

CHAPTER 9553
DEPARTMENT OF HUMAN SERVICES
PAYMENT; INTERMEDIATE CARE FACILITIES

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9553.0020 DEFINITIONS.

[For text of subps 1 to 46, see M.R. 1987]

Subp. 46a. Training and habilitation services costs. Training and habilitation services costs means the costs charged by a vendor licensed under parts 9525.1500 to 9525.1690 for services provided to residents of an ICF/MR as specified in the residents' individual service plans and in a manner consistent with Minnesota Statutes, sections 252.40 to 252.47.

[For text of subps 47 to 50, see M.R. 1987]

Statutory Authority: *MS s 256B.501 subds 1 to 3*

History: *12 SR 1711*

9553.0030 COST CLASSIFICATION AND ALLOCATION PROCEDURES.

[For text of subps 1 to 3, see M.R. 1987]

Subp. 4. Central, affiliated, or corporate office costs. Cost allocation for central, affiliated, or corporate offices shall be governed by items A to F.

[For text of subp 4, items A to E, see M.R. 1987]

F. A governmental or nonprofit organization that has a federally approved cost allocation plan may allocate management fees or central office costs to a related organization based on the governmental or nonprofit organization's federal cost allocation plan. The provider must document that the allocation plan has been approved by the federal government.

[For text of subps 5 and 6, see M.R. 1987]

Statutory Authority: *MS s 256B.501 subds 1 to 3*

History: *12 SR 1711*

9553.0035 DETERMINATION OF ALLOWABLE COSTS.

[For text of subps 1 to 15, see M.R. 1987]

Subp. 16. Pass through of training and habilitation services costs. Training and habilitation services costs shall be paid as a pass through payment at the lowest rate paid to the training and habilitation services vendor by the county for comparable services at that site under Minnesota Statutes, sections 252.40 to 252.47. The pass through payments for training and habilitation services are paid separately by the commissioner and are not included in the computation of the total payment rate.

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Statutory Authority: *MS s 256B.501 subs 1 to 3*

History: *12 SR 1711*

9553.0040 REPORTING BY COST CATEGORY.

[For text of subs 1 to 5, see M.R. 1987]

Subp. 6. Special operating costs. The facility costs listed in this subpart are included in the special operating cost category:

- A. special assessments and real estate taxes;
- B. license fees required by the Minnesota Department of Human Services and the Minnesota Department of Health;
- C. real estate insurance;
- D. professional liability insurance;
- E. the portion of preopening costs amortized as in part 9553.0035, subpart 12, item B;
- F. training and habilitation services costs; and
- G. physical plant modifications or additional depreciable equipment costs allowed under part 9553.0061.

Statutory Authority: *MS s 256B.501 subs 1 to 3*

History: *12 SR 1711*

9553.0041 GENERAL REPORTING REQUIREMENTS.

Subpart 1. Required cost reports. No later than April 30 of each year, the provider shall submit an annual cost report on forms supplied by the commissioner in order to receive medical assistance payments. The reports must cover the reporting year ending December 31, 1987, except that for reporting years ending on or after December 31, 1987, a provider operating a facility that is attached to a nursing home that is reimbursed under parts 9549.0010 to 9549.0080 may elect to report the facility's costs and statistical information for the period covered by the nursing home's reporting year. If a certified audit has been prepared, it must be submitted with the cost report. In addition, a provider or provider group which has 48 or more licensed beds shall submit an annual certified audit of its financial records obtained from an independent certified public accountant or licensed public accountant. The examination must be conducted in accordance with generally accepted auditing standards as adopted by the American Institute of Certified Public Accountants and generally accepted accounting principles. A government owned facility may comply with these auditing requirements by submitting the audit report prepared by the state auditor.

