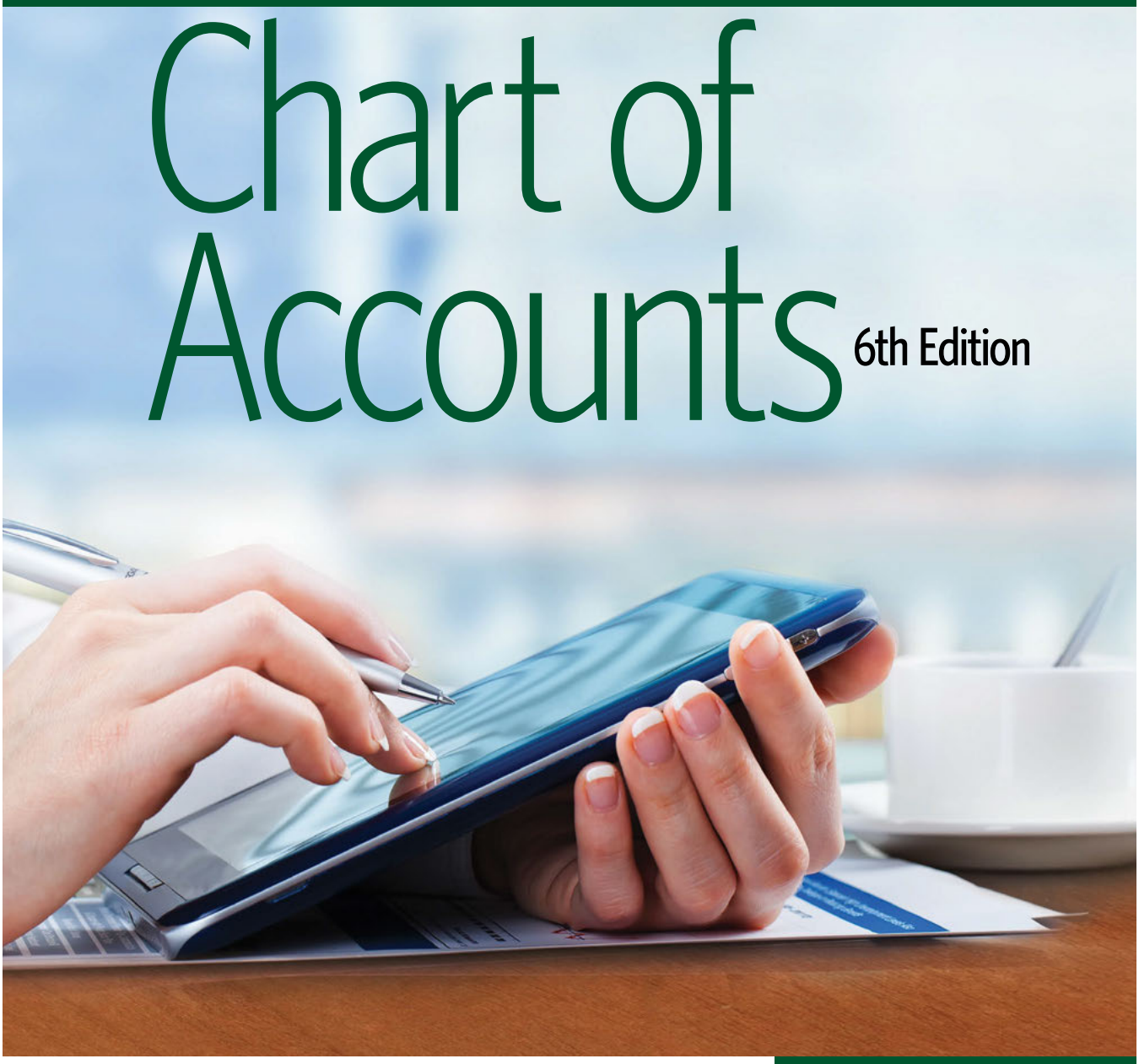
Medical Group Management Association

Chart of Accounts

6th Edition



David N. Gans, MSHA, FACMPE
Steven Andes, PhD, CPA, CGMA
Robert J. Gold, MS, CPA

MGMA®
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Dedications

I dedicate this book to my wife, Joan, who has supported me in my work, provided guidance in my life, and was always by my side when I needed her strength.

—David N. Gans

This book is dedicated to my family who persuaded me to study accounting and to my professors who convinced me that accounting was crucial to business. Also, to my students who have inspired me to ensure that accounting remains vital to business, to my colleagues who challenge and support me, and to my co-authors for giving me this opportunity.

—Steven Andes

This book is dedicated to my wife, Mary, who has always understood who I am and has supported me in my work to assist others and to strive to do what is right.

—Robert J. Gold

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About the Medical Group Management Association

The Medical Group Management Association (MGMA) helps create successful medical practices that deliver the highest-quality patient care. As the leading association for medical practice administrators and executives since 1926, MGMA helps improve members practices through exclusive member benefits, education, resources, news, information, advocacy, and networking opportunities, and produces some of the most credible and robust medical practice economic data and data solutions in the industry. Through its industry-leading American College of Medical Practice Executives board certification and Fellowship programs, MGMA advances the profession of medical practice management.

Through its national membership and 50 state affiliates, MGMA represents more than 33,000 medical practice administrators and executives in practices of all sizes, types, structures, and specialties. MGMA is headquartered in Englewood, Colo., with a Government Affairs office in Washington, D.C.

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Preface

A chart of accounts is the basis for all accounting information recorded in the financial records of any business, including a medical practice. Each account is listed with a related number in the practice's accounting system. To track a specific activity's expense or income, a unique numbered account must exist in the organization's chart of accounts.

Every business and organization, whether governmental or private, for-profit or not-for-profit, must maintain precise, representative accounting records to show its financial status, make good management decisions, meet the needs of creditors, and meet the complex legal reporting and tax filing requirements required by federal, state, and local governments. Medical groups in particular have distinctive business requirements that dictate how financial information should be categorized to understand sources of revenue, how discounts and adjustments are applied, and details of the costs incurred to provide services. These unique requirements make it crucial that medical groups use a chart of accounts designed for them rather than one designed for another type of business. The Medical Group Management Association (MGMA) has developed charts of accounts to meet the unique needs of medical practices and has revised them to meet the changing needs of medical groups. This is the sixth major revision.

In 1976, the W.K. Kellogg Foundation provided funding support to the Center for Research in Ambulatory Health Care Administration, the research arm of MGMA, to develop and publish a chart of accounts specifically designed to record the financial information needed to manage a medical group practice. This chart of accounts was the key component of the first financial management text written specifically for medical groups, *Practical Financial Management for Medical Groups*.[1] This 1979 publication provided a comprehensive guide to financial management, as well as the first chart of accounts which generated information that satisfied a medical group's management information needs.

The MGMA chart of accounts was updated in 1985[2] to accommodate the information requirements of medical groups with the need to report capitation revenue and the expenses associated with the provision of care to health maintenance organization beneficiaries. As the healthcare industry continued to evolve, the accounting and record-keeping needs of medical group managers also changed, and further revisions

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were made to the MGMA chart of accounts in 1996[3] and 1999[4]. The 5th edition of *MGMA Chart of Accounts*[5], published in 2011, was a major revision of the 1999 edition and reflected the changed world of medical group practices.

Substantial modifications have been made to the 6th edition, which features new revenue and expense accounts to accommodate significant changes in how physicians are paid and the way in which medical practices are organized. Additionally, the 6th edition includes a definition of each major account. The MGMA chart of accounts has two forms: Version 6.1 with a comprehensive listing of accounts required for organizations with complex accounting requirements and Version 6.2 with a reduced number and type of accounts applicable for a practice with normal accounting and management information needs. The account numbering is identical in both versions, as are the definitions. The choice of versions is designed to make the accounting system especially easy to use. Medical practices with fewer providers and only fee-for-service revenue will find that Version 6.2 will meet their immediate needs while allowing for the ability to add additional accounts as needs change, whereas practices with capitation or shared risk payment contracts will require the more expanded accounts described in Version 6.1.

Advantages of using *MGMA Chart of Accounts, 6th edition* include:

1. Ties directly to the MGMA Cost Survey, which simplifies data submission and benchmarking;
2. Includes the accounts needed to record value-based payments made by governmental and commercial insurers;
3. Includes accounts to record nonpatient revenues and related expenses (other than patient care) that many practices receive, making it easier to determine profitability for other revenue sources;
4. Easier to track depreciation by type of asset and to record capitalized leases;
5. Simplifies the process for measuring the cost of specific services by tracking revenues and expenses by type of activity (clinical, administrative, ancillary), making it easier to allocate these costs to specific activities;
6. Includes the accounts needed to track specific components of compensation for physician owners and employed physicians;
7. Allows the practice to use accrual accounting for management, and cash accounting for income tax reporting and other purposes;
8. Has internal checks to reduce the opportunity for error or fraud;
9. Allows for facility fee billing and accounting;
10. Includes specific accounts for clinical research trials making it easier to track their related revenue and expenses;
11. Includes definitions for all key accounts; and
12. Includes versions for practices with limited accounting needs, as well as those with complex accounting objectives.

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The MGMA chart of accounts remains an essential tool for managers in thousands of medical groups. The seed planted by the W.K. Kellogg Foundation in 1976 and cultivated over the years by MGMA continues to benefit physicians, practice administrators, and the larger health community.

Notes

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About the Authors



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Gans is a national authority on medical practice operations and health systems. He is an educational speaker; writes a monthly column in the association's journal, *MGMA Connection*; and serves the association as a resource on all areas of medical group practice management. His work focuses on issues of importance to medical practice executives in a transforming healthcare environment.



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CHAPTER 1

Role of the Chart of Accounts in a Medical Group Accounting System

Whether an organization is a public entity or a private business and whether it is for-profit or not-for-profit, it needs a set of statements and reports to record its financial condition.

Financial records and statements are crucial to the practice, creditors, and governmental agencies. Practice managers require accurate and consistent financial information for short-term and long-term strategic decisions. Creditors need the same information to decide the level of lending risk, which determines the amount of the loan and interest rate that the organization is qualified to receive. These records and statements are also the basis for the tax and other filings to local, state, and federal agencies. Accounting rules dictate the form and content of these reports and statements.

To be useful to all the various users, accounting records need to be reliable, relevant, and consistent. *Reliable* means that the records are free from bias or error, faithfully represent the financial status of the organization, and are verifiable after the fact. Reliable also implies that financial records are neutral in their nature and can be replicated by different accountants using the same objective data and measurement techniques. Accounting records must also be relevant, meaning that the records have the information that decision makers need and are complete with sufficient detail and distributed in a timely manner. These records should also reflect consistency, meaning that there is comparability across organizations and with previous time periods.

The chart of accounts is the starting point for every organization's financial records. It lists the accounts that measure the practice's revenues and expenses as well as

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its assets and liabilities. It also gives a number to each account in the system (for example, cash is account 1100). Without a designated accounting code stated in the chart of accounts, it is impossible to track a revenue or expense item in the accounting records.

All private businesses and public entities have legal requirements to maintain accurate and representative accounting records that accurately reflect the financial status of the organization. Likewise, all private businesses and public entities need reliable, relevant, and consistent accounting information for managerial decision making. Healthcare organizations in particular have unique business requirements that dictate how financial information should be categorized. Medical groups need to understand their sources of revenue, the way in which discounts and contracts are applied, how expenses are incurred, and details of the costs incurred to provide services. This necessitates that medical groups use a chart of accounts developed to meet their specific needs.

A chart of accounts designates an account for every asset, liability, equity, revenue, and expense. The specific accounts an organization requires in its chart of accounts depends somewhat on its size and organizational complexity. Generally, larger and more complex organizations need additional accounts than smaller, less sophisticated entities. However, while extra accounts allow the practice to record its accounting transactions in greater detail, it is more costly to maintain a complex accounting system. If the accounting system records information with too much detail, the managerial uses of the information can be handicapped by the inability to easily interpret financial records.

Selection of the level of detail is an important aspect in the design of an organization's chart of accounts. A certified public accountant (CPA) may often suggest that a medical practice should use the generic chart of accounts that the CPA uses for other retail or service industry clients and not a chart of accounts designed specifically for medical groups. Although a generic chart of accounts can work for a medical practice, it is unlikely to meet the unique needs of the practice.

The MGMA chart of accounts is designed specifically to generate the financial reports that a medical practice requires for decision making, for lenders, and to meet governmental legal reporting and tax filing requirements. It also has the desired flexibility that allows practices to add or modify accounts without destroying the chart's ability to prepare financial statements and tax reports.

The nine categories of the MGMA chart of accounts is divided into five major sections:

1. Assets;
2. Liabilities;
3. Equity;

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4. Revenues; and
5. Expenses.

These sections directly relate to the three major financial reports for communication and decision making: the Balance Sheet, the Income Statement, and the Cash Flow Statement.

Each category has a "block" of numbers assigned to show the general classification of each financial account and is generally presented in a standard order, beginning with the accounts presented in the Balance Sheet (also called the Statement of Financial Position), then in the accounts that build the Income Statement for the organization, followed by the Cash Flow Statement.

Assets are resources owned by the organization such as accounts receivable, equipment, and property. Assets may be tangible, such as land, buildings, and equipment, or intangible, such as goodwill, patents owned by the organization, and licenses. The chart of accounts lists assets in descending order of liquidity. Cash and other assets that are easily converted to cash are listed first, fixed assets such as property and equipment are listed next, and intangible assets are listed last. Asset accounts in the MGMA chart of accounts start with the account number 1000 and are the first accounts listed.

Liabilities are debts or obligations owed by the practice to creditors, such as loans and accounts payable. These obligations come from the purchase of goods or services on credit or by obtaining a loan from a financial institution to finance the purchase of equipment or buildings, or even possibly the start-up of new operations. Current liabilities, the obligations that are due to be paid within one year, are generally listed first in the chart of accounts, with accounts payable, bank overdrafts payable, and payroll obligations (tax, insurance, retirement plan withholdings, and accrued payroll amounts) listed before other payables such as rent or insurance. Long-term liabilities such as construction loans, long-term notes, and capital leases follow current liabilities. Deferred revenue, deferred compensation, and severance plan obligations are listed last. Liability accounts in the MGMA chart of accounts start with account number 2000. There are some liabilities such as loans that have both a current and long-term component. The chart of accounts provides accounts to allow for recording of both classification amounts.

Equity accounts (sometimes called "fund balance" in nonprofit organizations) reflect the net financial worth of the organization and represent the residual value of an entity's assets after deducting its liabilities. In a for-profit business, the equity will be the ownership interest, and in a not-for-profit entity will represent the retained net asset value of the organization. Equity accounts in the MGMA chart of accounts start with account number 3000.

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The accounts used to create the Income Statement accounts follow the Statement of Financial Position accounts. The accounts used to describe operating revenue precede the expense accounts, and the final accounts reflect nonoperating revenue, nonoperating expenses, and income taxes. This sequence enables the chart of accounts to follow the same sequence as the Income Statement; account numbers that start with 4000 reflecting revenue, operating expenses starting with 5000, 6000, 7000, or 8000, and nonoperating revenue and expenses starting with 9000.

Revenues are inflows of cash and other items of value received by the practice during a reporting year. Different revenue accounts categorize income to the practice by source, whether it is from fee-for-service activity, the sale of medical material, capitation payment, or some other source. The revenue section of the MGMA chart of accounts also includes "adjustments and allowances" as a subcategory since medical practices consider allowances and adjustments as offsets to revenue so they can understand the effect of the discounts required by government and insurance payers and to easily gauge the net revenue associated with operations.

Expenses reflect the resources consumed in the process of generating revenue for the practice during a reporting year. In the MGMA chart of accounts, operating expenses are the costs incurred in the process of providing medical services to the organization's patients. Operating expenses include support staff salaries and benefits, and the cost of temporary labor (accounts starting with 5000); general and administrative expenses (accounts beginning with 6000); clinical and ancillary services expenses (accounts beginning with 7000); physician and nonphysician provider expenses (accounts beginning with 8000); and nonmedical revenue and expenses (accounts beginning with 9000).

The design of the operating expense accounts allows for the quick and easy evaluation of practice profitability. In physician-owned medical groups, the compensation of the physician owners is based on the amount that remains after all expenses are subtracted from total net revenue. By organizing the MGMA chart of accounts with physician compensation and benefits as the last series of accounts, the logical flow of financial information is maintained. This sequence also allows management to logically present the financial position or financial net of the practice by simply sorting the practice's trial balance (a listing of all accounts) by the account number.

A medical group's financial statements are its major tools of communicating financial status and what has transpired over time to internal and external audiences. The financial statements every medical group will use are the Balance Sheet, Income Statement, and Cash Flow Statement. The Balance Sheet is a snapshot of the practice's assets, liabilities, and equities as of a specific date; the Income Statement shows the practice's revenues and expenses and therefore net income over a specific time period; while the Cash Flow Statement shows how the practice received and used its cash over the reporting period.

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Determining the financial accomplishments of a medical group's operations during a designated time period is important to the success and continuance of the group's mission and goals. The MGMA chart of accounts is the starting point for accumulating financial information that will populate the financial reports the practice will use to define its operations. The MGMA chart of accounts defines the information that will be recorded and determines the degree of detail for recording financial information. The financial well-being of a medical group is determined by its ability to operate efficiently and to receive appropriate payment for the services it provides, but the ability to describe the financial status to internal and external audiences is dependent on its financial reporting system and its chart of accounts.

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CHAPTER 2

Structure of the MGMA Chart of Accounts

The MGMA chart of accounts is designed to provide a financial reporting framework that applies to physician organizations of all sizes – from a solo practitioner to a large multispecialty, multi-sited medical group. It is also designed to be applicable to practices in all settings. The accounting structure will equally accommodate for-profit physician-owned practices, practices owned by for-profit hospitals and businesses, and medical groups that are organized as a not-for-profit charity or are part of a not-for-profit hospital system.

Although the account names and numbering system are somewhat different from previous editions, this edition of *MGMA Chart of Accounts* has a similar design and retains the flexibility to accommodate the accounting and record-keeping needs of any medical group.

The 6th edition of *MGMA Chart of Accounts* is designed to provide the basis for the management and legal financial reports needed for a practice, as well as information for a comprehensive financial analysis of the practice. A chart of accounts facilitates the assignment process of transactions to asset, liability, equity, revenue, and expense accounts. Many years ago, a medical group would typically have described its accounting need as simply focusing on financial reporting for preparation of its tax return and to assess profitability of a single entity. In the current complex healthcare environment, medical groups need to accumulate financial data that will allow for the reporting and analysis of detailed costing information by separate legal entities, physician, administrative cost center, ancillary service center, clinical department, or location.

All of this information is available from the MGMA chart of accounts through the relatively simple process of expanding a four-digit Basic field that classifies an account as an asset, liability, equity, revenue, or expense account with additional fields.

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The MGMA chart of accounts was specifically designed to accommodate the direct reporting of financial information to the annual MGMA Cost Survey. The account numbering system fits the information collected by the MGMA Cost Survey questionnaire, which simplifies reporting of financial performance and facilitates financial benchmarking.

Coding Structure

The numeric coding system used in the 6th edition of *MGMA Chart of Accounts* has four fields. Each field represents a different purpose of accumulating financial information and is designed to accommodate the varying degrees of financial sophistication present in medical groups. The chart of accounts starts with the four-digit Basic field that provides the complete set of financial accounts and accommodates a limited degree of cost allocation and cost tracing. If a practice's financial information needs are not met with the Basic field, three additional fields are available to accommodate the specific needs of the practice:

1. **Entity field:** allows a practice with multiple legal entities to "roll up" consolidated financial reports with great ease;
2. **Responsibility Center field:** allows data to be accumulated by specific administrative cost centers, ancillary services centers, clinical departments, or locations; and
3. **Provider field:** accommodates collecting revenue or expense information for specific providers.

The four fields can be illustrated as follows:

Entity Field	Basic Field	Responsibility Center Field	Provider Field
00	0000	00	000

This design allows any practice to use the same four-digit Basic field with up to 99 different legal entities, 99 separate responsibility centers, and 999 providers.

The four fields of the MGMA chart of accounts shows its flexibility to accommodate the information needs of virtually every type of medical group. The four fields are defined in the following paragraphs.

Entity field. This two-digit field allows a practice with different legal entities to use the same chart of accounts and to simplify understanding of its aggregate financial performance. For example, it is possible for a medical group to have a separate physician practice, ambulatory surgery center, imaging center, real estate entity, and research corporation. The use of the Entity field allows each legal entity to have a separate financial statement, but the practice's managerial needs are met by a consolidated financial record of the aggregate organization. The Entity field also

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simplifies the automation of accounting records, since each entity will have similar accounting information.

Basic field. This four-digit field is the core of the chart of accounts and is central to the financial data gathering process. It serves to describe the fundamental nature of the accounts (assets, liabilities, equity, revenues, and expenses) and allows the further recording of activity within each area. The design is a sequential ordering of accounts that follows the logical transactions of a medical group. The Basic field meets the information objectives of general purpose financial statements and tax returns, and allows assessment of the financial status of an organization. The Basic field accommodates data collection for the MGMA Cost Survey and provides a limited degree of cost accounting. Depending on the medical practice's financial information needs, Basic field accounts may be omitted or additional accounts may be added using an unassigned third or fourth digit.

Responsibility Center field. This two-digit field is used to identify the responsibility centers that the practice wants to track as the source of revenue and/or expense. A practice may want to accumulate revenue or expense by internal department, location, or service to better manage the area and to improve decision making. The Responsibility Center field allows for direct tracking of costs and revenue for each specific area of the practice.

Provider field. This three-digit field is used in a similar fashion as the Responsibility Center field, but for the purpose of direct tracing of revenue or expenses to an individual physician or nonphysician provider. Practices that use the Provider field can accumulate expenses that relate directly to a provider (such as the personnel assigned to a doctor, or the equipment and supplies used by a physician) and relate the direct costs to the revenue recorded for the provider.

Summary

The MGMA chart of accounts is flexible, allowing multiple accounting and managerial objectives to be achieved for a wide range of medical groups. The numeric coding structure is based on four separate fields of accounting information to allow the user to collect financial information of different legal entities (and then to build a consolidated financial statement) and to collect revenue and expense information for specific areas within the practice or by provider. The MGMA chart of accounts is designed to allow each organization to select only the fields needed to meet its accounting and managerial needs, to have a common accounting language, and to facilitate data collection and reporting for the MGMA Cost Survey to allow managers to better benchmark financial performance.

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How Many Accounts Does Your Practice Need?

The answer is simple – as many as you and your accountant need to make good business decisions. An account is like a word; not having a word for something makes it hard to describe or measure. However, a small number of words can cover most situations. Every account has a benefit, but also a cost. The benefit is that each account provides more detailed information. The cost is that the detail may not be worth having. Practices that have more accounts than they need frequently find they forget to use an account so it falls into disuse or, even worse, inconsistent use.

The MGMA chart of accounts is very flexible in this regard. It contains the accounts needed to provide a great deal of detail. Large practices may well need the detail inherent in MGMA chart of accounts Version 6.1 for Practices with Extensive Information Needs. However, the chart functions very well with only a few accounts. Smaller practices and those with simple organizational structures may find that the fewer accounts listed in Version 6.2 for Practices with Normal Information Needs is sufficient to make good business decisions and complete the MGMA Cost Survey with an option of adding additional accounts to meet special information needs.

Practice managers must manage their chart of accounts. Too few accounts means incomplete information, while too many accounts imposes needless record-keeping costs and may yield confusing or inconsistent information. The following checklist can be used to see if your practice has the right accounts.

Your chart of accounts should provide the information needed to:

1. Develop required financial statements;
2. Prepare management reports;
3. Prepare tax reports;

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4. Compute the physician and nonphysician provider compensation formula;
5. Provide information for short-range decisions about patient fees, volumes, and service mix;
6. Provide information for long-term decisions about capital acquisitions and debt financing;
7. Maintain selected accounts on an accrual basis for management reporting and convert the accounts to a cash basis for legal and tax reporting;
8. Show the total cost and component costs of each procedure;
9. Negotiate payment contracts with insurers (including information about costs, revenue, and margin for major payers); and
10. Establish responsibility centers and measure their costs, revenues, and contribution margins.

Do you find that you have to dig into your records to retrieve information about costs, revenues, and volume of services? If so, you probably need additional accounts in these areas. The MGMA chart of accounts has these additional accounts. However, do you find that you have some accounts that you rarely or never use? If so, you might be able to eliminate these accounts. It is critical that you have the accounts you need to manage the complex business of operating a medical practice.

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CHAPTER 4

Implementing the MGMA Chart of Accounts

The purpose of a financial information system is to provide the data needed to manage the practice. Once the accounts have been chosen that will meet the organization's legal, tax, and management reporting needs, a practice needs to convert from its existing account structure to the new MGMA chart of accounts. Typically, the conversion will be scheduled at the end of a legal or tax reporting period so all legal and tax reports can be prepared using the same accounting records. The actual conversion process is relatively straightforward and consists of seven steps:

1. Obtain the chart of accounts currently used by the medical group.
2. Identify the practice's financial information needs through a set of diagnostic questions and a review of existing financial reports.
3. Identify whether revenue or expenses need to be traced to specific responsibility centers, and if so, whether the detail in the MGMA chart of accounts Basic field is sufficient or a separate Responsibility Center field is necessary.
4. Identify whether revenue or expenses need to be traced to specific providers and if so, whether the detail in the MGMA chart of accounts Basic field is sufficient or a separate Provider field is necessary.
5. Prepare a listing of the accounts that will be included in the medical practice's new chart of accounts. Depending on the medical practice's financial information needs, accounts contained in the MGMA chart of accounts may be omitted or additional accounts may be added by using a third or fourth digit of the Basic field, which is available for expansion. If new accounts are created, they should be consistent with the summary account values in the Basic field.
6. Use a conversion worksheet (Exhibit 4.1) to crosswalk the present chart of accounts to the new chart of accounts by identifying each old account with its corresponding new account number. In the event that an old account

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does not exist, notate "NEW" in the crosswalk. The crosswalk will provide a reference during the conversion and afterwards to provide continuity of financial comparisons.

7. Prepare examples of each financial statement, including departmental and provider reports, and evaluate each report to confirm it provides the information needed by the practice.

