**Section 140.532 Health Care Costs**

Health care costs are allowable as follows:

a) Activities – Allowable costs are salaries and wages paid to employees working in the activity program, supplies used in the program, and expenses incurred for religious services.

b) Daycare and Outpatient Services – The cost of daycare and outpatient services is not allowable.

c) Medical Director – The salary or fee paid to a physician serving as medical director is allowable. If the medical director provides routine care to patients, that portion of his salary due to providing direct care is not an allowable cost and must be allocated to ancillary services based on number of hours spent in each function.

d) Non-Paid Workers – Allowable costs are salaries at the value that would be paid if employees were hired, only if volunteers are used to meet minimum standards and cost is determinable.

e) Nursing and Medical Records – Allowable costs are salaries and wages paid to nurses, aides, orderlies, and medical records personnel; consultant fees; and nursing supplies such as adhesive tape, dressings, gauze, rubber goods, thermometers, oxygen, diapers, and group care restricted drugs (non-prescription medicines). Facilities shall not reclassify cost of nurses reported for staff requirements to other sections of cost report forms. Revenue derived from providing medical records information to interested parties must be used to offset cost.

f) Social Services – Allowable costs are salaries and wages paid to employees working in the social service program, as well as supplies incidental to the program.