

STATE OF NEW YORK

DEPARTMENT OF HEALTH



OFFICE OF HEALTH SYSTEMS MANAGEMENT

TOWER BUILDING • THE GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA •

ALBANY, N.Y. 12237

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Commissioner

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September 25, 1980

Dear Administrator/Comptroller:

Attached for your information and use is a summary of changes to the natural classification of expenses to be followed in completing the Residential Health Care Facilities Medicaid cost report for 1980. Health Facilities Memorandum Series 80-50, dated August 20, 1980, indicated that this summary would be forthcoming. Please note that the first two columns of the summary represent the natural classifications of expense to be used in completing the 1980 cost report. Also attached is a summary of the corresponding changes to the Account Distribution Index.

This new schedule of expenses by natural classification is effective immediately and supersedes Schedule 6 of the Uniform Financial Report originally distributed to all facilities.

The next packet of formal Manual revisions will include the effects of the revised natural classifications of expense.

If you should have any questions about the attached material or the Manual in general, please direct them to Mr. Joseph L. Angerami of the Bureau of Residential Health Care Facility Reimbursement at 518/473-8822.

Very truly yours,

Joanne M. J. Quan
Deputy Director
Division of Health Care Financing

attachments

| Item | New Natural Classification | |
|-------------------------------------------------------------|----------------------------|-----------------------------------------|
| | Code | Title |
| Affiliation dues, Nursing Home Assoc. | .85 | Dues to Nursing Home Associations |
| Albuminometers | .58 | Minor Nonmedical Equipment |
| Alcohol, grain | .45 | Medicine Cabinet Drugs |
| Analgesics | .45 | Medicine Cabinet Drugs |
| Aspirin | .45 | Medicine Cabinet Drugs |
| Association dues, Nursing Home Assoc. | .85 | Dues to Nursing Home Associations |
| Association dues, other | .91 | Other Direct Expenses |
| Basins, bath, emesis, face | .58 | Minor Nonmedical Equipment |
| Baskets, drug | .58 | Minor Nonmedical Equipment |
| Baskets, waste | .58 | Minor Nonmedical Equipment |
| Baskets, specimen, collection (sputum, urine, and feces) | .58 | Minor Nonmedical Equipment |
| Bedpans | .58 | Minor Nonmedical Equipment |
| Blood, for patients | .49 | Other Medical Care Materials & Supplies |
| Blood Derivatives | .49 | Other Medical Care Materials & Supplies |
| Blood type tests, purchased | .62 | Medical-Purchased Services |
| Bread and pastries | .50 | Dietary-Food |
| Business office forms | .55 | Office and Administrative Supplies |
| Capsules | .45 | Medicine Cabinet Drugs |
| Carpenter tools | .58 | Minor Nonmedical Equipment |
| Chemicals, pharmaceutical | .44 | Prescription Drugs |
| Chinaware | .51 | Dietary-Other |
| Cleavers, chopping | .51 | Dietary-Other |
| Clocks, household | .58 | Minor Nonmedical Equipment |
| Clocks, interval timer | .58 | Minor Nonmedical Equipment |
| Clothes racks | .58 | Minor Nonmedical Equipment |
| Coal and coke | .80 | Other Utilities |
| Cocaine | .44 | Prescription Drugs |
| Colanders | .58 | Minor Nonmedical Equipment |
| Crutches | .57 | Instruments and Minor Medical Equipment |
| Cuffs, blood pressure | .57 | Instruments and Minor Medical Equipment |
| Cups, paper, beverage | .51 | Dietary-Other |
| Curtains and draperies, cubicle, initial | .59 | Other Supplies and Materials |
| Cutters, paper | .58 | Minor Nonmedical Equipment |
| Dairy products | .50 | Dietary-Food |
| Dextrose | .44 | Prescription Drugs |
| Dinnerware | .51 | Dietary-Other |
| Dishes, evaporating, Petri | .58 | Minor Nonmedical Equipment |
| Dishes, table | .51 | Dietary-Other |
| Dishpans | .58 | Minor Nonmedical Equipment |
| Dissectors | .57 | Instruments and Minor Medical Equipment |
| Douche pans | .58 | Minor Nonmedical Equipment |
| Dressing Tray | .58 | Minor Nonmedical Equipment |
| Dues, association, Nursing Home | .85 | Dues to Nursing Home Associations |
| Dues, professional organizations | .91 | Other Direct Expenses |
| Employee benefits, life insurance | .23 | Other Employee Benefits |
| Employee benefits, tuition | .23 | Other Employee Benefits |
| Employee benefits, pension, nonunion | .21 | Pension and Retirement-Nonunion |
| Employee benefits, pension, union | .19 | Pension and Retirement-Union |
| Employment agency fees | .37 | Other Fees |
| Engineering tools | .58 | Minor Nonmedical Equipment |
| Extractors, fruit juice | .58 | Minor Nonmedical Equipment |
| Film hangers | .58 | Minor Nonmedical Equipment |
| Films | .49 | Other Medical Care Materials & Supplies |

