licensed beds at the end of each month of the current reporting period. This figure is based on the number of beds according to the facility's license (excluding beds in suspense) and must reflect any change made in the number of licensed beds during the reporting period.
- Enter the number of available beds (those set up and staffed for use, both filled and empty) at the end of the current reporting period in column 1, line 20. These beds are counted according to number in use, not licensed.
- Enter the average number of available beds (those set up and staffed for use, both filled and empty) at the end of each month during the current reporting year in column 1, line 25. These beds are counted according to number in use, not licensed.
- Enter the total number of admissions during the current reporting period in column 1, line 40. Do not include those patients who transferred from one type of care to another within the same facility, or returned to the facility under a bedhold or

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administrative leave. Include those patients admitted to the Skilled Nursing or Intermediate level of care from the Residential level of care.

- Enter the total number of discharges during the current reporting period in column 1, line 45. Do not include those patients who transferred from one level of care to another within the same facility, or left the facility under a bedhold or administrative leave. Include those patients who transferred from the Skilled Nursing or Intermediate level of care to the Residential level of care within the same facility.
- Enter the Occupancy Rate on line 60, column 1. Occupancy rate is calculated by dividing the number of Total Patient (Census) Days in column 6, line 70, page 4.1 by Average Licensed Beds (line 10) multiplied by the number of days in the reporting period (usually 365); then multiplying that result by 100 to obtain a percentage. Round to two decimal places.

Special Care Program Contract Providers, Only

Complete lines 100 through 175 with the following detail of the patient (census) days recorded in the special care program units: Sub-Acute Care, Sub-Acute Care - Pediatric, and Transitional Inpatient Care. For accounting and reporting purposes, Sub-Acute Care, Sub-Acute Care - Pediatric, and Transitional Inpatient Care are defined as the care provided to patients in the units identified in the contracts with the Department of Health Services to provide these types of care to Medi-Cal beneficiaries.

Complete column 1 with the totals of the following patient (census) days in each special care program unit. Complete column 2 with the patient (census) days for the Medi-Cal beneficiaries in each special care program unit.

- Enter the number of patient (census) days for Ventilator-Dependent Sub-Acute Care patients on line 100.
- Enter the number of patient (census) days for other Sub-Acute Care patients on line 115.
- Total lines 100 and 115 on line 120. Line 120, column 1, must agree with total Sub-Acute Care patient (census) days on page 4.1, line 25, column 6. Line 120, column 2, must agree with Sub-Acute Care - Medi-Cal patient (census days) on page 4.1, line 25, column 2.
- Enter the number of patient (census) days for Ventilator-Dependent, Pediatric Sub-Acute Care patients on line 130.

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- Enter the number of patient (census) days for other Pediatric Sub-Acute Care patients on line 145.
- Total lines 130 and 145 on line 150. Line 150, column 1, must agree with total Pediatric Sub-Acute Care patient (census) days on page 4.1, line 30, column 6. Line 150, column 2, must agree with Pediatric Sub-Acute Care - Medi-Cal patient (census) days on page 4.1, line 30, column 2.
- Enter the number of patient (census) days for Transitional Inpatient Care – Medical Services patients on line 165.
- Enter the number of patient (census) days for Transitional Inpatient Care - Rehabilitation Services patients on line 170.
- Total lines 165 and 170 on line 175. Line 175, column 1, must agree with total Transitional Inpatient Care patient (census) days on page 4.1, line 35, column 6. Line 175, column 2, must agree with Transitional Inpatient Care - Medi-Cal patient (census) days on page 4.1, line 35, column 2.

Medi-Cal Providers Only

- Enter on line 200, column 1, total charges billed to the Medi-Cal Intermediary (net of contractual adjustments).
- Enter on line 205, column 1, total patient liability (share of cost) amounts for patient charges billed to the Medi-Cal Intermediary.
- Enter on line 210, column 1, third party or other liability amounts for patient charges billed to the Medi-Cal Intermediary.
- Enter on line 215, column 1, noncovered charges included in patient charges billed to the Medi-Cal Intermediary.
- Enter on line 240, column 1, any other amounts adjusted from patient billings by the Medi-Cal Intermediary.
- Subtract lines 205 through 240, column 1 from line 200, column 1 and enter the result on line 250, column 1.

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Page 11 - Allocation of Indirect Costs to Direct Costs
Centers - Health Care Only

4020.8

The purpose of this worksheet is to allocate indirect costs to the Ancillary, Routine, and Non-reimbursable cost centers.

Medi-Cal Providers

- Enter on line 5, column 1, the sum of lines 5 through 65 and 155 through 170, page 10.1, column 14.
- Enter on line 5, column 3, the sum of lines 5 through 55 on page 10.1, column 14.
- Enter on line 5, column 5, the amount on page 10.1, column 14, line 60.
- Enter on line 5, column 7, the amount on page 10.1, column 14, line 65.
- Enter on line 5, column 9, the sum of lines 155, 160, and 170 on page 10.1, column 14.
- Enter on line 5, column 11, the amount on page 10.1, column 14, line 165.
- Enter in column 1, lines 10 through 80, the amounts from page 10.1, column 14, lines 75 through 145, respectively.
- Enter in column 2 the square footage statistic for each physically identifiable cost center. See Section 4020.2 for the definition of square feet. Percentages are not acceptable.
- Enter in column 4 the clean, dry pounds of laundry statistics for each cost center utilizing laundry and linen service. Include in the appropriate routine cost centers the pounds of patients' personal laundry for laundry services provided to patients without charge. Percentages are not acceptable. See note later in this section.
- Enter in column 6 the number of patient meals for each level of care. See Section 4020.2 for the definition of meals served. Percentages are not acceptable. See note later in this section.
- Enter in column 8, line 30, the amount from page 10.1, column 14, line 95. Enter in column 8, lines 40 through 70, the amounts from page 10.1, column 14, lines 105 through 135, respectively.

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- Total columns 2, 4, 6, and 8 and enter the sum of each column on line 85.
- Determine the unit cost multiplier in column 2 by dividing the amount on line 5, column 3, by the total units on line 85, column 2. Calculate to 6 decimal places. Enter the result on line 90, column 2.
- Multiply the unit multiplier on line 90, column 2 by each of the amounts in column 2, lines 10 through 80, and enter the results on the corresponding lines in column 3.
- The above calculation exemplifies the process to be completed for columns 4 and 5, 6 and 7, and 8 and 9.
- Complete column 10 by adding columns 1, 3, 5, 7, and 9 for each line.
- Total column 10, lines 10 through 80, and enter the result on line 85.
- Calculate the unit multiplier on line 90, as instructed above.
- Add columns 10 and 11, all lines, and enter the results in column 12.
- Total columns 1, 3, 5, 7, 9, 10, 11, and 12, lines 10 through 80, and enter the result of each column on line 95.
- Transfer the amounts on lines 40 through 70, column 12, to line 100, columns 1 through 9.
- Enter on line 105 total patient (census) days of service by level of care in columns 1 through 9, from page 4.1, column 6, lines 5 through 45.
- Compute the average cost per day in columns 1 through 9, by dividing line 100 by line 105 and enter the results on line 110 to two decimal places.

