

**NOTICE OF PROPOSED RULEMAKING FILING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT**

For internal agency use only.

Department of Human Services, Aging and People with Disabilities (APD)	411
Agency and Division Name	Administrative Rules Chapter Number
Kristina Krause	503-945-6398
Rules Coordinator	Telephone
Cynthia Susee	503-945-6448
Filing Contact	Telephone

FILING CAPTION

(Must be 15 words or fewer)

Adopting and amending rules to establish the nursing facility bariatric rate

Last Date and Time for Public Comment: Written comments may be submitted via email to apd.rules@dhsoha.state.or.us, faxed to 503-373-7823, or mailed to Kristina Krause, APD Rules Coordinator, 500 Summer Street NE, E2, Salem, OR 97301 until **05/21/2020 @ 5 p.m.**

05/15/2020	3 p.m. – 4 p.m.	CALL-IN only due to CDC/Governor’s guidance +1 (503) 934-1400, Conference ID: 2507128#	Staff
Hearing Date	Time	Address	Hearings Officer

NOTE for attendees: If you wish to provide comment, please call in to the number above by no later than 15 minutes after the start time listed.

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RULEMAKING ACTION

List each rule number separately (000-000-0000) below. Attach proposed, tracked changed text for each rule at the end of the filing.

ADOPT:

411-070-0028; 411-070-0087

AMEND:

411-070-0005; 411-070-0075; 411-070-0442; 411-070-0465

REPEAL:

RULE SUMMARY:

Include a summary for each rule included in this filing.

The Department of Human Services, Aging and People with Disabilities Program is adopting and amending rules in OAR chapter 411, division 70 to increase access to bariatric services in nursing facilities. The amendments and adoptions include the following:

411-070-0005 - Amends the definitions to update terminology to incorporate language for the addition of the bariatric rate. Other grammar, punctuation, and housekeeping changes may be made to the rules to be consistent with current Department terminology.

411-070-0028 - Adopts a rule to explain how a nursing facility qualifies to receive the bariatric rate through Medicaid and the required documentation, when the payment is prohibited, what qualifies as an overpayment, and administrative review if there is a disagreement in regard to overpayment. Other grammar, punctuation, and housekeeping changes may be made to the rules to be consistent with current Department terminology.

411-070-0075 - Amends the rate rule to accommodate the new bariatric rate and to better lay out the terminology for how a facility qualifies for any rates above the basic rate. Other grammar, punctuation, and housekeeping changes may be made to the rules to be consistent with current Department terminology.

411-070-0087 - Adopts a rule to explain the bariatric criteria and services for a nursing facility bariatric rate. Other grammar, punctuation, and housekeeping changes may be made to the rules to be consistent with current Department terminology.

411-070-0442 - Adds in terminology to incorporate the bariatric rate. Other grammar, punctuation, and housekeeping changes may be made to the rules to be consistent with current Department terminology.

411-070-0465 - Adds in terminology to incorporate the bariatric rate. Other grammar, punctuation, and housekeeping changes may be made to the rules to be consistent with current Department terminology.

STATEMENT OF NEED AND FISCAL IMPACT

Need for Rule(s):

The Department needs to amend and adopt rules in OAR chapter 411, division 70 to establish the bariatric rate. The Department recognizes a need to enhance the Nursing Facility Basic rate to facilities who provide care to bariatric consumers. Changes to OAR 411-070 will set eligibility criteria for nursing facility consumers who qualify for the bariatric rate and the bariatric payment guidelines.

The Department is attempting to create a nursing facility bariatric rate within the state by working with stakeholders to implement rules and policy to:

- Establish the criteria, services, payment and authorization to reimburse nursing facilities who provide services to individuals who qualify for the bariatric rate;
- Establish a proposed rate methodology for compensating bariatric services.
- Work on any information technology changes the Department will need to implement to support the bariatric rate; and
- Start the process for needed state Medicaid plan amendments.

The Department hopes to file the final administrative rules by July 1, 2020 to start fully implementing the bariatric rate.

Fiscal and Economic Impact:

The Fiscal and economic impact is stated below in the Department's statement of the cost of compliance. The Federal Funds are currently going through the approval process. The bariatric rate is new so the expenditures for the program are based entirely on projections and not on any actual expenditures.

Statement of Cost of Compliance:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s).

State Agencies: Due to the NF Bariatric being a new service rate to nursing facilities, many assumptions have been made for the Department fiscal impact. The first assumption is the nursing facility basic rate for both July 2020 and July

2021. The second assumptions are utilizations. With these assumptions, the Department estimates a General Fund impact for the SFY21 at \$550,131 and a Federal Fund impact of \$847,560. The Department estimates a General Fund impact for SFY22 at \$869,780 and a Federal Fund impact of \$1,340,027.

Units of Local Government: The Department estimates there will be no fiscal or economic impact on Units of Local Government.

Consumers: The Department estimates there will be no fiscal or economic impact on consumers.

Providers: The Department estimates there will be no fiscal or economic impact on providers.

Public: The Department estimates there will be no fiscal or economic impact on the public.

(2) Effect on Small Businesses:

(a) Estimate the number and type of small businesses subject to the rule(s);

There are approximately 136 nursing facilities impacted by the proposed rule changes. There are 18 nursing facilities (less than 50 licensed beds) that may be considered a small business as defined in ORS 183.310.

(b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s);

The proposed changes impact providers as described above in the Department's statement of cost of compliance.

(c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

The proposed changes impact providers as described above in the Department's statement of cost of compliance.

Describe how small businesses were involved in the development of these rule(s)?

A small business, or representative of a small business, as defined in ORS 183.310 participated on the Administrative Rule Advisory Committee. Small businesses will also be included in the public review and comment period.

Documents Relied Upon, and where they are available:

None.

Was an Administrative Rule Advisory Committee consulted? Yes or No?

If not, why not?

Yes.

**DEPARTMENT OF HUMAN SERVICES
AGING AND PEOPLE WITH DISABILITIES
OREGON ADMINISTRATIVE RULES**

**CHAPTER 411
DIVISION 70**

**NURSING FACILITIES/MEDICAID – GENERALLY AND
REIMBURSEMENT**

Nursing Facilities/Medicaid – Generally

411-070-0005 Definitions

Unless the context indicates otherwise, the following definitions and the definitions in OAR 411-085-0005 apply to the rules in OAR chapter 411, division 070:

- (1) "Accrual Method of Accounting" means a method of accounting where revenues are reported in the period they are earned, regardless of when they are collected, and expenses are reported in the period they are incurred, regardless of when they are paid.
- (2) "Active Treatment" means the implementation of an individualized care plan developed under and supervised by a physician and other qualified mental health professionals that prescribes specific therapies and activities.
- (3) "Activities of Daily Living" means activities usually performed in the course of a normal day in an individual's life such as eating, dressing, grooming, bathing, personal hygiene, mobility (ambulation and transfer), elimination (toileting, bowel, and bladder management), and cognition and behavior.
- (4) "Aging and People with Disabilities (APD)" means the program area of Aging and People with Disabilities, within the Department of Human Services.
- (5) "Alternative Services" mean individuals or organizations offering services to persons living in a community other than a nursing facility or hospital.

(6) "Area Agency on Aging (AAA)" means the Department of Human Services designated agency charged with the responsibility to provide a comprehensive and coordinated system of services to seniors and individuals with disabilities in a planning and service area. For the purpose of these rules, the term Area Agency on Aging is inclusive of both Type A and Type B Area Agencies on Aging as defined in ORS 410.040 and described in ORS 410.210 to 410.300.

(7) "Augmented Rate" means the additional compensation to a nursing facility who qualifies for the Quality and Efficiency Incentive Program described in OAR 411-070-0437. The augmented rate is a daily rate of \$9.75 and is in addition to the rate a nursing facility would otherwise receive. The Department may pay the augmented rate to a qualifying facility for a period not to exceed four years from the date the facility purchases bed capacity under the Quality and Efficiency Incentive Program.

(8) "Bariatric rate" means a rate paid for a Medicaid resident of a nursing facility if the resident meets the criteria described in OAR 411-070-0087.

~~(98)~~ "Basic Flat Rate Payment" and "Basic Rate" means the statewide standard payment rate for all long term services provided to a Medicaid resident of a nursing facility, except for services reimbursed through another Medicaid payment source. The "Basic Rate" is the bundled payment rate, unless the resident qualifies for the complex medical rate, the ventilator assisted program rate, ~~or~~ the bundled pediatric rate or the bariatric rate (instead of the basic rate).

