

NEW YORK STATE
RESIDENTIAL HEALTH CARE FACILITY
ACCOUNTING AND REPORTING MANUAL

INTRODUCTION TO THE MANUAL

AUTHORITY

Article 28 of the New York State Public Laws specifies the requirement for the development of a statewide system of uniform accounting and reporting for Residential Health Care Facilities, excluding Federal institutions, for uniformly recording, documenting and reporting financial activity. Authority for the uniform accounting and reporting system is specified in Article 28, subsections 2803(2), 2803-b, 2805-e, and 2808. The Legislature mandated the provision for the development of the Residential Health Care Facility Accounting and Reporting Manual in these laws in January, 1975. To comply with the legislative intent, the Residential Health Care Facility Accounting and Reporting Manual has been established to be fully implemented by July 1, 1979 with full financial and statistical reporting for the calendar year ended December 31, 1980.

Article 28 charged the State Hospital Review and Planning Council with the responsibility for the adoption of a Residential Health Care Facility Accounting and Reporting Manual. The State Department of Health under Article 28 is charged with the responsibility of obtaining, reviewing, and filing annual certified uniform financial reports and an annual uniform statistical report.

To fulfill their respective responsibilities under Article 28 the State Hospital Review and Planning Council and the New York State Department of Health

NEW YORK STATE
RESIDENTIAL HEALTH CARE FACILITY
ACCOUNTING AND REPORTING MANUAL

INTRODUCTION (cont'd)

have jointly sponsored the development of the Residential Health Care Facility Accounting and Reporting Manual.

APPROACH TO DEVELOPMENT OF THE MANUAL

The Residential Health Care Facility Accounting and Reporting Manual was developed in a manner quite similar to that used in the development of the earlier Hospital Accounting and Reporting Manual. A "Request for Proposal" was distributed in July, 1977 to many consulting firms inviting them to bid upon a contract to develop the project at hand. After careful review and analysis of all proposals received, the firm of Peat, Marwick, Mitchell & Co. was awarded the contract for the project in August, 1977. A technical advisory committee was named representing Residential Health Care Facilities within the State as well as third party payors and professional organizations. This committee reviewed all materials giving advice and guidance on technical matters. The technical advisory committee met almost bi-weekly in full session during September and November, 1977. In addition, there were numerous meetings of subcommittees addressing specific areas. As a result of substantial work on the part of this committee, the R.H.C.F. Manual was completed by mid-November. The technical advisory committee shall continue in its current capacity to interpret the intent of various aspects of the Manual, as well as to advise the Department of Health on technical matters as they may arise.

NEW YORK STATE
RESIDENTIAL HEALTH CARE FACILITY
ACCOUNTING AND REPORTING MANUAL

INTRODUCTION (cont'd)

It is important to note two important aspects regarding the development of the R.H.C.F. Manual. Firstly, the generic concepts and principles identified and adopted in the Hospital Accounting and Reporting Manual were used as the basis for the R.H.C.F. Manual. This methodology was adopted because the concepts were identified as generic to the health care industry, regardless of level of care. In addition, this was the most efficient approach in light of the time constraints of the project. Secondly, although these same concepts and principles served as a basis for the R.H.C.F. Manual, they were subject to individual review and modification to reflect unique aspects of the R.H.C.F. level of care. An attempt was made to identify both institutional program areas and management policies and procedures which represent health industry practices as well as accounting aspects unique to R.H.C.F.'s.

CONTENTS OF THE MANUAL

This Manual has been divided into chapters and sections dealing with major topics. Each chapter is numbered in a one thousand series, with appropriate sections beginning at the nearest one hundred.

THE MANUAL: ITS APPLICABILITY AND RELATIONSHIP TO REIMBURSEMENT

This Manual is applicable to all residential health care facilities except those that are hospital based unless said residential health care facility was organized under Article 28-A regardless of whether or not such facility is hospital based.

NEW YORK STATE
RESIDENTIAL HEALTH CARE FACILITY
ACCOUNTING AND REPORTING MANUAL

INTRODUCTION (cont'd)

This Manual has been designed in order that a uniform report for financial disclosure could be developed. The Manual and reporting forms have not been designed to conform to or reflect any third party reimbursement regulations since they have and will continue to change. It is anticipated that an omnibus annual Medicaid cost report will reflect both the uniform reporting concepts and reimbursement regulations.

MANUAL INTERPRETATIONS AND REVISIONS

The development of the uniform accounting and reporting system has resulted in a working manual which must be modified as special situations occur and as accounting conventions evolve within the health industry. The Manual, therefore, is a working document which may be subject to change over time. Periodically, the New York State Department of Health will issue revisions and interpretations to the Manual.