Note: While actual counts are preferred, it is acceptable to use data sampling to estimate the dietary and laundry and linen statistics for apportioning health care and non-health care expenses on page 10.1, and for allocating indirect costs to direct cost centers on page 11. While a statistical sampling method would produce the most accurate approximation of the actual counts, a reasonable sample is acceptable.

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Dietary meals served can be estimated by first determining the average number of meals served per day (excluding snacks and refreshments served at other than meal time) and then multiplying the total number of patient days in each cost center during the reporting period by that average. In most cases the average will be 3 meals per day.

Pounds of laundry and linen can be estimated by weighing the clean laundry and linen used in each cost center for two-week periods at least four times a year. The accumulated results of these four two-week samples are then annualized by multiplying by 6.5. This should ensure a reasonable approximation of actual usage.

Non-Medi-Cal Providers

- Enter in column 2 the square footage statistics for each physically identifiable cost center. See Section 4020.2 for the definition of square feet. Percentages are not acceptable.
- Enter in column 4 the clean, dry pounds of laundry statistics for each cost center utilizing laundry and linen service. Percentages are not acceptable.
- Enter in column 6 the number of patient meals for each level of care. See Section 4020.2 for the definition of meals served. Percentages are not acceptable.

For Non-Medi-Cal providers, the remainder of this page will be completed by the Office.

**Page 13 - Computation of Ancillary Services Cost per Patient Day -
(Special Care Program Contract Providers, Only)**

4020.9

The purpose of this worksheet is to allocate ancillary costs to Sub-Acute Care, Sub-Acute Care - Pediatric, and Transitional Inpatient Care, for Medi-Cal rate-setting purposes. Only providers who have contracted with the Department of Health Services to provide these types of care to Medi-Cal beneficiaries are required to complete this page.

- Enter on line 105, column 6, the total patient days for Sub-Acute Care from page 4.1, column 6, line 25. Enter on line 105, column 9, the total patient days for Sub-Acute Care - Pediatric from page 4.1, column 6, line 30. Enter on line 105, column 12, the total patient days for Transitional Inpatient Care from page 4.1, column 1, line 35.
- Enter in column 1, lines 10 through 35, the total expenses (allowable direct and indirect costs) for ancillary services from page 11, column 12, lines 10 through 35. Complete column 1, line 95, with the sum of lines 10 through 35.

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- Enter in column 2, lines 10 through 35, the gross revenues for ancillary services from page 4.2, column 11 plus 12, lines 105 through 155. Complete column 2, line 95, with the sum of lines 10 through 35.
- Divide column 1 by column 2 for lines 10 through 35, and enter the result for each line in column 3 to six decimal places.
- Enter in column 4, lines 10 through 35, the gross ancillary revenues related to Sub-Acute Care patients, from the facility trial balance (OSHPD Revenue subclassification 4XXX.XX1). Complete column 4, line 95, with the sum of lines 10 through 35.
- Multiply column 4 by column 3 for lines 10 through 35, and enter the result for each line in column 5 to the nearest dollar. Complete column 5, line 95, with the sum of lines 10 through 35.
- Divide each of the amounts in column 5, lines 10 through 95, by column 6, line 105, and enter the result for each line in column 6 to two decimal places.
- Enter in column 7, lines 10 through 35, the gross ancillary revenues related to Sub-Acute Care - Pediatric patients (OSHPD Revenue subclassification 4XXX.XX2), from the facility trial balance. Complete column 7, line 95, with the sum of lines 10 through 35.
- Multiply column 7 by column 3 for lines 10 through 35, and enter the result for each line in column 8 to the nearest dollar. Complete column 8, line 95, with the sum of lines 10 through 35.
- Divide each of the amounts in column 8, lines 10 through 95, by column 9, line 105, and enter the result for each line in column 9 to two decimal places.
- Enter in column 10, lines 10 through 35, the gross ancillary revenues related to Transitional Inpatient Care patients (OSHPD Revenue subclassification 4XXX.XX3), from the facility trial balance. Complete column 10, line 95 with the sum of lines 10 through 35.
- Multiply column 10 by column 3 for lines 10 through 35, and enter the result for each line in column 11 to the nearest dollar. Complete column 11, line 95, with the sum of lines 10 through 35.
- Divide each of the amounts in column 11, lines 10 through 95, by column 12, line 105, and enter the result for each line in column 12 to two decimal places.

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Page 8 - Statement of Income - General Fund

4020.10

- Enter Gross Routine Services Revenue on line 5, column 1, from page 4.2, column 11, line 70. Column 2 should be taken from the prior year report or financial records.
- Enter Gross Ancillary Services Revenue on line 7, column 1, from page 4.2, column 11 plus 12, line 170. Column 2 should be taken from the prior year report or financial records.
- Enter Deductions from Revenue on line 10, column 1, from page 4.2, column 1, line 240. Column 2 should be taken from the prior year report or financial records.
- Subtract line 10 from line 5 and enter the amount on line 15.
- Total lines 5 and 10 and enter the amount on line 15.
- Enter Other Operating Revenue from Health Care Operations (Account 5710 - 5900) on line 20. This amount must agree with page 10.2, line 100.
- Total lines 15 and 20 and enter the result on line 25.
- Enter Skilled Nursing Care expenses on line 30 from page 10.1, column 10, line 105.
- Enter Intermediate Care expenses on line 35 from page 10.1, column 10, line 110.
- Enter Mentally Disordered Care expenses on line 40 from page 10.1, column 10, line 115.
- Enter Developmentally Disabled Care expenses on line 45 from page 10.1, column 10, line 120.
- Enter Sub-Acute Care expenses on line 50 from page 10.1, column 10, line 125.
- Enter Sub-Acute Care - Pediatric expenses on line 51 from page 10.1, column 10, line 126.
- Enter Transitional Inpatient Care expenses on line 53 from page 10.1, column 10, line 128.

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- Enter Hospice Inpatient Care expenses on line 55 from page 10.1, column 10, line 130.
- Enter Other Routine Services expenses on line 60 from page 10.1, column 10, line 135.
- Total lines 30 through 60 and enter the result on line 65.
- Enter Patient Supplies expenses on line 70, from page 10.1, column 10, line 75.
- Enter Specialized Support Surfaces expenses on line 72, from page 10.1, column 10, line 77.
- Enter Physical Therapy expenses on line 75, from page 10.1, column 10, line 80.
- Enter Respiratory Therapy expenses on line 76, from page 10.1, column 10, line 81.
- Enter Occupational Therapy expenses on line 77, from page 10.1, column 10, line 82.
- Enter Speech Pathology expenses on line 78, from page 10.1, column 10, line 83.
- Enter Pharmacy expenses on Line 80, from page 10.1, column 10, line 85.
- Enter Laboratory expenses on line 85 from page 10.1, column 10, line 90.
- Enter Home Health Services expenses on line 90, from page 10.1, column 10, line 95.
- Enter Other Ancillary Services expenses on line 95, from page 10.1, column 10, line 100.
- Total line 70 through 95 and enter the result on line 100.
- Enter Plant Operations and Maintenance expenses on line 105 from page 10.1, column 10, line 5.
- Enter Housekeeping expenses on line 110 from page 10.1, column 10, line 10.
- Enter Laundry and Linen expenses on line 115 from page 10.1, column 10, line 60.
- Enter Dietary expenses on line 120 from page 10.1, column 10, line 65.