Exhibit 4.1 Example of a Conversion Worksheet

Old Account Number	New Account Number	New Account Label
101	1110	Cash, Unrestricted – Banks
102	1121	Change Fund
103	1122	Petty Cash
111	1210	Savings Accounts, Certificates of Deposit, Marketable Securities, etc.
NEW	1220	Valuation Allowance – Short-Term Investments
120	1331	Allowance for Bad Debts – Patients
NEW	1332	Allowance for Contractual Adjustments
NEW	1333	Allowance for Bad Debts – Third-Party Payers
121	1334	Allowance for Charity Care

A Microsoft® Excel spreadsheet with the entire account listing of Version 6.1 *MGMA Chart of Accounts* for Practices with Extensive Financial Information Needs and Version 6.2 for Practices with Normal Financial Information Needs is provided in a separate electronic file provided with this publication. The spreadsheet is designed to minimize the effort required to convert to the MGMA chart of accounts.

When the crosswalk is completed, the Excel spreadsheet can be used to import the new chart of accounts into the accounting software of the practice. Deleting the rows with unused accounts creates a listing of the practice's new chart of accounts. Almost every accounting package has an import feature that allows an accountant to import the account numbers and labels directly into the software, thereby eliminating the need to keystroke the accounts and their respective labels. When the new chart of accounts is imported into the accounting system, all new journal postings will use the new accounting numbers, and the practice's trial balance and other accounting reports will now reflect its new chart of accounts.

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MGMA Chart of Accounts

Version 6.1 for Practices with Extensive Financial Information Needs

Account Number	Account Label	Definition
1000	Assets	Assets are resources owned by the practice. Assets may be tangible (physical in character) such as land, buildings, and equipment, a direct right to tangible property such as amounts due from patients and third-party agencies, or intangible such as goodwill, patents, licenses, and leaseholds. Current assets are cash and other assets that the practice expects to convert to cash, sell, or consume during the current year. Long-term assets are assets that the practice does not expect to convert to cash, sell, or otherwise consume in the current year. Examples of long-term assets include land, buildings, and equipment.
1100	Cash	
1110	Cash, Unrestricted – Banks	Cash and cash equivalents on deposit in banks that are immediately available for general operations. Cash restricted for other than general operating purposes should be included in Account 1130 – Cash – Restricted.
1111	General Checking Accounts	Cash on deposit in banks that is immediately available for general purposes.
1112	Payroll Checking Accounts	Cash on deposit in banks that is immediately available for payroll transactions.
1113	Other Checking Accounts	Cash on deposit in banks that is immediately available for other disbursements.
1120	Cash – On-Hand	Unrestricted cash held in the practice. Cash On-Hand covers a change fund (Account 1121) and/or a petty cash fund (Account 1122). These funds may reside in either this general account or in Subaccounts 1121 or 1122.
1121	Change Fund	An imprest fund used to support collections from patients for medical services and sale of medical and other supplies.
1122	Petty Cash	An imprest fund used to reimburse practice staff and physicians for miscellaneous amounts expended on behalf of the practice.
1130	Cash – Restricted	Cash restricted for other than general operating purposes that the practice expects to use in the current year.
1200	Short-Term Investments	Short-term investments intended to be used to finance current operations. Securities not intended to be used to finance current operations should be included in Account 1620 – Long-Term Investments.

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MGMA Chart of Accounts Version 6.1 for Practices with Extensive Financial Information Needs

Account Number	Account Label	Definition
1210	Savings Accounts, Certificates of Deposit, Marketable Securities, etc.	Short-term investments such as savings accounts, marketable securities, U.S. Government securities, certificates of deposit, and other securities that are traded regularly and therefore are considered the equivalent of cash. Adjustments to short-term investments that measure the unrealized changes due to appreciation or depreciation in the fair market value of the investment at the end of the period. At the end of the period, changes in the fair market value of equity and debt securities should be recorded here.
1220	Valuation Allowance – Short-Term Investments	Practices that intend to hold debt securities until maturity should record the value of the security at amortized cost and not use either the short-term or long -term valuation allowance accounts.
1300	Accounts Receivable	In general, the accounts receivable represent the open account amounts (debts) owed to the practice by other entities (including customers, patients, and third-party payers) as a result of the services provided to its customers and patients.
1310	Accounts Receivable – Fee-for-Service	Amounts expected to be paid to the practice by patients, third parties, employer groups, unions, individuals, subscribers, and others for medical and other services for which payment is due. This account in usually a control account for individual accounts receivable balances that may be contained in a subsidiary ledger.
1320	Accounts Receivable – Prepaid Contracts	Amounts expected to be paid to the practice by health maintenance organizations and other prepaid plans. This account is usually a control account for individual accounts receivable balances that may be contained in a subsidiary ledger.
1330	Allowance for Estimated Uncollectible Receivables	Estimated amount of uncollectible receivables regardless of the reason.
1331	Allowance for Bad Debts – Patients	Estimated amount of uncollectible receivables due from patients that the practice determines will not be paid and therefore considers uncollectable.
1332	Allowance for Contractual Adjustments	Estimated adjustments for fee-for-service insurance contracts with third-party agencies. This amount is the difference between the practice's normal charge and the amount the practice agreed to accept in the contract.
1333	Allowance for Bad Debts – Third-Party Payers	Estimated amount of uncollectible receivables due from insurance companies, government agencies, and similar third parties that the practice determines will not be paid and therefore considers uncollectable.
1334	Allowance for Charity Care	Amount of patient services in which the practice decided, prior to the service being provided, not to collect from either the patient or a third-party payer.
1340	Notes Receivable – Short Term	Amounts expected to be paid to the practice by other entities where the obligation is represented by a note with a maturity of one year or less.

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Account Number	Account Label	Definition
1350	Managed Care Contract – Bonus/Withhold	Amounts that third-party payers withhold due to a managed care contract pending the practice meeting utilization or financial performance goals. When used in capitation contracts, a withhold is a percentage of the primary care capitation rate that is withheld every month and used to cover the cost overruns (excess medical expenses) in referral, ancillary, or inpatient services. When used in fee-for-service contracts, a withhold describes a percentage of the fee-for-service payment retained by the insurer contingent on meeting a specified outcome. The account is reconciled by the third-party payer at year-end. If the entire amount of the withhold was not required to cover cost overruns, the remainder may be distributed to the practice or kept in the account to fund the risk pool as determined by contract terms. Managed care contracts may also have provisions for a bonus that would be paid after the accounts were reconciled at year-end. Bonuses are commonly linked to the achievement of predetermined goals typically based on either total plan performance or the reduction of medical expenses.
1360	Other Short-Term Receivables	Short-term receivables not recorded elsewhere. For example, interest that has been earned but not yet received may be recorded here or in Account 1361.
1361	Interest Receivables	Interest that has been earned but not yet received.
1362	Intercompany Receivables	Amounts expected to be paid to the practice by other entities consolidated for financial reporting purposes.
1363	Due from Employees	Amounts expected to be paid to the practice by its employees.
1364	Due from Related Parties	Amounts expected to be paid to the practice by related parties, including entities under common ownership or control.
1365	Receivables Due from Other than Patients or Related Parties	Amounts expected to be paid to the practice as a result of overpayments to vendors, excess taxes paid to governments, etc.
1400	Inventories	Value of consumable items used to provide patient services or for resale to patients. The practice should establish an inventory policy defining which items are charged to an inventory account at the date of purchase and which items are expensed as acquired. At the organization's discretion, Accounts 1410–1440 may be used to delineate specific supply categories. Supplies used by the general practice should be recorded in Account 1410 – General Practice Suppliers Inventory; supplies used by ancillary services should be recorded in Account 1420 – Ancillary Services – Department Supplies Inventory; supplies specifically used for research should be recorded in Account 1430 – Research Department Supplies Inventory; and supplies for resale to patients should be recorded in Account 1440 – Inventory of Medical Material Held for Resale.

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Account Number	Account Label	Definition
1410	General Practice Supplies Inventory (Administrative and Clinical)	Value of consumable supplies used in the clinical and administrative functions of the practice. Do not include supplies purchased for use in the ancillary services (recorded in Account 1420), research (recorded in Account 1430) or resold by the practice (recorded in Account 1440).
1411	Drugs and Medications	
1412	Medical Supplies	
1413	Administrative Supplies	
1414	Forms	
1415	Housekeeping and Maintenance Supplies	
1416	Linen Supplies	
1417	Other Supplies	
1420	Ancillary Services – Department Supplies Inventory	Value of consumable items that are distinct to an ancillary department. The type of department may be identified either by using Account 1420 with specific department designated by the Responsibility Center field or by designating Accounts under 1420.
1421	Radiology	
1422	Laboratory	
1423	Ambulatory Surgery Center	
1424	Other Ancillary Services	
1430	Research Department Supplies Inventory	Value of consumable items that are distinct to a research department.
1440	Inventory of Medical Material Held for Resale	Value of consumable items that the practice intends to be sold in a retail setting of the organization to patients. (See Account 7900 – Cost of Goods Sold – Medical Related, for applying expenses of inventory after sales are made.)
1441	Inventory of Medical Material – Durable Medical Equipment	
1442	Inventory of Medical Material – Supplies and Consumables	
1443	Inventory of Medical Material – Optical Goods	
1444	Inventory of Medical Material – Hearing Aids	

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Account Number	Account Label	Definition
1445	Inventory of Medical Material – Prescription Drugs	
1446	Inventory of Medical Material – Nonprescription Drugs	
1447	Inventory of Medical Material – Vitamins/Diet Supplements	
1448	Inventory of Medical Material – Nonprescription Cosmetic Products	
1449	Inventory of Medical Material – Other	
1500	Prepaid Expenses and Other Current Assets	Prepayments for goods or services that will benefit future operations, normally within one year of Balance Sheet date. An example of a prepaid expense is paying the premium for the next year's professional liability insurance coverage in the current year. At the organization's discretion, Subaccounts 1501–1509 may be used for additional detail if needed. Account 1520 should be used for current assets not delineated in a stated account.
1510	Prepaid Expenses – Current Portion	
1511	Prepaid Expenses – Current: Interest	
1512	Prepaid Expenses – Current: Insurance	
1513	Prepaid Expenses – Current: Rent	
1514	Prepaid Expenses – Current: Taxes	
1515	Prepaid Expenses – Current: Dues	
1516	Other Prepaid Expenses – Current	
1520	Other Current Assets	
1600	Investments – Long-Term	Long-term investments in securities, property (not used for operations), and receivables due beyond one year from the Balance Sheet date.
1610	Long-Term Receivables	Receivables that will mature beyond one year from the Balance Sheet date.

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Account Number	Account Label	Definition
1620	Long-Term Investments	Long-term investments not included in Account 1200 – Marketable Securities and Short-Term Investments.
1630	Valuation Allowance – Long-Term Investments	Adjustments to long-term investments that measure the unrealized changes due to appreciation or depreciation in the fair market value of the investment at the end of the period. At the end of the period, changes in the fair market value of equity and debt securities should be recorded here. Changes in the fair market value of equity securities and debt securities (that are not intended to be held until maturity) of a practice should be recorded here. The corresponding credit or debit should be recorded in Account 3250 – Allowance for Change in Net Unrealized Gains and Losses on Investments or Account 9140 – Realized Gains and Losses – Investments. Practices that intend to hold debt securities until maturity should record the value of the security at amortized cost and not use either the short-term or long-term valuation allowance accounts.
1640	Investments in Affiliates	Investments in affiliated companies.
1650	Property Held for Future Use	Investments in land and buildings not currently used in organizational operations but held for future use.
1700	Property, Furniture, Fixtures, and Equipment	Noncurrent, tangible assets that generally have a useful life in excess of one year. Depreciation for these assets is recorded in Account 1800 – Accumulated Depreciation – Property, Furniture, etc.
1710	Real Property	Value of land, land improvements, and buildings.
1711	Land	Acquisition value or cost of land owned by a practice. If land is purchased, this account includes the purchase price and other costs, such as legal fees and excavation costs that may be necessary to put the land in condition for its intended use. This account should also include the costs of off-site improvements or assessments, such as charges for sewer and water lines, assessments for paving and sidewalks, and any other land-related expenditures of a non-depreciable nature. Land does not deteriorate with use or with the passage of time; therefore, no depreciation is charged. If land is acquired by gift, this account reflects its appraised value at the time of acquisition.
1712	Land Improvements	Expenditures for improvements to land used for practice operations that are depreciated to Account 6113 – Building and Facilities Depreciation – Land Improvements. For example, the cost of on-site sewer and water lines, parking lots, shrubbery, fences, and sidewalks may be charged to this account.
1713	Buildings	Acquisition value or cost of buildings plus the cost of any subsequent additions. Architectural, consulting, and legal fees applicable to acquisition or construction should be charged to this account.

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Account Number	Account Label	Definition
1714	Buildings – Capital Leases	Initial cost measured by the present value of future lease payments, not in excess of fair market value and excluding all interest, financing charges, maintenance, and taxes for buildings acquired under a capital lease. • A capital lease meets any of the following criteria: • Lease transfers ownership to lessee during or at the end of the lease term; • Lease contains a bargain purchase option; • Lease term (including any bargain renewal options) is 75 percent or more of estimated economic life of property; or • Present value of the minimum lease payments (excluding tax credits and executory costs; for example, maintenance, taxes, and insurance) equals 90 percent or more of fair market value of leased property, minus investment tax credit. The initial cost of a depreciable asset capitalized under a capital lease should be amortized to its residual value over the term of the lease or over the life of the asset if the lease transfers title.
1715	Leasehold Improvements	Value of any depreciable improvements to leased land or buildings. For financial reporting purposes, depreciation should be charged for the estimated life of the improvement or the remaining term of the lease, whichever is shorter.
1716	Construction in Progress	Costs pertaining to new structures that have not yet been placed in service. At the time the structure is placed in service, its total cost is transferred to the appropriate asset account.
1717	Other Real Property	Real property that does not fit the above categories and that is used in the operations of the organization.
1720	General Practice Furniture, Fixtures, and Equipment (Administrative and Clinical) Assets	Value of furniture, fixtures, and equipment. A common criterion for capitalization is a unit cost of $500 or more, with smaller items expensed in the supplies accounts (under Account 6000 series – General and Administrative Expenses and 7000 series – Clinical and Ancillary Services). Each organization should determine rules for the capitalizing or expensing of the costs of capital assets. Subaccounts 1721–1726 may be used to further delineate the cost categories. Other criteria for capitalization are: • A unit cost sufficiently large to justify the cost of control incident to an equipment or property ledger; • Depreciable life of two years or more but less than the life of buildings to which the equipment or fixtures may be affixed; • Sufficient individuality and size to make control feasible by means of identification tags or numbers; and • Leased Equipment: In this chart of accounts, equipment acquired under a lease and capitalized as an asset is included with the subaccounts labeled as capital leases.

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Account Number	Account Label	Definition
1721	Furniture and Fixtures	
1722	Furniture and Fixtures – Capital Leases	
1723	Administrative Equipment	
1724	Administrative Equipment – Capital Leases	
1725	Medical and Surgical Equipment	
1726	Medical and Surgical Equipment – Capital Leases	
1730	Information Technology Assets	Value of major data processing, computer, and telecommunications equipment. In regard to personal computers, cell phones, pagers, and related information technology equipment, organizations need to have a specific rule on which items will be capitalized and included in Account 6810 – Information Technology – Equipment and which will be expensed in Account 6830 – Information Technology – Supplies and Minor Equipment. A common criterion for capitalization is a unit cost of $500 or more, with smaller items expensed in the supplies accounts (under Account 6000 series – General and Administrative Expenses and Account 7000 series – Clinical and Ancillary Services). Each organization should determine rules for the capitalizing or expensing of the costs of capital assets. Subaccounts 1731–1736 may be used to further delineate the asset and whether it is leased or depreciated. Other criteria for capitalization are: • A unit cost sufficiently large to justify the cost of control incident to an equipment or property ledger; • Depreciable life of two years or more but less than the life of buildings to which the equipment or fixtures may be affixed; • Sufficient individuality and size to make control feasible by means of identification tags or numbers; and • Leased Equipment: In this chart of accounts, equipment acquired under a lease and capitalized as an asset is included with the subaccounts labeled as capital leases.
1731	Information Technology – Hardware	
1732	Information Technology – Hardware – Capital Leases	
1733	Information Technology – Software	

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Account Number	Account Label	Definition
1734	Information Technology – Software – Capital Leases	
1735	Information Technology – Other	
1736	Information Technology – Other – Capital Leases	
1740	Motor Vehicle Assets	
1741	Motor Vehicles – Owned	
1742	Motor Vehicles – Capital Leases	
1750	Ancillary Services Equipment Assets	
1751	Radiology and Imaging Equipment – Owned	
1752	Radiology and Imaging Equipment – Capital Leases	
1753	Laboratory Equipment – Owned	
1754	Laboratory Equipment – Capital Leases	
1755	Ambulatory Surgery Equipment – Owned	
1756	Ambulatory Surgery Equipment – Capital Leases	
1757	Other Ancillary Services Equipment – Owned	
1758	Other Ancillary Services Equipment – Capital Leases	
1760	Research Equipment Assets	
1761	Research Equipment – Owned	
1762	Research Equipment – Capital Leases	
1800	Accumulated Depreciation – Property, Furniture, etc.	As a general rule, depreciation is used to record the reduction in value over time of tangible property due to use or passage of time itself. Accumulated depreciation is a contra account to the related fixed asset. Depreciation expense is recorded as a charge against earnings in the statement of operations, and the offsetting entry is recorded as accumulated depreciation. This contra-asset account tracks the sum of accumulated depreciation in Subaccounts 1700–1799.

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Account Number	Account Label	Definition
1810	Accumulated Depreciation – Real Property	Contra-asset accounts used to accumulate the depreciation recorded each year for real property. (Note that the last two digits of each accumulated depreciation account match the last two digits of the related asset account.)
1811	Not used (Land cannot be depreciated)	
1812	Accumulated Depreciation – Land Improvements	Accumulated depreciation/amortization for Account 1712 – Land Improvements.
1813	Accumulated Depreciation – Buildings	Accumulated depreciation for Account 1713 – Buildings.
1814	Accumulated Depreciation – Buildings – Capital Leases	Accumulated depreciation for Account 1714 – Buildings – Capital Leases.
1815	Accumulated Depreciation – Leasehold Improvements	Accumulated depreciation for Account 1715 – Leasehold Improvements.
1816	Not used (Construction in Progress cannot be depreciated)	
1817	Accumulated Depreciation – Other Real Property	Accumulated depreciation for Account 1717 – Other Real Property.
1820	Accumulated Depreciation – General Practice Furniture, Fixtures, and Equipment	Contra-asset accounts used to accumulate the sum of depreciation recorded for furniture, fixtures, and equipment.
1821	Accumulated Depreciation – Furniture and Fixtures	Accumulated depreciation for Account 1721 – Furniture and Fixtures.
1822	Accumulated Depreciation – Furniture and Fixtures – Capital Leases	Accumulated depreciation for Account 1722 – Furniture and Fixtures – Capital Leases.
1823	Accumulated Depreciation – Administrative Equipment	Accumulated depreciation for Account 1723 – Administrative Equipment.
1824	Accumulated Depreciation – Administrative Equipment – Capital Leases	Accumulated depreciation for Account 1724 – Administrative Equipment – Capital Leases.
1825	Accumulated Depreciation – Medical and Surgical Equipment	Accumulated depreciation for Account 1725 – Medical and Surgical Equipment.
1826	Accumulated Depreciation – Medical and Surgical Equipment – Capital Leases	Accumulated depreciation for Account 1726 – Medical and Surgical Equipment – Capital Leases.
1830	Accumulated Depreciation – Information Technology Assets	Accumulated depreciation for Account 1730 – Information Technology Assets.

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Account Number	Account Label	Definition
1831	Accumulated Depreciation – Information Technology – Hardware	Accumulated depreciation for Account 1731 – Information Technology – Hardware.
1832	Accumulated Depreciation – Information Technology – Hardware – Capital Leases	Accumulated depreciation for Account 1732 – Information Technology – Hardware – Capital Leases.
1833	Accumulated Depreciation – Information Technology – Software	Accumulated depreciation for Account 1733 – Information Technology – Software.
1834	Accumulated Depreciation – Information Technology – Software – Capital Leases	Accumulated depreciation for Account 1734 – Information Technology – Computer –Software – Capital Leases.
1835	Accumulated Depreciation – Information Technology – Other	Accumulated depreciation for Account 1735 – Information Technology – Other.
1836	Accumulated Depreciation – Information Technology – Other – Capital Leases	Accumulated depreciation for Account 1736 – Information Technology – Other – Capital Leases.
1840	Accumulated Depreciation – Motor Vehicle Assets	Accumulated depreciation for vehicles owned or leased by the practice under a capitalized lease.
1841	Accumulated Depreciation – Motor Vehicles – Owned	Accumulated depreciation for owned vehicles.
1842	Accumulated Depreciation – Motor Vehicles – Capital Leases	Accumulated depreciation for vehicles used under capital leases.
1850	Accumulated Depreciation – Ancillary Services Equipment Assets	Accumulated depreciation for ancillary services equipment assets.
1851	Accumulated Depreciation – Radiology and Imaging Equipment – Owned	
1852	Accumulated Depreciation – Radiology and Imaging Equipment – Capital Leases	
1853	Accumulated Depreciation – Laboratory Equipment – Owned	
1854	Accumulated Depreciation – Laboratory Equipment – Capital Leases	
1855	Accumulated Depreciation – Ambulatory Surgery Equipment – Owned	

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Account Number	Account Label	Definition
1856	Accumulated Depreciation – Ambulatory Surgery Equipment – Capital Leases	
1857	Accumulated Depreciation – Other Ancillary Services Equipment – Owned	
1858	Accumulated Depreciation – Other Ancillary Services Equipment – Capital Leases	
1860	Accumulated Depreciation – Research Equipment Assets	Accumulated depreciation for research equipment assets.
1861	Accumulated Depreciation – Research Equipment – Owned	
1862	Accumulated Depreciation – Research Equipment – Capital Leases	
1900	Intangible and Other Noncurrent Assets	Costs of property rights without physical substance that will benefit future operations of the organization. Intangible assets are purchased from external sources, provide future benefit, and are relatively long-lived. Other noncurrent assets include long-term prepayments, deferred charges, deposits and down payments for tangible assets, goodwill, and assets not included in other categories.
1910	Intangible Assets – Organization Costs	Costs incurred in the original incorporation and start-up of the practice.
1915	Accumulated Amortization – Organization Costs	This contra-asset account tracks the sum of the accumulated amortization of Account 1910.
1920	Intangible Assets – Goodwill	Excess of costs over the fair market value of identifiable assets in the purchase of an entire organization.
1925	Impairments – Goodwill	Reduction in the value of goodwill due to impairments.
1930	Other Intangible Assets	Intangible assets not recorded elsewhere.
1940	Down Payments on Tangible Assets	Costs incurred for amounts paid as a down payment on a purchase or contract such as on real estate/office leases, deposits for utility services, and advances for the purchase of furniture and equipment. This account is not intended to be used for bank or cash deposits.
1950	Prepaid Expenses – Noncurrent Portion	Payments for goods or services that will benefit the organization 12 months beyond the Balance Sheet date, net of the portion that will be used in the following year.
1951	Prepaid Expenses – Noncurrent: Interest	

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Account Number	Account Label	Definition
1952	Prepaid Expenses – Noncurrent: Insurance	
1953	Prepaid Expenses – Noncurrent: Rent	
1954	Prepaid Expenses – Noncurrent: Taxes	
1955	Prepaid Expenses – Noncurrent: Dues	
1956	Prepaid Expenses – Noncurrent: Other	
1960	Cash Surrender Value of Life Insurance Policies	Amounts that recognize the accumulated buildup in value inside a life insurance policy where the practice is the beneficiary that could be used for loan purposes and/or that would be available upon the termination of a policy.
1970	Other Noncurrent Assets	Value of assets expected to last more than one year and not classified in the above accounts.
1980	Equity In Business Ventures	Amounts recorded for initial invest(s) made for outside business ventures by the practice. Yearly net income or loss amounts reported are booked to this account.
2000	Liabilities	Debts or obligations owed by the practice to creditors and lenders. These debts arise from the purchase of goods and services on credit and from cash borrowings. Liabilities also include obligations to transfer assets other than cash or to provide services to another entity.
2100	Current Liabilities – Payables	Liabilities that are due within the next 12 months. The portion of a long-term debt that will be due within the next 12 months is also a current liability at any given Balance Sheet date. Payables include liabilities owed to vendors, banks, and other organizations.
2110	Trade Accounts Payable	Amounts on open account owed by the practice to outside vendors and other entities for goods and services. These accounts are usually control accounts for individual accounts payable balances that may be contained in a subsidiary ledger.
2120	Bank Overdrafts Payable	Amounts owed to banks for withdrawals such as checks, debit cards, and other electronic transfers greater than amounts on deposit.
2130	Other Current Liabilities Payable	
2131	Intercompany Accounts Payable	Amounts expected to be paid by the practice to other entities consolidated for financial reporting purposes.
2132	Accounts Payable – Employees	Amounts expected to be paid to the organization by its employees.

