

**University of Colorado Denver**  
**Hospital/Patient Care Charges/Codes**

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The Facilities and Administration (F&A) cost agreement CU Denver has negotiated with the federal government exempts “hospitalization and other fees associated with patient care” from F&A costs. In our accounting system those charges are assigned account codes as follows:

Hospitalization Cost	520100
Inpatient Charges	520101
Outpatient Charges	520102
Ancillary Charges	520103
External Patient Service	520104

These are the only "patient care" charges exempt from facilities and administration cost assessment. Thus, charges such as biological specimens (535109), pharmaceuticals (535111), MRI exams (535115), School of Dentistry dental supplies (535116), etc., are not considered hospitalization and are assessed for facilities and administration costs.

This pattern of assessment may appear to be an illogical and incorrect definition of what constitutes true patient care. Yet that would be a misinterpretation of the F&A cost charging system. We are not trying to redefine patient care. Rather, we are trying to charge facilities and administration cost to grants and contracts in the same way we are required to account for costs in determining the facilities and administration rate. Medical supplies, for example, may be purchased as ward supplies and appear on a patient bill as inpatient charges that are exempt from facilities and administrative cost. Those same medical supplies bought directly are not hospitalization and are assessed facilities and administration charge. That distinction must be made when our accountants establish the facilities and administration cost pools and the base to which those pools are related. The system of charging the individual grants and contracts then mirrors that cost accounting.