~~(109)~~ "Bi-PAP" means bi-level positive airway pressure/spontaneous timed.

~~(110)~~ "Behavioral Health" means the program within the Health Systems Division (HSD) within the Oregon Health Authority (OHA), responsible for addictions and mental health services.

~~(1244)~~ "Capacity" means licensed nursing beds multiplied by number of days in operation.

~~(1342)~~ "Case Manager" means a Department of Human Services or Area Agency on Aging employee who assesses the service needs of an applicant, determines eligibility, and offers service choices to the eligible individual. The case manager authorizes and implements the service plan and monitors the services delivered.

(1413) "Cash Method of Accounting" means a method of accounting where revenues are recognized only when cash is received, and expenditures for expense and asset items are not recorded until cash is disbursed for them.

(1544) "Categorical Determinations" mean the provisions in the Code of Federal Regulations (42 CFR 483.130) for creating categories that describe certain diagnoses, severity of illness, or the need for a particular service that clearly indicates that admission to a nursing facility is normally needed or that the provision of specialized services is not normally needed.

(a) Membership in a category may be made by the evaluator only if existing data on the individual is current, accurate, and of sufficient scope.

(b) An individual with mental illness or developmental disabilities may enter a nursing facility without a PASRR Level II evaluation if criteria of a categorical determination are met as described in OAR 411-070-0043(2)(a) - (2)(c).

(1615) "Certification" and "Certification for the Categorical Determination of Exempted Hospital Discharge" means the attending physician has written orders for the individual to receive skilled services at the nursing facility.

(1746) "Certified Program" means a hospital, private agency, or an Area Agency on Aging certified by the Department of Human Services to conduct private admission assessments in accordance with ORS 410.505 through 410.530.

(1847) "Change of Ownership" means a change in the individual or legal organization that is responsible for the operation of a nursing facility. Change of ownership does not include changes in personnel, e.g., a change of administrators. Events that change ownership include, but are not limited to, the following:

(a) The form of legal organization of the owner is changed (e.g., a sole proprietor forms a partnership or corporation);

(b) The title to the nursing facility enterprise is transferred to another party;

(c) The nursing facility enterprise is leased or an existing lease is terminated;

(d) Where the owner is a partnership, any event occurs which dissolves the partnership;

(e) Where the owner is a corporation, it is dissolved, merges with another corporation that is the survivor, or consolidates with one or more other corporations to form a new corporation; or

(f) The facility changes management via a management contract.

(1948) "Compensation" means the total of all benefits and remuneration, exclusive of payroll taxes and regardless of the form, provided to or claimed by an owner, administrator, or other employee. Compensation includes, but is not limited to:

(a) Salaries paid or accrued;

(b) Supplies and services provided for personal use;

(c) Compensation paid by the facility to employees for the sole benefit of the owner;

(d) Fees for consultants, directors, or any other fees paid regardless of the label;

(e) Key man life insurance;

(f) Living expenses, including those paid for related persons; or

(g) Gifts for employees in excess of federal Internal Revenue Service reporting guidelines.

(2049) "Complex Medical Payment" and "Complex Medical" means the statewide standard supplemental payment rate for a Medicaid resident of a nursing facility whose service is reimbursed at the basic rate if the resident needs one or more of the medication procedures, treatment procedures, or rehabilitation services listed in OAR 411-070-0091, for the additional licensed nursing services needed to meet the resident's increased needs.

(~~2120~~) "Continuous" means more than once per day, seven days per week. Exception: If only skilled rehabilitative services and no skilled nursing services are required, "continuous" means at least once per day, five days per week.

(~~2224~~) "Costs Not Related to Resident Services" means costs that are not appropriate or necessary and proper in developing and maintaining the operation of a nursing facility. Such costs are not allowable in computing reimbursable costs. Costs not related to resident services include, for example, cost of meals sold to visitors, cost of drugs sold to individuals who are not residents, cost of operation of a gift shop, and similar items.

(~~2322~~) "Costs Related to Resident Services" mean all necessary costs incurred in furnishing nursing facility services, subject to the specific provisions and limitations set out in these rules. Examples of costs related to resident services include nursing costs, administrative costs, costs of employee pension plans, and interest expenses.

(~~2423~~) "CPAP" means continuous positive airway pressure.

(~~2524~~) "CPI" means the consumer price index for all items and all urban consumers.

(~~2625~~) "Day of Admission" means an individual being admitted, determined as of 12:01 a.m. of each day, for all days in the calendar period for which an assessment is being reported and paid. If an individual is admitted and discharged on the same day, the individual is deemed present on 12:01 a.m. of that day.

(~~2726~~) "Department" means the Department of Human Services (DHS).

(~~2827~~) "Developmental Disability" means "developmental disability" as defined in OAR 411-320-0020 and described in OAR 411-320-0080.

(~~2928~~) "Direct Costs" mean costs incurred to provide services required to directly meet all the resident nursing and activity of daily living service needs. Direct costs are further defined in OAR 411-070-0359 and OAR 411-070-0465. Examples: The person who feeds food to the resident is directly meeting the resident's needs, but the person who cooks the food is not. The person who is trained to meet the resident's needs incurs direct costs whereas the person providing the training is not. Costs for items that are capitalized or depreciated are excluded from this definition.

(~~3029~~) "DRI Index" means the "HCFA or CMS Nursing Home Without Capital Market Basket" index, which is published quarterly by DRI/McGraw - Hill in the publication, "Global Insight Health Care Cost Review".

(~~3130~~) "Essential Nursing Facility" means a nursing facility that serves predominantly rural and frontier communities as designated by the Office of Rural Health that is located more than 32 miles from another nursing facility or from a hospital that has received a formal notice of Critical Access Hospital (CAH) designation from the Centers for Medicare and Medicaid Services and that is currently contracted to provide swing bed services for Medicaid-eligible individuals.

(~~3234~~) "Exempted Hospital Discharge" for PASRR means an individual seeking temporary admission to a nursing facility from a hospital as described in OAR 411-070-0043(2)(a).

(~~3332~~) "Facility" or "Nursing Facility" means an establishment that is licensed and certified by the Department of Human Services as a nursing facility. A nursing facility also means a Medicaid certified nursing facility only if identified as such.

(~~3433~~) "Fair Market Value" means the price for which an asset would have been purchased on the date of acquisition in an arms-length transaction between a well-informed buyer and seller, neither being under any compulsion to buy or sell.

(~~3534~~) "Generally Accepted Accounting Principles" mean the accounting principles approved by the American Institute of Certified Public Accountants.

(~~3635~~) "Goodwill" means the excess of the price paid for a business over the fair market value of all other identifiable, tangible, and intangible assets acquired, or the excess of the price paid for an asset over its fair market value.

(~~3736~~) "Health Systems Division (HSD)" means a Division, within the Oregon Health Authority, responsible for coordinating the medical assistance programs within the State of Oregon including, but not limited to the Oregon Health Plan Medicaid demonstration and the State Children's Health Insurance Program.

(3837) "Historical Cost" means the actual cost incurred in acquiring and preparing a fixed asset for use. Historical cost includes such planning costs as feasibility studies, architects' fees, and engineering studies. Historical cost does not include "start-up costs" as defined in this rule.

(3938) "Hospital-Based Facility" means a nursing facility that is physically connected and operated by a licensed general hospital.

(4039) "Indirect Costs" mean the costs associated with property, administration, and other operating support (real property taxes, insurance, utilities, maintenance, dietary (excluding food), laundry, and housekeeping). Indirect costs are further described in OAR 411-070-0359 and OAR 411-070-0465.

(4140) "Individual" means a person who receives, or is expected to receive, nursing facility services.

(4241) "Intellectual Disability" means "intellectual disability" as defined in OAR 411-320-0020 and described in OAR 411-320-0080.

(4342) "Interrupted-Service Facility" means an established facility recertified by DHS following decertification.

(4443) "Level I" means a component of the federal PASRR requirement. Level I refers to the identification of individuals who are potential nursing facility admissions who have indicators of mental illness or developmental disabilities (42 CFR 483.128(a)).

(4544) "Level II" means a component of the federal PASRR requirement. Level II refers to the evaluation and determination of whether nursing facility services and specialized services are needed for individuals with mental illness or developmental disability who are potential nursing facility admissions, regardless of the source of payment for the nursing facility service (42 CFR 483.128(a)). Level II evaluations include assessment of the individual's physical, mental, and functional status (42 CFR 483.132).