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Account Number	Account Label	Definition
2133	Accounts Payable – Other Related Parties	Amounts expected to be paid to the organization by related parties (other than employees), including entities under common ownership or control.
2134	Accounts Payable – Other	Other current liabilities payable not recorded elsewhere.
2140	Capitation Patient Contract Claims Payable	Amounts owed by the practice to providers outside the organization for medical services to capitation plan patients. This account is related to Account 2360 – Capitation Patient – Claims Payable Incurred but Not Reported. Once determined or invoiced, the contract claims from Account 2360 should be transferred to this account. At the organization's discretion, Subaccounts 2141–2149 may be used to record contract claims by individual entities as contra accounts to 2361–2369.
2200	Current Liabilities – Payroll	Current liabilities accrued at the end of an accounting period to reflect the proper amount of expenses for the organization under the accrual basis of accounting. Generally, no invoices or other billings are received within the accounting period, and the liability for these items is estimated or obtained from other sources. Liabilities related to payroll and/or for amounts withheld from employees or otherwise accrued.
2210	Payroll Tax Withholdings Payable – Employee Portion	Amounts withheld from employee compensation for federal taxes (including Social Security and Medicare) and for state/local taxes. These accounts are credited for amounts withheld from employees and are debited when payment is made to the appropriate agency, authority, or plan. At the organization's option, Subaccounts 2211–2216 may be used to record individual categories of withholdings payable.
2211	Payroll Tax Withholdings Payable – Employee Portion – Federal Income Tax	
2212	Payroll Tax Withholdings Payable – Employee Portion – State Income Tax	
2213	Payroll Tax Withholdings Payable – Employee Portion – FICA	
2214	Payroll Tax Withholdings Payable – Employee Portion – Medicare	
2215	Payroll Tax Withholdings Payable – Employee Portion – Local Tax	
2216	Payroll Tax Withholdings Payable – Employee Portion – Other	

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Account Number	Account Label	Definition
2220	Insurance Withholdings Payable – Employee Portion	Amounts withheld from employee compensation for the employee's portion of insurance (including life insurance, health insurance, and disability insurance). The employer's portion is reported using Accounts 2240–2253.
2221	Insurance Withholdings Payable – Employee Portion – Health Insurance	
2222	Insurance Withholdings Payable – Employee Portion – Life Insurance	
2223	Insurance Withholdings Payable – Employee Portion – State Disability Insurance Withholdings Payable	
2224	Insurance Withholdings Payable – Employee Portion – Other Insurance	
2230	Other Employee Payroll Withholdings Payable	Other amounts withheld from employee compensation.
2231	Other Employee Payroll Withholdings Payable – 401(k) Withholdings Payable	
2232	Other Employee Payroll Withholdings Payable – Cafeteria Plan	
2233	Other Employee Payroll Withholdings Payable – Court Mandated	
2234	Other Employee Payroll Withholdings Payable – Other	
2240	Accrued Payroll Tax Liabilities Payable – Employer Portion	Actual or estimated liabilities for payroll tax obligations that do not involve withholds from employees. These accounts are credited when the payroll expense is incurred and are debited when payment is made to the appropriate employee, agency or authority.
2241	Accrued Payroll Tax Liabilities Payable – Employer Portion – Federal Income Tax	
2242	Accrued Payroll Tax Liabilities Payable – Employer Portion – State Income Tax	
2243	Accrued Payroll Tax Liabilities Payable – Employer Portion – FICA	

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Account Number	Account Label	Definition
2244	Accrued Payroll Tax Liabilities Payable – Employer Portion – Medicare	
2245	Accrued Payroll Tax Liabilities Payable – Employer Portion – Local Tax	
2246	Accrued Payroll Tax Liabilities Payable – Employer Portion – State Unemployment Taxes	
2247	Accrued Payroll Tax Liabilities Payable – Employer Portion – Federal Unemployment Taxes	
2248	Accrued Payroll Tax Liabilities Payable – Employer Portion – Other	
2250	Accrued Payroll Liability Payable – Employer Portion	Actual or estimated liabilities for payroll obligations that do not involve withholds from employees. These accounts are credited when the payroll expense is incurred and are debited when payment is made to the appropriate employee, agency, or authority.
2251	Accrued Payroll Liability Payable – Employer Portion – Accrued Payroll	
2252	Accrued Payroll Liability Payable – Employer Portion – Accrued Vacation, Holiday, & Sick Pay (Compensated Absences)	
2253	Accrued Payroll Liability Payable – Employer Portion – Accrued Retirement Plan Contribution	
2260	Other Payroll Liabilities	Other payroll liabilities excluding those accrued above.
2300	Other Current Liabilities	Other current liabilities accrued at the end of an accounting period to reflect the proper amount of expenses for the organization under the accrual basis of accounting. Generally, no invoices or other billings are received within the accounting period, and the liability for these items is estimated or obtained from other sources. Current liabilities recorded in this account include rent, insurance, taxes, patient deposits, deferred revenue, notes payable, incurred but not reported claims (IBNR) for capitation plan patients, and other current liabilities not recorded elsewhere.
2310	Accrued Liabilities – Rent, Interest, Insurance, and Taxes	Current liabilities for facility-related expenses and accrued taxes.

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Account Number	Account Label	Definition
2311	Accrued Rent	
2312	Accrued Interest	
2313	Accrued Insurance	
2314	Accrued Income Taxes – Federal	
2315	Accrued Income Taxes – State	
2316	Accrued Property Taxes	
2317	Accrued Franchise Taxes	
2318	Accrued Sales or Excise Taxes	
2319	Other Accrued Liabilities	
2320	Short-Term Notes and Loans Payable	Current liabilities related to short-term loans, notes, and related financial obligations.
2321	Current Notes and Loans Payable – Vendors	
2322	Current Notes and Loans Payable – Employees	
2323	Current Notes and Loans Payable – Stockholders/Partners	
2324	Current Other Notes and Loans Payable	
2325	Bank Working Capital Line Outstanding	
2330	Long-Term Debt – Current Portion	Portion of long-term debt due within 12 months from the Balance Sheet date.
2331	Capital Lease Obligation – Current Portion	
2332	Construction Contracts Payable	
2333	Other Loans Payable – Current Portion	
2340	Advances from Settlements Due to Third-Party Agencies	Amounts owed to third-party agencies for current financing and other advances that are due and payable within 12 months of the Balance Sheet date.
2350	Patient Deposits	Amounts paid by patients in advance of specific services such as OB/GYN predelivery payments or plastic surgery deposits. This account is not to be used for payments received under a capitation plan.

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Account Number	Account Label	Definition
2360	Capitation Patient – Claims Payable Incurred but Not Reported	Liability account used to record an estimation of the amounts owed to providers outside the organization for medical services to prepaid patients for whom the practice receives capitation payments and for which invoices have not been received. These are normally estimated using historical lag factors. When invoiced, the claims should be transferred to Account 4160 – Gross Charges – Other Medical Activity..
2370	Deferred Revenue	Revenue received in one period applicable to services to be rendered in some future period.
2371	Deferred Revenue – Fee for Service	
2372	Deferred Revenue – Capitated or Prepaid Plan	
2373	Other Deferred Revenue	
2380	Deferred Income Taxes – Current Portion	Timing difference between tax on income reported in financial statements and tax on income reported in the tax return when the timing difference is related to a current asset.
2381	Deferred Income Taxes – Current Portion – Federal	
2382	Deferred Income Taxes – Current Portion – State	
2383	Deferred Income Taxes – Current Portion – Other	
2390	Other Current Liabilities	Current liabilities not recorded elsewhere. This account may include possible contingent liabilities (such as from a lawsuit).
2400	Long-Term Liabilities	Liabilities that will mature and require payment at some future time, typically at least 12 months or more beyond the Balance Sheet date.
2410	Notes Payable – Long-Term Portion	Notes payable that mature more than one year from the Balance Sheet date. The current portion of any long-term liability should be included in Account 2330 – Long-Term Debt – Current Portion, except those obligations to be refinanced or paid from a sinking fund. A sinking fund is an actual depository account established to liquidate a specific liability.
2420	Construction Loans – Long-Term Portion	Loans during construction stages that mature more than one year from Balance Sheet date.
2430	Capital Lease Obligation – Long-Term Portion	Present value of future lease payments, excluding interest and finance charges that will be made beyond one year on leases that have been capitalized. Refer to Account 1714 – Buildings – Capital Leases for capitalization criteria.

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Account Number	Account Label	Definition
2440	Other Loans Payable – Long-Term Portion	Other long-term loans payable, including the mortgage payable. The current portion of mortgage payable should be entered under Account 2333 – Other Loans Payable – Current Portion.
2450	Deferred Third-Party Revenue – Long-Term Portion	Timing differences or difference in accounting methods between financial statements and third-party reimbursement accounting methods.
2460	Deferred Compensation – Long-Term Portion	Liability for compensation to physicians and employees whose payment is being deferred until some future date more than one year from the Balance Sheet date.
2470	Severance Plan – Long-Term Portion	Liability for severance plans to physicians and employees whose payment is being deferred until some future date.
2480	Deferred Income Taxes – Long-Term Portion	Timing difference between tax on income reported in financial statements and tax on income reported in the tax return when the timing difference is related to a noncurrent asset.
2481	Deferred Income Taxes – Long-Term Portion – Federal	
2482	Deferred Income Taxes – Long-Term Portion – State	
2483	Deferred Income Taxes – Long-Term Portion – Other	
2490	Other Long-Term Liabilities	Liabilities that will mature beyond one year and are not included above.
2500	Other Liabilities	Liabilities not recorded elsewhere.
3000	Equity	The residual value of the organization's assets after subtracting all liabilities. Equity reflects the capital value of an organization after its assets could be used to pay outstanding liabilities and represents the capital contributed by the organization's shareholders along with any profits or surpluses retained in the entity. The basic accounting equation, also called the Balance Sheet equation, represents the relationship between an organization's assets and liabilities and is expressed as: Assets – Liabilities = Equity.
3100	Owners' or Partners' Equity (Sole Proprietorship or General Partnership)	Net assets of the sole proprietorship or partnership; that is, the excess of the entity's assets over its liabilities. The balances in these accounts are the cumulative results of the sole proprietor's or partners' investments, earnings and losses, and withdrawals. A sole proprietorship is a legal entity with a single individual having full ownership. A partnership is a legal entity where two or more individuals have agreed that they will share profits and losses, and assets and liabilities, although not necessarily on an equal basis. The partnership is typically formalized in a partnership agreement.

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Account Number	Account Label	Definition
3110	Contributed Capital	Amounts invested by the partners or owner. Subaccounts should be established for each partner.
3120	Undistributed Earnings	Difference between revenues and expenses allocated to the partners as earned capital. This account tracks the prior year's net earnings and losses. Subaccounts should be established for each partner. This account may be combined for financial reporting purposes into Account 3110 – Contributed Capital at the end of the period.
3130	Partners' Drawing Accounts	Withdrawals made by a partner during an operating period, typically one year.
3131	Partners' Drawing Accounts – Cash Distributions	Distributions made to partners at year-end after withdrawals.
3132	Partners' Drawing Accounts – Estimated Tax Payments	Distributions made to partners for the purpose of tax payment.
3133	Partners' Drawing Accounts – Health Insurance Premiums	Distributions made to partners for the purpose of paying a health insurance premium.
3134	Partners' Drawing Accounts – Other Payments Treated as Partner Distributions	Distribution made to each partner for other purposes.
3135	Partners' Drawing Accounts – Property Distributions	Cash value of property distributed to partners.
3140	Current Income/Loss	This account tracks the current year's net earnings/losses. The account is closed out at year-end into Account 3120 – Undistributed Earnings for disbursement to partners.
3200	Stockholder Equity (For-Profit-Corporation)	Net assets of the corporation, the claims of the shareholders on the assets of the corporation after its liabilities have been paid. This amount is the cumulative result of the owners' investments and the equity originating from net earnings retained by the corporation and represents the sum of contributed capital and retained earnings, less outstanding treasury stock.
3210	Preferred Stock	Preferred stock is a type of stock whose holders are given certain priority rights over common stockholders in the payment of dividends and liquidation/termination of the entity. Usually the dividend rate is fixed at the time of stock issue.
3220	Common Stock	Common stock is a type of stock whereby equity claims are held by the "residual owners" of the corporation, who are the last to receive any distribution of earnings or assets. This account should be used to record the par or stated value of stock issued to owners.
3230	Capital Contributed in Excess of Par	Capital contributed by owners in excess of the par or stated value of the common stock. The sales price of stock represents the Common Stock par value (Account 3220) plus Capital Contributed in Excess of Par (Account 3230).

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Account Number	Account Label	Definition
3240	Donated Capital	Increase in owners' equity due to assets contributed to the corporation where the donor does not receive stock or other benefit.
3250	Allowance for Change in Net Unrealized Gains and Losses on Investments	Gains and losses on investments not classified as current assets prior to their sale. These gains and losses are recorded as gains and losses on the Income Statement.
3260	Dividends and Distributions	For C Corporations: Distribution to owners of accumulated retained earnings paid in cash, shares of stock, or property. This account is closed into Account 3271 – Retained Earnings – Unappropriated at the end of the fiscal year. For S Corporations: Distributions to owners of accumulated retained earnings paid in cash, shares of stock, or property. Expenses that are not deductible by an S Corporation are also charged against this account. This would include payments for shareholder's health and life insurance premiums. This account is closed into Account 3271 – Retained Earnings – Unappropriated at the end of the fiscal year.
3261	Dividends and Distributions – Cash Distributions	
3262	Dividends and Distributions – Estimated Tax Payments	Payment of shareholder's estimated tax payment treated as a distribution.
3263	Dividends and Distributions – Health Insurance Premiums	Payment of shareholder's health insurance premium treated as a distribution.
3264	Dividends and Distributions – Other Payments Treated as Shareholder Distributions	
3265	Dividends and Distributions – Property Distributions	
3270	Retained Earnings	Net income (or loss) over the life of the corporation minus all distributions to owners and appropriations of retained earnings carried in Account 3272.
3271	Retained Earnings – Unappropriated	The portion of Retained Earnings (Account 3270) that the practice has decided is available for general distribution. This account is referred to as Accumulated Adjustment Account for S corporations.
3272	Retained Earnings – Appropriated	The portion of Retained Earnings (Account 3270) that the practice has restricted for specific purposes. These restrictions may temporarily limit the amount of dividends available for distribution to owners. This account should be used to record creation of unfunded reserves required by state health maintenance organization insurance laws or regulations.

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Account Number	Account Label	Definition
3280	Current Income/Loss	This account tracks the current year's net earnings/losses. The account is closed out at fiscal year-end into Account 3270 – Retained Earnings.
3290	Treasury Stock	Stock repurchased by the corporation that has not been retired. Treasury stock can be carried at acquisition cost.
3300	Net Assets (Not-for-Profit Corporation)	Excess of the not-for-profit corporation's assets over its liabilities. The balances in these accounts are the cumulative results of original investments, grants, gifts, donations, revenues, and expenditures from operations. A not-for-profit corporation is a legal entity that has obtained special exemption under Section 501(c) of the Internal Revenue Code that qualifies the organization to be exempt from federal income taxes.
3310	Unrestricted Net Assets	Unrestricted equity of the non-for-profit corporation. Equity as a result of revenues from providing or agreeing to provide healthcare services, receiving unrestricted contributions and/or grants, or receiving dividend or interest from investing in income-producing assets, minus expenses incurred in providing or agreeing to provide healthcare services, providing other community benefits, and performing administrative functions. Further breakdown of this account can be facilitated by use of Subaccounts 3311–3319 to record net assets that have external limits resulting from contractual agreements with suppliers, creditors, and others; for example, unfunded reserves required by state health maintenance organization laws or regulations, or internal limits such as appropriations of unrestricted fund balance created by board of directors' actions should be credited to these accounts.
3320	Temporarily Restricted Net Assets	Donor-restricted net assets that must be used for the purpose specified in the restriction until a specific condition is met, such as the passage of time or a goal achieved. A detailed breakdown of this account can be facilitated by use of Subaccounts 3321–3329. Temporarily restricted net assets can be further classified into distinct groups that distinguish the nature or purpose of the donor's restriction using these accounts.
3330	Permanently Restricted Net Assets	Donor-restricted net assets that must be used for the purpose specified in the restriction permanently, such as endowment funds. A detailed breakdown of this account can be facilitated by use of Subaccounts 3331–3339. Permanently restricted net assets can be further classified into distinct groups that distinguish the nature or purpose of the donor's restrictions using these accounts.

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MGMA Chart of Accounts Version 6.1 for Practices with Extensive Financial Information Needs

Account Number	Account Label	Definition
3340	Current Surplus/Deficit	Tracks the excess of revenues and other inflows over expenses and other outflows (surplus), or the excess of expenses and other outflows over revenues and other inflows (deficit) for the current year. The account is closed out at year-end into Account 3310 – Unrestricted Net Assets.
3400	Members' Equity (Limited Liability Companies [LLCs])	An LLC is a hybrid business entity having certain characteristics of corporations, partnerships, and sole proprietorships. An LLC, although a business entity, is a type of unincorporated association and is not a corporation. The primary characteristic an LLC shares with a corporation is limited liability, and it may be taxed as a corporation, sole proprietorship, or a partnership depending on its specific characteristics.
3410	Members' Capital	Amounts invested by owners of the LLC. Subaccounts should be established for each member.
3420	Members' Distributions	Withdrawals made on behalf of members for distributions, taxes, etc.
3421	Members' Distributions – Cash Distributions	Withdrawals made by a member during an operating period, typically one year. This account is closed at year-end into Account 3410 – Members' Capital.
3422	Members' Distributions – Estimated Tax Payments	Payment of a member's estimated tax payment treated as a distribution.
3423	Members' Distributions – Health Insurance Premiums	Payment of a member's health insurance premium treated as a distribution.
3424	Other Payments Treated as Member Distributions	
3430	Current Income/Loss	This account tracks the current year's net earnings and losses. The account is closed out at year-end into Account 3410 – Members' Capital.
3500	Other Equity	Equity not recorded elsewhere.
INCOME STATEMENT ACCOUNTS		The Income Statement is used to summarize results of business operations for a period of time, not longer than one year, to determine if the organization is operating efficiently. It is a measure of the results of operations representing the difference between revenue and expense for the reported period.
4000	Operating Revenue	Revenues measure what the practice has earned. There are different measures of earnings, depending on whether the organization identifies gross charges, adjustments, and allowances; whether the organization uses the cash, modified cash, or accrual basis of accounting; and whether the practice is paid on a fee-for-service, capitation, or some other basis.

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MGMA Chart of Accounts Version 6.1 for Practices with Extensive Financial Information Needs

Account Number	Account Label	Definition
4100	Gross Charges (Accrual and Modified Cash)	Accounts 4110–4190 are used by organizations recording charges on an accrual and modified cash basis of accounting. Gross charges are the full value, at the practice's undiscounted rates, of all services provided to patients for all payers. For practices using cash basis accounting, use Account 9900 – Provision for Cash Basis Conversion to offset gross charges.
4110	Gross Charges – Fee-for-Service – Professional and Technical	Gross charges for the professional and technical services provided to patients who are self-pay or insured through a contract that reimburses the provider on a fee-for-service basis.
4120	Gross Charges – Fee-for-Service – Facility Fees	Gross charges for the use of the facilities involved in provided professional and technical services to patients who are self-pay or insured through a contract that reimburses the provider on a fee-for-service basis.
4130	Gross Charges – Fee-for-Service – Case Rate	Gross charges for services to patients who are insured through a contract that reimburses the provider on a case rate basis. Case rate payment is a single amount paid to a provider for the cumulative services that may involve multiple procedures or a cumulative period of time that reflects a specific diagnosis or treatment.
4140	Gross Charges – Sales of Medical Material	Gross charges for all medical material, including durable medical equipment, medical supplies, optical goods, hearing aids, prescription drugs, nonprescription drugs, vitamins/diet supplements, nonprescription cosmetic products, and other medical material to patients primarily for use outside the practice.
4141	Gross Charges – Sales of Durable Medical Equipment	
4142	Gross Charges – Sales of Supplies and Consumables	
4143	Gross Charges – Sales of Optical Goods	
4144	Gross Charges – Sales of Hearing Aids	
4145	Gross Charges – Sales of Prescription Drugs	
4146	Gross Charges – Sales of Nonprescription Drugs	
4147	Gross Charges – Sales of Vitamins/Diet Supplements	
4148	Gross Charges – Sales of Nonprescription Cosmetic Products	

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Account Number	Account Label	Definition
4149	Gross Charges – Sales of Other Medical Material	
4150	Gross Charges – Risk-Sharing Withholds for Fee-for-Service Patients	Gross charges from insurance companies and government agencies from risk-sharing arrangements (risk pools) established by reimbursement contracts that encourage the provider to use services in an efficient manner. Risk pools are established most often for hospital (inpatient), pharmacy, and ancillary services. Risk pools are often established by withholding a portion of payments due the practice and are paid only after the practice meets certain pre-established use goals. Practices that use an accrual accounting basis will normally book the full gross charge for a service when the insurance company or government agency is billed, and will adjust the amount of withhold using Account 4250 – Adjustments – Risk-Sharing Withholds for Fee-for-Service Patients, and using Account 4820 – Risk-Sharing Fee-for-Service when the risk-sharing amount is paid.
4160	Gross Charges – Other Medical Activity	Gross charges for other medical activities not listed above.
4170	Gross Charges – Fee-for-Service Equivalent for Capitation Patients	Also known as fee-for-service equivalent gross charges. The full dollar value at a practice's established undiscounted rates of all covered services provided to patients under capitation contracts, regardless of payer. Included in fee-for-service equivalent gross charges are professional services provided by physicians, nonphysician providers, and other physician extenders such as nurses and medical assistants; the professional and technical components of laboratory, radiology, medical diagnostic, and surgical procedures; and drug charges. When Account 4170 is used, Account 4260 – Contractual Adjustments – Fee-for-Service Equivalent for Capitation will be used to adjust fee-for-service equivalent gross charges to cancel these charges for financial accounting.
4200	Adjustments to Fee-for-Service Charges (Accrual and Modified Cash)	Differences between the normal gross charge for a service and the amount the practice has agreed to accept. Although accounting standards only require organizations to report the amount actually charged to an insurance company, patient, or other party, these accounts are an important management tool that enable a practice to evaluate the amount and reasons for adjustments. These accounts are normally used only for internal reporting purposes.
4210	Contractual Adjustments – Fee-for-Service Professional and Technical	Differences between the amount the practice has agreed to accept and the normal gross charge for professional services; the technical components of laboratory, radiology, medical diagnostic; surgical procedures; and drug charges. This account is normally used only for internal reporting purposes.
4220	Contractual Adjustments – Fee-for-Service Facility Fees	Differences between the amount the practice has agreed to accept and the normal gross charge for facility fees charged by the practice. This account is normally used only for internal reporting purposes.

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Account Number	Account Label	Definition
4230	Contractual Adjustments – Fee-for-Service Case Rate	Differences between the amount the practice has agreed to accept and the normal gross charge for services paid on a case rate reimbursement basis. This account is normally used only for internal reporting purposes.
4240	Contractual Adjustments – Sales of Medical Material	Differences between the amount the practice has agreed to accept and the normal gross charge for medical equipment and supplies sold by the practice. This account is normally used only for internal reporting purposes.
4241	Contractual Adjustments – Sales of Durable Medical Equipment	
4242	Contractual Adjustments – Sales of Supplies and Consumables	
4243	Contractual Adjustments – Sales of Optical Goods	
4244	Contractual Adjustments – Sales of Hearing Aids	
4245	Contractual Adjustments – Sales of Prescription Drugs	
4246	Contractual Adjustments – Sales of Nonprescription Drugs	
4247	Contractual Adjustments – Sales of Vitamins/Diet Supplements	
4248	Contractual Adjustments – Sales of Nonprescription Cosmetic Products	
4249	Contractual Adjustments – Sales of Other Medical Material	
4250	Adjustments – Risk-Sharing Withholds for Fee-for-Service Patients	Payments received from insurance companies and government agencies from risk-sharing arrangements (risk pools) established by reimbursement contracts that encourage the provider to use services in an efficient manner. Risk pools are established most often for hospital (inpatient), pharmacy, and ancillary services. Risk pools are often established by withholding a portion of payments due the practice and are paid only after the practice meets certain pre-established use goals. Practices that use an accrual accounting basis will normally book the full gross charge for a service using Account 4150 – Gross Charges – Risk-Sharing Withholds for Fee-for-Service Patients when the insurance company or government agency is billed, and will adjust the amount of withhold using Account 4250 and using Account 4820 – Risk Sharing Fee-for-Service when the risk-sharing amount is paid.

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Account Number	Account Label	Definition
4260	Contractual Adjustments – Fee-for-Service Equivalent for Capitation	This is the contra account for Account 4170 – Gross Charges – Fee-for-Service Equivalent for Capitation Patients. Account 4260 is used as a contra account to eliminate all fee-for-service charges in Account 4170. Using the accounts in this manner allows the user to compare revenues received on capitated contracts to the fee-for-service equivalent charges as a barometer of how the contracts are performing.
4270	Adjustments – Charity/Indigent Care	Differences between the gross charges for services rendered to individuals and organizations considered charity cases and the amounts, if any, to be received in payment for these services.
4280	Adjustments – Professional Courtesy and Other Purposes	Differences between the gross charges for services rendered and the amounts actually charged for services provided to special categories of patients such as the clergy, nonorganization physicians, or at the request of organization physicians on behalf of patients who would not otherwise qualify for an adjustment.
4290	Adjustments – Employee Discount	Differences between the gross charges for services rendered and the amounts actually charged for services provided to employees.
4300	Cash Received (Cash and Modified Cash)	Revenue the practice receives for medical services. The term "cash" is used to reflect revenue from all sources, including checks, bank transfers, credit or debit card payments, cash equivalencies (barter), cash payments, etc.
4310	Collections – Fee-for-Service – Professional and Technical	This account should be used by organizations recording fee-for-service professional and technical revenues on a cash basis. The actual net payment for all current charges and receivables is recognized at the time it is received. This eliminates the need for adjustment accounts for any type of discount. Refunds should be recorded in Account 4510 – Patient Refunds. If Account 4310 is used, Accounts 4200–4290 and related adjustments and allowances are not used.
4320	Collections – Fee-for-Service – Facility Fees	This account should be used by organizations recording facility fee revenues on a cash basis. The actual net payment for all current charges and receivables is recognized at the time it is received. This eliminates the need for adjustment accounts for any type of discount.
4330	Collections – Case Rate	This account should be used by organizations recording case rate revenues on a cash basis. The actual net payment for all current charges and receivables is recognized at the time it is received. This eliminates the need for adjustment accounts for any type of discount.
4340	Collections – Sales of Medical Material	This account should be used by organizations recording sales of medical material on a cash basis. The actual net payment for all current charges and receivables is recognized at the time it is received. This eliminates the need for adjustment accounts for any type of discount.

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Account Number	Account Label	Definition
4341	Collections – Sales of Durable Medical Equipment	
4342	Collections – Sales of Supplies and Consumables	
4343	Collections – Sales of Optical Goods	
4344	Collections – Sales of Hearing Aids	
4345	Collections – Sales of Prescription Drugs	
4346	Collections – Sales of Nonprescription Drugs	
4347	Collections – Sales of Vitamins/ Diet Supplements	
4348	Collections – Sales of Nonprescription Cosmetic Products	
4349	Collections – Sales of Other Medical Material	
4350	Collections – Risk-Sharing Withholds for Fee-for-Service Patients	Payments received from insurance companies and government agencies from risk-sharing arrangements (risk pools) established by reimbursement contracts that encourage the provider to use services in an efficient manner. Risk pools are established most often for hospital (inpatient), pharmacy, and ancillary services. Risk pools are often established by withholding a portion of payments due the practice and are paid only after the practice meets certain pre-established use goals.
4360	Collections – Other Medical Activity	This account should be used by organizations recording other medical activity revenue on a cash basis. The actual net payment for all current charges and receivables is recognized at the time it is received. This eliminates the need for adjustment accounts for any type of discount.
4400	Bad Debt Recovery (Accrual, Cash, and Modified Cash)	Recovered revenues from collections that were originally written off as bad debt expense in Account 6900 – Bad Debt Expense or its subaccounts.
4410	Patient Bad Debt Recovery	Recovered revenues from collections that were originally written off as bad debt expense in Account 6910 – Accounts Receivable Write-Offs. Recovery of bad debt occurs when the patient decides to pay after the receivable was written off as uncollectible.

