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BERRYDUNN STYLE POTPOURRI

State regulatory update, financial and reimbursement trends, tax and accounting updates, and a review of our proprietary database

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TAX REFORM UPDATE

AGENDA

1 **QUALIFIED BUSINESS
INCOME DEDUCTION**

2 **OTHER BUSINESS
CHANGES**

3 **QUALIFIED PARKING**



**QUALIFIED BUSINESS INCOME (QBI)
DEDUCTION**

PASS-THROUGH BUSINESS INCOME

WHAT IS QBI?

Net amount of qualified income, gain, deductions and losses from a **Qualified Business.**

EXCLUDES:

- Wages/guaranteed payments you earned from such entities.
- Certain investment income.

TYPES OF ENTITIES THAT CAN HAVE QBI?

- S Corporations
- Partnerships (LLCs, LPs and General Partnerships)
- Sole Proprietorships- Schedule C
- Trusts and Estates
- Schedule E (maybe)

WHAT IS A QUALIFIED TRADE OR BUSINESS?

SECTION 199A DEFINES A QUALIFIED TRADE OR BUSINESS BY EXCLUSION

Every trade or business is qualified, other than:

- The trade or business of performing services as an employee; and
- A specified service trade or business (SSTB).

QBI DEDUCTION

LESSER OF:

- Combined Qualified Business Income deduction of taxpayer, or
- 20% of the excess of taxable income over sum of net capital gain.

QUALIFIED BUSINESS INCOME DEDUCTION CALCULATION:

Lesser of:

- 20% of QBI, or
- GREATER of:
 - 50% of allocable share of W-2 wages paid by entity, or
 - 25% of allocable share of W-2 wages, PLUS 2.5% of allocable share of unadjusted basis of the entity's qualified assets.

NOTE: W-2/ASSET LIMITATIONS IGNORED IF TAXABLE INCOME BEFORE QBI DEDUCTION < \$315,000 (MFJ) OR \$157,500 FOR ALL OTHER FILERS.

| | NON-SSTB | SSTB |
|---|---------------------------------|------------------------|
| Taxable Income < \$315,000 (MFJ, \$157,500 Single) | 20% Deduction | 20% Deduction |
| Taxable Income > \$315,000 but less than \$415,000 | Limitation Phased-In | Deduction Phase-Out |
| Taxable Income > \$415,000 | W-2 / Property Limit Applies | Limit Applies |

Investment
Management



Brokerage
Services

QBI DEDUCTION

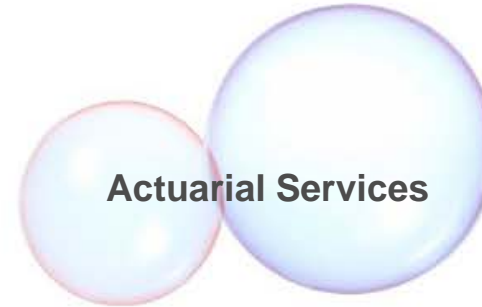
Specified service businesses prohibited

“Any trade or business where the principal asset of such trade or business is the reputation or skill of one or more of its employees or owners”

Health



Actuarial Services



Consulting



Law



Athletics



Accounting



Performing
Arts



Financial
Services



ASSISTED LIVING FACILITIES

Proposed Regulations define performance of services in the field of health as:

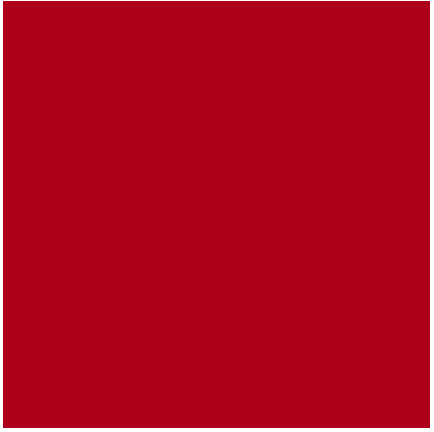
“the provision of medical services by individuals such as physicians, pharmacists, nurses, dentists, veterinarians, physical therapists, psychologists and other similar healthcare professionals performing services in their capacity as such who provide medical services directly to a patient (service recipient).”



OTHER BUSINESS CHANGES

OTHER BUSINESS CHANGES

- Business Interest Limitation.
- Bonus depreciation- 100% for 2018.
- New and used property eligible for bonus depreciation.
- Section 179 expense increase.
- Corporate rate reduction to 21%.
- Repeal of corporate AMT.



QUALIFIED PARKING

QUALIFIED PARKING

New change affects nonprofit and for-profit entities.

What is qualified parking?

The term “qualified parking” means parking provided to an employee on or near the business premises of the employer or on or near a location from which the employee commutes to work by transportation described in subparagraph (A), in a commuter highway vehicle, or by carpool. Such term shall not include any parking on or near property used by the employee for residential purposes.

FOR-PROFIT ENTITIES

Section 274(a)(4) states that employers will now lose their traditional business deduction with respect to their expense of providing certain disallowed qualified transportation fringe benefits to their employees, including items such as a commuter highway vehicle, transit passes, qualified parking, and on-premises athletic facilities.

NONPROFIT ENTITIES

Section 512(a)(7) states that nonprofit organizations will now be subject to unrelated business income tax (UBIT) for certain disallowed qualified transportation fringe benefits, including items such as a commuter highway vehicle, transit passes, qualified parking, and on-premises athletic facilities.

NOTICE 2018-99

Two separate categories identified:

1. Employers that pay a third party for employee parking spots.

For-Profit: The employer loses its deduction for the cost of parking. If the amount of the parking provided is more than \$260/month (allowable for 2018), then the excess over the \$260 threshold will be includible in employee income and will be allowed as a wage deduction.

Nonprofit: The costs paid to a third party for employee parking, up to the IRC Section 132(f)(2) limitation (which is currently \$260 per month), are taxable as unrelated business income (UBI). Any excess over the limitation is taxable compensation to the employee.

2. Employers that own or lease all or a portion of a parking facility.

For-Profit: Employers are required to use any reasonable method to calculate the amount of any disallowed deduction.

Nonprofit: A four-step approach to determining whether or not you have taxable costs (UBI) related to providing employees with parking if you own or lease a portion of your parking lot.



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MEDICAID LEGISLATIVE & REGULATORY UPDATE

Status of the Industry, LD 925, Emergency & Proposed Rules and Proposed Legislation



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AUDIT AND ACCOUNTING UPDATE

NEW ACCOUNTING PRONOUNCEMENTS

- FASB ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606)
Effective for annual periods beginning after December 15, 2018**
- FASB ASU No. 2016 - 02, *Leases* (Topic 842)
Effective for annual periods beginning after December 15, 2019**
- FASB ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*
Effective for annual periods beginning after December 15, 2017**

Financial Accounting Standards Board (FASB)

Accounting Standards Update (ASU)

**Effective date is for non-public business entities



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FEDERAL UPDATE
VALUE BASED PURCHASING



VALUE BASED PURCHASING

PROTECTING ACCESS TO MEDICARE ACT OF 2014 (PAMA)

Links financial outcomes to quality performance

How the program works

- Starting October 1, 2018, Medicare Part A payments will be cut 2% to fund an incentive payment pool
- 60% of the pool will be returned to providers as an incentive payment
- Incentives based on managing hospital readmissions



SNF 30-DAY ALL-CAUSE READMISSION MEASURE

- Used in VBP for fiscal years (FY) 2019, 2020, 2021, and maybe more
 - SNF RM will eventually be replaced by SNF PPR
- Calculated using Medicare Fee-For-Service Part A claims
 - Includes re-hospitalizations during 30 day window from admission to the SNF
- Excludes planned readmissions and observation stays
- Risk adjusted



SNF RE-HOSPITALIZATIONS ARE NOW LINKED TO PAYMENT

- Statute specifies to start with an all cause readmission measure (SNF RM) and transition to a potentially preventable readmission measure (SNF PPR) after FY 20
- Payment adjustment of 2% cut and potentially up to a 1.65% increase in SNF Part A rates applied for 1 year (fiscal year) based on SNF's national ranking on their re-hospitalization score

HOW DOES VALUE BASED PURCHASING PROGRAM WORK?



1 RE-HOSPITALIZATION RATE

Calculate your re-hospitalization RATE using the SNF RM measure



2 SCORE AND RANK

Calculate your score based on your re-hospitalization rate during performance period OR improvement from baseline to performance period, whichever is better.

Rank based on your score



3 PAYMENT

Link your rank to payment

Based on your rank, each SNF is assigned an “incentive payment multiplier” used to adjust your SNF Part A payments

REHOSPITALIZATION SCORES

YEAR 1

Better of your achievement or improvement score

ACHIEVEMENT SCORE YEAR 1:

If SNF RM rate < **16.4%**, then performance score is 100

If SNF RM rate > **20.4%**, then performance score is 0

IMPROVEMENT SCORE YEAR 1:

If SNF RM rate < **16.4%**, then improvement score is 90

If SNF RM CY rate > CY2015 rate, then improvement score is 0

YEAR 2

Better of your achievement or improvement score

ACHIEVEMENT SCORE YEAR 2:

If SNF RM rate < **16.3%**, then achievement score is 100

If SNF RM rate > **19.8%**, then achievement score is 0

CMS WANTS TO REWARD IMPROVEMENT OVER TIME AS WELL AS CURRENT PERFORMANCE.



INCENTIVE PAYMENT

IPM IS MULTIPLIED BY YOUR REIMBURSEMENT RATE FOR ALL YOUR SNF PART A CLAIMS FOR A FY

First Year: Oct 1, 2018 to Sept 30, 2019

IPM IN FY19 WILL RANGE FROM (0.98) TO 1.0165

SNFs with less than 25 part A admissions per year assigned IPM = 1.00000 (Neutral – no gain or loss under the program)



VBP SCORES GRADED ON A CURVE TO BE SURE 60% OF WITHHOLD IS RETURNED

Order of adjustments

1. Market basket adjustments
2. Quality program adjustments
3. VBP adjustments (net adjustment)
4. Sequestration

EXCLUSIONS FROM VALUE BASED PURCHASING PROGRAM

1

LOW VOLUME SNF'S

- Defined as <25 eligible stays during the performance period
- Receive a net neutral incentive multiplier, you will not lose or gain money under VBP

2

NEW SNF'S

- Defined as zero eligible stays during the baseline and performance periods
- Receive a net neutral incentive multiplier, you will not lose or gain money under VBP

3

MISSING BASELINE PERIOD

- Defined as zero eligible stays during the baseline but ≥ 25 during the performance period
- SNF scored based only on achievement. No restriction on what SNF can lose or gain

4

EXTRAORDINARY EXCEPTIONS

Can be natural or man made disasters (fire, terrorism, hurricane). If approved, period of time will be excluded from calculation of SNF readmission rate

VALUE BASED PURCHASING TIMELINE – WHAT CAN YOU DO?

| VBP IMPACT YEAR | BASELINE PERIOD | PERFORMANCE PERIOD |
|----------------------------|----------------------------|----------------------------|
| FY 2019 (Oct'18-Sep'19) | CY 2015 (Jan'15-Dec'15) | CY 2017 (Jan'17-Dec'17) |
| FY 2020 (Oct'19-Sep'20) | CY 2016 (Oct'15-Sep'16) | FY 2018 (Oct'17-Sep'18) |
| FY 2021 | FY 2017 | FY 2019 |
| FY 2022 | FY 2018 | FY 2020 |



STEPS TO PREVENT HOSPITAL READMISSIONS

- Assume all hospitalizations are preventable
- Understand and focus on what causes hospitalizations
- Evaluate residents on risk of readmission
- Focus on transitions of care
- Improve communications
- Track hospitalizations and set a goal (quarterly feedback reports)

SKILLED NURSING FACILITY 30-DAY POTENTIALLY PREVENTABLE READMISSION

WHEN WILL (SNF PPF) BE IMPLEMENTED?

