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Under the requirements of Health and Safety Code, Part 1.8, Health Data and Advisory Council Consolidation Act, the California Department of Health Care Access and Information (HCAI) is responsible for developing and maintaining systems of long-term care facility uniform accounting and reporting. The Act requires all California long-term care facilities, except those specifically exempted, to implement and use the department-prescribed uniform accounting system in their books and records on a day-to-day basis.

As provided by the statutes, and implementing regulations, individual facilities may request (1) modifications to the required accounting and reporting systems and (2) time extensions for filing required reports. In the event they are not satisfied with the decisions, and in accordance with established procedures, they may file appeals.

HCAI will review on an on-going basis, and update as necessary, the accounting and reporting systems set forth in this Manual. We welcome any suggestions which you, the users of those systems, may have to improve them. Please mail your suggestions to the address above.

BACKGROUND

Long term care facility uniform accounting and reporting began with the passage of the California Health Facilities Disclosure Act by the California Legislature (Chapter 1171, 1974) and its signing into law by then Governor Ronald Reagan on September 23, 1974. The act created the California Health Facilities Commission and gave it the mandated broad authority to set standards for long term care facility uniform accounting and reporting to enable the public, third party payors, and other interested parties to study and analyze the financial aspects of skilled nursing and intermediate care facilities in California.

Through regulations adopted by the Commission on September 14, 1976, pursuant to the Health Facilities Disclosure Act, and the development and subsequent adoption of this accounting and reporting manual, long-term care facilities implemented the required accounting system, and data collection began for all fiscal years starting on or after January 1, 1977.

In 1980, the Commission's legislative mandate was expanded. Senate Bill 1370 added the following responsibilities: (1) collection of quarterly financial and utilization data to assess the success of the hospital industry's voluntary effort to contain costs, (2) collection of discharge data on hospital patients to provide greater understanding of the characteristics of care rendered by hospitals, and (3) integration of the Commission's long term care disclosure report with the Medi-Cal cost report to reduce the reporting burden on health facilities.

In June of 1982, the Commission's responsibilities for the collection of hospital discharge data were expanded through passage of Assembly Bill 3480. Assembly Bill 3480 also

scheduled all provisions of the Health Facilities Disclosure Act to be sunset on January 1, 1986 unless extended by subsequent legislation.

During the legislative session of 1983-84, Senate Bill 181 was passed by the California Legislature and signed into law (Chapter 1326, Statutes of 1984) by then Governor George Deukmejian. This law, known as the Health Data and Advisory Council Consolidation Act, recognized that the California Health Facilities Commission would sunset on January 1, 1986 and transferred its functions to the Office of Statewide Health Planning and Development on that date. Additionally, this bill eliminated the State Advisory Health Council effective January 1, 1986 and formed a new advisory body called the California Health Policy and Data Advisory Commission.

In 1991, the Accounting and Reporting Manual for California Long-term Care Facilities was updated to make it current with accounting and health care technology.

Because of the major changes to the Manual and because facilities have accounting periods beginning at different times during the year, the accounting and reporting requirements of this Manual will be implemented by facilities at the start of their fiscal years rather than all on the same date. This will require a transition period of one year.

In order to distinguish the two Manual versions, the revised Manual has been designated as the Second Edition and the previous version has been designated as the First Edition. The Second Edition of the Accounting and Reporting Manual for California Long-term Care Facilities must be implemented by all facilities for fiscal years beginning on or after January 1, 1993. The First Edition of the Accounting and Reporting Manual for California Long-term Care Facilities will remain in effect for fiscal years beginning prior to January 1, 1993.

With Governor Gavin Newsom signing the 2021-22 budget and trailer bills, the Office of Statewide Health Planning and Development became the Department of Health Care Access and Information.

AUTHORITY

Authority for collection and publication of long-term care facility data by HCAI is defined in Sections 128735 of the Health and Safety Code. The publication of *Accounting and Reporting Manual for California Long-term Care Facilities*, Second Edition is authorized by the California Code of Regulations, Title 22, Section 97019.

MANUAL ARRANGEMENT

The *Accounting and Reporting Manual for California Long-term Care Facilities*, Second Edition has been divided into chapters, sections, and subsections. The chapter title is noted at the top of each page, and each chapter has been assigned a number in the thousands. For example, the Chart of Accounts chapter has been numbered 2000. Each section within that chapter has been assigned a number within the 2000 series.

Subsections have been assigned decimal numbers following the section number to which they relate.

A Table of Contents precedes and details the contents of each chapter. The page numbers are arranged according to the section that is on that page. For example, in Section 1061, Contractual Adjustments, the pages are numbered 1061 (Cont. 1). The notation, Cont. 1, indicates that this is a continued page of Section 1061. Appendices with related materials are included for reference.

REVISION RECORD

After the revised manual material has been inserted, the person inserting the material should enter the date of the transmittal letter and initial on the appropriate lines.

Revision Number	Revision Date	Initials	Revision Number	Revision Date	Initials
1	4/93	JRB	19		
2	10/93	JRB	20		
3	10/94	JRB	21		
4	4/95	JRB	22		
5	11/95	JRB	23		
6	12/96	JRB	24		
7	1/97	JRB	25		
8	10/98	JRB	26		
9	11/99	JRB	27		
10	11/00	JRB	28		
11	3/09	KJK	29		
12	12/13	TNC	30		
13	10/19	TNC	31		
14	4/20	TNC	32		
15			33		
16			34		
17			35		
18			36		