

The property tax component is facility specific, i.e. based on actual property taxes assessed and paid.

Provider Assessment

The provider assessment is an amount equal to 5.82% of the sum of the above components to recognize the state's Provider Assessment Tax. Should the state's 5.5% Provider Assessment Tax rate change, this add-on will be adjusted accordingly. Below is an example of the adjustment to the add-on in the provider tax were to be changed to 4.0%.

1.	Per diem base rate (excl. provider tax):	\$200.00
2.	Calculate per diem rate with 4.0% tax:	\$200.00 divided by .96 = \$208.33
3.	Calculate provider tax amount:	\$208.33 minus \$200.00 = \$8.33
4.	Calculate add-on percent:	\$8.33 divided by \$200.00 = 4.165%
5.	Calculate provider tax add-on:	\$200.00 times 4.165% = \$8.33
6.	Calculate per diem rate incl. tax:	\$200.00 plus \$8.33 = \$208.33

B. Adjustments to Base Rate

Patient Acuity

Recognition of patient acuity in the payment methodology is being incorporated through the use of a RUG-IV case-mix classification system. The case-mix classification system uses clinical data from the MDS assessment to assign a case-mix group to each patient that is then used to adjust a portion of the per diem payment based on patient resource use. (This is similar to how Medicare reimburses for care in a skilled nursing facility.) Each patient will be assigned one of forty-eight (48) RUG categories by the grouper based on his/her MDS record. A patient's MDS record is to be updated every ninety (90) days or in the event of a significant change in condition. Acuity will be based on the patient specific RUG category, i.e. full RUG-based system. The acuity factor (RUG weight) will be applied only to the Direct Nursing Care component.

To allow for necessary modifications to the state's MMIS claims processing system, full implementation of the RUG-based process will be implemented on June 1, 2013. In the interim, a facility specific case mix index was being used.

Price Increases

The components of the base per diem rate will be increased annually, effective October 1 of each year (except in 2015, 2017, 2018, 2019 and 2020 when no such increase will occur; in 2018, there will be a 1.5% increase to the base rate effective July 1, 2018, and a 1% increase to the base rate effective October 1, 2018; in 2019 there will be a 1% increase to the base rate effective October 1, 2019; in 2020 there will also be a 1% increase to the base rate effective October 1, 2020), as follows:

1. Direct Nursing, Other Direct Care, and Indirect Care:
Global Insight/CMS Skilled Nursing Facility Market Basket

2. Fair Rental Value:
Global Insight Nursing Home Capital Cost Index

TN:20-0017
Supersedes
TN: 19-008

Approved: _____

Effective: October 1, 2020

3. Property Taxes:

Facility specific property tax payments

TN: 20-0017
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TN: 19-008

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