

Overview of Intermediate Care Facilities for the Mentally Retarded Medicaid Reimbursement

General

Medicaid certified Intermediate Care Facilities for the Mentally Retarded facilities (ICFs-MR)

History of reimbursement:

Retrospective 1980 - 1991

Semi-prospective 1991 - 1993

Prospective 1993 - Present

Prospective reimbursement system (fiscal year rates based on costs from calendar year preceding the fiscal year)

Cost centers (Direct, Other Protected, Indirect, Capital)

Annual calendar year cost report (establishes state fiscal year rates)

Costs are reported and reimbursed prospectively, fee for service items are direct billed

Cost Report

Calendar year cost report filed by providers within ninety days

Expenses

Days

Revenues

Balance Sheets (Assets & Liabilities)

Expenses reported for entire calendar year for the Medicaid-certified facility

Inpatient days reported for entire calendar year (Medicaid, Medicare, Veterans/Other, Private Pay)

Imputed occupancy requirements (indirect care and capital costs)

Cost Centers

Direct care - wages, benefits, training for RNs, LPNs, nurse aides

Other Protected - medical supplies, real estate taxes, utilities

Indirect care - administrative and general costs (includes incontinence supplies and dietary costs)

Capital - depreciation, interest, and lease on buildings and assets

[Note: The Active Treatment Add-On Expense was added to the Direct Care Cost Center beginning with CY 2006.]

Cost Center Components Included In Costs

Direct Care	Other Protected	Indirect Care	Capital
<p> Direct Care Staff Administrative Nursing Staff Direct Care Consulting Direct Care Management Fees Direct Care Home Office Exp. Medical Directors Social Services Staff Activities Staff Psychologists Psychology Assistants Social Workers Counselors Habilitation Staff Program Directors Respiratory Therapists Habilitation Supervisors Physical Therapy Occupational Therapy Speech Therapy Audiology Active Treatment Add-On </p> <p> With the exceptions of other persons holding degrees to qualify them to provide therapy </p>	<p> Medical Supplies Real Estate Taxes Franchise Permit Fees Property Taxes Utilities <ul style="list-style-type: none"> - Natural Gas - Fuel Oil - Water - Electricity - Sewage and Refuse Allocated Other Protected Home Office Costs </p>	<p> Includes costs for all reasonable costs other than direct care costs, other protected costs or capital. </p> <ul style="list-style-type: none"> - habilitation supplies - pharmacy consultants - medical and habilitation records - program supplies - incontinence supplies - food - enterals - dietary personnel and supplies - laundry - housekeeping - security - administration - liability insurance - bookkeeping - purchasing department - human resources - communications - travel - dues - license fees - subscriptions - home office cost not otherwise allocated - legal and accounting fees - minor equipment - maintenance and repairs - advertising (help-wanted & informational) - start-up costs - organizational cost - other interest - property insurance - employee training - staff development - benefits - payroll taxes - workers compensation premiums 	<p> Cost of Ownership </p> <ul style="list-style-type: none"> - depreciation and interest on any capital asset that costs five hundred dollars or more per item - amortization and interest on land improvements and leasehold improvements - amortization of financing costs - lease and rent of land, building and equipment <p> Nonextensive Renovations </p> <p> Return on Net Equity </p> <ul style="list-style-type: none"> - ceiling of \$1 per resident per day - proprietary facilities only
<p>Excluding (directly billed)</p>			

- ▶ CAGR = Compound Annual Growth Rate, which is a statistical calculation used to average out (smooth out) the growth over time; a method of expressing a rate of growth over a number of years (10 years vs. 5 years) .
- ▶ Number of Facilities in Report: varies from year to year, depends on how many received from MIS and how many are cleared.
- ▶ Bed Days Available: Is the total number of beds times 365 days in a year (or 366 for 1996 & 2000). (i.e., 100 bed facility X 365 days in a year = 36,500 Bed Days Available)
- ▶ Vacant Bed Days Available: Bed Days Available minus Inpatient Days.
- ▶ Estimated Vacant Beds: Vacant Bed Days Available divided by 365 days (366 for 1996,2000,2004,2008, etc for Leap Years).
- ▶ Inpatient Days: Sum of Medicaid Days, Private Days, Medicare Days, and Veteran's/Other Days.
- ▶ Medicaid Utilization: Medicaid Days divided by Inpatient Days.
- ▶ Occupancy: Inpatient Days divided by Bed Days Available.
- ▶ **[NOTE: The Active Treatment Add-On Expense was added to the Direct Care Cost Center in 2006.]**

ICF-MR

Cost Report Trends

Calendar Years 1998-2007

Table of Contents

- < **Assumptions**
- < **Expense Trends**
- < **Per Diem Trends**
- < **Facility Information**
- < **Utilization Trends**

Assumptions

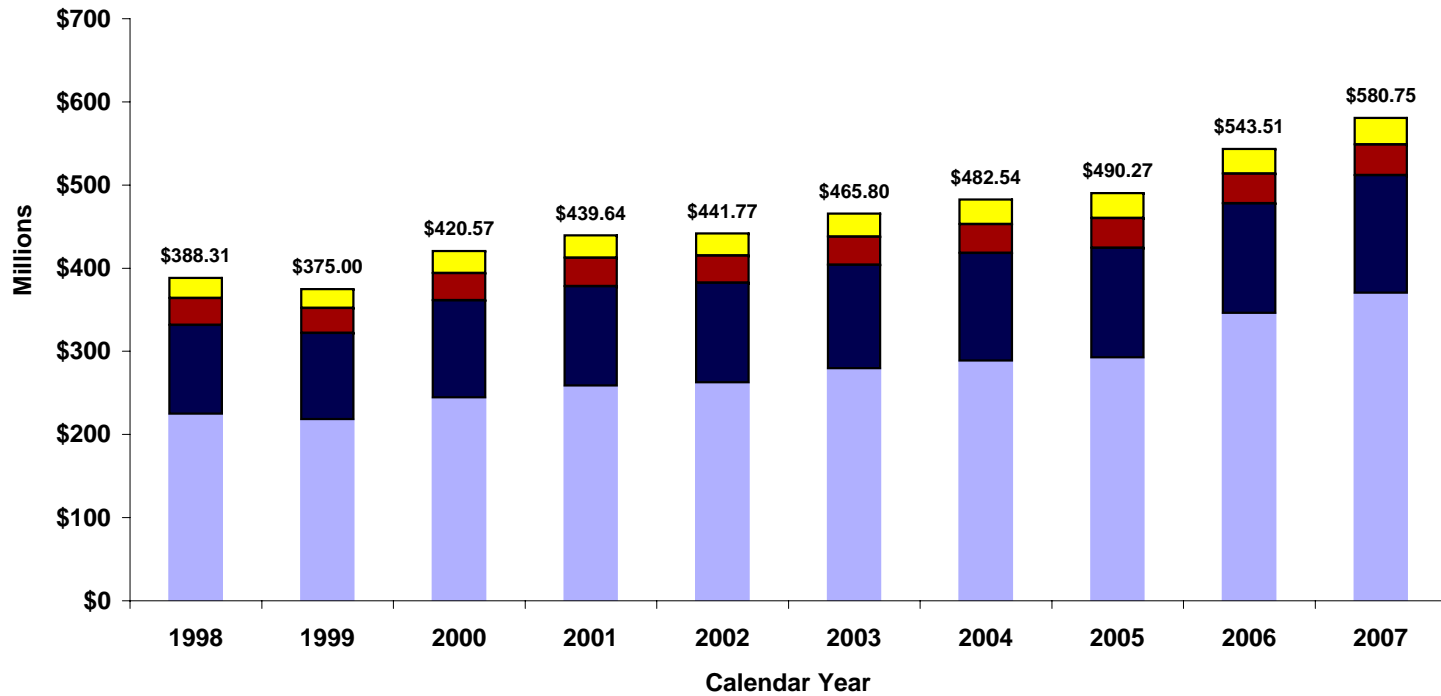
- < **Expenses are as filed by the providers on the cost report**
- < **Population includes all cost reports cleared at a point in time**
 - ↑ **Sample size varies from year to year**
- < **Per diems are calculated by dividing expenses by inpatient days**

Expense Trends

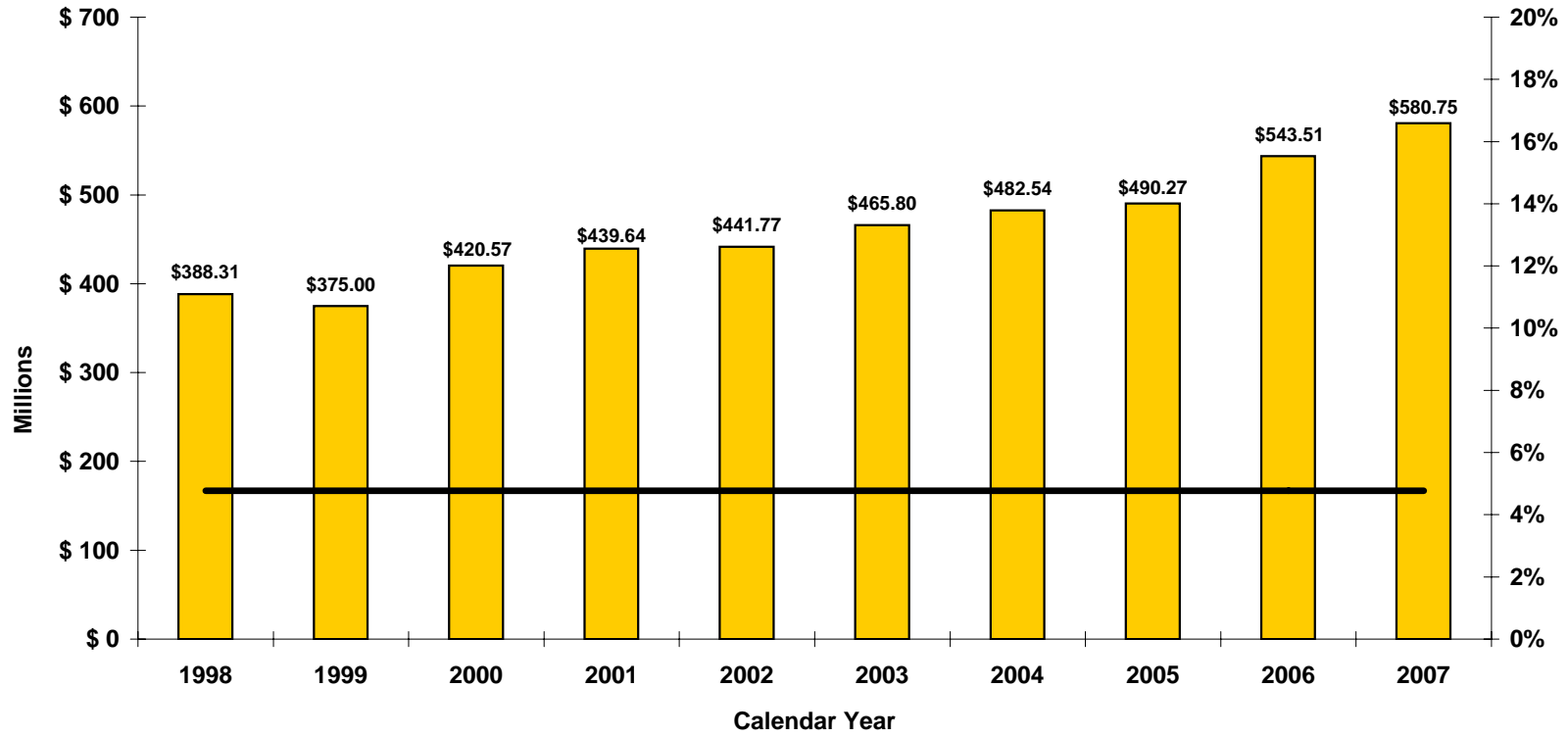
- < **Total expenses**
- < **Direct Care Cost Center**
- < **Indirect Care Cost Center**
- < **Capital Cost Center**
- < **Protected Cost Center**

ICF-MR Facilities

Total Expense
(1998 - 2007)

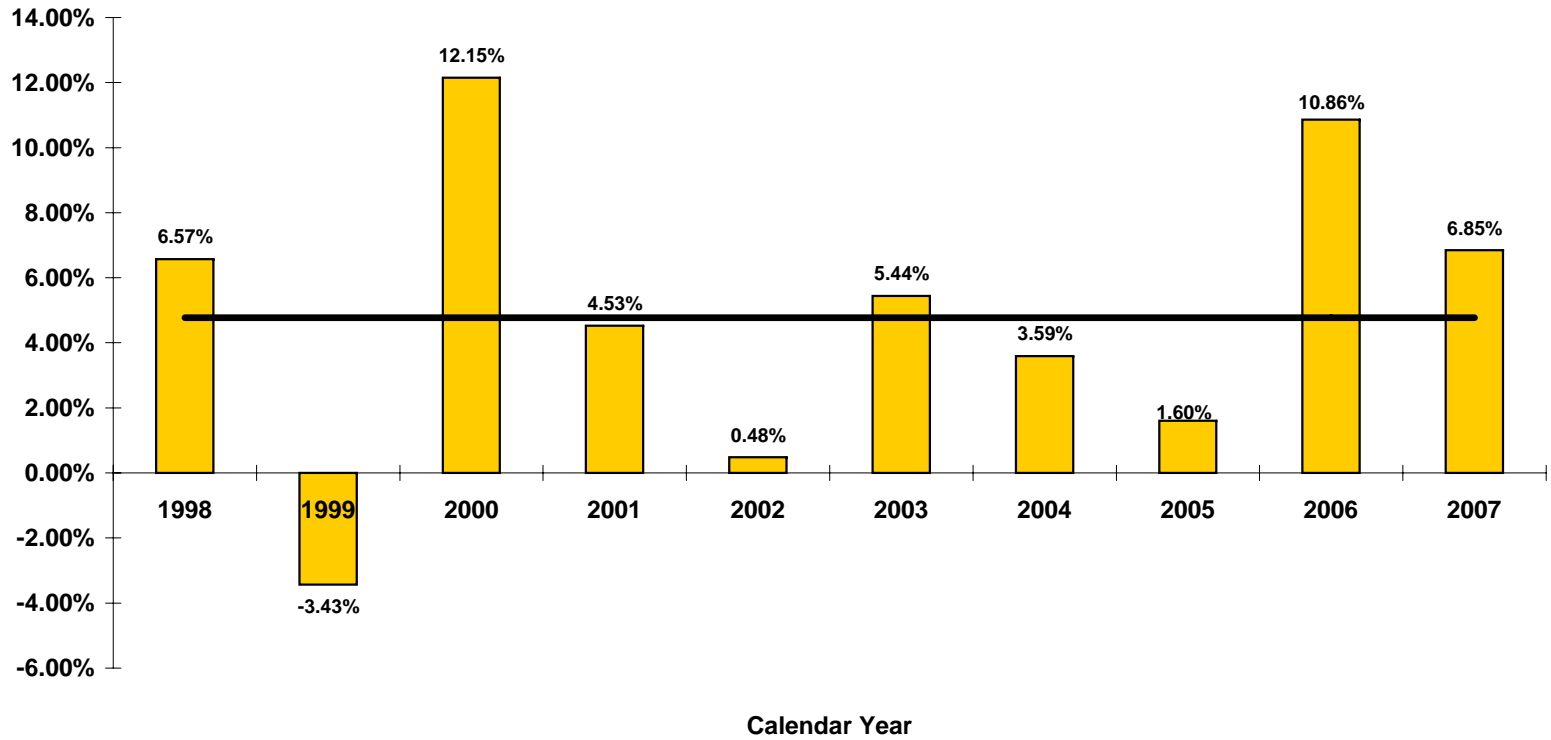


ICF-MR Facilities Total Expense (1998- 2007)



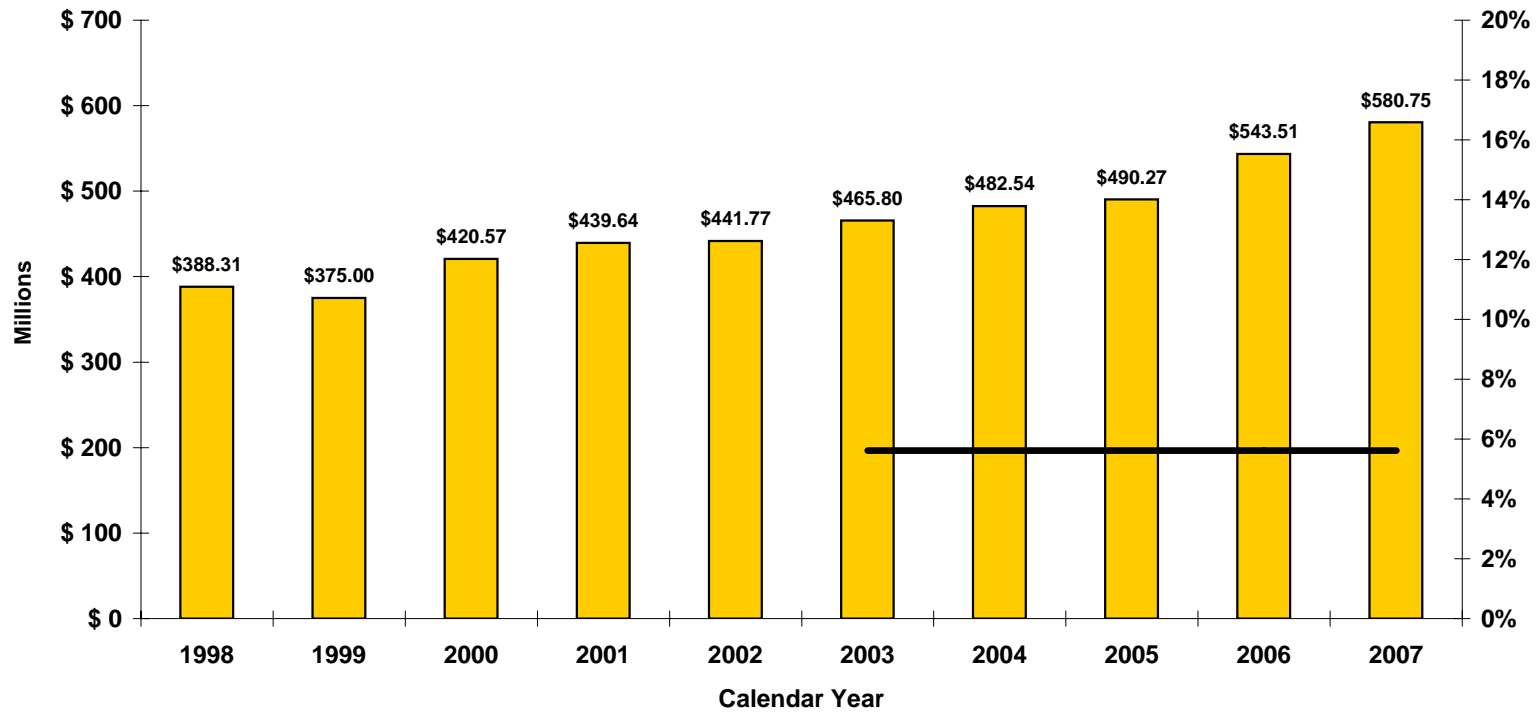
■ Total Expense — CAGR=4.77%

ICF-MR Facilities Total Expense (1998-2007)



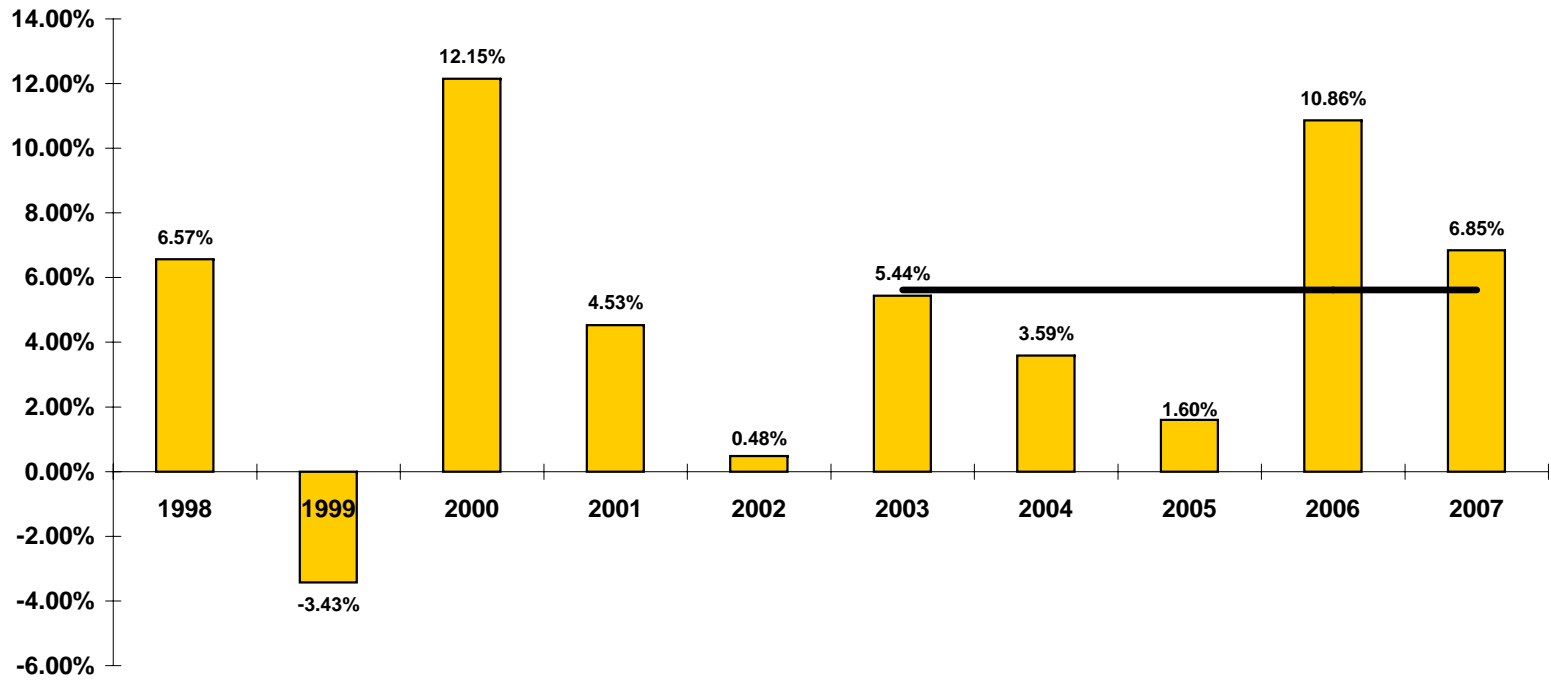
■ Percent Change: Expense — CAGR=4.77%

ICF-MR Facilities Total Expense (1998- 2007)



■ Total Expense — CAGR=5.62%

**ICF-MR Facilities
Total Expense
(1998-2007)**



Calendar Year

■ Percent Change: Expense — CAGR=5.62%

Direct Care Cost Center

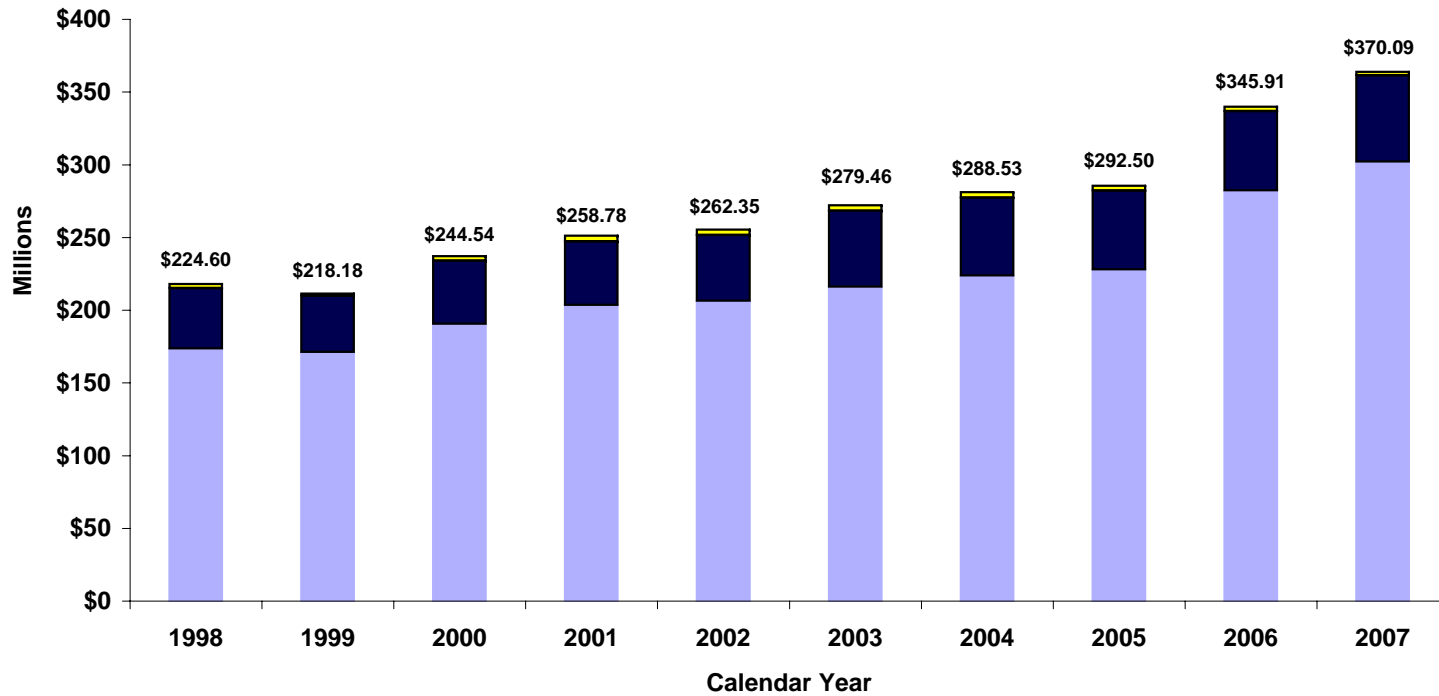
- < **Nursing & Habilitation ***
- < **Direct Care Payroll Taxes**
- < **Purchased Nursing**
- < **Nurse Aide Training**

* As of CY 2006, the Active Treatment Add-On Expense is now part of this Sub-Account

ICF-MR Facilities

Direct Filed Expense

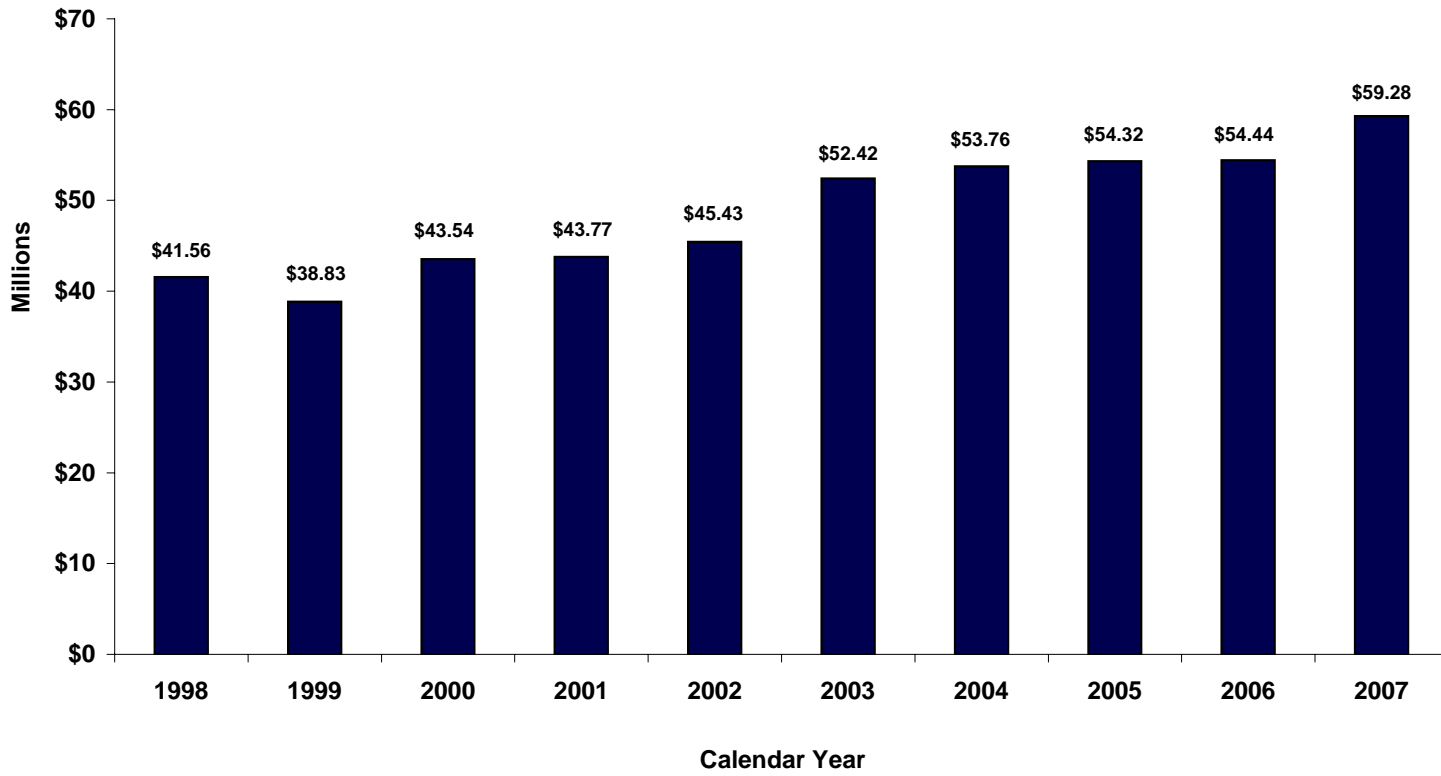
(1998- 2007)



ICF-MR Facilities
Nursing & Habilitation Expense
(1998- 2007)

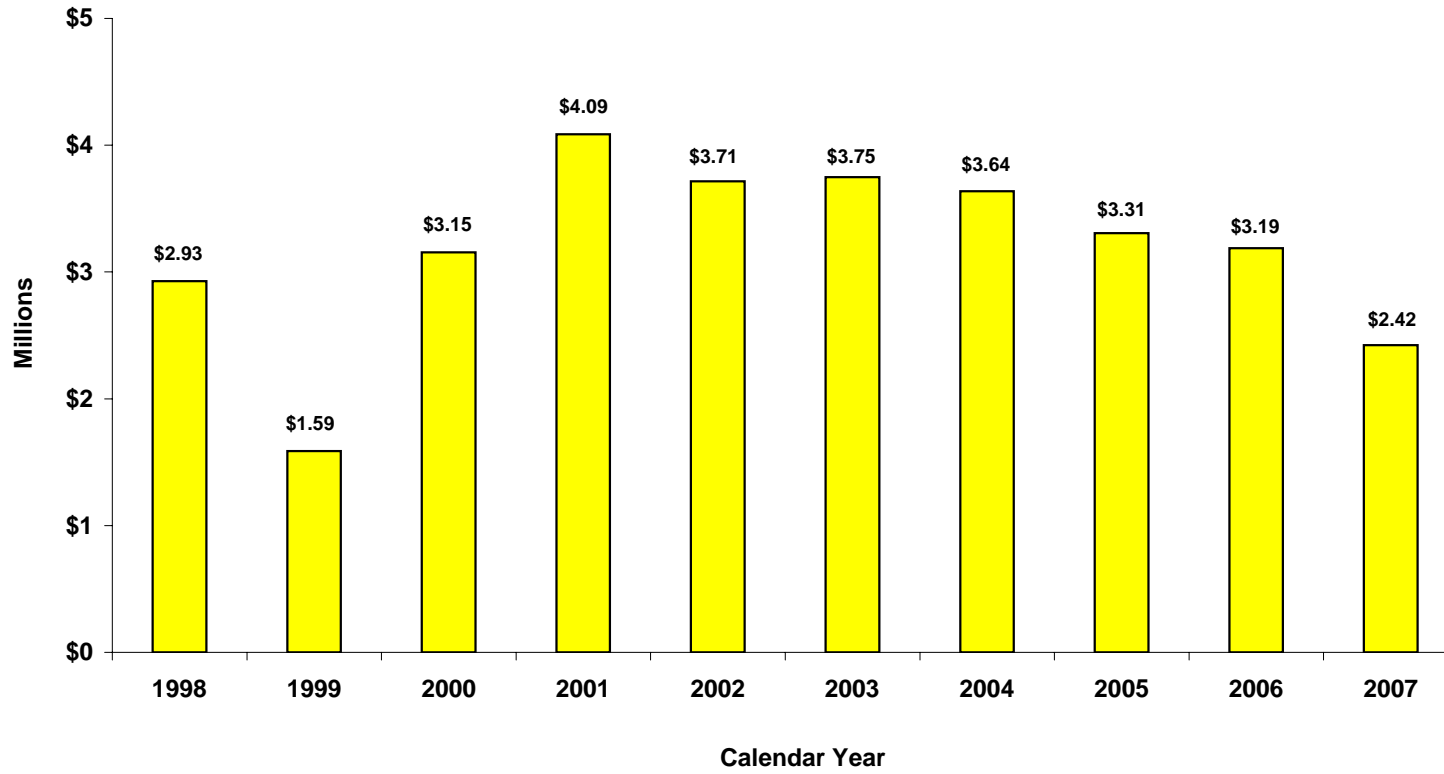


ICF-MR Facilities
Direct Payroll Tax Expense
(1998- 2007)