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Account Number	Account Label	Definition
4420	Collection Agency Bad Debt Recovery	Recovered revenues from collections that were originally written off as bad debt expense in Account 6920 – Collection Agency Write-Offs. Recovery of bad debt occurs when a collection agency has recovered the loss after the receivable was written off as uncollectible.
4500	Patient and Payer Refunds (Accrual, Cash, and Modified Cash)	Contra account used to record refunds for overpayments, duplicate payments, or for amounts that should not have been collected.
4510	Patient Refunds	A contra account to record refunds of amounts collected from patients that should not have been collected or need to be returned for some other reason. Normally, patient refunds would be recorded as a credit (negative amount) to Account 4100 – Gross Charges, or to Account 4300 – Cash Received. Account 4510 should be used only if the practice decides not to record refunds as a credit to revenue.
4520	Payer Refunds	A contra account to record refunds of amounts collected from fee-for-service insurance payers that should not have been collected or need to be returned for some other reason. Normally, payer refunds would be recorded as a credit (negative amount) to Account 4100 – Gross Charges, or to Account 4300 – Cash Received. Account 4520 should be used only if the practice decides not to record refunds as a credit to revenue.
4600	Third-Party Settlements (Accrual, Cash, and Modified Cash)	Under a retrospective rate-setting system, third parties usually determine an interim payment rate and, during the rate period, pay the medical organization for services rendered using the rate. After the rate period has ended, the medical organization may be entitled to receive additional payments or may be required to refund amounts received in excess of amounts earned under the system.
4700	Revenue for Capitation and Global Payment Patients (Accrual, Cash, and Modified Cash)	Revenue received by the practice for services reimbursed through capitation and global payment contracts. Capitation or global payment contracts are similar in that they pay the provider in advance of services on a per-member per-month (often abbreviated as PMPM) basis. This account will include capitation payments from the patient's insurance company and all related revenue received by the practice. In general, PMPM payments from a health maintenance organization are referred to as capitation while PMPM payments from a commercial insurance company or government agency are referred to as global payment.
4710	Capitation and Global Payment PMPM Revenue	Per-member per-month (PMPM) payments paid to the organization by a health maintenance organization, commercial insurance company, or government agency for assigned enrollees under a patient care contract. At the organization's discretion, Subaccounts 4711–4719 may be used for specific plans and other descriptions.

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Account Number	Account Label	Definition
4720	Copayment from Capitation and Global Payment Patients	Revenue received from patients insured under capitation and global payment contracts that is due each time a medical service is accessed.
4730	Coordination of Benefits Revenue for Capitation and Global Payment Patients	Payments received from insurance companies and other entities that are based on policy guidance from the National Association of Insurance Commissioners to prevent double payment for services when an enrollee has coverage from two or more sources. It is used to ensure that the insured's benefits from all sources do not exceed 100 percent of the allowable coverage.
4740	Capitation Contract – Risk-Sharing Revenue	Payments received from insurance companies and government agencies from risk-sharing arrangements (risk pools) established by reimbursement contracts for patients insured under capitation and global payment that encourage the provider to use services in an efficient manner. Risk pools are established most often for hospital (inpatient), pharmacy, and ancillary services. Risk pools are often established by withholding a portion of payments due the practice and are paid only after the practice meets certain pre-established use goals. Amounts withheld from payment are recorded as an expense using Account 7840 – Withheld Risk-Sharing Revenue for Capitation Contracts and using Account 4740 only when payment is received.
4750	Capitation Contract – Reinsurance Recoveries	Payments received on behalf of patients insured under capitation and global payment contracts as a result of a stop-loss policy issued by an insurance carrier that specializes in underwriting the risks associated with the insurance industry.
4760	Capitation Contract – Pay-for-Performance	Payments received from insurance companies and government agencies for reporting quality, efficiency, or patient satisfaction metrics for patients insured under capitation and global payment contracts or for meeting a goal established by a contract that also pays the practice on a capitation basis.
4770	Capitation Contract – Other Revenue	Other payments received from insurance companies or government agencies for services provided to patients insured under capitation and global payment contracts.
4800	Incentive-Based Revenue (Accrual, Cash, and Modified Cash)	
4810	Pay-for-Performance Fee-for-Service	Payments received from insurance companies and government agencies for reporting quality, efficiency, or patient satisfaction metrics for patients insured under fee-for-service payment contracts or for meeting a goal established by a contract that also pays the practice on a fee-for-service basis.

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Account Number	Account Label	Definition
4820	Risk-Sharing Fee-for-Service	Payments received from insurance companies and government agencies from risk-sharing arrangements (risk pools) established by reimbursement contracts for patients insured under a fee-for-service basis that encourage the provider to use services in an efficient manner. Risk pools are established most often for hospital (inpatient), pharmacy, and ancillary services. Risk pools are often established by withholding a portion of payments due the practice and are paid only after the practice meets certain pre-established use goals. Practices that use an accrual accounting basis will normally book the full gross charge for a service using Account 4150 – Gross Charges – Risk-Sharing Withholds for Fee-for-Service Patients when the insurance company or government agency is billed, and will adjust the amount of withhold using Account 4250 – Adjustments – Risk-Sharing Withholds for Fee-for-Service Patients and using Account 4820 when the risk-sharing amount is paid.
4830	Shared Savings Fee-for-Service	Payments received from insurance companies and government agencies for meeting a specified shared savings incentive. In certain contracts such as for an accountable care organization when the actual cost for patient services is less than a predicted amount, the payer will divide the amount of savings with the providers. Account 4830 is used to record the shared savings paid to the medical practice.
4840	Incentive Payments for Quality	Payments received from insurance companies and government agencies for meeting a specified quality standard. An example of such payment would be for participating in the Centers for Medicare & Medicaid Services Physician Quality Reporting System. At the organization's discretion, Subaccounts 4841–4849 may be used to record revenue for specific programs or from different sources.
4850	Incentive Payments for Technology	Payments received from insurance companies and government agencies for using a specified technology such as an electronic prescribing system or electronic medical record. At the organization's discretion, Subaccounts 4851–4859 may be used to record revenue for specific programs or from different sources.
4860	Other Incentive-Based Revenue	Other payments received from insurance companies or government agencies for meeting incentive goals.
4900	Other Medical Revenue (Accrual, Cash, and Modified Cash)	
4910	Patient Records Copying Revenue	Payments received for the reproduction of patient records.
4920	Medical Directorship Revenue	Payment received by the practice and not a specific individual for providing medical administration to hospitals, skilled nursing facilities, long-term care facilities, and other healthcare organizations.

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MGMA Chart of Accounts Version 6.1 for Practices with Extensive Financial Information Needs

Account Number	Account Label	Definition
4930	Grant Revenue	Income from federal, state, or local government or private foundation grants for research, provision of patient care to the indigent, or case management of the frail and elderly.
4940	Research and Clinical Studies Revenue	Income from pharmaceutical studies, medical device studies, and other research activities conducted by the practice. Also include educational subsidies received by the practice for graduate medical education and training of medical, nursing, and medical technician students.
4950	Donations Received	Any endowment or gift received by the organization. Not-for-profit corporations should categorize donations into restricted and unrestricted accounts using the last digit.
4960	Operating Subsidy Income	Operational support provided to the practice from a parent organization such as a hospital, integrated delivery system, or other entity.
4970	Other Medical Revenue	Revenue for medical-related activities such as honoraria, educational seminars, expert witness testimonies, etc. Also include (1) payment to the practice for physicians working in a hospital emergency room; (2) contract revenue from a hospital for physician services in staffing a hospital indigent care clinic; (3) contract revenue from a school district for physician services in conducting physical examinations or other service; and (4) revenue from the preparation of court depositions, expert testimony, postmortem reports, and other special reports.
OPERATING EXPENSES		Operating expenses are consumed costs incurred in the process of providing medical services and exclude all costs pertaining to nonoperating activities such as general investments, endowments, etc. On the accrual basis of accounting, expenses are resources consumed in the process of generating revenue, regardless of when payment for the resources occurs. Conversely, on a cash basis of accounting, expenses are realized when paid, regardless of when a service was provided or a resource consumed.
5000	Operating Expenses – Support Staff	All forms of staff compensation, including salaries regularly paid or stipulated to be paid, to individuals for services performed while on the payroll of the organization. Costs related to providers are reported in the following accounts: Account 8100 – Physician Owner – Compensation and Benefits; Account 8200 – Physician Employee – Compensation and Benefits; Account 8300 – Physician Contractor and Locum Tenens – Compensation and Benefits; Account 8400 – Nonphysician Provider Owner – Compensation and Benefits; Account 8500 – Nonphysician Provider Employee – Compensation and Benefits; Account 8600 – Residents, Fellows, and Postdocs – Compensation and Benefits.
5100	Salaries – Support Staff	Salaries are compensation to employees. Payments to outside contractors should not be included in this section but should be shown as a purchased service. Employees typically receive a W-2 tax form, whereas contractors typically receive a 1099.

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Account Number	Account Label	Definition
5110	Salaries – Administration and Business Operations	Salaries and incentives of all general administrative and practice management staff and their direct support staff employees.
5111	Salaries – Practice Management	Salaries and incentives of the general administrative staff, including executive personnel such as the administrator, assistant administrator, chief financial officer, medical director, other directors, human resources employees, marketing employees, administrative secretaries, purchasing department employees; and quality assurance, utilization review, and credentialing staff.
5112	Salaries – Patient Accounting	Salaries and incentives of all business office staff, such as business office manager; secretaries; and all insurance, billing, coding, charge entry, credit, payment posting, refund, adjustment, cashiering, and collections staff.
5113	Salaries – General Accounting	Salaries and incentives of controller; financial accounting manager; and accounts payable, payroll, bookkeeping, and financial accounting input staff.
5114	Salaries – Managed Care Administration	Salaries and incentives of all managed care administrative staff and their direct support staff employees such as secretaries, administrative assistants, and others. The managed care administrative support staff employees include HMO/PPO (health maintenance organization/preferred provider organization) contract administrators, case management staff, actuaries, managed care medical directors, and managed care marketing staff, HMO/PPO contract administrators, and referral coordinators.
5115	Salaries – Information Technology	Salaries and incentives of the information technology department manager; data processing, computer programming, telecommunications employees; and their administrative support staff.
5116	Salaries – Building Services	Salaries and incentives for all housekeeping, maintenance, and security personnel employed by the organization. Housekeeping is responsible for all care and cleaning of the interior of facilities. Maintenance includes all exterior care and cleaning as well as renovation and repair of all furniture, fixtures, and equipment. Security is responsible for the protection of personnel and facilities. Do not include salaries for parking attendants if the parking area generates revenue, since parking area revenue should be reported in Account 9160 – Rental Property Income, and the salaries of the parking attendants should be reported in Account 9230 – Rental Property Expense.
5117	Salaries – Other Administration	Salaries and incentives of all other staff employed by the organization, such as mailroom, cafeteria, and laundry personnel.
5120	Salaries – Front Office	

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Account Number	Account Label	Definition
5121	Salaries – Medical Receptionist	Salaries and incentives of all medical receptionists, schedulers, and appointment staff.
5122	Salaries – Medical Secretaries and Transcribers	Salaries and incentives of all medical secretaries and transcribers employed by the organization.
5123	Salaries – Medical Records	Salaries and incentives of all medical records and coding staff employed by the organization.
5124	Salaries – Other Front Office	
5130	Salaries – Clinical Support	Salaries and incentives of all nursing staff members employed by the organization. Do not include nonphysician providers such as nurse practitioners, which should be reported in Account 8400 – Nonphysician Provider Owner – Compensation and Benefits, or Account 8500 – Nonphysician Provider Employee – Compensation and Benefits.
5131	Salaries – Registered Nurses	Salaries and incentives of all registered nurse staff and registered nurses working as front-line managers or lead nurses employed by the organization. Do not include nonphysician providers such as nurse practitioners, which should be reported in Account 8400 – Nonphysician Provider Owner – Compensation and Benefits, or Account 8500 – Nonphysician Provider Employee – Compensation and Benefits.
5132	Salaries – Licensed Practical Nurses	Salaries and incentives of all licensed practical nurses employed by the organization.
5133	Salaries – Medical Assistants & Nurses Aids	Salaries and incentives of all medical assistants, nurses aides, and other nursing support staff.
5134	Salaries – Other Clinical Support	Salaries and incentives of other nursing staff members.
5140	Salaries – Ancillary Services	Salaries of all employees of ancillary services departments.
5141	Salaries – Radiology	Salaries of all employees in the diagnostic radiology and imaging department who conduct procedures for diagnostic radiology CPT® codes 70010–76499, diagnostic ultrasound CPT codes 76506–76999, and diagnostic nuclear medicine CPT codes 78000–78999, echocardiography CPT codes 93303–93352, noninvasive vascular diagnostic studies CPT codes 93875–93990, and electrocardiograph CPT codes 93000–93278. Include all staff members such as radiology technicians, secretaries, nurses, and the department director or manager. Do not include radiation oncology CPT codes 77261–77799 or therapeutic nuclear medicine CPT codes 79005–79999, which are categorized as Account 5144 – Salaries – Other Ancillary Services.

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Account Number	Account Label	Definition
5142	Salaries – Laboratory	Salaries of all employees in the clinical laboratory and pathology department who conduct procedures for clinical laboratory and pathology CPT codes 80047–89398, 36415, and 36416. Include all staff members such as laboratory and pathology, technicians, secretaries, nurses, and the department director or manager.
5143	Salaries – Ambulatory Surgery Center	Salaries of all employees in a practice owned ambulatory surgery center. Include all staff members such as secretaries, nurses, and the department director or manager.
5144	Salaries – Other Ancillary Services	Salaries of all employees of other ancillary services, such as radiation oncology, therapeutic nuclear medicine, physical therapy, occupational therapy, and pharmacy. Include all staff members such as secretaries, nurses, technicians, and the department director or manager.
5150	Salaries – Research	Salaries of all employees in a separate clinical research department. Include all staff members such as secretaries, nurses, and the department director or manager.
5160	Salaries – Other	Salaries of all employees in other activities owned or operated by the practice.
5170	Support Staff – Deferred Compensation	Deferred compensation paid or expensed during the period to the organization's support staff.
5180	Support Staff – Severance	Costs paid or expensed by the organization to support staff members who are terminated from employment.
5200	Bonuses – Support Staff	Incentive payments to staff members.
5210	Bonuses – Administration and Business Operations	Incentive payments to staff members whose salaries are reported in Account 5110 – Salaries – Administration and Business Operations and Subaccounts 5111–5117.
5211	Bonuses – Practice Management	
5212	Bonuses – Patient Accounting	
5213	Bonuses – General Accounting	
5214	Bonuses – Managed Care Administration	
5215	Bonuses – Information Technology	
5216	Bonuses – Building Services	
5217	Bonuses – Other Administration	
5220	Bonuses – Front Office	Incentive payments to staff members whose salaries are reported in Account 5120 – Salaries – Front Office and Subaccounts 5121–5124.

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Account Number	Account Label	Definition
5221	Bonuses – Medical Receptionist	
5222	Bonuses – Medical Secretaries and Transcribers	
5223	Bonuses – Medical Records	
5224	Bonuses – Other Front Office	
5230	Bonuses – Clinical Support	Incentive payments to staff members whose salaries are reported in Account 5130 – Salaries – Clinical Support and Subaccounts 5131–5134.
5231	Bonuses – Registered Nurses	
5232	Bonuses – Licensed Practical Nurses	
5233	Bonuses – Medical Assistants and Nurses Aids	
5234	Bonuses – Other Clinical Support	
5240	Bonuses – Ancillary Services	Incentive payments to staff members whose salaries are reported in Account 5140 – Salaries – Ancillary Services and Subaccounts 5141–5144.
5241	Bonuses – Radiology	
5242	Bonuses – Laboratory	
5243	Bonuses – Ambulatory Surgery Center	
5244	Bonuses – Other Ancillary Services	
5250	Bonuses – Research	Incentive payments to staff members whose salaries are reported in Account 5150 – Salaries – Research.
5260	Bonuses – Other	Incentive payments to staff members whose salaries are reported in Account 5160 – Salaries – Other.
5300	Support Staff – Payroll Taxes	Employer's share of payroll taxes paid on behalf of employees.
5310	Support Staff – Payroll Taxes	Employer's share of payroll taxes paid on behalf of support staff. At the organization's discretion, Subaccounts 5311–5315 may be used to record individual tax categories.
5311	Support Staff – Payroll Taxes – FICA	
5312	Support Staff – Payroll Taxes – Medicare	

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Account Number	Account Label	Definition
5313	Support Staff – Payroll Taxes – Federal Unemployment Insurance	
5314	Support Staff – Payroll Taxes – State Unemployment Insurance	
5315	Support Staff – Payroll Taxes – Other	
5320	Other Support Staff – Payroll Taxes	
5400	Support Staff Benefits	Employer's share of nonsalary compensation provided to employees.
5410	Support Staff – Insurance	Employer's share of the insurance premiums paid for the support staff. At the organization's discretion, Subaccounts 5411–5416 may be used to record individual insurance categories.
5411	Support Staff – Insurance – Health	
5412	Support Staff – Insurance – Dental	
5413	Support Staff – Insurance – Life	
5414	Support Staff – Insurance – Disability	
5415	Support Staff – Insurance – Workers' Compensation	
5416	Support Staff – Insurance – Other	
5420	Support Staff – Pension and Retirement Benefits	Payments by the organization to the pension plan or other retirement program established for the support staff. If an organization offers a 401(k), 403(b), or similar pension/retirement plan, only include the employer contribution; the employee contribution should not be recorded. If the organization has multiple retirement plans, at the discretion of the organization, Subaccounts 5421–5429 may be used to record the contribution to each plan.
5430	Support Staff Professional Development	Costs paid by the organization for employees continuing education, including costs of study materials. Subaccounts 5431–5439 are used for specific types of expenditures.
5431	Support Staff Professional Development – Books and Subscriptions	Costs paid by the organization for books and subscriptions to professional journals and magazines for personal use by a specific employee.

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Account Number	Account Label	Definition
5432	Support Staff Professional Development – Conference and Meeting Attendance	Costs paid by the organization for employee participation in professional meetings.
5433	Support Staff Professional Development – Audio Conference Participation	Costs paid by the organization for employee participation in professional education via audio conference.
5434	Support Staff Professional Development – Online Education	Costs paid by the organization for employee participation in professional education via online education.
5435	Support Staff Professional Development – Travel	Costs paid by the organization for employee's travel for professional development meetings and conferences.
5436	Support Staff Professional Development – Lodging and Meals	Costs paid by the organization for employee's lodging and meal costs during professional development meetings and conferences.
5437	Support Staff Professional Development – Dues and Memberships	Costs paid by the organization for employee's dues and memberships in professional organizations.
5438	Support Staff Professional Development – Licenses	Costs paid by the organization for employee's state and local professional license fees.
5439	Support Staff Professional Development – Other	Costs paid by the organization for employee's other professional development activities.
5440	Support Staff Medical Reimbursement Plan	Medical- and dental-related expenses incurred by employees, and typically their families, which are paid for or reimbursed in accordance with a formal medical reimbursement plan and not through health or dental insurance. Any free medical or dental services provided within the organization to employees should be treated as an adjustment to revenue and debited to Account 4290 – Adjustments – Employee Discount and not charged to this account.
5450	Support Staff Motor Vehicles	Depreciation, lease, and/or operating costs of a vehicle acquired for the exclusive use of an employee.
5451	Support Staff Motor Vehicles – Depreciation	
5452	Support Staff Motor Vehicles – Lease or Rental	
5453	Support Staff Motor Vehicles – Maintenance	
5460	Support Staff – Other Benefits	Other fringe benefits provided by the organization for employees.

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Account Number	Account Label	Definition
5500	Temporary Staff Expenses	Costs incurred by the organization for employees on a temporary basis to support short-term needs. At the organization's discretion, Subaccounts 5510–5599 may be used to record different categories of temporary employees.
5510	Temporary Staff – Administration	
5520	Temporary Staff – Billing and Collections	
5530	Temporary Staff – Front Office	
5540	Temporary Staff – Clinical Support	
5550	Temporary Staff – Ancillary Services	
5551	Temporary Staff – Radiology	
5552	Temporary Staff – Laboratory	
5553	Temporary Staff – Ambulatory Surgery Center	
5554	Temporary Staff – Other Ancillary Services	
5560	Temporary Staff – Research	
5570	Temporary Staff – Other	
6000	General and Administrative Expenses	Services and general expenses relating to administration of the practice. Services and general expenses relating to clinical and ancillary services are recorded in the 7000 series of accounts.
6100	Building and Occupancy Expenses	Expenses related to the occupancy and use of land and buildings. In the event that another legal entity owns the land or buildings, any rental fees, commissions, or charges paid to the other entity are charged to this account. For the purpose of peer comparison (for example, a comparative data or cost survey), a fair market rental value may be charged to this account even if no rent is otherwise charged to the organization by the owning entity.
6110	Building and Facilities Depreciation	Systematic periodic allocation of the cost of buildings owned by the organization. At the discretion of the practice, Account 6110 may be used to record all depreciation costs associated with buildings and facilities or subaccounts may be used for the individual categories of building and grounds depreciation.
6111	Building and Facilities Depreciation	

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Account Number	Account Label	Definition
6112	Building and Facilities Depreciation – Leasehold Improvements	
6113	Building and Facilities Depreciation – Land Improvements	
6120	Building and Facilities Rent or Lease	Rent paid for buildings used by the organization. Facilities leased for nonoperating purposes should not be included in this account.
6130	Condominium Assessments/ Monthly Maintenance Fees	Costs incurred typically on a monthly basis for common expenses charged to the organizations who have joint ownership of a property. Include one-time assessments charged to owners for extraordinary maintenance, repairs, and renovations.
6140	General Maintenance	Costs incurred for repairs and ongoing maintenance of buildings and land.
6150	Utilities	Cost of utilities, such as water, electricity, heating fuels, and waste disposal used by the organization. At the organization's discretion, subaccounts 6151–6154 may be used to record individual categories of utilities.
6151	Utilities – Water	
6152	Utilities – Electricity	
6153	Utilities – Waste Disposal	
6154	Other Utilities	
6160	Property Taxes	City, county, and state taxes related to occupancy. Subaccounts 6161–6169 may be used to record taxes for specific governments.
6170	Housekeeping and Maintenance	Cost of supplies and materials used in the housekeeping and maintenance of buildings, grounds, and parking facilities. Include the costs for contracted support services such as janitorial services, grounds maintenance, snow removal, etc.
6171	Housekeeping and Maintenance – Services	
6172	Housekeeping and Maintenance – Supplies	
6180	Security	Expenses, other than salaries, associated with the protection of personnel and property. Include the cost of contracted security services and alarm systems.
6190	Other Occupancy Expense	Any occupancy expenses not recorded elsewhere.

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Account Number	Account Label	Definition
6200	Administrative – Furniture, Fixtures, and Equipment	Costs associated with furniture, fixtures, and equipment use in the office, administrative, and general purpose areas of the facility. Items must be of a significant nature and with a substantial life, which are depreciated or leased and not expensed when acquired. Account 1720 – General Practice Furniture, Fixtures, and Equipment (Administrative and Clinical) Assets is used to record the asset value of the property. Depreciation, lease, and maintenance costs of furniture, fixtures, and equipment used in clinical and ancillary service areas are recorded in the 7000 series of accounts.
6210	Administrative – Furniture, Fixtures, and Equipment Depreciation	
6220	Administrative – Furniture, Fixtures, and Equipment Lease or Rental Expense	
6230	Administrative – Furniture, Fixtures, and Equipment Maintenance	
6300	Administrative – Minor Equipment, Supplies, and Services	Costs associated with minor equipment, supplies, and contractual purchases used for nonclinical activities.
6310	Postage, Shipping, and Courier Services	Costs of all postage and other charges for shipping and mailing.
6311	Postage	
6312	Shipping	
6313	Courier Services	
6320	Printing and Copying	Costs of printing, photocopying, and other related services used by the organization.
6321	Printing	
6322	Copying	
6330	Administrative – Consumable Supplies and Nondepreciable Resources	Supplies and minor equipment purchased for day-to-day operations by the organization.
6331	Office Supplies	
6332	Preprinted Forms	
6333	Medical Record Supplies	
6334	Library, Books, and Subscriptions	

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Account Number	Account Label	Definition
6335	Minor Administrative Equipment	
6336	Other Administrative Consumable Supplies	
6340	Purchased Professional Services	Costs relating to purchased professional services provided by outside contractors and consultants.
6341	Accounting Services	Costs related to accounting services provided by outside accountants, including an audit by a certified public accountant.
6342	Legal Services	Costs related to legal services paid to attorneys who are not employees of the organization.
6343	Actuarial Services	Cost of actuarial services purchased from outside actuaries or consultants. Actuary services may be purchased to predict managed care utilization, defined benefit retirement plan contributions, etc.
6344	Pension Administration	Costs paid to the professional administration of the organization's pension or retirement plan.
6345	Consulting Services	Costs of consultants employed to provide professional advice on practice operations, strategic planning, etc.
6346	Other Professional Services	
6350	Purchased General and Administrative Services	Costs of services of a general and administrative nature purchased on a continuous, short-term, or one-time basis from outside vendors. At the organization's discretion, subccounts may include costs associated with answering services, transcription services, biohazardous waste removal, payment card processing, bank processing, payroll services, and other general and administrative purchased services.
6351	Answering Services	
6352	Medical Transcription Services	
6353	Biohazardous Waste Removal	
6354	Payment Card Processing	
6355	Bank Processing	
6356	Payroll Services	
6357	Patient Billing Services	
6358	Other General and Administrative Purchased Services	
6360	Management Services	

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Account Number	Account Label	Definition
6361	Medical Directorships	Payments to physicians who are not an employee nor an owner/shareholder/partner in the practice for services related to acting as medical directors in an administrative or executive capacity. Compensation to physician employees and owner/shareholder/partners who act as a medical director should be posted to accounts in the 8100 series.
6362	MSO/PPMC Management Services	Amounts paid to a management service organization (MSO), physician practice management company (PPMC), hospital, or similar organization for management, administrative, billing, or other services.
6363	Management Company Incentive	Performance based payments to management companies such as an MSO, PPMC, hospital, etc., or the incentive portion of the management fee listed in Account 6362.
6364	Other Management Services	Payments for management services not described above.
6370	Recruiting	
6371	Physician Recruitment	Costs associated with recruiting and hiring physicians, including the costs of a professional recruiting firm, advertising, screening, testing, entertainment, and travel for the recruiting process.
6372	Nonphysician Provider Recruitment	Costs associated with recruiting and hiring nonphysician providers, including the costs of a professional recruiting firm, advertising, screening, testing, entertainment, and travel for the recruiting process.
6373	Support Staff Recruitment	Costs associated with recruiting and hiring administrative, front office, clinical, and ancillary staff and other employees, including the costs of a professional recruiting firm, advertising, screening, testing, entertainment, and travel for the recruiting process.
6380	Practice Regulatory, Licensure, and Accreditation Expenses	
6381	Regulatory Fees	Amounts paid to local, state, or federal agencies to satisfy legal mandates and regulations.
6382	Medical Practice Licenses and Permits	Amounts paid to local, state, or federal governments to allow a medical practice to operate as a business, to dispose of medical waste, or to allow other activities related to providing healthcare services.
6383	Accreditation Expenses	Amounts paid to organizations with the authority to measure, evaluate, and certify the quality of services and performance against nationally recognized standards. Accreditation can be for the practice as a whole, for a practice-owned ambulatory surgery center, or for a specific service such as imaging or a clinical laboratory.

