

TEMPORARY FILING
INCLUDING STATEMENT OF NEED & JUSTIFICATION
For internal agency use only.

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| Department of Human Services, Aging and People with Disabilities (APD) | | 411 |
| Agency and Division Name | | Administrative Rules Chapter Number |
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FILING CAPTION
(Must be 15 words or fewer)

Increase in nursing facility ventilator assisted program rate and implementation of COVID-19 program changes

Agency Approved Date: [06-25-2020]

Effective Date: [07-01-2020] through [12-27-2020]

RULEMAKING ACTION

List each rule number separately (000-000-0000). Attach clean text for each rule at the end of the filing

ADOPT:

411-070-0439

AMEND:

411-070-0005, 411-070-0359, 411-070-0442, 411-070-0452, 411-070-0465

SUSPEND:

RULE SUMMARY:

Include a summary for each rule included in this filing.

The Department of Human Services, Aging and People with Disabilities Program is immediately amending OAR chapter 411, division 70. This filing includes COVID related rate changes to nursing facilities and a new rule for a COVID Emergency Response Incentive Program. This also includes an increase to ventilator assisted services rate in nursing facilities.

411-070-0005 – Adds in “COVID-19 Pandemic” and “Emergency Health Care Center (EHCC)” definitions.

411-070-0359 – Adds in COVID-19 Allowable costs for the Nursing Facility Financial Statements.

411-070-0439 – Adds in a new rule within Division 70 for a COVID-19 Emergency Response Incentive Program outlined in the Department’s Administrator Alert NF-20-83 – Provider Alert NF Announcement Incentive Pay.

411-070-0442 – Amends the Medicaid rate that a nursing facility, who qualifies to receive the Ventilator Assisted Program rate, from 200% of the basic rate to 235%. Adds in a 10% increase effective April 1, 2020 thru June 30, 2020, for the Medicaid Basic rate.

411-070-0452 – Adds in a 10% increase effective April 1, 2020 thru June 30, 2020, for the Medicaid Pediatric rate.

411-070-0465 – Adds COVID-19 definitions to the Uniform Chart of Accounts when filing a Nursing Facility Financial Statement.

STATEMENT OF NEED AND JUSTIFICATION

Need for the Rule(s):

Due to the COVID-19 state of emergency, the Legislature and the Executive Branch authorized a ten percent rate increase for nursing facilities during April 1, 2020 thru June 30, 2020. The Department is amending OAR chapter 411, division 070 to increase rates to assist with extraordinary business costs associated with the COVID-19 pandemic. The Department has also issued a COVID Emergency Response Incentive Program to protect nursing facility staff from missed work due to COVID-19.

Justification of Temporary Filing:

Failure to act promptly and immediately amend OAR chapter 411, division 70 could result in death to those severely affected by the COVID-19 virus, financial instability for nursing facilities serving this population and non-compliance with Legislative decision for the COVID pandemic. These rules need to be adopted promptly so that Oregon can serve our vulnerable adults in this pandemic.

Documents Relied Upon, and where they are available:

APD-PT-20-051 – APD Provider Rate Increases due to COVID-19
<http://www.dhs.state.or.us/policy/spd/transmit/pt/2020/pt20051.pdf>

NF-20-83 – Provider Alert NF Announcement Incentive Pay
<https://www.oregon.gov/dhs/providers-partners/licensing/pages/admin-alerts.aspx>

**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

(Temporary effective 07/01/2020 – 12/27/2020)

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.

(9) "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, the bundled pediatric rate or the bariatric rate (instead of the basic rate).

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

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

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

(13) "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.

(14) "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.

(15) "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).

(16) "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.

(17) "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.

(18) "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.

(19) "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.

(20) "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.

(21) "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.

(22) "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.

(23) "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.

(24) "COVID-19 Pandemic" is an ongoing pandemic of coronavirus disease 2019 (COVID-19), caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2).

