

NOTICE OF RULE ADOPTION—FINAL RULE

STATE OF MISSISSIPPI
OFFICE OF THE GOVERNOR
DIVISION OF MEDICAID



Miss. Division of Medicaid
c/o Ginnie McCardle, Staff Officer
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Specific Legal Authority Authorizing the promulgation of
Rule: Miss Code Ann. §43-13-121(1972), as amended

Reference to Rules repealed, amended or suspended by the
Proposed Rule :
State Plan Attachment 4.19-D Page 26

Date Rule Proposed: June 7, 2007

Explanation of the Purpose of the Proposed Rule and the reason(s) for proposing the rule:
SPA 2007-003 The purpose of this State Plan Amendment is to limit approval of requests by new owners of long-term care facilities to receive maximum reimbursement rate for the interim period until the initial cost report is reviewed. new owners who do not represent a good risk will receive the base rate of the old owner, excluding the property hold harmless and return on equity portion of the rate.

The Agency Rule Making Record for this rule including any written comments received during the comment period and the record of any oral proceeding is available for public inspection by contacting the Agency at the above address.

An oral proceeding was held on this rule:

Date:
Time:
Place:

An oral proceeding was not held on this rule.

The Agency has considered the written comments and the presentations made in any oral proceedings, and

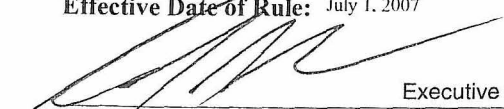
This rule as adopted is without variance from the proposed rule.

This rule as adopted differs from the proposed rule as there are minor editorial changes which affect the form rather than the substance of the rule.

The rule as adopted differs from the proposed rule. The differences however are:
Within the scope of the matters in the Notice of Proposed Rule Adoption, the logical outgrowth of the contents of the Notice of Proposed Rule Adoption and the comments submitted in response thereto, and
The Notice of Proposed Rule Adoption provided fair warning that the outcome of the proposed rule adoption could be the rule in question.

The entire text of the Proposed Rule including the text of any rule being amended or changed is attached.

Effective Date of Rule: July 1, 2007


Executive Director
Signature and Title of Person Submitting Rule for Filing

Facilities that undergo a change of ownership must file a cost report from the date of change of ownership through the end of the third month of ownership. The Division of Medicaid may shorten or lengthen the reporting period of the initial cost report to not less than one (1) month or not more than four (4) months.

The base rate of the old owner will be used to set the interim rate for the new owner, excluding hold harmless payment and return on equity. The provider may request and, absent any good cause to deny, the executive director shall approve setting the new owner's rate using the maximum per diem rate for the interim period. The maximum per diem rate is defined for a NF as the ceiling for direct care and care related costs, allocated between the two cost centers based on the cost report filed by the previous owner that was used to compute the rate in effect on the date of the change of ownership, and adjusted for the case mix of the previous owner for the appropriate calendar quarter, plus the ceiling for administrative and operating costs, plus the gross rental per diem payment computed under the fair rental system as defined by this plan. Quarterly rate adjustments will be made to adjust for changes in the case mix score. The maximum per diem rate is defined for an ICF-MR and PRTF as the ceiling for direct care, therapy, care related and administrative and operating costs, plus the gross rental per diem payment computed under the fair rental system as defined by this plan. Under the maximum rate, the new owner will not receive a return on equity capital per diem or a property tax and insurance per diem until the initial cost report is filed.

The new owner's interim rates will be adjusted retroactively based on the initial cost report, after desk review. The rates computed based on the initial cost report of the new owner will be effective the same date the change of ownership was effective.

TN NO.: 07-003
SUPERSEDES
TN NO.: 03-009

DATE RECEIVED:
DATE APPROVED: 09/05/07
DATE EFFECTIVE: 07/01/07