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- Enter Social Services expenses on line 125 from page 10.1, column 10, line 155.
- Enter Activities expenses on line 130 from page 10.1, column 10, line 160.
- Enter Inservice Education - Nursing expenses on line 135 from page 10.1, column 10, line 170.
- Enter Administration expenses on line 140 from page 10.1, column 10, line 165.
- Total line 105 through 140 and enter the results on line 145.
- Enter Depreciation and Amortization expenses on line 155 from page 10.1, column 10, sum of lines 15, 20, 25, and 30.
- Enter Leases and Rentals expenses on line 160 from page 10.1, column 10, line 35.
- Enter Property Taxes expense on line 165 from page 10.1, column 10, line 40.
- Enter Property Insurance expense on line 170 from page 10.1, column 10, line 45.
- Enter Interest - Property, Plant, and Equipment expense on line 175 from page 10.1, column 10, line 50.
- Total lines 155 through 175 and enter the result on line 180.
- Enter Interest - Other expense on line 185 from page 10.1, column 10, line 55.
- Enter Provision for Bad Debts expense on line 190 from page 10.1, column 10, line 70.
- Total lines 185 and 190 and enter the result on line 195.
- Total lines 65, 100, 145, 180, and 195 and enter the result on line 200.
- Subtract line 200 from line 25 and enter the result on line 205.
- Enter the net of the Nonhealth Care Revenue and Expenses (Account 9100) on line 210.

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- Total lines 205 and 210 and enter the result on line 215.
- Enter Current Income Taxes (Account 9200) on line 220. A facility which is a division or other unit of a larger organization must include its proportionate share of income taxes, even if the facility had a net loss.
- Enter Deferred Income Taxes (Account 9200) on line 225.
- Total lines 220 and 225 and enter the result on line 230.
- Deduct line 230 from line 215 and enter the result on line 235.
- Enter Extraordinary Items (Account 9300) on lines 240 and 245. Enter extraordinary revenue items as bracketed figures. All extraordinary items must be explained in the space provided. Normally, extraordinary items must be unusual in nature, infrequent in occurrence, and material in amount.
- Total lines 240 and 245 and enter the result on line 250.
- Subtract line 250 from line 235 and enter the result on line 255.

For any charity provided during the report period:

- Enter forgone charges at full established rates on line 260.
- Enter on line 265 the total number of charity days related to forgone charges previously reported on line 260.

Page 5.4 - Adjustments to Balance Sheet (Medi-Cal Providers)

4020.11 |

This page is printed on the same sheet of paper as page 5.3.

This page is a supplemental worksheet to pages 5.1 and 5.2.

For Medi-Cal proprietary providers, it is necessary to eliminate from the balance sheet those assets and liabilities not related to patient care.

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The following are examples: (Refer to HCFA Publication 15-1)

ASSETS

- 1) Invested funds (HCFA Publication 15-1, Section 1218.2)
- 2) Receivables which did not result from patient care services:
 - a. Amounts due from officers, employees, directors.
 - b. Amounts due from related organizations.
- 3) Inventory not related to patient care.
- 4) Property, plant, and equipment not used to provide patient care.
- 5) Investments not related to patient care.
- 6) Construction in progress.
- 7) Goodwill acquired on or after August 1, 1970 (HCFA Publication 15-1, Section 1214).

LIABILITIES

- 1) Liabilities which are attributable to and identifiable with the cost of any asset eliminated.
- 2) Loans from owners and/or related organizations made after July 1, 1966.

Note: Section 2314 of the Deficit Reduction Act (DEFRA) of 1984 amended the federal requirements regarding Medicare and Medi-Cal reimbursement for capital related costs. For nursing homes sold after July 18, 1984, reimbursement for capital related costs is limited to the lesser of the valuation of assets to the owner of record on July 18, 1984, or the acquisition cost of the new owner.

Generally, allowable capital related costs and balance sheet account valuations of the new owner cannot exceed (but can be less than) those of the previous owner of record on July 18, 1984. Typical expenses that may require adjustment are

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depreciation and interest. Typical balance sheet items that may require adjustment are property, plant, and equipment, and the related acquisition debt. Adjustments related to balance sheet account valuations that exceed this limitation must be reported on this page and adjusted in column 3, pages 5.1 and 5.2. Any expenses that exceed this limitation must be reported on line 135 of page 10.3 and adjusted in column 13, page 10.1.

- In column 1, enter the title of the account which is to be adjusted.
- In column 2, enter the line number from page 5.1 or 5.2 which is to be adjusted.
- In column 3, enter the amount of the adjustment. Indicate by the use of brackets whether the adjustment is a decrease.
- In column 4, provide an explanation of each adjustment.
- Transfer the amounts in column 3 to pages 5.1 and 5.2, column 3, lines as appropriate.

Pages 5.1 and 5.2 - Balance Sheet - General Fund

4020.12 |

This page is the general fund balance sheet as of the last day of the reporting period. All LTC facilities must submit these balance sheet pages.

A health care facility which is a division or other unit of a larger organization (e.g., a corporation) must submit a separate divisional or unit balance sheet. Such a balance sheet is usually used by the division or unit to report internally to its central offices. The balance sheet must be complete. Balance sheets which combine the assets, liabilities and equity of more than one health facility are not acceptable.

Each health facility providing nursing and residential care must submit a balance sheet for the nursing facility only. However, if a modification pursuant to Section 97050(b) of the Office regulations in Title 22 (see Appendix F) has been granted by the Office's director, the facility may submit a balance sheet containing the combined assets and liabilities of the health care and residential care portions of the facility. If the facility is a division or unit of a larger organization, the provisions of the preceding paragraph also apply.

If the Disclosure Report is being submitted due to a sale of the facility, the balance sheet must reflect the assets, liabilities and equity just before the sale is consummated. The

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balance sheet must not reflect zero balances. If the facility closes, there is usually a period in which the business winds down. The balance sheet must reflect the assets, liabilities and equity on the day that the last patient receives care.

- Enter current year data per the general ledger in column 1, pages 5.1 and 5.2 and prior year data in column 2, pages 5.1 and 5.2. Prior year data is required, beginning with the second reporting period. Prior period adjustments, and corrections or adjustments made by the Office must be reflected in the prior year information.
- DO NOT CHANGE LINE LABELS.
- Do not report negative assets or liabilities. These must be reported as liabilities and assets, respectively.