[For text of subs 2 to 16, see M.R. 1987]

Statutory Authority: *MS s 256B.501 subs 2,10*

History: *12 SR 2104*

9553.0050 DETERMINATION OF TOTAL OPERATING COST PAYMENT RATE.

Subpart 1. Establishment of allowable historical operating cost per diem. The commissioner shall annually review and adjust the operating costs incurred by the facility during the reporting year preceding the rate year to determine the facility's allowable historical operating costs. The review and adjustment must comply with parts 9553.0010 to 9553.0080. Each facility's allowable historical operating cost per diem shall be established according to items A to F.

A. The total allowable historical operating cost per diem shall be limited according to subitems (1) to (5).

(1) For the rate years beginning on or after October 1, 1986, the administrative allowable historical operating costs shall be limited as in units (a) to (g).

[For text of subpart 1, item A, subitem (1), units (a) to (e), see M.R. 1987]

(f) For rate years beginning on or after October 1, 1988, the commissioner shall increase the administrative cost per licensed bed limit in unit (e) by multiplying the limit established for the rate year beginning October 1, 1987, by the percent moving average of the index of average hourly earnings in nursing and personal care facilities for the fourth quarter of the rate year following the reporting year, forecast by Data Resources, Inc. in the second quarter of the calendar year following the reporting year. The forecast appears in Health Care Costs, published by Data Resources, Inc., and is incorporated by reference. Health Care Costs is available through the Minitex interlibrary loan system. It is published monthly. The maximum administrative allowable historical operating cost shall be the lesser of the facility's administrative allowable historical operating cost or the amount determined in this unit multiplied by the facility's licensed beds.

[For text of subpart 1, item A, subitem (1), unit (g), see M.R. 1987]

(2) For the rate years beginning on or after October 1, 1986, the allowable historical operating costs in the maintenance operating cost category must not exceed the operating cost payment rate for the maintenance operating cost category in effect during the reporting year times the prorated resident days which correspond to those operating cost payment rates paid during the reporting year. For the period January 1, 1988 to September 30, 1988, the allowable historical operating costs in the maintenance operating cost category must not exceed 125 percent of the operating cost payment rate for the maintenance operating cost category in effect during the reporting year times the prorated resident days which correspond to those operating cost payment rates paid during the reporting year. For rate years beginning on or after October 1, 1988, the allowable historical operating costs in the maintenance operating cost category must not exceed the amount determined for the period January 1, 1988 to September 30, 1988, increased annually by the index in subitem (1), unit (f).

(3) For the rate year beginning October 1, 1986, the allowable historical operating costs in the administrative operating cost category must not exceed the operating cost payment rate for the administrative operating cost category in effect during the reporting year times the prorated resident days that correspond to those operating cost payment rates paid during the reporting year. Except for the purpose of calculating the efficiency incentive under subpart 2, item E, this limit on administrative operating costs shall not be in effect for rate years beginning on or after October 1, 1987.

(4) For the rate year beginning October 1, 1986, and October 1, 1987, the facility's total operating cost payment rate in effect during the reporting year must be adjusted for reclassifications in accordance with part 9553.0040 and be separated into program, maintenance, special, and administrative operating cost payment rates according to units (a) to (c).

[For text of subpart 1, item A, subitem (4), units (a) to (c), see M.R. 1987]

For rate years beginning on or after October 1, 1988, the program operating cost payment rate in effect during the reporting year times the prorated resident days that correspond to those operating cost payment rates paid during the reporting year must be used in computing the total of the limits in the computation of the efficiency incentive under subpart 2, item E.

(5) The limits in subitems (2), (3), and (4) shall not apply to a facility with a payment rate established according to part 9553.0075, subparts 1 to 3.

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[For text of subpart 1, items B to F, see M.R. 1987]

Subp. 2. Establishment of total operating cost payment rate. The total operating cost payment rate shall be established according to items A to F.