SIMILAR TO SNF RM EXCEPT THE SCOPE IS LIMITED TO 4 POTENTIALLY PREVENTABLE CLINICAL CATEGORIES:

- Inadequate mgmt. of chronic conditions
- Inadequate mgmt. of infections
- Inadequate mgmt. of other unplanned events
- Inadequate injury prevention

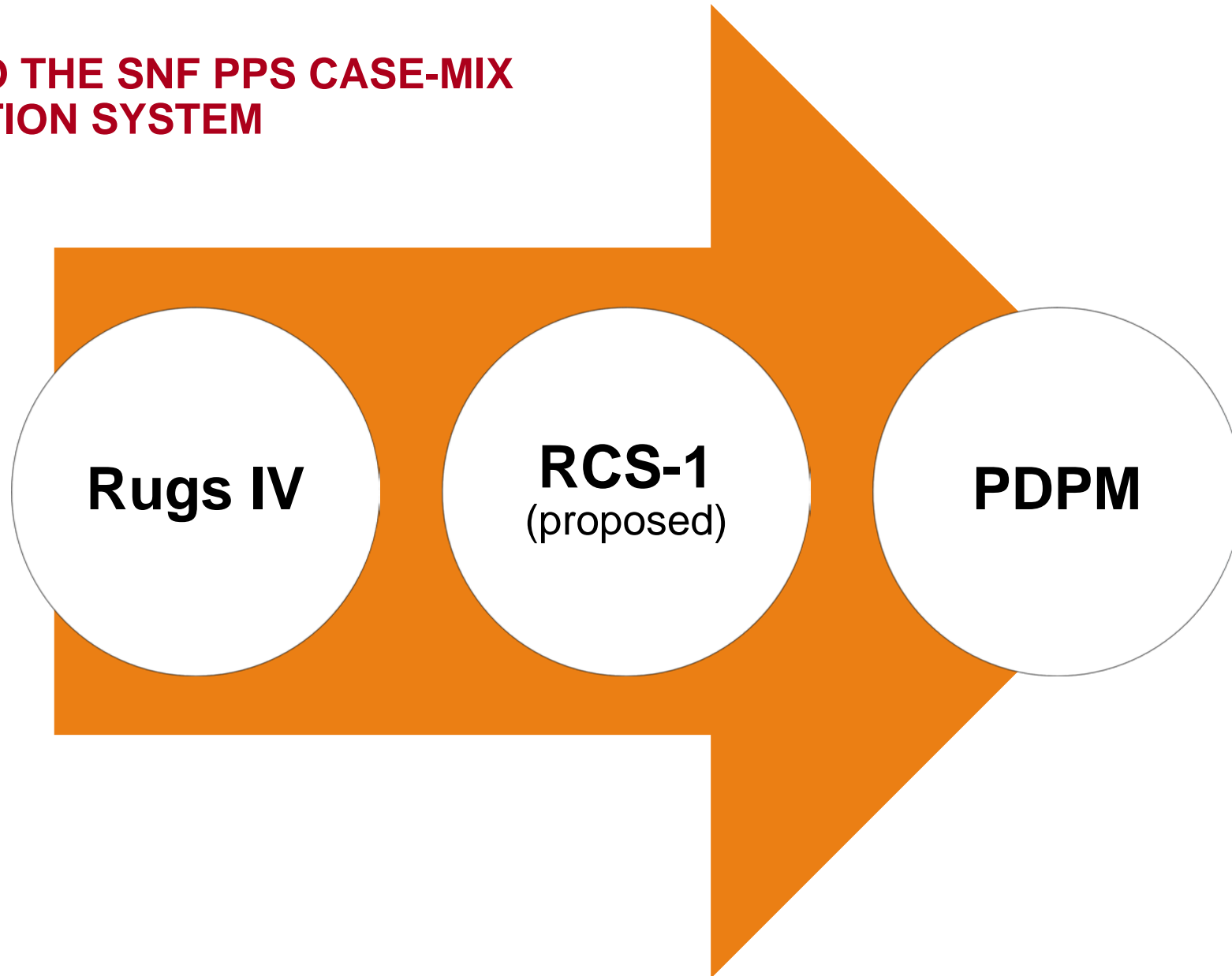
A person with long brown hair, wearing a black tank top and light blue shorts, is climbing a grey rock face. They are seen from behind, reaching up with their right arm. The rock surface is textured and has some orange-brown spots. The background is a solid red bar with four colored squares (dark blue, light blue, orange, green) on the right side.

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FEDERAL UPDATE

PATIENT DRIVEN PAYMENT MODEL

CHANGES TO THE SNF PPS CASE-MIX CLASSIFICATION SYSTEM



PROMOTING PATIENT DRIVEN VALUE-BASED CARE

PDPM EFFECTIVE OCTOBER 1, 2019

- Designed to treat the whole patient, rather than volume of services patient receives
- Focuses on clinically relevant factors
- Utilizes ICD-10 diagnosis codes
- Payment based on each aspect of residents care
- PDPM adjusts payment to reflect varying costs throughout stay
- Reduces reporting burden associated with patient assessment

PATIENT DRIVEN PAYMENT MODEL (PDPM)

KEY PDPM FEATURES IMPACT ALL AREAS OF OPERATIONS AND CARE DELIVERY

Per-diem
Payment

Therapy
minutes no
longer drive
payment

Patient
characteristics
drive payment

Total therapy
delivery
capped at
25% for group
and
concurrent

MDS coding
now drives
payment

COMPLETE DEPARTURE FROM RUG'S IV

PDPM IS STILL A PER-DIEM PAYMENT MODEL BUT COMPONENTS ARE CHANGED



1 RUGS

- Therapy
- Non-Case Mix Therapy
- Nursing
- Non-Case mix



2 PDPM

- Physical Therapy
- Occupational Therapy
- Speech Therapy
- Nursing
- NTAS
- Non-Case mix

PATIENT DRIVEN PAYMENT MODEL (PDPM)

- Admissions process is critical
- New provisions will impact payment
- More MDS items impact PDPM than under RUGs
- PDPM MDS items also impact SNF QRP and readmissions
- PDPM shifts payment to residents with complex clinical needs
- SNF Responsibilities under PDPM



ADVANTAGES OF PDPM

THERAPY

- Removes therapy minutes as basis for payment
- Divides therapy component into three separate case-mix adjusted components

NTA

Establishes a separate case-mix component for NTA services

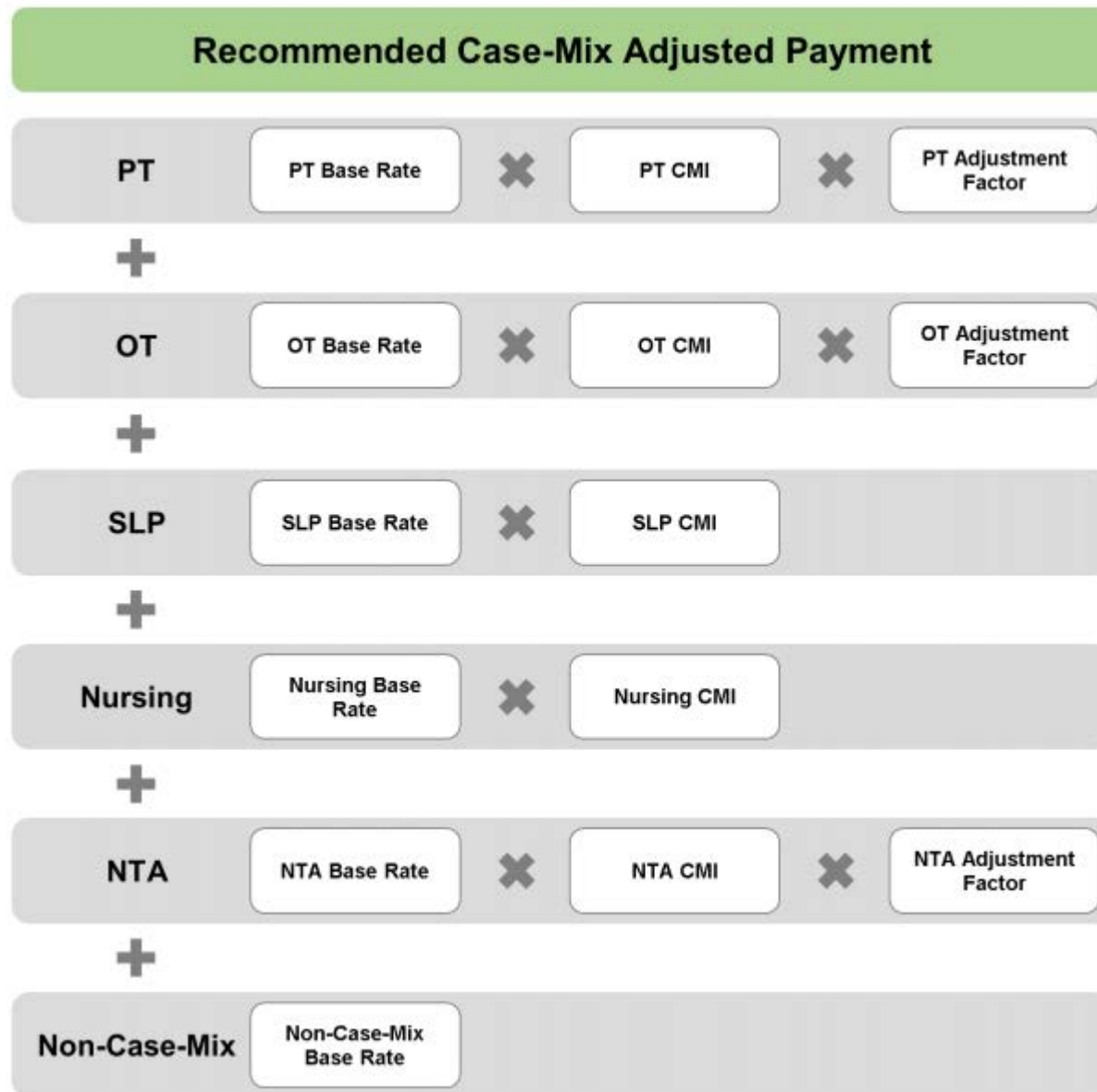
NURSING SERVICES

Payments dependent on wide range of clinical characteristics

PAYMENT

- Based on clinically-relevant characteristics
- Variable per-diem payment

PAYMENT UNDER PDPM



SOURCE: CMS SNF PDPM TECHNICAL REPORT

CHANGES TO THE MINIMUM DATA SET (MDS): THREE CATEGORIES

STREAMLINED ASSESSMENT POLICY

- Five-day PPS Assessment
- Interim Payment Assessment (IPA)
- PPS Discharge Assessment

