



Appropriations Conference Chairs

BUMP ISSUES

**Senate Health and Human Services
Appropriations
House Health Care Appropriations**

Modified Senate Offer # 1

SB 2514 – Health Care

**Thursday, May 4, 2017
7:15 p.m.
412 Knott Building**

Senate Modified Offer #1

Section 8. Amends (s. 409.908(2), F.S.)

- Effective October 1, 2021, the Agency shall reimburse providers the greater of 95 percent of their cost-based rate or their rebased prospective rate, using the most recently audited cost report for each facility.

Effective October 1, 2018, a prospective payment methodology shall be implemented for rate setting purposes with the following parameters:

- a. Peer Groups, including:
 - (I) North-SMMC Regions 1-9, less Palm Beach and Okeechobee Counties; and
 - (II) South-SMMC Regions 10-11, plus Palm Beach and Okeechobee Counties.
- b. Percentage of Median Costs based on the cost reports used for September 2016 rate setting:
 - (I) Direct Care Costs 100 percent.
 - (II) Indirect Care Costs 92 percent.
 - (III) Operating Costs 86 percent.
- c. Floors:
 - (I) Direct Care Component 95 percent.
 - (II) Indirect Care Component 92.5 percent.
 - (III) Operating Component None.
- d. Pass-through Payments Real Estate and Personal Property Taxes and Property Insurance.
- e. Quality Incentive Program Payment Pool 6 percent of September 2016 non-property related payments of included facilities.
- f. Quality Score Threshold to Quality for Quality Incentive Payment 20th percentile of included facilities.
- g. Fair Rental Value System Payment Parameters:
 - (I) Building Value per Square Foot based on 2018 RS Means.
 - (II) Land Valuation 10 percent of Gross Building value.
 - (III) Facility Square Footage Actual Square Footage.
 - (IV) Moveable Equipment Allowance \$8,000 per bed.
 - (V) Obsolescence Factor 1.5 percent.
 - (VI) Fair Rental Rate of Return 8 percent.
 - (VII) Minimum Occupancy 90 percent.

(VIII) Maximum Facility Age 40 years.

(IX) Minimum Square Footage per Bed 350.

(X) Maximum Square Footage for Bed 500.

(XI) Minimum Cost of a renovation/replacements \$500 per bed.

h. Ventilator Supplemental payment of \$200 per Medicaid day of 40,000 ventilator Medicaid days per fiscal year.