A. For the rate year beginning October 1, 1986, and for the first three months of the rate year beginning October 1, 1987, the allowable historical operating cost per diems determined according to subpart 1, items B to D, shall be adjusted by the annualized percentage change in the all urban consumer price index (CPI-U) for Minneapolis-Saint Paul as published by the Bureau of Labor Statistics, United States Department of Labor, between the two most recent Decembers before the beginning of the rate year. The year 1967 is the standard reference base period. For the rate year beginning October 1, 1986, the allowable certified audit cost per diem in subpart 1, item E, shall not be adjusted by the CPI-U. Beginning January 1, 1988, and for rate years beginning on or after October 1, 1988, the allowable historical operating cost per diems determined according to subpart 1, items B to D, shall be adjusted by the annualized percent moving average of the index specified in subpart 1, item A, subitem (1), unit (f). For the period January 1, 1988 to September 30, 1988, the program allowable historical operating cost per diem determined according to subpart 1, item B, shall be adjusted by adding 2.46 to the annualized percent moving average of the index specified in subpart 1, item A, subitem (1), unit (f).

[For text of subp 2, items B to D, see M.R. 1987]

E. If the reporting year's total operating cost excluding special operating costs, is less than the sum of the limits computed in subpart 1, item A, subitems (2), (3), and (4), the facility shall receive the difference divided by the greater of resident days or 85 percent of capacity days as an efficiency incentive, up to a maximum of \$2 per resident per day. Beginning January 1, 1988, and for rate years beginning on or after October 1, 1988, if the reporting year's total allowable operating cost after all limits excluding special operating costs, is less than the sum of the limits computed in subpart 1, item A, subitems (2), (3), and (4), the facility shall receive the difference divided by the greater of resident days or 85 percent of capacity days as an efficiency incentive, up to a maximum of \$2 per resident per day. A facility whose program allowable historical operating cost incurred during the reporting year is below the program historical operating cost limit established in subpart 1, item A, subitems (2), (3), and (4) is not eligible to receive the efficiency incentive. The efficiency incentive must not be adjusted as a result of a field audit.

[For text of subp 2, item F, see M.R. 1987]

Subp. 3. One time adjustment to program operating cost payment rate. For the purposes of this subpart, "additional program staff" means staff in excess of the number included in the facility's total payment rate during the rate year covering the date of the finding of deficiency or need. The one time adjustment shall be determined according to items A to H.

A. A facility is eligible for a one time adjustment to the facility's program operating cost payment rate when the facility meets one of the conditions in subitems (1) to (4) and the conditions in item B.

(1) The commissioner or the commissioner of health has issued a correction order to the facility under parts 9525.0210 to 9525.0430 or 4665.0100 to 4665.9900.

(2) The federal government has issued a deficiency order under Code of Federal Regulations, title 42, section 442, as amended through October 1, 1986, requiring the facility to correct a deficiency in the number or type of program staff necessary to implement the residents' individual habilitation plans.

(3) The commissioner has determined a need exists based on a determination or redetermination of need plan approved under Minnesota Statutes, section 252.28 and parts 9525.0015 to 9525.0145.

(4) The commissioner has approved, under Minnesota Statutes, section 252.28 and parts 9525.0015 to 9525.0145, a Class A facility's plan to substantially modify the facility to serve persons who require a facility that meets the standards for impractical evacuation capability as provided in the Code of Federal Regulations, title 42, section 442.508, as amended through October 1, 1986. For purposes of this subitem, "substantially modify" means to modify the facility so that at least 50 percent of the licensed beds may be used to serve persons who meet the criteria in part 9510.1050, subpart 2, items C and D.

B. To qualify for a one time adjustment the facility must document that:

(1) the deficiency or need cannot be corrected or met by reallocating facility staff and costs including amounts reimbursed for a change in ownership or reorganization of provider entities between related organizations, and any efficiency incentive or other allowance;

(2) the deficiency or need cannot be corrected or met through a special needs rate exception as provided in parts 9510.1020 to 9510.1140; and

(3) the provisions in items C to H are met.

