DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

# TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER: 0 0 1 6

2. STATE: Kansas

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)
Medicaid

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2000

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 447.201

7. FEDERAL BUDGET IMPACT:
a. FFY 2000 $ 3,450,000
b. FFY 2001 $ 10,350,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
See Attached

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
See Attached

10. SUBJECT OF AMENDMENT:
Nursing Facility Methods & Standards for Establishing Payment Rates

11. GOVERNOR'S REVIEW *(Check One)*:

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☒ OTHER, AS SPECIFIED:
Janet Schalansky is the Governor's Designee

12. SIGNATURE OF STATE AGENCY OFFICIAL: Janet Schalansky

13. TYPED NAME:
Janet Schalansky

14. TITLE:
Secretary

15. DATE SUBMITTED:
08/28/00

16. RETURN TO:
Janet Schalansky, Secretary
KS Dept. of Social & Rehabilitation Services
DSOB 6th Floor
915 SW Harrison
Topeka, KS 66612

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:
08/30/00

18. DATE APPROVED:
NOV 9 2000

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
JUL 1 2000

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:
Thomas W. Lenz

22. TITLE:
ARA for Medicaid and State Operations

23. REMARKS:

cc:
Schalansky
Day
Bieberly
00

SPA CONTROL

Date Submitted 08/28/00
Date Received 08/30/00

FORM HCFA-179 (07-92)

*Instructions on Back*

KANSAS MEDICAID STATE PLAN

Form HCFA-179
State Plan TN-MS-00-16
Attachment 4.19D
Part I: Nursing Facility

| Number of Plan Section: | Number of Superseded Plan Section: |
| --- | --- |
| Exhibit C-2, Pages 1-4, 6, 8 | Exhibit C-2, Pages 1-4, 6, 8 TN-MS-99-13 |
| Exhibit C-3, Pages 1-3 | Exhibit C-3, Pages 1-3, TN-MS-99-13 |
| Exhibit C-4, Pages 1-2 | Exhibit C-4 (Pages 1-2), TN-MS-99-13 |
| Exhibit C-5, Pages 1-3 | Exhibit C-5, Pages 1-3, TN-MS-99-13 |

INFLATION FOR REPORT YEAR ENDS PRIOR TO 7/1/00
EFFECTIVE 07/01/00

| REPORT YEAR END (RYE) | MIDPOINT OF RYE | MIDPOINT OF RYE INDEX | MIDPOINT OF RATE PERIOD | MIDPOINT OF RATE PERIOD INDEX | HISTORICAL INFLATION FACTOR % * |
|---|---|---|---|---|---|
| 12-97 | 06-97 | 1.155 | 12-00 | 1.312 | 13.593% |
| 12-98 | 06-98 | 1.200 | 12-00 | 1.312 | 9.333% |
| 01-99 | 07-98 | 1.210 | 12-00 | 1.312 | 8.430% |
| 02-99 | 08-98 | 1.210 | 12-00 | 1.312 | 8.430% |
| 03-99 | 09-98 | 1.210 | 12-00 | 1.312 | 8.430% |
| 04-99 | 10-98 | 1.217 | 12-00 | 1.312 | 7.806% |
| 05-99 | 11-98 | 1.217 | 12-00 | 1.312 | 7.806% |
| 06-99 | 12-98 | 1.217 | 12-00 | 1.312 | 7.806% |
| 07-99 | 01-99 | 1.227 | 12-00 | 1.312 | 6.927% |
| 08-99 | 02-99 | 1.227 | 12-00 | 1.312 | 6.927% |
| 09-99 | 03-99 | 1.227 | 12-00 | 1.312 | 6.927% |
| 10-99 | 04-99 | 1.233 | 12-00 | 1.312 | 6.407% |
| 11-99 | 05-99 | 1.233 | 12-00 | 1.312 | 6.407% |
| 12-99 | 06-99 | 1.233 | 12-00 | 1.312 | 6.407% |
| 01-00 | 07-99 | 1.252 | 12-00 | 1.312 | 4.792% |
| 02-00 | 08-99 | 1.252 | 12-00 | 1.312 | 4.792% |
| 03-00 | 09-99 | 1.252 | 12-00 | 1.312 | 4.792% |
| 04-00 | 10-99 | 1.268 | 12-00 | 1.312 | 3.470% |
| 05-00 | 11-99 | 1.268 | 12-00 | 1.312 | 3.470% |
| 06-00 | 12-99 | 1.268 | 12-00 | 1.312 | 3.470% |

