

5123:2-7-19

**Intermediate care facilities - nonreimbursable costs.**

The following costs are not reimbursable to intermediate care facilities through the prospective reimbursement cost reporting mechanism, except as otherwise specified under Chapter 5123:2-7 of the Administrative Code. Nonreimbursable costs include, but are not limited to:

(A) Fines or penalties paid under sections 5111.28, 5111.35 to 5111.62, 5111.683, and 5111.99 of the Revised Code.

(B) Disallowances made during the audit of the intermediate care facility's medicaid cost report which are sanctioned through adjudication in accordance with Chapter 119. of the Revised Code.

(C) Costs which exceed prudent buyer tests of reasonableness which may be applied pursuant to the provisions of the centers for medicare and medicaid services publication 15-1, "Provider Reimbursement Manual" (revised January 2005), available at <http://www.cms.hhs.gov/manuals>, during the audit of the intermediate care facility's medicaid cost report.

(D) The costs of ancillary services rendered to residents of intermediate care facilities by providers who bill medicaid directly. Ancillary services include, but are not limited to, physicians, legend drugs, radiology, laboratory, oxygen, and resident-specific medical equipment.

(E) Cost per case-mix units in excess of the applicable peer group ceiling for direct care cost.

(F) Expenses in excess of the applicable peer group ceiling for indirect care cost.

(G) Expenses in excess of the capital costs limitations.

(H) Expenses associated with lawsuits filed against the department or the Ohio office of medical assistance which are not upheld by the courts.

(I) Cost of meals sold to visitors or public (e.g., meals on wheels).

(J) Cost of supplies or services sold to persons who do not reside at the facility or the public.

(K) Cost of operating a gift shop.

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CERTIFIED ELECTRONICALLY

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Certification

12/31/2012

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Date

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Statutory Authority: 5111.20, 5111.226, 5123.04  
Rule Amplifies: 5111.20, 5111.226, 5123.04