C. The facility must submit to the commissioner a written request for the one time adjustment to the program operating cost payment rate. The request must include:

(1) documentation which indicates that the deficiency or need could not be corrected or met through a special needs rate as provided in parts 9510.1020 to 9510.1140;

(2) a copy of the order or determination which cites the deficiency or need in the number and type of program staff required to correct the deficiency or meet the need;

(3) a list of all staff positions during the rate year covering the date of the deficiency order or need determination, annual salaries and hours, related fringe benefits and payroll taxes;

(4) a description of the facility's plan to correct the deficiency or meet the need including the projected cost of the salary and related fringe benefits and payroll taxes for required additional program staff; and

(5) an explanation of the reasons the facility was unable to meet staff ratios necessary to implement individual resident habilitation plans under payment rates established by current or prior reimbursement rules.

D. The commissioner shall evaluate the documents submitted in item C using the criteria in items A and B. If the request meets the criteria in items A and B, the commissioner shall compute the one time adjustment to the program operating cost payment rate in accordance with subitems (1) to (4).

(1) The necessary and reasonable costs of units (a) to (f) shall be determined by the commissioner:

(a) the salary and related fringe benefits and payroll taxes for required additional program staff;

(b) program supplies;

(c) up to \$1,500 of equipment needed to implement the program. The commissioner may approve an amount which exceeds the \$1,500 equipment limit if the commissioner determines that the cost of the equipment and the payment schedule for the equipment are reasonable and the equipment is necessary to implement the change in the program. The commissioner's determination shall be final;

(d) program consultants;

(e) repairs to property damaged by the residents; and

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(f) employee training needed to meet the needs of the persons identified in the plan approved by the commissioner.

(2) The amount determined in subitem (1) shall be divided by the greater of resident days or 85 percent of capacity days.

(3) Any efficiency incentive or portion of the capital debt reduction allowance not used for capital debt reduction, included in the facility's total payment rate in effect on the date of the written request in item C shall be subtracted from the amount computed in subitem (2).

(4) Any further reduction which would be possible by reallocating the facility's staff and costs shall be subtracted from the amount computed in subitem (2).

E. If the amount in item D, is greater than zero, the commissioner shall allow a one time adjustment to the facility's total payment rate equal to that amount. The one time adjustment shall be effective on the first day of the month following the commissioner's determination unless the facility is eligible for a one time adjustment under item A, subitem (4). For a facility eligible under item A, subitem (4), the one time adjustment shall be effective on the first day of the month in which any person identified in the plan approved by the commissioner is admitted to the facility.

F. The one time adjustment to the facility's total payment rate shall remain in effect for a 12 month period. At the end of the 12 month period, the commissioner shall conduct a fiscal and program review. Based on the results of the fiscal and program review, the commissioner shall implement either subitem (1), (2), or (3).

(1) If the facility fails to implement the plan specified in item C, subitem (4), the commissioner shall recover the total amount paid under this subpart in accordance with part 9553.0041, subpart 13 and shall disallow any costs incurred by the facility in establishing future payment rates.

(2) If the facility implements the plan specified in item C, subitem (4) and the actual costs incurred during the 12 month period are below the payments made under this subpart, the commissioner shall reduce the adjustment to the facility's total payment rate accordingly and recover any overpayments in accordance with part 9553.0041, subpart 13. The reduced adjustment to the facility's total payment rate shall continue to be paid to the facility until the September 30 following the end of the reporting year which includes 12 months of the additional program staff salaries and related fringe benefits and payroll taxes.

(3) If the actual costs of implementing the plan specified in item C, subitem (4) incurred during the 12 month period exceed the payments made under this subpart, there shall be no retroactive cost settle up. The one time adjustment to the facility's total payment rate shall continue to be paid to the facility at the same level until the September 30 following the end of the reporting year which includes 12 months of the additional program staff salaries and related fringe benefits and payroll taxes.

G. The facility must record the costs associated with this subpart separately from other facility costs until the commissioner's fiscal and program review establishes that the facility has implemented the plan specified in item C, subitem (4). To prevent duplicate payment, the program costs associated with this subpart are nonallowable until after the commissioner has reviewed and approved these costs in accordance with item F. If the commissioner approves these costs, the costs incurred during the reporting year which includes 12 months of the additional costs identified in item D, subitem (1), shall be allowable.

