

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 164

Short Title: Rest Home Cost Reports.

(Public)

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Sponsors: Senators Walker; and Daniel.

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Referred to: Human Resources.

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February 21, 1991

1 A BILL TO BE ENTITLED  
2 AN ACT TO REQUIRE THAT DOMICILIARY HOME COST REPORTS BE  
3 CERTIFIED.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 131D-3 reads as rewritten:

6 "**§ 131D-3. Domiciliary care facilities; reporting requirements.**

7 The Department of Human Resources, Division of Social Services, by January 1,  
8 1982, shall develop a cost and revenue reporting form for use by all domiciliary care  
9 facilities. This form shall be based on the uniform chart of accounts required in G.S.  
10 131D-4. All facilities that receive funds under the State-County Special Assistance for  
11 Adults Program shall report total costs and revenues to the Department of Human  
12 Resources by March 1 of each year. Facilities licensed under the provisions of G.S.  
13 131D-2(a)(5), facilities that are operated by or under contract with Area Mental Health,  
14 Mental Retardation and Substance Abuse Authority, and combination facilities  
15 providing either intermediate or skilled care in addition to domiciliary care shall not be  
16 required to comply with the reporting requirements in this section. All facilities shall be  
17 required to permit access to any requested financial records by representatives of the  
18 Department of Human Resources for audit purposes effective July 1, 1981.

19 A certified public accountant or an independent accountant shall certify each cost  
20 and revenue report that is submitted pursuant to this section. The certification statement  
21 shall include the following certifications, validations, and verifications:

22 (1) The verification that the amounts reported in the cost report relate to  
23 the proper calendar year, and reconcile to the general ledger, tax  
24 return, and appropriate financial statements;

- 1           (2)    The validation of payroll costs reported for federal form 941 returns;  
2           (3)    The verification that depreciation expense is supported by appropriate  
3                backup schedules;  
4           (4)    The verification that interest expense reported agrees with bank  
5                statements and other support documentation;  
6           (5)    The verification that food, utilities, and other vendor payments are  
7                adequately supported by source documents;  
8           (6)    The certification that rent and lease expenses are supported by rental or  
9                lease agreements; and  
10          (7)    The certification that data related to paid patient days are supported by  
11                adequate census.

12          The Department may take either or both of the following actions to enforce  
13 compliance by a facility with this section, or to punish noncompliance:

- 14           (1)    Seek a court order to enforce compliance;  
15           (2)    Suspend or revoke the facility's license, subject to the provisions of  
16                Chapter 150B."

17          Sec. 2. This act becomes effective October 1, 1991.