***BASIC CARE RATE SETTING***

Basic care rate setting applies only to licensed basic care facilities that are enrolled as basic care assistance program (BCAP) providers. Licensed basic care facilities providing Alzheimer’s or traumatic brain injury services may not participate in BCAP.

Rate setting includes two distinct processes. The first process establishes the rates for Direct Care, Indirect Care and Property. The second process then allocates the allowed rates for each of the cost categories between the two funding sources of Medicaid and Basic Care Assistance program (BCAP).

In the past, the limit rates for basic care facilities were rebased annually. The limit setting process was to undertake a significant change in 2016. Beginning on July 1, 2016, the Department of Human Services was to establish the limits by using the average of the highest and lowest rates from the 2014 rate year. The Direct Care limit was mandated to be 95% of the average and the Indirect Care limit was to be ninety percent of the average. Using this methodology, the Direct Care limit was to be $67.44 on 7-1-16. The Indirect limit was to be $58.77. In 2016 when Governor Dalrymple ordered allotment cuts, the new basic care limit setting system was indefinitely delayed. Based on action during the 2017 legislative session the Direct Care limit was set at $57.32, Indirect limit was set at $49.95, both effective July 1, 2017.

The allowable rates for a Basic Care facility are the lesser of the facility’s established rate for Direct Care and Indirect Care or the limit rate for each of those categories plus the facility’s Property rate and Food and Plant rate.

The allowable rates for the facility must then be allocated between the Personal Care rate which is paid using a combination of recipient liability (the portion of the resident’s income in excess of $834 that must be used for medical expenses) and Medicaid funding; and the Room and Board rate which is paid using a combination of recipient responsibility, (the portion of the resident’s income which cannot be used for medical expenses less the personal needs allowance) and BCAP funding.

To be eligible to receive assistance with room and board payments an individual must meet functional criteria for basis care services and must be Medicaid eligible financially. To receive assistance with the personal care services the individual must meet the functional criteria for personal care services and be Medicaid eligible. The criteria for basic care versus personal care is slightly different and it is possible (although highly unlikely) that an individual could be eligible for basic care services and not be eligible for personal care services.

Direct Care Rate

Costs in the Direct Care Category include resident care salaries and benefits, routine care supplies, food, laundry costs, social service costs and activity costs. Direct Care costs for salaries and benefits of nonlicensed residential care staff and laundry staff are allocated to the personal care rate for Direct Care. The remaining costs are allocated to Direct Care Room and Board. The July 1, 2019 Direct Care limit is $58.47. The July 1, 2020 Direct Care limit will be $59.93.

Indirect Care Rate

Costs in the Indirect Care Category include administration, chaplain, housekeeping, dietary salaries, benefits, and supplies, utilities, and plant operations. Indirect care costs for salaries and benefits of dietary staff and a portion of housekeeping staff are included in the indirect personal care rate with remaining costs allocated to the Indirect Room and Board rate. The July 1, 2019 Indirect limit is 50.95. The July 1, 2020 Indirect limit will be $52.22

Property Rate

Property costs include depreciation, interest, property taxes, lease and rental costs, and start-up costs. There are no limits on this cost category.

Food and Plant

Food and Plant includes food, utilities, maintenance and repair costs. There are no limits on this cost category.

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