APPENDIX K

Medicaid Nursing Facility Reimbursement, Department of Human Services, June 3, 1998

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Medicaid Nursing Facility Reimbursement

A Cost-Based Case-Mix Reimbursement System

Case Mix Reimbursement

- Medicaid payments are based on the acuity and needs of the residents in the facility
- Residents are assessed by the facility at least quarterly using the Minimum Data Set (MDS) -- BMS verifies
- Assessments determine quarterly case-mix index -- index greater than one indicates acuity of patients greater than average - from the base year 1990
- Facilities average case-mix index is applied to the direct patient care component of the Medicaid rate - from the base year beginning on or after 10/1/92

Four Cost Components

- Direct Patient Care -- includes costs of direct patient care (e.g., RNs, LPNs, nurse aides)
  - Case-mix applied
  - Facility costs limited to median costs of all facilities + 12%
- Indirect Patient Care -- includes indirect costs of patient care (e.g., director of nursing, social services, food, vitamins, etc)
  - Facility costs are limited to the median +10%

Cost Components (con't)

- Routine Care -- includes facility routine costs (e.g., administrative services, operations, laundry, housekeeping, etc.)
  - Facility costs limited to the median of costs for all facilities + 8%
- Fixed Cost -- includes depreciation on building and land, property taxes, rental expenses, interest on debt, return on equity, etc.
  - A pass through without limits -- 90% or 85% occupancy adjustment applied here

How Payments are Made to Facilities

- Prospective Payment
  - Starting point is base year audited cost data (1993) -- for direct care component case-mix is applied
  - Median cost for all facilities is calculated -- upper payment limits are calculated for each cost component.
  - Inflate to common payment year (6/30/95)
  - Facility rates determined (adjusted quarterly for case-mix) -- nursing facilities submit claims

How Payments are Made to Facilities (con't)

- Cost Settlement
  - After close of program year facility must file a cost report with DHS, Division of Audit
  - Department's audit determines allowable costs for the program year -- 90%/85% occupancy adjustment applied to allowable fixed costs here
  - Settlement with Facility -- State owes facility or facility owes State

Case-Mix Sanctions

- Purpose is to ensure accuracy of resident assessments -- and appropriate payments
- Since first implemented two years ago only 17 of 140 facilities have been sanctioned
- Total sanctions of $130,000 while Medicaid payments totaled $220 million per year
- During same period assessment error rate has dropped significantly saving the Medicaid program millions

Case-Mix Sanctions -- Implementation

- BMS nurses review sample of facility assessment records on quarterly basis
- Quarterly sanctions not imposed unless more than 35% of assessments are incorrect
  - 35 - 40% error rate -- 2% direct care rate reduction
  - 40 - 45% error rate -- 5% direct care rate reduction
  - 45 - 50% error rate -- 7% direct care rate reduction
  - >50% error rate -- 10% direct care rate reduction
- direct care rate is reduced for one-quarter

90 Percent Occupancy Adjustment

- An adjustment to a facility's fixed costs -- adjustment is done at settlement
- If facility's occupancy for payment year is less than 90% then fixed costs are adjusted at settlement to assume a 90% occupancy rate (60 or fewer beds-85%)
- Without this adjustment, fixed costs can be allocated to an ever decreasing number of residents resulting in an increase in the fixed cost rate as resident population decreases.

90% Occupancy Adjustment (con't)

- This adjustment creates an incentive for facilities to address declining occupancy -- converting beds
- The adjustments are now being made as cost report audits for last year are completed
- Savings to the Medicaid program are expected to be almost $3 million this year

Principles of Reimbursement Proposed Eff: 7/1/98

- Rebasing Fixed Cost Component
- Depreciation Recapture
- Fixed costs related to acquisition costs of the rights to a nursing facility license
- Occupancy percentage for conversions changed from 97% to 95%

Principle Changes (con't.)

- TBI language changes
- Deletion of specialty facility rates
- New definitions for Bedbanking, acquisition cost, total patient census, experience modifier, discrete costing, community integrated rehab, comprehensive rehab, and sustained rehab.

APPENDIX L

Letter from Michael McNeil to Health and Human Services Committee regarding LD 991 and 1291, dated April 2, 1997

BERRY, DUNN, McNEIL & PARKER
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April 2, 1997

Health and Human Services Committee
Maine Legislative
Augusta, ME 04333

Re: Public Hearing of April 1, 1997
Comments in Opposition to LDs 991 and 1291

Committee Members

We serve as consultants on financial and third-party payor payment matters to a significant portion of Maine long-term care providers and to the Maine Health Care Association. It is in this capacity we offer comment in opposition to LDs 991 and 1291.

LDs 991 and 1291 consist of one sentence each which, depending on the mechanics of implementation, will have devastating financial effects on either Maine's 140 nursing facilities, the State's Medicaid expenditures, or both. Each of these bills require all nursing home residents (or their payor program) to be charged the same rates for similar services. There is no direction contained in either bill indicating how this result is to be accomplished, which indicates an absence of analysis and evaluation of what the consequences of implementation might breed. One of the implications inherent in these bills is that the Medicaid payment methodology is currently (or would be changed to) one which provides a sufficient amount of revenues to meet nursing facilities' reasonable and necessary operating expenses, make debt service payments related to property mortgage loans, generate required working capital, and provide a reasonable return on investment sufficient to attract and retain the capital required to sustain the supply of services necessary to meet current and future demand. The Maine Medicaid rate-setting process does not currently produce such a payment.

Financial Impact

Medicaid beneficiaries constitute approximately 77% of the Maine resident days of care in nursing facility licensed beds. Medicare program beneficiaries are approximately 6% and self-pay residents are approximately 17% of the total resident days. The payment rates applicable to both the Medicare and Medicaid programs are not designed to recognize and pay for the proportionate share of the total cost of operations applicable to program beneficiaries' utilization. While each of these programs has different regulations governing the amount that will be paid for nursing care rendered to program beneficiaries, the rate for both programs covers only that portion of total operating costs defined in the respective regulations as being "allowable costs," and limitations in the form of maximum peer group caps are imposed on certain "allowable cost" categories to limit actual payment to less than "allowable costs." Medicaid "allowable costs" are 98% to 95% of total allowable costs, and peer group payment limits currently reduce the actual payments by an additional estimated 5%.

Based on the most recent information available to us from Medicaid cost reports for the twelve-month period ended August 31, 1996, the information in the enclosed Schedule A reflects the current financial status of Maine nursing facilities and the potential consequences of implementation of these proposed bills. As reflected in Schedule A, the Medicaid program currently pays only 72% of "allowable costs" while utilizing 77% of the resident days resulting in a $16.7 million cost shifting to self-pay residents. In addition, the Medicaid program recognizes no portion of costs incurred that are not defined as "allowable costs" (estimated to be between $6 and $16 million per year, but not included in the Schedule A analysis).

To accomplish the directive of the proposed legislation, the self-pay rate must be decreased to the amount of the Medicaid rate, the Medicaid rate must be increased to the self-pay rate, or both rates must be adjusted to meet somewhere in between the current amounts. As reflected in Schedule A, the first option would create an $18 million deficiency in nursing facility revenues compared to the defined "allowable costs" deemed by Medicaid to be essential for resident care and provide no contribution to the remaining $6 to $16 million of operating expenses not recognized by the Medicaid program. No nursing facility, or any other business for that matter, could continue operating in these circumstances. The second and third options, increase Medicaid rates to the current average self-pay charge, or increase Medicaid rates to a lessor amount to which the self-pay charge might be reduced, would cost the Medicaid program several million dollars, the specific amount being dependent on the amount of increase in the rate.

We all want more for less and prefer someone else pay for our usage. However, when one consumer group is able to procure services for less than its proportionate share of the cost of delivering the product or service, the remaining users must bear more than their proportionate share if the products or services are going to be available. The citizens of Maine have consciously or unconsciously structured a Medicaid payment system that demands a subsidization by self-pay consumers because the Medicaid payment structure is purposefully designed to pay less than its proportionate share of the cost of nursing facility services and health care services in general.

Administrative Cost

The process of rate-setting that would be required to execute the proposed legislation will not be as simple as portrayed in the language of LDs 991 and 1291 or in Schedule A, and it is not one that will operate without creation of a new bureaucracy to monitor and govern it. The best example of a similar process we have experienced was the Maine Health Care Finance Commission (MHCFC) established in the early 80s to set annual revenue limits for hospitals, a regulatory concept not substantially dissimilar to rate equalization contemplated in LDs 991 and 1291. The effectiveness and appropriateness of this process is evidenced by the fact the legislature dissolved MHCFC in 1996. MHCFC was initiated based on a projection of 5 to 6 staff required and an annual budget of $600,000. Within three years the operating expenditures increased threefold, and at its peak there were approximately 30 staff persons required to monitor revenue limits for 43 hospitals. In comparison, there are approximately 130 freestanding nursing facilities, plus another 10 hospital-based

nursing facility units, a much bigger opportunity to syphon off scarce dollars otherwise available for consumer health care.

Existing State Commitments and Statutes

The last issue we want to bring to the Committee's attention is the prior commitments of the State that would be compromised by the consequences that could germinate from this proposed legislation. The Maine Health and Higher Educational Facilities Authority (MHHEFA) was authorized by 1991 legislation to function as the agent for bond issues related to capital expenditures and refinancings for credit worthy proprietary and non-profit nursing and residential care facilities (a service historically provided to hospitals and municipalities). The program affords qualified nursing and residential care providers an opportunity to access capital from markets not previously available at attractive interest rates. More than 35 nursing facilities participate in the financing program with existing outstanding debt of approximately $142 million. We work with most of these borrowers. Use of the program has resulted in total interest expense savings to participants since inception estimated to be $30 million, which has correspondingly resulted in reduced Medicaid payments to nursing facilities of approximately $23 million. All capital expenditures and refinancing funded through MHHEFA received prior approval from the Maine Department of Human Services.

Two elements of this MHHEFA financing are particularly important. First, part of the collateral enhancement for these bonds is the moral obligation of the State of Maine to support bond payments due to bond holders if the borrowers are unable to repay borrowings and existing reserve funds are insufficient to do so. Should the Legislature decline to appropriate funds that might become necessary to meet this obligation, its credit rating would be severally jeopardized resulting in increased interest expense attached to future State borrowings for other purposes. The current financial condition of Maine nursing facilities is precarious due to the rapid occupancy decline from 98% to 85% since 1994. There are currently 15 to 20 facilities which are participants in the MHHEFA bond issues that are unable to meet the prescribed bond covenant requiring a debt service coverage ratio of 1.25. The State average debt service coverage ratio was only 1.2 in 1994, substantially below the national average of 2.1, and this ratio has deteriorated further in 1995 and 1996 as occupancy has declined. Any further deterioration of revenues will breed default.

Second, there is a section of the enabling Statutes for MHHEFA, Title 22, Section 2072, which appears to preclude the Legislature from taking any action that could impair the ability of any borrower under the MHHEFA program to meet their obligations under the bonds. A copy of that section of the Statutes is enclosed for your reference. A reduction in charges to self-pay residents pursuant to the proposed legislation would certainly impair the ability of the borrowers to make required payments and would, therefore, appear to violate the commitments and assurances the State has previously enumerated in existing State law.

We appreciate the Committee's consideration of the information offered herein during its deliberations, and we are available for further discussion of these issues.

Sincerely,

BERRY, DUNN, MCNEIL & PARKER

By: _____
Michael T. McNeil

/ajb
Enclosures

cc: Senator Rochelle Pingree, Majority Leader

Maine Nursing Facilities
Illustrative Financial Data
Based on Information from Medicaid Cost Reports
Fiscal Years Ended During Twelve-Month Period
September 1, 1995 to August 31, 1996

	Resident Days	Daily Rate	Total	
Current				
Total "allowable operating costs" reflected on Medicaid cost reports (Note: estimated total operating costs are $6 to $16 million higher)	3,028,497	$110	$334,000,000	
Estimated Payments				
Medicaid program per cost reports	2,319,751	104	242,000,000	(72%)
Medicare and VA contract days based on estimated average daily rate equal to "Allowable operating cost"	204,726	110	22,500,000	(6%)
Self-pay at estimated average charge for semi-private room	504,020	140	70,500,000	(22%)
	3,028,497		335,000,000	
Resident payments in excess of "allowable operating costs" defined by Medicaid			1,000,000	
Proposed Rate Equalization				
Reduced revenue if self-pay rates reduced to Medicaid rates:				
Impact on self-pay payments $140 - $104 = $36 x 504,020			(18,140,000)	
Impact on Medicare payments by application of lower of cost or charges $110 - $104 = $6 x 204,726			(1,200,000)	
Total estimated reduced revenue			(19,340,000)	
Deficiency of revenues in relation to "allowable operating expenses"			$(18,340,000)	

Maine Non-Hospital Based Nursing Facilities
Summary Statistics
Fiscal Years Ending September 30, 1995 Through August 31, 1996

	Region 1	Region 2	Region 3	Region 4	Total
Number of Facilities	43	44	29	11	127
Total Beds	3,690	3,515	2,023	814	10,042
Average Beds	85	79	69	74	79
Minimum Beds	26	18	25	40	18
Maximum Beds	235	280	118	119	280
Resident Days	1,185,308	1,074,175	597,333	280,926	3,137,742
Average Resident Days	27,565	24,413	20,598	25,539	24,707
Minimum Resident Days	6,125	5,372	6,787	13,764	5,372
Maximum Resident Days	82,295	95,310	35,849	43,117	95,310
Resident Days by Type					
NF Days					
Medicare	83,091	65,621	44,412	3,641	196,765
VA	1,455	5,306	613	587	7,961
Medicaid	830,934	828,746	435,152	224,919	2,319,751
Self-Pay	219,679	152,408	104,835	27,098	504,020
Total NF Resident Days	1,135,159	1,052,081	585,012	256,245	3,028,497
Residential Care Days					
Medicaid	6,030	13,880	10,464	21,073	51,447
Self-Pay	27,781	8,214		3,608	39,603
TBI Days	9,826	-	814	-	10,640
Mental Health Days	6,512	-	1,043	-	7,555
Total Resident Days	1,185,308	1,074,175	597,333	280,926	3,137,742
Available Days	1,290,909	1,229,026	673,041	297,319	3,490,295
Occupancy Percentage	91.82%	87.40%	88.75%	94.49%	89.90%
Percent of NF Days to Total					
Medicare	7.32%	6.24%	7.59%	1.42%	6.50%
VA	0.13%	0.50%	0.10%	0.23%	0.26%
Medicaid	73.20%	78.77%	74.39%	87.77%	76.59%
Self-Pay	19.35%	14.49%	17.92%	10.58%	16.65%
	100.00%	100.00%	100.00%	100.00%	100.00%

lue and payable, and to create
authorizing, or trust agreement
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by call or purchase as therein
when the pledge is made; the
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or "participating hospital, participat-
y mental health facility", wherever
id substituted "security authorized in
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parties until the bonds, notes and
notes and other obligations, with

interest on any unpaid installment of interest and all costs and expenses in connection with an action or proceeding by or on behalf of the bondholders, are fully met and discharged and such contracts are fully performed on the part of the authority. Nothing in this chapter precludes such limitation or alteration if and when adequate provision is made by law for the protection of the holders of such bonds, notes or other obligations of the authority or those entering into such contracts with the authority. The authority is authorized to include this pledge and undertaking for the State in such bonds, notes or other obligations or contracts.

1993, c. 390, § 28.

Historical and Statutory Notes

Amendments

1993 Amendment. Laws 1993, c. 390, § 28, in the 1st sentence, substituted "participating health care facilities" for "participating hospitals".

§ 2075. Maine Health Facilities' Reserve Fund

1. Maine Health Facilities' Reserve Fund. The authority shall establish and maintain a reserve fund called the "Maine Health Facilities' Reserve Fund" in which is deposited all money appropriated by the State for the purpose of that fund, all proceeds of bonds required to be deposited in the fund by terms of any contract between the authority and its bondholders or any resolution of the authority with respect to the proceeds of bonds and any other money or funds of the authority that the authority determines to deposit in the fund and any other money made available to the authority only for the purposes of the fund from any other source or sources.

[See main volume for A]

B. As used in this chapter, "required debt service reserve" means, as of any date of computation, the amount or amounts required to be on deposit in the reserve fund as provided by resolution of the authority. For purposes of this chapter, the amount of any letter of credit, insurance contract, surety bond or similar financial undertaking available to be drawn upon and applied to obligations to which money in the reserve fund may be applied is deemed to be and must be counted as money in the Maine Health Facilities' Reserve Fund, capital reserve funds or any other reserve fund as provided by resolution of the authority. The required debt service reserve is, as of any date of computation, an aggregate amount equal to at least the largest amount of money required by the terms of all contracts between the authority and holders of bonds secured by the reserve fund to be raised in the current or any succeeding calendar year for:

(1) The payment of interest on and maturing principal of that portion of outstanding bonds secured by the reserve fund; and

(2) Sinking fund payments required by the terms of any such contracts to sinking funds established for the payment or redemption of those bonds.

[See main volume for C; 2]

1995, c. 179, § 4.

Historical and Statutory Notes

Amendments

1995 Amendment. Laws 1995, c. 179, § 4, in subsec. 1, par. B, the first par., provided that if certain financial instruments were available to be drawn upon and the amount applied to obligations to which money in the reserve fund could be applied to, this amount must also be counted as money in the Maine Health Facilities' Reserve Fund, capital reserve funds or any other reserve fund as provided by the authority.

Maine, Minnesota, and North Dakota
Summary of Comparable Financial Ratios
Based on 1994 National Data (1)

	National Average	Maine	Minnesota	North Dakota
Average licensed beds per facility	100	66	92	92
State ranking		50th	37th	37th
Occupancy	93.99%	95.45%	97.57%	97.57%
Medicaid utilization	71.66%	80.61%	66.82%	58.78%
State ranking		10th	35th	48th
Average salary and benefits per FTE	$21,801	$28,104	$23,783	$20,087
Direct care expense per day	$29.38	$35.54	$35.51	$29.28
State ranking		12th	13th	30th
Administrative and general expense per day	$22.19	$16.18	$21.58	$21.13
State ranking		48th	27th	33rd
Profit margin	3.48%	1.6%	3.43%	2.22%
State ranking		39th	13th	30th
Current ratio	1.50	1.09	1.41	1.83
State ranking		50th	24th	10th
Debt service coverage ratio	2.12	1.22	N/A	2.48
State ranking		49th	N/A	21st

(1) All data abstracted from "The Guide to the Nursing Home Industry" 1994 Edition by HCIA, Inc., and Arthur Anderson, LLP.

Maine, Minnesota, and North Dakota
Summary of Relevant Medicaid Rate-Setting Methodology Issues

	Maine	Minnesota	North Dakota
Average reimbursement rate	$104.23 (1)	$95.61 (3)	$79.92 (3)
Less Gross Receipts Tax	7.59 (2)	---	---
	96.64	95.61	79.92
Average nursing hours per resident day	3.9 (2)	3.3 (3)	2.8 (3)
Average hourly wage rate and fringe benefits			
RN	15.53 (2)	16.39	Not available, but
LPN	11.91	11.69	but indicated
Aide	7.95	8.35	as being much lower
Fringe benefits	13.15	6.74	than Minnesota (3)
Acuity	Maine includes costs of Medicare SNF units	Report states Minnesota has larger percentage of residents requiring assistance with ADLs than North Dakota. No discussion about Medicare SNF care at all. (3)	
Average mark-up in self-pay charges	24% - 34% (2)	Report indicates average mark-up in other states range between 10% - 35%. (3)	
Major Medicaid rate calculation differences			
Resident or facility specific rate	Average daily rate per facility	Resident specific rate, 11 case mix rates (3)	Resident specific rate, 16 case mix rates (3)

(1) Net final average rate per day after retrospective annual settlement of direct care and fixed costs for 127 freestanding nursing facilities based on unaudited cost reports filed for fiscal years ending during twelve-month period ended August 31, 1996.

(2) State average based on BDM&P data base of Medicaid cost reports.

(3) Abstracted from summary of "Nursing Home Rates in the Upper Midwest," January 1997, Office of the Legislative Audits, State of Minnesota.

Maine, Minnesota, and North Dakota
Summary of Relevant Medicaid Rate-Setting Methodology Issues
(concluded)

	Maine	Minnesota	North Dakota
Property costs	Facility specific costs incurred, limited to 90% occupancy	Based on appraised value of property	Facility specific costs incurred, no limit
Base year for direct, indirect, and routine rate components	1993 inflated forward	Rebased annually	1992 inflated forward
Limits Direct Indirect Routine	 112% of median 110% of median 108% of median	Ceiling on different components based on July 1, 1995 costs, increased for inflation	 99th percentile 85th percentile 75th percentile
Retroactive settlement	75% of any savings in direct care repaid to DHS	None	None
Provider share of difference between actual cost and limit built into rate	None	Not stated	70% of routine component difference
Profit factor	None	Not stated	3% of direct and indirect components added to rate
State payment in excess of limit	None	Not stated	25% of excess
Average rate	$104.23	Case mix categories $46.90 - $234.70	Case mix categories $61.30 - $143.54

	Median Values 1994	1993	1992
ALL NURSING HOMES			
Beds	100	101	101
Occupancy Rate (%)	93.99	94.45	94.93
Medicaid Resident Days (%)	71.66	72.20	72.81
FTEs per Average Daily Census	0.84	0.83	0.80
Salaries and Benefits per FTE ($)	21,801	20,966	20,133
Per Resident Day ($)			
Net Patient Revenue	84.11	78.75	72.58
Expense			
Operating	82.68	77.86	71.99
Direct Care	29.38	27.54	25.66
Indirect Care	14.43	13.43	12.58
Administrative and General	22.19	21.56	20.50
Depreciation and Interest	6.96	6.67	6.50
Ancillary	2.34	2.28	2.16
Total Profit Margin (%)	3.48	3.26	3.15
Days in Accounts Receivable	35.86	35.44	35.37
Days in Accounts Payable	11.88	11.73	11.39
Current Ratio	1.50	1.49	1.45
Average Age of Plant (years)	8.96	8.64	8.28
Long-Term Debt to Total Assets	0.56	0.51	0.54
Debt Service Coverage Ratio	2.12	2.05	2.01
NURSING HOMES BY OWNERSHIP TYPE			
INVESTOR-OWNED			
Beds	101	102	102
Occupancy Rate (%)	94.01	94.43	94.91
Medicaid Resident Days (%)	73.01	73.64	74.19
FTEs per Average Daily Census	0.81	0.79	0.78
Salaries and Benefits per FTE ($)	21,517	20,664	19,877
Per Resident Day ($)			
Net Patient Revenue	84.50	77.44	70.22
Expense			
Operating	82.20	75.85	68.77
Direct Care	28.69	26.65	24.98
Indirect Care	14.03	13.14	12.29
Administrative and General	21.81	20.17	19.11
Depreciation and Interest	7.09	6.84	6.60
Ancillary	2.40	2.28	2.16
Total Profit Margin (%)	3.68	3.54	3.41
Days in Accounts Receivable	36.02	35.57	35.77
Days in Accounts Payable	12.09	11.93	11.61
Current Ratio	1.43	1.42	1.39
Average Age of Plant (years)	8.42	7.96	7.69
Long-Term Debt to Total Assets	0.57	0.53	0.57
Debt Service Coverage Ratio	2.03	1.92	1.88
GOVERNMENT			
Beds	87	88	88
Occupancy Rate (%)	95.90	96.64	96.71
Medicaid Resident Days (%)	70.14	71.27	71.54
FTEs per Average Daily Census	0.92	0.91	0.89
Salaries and Benefits per FTE ($)	22,162	21,445	20,615
Per Resident Day ($)			
Net Patient Revenue	80.15	74.65	68.33
Expense			
Operating	85.73	79.71	73.71
Direct Care	32.70	31.42	29.76
Indirect Care	17.63	16.40	15.60
Administrative and General	23.26	22.60	21.41
Depreciation and Interest	3.63	3.29	2.92
Ancillary	1.84	1.69	1.68
Total Profit Margin (%)	1.25	1.23	1.19
Days in Accounts Receivable	34.21	34.45	34.12
Days in Accounts Payable	9.96	8.94	9.42
Current Ratio	2.38	2.26	2.12
Average Age of Plant (years)	14.07	13.40	13.42
Long-Term Debt to Total Assets	0.26	0.32	0.31
Debt Service Coverage Ratio	3.05	2.82	2.66

Median values are not additive.

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DEFINITIONS OF PERFORMANCE INDICATORS

Administrative and General Expense per Resident Day

Calculated as the sum of those expenses associated with a nursing home's basic administrative and general office functions, divided by the number of resident days in a nursing home. Administrative and general expenses include non-patient telephone bills, cashiering, patient billing, maintenance and repairs, operation of plant, maintenance of personnel, employee benefits, and medical records.

Ancillary Costs per Resident Day

Calculated as total costs for all services incurred during a patient's stay except for room and board, nursing, dietary, physician services, and blood, divided by the number of resident days in the nursing home.

Average Age of Plant

Calculated as total accumulated depreciation on physical assets divided by total current depreciation expense. *Average age of plant* measures the average accounting age of a nursing home's assets, such as buildings, fixtures, and major movable equipment.

Beds

The total number of beds in service in a nursing home at the end of its fiscal year. *Beds* is a measure of the capacity or size of a nursing home.

Current Ratio

Calculated as total current assets, including the balance of the depreciation fund, divided by total current liabilities. *Current ratio* is an indicator of a nursing home's liquidity and ability to meet short-term obligations.

Days in Accounts Payable

Calculated as accounts payable times 365 divided by a facility's total operating expenses less depreciation. *Days in accounts payable* is a measure of the average amount of time that elapses before payables are met.

Days in Accounts Receivable

Calculated as net patient accounts receivable times 365 divided by net patient revenue. *Days in accounts receivable* is a measure of the number of days of operating revenue that a nursing home has due from its patient billings after deductibles for doubtful accounts.

Debt Service Coverage Ratio

Calculated as the sum of net income, depreciation, and interest expense divided by annual debt service. *Debt service coverage ratio* measures the ratio of available funds for the payment of debt service to a specific year's principal and interest payment. It is one measure of a nursing home's ability to repay debt or creditworthiness.

Depreciation and Interest Expense per Resident Day

Calculated as the sum of those expenses in a nursing home that are associated with the maintenance of long-term assets and liabilities, including capital lease payments, divided by the number of resident days in a nursing home.

Direct Care Expense per Resident Day

Calculated as the sum of those expenses directly associated with patient care, such as nursing costs, divided by the number of resident days in a nursing home. It is also referred to as *capital expense*.

Full-Time Equivalent Personnel (FTEs) per Average Daily Census

The total number of full-time equivalent personnel in a nursing home divided by the nursing home's average daily census. *Full-time equivalent personnel per average daily census* is a measure of the staffing level of a nursing home; alternatively, it can be seen as a measure of the labor inputs being used to provide a day of nursing home care.

Indirect Care Expense per Resident Day

Calculated as the sum of those expenses directly associated with indirect patient care, such as laundry and linen service, housekeeping, dietary, cafeteria, central services and supply, pharmacy, and social services, divided by the number of resident days in a nursing home.

Long-Term Debt to Total Assets

Calculated as the ratio of long-term liabilities to total assets. *Long-term debt to total assets* measures the degree of financial leverage employed by a nursing home.

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Net Patient Revenue per Resident Day

Calculated as total revenues collected for services rendered to patients, divided by the number of resident days in a nursing home. *Net patient revenue per resident day* is a measure of the patient care revenue per unit (per day) received by a nursing home.

Occupancy Rate

Calculated as the ratio of a nursing home's average daily census to its total number of nursing home beds, expressed as a percentage.

Operating Expense per Resident Day

Calculated as the total operating expenses of a nursing home divided by the number of resident days in the nursing home. Total operating expenses include salaries, supplies, depreciation, and interest expenses. Total operating expenses do not include "below the line" extraordinary items or charges against income. *Operating expense per resident day* is the best measure of the average cost per unit (per day) in a nursing home.

Percent Medicaid Resident Days

Calculated as the total number of Medicaid resident days in a nursing home divided by all resident days in the nursing home, expressed as a percentage.

Salary and Benefits per Full-Time Equivalent Personnel

Calculated as the sum of total salaries and employee benefits expense divided by the number of full-time equivalent personnel in a nursing home. *Salary and benefits expense per full-time equivalent personnel* measures the average direct labor expense per employee in a nursing home.

Total Profit Margin

Calculated as the difference between total net revenue and total expenses, divided by total net revenue, expressed as a percentage. *Total profit margin* is a measure of the overall profitability of a nursing home and reflects the inclusion of philanthropic contributions, endowment revenue, government grants, investment income, and other revenues and expenses not related to patient care operations.

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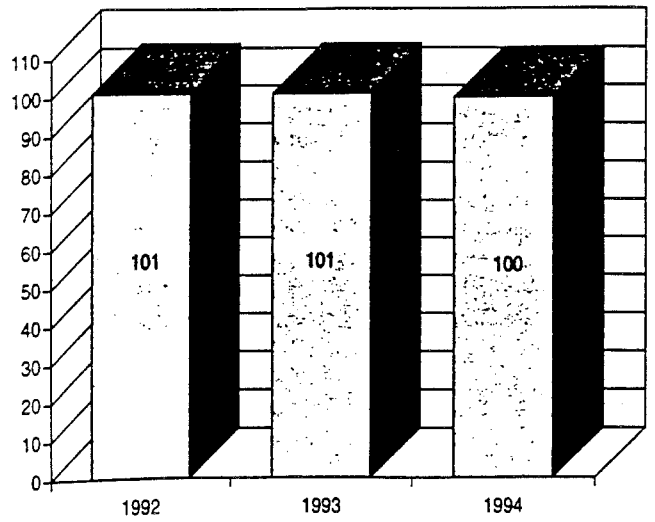
BEDS

The total number of beds in service in a nursing home at the end of its fiscal year. *Beds* is a measure of the capacity or size of a nursing home.



As the median bed size for all U.S. nursing homes indicates, the nursing home industry overall experienced little variation in size during the three-year period from 1992 through 1994. Several factors, including restrictive CON laws and restrictive Medicaid reimbursement policies, continue to limit growth within the industry. The typical nursing facility had 101 beds in service in 1992 and 1993, and 100 beds in service in 1994. Median bed size does continue to vary greatly among different types of facilities, however. The typical government nursing facility, with only 87 beds in service in 1994, remained significantly smaller than its typical investor-owned or not-for-profit counterparts, which had 101 and 102 beds in service, respectively, in 1994. Similarly, the typical freestanding nursing home, with 100 beds in service in 1994, remained significantly smaller than its system-affiliated counterpart, which had 109 beds in service.