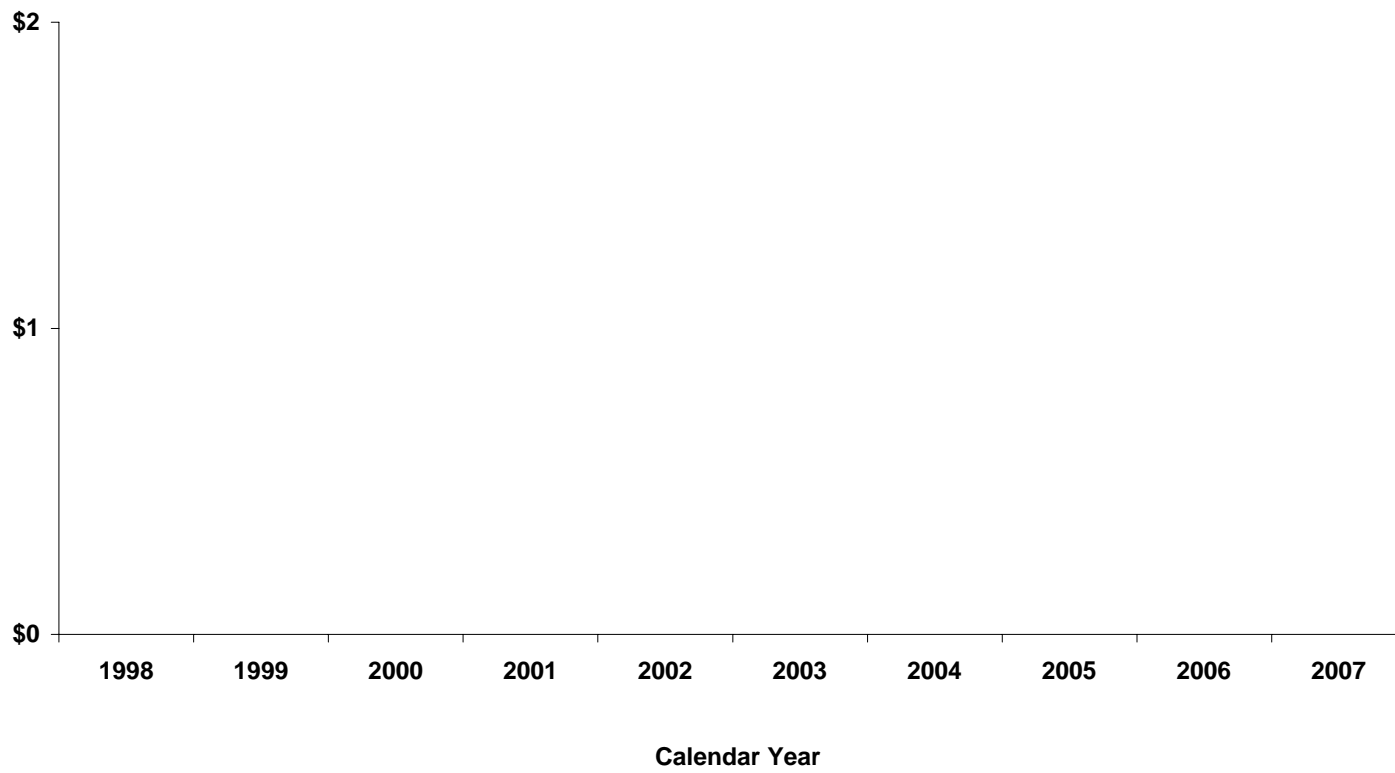


ICF-MR Facilities

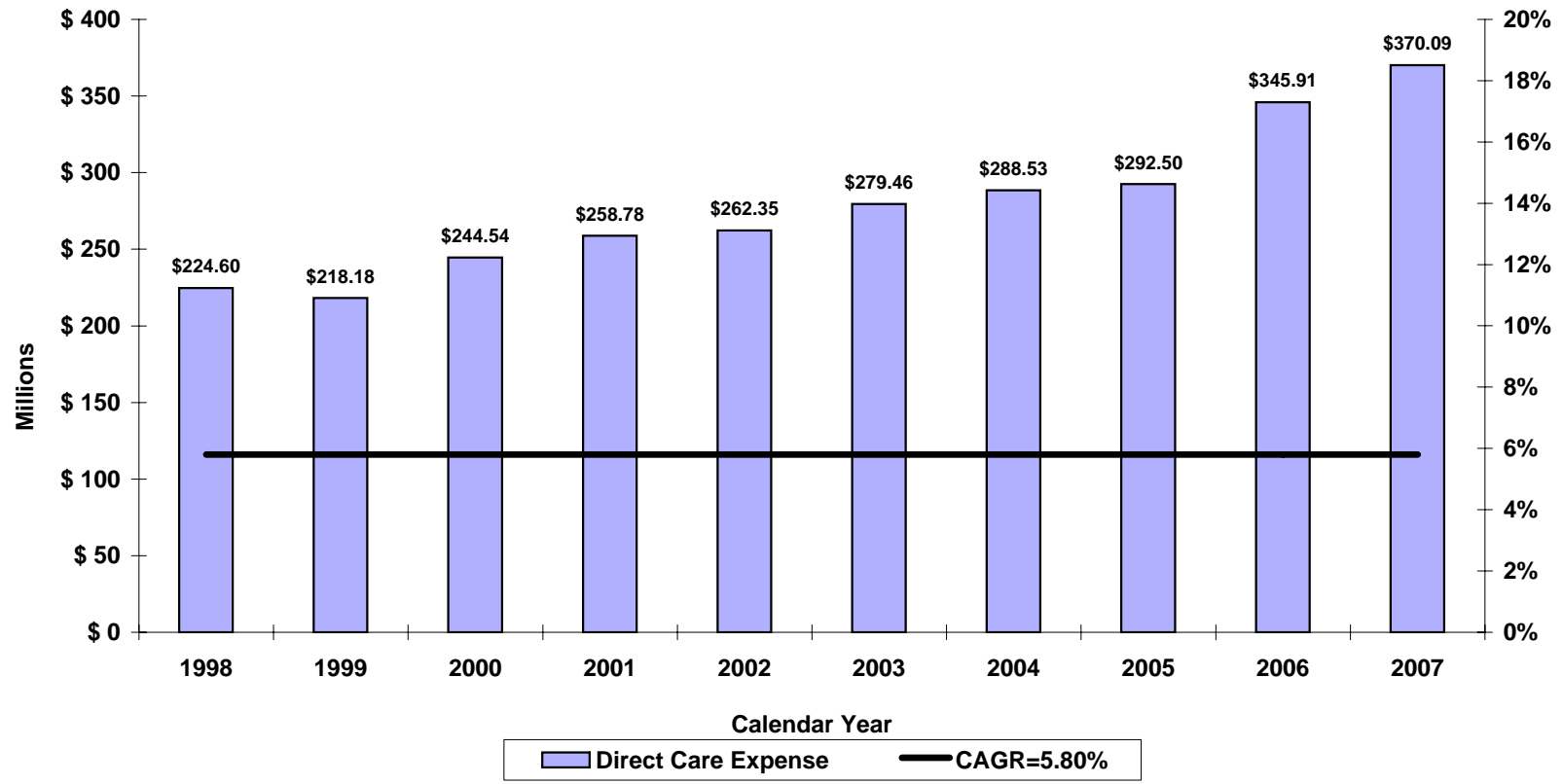
Purchased Nursing Expense (1998- 2007)



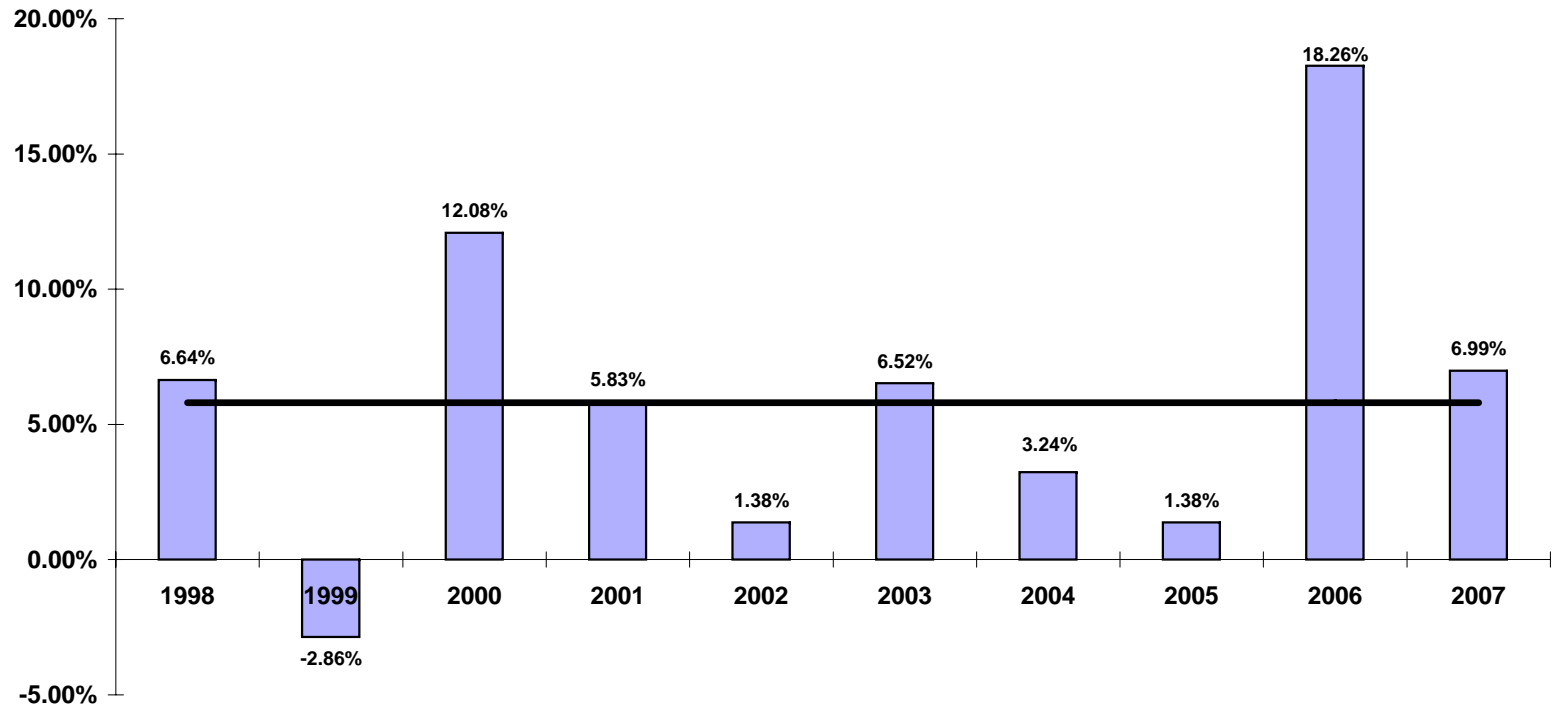
ICF-MR Facilities
Nurse Aide Training Expense
(1998- 2007)



ICF-MR Facilities Direct Care Expense (1998- 2007)



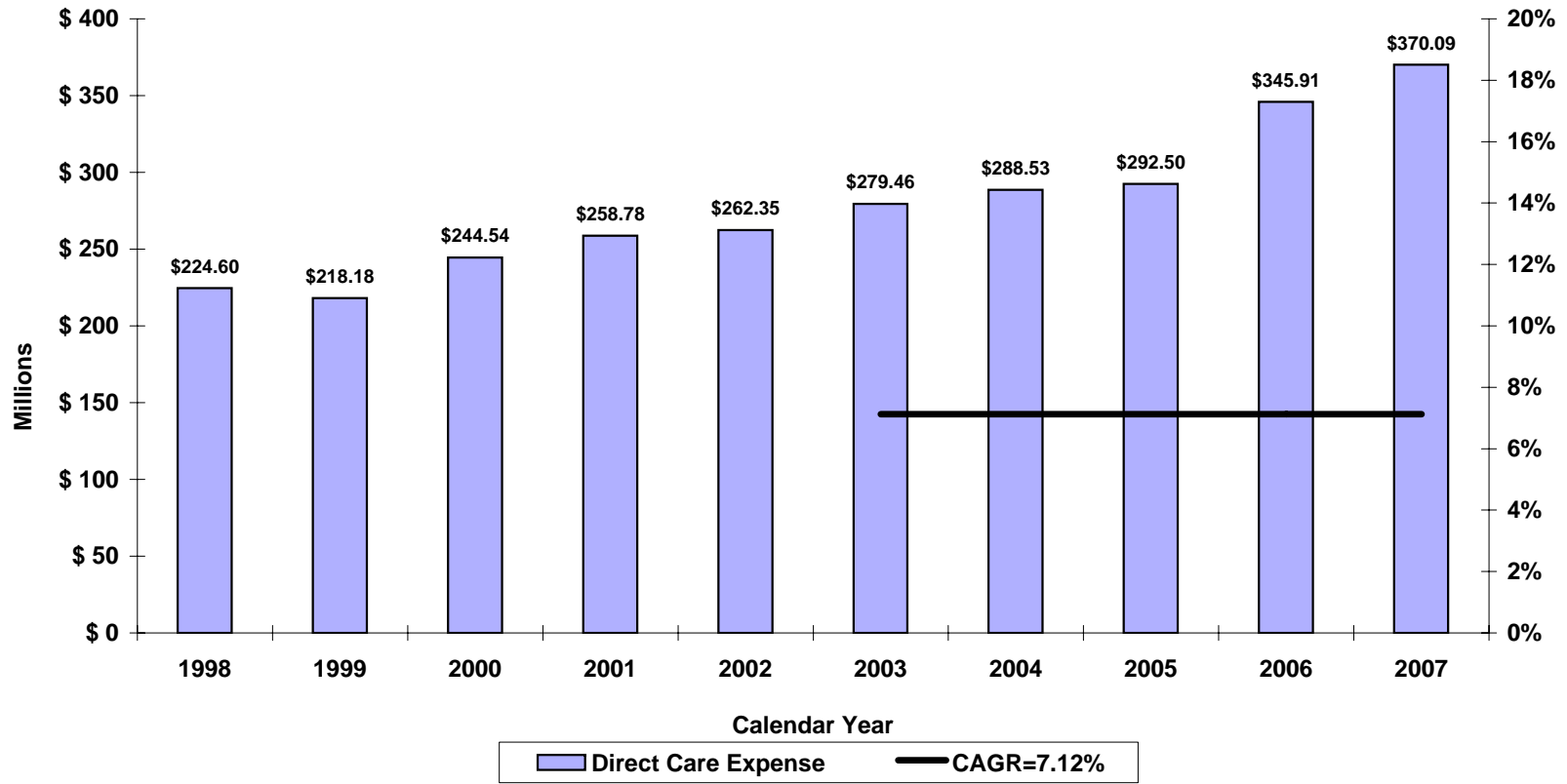
ICF-MR Facilities
Direct Care Expense
(1998- 2007)



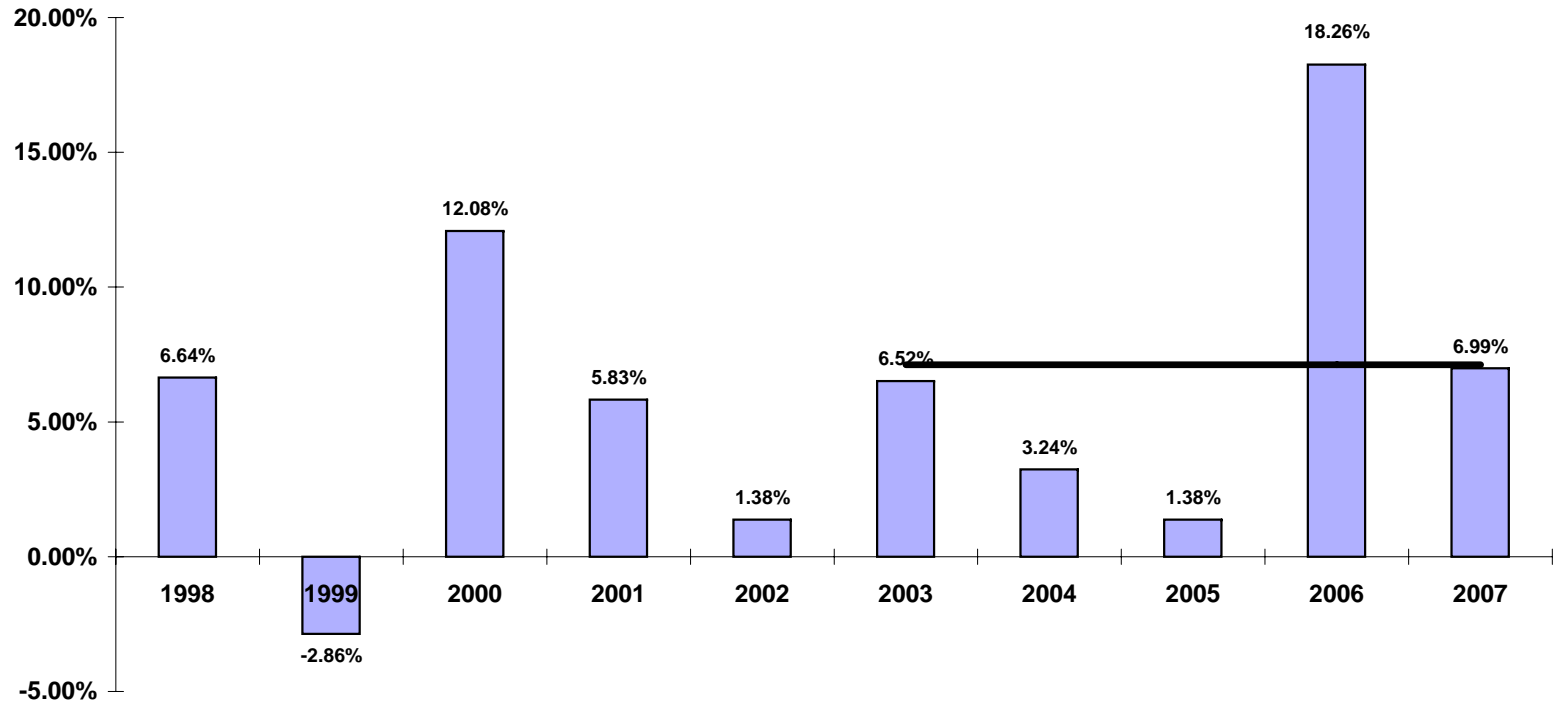
Calendar Year

■ Percent Change: Direct Expense — CAGR=5.80%

ICF-MR Facilities Direct Care Expense (1998- 2007)



ICF-MR Facilities
Direct Care Expense
(1998- 2007)



Calendar Year

■ Percent Change: Direct Expense — CAGR=7.12%

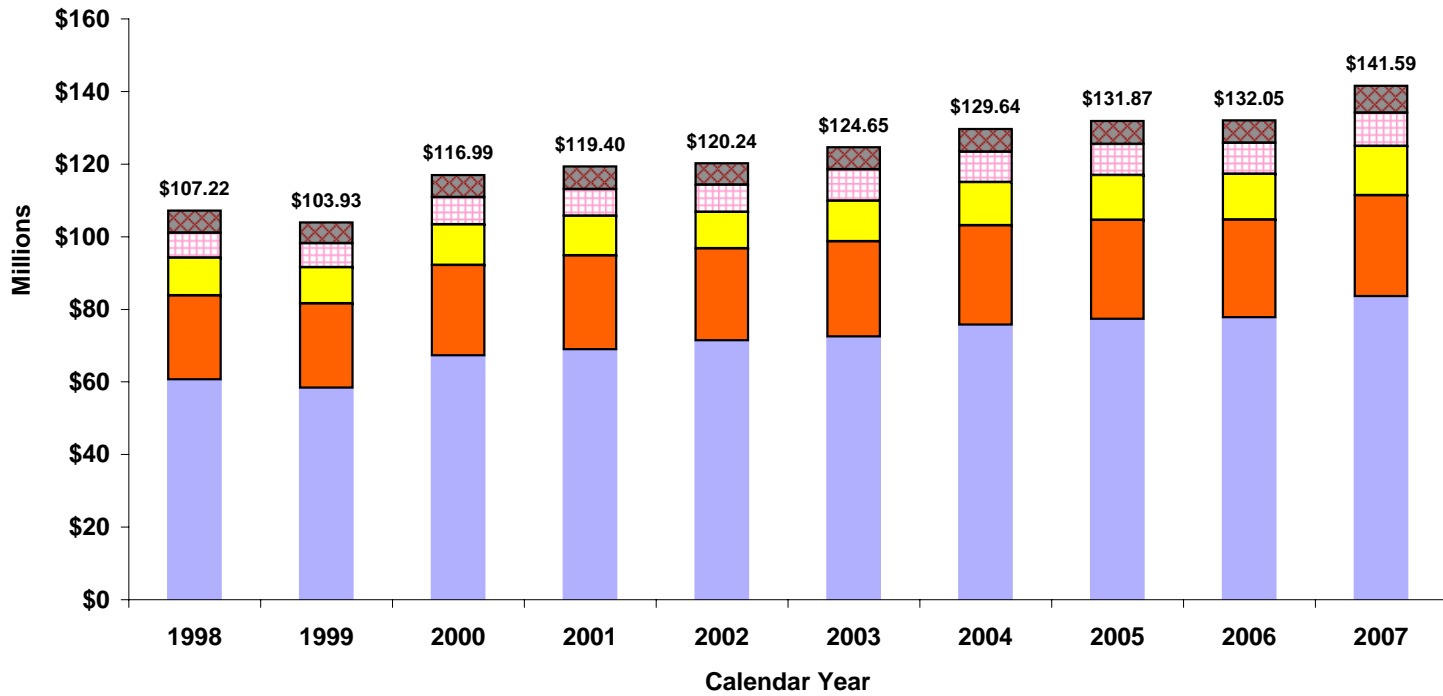
Indirect Care Cost Center

- < **Administrative and General**
- < **Dietary**
- < **Maintenance and Repair**
- < **Indirect Care Payroll Taxes**
- < **Incontinence and Other Program Supplies**

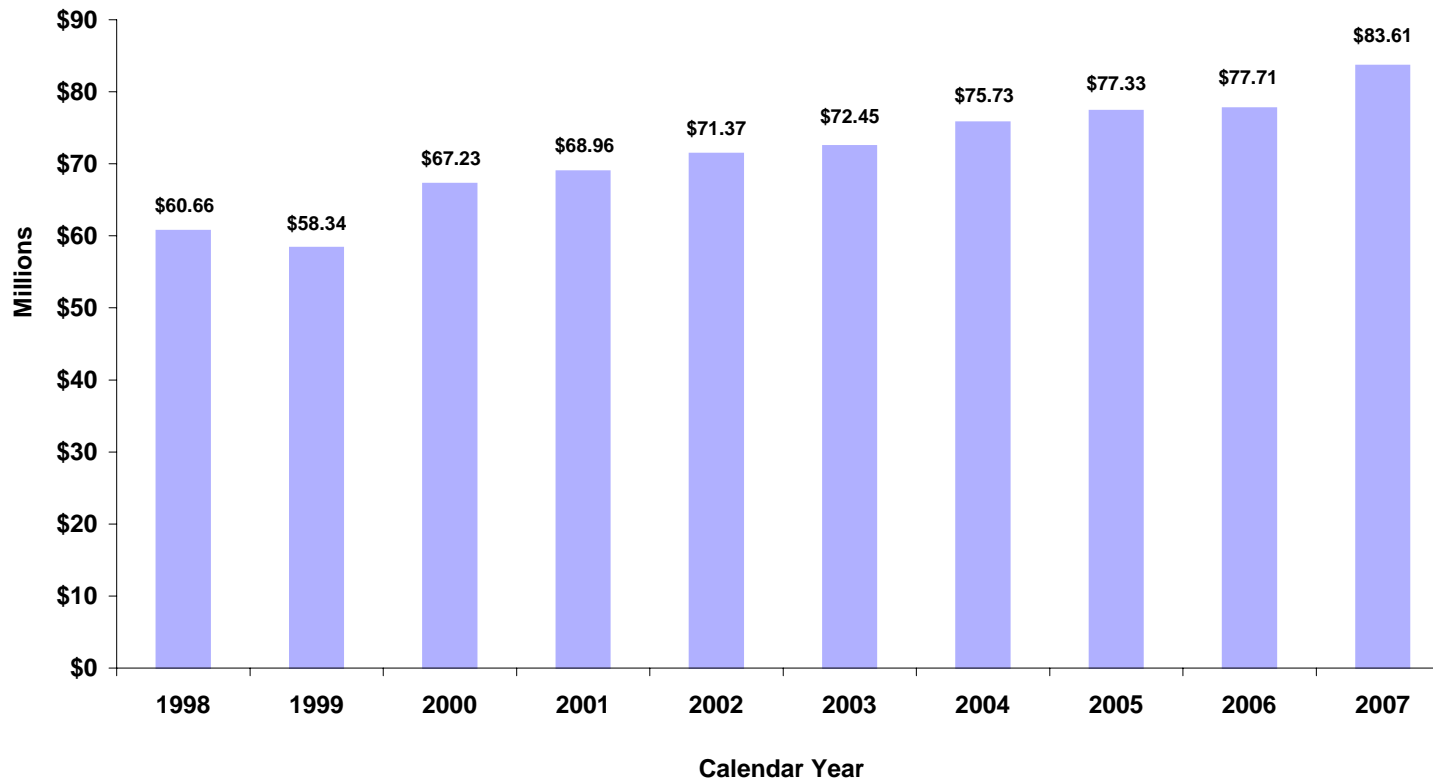
ICF-MR Facilities

Indirect Filed Expense

(1998- 2007)

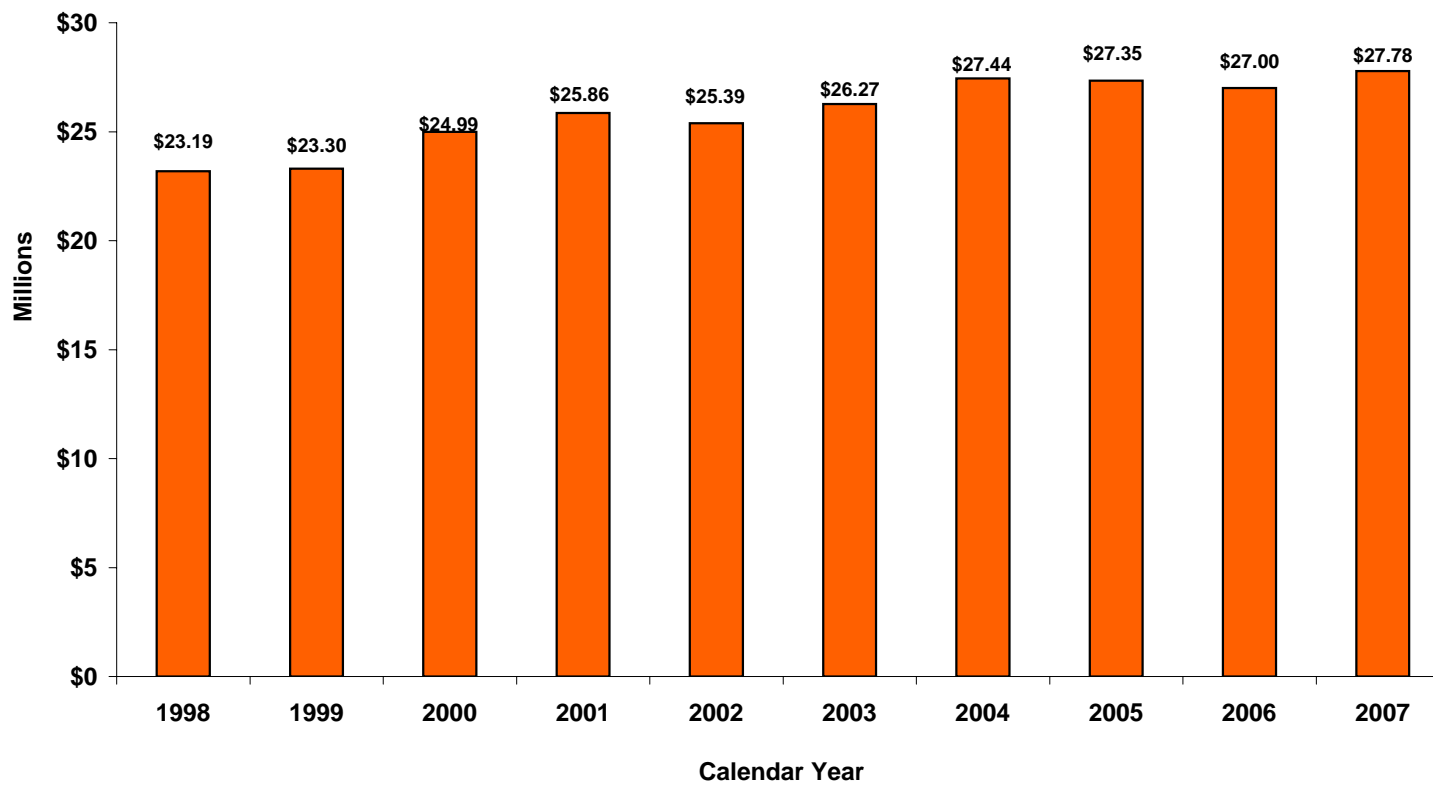


ICF-MR Facilities
Administrative & General Expense
(1998- 2007)

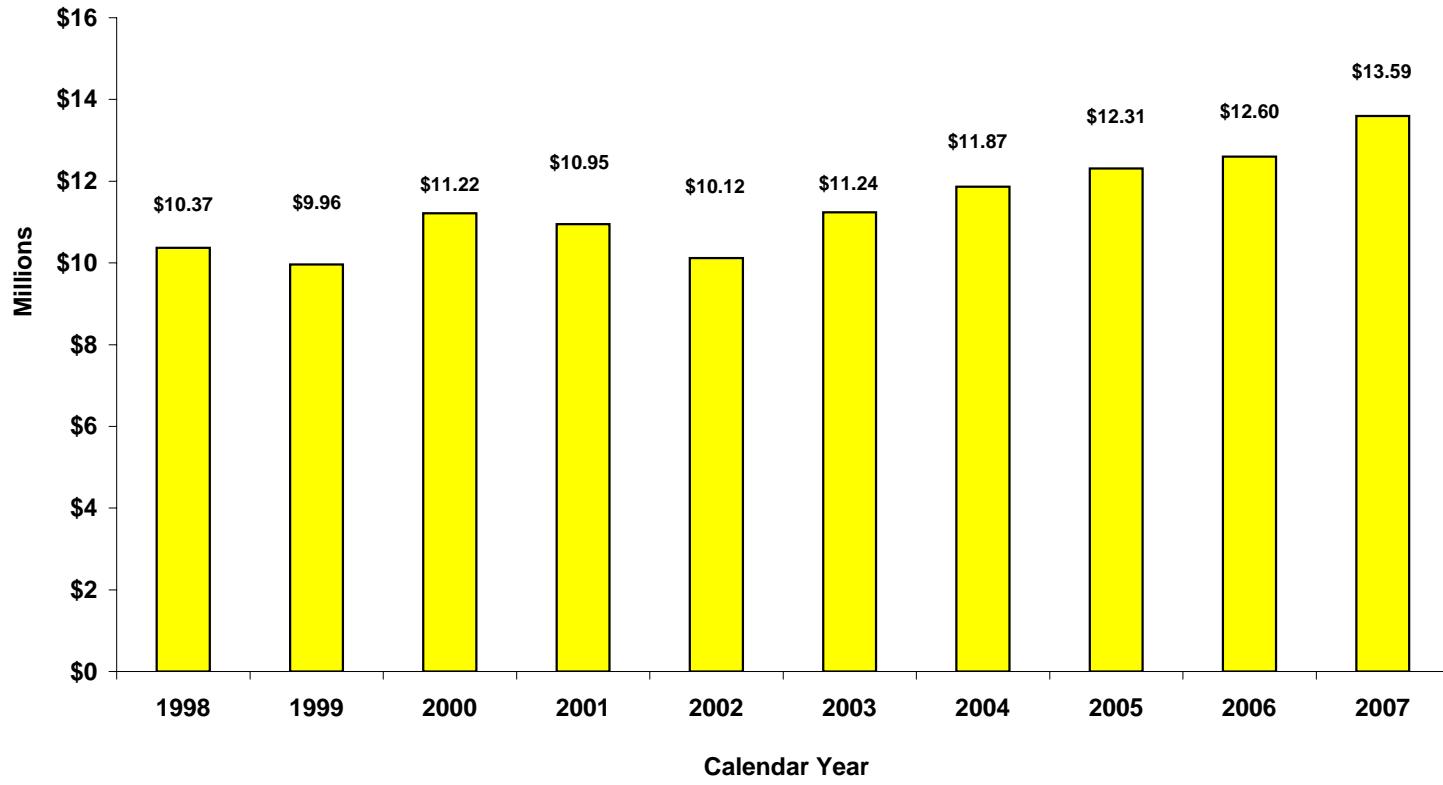


ICF-MR Facilities

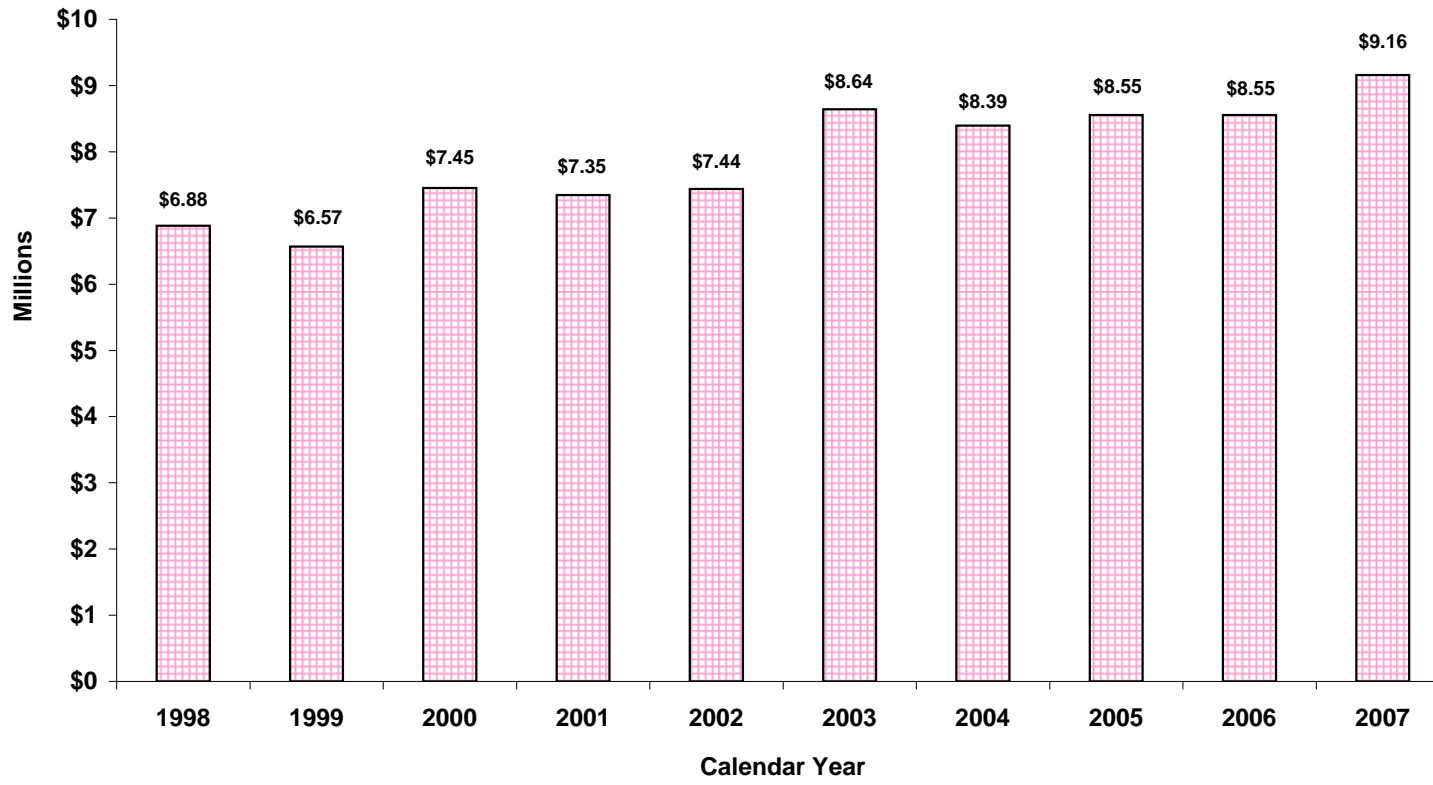
Dietary Expense (1998- 2007)