H. The commissioner shall authorize payments under this subpart only once in a three year period for a facility.

Statutory Authority: *MS s 256B.501 subds 1 to 3,10*

History: *11 SR 2408; 12 SR 1711; 12 SR 2104*

9553.0060 DETERMINATION OF PROPERTY RELATED PAYMENT RATE.

[For text of subps 1 to 3, see M.R. 1987]

Subp. 4. Computation of property related payment rate. The commissioner shall determine the property related payment rate according to items A to C.

A. The number of capacity days is determined by multiplying the number of licensed beds in the facility by the number of days in the facility's reporting year. For rate years beginning on or after October 1, 1988, a facility that has reduced its licensed bed capacity after January 1, 1988, may, for the purpose of computing the property related payment rate under this subpart, establish its capacity days for each rate year following the licensure reduction based on the number of beds licensed on the previous August 1, provided that the commissioner is notified of the change by August 4. The notification must include a copy of the delicensure request that has been submitted to the commissioner of health.

[For text of subp 4, items B and C, see M.R. 1987]

Subp. 5. Capital debt reduction allowance. A provider whose facility is not leased or a facility which is leased from a related organization shall receive a capital debt reduction allowance. The amount of the capital debt reduction allowance and the reduction of capital debt required must be determined according to items A to G:

A. The total amount of the capital debt reduction allowance and the portion of that amount which must be applied to reduce the provider's capital debt shall be determined according to the following table:

Percentage Of Equity In Capital Assets Used By The Facility	Total Capital Debt Reduction Allowance Per Resident Day (In Dollars)	Amount Which Must Be Applied To Reduce Capital Debt (In Dollars)
Less than 20.01	.50	.40
20.01 to 40.00	.50	0
40.01 to 60.00	.70	0
60.01 to 80.00	.90	0
80.01 to 100.00	1.10	0

[For text of subp 5, items B to G, see M.R. 1987]

[For text of subps 6 and 7, see M.R. 1987]

Statutory Authority: *MS s 256B.501 subds 1 to 3,10*

History: *11 SR 2408; 12 SR 2104*

9553.0061 LIFE SAFETY CODE ADJUSTMENT.

Subpart 1. Determination of adjustment. Adjustments to the special operating cost payment rate for actions taken to comply with the Code of Federal Regulations, title 42, section 442.508, as amended through October 1, 1986, shall be determined under subparts 2 to 9.

Subp. 2. Conditions. The commissioner shall allow an adjustment to a facility's special operating cost payment rate when the state fire marshal has issued a statement of deficiencies to the facility under the Code of Federal Regulations, title 42, section 442.508, as amended through October 1, 1986, if the criteria in items A to D are met.

A. The physical plant for which the statement of deficiencies was issued has 16 or fewer licensed beds.

B. The commissioner has determined that the most programmatically sound and cost effective means of correcting the deficiencies is to modify the physical plant or add depreciable equipment.

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C. The cost of the physical plant modification or additional depreciable equipment cannot be covered by reallocating facility staff and costs including funds accumulated in the facility's funded depreciation account and other savings or investment accounts of the provider.

D. The provider has complied with the requirements in subparts 3 and 4.

Subp. 3. Request for life safety code adjustment. The provider shall submit to the commissioner a written request for a life safety code adjustment to the special operating cost payment rate. The request must include:

A. a copy of the state fire marshal's statement of deficiencies;

B. a copy of the facility's plan of correction approved by the state fire marshal; and

C. a description of the type of physical plant modifications or additional depreciable equipment required to meet the approved plan of correction including the estimated cost based on bids developed in accordance with subpart 4.