	1994	1993	1992
All Nursing Homes	**100**	**101**	**101**
Investor-Owned	101	102	102
Government	87	88	88
Not-for-Profit	102	103	103
System-Affiliated	109	108	107
Freestanding	100	100	98
0–49 Beds	44	43	42
50–99 Beds	75	73	71
100–199 Beds	121	121	122
200+ Beds	240	240	240

	1994	1993	1992
Alabama	104	104	104
Alaska	76	73	75
Arizona	124	124	124
Arkansas	101	100	100
California	98	98	98
Colorado	96	92	92
Connecticut	120	120	120
Delaware	106	107	107
District of Columbia	204	203	203
Florida	120	120	120
Georgia	100	100	100
Hawaii	120	120	125
Idaho	76	75	75
Illinois	106	106	106
Indiana	105	105	100
Iowa	71	71	72
Kansas	60	60	60
Kentucky	101	104	101
Louisiana	120	120	120
Maine	66	66	65
Maryland	132	130	130
Massachusetts	95	95	93
Michigan	110	110	110
Minnesota	92	94	94
Mississippi	97	98	98
Missouri	106	106	108
Montana	73	72	71
Nebraska	68	67	67
Nevada	120	120	118
New Hampshire	108	107	107
New Jersey	127	126	126
New Mexico	75	75	70
New York	182	178	178
North Carolina	120	120	118
North Dakota	92	95	95
Ohio	100	102	100
Oklahoma	79	79	79
Oregon	91	92	92
Pennsylvania	128	128	128
Rhode Island	82	80	80
South Carolina	102	105	105
South Dakota	66	66	66
Tennessee	119	118	115
Texas	102	103	103
Utah	95	95	95
Vermont	120	120	120
Virginia	118	118	118
Washington	99	100	100
West Virginia	94	96	94
Wisconsin	102	103	102
Wyoming	80	80	80

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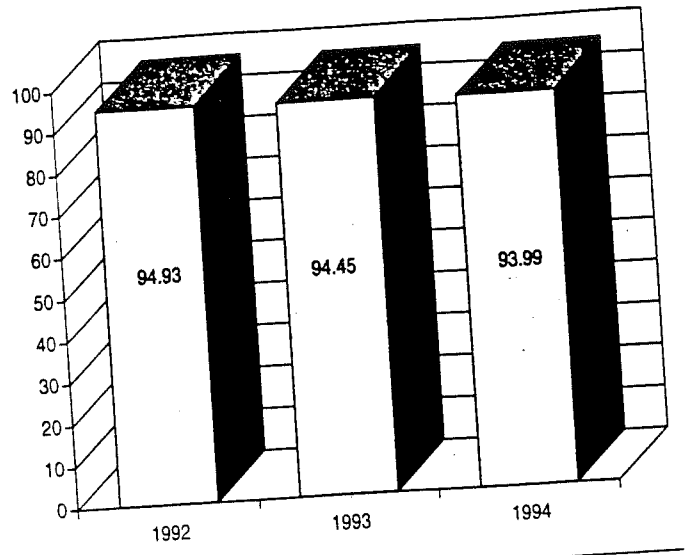
OCCUPANCY RATE

Calculated as the ratio of a nursing home's average daily census to its total number of nursing home beds, expressed as a percentage.



The nursing home industry's overall occupancy remained high in 1994, a reflection of both the shortage of long-term care beds available to an aging population and a recent increase in the number of elderly seeking subacute and rehabilitation care, as well as other types of specialized services, in long-term care facilities. In 1994, the industry experienced an overall median occupancy rate of 94 percent. Among different types of facilities, median occupancy rates varied only slightly from this figure. On a statewide basis, however, occupancy has varied greatly because of diverse supply and demand balances among the states. The majority of states that limit supply display high occupancy rates, whereas those that do not display lower rates. Although occupancy for the most part has remained stable across the country, some of the comparison groups experienced modest declines in each of the past two years. This slight drop in utilization is caused partly by increased support for utilization of less costly alternatives to nursing home care, such as assisted living and home- and community-based care, and partly by many facilities' attempt to retain vacant beds for privately paying patients who generate higher revenues.

	1994	1993	1992
All Nursing Homes	**93.99**	**94.45**	**94.93**
Investor-Owned	94.01	94.43	94.91
Government	95.90	96.64	96.71
Not-for-Profit	95.56	96.02	95.99
System-Affiliated	93.17	93.75	94.29
Freestanding	94.29	94.71	95.17
0–49 Beds	94.93	95.80	95.98
50–99 Beds	93.99	94.45	94.93
100–199 Beds	94.05	94.42	94.89
200+ Beds	93.76	94.46	94.62

	1994	1993	1992
Alabama	98.09	98.09	98.46
Alaska	90.06	88.76	86.86
Arizona	90.86	91.66	91.60
Arkansas	90.82	92.84	94.22
California	92.78	93.12	93.36
Colorado	90.08	90.49	88.09
Connecticut	96.62	96.39	97.62
Delaware	91.48	91.91	90.77
District of Columbia	97.77	98.10	98.15
Florida	95.18	95.36	95.47
Georgia	97.94	97.86	98.16
Hawaii	97.95	97.22	94.79
Idaho	91.73	92.72	93.34
Illinois	91.42	91.59	90.56
Indiana	86.79	86.89	86.67
Iowa	93.13	94.97	96.27
Kansas	91.64	93.09	94.43
Kentucky	97.12	98.19	98.56
Louisiana	91.84	92.63	91.23
Maine	95.45	97.25	96.54
Maryland	95.89	96.54	97.04
Massachusetts	96.80	97.09	97.74
Michigan	95.19	95.14	95.40
Minnesota	97.57	97.84	97.62
Mississippi	99.11	99.08	99.04
Missouri	88.55	89.78	90.72
Montana	93.54	91.43	92.31
Nebraska	93.56	92.97	93.41
Nevada	93.28	92.89	90.94
New Hampshire	95.70	95.91	96.57
New Jersey	94.85	94.09	94.81
New Mexico	94.10	96.90	96.37
New York	96.22	97.11	97.55
North Carolina	96.40	96.86	96.95
North Dakota	97.57	97.91	98.86
Ohio	94.58	94.50	95.65
Oklahoma	84.24	84.77	85.15
Oregon	88.81	89.41	90.51
Pennsylvania	94.19	94.34	94.77
Rhode Island	97.24	97.19	97.19
South Carolina	98.30	97.91	98.81
South Dakota	96.96	96.53	97.89
Tennessee	96.82	97.50	97.47
Texas	83.68	85.39	85.72
Utah	89.76	90.43	89.68
Vermont	97.26	96.71	96.94
Virginia	96.22	96.68	96.14
Washington	92.31	93.05	94.19
West Virginia	99.08	97.69	98.44
Wisconsin	94.04	95.14	96.02
Wyoming	90.18	90.07	88.33

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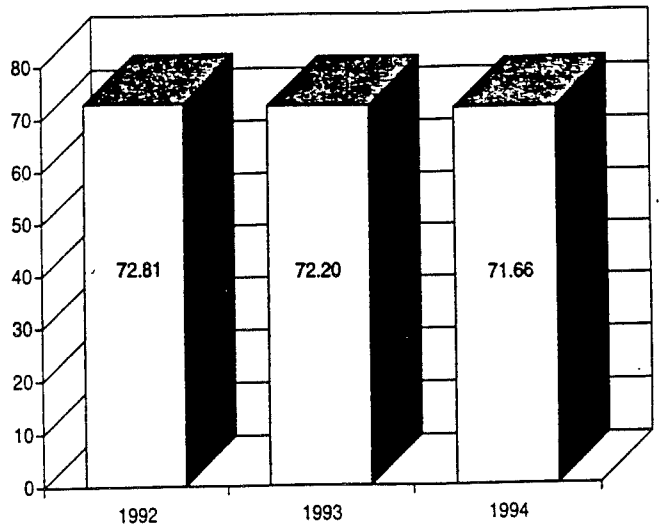
PERCENT MEDICAID RESIDENT DAYS

Calculated as the total number of Medicaid resident days in a nursing home divided by all resident days in the nursing home, expressed as a percentage.



For nearly every major comparison group, the proportion of patient days accounted for by Medicaid beneficiaries declined slightly in 1994. This decline may be attributed in part to ongoing Medicaid budget cuts at the state and federal levels, facility attempts to retain vacant beds for privately paying patients, and growth in the role of private insurance in paying for long-term care. For all nursing homes nationwide, Medicaid days accounted for 71.7 percent of all patient days in 1994, down from 72.2 percent in 1993 and 72.8 percent in 1992. The smallest and largest facilities have continued to be the most dependent on Medicaid, with Medicaid days for the typical nursing homes with fewer than 50 beds and more than 200 beds accounting for 76.7 and 75.0 percent of all patient days, respectively, in 1994. Comparatively, Medicaid days accounted for only 71.7 percent of all patient days in nursing homes with 50 to 99 beds and 100 to 199 beds, in 1994. Among ownership types, not-for-profit facilities maintained a significantly smaller share of Medicaid days, 60.4 percent in 1994, than either investor-owned facilities (73.0 percent) or government facilities (70.1 percent).

	1994	1993	1992
All Nursing Homes	**71.66**	**72.20**	**72.81**
Investor-Owned	73.01	73.64	74.19
Government	70.14	71.27	71.54
Not-for-Profit	60.38	58.69	57.25
System-Affiliated	70.08	72.63	73.00
Freestanding	72.35	72.88	73.68
0–49 Beds	76.67	76.31	75.44
50–99 Beds	71.66	72.20	73.81
100–199 Beds	71.72	72.39	72.74
200+ Beds	75.00	76.63	77.22

	1994	1993	1992
Alabama	78.68	77.72	77.12
Alaska	85.03	87.51	87.36
Arizona	63.25	65.91	65.35
Arkansas	80.11	81.99	82.15
California	71.16	72.87	71.92
Colorado	69.67	68.56	68.80
Connecticut	73.36	71.03	71.26
Delaware	46.99	45.05	46.02
District of Columbia	88.53	90.02	89.65
Florida	70.09	70.80	69.62
Georgia	85.50	85.94	86.03
Hawaii	90.61	89.16	88.46
Idaho	66.90	67.47	67.37
Illinois	62.61	65.00	64.89
Indiana	68.39	69.30	68.79
Iowa	n/a	n/a	n/a
Kansas	55.30	54.52	55.11
Kentucky	72.26	74.21	75.18
Louisiana	88.80	88.27	88.12
Maine	80.61	80.30	78.43
Maryland	71.21	69.64	69.45
Massachusetts	76.44	77.36	78.29
Michigan	68.93	69.89	72.68
Minnesota	66.82	65.06	61.89
Mississippi	86.63	88.31	87.99
Missouri	66.63	65.55	65.04
Montana	63.50	65.01	63.06
Nebraska	51.75	52.18	51.93
Nevada	62.25	59.54	56.84
New Hampshire	n/a	n/a	n/a
New Jersey	61.47	60.08	58.91
New Mexico	78.31	80.44	80.55
New York	81.20	82.69	82.56
North Carolina	72.97	74.72	74.21
North Dakota	58.78	58.89	57.11
Ohio	74.58	74.64	74.30
Oklahoma	71.62	71.75	72.23
Oregon	60.85	60.24	59.51
Pennsylvania	57.43	59.69	59.29
Rhode Island	78.52	76.80	75.59
South Carolina	80.07	79.94	78.07
South Dakota	59.29	56.80	56.54
Tennessee	83.09	83.30	81.74
Texas	75.03	74.76	75.12
Utah	67.82	68.46	67.34
Vermont	71.79	71.87	70.58
Virginia	69.56	71.03	72.42
Washington	70.36	71.44	70.52
West Virginia	80.92	80.91	79.17
Wisconsin	69.16	68.41	69.63
Wyoming	66.49	65.04	65.84

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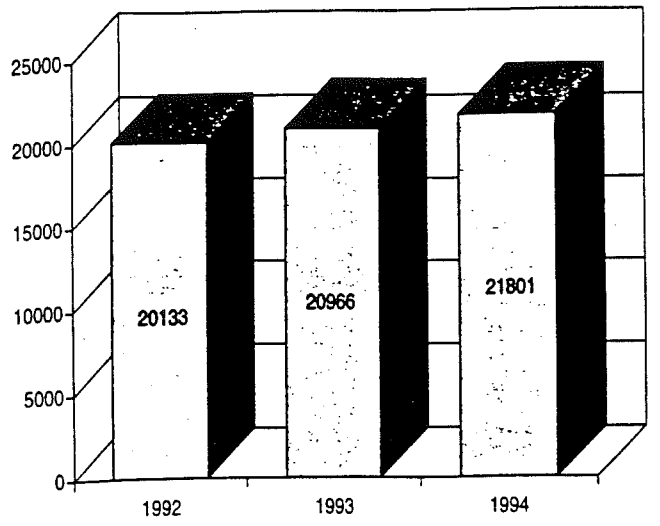
SALARY AND BENEFITS PER FTE

Calculated as the sum of total salaries and employee benefits expense divided by the number of full-time equivalent personnel in a nursing home. *Salary and benefits expense per full-time equivalent personnel* measures the average direct labor expense per employee in a nursing home.



The average total compensation per FTE, which grew at a national rate of 4.0 percent in 1994, remains highest among the largest facilities, in part because of the more severe mix of patients typically treated at these facilities. The typical nursing facility with more than 200 beds paid a median compensation per FTE of $25,036 in 1994, as compared with a median value of only $21,441 for the typical nursing home with fewer than 50 beds. Among the different ownership categories, investor-owned facilities, with a median compensation per FTE of $21,517 in 1994, continued to pay the least. In comparison, the median compensation per FTE paid by the typical not-for-profit facility was $22,420 in 1994, and the median compensation paid by the typical government facility was $22,162.

	1994	1993	1992
All Nursing Homes	**21,801**	**20,966**	**20,133**
Investor-Owned	21,517	20,664	19,877
Government	22,162	21,445	20,615
Not-for-Profit	22,420	21,483	20,763
System-Affiliated	21,618	21,115	20,173
Freestanding	21,871	20,904	20,107
0–49 Beds	21,441	20,686	20,385
50–99 Beds	21,801	20,966	20,133
100–199 Beds	22,028	21,219	20,308
200+ Beds	25,036	24,025	23,110

	1994	1993	1992
Alabama	20,925	19,994	19,547
Alaska	34,561	34,229	33,512
Arizona	23,998	23,282	22,515
Arkansas	22,048	21,300	20,693
California	20,051	19,499	18,878
Colorado	19,185	18,131	17,601
Connecticut	32,933	31,983	31,099
Delaware	30,941	30,022	28,053
District of Columbia	33,485	31,631	29,195
Florida	23,125	22,296	20,973
Georgia	19,061	18,169	17,236
Hawaii	30,364	29,160	26,390
Idaho	21,177	20,430	19,994
Illinois	21,140	19,867	19,257
Indiana	22,186	21,066	21,641
Iowa	23,453	23,456	22,773
Kansas	20,011	19,361	18,784
Kentucky	22,267	21,376	20,250
Louisiana	15,558	15,594	15,381
Maine	28,104	27,924	27,593
Maryland	24,313	24,137	23,313
Massachusetts	29,578	29,240	28,096
Michigan	19,714	18,691	17,753
Minnesota	23,783	23,109	21,377
Mississippi	18,174	17,216	16,435
Missouri	17,071	16,114	15,290
Montana	20,492	19,169	19,002
Nebraska	21,587	20,633	19,359
Nevada	26,088	25,123	24,275
New Hampshire	29,053	28,191	27,764
New Jersey	32,101	31,798	29,095
New Mexico	21,131	20,171	19,214
New York	30,101	27,961	26,234
North Carolina	21,147	20,164	19,263
North Dakota	20,087	19,122	18,123
Ohio	22,178	21,694	20,235
Oklahoma	20,018	19,165	18,283
Oregon	22,424	22,654	22,823
Pennsylvania	25,092	23,850	22,901
Rhode Island	26,268	25,475	23,790
South Carolina	17,388	16,905	16,758
South Dakota	22,942	22,467	21,921
Tennessee	16,657	15,952	15,079
Texas	n/a	n/a	n/a
Utah	18,800	18,241	17,311
Vermont	20,886	19,936	19,294
Virginia	20,780	20,438	19,631
Washington	23,275	23,118	22,568
West Virginia	19,244	18,933	18,677
Wisconsin	23,991	22,992	22,114
Wyoming	23,028	22,128	20,275

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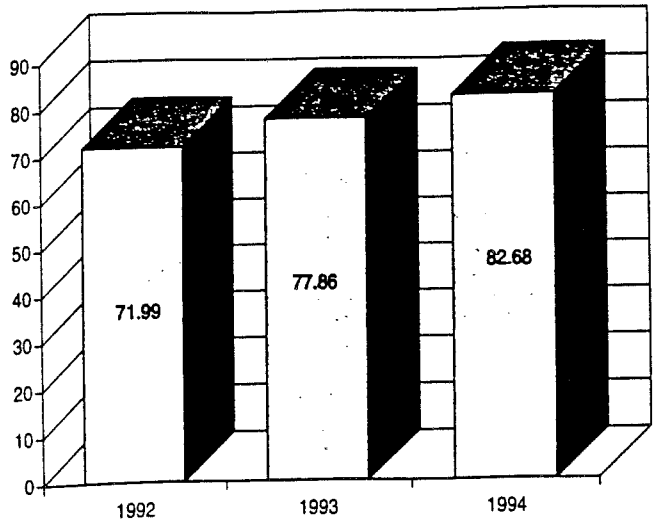
OPERATING EXPENSE PER RESIDENT DAY

Calculated as the total operating expenses of a nursing home divided by the number of resident days in the nursing home. Total operating expenses include salaries, supplies, depreciation, and interest expenses. Total operating expenses do not include "below the line" extraordinary items or charges against income. *Operating expense per resident day* is the best measure of the average cost per unit (per day) in a nursing home.



The median total operating expense per resident day for all U.S. nursing homes increased 6.2 percent in 1994 to $82.68. Along with inflation, much of the increase can be attributed to additional costs associated with treating patients of higher acuity levels. Relative to earlier years, however, the rate of increase appears to be slowing, down from an increase of nearly 8.2 percent between 1992 and 1993. Aside from improved efficiency, slower growth in expenses on a per resident basis could also be the result of provider expansion into a number of less costly service offerings, such as home- and community-based care and assisted living. Like revenues, operating expense per resident day also varies with the size of the facility. The typical nursing facility with fewer than 50 beds had a median total operating expense per resident day of $80.71 in 1994, as compared with $100.85 for the typical nursing facility with more than 200 beds. Among the different ownership categories, not-for-profit nursing homes had a significantly higher median operating expense per resident day, $87.65 in 1994, than either investor-owned facilities, with a median of $82.20, or government-owned facilities, with a median of $85.73.

	1994	1993	1992
All Nursing Homes	**82.68**	**77.86**	**71.99**
Investor-Owned	82.20	75.85	68.77
Government	85.73	79.71	73.71
Not-for-Profit	87.65	83.35	78.06
System-Affiliated	87.50	81.29	74.82
Freestanding	81.57	76.40	70.72
0–49 Beds	80.71	75.06	69.14
50–99 Beds	80.28	74.86	67.99
100–199 Beds	86.67	80.48	73.92
200+ Beds	100.85	94.68	86.91

	1994	1993	1992
Alabama	78.59	73.76	67.10
Alaska	215.78	212.78	204.54
Arizona	104.39	98.75	93.59
Arkansas	57.85	52.88	49.27
California	98.56	88.07	77.43
Colorado	91.30	84.41	80.24
Connecticut	134.79	128.20	118.41
Delaware	107.38	104.34	101.03
District of Columbia	153.20	143.40	137.20
Florida	103.84	92.36	82.94
Georgia	70.80	64.71	59.40
Hawaii	133.42	129.45	124.35
Idaho	92.89	85.32	78.94
Illinois	72.28	70.58	67.48
Indiana	83.30	78.28	74.94
Iowa	58.62	56.42	53.58
Kansas	64.28	57.88	53.77
Kentucky	74.98	68.36	61.04
Louisiana	62.35	57.70	51.26
Maine	98.47	94.27	89.56
Maryland	94.32	89.82	84.10
Massachusetts	118.26	111.29	103.50
Michigan	87.10	79.62	72.42
Minnesota	80.07	74.79	69.38
Mississippi	67.01	61.96	57.03
Missouri	73.12	68.09	64.63
Montana	83.80	77.76	71.78
Nebraska	65.13	60.81	55.99
Nevada	104.47	97.02	90.62
New Hampshire	112.02	104.13	97.40
New Jersey	115.28	109.03	104.04
New Mexico	80.93	76.72	71.06
New York	137.18	132.82	128.00
North Carolina	82.61	78.46	72.37
North Dakota	80.18	76.73	72.95
Ohio	95.46	89.74	81.40
Oklahoma	51.00	48.57	45.85
Oregon	90.03	84.21	77.17
Pennsylvania	108.37	99.45	91.45
Rhode Island	110.78	103.38	95.03
South Carolina	85.69	76.68	71.95
South Dakota	68.08	64.50	59.54
Tennessee	74.68	69.20	61.58
Texas	58.59	54.72	51.80
Utah	80.58	73.21	65.27
Vermont	84.28	78.29	73.45
Virginia	96.01	90.70	85.28
Washington	111.28	101.82	90.81
West Virginia	86.29	79.18	71.70
Wisconsin	94.03	87.57	81.12
Wyoming	96.23	81.33	72.25

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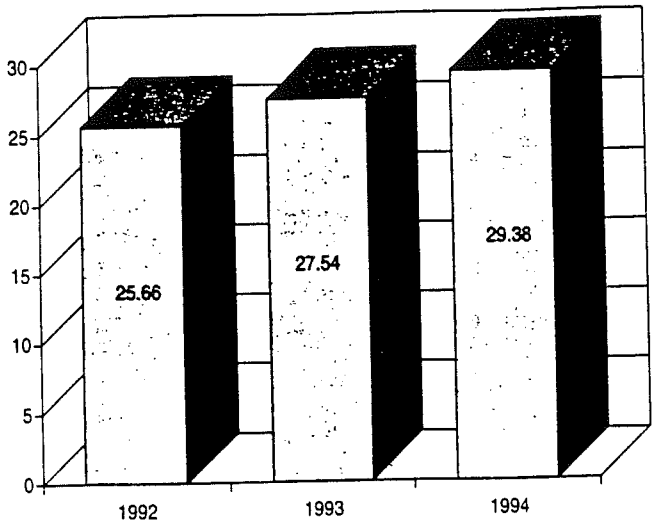
DIRECT CARE EXPENSE PER RESIDENT DAY

Calculated as the sum of those expenses directly associated with patient care, such as nursing costs, divided by the number of resident days in a nursing home.



Direct care costs, which at the typical U.S. nursing home increased 6.7 percent to $29.38 in 1994 from $27.54 in 1993, can vary greatly among facilities, as a result of differences in management decisions, the average debility level of the facility's residents, and plant size. The largest nursing homes spent a median of $36.20 per resident day on direct patient care, compared with a median of $30.00 per resident day for the smallest facilities, and a median of only $28.38 per resident day for facilities in the 50 to 99 bed size range. Among ownership types, the typical investor-owned facility spent the least on direct patient care, $28.69 in 1994, as compared with $32.70 for the typical governmental facility, and $32.51 for the typical not-for-profit facility.

	1994	1993	1992
All Nursing Homes	**29.38**	**27.54**	**25.66**
Investor-Owned	28.69	26.65	24.98
Government	32.70	31.42	29.76
Not-for-Profit	32.51	31.01	28.94
System-Affiliated	28.14	25.95	24.48
Freestanding	29.13	27.28	25.36
0–49 Beds	30.00	28.07	26.66
50–99 Beds	28.38	26.54	24.66
100–199 Beds	30.48	28.44	26.64
200+ Beds	36.20	34.07	31.95

	1994	1993	1992
Alabama	28.13	26.31	24.53
Alaska	65.14	64.44	63.18
Arizona	35.17	31.62	30.61
Arkansas	18.83	17.49	16.41
California	29.80	28.40	27.92
Colorado	37.27	34.22	32.28
Connecticut	45.61	41.66	41.40
Delaware	38.21	37.85	36.09
District of Columbia	56.09	55.62	53.73
Florida	32.91	30.38	29.33
Georgia	23.79	22.23	20.55
Hawaii	49.41	45.72	40.26
Idaho	30.71	32.16	29.94
Illinois	22.93	22.75	21.97
Indiana	27.92	27.32	25.53
Iowa	20.54	19.96	18.44
Kansas	22.32	20.44	18.85
Kentucky	26.72	23.85	21.66
Louisiana	19.28	18.04	16.90
Maine	35.54	35.95	36.17
Maryland	31.53	30.01	29.07
Massachusetts	43.44	41.81	38.91
Michigan	33.99	31.26	29.55
Minnesota	35.51	33.63	30.59
Mississippi	21.93	19.61	17.77
Missouri	24.55	23.52	22.04
Montana	30.76	27.71	25.58
Nebraska	27.34	26.25	22.88
Nevada	34.40	33.06	32.62
New Hampshire	40.12	38.58	35.33
New Jersey	37.91	35.73	34.86
New Mexico	21.35	22.40	20.53
New York	51.12	48.24	46.92
North Carolina	32.12	30.20	27.94
North Dakota	29.28	29.99	29.54
Ohio	34.46	34.56	31.37
Oklahoma	15.55	15.19	14.57
Oregon	32.91	32.53	30.00
Pennsylvania	34.49	31.86	29.41
Rhode Island	37.61	35.14	33.62
South Carolina	26.89	25.10	23.52
South Dakota	24.95	23.48	21.87
Tennessee	24.02	22.06	20.19
Texas	21.66	20.24	19.19
Utah	27.82	26.52	23.91
Vermont	28.53	25.10	24.61
Virginia	29.66	28.92	28.14
Washington	39.09	37.04	35.24
West Virginia	25.62	23.49	22.58
Wisconsin	34.36	32.23	29.77
Wyoming	37.64	33.77	29.71

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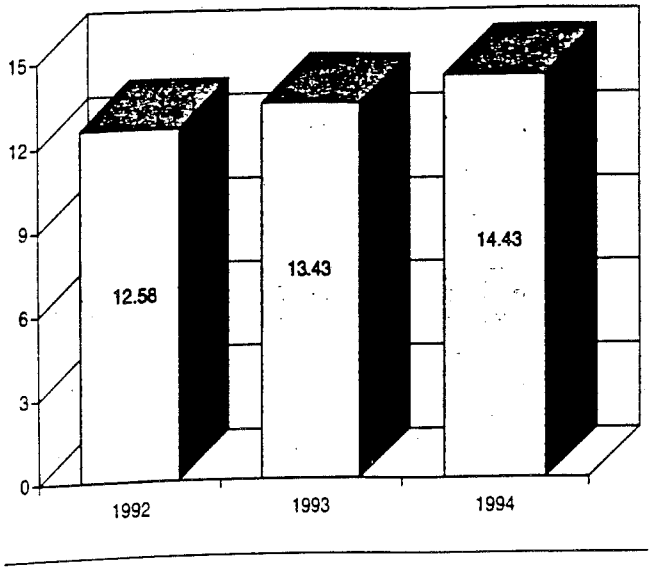
INDIRECT CARE EXPENSE PER RESIDENT DAY

Calculated as the sum of those expenses directly associated with indirect patient care, such as laundry and linen service, housekeeping, dietary, cafeteria, central services and supply, pharmacy, and social services, divided by the number of resident days in a nursing home.



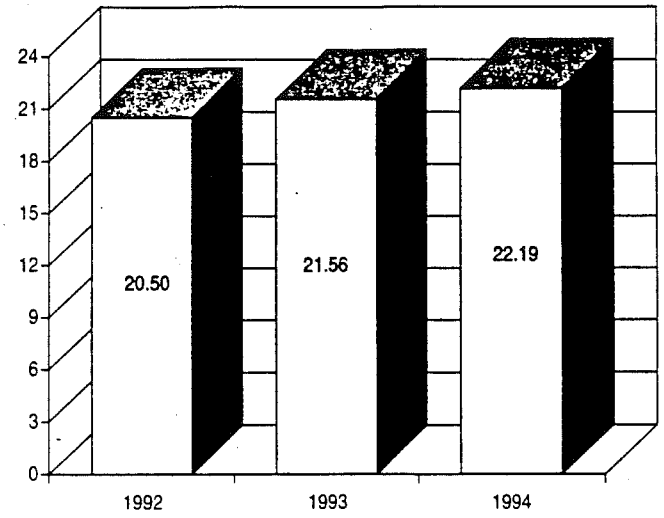
Indirect care costs, which at the typical U.S. nursing home increased 7.4 percent to $14.43 in 1994 from $13.43 in 1993, can vary greatly among facility types. Not surprisingly, system-affiliated nursing homes, with a median indirect care expense per resident day of $13.83 in 1994, spent considerably less on indirect care than their freestanding counterparts, which had a median indirect care expense of $14.69. Much of this difference is the result of economies of scale. Among the ownership types, investor-owned facilities, with a median indirect care expense of $14.03 in 1994, once again demonstrated their ability to constrain costs. The typical not-for-profit and governmental facilities, in comparison, both maintained significantly higher median indirect care expenses of $17.07 and $17.63, respectively, in 1994.

	1994	1993	1992
All Nursing Homes	**14.43**	**13.43**	**12.58**
Investor-Owned	14.03	13.14	12.29
Government	17.63	16.40	15.60
Not-for-Profit	17.07	16.24	15.22
System-Affiliated	13.83	12.94	12.06
Freestanding	14.69	13.67	12.82
0–49 Beds	15.41	14.32	13.60
50–99 Beds	14.43	13.43	12.58
100–199 Beds	14.22	13.05	12.16
200+ Beds	17.94	16.66	15.71

	1994	1993	1992
Alabama	13.01	12.42	11.33
Alaska	37.74	37.23	36.43
Arizona	15.40	14.04	13.38
Arkansas	11.39	10.50	10.15
California	15.93	15.48	15.30
Colorado	11.88	12.33	12.87
Connecticut	19.15	17.54	17.98
Delaware	21.85	21.85	20.88
District of Columbia	31.20	30.27	29.70
Florida	17.95	15.07	13.50
Georgia	11.54	10.90	10.46
Hawaii	18.29	20.55	20.58
Idaho	12.67	12.25	11.33
Illinois	13.40	12.52	11.38
Indiana	13.26	13.47	12.93
Iowa	10.77	11.33	10.71
Kansas	12.62	11.94	10.89
Kentucky	13.04	10.44	10.49
Louisiana	8.88	8.72	8.24
Maine	13.83	14.77	14.52
Maryland	16.16	15.60	14.80
Massachusetts	18.76	17.88	17.13
Michigan	15.35	14.01	13.13
Minnesota	17.21	16.54	15.73
Mississippi	9.94	10.12	9.11
Missouri	11.23	10.92	10.44
Montana	15.35	13.95	13.75
Nebraska	14.53	14.15	12.96
Nevada	17.25	14.36	12.57
New Hampshire	22.25	20.92	19.27
New Jersey	20.50	19.40	18.59
New Mexico	12.54	11.62	10.04
New York	27.46	25.92	25.12
North Carolina	14.50	13.59	13.09
North Dakota	13.22	13.81	15.80
Ohio	16.02	15.63	13.60
Oklahoma	10.49	10.15	9.81
Oregon	12.89	12.27	9.43
Pennsylvania	16.31	15.42	14.17
Rhode Island	15.95	15.77	15.12
South Carolina	13.85	14.07	12.74
South Dakota	13.18	12.74	11.88
Tennessee	13.08	12.46	11.60
Texas	10.87	10.52	9.95
Utah	11.30	10.91	10.77
Vermont	16.14	15.56	14.59
Virginia	12.46	12.73	12.44
Washington	14.43	13.00	12.18
West Virginia	13.08	11.91	11.13
Wisconsin	16.10	15.21	14.48
Wyoming	14.89	14.10	12.81

ADMINISTRATIVE AND GENERAL EXPENSE PER RESIDENT DAY

Calculated as the sum of those expenses associated with a nursing home's basic administrative and general office functions, divided by the number of resident days in a nursing home. Administrative and general expenses include non-patient telephone bills, cashiering, patient billing, maintenance and repairs, operation of plant, maintenance of personnel, employee benefits, and medical records.



