

Department of Community Health
Fair Rental Value System
Initial Start Up and Fair Rental Value (FRV) Reimbursement Form
Instructions

This form should be completed during the initial start-up of the Fair Rental Value System (FRV) and in each instance where a facility adds or completes renovation/construction projects which exceed \$500 per licensed bed at the time the project is completed.

Submitting the Form:

This form **must be submitted** to the Department of Community Health **after** the Bed Addition or Renovation/Construction Project is complete.

After completing the forms, save the file and submit an electronic copy **or** mail one hard copy along with **all** supporting documentation to FRVS@dch.ga.gov to:

Department of Community Health
Financial Management Division
Office of Reimbursement
2 Martin Luther King Jr Drive SE
East Tower- 17th Floor
Atlanta, GA 30334

General Policy Clarifications for all FRV Project Types

There are two distinct project types. They are Bed Additions and Renovations/Construction projects. Only one type of project can be claimed for a reporting period.

Instructions for Completing the Report

The report is made up of four parts:

- Part I: Contact Information and Project Description
- Part II: Facility Information
- Part III: Bed Additions or Replacements
- Part IV: Renovation/Construction Project

Part I – Facility Information

In this section, the preparer should:

1. Complete the contact information for the nursing facility.
2. Provide a description of the FRV Update Submission.
 - a. **New Construction** is defined as a newly constructed building on a new or existing work site.
 - b. **Gut and Rebuild** is defined as a complete facility replacement. Gut and rebuild must include taking all walls down to the studs (exposing the structural skeleton of the existing building), removing and replacing flooring, existing interior doors and trim, cabinets, sinks, wiring, etc. See the Nursing Facility Services Manual 1002.5 for further explanation.
 - c. **Renovation** is defined as partial replacements which includes cosmetic or structural improvements to a wing or section of the facility (i.e. painting walls, adding nursing stations, new flooring, changing layout of existing floorplan, replacing bathroom fixtures, windows, exterior doors, the roof, and most or all plumbing, and electrical) Parking lots and landscaping

- costs are not included as allowable construction renovation costs for fair rental value.
3. The owner/officer and preparer certify the reported information is true and accurate with his/her signatures.

Part II – Facility Construction, Bed, and Square Footage Information

In this section, current information is entered for the facility to include the year of initial construction, number of licensed beds for nursing facility and non-nursing facility and square footage for nursing facility and non-nursing facility.

Supporting documentation must be submitted with the form to verify information recorded in this section. Acceptable documentation includes, but is not limited to, Nursing Home License, Certificate of Occupancy, Approved County/City Records, Blueprints, and Approved Certificate of Need (CON) documentation.

Part III – Bed Additions

In this section, information is entered to record bed additions that have been completed.

Supporting documentation must be submitted with the form to verify information recorded in this section. Acceptable documentation includes Nursing Home License and Approved Certificate of Need (CON) documentation.

Part IV – Renovation/Construction Project

In this section, information is entered for any renovation/construction project completed over a 12-month period that meets the definition found in Section 1000 of the Nursing Home Reimbursement Manual, which states,

1. 1002.5.3b A complete facility replacement, which includes either relocating to a newly constructed facility or gutting a complete facility and rebuilding it, will result in a new base year correlating to the date in which the facility went into operation. Gut and rebuild must include taking all walls down to the studs (exposing the structural skeleton of the existing building), removing and replacing flooring, existing interior doors and trim, cabinets, sinks, wiring, etc. All partial replacements will be treated as renovations which includes cosmetic or structural improvements to a wing or section of the facility (i.e. painting walls, adding nursing stations, new flooring, changing layout of existing floorplan, replacing bathroom fixtures, windows, exterior doors, the roof, and most or all plumbing, and electrical) and will have their base year adjusted based on the methodology prescribed for a renovation. Parking lots and landscaping costs are not included as allowable construction renovation costs for fair rental value.
2. 1002.5.4 A Renovation Construction Project shall mean a capital expenditure (as defined in Section (N)(4)(a)) that exceeds \$500 per existing licensed bed. Applications must filed with the Office of Health Planning as a New Construction Project under the authority of Ga. Comp. R. & Regs. r. 290-5-8 for renovation projects that are requesting complete facility replacement and/or gut rebuild “deemed new” consideration.

(a) Allowable capital expenditures include the costs of buildings, machinery,

fixtures, and fixed equipment constituting any New Construction Project as referenced in paragraph 4, above. The exception to this requirement is for certain moveable equipment that are determined to be energy savings or environmentally beneficial. These items may include telemedicine terminals, solar panels, tankless water heaters, and low flow toilets. Capital expenditures are asset acquisitions that meet the criteria of § 108.1 of the Provider Reimbursement Manual (CMS-15-1) or are betterments or improvements which meet the criteria of § 108.2 of the Provider Reimbursement Manual (CMS-15-1) or which materially (a) expand the capacity, (b) reduce the operating and maintenance costs, (c) significantly improve safety, or (d) promote energy conservation.”

Supporting documentation must accompany all requests for FRV update. Supporting documentation that must be submitted includes, but is not limited to:

Nursing Home License;

Certificate of Occupancy;

Approved County/City Records;

Fixed Asset Schedules;

General Ledger Listing/Listing of all invoices associated with project;

Appraisal;

Construction Contract;

Blueprints; and,

Documentation of Certificate of Need (CON) approval.

* Note: Fixed Asset Schedules will serve as sufficient documentation for projects completed **prior to** 1995.