

Comparison of GHCA's and DCH's Proposed FRV Per Diem Characteristics and Variables  
7yr - DCH AgeCuts - DCH VarDepr

Georgia Health Care Association:

FRV Model Characteristics / Variables	<u>GHCA</u>
Current Year For Aging Purposes	2008
Cost per Square Foot	\$141.25
Construction Cost Index	1.0000
Location Factor - varies based on ZIP Code	
Minimum Square Feet per Bed	350
Maximum Square Feet per Bed	700
Land Percentage	15.0%
Equipment Allowance per Bed	\$5,000
Equipment Cost Index	1.0000
Capital Cost	
Depreciation Rate if FRVS Age is >= 32.5 Years	2.00%
Depreciation Rate if FRVS Age is >= 25.0 and < 32.5 Years	1.75%
Depreciation Rate if FRVS Age is >= 17.5 and < 25.0 Years	1.50%
Depreciation Rate if FRVS Age is >= 10.0 and < 17.5 Years	1.25%
Depreciation Rate if FRVS Age is < 10.0 Years	1.00%
Maximum Age	32.5
Return Rate (varies with a floor of 9.0%)	9.00%
Minimum Occupancy	80.00%
Depreciation Rate Used in Determining Initial Age	2.0%
Historical Data:	
Additions from Date of Initial Construction	
Replacements from Date of Initial Construction	
Renovations from Date of Initial Construction	

Impact Analysis Based on Estimated <u>Total Medicaid Days</u>	<u>GHCA</u>
<b>Estimated Total Medicaid Days (per GHCA)</b>	9,544,714
<b>GHCA's Proposed FRV Per Diem (Statewide Average) *</b>	\$9.59
<b>Existing Dodge Rate Per Diem (Statewide Average) *</b>	\$5.38
Percent FRV Per Diem Increase over Existing Dodge Per Diem	78.1%
<b>Estimated Medicaid Days times the Per Diem Rate</b>	
Total Medicaid Payments Using GHCA's Selected Criteria	\$91,510,339
Existing Dodge Payments	\$51,368,509
Projected Impact Utilizing GHCA's Proposed FRV Per Diem	<b>\$40,141,830</b>

Count of Providers by Range of Provider Specific Per Diem Increase:	
Less Than Current Dodge Rate	3
Retain Dodge	0
Greater than <b>\$0.00</b> and equal to or less than <b>\$2.00</b>	66
Greater than <b>\$2.00</b> and equal to or less than <b>\$4.00</b>	107
Greater than <b>\$4.00</b> and equal to or less than <b>\$6.00</b>	63
Greater than <b>\$6.00</b> and equal to or less than <b>\$8.00</b>	29
Greater than <b>\$8.00</b> and equal to or less than <b>\$10.00</b>	22
Greater than <b>\$10.00</b>	13
Total Count of Providers Completing Survey	303

Department of Community Health:

FRV Model Characteristics / Variables	<u>DCH</u>
Current Year For Aging Purposes	2008
Cost per Square Foot	\$141.25
Construction Cost Index	1.0000
Location Factor - varies based on ZIP Code	
Minimum Square Feet per Bed	350
Maximum Square Feet per Bed	700
Land Percentage	15.0%
Equipment Allowance per Bed	\$5,000
Equipment Cost Index	1.0000
Capital Cost	
Depreciation Rate if FRVS Age is >= 21.0 Years	2.00%
Depreciation Rate if FRVS Age is >= 16.0 and < 21.0 Years	1.90%
Depreciation Rate if FRVS Age is >= 11.0 and < 16.0 Years	1.75%
Depreciation Rate if FRVS Age is >= 6.0 and < 11.0 Years	1.50%
Depreciation Rate if FRVS Age is < 6.0 Years	1.00%
Maximum Age	32.5
Return Rate (flat rate)	9.00%
Minimum Occupancy	80.00%
Depreciation Rate Used in Determining Initial Age	2.0%
Historical Data:	
Additions from Date of Initial Construction	
Replacements from Date of Initial Construction	
Renovations made within Last Seven Years (from 2001)	

Impact Analysis Based on Estimated <u>Total Medicaid Days</u>	<u>DCH</u>
<b>Estimated Total Medicaid Days (per GHCA)</b>	9,544,714
<b>DCH's FRV Per Diem (Statewide Average) *</b>	\$8.31
<b>Existing Dodge Rate Per Diem (Statewide Average) *</b>	\$5.38
Percent FRV Per Diem Increase over Existing Dodge Per Diem	54.4%
<b>Estimated Medicaid Days times the Per Diem Rate</b>	
Total Medicaid Payments Using DCH's Selected Criteria	\$79,288,732
Existing Dodge Payments	\$51,368,509
Projected Impact Utilizing DCH's FRV Per Diem	<b>\$27,920,223</b>

Count of Providers by Range of Provider Specific Per Diem Increase:	
Less Than Current Dodge Rate	0
Retain Dodge	6
Greater than <b>\$0.00</b> and equal to or less than <b>\$2.00</b>	128
Greater than <b>\$2.00</b> and equal to or less than <b>\$4.00</b>	113
Greater than <b>\$4.00</b> and equal to or less than <b>\$6.00</b>	28
Greater than <b>\$6.00</b> and equal to or less than <b>\$8.00</b>	13
Greater than <b>\$8.00</b> and equal to or less than <b>\$10.00</b>	4
Greater than <b>\$10.00</b>	11
Total Count of Providers Completing Survey	303

\* - The GHCA proposed FRV Per Diem and the DCH FRV Per Diem figures are statewide averages. In fact, each nursing facility provider will get a unique FRV Per Diem once this new algorithm is implemented. The counts of providers by range of per diem increases is based on a comparison of each provider's existing Dodge rate to their specific projected FRV Per Diem rate.