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State/Territory Name: MO

State Plan Amendment (SPA) #: 16-0013

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

Financial Management Group

MAR 30 2017

Brian Kinkade, Director
Missouri Department of Social Services
Broadway State Office Building
P.O. Box 1527
Jefferson City, MO 65102

RE: Missouri State Plan Amendment TN: 16-013

Dear Mr. Kinkade:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 16-013. This amendment increases payment rates by 2.00% for non-state operated intermediate care facility for individuals with intellectual disabilities (ICF-IID) services. This amendment also updates terminology within the plan to refer to ICF-IID services rather than the obsolete ICF/MR references.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. This is to inform you that Medicaid State plan amendment 16-013 is approved effective September 1, 2016. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Tim Weidler at (816) 426-6429.

Sincerely,

Kristin Fan
Director

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 16-13
2. STATE: Missouri
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
September 1, 2016

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 447 Subpart C

7. FEDERAL BUDGET IMPACT: (in thousands)
a. FFY 2016 $ 7.1
b. FFY 2017 $ 84.8

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-D
Pages 174, 176, 177, 179, 180, 181, 181A, 181B, 181C, 182, 183, 186, 192, 193, 194, 207, 211

9. PAGE NUMBER OF THE SUPERSEDES PLAN SECTION OR ATTACHMENT (If Applicable):
Attachment 4.19-D
Pages 174, 176, 177, 179, 180, 181, 181A, 181B, 181C, 182, 183, 186, 192, 193, 194, 207, 211

10. SUBJECT OF AMENDMENT:

This amendment changes the terminology of the services addressed in this section of the Missouri Medicaid State Plan from "nonstate-operated intermediate care facility/mentally retarded (ICF/MR) services" to "nonstate-operated intermediate care facility for individuals with intellectual disabilities (ICF/IID) services" and provides for a SFY 2017 trend factor of 2% to be applied to adjust per diem rates for nonstate-operated ICF/IID facilities participating in the MO HealthNet program effective for dates of service beginning September 1, 2016.

11. GOVERNOR'S REVIEW (Check One)

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPE NAME: Brian Kinkade
14. TITLE: Director
15. DATE SUBMITTED:

16. RETURN TO:
MO HealthNet Division
P.O. Box 6500
Jefferson City, MO 65102

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
18. DATE APPROVED: MAR 30 2017

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: SEP 01 2016
20. SIGNATURE OF REGIONAL OFFICIAL:
21. TYPED NAME: Kristin Fan
22. TITLE: Director, FMG
23. REMARKS:

FORM HCFA-179 (07-92)

Prospective Reimbursement Plan for Nonstate-Operated
Facilities for ICF/IID Services

(1) Objectives. This rule establishes a payment plan for nonstate-operated intermediate care facility/ for individuals with intellectual disabilities (ICF/IID) services.

(2) General Principles.

(A) The Missouri Medical Assistance Program shall reimburse qualified providers of ICF/IID services based solely on the individual Medicaid recipient's days of care (within benefit limitations) multiplied by the facility's Title XIX per-diem rate less any payments made by recipients.

(B) Effective November 1, 1986, the Title XIX per-diem rate for all ICF/IID facilities participating on or after October 31, 1986, shall be the lower of--

1. The average private pay charge;

2. The Medicare per-diem rate, if applicable;

3. The rate paid to a facility on October 31, 1986, as adjusted by updating its base year to its 1985 fiscal year. Facilities which do not have a full twelve (12)-month 1985 fiscal year shall not have their base years updated to their 1985 fiscal years. Changes in ownership, management, control, operation, leasehold interests by whatever form for any facility previously certified for participation in the Medicaid Program at any time that results in increased capital costs for the successor owner, management or leaseholder shall not be recognized for purposes of reimbursement; and

(C) Committee. The advisory committee defined in subsection (6)(A) of this rule.

(D) Cost report. The cost report shall detail the cost of rendering covered services for the fiscal reporting period. Providers must file the cost report on forms provided by and in accordance with the procedures of the department.