Page 5.1, columns 1 and 2

- Enter Cash (Account 1000) including CD's and other cash equivalents on line 5.
- Enter Marketable Securities, at cost (Account 1010) on line 10.
- Enter the portion of Assets Whose Use is Limited that are required for current liabilities on lines 15 and line 85.
- Enter Accounts and Notes Receivable (Account 1020) on line 20.
- Enter Estimated Allowance for Uncollectibles and Contractual Adjustments related to Accounts Receivable (Account 1040) on line 25.
- Enter Receivables from Third Party Payors for Contract Settlement (Account 1050) on line 30.
- Enter Pledges and Other Receivables (Account 1060) on line 35.
- Enter amount Due From Restricted Funds (Account 1070) on line 40.
- Enter Inventories at lower of cost or market (Account 1080) on line 45.
- Enter Receivables From Related Parties, Current (Account 1090) on line 50.
- Enter Prepaid Expenses and Other Current Assets (Account 1100) on line 55.

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- Total lines 5 through 55 (deduct line 25) and enter the result on line 60.
- Enter Cash - Limited Use (Account 1160) on line 65.
- Enter Marketable Securities - Limited Use (Account 1170) on line 70.
- Enter Other Assets - Limited Use (Account 1180) on line 75.
- Total lines 65 through 75 and enter the result on line 80.
- Enter on line 85 the portion of Assets Whose Use is Limited that are required for current liabilities. This amount must agree with line 15.
- Subtract line 85 from line 80, and enter the result on line 90.
- Enter the cost of Land (Account 1200) on line 95.
- Enter the cost of Land Improvements (Account 1210) on line 100.
- Enter the cost of Buildings and Improvements (Account 1220) on line 105.
- Enter the sum of Accumulated Depreciation on Buildings and Improvements (Account 1270) and Land Improvements (Account 1260) on line 110.
- Enter the cost of Leasehold Improvements (Account 1230) on line 115.
- Enter the Accumulated Depreciation on Leasehold Improvements (Account 1280) on line 120.
- Enter the cost of Equipment (Account 1240) on line 125.
- Enter the Accumulated Depreciation on Equipment (Account 1290) on line 130.
- Total lines 95 through 130 (deducting lines 110, 120, and 130) and enter the result on line 135.
- Enter Construction in Progress (Account 1250) on line 140.
- Enter Investments in Property, Plant, and Equipment (Account 1310) on line 145.

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- Enter Accumulated Depreciation on Investments in Property, Plant, and Equipment (Account 1320) on line 150.
- Enter Other Investments, at cost (Account 1330) on line 155.
- Enter Receivables From Related Parties, Noncurrent (Account 1340) on line 160.
- Enter Deposits and Other Assets (Account 1350) on line 165. Other Assets includes the net amount of deferred tax charges that will not reverse within the next year.
- Total lines 145 through 165 (deduct line 150) and enter the result on line 170.
- Enter Goodwill (Account 1360) on line 175.
- Enter Unamortized Loan Costs (Account 1370) on line 180.
- Enter Organizational Costs (Account 1380) on line 185.
- Enter Other Intangible Assets (Account 1390) on line 190.
- Total lines 175 through 190 and enter the result on line 195.
- Total lines 60, 90, 135, 140, 170, and 195 and enter the result on line 200.
- Enter on line 205 the current market value of the Marketable Securities reported on line 10.
- Enter on line 210 the current market value of the Other Investments reported on line 155.
- Enter on line 215 the estimated cost to complete the Construction In Progress reported on line 140.

Page 5.2, columns 1 and 2

- Enter Notes and Loans Payable (Account 2000) on line 5.
- Enter Accounts Payable (Account 2010) on line 10.
- Enter Accrued Compensation and Related Liabilities (Account 2020) on line 15.

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- Enter Other Accrued Liabilities (Account 2030) on line 20.
- Enter Advances From Third Party Payors (Account 2040) on line 25.
- Enter Amounts Payable to Third Party Payors for Contract Settlement (Account 2050) on line 30.
- Enter Amounts Due to Restricted Funds (Account 2060) on line 35.
- Enter Income Taxes Payable (Account 2070) on line 40.
- Enter Payables To Related Parties, Current (Account 2080) on line 45.
- Enter the Current Maturities of Long-term Debt on line 50. For reporting purposes, the portion of Long-term Debt (Accounts 2210 through 2270) payable within one year must be reflected as Current Maturities on lines 50 and 125.
- Enter Other Current Liabilities (Account 2090) on line 55.
- Total lines 5 through 55 and enter the result on line 60.
- Enter Deferred Income Taxes (Account 2110) on line 65. This is the net amount of deferred tax credits that will not reverse within the next year.
- Enter Deferred Third-Party Income (Account 2120) on line 70.
- Enter Other Deferred Credits (Account 2130) on line 75.
- Total lines 65 through 75 and enter the result on line 80.
- Enter the unpaid principal for long-term debt Mortgage Notes (Account 2210) on line 85. (Include current maturities.)
- Enter the unpaid principal for long-term debt Construction Loans (Account 2220) in line 90. (Include current maturities.)
- Enter the unpaid principal for long-term debt Notes Under Revolving Credit (Account 2230) on line 95. (Include current maturities.)
- Enter the unpaid principal for long-term debt Capitalized Lease Obligations (Account 2240) on line 100. (Include current maturities.)

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- Enter the unpaid principal for long-term debt Bonds Payable (Account 2250) on line 105. (Include current maturities.)
- Enter Payables To Related Parties, Noncurrent (Account 2260) on line 110.
- Enter the unpaid principal for Other Noncurrent Liabilities (Account 2270) on line 115. (Include current maturities.)
- Total lines 85 through 115 and enter the result on line 120.
- The detail related to the Long-Term Debt entries on lines 85 through 115, column 1 is to be entered on page 5.3 (see instructions for page 5.3).
- Enter on line 125 the Current Maturities of Long-Term Debt. This amount must match the current maturities reported on line 50. (Report current portions of long-term Payables to Related parties on line 45. Do not include any current portions on line 110.)
- Deduct line 125 from line 120 and enter the result on line 130.
- Total lines 60, 80, and 130 and enter the result on line 135.
- Lines 140 and 145 are for use by not-for-profit health facilities only. Enter the General Fund Balance (Accounts 2410 through 2430) on line 140. If the facility is a division of a non-profit corporation, enter the Divisional Fund Balance (Account 2460) on line 145.
- Investor-owned health facilities must fill in lines 150 through 175, as appropriate.
- Enter Preferred Stock (number of shares issued multiplied by par or stated value per share - Account 2410) on line 150.
- Enter Common Stock (number of shares issued multiplied by par or stated value per share - Account 2420) on line 155.
- Enter Additional Paid-in Capital (Account 2430) on line 160.
- Enter Retained Earnings (Account 2440) or the amount of the capital accounts for partnership or sole proprietorship (Accounts 2410 and 2420) on line 165.

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- Enter Treasury Stock (Account 2450) on line 170.
- Enter Divisional Equity (Account 2460) on line 175.
- Total lines 140 through 175 (deducting line 170) and enter the result on line 180.
- Total lines 135 and 180 and enter the result on line 185.
- Note that line 200, page 5.1 must match line 185, page 5.2.

