

Rate Setting Phase-in

Phase-in covers three years (July 1, 2010 through June 30, 2013) and affects only the Resident Care rate component and consists of portions of two Resident Care rate components blended to equal 100%.

Base Portion – Resident care peer group prices and rate calculated using RUG-III v. 5.01-44 Grouper and comprehensive assessments for July 1, 2010 using the 2010-2011 County cost phase-out provisions. Example: \$120.00.

5.12 Portion – Resident care peer group prices and quarterly rates calculated using RUG-III v. 5.12-44 Grouper and the latest assessment of any type for each quarter. Example: \$100.00 for Quarter 1 and \$105 for Quarter 2.

Adjusted Base Portion – Base Portion carried forward every quarter beginning October 1, 2010 calculated by adjusting the previous quarter's Base Portion or Adjusted Base Portion by the percentage change between the previous quarter's 5.12 Portion and the current quarter's 5.12 Portion. Example: Quarter 2 is $\$120 \times (\$105 / \$100) = \$120 \times 105\% = \$126.00$ Adjusted Base Portion.

NOTE: New nursing facilities are not eligible for phase-in. Beginning, July 1, 2010, the Statewide average MA CMI assigned to a new nursing facility will be calculated using the RUG-III version 5.12 44 group values.

3-Year Phase-In Blending Plan:

Rate Period	Base or adjusted Base Portion	5.12 Portion
2010-2011	75%	25%
2011-2012	50%	50%
2012-2013	25%	75%

July 1, 2010 Per Diem Rates

1. Calculate Base Portion
2. Calculate 5.12 Portion
3. Blend Base Portion and 5.12 Portion
4. Add blended RC component to the other three rate components
5. Apply BAF

October 1, 2010 – April 1, 2013 Per Diem Rates

1. Determine Adjusted Base Portion for each rate quarter
2. Calculate 5.12 Portion for each rate quarter (rebased for each July)
3. Blend Adjusted Base Portion and 5.12 Portion
4. Add blended RC component to the other three components
5. Apply BAF