* = (Midpoint of rate period index / Midpoint of rye index) -1

INFLATION FOR REPORT YEAR ENDS AFTER 7/1/00
EFFECTIVE 07/01/00

| RYE | MIDPOINT OF RYE | # OF MONTHS FROM MIDPOINT TO 07-01-01 | RED | # OF MONTHS FROM RED TO 07-01-01 | INFLATION FACTOR |
|---|---|---|---|---|---|
| 07-31-00 | 01-31-00 | 17 | 08-01-00 | 11 | 3.351% |
| 08-31-00 | 02-29-00 | 16 | 09-01-00 | 10 | 3.206% |
| 09-30-00 | 03-31-00 | 15 | 10-01-00 | 9 | 3.060% |
| 10-31-00 | 04-30-00 | 14 | 11-01-00 | 8 | 2.914% |
| 11-30-00 | 05-31-00 | 13 | 12-01-00 | 7 | 2.768% |
| 12-31-00 | 06-30-00 | 12 | 01-01-01 | 6 | 2.623% |
| 01-31-01 | 07-31-00 | 11 | 02-01-01 | 5 | 2.477% |
| 02-28-01 | 08-31-00 | 10 | 03-01-01 | 4 | 2.331% |
| 03-31-01 | 09-30-00 | 9 | 04-01-01 | 3 | 2.186% |
| 04-30-01 | 10-31-00 | 8 | 05-01-01 | 2 | 2.040% |
| 05-31-01 | 11-30-00 | 7 | 06-01-01 | 1 | 1.894% |

X = NUMBER OF MONTHS FROM MIDPOINT OF RYE TO 07/01/01
Y = NUMBER OF MONTHS FROM RED TO 07/01/01
FORMULA = 0.2914% * [X-(Y/2)]
ANNUAL RATE OF INFLATION = 3.497%

COST CENTER LIMITATIONS EFFECTIVE 07/01/00

| COST CENTER | UPPER LIMIT |
|---|---|
| Administration | $14.40 |
| Property | $11.85 |
| Room & Board | $23.31 |
| Health Care | $67.71 • |

• = Base limit for a facility average case mix index of 1.00

INCENTIVE FACTORS EFFECTIVE 07/01/00

| Level | Percentile Range Low | Percentile Range High | Per Patient Day Range Low | Per Patient Day Range High | Incentive Factor |
|---|---|---|---|---|---|
| NF | -0- | 30th | $ -0- | 15.16 | $.50 |
| | 31st | 55th | 15.17 | 18.30 | 0.40 |
| | 56th | 75th | 18.31 | 20.32 | 0.30 |
| | 76th | 100th | 20.33 | above | -0- |

OWNER/ADMINISTRATOR LIMITATION TABLE EFFECTIVE 07/01/00

| Number of Beds | Total Bed Days | Maximum Owner/Admin Compensation | Limit PPD | F/Y | Amount | Cost of Living State Emp. |
|---|---|---|---|---|---|---|
| 15 | 5,475 | $19,250 | $3.52 | 76 | 10,000 | --- |
| 16 | 5,840 | 20,290 | 3.47 | 77 | 10280 | 2.800% |
| 17 | 6,205 | 21,330 | 3.44 | 78 | 10537 | 2.500% |
| 18 | 6,570 | 22,370 | 3.40 | 79 | 11301 | 7.250% |
| 19 | 6,935 | 23,410 | 3.38 | 80 | 11781 | 4.250% |
| 20 | 7,300 | 24,450 | 3.35 | 81 | 12617 | 7.100% |
| 21 | 7,665 | 25,490 | 3.33 | 82 | 13248 | 5.000% |
| 22 | 8,030 | 26,531 | 3.30 | 83 | 14109 | 6.500% |
| 23 | 8,395 | 27,571 | 3.28 | 84 | 14426 | 2.250% |
| 24 | 8,760 | 28,611 | 3.27 | 85 | 15147 | 5.000% |
| 25 | 9,125 | 29,651 | 3.25 | 86 | 15933 | 5.190% |
| 26 | 9,490 | 30,691 | 3.23 | 87 | 16411 | 3.000% |
| 27 | 9,855 | 31,731 | 3.22 | 88 | 16575 | 1.000% |
| 28 | 10,220 | 32,771 | 3.21 | 89 | 17238 | 4.000% |
| 29 | 10,585 | 33,812 | 3.19 | 90 | 17755 | 3.000% |
| 30 | 10,950 | 34,852 | 3.18 | 91 | 18021 | 1.500% |
| 31 | 11,315 | 35,892 | 3.17 | 92 | 18021 | 0.000% |
| 32 | 11,680 | 36,932 | 3.16 | 93 | 18111 | 0.500% |
| 33 | 12,045 | 37,972 | 3.15 | 94 | 18202 | 0.500% |
| 34 | 12,410 | 39,012 | 3.14 | 95 | 18407 | 1.125% |
| 35 | 12,775 | 40,052 | 3.14 | 96 | 18591 | 1.000% |
| 36 | 13,140 | 41,093 | 3.13 | 97 | 18591 | 0.000% |
| 37 | 13,505 | 42,133 | 3.12 | 98 | 18777 | 1.000% |
| 38 | 13,870 | 43,173 | 3.11 | 99 | 19059 | 1.500% |
| 39 | 14,235 | 44,213 | 3.11 | 00 | 19250 | 1.000% |
| 40 | 14,600 | 45,253 | 3.10 | 01 | 19250 | 0.000% |
| 41 | 14,965 | 46,293 | 3.09 | | | |
| 42 | 15,330 | 47,333 | 3.09 | | | |
| 43 | 15,695 | 48,374 | 3.08 | | | |
| 44 | 16,060 | 49,414 | 3.08 | | | |
| 45 | 16,425 | 50,454 | 3.07 | | | |
| 46 | 16,790 | 51,494 | 3.07 | | | |
| 47 | 17,155 | 52,534 | 3.06 | | | |
| 48 | 17,520 | 53,574 | 3.06 | | | |
| 49 | 17,885 | 54,614 | 3.05 | | | |
| 50 | 18,250 | 55,655 | 3.05 | 90th Percentile PPD Administrator & Co-Administrator Salary. | | |

