

8. Non-State Public Nursing Facility Adjustment

Effective February 21, 2002, a non-state public nursing facility (that is, a public nursing facility that is not owned or operated by the State of Arkansas) shall qualify for a monthly reimbursement adjustment. The adjustment shall result in total payments to the public nursing facilities that are equal to but not in excess of the total of each individual facility's Medicare-related upper payment limit. The public nursing facility with the greatest number of Medicaid days by date of service from the previous state fiscal year will receive the adjustment. The adjustment shall be calculated as follows:

Once a year:

1. All Minimum Data Set (MDS) submissions for the previous state fiscal year for Medicaid residents by public nursing facility will be processed through the Medicare 44-group RUG classification system to attain the RUG score.
2. A report will be generated by facility identifying all prescription drugs, lab and x-ray paid by Medicaid for Medicaid residents. Total cost will be divided by twelve to derive a monthly amount.
3. A report will be generated by facility identifying Medicaid resident days for the previous fiscal year. Total days will be divided by twelve to derive a monthly amount.

Monthly:

1. The current Medicare rate associated with each RUG score will be assigned as if the resident were Medicare.
2. An average rate will be calculated by facility from all rates determined above.
3. The difference in a facility's average Medicare rate and the facility's Medicaid rate is calculated.
4. This difference is multiplied by the number of monthly Medicaid resident days.
5. The monthly amount of prescription drugs, lab and x-ray charges will be subtracted from the product calculated in step 4 by facility.
6. The total UPL amount is the sum of the amounts calculated in step 5.
7. Payment shall be made on a monthly basis by the fifteenth of the month.