Subp. 4. Bid requirements. Bids must be obtained from nonrelated organizations. Only the costs of items required to correct the deficiencies may be included in a bid. Each bid must include:

A. a detailed description of the physical plant modifications needed to correct the deficiencies;

B. the cost of any depreciable equipment needed to correct the deficiencies;

C. the cost of materials and labor; and

D. the name, address, and phone number of the bidder.

If the commissioner determines that the bid submitted by the provider is excessive or includes items not required to correct the deficiencies, the commissioner may require a second bid and may recommend another organization that must supply the bid. This subpart shall not apply to a facility that has implemented a plan of correction before July 6, 1987.

Subp. 5. Evaluation of documents submitted. The commissioner shall evaluate the documents submitted under subpart 3. If the commissioner determines that the plan of correction is not programmatically sound or cost effective, the commissioner may require the facility to submit an alternative plan of correction to the state fire marshal for approval. If the state fire marshal approves the alternative plan of correction, the commissioner may require the facility to resubmit bids under subpart 4.

Subp. 6. Computation of life safety code adjustment. If the request meets the criteria in subparts 2 to 5, the commissioner shall compute the life safety code adjustment to the special operating cost payment rate under items A to E.

A. Upon completion of the physical plant modifications and purchase of the additional depreciable equipment, the facility shall submit copies of invoices showing the total cost of the physical plant modifications and additional depreciable equipment to the commissioner.

B. The commissioner shall allow the lesser of the amount in item A or the final bid approved by the commissioner. The amount allowed shall be reduced by 75 percent of the funded depreciation that may be withdrawn for purchase or replacement of capital assets or payment of capitalized repairs as determined in part 9553.0060, subpart 1, item E, subitem (4), and other savings or investment accounts of the provider or the provider group.

C. If a facility is financed by the Minnesota Housing Finance Agency, the facility must use amounts deposited in the development cost escrow account required by the Minnesota Housing Finance Agency to purchase physical plant modifications or additional depreciable equipment allowed under this part. The amount withdrawn from the development cost escrow account must be reim-

bursed to the facility as provided in subpart 7. The facility must use the reimbursement to replace the amount withdrawn from the development cost escrow account as required by the Minnesota Housing Finance Agency.

D. If the amount determined in item B is less than \$500 per licensed bed, the amount must be divided by the resident days from the cost report that was used to set the facility's total payment rate in effect on the date the statement of deficiencies was issued.

E. If the amount determined in item B is equal to or greater than \$500 per licensed bed, the amount in excess of \$500 per licensed bed must be reimbursed during the rate year following the rate year in which the statement of deficiencies was issued. The amount in excess of \$500 per licensed bed must be divided by the resident days from the cost report that was used to set the facility's total payment rate for the rate year following the rate year in which the statement of deficiencies was issued.

Subp. 7. Adjustment of special operating cost payment rate. If the amount in subpart 6, item B or C, is greater than zero, the commissioner shall adjust the facility's special operating cost payment rate under items A and B.

A. The per diem amount in subpart 6, item D, must be added to the facility's special operating cost payment rate for the rate year identified in subpart 6, item D, and will be effective on the first day of that rate year.

B. The per diem amount in subpart 6, item E, must be added to the facility's special operating cost payment rate for the rate year identified in subpart 6, item E, and shall be effective on the first day of that rate year.

Subp. 8. Reimbursement limits. If a life safety code adjustment to the special operating cost payment rate is allowed under this part, the cost of the physical plant modifications and additional depreciable equipment allowed in subpart 6, item B, must not be claimed for reimbursement under other provisions of parts 9553.0010 to 9553.0080. The cost of the physical plant modifications and additional depreciable equipment not allowed under subpart 6, item B, shall be capitalized and depreciated in accordance with part 9553.0060, subpart 1.