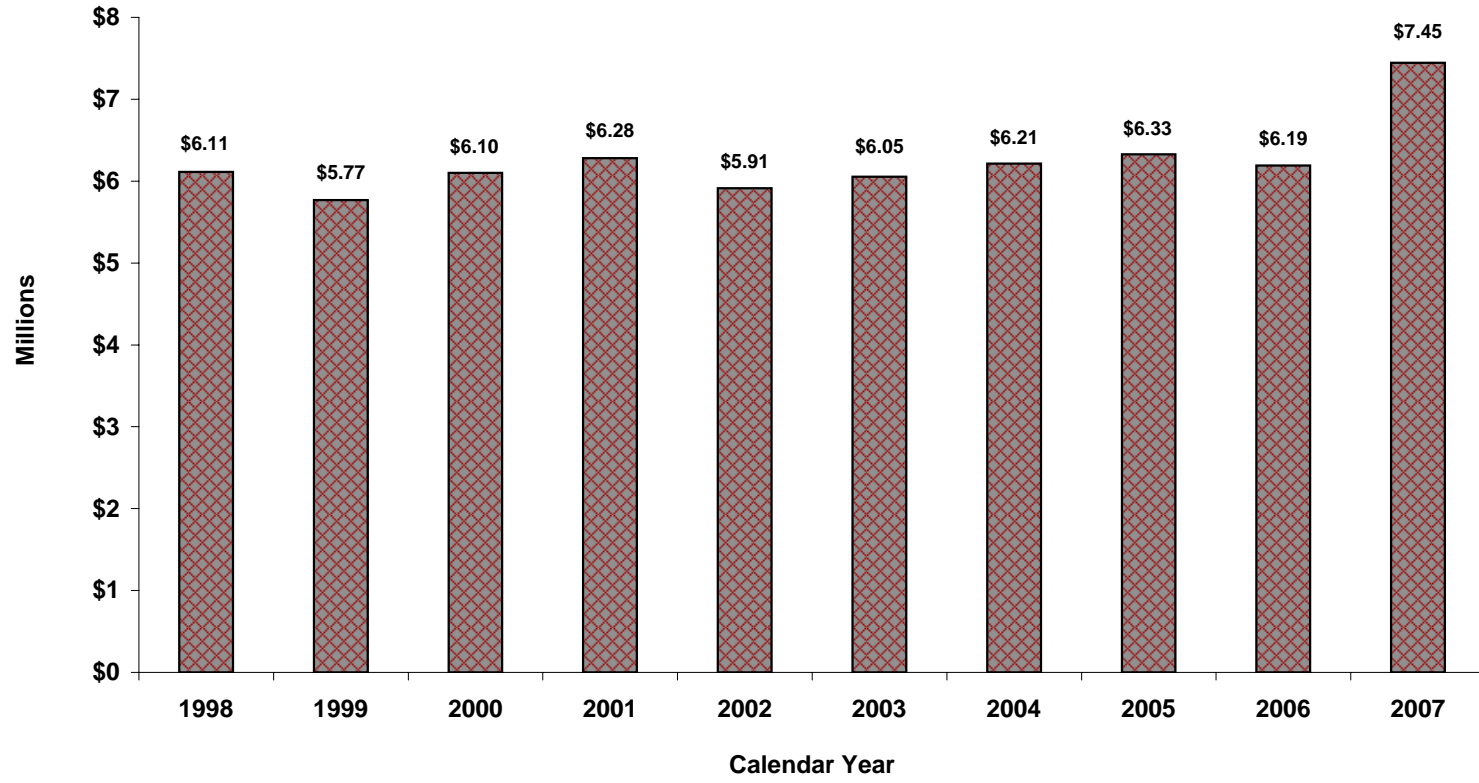
ICF-MR Facilities
Maintenance & Repair Expense
(1998- 2007)



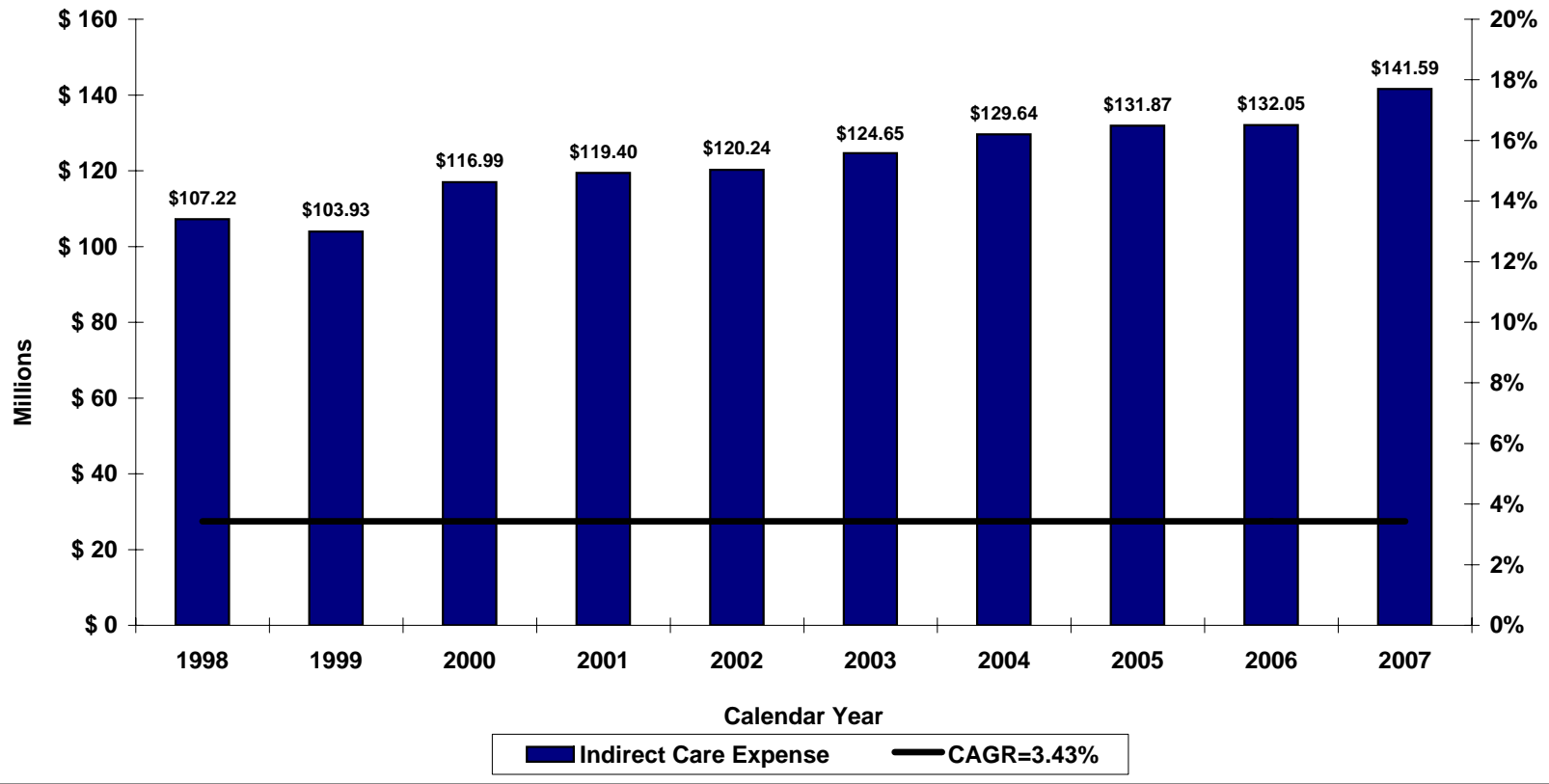
ICF-MR Facilities
Indirect Payroll Tax Expense
(1998- 2007)



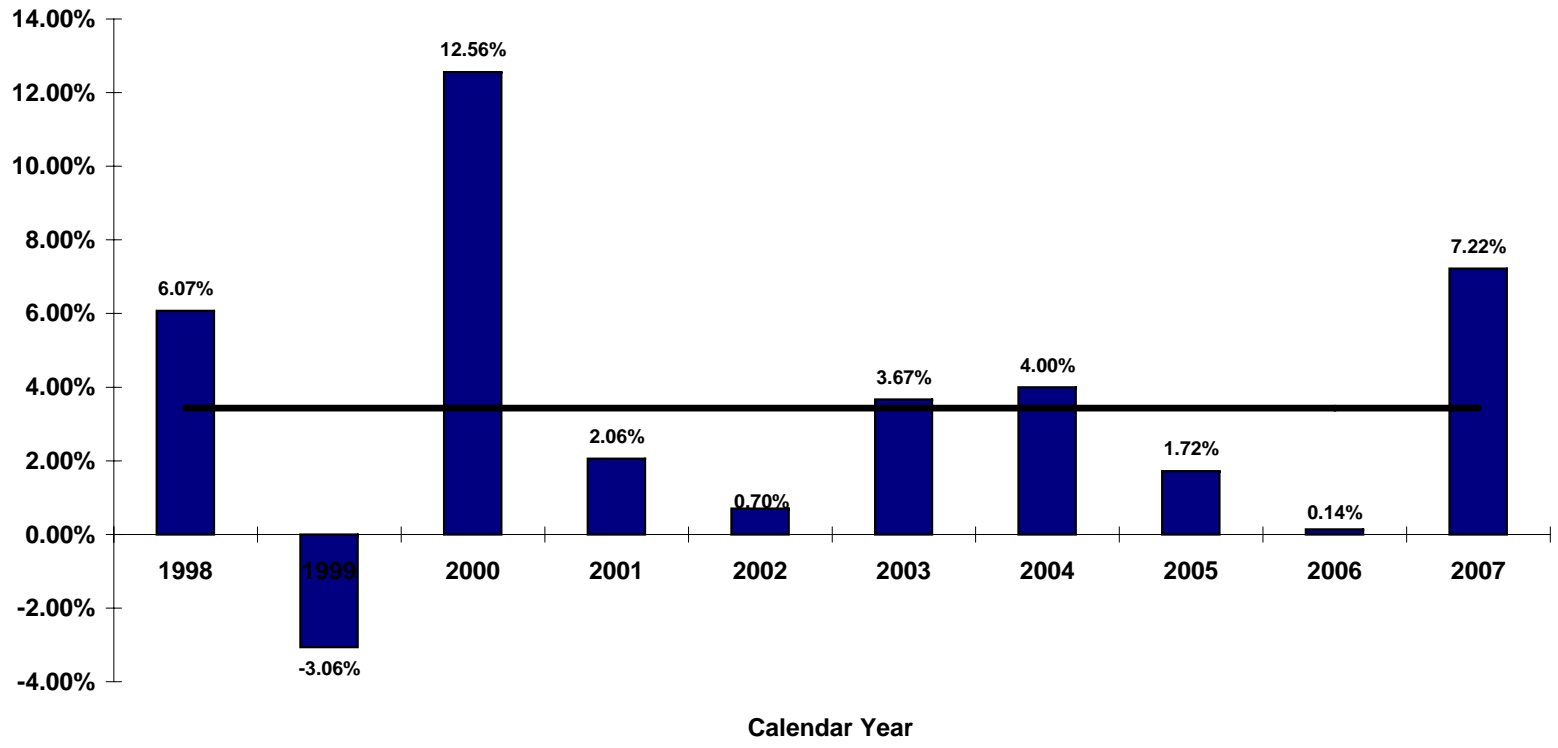
ICF-MR Facilities
Incontinence & Other Supplies Expense
(1998- 2007)



ICF-MR Facilities Indirect Care Expense (1998- 2007)

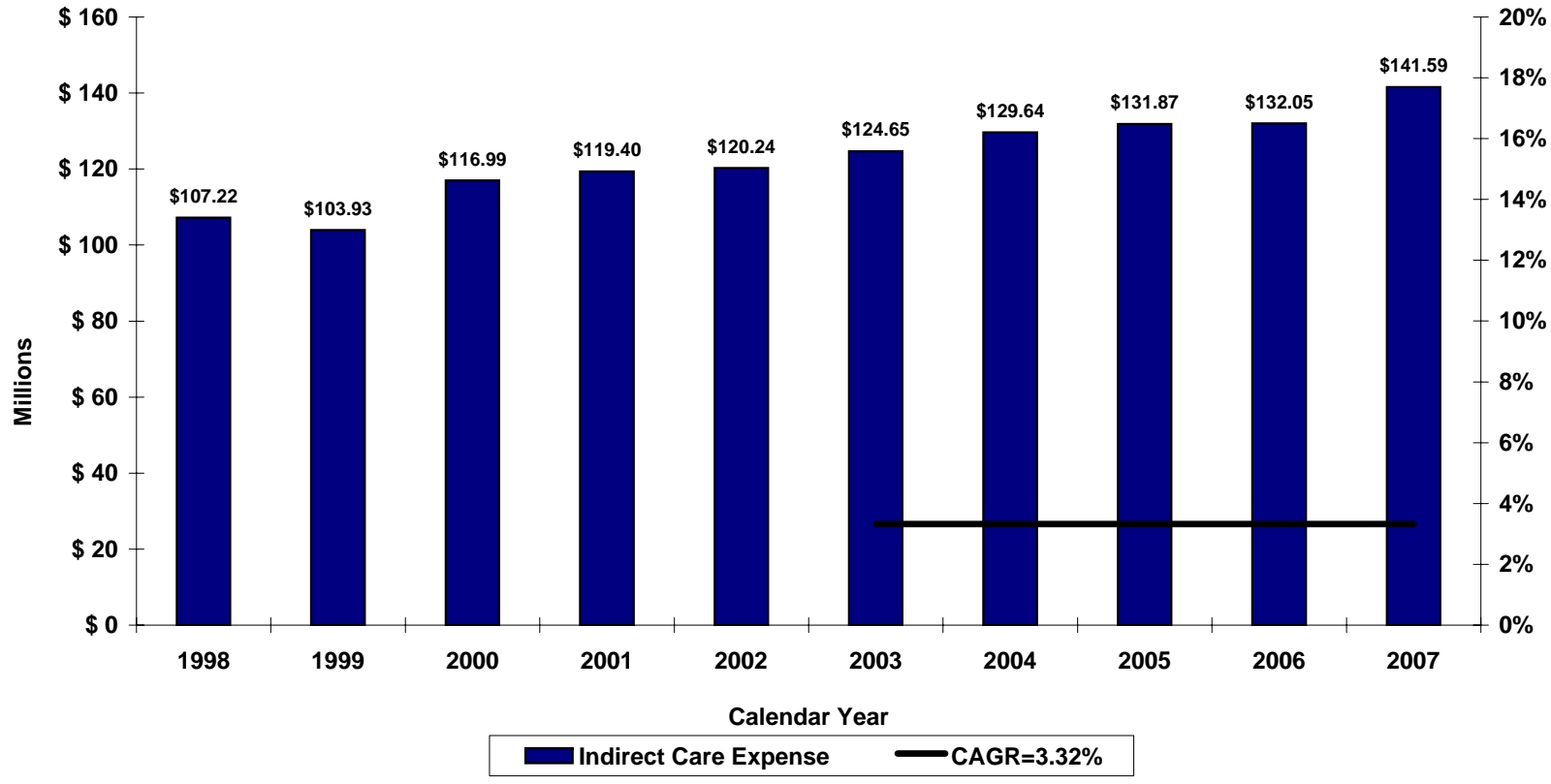


ICF-MR Facilities
Indirect Care Expense
(1998- 2007)

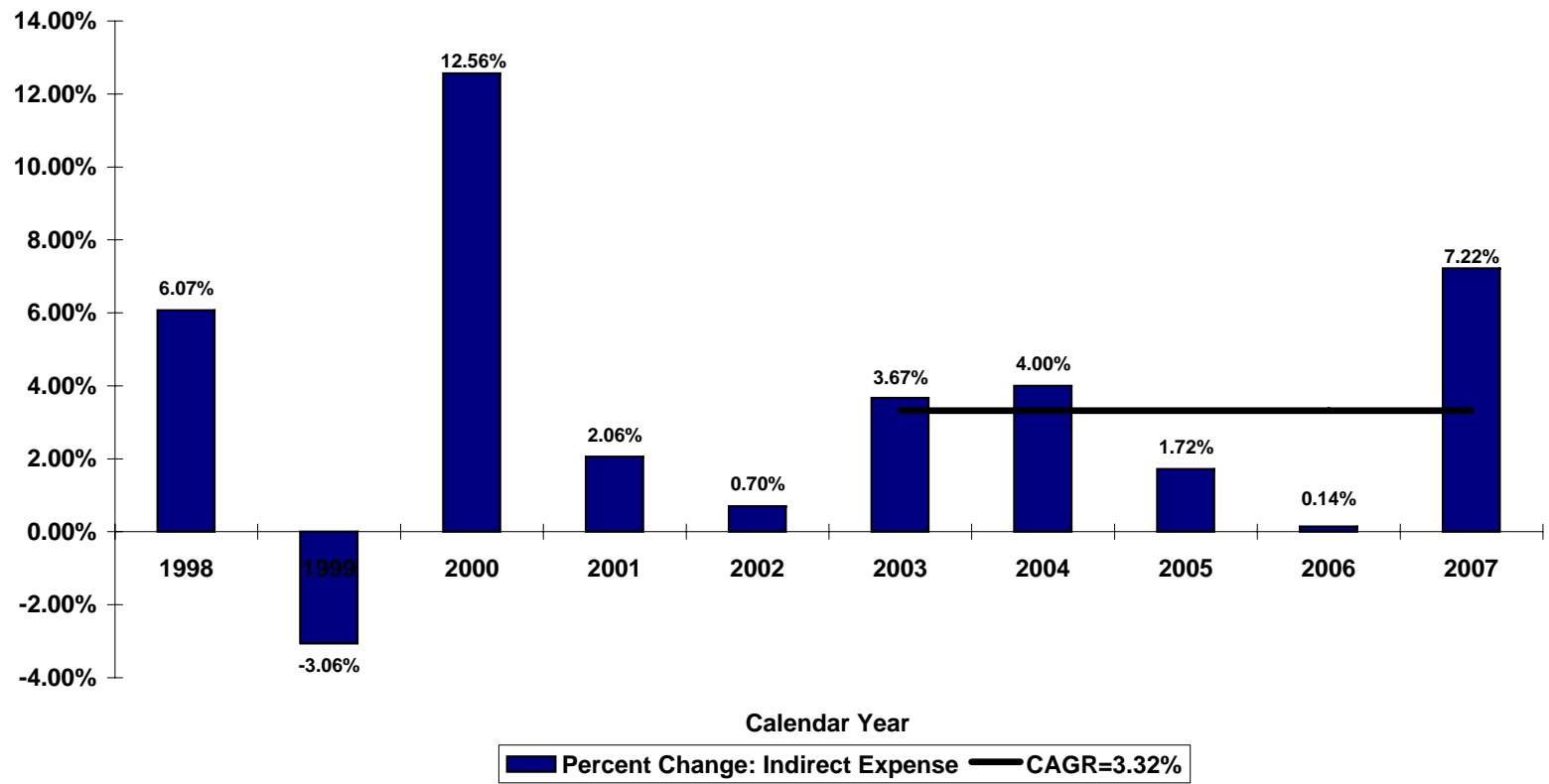


■ Percent Change: Indirect Expense — CAGR=3.43%

ICF-MR Facilities Indirect Care Expense (1998- 2007)



ICF-MR Facilities
Indirect Care Expense
(1998- 2007)

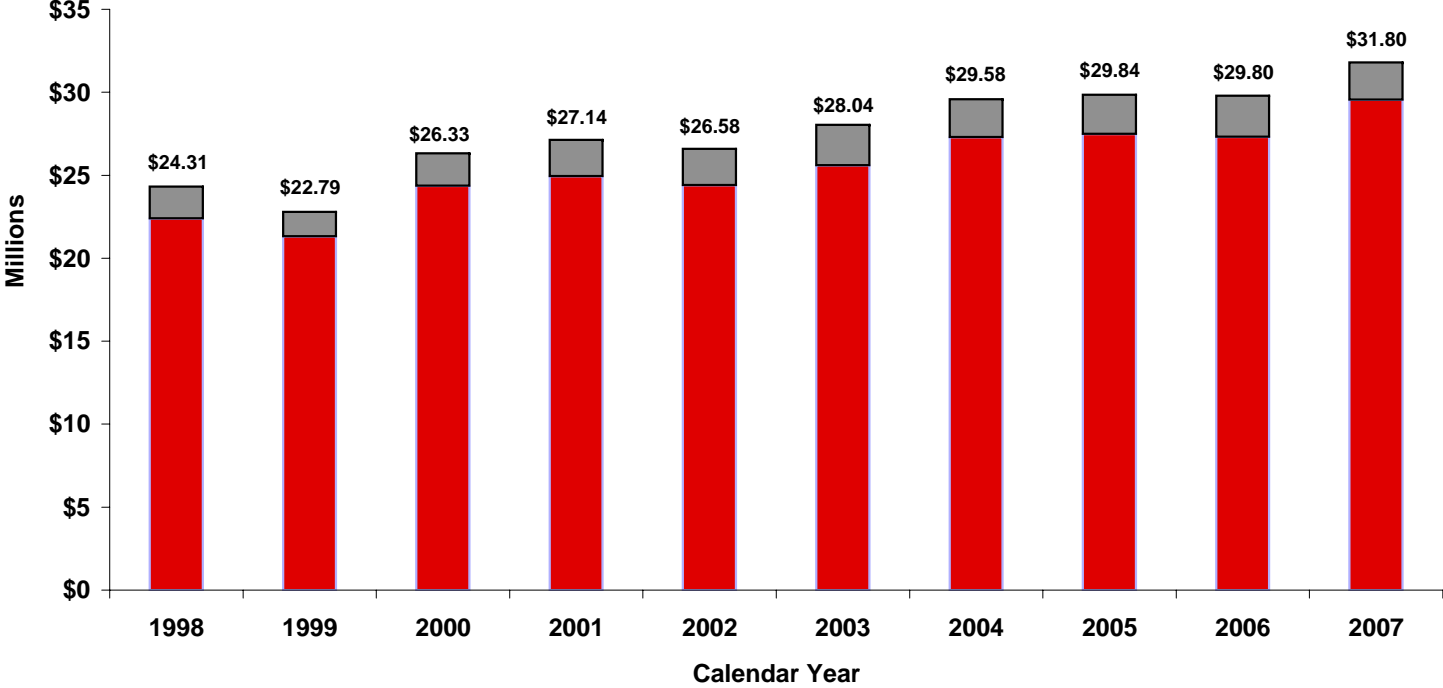


Capital Cost Center

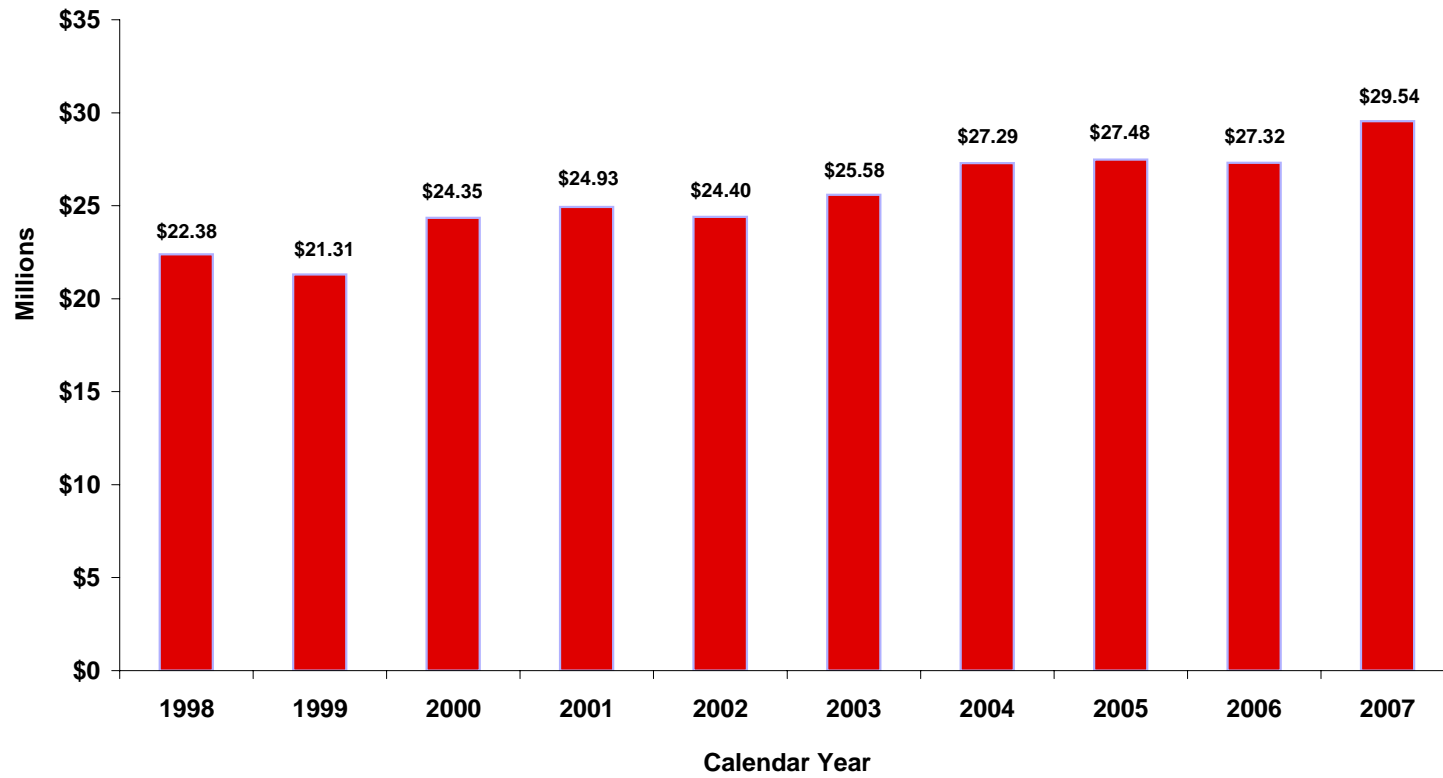
- < **Cost of Ownership**
- < **Renovation**

ICF-MR Facilities

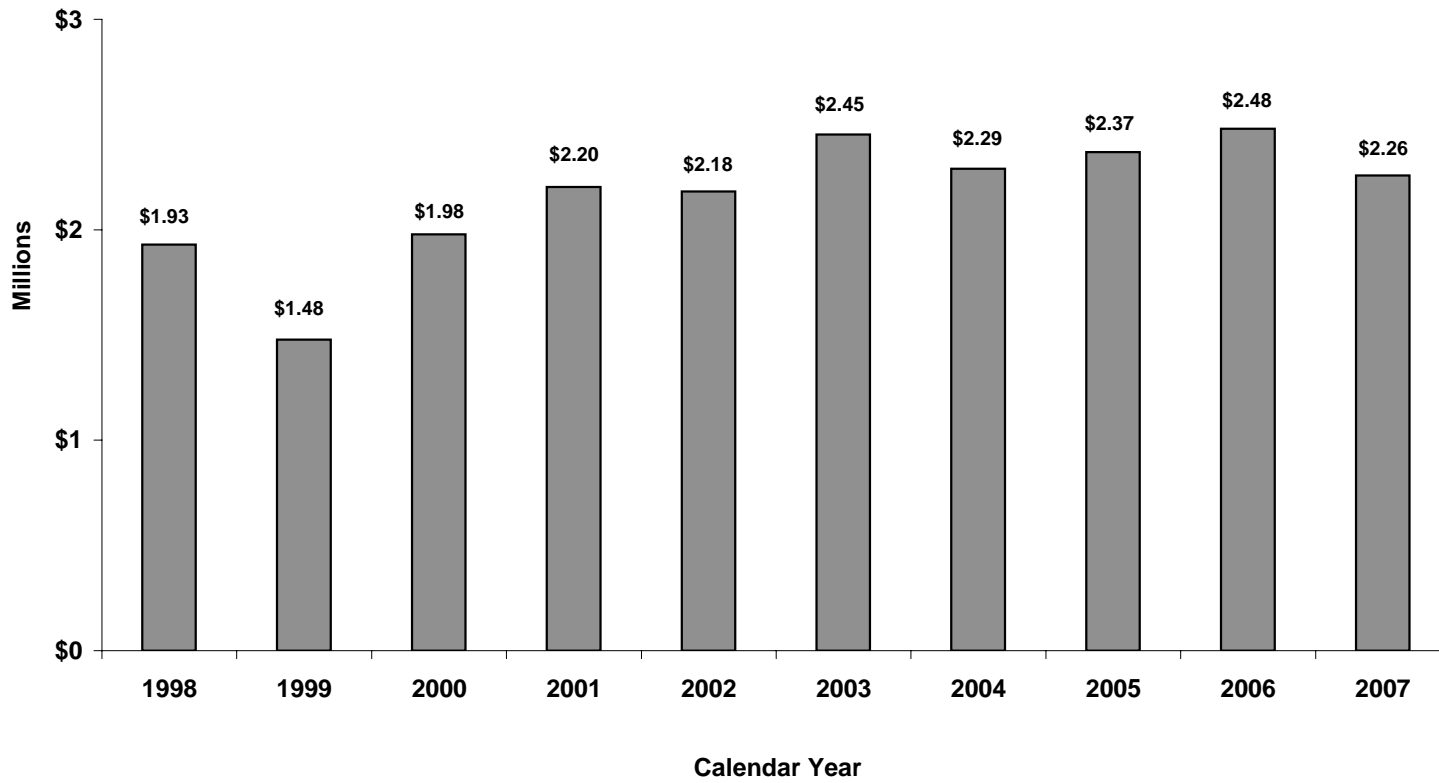
Capital Filed Expense (1998- 2007)