NEW MDS ITEM SETS

- Interim Payment Assessment (IPA)
- Optional State Assessment (OSA)

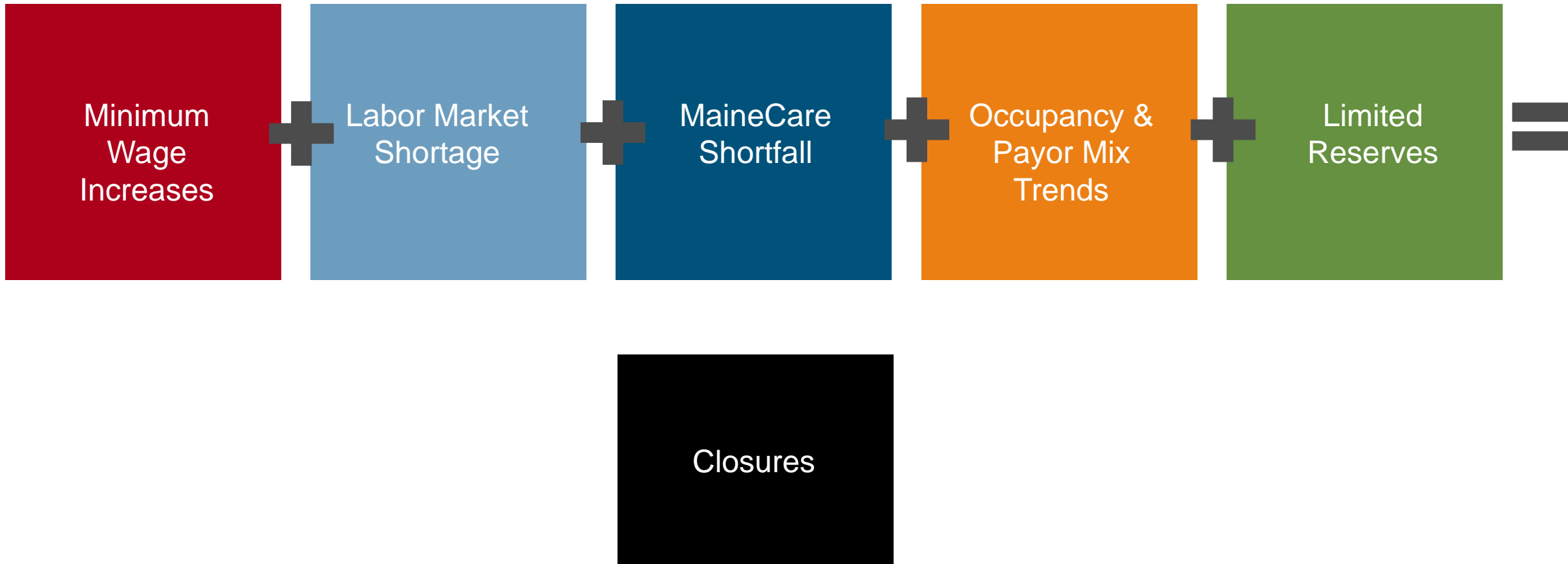
NEW MDS ITEMS

- Section I: SNF Primary Diagnosis
- Section J: Patient Surgical History
- Section O: Discharge Therapy Items
- Section GG: Interim Performance

HOW CAN YOU PREPARE FOR PDPM NOW?



STATUS OF THE INDUSTRY



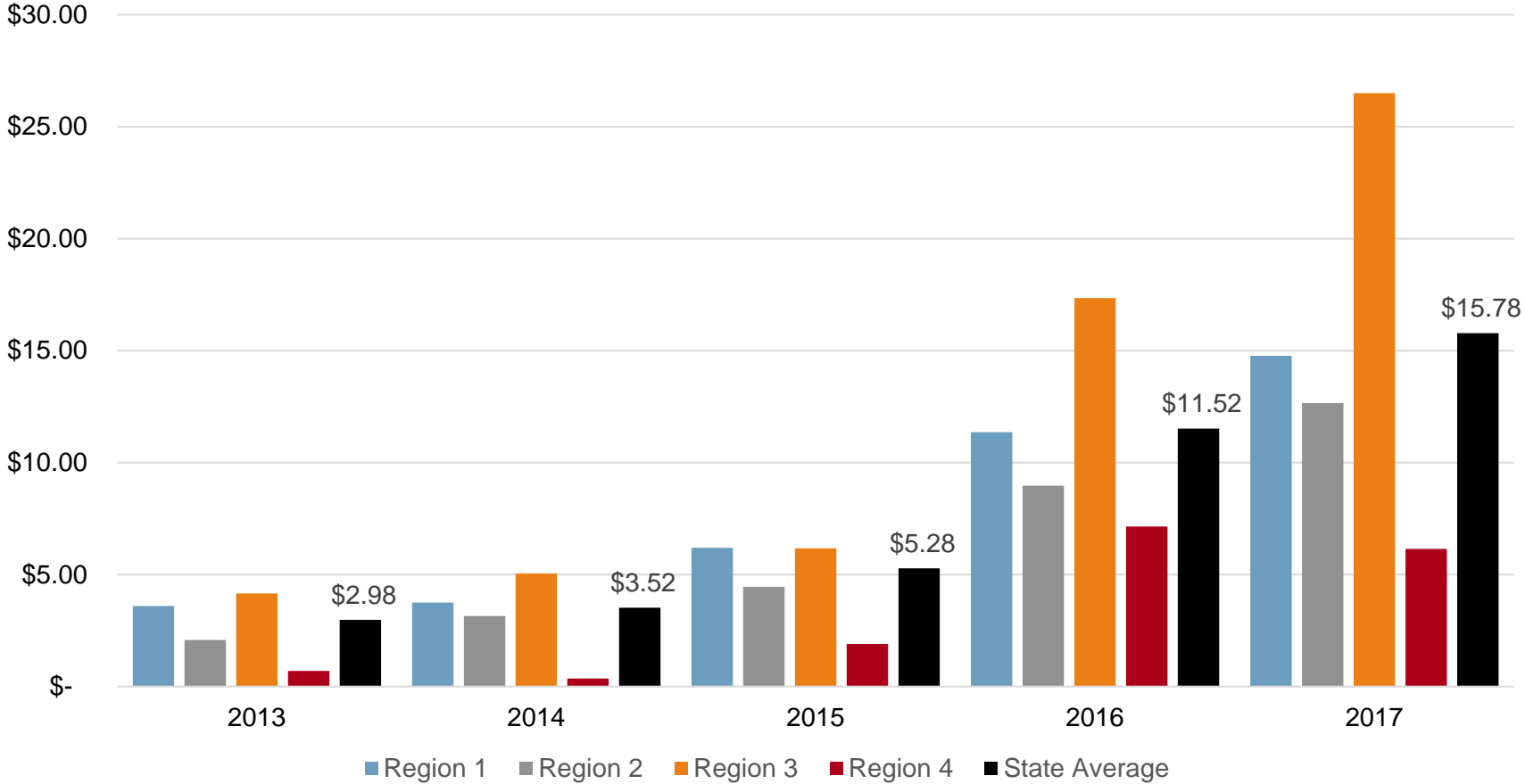
STATUS OF THE INDUSTRY MINIMUM WAGE INCREASES

On January 1, 2021 and each January 1st thereafter, the minimum hourly wage then in effect must be increased by the increase, if any, in the cost of living.

| | |
|-----------------|--------------------|
| October 1, 2009 | \$7.25 to \$7.50 |
| January 1, 2017 | \$7.50 to \$9.00 |
| January 1, 2018 | \$9.00 to \$10.00 |
| January 1, 2019 | \$10.00 to \$11.00 |
| January 1, 2020 | \$11.00 to \$12.00 |