(~~25~~4) "CPAP" means continuous positive airway pressure.

(~~26~~5) "CPI" means the consumer price index for all items and all urban consumers.

(~~27~~6) "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.

(~~287~~) "Department" means the Department of Human Services (DHS).

(~~298~~) "Developmental Disability" means "developmental disability" as defined in OAR 411-320-0020 and described in OAR 411-320-0080.

(~~3029~~) "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.

(~~319~~) "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".

(32) "Emergency Health Care Center (EHCC)" is a designated existing licensed nursing facility, in response to the COVID-19 pandemic, designed to provide long term care services to individuals that have tested positive for COVID-19. The purpose of the stay is to allow an individual to recover in an environment meeting their needs.

(~~334~~) "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.

(~~342~~) "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).

(~~353~~) "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.

(~~364~~) "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.

(~~375~~) "Generally Accepted Accounting Principles" mean the accounting principles approved by the American Institute of Certified Public Accountants.

(~~386~~) "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.

(~~397~~) "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.

(~~4038~~) "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.

(~~4139~~) "Hospital-Based Facility" means a nursing facility that is physically connected and operated by a licensed general hospital.

(~~429~~) "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.

(~~434~~) "Individual" means a person who receives, or is expected to receive, nursing facility services.

(~~442~~) "Intellectual Disability" means "intellectual disability" as defined in OAR 411-320-0020 and described in OAR 411-320-0080.

(~~453~~) "Interrupted-Service Facility" means an established facility recertified by DHS following decertification.

(~~464~~) "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)).

(~~475~~) "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).

(~~486~~) "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.

(~~497~~) "Medicaid Occupancy Percentage" means the total Medicaid bed days divided by total resident days.

(~~5048~~) "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.

(~~5149~~) "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.

(~~520~~) "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)).

(~~534~~) "New Facility" means a nursing facility commencing to provide services to individuals.

(~~542~~) "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.

(~~553~~) "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.

(~~564~~) "Occupancy Rate" means total resident days divided by capacity.

(~~575~~) "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.

(~~586~~) "Ordinary Costs" mean costs incurred that are customary for the normal operation.

(~~597~~) "Oregon Medical Professional Review Organization (OMPRO)" means the organization that determines level of services, need for services, and quality of services.

(~~6058~~) "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.

(~~6159~~) "Perquisites" mean privileges incidental to regular wages.

(~~629~~) "Personal Incidental Funds" mean resident funds held or managed by the licensee or other person designated by the resident on behalf of a resident.

(~~634~~) "Placement" means the location of a specific place where health services can be adequately provided to meet the service needs.

(~~642~~) "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.

(~~653~~) "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.

(~~664~~) "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.

(~~675~~) "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.

(~~686~~) "Provider" means an entity, licensed by Aging and People with Disabilities, responsible for the direct delivery of nursing facility services.

(~~697~~) "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.

(~~7068~~) "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.

(~~7169~~) "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.

(~~729~~) "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.

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

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

(753) "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).

(764) "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.

(775) "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.

(786) "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.

(797) "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.

(8078) "Supervision" means initial direction and periodic monitoring of performance. Supervision does not mean the supervisor is physically present when the work is performed.

(8179) "These Rules" mean the rules in OAR chapter 411, division 070.

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

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

(842) "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.

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

(864) "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.

(875) "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

411-070-0359 Allowable Costs

(Temporary effective 07/01/2020 – 12/27/2020)

(1) ALLOWABLE COSTS. Allowable costs are the necessary costs incurred for the customary and normal operation of a facility, to the extent that they are reasonable and related to resident services.

(a) Accounting, Auditing, and Data Processing -- The costs of recording, summarizing, and reporting the results of operations are allowable.

(b) Advertising -- Help wanted advertising and the expense related to the alphabetical listing in the yellow pages of a phone directory are allowable.