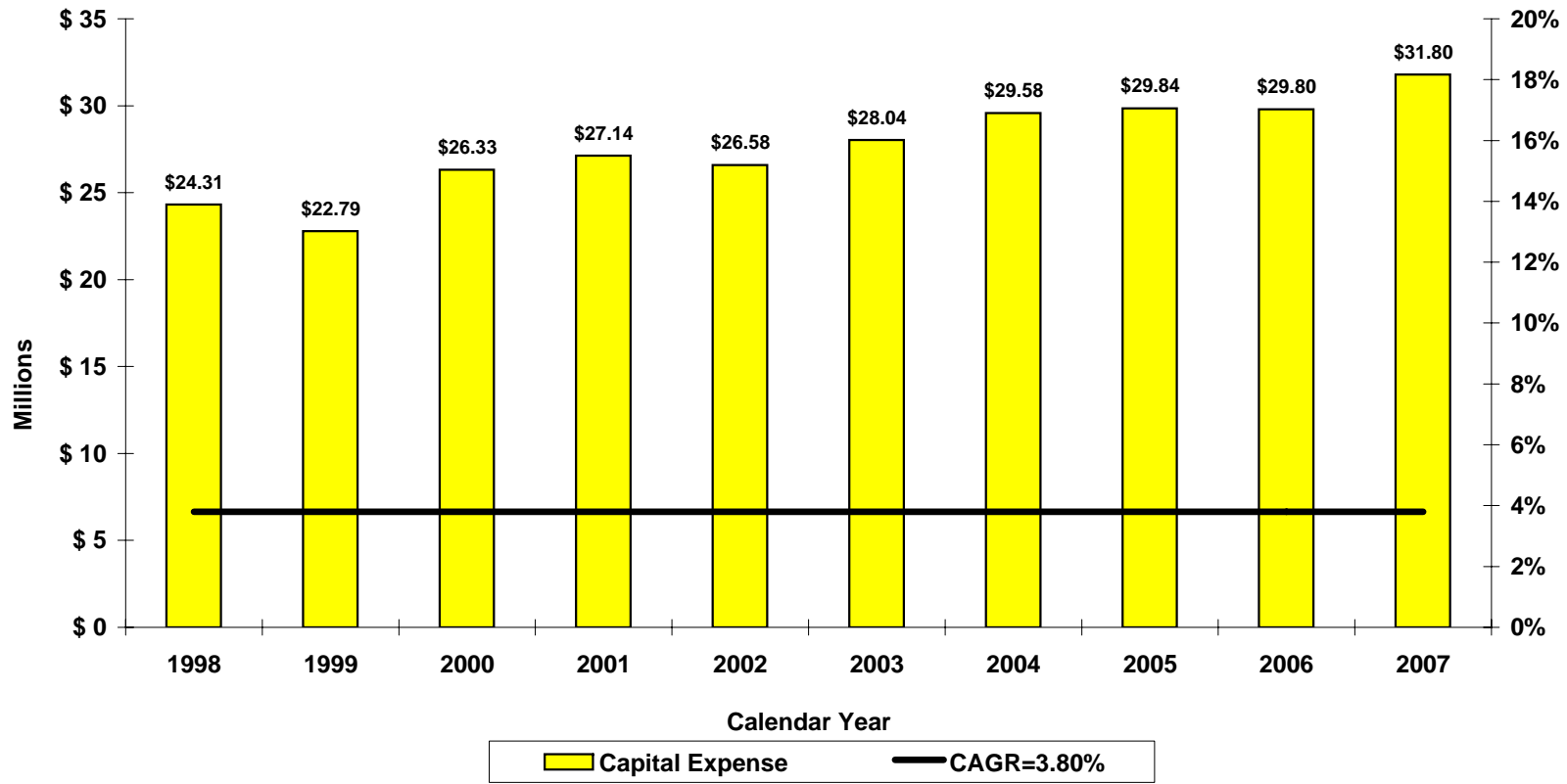
**ICF-MR Facilities
Ownership Expense
(1998- 2007)**



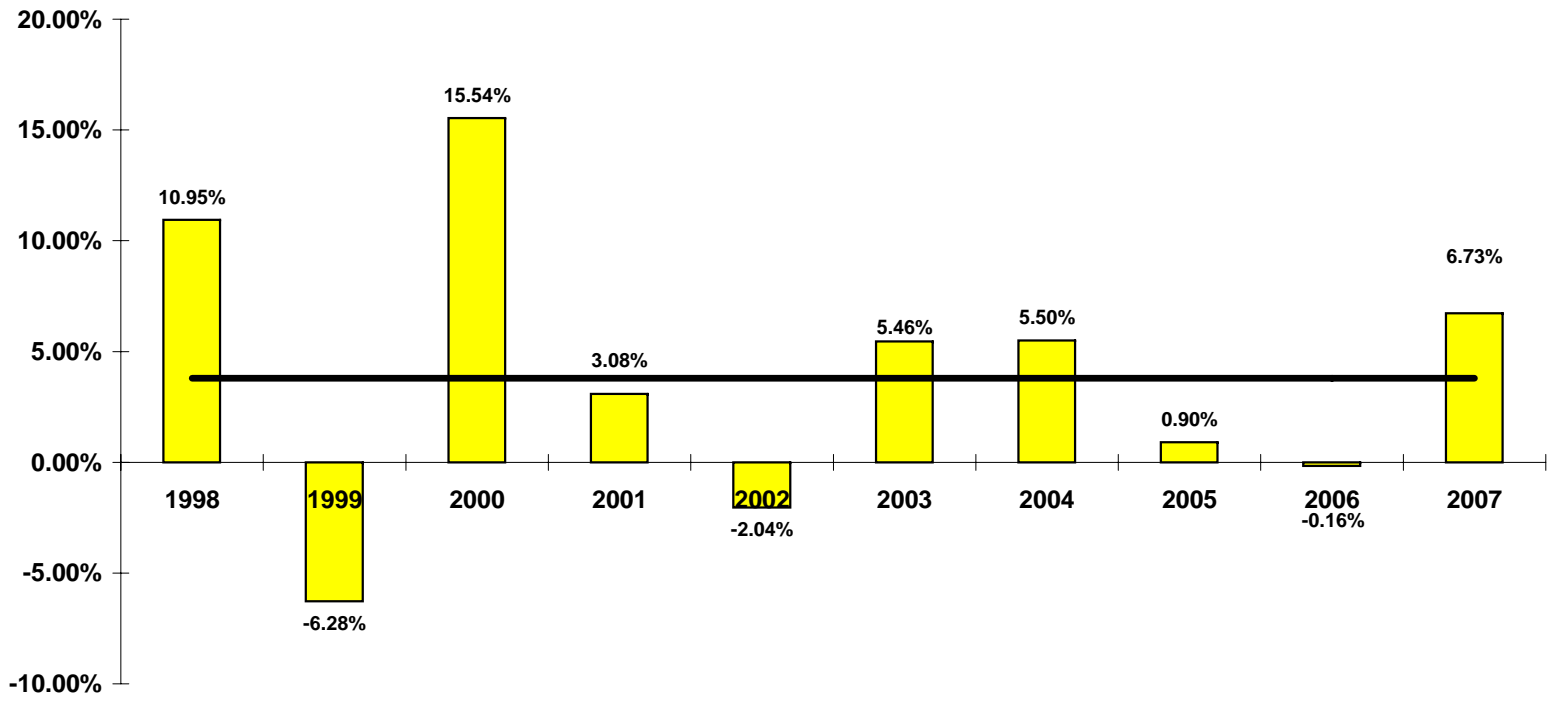
**ICF-MR Facilities
Renovation Expense
(1998- 2007)**



ICF-MR Facilities Capital Expense (1998- 2007)

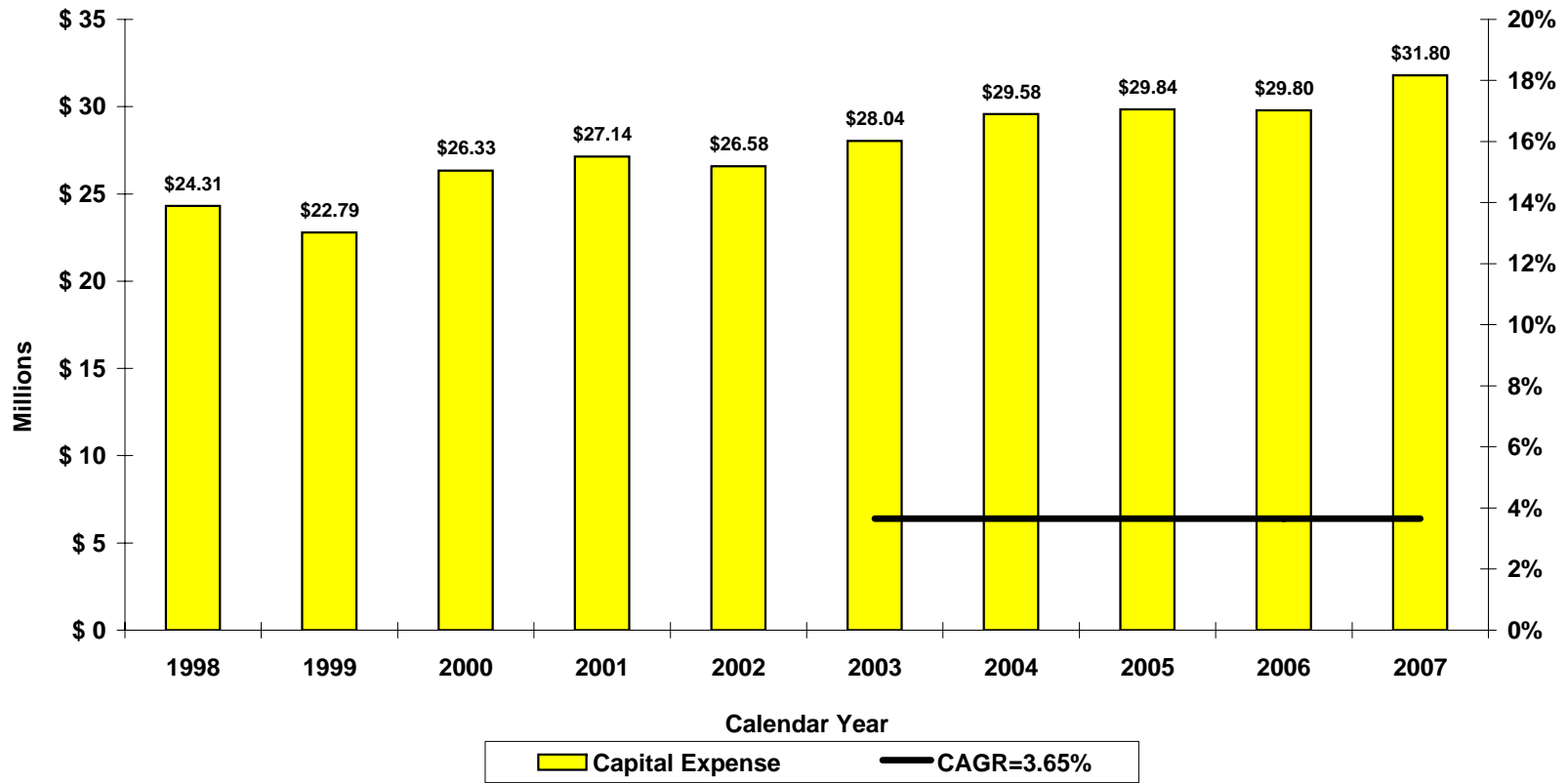


**ICF-MR Facilities
Capital Expense
(1998- 2007)**

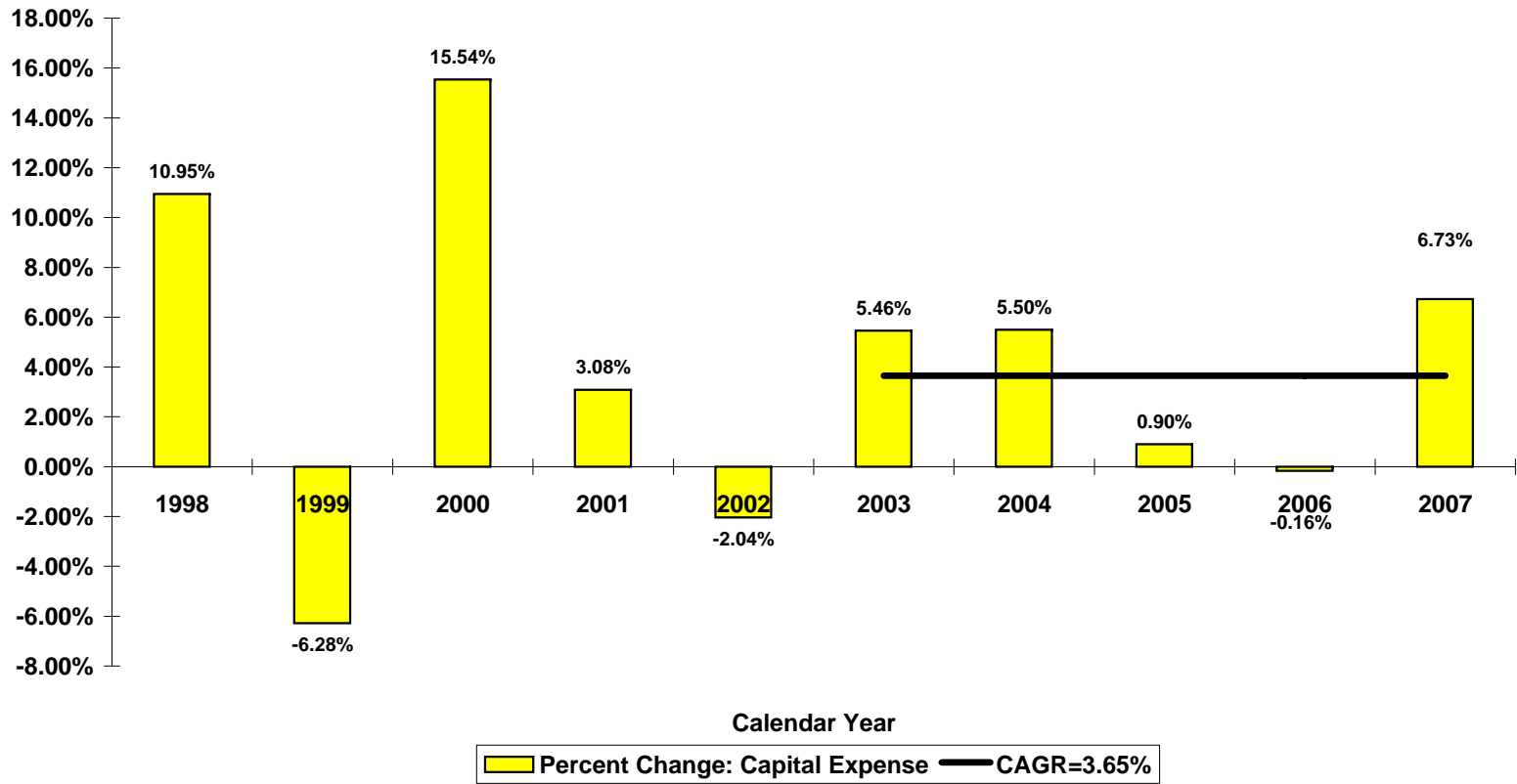


Calendar Year
■ Percent Change: Capital Expense — CAGR=3.80%

ICF-MR Facilities Capital Expense (1998- 2007)



**ICF-MR Facilities
Capital Expense
(1998- 2007)**

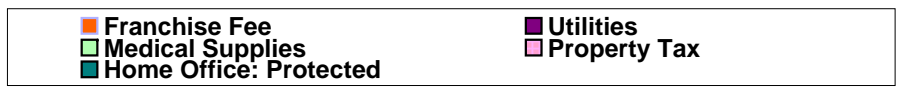
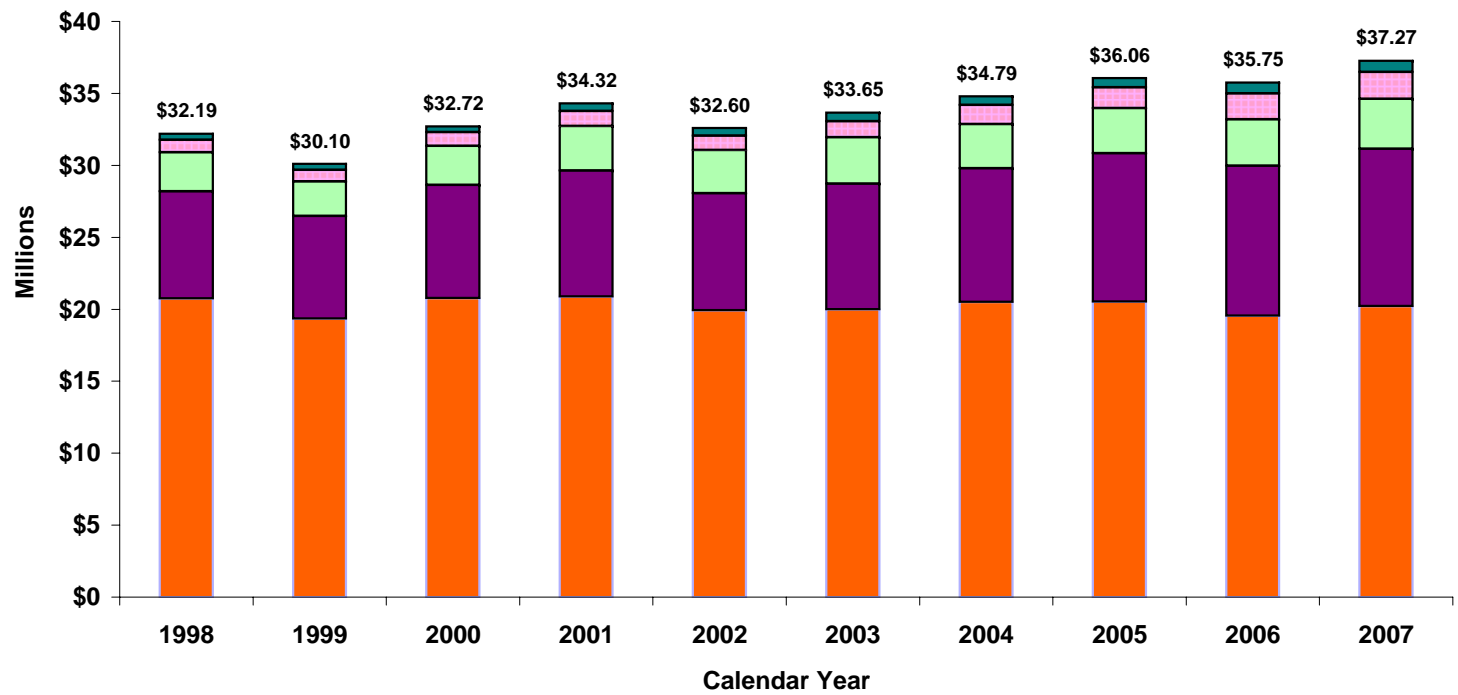


Protected Cost Center

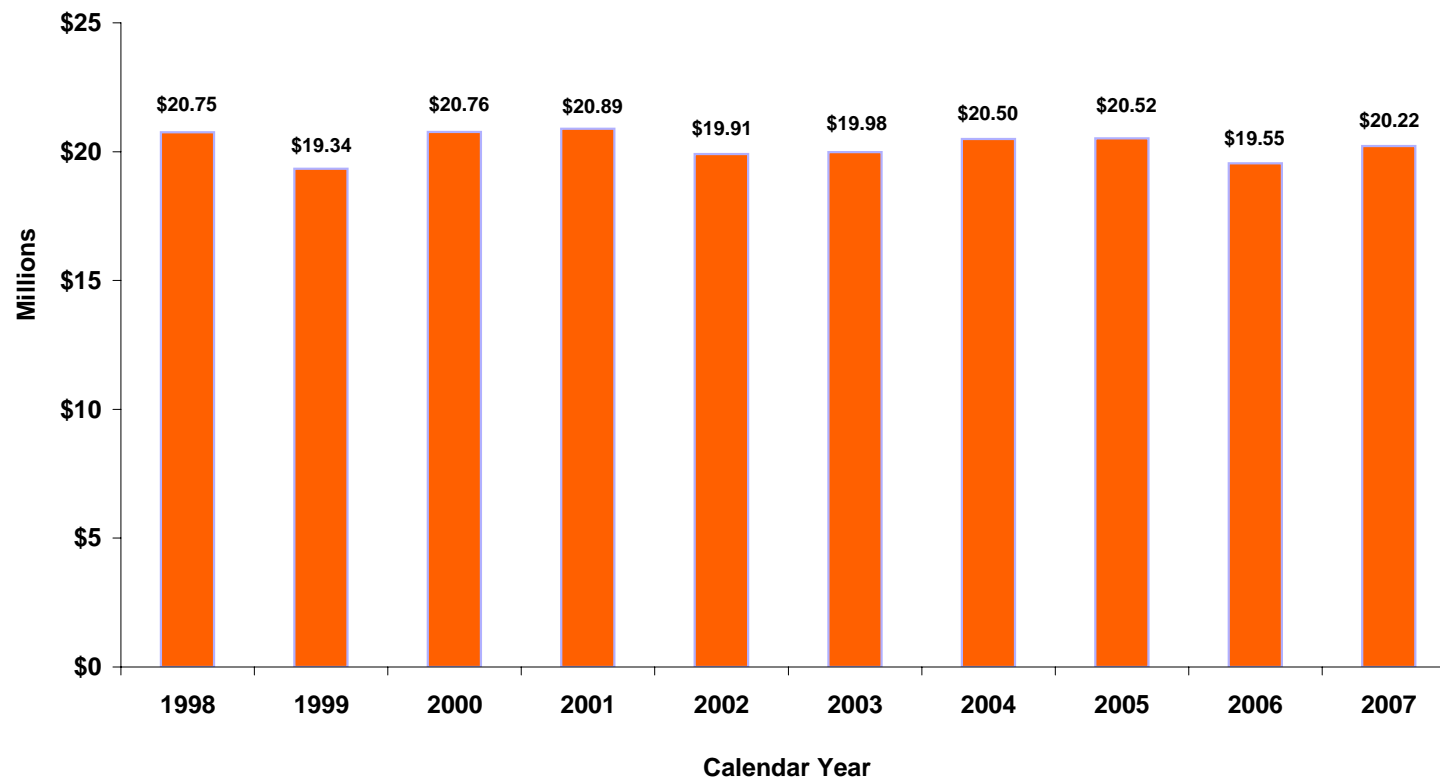
- < **Utilities**
- < **Medical Supplies**
- < **Franchise Fees**
- < **Property Taxes**
- < **Home Office - Protected**

ICF-MR Facilities

Protected Filed Expense (1998- 2007)



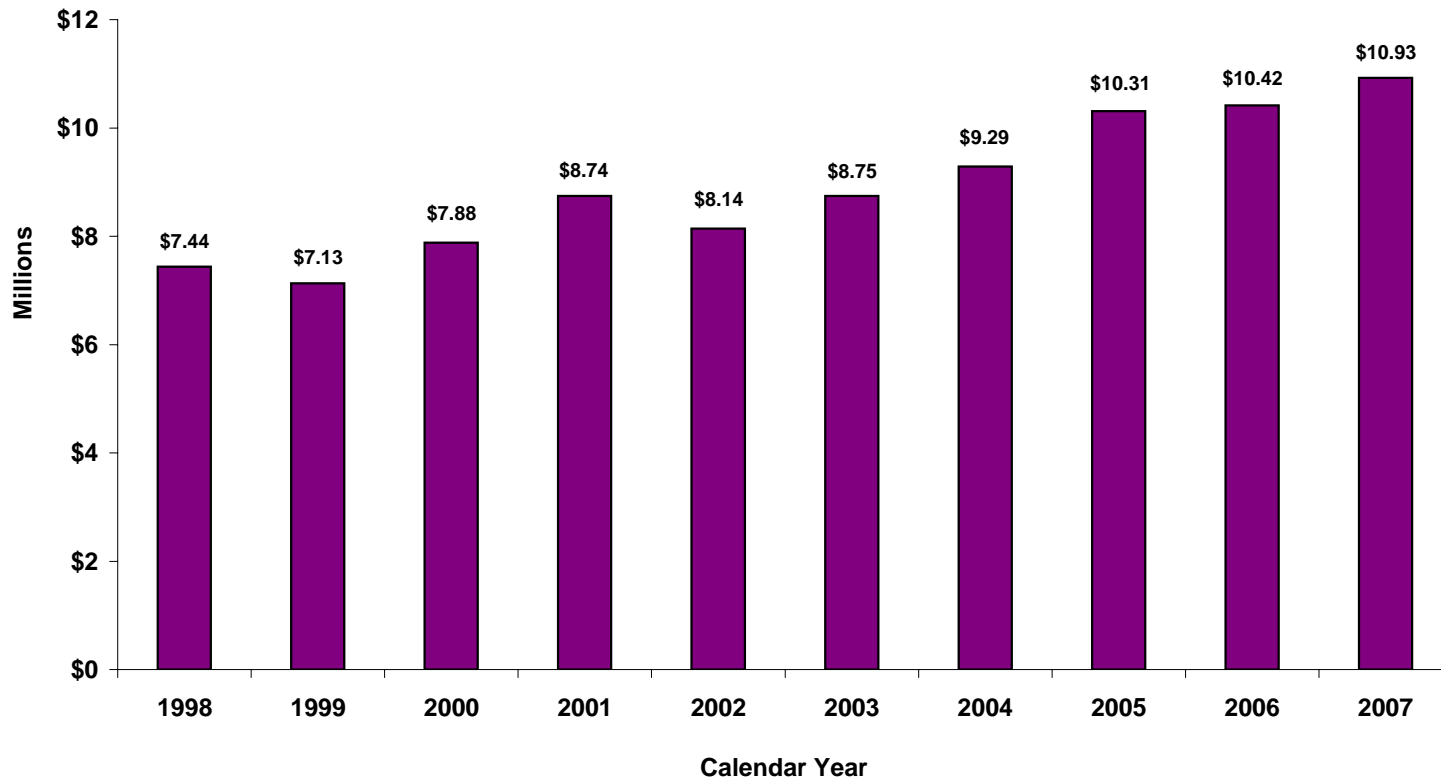
ICF-MR Facilities
Franchise Fee Expense
(1998- 2007)



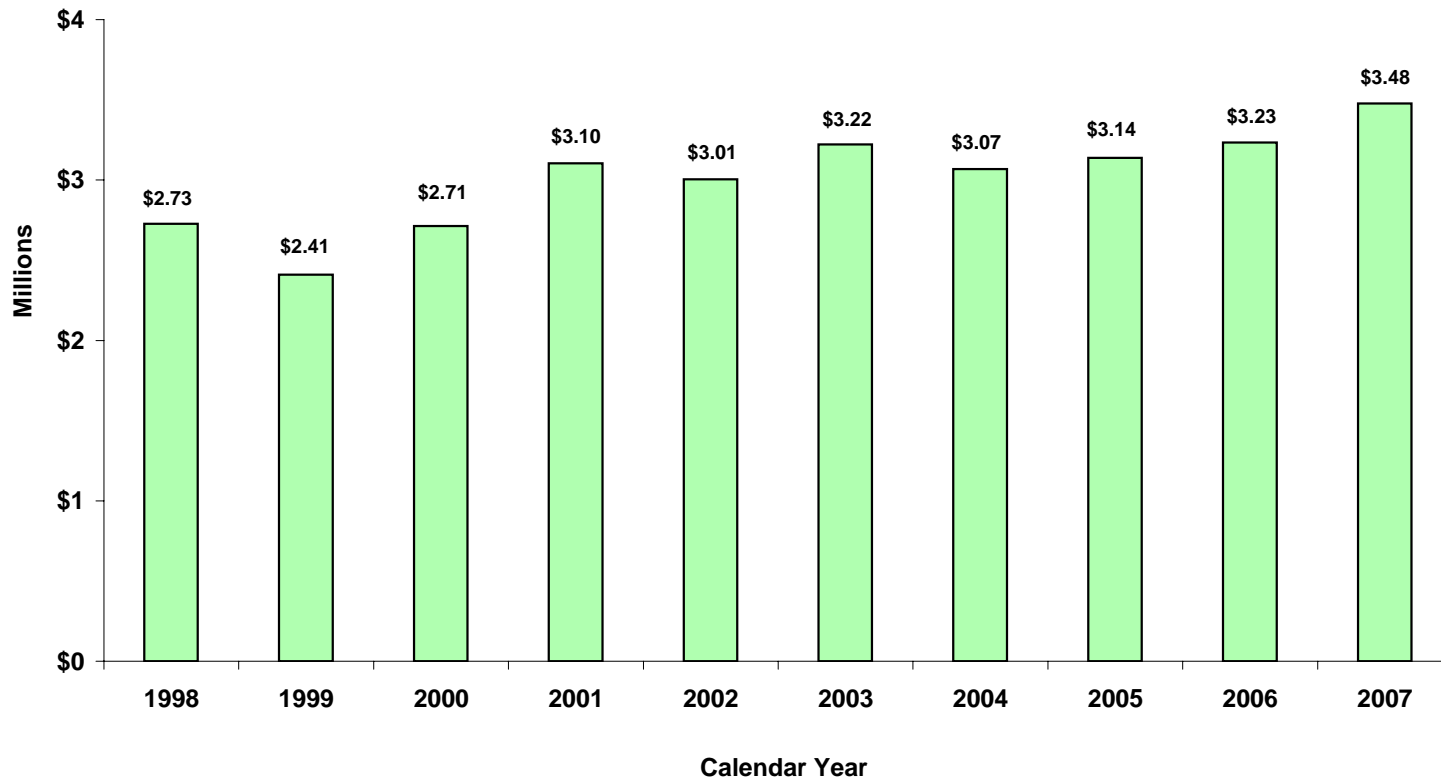
ICF-MR Facilities

Utilities Expense

(1998- 2007)

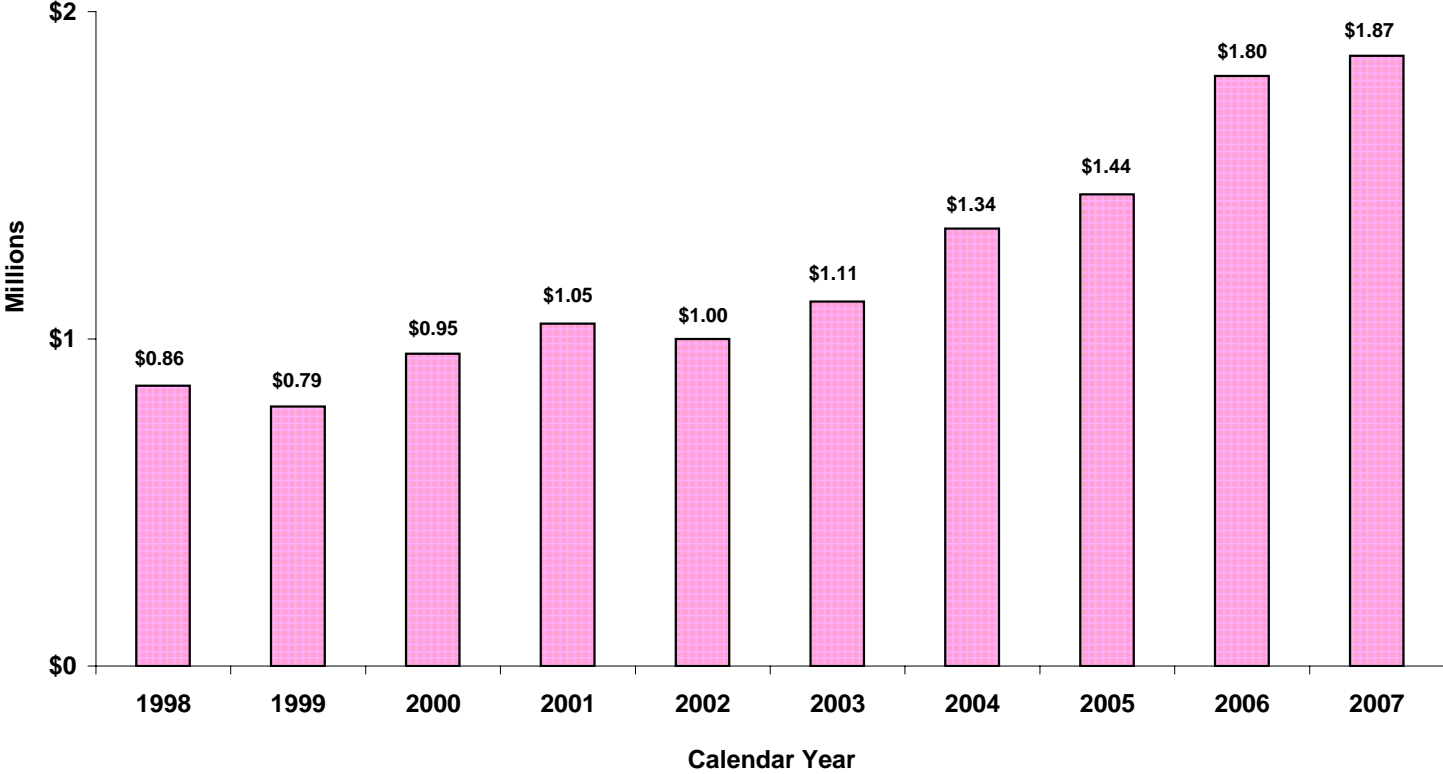


ICF-MR Facilities
Medical Supplies Expense
(1998- 2007)