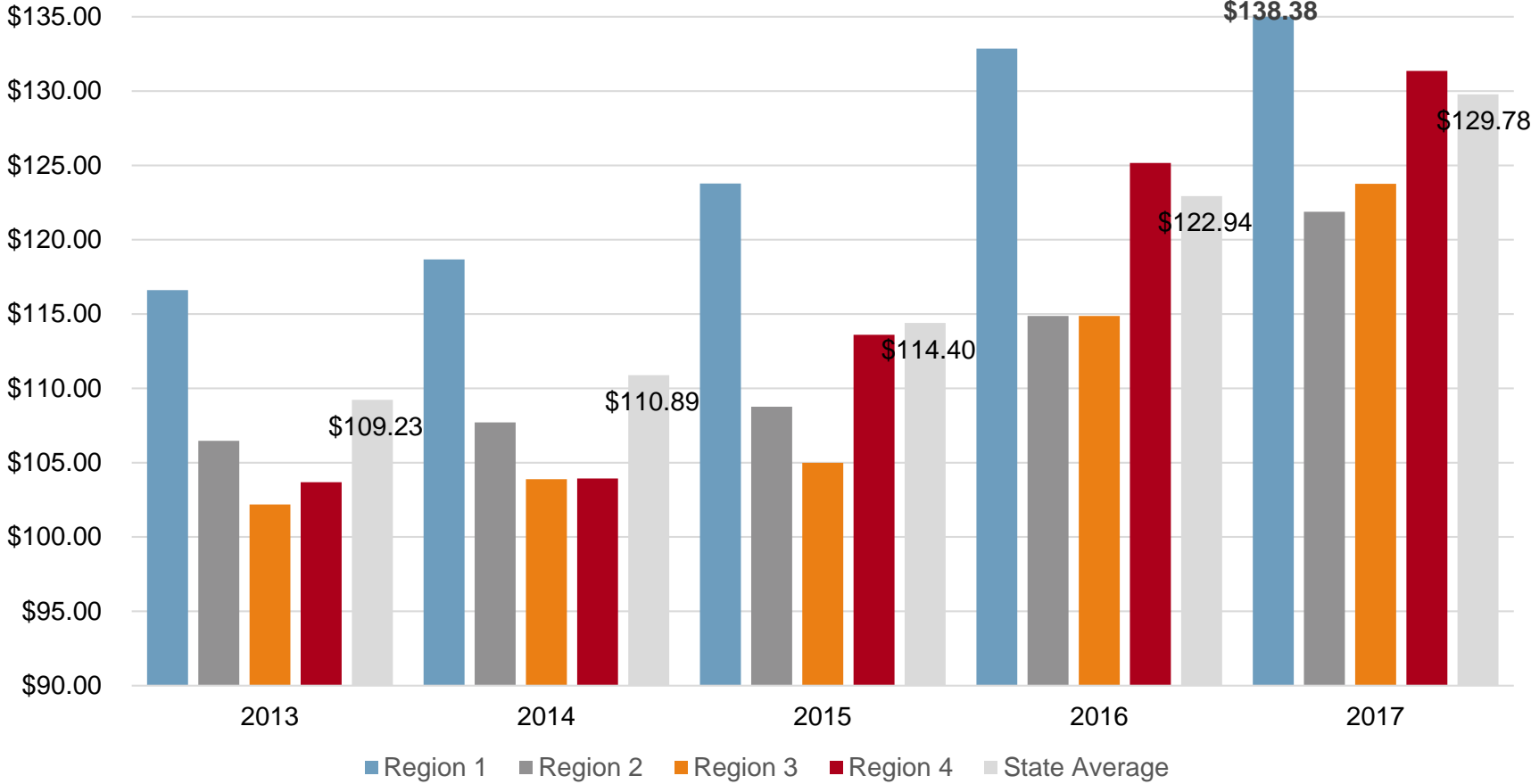
STATUS OF THE INDUSTRY – LABOR MARKET SHORTAGE

SKILLED/LONG-TERM CARE UNIT AVERAGE ALLOWABLE CONTRACT LABOR COST PER PATIENT DAY BY REGION AND STATE-WIDE



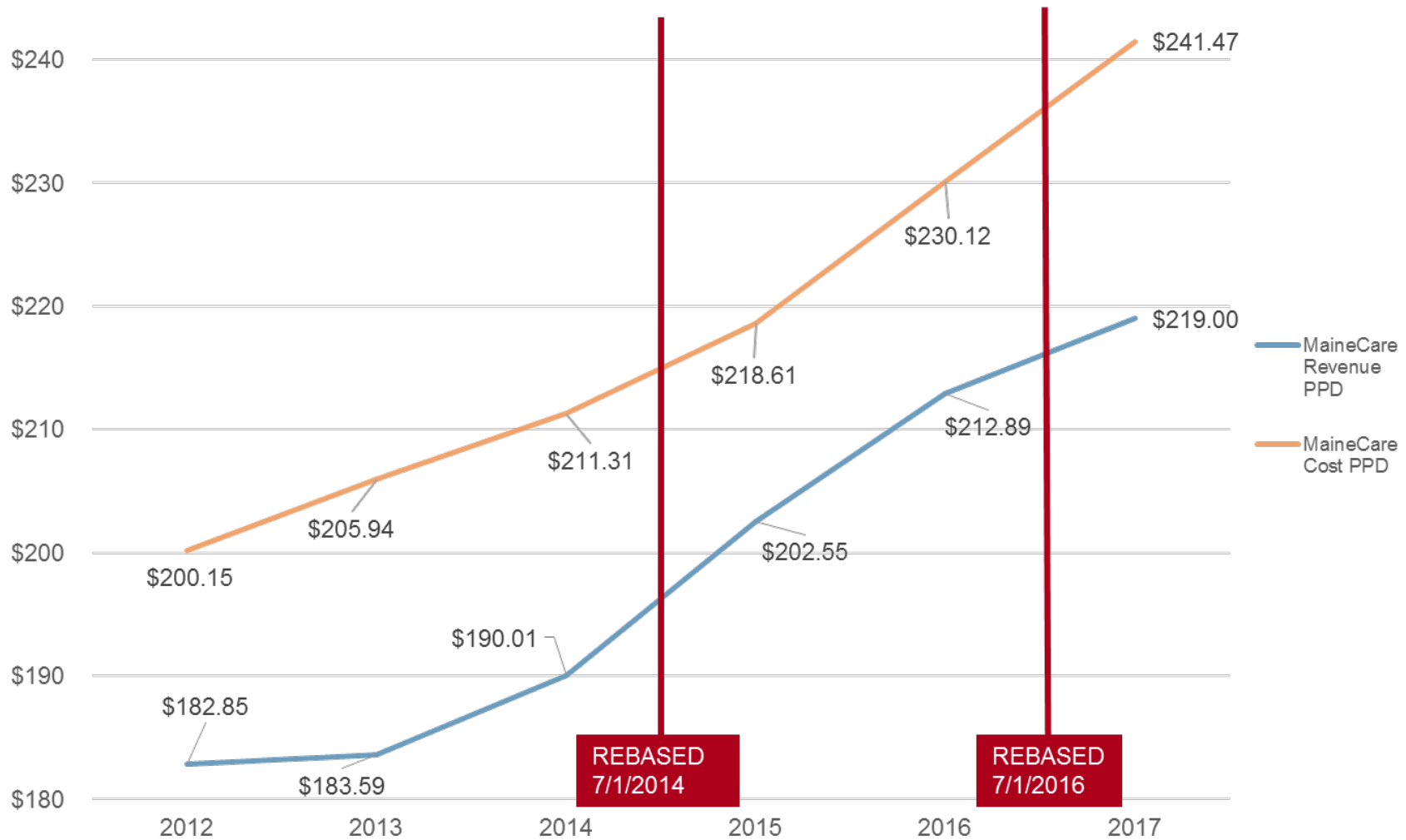
STATUS OF THE INDUSTRY – LABOR MARKET SHORTAGE

NURSING FACILITY AVERAGE ALLOWABLE DIRECT CARE COST PER PATIENT DAY BY REGION AND STATE-WIDE



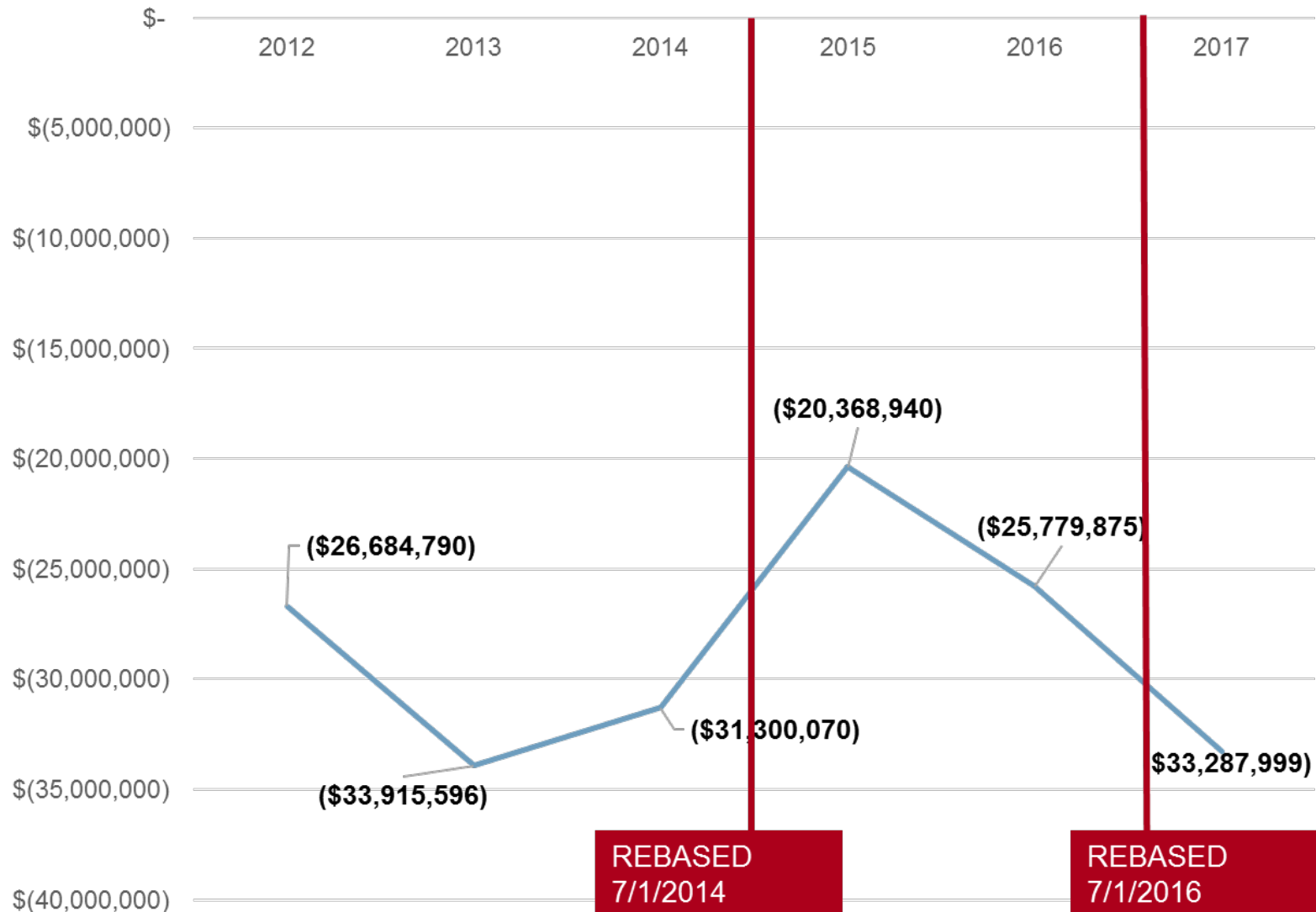
STATUS OF THE INDUSTRY – MAINECARE SHORTFALL

NF – MAINECARE REVENUE AND COST PER PATIENT DAY (PPD)