CASE MIX INDEX TABLE EFFECTIVE 07/01/00

| RUG-III GROUP | CODE | CMI |
|---|---|---|
| SPECIAL REHABILITATION | | |
| REHAB VERY HI 14-18 | RVC | 4.12 |
| REHAB VERY HI 8-13 | RVB | 3.38 |
| REHAB VERY HI 4-7 | RVA | 3.23 |
| REHAB HI 15-18 | RHD | 3.40 |
| REHAB HI 12-14 | RHC | 2.77 |
| REHAB HI 8-11 | RHB | 2.75 |
| REHAB HI 4-7 | RHA | 2.54 |
| REHAB MED 16-18 | RMC | 2.51 |
| REHAB MED 8-15 | RMB | 2.06 |
| REHAB MED 4-7 | RMA | 1.97 |
| REHAB LO 12-18 | RLB | 1.56 |
| REHAB LO 4-11 | RLA | 1.41 |
| EXTENSIVE SERVICES | | |
| EXTENSIVE 3 | SE3 | 4.10 |
| EXTENSIVE 2 | SE2 | 2.39 |
| EXTENSIVE 1 | SE1 | 1.61 |
| SPECIAL CARE | | |
| SPECIAL CARE 17-18 | SSC | 1.45 |
| SPECIAL CARE 14-16 | SSB | 1.30 |
| SPECIAL CARE 7-13 | SSA | 1.23 |
| CLINICALLY COMPLEX | | |
| COMPLEX 17-18 D | CD2 | 1.27 |
| COMPLEX 17-18 | CD1 | 1.22 |
| COMPLEX 11-16 D | CC2 | 1.14 |
| COMPLEX 11-16 | CC1 | 1.06 |
| COMPLEX 6-10 D | CB2 | 1.09 |
| COMPLEX 6-10 | CB1 | 0.97 |
| COMPLEX 4-5 D | CA2 | 0.95 |
| COMPLEX 4-5 | CA1 | 0.78 |

| RUG-III GROUP | CODE | CMI |
|---|---|---|
| IMPAIRED COGNITION | | |
| IMPAIRED 6-10 N | IB2 | 0.94 |
| IMPAIRED 6-10 | IB1 | 0.85 |
| IMPAIRED 4-5 N | IA2 | 0.75 |
| IMPAIRED 4-5 | IA1 | 0.65 |
| BEHAVIOR PROBLEMS | | |
| BEHAVIOR 6-10 N | BB2 | 0.96 |
| BEHAVIOR 6-10 | BB1 | 0.84 |
| BEHAVIOR 4-5 N | BA2 | 0.67 |
| BEHAVIOR 4-5 | BA1 | 0.59 |
| REDUCED PHYSICAL FUNCTIONS | | |
| PHYSICAL 16-18 N | PE2 | 1.03 |
| PHYSICAL 16-18 | PE1 | 0.99 |
| PHYSICAL 11-15N | PD2 | 0.98 |
| PHYSICAL 11-15 | PD1 | 0.92 |
| PHYSICAL 9-10 N | PC2 | 0.87 |
| PHYSICAL 9-10 | PC1 | 0.87 |
| PHYSICAL 6-8 N | PB2 | 0.77 |
| PHYSICAL 6-8 | PB1 | 0.69 |
| PHYSICAL 4-5 N | PA2 | 0.69 |
| PHYSICAL 4-5 | PA1 | 0.56 |

COMPILATION OF COST CENTER LIMITATIONS
EFFECTIVE 07/01/00

| | ***BEFORE INFLATION*** | | | | | ***AFTER INFLATION*** | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | ADMIN | PLT OP | RM&BRD | HLTCR | TOTAL | ADMIN | PLT OP | RM&BRD | HLTCR | TOTAL |
| MEDIAN | 11.88 | 5.83 | 16.85 | 50.83 | 84.94 | 12.52 | 6.18 | 17.93 | 54.17 | 90.22 |
| MEAN | 12.10 | 6.19 | 17.37 | 50.94 | 86.61 | 12.73 | 6.57 | 18.50 | 54.27 | 92.09 |
| WTMN | 12.03 | 6.12 | 17.35 | 51.83 | 87.32 | 12.67 | 6.48 | 18.48 | 55.21 | 92.84 |
| # OF PROV | 366 | | | | | 366 | | | | |

