

NEW YORK STATE
RESIDENTIAL HEALTH CARE FACILITY
ACCOUNTING AND REPORTING MANUAL

ACCOUNTING PRINCIPLES (cont'd)

For those institutions who record charges on an all-inclusive rate basis (a flat charge regardless of services performed) a center by center matching of cost and revenue at the cost center level would be impossible. Therefore, for these institutions the matching of cost and revenue should be accomplished at the program level. This, however, does not preclude such institution from recording their costs in the proper cost center as defined in Chapter 4 of this Manual.

In addition, revenue from patients should be reported at gross (the full established rate charged to a private patient) with a contractual allowance to reflect the difference between the full rate and the amount received from third-party payors. If the home is on an all-inclusive rate basis (a flat charge for all services), then the gross rate would be the all-inclusive flat charge. If, however, the home utilizes a fee-for-service basis (a separate charge for each service provided) the gross charge for each service and patient must be reflected.

FUND ACCOUNTING

Many nursing homes receive funds from donors which are restricted as to use. These funds must be accounted for separately as restricted funds.