

**State of Mississippi**

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-OTHER  
TYPES OF CARE**

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- a. State-wide new bed value
- b. Medicaid certified beds at the start of the rate period
- c. Facility average age, not to exceed 28.5714 years
- d. Accumulated depreciation, accumulating at a rate of 1.75% annually, not to exceed 50%
- e. Rental factor of 5.35% with an added risk factor of 2%
- f. Annualized patient days, at no less than 80% occupancy

The new bed value minus the accumulated depreciation multiplied by total beds determines the facility value. The value times the rental factor divided by days equals the fair rental per diem. The parameters and calculations are further described below.

2. Each year a state-wide new bed value is determined. The new bed value for 2015 is \$91,200. Therefore, a new facility constructed during 2015 will have a per bed value of \$91,200 for the 2015 rental payment. The value of new construction will be indexed each year using the RS Means Construction Cost Index estimate for Jackson, MS. The new bed value will be indexed each year to January 1 of the payment year. For example, in computing the rates for the year January 1, 2016 through December 31, 2016, the 2015 new bed value will be adjusted to the January 1, 2016 value using the estimated index. For licensed Alzheimer's units, new beds constructed on January 1, 2015 are assumed to have an additional value of \$33,926.40, which is 37.20% of the nursing facility bed value. Each year, the January 1 new bed value adjustment for beds in licensed Alzheimer's units will be determined by multiplying the nursing facility new bed value by 37.20%, to account for the additional construction costs required to be licensed as an Alzheimer's unit. For NFSDs, a new facility constructed on January 1, 2015 is assumed to have a per bed value of \$159,600, which is 175 percent of the nursing facility bed value. Each year, the January 1 new bed value for the NFSD class will be determined by multiplying the nursing facility new bed value by 175%.

The new bed value for Mississippi has been rebased effective January 1, 2015. The previous new bed values apply for rate setting periods prior to January 1, 2015. For transition purposes, \$91,200 will be used for determining if 2013 and 2014 capitalized assets and renovation costs will be converted into new beds. The list of historical new bed value indices is included in 9.

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ceiling, then its rate is its trended cost plus fifty percent (50%) of the difference between the trended cost or the median, whichever is greater, and the ceiling.

B. Property Payment. A per diem payment will be made for property costs based on a fair rental system. The amount of the payment is determined as follows:

1. A new facility constructed on January 1, 2015 is assumed to have a per bed value of \$109,440, which is 120 percent of the nursing facility bed value. Each year, the January 1 new bed value for the ICF/IID class will be determined by multiplying the nursing facility new bed value by 120%.

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ceiling, then its rate is its trended cost plus fifty percent (50%) of the difference between the trended cost or the median, whichever is greater, and the ceiling.

B. Property Payment. A per diem payment will be made for property costs based on a fair rental system. The amount of the payment is determined as follows:

1. A new facility constructed on January 1, 2015 is assumed to have a per bed value of \$109,440 which is 120 percent of the per bed value of a nursing facility. Each year, the January 1 new bed value of the PRTF class will be determined by multiplying the nursing facility new bed value by 120%.