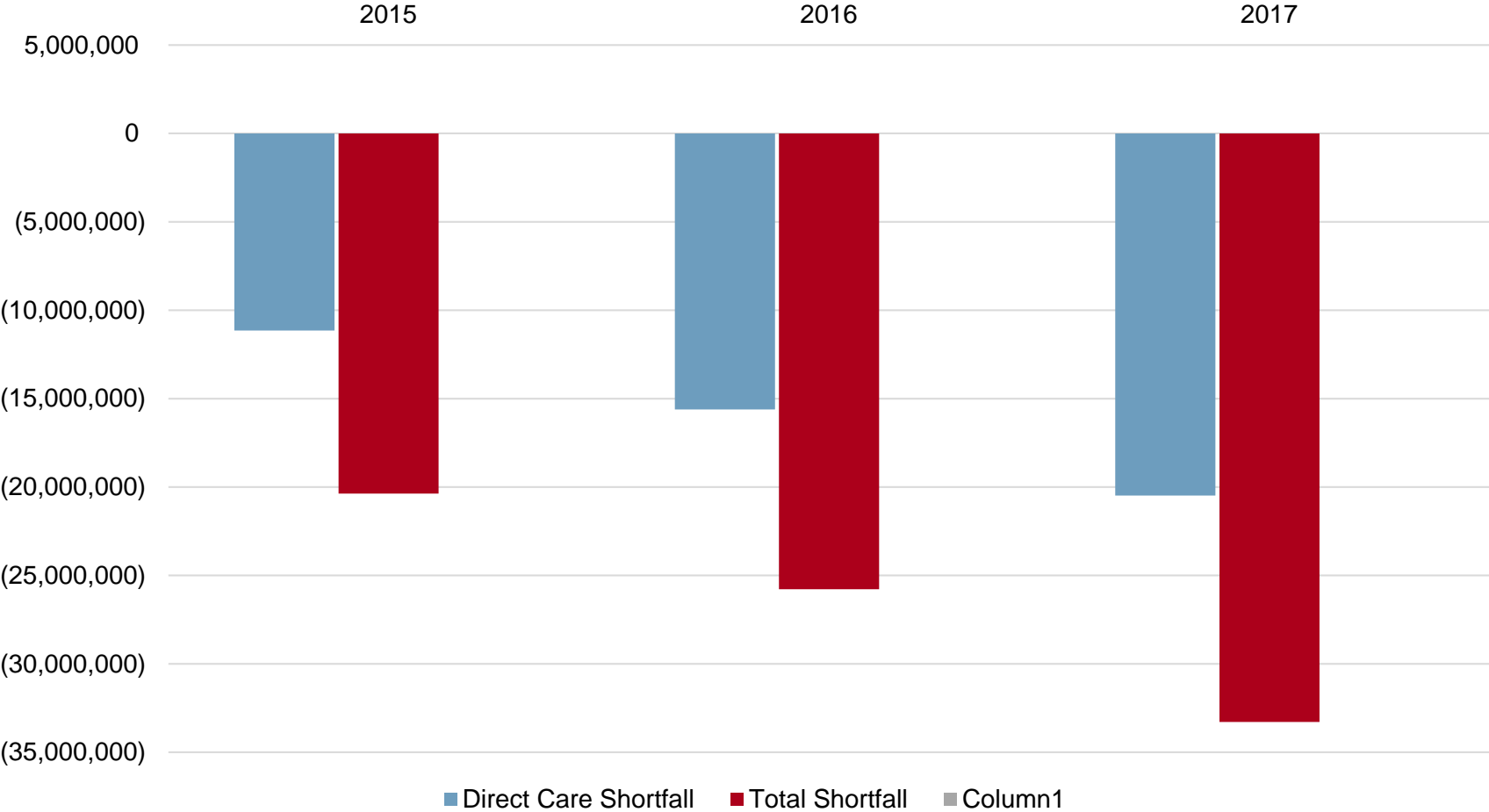
STATUS OF THE INDUSTRY – MAINECARE SHORTFALL

NF – MAINECARE SHORTFALL



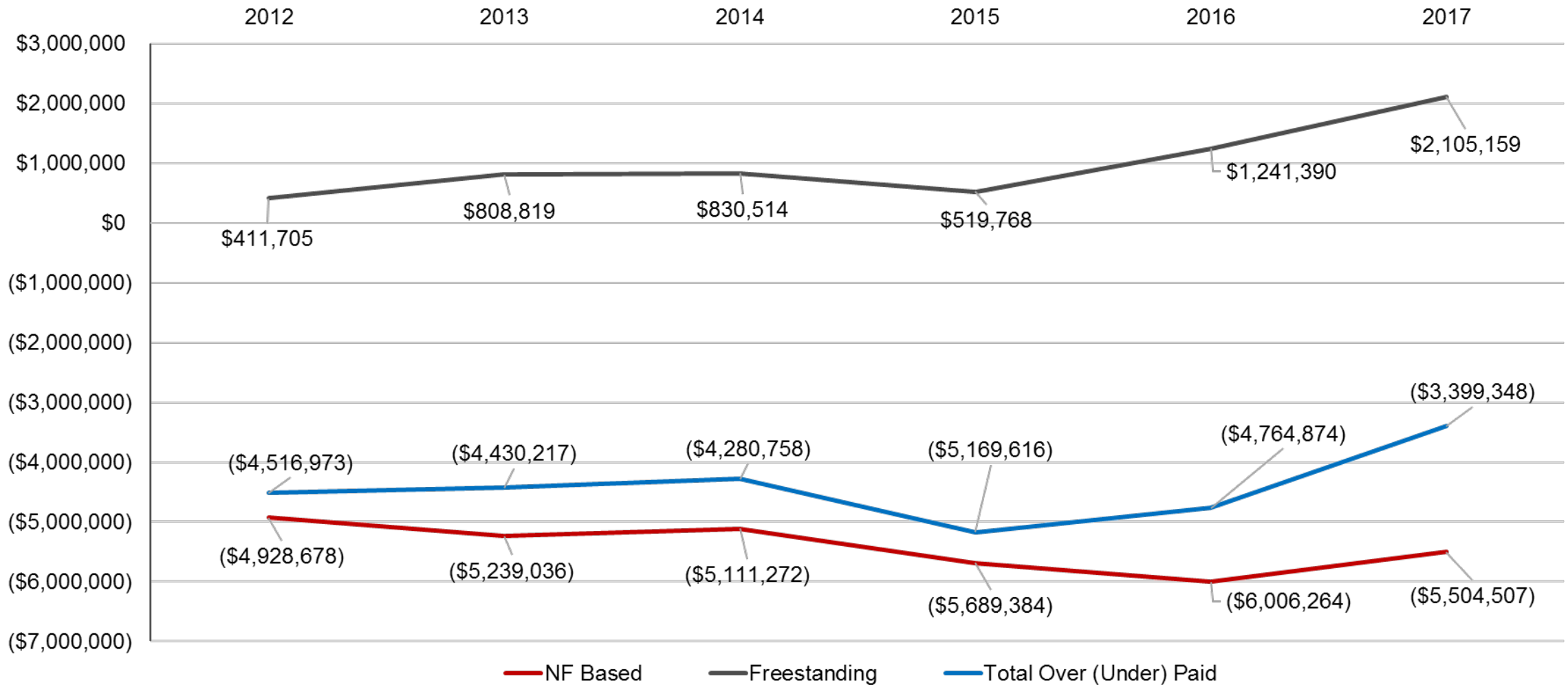
STATUS OF THE INDUSTRY – MAINECARE SHORTFALL

DIRECT CARE SHORTFALL GROWTH AND TOTAL MAINECARE SHORTFALL GROWTH

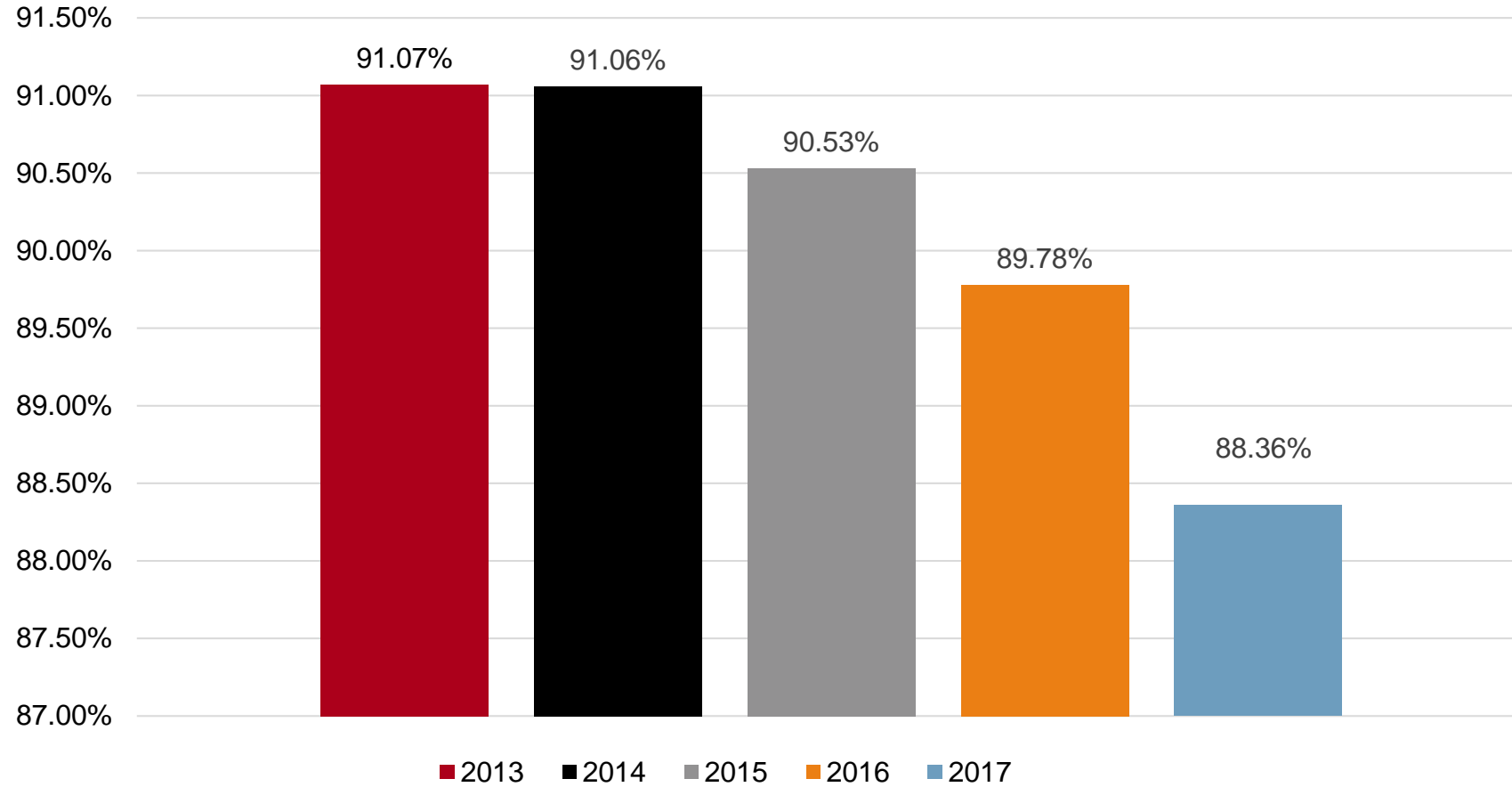


STATUS OF THE INDUSTRY – MAINECARE SHORTFALL

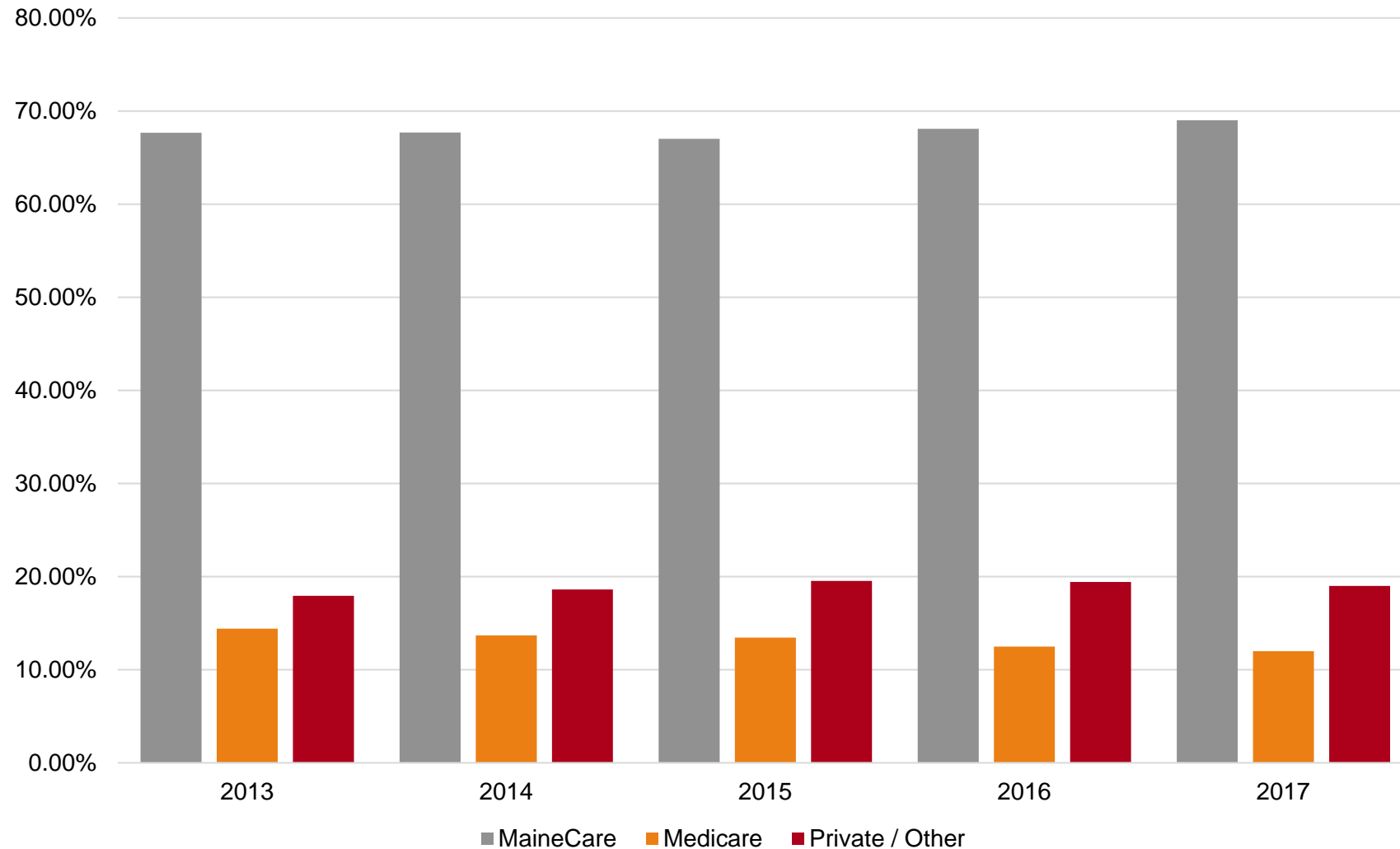
RCF - MAINECARE SHORTFALL



STATUS OF THE INDUSTRY OCCUPANCY TREND (STATE-WIDE)

