**Lakeland Care Inc. (LCI)**

**Residential Facility Rate Worksheets Instructions**

***General Instructions***

* Use the attached worksheets to submit your proposed rate(s) to Lakeland Care Inc. (LCI). ***LCI will not review rates submitted in alternative formats.***
* Submit a separate worksheet for each CBRF, RCAC or AFH.
* LCI evaluates proposed rates based on similar size and level of care facilities in our network and in compliance with the “allowable cost policy manual” guidelines. A copy of the allowable cost policy manual can be obtained online at https://www.dhs.wisconsin.gov/business/allow-cost-manual.htm
* Only costs actually related to facility operations are allowable.
* If persons other than residents reside in the facility, the costs associated with their living space and living arrangements cannot be included in the total facility costs.
* LCI expects your proposed cost to be inclusive of all services necessary to meet your licensing requirements. Contracted Residential Providers are prohibited from billing LCI Members for services in excess of the LCI contracted rate.
* If you provide more than one level of care with clearly different costs associated with each level, ***attach your assessment tool that is utilized to determine your level of care,*** with the additional costs clearly indicated.
* You may be asked to submit additional documentation as requested by the Network Relations Division.

***Residential Computation Sheet***

**Column 1:**

Enter your current year projected costs.

**Column 2:**

**Room and Board:** From the projected cost in column #1, carry costs into this column as they relate to room and board expenditures. Members pay their room and board liability to LCI. LCI Room and Board rates are based on the year prior HUD Fair Market Rent (found on huduser.gov), and will differ by county. Room and board rates in excess of market rates may be subject to denial.

**Column 3:**

**Program Costs:** From the projected cost in column #3, carry costs into this column as they relate to program cost.

**Line item Instructions**

**Line 1. Salaries:**

When combined, the 3 subcategories under ‘salaries’ must compose ALL salaries allocated to this facility cost.

A separate salary breakdown is a required attachment. The total on the salary attachment worksheet must equal the total on the final Residential Computation Worksheet.

**Administrative:** Administrative salaries include all salaries other than direct care and maintenance that are allocated to this facility budget.

**Maintenance:** Salaries for individuals paid to perform maintenance (non-direct services) to the facility.

**Other Employee Salaries:** Enter salaries for employees that perform direct services to members.

**Line 2. Fringe Benefits:**

These are the costs of allowances and services provided to employees in addition to regular wages or salaries. All employee-related insurances should be included (except worker’s compensation insurance).

**Line 3. Travel reimbursement to staff:**

Include mileage reimbursement for use of a personal car, (not to exceed the allowable Federal IRS rate); public transit, lodging, and meals while traveling reimbursed to staff for member related service.

**Line 4. Member transportation:**

Costs incurred in transporting members such as contract services, public transit, mileage reimbursement to staff or volunteers, not to exceed Federal IRS rate.

**Line 5. Recruitment:**

Recruitment costs related to advertising for staff for vacant positions are appropriate. Advertising expenses (marketing) for residents are not allowable costs.

**Line 6. Staff Development/Education:**

Training costs include conference registrations, travel, lodging, and costs for in-house training for staff development. Training must directly benefit the program. If more than $500.00/year, please submit the plan for training.

**Line 7. Supplies:**

**Household supplies and linens:**

This expense is comprised of housekeeping supplies, chemicals and minor equipment such as mops and brooms. It should also include laundry services, household cleaning supplies, and bathroom toilet paper and paper towels, bed, mattress with pad, pillows, bedspreads, blankets, sheets, pillowcases, towels and washcloths, window coverings, floor coverings. This list is not all inclusive. (Please refer to the corresponding residential addenda.)

**All other supplies:**

This should include supplies needed to comply with universal precautionary measures (such as gloves, masks, sharps containers, wipes, etc.), medical supplies, and additional program activity supplies. This list is not all encompassing, but a listing of general categories and examples of costs typically incurred in this category. The cost of these supplies must be included in your proposed budget. A detailed/itemized list must be submitted for LCI to calculate into the rates. LCI prohibits billing members, LCI or Medicaid for supplies needed by the facility.