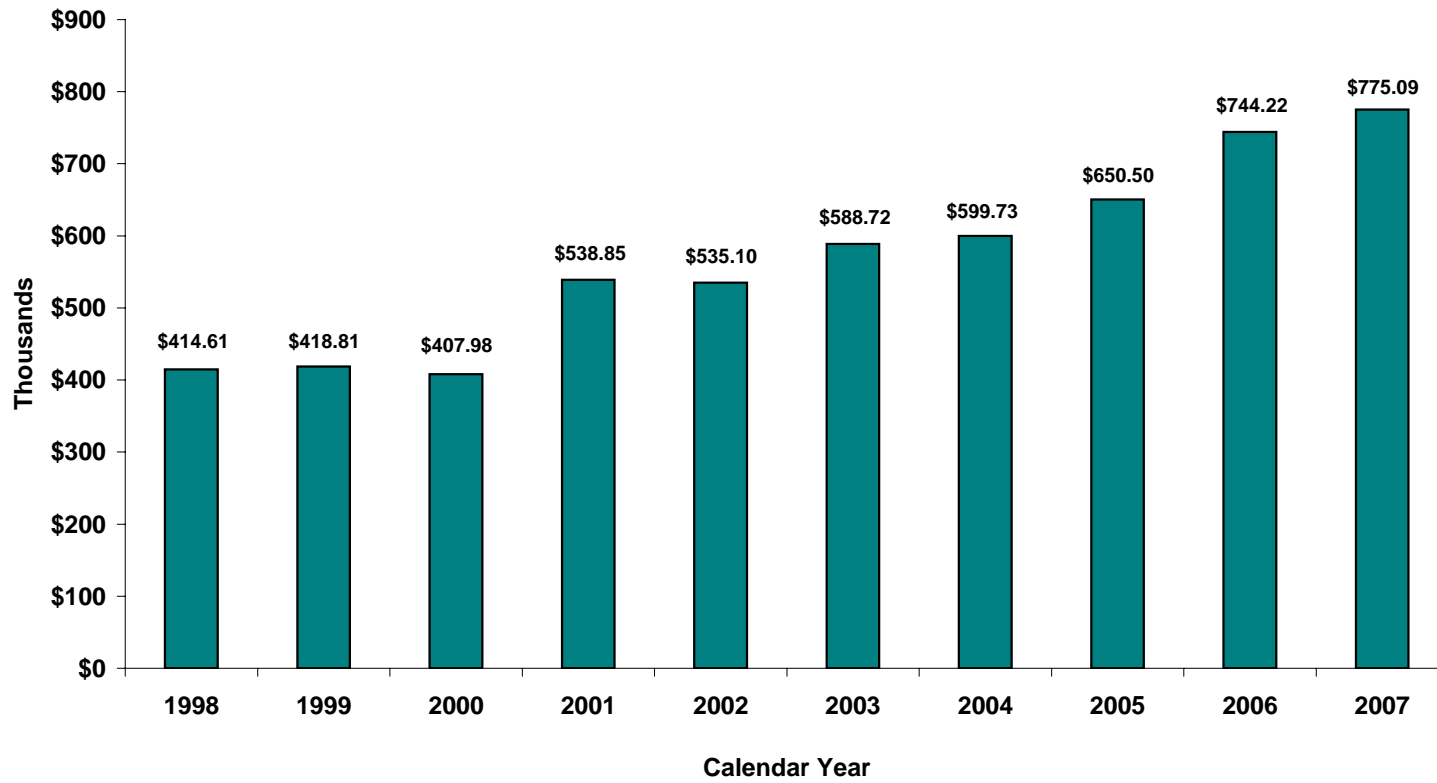


ICF-MR Facilities

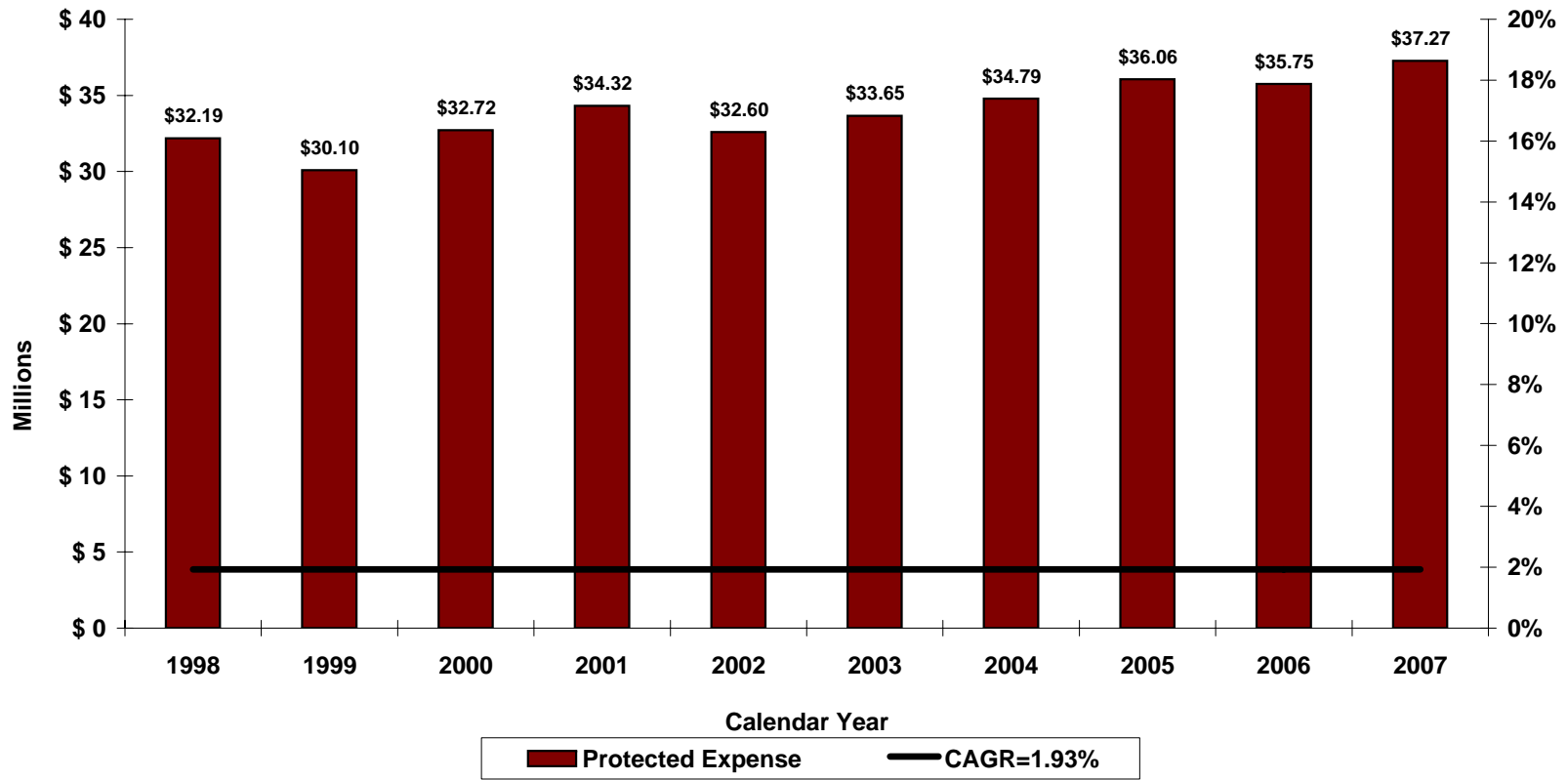
Property Tax Expense (1998- 2007)



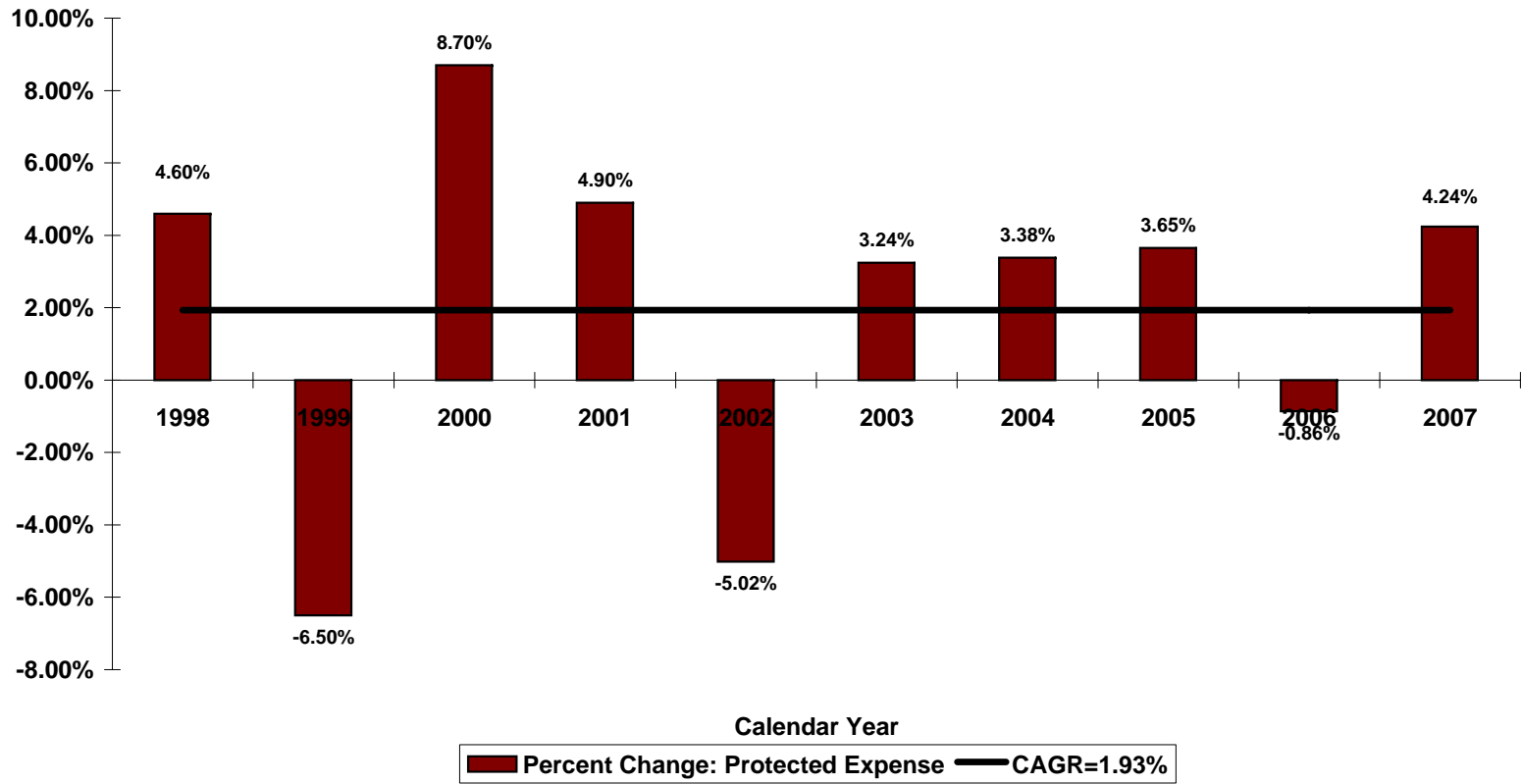
ICF-MR Facilities
Home Office: Protected Expense
(1998- 2007)



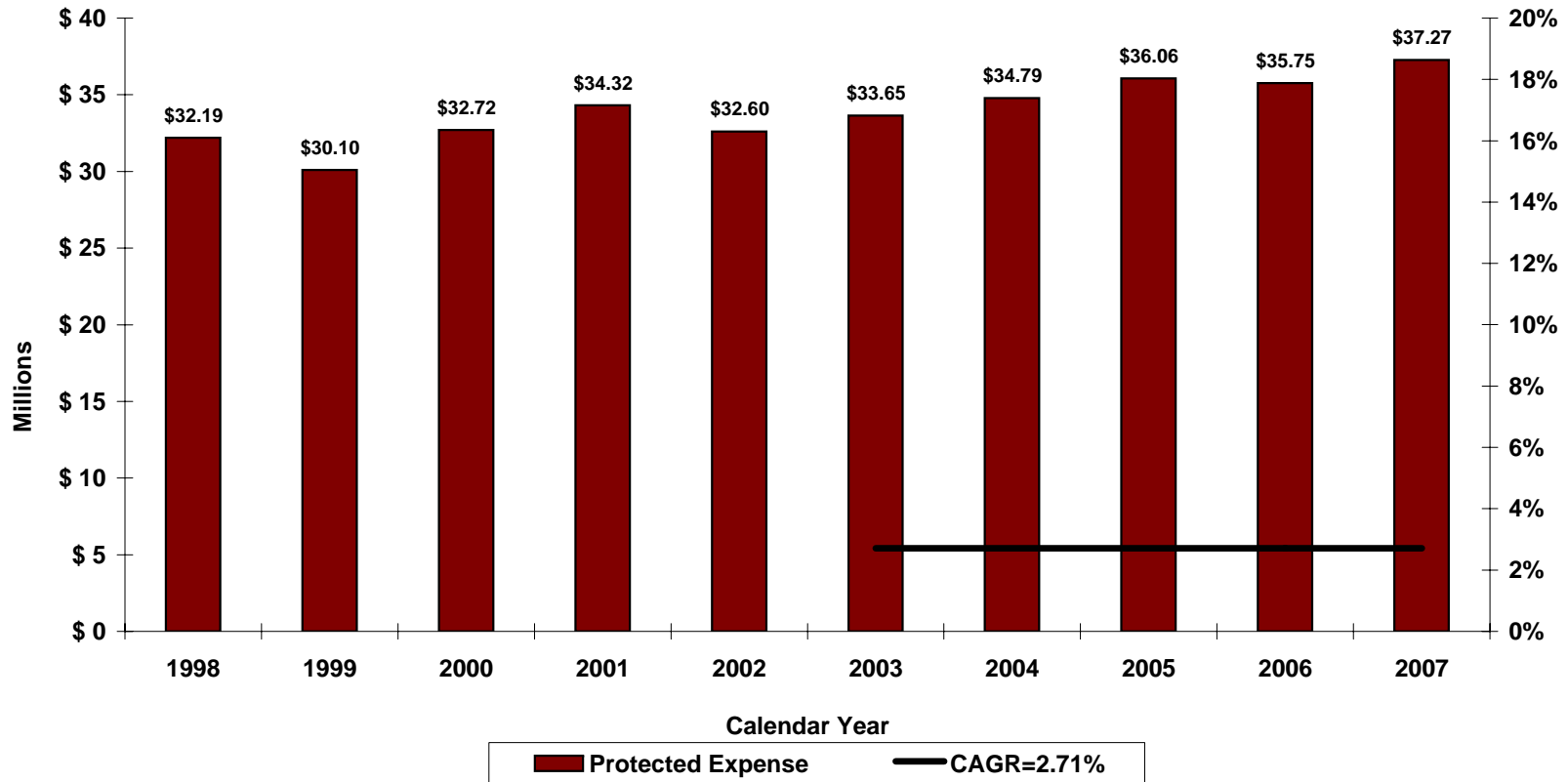
ICF-MR Facilities Protected Expense (1998 - 2007)



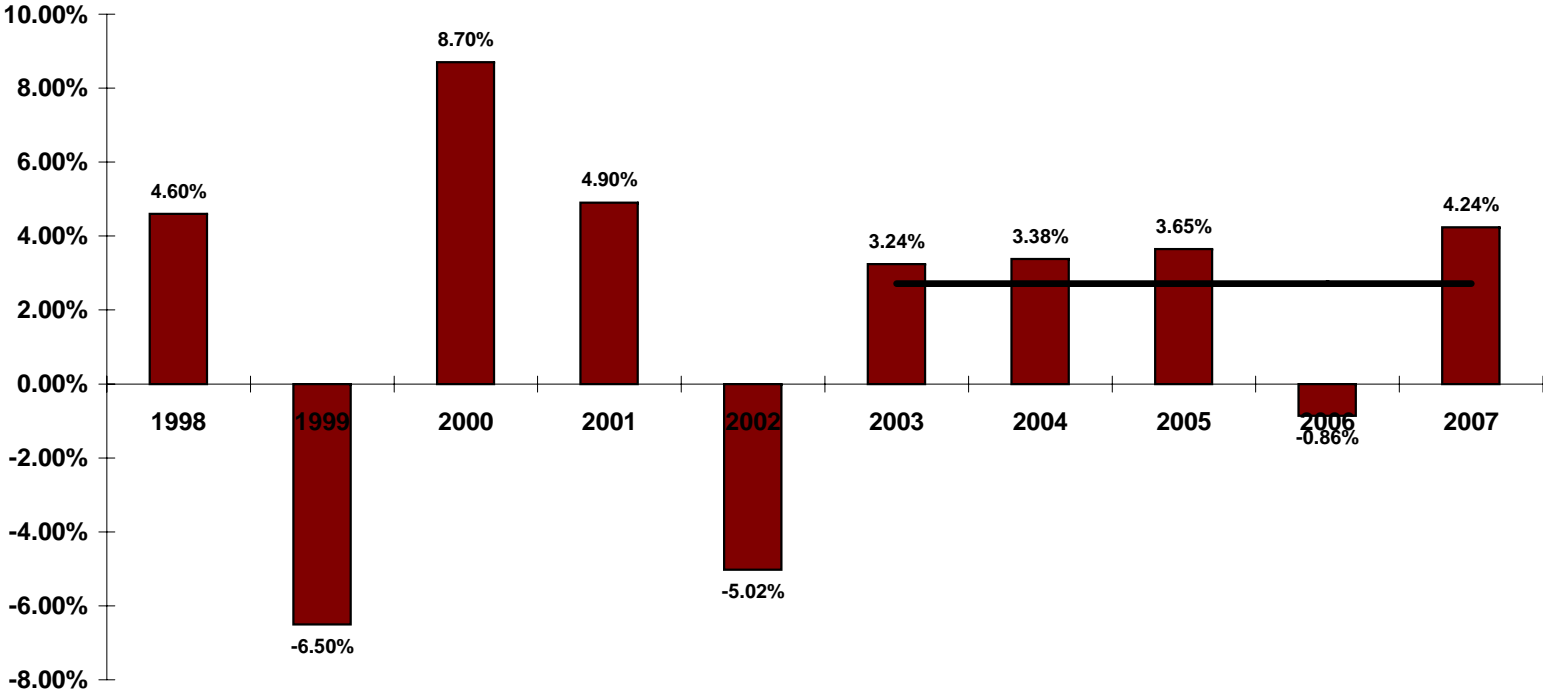
**ICF-MR Facilities
Protected Expense
(1998 - 2007)**



ICF-MR Facilities Protected Expense (1998 - 2007)



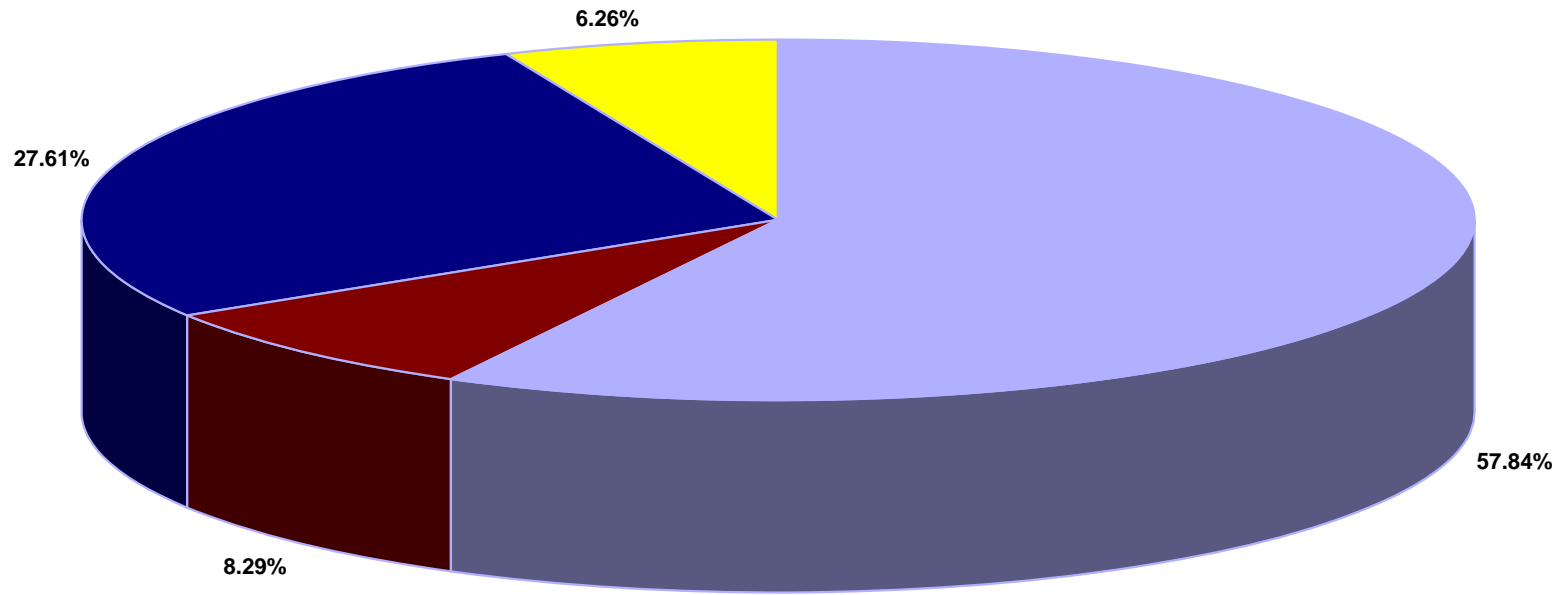
**ICF-MR Facilities
Protected Expense
(1998- 2007)**



■ Percent Change: Protected Expense — CAGR=2.71%

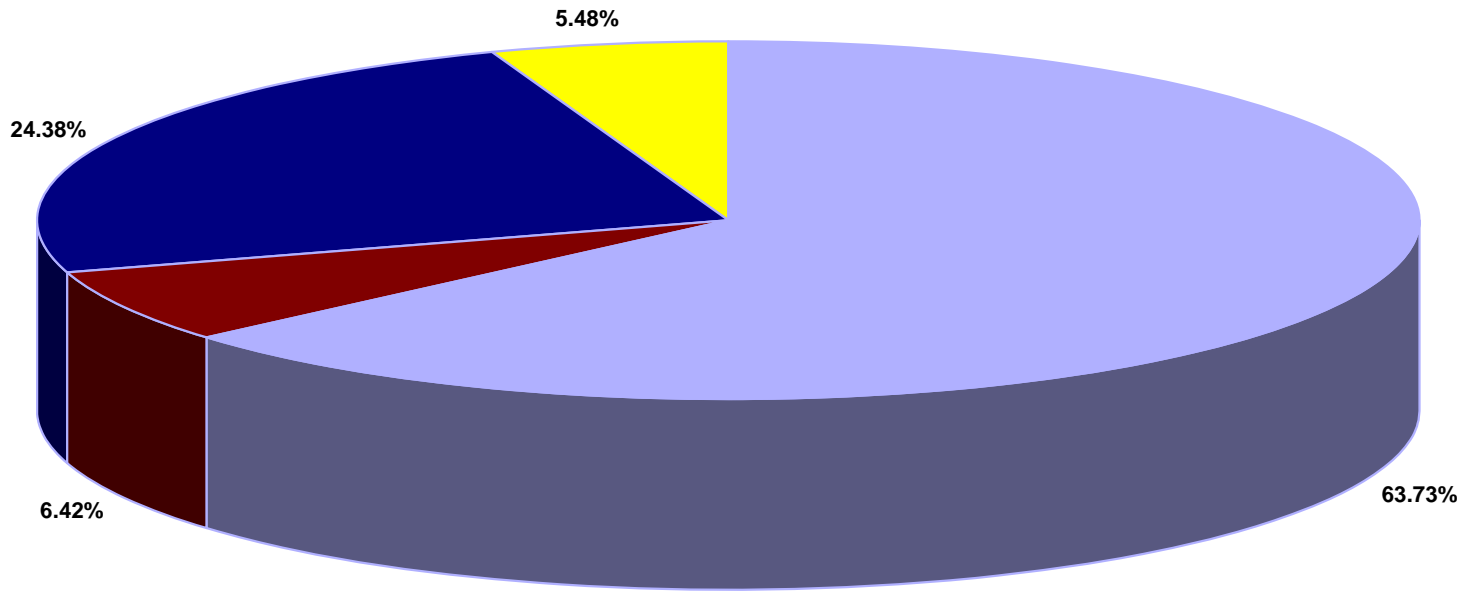
ICF-MR Facilities

Percentage of Total Filed Expense
(Cost Centers: 1998)



ICF-MR Facilities

Percentage of Total Filed Expense
(Cost Centers: 2007)



Direct Care Expense	Protected Expense
Indirect Care Expense	Capital Expense

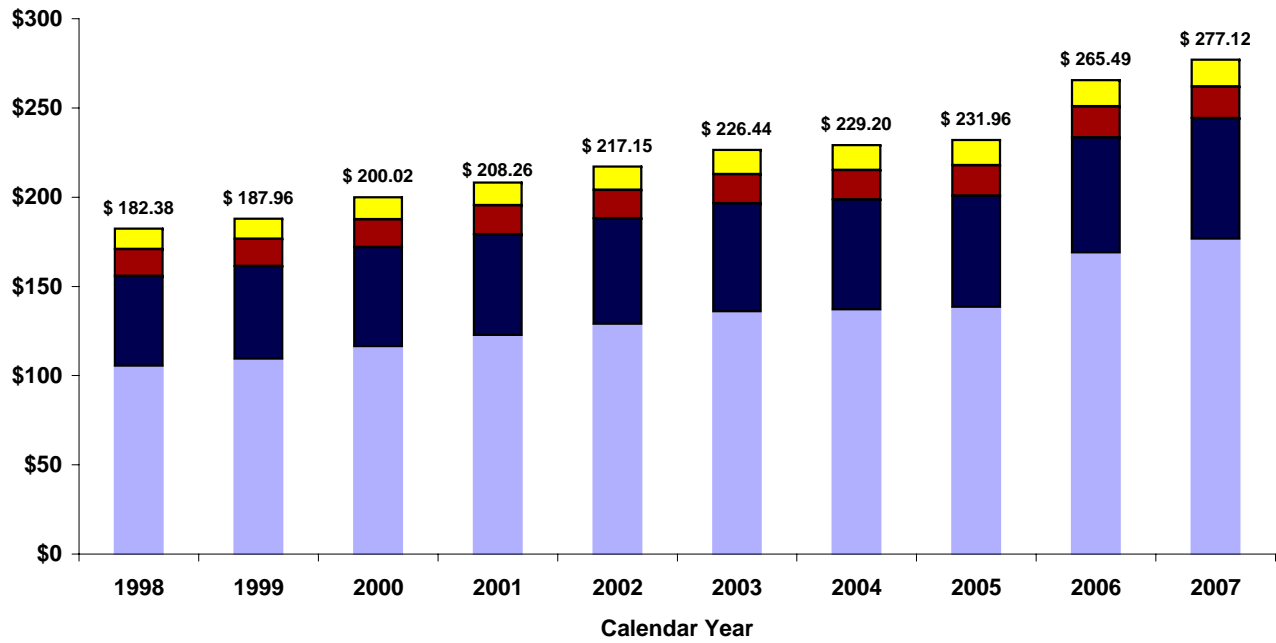
Per Diem Trends

- < Total Per Diem
- < Direct Care Cost Center
- < Indirect Care Cost Center
- < Capital Cost Center
- < Protected Cost Center

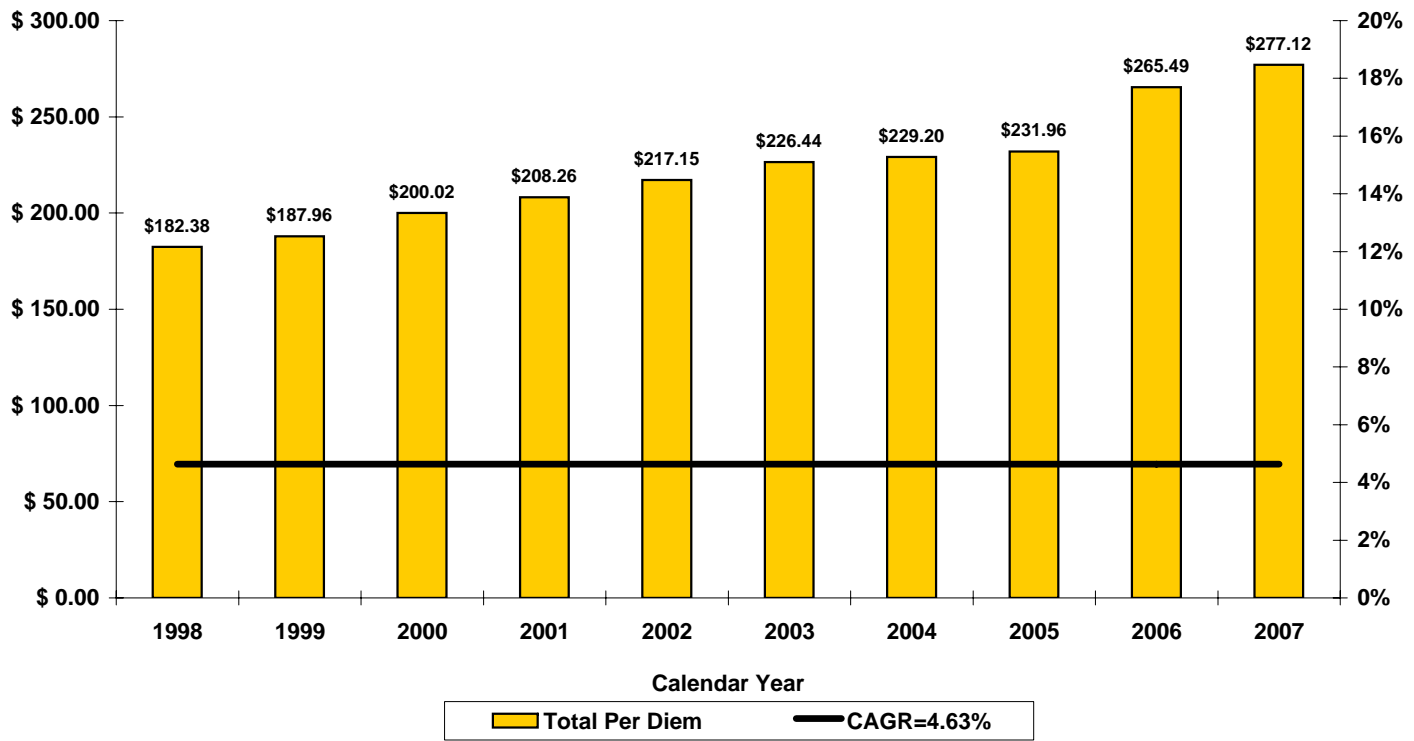
All per diems are expenses divided by inpatient days

ICF-MR Facilities

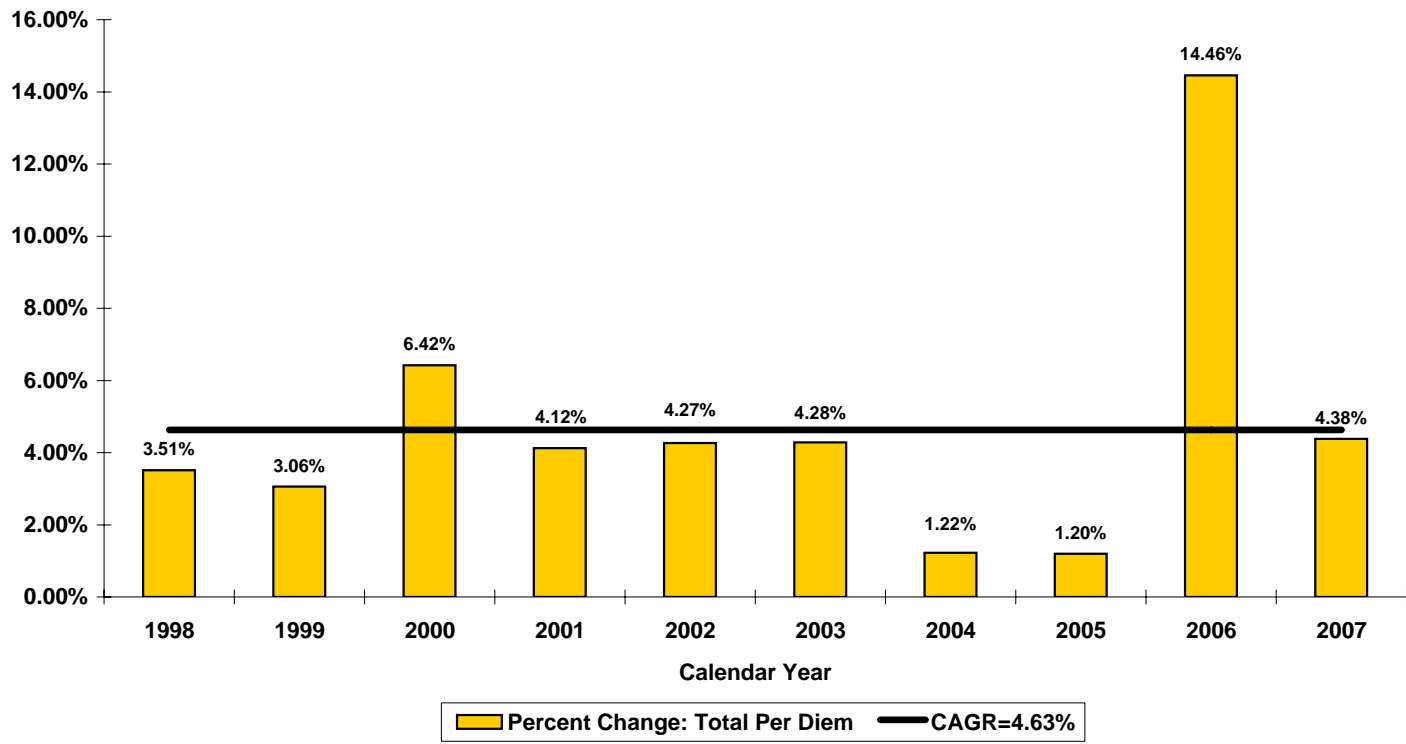
Total Expense Per Diem (1998- 2007)