| Item | New Natural Classification | |
|-------------------------------------------|----------------------------|---------------------------------------|
| | Code | Title |
| Food, Meat, Fish & Poultry | .50 | Dietary-Food |
| Food, Other | .50 | Dietary-Food |
| Forks, Kitchen | .51 | Dietary-Other |
| Fruits and Vegetables | .50 | Dietary-Food |
| Garbage Cans | .58 | Minor Nonmedical Equipment |
| Glassware, kitchen, dining room | .51 | Dietary-Other |
| Glucose, I.V. | .44 | Prescription Drugs |
| Glycerine | .45 | Medicine Cabinet Drugs |
| Graters, food | .58 | Minor Nonmedical Equipment |
| Hangers, film | .58 | Minor Nonmedical Equipment |
| Heaters | .58 | Minor Nonmedical Equipment |
| Holders, napkin | .51 | Dietary-Other |
| I.V. Additives | .44 | Prescription Drugs |
| I.V. solutions | .44 | Prescription Drugs |
| Instruments, tray-reusable | .57 | Instruments & Minor Medical Equipment |
| Intramuscular injectables | .44 | Prescription Drugs |
| Kettles, steam (patients' use) | .58 | Minor Nonmedical Equipment |
| Kettles, steam (kitchen) | .58 | Minor Nonmedical Equipment |
| Kitchen Utensils | .51 | Dietary-Other |
| Knife, bread, butcher, etc. | .51 | Dietary-Other |
| Laboratory procedures by outside concerns | .68 | Contracted Services |
| Ladders | .58 | Minor Nonmedical Equipment |
| Lamps, electric | .58 | Minor Nonmedical Equipment |
| Lanterns (battery or gas type) | .58 | Minor Nonmedical Equipment |
| Laxatives | .45 | Medicine Cabinet Drugs |
| Magazines, lobby | .89 | Books, Periodicals, etc. |
| Magazines, Medical Journals | .89 | Books, Periodicals, etc. |
| Magazines, general interest | .89 | Books, Periodicals, etc. |
| Magazines, department | .89 | Books, Periodicals, etc. |
| Maalox | .45 | Medicine Cabinet Drugs |
| Meat and Poultry | .50 | Dietary-Food |
| Membership dues, Nursing Home Assoc. | .85 | Dues to Nursing Home Associations |
| Membership dues, Other | .91 | Other Direct Expenses |
| Narcotics | .44 | Prescription Drugs |
| Newspapers | .89 | Books, Periodicals, etc. |
| Nitroglycerine | .44 | Prescription Drugs |
| Novocaine | .44 | Prescription Drugs |
| Oil, fuel #2 | .77 | Fuel Oil #2 |
| Oil, fuel #4 | .78 | Fuel Oil #4 |
| Oil, fuel #6 | .79 | Fuel Oil #6 |
| Oxygen | .49 | Other Medical Care Materials & Suppl |
| Packs, steam | .57 | Instruments & Minor Medical Equipmen |
| Pans, baking | .58 | Minor Nonmedical Equipment |
| Pension plan premiums, nonunion | .21 | Pension and Retirement-Nonunion |
| Pension plan premiums, union | .19 | Pension and Retirement-Union |
| Periodicals | .89 | Books, Periodicals, etc. |
| Plates, china, dinner, salad, etc. | .51 | Dietary-Other |
| Plates, x-ray (film) | .49 | Other Medical Care Materials & Suppl |
| Postage, for general use | .91 | Other Direct Expenses |
| Postage, for specific departments | .91 | Other Direct Expenses |
| Receptacles, waste | .58 | Minor Nonmedical Equipment |
| Scoops, flour, sugar, etc. | .51 | Dietary-Other |
| Sedatives | .44 | Prescription Drugs |
| Signals, communication (beepers) | .58 | Minor Nonmedical Equipment |