(4645) "Level of Care Determination" means an evaluation of the intensity of a person's health service needs. The level of care determination may not be used to require that the person receive services in a nursing facility.

(4746) "Medicaid Occupancy Percentage" means the total Medicaid bed days divided by total resident days.

(4847) "Mental Illness" means a major mental disorder as defined in the Diagnostic and Statistical Manual of Mental Disorders, 4th Edition (DSM IV-TR) limited to schizophrenic, paranoid and schizoaffective disorders, bipolar (manic-depressive), and atypical psychosis. "Mental Illness" for pre-admission screening means having both a primary diagnosis of a major mental disorder (schizophrenic, paranoid, major affective and schizoaffective disorders, or atypical psychosis) and treatment related to the diagnosis in the past two years. Diagnoses of dementia or Alzheimer's are excluded.

(4948) "Necessary Costs" mean costs that are appropriate and helpful in developing and maintaining the operation of resident facilities and activities. Necessary costs are usually costs that are common and accepted occurrences in the field of long term nursing services.

(5049) "New Admission" for PASRR purposes means an individual admitted to any nursing facility for the first time. It does not include individuals moving within a nursing facility, transferring to a different nursing facility, or individuals who have returned to a hospital for treatment and are being admitted back to the nursing facility. New admissions are subject to the PASRR process (42 CFR 483.106(b)(1), (3), (4)).

(5150) "New Facility" means a nursing facility commencing to provide services to individuals.

(5254) "Nursing Aide Training and Competency Evaluation Program (NATCEP)" means a nursing assistant training and competency evaluation program approved by the Oregon State Board of Nursing pursuant to ORS chapter 678 and the rules adopted pursuant thereto.

(5352) "Nursing Facility Financial Statement (NFFS)" means Form DHS 35, or Form DHS 35A (for hospital-based facilities), and includes an account number listing of all costs to be used by all nursing facility providers in reporting to the Department of Human Services for reimbursement.

(5453) "Occupancy Rate" means total resident days divided by capacity.

(5554) "Official Bed Count Measurement" means the number of licensed nursing facility beds as of October 7, 2013 and the beds being developed by facilities that either applied to the Oregon Health Authority for a certificate of need between August 1, 2011 and December 1, 2012 or

submitted a letter of intent under ORS 442.315(7) between January 15, 2013 and January 31, 2013.

(5655) "Ordinary Costs" mean costs incurred that are customary for the normal operation.

(5756) "Oregon Medical Professional Review Organization (OMPRO)" means the organization that determines level of services, need for services, and quality of services.

(5857) "Pediatric Rate" means the statewide standard payment rate for all long term services provided to a Medicaid resident under the age of 21 who is served in a pediatric nursing facility or a self-contained pediatric unit.

(5958) "Perquisites" mean privileges incidental to regular wages.

(6059) "Personal Incidental Funds" mean resident funds held or managed by the licensee or other person designated by the resident on behalf of a resident.

(6160) "Placement" means the location of a specific place where health services can be adequately provided to meet the service needs.

(6264) "Pre-Admission Screening (PAS)" means the assessment and determination of a potential Medicaid-eligible individual's need for nursing facility services, including the identification of individuals who can transition to community-based service settings and the provision of information about community-based alternatives. This assessment and determination is required when potentially Medicaid-eligible individuals are at risk for admission to nursing facility services. PAS may include the completion of the federal PASRR Level I requirement (42 CFR, Part 483, (C)-(E)), to identify individuals with mental illness or intellectual or developmental disabilities.

(6362) "Pre-Admission Screening and Resident Review (PASRR)" means the federal requirement, (42 CFR, Part 483, (C)-(E)), to identify individuals who have mental illness or developmental disabilities and determine if nursing facility service is required and if specialized services are required. PASRR includes Level I and Level II functions.

(6463) "Prior Authorization" means the local Aging and People with Disabilities or Area Agency on Aging office participates in the development

of proposed nursing facility care plans to assure the facility is the most suitable service setting for the individual. Nursing facility reimbursement is contingent upon prior-authorization.

(6564) "Private Admission Assessment (PAA)" means the assessment that is conducted for non-Medicaid residents as established by ORS 410.505 to 410.545 and OAR chapter 411, division 071, who are potential admissions to a Medicaid-certified nursing facility. Service needs are evaluated and information is provided about long-term service choices. A component of private admission assessment is the federal PASRR Level I requirement, (42 CFR, Part 483.128(a)), to identify individuals with mental illness or developmental disabilities.

(6665) "Provider" means an entity, licensed by Aging and People with Disabilities, responsible for the direct delivery of nursing facility services.

(6766) "Provider Preventable Condition (PPC)" means a condition listed below caused by the provider:

- (a) Foreign object retained after treatment;
- (b) Stage III and IV pressure ulcers;
- (c) Falls and trauma;
- (d) Manifestations of poor glycemic control;
- (e) Catheter-associated urinary tract infection;
- (f) Medication error; or
- (g) Surgical site or wound site infection.

(6867) "Quality and Efficiency Incentive Program" means the program described in OAR 411-070-0437 designed to reimburse quality nursing facilities that voluntarily reduce bed capacity that increases occupancy levels and enhances efficiency with the goal of slowing the growth of system-wide costs.

(6968) "Reasonable Consideration" means an inducement that is equivalent to the amount that would ordinarily be paid for comparable goods and services in an arms-length transaction.

(7069) "Related Organization" means an entity that is under common ownership or control with, or has control of, or is controlled by the contractor. An entity is deemed to be related if it has 5 percent or more ownership interest in the other. An entity is deemed to be related if it has capacity derived from any financial or other relationship, whether or not exercised, to influence directly or indirectly the activities of the other.

(7170) "Resident" means a person who receives nursing facility services.

(7274) "Resident Days" mean the number of occupied bed days.

(7372) "Resident Review" means a review conducted by the Addictions and Mental Health Division for individuals with mental illness or by the Aging and People with Disabilities Division for individuals with developmental disabilities who are residents of nursing facilities. The findings of the resident review may result in referral to PASRR Level II (42 CFR 483.114).

(7473) "Restricted Fund" means a fund in which the use of the principal or principal and income is restricted by agreement with, or direction by, the donor to a specific purpose. Restricted fund does not include a fund over which the owner has complete control. The owner is deemed to have complete control over a fund that is to be used for general operating or building purposes.

(7574) "Specialized Services for Mental Illness" means mental health services delivered by an interdisciplinary team in an inpatient psychiatric hospital for treatment of acute mental illness.

(7675) "Specialized Services for Intellectual or Developmental Disabilities" means:

(a) For individuals with intellectual or developmental disabilities under age 21, specialized services are equal to school services; and

(b) For individuals with t intellectual or developmental disabilities over age 21, specialized services mean:

(A) A consistent and ongoing program that includes participation by the individual in continuous, aggressive training and support to prevent loss of current optimal function;

(B) Promotes the acquisition of function, skills, and behaviors necessary to increase independence and productivity; and

(C) Is delivered in community-based or vocational settings at a minimum of 25 hours a week.

(7776) "Start-Up Costs" mean one-time costs incurred prior to the first resident being admitted. Start-up costs include, but are not limited to, administrative and nursing salaries, utility costs, taxes, insurance, mortgage and other interest, repairs and maintenance, training costs. Start-up costs do not include such costs as feasibility studies, engineering studies, architect's fees, or other fees that are part of the historical cost of the facility.

(7877) "Supervision" means initial direction and periodic monitoring of performance. Supervision does not mean the supervisor is physically present when the work is performed.

(7978) "These Rules" mean the rules in OAR chapter 411, division 070.

(8079) "Title XVIII" and "Medicare" means Title XVIII of the Social Security Act.

(8180) "Title XIX," "Medicaid," and "Medical Assistance" means Title XIX of the Social Security Act.

(8284) "Uniform Chart of Accounts (Form DHS 35)" means a list of account titles identified by code numbers established by the Department of Human Services for providers to use in reporting their costs.

(8382) "Ventilator" means a device to provide breathing assistance to individuals. This includes both positive and negative pressure devices.

(8483) "Ventilator Assisted Program" means a program that provides services to residents who are dependent on an invasive mechanical ventilation as means of life support as defined in [OAR 411-090-0110](#).