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Account Number	Account Label	Definition
6384	Other Practice Regulatory, Licensure, and Accreditation Expenses	Other regulatory, licensure, and accreditation expenses.
6390	Other Administrative Supplies and Services	Other administrative costs not described above.
6400	Employee-Related Expenses	Expenses incurred by the practice for activities that directly benefit employees.
6410	Employee Relations, Meals, and Functions	Corporate costs of employee coffee room, employee picnics, dinners, and entertainment.
6420	Cafeteria	Food, labor, and other costs associated with operating an on-site food service function.
6430	Employee Relations	Costs associated with employee incentive programs, wellness programs, and other practice initiatives that benefit employees.
6440	Employee Uniforms	Cost of uniforms and other personal clothing provided to employees. Include laboratory coats worn by providers and clinical staff. Do not include surgical gowns and related surgical clothing, which should be reported under Account 7223 – Linen.
6450	Other Employee-Related Expenses	Other expenses that benefit employees not described above.
6500	Vehicles and Travel	Expenses related to business travel and vehicles used by the organization.
6510	Motor Vehicles	Depreciation, lease, and operating costs of vehicles acquired for general use by the practice for courier, staff transportation, patient transportation, and other purposes. Do not include vehicles used exclusively by practice employees, nonphysician providers, or physicians, which should be reported on Accounts 5450, 8170, 8270, 8370, 8470, 8570, and 8670 as personal benefits.
6511	Motor Vehicles – Depreciation	
6512	Motor Vehicles – Lease and Rental	
6513	Motor Vehicles – Maintenance	
6514	Motor Vehicles – Gas	
6515	Motor Vehicles – Parking	

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Account Number	Account Label	Definition
6520	Business Travel	Costs of organization-related local travel such as trips to branch facilities, errands, etc., and intercity/interstate travel with a business purpose. Exclude travel associated with professional development of staff and providers, which should be reported using Accounts 5435–5436, 8255–8256, 8355–8356, 8455–8456, 8555–8556, or 8655–8656.
6521	Business Travel –Transportation	
6522	Business Travel – Lodging	
6523	Business Travel – Meals	
6524	Business Travel – Other	
6600	Promotion and Marketing	Costs of marketing services and advertising used to promote the organization, its providers, and its healthcare services. Include the costs of advertising, placement in electronic listings, and printed material such as Yellow Pages, healthcare directories, patient newsletters, information booklets, fliers, and brochures.
6700	Insurance	A form of risk management that protects the organization against the risk of loss. In return for payment of a set premium amount, the insurer promises to compensate (indemnify) the insured in the case of a loss. The conditions and circumstances under which the insured will be financially compensated are stated in the insurance policy (contract).
6710	Business and Casualty Insurance	Cost of general business and casualty policies such as fire, flood, theft, casualty, general liability, officers' and directors' liability, reinsurance, etc. At the organization's discretion, Subaccounts 6711–6718 may be used to record expenses by insurance type.
6711	Officers' and Directors' Liability	Premiums for liability insurance that indemnifies the organization and its officers for damages (losses) or defense costs resulting from alleged wrongful acts in their capacity as directors and officers.
6712	Other Liability	Premiums paid or self-insurance costs for general liability not recorded elsewhere.
6713	Reinsurance for At-Risk Global/ Capitation Contracts	Cost incurred for stop-loss insurance (reinsurance) coverage of catastrophic claims, emergency care outside the contract parameters, insolvency, or other risks associated with capitation contracts.
6714	Officers and Overhead Insurance	Cost incurred for insurance premiums on contracts that insure the lives of certain owners or managers of the organization or that insure against certain business risks where the beneficiary of the insurance is the organization.

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Account Number	Account Label	Definition
6715	Business Continuation Insurance	Life insurance purchased by the organization to provide the funds necessary to offset operating loss or to continue business in the event of the death or disability of a provider or administrative staff member.
6716	Fire, Theft, and Other Casualty Insurance	Fire, theft, flood, and other casualty insurance related to property and facilities that indemnify the organization against damage caused by fire, windstorm, flood, etc. The insured value may be established to cover the cost of replacement, reconstruction, or repair and may also cover damage to nearby structures, personal property, and expenses associated with not being able to use the property if it is damaged.
6717	Automobile Insurance	Insurance that indemnifies against financial loss in the event of an incident involving a vehicle owned or leased by the organization. Insurance coverage can include damage or theft of the vehicle; liability coverage for bodily injury or property damage; and medical coverage for individuals injured in a vehicle accident.
6718	Other Insurance	Insurance premiums for coverage not described above.
6720	Professional Liability Insurance	Premiums or self-insurance cost for coverage of professional liability claims. At the organization's discretion, Subaccounts 6721–6726 may be used to record expenses by type of coverage.
6721	Physicians	
6722	Nonphysician Providers	
6723	Clinical, Ancillary, and Research Staff	
6724	Administrative Staff	
6725	Global Coverage	
6726	Other Professional Liability	
6800	Information Technology	Costs of practice-wide data processing, computer, telephone, Internet, and telecommunications services.
6810	Information Technology – Equipment	Depreciation, lease, maintenance, and other operating costs of major data processing, computer, and telecommunications furniture and equipment. In regard to personal computers, cell phones, pagers, and related information technology equipment, organizations need to have a specific rule on which items will be capitalized and included in Account 6810 and which will be expensed in Account 6830 – Information Technology – Supplies and Minor Equipment.
6811	Information Technology – Depreciation	

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Account Number	Account Label	Definition
6812	Information Technology – Lease or Rental	
6813	Information Technology – Maintenance	
6814	Information Technology – Other Equipment Expense	
6820	Information Technology – Software	License or purchase cost of software categorized as a minor expense, the amortization expense of software categorized as a capital purchase, and the maintenance cost of all software.
6821	Software Purchase or License	
6822	Software Amortization	
6823	Software Maintenance	
6824	Software – Other	
6830	Information Technology – Supplies and Minor Equipment	Costs related to supplies and minor equipment that support information technology services such as cabling, storage media, replacement parts, and minor equipment (pagers, cell phones, web cameras, etc.).
6840	Information Technology – Purchased Services	Costs related to information technology services purchased by the organization from outside vendors and suppliers. Include the cost of Internet access, cable or satellite video services, telecommunications lines, contracted Internet hosting services, backup and archival storage, consulting, and clinical billing service bureau expenses. At the organization's discretion, Subaccounts 6841–6849 may be used to record specific expenses.
6841	Internet Access and ISP	
6842	Cable and Satellite Service	
6843	Telecommunications (T1/DSL) Lines	
6844	Web Hosting	
6845	Purchased Information Technology Services	
6846	Consulting Services	
6847	Clinical Services Billing Service Bureau	
6848	Backup and Archival Storage	

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Account Number	Account Label	Definition
6849	Other Purchased Information Technology Services	
6850	Telecommunications Purchased Services	Costs of all telephone and other communication services purchased by the organization from outside vendors and suppliers. Include all telephone-related expenses except the purchase, rental, or lease of telephones, cell phones, pagers, and other equipment, which should be reported in Accounts 6810 and 6830. At the organization's discretion, Subaccounts 6851–6856 may be used to record specific telecommunications expenses.
6851	Telephone Landline Service	
6852	Telephone Long Distance Service	
6853	Cell Phone Service	
6854	Pager Service	
6855	Videoconference Service	
6856	Other Telecommunications Expense	
6860	Other Information Technology Expense	
6900	Bad Debt Expense	Uncollectible accounts receivable and notes receivable. An aging schedule of accounts receivable may be used to estimate the amount of uncollectible accounts. Other methods may be used, but a consistent and justifiable method of estimating the periodic charge to provision for bad debts (and the corresponding credit to Account 1330 –Allowance for Estimated Uncollectible Receivables, or Account 1331 – Allowance for Bad Debts – Patients) should be applied systematically. At the organization's discretion, bad debts may be individually categorized using Accounts 6910–6990.
6910	Accounts Receivable Write-Offs	Differences between adjusted gross charges (the billed amount) and the amount actually collected as payment in full, if any. These write-offs may be the result of negotiating a payment for less than the adjusted gross charge with an individual patient or third-party insurance payer or the payment obligation may be completely forgiven. At the organization's discretion, write-offs of individual private-pay patients may be recorded in Account 6911 and write-offs with individual third-party agencies may be recorded in Subaccounts 6912–6919. Once amounts are expensed as an Accounts Receivable Write-Off, any subsequent payment is recorded in Account 4410 – Patient Bad Debt Recovery.

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Account Number	Account Label	Definition
6920	Collection Agency Write-Offs	Accounts turned over to a collection agency for collections. The corresponding accounts receivable should be credited. At the organization's discretion, Subaccounts 6921–6929 may be used to identify separately private-pay accounts turned over to collection agencies or different collection agencies. Once amounts are expensed as a Collection Agency Write-Off, any subsequent payment from the agency is recorded in Account 4420 – Collection Agency Bad Debt Recovery.
6930	Collection Expenses	Amounts incurred in connection with using outside parties to assist in the collection process, including payment to debt recovery companies, collection agency fees, commissions, or discounts.
7000	Clinical and Ancillary Services	Expenses relating to patient care. Expenses relating to general and administrative services are recorded in the 6000 series of accounts.
7100	Clinical Furniture, Fixtures, and Equipment	Costs associated with furniture, fixtures, and equipment use in clinical areas of the facility. Items must be of a significant nature and with a substantial life, which are depreciated or leased and not expensed when acquired. Account 1720 – General Practice Furniture, Fixtures, and Equipment (Administrative and Clinical) Assets is used to record the asset value of the property. Depreciation, lease, and maintenance costs of furniture, fixtures, and equipment used in administrative areas are recorded in Account 6200, and furniture, fixtures, and equipment used in ancillary service areas are recorded in the 7300, 7400, 7500, 7600 and 7700 series of accounts.
7110	Clinical Furniture, Fixtures, and Equipment Depreciation	
7120	Clinical Furniture, Fixtures, and Equipment Lease/Rental Expense	
7130	Clinical Furniture, Fixtures, and Equipment Maintenance	
7200	Clinical Minor Equipment, Supplies, and Services	Consumable supplies, minor (not depreciated) equipment, and purchased services used in clinical areas and associated with patient care.
7210	Drugs and Medications	Costs of pharmaceutical supplies used in providing medical services. Do not include the costs of medical supplies sold to patients, which should be reported in Account 7900 – Cost of Goods Sold.
7211	Vaccines and Infused Drugs	Costs of injected or infused medications.
7212	Chemotherapy Drugs	Costs of drugs used for treatment of cancer patients.
7213	Other Drugs and Medications	

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Account Number	Account Label	Definition
7220	Consumable Medical Supplies and Nondepreciable Medical Resources	Costs associated with medical supplies used in patient care and lower cost equipment that is expensed and not capitalized.
7221	Medical Supplies	Medical supplies such as bandages, casting materials, catheters, instrument covers, and other items consumed during patient care. Do not include the costs of medical supplies sold to patients, which should be reported in Account 7900 – Cost of Goods Sold – Medical Related.
7222	Minor Medical Equipment	Medical items of a permanent nature but not meeting the financial criteria of capitalized equipment.
7223	Linen	Costs of medical linen, staff uniforms, surgical wraps, surgical gowns, and other fabric supplies for clinical-related activities.
7224	Other Consumable Medical Supplies and Nondepreciable Medical Resources	
7230	Purchased Clinical Services	Costs related to clinical services purchased by the organization from outside vendors and suppliers. Include the cost of laundry, patient education, nutrition counseling, medical photography, medical translation, and other similar expenses. At the organization's discretion, Subaccounts 7231–7235 may be used to record specific expenses.
7231	Laundry	Costs related for cleaning staff uniforms, linens, and other supplies.
7232	Patient Education	Costs of books, pamphlets, audio visuals, software, and other educational material used to educate patients regarding their healthcare needs. Use this account only if the patient is not charged for the educational material. The expense of any product that is sold to patients should be included in Account 7900 – Cost of Goods Sold – Medical Related.
7233	Medical Photography	Costs of medical photography or medical illustrations used to document clinical services.
7234	Medical Translation and Translators	Cost of providing language translation for patients.
7235	Other Contract Clinical Services	
7240	Other Clinical Supplies and Services	
7300	Radiology and Imaging Expenses	Cost of equipment, supplies, and maintenance associated with the diagnostic radiology, diagnostic ultrasound, diagnostic nuclear medicine, echocardiography, noninvasive vascular diagnostic studies, electrocardiography, and other similar imaging services.

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Account Number	Account Label	Definition
7310	Radiology and Imaging Furniture, Fixtures, and Equipment	Costs associated with furniture, fixtures, and equipment used in the radiology and imaging areas of the facility. Depreciated items must be of a significant nature and with a substantial life, which are depreciated or leased and not expensed when acquired. Account 1751 – Radiology and Imaging Equipment – Owned, or Account 1752 – Radiology and Imaging Equipment – Capital Leases is used to record the asset value of the property.
7311	Radiology and Imaging Furniture, Fixtures, and Equipment – Depreciation	
7312	Radiology and Imaging Furniture, Fixtures, and Equipment – Lease or Rental	
7313	Radiology and Imaging Furniture, Fixtures, and Equipment – Maintenance	
7320	Radiology and Imaging Supplies	Medical supplies, minor equipment, and instrument costs for the radiology and imaging department. Do not include the costs of medical supplies sold to patients, which should be reported in Account 7900 – Cost of Goods Sold – Medical Related.
7330	Radiology and Imaging Services	Contracted and purchased services for the radiology and imaging department.
7340	Radiology and Imaging – Other Expenses	
7400	Laboratory Expenses	Cost of equipment, supplies, and maintenance associated with clinical chemistry, anatomic pathology, clinical microbiology, hematology, genetics, and related laboratory services.
7410	Laboratory Furniture, Fixtures, and Equipment	Costs associated with furniture, fixtures, and equipment used in the laboratory areas of the facility. Depreciated items must be of a significant nature and with a substantial life, which are depreciated or leased and not expensed when acquired. Account 1753 – Laboratory Equipment – Owned, or Account 1754 – Laboratory Equipment – Capital Leases is used to record the asset value of the property.
7411	Laboratory Furniture, Fixtures, and Equipment – Depreciation	
7412	Laboratory Furniture, Fixtures, and Equipment – Lease or Rental	
7413	Laboratory Furniture, Fixtures, and Equipment – Maintenance	

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Account Number	Account Label	Definition
7420	Laboratory Supplies	Medical supplies, minor equipment, and instrument costs for the laboratory department. Do not include the costs of medical supplies sold to patients, which should be reported in Account 7900 – Cost of Goods Sold – Medical Related.
7430	Laboratory Services	Contracted and purchased services for the laboratory department.
7440	Laboratory – Other Expenses	
7500	Ambulatory Surgery Expenses	Cost of equipment, supplies, and maintenance associated with the ambulatory surgery department. The ambulatory surgery department may be an accredited ambulatory surgery center or an independent department in the practice.
7510	Ambulatory Surgery – Furniture, Fixtures, and Equipment	Costs associated with furniture, fixtures, and equipment used in the ambulatory surgery department. Depreciated items must be of a significant nature and with a substantial life, which are depreciated or leased and not expensed when acquired. Account 1755 – Ambulatory Surgery Equipment – Owned, or Account 1756 – Ambulatory Surgery Equipment – Capital Leases is used to record the asset value of the property.
7511	Ambulatory Surgery – Furniture, Fixtures, and Equipment Depreciation	
7512	Ambulatory Surgery – Furniture, Fixtures, and Equipment Lease or Rental	
7513	Ambulatory Surgery – Furniture, Fixtures, and Equipment Maintenance	
7520	Ambulatory Surgery – Supplies	Medical supplies, minor equipment, and instrument costs for the ambulatory surgery department. Do not include the costs of medical supplies sold to patients, which should be reported in Account 7900 – Cost of Goods Sold – Medical Related.
7530	Ambulatory Surgery – Services	Contracted and purchased services for the ambulatory surgery department.
7540	Ambulatory Surgery – Other Expenses	
7600	Other Ancillary Services Expenses	Cost of equipment, supplies, and maintenance associated with ancillary departments such as physical therapy, optical, radiation oncology, therapeutic nuclear medicine, etc.

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Account Number	Account Label	Definition
7610	Other Ancillary Services – Furniture, Fixtures, and Equipment	Costs associated with furniture, fixtures, and equipment used in the other ancillary services departments. Depreciated items must be of a significant nature and with a substantial life, which are depreciated or leased and not expensed when acquired. Account 1757 – Other Ancillary Services Equipment – Owned, or Account 1758 – Other Ancillary Services Equipment – Capital Leases is used to record the asset value of the property.
7611	Other Ancillary Services – Furniture, Fixtures, and Equipment Depreciation	
7612	Other Ancillary Services – Furniture, Fixtures, and Equipment Lease or Rental	
7613	Other Ancillary Services – Furniture, Fixtures, and Equipment Maintenance	
7620	Other Ancillary Services – Supplies	Medical supplies, minor equipment and instrument costs for the other ancillary services departments. Do not include the costs of medical supplies sold to patients, which should be reported in Account 7900 – Cost of Goods Sold – Medical Related.
7630	Other Ancillary Services	Contracted and purchased services for other ancillary services departments.
7640	Other Ancillary Services – Other Expenses	
7700	Research Expenses	Costs associated with furniture, fixtures, and equipment used in the research department. Medical practices involved in clinical trials, medical research, medical device evaluation, and drug development may choose to create a separate department to isolate the expenses for the staff and equipment used in research. Depreciated items must be of a significant nature and with a substantial life, which are depreciated or leased and not expensed when acquired. Account 1761 – Research Equipment – Owned, or Account 1762 – Other Research Equipment – Capital Leases is used to record the asset value of the property.
7710	Research – Furniture, Fixtures, and Equipment	Costs associated with furniture, fixtures, and equipment used in the research department. Depreciated items must be of a significant nature and with a substantial life, which are depreciated or leased and not expensed when acquired. Account 1758 – Research Equipment – Owned, or Account 1759 – Research Equipment – Capital Leases is used to record the asset value of the property.

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Account Number	Account Label	Definition
7711	Research – Furniture, Fixtures, and Equipment Depreciation	
7712	Research – Furniture, Fixtures, and Equipment Lease or Rental	
7713	Research – Furniture, Fixtures, and Equipment Maintenance	
7720	Research Supplies	Medical supplies, minor equipment, and instrument costs for the research department. Do not include the costs of medical supplies sold to patients, which should be reported in Account 7900 – Cost of Goods Sold – Medical Related.
7730	Research Services	Contracted and purchased services for the research department.
7740	Research – Other Expenses	
7800	Purchased Professional and Medical Services	Expenses associated with clinical services purchased from outside entities. These accounts will be used by medical practices that accept full-risk contracts to pay claims for all professional services rendered to a covered population and by medical groups who will contract with an outside entity for clinical services provided to fee-for-service patients and who will bill the service under the medical group's tax identification number.
7810	Purchased Services for Capitation Patients	Fees paid to healthcare providers and organizations external to the medical practice for services provided to capitation patients under the terms of a capitation full-risk or professional services risk contract. Accounts 7811–7819 are used to classify an expense by type of service to allow the medical practice to evaluate the outside expenses associated with capitation contracts.
7811	Purchased Services for Capitation Patients – Professional Services	
7812	Purchased Services for Capitation Patients – Hospital	
7813	Purchased Services for Capitation Patients – Radiology	
7814	Purchased Services for Capitation Patients – Laboratory	
7815	Purchased Services for Capitation Patients – Other Ancillary Services	
7816	Purchased Services for Capitation Patients – Emergency Room	

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Account Number	Account Label	Definition
7817	Purchased Services for Capitation Patients – Ambulance	
7818	Purchased Services for Capitation Patients – Out-of-Area Emergency Care	
7819	Purchased Services for Capitation Patients – Other Professional and Medical Services	
7820	Subcapitation Payments	Payments made by a primary care or multispecialty physician group to a specialist or other medical entity who accepts responsibility to provider professional, ancillary, or other medical services to patients which are covered under the terms of a capitation full-risk or professional services risk contract. Under subcapitation, a medical group shares a portion of its capitation payment with a subordinate entity where the subordinate entity assumes risk for a specific set of patient services. Subcapitation can also be called Junior Cap or Carve Out, with the providers being paid on a per-member per-month (PMPM) basis. Subaccounts 7821–7828 are used to classify subcapitation payments by type of service to allow the medical practice to evaluate the outside expenses associated with subcapitation contracts.
7821	Subcapitation Payments – Professional Services	
7822	Subcapitation Payments – Hospital	
7823	Subcapitation Payments – Radiology	
7824	Subcapitation Payments – Laboratory	
7825	Subcapitation Payments – Other Ancillary Services	
7826	Subcapitation Payments – Emergency Room	
7827	Subcapitation Payments – Ambulance	
7828	Subcapitation Payments – Other	

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Account Number	Account Label	Definition
7830	Purchased Services for Fee-for-Service Patients	Payments made to healthcare professionals, medical entities, or others for services to a practice's fee-for-service patients. The services may or may not be billed by the practice to an insurance payer or the patient. An example of such services would be to contract with a nutritionist to counsel diabetic patients on food choices or to have an athletic trainer instruct patients on appropriate exercise. Subaccounts 7831–7839 are used to classify the purchased services to allow the medical practice to evaluate the outside expenses provided to fee-for-service patients.
7831	Purchased Services for Fee-for-Service Patients – Professional Services	
7832	Purchased Services for Fee-for-Service Patients – Hospital	
7833	Purchased Services for Fee-for-Service Patients – Radiology	
7834	Purchased Services for Fee-for-Service Patients – Laboratory	
7835	Purchased Services for Fee-for-Service Patients – Other Ancillary Services	
7836	Purchased Services for Fee-for-Service Patients – Emergency Room	
7837	Purchased Services for Fee-for-Service Patients – Ambulance	
7838	Purchased Services for Fee-for-Service Patients – Out-of-Area Emergency Care	
7839	Purchased Services for Fee-for-Service Patients – Other Professional and Medical Services	
7840	Withheld Risk-Sharing Revenue for Capitation Contracts	Amounts withheld from capitation contracts under risk-sharing arrangements (risk pools) established by reimbursement contracts. Risk pools are often established by withholding a portion of payments due the practice and are paid only after the practice meets certain preestablished utilization goals. Amounts withheld are recorded as an expense using Account 7840 and only when payment is received will Account 4740 – Capitation Contract – Risk-Sharing Revenue be used to record revenue.
7900	Cost of Goods Sold – Medical Related	Acquisition cost of goods sold to patients. This account is used in those areas where items are sold to patients on a retail basis.

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Account Number	Account Label	Definition
7910	Cost of Medical Material Sold	The cost of consumable items that the practice sells to patients that corresponds to the inventory value held in Account 1440 – Inventory of Medical Material Held for Resale. When an item is sold to a patient, the revenue will be recorded in Account 4140 – Gross Charges – Sales of Medical Material (adjusted by Account 4240 – Contractual Adjustments – Sales of Medical Material) by practices using accrual accounting and Account 4340 – Collections – Sales of Medical Material by practices using case basis accounting. Accounts 7911–7919 are used to classify the specific items sold to patients.
7911	Cost of Medical Material Sold – Durable Medical Equipment	
7912	Cost of Medical Material Sold – Supplies and Consumables	
7913	Cost of Medical Material Sold – Optical Goods	
7914	Cost of Medical Material Sold – Hearing Aids	
7915	Cost of Medical Material Sold – Prescription Drugs	
7916	Cost of Medical Material Sold – Nonprescription Drugs	
7917	Cost of Medical Material Sold – Vitamins/Diet Supplements	
7918	Cost of Medical Material Sold – Nonprescription Cosmetic Products	
7919	Cost of Medical Material Sold – Other Medical Material	
8000	Physician and Nonphysician Provider Expenses	Compensation and benefits paid physicians and nonphysician providers who are owners, employees, locum tenens, and contractors to the organization.
8100	Physician Owner – Compensation and Benefits	All forms of compensation and benefits, including salaries regularly paid or stipulated to be paid, draws against estimated productivity income, distribution of profits, bonuses, etc., as well as nontaxed benefits paid to physician owners.
8110	Physician Owner – Compensation	Compensation paid to physician owners. Subaccounts 8111–8119 may be used to record bonuses, incentives, research income, and other distributions to physician owners if the additional level of detail is desired.