| <u>Item</u> | <u>New Natural Classification</u> | |
|---------------------------------------|-----------------------------------|-----------------------------------------|
| | <u>Code</u> | <u>Title</u> |
| Splints | .49 | Other Medical Care Materials & Supplies |
| Steam, purchased | .80 | Other Utilities |
| Tongs | .58 | Minor Nonmedical Equipment |
| Trays, dressing | .58 | Minor Nonmedical Equipment |
| Trays, serving, patients' | .58 | Minor Nonmedical Equipment |
| Tumblers, glass, drinking | .51 | Dietary-Other |
| Urinals, patient | .58 | Minor Nonmedical Equipment |
| Urinometers | .58 | Minor Nonmedical Equipment |
| Utensils | .51 | Dietary-Other |
| Utensils, stainless steel, kitchen | .51 | Dietary-Other |
| Utensils, stainless steel, other | .58 | Minor Nonmedical Equipment |
| Vaporizers, medicinal (steam kettles) | .58 | Minor Nonmedical Equipment |
| Vegetable oil | .50 | Dietary-Food |
| Wash Cloths | .53 | Linen and Bedding |
| Waste receptacles | .58 | Minor Nonmedical Equipment |
| Water | .76 | Water and Sewer |
| Wringers, mop | .58 | Minor Nonmedical Equipment |
| X-ray film | .49 | Other Medical Care Materials & Supplies |

SUMMARY OF CHANGES TO THE
NATURAL CLASSIFICATION OF EXPENSES

| Natural Classification Number | Object of Expense in New Listing | Object of Expense in Orig. Listing | Description of Change |
|-------------------------------------|----------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------|
| SALARIES AND WAGES | | | |
| .01 | Ngmt. & Superv. | Same | |
| .02 | Tech., Spec., & Non-Phys. Med. Practitioners | Same | |
| .03 | Reg. Nurses | Same | |
| .04 | Lic. Prac. Nurses | Same | |
| .05 | Aides, Orderlies & Assistants | Same | |
| .06 | Clerical & Other Admin. Employees | Same | |
| .07 | Environ., Hotel & Food Serv. Empl. | Same | |
| .08 | Physicians | Same | |
| .09 | Interns, Residents & Fellows | Same | |
| .10 | Unassigned | Unassigned | |
| .11 | Unassigned | Unassigned | |
| .12 | Unassigned | Unassigned | |
| .13 | Unassigned | Unassigned | |
| .14 | Unassigned | Unassigned | |
| EMPLOYEE BENEFITS | | | |
| .15 | Employee Uniform Allowance | Unassigned | New Item |
| .16 | FICA | Same | |
| .17 | State Unemp. & Fed. Unempl. | Same | |
| .18 | Group Health Ins. | Same | |
| .19 | Pension & Retire.- Union | Pension & Retirement | New Segregation - See Item .21 |
| .20 | Workmen's Comp. Insurance | Same | |
| .21 | Pension & Retire.- Nonunion | Group Life Insurance | Group Life now shown under .23. New segregation of Pension added. |
| .22 | Disability | Unassigned | New Item |
| .23 | Other Employee Benefits | Same | Now includes Group Life Insurance & Tuition Ref & Aid |
| .24 | Union Hlth & Welf. | Same | |
| .25 | Employee Meal Allowance | Tuition Ref. & Aid | Tuition Ref. and aid eliminated - now shown under .23, also New Item added |
| FEES | | | |
| .26 | Admin. Fees- Long Term Debt | Same | |

| Natural Classification Number | Object of Expense in New Listing | Object of Expense in Orig. Listing | Description of Change |
|-------------------------------------|----------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| .27 | Physicians Fees | Same | |
| .28 | Therapists & Other (Non-Physicians) | Same | |
| .29 | Consult. & Mgmt. Services | Same | |
| .30 | Legal Services | Same | |
| .31 | Auditing Serv. | Same | |
| .32 | Unassigned | Temp. Serv. | Temp. Services - now shown under .37 (Other) |
| .33 | Unassigned | Empl. Agency | Employment Agency fees now shown under .37 (Other) |
| .34 | Registered Nurses | Same | |
| .35 | Licensed Practical Nurses | Same | |
| .36 | Private Duty Nurses Fees | Unassigned | |
| .37 | Other Fees | Unassigned | Includes Temp. Services and Employment Agency Fees |
| SUPPLIES AND MATERIALS | | | |
| .38 | Disposable Linen | Unassigned | New Item |
| .39 | Unassigned | Prosthesis | Item Eliminated-report under .49 |
| .40 | Unassigned | Catheters | Item Eliminated-report under .49 |
| .41 | Unassigned | Oxygen & Other Med. Gases | Item Eliminated-report under .49 |
| .42 | Unassigned | Blood & Blood Derivatives | Item Eliminated-report under .49 |
| .43 | Unassigned | IV Solutions | Item Eliminated-report under .49 |
| .44 | Prescription Drugs | Pharmaceuticals | Segregation now includes only Drugs for which a prescription would be required |
| .45 | Medicine Cabinet Drugs | Reagents | Reagents now rep. under .49 Item now includes Drugs of a non-prescription type (e.g., aspirin) |
| .46 | Unassigned | Unassigned | |
| .47 | Unassigned | Radiology Film | Item Eliminated-report under .49 |
| .48 | Unassigned | Unassigned | |
| .49 | Other Med. Care Materials & Supp. | Same | Includes many items which were previously segregated-see .39-.43 & .45, .47 |
| .50 | Dietary - Food | Food - Meats, Fish & Poultry | Item now includes all Food Items |
| .51 | Dietary-Other | Food - Other | Original Item, Food-Other now included in .50. This item includes all other Dietary Supplies including Dietary Tableware & Kitchen Utensils, Paper Products, etc. |
| .52 | Unassigned | Tableware & Kitchen Uten. | Item now included in .51 |

