

Explanation of FSSA Cost Build Up for the 2015/2016 Rate Period

The 2015/2016 rates are based on the audited costs for freestanding adult subacute facilities for fiscal periods ending 2013. The 2015/2016 rates were calculated and adjusted for new state and federal mandates (2015/2016 Mandates, column Z).

Facility Specific Identifying Information for the “2015.16 FSSA Cost Build Up.xls” includes:

I. Facilities (columns A through D): the National Provider Identifier (NPI) that corresponds to each OSHPD ID, provider name, Office of Statewide Health Planning and Development (OSHPD) ID and fiscal period end date from the 2013 OSHPD Report.

II. Total Audit Days (Column E)

Each facility’s audited total Freestanding Subacute (adult) days is based on each facility’s fiscal period ending 2013 OSHPD Report.

III. Cost Categories

- a. **Column F** is the Direct Care Labor Per Diem. It is the amount shown on Audit Schedule 1, line 31, which includes labor costs (both permanent and temporary staff) for Skilled Nursing Personnel, Social Services Personnel, and Activities Personnel, inflated by the labor study inflation factor, and divided by the total audit days in column E.
- b. **Column G** is the Direct Care Labor Per Diem Cap (set at the 90th percentile). Each facility’s per diem amount is compared to the Direct Care Labor Per Diem Cap.
- c. **Column H** is the Lower of Direct Care Per Diem. This represents the amount in column F unless the facility has reached the Direct Care Labor Per Diem Cap. The lesser of the facility’s cost per diem or the Direct Care Labor Per Diem Cap is shown here and used in the final rate calculation.
- d. **Column I** is the Indirect Care Labor Per Diem. It is the amount shown on Audit Schedule 1, line 32 which includes labor costs for
 - a. Plant Operations and Maintenance Personnel,
 - b. Housekeeping Personnel,
 - c. Laundry/Linen Personnel,
 - d. Dietary Personnel,
 - e. In-Service Education Personnel,

Indirect Care Labor is inflated by the labor study inflation factor, and divided by the total audit days in column E.

- e. **Column J** is the Indirect Care Labor Per Diem Cap (set at the 90th percentile). Each facility’s per diem amount is compared to the peer group Indirect Care Labor Per Diem Cap.

- f. Column K** is the Lower of Indirect Care Per Diem. This represents the amount in column I unless the facility has reached the Indirect Care Labor Per Diem Cap. The lesser of the facility's cost per diem or the Indirect Care Labor Per Diem Cap is shown here and used in the final rate calculation.
- g. Column L** is the Non- Labor Per Diem. It is the amount shown on Audit Schedule 1, line 33 which includes non-labor costs for:
- Skilled Nursing
 - Social Services
 - Activities
 - Plant Operations and Maintenance
 - Housekeeping
 - Laundry/Linen
 - Dietary
 - In-Service Education

Non-labor is inflated by the CCPI (California Consumer Price Index) inflation factor, and divided by the total audit days in column E.

- h. Column M** is the Non- Labor Per Diem Cap (set at the 75th percentile). Each facility's per diem amount is compared to the peer group Non- Labor Per Diem Cap.
- i. Column N** is the Lower of Non-labor Per Diem. This represents the amount in column L unless the facility has reached the Non- Labor Per Diem Cap. The lesser of the facility's cost per diem or the Non- Labor Per Diem Cap is shown here and used in the final rate calculation.
- j. Column O** is the Administration Per Diem. It is the amount shown on Audit Schedule 1, line 40 which includes total costs for Administration, Property Insurance, and Interest – Other. Non-labor is inflated by the CCPI inflation factor, and divided by the total audit days in column E.
- k. Column P** is the Administration Cap (set at the 50th percentile). Each facility's per diem amount is compared to the Administration Per Diem Cap.
- l. Column Q** is the Lower of Administration Per Diem. This represents the amount in column O unless the facility has reached the Administration Per Diem Cap. The lesser of the facility's cost per diem or the Administration Per Diem Cap is shown here and used in the final rate calculation.
- m. Column R** is the FRVS per diem and is calculated based on parameters outlined in the State Plan Amendment and reflected in the column R. For the 2015/16 rate period, facilities submitting voluntary supplemental capital schedules that were accepted by the Department were considered in the final FRVS per diem calculation.
- n. Column S** is the Liability Insurance Per Diem (PLI). It is the amount shown on Audit Schedule 1, line 37. PLI is inflated by the CCPI inflation factor, and divided by the total audit days in column E.

- o. Column T** is the PLI Cap (set at the 75th percentile). Each facility's per diem amount is compared to the PLI Per Diem Cap.
- p. Column U** is the Lower of PLI Per Diem. This represents the amount in column S unless the facility has reached the PLI Per Diem Cap. The lesser of the facility's cost per diem or the PLI Per Diem Cap is shown here and used in the final rate calculation.

IV Pass-Throughs

- a. Column V** is Property Tax Per Diem shown on Audit Schedule 1, line 35, inflated by a two percent per annum (0.16667% per month) inflation factor and divided by the total audit days in column E.
- b. Column W** is the Caregiver Training Per Diem shown on Audit Schedule 1, line 39, which includes costs for education that is organized to train students to enter a caregiver occupational specialty, and divided by the total audit days in column E.
- c. Column X** is License Fees Per Diem are calculated using the facility's contracted number of subacute beds shown on Audit Subacute Schedule 1, line 41, multiplied by the Department of Public Health fee per bed (\$377.77 effective 8/1/2015), and divided by the total audit days in column E.
- d. Column Y** is the Quality Assurance Fee Per Diem. Each facility that is assessed the QA Fee in 2015/16 will be reimbursed for the Medi-Cal portion of this fee. The 2015/16 per diem fee is in column Y.
- e. Column Z** is the total for all add-ons (\$3.36) for 2015/16 mandated costs. The add-ons are the sum of:
 - 1) 2014 Minimum Wage (\$0.27)
 - 2) 2015/16 Federal Unemployment Tax Act (FUTA, \$0.11);
 - 3) 2014/15 FUTA (\$0.22)
 - 4) Affordable Care Act Reporting (\$0.54);
 - 5) International Classification of Diseases (ICD) 10 transition from ICD-9 (\$0.50); and,
 - 6) Paid Sick Leave (\$1.72).
- f. Column AA** is the facility specific 2015/16 ACA Employer Mandate add-on.

V. Rates

- a. Column AB** is the Non-Ventilator Dependent Rate. For New Owners and Change of Ownership (CHOW), it is the Non-Ventilator Statewide weighted average including the weighted average facility specific 2015/16 ACA Employer Mandate add-on.

- b. Column AC** is the Ventilator Equipment Per Diem.

- c. Column AD** is the Ventilator Dependent Rate. For New Owners and CHOWs, it is the Ventilator Dependent Statewide weighted average including the weighted average facility specific 2015/16 ACA Employer Mandate add-on.