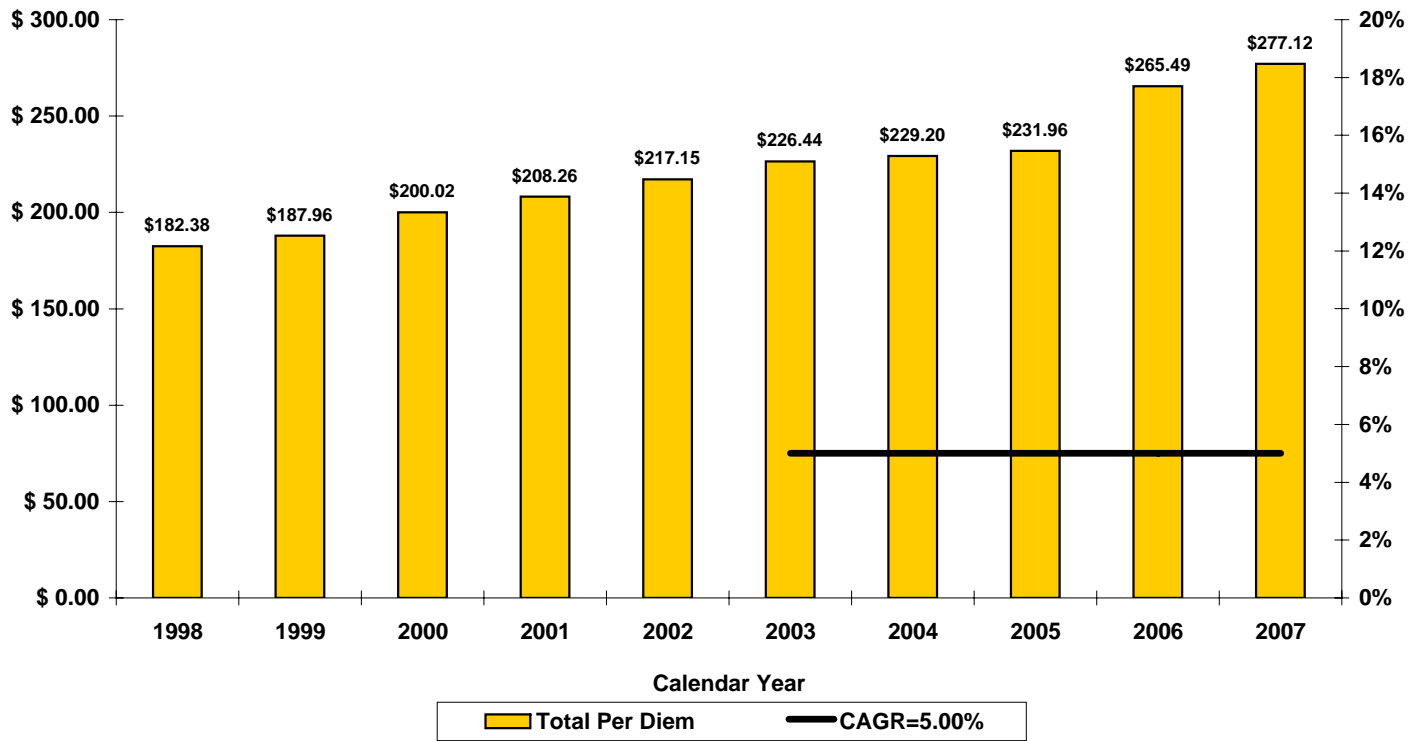
ICF-MR Facilities
Total Expense Per Diem
(1998- 2007)



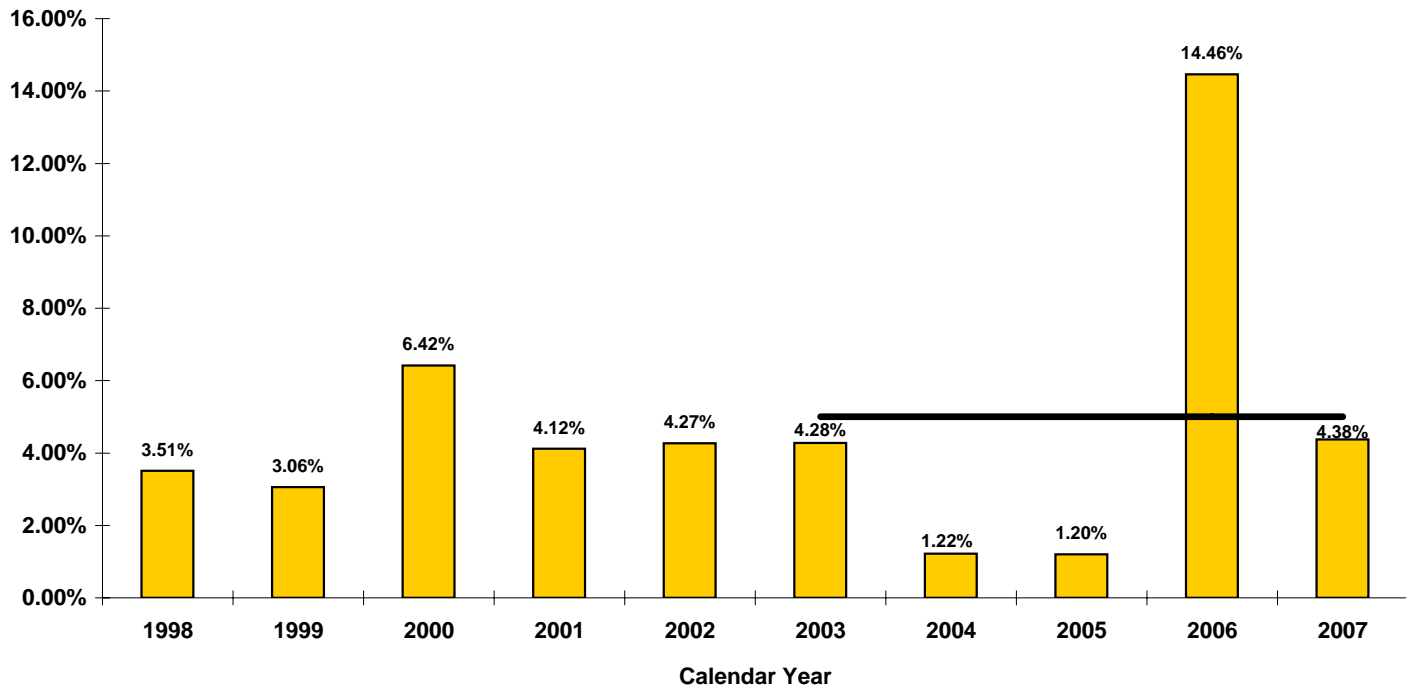
**ICF-MR Facilities
Total Expense Per Diem
(1998- 2007)**



ICF-MR Facilities
Total Expense Per Diem
(1998- 2007)

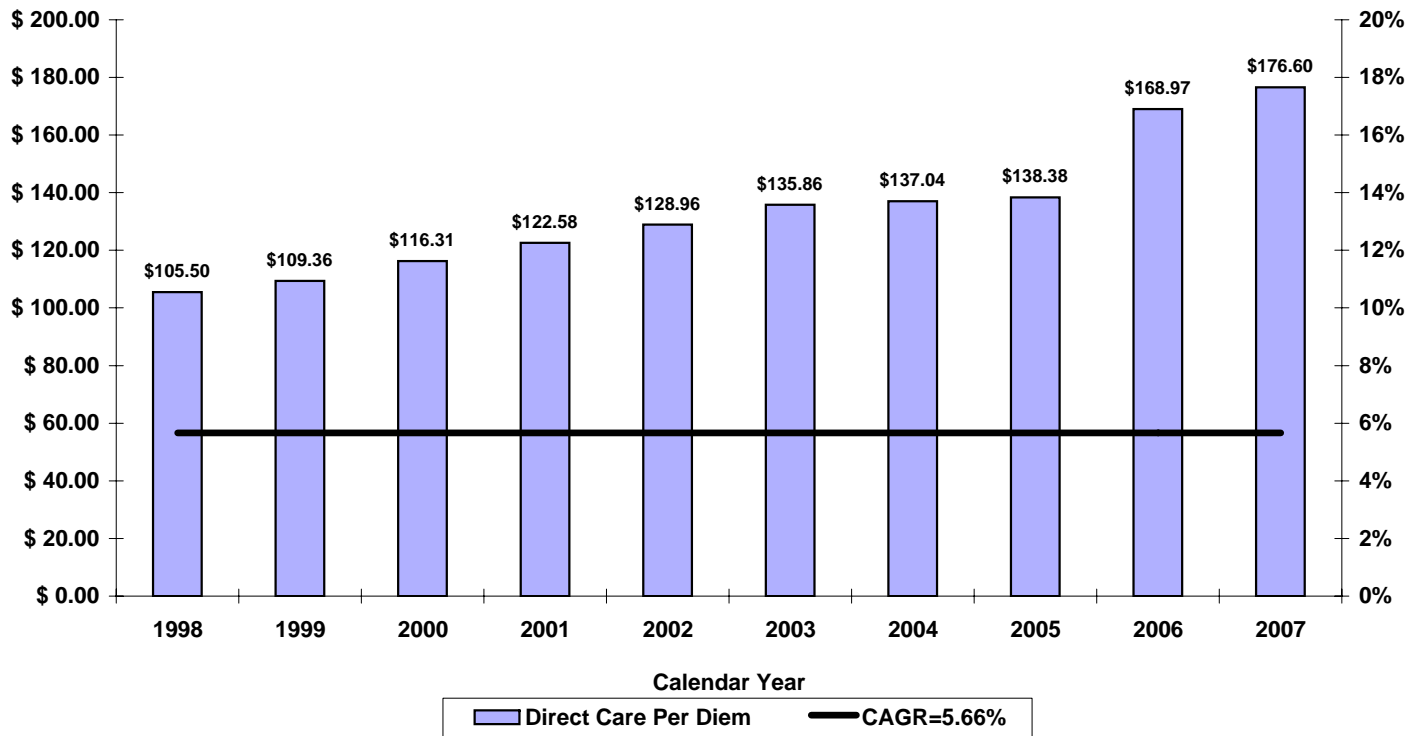


ICF-MR Facilities
Total Expense Per Diem
(1998- 2007)

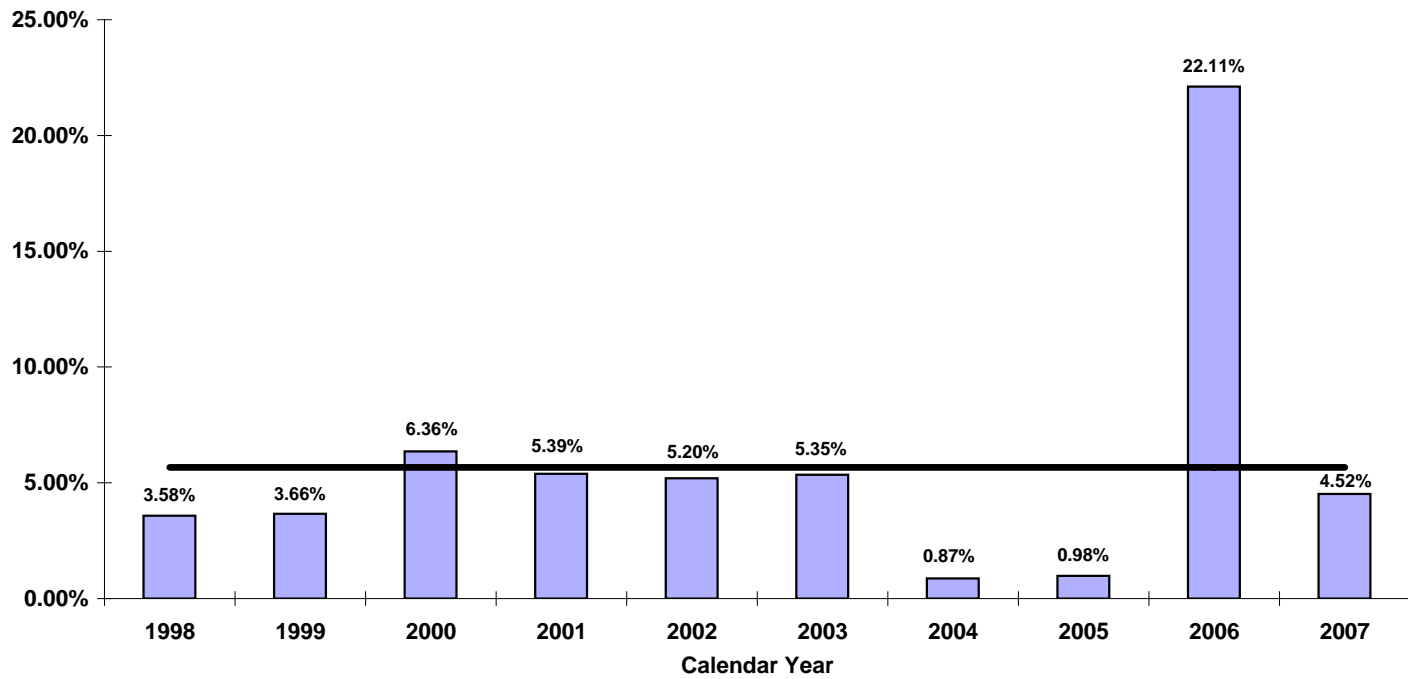


■ Percent Change: Total Per Diem — CAGR=5.00%

ICF-MR Facilities
Direct Care Expense Per Diem
(1998- 2007)

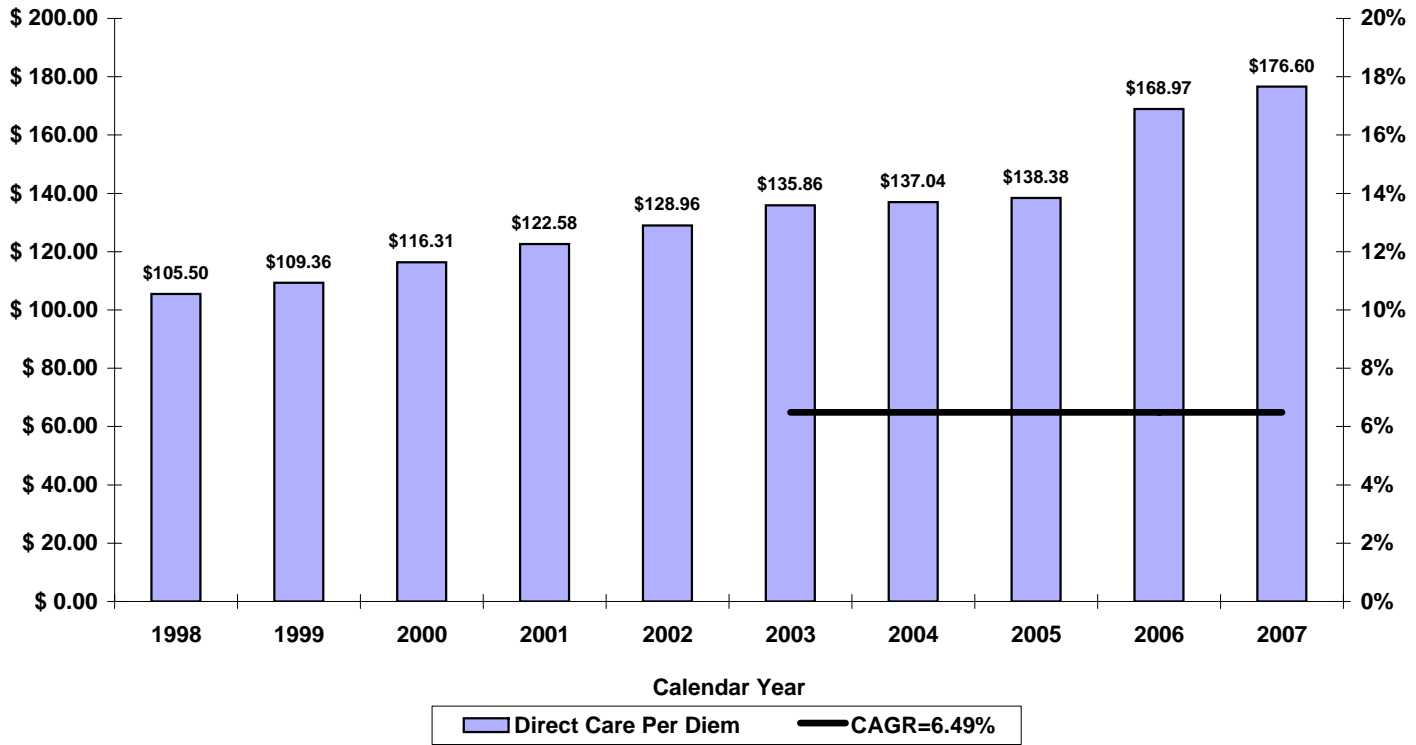


ICF-MR Facilities
Direct Care Expense Per Diem
(1998- 2007)

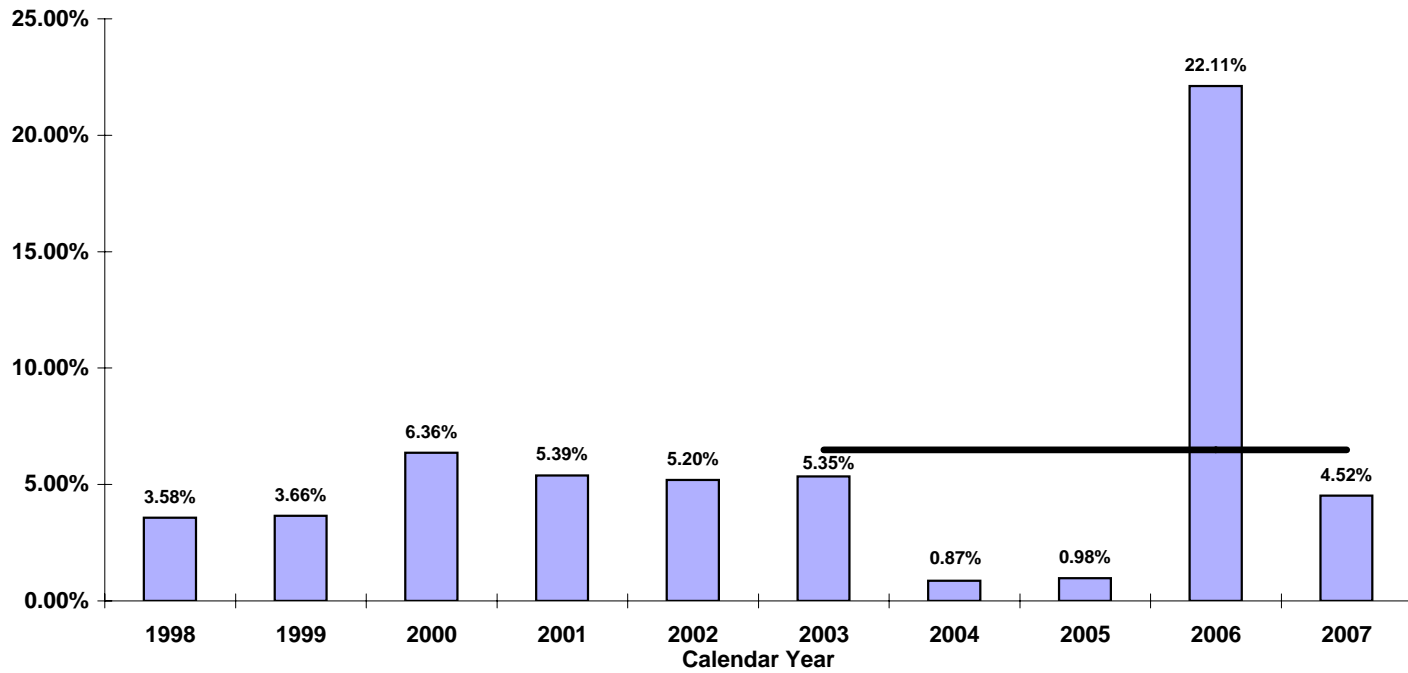


■ Percent Change: Direct Care Per Diem
— CAGR=5.66%

ICF-MR Facilities
Direct Care Expense Per Diem
(1998- 2007)

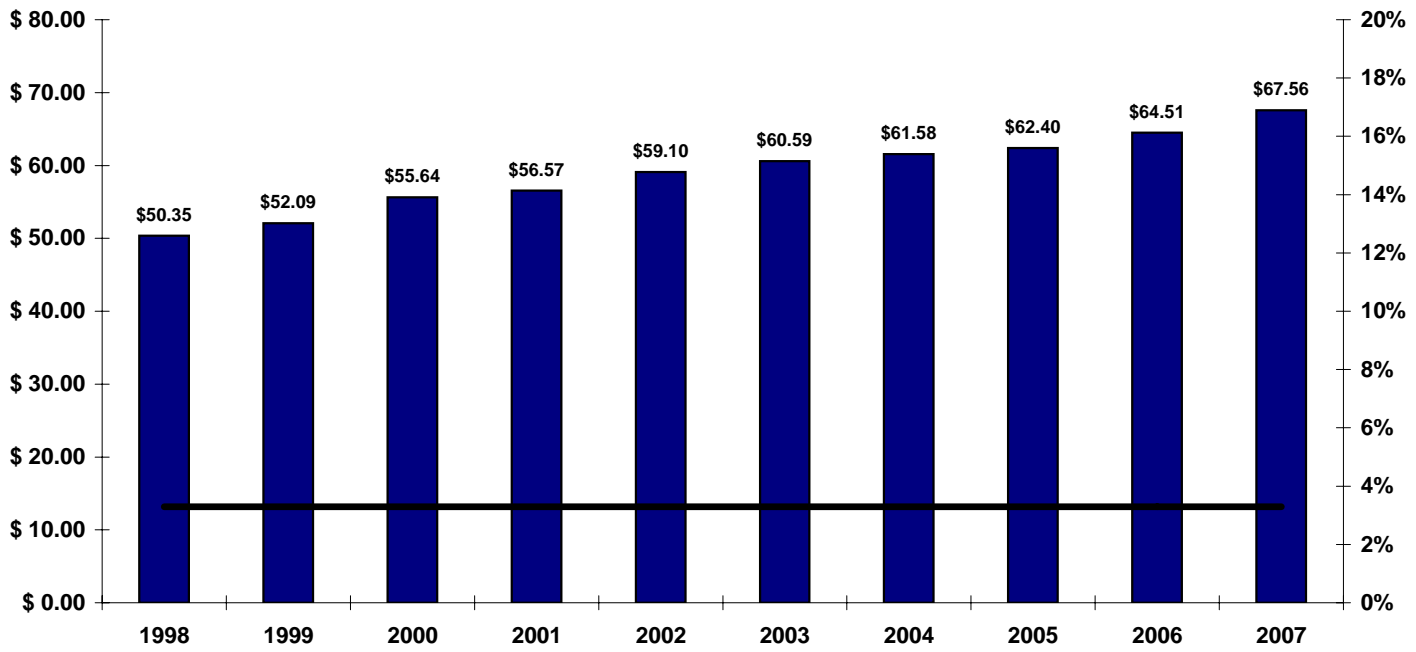


ICF-MR Facilities
Direct Care Expense Per Diem
(1998- 2007)



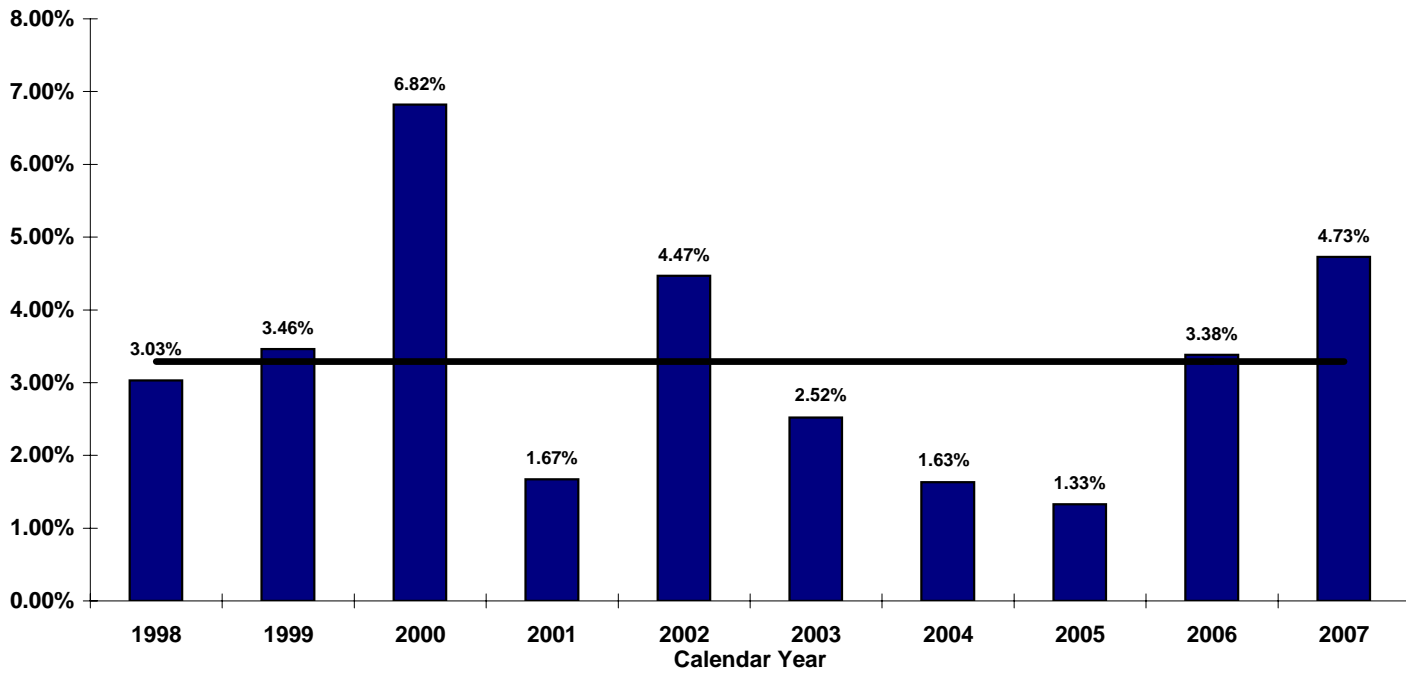
■ Percent Change: Direct Care Per Diem
— CAGR=6.49%

ICF-MR Facilities
Indirect Care Expense Per Diem
(1998- 2007)



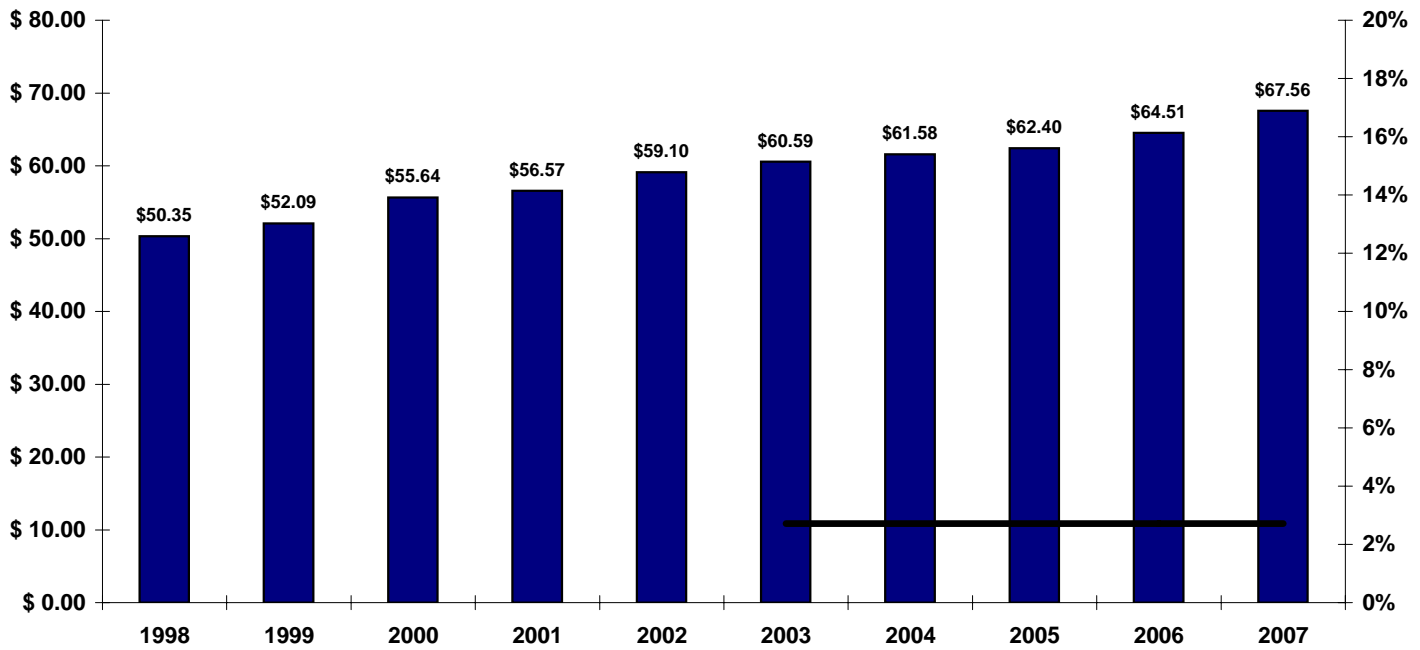
■ Indirect Care Per Diem — CAGR=3.29%

ICF-MR Facilities
Indirect Care Expense Per Diem
(1998- 2007)



■ Percent Change: Indirect Care Per Diem
— CAGR=3.29%

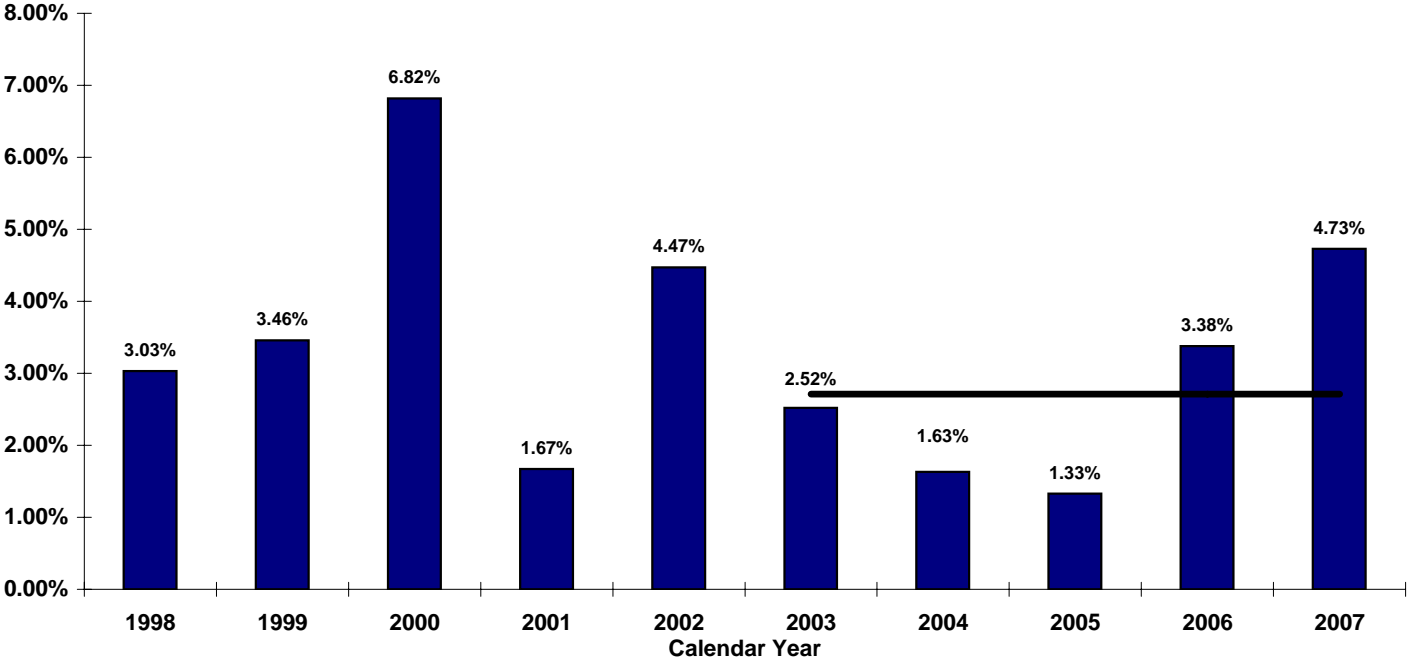
ICF-MR Facilities
Indirect Care Expense Per Diem
(1998- 2007)