Among all U.S. nursing homes, the median administrative and general expense per resident day, which consists of those costs associated with maintaining and running a facility, increased only 2.9 percent in 1994 to $22.19. Not surprisingly, investor-owned facilities, with a median administrative and general expense of only $21.81 in 1994, spent considerably less to maintain their facility than their not-for-profit and governmental facility counterparts, which had medians of $23.82 and $23.26, respectively, in 1994. Much of this difference is the result of economies of scale. Among the different bed size categories, the smallest facilities continued to maintain the lowest median administrative and general expense per resident day. To illustrate, the median administrative and general expense for facilities with fewer than 50 beds was only $21.88 in 1994, as compared with a median of $26.44 for facilities with more than 200 beds.

	1994	1993	1992
All Nursing Homes	**22.19**	**21.56**	**20.50**
Investor-Owned	21.81	20.17	19.11
Government	23.26	22.60	21.41
Not-for-Profit	23.82	23.76	22.66
System-Affiliated	22.64	21.30	19.14
Freestanding	23.03	22.29	20.22
0–49 Beds	21.88	21.41	20.79
50–99 Beds	22.19	20.56	19.50
100–199 Beds	22.42	22.57	20.51
200+ Beds	26.44	25.32	23.75

	1994	1993	1992
Alabama	21.00	19.48	18.08
Alaska	63.94	63.37	62.16
Arizona	27.06	25.63	23.88
Arkansas	18.16	16.81	15.31
California	33.18	30.62	28.05
Colorado	15.42	15.70	14.12
Connecticut	38.03	36.92	36.28
Delaware	26.15	25.94	25.04
District of Columbia	35.14	33.14	31.59
Florida	23.66	24.49	22.43
Georgia	20.78	19.31	17.21
Hawaii	39.80	35.81	33.36
Idaho	25.84	25.27	23.44
Illinois	20.04	19.62	18.30
Indiana	22.73	22.16	18.16
Iowa	15.39	14.86	13.95
Kansas	19.66	18.02	16.29
Kentucky	18.63	16.37	14.11
Louisiana	20.84	18.30	16.30
Maine	16.18	16.32	15.30
Maryland	27.52	26.65	24.14
Massachusetts	31.45	28.21	25.16
Michigan	18.39	16.49	15.91
Minnesota	21.58	20.53	19.09
Mississippi	18.51	19.03	17.46
Missouri	27.18	25.65	25.14
Montana	25.81	24.79	22.78
Nebraska	16.93	14.55	12.36
Nevada	27.48	26.86	25.55
New Hampshire	34.13	33.94	30.21
New Jersey	29.48	26.73	25.58
New Mexico	25.30	25.09	24.38
New York	38.35	36.40	34.92
North Carolina	19.74	19.63	18.21
North Dakota	21.13	19.64	18.76
Ohio	20.35	18.79	16.21
Oklahoma	14.16	15.66	14.21
Oregon	21.96	23.33	22.35
Pennsylvania	28.81	26.71	24.45
Rhode Island	25.12	26.82	26.16
South Carolina	19.08	18.20	17.69
South Dakota	18.56	16.68	15.26
Tennessee	19.79	18.93	16.77
Texas	16.75	15.65	14.46
Utah	24.69	23.81	21.28
Vermont	21.36	19.25	18.16
Virginia	20.05	19.71	17.70
Washington	29.45	27.17	25.29
West Virginia	20.94	18.26	17.67
Wisconsin	23.92	24.41	22.86
Wyoming	26.36	23.04	21.64

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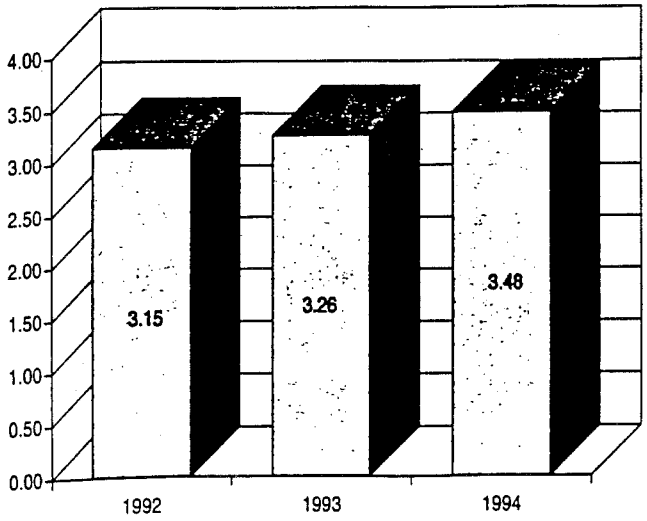
TOTAL PROFIT MARGIN

Calculated as the difference between total net revenue and total expenses, divided by total net revenue, expressed as a percentage. *Total profit margin* is a measure of the overall profitability of a nursing home and reflects the inclusion of philanthropic contributions, endowment revenue, government grants, investment income, and other revenues and expenses not related to patient care operations.



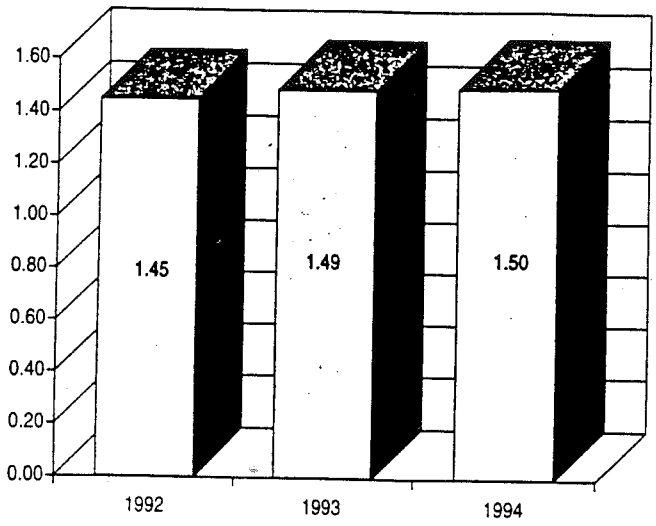
Nursing home profitability continued to improve across the board in 1994. The median total profit margin for all U.S. nursing homes rose to 3.48 percent in 1994, from 3.26 percent in 1993 and 3.15 percent in 1992. Among other things, improved profitability is likely the result of improved efficiency, greater expansion into higher-profit alternative service offerings, and a decline in the proportion of patient days accounted for by Medicaid beneficiaries. Investor-owned and system-affiliated facilities continued to be the most profitable types of facilities, earning net margins of 3.68 and 4.43 percent, respectively, in 1994. The higher profits of investor-owned and system-affiliated facilities is likely attributable to their greater ability to contain costs. Among the different size bed categories, moderately sized nursing homes with between 100 and 199 beds remained the most profitable in 1994, earning net margins of 4.18 percent. The smallest nursing facilities with fewer than 50 beds, in comparison, earned net margins of only 1.33 percent in 1994.

	1994	1993	1992
All Nursing Homes	**3.48**	**3.26**	**3.15**
Investor-Owned	3.68	3.54	3.41
Government	1.25	1.23	1.19
Not-for-Profit	2.26	1.94	1.77
System-Affiliated	4.43	4.34	4.20
Freestanding	3.03	2.93	2.77
0–49 Beds	1.33	1.48	1.28
50–99 Beds	3.28	3.26	3.15
100–199 Beds	4.18	4.09	4.02
200+ Beds	3.18	3.06	2.89

	1994	1993	1992
Alabama	5.98	5.43	6.55
Alaska	3.23	2.77	3.09
Arizona	2.43	2.96	3.09
Arkansas	5.87	5.71	5.41
California	1.66	2.06	1.93
Colorado	2.18	2.25	2.20
Connecticut	1.08	1.35	1.51
Delaware	0.52	0.88	0.48
District of Columbia	2.70	3.06	3.33
Florida	2.51	3.01	2.80
Georgia	2.39	2.43	2.69
Hawaii	1.49	2.63	1.86
Idaho	1.62	1.43	1.79
Illinois	2.47	2.27	2.53
Indiana	2.75	2.02	n/a
Iowa	2.92	3.70	3.10
Kansas	1.62	0.92	0.74
Kentucky	5.20	4.54	3.53
Louisiana	7.21	7.35	7.05
Maine	1.60	2.21	2.39
Maryland	3.93	3.45	2.30
Massachusetts	1.83	2.35	1.57
Michigan	2.12	1.14	1.72
Minnesota	3.43	2.55	2.52
Mississippi	5.09	3.93	5.12
Missouri	1.36	1.52	1.84
Montana	3.14	2.92	1.59
Nebraska	5.51	4.81	4.43
Nevada	2.84	2.42	1.08
New Hampshire	3.40	3.34	2.71
New Jersey	0.19	0.23	0.19
New Mexico	3.01	2.47	2.35
New York	3.28	2.89	3.58
North Carolina	2.87	3.18	1.51
North Dakota	2.22	1.83	1.14
Ohio	1.37	2.56	2.51
Oklahoma	n/a	n/a	n/a
Oregon	1.61	1.57	2.31
Pennsylvania	4.09	3.26	3.80
Rhode Island	1.06	(0.19)	(0.05)
South Carolina	1.04	0.95	0.60
South Dakota	5.23	4.23	3.63
Tennessee	2.41	2.04	1.12
Texas	n/a	n/a	n/a
Utah	3.26	3.17	2.93
Vermont	3.58	2.74	2.23
Virginia	3.55	2.93	2.24
Washington	2.15	2.22	2.44
West Virginia	3.77	3.08	1.64
Wisconsin	1.37	0.57	0.86
Wyoming	0.08	(0.30)	(0.26)

CURRENT RATIO

Calculated as total current assets, including the balance of the depreciation fund, divided by total current liabilities. *Current ratio* is an indicator of a nursing home's liquidity and ability to meet short-term obligations.



The nursing home industry overall experienced a slight increase in its median current ratio in 1994. However, the industry's 1994 median value of only 1.50 remains somewhat unfavorable. Investor-owned nursing facilities continued to demonstrate a lower median current ratio, 1.43 in 1994, than either not-for-profit facilities, with a median of 1.82, or governmental facilities, with a median of 2.38. This happens most likely because investor-owned nursing facilities typically transfer cash to their parent corporations in order to obtain more favorable investment returns. Among the different bed size groups, the largest nursing facilities maintained the highest, most favorable, median current ratio, 1.51 in 1994. The smallest nursing facilities maintained a median current ratio of only 1.39.

	1994	1993	1992
All Nursing Homes	**1.50**	**1.49**	**1.45**
Investor-Owned	1.43	1.42	1.39
Government	2.38	2.26	2.12
Not-for-Profit	1.82	1.94	1.89
System-Affiliated	1.51	1.50	1.47
Freestanding	1.47	1.47	1.42
0–49 Beds	1.39	1.45	1.39
50–99 Beds	1.48	1.49	1.45
100–199 Beds	1.52	1.51	1.47
200+ Beds	1.51	1.45	1.43

	1994	1993	1992
Alabama	1.80	1.58	1.91
Alaska	1.65	1.42	2.27
Arizona	1.19	1.41	1.31
Arkansas	2.42	2.56	2.46
California	1.20	1.38	1.45
Colorado	1.45	1.22	1.38
Connecticut	1.28	1.25	1.09
Delaware	1.28	0.97	0.94
District of Columbia	2.54	2.13	3.07
Florida	1.50	1.39	1.42
Georgia	1.30	1.39	1.17
Hawaii	1.61	1.41	1.94
Idaho	1.30	1.73	1.44
Illinois	2.38	2.38	1.86
Indiana	1.57	1.48	n/a
Iowa	1.45	1.75	1.83
Kansas	1.23	1.31	1.16
Kentucky	1.33	1.31	1.15
Louisiana	2.08	2.17	1.83
Maine	1.09	1.29	1.03
Maryland	1.33	1.38	1.53
Massachusetts	1.22	1.11	1.08
Michigan	1.52	1.44	1.40
Minnesota	1.41	1.06	1.16
Mississippi	2.41	2.52	2.78
Missouri	1.38	1.36	1.28
Montana	1.32	1.55	1.43
Nebraska	1.86	1.82	1.94
Nevada	1.56	1.56	1.39
New Hampshire	1.54	0.77	0.71
New Jersey	1.20	1.04	0.80
New Mexico	1.33	1.39	0.88
New York	1.36	1.42	1.29
North Carolina	1.21	1.27	1.26
North Dakota	1.83	1.43	1.51
Ohio	1.26	1.32	1.25
Oklahoma	n/a	n/a	n/a
Oregon	1.36	1.51	1.56
Pennsylvania	1.88	1.87	1.78
Rhode Island	1.14	1.23	1.10
South Carolina	1.24	1.00	0.95
South Dakota	2.45	1.52	1.63
Tennessee	1.61	1.47	1.20
Texas	n/a	1.84	1.93
Utah	n/a	n/a	n/a
Vermont	1.54	1.22	0.98
Virginia	1.88	1.94	1.68
Washington	n/a	n/a	n/a
West Virginia	2.33	1.71	1.95
Wisconsin	1.47	1.40	1.21
Wyoming	0.70	1.21	1.65

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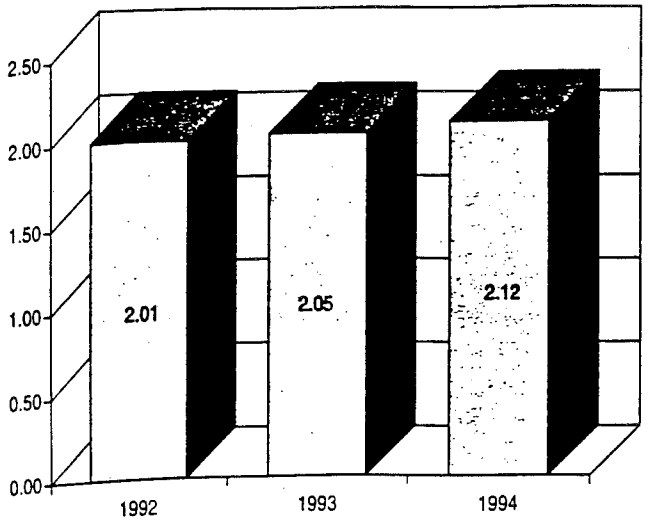
DEBT SERVICE COVERAGE RATIO

Calculated as the sum of net income, depreciation, and interest expense divided by annual debt service. *Debt service coverage ratio* measures the ratio of available funds for the payment of debt service to a specific year's principal and interest payment. It is one measure of a nursing home's ability to repay debt or creditworthiness.



As evidenced by a median debt service coverage ratio of more than 2.1 times, the nursing home industry's ability to service its debt continued to improve in 1994, a reflection of the industry's improved profitability. Government-owned facilities, with a median debt service coverage ratio of 3.1 times, maintained the best ability to service their debt among all ownership types in 1994. The median debt service coverage ratio for not-for-profit facilities, in comparison, was 2.5 times, and the median for investor-owned facilities was only 2.0 times. The sizable debt burden carried by investor-owned facilities is the primary reason for their weak debt service coverage. Among the different bed size categories, ability to service debt increased with the size of the facility. The smallest facilities demonstrated a median debt service coverage ratio of 1.6 times in 1994, compared with a median of 2.3 times for the largest facilities.

	1994	1993	1992
All Nursing Homes	**2.12**	**2.05**	**2.01**
Investor-Owned	2.03	1.92	1.88
Government	3.05	2.82	2.66
Not-for-Profit	2.48	2.31	2.20
System-Affiliated	2.42	2.24	2.17
Freestanding	1.99	1.98	1.95
0–49 Beds	1.58	1.77	1.53
50–99 Beds	2.12	2.09	2.01
100–199 Beds	2.31	2.21	2.19
200+ Beds	2.26	2.23	2.20

	1994	1993	1992
Alabama	3.42	2.85	3.52
Alaska	3.31	2.59	1.54
Arizona	1.50	1.44	1.50
Arkansas	4.00	4.15	3.57
California	1.29	1.39	1.36
Colorado	1.82	2.58	1.77
Connecticut	1.82	2.31	2.30
Delaware	1.68	1.78	1.52
District of Columbia	1.98	2.31	2.77
Florida	1.94	2.39	2.87
Georgia	1.86	1.77	1.75
Hawaii	1.72	1.92	1.87
Idaho	1.82	1.43	2.05
Illinois	2.83	1.94	2.51
Indiana	1.42	1.48	n/a
Iowa	3.07	3.21	3.11
Kansas	2.31	2.11	2.02
Kentucky	2.89	3.04	2.29
Louisiana	2.13	2.33	2.41
Maine	1.22	1.37	1.30
Maryland	2.23	1.94	1.95
Massachusetts	2.01	1.99	1.77
Michigan	2.41	1.99	1.99
Minnesota	n/a	n/a	n/a
Mississippi	3.45	1.96	2.22
Missouri	2.87	1.16	1.89
Montana	2.66	2.72	2.16
Nebraska	4.01	3.59	3.06
Nevada	2.57	2.40	2.53
New Hampshire	3.16	2.59	2.56
New Jersey	1.52	1.65	1.08
New Mexico	2.86	2.81	1.74
New York	2.50	2.46	2.24
North Carolina	1.85	2.10	1.63
North Dakota	2.48	2.43	1.60
Ohio	1.21	2.18	2.93
Oklahoma	n/a	n/a	n/a
Oregon	1.67	2.55	1.99
Pennsylvania	2.96	2.73	2.77
Rhode Island	0.72	1.00	1.12
South Carolina	1.65	1.53	1.55
South Dakota	4.73	4.49	4.38
Tennessee	3.23	2.25	1.46
Texas	3.23	2.82	2.70
Utah	2.53	2.39	1.83
Vermont	2.70	1.85	1.83
Virginia	1.97	1.66	1.60
Washington	2.16	1.81	2.23
West Virginia	2.01	2.00	1.53
Wisconsin	1.75	1.86	1.64
Wyoming	1.94	1.56	1.42

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Maine Non Hospital-Based Facilities
Comparative State Average Operating Cost Information
Fiscal Years Ended September 30 Through August 31, 1995 and 1996

	1995			1996		
	Total Cost	Medicaid Allow. Cost*		Total Cost	Medicaid Allow. Cost*	
Direct care costs	$ 44.27	$ 44.21	41.7%	$ 47.64	$ 47.58	42.2%
Indirect care costs	11.22	10.71	10.2%	12.46	11.82	10.4%
Fixed costs	23.64	23.08	21.7%	24.67	23.64	21.0%
Routine costs	51.78	27.94	26.4%	56.48	29.77	26.4%
Total	$130.91	$105.94	100%	$141.25	$112.81	100%
Salaries and fringe benefits percentage of total, excluding Administrator and owners			63.8%			62.3%
Average direct care hours per resident day			3.7 hours			3.9 hours

* Payment rates are facility-specific based on 1993 allowable costs (not current costs) increased for inflation, and limited to prescribed peer group caps for direct care, indirect care, and routine components of $47.54, $11.07, and $28.61, respectively, as of June 30, 1995. Direct care component of each facility's rate adjusted quarterly for change in average acuity of Medicaid residents in the facility.

Maine Non Hospital-Based Nursing Facilities
Occupancy and Resident Mix Information
Fiscal Years Ended September 30 Through August 31, 1995 and 1996

	1995		1996	
Facilities	129		127	
Resident Days				
Nursing facility				
Medicare	139,110	4.2%	196,765	6.5%
VA	9,786	.3%	7,961	.3%
Medicaid	2,580,379	78.4%	2,319,751	76.6%
Self-pay	563,946	17.1%	504,020	16.6%
	3,293,221	100%	3,028,497	100%
Residential care				
Medicaid/state	33,132	66.6%	51,447	56.5%
Self-pay	16,632	33.4%	39,603	43.5%
	49,764	100%	91,050	100%
TBI	11,930		10,640	
Mental health	6,356		7,555	
Total days	3,361,271		3,137,742	

Key Statistical and Financial Comparisons
Abstract from 1996 Edition of
"The Guide to the Nursing Home Industry"*

	National Average	Maine			
	1994	1994		1993	1992
General Statistics		Data	Ranking**		
Licensed beds	100	66	50	66	65
Occupancy	93.9%	95.4%	22	97.3%	96.5%
Medicaid utilization	71.66%	80.6%	10	80.3%	78.4%
Salary and benefits per FTE	$21,801	$28,104	10	$27,924	$27,593
Revenue/Expense Per Day					
Net patient revenue	$84.11	$97.24	18	$93.52	$89.86
Operating expense	82.68	98.47	17	94.27	89.56
Direct care expense	29.38	35.54	12	35.95	36.17
Indirect care expense	14.43	13.83	28	14.77	14.52
Administrative expense	22.19	16.18	48	16.32	15.30
Interest and deprec. expense	6.96	9.09	15	9.64	10.67
Ancillary	2.34	2.48	29	2.28	1.49
Financial Ratios					
Profit margin	3.5%	1.6%	39	2.2%	2.4%
Current ratio	1.5	1.09	50	1.29	1.03
Debt service coverage ratio	2.12	1.22	49	1.37	1.30

* A publication of HCIA, Inc. and Arthur Anderson, LLP

** Includes 50 states and District of Columbia

Maine Non Hospital-Based Nursing Facilities
Summary of Financial Position and Results of Operations

Maine DHS 1996 Summary of Cumulative Profit (Loss)	1993	1994	1995
Number of facilities for which information available	109	105	97
Cumulative profit (loss)	$703,444	$246,413	$(118,900)

Berry, Dunn, McNeil & Parker Data Base	Fiscal Years Ended September 30, 1994 Through August 31, 1995	Fiscal Years Ended September 30, 1995 Through March 31, 1996
Number of facilities	92	53
Cumulative equity (deficit)	$31,341,595	$(7,513,083)
Number with equity	65	27
Number with deficit	27	26
Cumulative return on equity	3.8%	negative
Cumulative profit margin	.5%	negative

MAINE MEDICAID PROGRAM NF RATE-SETTING

Most recent rate-setting regulations effective for fiscal years beginning on or after July 1, 1995. Semi-prospective rates (except TBI units that are paid allowable costs retrospectively) based on facility-specific base year (fiscal years beginning on or after October 1, 1992) allowable costs limited to peer group caps inflated to current fiscal year. Two peer groups, hospital-based and all others. No prescribed rebasing.

Rate Components

Direct Care

Lower of facility's case mix adjusted base year allowable CPD inflated to June 30, 1995 or peer group caps ($47.54 for non hospital-based facilities and $64.78 for hospital-based, 112% of median). Applicable CPD adjusted quarterly for facility's average case mix index of Medicaid residents in-house on 15th of last month of second preceding quarter.

MDS+ assessments required for all residents. Rate is reduced from 2% to 10% if unacceptable error rate identified by audit. RUGS III classification system used with Maine wage rates applied to 1990 national time study data to calculate relative weight for each of the 44 classifications.

If actual allowable CPD less than rate, facility repays 75% of difference to DHS.

- Nursing salaries and fringe benefits (excluding DON)
- Activities salaries and fringe benefits

Indirect Care

Lower of base year allowable CPD inflated to June 30, 1995 or peer group caps ($11.07 for non hospital-based facilities and $18.28 for hospital-based, 110% of median). Applicable June 30, 1995 CPD inflated to current fiscal year. No annual retrospective settlement.

- DON salaries and fringe benefits
- Social services salaries and fringe benefits
- Food
- Medical supplies
- Pharmacy, social service, and dietary consultants
- Medical Director - limited to $1,200 monthly

Fixed Cost

Facility-specific allowable CPD incurred calculated using higher of actual resident days for year or days equivalent to 90% occupancy.

Depreciation recapture applies to lower of accumulated depreciation or gain realized on sale of depreciable assets. Credits against recapture of building depreciation which eliminates recapture after 25 years of ownership.

- Interest on long-term debt
- Depreciation and amortization
- Property, liability, and malpractice insurance
- Workers' comp costs including insurance premiums and deductibles
- Gross Receipts Tax
- Water and sewer connection charges
- Return on equity (8%) for proprietary providers
- Rent
- Administrator in training salaries and fringe benefits with prior approval

Routine Cost

Lower of base year allowable CPD inflated to June 30, 1995 or peer group caps. ($28.61 for non hospital-based and $49.88 for hospital-based, 108% of median).

Administration and Policy Planning Ceiling sets maximum amount based on licensed beds that can be included in allowable cost for administrator's compensation and fringes, professional accounting costs, and other administrative functions.

- All other operating expenses except ancillaries and those not included in preceding components.

Ancillaries

Separately billable on fee-for-service basis

- PT, OT, ST, medication and drugs, and DMERC.

Other Considerations

- All facilities required to have minimum of 20% of beds licensed for Medicare participation
- Capital expenditures in excess of $500,000 and all transfers of ownership require CON. No CON can be issued if project increases annual Medicaid payments to facility. Basis of property for determination of allowable interest and depreciation expense limited to CON approved capital costs for new construction or seller's original approved historical cost fo a sale.
- Medical eligibility requirements changed in '94. Reduced average occupancy from 98% to below 90%. Current regulatory policy focused on reducing NF beds.

Summary
Maine Medicaid Nursing Facility Rate-Setting Process

The "Principles of Reimbursement for Nursing Facilities" is the governing body of regulations which establishes procedures for determining Medicaid rates for Maine nursing facilities. These regulations have been extremely volatile with substantial changes occurring annually since 1988. The current regulations described herein are those effective for fiscal years beginning on or after July 1, 1995.

General Description

The payment system is a semi-prospective methodology based on facility-specific base year (fiscal year beginning on or after October 1, 1992) allowable costs with peer group caps. There are two peer groups, hospital-based facilities (licensed nursing facility beds located within a hospital building) and non hospital-based facilities. A portion of the rate (direct care) is adjusted quarterly for changes in each facility's average case mix index for Medicaid residents only, and all components except fixed costs are inflated annually. The regulations do not provide for any mandatory rebasing of the costs or the base year average case mix index (based on assessments of Medicaid residents in each facility on March 31, 1993). Although there are 44 different RUGS III clinical classifications based on differing resource needs and associated cost used for classifying residents based on MDS+ assessments, use of each facilities' <u>average</u> case mix index for Medicaid residents for rate-setting purposes results in an average rate per day paid to each facility for all Medicaid days of care rendered irrespective of the acuity and resource needs of individual residents.

Rate Components

A facility's Medicaid rate is the aggregate total of four components; direct care, indirect care, routine, and fixed costs. The operating expenses included in each component and the methodology for calculation of the rate are summarized below:

- Direct Care - includes salaries and fringe benefits for all nursing staff (except the DON), ward clerks, and activities personnel. The applicable rate for each facility is the lower of the facility's case mix adjusted base year allowable direct care cost per day (base year allowable cost per day divided by base year case mix index) inflated to June 30, 1995, or the peer group cap. The caps ($47.54 for non hospital-based facilities and $64.78 for hospital-based facilities) are 112% of the respective peer group base year case mix adjusted allowable direct care cost per day at June 30, 1995. The applicable June 30, 1995 amount for each facility is multiplied by the facility's average case mix index calculated on a quarterly basis using MDS+ assessments for Medicaid residents in-house on the 15th day of the last month of the second preceding quarter, plus inflation. The RUGS III classification system, used to classify residents and calculate the average case mix index, provides 44 potential resource utilization groups with differing relative resource weights applicable to each classification based on the estimated nursing minutes and average hourly rates applicable to each nursing position.

  If a facility's allowable direct care cost per day is less than the weighted average quarterly direct care rate paid during a fiscal year, the facility is required to repay 75% of the "savings" to DHS.

A facility's direct care component is reduced if an unacceptable error rate in MDS+ preparation is discovered by DHS through the assessment review process. Penalties range from 2% to 10% for error rates ranging from 35.8% to above 45% of the sample.

- Indirect Care- consists of the salary and fringe benefits of the DON and social service personnel, raw food costs, vitamins and food supplements, medical supplies, pharmacy consultants, dietary consultants, and medical director costs limited to $1,200 per year. The rate for each facility is the lower of the base year allowable cost per day inflated to June 30, 1995, or the peer group cap. The peer group caps ($11.07 for non hospital-based facilities and $18.28 for hospital-based facilities) are 110% of the respective peer group medians at June 30, 1995. The applicable June 30, 1995 amount for each facility is inflated to the appropriate fiscal year-end. This component of the rate is prospective.

- Fixed Cost - includes depreciation expense, amortization of leasehold improvements, real estate and personal property taxes, real estate insurance premiums, interest on long-term debt, return on capital for proprietary providers (8%), rent expense, amortization of finance start-up and organizational costs, insurance premiums for motor vehicles, liability and malpractice coverage, workers' compensation costs, salaries and fringe benefits associated with an administrator in training for an approved program, gross receipts tax, and water and sewer fees for initial connection to a community water and sewer system. Fixed costs are reimbursed retrospectively based on the actual allowable costs per day incurred for each fiscal year. An interim rate is based on the most recently audited cost report adjusted for any capital expenditures approved through the Certificate of Need (CON) process.

- Routine Cost - consists of all allowable operating expenses not included in the other three components. The rate for each facility is the lower of the allowable base year cost per day inflated to June 30, 1995, or the peer group cap. The caps ($28.61 for non hospital-based facilities and $49.88 for hospital-based facilities) are 108% of the respective peer group medians at June 30, 1995. The applicable June 30, 1995 amount for each facility is inflated to the appropriate fiscal year-end. This component of the rate is prospective.

Therapy services are paid on a fee-for-service basis independent of the rate-setting process described above. All nursing facilities are required to have a portion of their Medicaid licensed beds also licensed for Medicare.

Other Considerations

Notwithstanding elements of case mix and prospective payment methodology in the rate-setting system, the regulations are laced with archaic "cost reimbursement" restrictions on the allowability of specific operating costs. Administrative expenses, which include compensation and fringe benefits associated with the administrator and other defined administrative positions together with professional accounting fees are limited by an "Administrative and Policy Planning Ceiling" (Ceiling) which is a prescribed amount per licensed bed. The Ceiling is part of the routine cost component. Management fees, irrespective of to whom they are paid, are not allowed. Use of a facility average rate per day calculated based on a static base year and use of an average base year case mix index using only Medicaid residents in-house for one day, March 31, 1993, and subsequent adjustment by the use of a facility average case mix index based solely on Medicaid residents in a facility on one day each quarter, totally disassociates the payment from any reflection of the actual resource needs and related cost of providing the required services to specific residents.

All capital expenditures in excess of $500,000 and all changes in licensed capacity or ownership require CON approval. As a result of 1993 legislation, no CON will be granted for any project, including change of ownership, which results in higher annual Medicaid payments to a facility compared to those that would have been made absent implementation of the project. The basis of depreciable property and land for the purchaser for purposes of calculating allowable equity, depreciation and interest expense is limited to the seller's allowable Medicaid historical cost. Recapture of depreciation is applicable for any disposition of depreciable property generating a gain with the recapturable Medicaid portion of the gain, limited to accumulated depreciation, based on historical Medicaid utilization.

APPENDIX M

Letter from Michael McNeil to Paula Valente, Executive Vice President, Maine Health Care Association, dated July 24, 1998

BERRY, DUNN, McNEIL & PARKER
CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS

July 24, 1998

Paula Valente, Executive Vice President
Maine Health Care Association
317 State Street
Augusta, ME 04330

Re: Financial Stability of Maine's Nursing Facilities

Dear Paula:

We understand MHCA intends to initiate an effort designed to raise the level of awareness of policy-makers regarding the financial jeopardy currently threatening the nursing facility (NF) segment of Maine's health care delivery system. You requested we provide you a foundation for your communication and discussions regarding this effort. The following financial information and commentary are provided in response to your request.

