

## Nursing Home Rates – Frequently Asked Questions

**Q:** What is the Fair Rental Value (FRV) calculation for my facility?

**A:** See our website at:

<http://www.ncdhhs.gov/dma/Forms/capitaldata/capitaldata.htm>

This will give you a complete listing of all nursing home facilities and the capital data information DMA has on file.

**Q:** What can I do if I did not submit all my capital data information for the FRV calculation?

**A:** You can submit an updated Capital Data Survey and it will be entered into the calculation for the next quarter's rate. Submit any updates to Lynne Testa, DMA – Rate Setting, 2501 Mail Service Center, Raleigh, NC 27699-2501, fax to 919-715-2209, or e-mail to [lynne.testa@ncmail.net](mailto:lynne.testa@ncmail.net) by August 30, 2008.

**Q:** When are the annual capital data survey forms due?

**A:** They are due and should be submitted with your cost reports each year to the Audit Department.

**Q:** For rate calculation effective July 1, 2008, are there different calculations used to determine the final rates?

**A:** Yes, half rebasing has been initiated. Half of the July 1, 2008 rate was calculated using 2001 cost report data and the other half was calculated using 2005 cost report data. These amounts are added together to determine the final rate.

**Q:** Will the other half rebasing occur?

**A:** Yes, for rates effective October 1, 2008, the 2<sup>nd</sup> half of rebasing using 2005 cost data will be implemented.

**Q:** Why did my assessment rate change?

**A:** Effective January 1, 2008, assessment rates were increased by \$1.00 from \$3.00 to \$4.00 or \$9.50 to \$10.50.

**Q:** Why did my assessment change from \$3.00 to \$10.50 or from \$9.50 to \$4.00?

**A:** Reported bed days on your 2005 cost report indicated which category your facility fell into. Providers who had bed days of more than 48,000 have a provider assessment rate of \$4.00 and providers who had bed days of 48,000 or less have a provider assessment rate of \$10.50. Each provider was assessed and was reclassified if necessary.

**Q:** When is the assessment increase amount due?

**A:** You can begin paying the new amount at anytime. However, DMA will not invoice providers for the increase until rate settlements retro back to January 1, 2008 have begun to be paid.

**Q:** How long will I have to pay the assessment increase invoice?

**A:** You will have 30 days from invoice date to pay assessments due.

**Q:** Will assessment rates increase again?

**A:** Yes, effective January 1, 2009, assessment rates will increase by \$1.00 from \$4.00 to \$5.00 or \$10.50 to \$11.50.

**Q:** If I have funds due to my facility because of a decrease in assessment fees, will that be applied to my account as a credit or will I receive a check?

**A:** You will receive a check for any overpayment.

**Q:** Will I receive reimbursement for rate adjustments?

**A:** Yes, manual rate settlements will be calculated retro to January 1, 2007. Rate adjustments will be calculated on a quarterly basis. If it is calculated that you will receive a reimbursement, you will receive a letter indicating the amount of reimbursement to be expecting. A copy of this letter will be forwarded to the Controller's Office to issue payment to your facility. A separate settlement will be made to your facility for these settlements.

**Q:** What happens if quarterly retro settlements indicate that my facility has a lower rate?

**A:** If your facility is calculated to owe funds back to DMA, you will receive a letter indicating the amount due and you will have 30 days to provide payment to the Controller's Office.