COMPILATION OF ADMINISTRATOR, CO-ADMINISTRATOR AND OWNER EXPENSE - O/A LIMIT
EFFEC. 7/1/00

| | ADMINISTRATOR | | CO-ADMINISTRATOR | | TOTAL ADMN & C0-ADMN | | OWNER | |
|---|---|---|---|---|---|---|---|---|
| | TOTAL | PRD | TOTAL | PRD | TOTAL | PRD | TOTAL | PRD |
| HIGH | 133,740 | 5.71 | 49,019 | 1.96 | 133,740 | 5.71 | 249,915 | 5.60 |
| 99th | 99,289 | 4.26 | 49,019 | 1.96 | 108,600 | 4.42 | 249,915 | 5.60 |
| 95th | 72,853 | 3.54 | 49,019 | 1.96 | 77,131 | 3.58 | 101,243 | 5.04 |
| 90th | 62,693 | 3.01 | 44,517 | 1.93 | 68,344 | 3.05 | 81,359 | 3.95 |
| 85th | 57,719 | 2.82 | 39,528 | 1.66 | 60,565 | 2.92 | 71,338 | 3.58 |
| 80th | 54,586 | 2.67 | 38,778 | 1.43 | 56,940 | 2.74 | 60,730 | 2.96 |
| 75th | 52,390 | 2.54 | 37,594 | 1.23 | 54,170 | 2.60 | 56,090 | 2.29 |
| 70th | 49,842 | 2.45 | 36,672 | 1.17 | 52,140 | 2.50 | 52,015 | 2.04 |
| 65th | 48,072 | 2.35 | 34,074 | 1.11 | 49,243 | 2.39 | 47,014 | 1.97 |
| 60th | 46,162 | 2.26 | 32,908 | 1.00 | 47,103 | 2.30 | 40,105 | 1.85 |
| 55th | 45,375 | 2.21 | 32,142 | 0.98 | 45,735 | 2.25 | 33,837 | 1.56 |
| 50th | 43,798 | 2.10 | 27,841 | 0.93 | 44,061 | 2.14 | 28,222 | 1.19 |
| 40th | 40,807 | 1.86 | 25,008 | 0.84 | 41,391 | 1.90 | 19,993 | 0.81 |
| 30th | 38,123 | 1.68 | 17,833 | 0.72 | 38,167 | 1.72 | 11,698 | 0.61 |
| 20th | 34,141 | 1.49 | 14,579 | 0.46 | 34,769 | 1.53 | 7,455 | 0.43 |
| 10th | 22,517 | 1.23 | 8,381 | 0.20 | 22,517 | 1.24 | 2,707 | 0.24 |
| 1st | 8,000 | 0.67 | 1,754 | 0.06 | 8,000 | 0.67 | -24,198 | -4.33 |
| LOW | 7,424 | 0.39 | 1,754 | 0.06 | 7,424 | 0.39 | -24,198 | -4.33 |
| MEAN | 44,472 | 2.13 | 27,160 | 0.97 | 45,835 | 2.17 | 39,019 | 1.65 |
| WTMN | 49,607 | 1.96 | 28,493 | 0.89 | 51,550 | 2.02 | 47,112 | 1.61 |
| # of Prov | 345 | | 19 | | 346 | | 91 | |

COMPILATION OF LINE ITEM INPUTS TO INCENTIVE FACTOR
EFFECT. 7/1/00

| | INCENTIVE AMOUNT |
|---|---|
| HIGH | 54.68 |
| 99th | 49.51 |
| 95th | 26.47 |
| 90th | 23.55 |
| 85th | 22.25 |
| 80th | 21.05 |
| 75th | 20.32 |
| 70th | 19.60 |
| 65th | 19.27 |
| 60th | 18.77 |
| 55th | 18.30 |
| 50th | 17.71 |
| 40th | 16.67 |
| 30th | 15.16 |
| 20th | 13.59 |
| 10th | 12.01 |
| 1st | 8.89 |
| LOW | 8.28 |
| MEAN | 18.09 |
| WTMN | 17.89 |
| # of Prov | 368 |

# STATE OF KANSAS

## KANSAS DEPARTMENT ON AGING

NEW ENGLAND BUILDING
503 S. KANSAS AVE.
TOPEKA, KS. 66603-3404

PHONE (785) 296-4986
FAX (785) 296-0256

BILL GRAVES
*Governor*

Connie Hubbell
*Secretary of Aging*

June 22, 2000

«ADMIN1»
«FAC_NAME»
«FAC_ADDRES»
«CITY», KS «ZIP»

«PROV_NUM»

Dear «ADMIN2»:

We forwarded the per diem rate shown on the enclosed Case Mix Payment Schedule for the 1st Quarter FY 2001 (computer print-out) to our fiscal agent, Blue Cross/Blue Shield of Kansas. The rate is effective July 1, 2000. The payment schedule and rate reflect the cost center limitations, including the case mix adjustment in the Health Care cost center, inflation factors, owner/related party/administrator compensation per diem limitations, and incentive ranges.

