
Florida Nursing Home Estimated Average Private Pay Rate 2011

**Agency for Health Care
Administration**



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BACKGROUND

The Agency for Health Care Administration (Agency) has historically conducted research and informational analysis for the purpose of gathering information regarding operational costs of the private sector and programs in other states. The Agency has conducted the following analysis in an effort to continue maintaining a knowledge base that allows the Agency to compare the Medicaid nursing home reimbursement rates to that of the State's private sector nursing home daily fees. To continue this effort for long term tracking and analysis, the Agency has established a standard process and will prepare an annual report with updated nursing home data. It is anticipated that the Agency, the public, and the stakeholders of nursing homes will benefit from the knowledge of the data and statistics. This analysis focuses only on nursing homes that participate in the Medicaid program that also provide care to private pay residents.

GENERAL NURSING HOME PAYMENT INFORMATION

As of January 1, 2011, there were 649 nursing homes participating in the Florida Medicaid program. These nursing homes account for a total of 80,751 beds, which is an average of 124 beds per facility. These same facilities account for 25,911,511 patient days a year, of which 15,540,893 (59.98%) are Medicaid days, corresponding to a Medicaid daily census of approximately 42,578 individuals.

Nursing homes that participate in the Florida Medicaid program are reimbursed in accordance with the Florida Title XIX Long-Term Care Reimbursement Plan (the Plan). The Plan is incorporated by reference into Chapter 59G – 6.010, Florida Administrative Code (FAC), and details the methods and standards by which these facilities are reimbursed by Medicaid. The Plan is often referred to as a cost-based prospective reimbursement plan. It utilizes historical data from nursing home cost reports to establish reimbursement rates. The Plan adjusts historical costs for inflation in establishing reimbursement rates for subsequent rate semesters.

Each Medicaid participating nursing home is required to submit an annual cost report to the Agency. Cost reports are due within five calendar months after the end of the facility's cost reporting period. The cost report is required to address a specific set of cost related issues relating to each facility's operation. The data within these cost reports is then used to establish Medicaid reimbursement (per diem) rates in accordance with the Plan.

DATA SOURCE

The nursing home cost reports required by the Plan include private pay revenue information and private pay days along with all publicly paid revenue information and publicly paid days. The data used to calculate the estimated average private pay rate includes only nursing homes that participate in the Medicaid program and provide care to private pay residents.

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ANALYSIS DETAIL

The 2011 report is based on Medicaid nursing home cost reports providers submitted with a fiscal year end (FYE) in 2009. The 2009 time period provided the largest number of nursing homes with cost reports to calculate an average private pay rate. The 2009 data was trended¹ forward to January 1, 2011. The private pay rate (per diem) is calculated by taking total private pay revenue reported and dividing it by the total private pay days for the reporting period.

The Agency can only estimate the average nursing home private pay rate for the state of Florida for nursing home providers that participate in Medicaid.

FINDINGS

ESTIMATE OF THE AVERAGE PRIVATE PAY DAILY RATE FOR FLORIDA
NURSING HOMES AS OF JANUARY 1, 2011

Average Private Pay- Average of Revenue Per Day	\$225.59
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The estimated average private pay rate excludes Managed Care, Veterans Administration, Hospice, Long-Term Care Insurance, Non-Nursing Home, and Other Routine Care revenue reported on Schedule C of the Medicaid nursing home cost reports. Private pay revenues were the sum of adjusted balances of accounts 601300, 601310, 602300, 603300, 604300, 605300, 606300, 607300, 608300, 609300, 610300, 611300, 613300, 619300, 670300. Descriptions of the accounts can be found in the Nursing Home Chart of Accounts available for download at http://ahca.myflorida.com/Medicaid/cost_reim/ecr.shtml.

¹ Trending factors came from the Skilled Nursing Facility Total Market Basket %MOVAVG in the Global Insight Healthcare Cost review