(8584) "Ventilator Assisted Program Unit" means a unit that meets the Ventilator Assisted Program criteria.

Stat. Auth.: ORS 410.070

Stats. Implemented: ORS 410.070, ORS 414.065

411-070-0028 Bariatric Authorization and Payment

(1) PRIOR AUTHORIZATION. APD may authorize payment for the bariatric rate when a Medicaid individual's needs meet the criteria listed in OAR 411-070-0087. A nursing facility must obtain prior authorization from the Department prior to admitting or submitting payment for a bariatric individual using a form designated by the Department.

(2) APD shall issue a decision regarding prior authorization within seven business days of receipt of the form described in section (1) of this rule. APD may extend this timeframe for up to ten additional business days pursuant to written notice to the nursing facility if APD requires further information from the nursing facility in order to make a prior authorization determination. If APD does not issue a decision within the timeframes described in this paragraph, prior authorization shall be deemed to be granted on the day the required timeframe expires.

(3) Prior authorization provided pursuant to this rule shall be effective as of the date APD issues the decision or prior authorization is deemed to be granted pursuant to section (2) of this rule or, if the nursing facility submits the form described in section (1) of this rule after admitting the resident, on the date of admission if that date occurs no more than seven calendar days prior to submission of the form.

(4) PAYMENT. For a Medicaid individual who meets the criteria in OAR 411-070-0087, the bariatric rate will be effective from the date a prior authorization from the Department is in effect to the last date the individual meets the criteria.

(5) DOCUMENTATION. The licensed nursing staff of the facility must maintain a weekly nursing note of sufficient documentation pertinent to the bariatric individual in the clinical record to justify the bariatric payment determination in accordance with OAR 411-070-0087. This documentation must be available to APD upon request.

(6) Bariatric per diem rates shall cover all services in the bundled rate (OAR 411-070-0085) as well as all services, equipment, supplies and costs related to bariatric services.

(7) BARIATRIC RATE PROHIBITED. APD may not provide bariatric payments for a facility with a waiver that allows a reduction of eight or more hours per week from required licensed nurse staffing hours.

(8) OVERPAYMENT FOR BARIATRIC MEDICAID PAYMENTS. The Department may collect monies that were overpaid to a facility for any period the Department determines the individual's condition or service needs did not meet the criteria for an eligible individual or determines the facility did not maintain the required documentation per (5) of this rule. The Department shall issue an order to the facility that includes the determination described in this paragraph and the facts supporting the determination as well as the amount of overpayment the Department seeks to recoup.

(9) ADMINISTRATIVE REVIEW.

(a) If a provider disagrees with the order of the Department regarding authorization pursuant to section (1) of this rule or overpayment pursuant to section (8) of this rule, the provider may either request from APD an informal administrative review of the decision or appeal the order as described in this paragraph.

(b) If the provider requests an informal administrative review, the provider must submit its request for review in writing within 30 days of receipt of the notice.

(A) The provider must submit documentation, as requested by APD and as the provider may choose to further submit to substantiate its position.

(B) APD shall notify the provider in writing of its informal decision within 45 days of APD's receipt of the provider's request for review.

(C) APD's informal decision shall be an order in other than a contested case and subject to review pursuant to ORS chapter 183.

(c) A provider who disagrees with the order issued pursuant to section (9) of this rule may appeal the order pursuant to a contested case proceeding. The provider must submit an appeal in writing within 60 days of receipt of the order.

Stat. Auth.: ORS 410.070
Stats. Implemented: ORS 410.070

411-070-0075 Rates - Facilities in Oregon

- (1) The daily rate of payment for Oregon facilities will be the basic rate.
- (2) A nursing facility may receive payment for complex medical rate if all of the criteria in OAR 411-070-0091 is met.
- (3) A nursing facility may receive payment for the ventilator assisted program rate if all of the criteria in OAR 411-070-0092 is met.
- (4) A nursing facility may receive the pediatric rate if all of the criteria in OAR 411-070-0452 is met.
- (5) A nursing facility may receive the bariatric rate if all of the criteria in OAR 411-070-0087 is met.

Stat. Auth.: ORS 410.070
Stats. Implemented: ORS 410.070 & 414.065

411-070-0087 Bariatric Criteria and Services

- (1) A Medicaid eligible individual qualifies for the bariatric reimbursement rate if the individual has a physician diagnosis of obesity with a BMI>40 and the individual meets the following criteria as defined in OAR chapter 411, division 015:
 - (a) Two-person full assist with ambulation or transfers; and
 - (b) Full assist in one of the following: cognition, eating or elimination.
- (2) If an individual meets the criteria listed in section (1) of this rule, and the Department has authorized the bariatric rate, the facility must provide one (1) additional Certified Nursing Assistant, above the licensing staffing standard in OAR 411-086-0100(5), for every five (5) individuals receiving the bariatric rate.

Stat. Auth.: ORS 410.070
Stats. Implemented: ORS 410.070

Nursing Facilities/Medicaid – Reimbursement

411-070-0442 Calculation of the Basic Rate, Complex Medical Rate, Bariatric Rate and Ventilator Assisted Program Rate

(1) The rates are determined annually and referred to as the Rebasing Year.

(a) The basic rate is based on the statements received by the Department by October 31 for the fiscal reporting period ending on June 30 of the previous year. For example, for the year beginning July 1, 2018, statements for the period ending June 30, 2017 are used. The Department desk reviews or field audits these statements and determines the allowable costs for each nursing facility. The costs include both direct and indirect costs. The costs and days relating to pediatric beds and Ventilator Assisted Program beds are excluded from this calculation. The Department only uses financial reports of facilities that have been in operation for at least 180 days and are in operation as of June 30.

(b) For each facility, its allowable costs, less the costs of its self-contained pediatric unit (if any), or the Ventilator Assisted Program Unit, are inflated by the DRI Index, or its successor index. The DRI table as published in the fourth quarter of the year immediately preceding the beginning of the payment year will be used. Costs will be inflated to reflect projected changes in the DRI Index from the mid-point of the fiscal reporting period to the mid-point of the payment year (e.g., for the July 1, 2018 rebase, the midpoint of the fiscal reporting period is December 31, 2016 and the mid-point of the payment year is December 31, 2018).

(c) For each facility, its allowable costs per Medicaid day is determined using the allowable costs as inflated and resident days, excluding pediatric and ventilator days as reported in the statement.

(d) The facilities are ranked from highest to lowest by the facility's allowable costs, per Medicaid day.

(e) The basic rate is determined by ranking the allowable costs per Medicaid day by facility and identifying the allowable cost per day at the applicable percentage. If there is no allowable cost per day at the

applicable percentage, the basic rate is determined by interpolating the difference between the allowable costs per day that are just above and just below the applicable percentage to arrive at a basic rate at the applicable percentage. The applicable percentage for the period beginning July 1, 2018 is at the 62nd percentile.

(2) The Department provides an augmented rate to nursing facilities who qualify under the Quality and Efficiency Incentive Program as described in OAR 411-070-0437. An acquisition plan must be submitted to the Department on or after October 7, 2013 and on or before June 30, 2016. The purchasing operator must meet all requirements in OAR 411-070-0437(3) in order to receive the augmented rate. The qualifying nursing facility is paid the augmented rate for each Medicaid-eligible resident.

(3) Nursing facility bed capacity in Oregon shall be reduced by 1,500 beds by December 31, 2015, except for bed capacity in nursing facilities operated by the Department of Veteran's Affairs and facilities that either applied to the Oregon Health Authority for a certificate of need between August 1, 2011 and December 1, 2012, or submitted a letter of intent under ORS 442.315(7) between January 15, 2013 and January 31, 2013. An official bed count measurement shall be determined and issued by the Department as of July 1, 2016 and each quarter thereafter if the goal of reducing the nursing facility bed capacity in Oregon by 1,500 beds is not achieved.

(a) For the period beginning July 1, 2013 and ending June 30, 2016, the Department shall reimburse costs as set forth in section (1) of this rule at the 63rd percentile.

(b) For each three-month period beginning on or after July 1, 2016 and ending June 30, 2018, in which the reduction in bed capacity in licensed facilities is less than the goal described in this section, the Department shall reimburse costs at a rate not lower than the percentile of allowable costs according to the following schedule:

(A) 63rd percentile for a reduction of 1,500 or more beds.

(B) 62nd percentile for a reduction of 1,350 or more beds but less than 1,500 beds.

