RATE COMPUTATION – NURSING FACILITIES

3-1 Rate Computation – Nursing Facilities – General Principles

It is the intent of the Division of Medicaid to reimburse nursing facilities a rate that is adequate for an efficiently and economically operated facility. An efficiently and economically operated facility is defined as one with direct care and care related costs greater than 90% of the median and less than the maximum rate, therapy costs of PNFSD less than the maximum rate, administrative and operating costs of less than the maximum rate, property costs that do not require a payment of the hold harmless provision and an occupancy rate of 80% or more.

3-2 Resident Assessments

All nursing facilities shall complete a Minimum Data Set assessment on all residents, in accordance with the policies adopted by the Division of Medicaid and CMS.

H. Total Base Rate

The annual base rate is the sum of the standard direct care per diem rate, the care related per diem rate, the administrative and operating per diem rate, the per diem property payment, the per diem hold harmless payment, and the per diem return on equity payment. The annual base rate for PNFSD's also includes the therapy per diem rate.

I. Calculation of the Rate for One Provider

In years when the rate is calculated for only one PNFSD, reimbursement will be based upon allowable reported costs of the facility. Reimbursement for direct care, therapies, care related, and administrative and operating costs will be calculated at cost plus the applicable trend factors. Reimbursement for administrative and operating costs will be subject to the ceiling for the facility as described in costs will be subject to the ceiling for the facility as described in Section 3-4 E. The property payment and the return on equity payment will be calculated for the facility as described in Sections 3-4 F and G.

3-5 Occupancy Allowance

The per diem rates for fixed administrative and operating costs, care related costs and property costs will be calculated using the greater of the facility's actual occupancy level or eighty percent (80%). This level is considered to be the minimum occupancy level for economic and efficient operation. This minimum occupancy level will not be applied to the computation of patient days used to calculated the direct care and therapy rates, or the variable portion of the administrative and operating and care related rates.

For facilities having less than eighty percent (80%) occupancy, the number of total patient days will be computed on an eighty percent (80%) factor instead of a lower actual percentage of occupancy. For example: a facility with an occupancy level of seventy percent (70%) representing 20,000 actual patient days in a reporting period will have to adjust this figure to 22,857 patient days ((22,000/70%)

RATE COMPUTATION – ICF-MR'S

4-1 Rate Computation – ICF-MR's – General Principles

It is the intent of the Division of Medicaid to reimburse Intermediate Care Facilities for the Mentally Retarded a rate that is adequate for an efficiently and economically operated facility. An efficiently and economically operated facility is defined as one with direct care costs, therapy costs, care related costs, and administrative and operating costs less than 110% of the median, property costs that do not require a payment of the hold harmless provision and an occupancy rate of 80% or more.

4-2 Computation of Rate for Intermediate Care Facilities for the Mentally Retarded

A per diem rate will be established annually, unless this plan requires a rate being calculated at another time, for the period July1 through June 30 until June 30, 2000 will be trended forward to establish rates for the period July 1, 2000 through December 31, 2000 as described in the Computation of Per Diem Rate for Nursing Facilities section (Section 3-4) of this plan. Beginning January 1, 2001, the per diem rate year will be January 1 through December 31, unless this plan requires a rate being calculated at another time. Cost reports used to calculate the rate will be the cost report filed for the period ending in the second calendar year prior to the beginning of the next calendar rate year, unless this plan requires a short period cost report to be used to compute the facility rate. For example, the rates effective January 1, 2001 will be determined from cost reports filed for the cost report year ended in 1999 unless a

administrative and operating costs, the per diem property payment, the per diem hold harmless payment, and the per diem return on equity payment.

E. State Owned ICF-MR's

ICF-MR's that are owned by the State of Mississippi will be included in the rate setting process described above in order to calculate a prospective rate for each facility. However, state owned facilities will be paid based on 100% of allowable costs. A state owned ICF-MR may request that the per diem rate be adjusted during the year based on changes in their costs. After the state owned ICF-MR's file their cost report, the per diem rate for each cost report period will be adjusted to the actual allowable cost for that period.

CHAPTER 5
RATE COMPUTATION – PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES

5.1 Rate Computation – Psychiatric Residential Treatment Facilities (PRTF's) – General Principles

It is the intent of the Division of Medicaid to reimburse Psychiatric Residential Treatment Facilities (PRTF's) a rate that is adequate for an efficiently and economically operated facility. An efficiently and economically operated facility is defined as one with direct care costs, therapy costs, care related costs, and administrative and operating costs less than 110% of the median, property costs that do not require a payment of the hold harmless provision and an occupancy rate of 80% or more.

5.2 Rate Computation for PRTF's

A per diem rate will be established annually, unless this plan requires a rate being calculated at another time, for the period January 1 through December 31, unless this plan requires a rate being calculated at another time. Cost reports used to calculate the rate will be the cost report filed for the period ending in the second calendar year prior to the beginning of the calendar rate year, unless this plan requires a short period cost report to be used to compute

D. Total Rate

The annual rate is the sum of the per diem rte for direct care costs, therapies, care related costs and administrative and operating costs, the per diem property payment, the per diem hold harmless payment, and the per diem return on equity payment.

E. Calculation of the Rate For One Provider

In years when the rate is calculated for only one facility, reimbursement will be based upon allowable reported costs of the facility. Reimbursement for direct care, therapies, care related, and administrative and operating costs will be made at cost plus the applicable trend factor. The property payment and the return on equity payment will be calculated for the facility ahs described in Sections 5-2 B. and C. The one provider will be subject to the hold harmless provisions of Chapter 6.