Kansas Department on Aging (KDOA), administers the Medicaid nursing facility services payment program on behalf of SRS. The rate was calculated by applying the appropriate Medicaid program policies and regulations to the cost report (Form MS 2004) data shown on the enclosed payment schedule. Desk review adjustments to the cost report are shown on the enclosed Provider Adjustment Sheet, except transfers from one line to another, which are shown in the "Reason for SRS Adjustments" column of the schedule. (All related transfers in this column have the same key number.) **IF YOU HAVE QUESTIONS ABOUT DESK REVIEW ADJUSTMENTS, CALL THE NURSING FACILITY AUDIT MANAGER IN KDOA AUDIT SERVICES AT (785) 296-2535.**

For each nursing facility and nursing facility for mental health, the per diem rate for care shall not exceed the rate charged for the same type of service to residents not under the Kansas medical assistance program. If the private pay rate indicated on the agency register is lower, the Medicaid rate, beginning with its effective date, shall be lowered to the private pay rate reflected on the registry. The effective date of the private pay rate in the registry shall be the later of the effective date of the private pay rate or the first day of the following month in which complete documentation of the private pay rate is received by the agency. **SEE KANSAS ADMINISTRATIVE REGULATION (KAR) 30-10-18(b).**

If you do not agree with this action, you have the right to request a fair hearing appeal in accordance with K.A.R. 30-7-64 et seq. Your request for fair hearing shall be in writing and delivered to or mailed to the agency so that it is received by the **Department of Administration, Office of Administrative Hearings, 2nd Floor, 610 West Tenth, Topeka, KS 66612** within 30 days from the date of this letter. (Pursuant to K.S.A. 77-531, an additional three days shall be allowed if you received this letter by mail). Failure to timely request or pursue such an appeal may adversely affect your rights on any related judicial review proceeding.

If you have questions regarding the Medicaid rate, other than those on desk review adjustments, write to Chris Chase or call her at (785) 296-0703. She can also be reached via electronic mail at Chrisc@Aging.wpo.state.ks.us.

Sincerely,

Bill McDaniel, Director
Nursing Facilities and CARE Programs
Program and Policy Commission

BRM:ckc
Enclosures

BILL GRAVES, GOVERNOR OF THE STATE OF KANSAS

KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

915 SW HARRISON STREET, TOPEKA, KANSAS 66612

JANET SCHALANSKY, SECRETARY

June 22, 2000

«admin»
«facility_name»
«fac_address»
«City», KS «zip»

«prov_num»

Dear «admin»:

We forwarded the per diem rate shown on the enclosed Case Mix Payment Schedule for the 1st Quarter FY 2001 (computer print-out) to our fiscal agent, Blue Cross/Blue Shield of Kansas. The rate is effective July 1, 2000. The payment schedule and rate reflect the cost center limitations, including the case mix adjustment in the Health Care cost center, inflation factors, owner/related party/administrator compensation per diem limitations, and incentive ranges.

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If you have questions regarding the Medicaid rate, other than those on desk review adjustments, write to me or call at (785) 296-1482.

Sincerely,

Ron Challacombe, C.P.M
Accounting and Contracts Team Leader

Enclosures

0616002403210011

12345678901234567890123 4

KANSAS MEDICAID / MEDIKAN

CASE MIX SCHEDULE
1ST QRT 2001
PAGE 1

****** PROVIDER INFORMATION ******

PROVIDER NO.....

FACILITY NAME.....
ADDRESS.....
CITY/STATE/ZIP....
ADMINISTRATOR.....

REPORT YEAR END... 12/31/1999
FISCAL YEAR END... 12/31/1999

INFLATION FACTOR.. 6.407

CMI..... 0.95

| BEDS AVAILABLE | PRIOR | CURRENT | %CHG |
|---|---|---|---|
| NURSING FACILITY..... | 59 | 59 | 0.0 |
| NF-MENTAL HEALTH..... | 0 | 0 | 0.0 |
| TOTAL..... | 59 | 59 | 0.0 |
| ASSISTED LIVING BEDS... | 5 | 5 | 0.0 |
| OTHER..... | 0 | 0 | 0.0 |
| BED DAYS AVAILABLE..... | 21,535 | 21,535 | 0.0 |
| INPATIENT DAYS..... | 18,214 | 18,480 | 1.5 |
| OCCUPANCY RATE..... | 84.6 | 85.8 | 1.4 |
| MEDICAID DAYS..... | 7,134 | 7,299 | 2.3 |
| CAL DAYS IF APPL..... | 0 | 0 | |
| RES DAYS USED IN DIV... | 18,305 | 18,480 | |