Subp. 9. Changes in one time adjustment. If a facility has been given a one time adjustment under part 9553.0050, subpart 3, and the commissioner determines under subpart 2, item A, that the life safety code deficiency should be corrected under this part, the facility's one time adjustment or the portion of that one time adjustment that related to the life safety code deficiency shall be subtracted from the facility's total payment rate on the date the life safety code adjustment under this part is effective. If more than 50 percent of the one time adjustment is subtracted from the facility's total payment rate under this subpart, the facility may apply for another one time adjustment within the three year period established in part 9553.0050, subpart 3, item G.

Statutory Authority: *MS s 256B.501 subds 1 to 3*

History: *11 SR 2408*

9553.0075 RATE SETTING PROCEDURES FOR NEWLY CONSTRUCTED OR NEWLY ESTABLISHED FACILITIES OR APPROVED CLASS A TO CLASS B CONVERSIONS.

Subpart 1. Interim payment rate. A provider may request an interim payment rate for a newly constructed or newly established facility or for a facility converting more than 50 percent of its licensed beds from Class A beds to Class B beds provided that the conversion is approved by the commissioner. To receive an interim payment rate, the provider must submit a projected cost report in compliance with parts 9553.0010 to 9553.0080 to the extent applicable, for the year in which the provider plans to begin operation or plans to convert beds. Parts 9553.0050, subpart 1, item A, subitems (2), (3), and (4); subpart 2, item E; and subpart 3; and part 9553.0060, subpart 6 shall not apply to interim payment

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rates. The interim property related payment rate must be determined using projected resident days but not less than 80 percent of licensed capacity days. The effective date of the interim payment rate for a newly constructed or newly established facility must be the later of the first day a medical assistance recipient resides in the newly constructed or established bed or the date of medical assistance program certification. The effective date of the interim payment rate for a facility converting more than 50 percent of its licensed beds from Class A beds to Class B beds must be the later of the date on which 60 percent of the converted beds are occupied by residents requiring a Class B bed as determined by the commissioner or the date on which the beds are licensed as Class B beds by the Minnesota Department of Health. Prior to the effective date of the interim payment rate, the provider may submit a request to update the interim rate. After the effective date of the interim payment rate, no adjustments shall be made in the interim payment rate until settle up.

Subp. 2. Interim payment rate settle up. The interim payment rate must not be in effect more than 17 months. When the interim payment rate begins between August 1 and December 31, the facility shall file settle up cost reports for the period from the beginning of the interim payment rate through December 31 of the following year. When the interim payment rate begins between January 1 and July 31, the facility shall file settle up cost reports for the period from the beginning of the interim payment rate to the first December 31 following the beginning of the interim payment rate.

[For text of subp 2, item A, see M.R. 1987]

B. An interim payment rate established on or after January 1, 1986, is subject to retroactive upward or downward adjustment based on the settle up cost report and in accordance with parts 9553.0010 to 9553.0080 except that:

(1) part 9553.0050, subpart 1, item A, subitems (2), (3), and (4); subpart 2, item E; and subpart 3; and part 9553.0060, subpart 6 do not apply;

[For text of subp 2, item B, subitems (2) to (5), see M.R. 1987]

Subp. 3. Total payment rate for nine month period following settle up period. For the nine month period following the settle up reporting period, the total payment rate must be determined according to items A to C.

A. The allowable historical operating cost per diems must be determined in accordance with parts 9553.0010 to 9553.0080 except that:

(1) part 9553.0050, subpart 1, item A, subitems (2), (3), and (4); subpart 2, item E; and subpart 3; and part 9553.0060, subpart 6 do not apply;

[For text of subp 3, item A, subitem (2), see M.R. 1987]

(3) the allowable historical operating cost per diems must be adjusted by multiplying those per diems by 9/12 of the percentage change in the all urban consumer price index (CPI/U) of Minneapolis-Saint Paul as published by the Bureau of Labor Statistics between the two most recent Decembers before the beginning of the rate year, new series index (1967=100).

[For text of subp 3, items B and C, see M.R. 1987]

[For text of subp 4, see M.R. 1987]

Statutory Authority: *MS s 256B.501 subs 1 to 3*

History: *11 SR 2408; 12 SR 1711*