(C) 61st percentile for a reduction of 1,200 or more beds but less than 1,350 beds.

(D) 60th percentile for a reduction of 1,050 or more beds but less than 1,200 beds.

(E) 59th percentile for a reduction of 900 or more beds but less than 1,050 beds.

(F) 58th percentile for a reduction of 750 or more beds but less than 900 beds.

(G) 57th percentile for a reduction of 600 or more beds but less than 750 beds.

(H) 56th percentile for a reduction of 450 or more beds but less than 600 beds.

(I) 55th percentile for a reduction of 300 or more beds but less than 450 beds.

(J) 54th percentile for a reduction of 150 or more beds but less than 300 beds.

(K) 53rd percentile for a reduction of 1 to 149 beds.

(c) For the period beginning July 1, 2018 and ending June 30, 2026, the Department shall reimburse costs, as set forth in section (1) of this rule, at the 62nd percentile.

(4) The complex medical rate is 140% percent of the basic rate.

(5) The Ventilator Assisted Program rate is 200% of the established basic rate.

(6) The bariatric rate is 185% of the established basic rate.

Stat. Auth.: ORS 410.070

Stats. Implemented: ORS 410.070, OL 2003 chapter 736, OL 2007 chapter 780, OL 2009 Chp. 827, OL 2011 Chp. 630, OL 2013 Chp. 608, OL 2018 Chp. 66

411-070-0465 Uniform Chart of Accounts

The following account definitions will be used to classify the dollar amounts on the Nursing Facility Financial Statement (NFFS). The account balance is to be reported in whole dollars under the facility gross column on the NFFS and referenced by the providers' chart of accounts number. It is the provider's responsibility to ensure that the balances reported reconcile to their fiscal year statements and general ledger balances with any differences explained on Schedule A to Form SPD 35 or SPD 35A. The provider is responsible for making adjustments to these accounts for non-allowable items and amounts using the adjustment column to arrive at the net allowable balance. Each adjustment is to be explained on Schedule A to Form SPD 35 or SPD 35A.

(1) CURRENT ASSETS -- The following accounts include cash and other assets reasonably expected to be realized in cash or sold, or consumed during the normal nursing facility operating cycle, or within one year when the operating cycle is less than one year.

(a) 101 -- Cash on Hand -- This account balance represents the amount of cash on hand for petty cash funds.

(b) 102 -- Cash in Bank -- This account balance represents the amount in a bank checking account.

(c) 103 -- Cash in Savings -- This account balance represents the amount accumulated in a savings account.

(d) 104 -- Resident Trust Account -- This account balance represents the amount of resident funds entrusted to the provider and held as cash on hand in the bank.

(e) 109 -- Accounts Receivable -- This account balance represents the amounts due from or due on behalf of all residents at the end of the fiscal period being reported.

(f) 110 -- Notes Receivable -- This account balance represents the current balance of amounts owed to the facility (payee) that are covered by a written promise to pay at a specified time, and is signed and dated by the maker.

(g) 111 -- Allowance for Doubtful Accounts -- This account balance represents amounts owed to the facility and estimated to be uncollectible.

(h) 115 -- Employee Advances -- This account balance represents amounts paid in advance to employees for salaries or wages that will be liquidated in the next payroll cycle following the closing date of the financial statement.

(i) 120 -- Inventory -- This account balance represents the cost value of inventory on hand at the end of the reporting period.

(j) 125 -- Prepaid Expenses -- This account balance represents the cost value of paid expenses not yet incurred covering regularly recurring costs of operation like rent, interest, and insurance.

(k) 149 -- Other Current Assets -- This account balance comprises all current assets not identified above. Each item in this account, including short-term savings certificates, must be explained on Schedule A to Form SPD 35 or SPD 35A.

(2) NON-CURRENT ASSETS -- The balances of the following accounts represent assets not recognized as current.

(a) 151 -- Land -- This account balance represents the acquisition cost and other costs, like legal fees and excavation costs that are incurred to put the land in condition for its intended use.

(b) 153 -- Building(s) -- This account balance represents the acquisition cost of permanent structures and property owned by the provider used to house residents. It includes the purchase or contract price of all permanent buildings and fixed equipment attached to and forming a permanent part of the building(s).

(c) 154 -- Accumulated Depreciation -- This account balance represents the accumulation of provisions made to record the expiration in the building(s) life attributable to wear and tear through use, lapse of time, obsolescence, inadequacy or other physical or functional cause. The straight line method is the only recognized depreciation method for cost reimbursement.

(d) 155 -- Land Improvements -- This account balance represents the acquisition cost of permanent improvements, other than buildings that add value to the land. It includes the purchase or contract price.

- (e) 156 -- Accumulated Depreciation -- This account is of the same nature and is used in the same manner as Account 154.
- (f) 157 -- Building Improvements -- This account balance represents the acquisition cost of additions or improvements that either add value to or increase the usefulness of the building(s). It includes the purchase or contract price.
- (g) 158 -- Accumulated Depreciation -- This account is of the same nature and is used in the same manner as Account 154.
- (h) 161 -- Equipment -- This account balance represents the acquisition cost of tangible property of a permanent nature, other than land, building(s) or improvements, used to carry on the nursing facility operations. It includes the purchase or contract price.
- (i) 162 -- Accumulated Depreciation -- This account is of the same nature and is used in the same manner as Account 154.
- (j) 165 -- Leasehold Improvements -- This account balance represents the acquisition cost of any long-lived improvements or additions to the property being leased that will belong to the owner (lessor) at the expiration of the lease.
- (k) 166 -- Accumulated Amortization -- This account is of the same nature and is used in the same manner as Account 154 except the cost of improvements or additions will be amortized over the lesser of the expected benefit life or the remaining life of the lease.
- (l) 181 -- Investments -- This account balance represents the value of assets unrelated to the nursing facility operation. The detail of this account must be explained on Schedule A to Form SPD 35 or SPD 35A.
- (m) 187 -- Goodwill -- This account balance represents the value of goodwill identified with the purchase of assets.
- (n) 199 -- Other -- Non-Current Assets -- This account balance comprises all non-current assets not identified above. Each item in this account, including long-term savings certificates, must be explained on Schedule A to Form SPD 35 or SPD 35A.

(3) CURRENT LIABILITIES -- The balances of the following accounts are considered current liabilities.

(a) 201 -- Accounts Payable -- This account balance represents the liabilities for goods and services received but unpaid at the end of the reporting period.

(b) 202 -- Accounts Payable -- Resident Trust Account -- This account balance represents the amount owed to residents for the cash entrusted to the facility in Account 104.

(c) 203 -- Notes Payable -- Other -- This account balance represents the current portion of the amount owed by the facility that is covered by a written promise to pay at a specified time and is signed and dated by the facility (maker).

(d) 204 -- Notes Payable to Owner -- This account balance represents notes payable to the owner(s) and is of the same nature and is used in the same manner as Account 203.

(e) 205 -- Accrued Interest Payable -- This account balance represents the liabilities for interest accrued at the end of the reporting period but not payable until a later date.

(f) 207 -- Other Accrued Payable -- This account is of the same accrual nature and is used in the same manner as Account 205 and is to be explained in detail on Schedule A to Form SPD 35 or SPD 35A.

(g) 208 -- Payroll Payable -- This account balance is the accrued payroll, less withheld payroll taxes and other deductions, payable to employees at the end of the reporting period.

(h) 217 -- Payroll Tax Payable -- This account balance is the employer's share of accrued payroll taxes payable at the end of the reporting period.

(i) 218 -- Payroll Deductions Payable -- This account balance is the employee's share of accrued payroll taxes withheld from the employer's gross pay payable at the end of the reporting period.

(j) 219 -- Deferred Income -- This account balance represents the liability for revenue collected in advance.

(k) 229 -- Other Current Liabilities -- This account balance comprises all current liabilities not identified above. The nature and purpose of amounts included in this account must be explained on Schedule A to Form SPD 35 or SPD 35A.

(4) LONG-TERM LIABILITIES -- The balances of the following accounts are considered long-term liabilities.

(a) 231 -- Long-Term Mortgage Payable -- This account balance represents the amount owed by the facility that is secured by a mortgage or other contractual agreement providing for conveyance of property at a future date.

(b) 233 -- Long-Term Notes Payable -- This account is of the same nature and is used in the same manner as Account 203 except the liability extends beyond one year.