Calendar Year

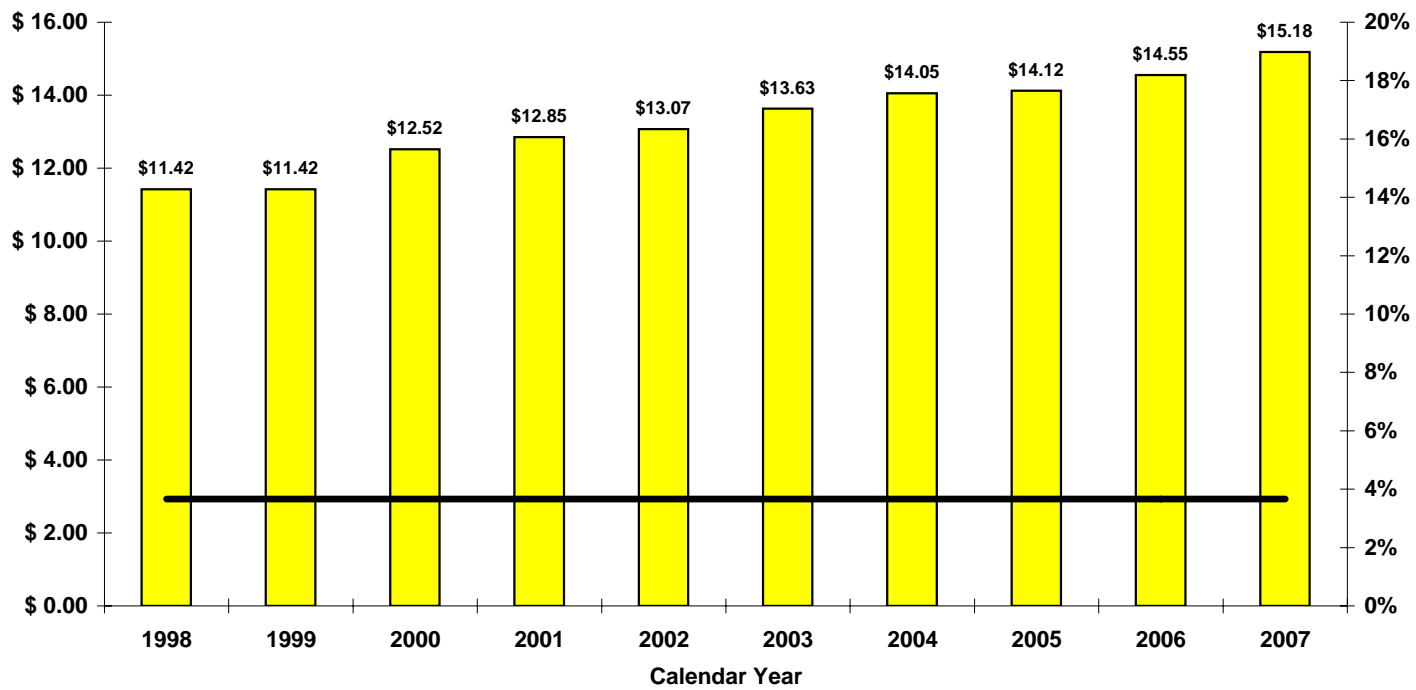
■ Indirect Care Per Diem — CAGR=2.71%

ICF-MR Facilities
Indirect Care Expense Per Diem
(1998- 2007)



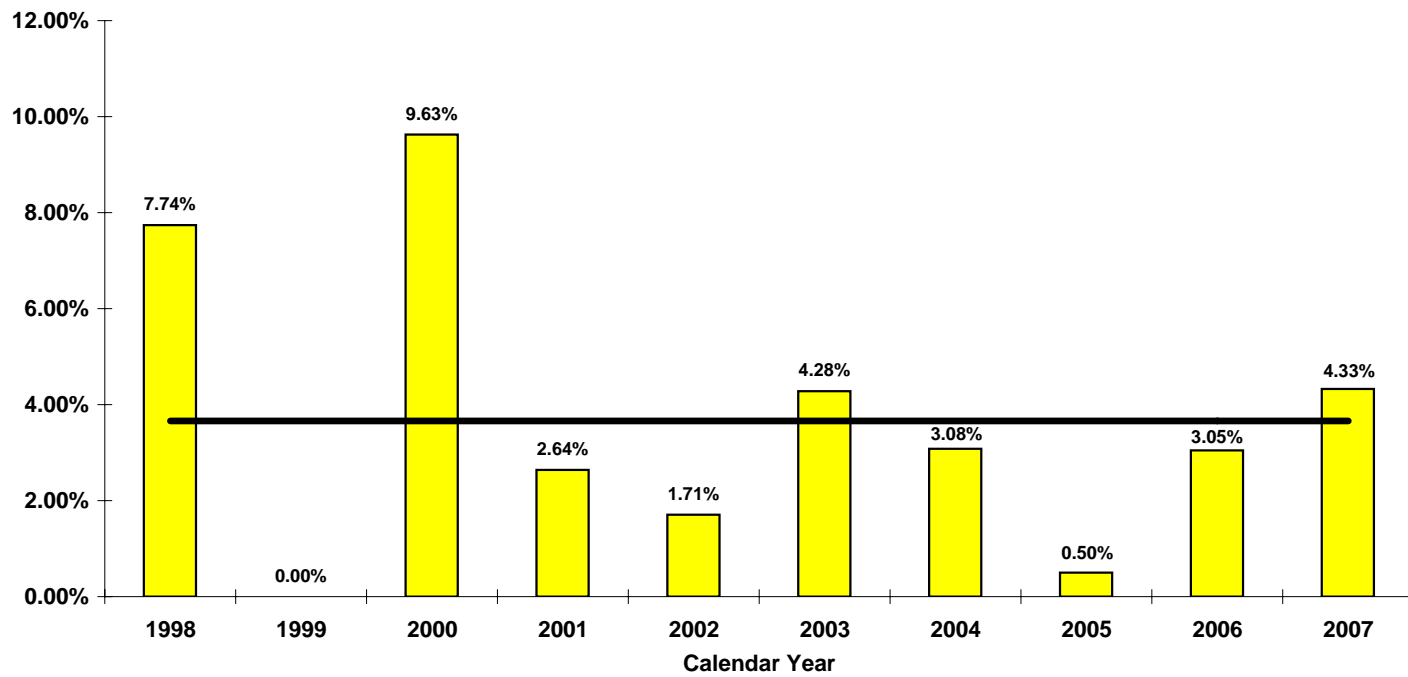
■ Percent Change: Indirect Care Per Diem
— CAGR=2.71%

ICF-MR Facilities Capital Expense Per Diem (1998- 2007)



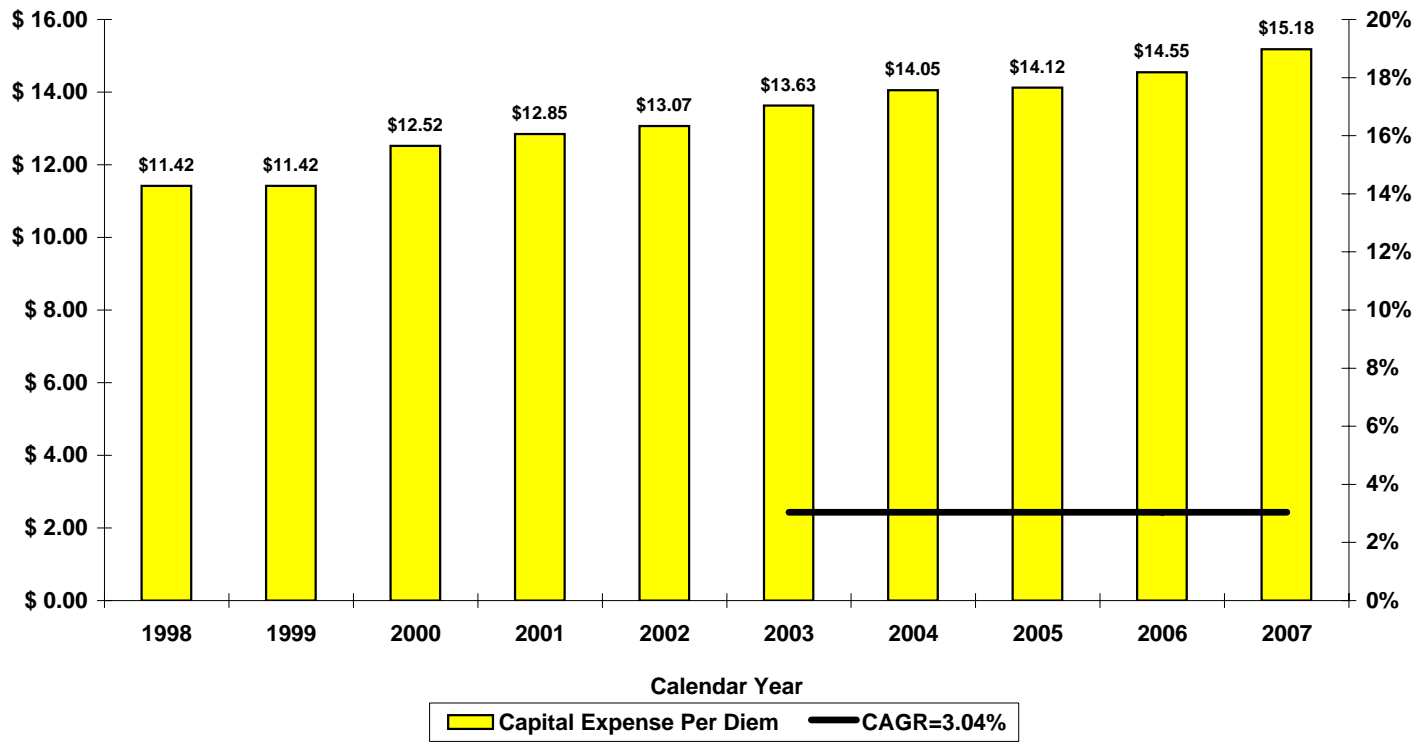
Capital Expense Per Diem CAGR=3.66%

ICF-MR Facilities
Capital Expense Per Diem
(1998- 2007)

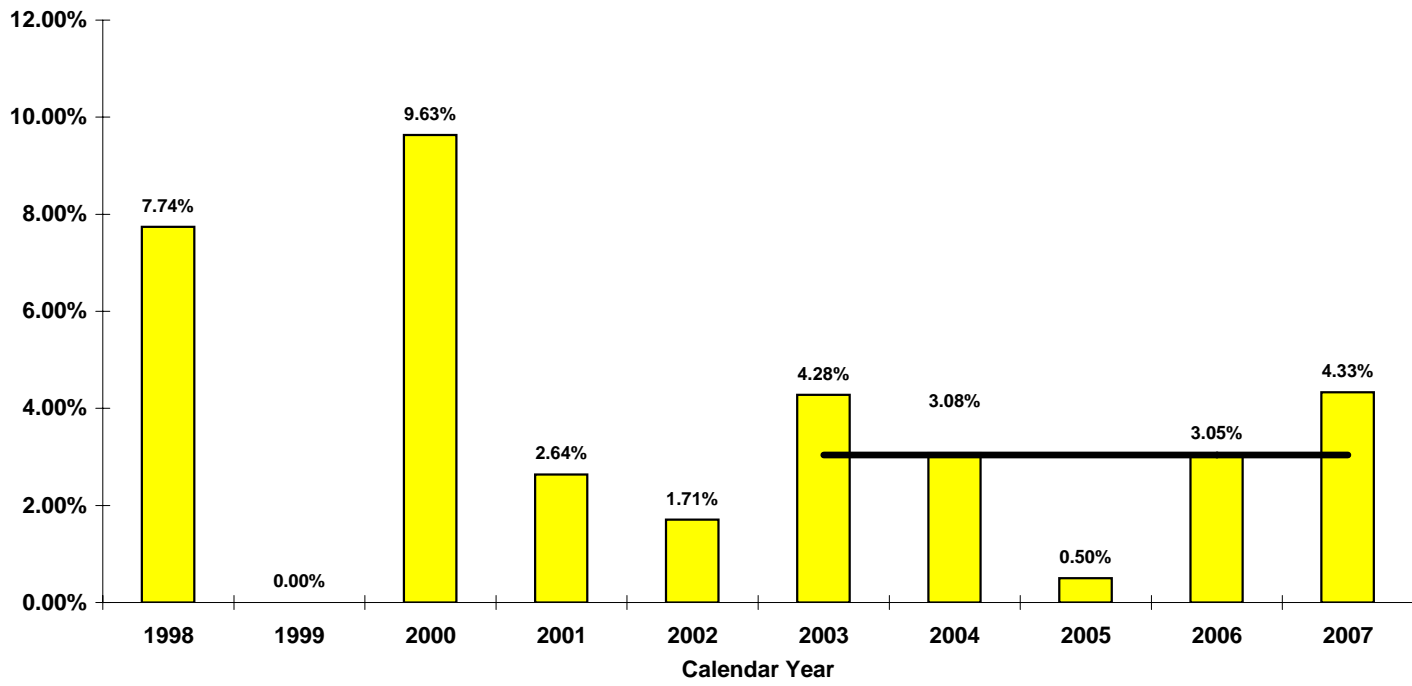


■ Percent Change: Capital Per Diem — CAGR=3.66%

ICF-MR Facilities
Capital Expense Per Diem
(1998- 2007)

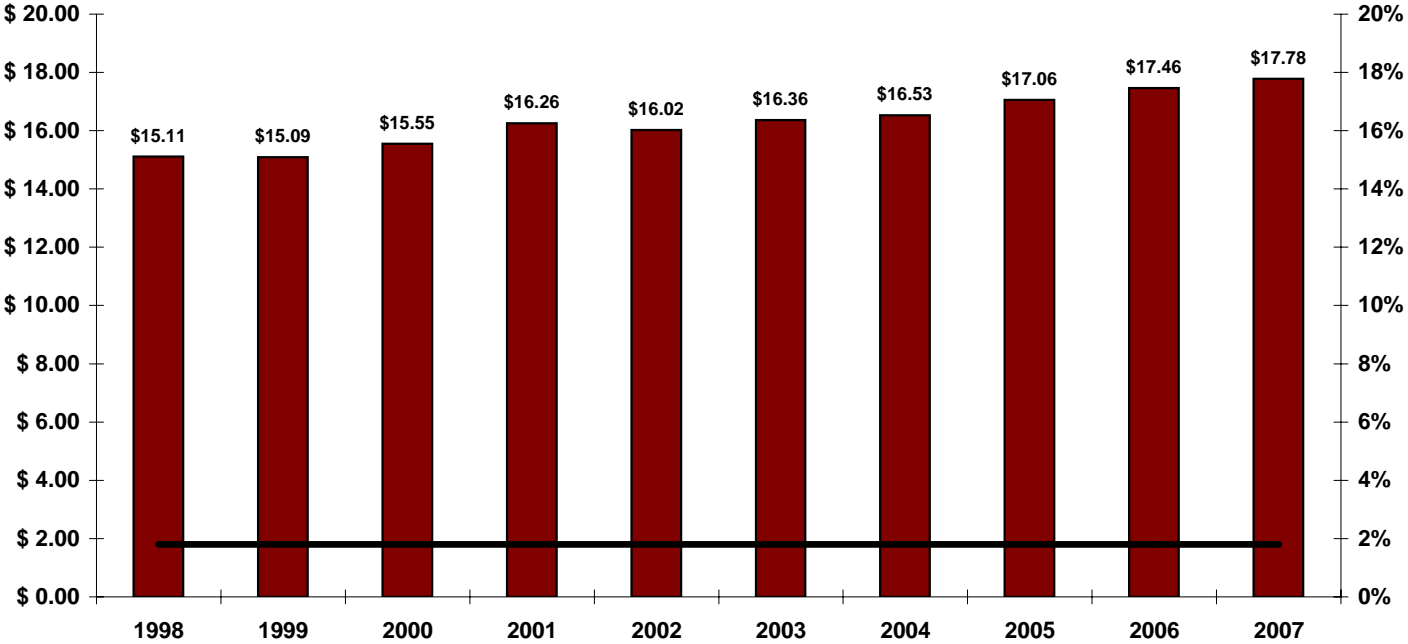


ICF-MR Facilities
Capital Expense Per Diem
(1998- 2007)



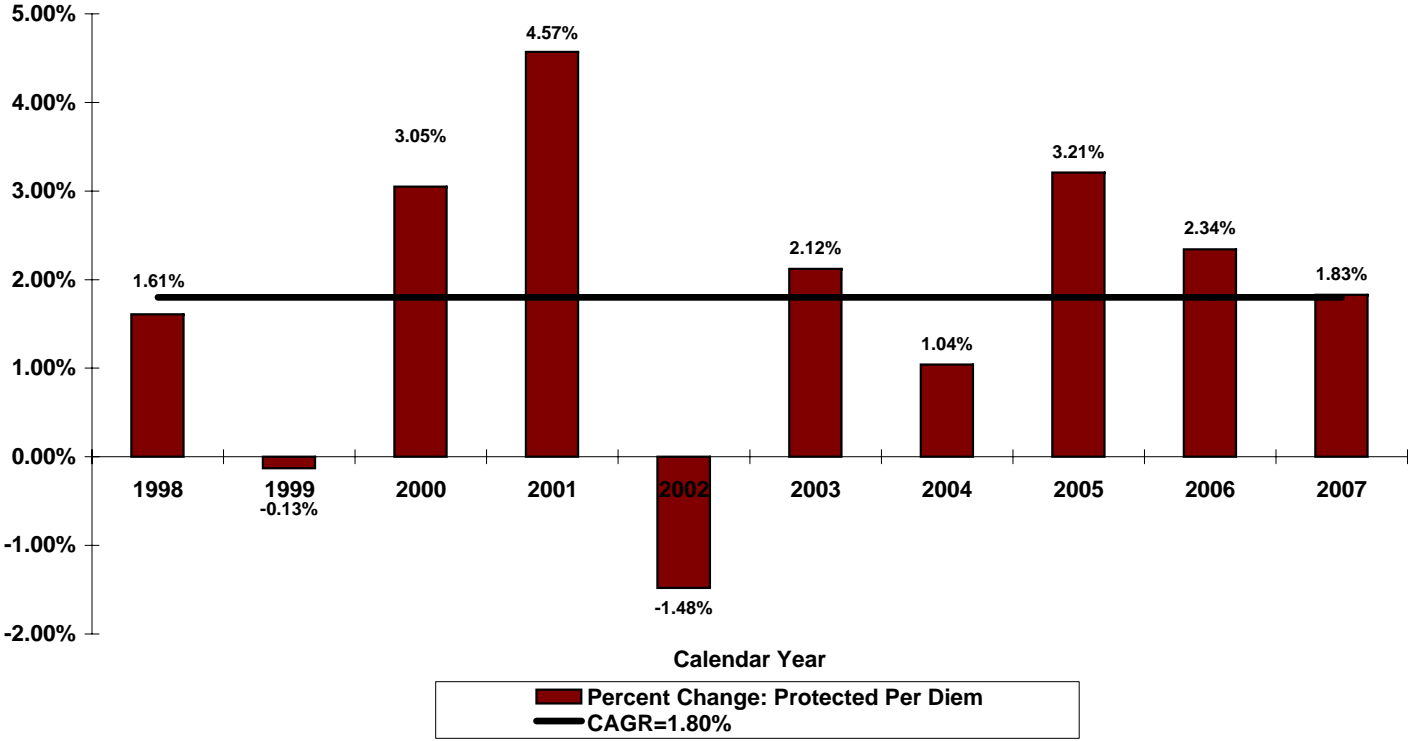
■ Percent Change: Capital Per Diem — CAGR=3.04%

ICF-MR Facilities
Protected Expense Per Diem
(1998- 2007)

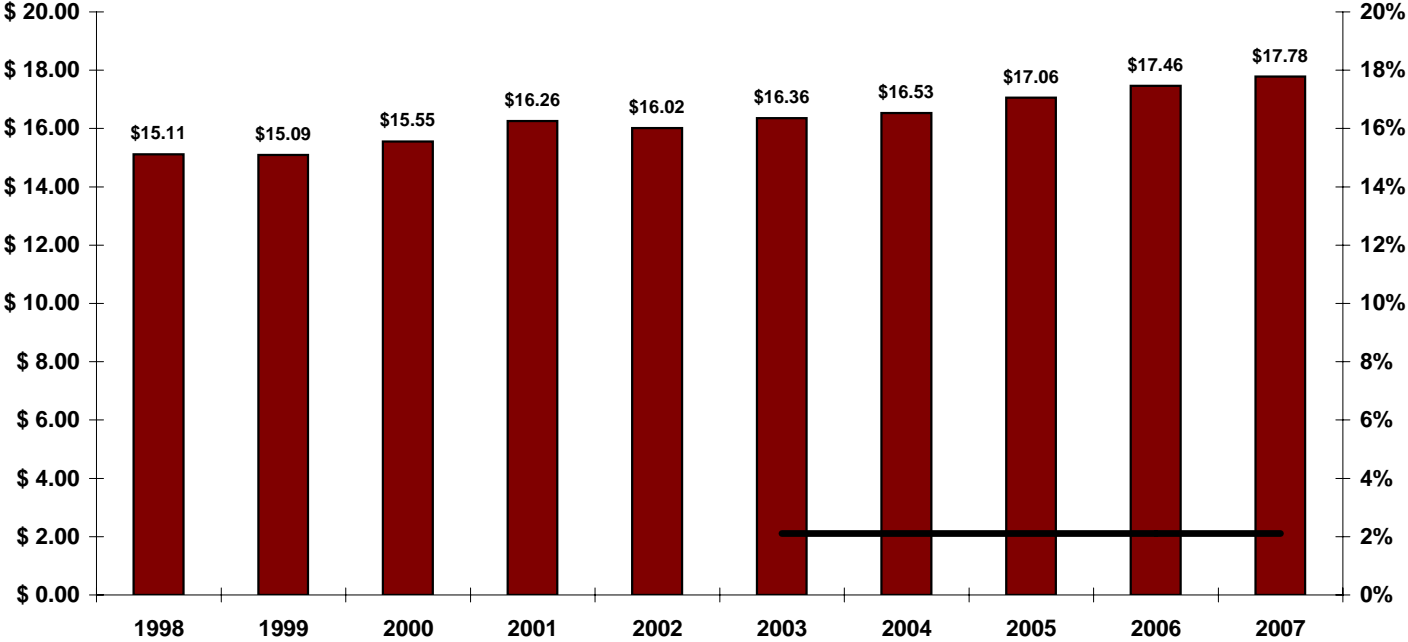


■ Protected Expense Per Diem — CAGR=1.80%

ICF-MR Facilities
Protected Expense Per Diem
(1998- 2007)

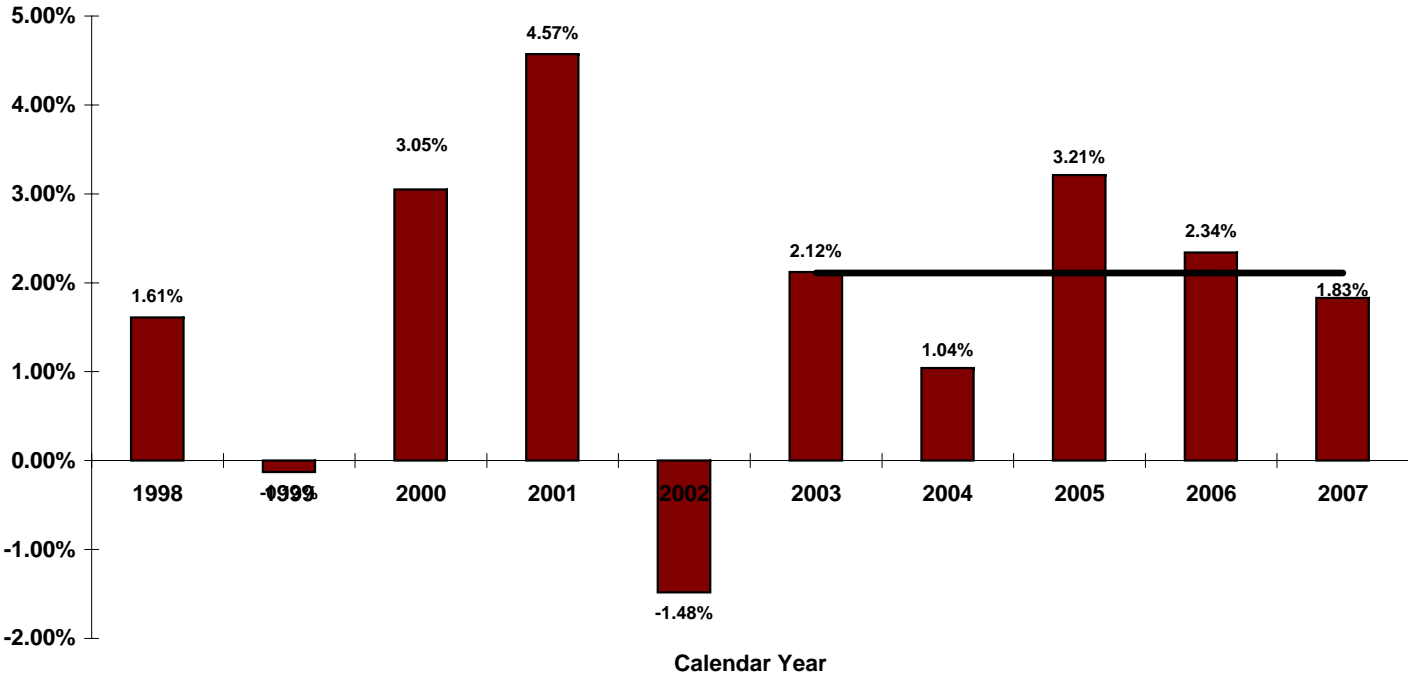


ICF-MR Facilities
Protected Expense Per Diem
(1998- 2007)



Protected Expense Per Diem CAGR=2.11%

ICF-MR Facilities
Protected Expense Per Diem
(1998- 2007)



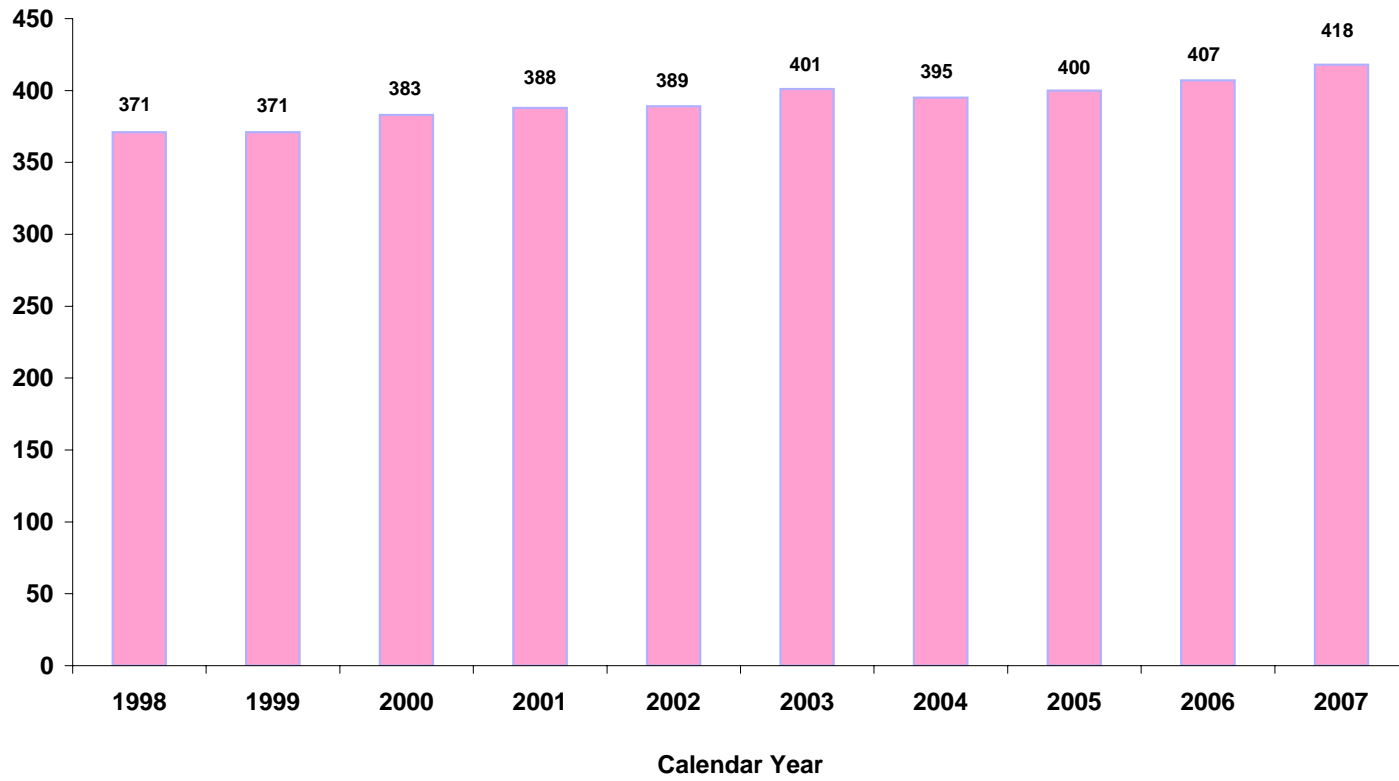
■ Percent Change: Protected Per Diem
— CAGR=2.11%

Facility Information

- < **Number of Facilities**
- < **Bed Days Available**
- < **Vacant Bed Days Available**
- < **Estimated Vacant Beds**
- < **Inpatient Days**
 - Í **Medicaid Days**
 - Í **Private Days**
 - Í **Medicare Days**
 - Í **Veteran/Other Days**

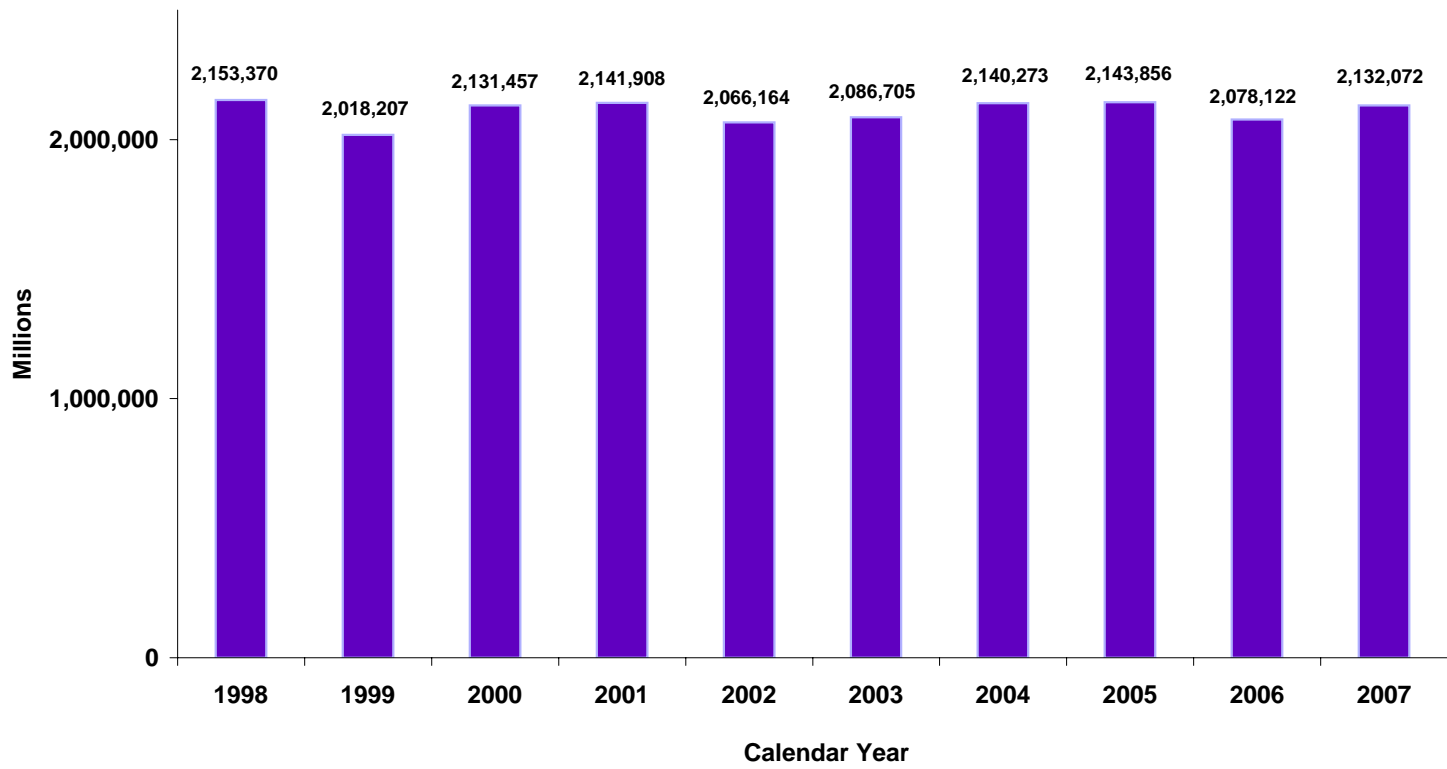
ICF-MR Facilities

Number of Facilities
(1998- 2007)