Pages 5.1 and 5.2, columns 3, 4, and 5

These columns are to be completed by Medi-Cal provider proprietary facilities only.

- Enter in column 3 the adjustments from page 5.4, column 3 (see instructions for page 5.4).
- Enter in column 4 the total of columns 1 and 3. Column 4 represents the current year's balance sheet as adjusted.
- Enter in column 5 the prior year's balance sheet amounts as adjusted. If no previous report has been filed, facilities are to use the balance sheet items from the prior year financial statements.
- Total and subtotal as required.

Page 5.3 - Supplemental Long-term Debt Information

4020.13 |

This page is printed on the same sheet of paper as page 5.4.

- This page is for reporting the long-term debt detail of the various types of long-term debt reported on page 5.2, column 1, lines 85 through 115. This uniform schedule must be completed by all long-term care facilities that report long-term debt on page 5.2. For each long-term debt obligation:
- Enter in column 1, the line number from page 5.2, column 1, for which detail is being provided.

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- Enter in column 2, the year in which the long-term debt obligation was incurred.
- Enter in column 3 the principal amount originally borrowed.
- Enter in column 4 the year in which the long-term debt obligation is due.
- Enter in column 5 the interest rate, rounded to two decimal places, for each long-term debt obligation. If the interest rate is "prime" plus a percentage, use the prime rate as of the balance sheet date to determine the interest rate to be reported.
- Enter in column 6 the unpaid principal as of the balance sheet date. The unpaid principal for each type of debt must total to the amount reported for each type of debt on page 5.2, column 1.

Page 6 - Balance Sheet - Restricted Funds

4020.14 |

- This page is the restricted funds balance sheet as of the last day of the reporting period. This page is required for all facilities having restricted assets and/or liabilities. As a reminder, all liabilities, except amounts due to other funds and certain endowment fund liabilities, are to be accounted and reported as liabilities of the general fund.
- Enter the asset values of restricted funds at the end of the current year in column 1 and liabilities in column 3. Enter prior year data in columns 2 and 4, as appropriate. Prior period data is required, beginning with the second reporting period. If amounts differ from those previously reported to the Office, attach a brief explanatory statement as to the reasons for such differences, or footnote the reasons on the bottom of the page. Corrections or adjustments made by the Office must also be reflected in the prior year information.

Columns 1 and 2

Assets related to Plant Replacement and Expansion Funds must be entered on lines 5 through 50 as follows:

- Enter Cash (including CD's - Account 1710) on line 5.
- Enter Marketable Securities, at cost (Account 1720) on line 10. Enter the market value at the current year Balance Sheet date in the parentheses to the left of column 1.

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- Enter Other Investments, at cost (Account 1720) on line 15. Enter the market value at the current year balance sheet date in the parentheses to the left of column 1.
- Enter Pledges and Receivables on line 20.
- Enter amounts Due From Other Funds (Account 1740) on line 25.
- Enter Other Assets (Account 1750) on line 30.
- Total Lines 5 through 30, and enter the result on line 50. Column 1, line 50 must match column 3, line 50, and column 2, line 50 must match column 4, line 50.

Assets related to Specific Purpose Funds must be entered on lines 105 through 150 as follows:

- Enter Cash (including CD's - Account 1810) on line 105.
- Enter Marketable Securities, at cost (Account 1820) on line 110. Enter the market value at the current year balance sheet date in the parenthesis to the left of column 1.
- Enter Pledges and Receivables on line 115.
- Enter amounts Due From Other Funds (Account 1840) on line 120.
- Enter Other Assets (Account 1850) on line 125.
- Total lines 105 through 125 and enter the result on line 150. Column 1, line 150 must match column 3, line 150, and column 2, line 150 must match column 4, line 150.

Assets related to Endowment Funds must be entered on lines 205 through 250 as follows:

- Enter Cash (including CD's - Account 1910) on line 205.
- Enter Marketable Securities, at cost (Account 1920) on line 210. Enter the market value at the current year Balance Sheet date in the parenthesis to the left of column 1.
- Enter Other Investments, at cost (Account 1920) on line 215. Enter the market value at the current year Balance Sheet date in the parenthesis to the left of column 1.
- Enter Pledges and Receivables on line 220.

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- Enter amounts Due From Other Funds (Account 1940) on line 225.
- Enter Other Assets (Account 1950) on line 230.
- Total lines 205 through 230 and enter the result in line 250. Column 1, line 250 must match column 3, line 250 and column 2, line 250 must match column 4, line 250.

Columns 3 and 4

- Enter amounts Due to Other Funds (Accounts 2710 through 2730) by the Plant Replacement and Expansion Fund on line 5.
- Enter the Plant Replacement and Expansion Fund Balance (Account 2770) on line 45. The Fund Balance on line 45 in column 3 must match the Fund Balance at the end of the year as reported on page 7, column 2, line 32.
- Total lines 5 and 45 and enter the result on line 50.
- Enter amounts Due to Other Funds (Accounts 2810 through 2830) by the Specific Purpose Fund on line 105.
- Enter the Specific Purpose Fund Balance (Account 2870) on line 145. The Fund Balance on line 145 in column 3 must match the Fund Balance at the end of the year as reported on page 3, column 7, line 32.
- Total lines 105 and 145 and enter the result on line 150.

Enter Endowment Fund Liabilities as follows:

- Enter Mortgages (Account 2910) on line 205.
- Enter Other Endowment Fund Liabilities (Account 2920) on line 210.
- Enter amounts Due to Other Funds (Accounts 2930 through 2950) by the Endowment Fund on line 215.
- Enter the Endowment Fund Balance (Account 2970) on line 245. The Fund Balance on line 245 in column 3 must match the Fund Balance at the end of the year as reported on page 7, column 4, line 32.

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- Total lines 205 through 245, and enter the result on line 250.

Page 7 - Statement of Changes in Equity

4020.15 |

- Investor-owned facilities will complete column 1 only. Non-profit facilities will complete columns 1 through 4 as appropriate. SHADED LINES MUST NOT BE COMPLETED.
- Enter on line 1 the balance of the equity account as reported at the end of the year on last year's report submitted to the Office. (Include Office corrections.)
- Enter any prior period adjustments. Be sure that these adjustments meet the criteria in Section 1212.
- All prior period adjustments must be reflected throughout the prior year balance sheet so that the ending equity as reported on page 5.2, column 2, line 180 matches the current year beginning equity as reported on page 7, column 1, line 7.
- Total lines 1 through 6, and enter the result on line 7.
- Enter net income (loss) on line 8, column 1, from page 8, column 1, line 255.
- Enter the additions to or deductions from equity on lines 9 through 22 as appropriate. Enter deductions as bracketed figures. If additional lines are needed for other items, enter a summary amount of the remaining items on line 22 and attach a separate detail page. DO NOT CHANGE LINE LABELS.
- Total lines 8 through 22, and enter the result on line 23.
- The "Transfers" section of this page is to be used only for showing transfers from restricted funds for the acquisition of equipment, payments on long-term debt, and other such transactions where the amount transferred to the general fund does not impact the income statement and therefore is not included in the net income (loss) amount on line 8.
- Enter transfers between funds on lines 25 through 30. Enter deductions as bracketed figures. If additional lines are needed for other items, enter a summary amount of the remaining items on line 30 and attach a separate detail page.