(E) Department. The department, unless otherwise specified, refers to the Missouri Department of Social Services.

(F) Director. The director, unless otherwise specified, refers to the director, Missouri Department of Social Services.

(G) Effective date.

1. The plan effective date shall be November 1, 1986.

2. The effective date for rate adjustments granted in accordance with section (6) of this rule shall be for dates of service beginning the first day of the month following the director's, or his/her designee's, final determination on the rate.

(H) ICF/IID. Nonstate-operated facilities certified to provide intermediate care for individuals with intellectual disabilities under the Title XIX program.

(I) Medicare rate. This is the allowable cost of care permitted by Medicare standards and principles of reimbursement.

(J) New construction. Newly built facilities or parts, for which an approved Certificate of Need (CON) or applicable waivers were obtained and which were newly completed and operational on or after November 1, 1986.

(K) New owners. Original owners of new construction.

(L) Providers. A provider under the Prospective Reimbursement Plan is a nonstate-operated ICF/IID facility with a valid participation agreement, in effect on or after October 31, 1986, with the Missouri Department of Social Services for the purpose of providing long-term care (LTC) services to Title XIX-eligible recipients. Facilities certified to provide intermediate care services to individuals with intellectual disabilities under the Title XIX program may be offered a Medicaid participation agreement on or after January 1, 1990, only if 1) the facility has no more than fifteen (15) beds for individuals with intellectual disabilities and 2) there is no other licensed residential living facility for individuals with intellectual disabilities within a radius of one-half (1/2) mile of the facility seeking participation in the Medicaid Program.

(M) Reasonable and adequate reimbursement. Reimbursement levels which meet the needs of an efficiently and economically operated facility and which in no case exceed normal market costs.

(N) Related parties. Parties are related when -

1. An individual or group, regardless of the business structure of either, where, through their activities, one (1) individual's or group's transactions are for the benefit of the other and the benefits exceed those which are usual and customary in the dealings;

(IV) Owns an interest of five percent (5%) or more in any mortgage, deed of trust, note or other obligation secured by an entity, if that interest equals at least five percent (5%) of the value of the property or assets of the entity. The percentage of ownership resulting from the obligations is determined by multiplying the percentage of interest owned in the obligation by the percentage of the entity's assets used to secure the obligation;

(V) Is an officer or director of an entity; or

(VI) Is a partner in an entity that is organized as a partnership;

D. Relative means persons related by blood or marriage to the fourth degree of consanguinity; and

E. Entity means any person, corporation, partnership or association.

(O) Rural. Those counties which are not defined as urban.

(P) Urban. The urban counties are standard metropolitan statistical areas including Andrew, Boone, Buchanan, Cass, Christian, Clay, Franklin, Greene, Jackson, Jasper, Jefferson, Newton, Platte, Ray, St. Charles, St. Louis and St. Louis City.

(4) Prospective Reimbursement Rate Computation.

(A) Except in accordance with other provisions of this rule, the provisions of this section shall apply to all providers of ICF/IID services certified to participate in Missouri's Medicaid program.

1. ICF/IID facilities.

   A. Except in accordance with other provisions of this rule, the Missouri Medical Assistance Program shall reimburse providers of these LTC services based on the individual Medicaid-recipient days of care multiplied by the Title XIX prospective per-diem rate less any payments collected from recipients. The Title XIX prospective per-diem reimbursement rate for the remainder of state Fiscal Year 1987 shall be the facility's per-diem reimbursement payment rate in effect on October 31, 1986, as adjusted by updating the facility's allowable base year to it's 1985 fiscal year. Each facility's per-diem costs as reported on it's Fiscal Year 1985 Title XIX cost report will be determined in accordance with the principles set forth in this rule. If a facility has not filed a 1985 fiscal year cost report, the most current cost report on file with the department will be used to set its per-diem rate. Facilities with less than a full twelve (12)-month 1985 fiscal year will not have their base year rates updated.