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Account Number	Account Label	Definition
8111	Physician Owner – Salary and Draw	Salaries (a predetermined amount paid periodically) or draws (an amount calculated using a production formula that varies based on the physician's work level) paid to physician owners.
8112	Physician Owner – Bonuses	Incentive payments and extraordinary compensation amounts paid to physician owners.
8113	Physician Owner – Distributions	Payments to physician owners from the net profits of the organization. Distributions are usually made at the end of an accounting period to allocate organizational profits.
8114	Physician Owner – Research Income	Payments made to physician owners due to research activities.
8115	Physician Owner – Capitation Income	Payments made to physicians owners related to amounts received under global payment/capitation arrangements and paid out in a manner determined by the organization.
8116	Physician Owner – Administrative Compensation	Payments to physician owners for services in an administrative capacity, such as serving as chief executive officer, medical director, other corporate officer, board member, committee member, etc.
8117	Physician Owner – Deferred Compensation	Deferred compensation to physician owners paid or expensed during the period.
8118	Physician Owner – Severance	Costs paid or expensed by the organization to physician owners who are terminated from the organization.
8119	Physician Owner – Other Compensation	Compensation paid to physician owners not described above.
8120	Physician Owner – Payroll Taxes	Employer's share of payroll taxes. At the organization's discretion, Subaccounts 8121–8127 may be used to record individual tax categories.
8121	Physician Owner – Payroll Taxes – FICA	
8122	Physician Owner – Payroll Taxes – Medicare	
8123	Physician Owner – Payroll Taxes – Federal Unemployment Insurance	
8124	Physician Owner – Payroll Taxes – State Unemployment Insurance	
8125	Physician Owner – Payroll Taxes – State Head Tax	
8126	Physician Owner – Payroll Taxes – Local Head Tax	

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Account Number	Account Label	Definition
8127	Physician Owner – Payroll Taxes – Other	
8130	Physician Owner – Insurance	Employer's share of the insurance premiums paid for the benefit of physician owners. At the organization's discretion, Subaccounts 8131–8138 may be used to record individual insurance categories.
8131	Physician Owner – Insurance – Health	
8132	Physician Owner – Insurance – Dental	
8133	Physician Owner – Insurance – Life	
8134	Physician Owner – Insurance – Workers' Compensation	
8135	Physician Owner – Insurance – Short-Term Disability	
8136	Physician Owner – Insurance – Long-Term Disability	
8137	Physician Owner – Insurance – Long-Term Care	
8138	Physician Owner – Insurance – Other	
8140	Physician Owner – Pension and Retirement Benefits	Payments by the organization to the pension plan or other retirement program established for physician owners. If an organization offers a 401(k), 403(b), or similar pension/retirement plan, only include the employer contribution; the employee contribution should not be recorded. If the organization has multiple retirement plans, at the discretion of the organization, Subaccounts 8141–8149 may be used to record the contribution to each plan.
8150	Physician Owner – Professional Development	Costs paid by the organization for physician owner's continuing education, including costs of study materials. Subaccounts 8151–8158 are used for specific types of expenditures.
8151	Physician Owner – Professional Development – Books and Subscriptions	Costs paid by the organization for books and subscriptions to professional journals and magazines for personal use by a specific physician owner.
8152	Physician Owner – Professional Development – Conference and Meeting Attendance	Costs paid by the organization for physician owner participation in professional meetings.

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Account Number	Account Label	Definition
8153	Physician Owner – Professional Development – Audio Conference Participation	Costs paid by the organization for physician owner participation in professional education via audio conference.
8154	Physician Owner – Professional Development – Online Education	Costs paid by the organization for physician owner participation in professional education via online education.
8155	Physician Owner – Professional Development – Travel	Costs paid by the organization for physician owner travel for professional development meetings and conferences.
8156	Physician Owner – Professional Development – Lodging and Meals	Costs paid by the organization for physician owner lodging and meal costs during professional development meetings and conferences.
8157	Physician Owner – Professional Development – Dues and Memberships	Costs paid by the organization for physician owner dues and memberships in professional organizations.
8158	Physician Owner – Professional Development – Licenses	Costs paid by the organization for physician owner state and local professional license fees.
8160	Physician Owner – Medical Reimbursement Plan	Medical- and dental-related expenses incurred by physician owners, and typically their families, which are paid for or reimbursed in accordance with a formal medical reimbursement plan and not through health or dental insurance. Any free medical or dental services provided within the organization to physician owners should be treated as an adjustment to revenue and debited to Account 4290 – Adjustments – Employee Discount and not charged to this account.
8170	Physician Owner – Motor Vehicles	Depreciation, lease, and/or operating costs of a vehicle acquired for the exclusive use of a physician owner.
8171	Physician Owner – Motor Vehicles – Depreciation	
8172	Physician Owner – Motor Vehicles – Lease or Rental	
8173	Physician Owner – Motor Vehicles – Maintenance	
8180	Physician Owner – Other Benefits	Other fringe benefits provided by the organization for physician owners.
8200	Physician Employee – Compensation and Benefits	All forms of compensation and benefits, including salaries regularly paid or stipulated to be paid, draws against estimated productivity income, distribution of profits, bonuses, etc., as well as nontaxed benefits paid to physician employees who are employed by the organization.
8210	Physician Employee – Compensation	Compensation paid to physician employees. Accounts 8211–8219 may be used to record bonuses, incentives, research income, and other distributions to physician employees if the additional level of detail is desired.

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Account Number	Account Label	Definition
8211	Physician Employee – Salaries/Draw	Salaries (a predetermined amount paid periodically) or draws (an amount calculated using a production formula that varies based on the physician's work level) paid to physician employees.
8212	Physician Employee – Bonuses	Incentive payments and extraordinary compensation amounts paid to physician employees.
8213	Physician Employee – Distributions	Payments to physician employees from the net profits of the organization. Distributions are usually made at the end of an accounting period to allocate organizational profits.
8214	Physician Employee – Research Income	Payments made to physician employees due to research activities.
8215	Physician Employee – Capitation Income	Payments made to physician employees related to amounts received under global payment/capitation arrangements and paid out in a manner determined by the organization.
8216	Physician Employee – Administrative Compensation	Payments to physician employees for services in an administrative capacity, such as serving as chief executive officer, medical director, other corporate officer, board member, committee member, etc.
8217	Physician Employee – Deferred Compensation	Deferred compensation to physician employees paid or expensed during the period.
8218	Physician Employee – Severance	Costs paid or expensed by the organization to physician employees who are terminated from the organization.
8219	Physician Employee – Other Compensation	Compensation paid to physician employees not described above.
8220	Physician Employee – Payroll Taxes	Employer's share of payroll taxes. At the organization's discretion, Subaccounts 8221–8227 may be used to record individual tax categories.
8221	Physician Employee – Payroll Taxes – FICA	
8222	Physician Employee – Payroll Taxes – Medicare	
8223	Physician Employee – Payroll Taxes – Federal Unemployment Insurance	
8224	Physician Employee – Payroll Taxes – State Unemployment Insurance	
8225	Physician Employee – Payroll Taxes – State Head Tax	

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Account Number	Account Label	Definition
8226	Physician Employee – Payroll Taxes – Local Head Tax	
8227	Physician Employee – Payroll Taxes – Other	
8230	Physician Employee – Insurance	Employer's share of the insurance premiums paid for the benefit of physician employees. At the organization's discretion, Subaccounts 8231–8238 may be used to record individual insurance categories.
8231	Physician Employee – Insurance – Health	
8232	Physician Employee – Insurance – Dental	
8233	Physician Employee – Insurance – Life	
8234	Physician Employee – Insurance – Workers' Compensation	
8235	Physician Employee – Insurance – Short-Term Disability	
8236	Physician Employee – Insurance – Long-Term Disability	
8237	Physician Employee – Insurance – Long-Term Care	
8238	Physician Employee – Insurance – Other	
8240	Physician Employee – Pension and Retirement Benefits	Payments by the organization to the pension plan or other retirement program established for physician employees. If an organization offers a 401(k), 403(b) or similar pension/retirement plan, only include the employer contribution; the employee contribution should not be recorded. If the organization has multiple retirement plans, at the discretion of the organization, Subaccounts 8241–8249 may be used to record the contribution to each plan.
8250	Physician Employee – Professional Development	Costs paid by the organization for physician employee's continuing education, including costs of study materials. Subaccounts 8251–8259 are used for specific types of expenditures.
8251	Physician Employee – Professional Development – Books and Subscriptions	Costs paid by the organization for books and subscriptions to professional journals and magazines for personal use by a specific physician employee.

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Account Number	Account Label	Definition
8252	Physician Employee – Professional Development – Conference and Meeting Attendance	Costs paid by the organization for physician employee's participation in professional meetings.
8253	Physician Employee – Professional Development – Audio Conference Participation	Costs paid by the organization for physician employee's participation in professional education via audio conference.
8254	Physician Employee – Professional Development – Online Education	Costs paid by the organization for physician employee's participation in professional education via online education.
8255	Physician Employee – Professional Development – Travel	Costs paid by the organization for physician employee's travel for professional development meetings and conferences.
8256	Physician Employee – Professional Development – Lodging and Meals	Costs paid by the organization for physician employee's lodging and meal costs during professional development meetings and conferences.
8257	Physician Employee – Professional Development – Dues and Memberships	Costs paid by the organization for physician employee's dues and memberships in professional organizations.
8258	Physician Employee – Professional Development – Licenses	Costs paid by the organization for physician employee's state and local professional license fees.
8260	Physician Employee – Medical Reimbursement Plan	Medical- and dental-related expenses incurred by physician employees, and typically their families, which are paid for or reimbursed in accordance with a formal medical reimbursement plan and not through health or dental insurance. Any free medical or dental services provided within the organization to physician employees should be treated as an adjustment to revenue and debited to Account 4290 – Adjustments – Employee Discount and not charged to this account.
8270	Physician Employee – Motor Vehicles	Depreciation, lease, and/or operating costs of a vehicle acquired for the exclusive use of a physician employee.
8271	Physician Employee – Motor Vehicles – Depreciation	
8272	Physician Employee – Motor Vehicles – Lease or Rental	
8273	Physician Employee – Motor Vehicles – Maintenance	
8280	Physician Employee – Other Benefits	Other fringe benefits provided by the organization for physician employees.

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Account Number	Account Label	Definition
8300	Physician Contractor and Locum Tenens – Compensation and Benefits	All forms of compensation and benefits, including salaries regularly paid or stipulated to be paid, draws against estimated productivity income, distribution of profits, bonuses, etc., as well as nontaxed benefits paid to physicians who are independent contractors or locum tenens employed by the organization.
8310	Physician Contractor and Locum Tenens – Compensation	Compensation paid to physician contractors and locum tenens. Subaccounts 8311–8319 may be used to record bonuses, incentives, research income, and other distributions to physician contractor and locum tenens if the additional level of detail is desired.
8311	Physician Contractor and Locum Tenens – Salaries or Draw	Salaries (a predetermined amount paid periodically) or draws (an amount calculated using a production formula that varies based on the physician's work level) paid to physician contractors and locum tenens.
8312	Physician Contractor and Locum Tenens – Bonuses	Incentive payments and extraordinary compensation amounts paid to physician contractors and locum tenens.
8313	Physician Contractor and Locum Tenens – Distributions	Payments to physician contractors and locum tenens from the net profits of the organization. Distributions are usually made at the end of an accounting period to allocate organizational profits.
8314	Physician Contractor and Locum Tenens – Research Income	Payments made to physician contractors and locum tenens due to research activities.
8315	Physician Contractor and Locum Tenens – Capitation Income	Payments made to physicians contractors and locum tenens related to amounts received under global payment or capitation arrangements and paid out in a manner determined by the organization.
8316	Physician Contractor and Locum Tenens – Administrative Compensation	Payments to physician contractors and locum tenens for services in an administrative capacity, such as serving as chief executive officer, medical director, other corporate officer, board member, committee member, etc.
8317	Physician Contractor and Locum Tenens – Deferred Compensation	Deferred compensation to physician contractors and locum tenens paid or expensed during the period.
8318	Physician Contractor and Locum Tenens – Severance	Costs paid or expensed by the organization to physician contractors and locum tenens who are terminated from the organization.
8319	Physician Contractor and Locum Tenens – Other Compensation	Compensation paid to physician contractors and locum tenens not described above.
8320	Physician Contractor and Locum Tenens – Payroll Taxes	Employer's share of payroll taxes paid on behalf of physician contractors and locum tenens. At the organization's discretion, Subaccounts 8321– 8327 may be used to record individual tax categories.

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Account Number	Account Label	Definition
8321	Physician Contractor and Locum Tenens – Payroll Taxes – FICA	
8322	Physician Contractor and Locum Tenens – Payroll Taxes – Medicare	
8323	Physician Contractor and Locum Tenens – Payroll Taxes – Federal Unemployment Insurance	
8324	Physician Contractor and Locum Tenens – Payroll Taxes – State Unemployment Insurance	
8325	Physician Contractor and Locum Tenens – Payroll Taxes – State Head Tax	
8326	Physician Contractor and Locum Tenens – Payroll Taxes – Local Head Tax	
8327	Physician Contractor and Locum Tenens – Payroll Taxes – Other	
8330	Physician Contractor and Locum Tenens – Insurance	Employer's share of the insurance premiums paid for the benefit of physician contractors and locum tenens. At the organization's discretion, Subaccounts 8331–8338 may be used to record individual insurance categories.
8331	Physician Contractor and Locum Tenens – Insurance – Health	
8332	Physician Contractor and Locum Tenens – Insurance – Dental	
8333	Physician Contractor and Locum Tenens – Insurance – Life	
8334	Physician and Locum Tenens – Insurance – Workers' Compensation	
8335	Physician Contractor and Locum Tenens – Insurance – Short-Term Disability	
8336	Physician Contractor and Locum Tenens – Insurance – Long-Term Disability	
8337	Physician Contractor and Locum Tenens – Insurance – Long-Term Care	

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Account Number	Account Label	Definition
8338	Physician Contractor and Locum Tenens – Insurance – Other	
8340	Physician Contractor and Locum Tenens – Pension and Retirement Benefits	Payments by the organization to the pension plan or other retirement program established for physician contractors and locum tenens. If an organization offers a 401(k), 403(b), or similar pension/retirement plan, only include the employer contribution; the employee contribution should not be recorded. If the organization has multiple retirement plans, at the discretion of the organization, Subaccounts 8341–8349 may be used to record the contribution to each plan.
8350	Physician Contractor and Locum Tenens – Professional Development	Costs paid by the organization for physician contractors and locum tenens' continuing education, including costs of study materials. Subaccounts 8351–8358 are used for specific types of expenditures.
8351	Physician Contractor and Locum Tenens – Professional Development – Books and Subscriptions	Costs paid by the organization for books and subscriptions to professional journals and magazines for personal use by a specific physician contractor or locum tenens.
8352	Physician Contractor and Locum Tenens – Professional Development – Conference and Meeting Attendance	Costs paid by the organization for physician contractor's and locum tenens' participation in professional meetings.
8353	Physician Contractor and Locum Tenens – Professional Development – Audio Conference Participation	Costs paid by the organization for physician contractor's and locum tenens' participation in professional education via audio conference.
8354	Physician Contractor and Locum Tenens – Professional Development – Online Education	Costs paid by the organization for physician contractor's and locum tenens' participation in professional education via online education.
8355	Physician Contractor and Locum Tenens – Professional Development – Travel	Costs paid by the organization for physician contractor's and locum tenens' travel for professional development meetings and conferences.
8356	Physician Contractor and Locum Tenens – Professional Development – Lodging and Meals	Costs paid by the organization for physician contractor's and locum tenens' lodging and meal costs during professional development meetings and conferences.
8357	Physician Contractor and Locum Tenens – Professional Development – Dues and Memberships	Costs paid by the organization for physician contractor's and locum tenens' dues and memberships in professional organizations.
8358	Physician Contractor and Locum Tenens – Professional Development – Licenses	Costs paid by the organization for physician contractor's and locum tenens' state and local professional license fees.

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Account Number	Account Label	Definition
8360	Physician Contractor and Locum Tenens – Medical Reimbursement Plan	Medical- and dental-related expenses incurred by physician contractors and locum tenens, and typically their families, which are paid for or reimbursed in accordance with a formal medical reimbursement plan and not through health or dental insurance. Any free medical or dental services provided within the organization to physician contractors and locum tenens should be treated as an adjustment to revenue and debited to Account 4290 – Adjustments – Employee Discount and not charged to this account.
8370	Physician Contractor and Locum Tenens – Motor Vehicles	Depreciation, lease, and/or operating costs of a vehicle acquired for the exclusive use of a physician contractor or locum tenens.
8371	Physician Contractor and Locum Tenens – Motor Vehicles – Depreciation	
8372	Physician Contractor and Locum Tenens – Motor Vehicles – Lease or Rental	
8373	Physician Contractor and Locum Tenens – Motor Vehicles – Maintenance	
8380	Physician Contractor and Locum Tenens – Other Benefits	Other fringe benefits provided by the organization for physician contractors and locum tenens.
8400	Nonphysician Provider Owner – Compensation and Benefits	All forms of compensation and benefits, including salaries regularly paid or stipulated to be paid, draws against estimated productivity income, distribution of profits, bonuses, etc., as well as nontaxed benefits paid to nonphysician provider owners.
8410	Nonphysician Provider Owner – Compensation	Compensation paid to nonphysician provider owners. Subaccounts 8411–8419 may be used to record bonuses, incentives, research income, and other distributions to nonphysician provider owners if the additional level of detail is desired.
8411	Nonphysician Provider Owner – Salaries and Draw	Salaries (a predetermined amount paid periodically) or draws (an amount calculated using a production formula that varies based on the physician's work level) paid to nonphysician provider owners.
8412	Nonphysician Provider Owner – Bonuses	Incentive payments and extraordinary compensation amounts paid to nonphysician provider owners.
8413	Nonphysician Provider Owner – Distributions	Payments to nonphysician provider owners from the net profits of the organization. Distributions are usually made at the end of an accounting period to allocate organizational profits.
8414	Nonphysician Provider Owner – Research Income	Payments made to nonphysician provider owners due to research activities.

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Account Number	Account Label	Definition
8415	Nonphysician Provider Owner – Capitation Income	Payments made to nonphysician provider owners related to amounts received under global payment or capitation arrangements and paid out in a manner determined by the organization.
8416	Nonphysician Provider Owner – Administrative Compensation	Payments to nonphysician provider owners for services in an administrative capacity, such as serving as chief executive officer, medical director, other corporate officer, board member, committee member, etc.
8417	Nonphysician Provider Owner – Deferred Compensation	Deferred compensation to nonphysician provider owners paid or expensed during the period.
8418	Nonphysician Provider Owner – Severance	Costs paid or expensed by the organization to nonphysician provider owners who are terminated from the organization.
8419	Nonphysician Provider Owner – Other Compensation	Compensation paid to nonphysician provider owners not described above.
8420	Nonphysician Provider Owner – Payroll Taxes	Employer's share of payroll taxes paid on behalf of nonphysician provider owners. At the organization's discretion, Subaccounts 8421–8427 may be used to record individual tax categories.
8421	Nonphysician Provider Owner – Payroll Taxes – FICA	
8422	Nonphysician Provider Owner – Payroll Taxes – Medicare	
8423	Nonphysician Provider Owner – Payroll Taxes – Federal Unemployment Insurance	
8424	Nonphysician Provider Owner – Payroll Taxes – State Unemployment Insurance	
8425	Nonphysician Provider Owner – Payroll Taxes – State Head Tax	
8426	Nonphysician Provider Owner – Payroll Taxes – Local Head Tax	
8427	Nonphysician Provider Owner – Payroll Taxes – Other	
8430	Nonphysician Provider Owner – Insurance	Employer's share of the insurance premiums paid for the benefit of nonphysician provider owners. At the organization's discretion, Subaccounts 8431–8438 may be used to record individual insurance categories.
8431	Nonphysician Provider Owner – Insurance – Health	

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Account Number	Account Label	Definition
8432	Nonphysician Provider Owner – Insurance – Dental	
8433	Nonphysician Provider Owner – Insurance – Life	
8434	Nonphysician Provider Owner – Insurance – Workers' Compensation	
8435	Nonphysician Provider Owner – Short-Term Disability	
8436	Nonphysician Provider Owner – Insurance – Long-Term Disability	
8437	Nonphysician Provider Owner – Insurance – Long-Term Care	
8438	Nonphysician Provider Owner – Insurance – Other	
8440	Nonphysician Provider Owner – Pension and Retirement Benefits	Payments by the organization to the pension plan or other retirement program established for nonphysician provider owners. If an organization offers a 401(k), 403(b), or similar pension/retirement plan, only include the employer contribution; the employee contribution should not be recorded. If the organization has multiple retirement plans, at the discretion of the organization, Subaccounts 8441–8449 may be used to record the contribution to each plan.
8450	Nonphysician Provider Owner – Professional Development	Costs paid by the organization for nonphysician provider owner's continuing education, including costs of study materials. Subaccounts 8451–8458 are used for specific types of expenditures.
8451	Nonphysician Provider Owner – Professional Development – Books and Subscriptions	Costs paid by the organization for books and subscriptions to professional journals and magazines for personal use by a specific nonphysician provider owner.
8452	Nonphysician Provider Owner – Professional Development – Conference and Meeting Attendance	Costs paid by the organization for nonphysician provider owner's participation in professional meetings.
8453	Nonphysician Provider Owner – Professional Development – Audio Conference Participation	Costs paid by the organization for nonphysician provider owner's participation in professional education via audio conference.
8454	Nonphysician Provider Owner – Professional Development – Online Education	Costs paid by the organization for nonphysician provider owner's participation in professional education via online education.

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Account Number	Account Label	Definition
8455	Nonphysician Provider Owner – Professional Development – Travel	Costs paid by the organization for nonphysician provider owner's travel for professional development meetings and conferences.
8456	Nonphysician Provider Owner – Professional Development – Lodging and Meals	Costs paid by the organization for nonphysician provider owner's lodging and meal costs during professional development meetings and conferences.
8457	Nonphysician Provider Owner – Professional Development – Dues and Memberships	Costs paid by the organization for nonphysician provider owner's dues and memberships in professional organizations.
8458	Nonphysician Provider Owner – Professional Development – Licenses	Costs paid by the organization for nonphysician provider owner's state and local professional license fees.
8460	Nonphysician Provider Owner – Medical Reimbursement Plan	Medical- and dental-related expenses incurred by nonphysician provider owners, and typically their families, which are paid for or reimbursed in accordance with a formal medical reimbursement plan and not through health or dental insurance. Any free medical or dental services provided within the organization to nonphysician provider owners should be treated as an adjustment to revenue and debited to Account 4290 – Adjustments – Employee Discount and not charged to this account.
8470	Nonphysician Provider Owner – Motor Vehicles	Depreciation, lease, and/or operating costs of a vehicle acquired for the exclusive use of a nonphysician provider owner.
8471	Nonphysician Provider Owner – Motor Vehicles – Depreciation	
8472	Nonphysician Provider Owner – Motor Vehicles – Lease or Rental	
8473	Nonphysician Provider Owner – Motor Vehicles – Maintenance	
8480	Nonphysician Provider Owner – Other Benefits	Other fringe benefits provided by the organization for nonphysician provider owners.
8500	Nonphysician Provider Employee – Compensation and Benefits	All forms of compensation and benefits, including salaries regularly paid or stipulated to be paid, draws against estimated productivity income, distribution of profits, bonuses, etc., as well as nontaxed benefits paid to nonphysician provider employees.
8510	Nonphysician Provider Employee – Compensation	Compensation paid to nonphysician provider employees. Subaccounts 8511–8519 may be used to record bonuses, incentives, research income, and other distributions to nonphysician provider employees if the additional level of detail is desired.

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Account Number	Account Label	Definition
8511	Nonphysician Provider Employee – Salaries and Draw	Salaries (a predetermined amount paid periodically) or draws (an amount calculated using a production formula that varies based on the physician's work level) paid to nonphysician provider employees.
8512	Nonphysician Provider Employee – Bonuses	Incentive payments and extraordinary compensation amounts paid to nonphysician provider employees.
8513	Nonphysician Provider Employee – Distributions	Payments to nonphysician provider employees from the net profits of the organization. Distributions are usually made at the end of an accounting period to allocate organizational profits.
8514	Nonphysician Provider Employee – Research Income	Payments made to nonphysician provider employees due to research activities.
8515	Nonphysician Provider Employee – Capitation Income	Payments made to nonphysician provider employees related to amounts received under global payment or capitation arrangements and paid out in a manner determined by the organization.
8516	Nonphysician Provider Employee – Administrative Compensation	Payments to nonphysician provider employees for services in an administrative capacity, such as serving as chief executive officer, medical director, other corporate officer, board member, committee member, etc.
8517	Nonphysician Provider Employee – Deferred Compensation	Deferred compensation to nonphysician provider employees paid or expensed during the period.
8518	Nonphysician Provider Employee – Severance	Costs paid or expensed by the organization to nonphysician provider employees who are terminated from the organization.
8519	Nonphysician Provider Employee – Other Compensation	Compensation paid to nonphysician provider employees not described above.
8520	Nonphysician Provider Employee – Payroll Taxes	Employer’s share of payroll taxes paid on behalf of nonphysician provider employees. At the organization’s discretion, Subaccounts 8521–8527 may be used to record individual tax categories.
8521	Nonphysician Provider Employee – Payroll Taxes – FICA	
8522	Nonphysician Provider Employee – Payroll Taxes – Medicare	
8523	Nonphysician Provider Employee – Payroll Taxes – Federal Unemployment Insurance	
8524	Nonphysician Provider Employee – Payroll Taxes – State Unemployment Insurance	

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Account Number	Account Label	Definition
8525	Nonphysician Provider Employee – Payroll Taxes – State Head Tax	
8526	Nonphysician Provider Employee – Payroll Taxes – Local Head Tax	
8527	Nonphysician Provider Employee – Payroll Taxes – Other	
8530	Nonphysician Provider Employee – Insurance	Employer's share of the insurance premiums paid for the benefit of nonphysician provider employees. At the organization's discretion, Subaccounts 8531–8538 may be used to record individual insurance categories.
8531	Nonphysician Provider Employee – Insurance – Health	
8532	Nonphysician Provider Employee – Insurance – Dental	
8533	Nonphysician Provider Employee – Insurance – Life	
8534	Nonphysician Provider Employee – Insurance – Workers' Compensation	
8535	Nonphysician Provider Employee – Insurance – Short-Term Disability	
8536	Nonphysician Provider Employee – Insurance – Long-Term Disability	
8537	Nonphysician Provider Employee – Insurance – Long-Term Care	
8538	Nonphysician Provider Employee – Insurance – Other	
8540	Nonphysician Provider Employee – Pension and Retirement Benefits	Payments by the organization to the pension plan or other retirement program established for nonphysician provider employees. If an organization offers a 401(k), 403(b), or similar pension/retirement plan, only include the employer contribution; the employee contribution should not be recorded. If the organization has multiple retirement plans, at the discretion of the organization, Subaccounts 8541–8549 may be used to record the contribution to each plan.
8550	Nonphysician Provider Employee – Professional Development	Costs paid by the organization for nonphysician provider employee's continuing education, including costs of study materials. Subaccounts 8551–8558 are used for specific types of expenditures.