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- Total lines 25 through 30 and enter the result on line 31.
- Total lines 7, 23, and 31 and enter the result on line 32. Column 1, line 32 must match page 5.2, column 1, line 180.
- Complete columns 2, 3, and 4 for the externally restricted funds for Plant Replacement and Expansion, Specific Purposes and Endowments, as appropriate.
- Column 2, line 7 must match page 6, column 4, line 45; and column 2, line 32 must match page 6, column 3, line 45.
- Column 3, line 7 must match page 6, column 4, line 145; and column 3, line 32 must match page 6, column 3, line 145.
- Column 4, line 7 must match page 6, column 4, line 245; and column 4, line 32 must match page 6, column 3, line 245.

Page 9 - Statement of Cash Flows - General Fund

4020.16 |

Financial Accounting Standards Board Statement No. 95 requires the Statement of Cash Flows to be completed. The Statement of Cash Flows reflects the changes in cash and cash equivalents resulting from operating, financing and investing activities

NOTE: DO NOT CHANGE LINE LABELS

- Enter current year data in column 1, and prior year data in column 2. Prior period data is required, beginning with the second reporting period. If amounts differ from those previously reported to the Office, attach a brief explanatory statement as to the reason for such differences, or footnote the reasons on the bottom of the page. Prior period adjustments and corrections or adjustments made by the Office must be reflected in prior year information.
- When entering changes between current year and prior year assets and liabilities, apply the following rules:

If assets increased from prior year, enter the change as a negative (bracketed) amount.
If assets decreased from prior year, enter the change as a positive amount.
If liabilities increased from prior year, enter the change as a positive amount
If liabilities decreased from prior year, enter the change as a negative (bracketed) amount.

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Complete lines 5 through 200 according to the following instructions:

- Enter the net income (loss) in column 1, line 5. The net income in column 1 must match the income reported on page 7, column 1, line 8 and page 8, column 1, line 255.

Add (Deduct) items included in net income not providing or using cash as follows:

- Enter current year depreciation and amortization expense in column 1, line 10. The amount of depreciation to be added back will usually equal the amount that has been deducted from net income, as reported on page 8, column 1, line 255. However, for those facilities which have combined residential and health care activities on the balance sheet, the amount of depreciation will instead match page 10.1, column 4, lines 15 through 30.

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- Enter the changes between columns 1 and 2 on pages 5.1 and 5.2, on page 9, column 1 for each respective line as follows:

	Balance Sheet - Pages 5.1 or 5.2	=	Statement of Cash Flows - Page 9
General Description	Column 1 - Column 2 Line Numbers:		Line Number
Marketable Securities	Page 5.1: 10		15
Net Accounts Receivable	20 + 25		20
Receivables - Third Party Payors	30		25
Other Receivables	35		30
Due from Restricted Funds	40		35
Inventories, Prepaid Expenses, and Other Current Assets	45 + 55		40
Accounts Payable	Page 5.2: 10		45
Accrued Compensation	15		50
Other Accrued Liabilities	20		55
Advances from Third Party Payors	25		60
Payables to Third Party Payors	30		65
Due to Restricted Funds	35		70
Income Tax Payable & Other Current Liabilities	40 + 55		75
Deferred Credits	80		80
Related Party Receivable/Payable	Page 5.1, Line 50 - Page 5.2, Line 45		85

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- Enter on line 95 the sum of lines 10 through 90.
- Cash flows from investing activities include making and collecting loans, and acquiring and disposing of debt or equity instruments and property, plant, and equipment and other productive assets.
 - Enter on line 105 the change in page 5.1, columns 1 and 2, line 80.
 - Enter on line 110 the change in page 5.1, columns 1 and 2, sum of lines 135 and 140, that was the result of the acquisition, improvement, or construction of property, plant, or equipment. Do not include the change that was the result of depreciation. If part of the change in page 5.1, columns 1 and 2, lines 135 and 140 was the result of retirement or disposal of property, plant, or equipment, report that amount on line 115.
 - Enter on lines 115 through 135 other changes in cash flows from investing activities, such as changes in investments and other assets, intangible assets, and donated property, plant, and equipment.
 - Enter on line 140, the sum of lines 105 through 135.
- Financing activities include obtaining resources from owners and providing them with a return on, and return of, their investment; borrowing money and repaying amounts borrowed; or otherwise setting the obligation; and obtaining and paying for other resources obtained from creditors on long-term credit. Dividends paid to stockholders are to be classified as a financing activity.
 - Enter on line 145 the amount of proceeds received from the issuance of long-term debt during the reporting period.
 - Enter on line 150 the principal repayments on long-term debt during the reporting period.
 - Enter on line 155 the amount of proceeds received from the issuance of short-term notes and loans during the reporting period.
 - Enter on line 160 the principal repayments on short-term notes and loans during the reporting period.
 - Enter on line 165 any dividends paid during the reporting period.

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- Enter on line 170 proceeds from issuance of stock during the reporting period.
- Enter on line 175 through 195 any other cash flows from financing activities during the reporting period, such as capital contributions, owner's draw, and related party transfers.
- Enter on line 200 the sum of lines 145 through 195.
- Enter on line 205 the sum of lines 100, 140 and 200.
- Enter on line 210 the cash balance, page 5.1, column 2, line 5, at the beginning of the reporting period. This balance may be obtained from the prior year report.
- Enter on line 215 the sum of lines 205 and 210. This amount must agree with the current year cash balance on page 5.1, column, 1, line 5.

Pages 12.1 and 12.2 - Labor Report

4020.17

Note 1: Enter only productive hours and dollars on lines 5 through 315 of this page. Productive hours and dollars include only the time and money paid for regular time and overtime, including in-service and out-service education hours. Productive hours and dollars do not include vacation, sick, on call, holiday or any other paid time off.

Note 2: Only enter the number of hours worked and amounts paid to employees and temporary staffing agencies that relate to health care activities. If a facility's activities relate to both residential and health care, determine the productive hours and dollars related to health care activities by using the same method used to determine expenses related to health care activities on page 10.1, columns 5 through 9.

Column 1:

- Enter the number of hours worked by employees that relate to health care activities, in column 1, lines 5 through 60, 70 through 125, 140 through 175, 200 through 225, 190 through 198, and 250 through 285.
- Add lines 5 through 60, column 1, and enter the result on line 65, column 1.
- Add lines 70 through 125, column 1, and enter the result on line 130, column 1.