| Natural Classification Number | Object of Expense in New Listing | Object of Expense in Orig. Listing | Description of Change |
|-------------------------------------|------------------------------------------|------------------------------------------|-----------------------|
| .53 | Linen & Bedding | Same | |
| .54 | Cleaning Supplies | Same | |
| .55 | Off. & Admin. Supplies | Same | |
| .56 | Employee Wearing Apparel | Same | |
| .57 | Instruments & Minor Medical Equipment | Same | |
| .58 | Minor Non-Medical Equipment | Same | |
| .59 | Other Supplies & Materials | Same | |
| .60 | Unassigned | Unassigned | |

PURCHASED & CONTRACTED SERVICES

| | | | |
|-----|----------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| .61 | Repairs & Maint.- Purchased Serv.- Nonassignable | Unassigned | Includes Purch. Repairs & Maint. Serv. not directly assignable to depts. other than Plant or Maint |
| .62 | Medical-Purchased Services | Same | |
| .63 | Repairs & Maint.- Purchased Serv.- Dir. Assignable | Rep. & Maint.- Purch. Serv. | This object now includes only Purch. Repairs & Maint. Serv. that are directly assignable to depts. other than Plant Oper. & Maint. |
| .64 | Unassigned | Med. School & Affil. Contracts- Purchased Serv. | Item eliminated-report under .67 |
| .65 | Management Serv. | Same | |
| .66 | Collection Serv. | Same | |
| .67 | Other Purch. Serv. | Same | |
| .68 | Contracted Serv. | Same | |

DEPRECIATION, RENTALS & LEASES

| | | | |
|-----|-------------------------------------|------|--|
| .69 | Depreciation & Amortization | Same | |
| .70 | Rental or Lease- Land | Same | |
| .71 | Rental or Lease- Buildings | Same | |
| .72 | Rental or Lease- Fixed Equipment | Same | |
| .73 | Rental or Lease- Movable Equip. | Same | |

OTHER DIRECT EXPENSES

| | | | |
|-----|-------------|------|--|
| .74 | Electricity | Same | |
| .75 | Gas | Same | |

| Natural Classification Number | Object of Expense in New Listing | Object of Expense in Orig. Listing | Description of Change |
|-------------------------------------|--------------------------------------------------|------------------------------------------|-----------------------------------------------------------------|
| .76 | Water & Sewer | Water | Sewer Costs Now Included |
| .77 | Fuel Oil #2 | Oil | Now includes only Fuel Oil #2 |
| .78 | Fuel Oil #4 | Steam | Now includes only Fuel Oil #4 Steam now included in Item #.8 |
| .79 | Fuel Oil #6 | Coal | Now includes only Fuel Oil #6 Coal now incl. in Item # .80 |
| .80 | Other Utilities | Same | |
| .81 | Insurance | Ins.-Prof. Liab. | Item includes all Insurance |
| .82 | Interest | Same | |
| .83 | Licenses & Taxes (Other than Income Taxes) | Same | |
| .84 | Telephone & Telegraph | Same | |
| .85 | Dues to Nursing Home Assoc. | Dues & Subscrip. | Now includes only dues to N.H. Associations |
| .86 | Printing, Dupl., Microfilming | Printing & Duplicating | Microfilming added to this Item |
| .87 | Unassigned | Microfilming | Now reported under Item .86 |
| .88 | Travel, Confer- ences, Workshops | Same | |
| .89 | Books, Periodicals, Etc. | Same | |
| .90 | Unassigned | Postage | Now reported under .91 |
| .91 | Other Direct Expenses | Same | |

ASSESSMENTS

| | | | |
|-----|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------------------------------|
| .92 | Assessments from Municipalities or Religious, Ed., Found. or other Associations | Assessments from Municipalities | Now includes assessments from Religious, Ed. Found. or other Associations |
| .93 | Unassigned | Assessments from Religious, Ed. Found. or other Associations | These assessments are now reported under .92 |