****** RECAP OF RESIDENT RELATED EXPENSES AND RATE CALCULATION ******

| | ADMIN | PLANT OPERATING | ROOM & BOARD | HEALTH CARE | TOTAL |
|---|---|---|---|---|---|
| RES RELATED EXP..... | 184,691 | 122,959 | 344,588 | 932,189 | 1,584,427 |
| COST PER RESIDENT DAY.... | 9.99 | 6.65 | 18.65 | 50.44 | 85.73 |
| INFLATION..... | 0.56 | 0.43 | 1.19 | 3.23 | 5.41 |
| PPD COST BEFORE LIMITS... | 10.55 | 7.08 | 19.84 | 53.67 | 91.14 |
| PPD COST LIMITS.....NF | 14.40 | 6.19 | 23.31 | 64.32 | 108.22 |
| ALLOWED COST..... | 10.55 | 6.19 | 19.84 | 53.67 | 90.25 |

| | | NF |
|---|---|---|
| ALLOWED COST..... | | 90.25 |
| INCENTIVE FACTOR..... | | 0.40 |
| REAL AND PERSONAL PROPERTY FEE..... | | 5.66 |
| WAGE PASS THROUGH ..... | | 0.00 |
| MINIMUM WAGE ADJUSTMENT..... | | 0.00 |
| PER RESIDENT DAY RATE EFFECTIVE..... | 07/01/2000 | 96.31 |
| PRIVATE PAY RATE..... | 08/01/1999 | 83.19 |