(c) Allowable Workers Compensation Dividends (Refunds) or Billings of the nursing facility are those dated in the fiscal reporting period.

(d) Auto and Travel Expense -- Expense of maintenance and operation of a vehicle and travel expense related to resident services are reimbursable. The allowance for mileage reimbursement must not exceed the amount determined reasonable by the Internal Revenue Service for the period reported. Allowable out-of-state travel is restricted to Washington, Idaho, and Northern California, no farther south than San Francisco. One out of state/contiguous area trip per year for two employees shall be allowed, as long as it relates to resident services.

(e) Bad Debts -- Bad debts related to Title XIX recipients are allowable.

(f) Bank and Finance Charges -- Charges for routine maintenance of accounts are allowable.

(g) Communications -- Charges for routine telephone service, including pagers, and cable television fees, are allowable.

(h) Compensation of Owners -- Owner's compensation in accordance with OAR 411-070-0330 is allowable.

(i) Consultant Fees -- Consultant fees are allowable provided they meet the criteria as outlined in OAR 411-070-0320.

(j) COVID-19 -- Costs of COVID-19 related expenses not reimbursed by the State of Oregon are allowable. The Emergency Health Care Center (EHCC) revenue is non-allowable.

(~~kj~~) Criminal Records Checks -- Costs of criminal records checks of facility employees if mandated by federal or state law are allowable.

(~~lk~~) Depreciation and Amortization -- Depreciation schedules on buildings and equipment must be maintained. Depreciation expense is not allowable for land. Lease-hold improvements may be amortized. Depreciation and amortization must be calculated on a straight-line basis and prorated over the estimated useful life of the asset. Effective July 1, 2003, these costs must be reported in accordance with OAR 411-070-0365, OAR 411-070-0375, and OAR 411-070-0385.

(~~ml~~) Education and Training -- Registration, tuition, and book expense associated with education and training of personnel is allowed provided it is related to resident services. The costs associated with training and certifying nurse aides are not allowable for inclusion in the annual NFFS. These costs are reimbursed separately by SPD per OAR 411-070-0470.

(~~nm~~) Employee Benefits -- Employee benefits that are made available to all employees, are for the primary use of the employees, are generally considered by the industry as reasonable and important benefits to provide for employees, are not taxable as wages, and are allowable to the extent of employer participation.

(~~oa~~) Food -- Food products and supplements used in food preparation are allowable.

(~~pe~~) Home Office Costs -- Home office costs are allowable in accordance with OAR 411-070-0345.

(~~qp~~) Insurance -- Premiums for insurance on assets or for liability purposes, including vehicles, are allowable to the extent that they are related to resident services. Self-insurance costs are allowable only when expense is actually incurred.

(~~rf~~) Interest -- Interest on debt related to the provision of resident services is an allowable expense, except on or after July 1, 1984, interest expense related to that portion of the acquisition price of a long-term facility that exceeds the depreciable basis (OAR 411-070-0375) will not be reimbursable.

(~~sf~~) Legal Fees -- Legal fees directly related to resident services are allowable. Legal fees related to non-allowable costs are not allowable. Legal fees claimed as related to resident services must be explained and listed on Schedule A. Fees related to legal and administrative actions to resolve a disagreement with the state shall be allowable if the action is resolved in the provider's favor, and the judge or hearings officer does not order the state to pay the provider's legal fees.

(~~ts~~) Licenses, Dues, and Subscriptions -- Fees for facility licenses, dues in professional associations, and costs of subscriptions for newspapers, magazines, and periodicals provided for resident and staff professional use are allowable.

(~~ut~~) Linen and Bedding -- Linen and bedding costs for the facility are allowable.

(~~vu~~) Management Fees -- Management fees are allowable provided they meet the criteria for OAR 411-070-0350.

(~~wv~~) Postage and Freight -- Postage expense is considered an office supply cost. Freight must be posted to the same account as the item purchased.