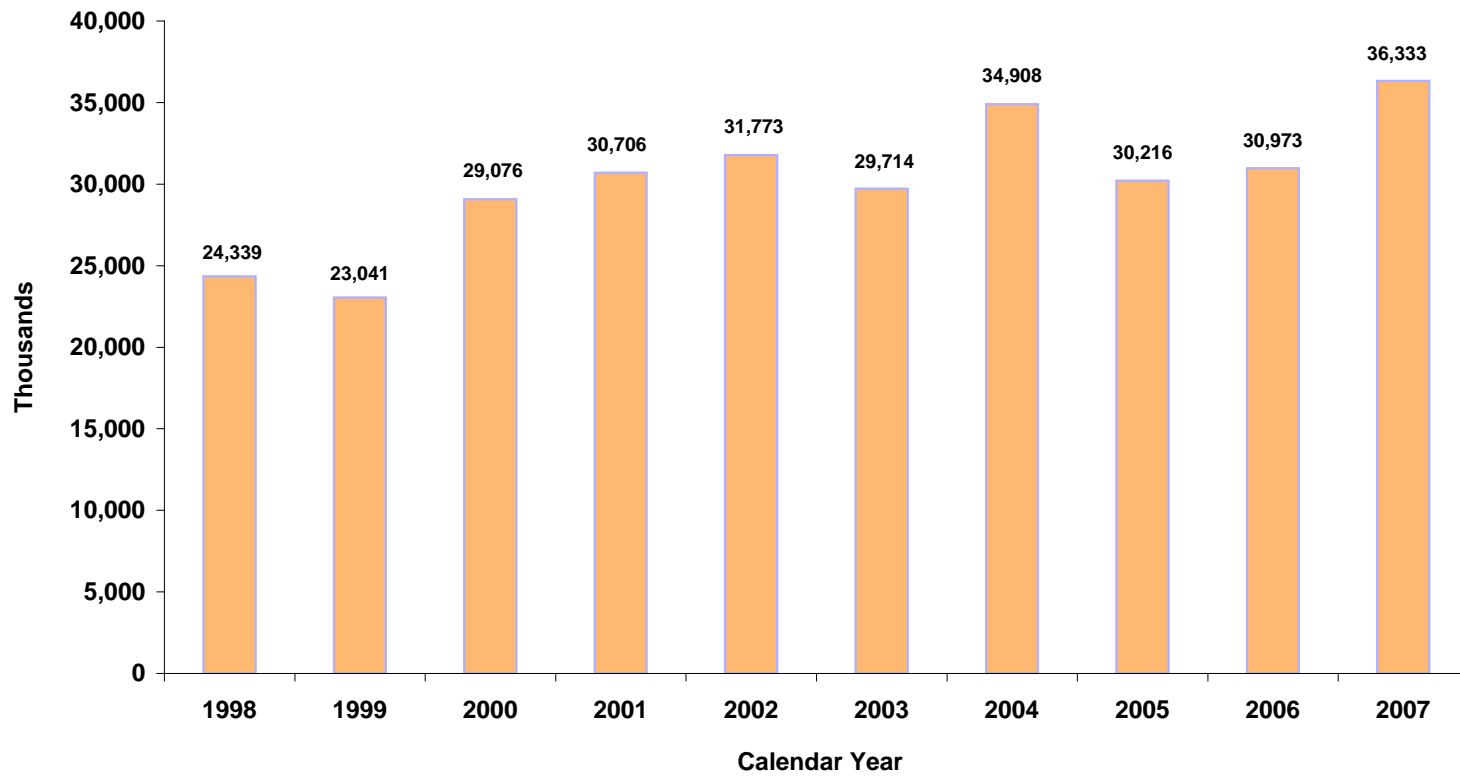


ICF-MR Facilities

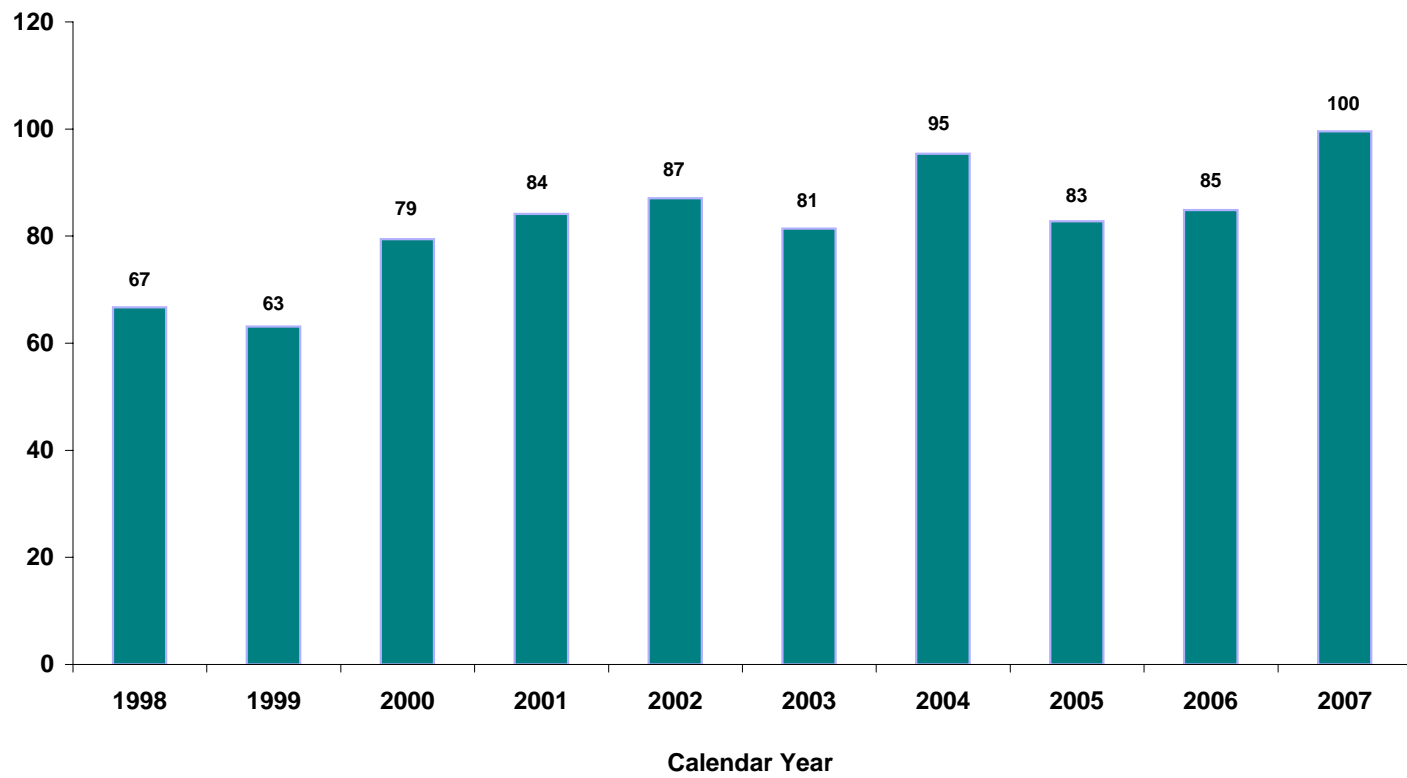
Bed Days Available
(1998- 2007)



**ICF-MR Facilities
Vacant Bed Days Available
(1998- 2007)**

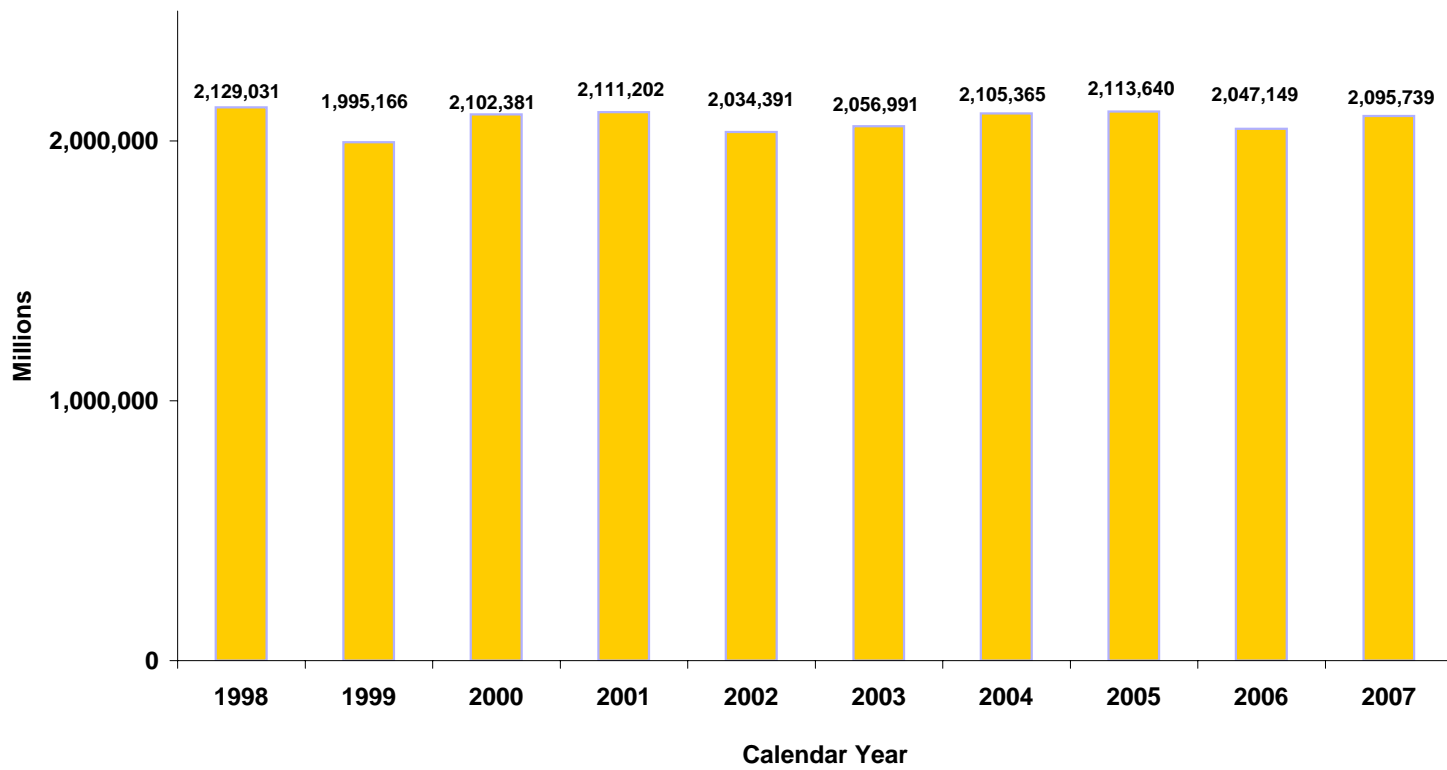


ICF-MR Facilities
Estimated # Vacant Beds
(1998- 2007)



ICF-MR Facilities

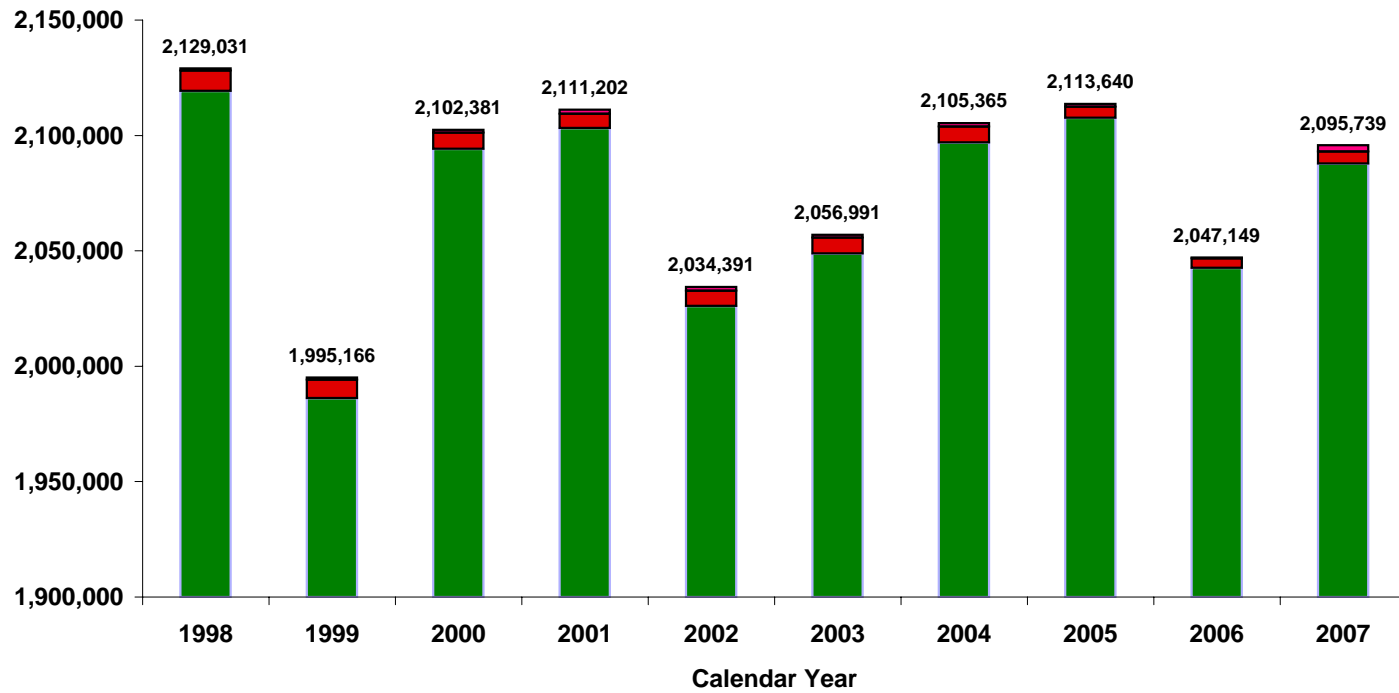
Inpatient Days
(1998- 2007)



ICF-MR Facilities

Inpatient Days

(1998- 2007)

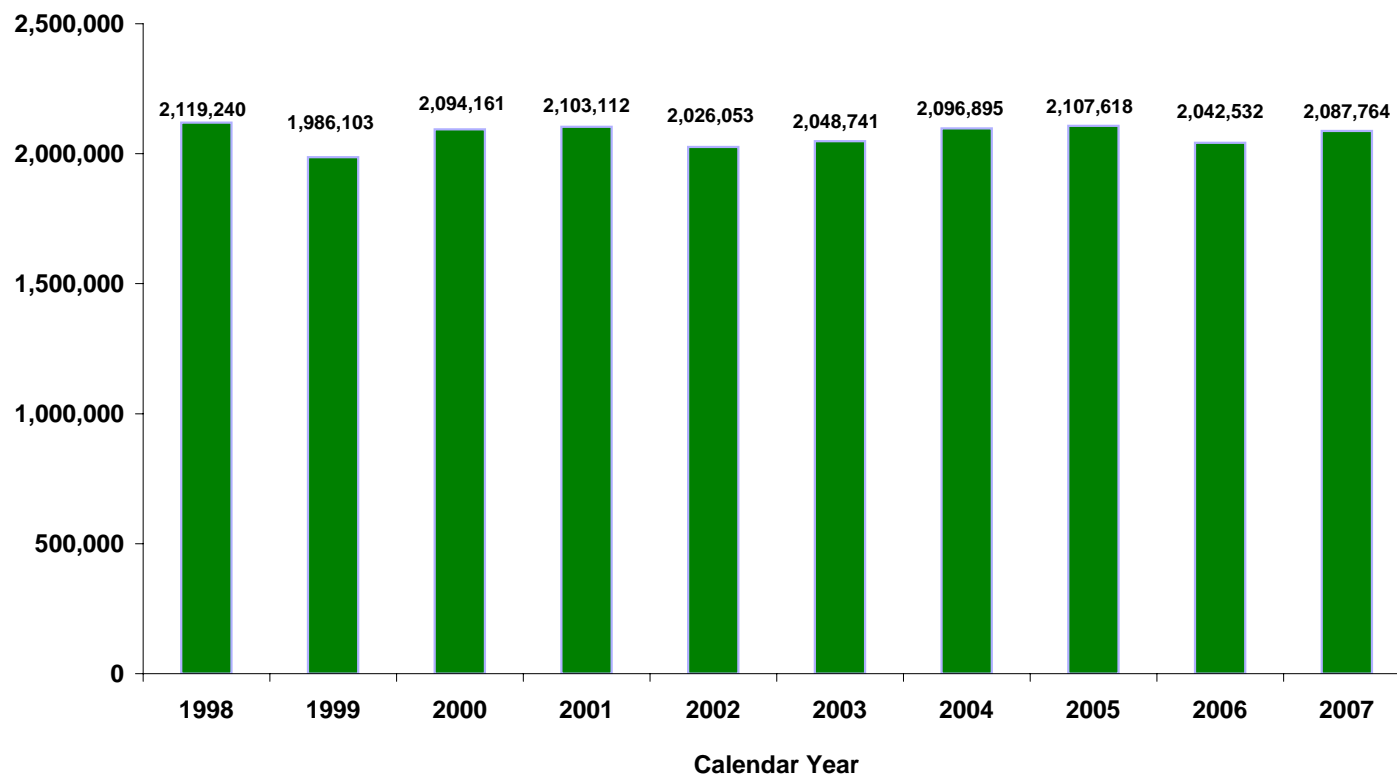


■ Medicaid Days ■ Private Days ■ Veterans/Other Days ■ Medicare Days

ICF-MR Facilities

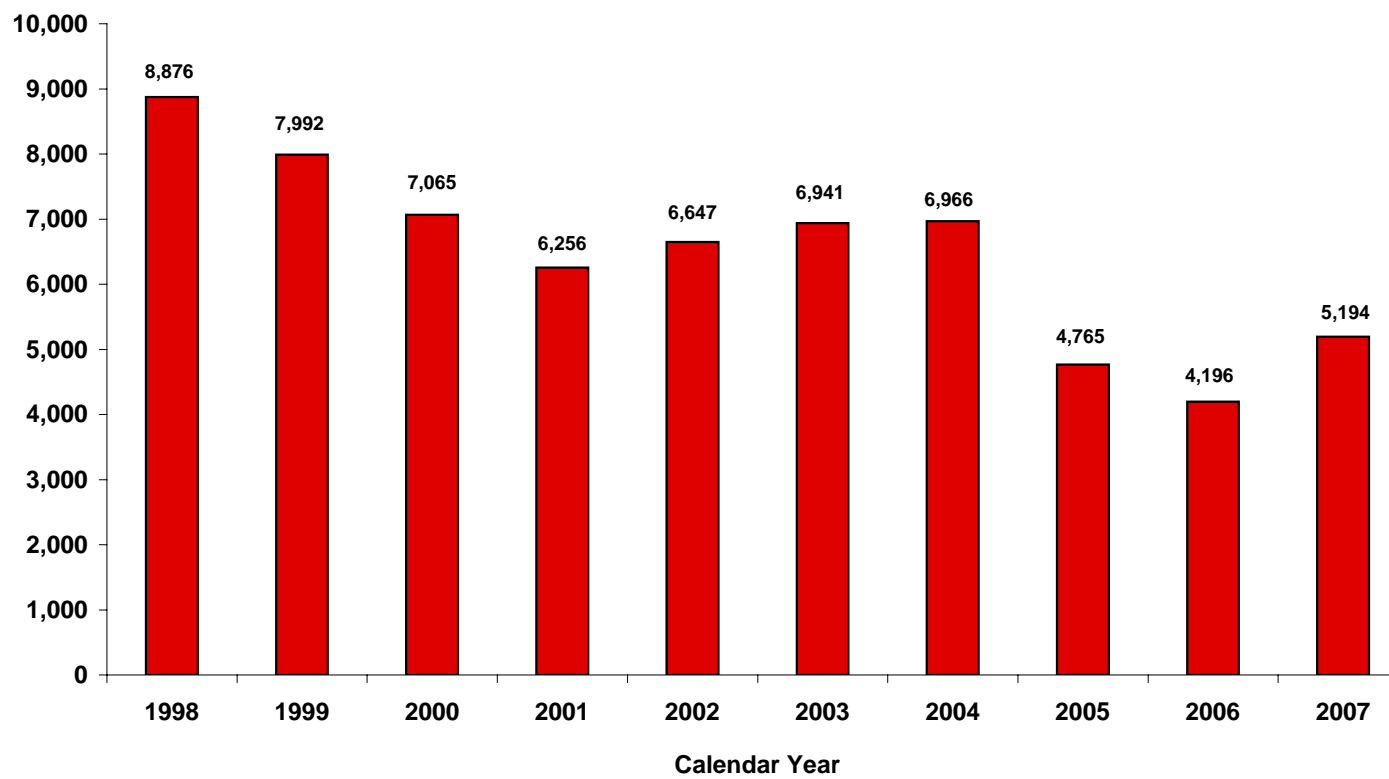
Medicaid Days

(1998- 2007)



ICF-MR Facilities

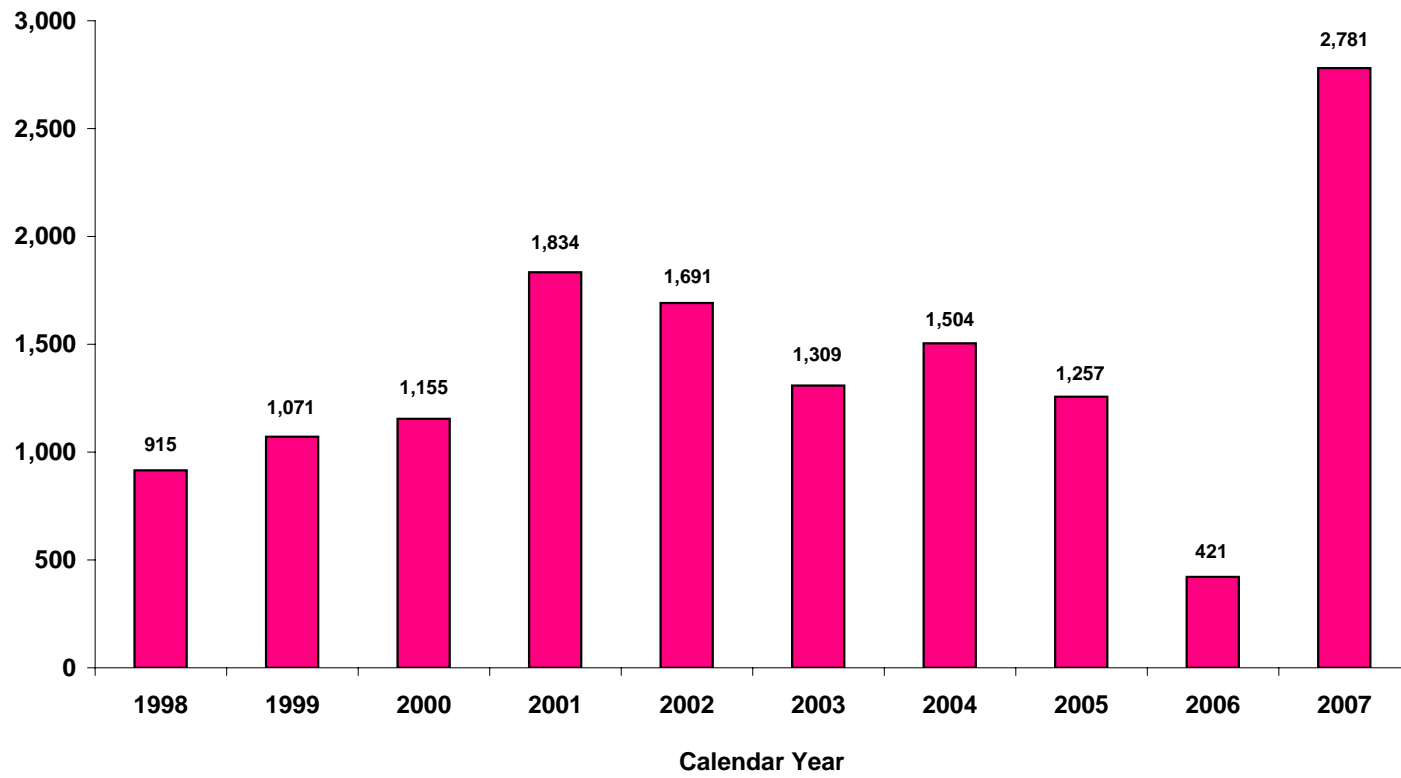
Private Days
(1998- 2007)



ICF-MR Facilities

Veterans/Other Days

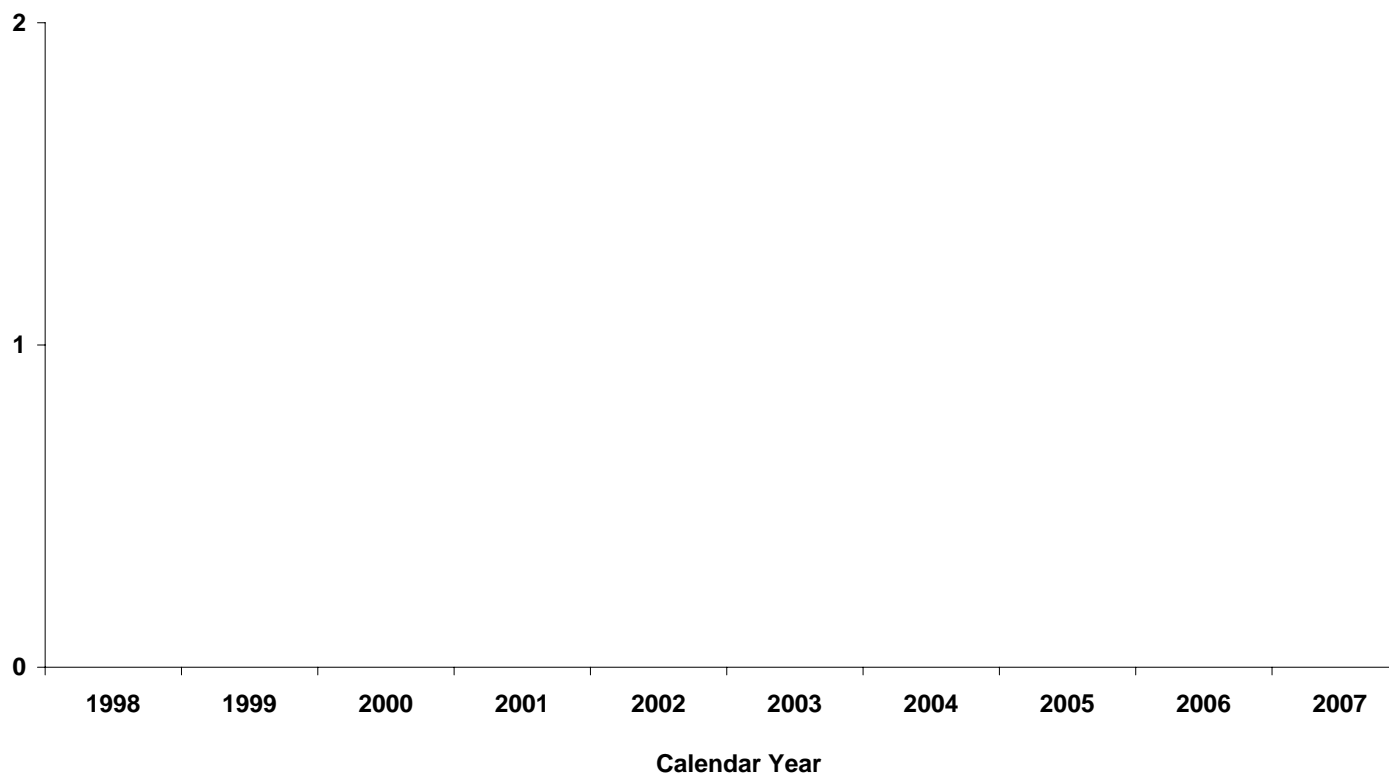
(1998 - 2007)



ICF-MR Facilities

Medicare Days

(1998 - 2007)



Utilization - Trends

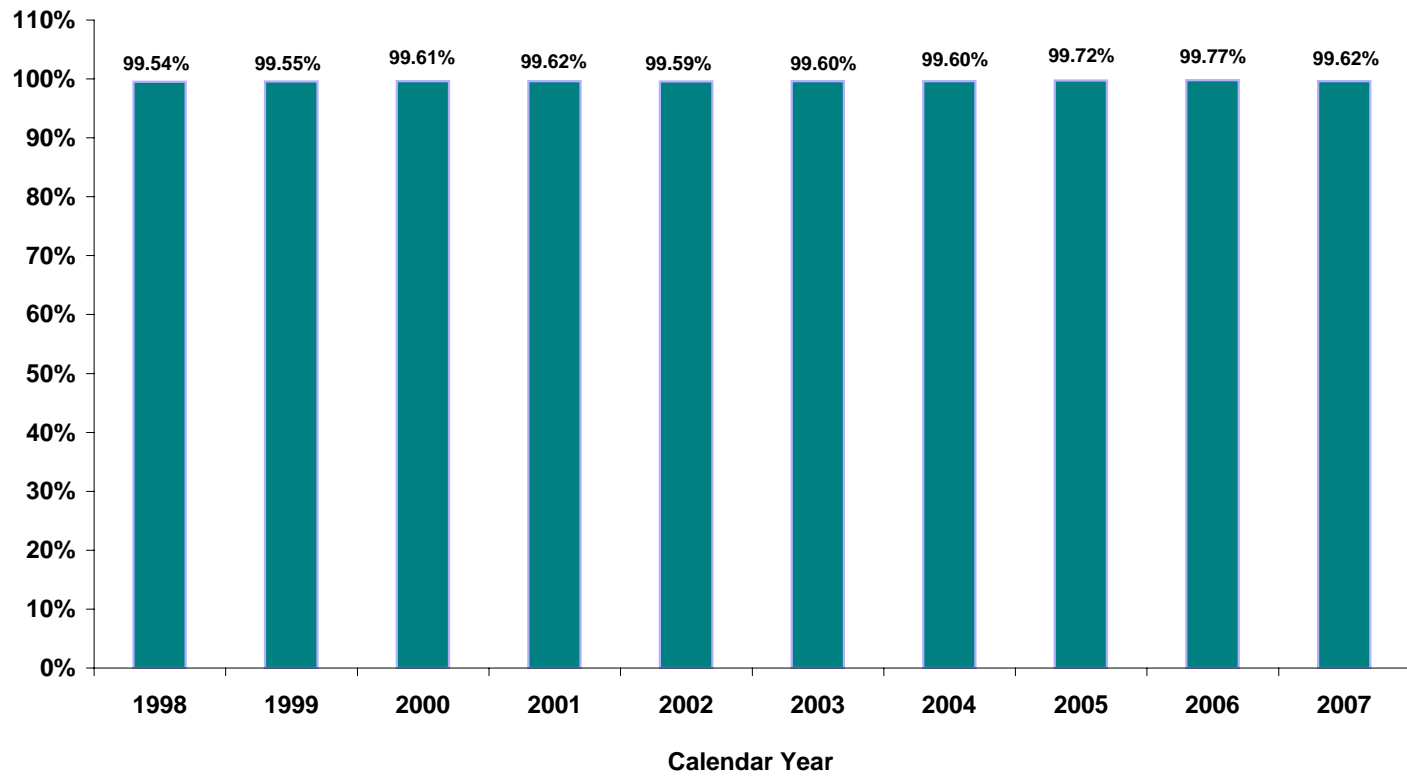
Cost Report

- < **Medicaid Utilization**
- < **Occupancy**
- < **Occupancy: Using 1993 as Base Year**

ICF-MR Facilities

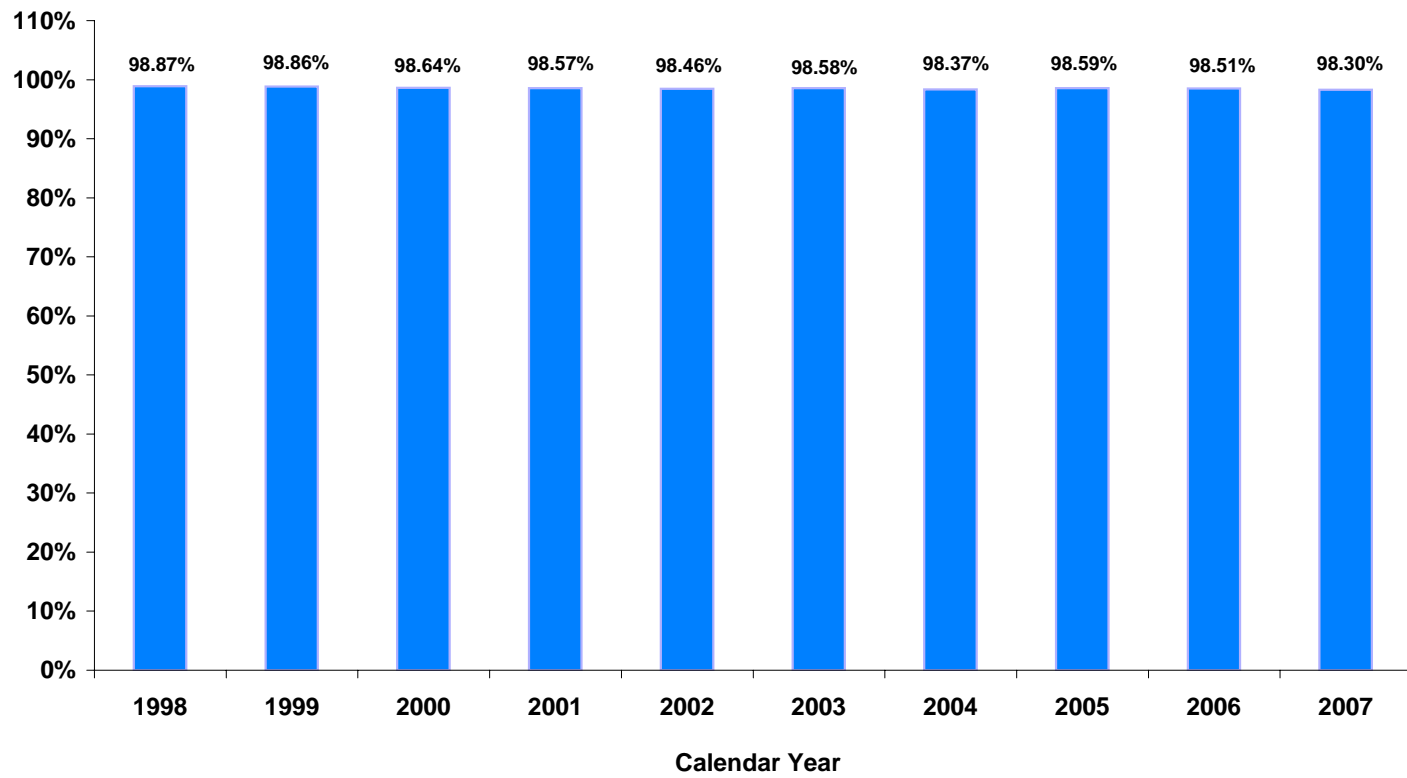
Medicaid Utilization

(1998 - 2007)



ICF-MR Facilities

Occupancy
(1998 - 2007)



ICF-MR Facilities

Occupancy: Base Year 1993
(1998- 2007)