PAGE 2
PROV NUM

* * * * * * EXPENSE STATEMENT * * * * * *

| DESCRIPTION | LINE NO. | CURRENT YEAR REPORTED EXPENSE | CURRENT YEAR PROVIDER ADJUSTMT | CURRENT YEAR SRS ADJUSTMT | CURRENT YEAR RESIDENT EXPENSE | CURRENT YEAR PER DAY | PRIOR YEAR RESIDENT EXPENSE | PRIOR YEAR PER DAY | % CHG | LINE NO. | REASON FOR SRS ADJUSTMENT |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **ADMINISTRATION** | | | | | | | | | | | |
| SALARY-ADMIN | 101 | 21,883 | 0 | 0 | 21,883 | 1.18 | 21,617 | 1.18 | 0.00 | 101 | |
| SALARY-CO ADM | 102 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 102 | |
| OTHER ADM SAL | 103 | 75,899 | 0 | 0 | 75,899 | 4.11 | 72,358 | 3.95 | 4.05 | 103 | |
| EMP BENEFITS | 104 | 181,503 | -165,410 | 0 | 16,093 | 0.87 | 16,931 | 0.92 | -5.43 | 104 | |
| OFC SUP & PRINT | 105 | 8,308 | 0 | 0 | 8,308 | 0.45 | 9,525 | 0.52 | -13.46 | 105 | |
| MGT CONSULTING | 106 | 0 | 0 | 0 | 0 | 0.00 | 262 | 0.00 | 0.00 | 106 | |
| OWN/REL PTY CMP | 107 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 107 | |
| CENTRAL OFC | 108 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 108 | |
| PHONE & COMMUNI | 109 | 4,112 | 0 | 0 | 4,112 | 0.22 | 4,137 | 0.23 | -4.35 | 109 | |
| TRAVEL | 110 | 2,208 | 0 | 0 | 2,208 | 0.12 | 3,477 | 0.19 | -36.84 | 110 | |
| ADVERTISING | 111 | 5,622 | 0 | 0 | 5,622 | 0.30 | 2,106 | 0.12 | 150.00 | 111 | |
| LICENSES & DUES | 112 | 6,847 | 0 | 0 | 6,847 | 0.37 | 2,388 | 0.13 | 184.62 | 112 | |
| LEGAL/ACCTG DP | 113 | 19,522 | 0 | 0 | 19,522 | 1.06 | 20,543 | 1.12 | -5.36 | 113 | |
| INS EXCEPT LIFE | 114 | 18,106 | 0 | 0 | 18,106 | 0.98 | 22,303 | 1.22 | 0.00 | 114 | |
| INT EXCEPT R/E | 115 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 115 | |
| LEGAL | 116 | 4,543 | 0 | 0 | 4,543 | 0.25 | 1,531 | 0.08 | 212.50 | 116 | |
| OTHER | 117 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 117 | |
| OTHER | 118 | 1,548 | 0 | 0 | 1,548 | 0.08 | 5,460 | 0.30 | -73.33 | 118 | |
| O/A LIMIT | 119 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 119 | |
| TOTAL ADMIN | 120 | 350,101 | -165,410 | 0 | 184,691 | 9.99 | 181,107 | 9.89 | 1.01 | 120 | |
| **PLANT OPERATING** | | | | | | | | | | | |
| R/E & PP TAXES | 121 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 121 | |
| SALARIES | 126 | 34,517 | 0 | 0 | 34,517 | 1.87 | 35,446 | 1.94 | -3.61 | 126 | |
| EMP BENEFITS | 127 | 0 | 5,681 | 0 | 5,681 | 0.31 | 6,384 | 0.35 | -11.43 | 127 | |
| OWN/REL PTY CMP | 128 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 128 | |
| UTILITIES | 129 | 45,872 | 0 | 0 | 45,872 | 2.48 | 50,477 | 2.76 | -10.14 | 129 | |
| MAINT & REPAIR | 130 | 28,967 | 0 | 0 | 28,967 | 1.57 | 22,856 | 1.25 | 25.60 | 130 | |
| SUPPLIES | 131 | 3,809 | 0 | 0 | 3,809 | 0.21 | 4,670 | 0.26 | -19.23 | 131 | |
| SMALL EQUIPMENT | 137 | 1,175 | 0 | 0 | 1,175 | 0.06 | 2,452 | 0.13 | -53.85 | 137 | |
| OTHER | 138 | 2,938 | 0 | 0 | 2,938 | 0.16 | 2,971 | 0.16 | 0.00 | 138 | |
| TOTAL PLANT OP | 139 | 117,278 | 5,681 | 0 | 122,959 | 6.65 | 125,256 | 6.84 | -2.78 | 139 | |
| **ROOM & BOARD** | | | | | | | | | | | |
| EMP BENEFITS | 141 | 0 | 36,644 | 0 | 36,644 | 1.98 | 38,664 | 2.11 | -6.16 | 141 | |
| DIETARY-SAL | 142 | 175,854 | 0 | 0 | 175,854 | 9.52 | 175,115 | 9.57 | -0.52 | 142 | |
| OWN/REL PTY CMP | 143 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 143 | |
| CONSULTANT | 144 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 144 | |
| FOOD | 145 | 65,275 | 0 | 0 | 65,275 | 3.53 | 62,630 | 3.42 | 3.22 | 145 | |
| SUPPLIES | 146 | 10,929 | 0 | 0 | 10,929 | 0.59 | 11,163 | 0.61 | -3.28 | 146 | |
| OTHER | 148 | 405 | 0 | 0 | 405 | 0.02 | 117 | 0.01 | 100.00 | 148 | |
| LAUNDRY-LINEN-SAL | 149 | 39,318 | 0 | 0 | 39,318 | 2.13 | 32,418 | 1.77 | 20.34 | 149 | |
| LINEN - BEDDING | 150 | 3,259 | 0 | 0 | 3,259 | 0.18 | 3,872 | 0.21 | -14.29 | 150 | |
| SUPPLIES | 151 | 4,430 | 0 | 0 | 4,430 | 0.24 | 3,814 | 0.21 | 14.29 | 151 | |
| OTHER | 153 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 153 | |
| HOUSEKEEPING-SAL | 154 | 7,481 | 0 | 0 | 7,481 | 0.40 | 7,222 | 0.39 | 2.56 | 154 | |
| SUPPLIES | 155 | 978 | 0 | 0 | 978 | 0.05 | 953 | 0.05 | 0.00 | 155 | |
| OTHER | 158 | 15 | 0 | 0 | 15 | 0.00 | 0 | 0.00 | 0.00 | 158 | |
| TOTAL RM & BOARD | 159 | 307,944 | 36,644 | 0 | 344,588 | 18.65 | 335,968 | 18.35 | 1.63 | 159 | |