(~~xw~~) Property Costs -- Costs related to purchase or lease of a facility are to be reported in Accounts 452 through 459 and 461.

(~~yx~~) Purchased Services -- Services that are received under contract arrangements are reimbursable to the extent that they are related to resident services and the sound conduct and operation of the facility.

(~~zy~~) Rent or Lease Payments -- Payments for the lease or rental of land, buildings, and equipment are to be reported. Payments for

lease agreements entered into with a related party are limited to the lower of actual costs or the lease payments.

(~~aa~~z) Repairs and Maintenance -- Costs of maintenance and minor repairs are allowable when related to the provision of resident services.

(~~ba~~aa) Salaries (Except Owners and Related Parties) -- Salaries and wages of all employees engaged in resident service activities or overall operation and maintenance of the facility, including support activities of home offices and regional offices, are allowable.

(~~cb~~bb) Supplies -- Cost of supplies used in resident services or providing services related to resident services are allowable.

(~~de~~ee) Taxes -- Property taxes on assets used in rendering resident services are allowable. Long term facility taxes paid on resident days are allowable, effective July 1, 2003.

(~~ee~~dd) Utilities -- Costs for facility heating, lighting, water-sewer, and garbage provisions are allowable.

(~~fe~~ee) Utilization Review -- Costs incurred for utilization review are Medicare related and are not allowable for Medicaid reimbursement.

(2) EXCEPTIONS. Exceptions to the items listed in section (1) of this rule must be approved in writing to be allowable. Exceptions shall not be granted for the following items:

(a) Amortization of non-competitive agreement;

(b) Goodwill;

(c) Federal and other governmental income taxes;

(d) Penalties and fines;

(e) Costs of services and items otherwise reimbursable through DMAP, other third party payors (see section (3) of this rule), or the resident's personal funds;

(f) The cost related to the functioning of Corporate Boards of Directors;

(g) Advertising for purposes of soliciting potential residents, except for listings in the yellow pages (see section (1)(b) of this rule);

(h) The cost of salaries and supplies devoted to religious activities; or

(i) Gifts and contributions.

(3) THIRD PARTY PAYORS. The purpose of this section is to assure that facilities are not paid twice, once through the Medicaid bundled rate and again through a third party payor, for providing a service. This section includes both allowed and non-allowed costs.

(a) Facilities must bill third party payors for nursing facility services whenever payment from a third party payor is or may be available. Examples of such payors are Medicare, Veterans Administration, insurance companies, or a private resident when the items are not included in the basic rate.

(b) Failure to bill or collect from third party payors whenever appropriate may not cause these expenses to be considered allowable.

(c) The cost of services incurred for therapy services performed by non-employee therapists are reimbursable through a third party payor or DMAP and are non-allowable on the NFFS.

(d) The cost of supplies and equipment medically necessary in the performance of therapy services that are reimbursable through a third party payor or DMAP, are non-allowable on the NFFS.

Stat. Auth.: ORS 410.070 & ORS 414.065

Stats. Implemented: ORS 410.070 & ORS 414.065

411-070-0439 COVID-19 Emergency Response Incentive Program
(Adopted 07/01/2020)

(1) ESTABLISHMENT. The Department establishes the COVID-19 Response Incentive Program (Program). The Program is designed to support nursing facilities in adopting employment policies that protect employees during the COVID-19 pandemic.

(2) The Department will provide additional compensation to nursing facilities who meet the criteria contained in paragraph (3). Such compensation shall be 2.5% of their Medicaid Resident Revenue for services provided during the effective dates of the Program. A facility may be eligible for any continuous 90-day period between May 1, 2020 and September 30, 2020.

(3) CRITERIA. All three of the following criteria must be met in order for a nursing facility to be eligible for the incentive payment.

