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Methods and Standards Governing Payment  
for  
County Nursing Facility Services

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4. For rate setting year 2009-2010 and 2010-2011, the Department will apply a budget adjustment factor to county and non-public nursing facility payment rates for medical assistance nursing facility services. The budget adjustment factor shall limit the estimated aggregate increase in the Statewide day-weighted average payment rate for medical assistance nursing facility services for county and non-public nursing facilities so that the aggregate percentage rate of increase for the period that begins July 1, 2005 and ends on June 30, 2011 is limited to the amount permitted by the funds appropriated by the General Appropriations Acts. The formula for this budget adjustment factor as it applies to county nursing facilities for the 2009-2010 rate year is as follows:  $BAF = 1.00 + 0.01$ . For the rate year beginning July 1, 2009, and ending June 30, 2010, the per diem rate paid to a county nursing facility for an MA resident will be the facility's July 1, 2008 per diem rate calculated in accordance with paragraph 1 above, multiplied by the budget adjustment factor of 1.01.

5. New county nursing facility. The per diem rate paid to a new county nursing facility for an MA resident will be the statewide average of all other county nursing facilities' per diem rates for the same rate setting year as established above.

**B. Incentive Payments**

1. *County MA Day One Incentive payment for FYs 2006-2007, 2007-2008, and 2008-2009.* The Department will make MA Day One Incentive (MDOI) payments to each qualified county nursing facility as an incentive to preserve the critical safety network county nursing facilities provide to the poor and indigent residents of Pennsylvania.

a. An annual MDOI will be calculated for each qualified county nursing facility, to be paid out in quarterly installments.

b. To qualify for an MDOI quarterly installment payment, the facility must be a county nursing facility both during the entire quarter for which the installment payment is being made and at the time the installment payment is made.