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Title 22@ Social Security

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Division 5@ Licensing and Certification of Health Facilities, Home Health Agencies, Clinics, and Referral Agencies

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Chapter 3@ Skilled Nursing Facilities

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Article 5@ Administration

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Section 72529@ Safeguards for Patients' Monies and Valuables

72529 Safeguards for Patients' Monies and Valuables

(a)

Each facility to whom a patient's money or valuables have been entrusted shall comply with the following: (1) No licensee shall mingle patients' monies or valuables with that of the licensee or the facility. Patients' monies and valuables shall be maintained separate, intact and free from any liability that the licensee incurs in the use of the licensee's or the facility's funds. The provisions of this section shall not be interpreted to preclude prosecution for the fraudulent appropriation of patients' monies or valuables as theft, as defined by Section 484 of the Penal Code. (2) Each licensee shall maintain safeguards and accurate records of patients' monies and valuables entrusted to the licensee's care including the maintenance of a detailed inventory and at least a quarterly accounting of financial transactions made on the patient's behalf. (A) Records of patients' monies which are maintained as a drawing account shall include a control account for all receipts and expenditures, supporting vouchers and receipts for all expenditures of monies and valuables entrusted to the licensee, an account for each patient and supporting vouchers filed in chronological order. Each account shall be kept current with columns for debits, credits and balance. All of these records shall be maintained at the facility for a minimum of three years from the date of transaction. At no time may the balance in a patient's drawing account be less than zero. (B) Records of patients' monies and other

valuables entrusted to the licensee for safekeeping shall include a copy of the receipt furnished to the patient or to the patient's authorized representative. Each item of patient property entrusted to the licensee shall be clearly identified as belonging to that patient. (3) Patients' monies not kept in the facility shall be deposited in a demand trust account in a local bank authorized to do business in California, the deposits of which are insured by the Federal Deposit Insurance Corporation, or in a federally insured bank or savings and loan association under a plan approved by the Department. If a facility is operated by a county, such funds may be deposited with the county treasurer. If a facility is operated by the State, such funds may be deposited with the State Treasurer. All banking records related to these funds, including but not limited to deposit slips, checks, cancelled checks, statements and check registers, shall be maintained in the facility for a minimum of three years from the date of transaction. Identification as a patient trust fund account shall be clearly printed on each patient's trust account checks and bank statements. (4) A separate list shall be maintained for all checks from patient funds which are, or have been outstanding for 45 days or more as reflected on the most recent bank statement. Bank statements shall be reconciled monthly with copies of the reconciliation maintained by the facility. Any checks on such accounts written off or uncashed shall result in an addition to the appropriate patient's account. (5) Expenditures, for a particular patient, from the patient fund account as specified in (3) above may not exceed the drawing right that the patient has in the account. Expenditures from the patient fund account shall only be for the immediate benefit of that particular patient. No more than one month's advance payment for care may be received from a patient's account. (6) A person, firm partnership, association or corporation which is licensed to operate more than one health facility shall maintain a separate demand trust account as specified in

(3) above for each such facility. Records relating to these accounts shall be maintained at each facility as specified in (2) above. Patient funds from one facility shall not be mingled with funds from another facility. (7) When the amount of patients' money entrusted to a licensee exceeds \$500, all money in excess of \$500 shall be deposited in a demand trust account as specified in (3) and (5) above unless the licensee provides a fireproof safe and the licensee desires the protection accorded by Section 1860 of the Civil Code. (8) Upon discharge of a patient, all money and valuables of that patient which have been entrusted to the licensee and kept within the facility shall be surrendered to the patient or authorized representative in exchange for a signed receipt. Monies in a demand trust account or with the county treasurer shall be made available within three normal banking days. Upon discharge, the patient or authorized representative shall be given a detailed list of personal property and a current copy of the debits and credits of the patient's monies. (9) Within 30 days following the death of a patient, except in a coroner or medical examiner case, all money and valuables of that patient which have been entrusted to the licensee shall be surrendered to the person responsible for the patient or to the executor or the administrator of the estate in exchange for a signed receipt. Whenever a patient without known heirs dies, written notice within five working days, shall be given by the facility to the public administrator of the county as specified by Section 1145 of the California Probate Code and a copy of said notice shall be available in the facility for review by the Department. (10) Upon change of ownership of a facility, there shall be a written verification by a public accountant of all patients' monies which are being transferred to the custody of the new owner(s). A signed receipt for the amount of funds in the patients' trust account shall be given by the new owner to the previous owner. (11) Upon closure of a facility a written verification by a public

accountant of all patients' monies shall be available for review by the Department. Each patients' monies shall be transferred with the patient.

(1)

No licensee shall mingle patients' monies or valuables with that of the licensee or the facility. Patients' monies and valuables shall be maintained separate, intact and free from any liability that the licensee incurs in the use of the licensee's or the facility's funds. The provisions of this section shall not be interpreted to preclude prosecution for the fraudulent appropriation of patients' monies or valuables as theft, as defined by Section 484 of the Penal Code.