**Line 8. Food**:

This includes only the cost of food provided to members. Meals provided to staff who have no meal period and must remain on duty are also allowable. **Residential providers are required to provide for all nutritional needs of residents, including nutritional supplements and thickeners, and may not bill LCI, its members or families for nutritional supplements used in place of or in additional to meals.** Enteral (tube) feedings are excluded from this requirement, and are the responsibility of the LCI. Providers cannot accept payment for board when members are receiving all nutrition via enteral (tube) feedings.

**Line 9. Advertising:**

The cost of advertising for program related purposes. Advertising for vacant beds is not an allowable cost. If more than $500.00/year, please submit the advertising plan.

**Line 10. Telephone for Facility:**

This includes regular billing, installation and removal of telephone, line charges, local and long distance toll calls, and any back up system that allows staff to be contacted on an emergency basis. This includes lines used for fax purposes, and on-call cell phones.

**Line 11. Telephone for Members:**

If there are identifiable costs related to member use of phone, enter them here.

**Line 12. Printing:**

The cost of printing and reproduction necessary for agency administration and member services.

**Line 13. Insurance:**

Premiums for fire, liability, property and other forms of insurance, exclusive of employee benefit insurance listed under fringes. Worker’s compensation costs should be entered here.

Other Insurance

**Line 14. Utilities**:

Water, electricity, gas or oil, as well as costs related to satellite or cable TV systems and internet.

**Line 15. Repairs and Maintenance:**

* Building: Improvements which result in an increase in useful building life should be capitalized (see Depreciation). This includes expenditures which serve to keep the building in efficient working condition.
* Equipment: Cost of service and parts to repair and maintain equipment.
* Other: Charges to this account include maintenance supplies such as light bulbs, lubricants, fuses, fire extinguishers and supplies related to providing heat, light, water softening, etc.
* Vehicle: This account will include expenses related to operating facility vehicles, including fuel, repairs, parts, and licenses.

**The Network Relations Division may request a detailed/itemized projection for the current year.**

**Line 16. Rental of Property and Equipment:**

Rent for property or equipment will be allowed with the following requirements:

* For major items, **a copy of the lease may be requested by LCI.** LCI may ask for a list of limited partnership investors.
* Where applicable, proper capital lease accounting must be used.
* Rental rates may not exceed fair market value for similar property or equipment and must be actual cost.
* Other

**Line 17. Depreciation:**

To be allowable, cost depreciation must be:

* Land Improvements
* Building
* Other Equipment
* Other identifiable and recorded in the agency’s accounting records.
* Based on the historical cost of the asset or fair market value at the time of donation in the case of donated assets, and assets must have a cost or value of $5000 or more and a useful life of more than one (1) year
* Prorated over the estimated useful life of the asset using straight-line methods
* Buildings must be depreciated using the straight line method over a minimum of 30 years.

**Line 18. Interest:**

Interest associated with liability in excess of agency net assets will not be allowed.

Interest on newly constructed buildings should be capitalized according to Generally Accepted Accounting Principles (GAAP).

* Mortgage: A note about mortgage principal payments: Mortgage (principal) payments are not allowable costs. These payments represent acquisition cost and are reimbursed through the depreciation expense.
* Equipment for Residents
* Other Equipment
* Other

**Line 19. Purchases of furnishings and equipment under $2000:**

Furnishings and equipment with a cost of less than $2000 should be expensed in one year and charged to this account. LCI may request any information to verify the amount in this line. A detail/itemized list must be submitted for any amount above $2000.00.

* Other

**Line 20. Professional Fees:**

All professional fees incurred in the normal course of providing service to members or complying with the terms of the LCI contract should be charged here. This includes legal, accounting, data processing and consulting costs, but should not include salaries for employees, these cost should be allocated under line #1. LCI may request any information to verify the amount in this line.

**Line 21. Licenses:**

The cost of licenses necessary to operate the facility.

**Line 22. Taxes:**

* Real Estate Taxes: Real estate taxes or payments in lieu of taxes which the agency is required to pay.
* Corporate Income Taxes: The tax liability of incorporated vendors.