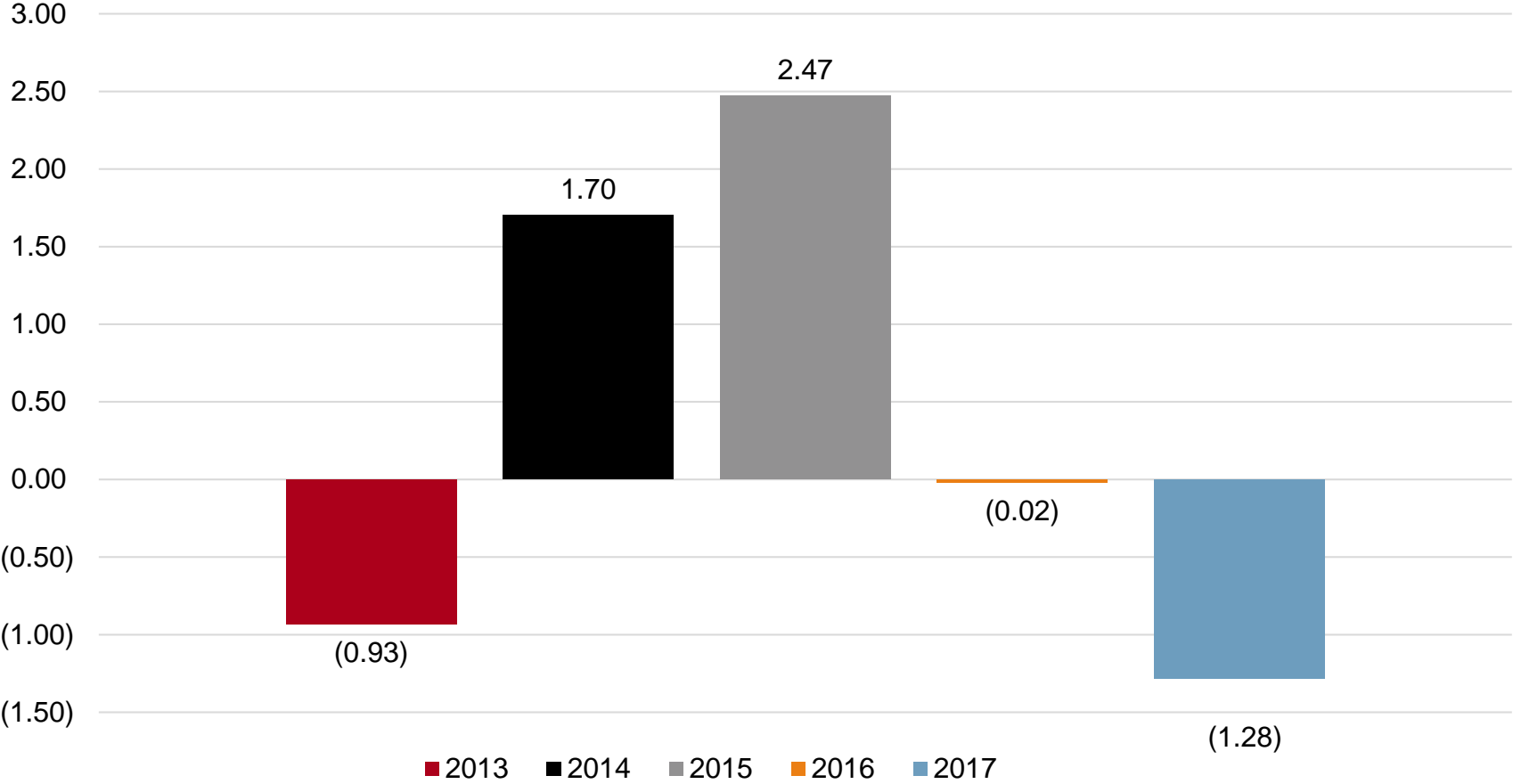


STATUS OF THE INDUSTRY PAYOR MIX TREND (STATE-WIDE)

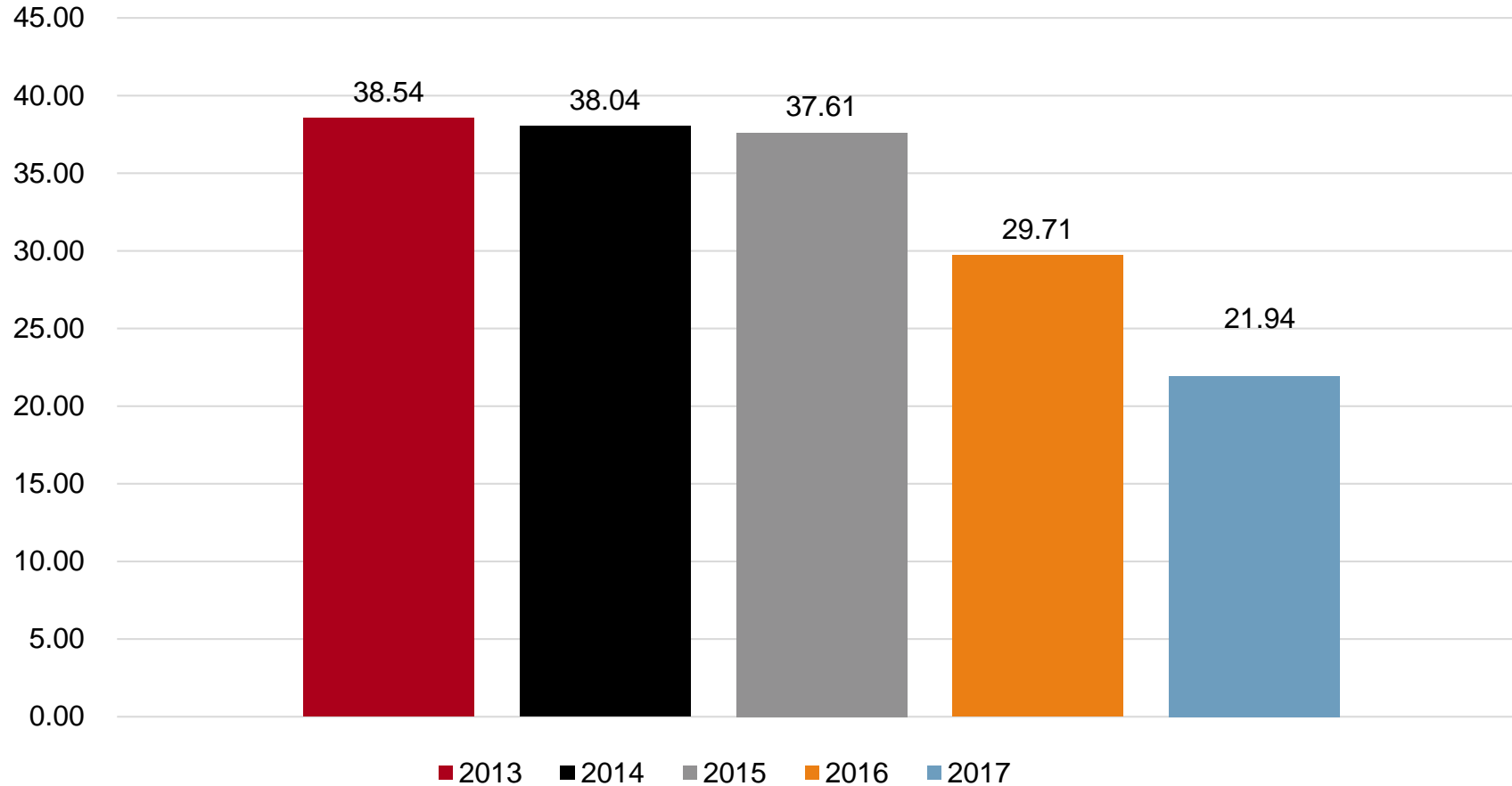


STATUS OF THE INDUSTRY: LIMITED RESERVES

TOTAL MARGIN TREND (BERRYDUNN MAINE SENIOR LIVING CLIENTS)



STATUS OF THE INDUSTRY: LIMITED RESERVES DAYS CASH ON HAND (BERRYDUNN MAINE SENIOR LIVING CLIENTS)



STATUS OF THE INDUSTRY – CLOSURES

| NURSING FACILITY CLOSURES | COUNTY | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|------------|------|------|------|------|------|
| Bridgton Health Care Center | Cumberland | | | | | X |
| Freeport Nursing Home | Cumberland | | | | | X |
| Fryeburg Health Care Center | Oxford | | | | | X |
| Ledgeview Manor | Oxford | | | | | X |
| MGRNC – Jackman Regional Health Center | Somerset | | | | X | |
| Mountain Heights Health Care Facility | Penobscot | | | | | X |
| Oceanview Nursing Home | Washington | X | | | | |
| Penobscot Nursing Home | Hancock | X | | | | |
| Sebasticook Valley Health Care Facility | Somerset | X | | | | |
| St. Joseph’s Nursing Home | Aroostook | | X | | | |
| Sunrise Care Facility | Washington | | | | | X |
| Winthrop Manor | Kennebec | | | X | | |



LD 925

An Act making certain appropriations and allocations and changing certain provisions of the law necessary to the proper operations of state government

LD 925 SUMMARY – NURSING FACILITIES

- 1 REBASING**

For state fiscal year beginning 7/1/18, base year for each facility is its FY that ended in the calendar year 2016. For state FYs beginning on or after 7/1/19, subsequent rebasing must be based on most recent cost report filings available.
- 2 SUPPLEMENTAL WAGE ALLOWANCE**

An amount equal to 10% of allowable wages and associated benefits and taxes as reported on each facility's as-filed cost report for its fiscal year ending in calendar year 2016 must be added to the cost per resident day.
- 3 CHANGE IN OCCUPANCY PENALTY**

For the state FYs ending 6/30/19, 6/30/20 and 6/30/21, the reduction in allowable cost per day in the fixed costs component based on minimum occupancy standards applies only for an annual level of occupancy less than 70%.
- 4 LOW COST, HIGH MEDICAID FACILITIES**

Beginning 7/1/19....the supp. pmt increases to 60¢/resident day, is not subject to cost settlement and must be retained by the facility in its entirety for facilities with > 80% MaineCare utilization and whose base year direct and routine aggregate costs/day are < the median aggregate direct and routine allowable costs for the facility's peer group.