   B. For state FY-88 and dates of service beginning July 1, 1987, the negotiated trend factor shall be equal to two percent (2%) to be applied in the following manner: Two percent (2%) of the average per-diem rate paid to both state- and nonstate-operated ICF/IID facilities on June 1, 1987, shall be added to each facility's rate.

C. For state FY-89 and dates of service beginning January 1, 1989, the negotiated trend factor shall be equal to one percent (1%) to be applied in the following manner: One percent (1%) of the average per-diem rate paid to both state- and nonstate-operated ICF/IID facilities on June 1, 1988 shall be added to each facility's rate.

D. For state FY-91 and dates of service beginning July 1, 1990, the negotiated trend factor shall be equal to one percent (1%) to be applied in the following manner: One percent (1%) of the average per-diem rate paid to both state- and nonstate-operated ICF/IID facilities on June 1, 1990, shall be added to each facility's rate.

E. FY-96 negotiated trend factor. All nonstate operated ICF/IID facilities shall be granted an increase to their per-deim rates-effective for dates of service beginning January 1, 1996, of six dollars and seven cents ($6.07) per patient day for the negotiated trend factor. This adjustment is equal to four and six-tenths percent (4.6%) of the weighted average per-deim rates paid to nonstate-operated ICF/IID facilities on June 1, 1995, of one hundred and thirty-one dollars and ninety-three cents ($131.93).

F. FY-99 trend factor. All nonstate-operated ICF/IID facilities shall be granted an increase to their per-diem rates effective for dates of service beginning July 1, 1998, of four dollars and forty-seven cents ($4.47) per patient day for the trend factor. This adjustment is equal to three percent (3%) of the weighted average per diem rate paid to nonstate-operated ICF/IID facilities on June 30, 1998 of one hundred forty-eight dollars and ninety-nine cents ($148.99).

Replacement Page

G. FY-2000 trend factor. All nonstate-operated ICF/IID facilities shall be granted an increase to their per-diem rates effective for dates of service beginning July 1, 1999, of four dollars and sixty-three cents ($4.63) per patient day for the trend factor. This adjustment is equal to three percent (3%) of the weighted average per-diem rate paid to nonstate-operated ICF/IID facilities on April 30, 1999 of one hundred fifty-four dollars and forty-three cents ($154.43). This increase shall only be used for increases for the salaries and fringe benefits for direct care staff and their immediate supervisors.

H. FY-2001 trend factor. All nonstate-operated ICF/IID facilities shall be granted an increase to their per-diem rates effective for dates of service beginning July 1, 2000, of four dollars and eighty-one cents ($4.81) per patient day for the trend factor. This adjustment is equal to three percent (3%) of the weighted average per-diem rate paid to nonstate-operated ICF/IID facilities on April 30, 2000, of one hundred sixty dollars and twenty-three cents ($160.23). This increase shall only be used for increases for the salaries and fringe benefits for direct staff and their immediate supervisors.

I. State FY-2007 trend factor. All nonstate-operated ICF/IID facilities shall be granted an increase of seven percent (7%) to their per-diem rates effective for dates of service paid in state fiscal year 2007beginning October 1, 2006. This adjustment is equal to seven percent (7%) of the per-diem rate paid to nonstate-operated ICF/IID facilities on June 30, 2006.

J. FY-2008 trend factor. Effective for dates of service beginning July 1, 2007, all nonstate-operated ICF/IID facilities shall be granted an increase to their per-diem rates of two percent (2%) for the trend factor. This adjustment is equal to two percent (2%) of the per-diem rate paid to nonstate-operated ICF/IID facilities on June 30, 2007.

K. FY-2009 Catch Up Payment. Effective for dates of service beginning July 1, 2008,. all nonstate-operated ICF/IID facilities shall be granted an increase to their per diem rates of 13.95%. This increase is intended to provide compensation to providers for the years (2003, 2004, 2005, and 2006) where no trend factor was given. The catch up payment was based on the CMS PPS Skilled Nursing Facility Input Price Index (4 Quarter moving Average).

