

Base Period and Inflation Factor for Nursing Facility Rates  
During State Fiscal Year 2009 and 2010

The base period for determining reimbursement rates for nursing facilities will be defined as the same base period used to establish rates in State Fiscal Year 2008 (July 1, 2007 through June 30, 2008). All nursing facilities are required to file a timely cost report to the Department of Health and Senior Services, but these cost reports will not be used to determine the base period.

In State Fiscal Year 2009, consistent with the methodology described in Section 3.19 on page 125 of Attachment 4.19-D of the State Plan, the Department of Health and Senior Services will determine the inflation factors to be applied to the reasonable base period operating costs as approved by the Department for the base periods (cost reports with fiscal years ending) between January 1, 2006 through December 30, 2006. A full inflation factor will be added to the base period rate for those nursing facilities that have a high Medicaid occupancy rate. High Medicaid occupancy is defined by the Appropriations Act as those facilities whose New Jersey Medicaid patient day occupancy level is at or above 75% using actual days reported on the most recent cost report. In addition, nursing facilities with Medicaid occupancy rates below 75% will be provided with 50% of the full inflation factor.

In State Fiscal Year 2010, no inflation factor will be added to the base period rate.

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09-07-MA (NJ)

TN: 09-07-MA (NJ)

Approval Date APR 16 2010

Supersedes 08-14-MA (NJ)

Effective Date: 7/1/2009