Overview of Current Environment

There has been an accelerated decline in the financial stability of Maine's nursing facilities during the last three years caused by three primary factors: 1) a decrease in average occupancy from 97% to 86%; 2) payments by the Medicaid program that are less than the cost of providing services to the respective program beneficiaries (documented by DHS Division of Audit presentation to Commission to Examine Rate Setting and Financing of Long Term Care Facilities as a minimum of $16 million less than defined "allowable" cost in 1996); and 3) an escalating pressure on wage rates caused by substantially full employment.

The current technical insolvency of many of Maine's nursing facilities brings us perilously close to the point where many will be forced to avail themselves of bankruptcy protection and/or terminate services, a situation that will have adverse consequences for not only those providers, but also Maine taxpayers and Maine's long term care consumers.

Statistics showing Maine is in the top ten nationally relative to per diem reimbursement rates and per capita expenditures often are cited as evidence of inefficient management, and the conclusion is drawn that this is the real cause of facilities financial distress. The conclusion is erroneous and ignores several critical realities. First, the table of state Medicaid expenditures (copy enclosed as Exhibit III) shows Maine decreased Medicaid expenditures for nursing facility care by 12% from 1992 to 1997 ($229 million to $202 million), while the remaining states and District of Columbia collectively increased Medicaid nursing facility payments by 34%! No state except Maine decreased its nursing facility expenditures in this period. Secondly, a discussion of per diem or per capita expenses does not provide any conclusive measure of effectiveness or efficiency without analysis of the factors that influence these cal-

culations, such as demographics, licensing standards, size of facilities, geographic wage differences, geographic construction cost differences, third party utilization, and relevant aspects of the regulatory environment.

Financial Analysis

The basis of all Maine and national information prior to 1997 referenced below and in the accompanying Exhibits is the 1997 edition of "The Guide to the Nursing Home Industry" publication of HCIA. The most recent data available is for 1995.

Exhibit I provides key financial ratios for 1993 – 1995 with Maine compared to similar national information. Exhibit I also reflects information abstracted from financial statements for 117 of the 129 Maine nursing facilities for 1997 (no financial statements available for remaining 12 facilities). The ratios most relevant to the evaluation of financial stability are the profit margin, the current ratio, and the debt service coverage ratio. We consider minimum acceptable ratios to be 3%, 1.2 and 1.2, respectively. Maine's cumulative averages are not only deficient when compared to minimum acceptable ratios, they are also substantially below the national medians for the period 1993 – 1995. The 1997 information reflects further deterioration from the 1995 data with a profit margin of less than 1% and a current ratio of less than 1.

Exhibit II reflects the 1997 financial ratios for nursing facilities segregated by region (the regions are county groupings which conform to those identified in the Maine "Principles of Reimbursement for Nursing Facilities" for the determination of inflation factors), and between not-for-profit and proprietary organizations. The ratios for the nursing facilities funded through the MHHEFA bond program are also separately identified. Exhibit II also provides the number of facilities in each grouping exhibiting specified adverse financial characteristics. Those facilities funded through MHHEFA are weaker than the total population with a negative profit margin approaching 3%, a current ratio of approximately 1, a debt service coverage ratio of less than 1, and cumulative negative equity.

As supporting material, we have included copies from the HCIA publication reflecting the source of the profit margin, current ratio, and debt service coverage ratio information reflected in Exhibit I. We have noted on those schedules the ranking of Maine, New Hampshire and Vermont in relation to other states for each of these ratios. The higher the ranking (number) the worse the relative standing. Based on the 1995 data, Maine is 37th in the country with regard to profit margin, 41st in the country with regard to current ratio, and 46th in the country with regard to debt service coverage. The ranking in each category portrays extreme relative financial weakness.

To address concerns regarding the relatively high cost per day and per capita cost of Maine's nursing facility care in relation to other states, we have included additional excerpts from the HCIA publication providing data on the State average number of beds per facility, the percentage of Medicaid utilization, the salary and fringe benefit costs per FTE, and the operating expense per resident day.

The operating expense per day information confirms that Maine does have one of the highest per diem costs for nursing care, ranking 10th based on 1995 information. Also of note, Maine's Northern New England sister states are comparable with New Hampshire ranking 8th and Vermont ranking 17th. This

information, however, is not meaningful without understanding the following key operating characteristics of Maine's facilities in relation to other states:

- One characteristic that substantially influences the cost per day is the size of the facility. The accompanying table reflecting the average bed size of nursing facilities shows Maine ranks 46th in facility size, i.e. it has relatively smaller facilities than most states. Accordingly, Maine's cost per day for nursing facility care is of necessity going to be higher than substantially every other state because economies of scale cannot be maximized and overhead expenses (costs that do not vary directly with utilization) are spread over fewer patient days.

- The table comparing state Medicaid utilization indicates Maine has the 12th highest Medicaid utilization in the country. A substantially higher proportion of Maine's total resident days are funded by a program that recognizes less than the programs' proportionate cost of operation, thereby diminishing financial stability relative to other states that have a higher proportion of non-Medicaid utilization.

- The table comparing average salary and benefits cost per FTE reflects Maine as having the 5th highest average compensation per FTE in the country. Since salary and fringe benefits approximate 65% of a nursing facility's total operating expenditures, Maine's ranking in this area, coupled with the small average size of the facilities, is the primary cause of the relatively high cost per day incurred by Maine facilities to deliver the care required, not inefficiency or ineffectiveness.

The last matter of importance is the financial condition of those facilities currently financed through the MHHEFA program. The creation of available financing for nursing facilities through MHHEFA has been characterized as a clandestine operation by nursing home providers to create a state subsidy for their private benefit. Those who have this view were not involved in the 1991 legislative process that created authorization for MHHEFA to facilitate such financing. The facts are that the catalyst for the crafting of this enabling legislation was supported by DHS to create less expensive alternatives to commercial bank financing for construction of nursing facility projects then being solicited by DHS, and to provide a mechanism to refinance existing nursing facility mortgage debt at a lower interest cost. Since interest expense is recognized for Medicaid reimbursement on a "pass through" basis, DHS desired to reduce interest expense for nursing facilities, thereby reducing Medicaid expenditures for reimbursement of same. Based on information provided to us during early 1997, it was estimated MHHEFA financing had saved $30 million in interest expense, and this converted to savings for the Maine Medicaid program of approximately $23 million. Enabling MHHEFA to facilitate nursing facility financing was a cooperative effort by DHS, the providers and the Maine legislature to reduce the cost of financing to the benefit of all parties. As the "rewards" are shared, so are the risks. The State's risk inherent in the MHHEFA program is one element of collateral offered to bondholders to attain the lower interest expense, the "moral obligation" of the State of Maine. The abrupt, unplanned change in long term care policy in Maine from the solicitation of construction of new nursing facilities through 1992, to a policy of dramatically reducing utilization, now jeopardizes the ability of borrowers to repay their debt. The State's "moral obligation", consciously granted in 1991 in exchange for the lower Medicaid interest expense which has benefited the Medicaid program, may now be called upon to fund the amount necessary

to repay the bondholders and/or preserve required reserves. Failure to provide this subsidy would jeopardize the State's credit rating and increase the borrowing cost of future financing for other purposes. Perhaps more importantly, however, a deterioration of the nursing facility segment of our delivery system will seriously jeopardize the availability of the service to those in need and create a damaging gap in Maine's healthcare continuum which will have to be rectified in a manner that has the likelihood of being more expensive than implementation of a plan to address the existing financial crisis facing current providers.

A resolution to the current financial crisis for Maine nursing facilities is not going to be forthcoming until policymakers are convinced that a problem actually exists and failure to resolve it will be detrimental to the State of Maine, its taxpayers, and the consumers of the healthcare services. We understand it is with this objective that MHCA will be communicating with the Commissioner of the Department of Human Services with the hope that dialogue can be directed toward the adoption of a meaningful resolution to the budding crises. We are sincerely hopeful your efforts will raise the level of awareness related to the seriousness of the current situation, and lead to dialogue that will result in adoption of one or more of the MHCA recommended actions for a resolution that is in the interest of all parties.

Sincerely,

Berry, Dunn, McNeil & Parker

By _____
Michael T. McNeil

Encs

Exhibit I

Maine Non-Hospital Based Nursing Facilities
Comparison of Financial Characteristics
to Historical National Data

	Maine				National		
	1997	1995	1994	1993	1995	1994	1993
All Free Standing Facilities (117 for which financial data available for 1997)							
Total Profit Margin (%)	(.54%)	1.80%	1.60%	2.21%	3.73%	3.21%	2.76%
Days in Accounts Receivable	35	22.83	21.97	21.85	38.18	36.44	35.48
Days in Accounts Payable*	15	12.39	9.31	7.96	12.79	11.99	11.67
Current Ratio	.9794	1.12	1.11	1.29	1.51	1.49	1.49
Average Age of Plant (Years)	8	9.84	7.15	7.83	9.76	8.81	8.23
Long-Term Debt to Total Assets		0.55	0.44	0.46	0.49	0.55	0.51
Debt Service Coverage Ratio	1.1559	1.06	1.22	1.35	3.22	2.02	1.95
Debt to Equity Ratio	6.0667	—	—	—	—	—	—
Proprietary							
Total Profit Margin (%)	(.75%)	1.86%	1.60%	1.99%	4.01%	3.37%	2.93%
Days in Accounts Receivable	32	21.39	19.94	21.65	38.39	36.65	35.60
Days in Accounts Payable*	17	12.39	9.24	8.04	13.06	12.13	11.86
Current Ratio	.9256	1.10	1.07	1.24	1.44	1.44	1.42
Average Age of Plant (years)	8	9.84	7.32	7.62	9.01	8.27	7.51
Long-Term Debt to Assets	—	0.61	0.43	0.45	0.50	0.56	0.53
Debt Service Coverage Ratio	1.0618	1.04	1.21	1.33	2.13	1.96	1.92
Debt to Equity Ratio	54.1874	—	—	—	—	—	—
Not-For-Profit							
Total Profit Margin (%)	.04%	.84%	1.18%	N/A	1.08%	.95%	.37%
Days in Accounts Receivable	42	4.97	30.49	33.39	39.64	32.17	34.26
Days in Accounts Payable*	9	13.07	9.49	7.27	9.82	9.93	8.73
Current Ratio	1.1655	1.26	0.71	2.76	2.24	2.43	2.36
Average Age of Plant (years)	7	N/A	N/A	N/A	15.36	14.06	13.39
Long-Term Debt to Total Assets	—	0.39	0.68	N/A	0.28	0.27	0.32
Debt Service Coverage Ratio	1.4348	1.18	1.33	N/A	2.89	2.26	2.99
Debt to Equity Ratio	2.7365	—	—	—	—	—	—

*The 1997 ratio includes only amounts classified as "accounts payable" in facility financial statement, and does not include accrued expenses. If accrued expenses were included, it is estimated this ratio would increase to in excess of 30 days for 1997.

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Maine Non Hospital Based Nursing Facilities
Summary of Financial Ratios

	Total	Region 1	Region 2	Region 3	Region 4	Not For Profit	Proprietary	MHHEFA Financed
Total Facility Population	117	40	40	26	11	21	96	28
Ratios								
Profit Margin	(.54%)	(.94%)	(1.09%)	(1.00%)	5.58%	.04%	(.75%)	(2.89%)
Days in Accounts Receivable	35	30	36	45	31	42	32	32
Days in Accounts Payable	15	15	14	20	5	9	17	20
Current Ratio	.9794	.8001	1.0181	1.2095	1.2884	1.1655	.9256	1.0429
Average Age of Plant	8	8	8	6	9	7	8	6
Debt service coverage ratio	1.1559	1.1066	1.0809	1.0718	1.4681	1.4348	1.0618	.9625
Debt to Equity ratio	6.0667	4.7701	26.8803	5.5335	2.3960	2.7365	54.1874	(Negative Equity $557,363 and approximately $140 million of total MHHEFA debt outstanding)
Number of Facilities								
With Losses From Operation	50	17	22	10	1	10	40	18
Current Ratio Less Than 1.0	49	20	17	8	4	4	45	19
Negative Cumulative Equity	42	14	20	7	1	3	39	18
Debt Service Coverage Ratio Less Than 1.2	44	12	19	12	1	4	40	13

TABLE A

NURSING HOME SERVICES

RANK	STATE	FY 1992 EXPENDITURES	FY 1993 EXPENDITURES	PERCENT CHANGE 92-93	FY 1994 EXPENDITURES	PERCENT CHANGE 93-94	FY 1995 EXPENDITURES	PERCENT CHANGE 94-95	FY 1996 EXPENDITURES	PERCENT CHANGE 95-96	FY 1997 EXPENDITURES	PERCENT CHANGE 96-97	FY 1997 EXPENDITURES CAPITA
1	WASHINGTON, DC	$138,886,474	$139,581,231	0.4	$156,430,851	12.2	$159,690,417	2.1	$128,889,218	-19.5	$169,891,886	31.8	$287.34
2	NEW YORK	$3,643,966,889	$4,096,372,034	12.3	$4,274,828,886	4.4	$4,598,396,332	7.6	$5,285,294,189	14.5	$5,348,418,830	1.5	$293.90
3	CONNECTICUT	$689,216,967	$727,091,825	5.3	$787,791,224	8.5	$813,879,367	6.0	$838,837,258	2.1	$831,543,811	2.3	$262.17
4	PENNSYLVANIA	$1,741,514,826	$1,534,818,880	-12.8	$1,872,896,773	22.6	$2,087,827,488	11.5	$2,182,195,523	5.4	$2,149,482,875	26.8	$224.01
5	RHODE ISLAND	$184,741,573	$283,283,795	10.1	$282,735,781	0.2	$315,791,575	5.9	$322,887,965	2.2	$318,521,517	-1.9	$228.74
6	MASSACHUSETTS	$1,266,197,765	$1,088,782,866	-14.0	$1,258,811,124	17.8	$1,437,506,186	14.2	$1,240,917,524	-13.7	$1,313,270,957	5.8	$215.19
7	MINNESOTA	$844,237,342	$746,185,367	6.6	$963,998,166	16.7	$1,003,731,488	16.2	$978,973,824	-7.7	$858,247,882	-7.3	$184.23
8	NORTH DAKOTA	$167,123,136	$167,529,513	0.5	$189,677,234	22.3	$193,897,838	0.4	$205,874,691	5.8	$204,930,984	-0.4	$176.35
9	OHIO	$1,208,329,387	$1,487,442,882	6.8	$194,539,717	2.1	$197,971,396	8.8	$197,473,823	4.4	$110,883,225	2.4	$178.94
10	MAINE	$328,641,253	$334,831,613	7.2	$1,681,869,893	7.0	$1,767,668,284	10.3	$1,591,873,833	-9.9	$1,817,621,736	14.2	$162.58
11	WISCONSIN	$887,811,787	$967,833,123	-2.1	$1,230,148,345	9.3	$1,217,133,396	-0.4	$1,213,813,383	-0.3	$1,202,991,396	-.9.4	$163.58
12	NEW JERSEY	$448,618,356	$518,672,396	7.8	$1,051,543,939	6.4	$1,016,997,977	4.3	$1,144,841,823	6.6	$1,198,290,564	1.6	$141.45
13	SOUTH DAKOTA	$71,647,547	$178,834,867	14.4	$388,830,113	11.2	$383,888,261	5.2	$385,838,182	4.4	$388,374,881	1.4	$146.01
14	NEBRASKA	$181,707,986	$206,888,873	9.0	$3781,188,770	5.1	$187,255,887	4.8	$210,421,886	6.6	$222,834,713	9.7	$135.76
15	WEST VIRGINIA	$188,778,225	$224,318,421	10.7	$231,298,322	10.7	$236,882,728	1.8	$232,878,148	-1.7	$240,554,787	2.3	$131.80
16	TENNESSEE	$428,342,316	$331,662,818	22.1	$443,888,882	5.5	$567,837,185	6.3	$627,818,782	8.8	$669,898,118	6.2	$124.17
17	ALABAMA	$388,724,883	$351,881,174	7.8	$313,188,858	15.6	$427,843,785	11.8	$444,192,837	4.3	$521,572,127	17.3	$122.83
18	ARKANSAS	$334,872,661	$383,883,669	7.4	$272,348,273	6.3	$284,794,021	6.5	$295,433,722	3.6	$300,545,238	2.9	$121.06
19	VERMONT	$98,368,938	$122,151,819	19.3	$378,188,818	7.2	$372,122,801	2.7	$378,113,882	0.1	$376,518,887	-0.7	$118.73
20	KENTUCKY	$288,897,788	$418,087,871	10.8	$429,348,248	11.5	$388,432,288	9.1	$404,917,818	4.0	$488,128,118	-12.6	$118.47
21	MISSOURI	$388,888,843	$181,787,886	-21.7	$123,872,218	21.7	$488,118,348	18.5	$384,807,867	18.2	$427,388,688	12.2	$117.87
22	HAWAII	$87,137,882	$712,855,345	4.8	$738,183,834	3.2	$388,817,877	-7.8	$138,841,338	5.2	$134,888,888	1.2	$118.21
23	INDIANA	$647,877,847	$211,824,837	8.4	$244,348,217	18.8	$278,883,828	13.8	$318,822,888	4.8	$372,183,870	-5.4	$118.87
24	MISSISSIPPI	$248,881,827	$81,888,281	-12.7	$84,141,245	3.7	$185,488,877	11.1	$181,843,317	5.6	$328,215,208	8.8	$118.82
25	MONTANA	$87,812,188	$1,183,288,838	35.0	$1,148,843,887	3.8	$1,288,838,744	4.8	$1,288,188,838	-0.1	$1,228,183,181	18.8	$113.31
26	ILLINOIS	$1,848,881,888	$88,188,883	5.1	$88,283,888	3.8	$84,288,248	5.8	$73,183,817	13.4	$77,248,238	5.7	$111.84
27	DELAWARE	$84,178,188	$383,884,188	7.3	$88,888,888	7.1	$88,888,888	12.4	$88,888,888	-15.3	$88,888,888	34.8	$108.88
28	NORTH CAROLINA	$418,888,288	$887,128,848	4.4	$488,283,286	4.8	$488,128,848	5.1	$388,827,838	5.4	$323,228,888	6.2	$103.88
29	MARYLAND	$384,272,878	$222,878,838	8.8	$248,481,418	7.8	$287,482,283	7.1	$271,434,883	5.4	$288,121,128	6.8	$101.27
30	IOWA	$388,878,288	$228,888,148	-24.1	$48,872,787	28.7	$44,848,341	8.8	$47,888,728	8.7	$47,278,548	8.8	$88.28
31	WYOMING	$33,888,182	$182,888,817	13.8	$488,718,128	8.4	$588,888,788	5.8	$482,178,118	0.8	$521,588,817	-8.8	$84.37
32	WASHINGTON	$388,883,731	$828,888,884	28.2	$884,282,818	-2.8	$488,871,831	8.1	$818,838,848	-8.1	$388,888,888	-24.8	$88.41
33	LOUISIANA	$418,738,884	$178,787,738	7.8	$288,781,283	34.2	$278,488,824	18.7	$228,888,287	1.8	$287,228,348	8.7	$88.38
34	KANSAS	$188,888,272	$287,488,122	4.8	$283,887,887	8.8	$278,888,438	8.8	$278,381,238	2.8	$288,888,888	4.2	$87.88
35	OKLAHOMA	$228,888,288	$1,811,888,183	14.8	$1,884,883,888	8.2	$1,218,874,888	8.8	$1,138,388,883	-8.8	$1,284,372,828	18.1	$87.83
36	FLORIDA	$884,888,788	$823,287,881	38.8	$884,138,888	2.8	$888,488,211	2.3	$1,883,418,741	8.8	$1,812,887,888	-32.8	$84.71
37	MICHIGAN	$811,888,817	$728,842,837	-1.8	$238,848,881	8.8	$717,814,174	18.1	$884,818,738	8.8	$322,888,888	8.8	$84.48
38	COLORADO	$238,827,218	$838,128,182	-8.1	$872,488,418	2.8	$818,887,278	8.1	$888,187,138	4.2	$818,888,824	-4.7	$83.88
39	GEORGIA	$481,841,888	$888,817,218	8.8	$187,283,287	7.8	$113,811,328	8.2	$128,188,814	5.8	$132,881,882	18.7	$77.84
40	NEW MEXICO	$84,178,448	$88,888,878	8.8	$71,888,848	8.4	$78,878,238	18.7	$88,888,488	12.8	$82,888,718	2.7	$77.42
41	IDAHO	$82,828,282	$48,888,878	8.3	$288,228,878	11.7	$248,177,178	5.1	$278,188,228	11.8	$288,848,888	3.8	$78.88
42	SOUTH CAROLINA	$287,188,888	$208,188,187	8.8	$88,837,888	18.8	$48,233,288	-8.8	$48,488,288	-3.7	$48,888,888	-5.8	$78.12
43	ALASKA	$38,888,483	$42,218,888	8.8	$1,148,888,883	8.8	$8,188,818,877	4.8	$1,272,788,881	8.4	$1,348,877,188	5.8	$78.87
44	TEXAS	$388,288,888	$1,888,288,488	7.1	$1,848,481,283	8.8	$2,883,882,781	5.8	$2,888,888,848	-8.2	$2,888,888,888	1.8	$48.88
45	CALIFORNIA	$1,722,888,887	$1,878,478,878	8.8	$378,372,888	1.8	$388,288,848	7.4	$383,118,228	1.2	$388,888,888	1.7	$88.88
46	VIRGINIA	$344,884,888	$372,818,182	8.1	$187,288,882	-8.8	$188,883,848	1.8	$188,888,888	3.3	$188,188,888	2.8	$82.88
47	OREGON	$183,888,122	$188,888,888	8.4	$82,882,882	88.8	$84,878,128	2.3	$88,888,248	8.2	$88,878,878	2.2	$82.84
48	UTAH	$88,778,187	$72,888,888	14.8	$72,881,488	-2.1	$88,148,188	-18.8	$82,888,882	-3.4	$87,887,288	7.8	$82.88
49	NEVADA	$88,841,484	$73,887,888	21.7	$12,881,888	18.3	$12,788,344	8.8	$11,838,844	-18.8	$18,478,838	41.8	$3.72
50	ARIZONA	$14,883,888	$88,818,288	-22.3									
	UNITED STATES	$34,388,288,888	$38,117,188,248	7.3	$38,128,884,888	7.7	$38,384,188,284	7.8	$38,883,488,288	2.3	$38,838,888,881	4.8	$122.83

(229,641,238)
21,128,758/32-1

(202,087,351)
32,730,571,395

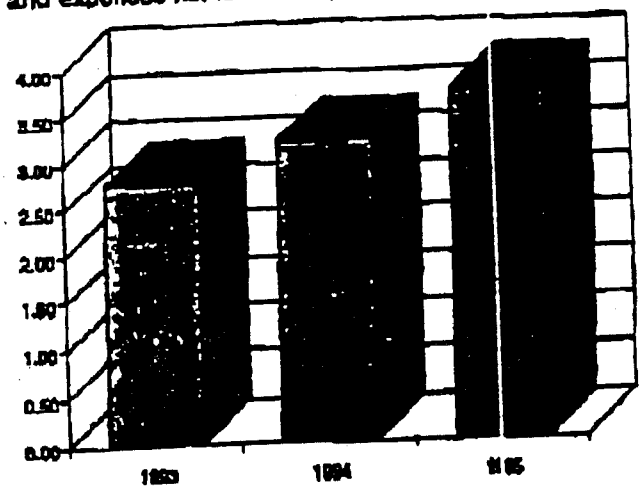
122 decrease
34% increase

EXHIBIT 11

JUL-27-1998

TOTAL PROFIT MARGIN

Calculated as the difference between total net revenue and total expenses, divided by total net revenue, expressed as a percentage. Total profit margin is a measure of the overall profitability of a nursing home and reflects the inclusion of philanthropic contributions, endowment revenue, government grants, investment income, and other revenues and expenses not related to patient care operations. Favorable values are above the median.



Nursing home profitability continued to improve in 1995. The median total profit margin for all U.S. nursing homes rose to 3.78 percent in 1995, from 3.21 percent in 1994 and 2.76 percent in 1993. Among other things, improved profitability is likely the result of improved efficiency and greater expansion into higher-profit alternative service offerings, and a decline in the proportion of patient days accounted for by Medicaid beneficiaries. Investor-owned and system-affiliated facilities continued to be the most profitable types of facilities, earning net margins of 4.01 and 5.30 percent, respectively, in 1995. The higher profits of investor-owned and system-affiliated facilities is likely attributable to their greater ability to contain costs. Among the different size bed categories, moderately sized nursing homes with between 100 and 199 beds remained the most profitable in 1995, earning net margins of 4.37 percent. The smallest nursing facilities with fewer than 50 beds, in comparison, earned net margins of only 2.04 percent in 1995.

	Median Values		
	1995	1994	1993
All Nursing Homes	3.73	3.21	2.76
Investor-Owned	4.01	3.37	2.93
Government	1.08	0.95	0.37
Not-for-Profit	3.40	2.10	1.45
System-Affiliated	5.30	4.74	3.87
Freestanding	3.15	2.73	2.34
0–49 Beds	2.04	1.09	1.55
50–99 Beds	3.54	3.25	2.74
100–199 Beds	4.37	4.08	3.42
200+ Beds	3.71	2.78	1.72

	Median Values		
	1995	1994	1993
Alabama	7.24	8.07	4.01
Alaska	3.04	10.23	1.77
Arizona	(1.98)	2.70	1.96
Arkansas	6.68	5.56	5.50
California	1.54	2.97	2.66
Colorado	5.94	3.18	8.05
Connecticut	0.92	0.07	1.03
Delaware	2.25	(0.28)	1.38
District of Columbia	0.69	2.70	1.06
Florida	7.44	2.62	6.61
Georgia	1.87	2.37	2.48
Hawaii	3.87	3.44	2.63
Idaho	6.16	11.82	1.43
Illinois	3.34	5.71	0.27
Indiana	1.87	3.75	3.02
Iowa	3.86	3.12	3.70
Kansas	0.40	1.63	0.95
Kentucky	5.00	5.20	4.54
Louisiana	7.84	7.18	8.35
Maine	1.80	1.80	2.21
Maryland	3.86	4.89	3.45
Massachusetts	n/a	1.84	2.35
Michigan	2.73	2.12	1.14
Minnesota	10.56	3.85	2.55
Mississippi	4.05	6.11	3.93
Missouri	4.04	1.16	1.52
Montana	2.22	3.14	2.92
Nebraska	1.91	5.50	4.85
Nevada	3.32	2.84	6.12
New Hampshire	4.46	4.00	(0.34)
New Jersey	3.38	1.93	3.22
New Mexico	6.18	6.31	6.17
New York	3.67	4.03	2.89
North Carolina	5.08	2.87	3.12
North Dakota	3.14	2.14	1.88
Ohio	8.77	0.37	3.56
Oklahoma	n/a	n/a	n/a
Oregon	0.44	1.61	1.57
Pennsylvania	6.31	4.30	3.31
Rhode Island	(1.44)	(1.42)	(0.87)
South Carolina	0.16	0.70	0.96
South Dakota	4.08	6.21	4.23
Tennessee	1.54	5.41	3.09
Texas	n/a	n/a	n/a
Utah	7.41	6.98	7.70
Vermont	2.62	4.35	2.74
Virginia	6.22	3.55	2.83
Washington	1.84	2.28	2.24
West Virginia	0.72	3.87	4.08
Wisconsin	1.61	1.35	0.57
Wyoming	4.47	0.06	(0.30)

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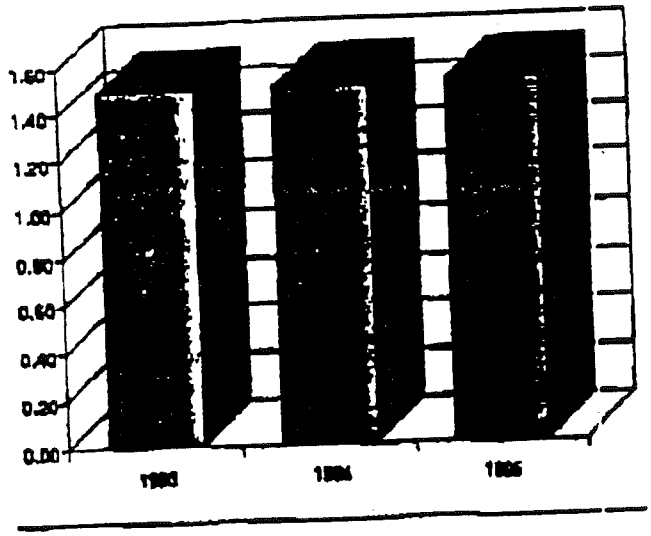
CURRENT RATIO

Calculated as total current assets, including the balance of the depreciation fund, divided by total current liabilities. Current ratio is an indicator of a nursing home's liquidity and ability to meet short-term obligations. Favorable values are above the median.



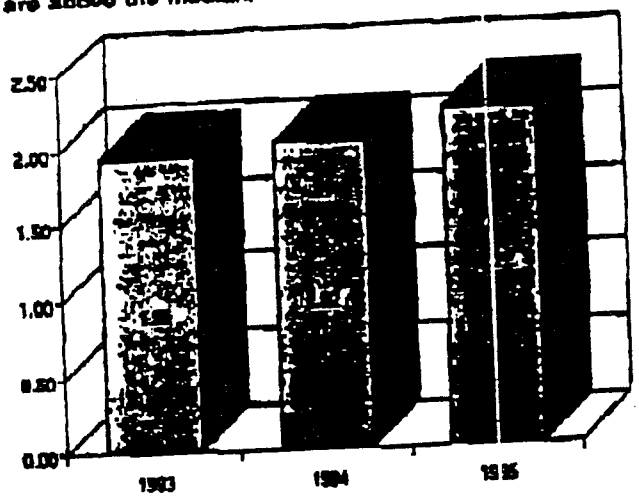
Another measure of liquidity, the current ratio (a ratio of total assets to total liabilities), increased slightly for the nursing home industry overall in 1995. However, this median value of only 1.51 remains somewhat unfavorable. Investor-owned nursing facilities continued to demonstrate a lower median current ratio, 1.44 in 1995, than either not-for-profit facilities, with a median of 1.75, or governmental facilities, with a median of 2.24. This happens most likely because investor-owned nursing facilities typically transfer cash to their parent corporations in order to obtain more favorable investment returns. System-affiliated nursing homes continued to display more favorable current ratios, with a 1995 median of 1.59, than their freestanding peers, with a 1995 median of 1.48.