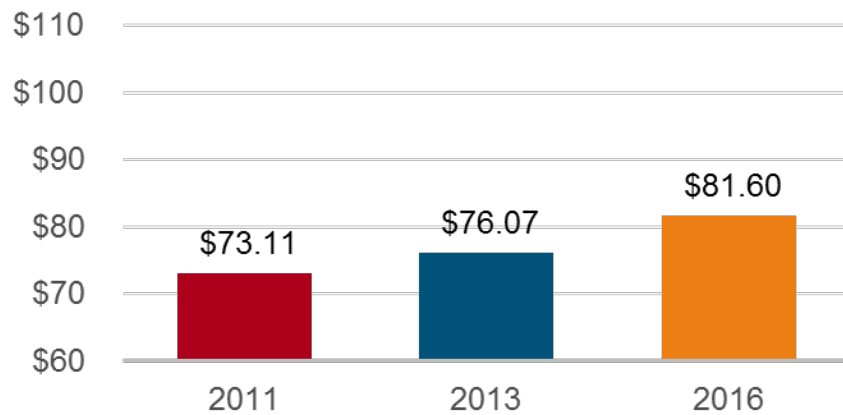
HOLD HARMLESS

The rate of reimbursement for nursing facilities for direct care and routine costs that results from amending the law or the rules to reflect the revised method of rebasing the nursing facility's base year pursuant to this section may not result for any nursing facility in a rate of reimbursement that is lower than the rate in effect on June 30, 2018.

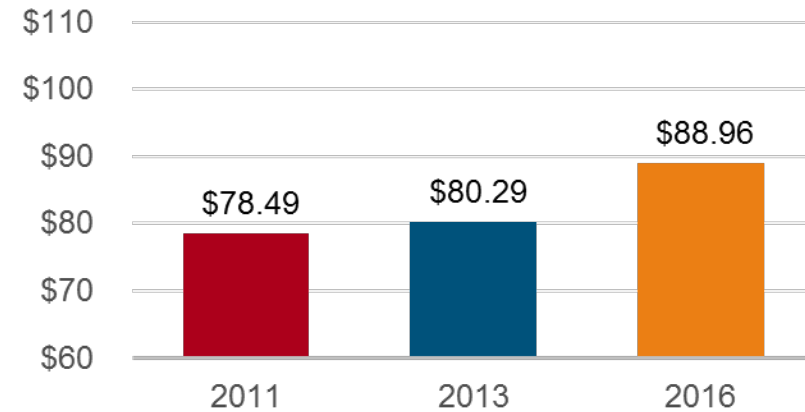
LD 925 – REBASING TRENDING OF MEDIAN LIMITS

DIRECT CARE

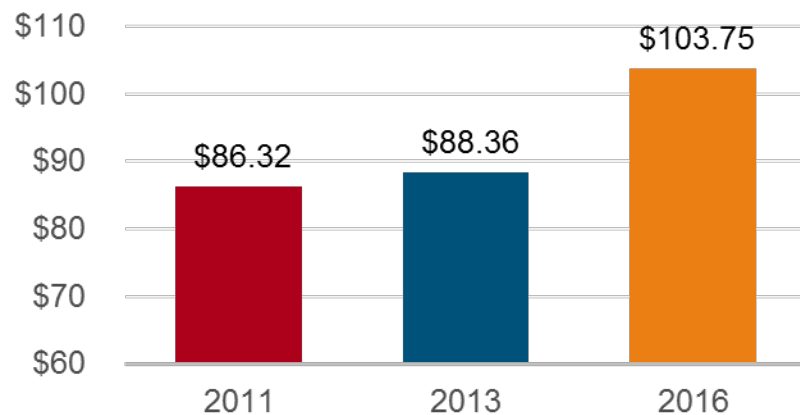
PEER GROUP 1 - \leq 60 BEDS



PEER GROUP 2 - $>$ 60 BEDS



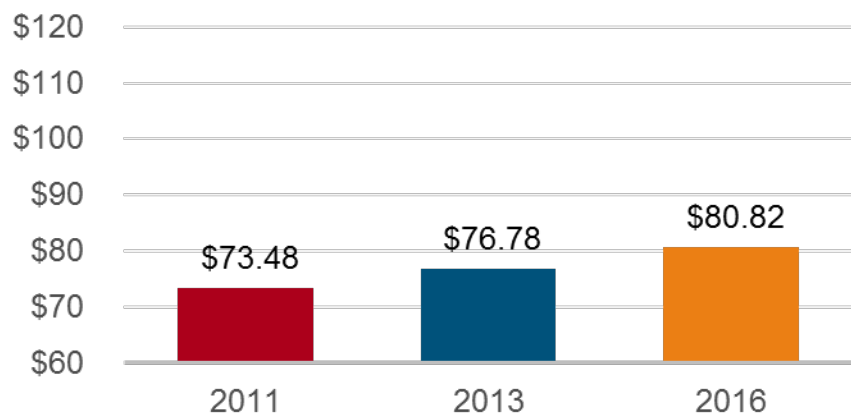
PEER GROUP 3 - HOSPITAL BASED



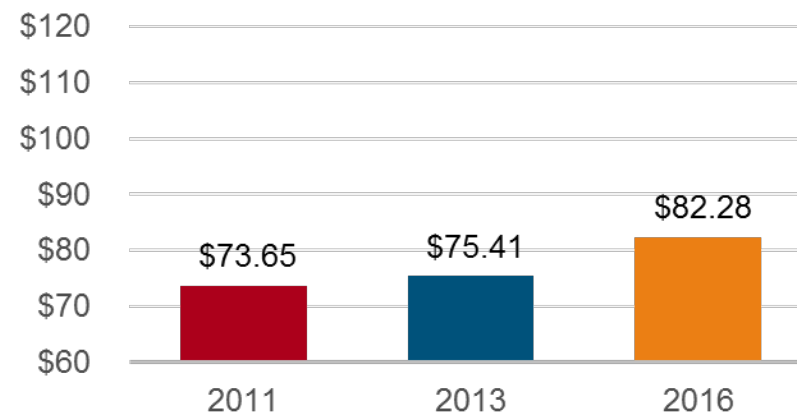
**AMOUNTS REPRESENT 110%
OF CALCULATED MEDIANS
(USED TO SET THE LIMIT)
IN THE RESPECTIVE BASE
YEARS**

ROUTINE

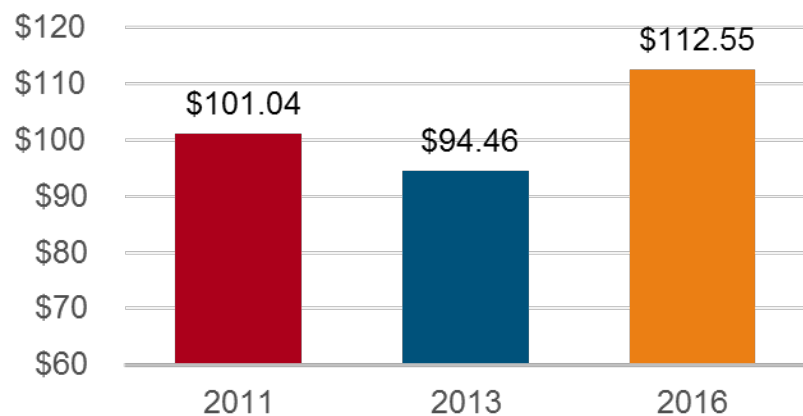
PEER GROUP 1 - <= 60 BEDS



PEER GROUP 2 - > 60 BEDS



PEER GROUP 3 - HOSPITAL BASED



**AMOUNTS REPRESENT 110%
OF CALCULATED MEDIANS
(USED TO SET THE LIMIT)
IN THE RESPECTIVE BASE
YEARS**



RESIDENTIAL CARE FACILITIES

1

Supplemental wage allowance for
the year ending June 30, 2019

2

Inflation for rates for fiscal year
2019-2020 and thereafter



- **“Haircut” supplemental wage allowance**
- **Inflation shortfall**
- **Wage supplemental allowance does not consider contract dollars**
- Case-mix direct care add-on
- Correction to hold harmless provision
- **Timing of “ultra” high MaineCare utilization, low cost facility add-on**



EMERGENCY AND PROPOSED RULES

RESIDENTIAL CARE FACILITIES

Chapter 115 – Room & Board
Section 97 – PNMI Appendix C

NURSING FACILITIES

Section 67 – Nursing Facilities

RESIDENTIAL CARE FACILITIES: PROPOSED RULES

EFFECTIVE NOVEMBER 1, 2017

- Extraordinary circumstance language
- \$350k threshold for prior approval of renovations & new construction now \$500k
- Cost for changes in law shall be paid via supplemental payment

EFFECTIVE AUGUST 1, 2018

- Annual COLA for wages
- Supplemental allowance for 10% of wages and benefits and taxes

OTHER

- Depreciation recapture
- Modified or new definitions for licensed capacity, occupancy, proper interest and swap investments
- Computer hardware is a fixed costs. Software will be considered a routine cost.

OTHER CHANGES NOT IDENTIFIED IN SUMMARY LETTER

- Included in proper interest definition is a statement that retroactive approvals for refinancings, energy efficient improvements, renovations/new projects over \$500k will not be allowed
- 20.1 – Removed. Stated that all costs not specifically identified as included in routine, shall be capital
- Interest payment terms cannot exceed estimated useful life of the asset being financed
- If prior approval in writing for a refinance is not obtained, the lower of actual interest paid or interest per the historical approved amortization schedule shall be allowed. Also, costs to refinance will be unallowable.
- The Department will not pay for swap investments
- Additional vehicle requests must be in writing

PNMI APPENDIX C

- Annual COLA for wages
- Supplemental allowance for 10% of wages and benefits and taxes
- Requires test to retain 10%

NURSING FACILITIES: PROPOSED RULES

EFFECTIVE AUGUST 2, 2018, UPON CMS APPROVAL

- Base year definition
- Removal of 18.5.1 – “necessary and proper interest on both current and capital indebtedness is an allowable cost”
- Addition of “allowable loan” language
- Addition of 18.5.2 specifically excluding swaps from allowable interest
- Substantial changes to refinancing approval language
- Changes to occupancy adjustment threshold per LD 925
- Additional language for Ultra High MaineCare Utilization payment per LD 925, effective 07/01/19
- New Principle 18.13 – Supplemental Wage Allowance, haircut, and test to retain the 10%
- New Principle 18.14 – Aggregate Hold Harmless
- Remove funding adjustment language left over from LD 1776
- Changes to Community Based Specialty Nursing Facility Units language



PROPOSED RULES

RESIDENTIAL CARE FACILITIES

Emergency rule: November 20, 2018

Public hearing: December 17, 2018

Comment deadline: December 27, 2018

NURSING FACILITIES

Emergency rule: December 4, 2018

Public hearing: January 2, 2019

Comment deadline: January 12, 2019



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PROPOSED LEGISLATION
DON'T STOP - WON'T STOP