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- Add lines 140 through 175, column 1, and enter the result on line 180, column 1.
- Add lines 190 through 198, column 1, and enter the result on line 199, column 1.
- Add lines 200 through 225, column 1, and enter the result in line 230, column 1.
- Add lines 250 through 285, column 1, and enter the result in line 290, column 1.
- Total lines 65, 130, 180, 199, 230, and 290, column 1, and enter the result on line 300, column 1.
- Enter the number of hours worked by licensed social workers on line 310, column 1, and designated activity program leaders on line 315 column 1. Be sure these hours are also included in the hours on lines 270 and 275, column 1, respectively.
- Enter on lines 405 through 430, lines 440 through 465, lines 480 through 500, lines 510 through 540, and lines 555 through 560, by appropriate classification, the hours worked by temporary staffing agency personnel.
- Add lines 405 through 430, column 1, and enter the result on line 435, column 1.
- Add lines 440 through 465, column 1, and enter the result on line 470, column 1.
- Add lines 480 through 500, column 1, and enter the result on line 505, column 1.
- Add lines 520 through 535, column 1, and enter the result on line 540, column 1.

Column 2:

- Enter the total amount paid for all the hours worked for each classification and service in column 2, lines 5 through 60, 70 through 125, 140 through 175, 190 through 198, 200 through 225, and 250 through 285.
- Add lines 5 through 60, column 2, and enter the result in column 2, line 65.
- Add lines 70 through 125, column 2, and enter the result on line 130, column 2.
- Add lines 140 through 175, column 2, and enter the result on line 180, column 2.
- Add lines 190 through 198, column 2, and enter the result on line 199, column 2.
- Add lines 200 through 225 column 2, and enter the result on line 230, column 2.

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- Add lines 250 through 285 column 2, and enter the result on line 290, column 2.
- Total lines 65, 130, 180, 199, 230, and 290, column 2, and enter the result on line 300, column 2.
- Enter the amounts paid for social workers and activity leaders on lines 310 and 315, column 2, respectively.
- Enter on lines 405 through 430, column 2, the amounts (including related fees) paid to temporary staffing agencies for the hours reported in column 1, lines 405 through 430.
- Add lines 405 through 430, column 2, and enter the result on line 435, column 2.
- Enter on lines 440 through 465, column 2, the amounts (including related fees) paid to temporary staffing agencies for the hours reported in column 1, lines 440 through 465.
- Add lines 440 through 465, column 2, and enter the result on line 470, column 2.
- Enter on lines 480 through 500, column 2, the amounts (including related fees) paid to temporary staffing agencies for the hours reported in column 1, lines 480 through 500.
- Add lines 480 through 500, column 2, and enter the result on line 505, column 2.
- Enter on lines 510 through 535, column 2, the amounts (including related fees) paid to temporary staffing agencies for the hours reported in column 1, lines 510 through 535.
- Add lines 510 through 535, column 2, and enter the result on line 540, column 2.
- Enter the amounts paid to temporary staffing agencies for social workers and activity program leaders on lines 555 and 560, column 2, respectively.

Column 3

- Divide the amounts in column 2 by the respective amounts in column 1 and enter the results to two decimal places in column 3, lines 5 through 560.

Column 1, lines 605 through 630

Complete lines 605 through 630 from the payroll or personnel records for the report period. Include full-time and part-time employees. Do not include registry nurses or other staff whose compensation is not reported as salaries and wages. For facilities with

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residential care, be sure to include all employees whose tasks are in any way related to health care activities. Only exclude employees whose tasks are related only to residential care activities.

- Enter the number of employees at the beginning of the reporting period on line 605, column 1.
- Enter the number of employees at the end of the reporting period on line 610, column 1.
- Enter the average number of health care employees on line 615, column 1. This is calculated from the payroll records by taking the total number of health care employees paid each payroll period during the reporting period, adding those amounts, and then dividing the grand total by the number of payroll periods. It is not the average of lines 605 and 610. Computing this average by averaging the number of employees at the beginning and end of the year is not acceptable.

Enter the total number of different persons employed during the reporting period on line 620, column 1. If the facility uses a calendar year as its reporting year, the source of this number should be the number of W-2's issued for the year, or other personnel or payroll records. If the facility has a reporting period ending on other than a calendar year end, the source of this number would be from the facility's personnel or payroll records.

- Calculate the turnover percentage to two decimal places on line 625 using the following formula:

$$\frac{\text{Total number employees (Line 620 x 100)}}{\text{Average number of employees (Line 615)}} - 100\% = \text{Turnover Percentage}$$

- For example, if a facility had an average of 150 employees, and had employed 300 persons during the reporting period, the turnover rate would be calculated as follows:

$$\begin{aligned} 300/150 & \times 100 - 100 & = \\ 2 & \times 100 - 100 & = \\ 200 - 100 & = 100\% \end{aligned}$$

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- Enter on line 630, column 1, the number of employees with continuous service for the entire reporting period. This number can be no larger than the smaller of lines 605 and 610.

Column 2, lines 605 through 630

For direct nursing employees, only, complete column 2 according to the preceding instructions for column 1, lines 605 through 630. Direct nursing employees include Registered Nurses, Licensed Vocational Nurses, Nurse Assistants, Technicians, Specialists, and others providing direct nursing care. Do not include Supervisors who provide no direct nursing care. Do include Supervisors whose duties include some provision of nursing care.

Column 3, lines 605 through 630

For Nurse Assistants only, complete column 3 according to the preceding instructions for column 1, lines 605 through 630.

Note: Unless there have been significant fluctuations in the facility's staffing level, there should not be large differences among the number of employees at the beginning of the period (line 605), the number at the end of the period (line 610), and the average number during the period (line 615). Also, the total number of people employed during the period (line 620) must be greater than or equal to the difference between the number of employees at the beginning of the period (line 605) and those employees with at least twelve months of continuous service (line 630), added to the number of employees at the end of the period (line 610). In mathematical terms:

$$\text{Line 620} \geq (\text{Line 605} - \text{Line 630}) + \text{Line 610}.$$

Page 2.1 - Facility Description and Other General Information

4020.18

- Place an X in column 1 (lines 1 through 5) to indicate the license category under which the facility operates (indicate only one).

Note: Residential Care Facilities - If the balance sheet (pages 5.1 and 5.2) includes the residential care facility's assets, liabilities and equity, you must indicate license category 3 or 4. If the residential care facility is excluded from the balance sheet, indicate license category 1 or 2.

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- Place an X in column 1 (lines 11 through 18) to indicate the type of control (indicate only one).
- Indicate the third-party payor program(s) with which the facility is associated by placing an X in column 3, lines 1 through 9.
- For each third-party payor program indicated in column 3, lines 1 through 6, enter the most recent date the facility was certified for that program.
- Place an X in column 3 (lines 10 through 14) to indicate the legal organization of the facility (indicate only one).
- Describe on lines 25 through 30 any items which may have a significant effect on the data in the report as indicated. If more space is needed, use the bottom of this page.