	Median Values		
	1995	1994	1993
All Nursing Homes	1.51	1.49	1.48
Investor-Owned	1.44	1.44	1.42
Government	2.24	2.43	2.36
Not-for-Profit	1.75	1.84	1.88
System-Affiliated	1.59	1.52	1.54
Freestanding	1.48	1.47	1.47
0–49 Beds	1.54	1.44	1.42
50–99 Beds	1.51	1.57	1.55
100–199 Beds	1.53	1.51	1.51
200+ Beds	1.42	1.52	1.45

	Median Values		
	1995	1994	1993
Alabama	2.13	1.83	1.58
Alaska	2.39	1.65	1.42
Arizona	1.23	1.19	1.41
Arkansas	2.77	2.45	2.54
California	1.32	1.46	1.38
Colorado	0.97	1.45	1.22
Connecticut	1.27	1.37	1.25
Delaware	1.14	1.29	0.97
District of Columbia	0.89	2.54	1.13
Florida	1.36	1.50	1.39
Georgia	1.08	1.30	1.40
Hawaii	2.61	1.86	1.41
Idaho	1.36	1.30	1.73
Illinois	2.04	2.32	2.40
Indiana	1.54	1.57	1.48
Iowa	1.64	1.57	1.75
Kansas	1.31	1.21	1.32
Kentucky	1.64	1.54	1.31
Louisiana	2.06	2.06	2.15
Maine	1.12	1.11	1.28
Maryland	1.61	1.34	1.36
Massachusetts	1.11	1.19	1.11
Michigan	1.70	1.52	1.44
Minnesota	1.78	1.43	1.06
Mississippi	2.43	2.41	2.52
Missouri	1.36	1.35	1.56
Montana	1.36	1.32	1.55
Nebraska	1.89	1.85	1.78
Nevada	1.69	1.55	1.38
New Hampshire	1.59	1.54	0.77
New Jersey	1.03	1.27	1.04
New Mexico	1.88	1.20	1.39
New York	1.34	1.35	1.42
North Carolina	1.17	1.21	1.26
North Dakota	1.68	4.43	1.43
Ohio	1.32	1.28	1.32
Oklahoma	n/a	n/a	n/a
Oregon	1.42	1.36	1.51
Pennsylvania	2.03	1.90	1.67
Rhode Island	1.14	1.14	1.23
South Carolina	1.23	1.23	1.00
South Dakota	1.02	2.63	1.52
Tennessee	1.72	1.61	1.46
Texas	1.47	n/a	1.84
Utah	n/a	n/a	n/a
Vermont	1.89	1.57	1.21
Virginia	1.93	1.88	1.84
Washington	n/a	n/a	n/a
West Virginia	2.16	2.28	1.71
Wisconsin	1.63	1.46	1.40
Wyoming	0.83	0.70	1.21

DEBT SERVICE COVERAGE RATIO

Calculated as the sum of net income, depreciation, and interest expense divided by annual debt service. Debt service coverage ratio measures the ratio of available funds for the payment of debt service to a specific year's principal and interest payment. It is one measure of a nursing home's ability to repay debt or creditworthiness. Favorable values are above the median.



As evidenced by a median debt service coverage ratio of 2.22 times, the nursing home industry's ability to service its debt continued to improve in 1995, a reflection of improved profitability. Government-owned facilities, with a median debt service coverage ratio of 2.89 times, maintained the best ability to service their debt among all ownership types in 1995. The median debt service coverage ratio for not-for-profit facilities, in comparison, was 2.68 times, and the median for investor-owned facilities was only 2.13 times. The sizable debt burden carried by investor-owned facilities is the primary reason for their weak debt service coverage. Among the different bed size categories, ability to service debt increased with the size of the facility. The smallest facilities demonstrated a median debt service coverage ratio of 1.78 times in 1995, compared with a median of 2.69 times for the largest facilities.

	Median Values		
	1995	1994	1993
All Nursing Homes	2.22	2.12	1.96
Investor-Owned	2.13	1.96	1.82
Government	2.89	2.55	2.59
Not-for-Profit	2.68	2.50	2.16
System-Affiliated	2.65	2.11	2.13
Freestanding	2.09	1.99	1.80
0–49 Beds	1.78	1.98	1.74
50–99 Beds	2.11	2.06	1.91
100–199 Beds	2.35	2.13	2.06
200+ Beds	2.69	2.12	1.99

	Median Values		
	1995	1994	1993
Alabama	3.91	3.44	2.85
Alaska	5.29	3.31	0.59
Arizona	0.96	1.49	1.44
Arkansas	5.77	5.52	7.17
California	1.25	1.45	1.20
Colorado	1.72	1.52	3.58
Connecticut	1.82	1.78	2.35
Delaware	1.42	1.27	1.78
District of Columbia	1.64	1.98	1.31
Florida	4.29	1.83	2.59
Georgia	1.52	1.85	1.77
Hawaii	2.83	3.23	1.62
Idaho	4.06	7.82	1.43
Illinois	2.94	4.05	1.95
Indiana	1.22	1.42	1.48
Iowa	3.22	3.15	3.21
Kansas	4.82	2.31	2.12
Kentucky	2.51	3.03	3.04
Louisiana	2.23	2.13	2.31
Maine	1.06	1.22	1.35
Maryland	2.14	2.20	1.94
Massachusetts	(0.96)	2.01	1.99
Michigan	2.28	2.48	1.99
Minnesota	n/a	n/a	n/a
Mississippi	8.11	3.81	1.96
Missouri	5.98	3.11	1.19
Montana	2.47	2.96	2.72
Nebraska	3.38	4.01	3.57
Nevada	2.51	2.57	1.34
New Hampshire	2.25	2.18	1.59
New Jersey	1.91	1.52	1.65
New Mexico	2.56	1.71	2.81
New York	2.54	2.39	2.46
North Carolina	2.93	1.85	2.16
North Dakota	4.14	3.03	2.82
Ohio	3.03	1.22	2.18
Oklahoma	n/a	n/a	n/a
Oregon	1.53	1.67	2.55
Pennsylvania	4.84	2.96	2.76
Rhode Island	1.14	1.23	1.00
South Carolina	1.59	1.63	1.53
South Dakota	2.70	7.73	4.40
Tennessee	1.97	3.23	2.96
Texas	2.56	3.29	2.82
Utah	2.78	2.53	2.39
Vermont	2.39	4.06	2.06
Virginia	2.11	1.97	1.66
Washington	1.82	2.17	1.82
West Virginia	1.61	2.01	2.00
Wisconsin	n/a	n/a	n/a
Wyoming	2.06	1.94	1.56

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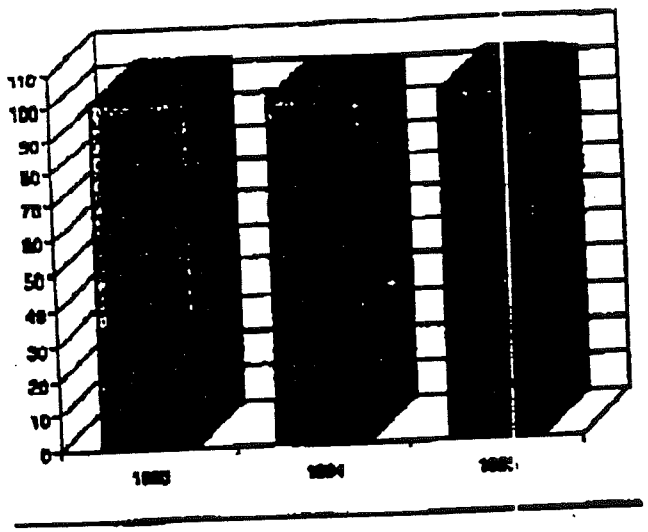
BEDS

The total number of beds in service in a nursing home at the end of its fiscal year. Beds is a measure of the capacity or size of a nursing home.



As the median bed size for all U.S. nursing homes indicates, the nursing home industry overall experienced little variation in size during the three-year period from 1993 through 1995. Several factors, including restrictive CON laws and Medicaid reimbursement, continue to limit growth. The typical nursing facility had 101 beds in service in 1995 and 1993, and 100 in 1994. Median bed size does continue to vary greatly among different types of facilities, however. The typical government nursing facility, with only 89 beds in service in 1995, remained significantly smaller than its typical investor-owned or not-for-profit peers, which had 100 and 108 beds in service, respectively, in 1995. Similarly, the typical free-standing nursing home, with 100 beds in service in 1995, remained significantly smaller than its system-affiliated counterpart, which had 108 beds in service.

	Median Values		
	1995	1994	1993
All Nursing Homes	101	100	101
Investor-Owned	100	100	100
Government	89	78	98
Not-for-Profit	108	108	106
System-Affiliated	108	108	109
Freestanding	100	99	100
0–49 Beds	39	39	40
50–99 Beds	72	72	73
100–199 Beds	122	122	122
200+ Beds	240	240	240

	Median Values		
	1995	1994	1993
Alabama	109	104	104
Alaska	56	n/a	63
Arizona	120	120	120
Arkansas	102	100	100
California	98	98	96
Colorado	104	96	110
Connecticut	120	120	120
Delaware	122	120	124
District of Columbia	140	174	n/a
Florida	120	120	120
Georgia	100	100	100
Hawaii	147	119	75
Idaho	73	89	88
Illinois	111	108	110
Indiana	119	119	123
Iowa	72	73	71
Kansas	80	80	80
Kentucky	100	101	106
Louisiana	120	120	120
Maine	70	70	68
Maryland	134	136	130
Massachusetts	101	101	101
Michigan	120	113	113
Minnesota	80	87	87
Mississippi	104	90	103
Missouri	100	100	100
Montana	78	83	72
Nebraska	67	68	67
Nevada	119	119	119
New Hampshire	108	108	107
New Jersey	178	174	180
New Mexico	80	101	98
New York	160	169	160
North Carolina	120	120	120
North Dakota	80	74	80
Ohio	100	100	104
Oklahoma	80	79	78
Oregon	82	87	92
Pennsylvania	133	123	130
Rhode Island	98	78	82
South Carolina	94	95	95
South Dakota	60	64	68
Tennessee	120	115	115
Texas	106	102	103
Utah	81	81	80
Vermont	80	60	86
Virginia	120	120	120
Washington	96	96	100
West Virginia	69	74	99
Wisconsin	99	102	103
Wyoming	90	80	80

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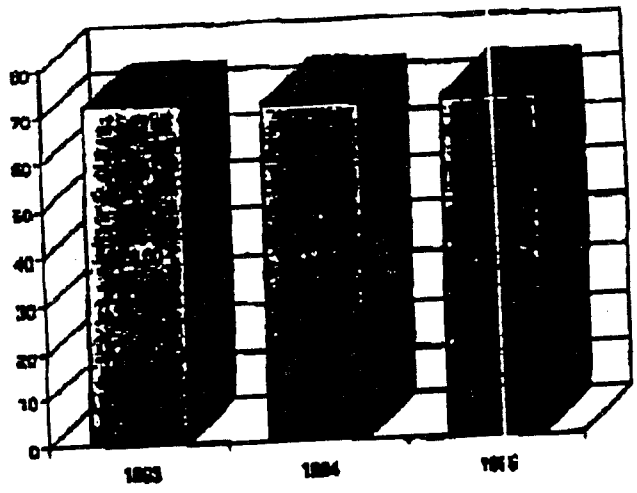
PERCENT MEDICAID RESIDENT DAYS

Calculated as the total number of Medicaid resident days in a nursing home divided by all resident days in the nursing home, expressed as a percentage. As a measure of payor mix, this element represents the nursing home's share of Medicaid days. As such, it is an approximation of the nursing home's share of Medicaid revenue.



For nearly every major comparison group, the proportion of patient days accounted for by Medicaid beneficiaries increased slightly in 1995. This growth bears out the expectation that Medicaid will continue to finance a greater portion of nursing home care in the coming years. For all nursing homes nationwide, Medicaid days accounted for 71.90 percent of all patient days in 1995, up from 71.51 percent in 1994. The smallest and largest facilities have continued to be the most dependent on Medicaid, with Medicaid days for the typical nursing home: with fewer than 50 beds and more than 200 beds accounting for 75.38 and 76.07 percent of all patient days, respectively, in 1995. Comparatively, Medicaid days accounted for only 71.36 and 71.94 percent, respectively, in nursing homes with 50 to 99 beds and 100 to 199 beds. Among ownership types, not-for-profit facilities maintained a significantly smaller share of Medicaid days, 58.04 percent in 1995, than either investor-owned facilities (73.32 percent) or government facilities (71.14 percent).

	Median Values		
	1995	1994	1993
All Nursing Homes	71.90	71.51	72.00
Investor-Owned	73.32	72.81	73.42
Government	71.14	70.28	71.24
Not-for-Profit	58.04	56.57	55.07
System-Affiliated	70.26	69.32	70.45
Freestanding	72.54	72.24	72.98
0–49 Beds	75.38	78.01	74.72
50–99 Beds	71.36	71.53	71.73
100–199 Beds	71.94	71.54	72.22
200+ Beds	76.07	72.93	76.81

	Median Values		
	1995	1994	1993
Alabama	78.05	73.23	77.72
Alaska	67.72	65.03	67.51
Arizona	71.97	67.88	65.81
Arkansas	79.52	80.00	81.70
California	72.82	72.45	72.67
Colorado	69.36	69.67	68.56
Connecticut	72.79	73.16	70.65
Delaware	57.09	58.99	33.05
District of Columbia	64.52	76.53	n/a
Florida	68.26	70.09	70.80
Georgia	65.12	65.57	64.96
Hawaii	84.01	81.37	83.16
Idaho	66.86	65.80	67.47
Illinois	85.62	82.97	85.00
Indiana	68.19	66.77	64.30
Iowa	18.41	24.81	n/a
Kansas	54.89	55.00	54.18
Kentucky	71.94	72.57	74.21
Louisiana	83.54	86.82	86.26
Maine	78.81	80.61	80.30
Maryland	71.70	70.75	69.64
Massachusetts	74.30	74.59	75.36
Michigan	71.43	68.83	69.89
Minnesota	66.33	67.04	65.06
Mississippi	65.89	67.04	68.31
Missouri	67.42	67.55	69.55
Montana	62.72	63.80	65.01
Nebraska	52.00	51.34	52.18
Nevada	66.89	63.76	67.79
New Hampshire	45.02	46.51	45.29
New Jersey	85.54	n/a	58.24
New Mexico	78.27	74.52	76.44
New York	74.26	44.58	82.31
North Carolina	70.22	73.24	74.30
North Dakota	66.77	66.78	66.89
Ohio	74.22	74.80	67.64
Oklahoma	70.39	71.82	71.80
Oregon	64.23	65.15	65.24
Pennsylvania	58.38	56.62	59.69
Rhode Island	79.25	79.39	77.89
South Carolina	77.47	79.85	79.54
South Dakota	56.60	59.82	56.80
Tennessee	81.37	83.09	83.25
Texas	76.51	75.94	74.76
Utah	58.71	57.82	58.40
Vermont	68.93	70.83	72.33
Virginia	71.74	69.56	64.03
Washington	69.70	70.60	71.47
West Virginia	81.25	80.02	80.91
Wisconsin	68.67	69.12	68.83
Wyoming	55.25	55.49	54.04

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Average Compensation Per FTE

Calculated as the sum of total salaries and employee benefits expense divided by the number of full-time equivalent personnel in a nursing home. Salary and benefits expense per full-time equivalent personnel measures the average direct labor expense per employee in a nursing home. Favorable values are below the median.

The average total compensation (salary and benefits) per FTE, which increased more than 5 percent nationally between 1994 and 1995, remains highest among the largest facilities, in part because of the more severe mix of patients typically treated at those facilities. The typical nursing facility with more than 200 beds paid a median compensation per FTE of $26,487 in 1995, as compared with a median value of only $22,506 for the typical nursing home with fewer than 50 beds. Among the different ownership categories, investor-owned facilities, with a median compensation per FTE of $22,593 in 1995, continued to pay the least. In comparison, the median compensation per FTE paid by the typical not-for-profit facility was $23,922 in 1995, and the median compensation paid by the typical government facility was $23,193.

	Median Values		
	1995	1994	1993
All Nursing Homes	22,894	21,875	20,976
Investor-Owned	22,593	21,405	20,575
Government	23,193	22,021	21,424
Not-for-Profit	23,922	22,751	21,597
System-Affiliated	23,010	21,881	21,148
Freestanding	22,857	21,721	20,905
0–49 Beds	22,506	21,311	20,635
50–99 Beds	22,165	21,022	20,256
100–199 Beds	23,080	22,054	21,257
200+ Beds	26,487	24,908	23,898

	Median Values		
	1995	1994	1993
Alabama	21,900	20,953	19,994
Alaska	36,062	34,561	31,229
Arizona	24,376	23,998	23,282
Arkansas	22,478	22,039	21,248
California	19,903	18,954	19,499
Colorado	21,744	19,191	18,131
Connecticut	33,513	32,569	31,805
Delaware	25,004	23,521	22,030
District of Columbia	32,816	34,485	31,821
Florida	22,952	23,184	22,309
Georgia	19,781	19,059	19,159
Hawaii	29,774	31,017	29,160
Idaho	22,516	21,177	20,430
Illinois	22,344	21,203	19,861
Indiana	22,158	22,198	21,066
Iowa	24,029	23,448	23,456
Kansas	22,057	20,021	19,280
Kentucky	24,786	22,382	21,444
Louisiana	8,048	11,543	11,807
Maine	28,964	27,986	27,977
Maryland	25,543	24,436	24,137
Massachusetts	29,858	29,584	29,240
Michigan	20,478	19,619	18,591
Minnesota	23,460	23,783	22,128
Mississippi	16,581	16,115	17,215
Missouri	17,013	16,877	16,117
Montana	21,077	20,647	19,189
Nebraska	22,393	21,582	20,633
Nevada	24,747	25,151	25,101
New Hampshire	29,063	27,053	26,191
New Jersey	29,116	28,301	26,798
New Mexico	20,566	21,131	20,171
New York	30,251	34,800	27,961
North Carolina	22,380	21,150	20,151
North Dakota	20,358	20,087	19,152
Ohio	23,230	22,177	21,737
Oklahoma	19,726	20,026	19,158
Oregon	22,823	22,424	22,654
Pennsylvania	25,636	25,092	23,997
Rhode Island	26,819	25,835	25,573
South Carolina	18,467	17,388	16,959
South Dakota	23,260	22,835	22,457
Tennessee	17,642	16,657	15,965
Texas	n/a	n/a	n/a
Utah	19,415	18,800	18,241
Vermont	21,536	20,718	19,969
Virginia	18,680	18,780	18,436
Washington	24,554	23,273	23,105
West Virginia	21,046	19,240	18,933
Wisconsin	25,432	24,040	22,892
Wyoming	22,475	23,028	22,128

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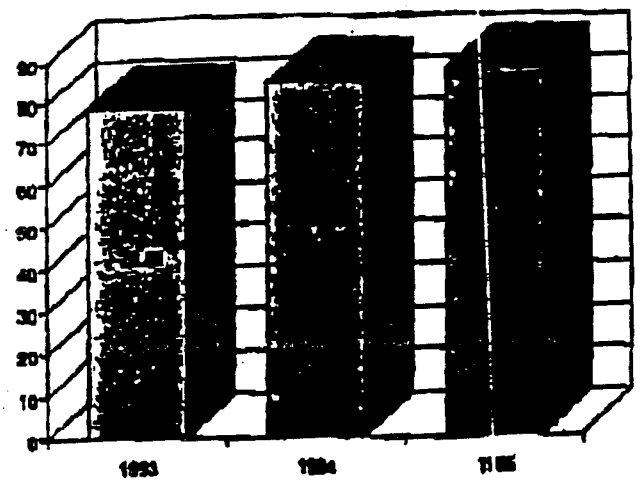
Operating Expense Per Resident Day

OPERATING EXPENSE PER RESIDENT DAY

Calculated as the total operating expenses of a nursing home divided by the number of resident days in the nursing home. Total operating expenses include salaries, supplies, depreciation, and interest expenses. Total operating expenses do not include "below the line" extraordinary items or charges against income. Operating expense per resident day is the best measure of the average cost per unit (per day) in a nursing home. Favorable values are below the median.



The median total operating expense per resident day for all U.S. nursing homes increased 3.39 percent in 1995 to $87.51. Much of the increase can be attributed to additional costs associated with treating patients of higher acuity levels. Relative to earlier years, however, the rate of increase appears to be slowing, down from an increase of 7.5 percent between 1993 and 1994 and nearly 8.2 percent between 1992 and 1993. This slower growth could be the result of improved efficiences and provider expansion into a number of less costly service offerings, such as home care, community-based care, and assisted living. Like revenues, operating expense per resident day also varies with the size of the facility. The typical nursing facility with fewer than 50 beds had a median total operating expense per resident day of $83.70 in 1995, as compared with $104.40 for the typical nursing facility with more than 200 beds. Among the different ownership categories, not-for-profit nursing homes had a slightly higher median operating expense per resident day, $92.21 in 1995, than government facilities, with a median of $91.63, and a significantly higher median than investor-owned facilities, with a median of $86.22.

	Median Values		
	1995	1994	1993
All Nursing Homes	87.51	84.54	78.74
Investor-Owned	86.22	83.40	77.71
Government	91.63	86.11	78.34
Not-for-Profit	92.21	88.31	82.35
System-Affiliated	93.06	89.62	82.17
Freestanding	85.81	82.84	77.32
0–49 Beds	83.70	80.84	74.97
50–99 Beds	78.61	77.30	71.95
100–199 Beds	91.59	87.65	81.07
200+ Beds	104.40	100.75	95.48

	Median Values		
	1995	1994	1993
Alabama	86.85	78.64	73.76
Alaska	221.52	195.78	212.78
Arizona	110.33	106.21	96.75
Arkansas	61.07	57.69	52.86
California	101.61	98.65	88.07
Colorado	101.49	91.30	80.41
Connecticut	138.40	130.48	128.41
Delaware	107.43	100.40	101.34
District of Columbia	186.42	207.20	173.40
Florida	111.54	103.67	92.36
Georgia	74.53	70.93	64.70
Hawaii	143.15	134.92	118.75
Idaho	97.02	89.89	86.32
Illinois	77.65	72.33	74.56
Indiana	86.20	86.30	80.29
Iowa	63.81	58.69	56.42
Kansas	68.82	64.17	58.00
Kentucky	76.71	72.94	66.36
Louisiana	60.97	57.32	57.70
Maine	115.15	103.69	95.27
Maryland	102.04	94.56	86.89
Massachusetts	125.39	118.44	113.29
Michigan	86.84	87.10	79.62
Minnesota	84.90	82.94	84.79
Mississippi	73.72	67.67	59.96
Missouri	81.09	71.77	68.09
Montana	87.82	81.96	77.76
Nebraska	69.13	65.29	60.97
Nevada	104.56	94.47	87.99
New Hampshire	120.61	120.02	110.13
New Jersey	110.06	121.26	114.03
New Mexico	83.97	78.57	80.21
New York	137.48	144.86	131.78
North Carolina	80.80	81.61	78.45
North Dakota	78.77	72.18	67.04
Ohio	89.07	95.42	92.74
Oklahoma	53.04	50.00	48.54
Oregon	96.08	89.03	85.21
Pennsylvania	112.11	108.82	100.45
Rhode Island	110.01	102.81	100.38
South Carolina	84.35	78.51	72.66
South Dakota	76.95	67.36	63.50
Tennessee	86.49	74.41	70.11
Texas	62.65	58.48	54.72
Utah	75.49	74.58	73.21
Vermont	104.54	92.20	93.16
Virginia	81.78	79.01	76.70
Washington	121.86	111.71	101.91
West Virginia	93.07	86.01	79.18
Wisconsin	101.30	94.46	87.57
Wyoming	99.20	96.23	81.33

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Comparison of Reim. ..ble to Actual Costs

Facility	Fiscal Year Begin	Fiscal Year End	Total Reimb. Rate	Total Actual	Total Savings	State Days	Dollar Value of Savings
Amenity Manor	01/01/96	12/31/96	$95.05	$96.42	($1.37)	16,605	($22,749)
Aroostook Medical Center The - Health Center	01/01/96	12/31/96	$97.71	$109.67	($11.96)	15,695	($187,712)
Aroostook Medical Center The - Community General	01/01/96	12/31/96	$138.80	$164.02	($25.22)	4,673	($117,853)
Augusta Convalescent Center	01/01/96	12/31/96	$102.72	$111.99	($9.27)	17,815	($165,145)
Bangor City Nursing Facility	07/01/95	06/30/96	$119.36	$135.64	($16.28)	17,316	($281,904)
Bangor Convalescent Center	01/01/96	12/31/96	$108.46	$117.89	($9.43)	17,097	($161,225)
Barnard Nursing Home - Atlantic Rehab.	01/01/96	12/31/96	$81.94	$85.17	($3.23)	24,365	($78,699)
Barron Center	07/01/95	06/30/96	$110.69	$129.04	($18.35)	62,748	($1,151,426)
Bolster Heights Health Care	07/01/95	06/30/96	$95.06	$108.77	($13.71)	20,958	($287,334)
Borderview Manor	01/01/96	12/31/96	$115.25	$109.03	$6.22	21,989	$136,772
Brentwood Manor	01/01/96	12/31/96	$123.96	$158.64	($34.68)	13,340	($462,631)
Brewer Rehab & Living Center	01/01/96	12/31/96	$125.08	$136.92	($11.84)	22,815	($270,130)
Bridgton Hlth. Care Center	01/01/96	12/31/96	$107.82	$116.28	($8.46)	16,104	($136,240)
Camden Health Care Center	04/01/95	03/31/96	$103.61	$120.19	($16.58)	49,479	($820,362)
Caribou Nursing Home	10/01/95	09/30/96	$106.24	$103.16	$3.08	31,445	$96,851
Cedar Ridge Nursing Care Center	10/01/95	09/30/96	$128.54	$132.90	($4.36)	20,921	($91,216)
Cedars Nursing Care Center	05/01/95	04/30/96	$131.17	$144.69	($13.52)	24,645	($333,200)
Charles A. Dean Memorial Hospital	04/01/95	03/31/96	$104.54	$161.75	($57.21)	10,070	($576,105)
Clover Manor, Inc.	09/01/95	08/31/96	$109.10	$110.24	($1.14)	29,101	($33,175)
Collier's Health Care Center	01/01/96	12/31/96	$102.65	$105.91	($3.26)	10,706	($34,902)
Colonial Acres Nursing Home	01/01/96	12/31/96	$82.99	$85.55	($2.56)	18,975	($48,576)
Country Manor Nursing Home	01/01/96	12/31/96	$101.35	$94.90	$6.45	10,021	$64,635
Courtland Living Center	01/01/96	12/31/96	$107.63	$108.40	($0.77)	21,223	($16,342)
Cove's Edge	05/01/95	04/30/96	$145.93	$163.09	($17.16)	12,925	($221,793)
Dexter Nursing Home	01/01/96	12/31/96	$88.50	$97.80	($9.30)	15,839	($147,303)
Dionne Commons	01/01/96	12/31/96	$89.40	$92.06	($2.66)	21,747	($57,847)
Dixfield Health Care Center	01/01/96	12/31/96	$98.36	$114.94	($16.58)	9,889	($163,960)
Eastport Memorial Nursing Home	01/01/96	12/31/96	$97.02	$97.80	($0.78)	8,205	($6,400)
Edgewood Manor	01/01/96	12/31/96	$103.46	$110.33	($6.87)	14,461	($99,347)
Evergreen Manor	01/01/96	12/31/96	$97.77	$109.71	($11.94)	9,087	($108,499)
Falmouth By The Sea	01/01/96	12/31/96	$107.23	$127.04	($19.81)	11,247	($222,803)
Fieldcrest manor Nursing Home	01/01/96	12/31/96	$102.50	$111.28	($8.78)	15,666	($137,547)
Forest Hill Manor	10/01/95	09/30/96	$103.11	$102.63	$0.48	15,656	$7,515
Freeport Nursing Home	01/01/96	12/31/96	$110.34	$112.09	($1.75)	15,330	($26,827)
Gardiner Nursing Home	01/01/96	12/31/96	$87.96	$85.45	$2.51	17,794	$44,663
Gorham House	10/1/95	9/30/96	$140.76	$145.89	($5.13)	9,847	($50,515)
Gorham Manor	10/1/95	9/30/96	$129.16	$159.32	($30.16)	5,798	($174,868)
Greenwood Center	07/01/95	06/30/96	$120.50	$125.78	($5.28)	26,027	($137,423)
Harbor Home	01/01/96	12/31/96	$107.56	$111.00	($3.44)	13,882	($47,754)

from Mike McNeil

Comparison of Rein. ıble to Actual Costs

Facility	Fiscal Year Begin	Fiscal Year End	Total Reimb. Rate	Actual	Savings	State Days	Dollar Value of Savings
Hawthorne House	01/01/96	12/31/96	$93.41	$99.25	($5.84)	20,121	($117,507)
Heritage Manor	01/01/96	12/31/96	$95.79	$109.51	($13.72)	13,062	($179,211)
Hibbard Nursing Home	10/01/95	09/30/96	$88.74	$94.09	($5.35)	23,237	($124,318)
High View Manor	01/01/96	12/31/96	$87.54	$86.84	$0.70	22,783	$15,948
Hillcrest Manor Division	06/01/95	05/31/96	$97.53	$114.04	($16.51)	23,055	($380,638)
Homestead, Inc.	10/01/95	09/30/96	$104.72	$110.94	($6.22)	13,385	($83,255)
Houlton Regional Hospital	10/01/95	09/30/96	$187.71	$253.92	($66.21)	3,687	($244,116)
Island Nursing Home	07/01/95	06/30/96	$108.43	$130.10	($21.67)	11,757	($254,774)
Jackman Region Health Center	04/01/95	03/31/96	$105.37	$153.96	($48.59)	5,178	($251,599)
Katahdin Nursing Home	07/01/95	06/30/96	$99.75	$98.81	$0.94	16,120	$15,153
Ken. Long Term Care G.Birch	07/01/95	06/30/96	$99.59	$106.91	($7.32)	28,747	($210,428)
Kennebec Long Term Care	07/01/95	06/30/96	$94.61	$101.03	($6.42)	29,580	($189,904)
Kennebunk Nursing Home	01/01/96	12/31/96	$121.55	$133.13	($11.58)	9,014	($104,382)
Knox Center for Long Term Care	04/01/95	03/31/96	$100.92	$123.38	($22.46)	15,809	($355,070)
Ledgeview Nursing Home	07/01/95	06/30/96	$98.21	$98.44	($0.23)	33,491	($7,703)
Ledgewood Manor	01/01/96	12/31/96	$95.48	$102.75	($7.27)	17,060	($124,026)
Madigan Estates	07/01/95	06/30/96	$94.24	$88.53	$5.71	22,855	$130,502
Madigan Estates	07/01/96	12/31/96	$90.39	$90.23	$0.16	11,936	$1,910
Maine Stay Nursing Home	01/01/96	12/31/96	$110.23	$132.78	($22.55)	8,158	($183,963)
Maine Vet. Home - Bangor	10/03/95	06/30/96	$130.86	$170.66	($39.80)	4,803	($191,159)
Maine Vet. Home - So. Paris	07/26/95	06/30/96	$140.61	$217.97	($77.36)	5,351	($413,953)
Maine Veterans Home - Augusta	07/01/95	06/30/96	$108.55	$121.35	($12.80)	25,160	($322,048)
Maine Veterans Home-Caribou	07/01/95	06/30/96	$113.68	$128.40	($14.72)	12,388	($182,351)
Maine Veterans Home-Scar.	07/01/95	06/30/96	$115.52	$128.21	($12.69)	29,739	($377,388)
Maplecrest Living Center	01/01/96	12/31/96	$104.18	$107.61	($3.43)	13,753	($47,173)
Market Square Health Center	01/01/96	12/31/96	$111.70	$111.59	$0.11	29,597	$3,256
Marshall's Health Care Facility	10/01/95	09/30/96	$86.33	$88.41	($2.08)	18,930	($39,374)
Mercy Home	07/01/95	06/30/96	$103.76	$118.99	($15.23)	17,384	($264,758)
Mere Point Nursing Home	10/01/95	09/30/96	$107.54	$114.91	($7.37)	5,993	($44,168)
Merrill Memorial Manor	01/01/96	12/31/96	$107.31	$105.90	$1.41	12,641	$17,824
Montello Manor	01/01/96	12/31/96	$114.05	$112.81	$1.24	26,818	$33,254
Mountain Heights Health Care Facility	01/01/96	12/31/96	$102.30	$114.12	($11.82)	5,651	($66,795)
Narraguagus Bay Health Care Facility	01/01/96	12/31/96	$115.91	$126.96	($11.05)	17,598	($194,458)
Nicholson's Nursing Home	07/01/95	06/30/96	$82.60	$88.32	($5.72)	10,635	($60,832)
Norway Convalescent Center	01/01/96	12/31/96	$100.32	$120.53	($20.21)	11,430	($231,000)
Oceanview Nursing Home	01/01/96	12/31/96	$105.59	$106.24	($0.65)	12,730	($8,275)
Odd Fellow's Home of Maine	07/01/95	06/30/96	$113.79	$119.47	($5.68)	8,013	($45,514)
Orchard Park Living Center	01/01/96	12/31/96	$110.49	$118.32	($7.83)	10,239	($80,171)
Otis Nursing Home, Inc.	01/01/96	12/31/96	$99.71	$103.05	($3.34)	23,101	($77,157)