(a) Increased paid time off: The nursing facility must demonstrate that it increased paid time off for workers who become sick with COVID-19 or for individuals who are being asked to quarantine by their employer or medical professional or who are waiting for test results. Employees receiving paid time off due to COVID-19 illness must receive pay equal to their regular hourly compensation for scheduled work shifts. Sufficient evidence must be submitted with the required claim form referenced in paragraph (5) and may include:

(A) For facilities with collective bargaining agreements, a copy of any collective bargaining agreements or addendums with such provisions if changes were made;

(B) A letter to all staff stating that this protection has been granted;

(C) Amended staff policies or handbooks; or

(D) Copies of payroll records showing paid time off for ill employees.

(b) Employee Retention: The nursing facility must demonstrate that it did not terminate or discipline the employment of any employee who notified their employer that they were taking leave because:

(A) They had, or were suspected to have, COVID-19;

(B) A family member had, or was suspected to have COVID-19;
or

(C) They have been asked to quarantine by their employer or medical professional or are waiting for test results.

(c) Enhanced Compensation: The nursing facility shall submit documentation that it provided enhanced compensation for frontline caregivers who were at risk of exposure to COVID-19 due to an exposure or confirmed case of COVID-19 in the nursing facility where they worked. The documentation shall be submitted on the claim form referenced in paragraph (5) and may include:

(A) A copy of a collective bargaining agreement or addendums with such provisions;

(B) Amended policies or handbook that includes a definition of who is a “frontline caregiver at risk of exposure to COVID-19”;

(C) Notification to staff of increased compensation due to COVID-19 risk or exposure; or

(D) Payroll records demonstrating enhanced payments for COVID-19 exposure risk.

(4) PAYMENT. The Department of Human Services will provide an incentive payment equal to 2.5% of Medicaid resident revenue for services provided between May 1, 2020 and September 30, 2020, for nursing facilities who meet all of the criteria contained in paragraph (3). A facility may be eligible for any continuous 90-day period between May 1, 2020 and September 30, 2020.

(5) CLAIM. Nursing facilities shall submit a claim for the incentive payment on the form mandated by the Department of Human Services.

(6) APPLICABILITY. The Department will only provide the incentive payment for the time period May 1, 2020 to September 30, 2020, in which the facility was in compliance with the criteria contained in paragraph (3) and for a continuous 90-day period only.

(7) TIMELINESS. Claims for the incentive payment may be submitted no earlier than August 1, 2020 and no later than December 31, 2020. Nursing facilities may submit one claim form and one supplemental claim for Medicaid resident revenues not previously submitted on the initial claim form.

Stat. Auth.: 410.070

Stats. Implemented: 410.070

411-070-0442 Calculation of the Basic Rate, Complex Medical Rate, Bariatric Rate and Ventilator Assisted Program Rate
(Temporary effective 07/01/2020 – 12/27/2020)

(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) Due to the COVID-19 pandemic, a temporary 10% increase to the basic rate has been authorized for nursing facilities for services provided April 1, 2020 thru June 30, 2020.

~~(32)~~ 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.

~~(43)~~ 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.

| (54) The complex medical rate is 140% percent of the basic rate.

| (65) The Ventilator Assisted Program rate is ~~23500~~% of the established basic rate.

| (76) 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

411-070-0452 Pediatric Nursing Facilities

(Temporary effective 07/01/2020 – 12/27/2020)

(1) PEDIATRIC NURSING FACILITY.

(a) A pediatric nursing facility is a licensed nursing facility at least 50 percent of whose residents entered the facility before the age of 14 and all of whose residents are under the age of 21.

(b) A nursing facility that meets the criteria of subsection (1)(a) of this section is reimbursed as follows:

(A) The pediatric rate is a prospective rate and is not subject to settlement. The Department uses financial reports of facilities

that have been in operation for at least 180 days and are in operation as of June 30.

