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File Date: 12/12/2011

# Notice of Rulemaking Hearing

Hearings will be conducted in the manner prescribed by the Uniform Administrative Procedures Act, Tennessee Code Annotated, Section 4-5-204. For questions and copies of the notice, contact the person listed below.

**Agency/Board/Commission:** Tennessee Department of Finance and Administration  
**Division:** Bureau of TennCare  
**Contact Person:** George Woods  
Bureau of TennCare  
310 Great Circle Road  
**Address:** Nashville, Tennessee 37243  
**Phone:** (615) 507-6446  
**Email:** George.woods@tn.gov

Any individuals with disabilities who wish to participate in these proceedings (to review these filings) and may require aid to facilitate such participation should contact the following at least 10 days prior to the hearing:

**ADA Contact:** ADA Coordinator  
Bureau of TennCare  
310 Great Circle Road  
**Address:** Nashville, Tennessee 37243  
**Phone:** (615) 507-6474  
**Email:** Helen.moore@tn.gov

Hearing Location(s) (for additional locations, copy and paste table)

Address 1:	Bureau of TennCare 1 <sup>st</sup> Floor East Conference Room 310 Great Circle Road		
Address 2:			
City:	Nashville, Tennessee		
Zip:	37243		
Hearing Date:	02/29/2012		
Hearing Time:	9:00 a.m.	<input checked="" type="checkbox"/> CST	<input type="checkbox"/> EST

Additional Hearing Information:

Revision Type (check all that apply):

- Amendment  
 New  
 Repeal

Rule(s) (ALL chapters and rules contained in filing must be listed. If needed, copy and paste additional tables to accommodate more than one chapter. Please enter only ONE Rule Number/Rule Title per row.)

<b>Chapter Number</b>	<b>Chapter Title</b>
1200-13-01	TennCare Long-Term Care Programs
<b>Rule Number</b>	<b>Rule Title</b>
1200-13-.01-.30	TennCare ICF/MR Services

(Place substance of rules and other info here. Statutory authority must be given for each rule change. For information on formatting rules go to <http://state.tn.us/sos/rules/1360/1360.htm>)

Subparagraph (a) of Paragraph (5) of Rule 1200-13-01-.30 TennCare ICF/MR Services is amended by adding two new sentences at the end of Subparagraph (a) so as amended Subparagraph (a) shall read as follows:

- (a) Private for-profit and private not-for-profit ICFs/MR shall be reimbursed at the lower of Medicaid cost or charges. An annual inflation factor will be applied to operating costs. The trending factor shall be computed for facilities that have submitted cost reports covering at least six (6) months of program operations. For facilities that have submitted cost reports covering at least three (3) full years of program participation, the trending factor shall be the average cost increase over the three-year (3-year) period, limited to the seventy-fifth (75th) percentile trending factor of facilities participating for at least three (3) years. Negative averages shall be considered zero (0). For facilities that have not completed three (3) full years in the program, the one-year (1-year) trending factor shall be the fiftieth (50th) percentile trending factor of facilities participating in the program for at least three (3) years. For facilities that have failed to file timely cost reports, the trending factor shall be zero (0). Capital-related costs are not subject to indexing. Capital-related costs are property, depreciation, and amortization expenses included in Section F.18 and F.19 of the Nursing Facility Cost Report Form. All other costs, including home office costs and management fees, are operating costs. Once a per-diem rate is determined from a clean cost report, the rate will not be changed until the next rate determination except for audit adjustments, correction of errors, or termination of a budgeted rate. Reimbursement is not to exceed the amount budgeted by the State for private ICF/MR reimbursement. The Comptroller's Office shall be authorized to adjust per diem rates up or down as necessary during the year.

Statutory Authority: T.C.A. §§ 4-5-202, 4-5-203, 71-5-105 and 71-5-109.

I certify that the information included in this filing is an accurate and complete representation of the intent and scope of rulemaking proposed by the agency.

Date: 12/9/2011

Signature: D. J. Gordon

Name of Officer: Darin J. Gordon

Director, Bureau of TennCare

Title of Officer: Tennessee Department of Finance and Administration



Subscribed and sworn to before me on: 12/9/11

Notary Public Signature: Cheryl D. Kline

My commission expires on: 9/3/2012

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Filed with the Department of State on: 12/12/2011

Tre Hargett

Tre Hargett  
Secretary of State

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