Comparison of Reimbt to Actual Costs

Facility	Fiscal Year Begin	Fiscal Year End	Total Reimb. Rate	Actual	Savings	State Days	Dollar Value of Savings
Penobscot Nursing Home	01/01/96	12/31/96	$95.29	$95.54	($0.25)	17,797	($4,449)
Pine Point Nursing Care Center	10/01/95	09/30/96	$121.21	$139.11	($17.90)	15,367	($275,069)
Presque Isle Nursing Home	10/01/95	09/30/96	$103.78	$104.07	($0.29)	26,887	($7,797)
Promenade Health Care Facility	07/01/95	06/17/96	$111.67	$120.58	($8.91)	7,817	($69,649)
Riverwood Health Care Center - Renaissance	01/01/96	12/31/96	$93.84	$99.04	($5.20)	19,063	($99,128)
Robinson's Hlth. Care Facility	01/01/96	12/31/96	$82.62	$83.66	($1.04)	15,271	($15,882)
Ross Manor	01/01/96	12/31/96	$122.20	$157.50	($35.30)	14,062	($496,389)
Rumford Community Home	07/01/95	06/30/96	$103.30	$105.49	($2.19)	24,965	($54,673)
Russell Park Manor	08/01/95	07/31/96	$100.29	$105.96	($5.67)	27,886	($158,114)
Sanfield Living Center	01/01/96	12/31/96	$103.15	$106.52	($3.37)	12,669	($42,695)
Sanford Health Care Facility	01/01/96	12/31/96	$121.32	$143.24	($21.92)	7,747	($169,814)
Seaside Nursing and Ret. Home	01/01/96	12/31/96	$116.31	$143.78	($27.47)	17,860	($490,614)
Sebasticook Valley Health Care facility	01/01/96	12/31/96	$89.82	$90.80	($0.98)	17,883	($17,525)
Schooner Retirement - Seville Park Plaza	01/01/96	12/31/96	$117.23	$124.64	($7.41)	5,390	($39,940)
Shore Village Nursing Center	01/01/96	12/31/96	$99.06	$107.97	($8.91)	9,309	($82,943)
So. Portland Nursing Home	01/01/96	12/31/96	$105.02	$115.28	($10.26)	17,007	($174,492)
Somerset Manor	01/01/96	12/31/96	$104.88	$112.08	($7.20)	8,637	($62,186)
Sonogee Estates	01/01/96	12/31/96	$114.59	$120.84	($6.25)	19,098	($119,363)
Southridge Living Center	01/01/96	12/31/96	$101.50	$104.32	($2.82)	30,489	($85,979)
St. Andre Health Care Facility	12/01/95	11/30/96	$105.42	$110.66	($5.24)	25,093	($131,487)
St. Joseph Nursing Home	01/01/96	12/31/96	$104.38	$103.29	$1.09	13,782	$15,022
St. Joseph's Manor	07/01/95	06/30/96	$114.37	$119.85	($5.48)	50,165	($274,904)
St. Marguerite D'Youville Pav.	01/01/96	12/31/96	$112.19	$129.33	($17.14)	70,207	($1,203,348)
Stillwater Health Care	01/01/96	12/31/96	$101.56	$100.53	$1.03	17,181	$17,696
Summit House Health Care Ctr.	01/01/96	12/31/96	$98.74	$97.29	$1.45	11,808	$17,122
Sunrise Residential Care Facility	01/01/96	12/31/96	$109.74	$107.54	$2.20	9,619	$21,162
Tallpines Health Care Facility	01/01/96	12/31/96	$114.47	$122.72	($8.25)	15,615	($128,824)
Trull Nursing Home	07/01/95	06/30/96	$85.35	$89.42	($4.07)	12,048	($49,035)
Varney Crossing Nursing Care Center	07/01/95	06/30/96	$111.40	$111.96	($0.56)	17,205	($9,635)
Victorian Villa Nursing Home	01/01/96	12/31/96	$98.51	$99.22	($0.71)	16,345	($11,605)
Viking ICF The	11/01/95	10/31/96	$101.37	$108.56	($7.19)	11,017	($79,212)
Westgate Manor	01/01/96	12/31/96	$106.89	$102.20	$4.69	23,169	$108,663
Winship Green Nursing Center	01/01/96	12/31/96	$122.67	$133.53	($10.86)	12,087	($131,265)
Woodlawn Nursing Home	01/01/96	12/31/96	$103.47	$111.78	($8.31)	11,332	($94,169)
Total							($16,169,517.00)

Direct Care Component Savings/Loss

Fiscal Year Begin	End	Upper Limit Pre CMI Not Inflated	Direct Reimb Rate	Actual	Savings	State Days	Dollar Value of Savings
01/01/96	12/31/96	$47.54	$43.63	$43.25	$0.38	16,605	$6,310
01/01/96	12/31/96	$47.54	$51.37	$51.29	$0.08	15,695	$1,255
01/01/96	12/31/96	$47.54	$45.96	$47.48	($1.52)	17,815	($27,079)
07/01/95	06/30/96	$47.54	$55.66	$61.05	($5.39)	17,316	($93,333)
01/01/96	12/31/96	$47.54	$48.98	$48.36	$0.62	17,097	$10,600
01/01/96	12/31/96	$47.54	$37.21	$38.70	($1.49)	24,365	($36,304)
07/01/95	06/30/96	$47.54	$53.05	$65.98	($12.93)	62,748	($811,332)
07/01/95	06/30/96	$47.54	$40.54	$47.80	($7.25)	20,958	($152,155)
01/01/96	12/31/96	$47.54	$58.02	$56.92	$1.10	21,989	$24,188
01/01/96	12/31/96	$47.54	$50.10	$65.66	($15.56)	13,340	($207,570)
01/01/96	12/31/96	$47.54	$55.40	$65.75	($10.35)	22,815	($236,135)
01/01/96	12/31/96	$47.54	$41.81	$44.27	($2.46)	16,104	($39,616)
04/01/95	03/31/96	$47.54	$48.79	$53.79	($5.00)	49,479	($247,395)
10/01/95	09/30/96	$47.54	$46.64	$44.91	$1.73	31,445	$54,400
10/01/95	09/30/96	$47.54	$54.73	$54.61	$0.12	20,921	$2,511
05/01/95	04/30/96	$47.54	$53.84	$54.44	($0.60)	24,645	($14,787)
09/01/95	08/31/96	$47.54	$52.29	$59.37	($7.08)	29,101	($206,035)
01/01/96	12/31/96	$47.54	$51.03	$51.42	($0.39)	10,706	($4,175)
01/01/96	12/31/96	$47.54	$38.17	$38.02	$0.15	18,975	$2,846
01/01/96	12/31/96	$47.54	$36.92	$36.77	$0.15	10,021	$1,503
01/01/96	12/31/96	$47.54	$49.36	$48.27	$1.09	21,223	$23,133
05/01/95	04/30/96	$47.54	$59.44	$68.20	($8.76)	12,925	($113,223)
01/01/96	12/31/96	$47.54	$39.42	$43.30	($3.88)	15,839	($61,455)
01/01/96	12/31/96	$47.54	$40.71	$42.28	($1.57)	21,747	($34,143)
01/01/96	12/31/96	$47.54	$47.24	$52.03	($4.79)	9,889	($47,368)
01/01/96	12/31/96	$47.54	$40.59	$39.82	$0.77	8,205	$6,318
01/01/96	12/31/96	$47.54	$42.12	$45.70	($3.58)	14,461	($51,770)
01/01/96	12/31/96	$47.54	$39.70	$45.13	($5.43)	9,087	($49,342)
01/01/96	12/31/96	$47.54	$46.78	$48.66	($1.88)	11,247	($21,144)
01/01/96	12/31/96	$47.54	$49.63	$49.58	$0.05	15,666	$783
10/01/95	09/30/96	$47.54	$43.66	$42.64	$1.02	15,656	$15,969
01/01/96	12/31/96	$47.54	$49.58	$48.72	$0.86	15,330	$13,184
01/01/96	12/31/96	$47.54	$40.42	$39.62	$0.80	17,794	$14,235
10/01/95	09/30/96	$47.54	$55.76	$57.99	($2.23)	9,847	($21,959)
10/01/95	09/30/96	$47.54	$47.85	$66.42	($18.57)	5,798	($107,669)
07/01/95	06/30/96	$47.54	$50.21	$51.84	($1.63)	26,027	($42,424)
01/01/96	12/31/96	$47.54	$50.27	$48.63	$1.64	13,882	$22,766
01/01/96	12/31/96	$47.54	$43.17	$45.50	($2.33)	20,121	($46,882)
01/01/96	12/31/96	$47.54	$40.09	$43.46	($3.37)	13,062	($44,019)
10/01/95	09/30/96	$47.54	$43.66	$43.84	($0.18)	23,237	($4,183)
01/01/96	12/31/96	$47.54	$38.74	$38.69	$0.05	22,783	$1,139
06/01/95	05/31/96	$50.57	$46.61	$57.20	($10.59)	23,055	($244,152)
10/01/95	09/30/96	$47.54	$46.30	$44.55	$1.75	13,385	$23,424
07/01/95	06/30/96	$47.54	$45.97	$54.68	($8.71)	11,757	($102,403)
04/01/95	03/31/96	$47.54	$50.81	$64.19	($13.38)	5,178	($69,282)
07/01/95	06/30/96	$47.54	$39.81	$39.39	$0.42	16,120	$6,770
07/01/95	06/30/96	$47.54	$46.55	$50.61	($4.06)	28,747	($116,713)
07/01/95	06/30/96	$47.54	$43.25	$47.72	($4.47)	29,580	($132,223)
01/01/96	12/31/96	$47.54	$55.86	$59.36	($3.50)	9,014	($31,549)
04/01/95	03/31/96	$47.54	$38.57	$48.47	($9.90)	15,809	($156,509)
07/01/95	06/30/96	$47.54	$42.67	$40.57	$2.10	33,491	$70,331
01/01/96	12/31/96	$47.54	$43.68	$46.27	($2.59)	17,060	($44,185)
07/01/95	06/30/96	$47.54	$41.68	$39.85	$1.83	22,855	$41,825
07/01/96	12/31/96	$47.54	$42.47	$41.53	$0.94	11,936	$11,220

Direct Care Component Savings/Loss

01/01/96	12/31/96	$47.54	$49.15	$57.95	($8.80)	8,158	($71,790)
10/03/95	06/30/96	$47.54	$50.32	$49.78	$0.54	4,803	$2,594
07/26/95	06/30/96	$47.54	$53.60	$53.43	$0.17	5,351	$910
07/01/95	06/30/96	$47.54	$53.03	$58.11	($5.08)	25,160	($127,813)
07/01/95	06/30/96	$47.54	$50.81	$56.89	($6.08)	12,388	($75,319)
07/01/95	06/30/96	$47.54	$52.91	$57.28	($4.37)	29,739	($129,959)
01/01/96	12/31/96	$47.54	$48.83	$48.20	$0.63	13,753	$8,664
01/01/96	12/31/96	$47.54	$51.04	$50.53	$0.51	29,597	$15,094
10/01/95	09/30/96	$47.54	$37.98	$40.36	($2.38)	18,930	($45,053)
07/01/95	06/30/96	$47.54	$44.43	$49.15	($4.72)	17,384	($82,052)
10/01/95	09/30/96	$47.54	$44.61	$45.30	($0.69)	5,993	($4,135)
01/01/96	12/31/96	$47.54	$46.61	$43.37	$3.24	12,641	$40,957
01/01/96	12/31/96	$47.54	$55.08	$54.40	$0.68	26,818	$18,236
01/01/96	12/31/96	$47.54	$49.47	$49.26	$0.21	5,651	$1,187
01/01/96	12/31/96	$47.54	$48.74	$57.91	($9.17)	17,598	($161,374)
07/01/95	06/30/96	$47.54	$32.07	$33.93	($1.86)	10,635	($19,781)
01/01/96	12/31/96	$47.54	$44.40	$49.96	($5.56)	11,430	($63,551)
01/01/96	12/31/96	$47.54	$47.60	$47.20	$0.40	12,730	$5,092
07/01/95	06/30/96	$47.54	$36.12	$35.93	$0.19	8,013	$1,522
01/01/96	12/31/96	$47.54	$41.54	$43.97	($2.43)	10,239	($24,881)
01/01/96	12/31/96	$47.54	$48.31	$48.12	$0.19	23,101	$4,389
01/01/96	12/31/96	$47.54	$44.30	$43.36	$0.94	17,797	$16,729
10/01/95	09/30/96	$47.54	$52.37	$52.37	$0.00	15,367	$0
10/01/95	09/30/96	$47.54	$45.66	$45.31	$0.35	26,887	$9,410
07/01/95	06/17/96	$47.54	$48.44	$49.70	($1.26)	7,817	($9,849)
01/01/96	12/31/96	$47.54	$43.44	$43.04	$0.40	19,063	$7,625
01/01/96	12/31/96	$47.54	$32.14	$31.90	$0.24	15,271	$3,665
01/01/96	12/31/96	$47.54	$54.89	$63.78	($8.89)	14,062	($125,011)
07/01/95	06/30/96	$47.54	$47.02	$49.05	($1.13)	24,965	($28,210)
08/01/95	07/31/96	$47.54	$46.06	$44.67	$1.69	27,886	$47,127
01/01/96	12/31/96	$47.54	$47.57	$47.75	($0.18)	12,669	($2,280)
01/01/96	12/31/96	$47.54	$54.10	$55.23	($1.13)	7,747	($8,754)
01/01/96	12/31/96	$47.54	$55.02	$64.71	($9.49)	17,860	($169,491)
01/01/96	12/31/96	$47.54	$38.37	$37.74	$0.63	17,883	$11,266
01/01/96	12/31/96	$47.54	$43.65	$43.93	($0.28)	5,390	($1,509)
01/01/96	12/31/96	$47.54	$40.58	$42.11	($1.53)	9,309	($14,243)
01/01/96	12/31/96	$47.54	$51.16	$54.39	($3.23)	17,007	($54,933)
01/01/96	12/31/96	$47.54	$41.30	$40.01	$1.29	8,637	$11,142
01/01/96	12/31/96	$47.54	$55.05	$58.12	($3.07)	19,098	($58,631)
01/01/96	12/31/96	$47.54	$48.06	$47.79	$0.27	30,489	$8,232
12/01/95	11/30/96	$47.54	$45.62	$47.73	($2.11)	25,093	($52,946)
01/01/96	12/31/96	$47.54	$46.14	$45.27	$0.87	13,782	$11,990
07/01/95	06/30/96	$47.54	$50.20	$54.45	($4.25)	50,165	($213,201)
01/01/96	12/31/96	$47.54	$52.09	$62.73	($10.64)	70,207	($747,002)
01/01/96	12/31/96	$47.54	$45.80	$44.85	$0.95	17,181	$16,322
01/01/96	12/31/96	$47.54	$43.95	$42.43	$1.52	11,808	$17,948
01/01/96	12/31/96	$47.54	$44.88	$42.69	$2.19	9,619	$21,066
01/01/96	12/31/96	$47.54	$46.38	$53.66	($7.28)	15,615	($113,677)
07/01/95	06/30/96	$47.54	$36.13	$37.12	($0.99)	12,048	($11,928)
07/01/95	06/30/96	$47.54	$47.53	$47.05	$0.48	17,205	$8,258
01/01/96	12/31/96	$47.54	$38.21	$39.18	($0.97)	16,345	($15,855)
11/01/95	10/31/96	$47.54	$45.88	$46.19	($0.31)	11,017	($3,415)
01/01/96	12/31/96	$47.54	$50.88	$49.53	$1.35	23,169	$31,278
01/01/96	12/31/96	$47.54	$55.00	$57.50	($2.50)	12,087	($30,218)
01/01/96	12/31/96	$47.54	$42.03	$42.80	($0.77)	11,332	($8,726)
							($5,712,390.00)

Indirect Care Component Savings/Loss

Fiscal Year Begin	End	Indirect Upper Limit Not Inflated	Indirect Reimb. Rate	Actual	Savings	State Days	Dollar Value of Savings
01/01/96	12/31/96	$11.07	$9.43	$10.13	($0.70)	16,605	($11,624)
01/01/96	12/31/96	$11.07	$10.84	$11.34	($0.50)	15,695	($7,848)
01/01/96	12/31/96	$11.07	$9.32	$11.10	($1.78)	17,815	($31,711)
07/01/95	06/30/96	$11.07	$11.44	$13.34	($1.90)	17,316	($32,900)
01/01/96	12/31/96	$11.07	$10.68	$12.59	($1.91)	17,097	($32,655)
01/01/96	12/31/96	$11.07	$10.59	$9.04	$1.55	24,365	$37,766
07/01/95	06/30/96	$11.07	$8.35	$10.68	($2.33)	62,748	($146,203)
07/01/95	06/30/96	$11.07	$9.65	$10.73	($1.08)	20,958	($22,635)
01/01/96	12/31/96	$11.07	$10.16	$9.28	$0.88	21,989	$19,350
01/01/96	12/31/96	$11.07	$11.62	$13.22	($1.60)	13,340	($21,344)
01/01/96	12/31/96	$11.07	$10.78	$11.82	($1.04)	22,815	($23,728)
01/01/96	12/31/96	$11.07	$11.58	$12.18	($0.60)	16,104	($9,662)
04/01/95	03/31/96	$11.07	$9.33	$10.59	($1.26)	49,479	($62,344)
10/01/95	09/30/96	$11.07	$11.56	$12.49	($0.93)	31,445	($29,244)
10/01/95	09/30/96	$11.07	$11.60	$13.69	($2.09)	20,921	($43,725)
05/01/95	04/30/96	$11.07	$12.27	$13.21	($0.94)	24,645	($23,166)
09/01/95	08/31/96	$11.07	$11.06	$9.91	$1.15	29,101	$33,466
01/01/96	12/31/96	$11.07	$11.64	$11.88	($0.24)	10,706	($2,569)
01/01/96	12/31/96	$11.07	$8.27	$7.66	$0.61	18,975	$11,575
01/01/96	12/31/96	$11.07	$11.32	$10.72	$0.60	10,021	$6,013
01/01/96	12/31/96	$11.07	$9.41	$12.36	($2.95)	21,223	($62,608)
05/01/95	04/30/96	$11.07	$11.82	$14.84	($3.02)	12,925	($39,034)
01/01/96	12/31/96	$11.07	$9.69	$9.75	($0.06)	15,839	($950)
01/01/96	12/31/96	$11.07	$8.85	$9.50	($0.65)	21,747	($14,136)
01/01/96	12/31/96	$11.07	$8.28	$7.43	$0.85	9,889	$8,406
01/01/96	12/31/96	$11.07	$11.65	$13.68	($2.03)	8,205	($16,656)
01/01/96	12/31/96	$11.07	$9.63	$9.76	($0.13)	14,461	($1,880)
01/01/96	12/31/96	$11.07	$10.30	$14.08	($3.78)	9,087	($34,349)
01/01/96	12/31/96	$11.07	$9.79	$12.44	($2.65)	11,247	($29,805)
01/01/96	12/31/96	$11.07	$6.72	$10.64	($3.92)	15,666	($61,411)
10/01/95	09/30/96	$11.07	$11.50	$11.40	$0.10	15,656	$1,566
01/01/96	12/31/96	$11.07	$7.29	$8.53	($1.24)	15,330	($19,009)
01/01/96	12/31/96	$11.07	$10.79	$10.04	$0.75	17,794	$13,346
10/01/95	09/30/96	$11.07	$11.58	$13.15	($1.57)	9,847	($15,460)
10/01/95	09/30/96	$11.07	$11.58	$13.63	($2.05)	5,798	($11,886)
07/01/95	06/30/96	$11.07	$10.81	$12.71	($1.90)	26,027	($49,451)
01/01/96	12/31/96	$11.07	$11.62	$12.81	($1.19)	13,882	($16,520)
01/01/96	12/31/96	$11.07	$8.07	$9.55	($1.48)	20,121	($29,779)
01/01/96	12/31/96	$11.07	$8.53	$10.33	($1.80)	13,062	($23,512)
10/01/95	09/30/96	$11.07	$8.27	$11.44	($3.17)	23,237	($73,661)
01/01/96	12/31/96	$11.07	$9.36	$9.55	($0.19)	22,783	($4,329)
06/01/95	05/31/96	$11.77	$12.18	$18.87	($6.69)	23,055	($154,238)
10/01/95	09/30/96	$11.07	$9.43	$12.42	($2.99)	13,385	($40,021)
07/01/95	06/30/96	$11.07	$11.05	$13.80	($2.75)	11,757	($32,332)
04/01/95	03/31/96	$11.07	$9.63	$10.44	($0.81)	5,178	($4,194)
07/01/95	06/30/96	$11.07	$10.90	$10.80	$0.10	16,120	$1,612
07/01/95	06/30/96	$11.07	$8.97	$10.32	($1.35)	28,747	($38,809)
07/01/95	06/30/96	$11.07	$8.76	$9.30	($0.54)	29,580	($15,973)
01/01/96	12/31/96	$11.07	$11.62	$11.65	($0.03)	9,014	($270)
04/01/95	03/31/96	$11.07	$9.50	$11.71	($2.21)	15,809	($34,938)
07/01/95	06/30/96	$11.07	$10.50	$11.51	($1.01)	33,491	($33,826)
01/01/96	12/31/96	$11.07	$10.55	$13.76	($3.21)	17,060	($54,763)
07/01/95	06/30/96	$11.07	$10.69	$10.17	$0.52	22,655	$11,885
07/01/96	12/31/96	$11.07	$10.61	$11.27	($0.66)	11,936	($7,878)

Indirect Care Component Savings/Loss

01/01/96	12/31/96	$11.07	$11.62	$16.96	($5.34)	8,150	($43,564)
10/03/95	06/30/96	$11.07	$11.44	$16.64	($5.20)	4,803	($24,976)
07/26/95	06/30/96	$11.07	$11.43	$24.24	($12.81)	5,351	($68,546)
07/01/95	06/30/96	$11.07	$11.43	$12.90	($1.47)	25,160	($36,985)
07/01/95	06/30/96	$11.07	$11.43	$17.10	($5.67)	12,388	($70,240)
07/01/95	06/30/96	$11.07	$11.44	$13.63	($2.19)	29,739	($65,128)
01/01/96	12/31/96	$11.07	$9.11	$11.23	($2.12)	13,753	($29,156)
01/01/96	12/31/96	$11.07	$11.48	$12.13	($0.65)	29,597	($19,238)
10/01/95	09/30/96	$11.07	$9.01	$9.59	($0.58)	18,930	($10,979)
07/01/95	06/30/96	$11.07	$9.67	$11.32	($1.65)	17,384	($28,684)
10/01/95	09/30/96	$11.07	$11.58	$13.88	($2.30)	5,993	($13,784)
01/01/96	12/31/96	$11.07	$10.24	$11.18	($0.94)	12,641	($11,883)
01/01/96	12/31/96	$11.07	$11.64	$11.51	$0.13	26,818	$3,486
01/01/96	12/31/96	$11.07	$11.65	$14.25	($2.60)	5,651	($14,693)
01/01/96	12/31/96	$11.07	$11.65	$10.37	$1.28	17,598	$22,525
07/01/95	06/30/96	$11.07	$9.66	$10.64	($0.98)	10,635	($10,422)
01/01/96	12/31/96	$11.07	$8.33	$9.96	($1.63)	11,430	($18,631)
01/01/96	12/31/96	$11.07	$11.18	$12.26	($1.08)	12,730	($13,748)
07/01/95	06/30/96	$11.07	$11.43	$11.37	$0.06	8,013	$481
01/01/96	12/31/96	$11.07	$10.69	$11.50	($0.81)	10,239	($8,294)
01/01/96	12/31/96	$11.07	$8.50	$10.59	($2.09)	23,101	($48,281)
01/01/96	12/31/96	$11.07	$10.11	$10.40	($0.29)	17,797	($5,161)
10/01/95	09/30/96	$11.07	$9.28	$15.20	($5.92)	15,367	($90,973)
10/01/95	09/30/96	$11.07	$9.99	$10.12	($0.13)	26,887	($3,495)
07/01/95	06/17/96	$11.07	$11.43	$13.89	($2.46)	7,817	($19,230)
01/01/96	12/31/96	$11.07	$8.55	$9.40	($0.85)	19,063	($16,204)
01/01/96	12/31/96	$11.07	$8.23	$8.72	($0.49)	15,271	($7,483)
01/01/96	12/31/96	$11.07	$11.60	$15.85	($4.25)	14,062	($59,764)
07/01/95	06/30/96	$11.07	$9.28	$9.24	$0.04	24,965	$999
08/01/95	07/31/96	$11.07	$9.58	$14.36	($4.78)	27,886	($133,295)
01/01/96	12/31/96	$11.07	$10.84	$11.06	($0.22)	12,669	($2,787)
01/01/96	12/31/96	$11.07	$11.46	$17.94	($6.48)	7,747	($50,207)
01/01/96	12/31/96	$11.07	$11.62	$16.02	($4.40)	17,860	($78,584)
01/01/96	12/31/96	$11.07	$9.23	$9.96	($0.73)	17,883	($13,055)
01/01/96	12/31/96	$11.07	$11.48	$13.07	($1.59)	5,390	($8,570)
01/01/96	12/31/96	$11.07	$10.35	$10.69	($0.34)	9,309	($3,165)
01/01/96	12/31/96	$11.07	$11.62	$14.46	($2.84)	17,007	($48,300)
01/01/96	12/31/96	$11.07	$11.55	$15.45	($3.90)	8,637	($33,684)
01/01/96	12/31/96	$11.07	$9.83	$9.53	$0.30	19,098	$5,729
01/01/96	12/31/96	$11.07	$9.70	$11.84	($2.14)	30,489	($65,246)
12/01/95	11/30/96	$11.07	$10.17	$12.40	($2.23)	25,093	($55,957)
01/01/96	12/31/96	$11.07	$11.43	$10.42	$1.01	13,782	$13,920
07/01/95	06/30/96	$11.07	$11.44	$12.63	($1.19)	50,165	($59,696)
01/01/96	12/31/96	$11.07	$10.18	$24.90	($14.72)	70,207	($1,033,447)
01/01/96	12/31/96	$11.07	$10.46	$10.28	$0.18	17,181	$3,093
01/01/96	12/31/96	$11.07	$11.11	$9.79	$1.32	11,808	$15,587
01/01/96	12/31/96	$11.07	$11.65	$11.58	$0.07	9,619	$673
01/01/96	12/31/96	$11.07	$10.71	$11.27	($0.56)	15,615	($8,744)
07/01/95	06/30/96	$11.07	$8.03	$9.54	($1.51)	12,048	($18,192)
07/01/95	06/30/96	$11.07	$11.44	$12.67	($1.23)	17,205	($21,162)
01/01/96	12/31/96	$11.07	$11.64	$11.30	$0.34	16,345	$5,557
11/01/95	10/31/96	$11.07	$11.56	$13.60	($2.04)	11,017	($22,475)
01/01/96	12/31/96	$11.07	$8.09	$8.50	($0.41)	23,169	($9,499)
01/01/96	12/31/96	$11.07	$11.13	$13.01	($1.88)	12,087	($22,724)
01/01/96	12/31/96	$11.07	$10.26	$11.20	($0.94)	11,332	($10,652)
							($3,771,063.00)

Routine Cost Component Savings/Loss

Fiscal Year Begin	End	Routine Upper Limit Not Inflated	Routine Reimb. Rate	Actual	Savings	State Days	Dollar Value of Savings
01/01/96	12/31/96	$28.61	$23.76	$24.46	($0.70)	16,605	($11,624)
01/01/96	12/31/96	$28.61	$24.12	$32.76	($8.64)	15,695	($135,605)
01/01/96	12/31/96	$28.61	$30.04	$33.85	($3.81)	17,815	($67,875)
07/01/95	06/30/96	$28.61	$29.57	$38.56	($8.99)	17,316	($155,671)
01/01/96	12/31/96	$28.61	$30.10	$35.42	($5.32)	17,097	($90,956)
01/01/96	12/31/96	$28.61	$23.34	$25.60	($2.26)	24,365	($55,065)
07/01/95	06/30/96	$28.61	$27.30	$30.39	($3.09)	62,748	($193,891)
07/01/95	06/30/96	$28.61	$26.68	$29.09	($2.41)	20,958	($50,509)
01/01/96	12/31/96	$28.61	$25.85	$21.61	$4.24	21,989	$93,233
01/01/96	12/31/96	$28.61	$30.04	$42.85	($12.81)	13,340	($170,885)
01/01/96	12/31/96	$28.61	$30.10	$30.55	($0.45)	22,815	($10,267)
01/01/96	12/31/96	$28.61	$27.54	$30.75	($3.21)	16,104	($51,694)
04/01/95	03/31/96	$28.61	$28.22	$37.92	($9.70)	49,479	($479,946)
10/01/95	09/30/96	$28.61	$26.84	$24.56	$2.28	31,445	$71,695
10/01/95	09/30/96	$28.61	$29.98	$32.37	($2.39)	20,921	($50,001)
05/01/95	04/30/96	$28.61	$29.44	$41.42	($11.98)	24,645	($295,247)
09/01/95	08/31/96	$28.61	$29.12	$24.33	$4.79	29,101	$139,394
01/01/96	12/31/96	$28.61	$24.87	$27.50	($2.63)	10,706	($28,157)
01/01/96	12/31/96	$28.61	$20.74	$24.06	($3.32)	18,975	($62,997)
01/01/96	12/31/96	$28.61	$29.47	$23.77	$5.70	10,021	$57,120
01/01/96	12/31/96	$28.61	$26.45	$25.36	$1.09	21,223	$23,133
05/01/95	04/30/96	$28.61	$28.88	$34.26	($5.38)	12,925	($69,537)
01/01/96	12/31/96	$28.61	$22.85	$27.93	($5.08)	15,839	($80,462)
01/01/96	12/31/96	$28.61	$22.19	$22.63	($0.44)	21,747	($9,569)
01/01/96	12/31/96	$28.61	$28.47	$37.09	($8.62)	9,889	($85,243)
01/01/96	12/31/96	$28.61	$30.09	$29.61	$0.48	8,205	$3,938
01/01/96	12/31/96	$28.61	$29.88	$31.23	($1.35)	14,461	($19,522)
01/01/96	12/31/96	$28.61	$30.04	$32.77	($2.73)	9,087	($24,808)
01/01/96	12/31/96	$28.61	$26.92	$34.07	($7.15)	11,247	($80,416)
01/01/96	12/31/96	$28.61	$30.04	$32.04	($2.00)	15,666	($31,332)
10/01/95	09/30/96	$28.61	$27.26	$27.90	($0.64)	15,656	($10,020)
01/01/96	12/31/96	$28.61	$30.04	$31.41	($1.37)	15,330	($21,002)
01/01/96	12/31/96	$28.61	$17.91	$16.95	$0.96	17,794	$17,082
10/01/95	09/30/96	$28.61	$29.92	$31.25	($1.33)	9,847	($13,097)
10/01/95	09/30/96	$28.61	$29.92	$39.46	($9.54)	5,798	($55,313)
07/01/95	06/30/96	$28.61	$29.52	$30.98	($1.46)	26,027	($37,999)
01/01/96	12/31/96	$28.61	$30.04	$33.93	($3.89)	13,882	($54,001)
01/01/96	12/31/96	$28.61	$22.28	$23.46	($1.18)	20,121	($23,743)
01/01/96	12/31/96	$28.61	$25.00	$30.65	($5.65)	13,062	($73,800)
10/01/95	09/30/96	$28.61	$23.66	$25.66	($2.00)	23,237	($46,474)
01/01/96	12/31/96	$28.61	$23.79	$22.95	$0.84	22,783	$19,138
06/01/95	05/31/96	$30.43	$29.05	$28.28	$0.77	23,055	$17,752
10/01/95	09/30/96	$28.61	$29.92	$34.90	($4.98)	13,385	($66,657)
07/01/95	06/30/96	$28.61	$27.85	$33.70	($5.85)	11,757	($68,778)
04/01/95	03/31/96	$28.61	$28.91	$59.83	($30.92)	5,178	($160,104)
07/01/95	06/30/96	$28.61	$26.33	$25.91	$0.42	16,120	$6,770
07/01/95	06/30/96	$28.61	$24.71	$26.62	($1.91)	28,747	($54,907)
07/01/95	06/30/96	$28.61	$23.33	$24.74	($1.41)	29,580	($41,708)
01/01/96	12/31/96	$28.61	$30.04	$37.36	($7.32)	9,014	($65,982)
04/01/95	03/31/96	$28.61	$28.27	$38.62	($10.35)	15,809	($163,623)
07/01/95	06/30/96	$28.61	$26.25	$26.94	($0.69)	33,491	($23,109)
01/01/96	12/31/96	$28.61	$23.58	$25.05	($1.47)	17,060	($25,078)
07/01/95	06/30/96	$28.61	$23.36	$20.00	$3.36	22,855	$76,793
07/01/96	12/31/96	$28.61	$20.59	$20.71	($0.12)	11,936	($1,432)