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Account Number	Account Label	Definition
8551	Nonphysician Provider Employee – Professional Development – Books and Subscriptions	Costs paid by the organization for books and subscriptions to professional journals and magazines for personal use by a specific nonphysician provider employee.
8552	Nonphysician Provider Employee – Professional Development – Conference and Meeting Attendance	Costs paid by the organization for nonphysician provider employee's participation in professional meetings.
8553	Nonphysician Provider Employee – Professional Development – Audio Conference Participation	Costs paid by the organization for nonphysician provider employee's participation in professional education via audio conference.
8554	Nonphysician Provider Employee – Professional Development – Online Education	Costs paid by the organization for nonphysician provider employee's participation in professional education via online education.
8555	Nonphysician Provider Employee – Professional Development – Travel	Costs paid by the organization for nonphysician provider employee's travel for professional development meetings and conferences.
8556	Nonphysician Provider Employee – Professional Development – Lodging and Meals	Costs paid by the organization for nonphysician provider employee's lodging and meal costs during professional development meetings and conferences.
8557	Nonphysician Provider Employee – Professional Development – Dues and Memberships	Costs paid by the organization for nonphysician provider employee's dues and memberships in professional organizations.
8558	Nonphysician Provider Employee – Professional Development – Licenses	Costs paid by the organization for nonphysician provider employee's state and local professional license fees.
8560	Nonphysician Provider Employee – Medical Reimbursement Plan	Medical- and dental-related expenses incurred by nonphysician provider employees, and typically their families, which are paid for or reimbursed in accordance with a formal medical reimbursement plan and not through health or dental insurance. Any free medical or dental services provided within the organization to nonphysician provider employees should be treated as an adjustment to revenue and debited to Account 4290 – Adjustments – Employee Discount and not charged to this account.
8570	Nonphysician Provider Employee – Motor Vehicles	Depreciation, lease, and/or operating costs of a vehicle acquired for the exclusive use of a nonphysician provider employee.
8571	Nonphysician Provider Employee – Motor Vehicles – Depreciation	
8572	Nonphysician Provider Employee – Motor Vehicles – Lease or Rental	
8573	Nonphysician Provider Employee – Motor Vehicles – Maintenance	

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Account Number	Account Label	Definition
8580	Nonphysician Provider Employee – Other Benefits	Other fringe benefits provided by the organization for nonphysician provider employees.
8600	Residents, Fellows, and Postdocs – Compensation and Benefits	All forms of compensation and benefits, including salaries regularly paid or stipulated to be paid, draws against estimated productivity income, distribution of profits, bonuses, etc., as well as nontaxed benefits paid to residents, fellows, and postdocs.
8610	Residents, Fellows, and Postdocs – Compensation	Compensation paid to residents, fellows, and postdocs. Subaccounts 8611–8619 may be used to record bonuses, incentives, research income, and other distributions to residents, fellows, and postdocs if the additional level of detail is desired.
8611	Residents, Fellows, and Postdocs – Salaries/Draw	Salaries (a predetermined amount paid periodically) or draws (an amount calculated using a production formula that varies based on the physician's work level) paid to residents, fellows, and postdocs.
8612	Residents, Fellows, and Postdocs – Bonuses	Incentive payments and extraordinary compensation amounts paid to residents, fellows, and postdocs.
8613	Residents, Fellows, and Postdocs – Distributions	Payments to residents, fellows, and postdocs from the net profits of the organization. Distributions are usually made at the end of an accounting period to allocate organizational profits.
8614	Residents, Fellows, and Postdocs – Research Income	Payments made to residents, fellows, and postdocs due to research activities.
8615	Residents, Fellows, and Postdocs – Capitation Income	Payments made to residents, fellows, and postdocs related to amounts received under global payment/capitation arrangements and paid out in a manner determined by the organization.
8616	Residents, Fellows, and Postdocs – Administrative Compensation	Payments to residents, fellows, and postdocs for services in an administrative capacity, such as serving as chief executive officer, medical director, other corporate officer, board member, committee member, etc.
8617	Residents, Fellows, and Postdocs – Deferred Compensation	Deferred compensation to residents, fellows, and postdocs paid or expensed during the period.
8618	Residents, Fellows, and Postdocs – Severance	Costs paid or expensed by the organization to residents, fellows, and postdocs who are terminated from the organization.
8619	Residents, Fellows, and Postdocs – Other Compensation	Compensation paid to residents, fellows, and postdocs not described above.
8620	Residents, Fellows, and Postdocs – Payroll Taxes	Employer's share of payroll taxes paid on behalf of residents, fellows, and postdocs. At the organization's discretion, Subaccounts 8621–8627 may be used to record individual tax categories.

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Account Number	Account Label	Definition
8621	Residents, Fellows, and Postdocs – Payroll Taxes – FICA	
8622	Residents, Fellows, and Postdocs – Payroll Taxes – Medicare	
8623	Residents, Fellows, and Postdocs – Payroll Taxes – Federal Unemployment Insurance	
8624	Residents, Fellows, and Postdocs – Payroll Taxes – State Unemployment Insurance	
8625	Residents, Fellows, and Postdocs – Payroll Taxes – State Head Tax	
8626	Residents, Fellows, and Postdocs – Payroll Taxes – Local Head Tax	
8627	Residents, Fellows, and Postdocs – Payroll Taxes – Other	
8630	Residents, Fellows, and Postdocs – Insurance	Employer's share of the insurance premiums paid for the benefit of residents, fellows, and postdocs. At the organization's discretion, Subaccounts 8631–8638 may be used to record individual insurance categories.
8631	Residents, Fellows, and Postdocs – Insurance – Health	
8632	Residents, Fellows, and Postdocs – Insurance – Dental	
8633	Residents, Fellows, and Postdocs – Insurance – Life	
8634	Residents, Fellows, and Postdocs – Insurance – Workers' Compensation	
8635	Residents, Fellows, and Postdocs – Insurance – Short-Term Disability	
8636	Residents, Fellows, and Postdocs – Insurance – Long-Term Disability	
8637	Residents, Fellows, and Postdocs – Insurance – Long-Term Care	
8638	Residents, Fellows, and Postdocs – Insurance – Other	

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Account Number	Account Label	Definition
8640	Residents, Fellows, and Postdocs – Pension and Retirement Benefits	Payments by the organization to the pension plan or other retirement program established for residents, fellows, and postdocs. If an organization offers a 401(k), 403(b), or similar pension/retirement plan, only include the employer contribution; the employee contribution should not be recorded. If the organization has multiple retirement plans, at the discretion of the organization, Subaccounts 8641–8649 may be used to record the contribution to each plan.
8650	Residents, Fellows, and Postdocs – Professional Development	Costs paid by the organization for residents, fellows, and postdocs' continuing education, including costs of study materials. Subaccounts 8651–8658 are used for specific types of expenditures.
8651	Residents, Fellows, and Postdocs – Professional Development – Books and subscriptions	Costs paid by the organization for books and subscriptions to professional journals and magazines for personal use by a specific resident, fellow, or postdoc.
8652	Residents, Fellows, and Postdocs – Professional Development – Conference and Meeting Attendance	Costs paid by the organization for residents, fellows, and postdocs' participation in professional meetings.
8653	Residents, Fellows, and Postdocs – Professional Development – Audio Conference Participation	Costs paid by the organization for residents, fellows, and postdocs' participation in professional education via audio conference.
8654	Residents, Fellows, and Postdocs – Professional Development – Online Education	Costs paid by the organization for residents, fellows, and postdocs' participation in professional education via online education.
8655	Residents, Fellows, and Postdocs – Professional Development – Travel	Costs paid by the organization for residents, fellows, and postdocs' travel for professional development meetings and conferences.
8656	Residents, Fellows, and Postdocs – Professional Development – Lodging and Meals	Costs paid by the organization for residents, fellows, and postdocs' lodging and meal costs during professional development meetings and conferences.
8657	Residents, Fellows, and Postdocs – Professional Development – Dues and Memberships	Costs paid by the organization for residents, fellows, and postdocs' dues and memberships in professional organizations.
8658	Residents, Fellows, and Postdocs – Professional Development – Licenses	Costs paid by the organization for residents, fellows, and postdocs' state and local professional license fees.

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Account Number	Account Label	Definition
8660	Residents, Fellows, and Postdocs – Medical Reimbursement Plan	Medical- and dental-related expenses incurred by residents, fellows, and postdocs, and typically their families, which are paid for or reimbursed in accordance with a formal medical reimbursement plan and not through health or dental insurance. Any free medical or dental services provided within the organization to residents, fellows, and postdocs should be treated as an adjustment to revenue and debited to Account 4290 – Adjustments – Employee Discount and not charged to this account.
8670	Residents, Fellows, and Postdocs – Motor Vehicles	Depreciation, lease, and/or operating costs of a vehicle acquired for the exclusive use of a resident, fellow, or postdoc.
8671	Residents, Fellows, and Postdocs – Motor Vehicles – Depreciation	
8672	Residents, Fellows, and Postdocs – Motor Vehicles – Lease or Rental	
8673	Residents, Fellows, and Postdocs – Motor Vehicles – Maintenance	
8680	Residents, Fellows, and Postdocs – Other Benefits	Other fringe benefits provided by the organization for residents, fellows, and postdocs.
8700	Other Physician and Nonphysician Provider Expenses	Other expenses incurred for the practice's providers.
9000	Nonmedical Revenue and Expenses and Provision for Conversion to Cash Basis Accounting	Revenue and expenses not directly related to medical care. Under generally accepted accounting principles, nonmedical revenue and expenses may be considered operating or nonoperating for financial reporting purposes.
9100	Nonmedical Revenue	Revenues not directly related to patient care or the provision of medical services. Accounts 9110–9190 are not intended to be definitive but only to show the general nature of nonmedical revenues. The nature of nonmedical revenues will vary greatly from organization to organization. Each entity should determine the accounts that will best serve its own needs.
9110	Interest Income	Interest from marketable securities, certificates of deposit, savings accounts, and/or other investments. Subaccounts 9111–9119 may be used at the discretion of the organization to account for income from long-term or short-term investments by type of investment such as a savings account, certificate of deposit, stock, or bond.
9120	Dividend Income	Dividends from marketable securities (stocks). Subaccounts 9121–9129 may be used at the discretion of the organization to account for the length of time the security was held or by intent to sale.

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Account Number	Account Label	Definition
9130	Unrealized Gains and Losses – Investments	The accounting recognition of the difference between the fair market value of carried investments and the adjusted cost (current "book" value) of those investments for the period. Computation and presentation of unrealized gains and losses may vary with the type of security. Subaccounts 9131–9139 may be used to record these differences.
9140	Realized Gains and Losses – Investments	Gains or losses recognized on closed and sold securities, investments, property, and other assets during the period. Subaccounts 9141–9149 may be used at the discretion of the organization to record different types of securities or the length of time an investment was held.
9150	Contributions and Donations Received	Any endowment or gift revenue received by the organization. Subaccounts 9151–9159 may be used to establish categories for donations such as unrestricted, temporarily restricted, or permanently restricted and for special categories needed to account for endowments.
9160	Rental Property Income	Rent or lease revenue received from property and other assets owned by the organization but not used in organization operations. Expenses associated with rental property are recorded in Account 9230 – Rental Property Expense. Subaccounts 9161–9169 may be used to record income from different assets.
9170	Revenue from Business Ventures	Revenue from outside business activities where the organization is invested or has ownership. At the organization's option, gross revenue can be recorded in Account 9170 and gross expenses recorded in Account 9240 – Gross Expenses from Business Ventures; or net revenue after expenses can be recorded in Account 9170 and net losses in Account 9240. Subaccounts 9171–9179 may be used to record different ventures.
9180	Nonoperating Subsidy Income	Medical practices may receive nonoperational support from a parent organization for capitalization projects such as facility construction.
9190	Other Nonmedical Income	Revenue from other nonmedical sources not recorded elsewhere.
9200	Nonmedical Expenses	Expenses not directly related to patient care or the provision of medical services. Accounts 9210–9260 are not intended to be definitive but only to show the general nature of nonmedical expenses. The nature of nonmedical expenses will vary greatly from organization to organization. Each entity should determine the accounts that will best serve its needs.
9210	Interest Expense	Organizations using a cash basis of accounting will record interest paid on borrowings, and organizations using accrual accounting will record expense. Subaccounts 9211–9219 may be used to record the interest expenses or payments for specific reasons.

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Account Number	Account Label	Definition
9220	Contributions and Donations Paid	Amounts donated by the organization to recognized not-for-profit entities or charitable causes.
9230	Rental Property Expense	Expenses related to rental property and other assets that generate rental income to the organization and are not used in organization operations. Income from rental property is recorded in Account 9160 – Rental Property Income. Subaccounts 9161–9169 may be used to record expenses from different assets.
9240	Gross Expenses from Business Ventures	Expenses associated from outside business activities where the organization is invested or has ownership. At the organization's option, gross revenue can be recorded in Account 9170 and gross expenses recorded in Account 9240; or net revenue after expenses can be recorded in Account 9170 and net losses in Account 9240. Subaccounts 9241–9249 may be used to record different ventures.
9250	Goodwill Impairment	Statement 142 by the Federal Accounting Standards Board (FAS 142) eliminated the amortization of goodwill over time, and Instead of deducting the value of goodwill annually, organizations must determine the fair value of the entity, using present value of future cash flow, and compare it to their carrying value (book value of assets plus goodwill minus liabilities.) If the fair value is less than carrying value (impaired), the goodwill value needs to be reduced so the fair value is equal to carrying value. The impairment loss is reported in Account 9250, and new adjusted value of goodwill is reported on the Balance Sheet.
9260	Other Nonmedical Expense	Expenses from other nonmedical sources not recorded elsewhere.
9300	Current Income Taxes	The current portion of taxes, based on net profit, paid to federal, state, or local government. Accounts 9310–9330 are used to record individual tax reporting.
9310	Current Income Taxes – Federal	
9320	Current Income Taxes – State	
9330	Current Income Taxes – Other	
9400	Deferred Income Taxes	The portion of taxes, based on net profit, paid to federal, state, or local government that are deferred from past accounting periods. Accounts 9410–9430 are used to record individual tax reporting.
9410	Deferred Income Taxes – Federal	
9420	Deferred Income Taxes – State	
9430	Deferred Income Taxes – Other	

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MGMA Chart of Accounts Version 6.1 for Practices with Extensive Financial Information Needs

Account Number	Account Label	Definition
9500	Business Taxes	Sales, excise, and other taxes not recorded elsewhere. This account also includes business, occupation, use, and corporate franchise taxes paid by the organization.
9510	Taxes – Excise	
9520	Taxes – Health	
9530	Taxes – Other Business Taxes	
9600	Medicaid Assessment Fee	Payments required of providers by state government to support the state's portion of the Medicaid program.
9700	Extraordinary Revenue and Gains	Revenue associated with events that are unforeseen and atypical that meet the accounting standard as being extraordinary. Gains recorded in other accounts may be reclassified when financial statements are prepared.
9800	Extraordinary Expenses and Losses	Expenses associated with events that are unforeseen and atypical that meet the accounting standard for extraordinary events. Losses recorded in other accounts may be reclassified when financial statements are prepared.
9900	Provision for Cash Basis Conversion	Used to convert revenues recorded on the accrual basis to collections recorded on the cash basis. This adjustment is optional and is provided for the organization that records revenues on an accrual bases for management reporting and converts revenue to a cash basis for tax reporting.

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MGMA Chart of Accounts

Version 6.2 for Practices with Normal Financial Information Needs

Account Number	Account Label	Definition
1000	Assets	Assets are resources owned by the practice. Assets may be tangible (physical in character) such as land, buildings, and equipment, a direct right to tangible property such as amounts due from patients and third-party agencies, or intangible such as goodwill, patents, licenses, and leaseholds. Current assets are cash and other assets that the practice expects to convert to cash, sell, or consume during the current year. Long-term assets are assets that the practice does not expect to convert to cash, sell, or otherwise consume in the current year. Examples of long-term assets include land, buildings, and equipment.
1100	Cash	
1110	Cash – Unrestricted – Banks	Cash and cash equivalents on deposit in banks that is immediately available for general operations. Cash restricted for other than general operating purposes should be included in Account 1130 – Cash – Restricted.
1111	General Checking Accounts	Cash on deposit in banks that is immediately available for general purposes.
1112	Payroll Checking Accounts	Cash on deposit in banks that is immediately available for payroll transactions.
1113	Other Checking Accounts	Cash on deposit in banks that is immediately available for other disbursements.
1120	Cash – On-Hand	Unrestricted cash held in the practice. Cash – On-Hand covers a change fund (Account 1121) and/or a petty cash fund (Account 1122). These funds may reside in either this general account or in the Subaccounts 1121–1122.
1121	Change Fund	An imprest fund used to support collections from patients for medical services and sale of medical and other supplies.
1122	Petty Cash	An imprest fund used to reimburse practice staff and physicians for miscellaneous amounts expended on behalf of the practice.
1200	Short-Term Investments	Short-term investments intended to be used to finance current operations. Securities not intended to be used to finance current operations should be included in Account 1610 – Investments – Long-Term.
1300	Accounts Receivable	In general, the accounts receivable represent the open account amounts (debts) owed to the practice by other entities (including customers, patients, and third-party payers) as a result of the services provided to its customers and patients.

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Account Number	Account Label	Definition
1330	Allowance for Estimated Uncollectible Receivables	Estimated amount of uncollectible receivables regardless of the reason.
1360	Other Short-Term Receivables	Short-term receivables not recorded elsewhere. For example, interest that has been earned but not yet received may be recorded here or in Account 1361.
1500	Prepaid Expenses and Other Current Assets	Prepayments for goods or services that will benefit future operations, normally within one year of Balance Sheet date. An example of a prepaid expense is paying an insurance premium in installments prior to the policy expiration date. At the organization's discretion, Subaccounts 1501–1509 may be used for additional detail if needed. Account 1520 should be used for current assets not delineated in a stated account.
1510	Prepaid Expenses – Current Portion	
1520	Other Current Assets	
1600	Investments – Long-Term	Long-term investments in securities, property (not used for operations), and receivables due beyond one year from the Balance Sheet date.
1700	Property, Furniture, Fixtures, and Equipment	Noncurrent, tangible assets that generally have a useful life in excess of one year. Depreciation for these assets is recorded in Account 1800 – Accumulated Depreciation – Property, Furniture, etc.
1710	Real Property	Value of land, land improvements, and buildings.
1720	General Practice Furniture, Fixtures, and Equipment (Administrative and Clinical) Assets	Value of furniture, fixtures, and equipment. A common criterion for capitalization is a unit cost of $500 or more, with smaller items expensed in the supplies accounts (under Account 6000 series – General and Administrative Expenses, and Account 7000 series – Clinical and Ancillary Services). Each organization should determine rules for the capitalizing or expensing of the costs of capital assets. Subaccounts 1721–1729 may be used to further delineate the cost categories. Other criteria for capitalization are: • A unit cost sufficiently large to justify the cost of control incident to an equipment or property ledger; • Depreciable life of two years or more but less than the life of buildings to which the equipment or fixtures may be affixed; • Sufficient individuality and size to make control feasible by means of identification tags or numbers; and • Leased Equipment: In this chart of accounts, equipment acquired under a lease and capitalized as an asset is included with the subaccounts labeled as capital leases.

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Account Number	Account Label	Definition
1730	Information Technology Assets	Value of major data processing, computer, and telecommunications equipment. In regard to personal computers, cell phones, pagers, and related information technology equipment, organizations need to have a specific rule on which items will be capitalized with the depreciation included in Account 6800 – Information Technology. A common criterion for capitalization is a unit cost of $500 or more, with smaller items expensed in the supplies accounts (under Account 6000 series—General and Administrative Expenses, and Account 7000 series – Clinical and Ancillary Services). Each organization should determine rules for the capitalizing or expensing of the costs of capital assets. Subaccounts 1731–1733 may be used to further delineate the asset and whether it is leased or depreciated. Other criteria for capitalization are: • A unit cost sufficiently large to justify the cost of control incident to an equipment or property ledger; • Depreciable life of two years or more but less than the life of buildings to which the equipment or fixtures may be affixed; • Sufficient individuality and size to make control feasible by means of identification tags or numbers; and • Leased Equipment: In this chart of accounts, equipment acquired under a lease and capitalized as an asset is included with the subaccounts labeled as capital leases.
1731	Information Technology – Hardware	
1732	Information Technology – Hardware – Capital Leases	
1733	Information Technology – Software	
1740	Motor Vehicle Assets	
1750	Ancillary Services Equipment Assets	
1760	Research Equipment Assets	
1800	Accumulated Depreciation – Property, Furniture, etc.	As a general rule, depreciation is used to record the reduction in value over time of tangible property due to use or passage of time itself. Accumulated depreciation is a contra account to the related fixed asset. Depreciation expense is recorded as a charge against earnings in the statement of operations and the offsetting entry is recorded as accumulated depreciation. This contra-asset account tracks the sum of accumulated depreciation in Accounts 1700–1799.

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Account Number	Account Label	Definition
1810	Accumulated Depreciation – Real Property	Contra-asset accounts used to accumulate the depreciation recorded each year for real property. (Note that the last two digits of each accumulated depreciation account match the last two digits of the related asset account.)
1820	Accumulated Depreciation – General Practice Furniture, Fixtures, and Equipment	Contra-asset accounts used to accumulate the sum of depreciation recorded for furniture, fixtures, and equipment.
1830	Accumulated Depreciation – Information Technology Assets	Accumulated depreciation for Account 1730 – Information Technology Assets.
1840	Accumulated Depreciation – Motor Vehicle Assets	Accumulated depreciation for vehicles owned or leased by the practice under a capitalized lease
1850	Accumulated Depreciation – Ancillary Services Equipment Assets	Accumulated depreciation for ancillary services equipment assets.
1860	Accumulated Depreciation – Research Equipment Assets	Accumulated depreciation for research equipment assets.
1900	Intangible and Other Noncurrent Assets	Costs of property rights without physical substance that will benefit future operations of the organization. Intangible assets are purchased from external sources, provide future benefit, and are relatively long-lived. Other noncurrent assets include long-term prepayments, deferred charges, deposits and down payments for tangible assets, goodwill, and assets not included in other categories.
2000	Liabilities	Debts or obligations owed by the practice to creditors and lenders. These debts arise from the purchase of goods and services on credit and from cash borrowings. Liabilities also include obligations to transfer assets other than cash or to provide services to another entity.
2100	Current Liabilities – Payables	Liabilities that are due within the next 12 months. The portion of a long-term debt that will be due within the next 12 months is also a current liability at any given Balance Sheet date. Payables include liabilities owed to vendors, banks, and other organizations.
2200	Current Liabilities – Payroll	Current liabilities accrued at the end of an accounting period to reflect the proper amount of expenses for the organization under the accrual basis of accounting. Generally, no invoices or other billings are received within the accounting period, and the liability for these items is estimated or obtained from other sources. Liabilities related to payroll and/or for amounts withheld from employees or otherwise accrued.

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Account Number	Account Label	Definition
2300	Other Current Liabilities	Other current liabilities accrued at the end of an accounting period to reflect the proper amount of expenses for the organization under the accrual basis of accounting. Generally, no invoices or other billings are received within the accounting period, and the liability for these items is estimated or obtained from other sources. Current liabilities recorded in this account include rent, insurance, taxes, patient deposits, deferred revenue, notes payable, incurred but not reported (IBNR) claims for capitation plan patients, and other current liabilities not recorded elsewhere.
2400	Long-Term Liabilities	Liabilities that will mature and require payment at some future time, typically at least 12 months or more beyond the Balance Sheet date.
2500	Other Liabilities	Liabilities not recorded elsewhere.
3000	Equity	The residual value of the organization's assets after subtracting all liabilities. Equity reflects the capital value of an organization after its assets could be used to pay outstanding liabilities, and represents the capital contributed by the organization's shareholders along with any profits or surpluses retained in the entity. The basic accounting equation, also called the Balance Sheet equation, represents the relationship between an organizations assets and liabilities and is expressed as: Assets – Liabilities = Equity.
3100	Owners' or Partners' Equity (Sole Proprietorship or General Partnership)	Net assets of the sole proprietorship or partnership; that is, the excess of the entity's assets over its liabilities. The balances in these accounts are the cumulative results of the sole proprietor's or partners' investments, earnings and losses, and withdrawals. A sole proprietorship is a legal entity with a single individual having full ownership. A partnership is a legal entity where two or more individuals have agreed that they will share profits and losses, and assets and liabilities, although not necessarily on an equal basis. The partnership is typically formalized in a partnership agreement.
3200	Stockholders Equity (For-Profit-Corporation)	Net assets of the corporation, the claims of the shareholders on the assets of the corporation after its liabilities have been paid. This amount is the cumulative result of the owners' investments and the equity originating from net earnings retained by the corporation and represents the sum of contributed capital and retained earnings, less outstanding treasury stock.

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Account Number	Account Label	Definition
3300	Net Assets (Not-for-Profit Corporation)	Excess of the not-for-profit corporation's assets over its liabilities. The balances in these accounts are the cumulative results of original investments, grants, gifts, donations, revenues, and expenditures from operations. A not-for-profit corporation is a legal entity that has obtained special exemption under Section 501(c) of the Internal Revenue Code that qualifies the organization to be exempt from federal income taxes.
3400	Members' Equity (Limited liability Companies [LLCs])	An LLC is a hybrid business entity having certain characteristics of corporations, partnerships, and sole proprietorships. An LLC, although a business entity, is a type of unincorporated association and is not a corporation. The primary characteristic an LLC shares with a corporation is limited liability, and it may be taxed as a corporation, sole proprietorship, or a partnership depending on its specific characteristics.
3500	Other Equity	Equity not recorded elsewhere.
INCOME STATEMENT ACCOUNTS		The Income Statement is used to summarize results of business operations for a period of time, not longer than one year, to determine if the organization is operating efficiently. It is a measure of the results of operations representing the difference between revenue and expense for the reported period.
4000	Operating Revenue	Revenues measure what the practice has earned. There are different measures of earnings, depending on whether the organization identifies gross charges, adjustments, and allowances; whether the organization uses the cash, modified cash, or accrual basis of accounting; and whether the practice is paid on a fee-for-service, capitation, or some other basis.
4100	Gross Charges (Accrual and Modified Cash)	Accounts 4110–4190 may be used by organizations recording charges on an accrual and modified cash basis of accounting. Gross charges are the full value, at the practice's undiscounted rates, of all services provided to patients for all payers. For practices using cash basis accounting, use Account 9900 – Provision for Cash Basis Conversion to offset gross charges.
4200	Adjustments to Fee-for-Service Charges (Accrual and Modified Cash)	Differences between the normal gross charge for a service and the amount the practice has agreed to accept. Although accounting standards only require organizations to report the amount actually charged to an insurance company, patient, or other party, these accounts are an important management tool that enable a practice to evaluate the amount and reasons for adjustments. These accounts are normally used only for internal reporting purposes.
4300	Cash Received (Cash and Modified Cash)	Revenue received by practice for medical services. The term "cash" is used to reflect revenue from all sources, including checks, bank transfers, credit or debit card payments, cash equivalencies (barter), cash payments, etc.

