

9050.0500 COST OF CARE; BASIS FOR MAINTENANCE CHARGE; BILLING.

Subpart 1. **Annual calculation; effective date; notice of change.** The cost of care used to determine the maintenance charge of a resident must be calculated annually under this part. A change in the cost of care becomes effective on July 1 of the rate year following the reporting year used to calculate the cost of care. The cost of care must remain fixed for that rate year. A notice of change in the cost of care must be provided to all residents and their legal representatives 30 days before its effective date.

Subp. 2. **Costs to be included in calculating cost of care.** The calculation of the cost of care includes both the direct and indirect costs of providing resident care. These costs must be compiled separately for each facility operated by the commissioner of veterans affairs on the basis of whether nursing home or boarding care services are provided.

A. Direct costs include the costs of staff care directly attributable to boarding care or nursing home services that directly benefit the resident. An example of a direct cost is nursing service.

B. Indirect costs include costs incurred for common or joint purposes that are identified with more than one level of care and are for services that are provided on behalf of a resident of the facility or facilities. Examples are the costs of housekeeping, laundry, administration, and food services. Indirect costs must be reduced by the amount of receipts received by the facility operated by the commissioner of veterans affairs for lease or rent payments, meals, and other common purpose sources.

C. Calculation of the cost of care does not include the expenses of the commissioner of veterans affairs and capital expenditures or revenues, including federal matching funds and designated contributions, and resident fund accounts as specified in parts 4655.4100 to 4655.4170.

Subp. 3. **Method of calculating average daily per resident cost of care.** The cost of care for a nursing home or boarding care home must be calculated as follows:

A. total the direct costs for a particular campus or facility operated by the commissioner of veterans affairs for a reporting year;

B. divide item A by the number of days in the reporting year;

C. divide item B by the average number of residents in nursing home care or boarding care for a reporting year;

D. total the indirect costs for a particular campus or facility operated by the commissioner of veterans affairs for a reporting year;

E. divide item D by the number of days in the reporting year;

F. divide item E by the average number of residents at a particular campus or facility operated by the commissioner of veterans affairs for a reporting year; and

G. total items C and F. The result is the average daily per resident cost of care for nursing home care or boarding care.

Subp. 4. **Cost of care related to maintenance charge.** The cost of care as calculated in subpart 3 must be used to determine the maintenance charge to the resident. The maintenance charge must be based on the resident's ability to pay. The maintenance charge must be calculated as specified in part 9050.0560. The maintenance charge must be reviewed and adjusted as specified in parts 9050.0560 and 9050.0580. Additionally, when applicable, the resident's maintenance charge must be reduced by the amount of the per diem reimbursement paid on behalf of a resident by the United States Department of Veterans Affairs.

Subp. 5. **Effect of bed hold on maintenance charges.** A resident who pays a maintenance charge, regardless of amount, shall continue to pay that same maintenance charge during a bed hold as specified in part 9050.0150, subpart 5.

Subp. 6. **Billing.** Billing for maintenance charges must be as specified in items A to F.

A. The maintenance charge must be billed monthly.

B. The monthly billing must be the resident's chargeable income as calculated in part 9050.0755, up to the full cost of care.

C. The maintenance charge must be billed to the address designated by the resident or the resident's legal representative on the resident's application for admission.

D. A billing for one month's service must be issued no later than the tenth of the month following the month in which the service was provided, except for billings occasioned by a maintenance recalculation based on retroactive income received according to part 9050.0550, subpart 4.

E. A resident must be charged for the day of admission but not for the day of discharge. For purposes of this item, one day is the 24-hour period ending at midnight.

F. A billing must state the date by which payment must be received.

Statutory Authority: *MS s 198.003*

History: *14 SR 2355; 16 SR 1801; 18 SR 2254; 28 SR 1251; L 2008 c 297 art 2 s 29*

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