(c) 234 -- Long-Term Notes Payable Owner -- This account is of the same nature and is used in the same manner as Account 204 except the liability extends beyond one year.

(d) 249 -- Other Long-Term Liabilities -- This account comprises all long-term liabilities not identified above. The amount and nature of items in this account must be explained on Schedule A to Form SPD 35 or SPD 35A.

(5) NET WORTH -- The balances of the following accounts represent the amount by which the facility's assets exceed its liabilities.

(a) 251 -- Capital Stock -- This account balance represents the amount of cash or property received in exchange for the corporation's capital stock.

(b) 255 -- Retained Earnings -- This account balance represents the amount of capital resulting from retention of corporate earnings.

(c) 261 -- Capital Account -- This account balance represents the book value of the proprietor or partner(s) equity in the facility.

(d) 265 -- Drawing Account -- This account balance represents the owners withdrawals of funds during the reporting period that were not paid as part of the payroll.

(e) 290 -- Net Profit (Loss) -- This account balance is the facility's revenue minus expenses for the reporting period.

(6) RESIDENT REVENUE -- These accounts include room and board revenue and related room and board contractual adjustments including revenue from bed hold days for routine service charges exclusive of ancillary charges. Routine service charges are to be reported in the following accounts:

(a) 301 -- Private Resident -- Complex Medical Needs -- This account includes room and board revenue for complex medical needs routine private resident services including health maintenance organization (HMO) payer source for private residents. These are private pay residents whose medical needs correspond to the Medicaid complex medical needs criteria.

(b) 303 -- Private Resident -- Basic Rate -- This account includes room and board revenue for basic rate routine private resident services including HMO payer source for private residents. These are private pay residents whose medical needs correspond to the Medicaid basic rate needs criteria.

(c) 304 -- Private Resident -- Assisted Living Facilities/Residential Care Facilities -- This account includes room and board revenue for other than private complex medical needs and basic rate, non long-term residents and is to be explained on Schedule A to Form SPD 35 or SPD 35A.

(d) 305 -- Private Resident -- Ventilator Assisted Program -- This account includes room and board revenue for Ventilator Assisted resident services including HMO payer source for private residents. These are private pay residents whose medical needs correspond to the Medicaid basic-ventilator rate needs criteria.

(e) 306 -- Private Resident -- Bariatric -- This account includes room and board revenue for bariatric resident services including HMO payer source for private residents. These are private pay residents

whose medical needs correspond to the Medicaid bariatric rate needs criteria.

(f) 309 -- Medicaid Resident -- Bariatric -- This account includes room and board revenue from all sources for Medicaid bariatric residents.

(ge) 310 -- Medicaid Resident -- Ventilator Assisted Program -- This account includes room and board revenue from all sources for Ventilator Assisted Program Medicaid residents.

(hf) 311 -- Medicaid Resident -- Complex Medical Needs -- This account includes room and board revenue from all sources for complex medical needs Medicaid residents.

(ig) 312 -- Medicaid Resident -- Pediatric -- This account includes room and board revenue from all sources for pediatric Medicaid residents.

(jh) 313 -- Medicaid Resident -- Basic Rate -- This account includes room and board revenue from all sources for basic rate Medicaid residents.

(ki) 314 -- Medicaid -- Assisted Living Facilities/Residential Care Facilities -- This account includes room and board revenue for Medicaid, non long-term resident services from all sources other than NF Payment Categories 1, basic rate, complex medical needs and pediatric and is to be explained on Schedule A to Form SPD 35 or SPD 35A.

(lj) 315 -- Medicaid -- HMO -- This account includes room and board revenue from all sources for Medicaid-HMO resident services.

(mk) 316 -- Medicaid -- Out of State -- This account includes room and board revenue from all sources for non-Oregon Medicaid resident services.

(nl) 318 -- Medicare Resident -- This account includes room and board revenue from all sources for Medicare resident services.

(om) 319 -- Other Governmental Resident -- This account includes room and board revenue from all sources for Veteran Affairs and other governmental program resident services other than Medicaid or

Medicare and is to be explained on Schedule A to Form SPD 35 or SPD 35A.

(7) ANCILLARY REVENUE -- These accounts include revenue for professional and non-professional services and supplies not included in section (6) of this rule. Revenue other than that described above must be reported as gross revenue and related expenses to be reported in the appropriate expense accounts. Ancillary service charges and ancillary contractual adjustments are to be reported in the following accounts:

(a) 321 -- Nursing Supplies -- This account includes revenue from the sale of nursing supplies or services.

(b) 322 -- Oxygen -- This account includes revenue from the sale of oxygen (gas) and concentrator supplies.

(c) 323 -- Prescription Drugs -- This account includes revenue from the sale of prescription drugs.

(d) 324 -- Laboratory -- This account includes revenue from laboratory services provided.

(e) 345 -- X-Ray -- This account includes revenue from X-Ray services.

(f) 326 -- Equipment Rental -- This account includes revenue from equipment rental.

(g) 330 -- Physical Therapy -- This account includes revenue from physical therapy services provided.

(h) 331 -- Speech Therapy -- This account includes revenue from speech therapy services.

(i) 332 -- Occupational Therapy -- This account includes revenue from occupational therapy services.

(j) 341 -- Personal Purchases -- This account includes revenue from residents for personal purchases.

(k) 342 -- Barber and Beauty -- This account includes revenue from residents for barber and beautician services.

(l) 345 – Ancillary Revenue – Ventilator Respiratory Therapy – This account includes revenue from Respiratory Therapy services provided.

(m) 349 -- Other Ancillary -- Items and amounts included in this account must be described on Schedule A to Form SPD 35 or SPD 35A.

(n) 398 -- Contractual Adjustments -- This is a revenue offset account and includes all contractual adjustments to resident revenue and ancillary revenue.

(8) OTHER REVENUE -- These accounts include other revenue, exclusive of resident and ancillary revenue. The intent is for revenue to be reported in gross and the related expenses reported in the appropriate expense accounts. Other revenues are classified as follows:

(a) 901 -- Grants -- This account includes revenue amounts received in the reporting period from public and privately funded grants and awards.

(b) 902 -- Donations -- This account includes donations in the form of cash or goods and services received during the reporting period.

(c) 911 -- Interest -- This account includes revenue from any interest bearing note, bank account, or certificate.

(d) 912 -- Staff & Guest Food Sales -- This account includes revenue from facility food sales to individuals other than residents of the facility.

(e) 913 -- Vending Sales -- This account includes revenue from vending machines or for resale items not reported in Accounts 813 and 351.

(f) 914 -- Television and Telephone Revenue -- This account includes revenue from television and telephone sales to residents of the facility.

(g) 915 -- Independent Senior Housing -- This account includes revenue from any other apartment and continuing care retirement community housing.

(h) 916 -- Hospital Revenue -- This account includes revenue from hospital operations not related to the nursing facility.

(i) 918 -- Nursing Aide Training -- This account is for reporting all revenue associated with OAR 411-070-0470, Nursing Assistant Training and Competency.

(j) 919 -- Miscellaneous Other Revenue -- Items and amounts, including revenues for Mental Health revenues received from local governments, and Workers Compensation refunds, included in this account are to be described on Schedule A to Form SPD 35 or SPD 35A.

(9) PROPERTY EXPENSES -- These accounts are for reporting property expenses.

(a) 452 -- Interest -- This account is for reporting all interest expense related to the acquisition of fixed assets, adjusted for historical cost limitations.

(b) 453 -- Rent Building -- This account is for reporting all building rent or lease expenses.

(c) 454 -- Leased Equipment -- This account is for reporting equipment rental and lease expense for all equipment used in the administrative and general and other operating expense categories.

(d) 455 -- Depreciation -- Building -- This account is for reporting depreciation, for the reporting period, associated with assets capitalized in Account 153.

(e) 456 -- Depreciation -- Land Improvement -- This account is for reporting depreciation, for the reporting period, associated with assets capitalized in Account 155.

(f) 457 -- Depreciation -- Building Improvement -- This account is for reporting depreciation, for the reporting period, associated with assets capitalized in Account 157.

(g) 458 -- Depreciation -- Equipment -- This account is for reporting depreciation, for the reporting period, associated with assets capitalized in Account 161.

(h) 459 -- Amortization -- Leasehold Improvement -- This account is for reporting amortization, for the reporting period, associated with assets capitalized in Account 165 and Account 166.

