

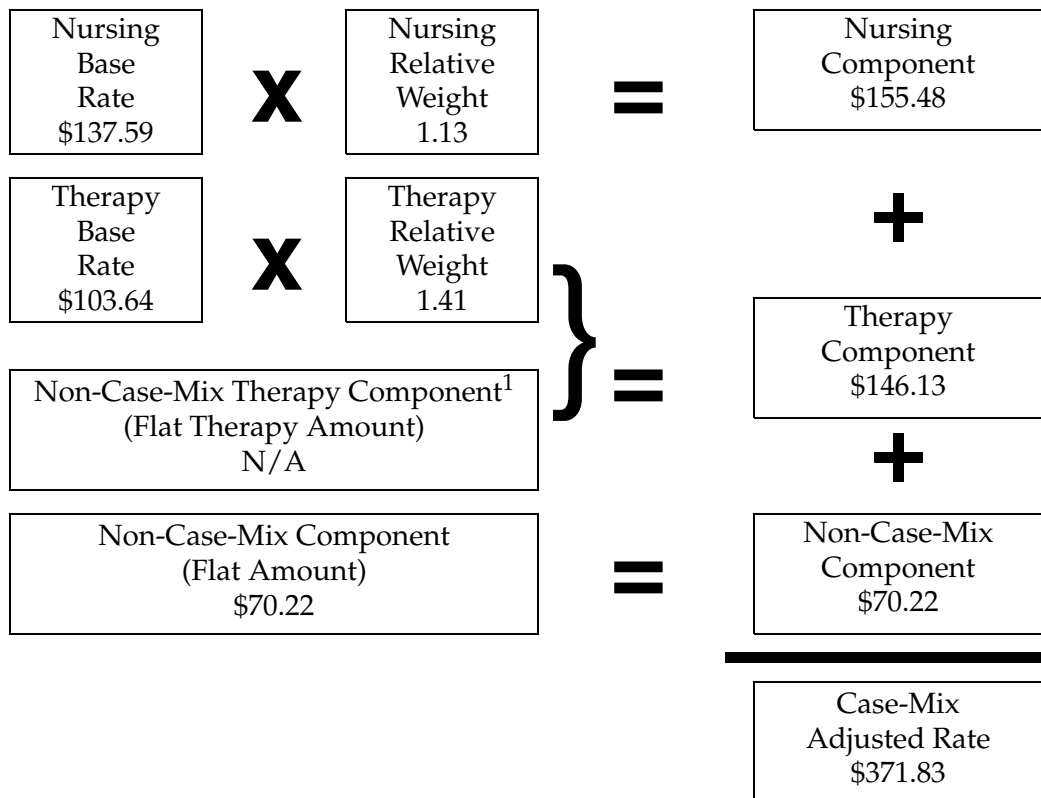
CHAPTER 8
 ADDENDUM D (FY 2006)

ILLUSTRATION OF PER DIEM RATE CALCULATIONS FOR SNF
 FOR FISCAL YEAR 2006

The following illustration is for the first quarter of FY 2006 (October 1, 2005 through December 31, 2005) only. The illustration(s) for the rest of FY 2006 will be published at a later date.

ILLUSTRATION OF PER DIEM RATE CALCULATIONS FOR AN URBAN SNF IN STATE COLLEGE, PA
 FOR RUG-III SERVICE CATEGORY SUBGROUP CODE - RVC

STEP 1: CALCULATE CASE-MIX ADJUSTED PPS PER DIEM RATE BY RUG-III CATEGORY CODE



¹ The non-case-mix therapy component (flat therapy amount) of \$13.65 for urban SNFs and \$14.58 for rural SNFs does not apply to the RVC RUG-III category nor any of the other 13 rehabilitation RUG-III categories (ones that have a first letter of "R"). For non-rehabilitation RUG-III categories, the flat therapy amount replaces the weighted therapy amount.

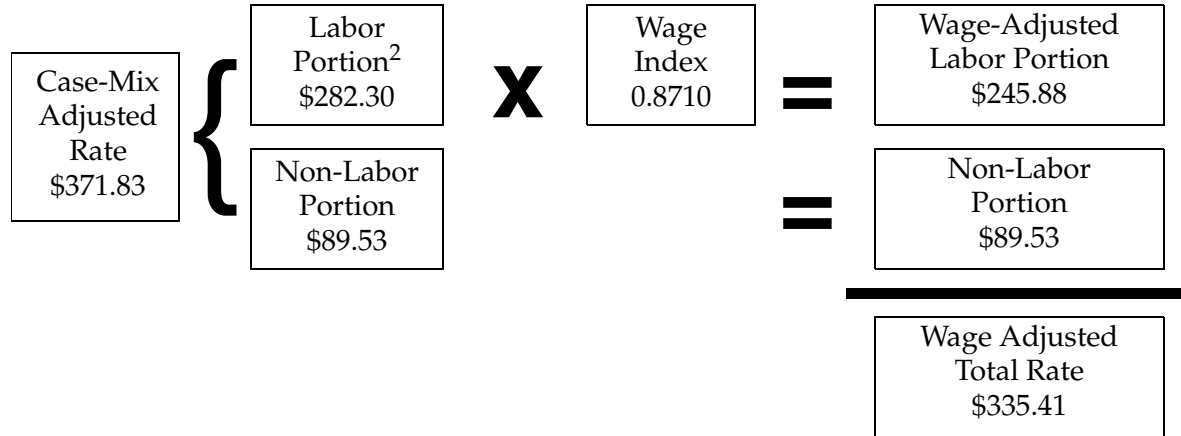
TRICARE REIMBURSEMENT MANUAL 6010.55-M, AUGUST 1, 2002

CHAPTER 8, ADDENDUM D (FY 2006)

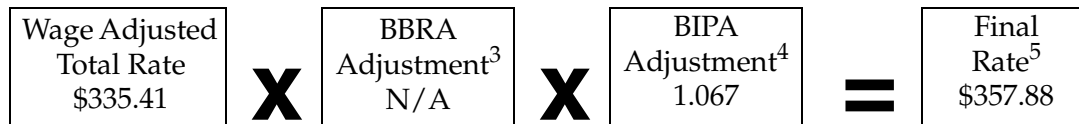
ILLUSTRATION OF PER DIEM RATE CALCULATIONS FOR SNF FOR FISCAL YEAR 2006

**ILLUSTRATION OF PER DIEM RATE CALCULATIONS FOR AN URBAN SNF IN STATE COLLEGE, PA
FOR RUG-III SERVICE CATEGORY SUBGROUP CODE - RVC (CONTINUED)**

STEP 2: CALCULATE WAGE ADJUSTED FEDERAL PER DIEM RATE



STEP 3: CALCULATE PAYMENT ADJUSTMENTS



² The wage index adjustment is applied to the labor related portion of the rate, which is 75.922 percent of the total case-mix adjusted rate for FY 2006.

³ The Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (BBRA) provides a 20 percent increase to the Wage Adjusted Total Rate for 12 RUGs-III groups (ones that have a first letter of "S" or "C").

⁴ All 14 rehabilitation RUGs receive a 6.7 percent increase to the Wage Adjusted Total Rate (Medicare, Medicaid, and SCHIP Benefits Improvement Act of 2000 (BIPA)).

⁵ Effective for services furnished on or after October 1, 2004, SNF claims with a principal diagnosis code of 042 (AIDS) will receive a 128% increase in the case-mix adjusted amount instead of the BBRA/BIPA adjustments (Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA)).

Source: 70 FR 45046; Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities for FY 2006; Final Rule. August 4, 2005.

- END -