L. FY-2009 trend factor. Effective for dates of service beginning July 1, 2008, all nonstate-operated ICF/IID facilities shall be granted an increase to their per-diem rate of three percent (3%) for the trend factor. This adjustment is equal to three percent (3%) of the per-diem rate paid to nonstate-operated ICF/IID facilities on June 30, 2008.

M. FY-2012 trend factor. Effective for dates of service beginning October 1, 2011, all nonstate-operated ICF/IID facilities shall be granted an increase to their per diem rate of one and four tenths percent (1.4%) for the trend factor. This adjustment is equal to one and four tenths percent (1.4%) of the per diem rate paid to nonstate-operated ICF/IID facilities on September 30, 2011.

N. FY-2014 trend factor. Effective for dates of service beginning January 1, 2014, all nonstate-operated ICF/IID facilities shall be granted an increase to their per diem rate of three percent (3%) for the trend factor. This adjustment is equal to three percent (3%) of the per diem rate paid to nonstate-operated ICF/IID facilities on December 31, 2013.

O. FY-2016 trend factor. Effective for dates of service beginning February 1, 2016, all nonstate-operated ICF/IID facilities shall be granted an increase to their per-diem rates of one percent (1%) for the trend factor. This adjustment is equal to one percent (1%) of the per-diem rate paid to nonstate-operated ICF/IID facilities on January 31, 2016.

P. FY-2017 trend factor. Effective for dates of service beginning September 1, 2016, all nonstate-operated ICF/IID facilities shall be granted an increase to their per-diem rates of two percent (2%) for the trend factor. This adjustment is equal to two percent (2%) of the per-diem rate paid to nonstate-operated ICF/IID facilities on August 31, 2016.

2. Adjustments to rates. The prospectively determined reimbursement rate may be adjusted only under the following conditions:

   A. When information contained in a facility's cost report is found to be fraudulent, misrepresented or inaccurate, the facility's reimbursement rate may be reduced, both retroactively and prospectively, if the fraudulent, misrepresented or inaccurate information as originally reported resulted in establishment of a higher reimbursement rate than the facility would have received in the absence of this information. No decision by the Medicaid agency to impose a rate adjustment in the case of fraudulent, misrepresented or inaccurate information in any way shall affect the Medicaid agency's ability to impose any sanctions authorized by statute or rule. The fact that fraudulent, misrepresented or inaccurate information reported did not result in establishment of a higher reimbursement rate than the facility would have received in the absence of the information also does not affect the Medicaid agency's ability to impose any sanctions authorized by statute or rules;

   B. In accordance with subsection (6)(B) of this rule, a newly constructed facility's initial reimbursement rate may be reduced if the facility's actual allowable per-diem cost for its first twelve (12) months of operation is less than its initial rate;

   C. When a facility's Medicaid reimbursement rate is higher than either its private pay rate or its Medicare rate, the Medicaid rate will be reduced in accordance with subsection (2)(B) of this rule;

   D. When the provider can show that it incurred higher cost due to circumstances beyond its control and the circumstances are not experienced by the nursing home or ICF/IID industry in general, the request must have a substantial cost effect. These circumstances include, but are not limited to:

(I) Acts of nature, such as fire, earthquakes and flood, that are not covered by insurance;

(II) Vandalism, civil disorder, or both;

(III) Replacement of capital depreciable items not built into existing rates that are the result of circumstances not related to normal wear and tear or upgrading of existing system;

E. When an adjustment to a facility's rate is made in accordance with the provisions of section (6) of this rule; or

F. When an adjustment is based on an Administrative Hearing Commission or court decision.

(B) In the case of newly constructed nonstate-operated ICF/IID facilities entering the Missouri Medicaid Program after October 31, 1986, and for which no rate has previously been set, the director or his/her designee may set an initial rate for the facility as in his/her discretion s/he deems appropriate. The initial rate shall be subject to review by the advisory committee under the provisions of section (6) of this rule.