PROPOSED LEGISLATION

**LD 925 FIXES AND ADDITIONAL
ELEMENTS**

1

**AMEND THE PRINCIPLES OF
REIMBURSEMENT TO ALLOW
CERTAIN BAD DEBTS & HEALTH
INSURANCE AS A FIXED/CAPITAL
COST**

2

**RESTORE BED-BANKING & RETAIN
SOFTWARE AS A FIXED/CAPITAL
COST**

3

**EXEMPT PNMI APPENDIX C FROM
SERVICE PROVIDER TAXES**

4



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**RATES LETTERS AND COST REPORT
IMPLICATIONS**

NF

- **June 2, 2017 – 7/1/17 – 6/30/18**
- August 1, 2018 – 7/1/18 – 6/30/19
 - Direct and routine components funded at 97.40%
 - Supplemental wage allowance funded at 46.49%
 - Supplemental wage allowance included contract labor and central office and included as a single amount
- **September 21, 2018 – 7/1/18 – 6/30/19**
 - Direct and routine components funded at 100%
 - Supplemental wage allowance funded at 64.98%
 - Supplemental allowance adjusted to include wages and related benefits and taxes only
- **December 7, 2018 – 8/1/18 – 6/30/19**
 - Supplemental wage allowance broken out into direct and routine components and adjusted to reimburse providers over 11 vs. 12 months by increasing funding to 78.12% due to effective day of legislation

RCF

- **December 6, 2017 – 1/1/18 – 6/30/18**
- June 5, 2018 – 7/1/18 – 12/31/18
 - Normal case-mix adjusted rates and fixed costs adjustments
- July 23, 2018 – 7/1/18 – 12/31/18
 - Supplemental wage allowance included contract labor and central office
- **September 17, 2018 – 7/1/18 – 12/31/18**
 - Supplemental allowance adjusted to include wages and related benefits and taxes only
- **November 29, 2018 – 8/1/18 – 12/31/18**
 - Supplemental wage allowance adjusted to reimburse providers over 11 vs. 12 months due to effective date of legislation

NOTE: WE HAVE NOTED OTHER ADJUSTMENTS (I.E., FIXED COSTS, DIRECT CARE ADD-ONS, HOLD HARMLESS) IN ADDITION TO THE ITEMS NOTED ABOVE.

Implications

- Did you rebill the rate changes (some, all or none) or not?
Cash flow implications
- If you did not rebill, did you adjust your accounting records to reflect the rate changes?
- If you did not rebill, you will need to include an optional schedule to adjust Schedule J remittances received to amounts actually billed.
- Ensure you have included the correct cap amounts in the preparation of the cost report – whether you rebilled or not.



perspective
GAINED

BERRYDUNN'S PROPRIETARY DATABASES

TYPES

MAINTAIN THREE DATABASES

- Financial
- MaineCare cost reports
- Medicare cost reports (NEW)

PURPOSE?

- Client
- Legislative / industry support

FINANCIAL

- Key financial indicators
- BerryDunn attestation clients only

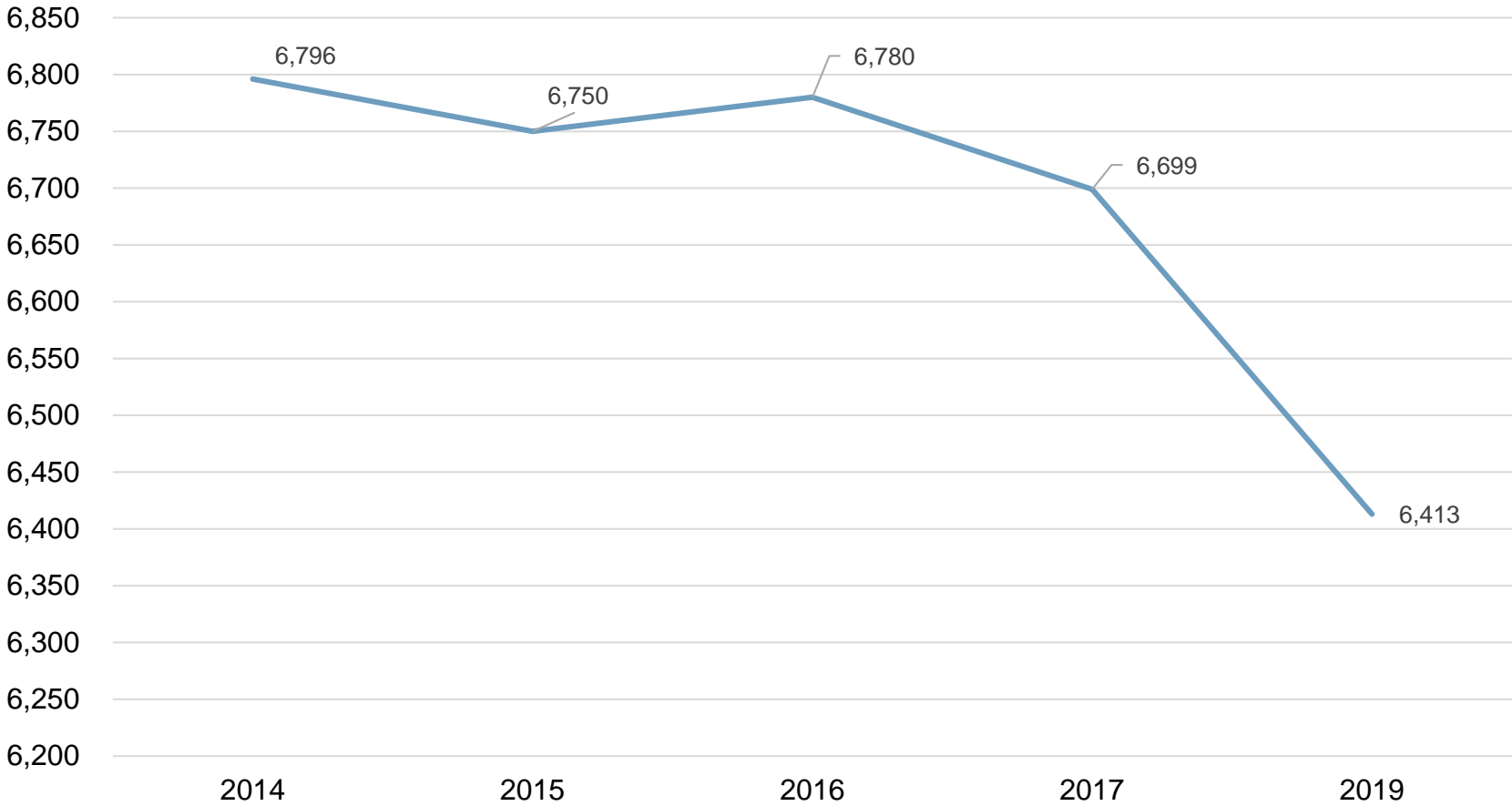
MAINECARE COST REPORTS

- Key cost report information
- All nursing and facility-based residential care facilities in Maine

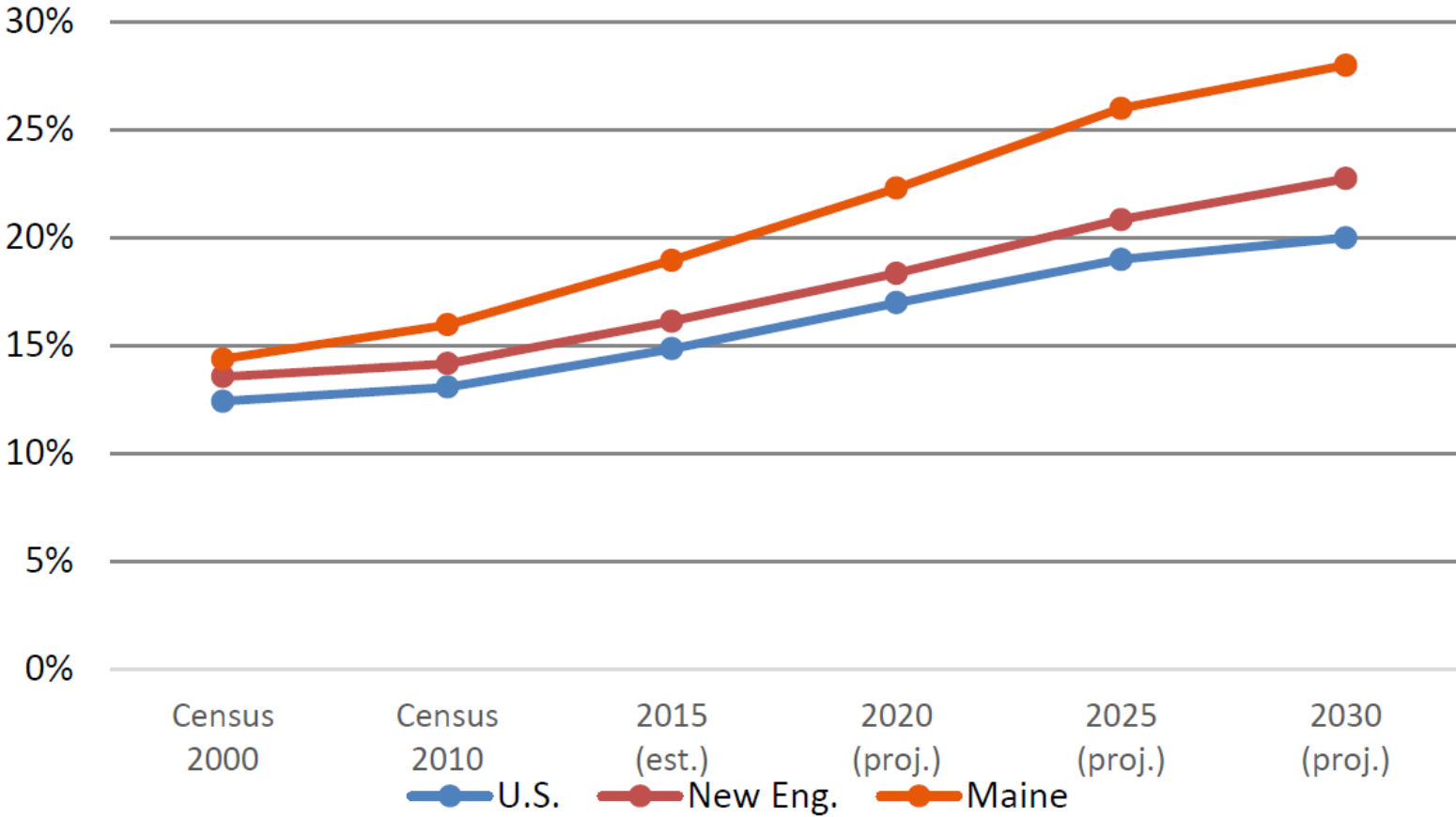
MEDICARE COST REPORTS

- Key cost report information
- All skilled nursing facilities in the country

NF BEDS AVAILABLE



HISTORICAL AND PROJECTED TRENDS IN THE PERCENTAGE OF POPULATIONS 65 AND OLDER, MAINE, NEW ENGLAND, AND THE UNITED STATES, 2000-2030



SOURCE: MAINE' STATE PLAN ON AGING 2016-2020



QUESTIONS

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