

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, Food & Plant and Property. The rates for Food & Plant and Property are included in the facility's Room and Board rate. The second process allocates the allowed rates for Direct Care and Indirect Care cost categories between Personal Care and Room and Board. The Personal Care rate is paid using Medicaid funds and the Room and Board Rate is funded through the Basic Care Assistance Program.

Unlike nursing facilities where the limit is rebased every four years, the limit rates for Basic Care facilities are rebased annually. Limits are applied to the rates are established for Direct Care costs and Indirect Care costs. There are no limits on Property costs or Food and Plant costs. The limit rates for Direct Care and Indirect care are established using the prior year's limits increased by the percentage change from the prior rate year within, the limits of legislative appropriations.

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 are then 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 \$1,009 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 is not 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.

Indirect Care Rate

Costs in the Indirect Care Category include administration, chaplain, housekeeping, dietary salaries and benefits, 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.

Property Rate

Property costs include depreciation, interest, property taxes, lease and rental costs, and start-up costs. There is no limit on this cost category and no inflation is applied to reported costs.

Food and Plant

Food and Plant includes food, utilities, maintenance and repair costs. Reported costs are increased by the legislatively approved inflation factor. There is no limit on this cost category.