(i) 461 -- Miscellaneous -- Property -- This account is for reporting other property costs, such as amortization of organizational costs, and items of equipment less than \$1,000 that are for general use, such as privacy curtains and blinds.

(10) ADMINISTRATIVE AND GENERAL EXPENSES -- These accounts report expenses for administration of the facility and the business office, and items not readily associated with other departments.

(a) 411 -- Compensation -- Administrator -- This account is for reporting all the compensation received by the licensed administrator of the facility. Compensation includes salary, bonuses, auto, moving, travel and all other allowances paid directly or indirectly by the facility.

(b) 412 -- Compensation -- Assistant Administrator -- This account is to be used for reporting all compensation of the individual who is identified as, and has the specific duties of, Assistant Administrator.

(c) 413 -- Compensation -- Bookkeeper -- This account is for reporting all the compensation received by the facility bookkeeper, controller and chief financial officer.

(d) 415 -- Compensation -- Other Administrative -- This account is for reporting all of the compensation received by administrative, clerical, secretarial, accounting, central supply, in-service director and personnel.

(e) 418 -- Purchased Services -- Administrative -- This account is for reporting all non-employee services required in the administrative operations of the facility.

(f) 440 -- Payroll Taxes -- Administrative -- This account is for reporting all of the employer's portion of payroll taxes, including

Federal Insurance Contributions Act (FICA) tax, unemployment and other payroll taxes not withheld from the employee's pay for administrative employees.

(g) 441 -- Worker's Compensation -- Administrative -- This account is for reporting the employer's portion of worker's compensation insurance not withheld from the employee's pay for administrative employees.

(h) 442 -- Employee Benefits -- Administrative -- This account is for reporting all employer paid employee benefits. These benefits include group insurance, facility picnics, prizes, gifts, and holiday dinners. Established child care benefits are to be included when they are accounted for separately and do not relate directly to a compensation account for administrative employees.

(i) 443 -- Employee Paid Time Off -- Administrative -- This account is for reporting established vacation, holiday and sick pay programs for administrative employees.

(j) 420 -- Vending Expense -- This account is for reporting expenses of non-medical, non-resident service items sold to the residents and non-residents including items sold through vending machines.

(k) 423 -- Personal Purchase -- This account is for reporting all expenditures for personal items purchased for individual residents.

(l) 425 -- Office Supplies -- This account is for reporting expenses of all office supplies except those chargeable to Account 863. Materials include stationery, postage, printing, bookkeeping supplies, and office supplies.

(m) 426 -- Communications -- This account is for reporting all telephone, internet access, communication, and paging system charges.

(n) 427 -- Travel -- This account is for reporting all transportation costs and mileage reimbursement associated with vehicles used for resident services or resident recreation, exclusive of insurance and depreciation and for reporting all other travel expenses such as lodging and meals for conferences, conventions, workshops, or training sessions.

(o) 429 -- Advertising -- Help Wanted -- This account is for reporting all help wanted advertising expense.

(p) 430 -- Advertising -- Promotional -- This account is for reporting all expenditures of the facility related to promotional advertising including yellow page advertising.

(q) 431 -- Public Relations -- This account is for reporting all expenditures related to public relations.

(r) 432 -- Licenses, Dues & Subscriptions -- This account is for reporting all fees for facility licenses; dues in professional associations; and costs of subscriptions for newspapers, magazines, and periodicals provided for resident and staff use.

(s) 433 -- Accounting & Related Data Processing -- This account is for reporting all accounting, payroll, and other data and report processing expenses.

(t) 435 -- Legal Fees -- This account is for reporting all legal fees and expenses. Legal fees must be reported in conformance with OAR 411-070-0359(1)(t).

(u) 436 -- Management Fees -- This account is for reporting all management fees charged to the facility, including management salaries and benefits at the home office.

(v) 437 -- Insurance -- Liability -- This account is for reporting all liability insurance expenses, including employee dishonesty, Board of Director, and umbrella coverage.

(w) 439 -- Other Interest Expense -- This account is for reporting interest expense not attributable to the purchase of the facility and equipment.

(x) 444 -- Bad Debts -- This account is for reporting the expense recorded from recognizing a certain portion of accounts receivable as uncollectible.

(y) 445 -- Education & Training -- This account is for reporting registration, tuition, materials, and manual costs for training the staff included in the administrative and general expense category.

(z) 446 -- Contributions -- This account is for reporting the expense of any gift or donation.

(aa) 449 -- Miscellaneous -- This account is for reporting general administrative operating expenses not specifically included in other general administrative operating expense accounts. Entries must be explained in detail on Schedule A to Form SPD 35 or SPD 35A.

(bb) 450 -- Long Term Care Facility Tax, effective 07/01/2003.

(11) OTHER OPERATING SUPPORT EXPENSES -- The following accounts are included in this category.

(a) 511 -- Compensation -- Other Operating Employees -- This account is for reporting all compensation received by employee(s) responsible for providing facility repair and maintenance, dietary, laundry and housekeeping services.

(b) 540 -- Payroll Taxes -- Other Operating -- This account is for reporting all of the employer's portion of payroll taxes, including FICA, unemployment and other payroll taxes not withheld from the employee's pay for other operating employees.

(c) 541 -- Worker's Compensation -- Other Operating -- This account is for reporting the employer's portion of worker's compensation insurance not withheld from the employee's pay for other operating employees.

(d) 542 -- Employee Benefits -- Other Operating -- This account is for reporting all employer paid employee benefits. These benefits include group insurance, facility picnics, prizes, gifts, and holiday dinners. Established child care benefits are to be included when they are accounted for separately and do not relate directly to a compensation account for other operating employees.

(e) 543 -- Employee Paid Time Off -- Other Operating -- This account is for reporting established vacation, holiday and sick pay programs for other operating employees.

(f) 551 -- Purchased Services -- Maintenance -- This account is for reporting all non-employee services required in maintenance operations.

(g) 552 -- Purchased Services -- Dietary -- This account is for reporting all non-employee services required in dietary operations including dietary consulting expenses.

(h) 553 -- Purchased Services -- Laundry -- This account is for reporting all non-employee services in laundry operations.

(i) 554 -- Purchased Services -- Housekeeping -- This account is for reporting all non-employee services required in housekeeping operations.

(j) 510 -- Real Estate & Personal Property Taxes -- This account is for reporting real estate and personal property tax expenses for the facility.

(k) 512 -- Insurance -- Property & Auto -- This account is for reporting all insurance expenses other than liability insurance reportable in Account 437, and employee insurance expenses.

(l) 513 -- Cable Television -- This account is for reporting all cable and satellite television expenses.

(m) 514 -- Heat & Electricity -- This account is for reporting all facility heating and lighting expenses.

(n) 515 -- Water, Sewer & Garbage -- This account is for reporting all water, sewer and garbage expenses.

(o) 516 -- Maintenance Supplies & Services -- This account is for reporting all expenses required for building and equipment maintenance and repairs including preventative maintenance and not capitalized.

(p) 526 -- Dietary Supplies -- This account is for reporting the expense of all supplies, dishes and utensils, and non--capitalized equipment utilized within this department, exclusive of food.

(q) 532 -- Linen and Bedding -- This account is for reporting the expense of all linen and bedding utilized within the facility.

(r) 536 -- Laundry Supplies -- This account is for reporting the expense of all supplies utilized by the laundry.

(s) 546 -- Housekeeping Supplies -- This account is for reporting the expense of all supplies utilized to provide housekeeping services.

(t) 549 -- Miscellaneous -- Other Operating -- This account is for reporting other operating support expenses not specifically included in an identified account. Entries must be explained in detail on Schedule A to Form SPD 35 or SPD 35A.

(12) FOOD -- 522 Food -- This account is for reporting all food products and supplements used in food preparations including dietary supplements.

(13) DIRECT CARE COMPENSATION -- These accounts include compensation used in providing direct resident services.

(a) 640 -- Payroll Taxes -- Direct Care -- This account is for reporting the employer's entire portion of payroll taxes, including FICA, unemployment and other payroll taxes not withheld from the employee's pay for direct care employees.

(b) 641 -- Worker's Compensation -- Direct Care -- This account is for reporting the employer's portion of worker's compensation insurance not withheld from the employee's pay for direct care employees.

(c) 642 -- Employee Benefits -- Direct Care -- This account is for reporting all employer paid employee benefits. These benefits include group insurance, facility picnics, prizes, gifts, and holiday dinners. Established child care benefits are to be included when they are accounted for separately and do not relate directly to a compensation account for direct care employees.

