

- Does not provide a financial record or quarterly statement to the resident or his or her representative.

F569

(Rev. 173, Issued: 11-22-17, Effective: 11-28-17, Implementation: 11-28-17)

§483.10(f)(10)(iv) Notice of certain balances.

The facility must notify each resident that receives Medicaid benefits—

- (A) When the amount in the resident’s account reaches \$200 less than the SSI resource limit for one person, specified in section 1611(a)(3)(B) of the Act; and**
- (B) That, if the amount in the account, in addition to the value of the resident’s other nonexempt resources, reaches the SSI resource limit for one person, the resident may lose eligibility for Medicaid or SSI.**

§483.10(f)(10)(v) Conveyance upon discharge, eviction, or death.

Upon the discharge, eviction, or death of a resident with a personal fund deposited with the facility, the facility must convey within 30 days the resident’s funds, and a final accounting of those funds, to the resident, or in the case of death, the individual or probate jurisdiction administering the resident’s estate, in accordance with State law.

PROCEDURES §483.10(f)(10)(iv)-(v)

- As part of closed record review, determine if within 30 days of discharge, eviction, or death, facility staff conveyed the resident’s personal funds and a final accounting to the individual or probate jurisdiction administering the individual’s estate as provided by State law.
- Through interviews with the resident or his or her representative, determine if they lost their SSI or Medicaid eligibility and whether this loss was a result of the facility’s staff failure to notify them as required in this regulation.

F570

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§483.10(f)(10)(vi) Assurance of financial security.

The facility must purchase a surety bond, or otherwise provide assurance satisfactory to the Secretary, to assure the security of all personal funds of residents deposited with the facility.

DEFINITION §483.10(f)(10)(vi)

“Surety bond” is an agreement between the principal (the facility), the surety (the insurance company), and the obligee (depending on State law, either the resident or the State acting on behalf of the resident), wherein the facility and the insurance company agree to compensate the resident (or the State on behalf of the resident) for any loss of residents’ funds that the facility holds, safeguards, manages, and accounts for.

GUIDANCE §483.10(f)(10)(vi)

F568

(Rev. 173, Issued: 11-22-17, Effective: 11-28-17, Implementation: 11-28-17)

§483.10(f)(10)(iii) Accounting and Records.

- (A) The facility must establish and maintain a system that assures a full and complete and separate accounting, according to generally accepted accounting principles, of each resident's personal funds entrusted to the facility on the resident's behalf.**
- (B) The system must preclude any commingling of resident funds with facility funds or with the funds of any person other than another resident.**
- (C) The individual financial record must be available to the resident through quarterly statements and upon request.**

GUIDANCE §483.10(f)(10)(iii)

Generally accepted accounting principles means that facility staff employ proper bookkeeping techniques, by which it can determine, upon request, the amount of individual resident funds and, in the case of an interest bearing account, how much interest these funds have earned for each resident, as last reported by the banking institution to the facility.

Proper bookkeeping techniques include an individual record established for each resident on which only those transactions involving his or her personal funds are recorded and maintained. The record should have information on when transactions occurred, what they were, and maintain the ongoing balance for every resident. For each transaction, the resident should be given a receipt and the facility retains a copy.

Quarterly statements must be provided in writing to the resident or the resident's representative within 30 days after the end of the quarter, and upon request.

PROCEDURES §483.10(f)(10)(iii)

Through interviews with the resident or his or her representative, determine how they receive statements regarding the status of their funds and accounts. If concerns arise based on these interviews, review the facility's records to determine if generally accepted accounting principles are followed. Records must show separate accounting for each resident, including the ongoing balance of each account, as well as the date and amount of any transaction. Additionally, the facility's records must include a copy of all account transactions.

Examples of noncompliance may include, but are not limited to evidence that the facility:

- Does not maintain a system that assures a complete and separate accounting of each resident's personal funds.
- Comingles resident funds with facility funds (for example, comingling an activity fund, volunteer fund, and resident personal funds into one account).
- Comingles resident funds with those of someone other than a resident, such as a facility staff member managing a resident's personal funds through the facility staff member's personal bank account.