Routine Cost Component Savings/Loss

01/01/96	12/31/96	$28.61	$30.04	$38.45	($8.41)	8,158	($68,609)
10/03/95	06/30/96	$28.61	$28.77	$63.91	($35.14)	4,803	($168,777)
07/25/95	06/30/96	$28.61	$28.86	$93.58	($64.72)	5,351	($346,317)
07/01/95	06/30/96	$28.61	$28.86	$35.11	($6.25)	25,160	($157,250)
07/01/95	06/30/96	$28.61	$28.75	$31.72	($2.97)	12,388	($36,792)
07/01/95	06/30/96	$28.61	$28.89	$35.02	($6.13)	29,739	($182,300)
01/01/96	12/31/96	$28.61	$26.44	$28.38	($1.94)	13,753	($26,681)
01/01/96	12/31/96	$28.61	$29.08	$28.42	$0.66	29,597	$19,534
10/01/95	09/30/96	$28.61	$24.85	$23.97	$0.88	18,930	$16,658
07/01/95	06/30/96	$28.61	$26.69	$32.73	($6.04)	17,384	($104,999)
10/01/95	09/30/96	$28.61	$29.92	$34.30	($4.38)	5,993	($26,249)
01/01/96	12/31/96	$28.61	$28.34	$28.24	$0.10	12,641	$1,264
01/01/96	12/31/96	$28.61	$23.00	$22.57	$0.43	26,818	$11,532
01/01/96	12/31/96	$28.61	$30.10	$39.53	($9.43)	5,651	($53,289)
01/01/96	12/31/96	$28.61	$28.43	$31.59	($3.16)	17,598	($55,610)
07/01/95	06/30/96	$28.61	$29.12	$32.00	($2.88)	10,635	($30,629)
01/01/96	12/31/96	$28.61	$27.41	$36.58	($9.17)	11,430	($104,813)
01/01/96	12/31/96	$28.61	$28.75	$28.72	$0.03	12,730	$362
07/01/95	06/30/96	$28.61	$29.55	$35.48	($5.93)	8,013	($47,517)
01/01/96	12/31/96	$28.61	$30.08	$34.67	($4.59)	10,239	($46,997)
01/01/96	12/31/96	$28.61	$24.65	$26.09	($1.44)	23,101	($33,265)
01/01/96	12/31/96	$28.61	$27.03	$26.98	$0.05	17,797	$890
10/01/95	09/30/96	$28.61	$29.92	$38.62	($8.70)	15,367	($133,693)
10/01/95	09/30/96	$28.61	$23.56	$24.07	($0.51)	26,887	($13,712)
07/01/95	06/17/96	$28.61	$29.55	$33.41	($3.86)	7,817	($30,174)
01/01/96	12/31/96	$28.61	$25.06	$30.81	($4.75)	19,063	($90,549)
01/01/96	12/31/96	$28.61	$22.10	$22.89	($0.79)	15,271	($12,064)
01/01/96	12/31/96	$28.61	$27.54	$39.26	($11.72)	14,062	($164,807)
07/01/95	06/30/96	$28.61	$22.68	$23.78	($1.10)	24,965	($27,462)
08/01/95	07/31/96	$28.61	$22.88	$24.29	($1.41)	27,886	($39,319)
01/01/96	12/31/96	$28.61	$26.54	$28.65	($2.11)	12,669	($26,732)
01/01/96	12/31/96	$28.61	$11.63	$44.52	($32.89)	7,747	($254,799)
01/01/96	12/31/96	$28.61	$30.04	$39.26	($9.22)	17,860	($164,669)
01/01/96	12/31/96	$28.61	$23.51	$23.04	$0.47	17,883	$8,405
01/01/96	12/31/96	$28.61	$30.08	$35.62	($5.54)	5,390	($29,861)
01/01/96	12/31/96	$28.61	$30.04	$34.97	($4.93)	9,309	($45,893)
01/01/96	12/31/96	$28.61	$30.04	$33.38	($3.34)	17,007	($56,803)
01/01/96	12/31/96	$28.61	$28.47	$32.29	($3.82)	8,637	($32,993)
01/01/96	12/31/96	$28.61	$26.71	$29.69	($2.98)	19,098	($56,912)
01/01/96	12/31/96	$28.61	$24.20	$25.15	($0.95)	30,489	($28,965)
12/01/95	11/30/96	$28.61	$29.96	$30.86	($0.90)	25,093	($22,584)
01/01/96	12/31/96	$28.61	$27.69	$28.48	($0.79)	13,782	($10,888)
07/01/95	06/30/96	$28.61	$29.55	$29.59	($0.04)	50,165	($2,007)
01/01/96	12/31/96	$28.61	$27.20	$18.98	$8.22	70,207	$577,102
01/01/96	12/31/96	$28.61	$27.21	$27.31	($0.10)	17,181	($1,718)
01/01/96	12/31/96	$28.61	$28.09	$27.49	$0.60	11,808	$7,085
01/01/96	12/31/96	$28.61	$30.10	$30.16	($0.06)	9,619	($577)
01/01/96	12/31/96	$28.61	$29.30	$29.71	($0.41)	15,615	($6,402)
07/01/95	06/30/96	$28.61	$26.10	$27.67	($1.57)	12,048	($18,915)
07/01/95	06/30/96	$28.61	$27.64	$27.45	$0.19	17,205	$3,269
01/01/96	12/31/96	$28.61	$29.07	$28.72	$0.35	16,345	$5,721
11/01/95	10/31/96	$28.61	$25.28	$29.08	($3.80)	11,017	($41,865)
01/01/96	12/31/96	$28.61	$28.63	$24.88	$3.75	23,169	$86,884
01/01/96	12/31/96	$28.61	$30.04	$36.29	($6.25)	12,087	($75,544)
01/01/96	12/31/96	$28.61	$24.74	$28.53	($3.79)	11,332	($42,948)
							($5,441,574.00)

Maine Non-Hospital Based Nursing Facilities
Summary Statistics
Fiscal Years Ending January 1, 1996 Through December 31, 1996

	Region 1	Region 2	Region 3	Region 4	Total
Number of Facilities	43	44	29	11	127
Total Beds	3,619	3,477	2,030	802	9,928
Average Beds	84	79	70	73	78
Minimum Beds	17	18	25	40	17
Maximum Beds	235	280	118	119	280
Resident Days	1,165,994	1,104,315	643,060	275,321	3,188,690
Average Resident Days	27,116	25,098	22,174	25,029	25,108
Minimum Resident Days	5,805	5,372	5,941	13,764	5,372
Maximum Resident Days	82,295	93,157	39,693	42,975	93,157
Resident Days by Type					
NF Days					
Medicare	92,221	84,094	61,967	3,737	242,019
VA	654	5,303	576	508	7,041
Medicaid	803,939	811,103	457,793	218,658	2,291,493
Self-Pay	213,361	152,108	106,990	25,148	497,607
Total NF Resident Days	1,110,175	1,052,608	627,326	248,051	3,038,160
Residential Care Days					
Medicaid	10,214	34,893	13,430	22,843	81,380
Self-Pay	31,897	11,999	1,474	4,427	49,797
TBI Days	7,315	4,815	659	0	12,789
Mental Health Days	6,393	0	171	0	6,564
Total Resident Days	1,165,994	1,104,315	643,060	275,321	3,188,690
Available Days NF only	1,250,629	1,210,355	709,656	266,075	3,436,715
Occupancy Percentage NF	88.77%	86.97%	88.40%	93.23%	88.40%
Total Available Days	1,324,580	1,271,045	731,864	293,656	3,621,145
Occupancy Percentage All	88.03%	86.88%	87.87%	93.76%	88.06%
Percent of NF Days to Total					
Medicare	8.31%	7.99%	9.88%	1.51%	7.97%
VA	0.06%	0.50%	0.09%	0.20%	0.23%
Medicaid	72.42%	77.06%	72.98%	88.15%	75.42%
Self-Pay	19.21%	14.45%	17.05%	10.14%	16.38%
	100.00%	100.00%	100.00%	100.00%	100.00%

Actual Costs -- Regional Averages

For Fiscal Years Ending Between 01/01/1996 and 12/31/1996

	Region 1		Region 2		Region 3		Region 4		Combined	
	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD
IRECT CARE										
alaries - R.N.	303,713	11.21	248,849	9.97	190,851	8.62	151,401	6.23	245,741	9.84
alaries - L.P.N.	135,822	5.01	125,693	5.04	127,524	5.76	92,833	3.82	126,695	5.07
alaries - C.N.A.	609,903	22.52	532,180	21.33	463,025	20.91	561,148	23.09	545,213	21.83
alaries - C.M.T.	22,350	0.83	24,904	1.00	8,448	0.38	8,707	0.36	18,879	0.76
alaries - Ward Clerks	8,122	0.30	5,267	0.21	6,113	0.28	542	0.02	6,018	0.24
lursing Benefits & Taxes	292,772	10.81	257,097	10.30	224,929	10.16	239,607	9.86	260,316	10.42
ontract Nursing	14,809	0.55	20,242	0.81	5,516	0.25	0	0.00	13,287	0.53
atient Activities Salaries	36,982	1.37	29,693	1.19	28,353	1.28	29,058	1.20	31,800	1.27
at. Act. Benefits & Taxes	10,403	0.38	8,774	0.35	7,913	0.36	8,856	0.36	9,136	0.37
otal DIRECT CARE	1,434,876	52.98	1,252,699	50.20	1,062,672	48.00	1,092,152	44.94	1,257,085	50.33
NDIRECT CARE										
Salaries - Director of Nursing	44,681	1.65	37,017	1.48	37,951	1.71	37,383	1.54	39,857	1.60
D.O.N. Benefits & Taxes	11,875	0.44	10,622	0.43	9,418	0.43	11,296	0.46	10,830	0.43
Social Service Salaries	38,240	1.41	30,023	1.20	28,426	1.28	25,339	1.04	32,035	1.28
Soc. Svc. Benefits & Taxes	10,997	0.41	9,097	0.36	7,533	0.34	8,186	0.34	9,304	0.37
Food	133,163	4.92	140,316	5.62	85,770	3.87	102,875	4.23	122,196	4.89
Medical Supplies	94,552	3.49	89,145	3.57	70,291	3.17	83,140	3.42	86,150	3.45
Medicine and Drugs	21,379	0.79	23,845	0.96	23,896	1.08	1,008	0.04	21,044	0.84
Pharmacy Consultant	2,184	0.08	2,324	0.09	2,202	0.10	2,292	0.09	2,246	0.09
Medical Director	4,167	0.15	4,270	0.17	3,663	0.17	2,926	0.12	3,980	0.16
Social Service Consultant	140	0.01	55	0.00	19	0.00	76	0.00	77	0.00
Dietary Consultant	2,958	0.11	3,500	0.14	2,893	0.13	1,215	0.05	2,980	0.12
Total INDIRECT CARE	364,336	13.46	350,214	14.02	272,062	12.28	275,736	11.33	330,699	13.23

Actual Costs -- Regional Averages

For Fiscal Years Ending Between 01/01/1996 and 12/31/1996

	Region 1		Region 2		Region 3		Region 4		Combined	
	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD
XED COSTS										
epreciation of Building & Imp.	79,347	2.93	59,875	2.40	55,339	2.50	80,871	3.33	67,251	2.69
epreciation - Land Improvements	2,027	0.07	1,029	0.04	371	0.02	2,145	0.09	1,313	0.05
epr. Furniture & Fixtures	30,318	1.12	31,182	1.25	25,160	1.14	18,233	0.75	28,393	1.14
epreciation - Auto	2,071	0.08	1,285	0.05	878	0.04	2,956	0.12	1,603	0.06
art-Up Cost Amortization	6,584	0.24	2,479	0.10	6,492	0.29	126	0.01	4,581	0.18
mortization of Leasehold Imp.	1,265	0.05	469	0.02	403	0.02	0	0.00	683	0.03
mortization of Finance Costs	3,270	0.12	3,924	0.16	6,044	0.27	1,954	0.08	4,016	0.16
terest on Long-Term Debt	137,969	5.09	123,508	4.95	113,221	5.11	77,262	3.18	122,050	4.89
acility Rent (in lieu of above)	133,223	4.92	91,285	3.66	21,987	0.99	29,515	1.21	84,311	3.38
Equipment Rental	6,830	0.25	8,323	0.33	5,798	0.26	3,788	0.16	6,848	0.27
Return on Owner's Equity	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Real Estate & Personal Property Tax	23,648	0.87	20,659	0.83	25,876	1.17	20,513	0.84	22,850	0.91
nsurance (Fire, Liability, etc.)	15,083	0.56	14,172	0.57	10,261	0.46	23,253	0.96	14,374	0.58
Motor Vehicle Insurance	733	0.03	269	0.01	562	0.03	901	0.04	548	0.02
Workers' Compensation Ins.	78,906	2.91	66,147	2.65	59,346	2.68	94,327	3.88	71,355	2.86
Admin. in Training - Wages	573	0.02	418	0.02	1,348	0.06	0	0.00	647	0.03
Admin. in Training - Ben. and Taxes	52	0.00	101	0.00	201	0.01	0	0.00	99	0.00
Gross Receipts Tax	223,040	8.23	181,275	7.26	174,745	7.89	155,133	6.38	191,661	7.67
Other Capital Costs	573	0.02	4,425	0.18	1,553	0.07	1,823	0.08	2,240	0.09
Other Capital Costs	4,888	0.18	274	0.01	-38	0.00	421	0.02	1,778	0.07
Total FIXED COSTS	750,400	27.69	611,099	24.49	509,547	23.01	513,221	21.13	626,601	25.08
Other Nursing Costs										
Patient Activities Supplies	3,358	0.12	2,789	0.11	2,398	0.11	4,531	0.19	3,043	0.12
Medical Records Salaries	6,624	0.24	3,075	0.12	4,520	0.20	1,871	0.08	4,502	0.18
Medical Records Benefits	1,857	0.07	925	0.04	1,327	0.06	723	0.03	1,315	0.05
Medical Records Supplies	506	0.02	294	0.01	903	0.04	9,274	0.38	1,283	0.05
Social Service Supplies	377	0.01	134	0.01	158	0.01	328	0.01	239	0.01
Other Nursing Contracted Services	3,844	0.14	1,603	0.06	581	0.03	-43	0.00	1,986	0.08
Other Nursing Cost	54,682	2.02	21,644	0.87	5,166	0.23	1,473	0.06	27,321	1.09
Other Nursing Cost	33,922	1.25	12,163	0.49	4,457	0.20	1,280	0.05	16,828	0.67
Total Other Nursing Costs	105,170	3.87	42,627	1.71	19,510	0.88	19,437	0.80	56,517	2.25

Actual Costs -- Regional Averages

For Fiscal Years Ending Between 01/01/1996 and 12/31/1996

	Region 1		Region 2		Region 3		Region 4		Combined	
	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD
int Oper. & Maint.										
laintenance Salaries and Wages	40,770	1.51	29,056	1.16	33,315	1.50	35,493	1.46	34,552	1.38
laint. Employee Benefits & Taxes	12,323	0.45	8,276	0.33	10,327	0.47	9,785	0.40	10,246	0.41
laintenance Equipment Rental	121	0.00	73	0.00	0	0.00	0	0.00	66	0.00
laintenance Supplies	6,290	0.23	6,194	0.25	6,715	0.30	8,427	0.35	6,539	0.26
laintenance Temporary Help	4,780	0.18	3,268	0.13	489	0.02	844	0.03	2,936	0.12
epairs and Maintenance	21,314	0.79	16,373	0.66	13,044	0.59	8,887	0.37	16,637	0.67
Vater & Sewer	13,900	0.51	11,658	0.47	11,669	0.53	8,243	0.34	12,124	0.49
lectricity	44,906	1.66	40,419	1.62	29,136	1.32	24,677	1.02	37,998	1.52
leat	23,520	0.87	21,162	0.85	17,526	0.79	20,037	0.82	21,033	0.84
now & Rubbish Removal	3,734	0.14	3,950	0.16	3,786	0.17	1,640	0.07	3,639	0.15
)ther Oper. & Maint. Costs	4,926	0.18	5,129	0.21	2,713	0.12	4,148	0.17	4,423	0.18
)ther Oper. & Maint. Costs	1,294	0.05	1,223	0.05	319	0.01	5,059	0.21	1,373	0.05
otal Plant Oper. & Maint.	177,878	6.57	146,781	5.89	129,039	5.82	127,240	5.24	151,566	6.07
lousekeeping										
Housekeeping Salaries and Wages	73,324	2.71	54,648	2.19	42,098	1.90	47,713	1.96	57,505	2.30
Hskpg Employee Benefits & Taxes	21,910	0.81	16,491	0.66	12,378	0.56	14,610	0.60	17,224	0.69
Housekeeping Supplies	14,388	0.53	12,716	0.51	8,961	0.40	10,677	0.44	12,248	0.49
Housekeeping Temporary Help	28	0.00	1,141	0.05	0	0.00	0	0.00	405	0.02
Other Housekeeping Costs	9,688	0.36	10,308	0.41	16,031	0.72	11,342	0.47	11,494	0.46
Other Housekeeping Costs	12	0.00	129	0.01	2	0.00	0	0.00	49	0.00
Total Housekeeping	119,350	4.41	95,433	3.83	79,470	3.58	84,342	3.47	98,925	3.96

Actual Costs -- Regional Averages

For Fiscal Years Ending Between 01/01/1996 and 12/31/1996

	Region 1		Region 2		Region 3		Region 4		Combined	
	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD
ındry										
ıundry Salaries and Wages	37,979	1.40	33,680	1.35	20,976	0.95	29,445	1.21	31,868	1.28
ıundry Employee Benefits & Taxes	11,142	0.41	9,584	0.38	5,986	0.27	8,943	0.37	9,235	0.37
ınen and Bedding	4,571	0.17	3,844	0.15	2,656	0.12	3,176	0.13	3,761	0.15
ıundry Supplies	6,309	0.23	4,902	0.20	3,157	0.14	3,605	0.15	4,867	0.19
ıundry Temporary Help	1,084	0.04	0	0.00	0	0.00	0	0.00	367	0.01
ıutside Laundry Service	14,035	0.52	11,892	0.48	18,521	0.84	7,996	0.33	13,794	0.55
)ther Laundry Costs	565	0.02	1,697	0.07	104	0.00	-32	0.00	800	0.03
)ther Laundry Costs	14	0.00	1,688	0.07	0	0.00	211	0.01	608	0.02
ıotal Laundry	75,699	2.79	67,287	2.70	51,400	2.32	53,344	2.20	65,300	2.60
ietary										
)ietary Salaries and Wages	167,488	6.18	125,245	5.02	112,282	5.07	116,025	4.77	135,789	5.44
)ietary Employee Benefits & Taxes	45,878	1.69	34,758	1.39	33,202	1:50	35,537	1.46	38,235	1.53
)ietary Supplies	16,735	0.62	11,825	0.47	10,778	0.49	14,111	0.58	13,447	0.54
)ietary Temporary Help	104	0.00	76	0.00	0	0.00	0	0.00	61	0.00
Other Dietary Costs	3,565	0.13	7,070	0.28	3,756	0.17	7,760	0.32	5,186	0.21
Other Dietary Costs	2,894	0.11	1,057	0.04	238	0.01	354	0.01	1,431	0.06
Total Dietary	236,664	8.73	180,031	7.20	160,256	7.24	173,787	7.14	194,149	7.78
General Office Costs										
Salary - Accountants / Bookkeeper	58,826	2.17	43,024	1.72	42,764	1.93	30,961	1.27	47,270	1.89
Salary - Secretary / Receptionist	17,709	0.65	12,319	0.49	9,575	0.43	9,483	0.39	13,272	0.53
Office Employee Benefits & Taxes	22,610	0.83	16,420	0.66	14,666	0.66	12,258	0.50	17,755	0.71
Advertising (Personnel Only)	6,046	0.22	5,094	0.20	5,018	0.23	1,488	0.06	5,086	0.20
Telephone and Telegraph	11,841	0.44	11,675	0.47	9,857	0.45	4,314	0.18	10,678	0.43
Subscriptions	4,659	0.17	3,044	0.12	3,831	0.17	3,839	0.16	3,839	0.15
Copier Expense	1,394	0.05	2,089	0.08	1,004	0.05	679	0.03	1,484	0.06
License Fees	1,593	0.06	1,394	0.06	1,866	0.08	1,252	0.05	1,557	0.06
Automobile Operating Expenses	3,076	0.11	1,809	0.07	2,187	0.10	3,483	0.14	2,469	0.10
Office Supplies	10,096	0.37	7,518	0.30	5,755	0.26	4,709	0.19	7,745	0.31
Printing	1,942	0.07	784	0.03	463	0.02	742	0.03	1,099	0.04
Postage	2,675	0.10	2,502	0.10	1,847	0.08	1,496	0.06	2,324	0.09
Legal	(	0.25	8,101		4,014	0.18	3,547	0.15	6,278	0.25

Actual Costs -- Regional Averages

For Fiscal Years Ending Between 01/01/1996 and 12/31/1996

	Region 1		Region 2		Region 3		Region 4		Combined	
	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD
ther Taxes	1,869	0.07	1,043	0.04	179	0.01	797	0.03	1,104	0.04
ravel and Seminar (In-State)	4,722	0.17	5,180	0.21	5,034	0.23	3,917	0.16	4,882	0.20
n-service Training	1,812	0.07	2,163	0.09	2,530	0.11	1,034	0.04	2,030	0.08
)ata Processing	4,738	0.17	12,834	0.51	6,748	0.30	3,225	0.13	7,871	0.32
nterest - Current Indebtedness	2,361	0.09	3,240	0.13	1,720	0.08	34	0.00	2,318	0.09
'entral Office Overhead	38,504	1.42	32,544	1.30	36,589	1.65	8,333	0.34	33,388	1.34
)ther General Office Costs	14,594	0.54	11,464	0.46	5,362	0.24	2,072	0.09	10,317	0.41
)ther General Office Costs	7,546	0.28	5,142	0.21	761	0.03	1,276	0.05	4,621	0.18
)ther General Office Costs	-10,383	-0.38	3,331	0.13	535	0.02	1,239	0.05	-2,132	-0.09
)ther General Office Costs	3,213	0.12	1,077	0.04	853	0.04	0	0.00	1,596	0.06
otal General Office Costs	218,080	8.04	193,791	7.74	163,158	7.35	100,178	4.10	186,851	7.45
\dministrative Costs										
Salary - Administrator	55,504	2.05	46,254	1.85	45,537	2.06	49,272	2.03	49,484	1.98
Admin. Employee Benefits & Taxes	12,202	0.45	11,968	0.48	11,085	0.50	12,032	0.50	11,851	0.47
Admin. & Mgmt. Ceiling	0	0.00	5	0.00	0	0.00	0	0.00	2	0.00
Accounting	14,930	0.55	16,211	0.65	10,882	0.49	14,518	0.60	14,414	0.58
Other Administrative Costs	-17,679	-0.65	916	0.04	3,044	0.14	1,492	0.06	-4,844	-0.19
Other Administrative Costs	2,538	0.09	2,475	0.10	57	0.00	244	0.01	1,751	0.07
Total Administrative Costs	67,495	2.49	77,829	3.12	70,605	3.19	77,558	3.20	72,658	2.91
Non-Reimbursable Expenses										
Salary - Officers	4,508	0.17	591	0.02	0	0.00	6,844	0.28	2,324	0.09
Salary - Assistant Administrator	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Physical Therapy (Director & Staff)	29,363	1.08	26,029	1.04	34,957	1.58	9,883	0.41	27,798	1.11
Other Non-Reimbursable Wages	228,565	8.44	37,422	1.50	47,889	2.16	1,189,149	48.92	204,286	8.18
Non-Reimb. Empl. Bene. & Taxes	76,816	2.84	10,451	0.42	16,878	0.76	397,988	16.37	67,955	2.72
Religious Services	124	0.00	1,582	0.06	0	0.00	12	0.00	591	0.02
Beauty and Barber Shop	352	0.01	747	0.03	457	0.02	0	0.00	482	0.02
Gift Shop	256	0.01	0	0.00	0	0.00	0	0.00	87	0.00
Uniform Purchases	-53	0.00	-114	0.00	61	0.00	0	0.00	-43	0.00
Personal Purchases	137	0.01	35	0.00	249	0.01	0	0.00	115	0.00
Advisory Dentist	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Management S	19,901	0.73	26,476	1.06	31,404	1.42	0	0.00	23,082	0.92
Director Fees	291	0.01	0		78	0.00			5	0.00

Actual Costs -- Regional Averages

For Fiscal Years Ending Between 01/01/1996 and 12/31/1996

	Region 1		Region 2		Region 3		Region 4		Combined	
	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD
ilization Review	60	0.00	52	0.00	126	0.01	0	0.00	67	0.00
come Taxes	1,792	0.07	-2,387	-0.10	469	0.02	12,927	0.53	1,006	0.04
ies	74	0.00	614	0.02	75	0.00	0	0.00	255	0.01
nployee Agency Fees	-86	0.00	328	0.01	0	0.00	0	0.00	84	0.00
ontributions	239	0.01	170	0.01	428	0.02	721	0.03	300	0.01
ad Debts	37,788	1.39	28,179	1.13	31,462	1.42	2,496	0.10	29,958	1.20
ut-of-State Travel	17	0.00	-105	0.00	121	0.01	52	0.00	1	0.00
dvertising (Non Personnel)	4,476	0.17	4,058	0.16	1,371	0.06	320	0.01	3,262	0.13
rescription Drugs	9,959	0.37	6,092	0.24	8,397	0.38	233	0.01	7,420	0.30
ate Fees and Penalties	2,838	0.10	3,237	0.13	1,078	0.05	0	0.00	2,329	0.09
Non-Reimbursable Interest	199	0.01	5,385	0.22	84	0.00	6,242	0.26	2,493	0.10
Non-Reimb Gross Receipts Tax	37,126	1.37	50,982	2.04	65,861	2.97	1,410,726	58.04	167,461	6.70
Other Non-Reimbursable Costs	278,467	10.28	24,827	0.99	36,871	1.66	15,105	0.62	112,613	4.51
otal Non-Reimbursable Expenses	733,209	27.07	224,651	8.98	278,316	12.55	3,052,698	125.58	654,042	26.15
Grand Total	4,283,157	158.10	3,242,442	129.88	2,796,035	126.22	5,569,693	229.13	3,694,393	147.81

	% Total	CPD
Salaries and Wages		$ 66.78
Fringe Benefits		18.54
	57.7228%	85.32
Admin Comp.	1.6575%	$ 2.45
Owners/Officers Comp.	.0609%	.09¢
Central Office Costs	.9066%	$ 1.34
Mgt. Fees	.6224%	.92¢

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Allowable Costs -- Regional Averages

For Fiscal Years Ending Between 01/01/1996 and 12/31/1996

	Region 1		Region 2		Region 3		Region 4		Combined	
	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD
IRECT CARE										
alaries - R.N.	303,749	11.21	249,303	9.99	191,761	8.66	151,401	6.23	246,118	9.85
alaries - L.P.N.	135,793	5.01	125,693	5.04	127,524	5.76	92,833	3.82	126,685	5.07
alaries - C.N.A.	605,133	22.34	530,680	21.27	462,576	20.89	561,097	23.08	542,971	21.74
alaries - C.M.T.	22,350	0.83	24,904	1.00	8,448	0.38	8,707	0.36	18,879	0.76
alaries - Ward Clerks	8,122	0.30	5,267	0.21	6,113	0.28	253	0.01	5,993	0.24
lursing Benefits & Taxes	295,221	10.90	257,458	10.32	225,094	10.16	240,199	9.88	261,359	10.46
ontract Nursing	12,711	0.47	20,190	0.81	5,516	0.25	0	0.00	12,558	0.50
atient Activities Salaries	36,264	1.34	29,693	1.19	28,264	1.28	29,058	1.20	31,537	1.26
at. Act. Benefits & Taxes	10,265	0.38	8,787	0.35	7,896	0.36	8,858	0.36	9,090	0.36
otal DIRECT CARE	1,429,608	52.78	1,251,975	50.18	1,063,192	48.02	1,092,406	44.94	1,255,190	50.24
NDIRECT CARE										
Salaries - Director of Nursing	44,710	1.65	36,778	1.47	37,068	1.67	37,383	1.54	39,583	1.58
D.O.N. Benefits & Taxes	12,092	0.45	10,617	0.43	9,274	0.42	11,425	0.47	10,880	0.44
Social Service Salaries	38,240	1.41	30,009	1.20	28,426	1.28	25,339	1.04	32,030	1.28
Soc. Svc. Benefits & Taxes	11,115	0.41	9,112	0.37	7,517	0.34	8,186	0.34	9,346	0.37
Food	127,225	4.70	136,148	5.46	84,471	3.81	98,667	4.06	118,080	4.73
Medical Supplies	88,804	3.28	79,984	3.21	68,916	3.11	82,652	3.40	80,674	3.23
Medicine and Drugs	8,189	0.30	8,252	0.33	1,628	0.07	1,008	0.04	6,091	0.24
Pharmacy Consultant	2,142	0.08	2,239	0.09	2,105	0.10	2,292	0.09	2,180	0.09
Medical Director	1,284	0.05	1,431	0.06	2,288	0.10	1,037	0.04	1,543	0.06
Social Service Consultant	140	0.01	107	0.00	19	0.00	76	0.00	95	0.00
Dietary Consultant	2,953	0.11	3,604	0.14	2,893	0.13	1,209	0.05	3,014	0.12
Total INDIRECT CARE	336,894	12.45	318,281	12.76	244,605	11.03	269,274	11.07	303,516	12.14