(5) Covered Services and Supplies.

(A) ICF/IID services and supplies covered by the per-diem reimbursement rate under this plan, and which must be provided, as required by federal or state law or rule and include, among other services, the regular room, dietary and nursing services, or any other services that are required for standards of participation or certification. Also included are minor medical and surgical supplies and the use of equipment and facilities. These items include, but are not limited to, the following:

13. Days when recipients are away from the facility overnight on facility-sponsored group trips under the continuing supervision and care of facility personnel.

(6) Rate Determination. All nonstate-operated ICF/IID providers of LTC services under the Missouri Medicaid program who desire to have their rates changed or established must apply to the Division of Medical Services. The department may request the participation of the Department of Mental Health in the analysis for rate determination. The procedure and conditions for rate reconsideration are as follows:

(A) Advisory Committee. The director, Department of Social Services, shall appoint an advisory committee to review and make recommendations pursuant to provider requests for rate determination. The director may accept, reject or modify the advisory committee's recommendations.

1. Membership. The advisory committee shall be composed of four (4) members representative of the nursing home industry in Missouri, three (3) members from the Department of Social Services and two (2) members which may include, but are not limited to, a consumer representative, an accountant or economist or a representative of the legal profession. Members shall be appointed for terms of twelve (12) months. The director shall select a chairman from the membership who shall serve at the director's discretion.

2. Procedures.

A. The committee may hold meetings when five (5) or more members are present and may make recommendations to the department in instances where a simple majority of those present and voting concur.

3. However, for state fiscal years after Fiscal Year 1987, in no case may a facility receive a per-diem reimbursement rate higher than the class ceiling for that facility in effect on June 30 of the preceding fiscal year adjusted by the negotiated trend factor.

4. The following will not be subject to review:

A. The negotiated trend factor;

B. The use of prospective reimbursement rate; and

C. The cost base for the June 30 per-diem rate except as specified in this rule;

(E) Rate Adjustments. The department may alter a facility's Per-diem rate based on--

1. Court decisions;

2. Administrative Hearing Commission decisions;

3. Determination through desk audits, field audits and other means, which establishes misrepresentations in or the inclusion of unallowable costs in the cost report used to establish the per-diem rate. In these cases the adjustment shall be applied retroactively;

4. Adjustments determined by the department without the advice of the rate advisory committee.

A. Prospective payment adjustment (PPA). A FY-92 PPA will be provided prior to the end of the state fiscal year for nonstate-operated ICF/IID facilities with a current provider agreement on file with the Division of Medical Services as of October 1, 1991.

(I) For providers which qualify, the PPA shall be the lesser of--

(a) The provider's facility peer group factor (FPGF) times the projected patient days (PPD) covered by the adjustment year times the prospective payment adjustment factor (PPAF) times the nonstate-operated intermediate care facility for individuals with intellectual disabilities ceiling (ICFIIDC) on October 1, 1991 (FPGF PPD PPAF ICFIIDC). For example: A provider having nine hundred twenty (920) paid days for the period May 1991 to July 1991 out of a total paid days for this same period of twenty-eight thousand five hundred sixty-one (28,561) represents an FPGF of three and twenty-two hundredths percent (3.22%). So using the FPGF of 3.22%114,244 24.5% $156.01 = $140,659; or

(b) The provider FPGF times one hundred forty-five percent (145%) of the amount credited to the intermediate care revenue collection center (ICRCC) of the State Title XIX Fund (STF) for the period October 1, 1991 through December 31, 1991.

(II) FPGF--is determined by using each ICF/IID facility's paid days for the service dates in May 1991 through July 1991 as of September 20, 1991, divided by the sum of the paid days for the same service dates for all provider's qualifying as of the determination date of October 16, 1991.

(III) ICFIIDC--is one hundred fifty-six dollars and one cent ($156.01) on October 1, 1991.