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PROV NUM

* * * * * * EXPENSE STATEMENT * * * * * *

| DESCRIPTION | LINE NO. | CURRENT YEAR REPORTED EXPENSE | CURRENT YEAR PROVIDER ADJUSTMT | CURRENT YEAR SRS ADJUSTMT | CURRENT YEAR RESIDENT EXPENSE | CURRENT YEAR PER DAY | PRIOR YEAR RESIDENT EXPENSE | PRIOR YEAR PER DAY | % CHG | LINE NO. | REASON FOR SRS ADJUSTMENT |
|---|---|---|---|---|---|---|---|---|---|---|---|
| HEALTH CARE | | | | | | | | | | | |
| NURSING-RN | 161 | 145,506 | 0 | 0 | 145,506 | 7.87 | 129,646 | 7.08 | 11.16 | 161 | |
| LPN/LMHT | 162a | 156,935 | 0 | 0 | 156,935 | 8.49 | 148,729 | 8.13 | 4.43 | 162a | |
| LPN/LMHT | 162b | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 162b | |
| OTHER NURSING | 163a | 329,152 | 0 | 0 | 329,152 | 17.81 | 324,176 | 17.71 | 0.56 | 163a | |
| OTHER NURSING | 163b | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 163b | |
| OTHER NURSING | 163c | 11,439 | 0 | 0 | 11,439 | 0.62 | 14,747 | 0.81 | -23.46 | 163c | |
| EMP BENEFITS | 164 | 0 | 123,085 | 0 | 123,085 | 6.66 | 126,352 | 6.90 | -3.48 | 164 | |
| OWN/REL PTY CHP | 165 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 165 | |
| CONSULTANTS | 166 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 166 | |
| PURCH SERVICES | 167 | 32,310 | 0 | 0 | 32,310 | 1.75 | 21,846 | 1.19 | 47.06 | 167 | |
| SUPPLIES | 168 | 19,287 | 0 | 0 | 19,287 | 1.04 | 15,629 | 0.85 | 22.35 | 168 | |
| OTHER | 170 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 170 | |
| THPY/OTHER SAL | 171a | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 171a | |
| THPY/OTHER SAL | 171b | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 171b | |
| THPY/OTHER SAL | 171c | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 171c | |
| THPY/OTHER SAL | 171d | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 171d | |
| THPY/OTHER SAL | 171e | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 171e | |
| THPY/OTHER SAL | 171f | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 171f | |
| OWN/REL PTY CHP | 172 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 172 | |
| PAT ACT/SOC WKR | 173a | 26,099 | 0 | 0 | 26,099 | 1.41 | 18,355 | 1.00 | 41.00 | 173a | |
| PAT ACT/SOC WKR | 173b | 49,104 | 0 | 0 | 49,104 | 2.66 | 37,644 | 2.06 | 29.13 | 173b | |
| PAT ACT/SOC WKR | 173c | 29,267 | 0 | 0 | 29,267 | 1.58 | 25,013 | 1.37 | 15.33 | 173c | |
| PAT ACT/SOC WKR | 173d | 374 | 0 | 0 | 374 | 0.02 | 3,369 | 0.18 | -88.89 | 173d | |
| PAT ACT SUPPLS | 174 | -993 | 0 | 0 | -993 | -0.05 | 152 | 0.01 | -600.0 | 174 | |
| OCCUP THERAPY | 175 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 175 | |
| MED RECORDS-CON | 176 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 176 | |
| PHARM-CONSULTANTS | 177 | 0 | 0 | 0 | 0 | 0.00 | 3,600 | 0.20 | 0.00 | 177 | |
| SPEECH THERAPY | 178 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 178 | |
| PHYSICAL THERAPY | 179 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 179 | |
| CONSULTANT | 180 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 180 | |
| NURSING TRNG | 181a | 524 | 0 | 0 | 524 | 0.03 | 2,569 | 0.14 | -78.57 | 181a | |
| NURSING TRNG | 181b | 396 | 0 | 0 | 396 | 0.02 | 795 | 0.04 | -50.00 | 181b | |
| RESIDENT TRANSP | 182 | 1,151 | 0 | 0 | 1,151 | 0.06 | 0 | 0.00 | 100.00 | 182 | |
| OTHER | 183 | 7,150 | 0 | 0 | 7,150 | 0.39 | 0 | 0.00 | 100.00 | 183 | |
| OTHER | 188 | 1,403 | 0 | 0 | 1,403 | 0.08 | 843 | 0.05 | 60.00 | 188 | |
| TOTAL HLTH CARE | 189 | 809,104 | 123,085 | 0 | 932,189 | 50.44 | 873,465 | 47.72 | 5.70 | 189 | |
| TOTAL ALLOWABLE | 190 | 1,584,427 | 0 | 0 | 1,584,427 | 85.73 | 1,515,796 | 82.80 | 3.54 | 190 | |
| OWNERSHIP | | | | | | | | | | | |
| INT-R/E MORTG | 191 | 0 | 0 | 0 | 0 | 0.00 | 3,177 | 0.17 | 0.00 | 191 | |
| RENT/LEASE | 192 | 1,424 | 0 | 0 | 1,424 | 0.08 | 1,277 | 0.07 | 14.29 | 192 | |
| LEASEHOLD IMPRV | 193 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0.00 | 193 | |
| DEPRECIATION | 194 | 130,458 | 0 | 0 | 130,458 | 7.06 | 131,106 | 7.16 | -1.40 | 194 | |
| TOTAL OWNERS | 195 | 131,882 | 0 | 0 | 131,882 | 7.14 | 135,560 | 7.41 | 13.00 | | |

REAL AND PERSONAL PROPERTY FEE COMPONENT

| EFF DATE | RES DAYS | MTG INT | RENT/LEASE | AMORT | DEPR | TOTAL | PPD | PROP ALLOW | VALUE FACTOR | PROP FEE |
|---|---|---|---|---|---|---|---|---|---|---|
| 09/01/1994 | 17,994 | 3,343 | 0 | 0 | 86,973 | 90,316 | 5.02 | 5.66 | 0.00 | 5.66 |