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Account Number	Account Label	Definition
4400	Bad Debt Recovery (Accrual, Cash, and Modified Cash)	Recovered revenues from collections that were originally written off as bad debt expense in Account 6900 – Bad Debt Expense or its subaccounts.
4500	Patient and Payer Refunds (Accrual, Cash, and Modified Cash)	Contra account used to record refunds for overpayments, duplicate payments, or for amounts that should not have been collected.
4600	Third-Party Settlements (Accrual, Cash, and Modified Cash)	Under a retrospective rate-setting system, third parties usually determine an interim payment rate and, during the rate period, pay the medical organization for services rendered using the rate. After the rate period has ended, the medical organization may be entitled to receive additional payments or may be required to refund amounts received in excess of amounts earned under the system.
4700	Revenue for Capitation and Global Payment Patients (Accrual, Cash, and Modified Cash)	Revenue received by the practice for services reimbursed through capitation and global payment contracts. Capitation or global payment contracts are similar in that they pay the provider in advance of services on a per-member per-month (often abbreviated as PMPM) basis. This account will include capitation payments from the patient's insurance company and all related revenue received by the practice. In general, PMPM payments from a health maintenance organization are referred to as capitation, while PMPM payments from a commercial insurance company or government agency are referred to as global payment.
4800	Incentive-Based Revenue (Accrual, Cash, and Modified Cash)	
4900	Other Medical Revenue (Accrual, Cash, and Modified Cash)	
OPERATING EXPENSES		Operating expenses are consumed costs incurred in the process of providing medical services and exclude all costs pertaining to non-operating activities such as general investments, endowments, etc. On the accrual basis of accounting, expenses are resources consumed in the process of generating revenue, regardless of when payment for the resources occurs. Conversely, on a cash basis of accounting, expenses are realized when paid, regardless of when a service was provided or a resource consumed.
5000	Operating Expenses – Support Staff	All forms of staff compensation, including salaries regularly paid or stipulated to be paid, to individuals for services performed while on the payroll of the organization. Costs related to providers are reported in the following accounts: Account 8100 – Physician Owner – Compensation and Benefits; Account 8200 – Physician Employee – Compensation and Benefits; Account 8300 – Physician Contractor and Locum Tenens – Compensation and Benefits; Account 8400 – Nonphysician Provider Owner – Compensation and Benefits; Account 8500 – Nonphysician Provider Employee – Compensation and Benefits; Account 8600 – Residents, Fellows, and Postdocs – Compensation and Benefits.

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MGMA Chart of Accounts Version 6.2 for Practices with Normal Financial Information Needs

Account Number	Account Label	Definition
5100	Salaries – Support Staff	Salaries are compensation to employees. Payments to outside contractors should not be included in this section but should be shown as a purchased service. Employees typically receive a W-2 tax form, whereas contractors typically receive a 1099.
5110	Salaries – Administration and Business Operations	Salaries and incentives of all general administrative and practice management staff and their direct support staff employees.
5120	Salaries – Front Office	
5130	Salaries – Clinical Support	Salaries and incentives of all nursing staff members employed by the organization. Do not include nonphysician providers such as nurse practitioners, which should be reported in Account 8400 – Nonphysician Provider Owner – Compensation and Benefits, or Account 8500 – Nonphysician Provider Employee – Compensation and Benefits.
5140	Salaries – Ancillary Services	Salaries of all employees of ancillary services departments.
5150	Salaries – Research	Salaries of all employees in a separate clinical research department. Include all staff members such as secretaries, nurses, and the department director or manager.
5160	Salaries – Other	Salaries of all employees in other activities owned or operated by the practice.
5170	Support Staff – Deferred Compensation	Deferred compensation paid or expensed during the period to the organization's support staff.
5180	Support Staff – Severance	Costs paid or expensed by the organization to support staff members who are terminated from employment.
5200	Bonuses – Support Staff	Incentive payments to staff members.
5300	Support Staff – Payroll Taxes	Employer's share of payroll taxes paid on behalf of support staff. At the organization's discretion, Subaccounts 5311–5319 may be used to record individual tax categories.
5400	Support Staff Benefits	Employer's share of nonsalary compensation provided to employees.
5410	Support Staff Insurance	Employer's share of the insurance premiums paid for the support staff. At the organization's discretion, Subaccounts 5411–5419 may be used to record individual insurance categories.
5420	Support Staff Pension and Retirement Benefits	Payments by the organization to the pension plan or other retirement program established for the support staff. If an organization offers a 401(k), 403(b), or similar pension/retirement plan, only include the employer contribution; the employee contribution should not be recorded. If the organization has multiple retirement plans, at the discretion of the organization, Subaccounts 5421–5429 may be used to record the contribution to each plan.

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Account Number	Account Label	Definition
5430	Support Staff Professional Development	Costs paid by the organization for employees continuing education, including costs of study materials. Subaccounts 5431–5439 may be used for specific types of expenditures.
5440	Support Staff Medical Reimbursement Plan	Medical- and dental-related expenses incurred by employees, and typically their families, which are paid for or reimbursed in accordance with a formal medical reimbursement plan and not through health or dental insurance. Any free medical or dental services provided within the organization to employees should be treated as an adjustment to revenue and debited to Account 4200 – Adjustments to Fee-for-Service Charges.
5450	Support Staff Motor Vehicles	Depreciation, lease, and/or operating costs of a vehicle acquired for the exclusive use of an employee.
5460	Support Staff – Other Benefits	Other fringe benefits provided by the organization for employees.
5500	Temporary Staff Expenses	Costs incurred by the organization for employees on a temporary basis to support short-term needs. At the organization's discretion, Accounts 5510–5599 may be used to record different categories of temporary employees.
6000	General and Administrative Expenses	Services and general expenses relating to administration of the practice. Services and general expenses relating to clinical and ancillary services are recorded in the 7000 series of accounts.
6100	Building and Occupancy Expenses	Expenses related to the occupancy and use of land and buildings. In the event that another legal entity owns the land or buildings, any rental fees, commissions, or charges paid to the other entity are charged to this account. For the purpose of peer comparison (for example, a comparative data or cost survey), a fair market rental value may be charged to this account even if no rent is otherwise charged to the organization by the owning entity.
6200	Administrative Furniture, Fixtures, and Equipment	Costs associated with furniture, fixtures, and equipment use in the office, administrative, and general purpose areas of the facility. Items must be of a significant nature and with a substantial life which are depreciated or leased and not expensed when acquired. Account 1720 – General Practice Furniture, Fixtures, and Equipment (Administrative and Clinical) Assets is used to record the asset value of the property. Depreciation, lease, and maintenance costs of furniture, fixtures, and equipment used in clinical and ancillary service areas are recorded in the 7000 series of accounts.
6300	Administrative – Minor Equipment, Supplies, and Services	Costs associated with minor equipment, supplies, and contractual purchases used for nonclinical activities.
6400	Employee-Related Expenses	Expenses incurred by the practice for activities that directly benefit employees.
6500	Vehicles and Travel	Expenses related to business travel and vehicles used by the organization.

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Account Number	Account Label	Definition
6600	Promotion and Marketing	Costs of marketing services and advertising used to promote the organization, its providers, and its health care services. Include the costs of advertising, placement in electronic listings, and printed material such as Yellow Pages, healthcare directories, patient newsletters, information booklets, fliers, and brochures.
6700	Insurance	A form of risk management that protects the organization against the risk of loss. In return for payment of a set premium amount, the insurer promises to compensate (indemnify) the insured in the case of a loss. The conditions and circumstances under which the insured will be financially compensated are stated in the insurance policy (contract).
6710	Business and Casualty Insurance	Cost of general business and casualty policies such as fire, flood, theft, casualty, general liability, officers' and directors' liability, reinsurance, etc. At the organization's discretion, Subaccounts 6711–6719 may be used to record expenses by insurance type.
6720	Professional Liability Insurance	Premiums or self-insurance cost for coverage of professional liability claims. At the organization's discretion, Subaccounts 6721–6726 may be used to record expenses by type of coverage.
6800	Information Technology	Costs of practice-wide data processing, computer, telephone, Internet, and telecommunications services.
6900	Bad Debt Expense	Uncollectible accounts receivable and notes receivable. An aging schedule of accounts receivable may be used to estimate the amount of uncollectible accounts. Other methods may be used, but a consistent and justifiable method of estimating the periodic charge to provision for bad debts (and the corresponding credit to Account 1330 – Allowance for Estimated Uncollectible Receivables, or Account 1331 – Allowance for Bad Debts – Patients) should be applied systematically. At the organization's discretion, bad debts may be individually categorized using Accounts 6910–6990.
7000	Clinical and Ancillary Services	Expenses relating to patient care. Expenses relating to general and administrative services are recorded in the 6000 series of accounts.
7100	Clinical Furniture, Fixtures, and Equipment	Costs associated with furniture, fixtures, and equipment use in clinical areas of the facility. Items must be of a significant nature and with a substantial life, which are depreciated or leased and not expensed when acquired. Account 1720 – General Practice Furniture, Fixtures, and Equipment (Administrative and Clinical) Assets is used to record the asset value of the property. Depreciation, lease, and maintenance costs of furniture, fixtures, and equipment used in administrative areas are recorded in Account 6200, and furniture, fixtures, and equipment used in ancillary service areas are recorded in the 7300, 7400, 7500, 7600, and 7700 series of accounts.

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Account Number	Account Label	Definition
7200	Clinical Minor Equipment, Supplies, and Services	Consumable supplies, minor (not depreciated) equipment, and purchased services used in clinical areas and associated with patient care.
7300	Radiology and Imaging Expenses	Cost of equipment, supplies, and maintenance associated with the diagnostic radiology, diagnostic ultrasound, diagnostic nuclear medicine, echocardiography, noninvasive vascular diagnostic studies, electrocardiography, and other similar imaging services.
7400	Laboratory Expenses	Cost of equipment, supplies, and maintenance associated with clinical chemistry, anatomic pathology, clinical microbiology, hematology, genetics, and related laboratory services.
7500	Ambulatory Surgery Expenses	Cost of equipment, supplies, and maintenance associated with the ambulatory surgery department. The ambulatory surgery department may be an accredited ambulatory surgery center or an independent department in the practice.
7600	Other Ancillary Services Expenses	Cost of equipment, supplies, and maintenance associated with ancillary departments such as physical therapy, optical, radiation oncology, therapeutic nuclear medicine, etc.
7700	Research Expenses	Costs associated with furniture, fixtures, and equipment used in the research department. Medical practices involved in clinical trials, medical research, medical device evaluation, and drug development may choose to create a separate department to isolate the expenses for the staff and equipment used in research. Depreciated items must be of a significant nature and with a substantial life, which are depreciated or leased and not expensed when acquired. The asset value of equipment used in the research department is recorded in Account 1760 – Research Equipment Assets.
7800	Purchased Professional and Medical Services	Expenses associated with clinical services purchased from outside entities. These accounts will be used by medical practices that accept full-risk contracts to pay claims for all professional services rendered to a covered population and by medical groups who will contract with an outside entity for clinical services provided to fee-for-service patients and who will bill the service under the medical group's tax identification number.
7900	Cost of Goods Sold – Medical Related	Acquisition cost of goods sold to patients. This account is used in those areas where items are sold to patients on a retail basis.
8000	Physician and Nonphysician Provider Expenses	Compensation and benefits paid physicians and nonphysician providers who are owners, employees, locum tenens, and contractors to the organization.
8100	Physician Owner – Compensation and Benefits	All forms of compensation and benefits, including salaries regularly paid or stipulated to be paid, draws against estimated productivity income, distribution of profits, bonuses, etc., as well as nontaxed benefits paid to physician owners.

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Account Number	Account Label	Definition
8110	Physician Owner – Compensation	Compensation paid to physician owners. Accounts 8111–8119 may be used to record bonuses, incentives, research income, and other distributions to physician owners if the additional level of detail is desired.
8120	Physician Owner – Payroll Taxes	Employer's share of payroll taxes. At the organization's discretion, Subaccounts 8121–8129 may be used to record individual tax categories.
8130	Physician Owner – Insurance	Employer's share of the insurance premiums paid for the benefit of physician owners. At the organization's discretion, Subaccounts 8131–8139 may be used to record individual insurance categories.
8140	Physician Owner – Pension and Retirement Benefits	Payments by the organization to the pension plan or other retirement program established for physician owners. If an organization offers a 401(k), 403(b), or similar pension/retirement plan, only include the employer contribution; the employee contribution should not be recorded. If the organization has multiple retirement plans, at the discretion of the organization, Subaccounts 8141–8149 may be used to record the contribution to each plan.
8150	Physician Owner – Professional Development	Costs paid by the organization for physician owners continuing education, including costs of study materials. Subaccounts 8151–8159 may be used for specific types of expenditures.
8160	Physician Owner – Medical Reimbursement Plan	Medical- and dental-related expenses incurred by physician owners, and typically their families, which are paid for or reimbursed in accordance with a formal medical reimbursement plan and not through health or dental insurance. Any free medical or dental services provided within the organization to physician owners should be treated as an adjustment to revenue and debited to Account 4290 – Adjustments – Employee Discount and not charged to this account.
8170	Physician Owner – Motor Vehicles	Depreciation, lease, and/or operating costs of a vehicle acquired for the exclusive use of a physician owner.
8180	Physician Owner – Other Benefits	Other fringe benefits provided by the organization for physician owners.
8200	Physician Employee – Compensation and Benefits	All forms of compensation and benefits, including salaries regularly paid or stipulated to be paid, draws against estimated productivity income, distribution of profits, bonuses, etc., as well as nontaxed benefits paid to physician employees who are employed by the organization.
8210	Physician Employee – Compensation	Compensation paid to physician employees. Accounts 8211–8219 may be used to record bonuses, incentives, research income, and other distributions to physician employees if the additional level of detail is desired.

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Account Number	Account Label	Definition
8220	Physician Employee – Payroll Taxes	Employer's share of payroll taxes. At the organization's discretion, Subaccounts 8221–8229 may be used to record individual tax categories.
8230	Physician Employee – Insurance	Employer's share of the insurance premiums paid for the benefit of physician employees. At the organization's discretion, Subaccounts 8231–8239 may be used to record individual insurance categories.
8240	Physician Employee – Pension and Retirement Benefits	Payments by the organization to the pension plan or other retirement program established for physician employees. If an organization offers a 401(k), 403(b), or similar pension/retirement plan, only include the employer contribution; the employee contribution should not be recorded. If the organization has multiple retirement plans, at the discretion of the organization, Subaccounts 8241–8249 may be used to record the contribution to each plan.
8250	Physician Employee – Professional Development	Costs paid by the organization for physician employee's continuing education, including costs of study materials. Subaccounts 8251–8259 may be used for specific types of expenditures.
8260	Physician Employee – Medical Reimbursement Plan	Medical- and dental-related expenses incurred by physician employees, and typically their families, which are paid for or reimbursed in accordance with a formal medical reimbursement plan and not through health or dental insurance. Any free medical or dental services provided within the organization to physician employees should be treated as an adjustment to revenue and debited to Account 4290 – Adjustments – Employee Discount and not charged to this account.
8270	Physician Employee – Motor Vehicles	Depreciation, lease, and/or operating costs of a vehicle acquired for the exclusive use of a physician employee.
8280	Physician Employee – Other Benefits	Other fringe benefits provided by the organization for physician employees.
8300	Physician Contractor and Locum Tenens – Compensation and Benefits	All forms of compensation and benefits, including salaries regularly paid or stipulated to be paid, draws against estimated productivity income, distribution of profits, bonuses, etc., as well as nontaxed benefits paid to physicians who are independent contractors or locum tenens employed by the organization.
8310	Physician Contractor and Locum Tenens – Compensation	Compensation paid to physician contractors and locum tenens. Subaccounts 8311–8319 may be used to record bonuses, incentives, research income, and other distributions to physician contractor and locum tenens if the additional level of detail is desired.

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Account Number	Account Label	Definition
8320	Physician Contractor and Locum Tenens – Payroll Taxes	Employers share of payroll taxes paid on behalf of physician contractors and locum tenens. At the organization's discretion, Subaccounts 8321–8329 may be used to record individual tax categories.
8330	Physician Contractor and Locum Tenens – Insurance	Employers share of the insurance premiums paid for the benefit of physician contractors and locum tenens. At the organization's discretion, Subaccounts 8331–8339 may be used to record individual insurance categories.
8340	Physician Contractor and Locum Tenens – Pension and Retirement Benefits	Payments by the organization to the pension plan or other retirement program established for physician contractors and locum tenens. If an organization offers a 401(k), 403(b), or similar pension/retirement plan, only include the employer contribution; the employee contribution should not be recorded. If the organization has multiple retirement plans, at the discretion of the organization, Subaccounts 8341–8349 may be used to record the contribution to each plan.
8350	Physician Contractor and Locum Tenens – Professional Development	Costs paid by the organization for physician contractor's and locum tenens' continuing education, including costs of study materials. Subaccounts 8351–8359 may be used for specific types of expenditures.
8360	Physician Contractor and Locum Tenens – Medical Reimbursement Plan	Medical- and dental-related expenses incurred by physician contractors and locum tenens, and typically their families, which are paid for or reimbursed in accordance with a formal medical reimbursement plan and not through health or dental insurance. Any free medical or dental services provided within the organization to physician contractors and locum tenens should be treated as an adjustment to revenue and debited to Account 4290 – Adjustments – Employee Discount and not charged to this account.
8370	Physician Contractor and Locum Tenens – Motor Vehicles	Depreciation, lease, and/or operating costs of a vehicle acquired for the exclusive use of a physician contractor or locum tenens.
8380	Physician Contractor and Locum Tenens – Other Benefits	Other fringe benefits provided by the organization for physician contractors and locum tenens.
8400	Nonphysician Provider Owner – Compensation and Benefits	All forms of compensation and benefits, including salaries regularly paid or stipulated to be paid, draws against estimated productivity income, distribution of profits, bonuses, etc., as well as nontaxed benefits paid to nonphysician provider owners.
8410	Nonphysician Provider Owner – Compensation	Compensation paid to nonphysician provider owners. Accounts 8411–8419 may be used to record bonuses, incentives, research income, and other distributions to nonphysician provider owners if the additional level of detail is desired.

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Account Number	Account Label	Definition
8420	Nonphysician Provider Owner – Payroll Taxes	Employer's share of payroll taxes paid on behalf of nonphysician provider owners. At the organization's discretion, Subaccounts 8421–8429 may be used to record individual tax categories.
8430	Nonphysician Provider Owner – Insurance	Employer's share of the insurance premiums paid for the benefit of nonphysician provider owners. At the organization's discretion, Subaccounts 8431–8439 may be used to record individual insurance categories.
8440	Nonphysician Provider Owner – Pension and Retirement Benefits	Payments by the organization to the pension plan or other retirement program established for nonphysician provider owners. If an organization offers a 401(k), 403(b), or similar pension/retirement plan, only include the employer contribution; the employee contribution should not be recorded. If the organization has multiple retirement plans, at the discretion of the organization, Subaccounts 8441–8449 may be used to record the contribution to each plan.
8450	Nonphysician Provider Owner – Professional Development	Costs paid by the organization for nonphysician provider owners continuing education, including costs of study materials. Subaccounts 8451–8459 may be used for specific types of expenditures.
8460	Nonphysician Provider Owner – Medical Reimbursement Plan	Medical- and dental-related expenses incurred by nonphysician provider owners, and typically their families, which are paid for or reimbursed in accordance with a formal medical reimbursement plan and not through health or dental insurance. Any free medical or dental services provided within the organization to nonphysician provider owners should be treated as an adjustment to revenue and debited to Account 4290 – Adjustments – Employee Discount and not charged to this account.
8470	Nonphysician Provider Owner – Motor Vehicles	Depreciation, lease, and/or operating costs of a vehicle acquired for the exclusive use of a nonphysician provider owner.
8480	Nonphysician Provider Owner – Other Benefits	Other fringe benefits provided by the organization for nonphysician provider owners.
8500	Nonphysician Provider Employee – Compensation and Benefits	All forms of compensation and benefits, including salaries regularly paid or stipulated to be paid, draws against estimated productivity income, distribution of profits, bonuses, etc., as well as nontaxed benefits paid to nonphysician provider employees.
8510	Nonphysician Provider Employee – Compensation	Compensation paid to nonphysician provider employees. Accounts 8511–8519 may be used to record bonuses, incentives, research income, and other distributions to nonphysician provider employees if the additional level of detail is desired.

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Account Number	Account Label	Definition
8520	Nonphysician Provider Employee – Payroll Taxes	Employer's share of payroll taxes paid on behalf of nonphysician provider employees. At the organization's discretion, Subaccounts 8521–8529 may be used to record individual tax categories.
8530	Nonphysician Provider Employee – Insurance	Employer's share of the insurance premiums paid for the benefit of nonphysician provider employees. At the organization's discretion, Subaccounts 8531–8539 may be used to record individual insurance categories.
8540	Nonphysician Provider Employee – Pension and Retirement Benefits	Payments by the organization to the pension plan or other retirement program established for nonphysician provider employees. If an organization offers a 401(k), 403(b), or similar pension/retirement plan, only include the employer contribution; the employee contribution should not be recorded. If the organization has multiple retirement plans, at the discretion of the organization, Subaccounts 8541–8549 may be used to record the contribution to each plan.
8550	Nonphysician Provider Employee – Professional Development	Costs paid by the organization for nonphysician provider employee's continuing education, including costs of study materials. Subaccounts 8551–8559 may be used for specific types of expenditures.
8560	Nonphysician Provider Employee – Medical Reimbursement Plan	Medical- and dental-related expenses incurred by nonphysician provider employees, and typically their families, which are paid for or reimbursed in accordance with a formal medical reimbursement plan and not through health or dental insurance. Any free medical or dental services provided within the organization to nonphysician provider employees should be treated as an adjustment to revenue and debited to Account – Adjustments – Employee Discount and not charged to this account.
8570	Nonphysician Provider Employee – Motor Vehicles	Depreciation, lease, and/or operating costs of a vehicle acquired for the exclusive use of a nonphysician provider employee.
8580	Nonphysician Provider Employee – Other Benefits	Other fringe benefits provided by the organization for nonphysician provider employees.
8600	Residents, Fellows, and Postdocs – Compensation and Benefits	All forms of compensation and benefits, including salaries regularly paid or stipulated to be paid, draws against estimated productivity income, distribution of profits, bonuses, etc., as well as nontaxed benefits paid to residents, fellows, and postdocs.
8610	Residents, Fellows, and Postdocs – Compensation	Compensation paid to residents, fellows, and postdocs. Accounts 8611–8619 may be used to record bonuses, incentives, research income, and other distributions to residents, fellows, and postdocs if the additional level of detail is desired.

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Account Number	Account Label	Definition
8620	Residents, Fellows, and Postdocs – Payroll Taxes	Employers share of payroll taxes paid on behalf of residents, fellows, and postdocs. At the organization's discretion, Subaccounts 8621–8629 may be used to record individual tax categories.
8630	Residents, Fellows, and Postdocs – Insurance	Employers share of the insurance premiums paid for the benefit of residents, fellows, and postdocs. At the organization's discretion, Subaccounts 8631–8639 may be used to record individual insurance categories.
8640	Residents, Fellows, and Postdocs – Pension and Retirement Benefits	Payments by the organization to the pension plan or other retirement program established for residents, fellows, and postdocs. If an organization offers a 401(k), 403(b), or similar pension/retirement plan, only include the employer contribution; the employee contribution should not be recorded. If the organization has multiple retirement plans, at the discretion of the organization, Subaccounts 8641–8649 may be used to record the contribution to each plan.
8650	Residents, Fellows, and Postdocs – Professional Development	Costs paid by the organization for residents, fellows, and postdocs continuing education, including costs of study materials. Subaccounts 8651–8659 may be used for specific types of expenditures.
8660	Residents, Fellows, and Postdocs – Medical Reimbursement Plan	Medical- and dental-related expenses incurred by residents, fellows, and postdocs, and typically their families, which are paid for or reimbursed in accordance with a formal medical reimbursement plan and not through health or dental insurance. Any free medical or dental services provided within the organization to residents, fellows, and postdocs should be treated as an adjustment to revenue and debited to Account 4290 – Adjustments – Employee Discount and not charged to this account.
8670	Residents, Fellows, and Postdocs – Motor Vehicles	Depreciation, lease, and/or operating costs of a vehicle acquired for the exclusive use of a resident, fellow, or postdoc.
8680	Residents, Fellows, and Postdocs – Other Benefits	Other fringe benefits provided by the organization for residents, fellows, and postdocs.
8700	Other Physician and Nonphysician Provider Expenses	Other expenses incurred for the practice's providers.
9000	Nonmedical Revenue and Expenses and Provision for Conversion to Cash Basis Accounting	Revenue and expenses not directly related to medical care. Under generally accepted accounting principles, nonmedical revenue and expenses may be considered operating or nonoperating for financial reporting purposes.
9100	Nonmedical Revenue	Revenues not directly related to patient care or the provision of medical services.
9200	Nonmedical Expenses	Expenses not directly related to patient care or the provision of medical services.

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Account Number	Account Label	Definition
9300	Current Income Taxes	The current portion of taxes, based on net profit, paid to federal, state, or local government. Accounts 9310–9330 may be used to record individual tax reporting.
9400	Deferred Income Taxes	The portion of taxes, based on net profit, paid to federal, state or local government that are deferred from past accounting periods. Accounts 9410–9430 may be used to record individual tax reporting.
9500	Business Taxes	Sales, excise, and other taxes not recorded elsewhere. This account also includes business, occupation, use, and corporate franchise taxes paid by the organization.
9600	Medicaid Assessment Fee	Payments required of providers by state government to support the state's portion of the Medicaid program.
9700	Extraordinary Revenue and Gains	Revenue associated with events that are unforeseen and atypical that meet the accounting standard as being extraordinary. Gains recorded in other accounts may be reclassified when financial statements are prepared.
9800	Extraordinary Expenses and Losses	Expenses associated events that are unforeseen and atypical that meet the accounting standard for extraordinary events. Losses recorded in other accounts may be reclassified when financial statements are prepared.
9900	Provision for Cash Basis Conversion	Used to convert revenues recorded on the accrual basis to collections recorded on the cash basis. This adjustment is optional and is provided for the organization that records revenues on an accrual bases for management reporting and converts revenue to a cash basis for tax reporting.

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