(2)

Each licensee shall maintain safeguards and accurate records of patients' monies and valuables entrusted to the licensee's care including the maintenance of a detailed inventory and at least a quarterly accounting of financial transactions made on the patient's behalf. (A) Records of patients' monies which are maintained as a drawing account shall include a control account for all receipts and expenditures, supporting vouchers and receipts for all expenditures of monies and valuables entrusted to the licensee, an account for each patient and supporting vouchers filed in chronological order. Each account shall be kept current with columns for debits, credits and balance. All of these records shall be maintained at the facility for a minimum of three years from the date of transaction. At no time may the balance in a patient's drawing account be less than zero. (B) Records of patients' monies and other valuables entrusted to the licensee for safekeeping shall include a copy of the receipt furnished to the patient or to the patient's authorized representative. Each item of patient property entrusted to the licensee shall be clearly identified as belonging to that patient.

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control account for all receipts and expenditures, supporting vouchers and receipts for all expenditures of monies and valuables entrusted to the licensee, an account for each patient and supporting vouchers filed in chronological order. Each account shall be kept current with columns for debits, credits and balance. All of these records shall be maintained at the facility for a minimum of three years from the date of transaction. At no time may the balance in a patient's drawing account be less than zero.

(B)

Records of patients' monies and other valuables entrusted to the licensee for safekeeping shall include a copy of the receipt furnished to the patient or to the patient's authorized representative. Each item of patient property entrusted to the licensee shall be clearly identified as belonging to that patient.

(3)

Patients' monies not kept in the facility shall be deposited in a demand trust account in a local bank authorized to do business in California, the deposits of which are insured by the Federal Deposit Insurance Corporation, or in a federally insured bank or savings and loan association under a plan approved by the Department. If a facility is operated by a county, such funds may be deposited with the county treasurer. If a facility is operated by the State, such funds may be deposited with the State Treasurer. All banking records related to these funds, including but not limited to deposit slips, checks, cancelled checks, statements and check registers, shall be maintained in the facility for a minimum of three years from the date of transaction. Identification as a patient trust fund account shall be clearly printed on each patient's trust account checks and bank statements.

(4)

A separate list shall be maintained for all checks from patient funds which are, or have been outstanding for 45 days or more as reflected on the most recent bank statement.

Bank statements shall be reconciled monthly with copies of the reconciliation maintained by the facility. Any checks on such accounts written off or uncashed shall result in an addition to the appropriate patient's account.

(5)

Expenditures, for a particular patient, from the patient fund account as specified in (3) above may not exceed the drawing right that the patient has in the account.

Expenditures from the patient fund account shall only be for the immediate benefit of that particular patient. No more than one month's advance payment for care may be received from a patient's account.

(6)

A person, firm partnership, association or corporation which is licensed to operate more than one health facility shall maintain a separate demand trust account as specified in (3) above for each such facility. Records relating to these accounts shall be maintained at each facility as specified in (2) above. Patient funds from one facility shall not be mingled with funds from another facility.

(7)

When the amount of patients' money entrusted to a licensee exceeds \$500, all money in excess of \$500 shall be deposited in a demand trust account as specified in (3) and (5) above unless the licensee provides a fireproof safe and the licensee desires the protection accorded by Section 1860 of the Civil Code.

(8)

Upon discharge of a patient, all money and valuables of that patient which have been entrusted to the licensee and kept within the facility shall be surrendered to the patient or authorized representative in exchange for a signed receipt. Monies in a demand trust account or with the county treasurer shall be made available within three normal banking days. Upon discharge, the patient or authorized representative shall be given a

detailed list of personal property and a current copy of the debits and credits of the patient's monies.

(9)

Within 30 days following the death of a patient, except in a coroner or medical examiner case, all money and valuables of that patient which have been entrusted to the licensee shall be surrendered to the person responsible for the patient or to the executor or the administrator of the estate in exchange for a signed receipt. Whenever a patient without known heirs dies, written notice within five working days, shall be given by the facility to the public administrator of the county as specified by Section 1145 of the California Probate Code and a copy of said notice shall be available in the facility for review by the Department.

(10)

Upon change of ownership of a facility, there shall be a written verification by a public accountant of all patients' monies which are being transferred to the custody of the new owner(s). A signed receipt for the amount of funds in the patients' trust account shall be given by the new owner to the previous owner.

(11)

Upon closure of a facility a written verification by a public accountant of all patients' monies shall be available for review by the Department. Each patients' monies shall be transferred with the patient.

(b)

If property is purchased for use of more than one patient, from patient trust funds, the facility shall secure a written agreement between all patients whose funds are used, or their authorized representatives. The agreement shall expressly acknowledge consent of all parties and shall provide for disposition of the property in the event of disagreements, discharge, transfer or death.

(c)

No licensee, owner, administrator, employee or their immediate relative or representatives of the aforementioned may act as an authorized representative of patients' monies or valuables, unless the patient is a relative within the second degree of consanguinity.

(d)

The facility shall make reasonable efforts to safeguard patients' property and valuables that are in possession of the patient.

(e)

For purposes of this section, patients' funds maintained in a financial institution shall be deemed to be entrusted to a facility if the licensee, or any agent or employee thereof, is an authorized signatory to said account. Records maintained and provided by the financial institution in accordance with a plan which has obtained the written approval of the Department, may fulfill the obligation of the facility with regard to the maintenance of records for such funds.