Page 2.2 - Services Inventory

4020.19 |

- Enter the appropriate code in column 1 for each of the services specified. The codes are defined on the form. There must be consistency between the codes and the revenue and expense reported elsewhere in the report. If codes 1, 2, or 3 are indicated, then revenue and expense must be reported. If codes 4, 5, or 6 are indicated, no revenue or expense, except for Beauty and Barber services to non-Medi-Cal patients, if applicable, would be reported.

Pages 3.1, 3.2 and 3.3 - Related Persons and Organizations and Other Information

4020.20 |

- The purpose of these pages is to identify the facility's transactions during the current reporting period with persons or organizations related by common ownership or control. A "related organization" means that the provider to a significant extent is associated or affiliated with or has control of or is controlled by the organization furnishing the services, facilities, or supplies. Common ownership exists when an individual or individuals possess significant ownership or equity in the facility and the institution or organization serving the facility. Control exists where an individual or an organization has the power, directly or indirectly, significantly to influence or direct the actions or policies of a facility. These pages also identify other information required for Medi-Cal program reporting.

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- If any costs or revenue are included in the Income Statement (page 8) for the current period which are a result of transactions with related persons or organizations, check the "Yes" box on item A and complete item A1. Do not include compensation of owners or their relatives reported in item G. If there were no such costs or revenue, check the "No" box, and skip to item B.
- List in item A1 all costs or revenues referred to in item A as follows:
 - Enter the Account Title (shown on the Income Statement) in column 1.
 - Identify the party (person or organization) with whom the transaction occurred in column 2.
 - Identify the specific service and supply in column 3.
 - Enter the corresponding amount of the item in column 4, with the appropriate parentheses if the item is a credit.
- If any assets or liabilities are included in the Balance Sheet (page 5.1 and 5.2) for the current period which are a result of transactions with related persons or organizations, check the "Yes" box on item B and complete item B1. If there were no such transactions, check the "No" box, and skip to item C.
- List in item B1 all costs or revenues referred to in item B as follows:
 - Enter the Account Number and Title (as shown on the Balance Sheet) in column 1.
 - Identify the party with whom the transaction occurred in column 2.
 - Enter the corresponding amount of the item in column 3, with the appropriate parentheses if the item is a credit.
- If the facility is one of two or more facilities under common ownership or control, check the "Yes" box in item C, and complete item D. If the facility is not under common ownership or control with any other facilities, check the "No" box in item C and skip to item G.
- If "Yes" was checked in item C, indicate in item D whether the facility is a parent, subsidiary, division, or other entity.

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- If the subsidiary or division box was checked in item D, complete item E by entering the name and address of the parent organization.
- If item C was checked "Yes", complete item F by entering in columns 1 and 2 the name and address of the other related facilities. Enter in column 3 the common owner's percentage of ownership of each related facility. If more space is needed, attach a separate sheet.
- If at any time during the reporting period owners or their relatives (as defined on page 3.2) received compensation from the facility, enter in item G the information requested as indicated below. Owner is as defined in 42 CFR 455.101 and 455.102 (CFR means Code of Federal Regulations).

Complete column 1 with the name of the individual receiving such compensation.

Complete column 2 with the title and function of the individual receiving such compensation.

Complete column 3 with the individual's percent of ownership interest.

Complete column 4 with the individual's average hours per work week that are devoted to business purposes.

Complete column 5 with the amount of compensation that is included in costs for the current report period. Compensation is as defined in 42 CFR 405.426 and 413.102.

- Enter in item H the names of the owners of the facility. Owner is as defined in 42 CFR 455.101 and 455.102. This item must be completed by all facilities. In addition, include the names of individuals or organizations which hold, in conjunction with any equity interest, 5% or more interest in any mortgage, deed of trust, note, or other obligation secured by the disclosing entity if that interest equals at least 5% of the value of the assets of the disclosing entity.
- Complete item I by entering the name, occupation and compensation of each board member. Compensation is the amount received from all sources for services rendered as a board member. This item must be completed by all facilities.
- Complete item J with the information requested. This item must be completed by all facilities.

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- Check the "Yes" box of item K and complete detail as required on lines 195 through 221 if your facility contracts with a management company. If no such management contract exists, check the "No" box. If "Yes" enter on lines 222 through 229 the names of the individuals who are 5% or more owners of the Management Company. Owner is as defined in 42 CFR 455.101 and 455.102.

The following items are to be completed for Medi-Cal Providers only:

- Check the "Yes" box of item M if financial statements for the facility's reporting period are available and enclose a copy with these forms. If they are not available, enclose a copy of the working trial balance.
- Check the "Yes" box of item N if the report to be filed relates to a change in ownership of the facility, and enclose a copy of sales agreement showing the allocation of the sales price to the assets.
- If item C is checked "Yes" disclose in item O all allocations of costs made by the home office to the facility involved in chain operations. The detail on lines 340 through 346 must support such costs included in column 3 of page 10.1. The detail on lines 349 through 352 must support the amount on page 5.1, column 1, line 200 and page 5.2, column 1, lines 135 and 180. If more space is needed, attach a separate sheet. Business organizations which are engaged in other activities which are not related to health care may also be a chain organization.
- If any assets were disposed of during the reporting period, check the "Yes" box of item P, and attach a schedule showing the detail requested in item P. If no assets were disposed of check the "No" box.
- Check the "Yes" box of item Q if your facility handles patient monies either through a patient trust fund, a savings and loan or another financial institution. If "Yes" and monies are handled through a standard trust system, fill out items 370 through 375.

If "Yes" and monies are handled through a non-standard trust system, fill out items 365 through 367.

Page 1 - General Information and Certification

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- Enter the complete legal name of the facility in box 1.

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- Enter the complete nine digit State facility number in box 2. This number may be obtained from the top right hand corner of the license issued by the Department of Health Services.
- Enter the complete nine digit Medi-Cal provider number in box 3. This number will be found on the Medi-Cal provider agreement.
- If doing business under another name, enter that name in box 4. If the name is the same as the legal name, also enter the legal name here.
- Enter the facility's business telephone number in box 5.
- Enter the street address of the facility in box 6.
- Enter the city in which the facility is located in box 7.
- Enter in box 8 the zip code related to the street address of the facility.
- If the mailing address is different from the street address, enter the mailing address or P.O. Box in box 9, the city in box 10, and the zip code in box 11.
- Enter the name of the administrator of the facility in box 12.
- Enter in box 13 the name of the person to contact who can answer questions concerning the report.
- Enter the business telephone number of the contact person in box 14, as well as the individual's mailing address or P.O. Box number in box 15, the city in box 16, the state in box 17 (please use the standard two-letter state abbreviation), and the zip code in box 18.
- If the facility has changed names since submitting the previous report, enter previous name in box 19, and the date of the change in box 20.
- If the facility has changed license numbers since submitting the previous report, enter the previous State facility number in box 21, and the date of the change in box 22.
- If the Medi-Cal provider number has changed since the previous report was submitted, enter the previous Medi-Cal provider number in box 23, and the date of the change in box 24.

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- Enter in box 25 the beginning date of the reporting period, and enter in box 26 the ending date of the reporting period.

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Reporting Forms

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The following are reproductions of the required reporting forms.