

|->

Title 22@ Social Security

|->

Division 3@ Health Care Services

|->

Subdivision 1@ California Medical Assistance Program

|->

Chapter 3@ Health Care Services

|->

Article 9@ Quality Assurance Fee and Long Term Care Reimbursement Methodology

|->

Section 52502@ Labor Costs Category

52502 Labor Costs Category

(a)

Labor costs shall be calculated by combining direct care labor costs, direct care agency costs, indirect care labor costs, and indirect care agency costs.

(b)

The Department shall calculate the daily direct care labor costs by combining direct care labor costs and direct care agency costs and dividing by total resident days. (1) The benchmark for the daily direct care labor cost rate component shall be the 90th percentile of each peer group. (2) The Department shall determine the rate component for each facility either at actual inflated cost or the benchmark for its peer group, whichever is lower. (3) Each facility's direct care labor costs shall be adjusted by the labor inflation index from the mid-point of the cost reporting period to the mid-point of the rate year. (4) If a FSSA/NF-B enters into service agreements with unrelated contractors to operate physical therapy, speech pathology, occupational therapy, or respiratory therapy services, the contractor's documented cost of labor to work within the facility shall be included as direct care agency costs. If the facility does not submit to the Department the unrelated contractor's supporting documentation of the contractor's labor costs, all of the purchased service costs shall be included in other non-labor. If the consultant is employed by a related entity, the cost is treated as if it was incurred by the facility.

(1)

The benchmark for the daily direct care labor cost rate component shall be the 90th percentile of each peer group.

(2)

The Department shall determine the rate component for each facility either at actual inflated cost or the benchmark for its peer group, whichever is lower.

(3)

Each facility's direct care labor costs shall be adjusted by the labor inflation index from the mid-point of the cost reporting period to the mid-point of the rate year.

(4)

If a FSSA/NF-B enters into service agreements with unrelated contractors to operate physical therapy, speech pathology, occupational therapy, or respiratory therapy services, the contractor's documented cost of labor to work within the facility shall be included as direct care agency costs. If the facility does not submit to the Department the unrelated contractor's supporting documentation of the contractor's labor costs, all of the purchased service costs shall be included in other non-labor. If the consultant is employed by a related entity, the cost is treated as if it was incurred by the facility.

(c)

The Department shall calculate the daily indirect care labor costs by combining indirect care labor costs and indirect care agency costs and dividing by total resident days. (1) If a facility employs a contractor to provide regularly scheduled daily staff needed to operate a facility department (such as plant operations, housekeeping, laundry and linen, or dietary), the contractor's documented labor costs shall be included in the indirect care agency costs. Facilities shall provide the Department with the portion of the contract agreement and other documents that identify the labor costs. If the facility fails to document the portion of the contract cost related to labor, the Department shall determine the indirect labor costs

related to the contractor based on the following percentages: (A) Plant Operations and Maintenance -- 31 percent (B) Housekeeping -- 85 percent (C) Laundry and Linen -- 78 percent (D) Dietary -- 58 percent (2) The benchmark for the daily indirect care labor cost rate component shall be the 90th percentile of each peer group. (3) The Department shall determine the rate component for each facility either at actual inflated cost or the benchmark for its peer group, whichever is lower. (4) Each facility's indirect care labor costs shall be adjusted by the labor inflation index from the mid-point of the cost reporting period to the mid-point of the rate year.

(1)

If a facility employs a contractor to provide regularly scheduled daily staff needed to operate a facility department (such as plant operations, housekeeping, laundry and linen, or dietary), the contractor's documented labor costs shall be included in the indirect care agency costs. Facilities shall provide the Department with the portion of the contract agreement and other documents that identify the labor costs. If the facility fails to document the portion of the contract cost related to labor, the Department shall determine the indirect labor costs related to the contractor based on the following percentages: (A) Plant Operations and Maintenance -- 31 percent (B) Housekeeping -- 85 percent (C) Laundry and Linen -- 78 percent (D) Dietary -- 58 percent

(A)

Plant Operations and Maintenance -- 31 percent

(B)

Housekeeping -- 85 percent

(C)

Laundry and Linen -- 78 percent

(D)

Dietary -- 58 percent

(2)

The benchmark for the daily indirect care labor cost rate component shall be the 90th percentile of each peer group.

(3)

The Department shall determine the rate component for each facility either at actual inflated cost or the benchmark for its peer group, whichever is lower.

(4)

Each facility's indirect care labor costs shall be adjusted by the labor inflation index from the mid-point of the cost reporting period to the mid-point of the rate year.