



MEMORANDUM

Date: March 3, 2010
To: Nursing Facility Administrator
From: Darryl Threat, Program Manager
Subject: Fair Rental Value Update

In a memo dated November 13, 2009, the Department of Community Health (DCH) requested nursing facility providers to complete the Fair Rental Value (FRV) Start Up and Update form in anticipation of the approval of the State Plan Amendment (SPA) that was under review with the Centers for Medicare and Medicaid Services (CMS) that would create a fair rental value methodology for the reimbursement of Property and Related costs for nursing facilities. The SPA is now approved and DCH plans to implement this methodology in nursing providers' Medicaid reimbursement rates effective April 1, 2010.

In order to implement this methodology, DCH will need to have a completed FRV Start Up and Update form and supporting documentation from each provider. While we have received this information from most providers, there are still a number of providers that have not submitted anything to us. Any provider who does not have this information sent to the Department by March 12, 2010 will continue to receive their current property reimbursement rate.

In order to receive a FRV rate on April 1, 2010, both the FRV Start Up and Update form and supporting documentation must be submitted. The Start Up and Update form alone will not be considered sufficient unless your facility is 25 years or older and you have not had any bed additions or renovations (We will calculate a new FRV rate for those providers that fall into that category). If you have previously submitted documentation to the Department of Audits and Accounts that support the information on your current FRV Start Up and Update form, then that documentation will be considered sufficient for purposes of calculating a rate effective April 1, 2010. Any forms and/or documentation submitted between March 12, 2010 and March 31, 2010 will be considered for the rate established July 1, 2010. All subsequent form and/or documentation submissions will be considered for the rate established the quarter following the submission of the information. In order to complete the FRV Start Up and Update form, go to the DCH website at www.dch.georgia.gov and choose Providers/Nursing Facility Services/Fair Rental Value System on the left.

For new construction/renovation projects that are scheduled to commence on or after April 1, 2010, that do not meet the Certificate of Need qualification thresholds, please submit a Request for Determination to the Division of Health Planning with a brief description of the nature of the project, including anticipated construction costs. All Requests for Determination must be completed on the proper form and filed with the proper filing fee. Forms can be accessed on the DCH website by clicking the *CON information* link http://dch.georgia.gov/00/channel_title/0,2094,31446711_115572400,00.html and the *Certificate of Need Applications and Forms* link http://dch.georgia.gov/00/channel_title/0,2094,31446711_32470833,00.html Please send your Requests for Determination to:

Division of Health Planning
Determination Requests
Department of Community Health
2 Peachtree Street, NW, 5th Floor
Atlanta, Georgia 30303

Construction drawings are not required to be submitted to our Legal Division in order to obtain a Determination letter. If you completed a construction/renovation project between July 1, 2009 and April 1, 2010 you do not need to submit a Request for Determination.

After the April 1, 2010 rate is issued, the Department will begin reprocessing claims for the first three quarters of FY 2010 based on the revised reimbursement rates effective July 1, 2009, October 1, 2009, and January 1, 2010. If you have any questions, please contact me at (404) 651-7886 or Angelica Foye at (404) 463-2956.