(IV) PPAF--is equal to twenty-four and five-tenths percent (24.5%) for Fiscal Year 1992 which includes an adjustment for economic trends.

(V) PPD--is the projection of one hundred fourteen thousand two hundred forty-four (114,244) patient days made on October 1, 1991, for the adjustment year;

5. FY-92 trend factor and Workers' Compensation. All facilities with either an interim rate or a prospective per-diem rate in effect on September 1, 1992, shall be granted an increase to their per-diem rate effective September 1, 1992, of eight dollars and eighty-six cents ($8.86) per patient day related to the continuation of the FY-92 trend factor and the Workers' Compensation adjustment. This adjustment is equal to seven and one-half percent (7.5%) of the March 1992 weighted average per-diem rate of one hundred eighteen dollars and fourteen cents ($118.14) for all nonstate-operated ICF/IID facilities; or

6. FY-93 negotiated trend factor. All facilities with either an interim rate or prospective per-diem rate in effect on September 1, 1992, shall be granted an increase to their per-diem rate effective September 1, 1992, of one dollar and sixty-six cents ($1.66) per patient day for the negotiated trend factor. This adjustment is equal to one and four-tenths percent (1.4%) of the March 1992 weighted average per-diem rate of one hundred eighteen dollars and fourteen cents ($118.14) for all nonstate-operated ICF/IID facilities; and

(L) Advertising Costs. Advertising costs which are reasonable, appropriate and helpful in developing, maintaining and furnishing services shall be an allowable cost area. The costs must be common and accepted occurrence in the field of the activity of the provider.

(M) Cost of Suppliers Involving Related Parties. Costs applicable to facilities, goods and services furnished to a provider by a supplier related to the provider shall not exceed the lower of the cost to the supplier or the prices of comparable facilities, goods or services obtained elsewhere. A provider shall identify suppliers related to it in the uniform cost report and the type-quantity and costs of facilities, goods and services obtained from each supplier.

(N) Utilization Review. Incurred cost for the performance of required utilization review for ICF/IID is an allowable cost area. The expenditures must be for the purpose of providing utilization review on behalf of Title XIX recipient. Utilization review costs incurred for Title XVIII and Title XIX must be apportioned on the basis of reimbursable recipient days recorded for each program during the reporting period.

(O) Minimum Utilization. In the event the occupancy of a provider is below ninety percent (90%), the following cost centers will be calculated as if the provider experienced ninety percent (90%) occupancy: laundry, housekeeping, general and administrative and plant operation costs. In no case may costs disallowed under this provision be carried forward to succeeding periods.

(P) Non-reimbursable Costs.

1. Bad debts, charity and courtesy allowances are deductions from revenue and are not to be included as allowable costs.

2. Those services that are specifically provided by Medicare and Medicaid must be billed to those agencies.

4. Average cost per diem for general routine services means the amount computed by dividing the total allowable patient costs for routine services by the total number of patient days of care rendered by the provider in the cost-reporting period.

5. A patient day of care is that period of service rendered a patient between the census-taking hours on two (2) consecutive days, including the twelve (12) temporary leave of absence days per any period of six (6) consecutive months as specifically covered under section (5) of this rule, the day of discharge being counted only when the patient was admitted the same day. A census log shall be maintained in the facility for documentation purposes. Census shall be taken daily at midnight. A day of care includes those overnight periods when a recipient is away from the facility on a facility-sponsored group trip and remains under the supervision and care of facility personnel.

6. ICF/IID facilities that provide intermediate care services to Medicaid recipients may establish distinct part cost centers in their facility provided that adequate accounting and statistical data required to separately determine the nursing care cost of each distinct part is maintained. Each distinct part may share the common services and facilities as management services, dietary, housekeeping, building maintenance and laundry.

7. In no case may a provider's allowable costs allocated to the Medicaid Program include the cost of furnishing services to persons not covered under the Medicaid Program.