**Line 23. Other allowable expenses\***:

Allowable expenses not included in above categories can be indicated here. \***Attach detail**. **Figures in this column without accompanying attached detail will not be considered.**

**Line 24.** **Subtotal of Costs/Net Allowable Operating Costs:**

Add all costs in the total facility cost column. This amount is used to calculate allowable profit when applicable.

**Line 25. Allowable Profit:**

Not-for-profit agencies should enter ZERO in this line. Under Wisconsin law, not-for-profit agencies are not allowed to retain excess revenues generated by rates.

For-profit agencies may add an allowance for profit. This is subject to several guidelines.

* No provision for profit should be included in any other line item.
* Per Wisconsin Statues, an allowance of a reasonable return on equity capital invested and used in the provision of services to clients may be included as an element of reasonable cost of covered services furnished to beneficiaries by proprietary providers. The amount allowable on an annual basis is determined by applying a percentage equal to 7.5% of net allowable operating costs plus 15% applied to the net equity defined below, the sum of which may not exceed 10% of the net allowable operating costs. “Net Equity” is defined as the cost of equipment, cost of buildings, cost of land and cost of fixed equipment less accumulated depreciation and long-term liabilities. (Complete form at the link below)

<https://www.dhs.wisconsin.gov/business/allow-profit.htm>

**Line 26 – Line 30:**

Add Net Allowable Operating Costs to Allowable Profit in column #1. (Line 24 plus Line 25)

The Facility Cost Projection in column 1, the Room and Board rate in column 2 and the Program Cost rate in column 3 are calculated by dividing the Total Allowable Cost (Line 26) in each column by the number of resident days anticipated for the coming year.

Enter the licensed number of beds for the facility in line 27.

Divide the Total Allowable Costs (Line 26) by number of licensed beds (Line 27), to find the annual cost per bed.

Divide the annual cost per bed (Line 28) by 12 to find the Monthly Facility Rate.

Enter this result in line 29. This is the Monthly Facility Rate.

To find the daily rate, divide the annual cost (line 28) per bed by 365.

**Filling in Columns 2 and 3**

Delineate cost between column 2 (room and board) and column 3 (program cost). Boxes are shaded to illustrate how to delineate the expenditures appropriately. In line items where neither column 2 or 3 is shaded divide the total from column 1 proportionately between 2 and 3.

***Salary Allocations Worksheet***

The Salary Allocation Worksheet illustrates the various positions within your organization as they contribute to the care and services to individuals in the proposed facility budget. Only agency positions where salary is allocated to this facility budget need to be indicated on the worksheet.

**Staff Positions:**List the title of each employee. If multiple persons have the same title and/or functions, list these positions individually.

**Hrs/Week:**

Average hours per week. Full time is assumed to be 52 weeks, or 2080 hours.

**Yearly Salary:**

For hourly workers, multiply numbers of hours/week by hourly wage.

**Salary Allocation as Attributed to this Facility:**

Enter the percentage of the position correlating to the facility, i.e., if manager oversees two facilities, each Salary Allocation Worksheet would show a percentage that, when combined, totals 100%.

**Staff Total:**

The bottom line of the worksheet should illustrate the total # of positions and total expenses, which should correlate with the three categories in line #1.

***Weekly Staff Schedule***

The Weekly Staff Schedule illustrates the number of **direct care workers** working in the facility each day.

**AM/PM:**

List the position and hours for each person working on the various days and their hours.

**Overnight:**

List the number of positions, hours and whether awake or asleep overnight for each day of the week.

***Member/Staff Schedule***

This is to be completed by corporate 1-bed through 8-bed facilities only.

**Member Names**

List each member by name. If not an LCI member, do not list full name.

In each hourly time slot, list the members who are in the facility at that time with their assigned ID. For example, if members 1 and 5 are in the facility, input M1, M5 in the “members” column.

In each hourly time slot, list the direct care employees working in the facility at that time by placing an “E” for each employee in the “staff” column. For example, if there are two direct care employees, input “EE.”