(d) 643 -- Employee Paid Time Off -- Direct Care -- This account is for reporting established vacation, holiday and sick pay programs for direct care employees.

(e) 651 Compensation -- Director of Nursing Services -- This account is for reporting all compensation received by employee(s) responsible for directing the nursing services of the facility.

(f) 652 Compensation -- Registered Nurses -- This account is for reporting all compensation received by Registered Nurse employees of the facility who provide nursing services, other than the Director of Nursing Services, but including Resident Care Managers. If a Registered Nurse provides nursing services part of the time and carries out other duties the rest of the time, this employee's compensation will be allocated to the appropriate account based on time spent on each activity.

(g) 653 Compensation -- Licensed Practical Nurses -- This account is for reporting all compensation received by Licensed Practical or Licensed Vocational Nurse employees of the facility who provide nursing services. If a Licensed Practical Nurse provides nursing services part of the time and carries out other duties the rest of the time, this employee's compensation will be allocated to the appropriate account based on time spent on each activity.

(h) 654 -- Compensation -- Certified Medical Aides -- This account is for reporting all compensation received by certified medical aides.

(i) 655 -- Compensation -- Certified Nursing Aides and Restorative Aides -- This account is for reporting all compensation received by certified nursing aides and restorative aides not part of the physical therapy department.

(j) 656 Compensation -- Other Nursing Employees -- This account is for reporting all compensation received by non-licensed, non-professional employees who provide nursing services. If such employees provide nursing services part of the time and carry out other duties the rest of the time, these employees' compensation will be allocated to the appropriate account based on time spent on each activity.

(k) 661 -- Compensation -- Activities Employees -- This account is for reporting all compensation of employees engaged in the planning and carrying out of resident recreational activities.

(l) 662 -- Compensation -- Social Workers -- This account is for reporting all compensation of social workers and assistants employed to provide social service activities.

(m) 663 -- Compensation -- Medical Records -- This account is for reporting all compensation of medical records employees.

(n) 664 -- Compensation -- Rehabilitation Employees -- This account is for reporting all compensation of occupational and physical therapists, and technicians, and therapy aides employed to provide resident rehabilitation activities or services. This account will be subdivided in accordance with OAR 411-070-0359(3)(g) on Schedule A to Form SPD 35 or SPD 35A.

(o) 671 -- Compensation -- Religious Employees -- This account is for reporting all compensation for individuals employed who provide religious services.

(p) 672 -- Compensation -- Hospital Employees -- This account is for reporting the expense attributable to hospital employees not related to nursing facility long-term care.

(q) 681 -- Compensation -- Other Employees -- This account is for reporting all compensation for dentists, barbers, beauticians, research, and other non-identified personnel employed by the facility and must be explained in detail on Schedule A to Form SPD 35 or SPD 35A.

(r) 752 -- Purchased Services -- Registered Nurses -- This account is for reporting the expense attributable to employment agencies that provide part-time registered nurse employees on a fee and salary basis.

(s) 753 -- Purchased Services - Licensed Practical Nurses -- This account is for reporting the expense attributable to employment agencies that provide part-time licensed practical nurse employees on a fee and salary basis.

(t) 754 -- Purchased Services -- Certified Medical Assistants -- This account is for reporting the expense attributable to employment agencies that provide part time certified medical assistant employees on a fee and salary basis.

(u) 755 -- Purchased Services -- Certified Nursing Assistants & Restorative Aides -- This account is for reporting the expense attributable to employment agencies that provide part-time certified nursing assistant and restorative aide employees on a fee and salary basis.

(v) 756 -- Purchased Services -- Other Nursing -- This account is for reporting the expense attributable to employment agencies that provide part-time other nursing employees on a fee and salary basis, and must be explained in detail on Schedule A to Form SPD 35 or SPD 35A.

(14) DIRECT CARE SUPPLIES -- These accounts include supplies and services used in providing direct resident services.

(a) 811 -- Education & Training -- This account is for reporting registration, tuition, and book expense associated with education and training of direct care personnel.

(b) 812 -- Nursing Assistant (Aide) Training and Competency Evaluation -- This account is for reporting all expenses associated with OAR 411-070-0470 (which excludes salaries of nurse aide trainees).

(c) 816 -- Nursing Supplies -- This account is for reporting all medical supplies consumed by this department, exclusive of oxygen, used in providing direct care services.

(d) 819 -- Physician Fees -- This account is for reporting all expenditures for physician treatment, services and evaluation of the resident.

(e) 826 -- Oxygen Supplies -- This account is for reporting the expense of all oxygen (gas) and concentrator rentals.

(f) 836 -- Pharmacy Supplies -- This account is for reporting the expense of all materials utilized in the facility pharmacy operation.

(g) 837 -- Drugs and Pharmaceuticals -- Nursing Home -- This account is for reporting all expenditures meeting the criteria of 411-070-0085(2)(j).

(h) 838 -- Drugs & Pharmaceuticals -- Prescriptions -- This account is for reporting all expenditures for legend drugs and biologicals prescribed by a licensed physician and not meeting the criteria of 411-070-0090.

(i) 846 -- Laboratory Supplies & Fees -- This account is for reporting the expense of all materials utilized in the facility laboratory operation and fees paid for non-employee pathologist and laboratory technician services.

(j) 856 -- X-Ray Supplies & Fees -- This account is for reporting the expense of all materials utilized in the facility X-Ray department and fees for non-employee radiologists and X-Ray technician services.

(k) 859 -- Equipment Rental -- Chargeable -- This account is for reporting chargeable equipment rental costs for equipment used in direct care services cost categories.

(l) 861 -- Barber & Beauty -- The cost of non-employee barber and beautician services will be reported in this account.

(m) 863 -- Medical Records Supplies -- This account is restricted to materials and software used in resident charting, including data processing for medical records.

(n) 866 -- Activities & Recreational Supplies -- This account is for reporting the expense of entertainers, and all materials used in providing resident recreational activities. Related transportation is to be reported in Account 427.

(o) 876 -- Rehabilitation Supplies & Fees -- This account is for reporting the expense of all materials used in providing occupational and physical therapy including fees for non-employee related services. This account must be subdivided in accordance with OAR 411-070-0359(3)(I) on Schedule A to Form SPD 35 or SPD 35A.

(p) 882 -- Utilization Review -- This account is for reporting the expenses of all non-employee fees associated with utilization review.

(q) 889 -- Consultant Fees -- This account is for reporting all expenditures for consultant fees, including travel and lodging,

exclusive of dietary and management consultants and must be explained in detail on Schedule A to Form SPD 35 or SPD 35A.

(r) 899 -- Miscellaneous -- Expenses reported in this account must be explained in detail on Schedule A to Form SPD 35 or SPD 35A.

(15) VENTILATOR ASSISTED PROGRAM EXPENSES -- These accounts include supplies and services used in the ventilator assisted program.

(a) 950 -- Ventilator Unit Medical Director Compensation -- This account is for reporting all compensation received by the Ventilator Unit Director who provides services for the Ventilator Assisted Program residents.

(b) 951 -- Nursing Compensation -- Ventilator Assisted Nurses - This account is for reporting all compensation received by nurse and nursing assistant employees of the facility who provide nursing services for Ventilator Assisted Program residents.

(c) 952 -- Respiratory Therapist Compensation -- Ventilator Assisted - This account is for reporting all compensation received by Respiratory Therapist employees or contractors of the facility who provide therapy services in Ventilator Units.

(d) 953 -- Contracted Nursing -- Ventilator Assisted - This account is for reporting the expense attributable to employment agencies that provide registered nurse employees on a fee and salary basis in a Ventilator Unit.

(e) 954 -- Ventilator Rental -- This account is for reporting expense of a ventilator.

(f) 955 -- Oxygen and Medication -- Ventilator Assisted - This account is for reporting the expense of all oxygen (gas) and concentrator rentals and is for reporting all expenditures meeting the criteria of 411-070-0085(2)(j) in a Ventilator Unit.

(g) 956 -- Other Ventilator related Supplies -- This account is for the reporting of other related supplies incurred in a Ventilator Assisted Program.

(h) 957 -- Other (Identify) -- Ventilator Assisted - This account is for all other expenses incurred in a Ventilator Assisted Program.

Stat. Auth.: ORS 410.070

Stats. Implemented: ORS 410.07