(B) The facility specific pediatric cost per resident day is inflated as described in OAR 411-070-0442(1)(b). The Oregon Medicaid pediatric days are multiplied by the inflated facility specific cost per resident day for each pediatric facility. The totals are summed and divided by total Oregon Medicaid days to establish the weighted average cost per pediatric resident day. The rebase relationship percentage of 93 percent is applied to the weighted average cost to determine the pediatric rate.

(c) Due to the COVID-19 pandemic, a temporary 10% increase to the pediatric rate has been authorized for nursing facilities for services provided April 1, 2020 thru June 30, 2020.

(de) Even though pediatric facilities are reimbursed in accordance with subsection (1)(b) of this section, pediatric facilities must comply with all requirements relating to the timely submission of Nursing Facility Financial Statements.

(2) LICENSED NURSING FACILITY WITH A SELF-CONTAINED PEDIATRIC UNIT.

(a) A nursing facility with a self-contained pediatric unit is a licensed nursing facility that provides services for pediatric residents (individuals under the age of 21) in a separate and distinct unit within or attached to the facility with staffing costs separate and distinct from the rest of the nursing facility. All space within the pediatric unit must be used primarily for purposes related to the services of pediatric residents and alternate uses may not interfere with the primary use.

(b) A nursing facility that meets the criteria of subsection (2)(a) of this section is reimbursed for pediatric residents served in the pediatric unit as described in section (1) of this rule.

(c) Licensed nursing facilities with a self-contained pediatric unit must comply with all requirements relating to the timely submission of Nursing Facility Financial Statements and must file a separate

attachment, on forms prescribed by the Department, related to the costs of the self-contained pediatric unit.

Stat. Auth.: ORS 410.070

Stats. Implemented: ORS 410.070, OL 2011 chapter 630, and OL 2013 chapter 608

411-070-0465 Uniform Chart of Accounts
(Temporary effective 07/01/2020 – 12/27/2020)

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 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.

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

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

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

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

(k) 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.

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

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

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

(o) 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) 903 -- COVID Provider Relief Revenue -- This account includes all revenue amounts received that are COVID related.

(d) 904 -- EHCC (Emergency Health Care Center) Revenue -- This account is for all EHCC Resident (COVID-19 tested positive patient (TPP)) Revenue. This account is for EHCC TPP revenue received for occupied bed days.

(e) 905 -- Emergency Enhanced Care Center (EHCC) Bed Hold Revenue -- This account is for EHCC Bed Hold Revenues received.

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

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

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

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

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

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

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

(~~mj~~) 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) 548 -- COVID Other Operating -- This account is for the reporting of other operating costs incurred for COVID expenses. This account must be explained in detail on Schedule A.

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

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

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

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

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

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

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

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

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

(~~pe~~) 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.

(~~qp~~) 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.

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

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

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

(~~ut~~) 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) 644 -- COVID Employee Paid Time Off - Direct Care -- This account is for specific COVID 2.5% incentive payment related expense for increased paid time off for worker who become sick.

(f) 645 -- COVID Enhanced Compensation Frontline -- This account is for specific COVID 2.5% incentive payment related expense for enhanced compensation for frontline caregivers who are at risk of exposure to COVID-19.

(ge) 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.

(hf) 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.

(ig) 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.

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

(ki) 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.

(lj) 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.

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

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

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

(~~pr~~) 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.

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

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

(s) 673 -- Compensation -- COVID Other -- This account is for all other Direct Care compensation related to COVID care.

(~~rq~~) 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.

(~~ur~~) 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.

(~~vs~~) 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.

(~~wt~~) 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.

(~~xu~~) 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.

(~~yv~~) 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) 820 -- COVID Supplies -- This account is for the reporting of all related supplies incurred for COVID expenses. This account must be explained in detail on Schedule A.

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

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

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

(ih) 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.

(ji) 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.

(kj) 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.

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

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

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

(oa) 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.

(pe) 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.

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

(~~rq~~) 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.

(~~sf~~) 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 410.070