

1 Department of Human Services

2

3 Adopted Permanent Rules Relating to Nursing Home Payment Rate
4 Determination

5

6 Rules as Adopted

7 9549.0030 COST ALLOCATION PROCEDURES.

8 Subpart 1. to 3. [Unchanged.]

9 Subp. 4. Central, affiliated, or corporate office costs.

10 Cost allocation for central, affiliated, or corporate offices
11 shall be governed by items A to F.

12 A. [Unchanged.]

13 B. Except as provided in item A, central, affiliated,
14 or corporate office costs must be allocated to the general and
15 administrative cost category of each nursing home within the
16 group served by the central, affiliated, or corporate office
17 according to subitems (1) to (5).

18 (1) to (5) [Unchanged.]

19 C. to F. [Unchanged.]

20 Subp. 5. [Unchanged.]

21 9549.0036 NONALLOWABLE COSTS.

22 The costs listed in items A to EE are not allowable for
23 purposes of setting payment rates but must be identified on the
24 nursing home's cost report.

25 A. to H. [Unchanged.]

26 I. Costs of activities not related to resident care
27 such as flowers or gifts for employees or owners, employee
28 parties, and business meals except as in part 9549.0040, subpart
29 7, item X.

30 J. to P. [Unchanged.]

31 Q. Bad debts and related bad debt collection fees
32 except as provided in part 9549.0040, subpart 7, item V.

33 R. to U. [Unchanged.]

34 V. Telephone, television, and radio service provided
35 in a resident's room except as in part 9549.0040, subpart 6,

1 item D.

2 W. to EE. [Unchanged.]

3 9549.0041 GENERAL REPORTING REQUIREMENTS.

4 Subpart 1. to 9. [Unchanged.]

5 Subp. 10. Deadlines and extensions. The deadline for
6 submission of reports and the extension of the deadline is
7 governed by items A to C.

8 A. [Unchanged.]

9 B. The commissioner may reject any annual cost report
10 filed by a nursing home that is incomplete or inaccurate or may
11 require additional information necessary to support the payment
12 rate request. The corrected report or the additional
13 information requested must be returned to the commissioner
14 within 20 days of the request or the report must be rejected.
15 The commissioner may extend this time if the nursing home makes
16 a showing of good cause in writing and if the commissioner
17 determines that the delay in receipt of the information will not
18 prevent the commissioner from establishing rates in a timely
19 manner as required by law. Failure to file the required cost
20 report and other required information or to correct the form of
21 an incomplete or inaccurate report shall result in its rejection
22 and in a reduction of the payment rate in subpart 12. The
23 failure to provide additional information shall also result in a
24 reduction of the payment rate in subpart 12 unless the total
25 payment rate can be calculated by the disallowance of the cost
26 for which additional information was requested, in which case no
27 rate reduction as specified in subpart 12 shall occur.

28 C. [Unchanged.]

29 Subp. 11. and 12. [Unchanged.]

30 Subp. 13. Audits. Nursing home audits are subject to
31 items A to D:

32 A. [Unchanged.]

33 B. Field audits may cover the four most recent annual
34 cost reports for which desk audits have been completed and
35 payment rates have been established. The field audit must be an

1 independent review of the nursing home's cost report. All
2 transactions, invoices, or other documentation that support or
3 relate to the costs claimed on the annual cost reports are
4 subject to review by the field auditor. If the provider fails
5 to provide the field auditor access to supporting documentation
6 related to the information reported on the cost report within
7 the time period specified by the commissioner, the commissioner
8 may calculate the total payment rate by disallowing the cost of
9 the items for which access to the supporting documentation is
10 not provided or apply the penalty in subpart 12, item A,
11 whichever would result in the least amount of change in the
12 total payment rate.

13 C. and D. [Unchanged.]

14 Subp. 14. and 15. [Unchanged.]

15 9549.0060 DETERMINATION OF THE PROPERTY-RELATED PAYMENT RATE.

16 Subpart 1. and 2. [Unchanged.]

17 Subp. 3. **Special reappraisals.** Special reappraisals are
18 subject to the requirements of items A to F.

19 A. A nursing home which makes an addition to or
20 replacement of buildings, attached fixtures, or land
21 improvements may request the commissioner to conduct a
22 reappraisal upon project completion.

23 Upon receipt of a written request, the commissioner shall
24 conduct a reappraisal within 60 days provided that all
25 conditions of this subpart are met. The total historical cost
26 of the addition or replacement, exclusive of the proceeds from
27 disposals of capital assets or applicable credits such as public
28 grants and insurance proceeds, must exceed the lesser of
29 \$200,000 or ten percent of the most recent appraised value
30 determined under subparts 1 to 4. The addition or replacement
31 must be complete and a certificate of occupancy issued, or if a
32 certificate of occupancy is not required, the addition or
33 replacement must be available for use. Special reappraisals
34 under this item are limited to one per 12-month period.

35 B. to F. [Unchanged.]

1 Subp. 4. to 9. [Unchanged.]

2 Subp. 10. **Equipment allowance.** For rate years beginning
3 after June 30, 1985, the equipment allowance must be computed
4 according to items A to E.

5 A. to D. [Unchanged.]

6 E. The median historical cost per bed for each group
7 in item C as determined in item D must be increased by ten
8 percent. For rate years beginning after June 30, 1986, this
9 amount shall be adjusted annually by the percentage change
10 indicated by the urban consumer price index for
11 Minneapolis-Saint Paul, as published by the Bureau of Labor
12 Statistics, new series index (1967=100) for the two previous
13 Decembers. This index is incorporated by reference and
14 available at the James J. Hill Reference Library, Saint Paul,
15 Minnesota.

16 F. [Unchanged.]

17 Subp. 11. and 12. [Unchanged.]

18 Subp. 13. **Determination of the property-related payment**
19 **rate.** The commissioner shall determine the property-related
20 payment rate according to items A to H.

21 A. [Unchanged.]

22 B. The allowable historical property-related per diem
23 shall be established according to subitems (1) and (2).

24 (1) For the rate year beginning July 1, 1985, the
25 nursing home's historical property-related per diem shall be
26 determined by adding the allowable historical property-related
27 costs used to compute the property-related payment rate
28 effective on June 30, 1985, and dividing the sum by 96 percent
29 capacity days. A nursing home with an average length of stay of
30 180 days or less as defined in subpart 8, item E, shall use the
31 divisor determined in subpart 8, item E, instead of 96 percent
32 of capacity days.

33 (2) [Unchanged.]

34 C. to H. [Unchanged.]

35 Subp. 14. [Unchanged.]