Allowable Costs -- Regional Averages

For Fiscal Years Ending Between 01/01/1996 and 12/31/1996

	Region 1		Region 2		Region 3		Region 4		Combined	
	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD
ED COSTS										
preciation of Building & Imp.	96,794	3.57	73,805	2.96	52,242	2.36	79,307	3.26	77,141	3.09
preciation - Land Improvements	2,253	0.08	1,028	0.04	537	0.02	2,547	0.10	1,462	0.06
pr. Furniture & Fixtures	31,239	1.15	31,088	1.25	27,097	1.22	25,089	1.03	29,708	1.19
preciation - Auto	1,540	0.06	1,308	0.05	978	0.04	3,804	0.16	1,527	0.06
art-Up Cost Amortization	4,259	0.16	2,397	0.10	4,742	0.21	142	0.01	3,367	0.13
nortization of Leasehold Imp.	3,022	0.11	435	0.02	191	0.01	0	0.00	1,218	0.05
nortization of Finance Costs	7,640	0.28	4,732	0.19	1,926	0.09	1,745	0.07	4,817	0.19
terest on Long-Term Debt	158,956	5.87	122,177	4.90	86,637	3.91	80,844	3.33	122,934	4.92
acility Rent (in lieu of above)	17,696	0.65	15,484	0.62	350	0.02	378	0.02	11,469	0.46
quipment Rental	6,306	0.23	8,402	0.34	5,928	0.27	3,402	0.14	6,694	0.27
eturn on Owner's Equity	17,453	0.64	7,959	0.32	29,791	1.35	28,790	1.18	17,963	0.72
eal Estate & Personal Property Tax	31,189	1.15	26,817	1.07	26,703	1.21	22,881	0.94	27,930	1.12
nsurance (Fire, Liability, etc.)	16,488	0.61	13,758	0.55	10,644	0.48	12,431	0.51	13,856	0.55
Motor Vehicle Insurance	624	0.02	327	0.01	505	0.02	818	0.03	511	0.02
Workers' Compensation Ins.	77,985	2.88	60,573	2.43	53,283	2.41	66,114	2.72	65,284	2.61
Admin. in Training - Wages	573	0.02	418	0.02	1,265	0.06	0	0.00	628	0.03
Admin. in Training - Ben. and Taxes	52	0.00	101	0.00	189	0.01	0	0.00	96	0.00
Gross Receipts Tax	223,040	8.23	182,040	7.29	175,263	7.91	155,133	6.38	192,044	7.69
Other Capital Costs	2,074	0.08	6,266	0.25	1,562	0.07	1,999	0.08	3,403	0.14
Other Capital Costs	13,842	0.51	8,797	0.35	155	0.01	856	0.04	7,844	0.31
Total FIXED COSTS	713,025	26.30	567,912	22.76	479,988	21.68	486,280	20.00	589,896	23.61
Other Nursing Costs										
Patient Activities Supplies	3,319	0.12	2,925	0.12	2,379	0.11	4,366	0.18	3,058	0.12
Medical Records Salaries	6,624	0.24	3,004	0.12	4,520	0.20	1,871	0.08	4,478	0.18
Medical Records Benefits	1,857	0.07	899	0.04	1,327	0.06	723	0.03	1,306	0.05
Medical Records Supplies	506	0.02	294	0.01	903	0.04	867	0.04	554	0.02
Social Service Supplies	377	0.01	134	0.01	158	0.01	328	0.01	239	0.01
Other Nursing Contracted Services	906	0.03	1,257	0.05	396	0.02	0	0.00	833	0.03
Other Nursing Cost	32,542	1.20	1,665	0.07	1,198	0.05	1,377	0.06	11,988	0.48
Other Nursing Cost	13,415	0.50	962	0.04	960	0.04	1,280	0.05	5,205	0.21
Total Other Nursing Costs	59,546	2.19	11,140	0.46	11,841	0.53	10,812	0.45	27,661	1.10

Allowable Costs -- Regional Averages

For Fiscal Years Ending Between 01/01/1996 and 12/31/1996

	Region 1		Region 2		Region 3		Region 4		Combined	
	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD
int Oper. & Maint.										
laintenance Salaries and Wages	41,036	1.51	29,017	1.16	32,694	1.48	35,377	1.46	34,477	1.38
laint. Employee Benefits & Taxes	12,557	0.46	8,273	0.33	10,014	0.45	9,872	0.41	10,260	0.41
laintenance Equipment Rental	-50	0.00	73	0.00	0	0.00	0	0.00	8	0.00
laintenance Supplies	6,290	0.23	6,437	0.26	6,615	0.30	8,426	0.35	6,601	0.26
laintenance Temporary Help	4,780	0.18	3,268	0.13	489	0.02	844	0.03	2,936	0.12
epairs and Maintenance	21,351	0.79	16,351	0.66	12,983	0.59	8,875	0.37	16,628	0.67
Vater & Sewer	13,894	0.51	11,649	0.47	11,663	0.53	9,530	0.39	12,229	0.49
lectricity	44,816	1.65	41,565	1.67	28,848	1.30	23,112	0.95	38,164	1.53
leat	22,712	0.84	21,146	0.85	17,292	0.78	20,255	0.83	20,719	0.83
now & Rubbish Removal	4,347	0.16	3,949	0.16	3,723	0.17	1,640	0.07	3,832	0.15
)ther Oper. & Maint. Costs	4,666	0.17	4,901	0.20	2,713	0.12	3,875	0.16	4,233	0.17
)ther Oper. & Maint. Costs	1,294	0.05	1,105	0.04	238	0.01	5,059	0.21	1,314	0.05
otal Plant Oper. & Maint.	177,693	6.55	147,734	5.93	127,272	5.75	126,865	5.23	151,401	6.06
lousekeeping										
Housekeeping Salaries and Wages	73,324	2.71	54,575	2.19	42,098	1.90	47,713	1.96	57,479	2.30
Hskpg Employee Benefits & Taxes	22,255	0.82	16,442	0.66	12,371	0.56	14,760	0.61	17,335	0.69
Housekeeping Supplies	14,342	0.53	12,962	0.52	8,963	0.40	10,677	0.44	12,318	0.49
Housekeeping Temporary Help	28	0.00	1,141	0.05	0	0.00	0	0.00	405	0.02
Other Housekeeping Costs	9,688	0.36	10,308	0.41	16,031	0.72	11,342	0.47	11,494	0.46
Other Housekeeping Costs	11	0.00	129	0.01	2	0.00	0	0.00	49	0.00
Total Housekeeping	119,648	4.42	95,557	3.84	79,465	3.58	84,492	3.48	99,080	3.96

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Allowable Costs -- Regional Averages

For Fiscal Years Ending Between 01/01/1996 and 12/31/1996

	Region 1		Region 2		Region 3		Region 4		Combined	
	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD
ındry										
ıundry Salaries and Wages	37,979	1.40	33,611	1.35	20,976	0.95	29,445	1.21	31,844	1.27
ıundry Employee Benefits & Taxes	11,172	0.41	9,572	0.38	6,010	0.27	9,034	0.37	9,254	0.37
ıen and Bedding	4,664	0.17	3,783	0.15	2,656	0.12	3,176	0.13	3,771	0.15
ıundry Supplies	6,308	0.23	5,214	0.21	3,160	0.14	3,507	0.14	4,968	0.20
aundry Temporary Help	1,084	0.04	0	0.00	0	0.00	0	0.00	367	0.01
utside Laundry Service	16,100	0.59	12,018	0.48	20,501	0.93	7,996	0.33	14,989	0.60
ther Laundry Costs	565	0.02	1,697	0.07	104	0.00	-32	0.00	800	0.03
ther Laundry Costs	14	0.00	1,688	0.07	0	0.00	211	0.01	608	0.02
otal Laundry	77,886	2.86	67,583	2.71	53,407	2.41	53,337	2.19	66,601	2.65
ietary										
Dietary Salaries and Wages	166,981	6.16	121,588	4.87	112,186	5.07	113,119	4.65	134,077	5.37
Dietary Employee Benefits & Taxes	46,491	1.72	33,988	1.36	33,331	1.51	34,702	1.43	38,133	1.53
Dietary Supplies	15,767	0.58	11,427	0.46	10,750	0.49	13,799	0.57	12,947	0.52
Dietary Temporary Help	102	0.00	71	0.00	0	0.00	0	0.00	59	0.00
Other Dietary Costs	3,425	0.13	6,013	0.24	3,711	0.17	1,792	0.07	4,246	0.17
Other Dietary Costs	4,336	0.16	985	0.04	238	0.01	354	0.01	1,894	0.08
Total Dietary	237,102	8.75	174,072	6.97	160,216	7.25	163,766	6.73	191,356	7.67
General Office Costs										
Salary - Accountants / Bookkeeper	54,845	2.02	42,167	1.69	42,880	1.94	30,061	1.24	45,574	1.82
Salary - Secretary / Receptionist	16,251	0.60	11,117	0.45	7,993	0.36	9,483	0.39	12,000	0.48
Office Employee Benefits & Taxes	20,953	0.77	15,966	0.64	14,338	0.65	12,143	0.50	16,952	0.68
Advertising (Personnel Only)	6,023	0.22	4,136	0.17	4,687	0.21	1,377	0.06	4,662	0.19
Telephone and Telegraph	10,993	0.41	11,333	0.45	9,398	0.42	4,171	0.17	10,156	0.41
Subscriptions	4,194	0.15	2,853	0.11	3,436	0.16	3,290	0.14	3,478	0.14
Copier Expense	1,281	0.05	1,799	0.07	1,004	0.05	679	0.03	1,345	0.05
License Fees	1,484	0.05	1,299	0.05	1,836	0.08	1,218	0.05	1,477	0.06
Automobile Operating Expenses	2,171	0.08	1,605	0.06	1,831	0.08	2,976	0.12	1,967	0.08
Office Supplies	9,773	0.36	7,617	0.31	5,729	0.26	4,522	0.19	7,648	0.31
Printing	1,935	0.07	784	0.03	463	0.02	742	0.03	1,097	0.04
Postage	1,943	0.07	2,460	0.10	1,847	0.08	1,476	0.06	2,060	0.08
	2,985	0.11	3,391		2,745	0.12	3,442	0.14	2 111	0.12

Allowable Costs -- Regional Averages

For Fiscal Years Ending Between 01/01/1996 and 12/31/1996

	Region 1		Region 2		Region 3		Region 4		Combined	
	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD
)ther Taxes	228	0.01	120	0.00	173	0.01	797	0.03	227	0.01
ravel and Seminar (In-State)	4,595	0.17	5,142	0.21	5,008	0.23	2,712	0.11	4,716	0.19
n-service Training	1,792	0.07	2,134	0.09	2,530	0.11	943	0.04	2,005	0.08
)ata Processing	4,671	0.17	12,486	0.50	6,624	0.30	3,118	0.13	7,690	0.31
nterest - Current Indebtedness	2,309	0.09	3,100	0.12	1,139	0.05	34	0.00	2,119	0.08
Central Office Overhead	22,807	0.84	21,135	0.85	29,798	1.35	15,106	0.62	23,157	0.93
)ther General Office Costs	8,553	0.32	5,230	0.21	2,412	0.11	1,314	0.05	5,372	0.22
)ther General Office Costs	5,601	0.21	2,002	0.08	524	0.02	1,109	0.05	2,806	0.11
)ther General Office Costs	1,547	0.06	2,621	0.11	372	0.02	1,038	0.04	1,607	0.06
)ther General Office Costs	3,114	0.11	127	0.01	54	0.00	0	0.00	1,042	0.04
Total General Office Costs	190,048	7.01	160,624	6.45	146,821	6.63	101,751	4.19	162,268	6.49
Administrative Costs										
Salary - Administrator	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Admin. Employee Benefits & Taxes	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Admin. & Mgmt. Ceiling	72,627	2.68	68,777	2.76	69,913	3.16	66,709	2.74	70,161	2.81
Accounting	2,973	0.11	0	0.00	0	0.00	0	0.00	1,007	0.04
Other Administrative Costs	0	0.00	157	0.01	0	0.00	0	0.00	54	0.00
Other Administrative Costs	0	0.00	219	0.01	0	0.00	0	0.00	76	0.00
Total Administrative Costs	75,600	2.79	69,153	2.78	69,913	3.16	66,709	2.74	71,298	2.85
Non-Reimbursable Expenses										
Salary - Officers	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Salary - Assistant Administrator	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Physical Therapy (Director & Staff)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Other Non-Reimbursable Wages	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Non-Reimb. Empl. Bene. & Taxes	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Religious Services	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Beauty and Barber Shop	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Gift Shop	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Uniform Purchases	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Personal Purchases	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Advisory Dentist	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Management S[illegible]ces	0	0.00	0		0	0.00	0	0.00	0	0.00
Director Fees										

Allowable Costs -- Regional Averages

For Fiscal Years Ending Between 01/01/1996 and 12/31/1996

	Region 1		Region 2		Region 3		Region 4		Combined	
	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD	Total Cost	Cost PPD
tilization Review	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
come Taxes	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
ues	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
mployee Agency Fees	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
ontributions	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
ad Debts	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
ut-of-State Travel	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
dvertising (Non Personnel)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
rescription Drugs	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
ate Fees and Penalties	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
on-Reimbursable Interest	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
on-Reimb Gross Receipts Tax	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
ther Non-Reimbursable Costs	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
otal Non-Reimbursable Expenses	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Grand Total	3,417,050	126.10	2,864,031	114.84	2,436,720	110.04	2,455,692	101.02	2,918,267	116.77

	% of Total	CPD
Salaries and Contract Nursing		57.89
Benefits		15.36
	62.7302%	$ 73.25
Admin Allowance	2.4064 %	$ 2.81
Owner's/Officer's Comp	0	0
Central Office Costs	.7964	.93¢
Mgt. Fees	0	0

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Staffing Analysis -- Regional Averages

For Fiscal Years Ending Between 01/01/1996 and 12/31/1996

	Region 1		Region 2		Region 3		Region 4		Combined	
	Rate	Hours PPD	Rate	Hours PPD	Rate	Hours PPD	Rate	Hours PPD	Rate	Hours PP
IRECT CARE										
(N's	15.69	0.71	15.82	0.63	15.90	0.54	13.70	0.45	15.65	0.63
.PN's	12.27	0.41	12.05	0.42	12.29	0.47	10.86	0.35	12.10	0.42
:NA's	8.56	2.63	7.85	2.71	7.75	2.70	7.29	3.16	8.03	2.72
\ctivities	9.78	0.14	9.01	0.13	9.12	0.14	8.25	0.14	9.25	0.14
C.M.T.	9.97	0.08	10.33	0.10	9.10	0.04	9.02	0.04	9.99	0.08
Ward Clerks..	10.10	0.03	7.27	0.03	7.87	0.04	7.45	0.00	8.51	0.03
'otal DIRECT CARE	66.37	4.00	62.33	4.02	62.03	3.93	56.57	4.14	63.53	4.02
NDIRECT CARE										
D.O.N.	21.12	0.08	19.12	0.08	18.56	0.09	18.60	0.08	19.65	0.08
Social Service	13.18	0.11	12.72	0.09	12.73	0.10	11.76	0.09	12.83	0.10
Total INDIRECT CARE	34.30	0.19	31.84	0.17	31.29	0.19	30.36	0.17	32.48	0.18
ROUTINE COSTS										
Medical Records	9.78	0.03	7.94	0.02	9.58	0.02	11.59	0.01	9.28	0.02
Maintenance	10.31	0.15	9.59	0.12	9.98	0.15	10.48	0.14	10.03	0.14
Housekeeping	7.32	0.37	6.78	0.32	6.77	0.28	6.74	0.29	7.00	0.33
Laundry	7.23	0.19	6.72	0.20	6.46	0.15	6.93	0.17	6.89	0.19
Dietary	8.05	0.77	7.24	0.69	7.37	0.69	6.93	0.69	7.55	0.72
Administrator	30.33	0.07	26.45	0.07	25.11	0.08	25.92	0.08	27.43	0.07
Controller	0.00	0.00	0.00	0.00	7.55	0.00	22.19	0.00	10.49	0.00
Acct. / Bookkeeper	11.69	0.19	11.21	0.15	11.85	0.16	11.85	0.11	11.57	0.16
Sec. / Rec.	11.68	0.06	9.19	0.05	10.82	0.04	7.44	0.05	10.28	0.05
Total ROUTINE COSTS	96.39	1.83	85.12	1.62	95.49	1.57	110.07	1.54	100.52	1.68

Staffing Analysis -- Regional Averages
For Fiscal Years Ending Between 01/01/1996 and 12/31/1996

	Region 1		Region 2		Region 3		Region 4		Combined	
	Rate	Hours PPD	Rate	Hours PPD	Rate	Hours PPD	Rate	Hours PPD	Rate	Hours PP
FIXED COSTS										
Administrator in Training	11.97	0.00	20.16	0.00	9.81	0.01	0.00	0.00	11.80	0.00
Total FIXED COSTS	11.97	0.00	20.16	0.00	9.81	0.01	0.00	0.00	11.80	0.00
Grand Total	209.03	6.02	199.45	5.81	198.62	5.70	197.00	5.85	208.33	5.88

APPENDIX N

Comparison of Reimbursable to Actual Costs, from Michael McNeil, Berry, Dunn, McNeil and Parker

Comparison of Reim. ble to Actual Costs

Facility	Fiscal Year Begin	Fiscal Year End	Total Reimb. Rate	Actual	Savings	State Days	Dollar Value of Savings
Amenity Manor	01/01/96	12/31/96	$95.05	$96.42	($1.37)	16,605	($22,749)
Aroostook Medical Center The - Health Center	01/01/96	12/31/96	$97.71	$109.67	($11.96)	15,695	($187,712)
Aroostook Medical Center The - Community General	01/01/96	12/31/96	$138.80	$164.02	($25.22)	4,673	($117,853)
Augusta Convalescent Center	01/01/96	12/31/96	$102.72	$111.99	($9.27)	17,815	($165,145)
Bangor City Nursing Facility	07/01/95	06/30/96	$119.36	$135.64	($16.28)	17,316	($281,904)
Bangor Convalescent Center	01/01/96	12/31/96	$108.46	$117.89	($9.43)	17,097	($161,225)
Barnard Nursing Home - Atlantic Rehab.	01/01/96	12/31/96	$81.94	$85.17	($3.23)	24,365	($78,699)
Barron Center	07/01/95	06/30/96	$110.69	$129.04	($18.35)	62,748	($1,151,426)
Bolster Heights Health Care	07/01/95	06/30/96	$95.06	$108.77	($13.71)	20,958	($287,334)
Borderview Manor	01/01/96	12/31/96	$115.25	$109.03	$6.22	21,989	$136,772
Brentwood Manor	01/01/96	12/31/96	$123.96	$158.64	($34.68)	13,340	($462,631)
Brewer Rehab & Living Center	01/01/96	12/31/96	$125.08	$136.92	($11.84)	22,815	($270,130)
Bridgton Hlth. Care Center	01/01/96	12/31/96	$107.82	$116.28	($8.46)	16,104	($136,240)
Camden Health Care Center	04/01/95	03/31/96	$103.61	$120.19	($16.58)	49,479	($820,362)
Caribou Nursing Home	10/01/95	09/30/96	$106.24	$103.16	$3.08	31,445	$96,851
Cedar Ridge Nursing Care Center	10/01/95	09/30/96	$128.54	$132.90	($4.36)	20,921	($91,216)
Cedars Nursing Care Center	05/01/95	04/30/96	$131.17	$144.69	($13.52)	24,645	($333,200)
Charles A. Dean Memorial Hospital	04/01/95	03/31/96	$104.54	$161.75	($57.21)	10,070	($576,105)
Clover Manor, Inc.	09/01/95	08/31/96	$109.10	$110.24	($1.14)	29,101	($33,175)
Collier's Health Care Center	01/01/96	12/31/96	$102.65	$105.91	($3.26)	10,706	($34,902)
Colonial Acres Nursing Home	01/01/96	12/31/96	$82.99	$85.55	($2.56)	18,975	($48,576)
Country Manor Nursing Home	01/01/96	12/31/96	$101.35	$94.90	$6.45	10,021	$64,635
Courtland Living Center	01/01/96	12/31/96	$107.63	$108.40	($0.77)	21,223	($16,342)
Cove's Edge	05/01/95	04/30/96	$145.93	$163.09	($17.16)	12,925	($221,793)
Dexter Nursing Home	01/01/96	12/31/96	$88.50	$97.80	($9.30)	15,839	($147,303)
Dionne Commons	01/01/96	12/31/96	$89.40	$92.06	($2.66)	21,747	($57,847)
Dixfield Health Care Center	01/01/96	12/31/96	$98.36	$114.94	($16.58)	9,889	($163,960)
Eastport Memorial Nursing Home	01/01/96	12/31/96	$97.02	$97.80	($0.78)	8,205	($6,400)
Edgewood Manor	01/01/96	12/31/96	$103.46	$110.33	($6.87)	14,461	($99,347)
Evergreen Manor	01/01/96	12/31/96	$97.77	$109.71	($11.94)	9,087	($108,499)
Falmouth By The Sea	01/01/96	12/31/96	$107.23	$127.04	($19.81)	11,247	($222,803)
Fieldcrest manor Nursing Home	01/01/96	12/31/96	$102.50	$111.28	($8.78)	15,666	($137,547)
Forest Hill Manor	10/01/95	09/30/96	$103.11	$102.63	$0.48	15,656	$7,515
Freeport Nursing Home	01/01/96	12/31/96	$110.34	$112.09	($1.75)	15,330	($26,827)
Gardiner Nursing Home	01/01/96	12/31/96	$87.96	$85.45	$2.51	17,794	$44,663
Gorham House	10/1/95	9/30/96	$140.76	$145.89	($5.13)	9,847	($50,515)
Gorham Manor	10/1/95	9/30/96	$129.16	$159.32	($30.16)	5,798	($174,868)
Greenwood Center	07/01/95	06/30/96	$120.50	$125.78	($5.28)	26,027	($137,423)
Harbor Home	01/01/96	12/31/96	$107.56	$111.00	($3.44)	13,882	($47,754)

From Mike McNeil

Comparison of Rein. ıble to Actual Costs

Facility	Fiscal Year Begin	Fiscal Year End	Total Reimb. Rate	Actual	Savings	State Days	Dollar Value of Savings
Hawthorne House	01/01/96	12/31/96	$93.41	$99.25	($5.84)	20,121	($117,507)
Heritage Manor	01/01/96	12/31/96	$95.79	$109.51	($13.72)	13,062	($179,211)
Hibbard Nursing Home	10/01/95	09/30/96	$88.74	$94.09	($5.35)	23,237	($124,318)
High View Manor	01/01/96	12/31/96	$87.54	$86.84	$0.70	22,783	$15,948
Hillcrest Manor Division	06/01/95	05/31/96	$97.53	$114.04	($16.51)	23,055	($380,638)
Homestead, Inc.	10/01/95	09/30/96	$104.72	$110.94	($6.22)	13,385	($83,255)
Houlton Regional Hospital	10/01/95	09/30/96	$187.71	$253.92	($66.21)	3,687	($244,116)
Island Nursing Home	07/01/95	06/30/96	$108.43	$130.10	($21.67)	11,757	($254,774)
Jackman Region Health Center	04/01/95	03/31/96	$105.37	$153.96	($48.59)	5,178	($251,599)
Katahdin Nursing Home	07/01/95	06/30/96	$99.75	$98.81	$0.94	16,120	$15,153
Ken. Long Term Care G.Birch	07/01/95	06/30/96	$99.59	$106.91	($7.32)	28,747	($210,428)
Kennebec Long Term Care	07/01/95	06/30/96	$94.61	$101.03	($6.42)	29,580	($189,904)
Kennebunk Nursing Home	01/01/96	12/31/96	$121.55	$133.13	($11.58)	9,014	($104,382)
Knox Center for Long Term Care	04/01/95	03/31/96	$100.92	$123.38	($22.46)	15,809	($355,070)
Ledgeview Nursing Home	07/01/95	06/30/96	$98.21	$98.44	($0.23)	33,491	($7,703)
Ledgewood Manor	01/01/96	12/31/96	$95.48	$102.75	($7.27)	17,060	($124,026)
Madigan Estates	07/01/95	06/30/96	$94.24	$88.53	$5.71	22,855	$130,502
Madigan Estates	07/01/96	12/31/96	$90.39	$90.23	$0.16	11,936	$1,910
Maine Stay Nursing Home	01/01/96	12/31/96	$110.23	$132.78	($22.55)	8,158	($183,963)
Maine Vet. Home - Bangor	10/03/95	06/30/96	$130.86	$170.66	($39.80)	4,803	($191,159)
Maine Vet. Home - So. Paris	07/26/95	06/30/96	$140.61	$217.97	($77.36)	5,351	($413,953)
Maine Veterans Home - Augusta	07/01/95	06/30/96	$108.55	$121.35	($12.80)	25,160	($322,048)
Maine Veterans Home-Caribou	07/01/95	06/30/96	$113.68	$128.40	($14.72)	12,388	($182,351)
Maine Veterans Home-Scar.	07/01/95	06/30/96	$115.52	$128.21	($12.69)	29,739	($377,388)
Maplecrest Living Center	01/01/96	12/31/96	$104.18	$107.61	($3.43)	13,753	($47,173)
Market Square Health Center	01/01/96	12/31/96	$111.70	$111.59	$0.11	29,597	$3,256
Marshall's Health Care Facility	10/01/95	09/30/96	$86.33	$88.41	($2.08)	18,930	($39,374)
Mercy Home	07/01/95	06/30/96	$103.76	$118.99	($15.23)	17,384	($264,758)
Mere Point Nursing Home	10/01/95	09/30/96	$107.54	$114.91	($7.37)	5,993	($44,168)
Merrill Memorial Manor	01/01/96	12/31/96	$107.31	$105.90	$1.41	12,641	$17,824
Montello Manor	01/01/96	12/31/96	$114.05	$112.81	$1.24	26,818	$33,254
Mountain Heights Health Care Facility	01/01/96	12/31/96	$102.30	$114.12	($11.82)	5,651	($66,795)
Narraguagus Bay Health Care Facility	01/01/96	12/31/96	$115.91	$126.96	($11.05)	17,598	($194,458)
Nicholson's Nursing Home	07/01/95	06/30/96	$82.60	$88.32	($5.72)	10,635	($60,832)
Norway Convalescent Center	01/01/96	12/31/96	$100.32	$120.53	($20.21)	11,430	($231,000)
Oceanview Nursing Home	01/01/96	12/31/96	$105.59	$106.24	($0.65)	12,730	($8,275)
Odd Fellow's Home of Maine	07/01/95	06/30/96	$113.79	$119.47	($5.68)	8,013	($45,514)
Orchard Park Living Center	01/01/96	12/31/96	$110.49	$118.32	($7.83)	10,239	($80,171)
Otopo Nursing Home, Inc.	01/01/96	12/31/96	$99.71	$103.05	($3.34)	23,101	($77,157)

Comparison of Reimbt to Actual Costs

Facility	Fiscal Year Begin	Fiscal Year End	Total Reimb. Rate	Actual	Savings	State Days	Dollar Value of Savings
Penobscot Nursing Home	01/01/96	12/31/96	$95.29	$95.54	($0.25)	17,797	($4,449)
Pine Point Nursing Care Center	10/01/95	09/30/96	$121.21	$139.11	($17.90)	15,367	($275,069)
Presque Isle Nursing Home	10/01/95	09/30/96	$103.78	$104.07	($0.29)	26,887	($7,797)
Promenade Health Care Facility	07/01/95	06/17/96	$111.67	$120.58	($8.91)	7,817	($69,649)
Riverwood Health Care Center - Renaissance	01/01/96	12/31/96	$93.84	$99.04	($5.20)	19,063	($99,128)
Robinson's Hlth. Care Facility	01/01/96	12/31/96	$82.62	$83.66	($1.04)	15,271	($15,882)
Ross Manor	01/01/96	12/31/96	$122.20	$157.50	($35.30)	14,062	($496,389)
Rumford Community Home	07/01/95	06/30/96	$103.30	$105.49	($2.19)	24,965	($54,673)
Russell Park Manor	08/01/95	07/31/96	$100.29	$105.96	($5.67)	27,886	($158,114)
Sanfield Living Center	01/01/96	12/31/96	$103.15	$106.52	($3.37)	12,669	($42,695)
Sanford Health Care Facility	01/01/96	12/31/96	$121.32	$143.24	($21.92)	7,747	($169,814)
Seaside Nursing and Ret. Home	01/01/96	12/31/96	$116.31	$143.78	($27.47)	17,860	($490,614)
Sebasticook Valley Health Care facility	01/01/96	12/31/96	$89.82	$90.80	($0.98)	17,883	($17,525)
Schooner Retirement - Seville Park Plaza	01/01/96	12/31/96	$117.23	$124.64	($7.41)	5,390	($39,940)
Shore Village Nursing Center	01/01/96	12/31/96	$99.06	$107.97	($8.91)	9,309	($82,943)
So. Portland Nursing Home	01/01/96	12/31/96	$105.02	$115.28	($10.26)	17,007	($174,492)
Somerset Manor	01/01/96	12/31/96	$104.88	$112.08	($7.20)	8,637	($62,186)
Sonogee Estates	01/01/96	12/31/96	$114.59	$120.84	($6.25)	19,098	($119,363)
Southridge Living Center	01/01/96	12/31/96	$101.50	$104.32	($2.82)	30,489	($85,979)
St. Andre Health Care Facility	12/01/95	11/30/96	$105.42	$110.66	($5.24)	25,093	($131,487)
St. Joseph Nursing Home	01/01/96	12/31/96	$104.38	$103.29	$1.09	13,782	$15,022
St. Joseph's Manor	07/01/95	06/30/96	$114.37	$119.85	($5.48)	50,165	($274,904)
St. Marguerite D'Youville Pav.	01/01/96	12/31/96	$112.19	$129.33	($17.14)	70,207	($1,203,348)
Stillwater Health Care	01/01/96	12/31/96	$101.56	$100.53	$1.03	17,181	$17,696
Summit House Health Care Ctr.	01/01/96	12/31/96	$98.74	$97.29	$1.45	11,808	$17,122
Sunrise Residential Care Facility	01/01/96	12/31/96	$109.74	$107.54	$2.20	9,619	$21,162
Tallpines Health Care Facility	01/01/96	12/31/96	$114.47	$122.72	($8.25)	15,615	($128,824)
Trull Nursing Home	07/01/95	06/30/96	$85.35	$89.42	($4.07)	12,048	($49,035)
Varney Crossing Nursing Care Center	07/01/95	06/30/96	$111.40	$111.96	($0.56)	17,205	($9,635)
Victorian Villa Nursing Home	01/01/96	12/31/96	$98.51	$99.22	($0.71)	16,345	($11,605)
Viking ICF The	11/01/95	10/31/96	$101.37	$108.56	($7.19)	11,017	($79,212)
Westgate Manor	01/01/96	12/31/96	$106.89	$102.20	$4.69	23,169	$108,663
Winship Green Nursing Center	01/01/96	12/31/96	$122.67	$133.53	($10.86)	12,087	($131,265)
Woodlawn Nursing Home	01/01/96	12/31/96	$103.47	$111.78	($8.31)	11,332	($94,169)
Total							($16,169,517.00)

APPENDIX O

Total Costs Schedule A versus G, from John Bouchard, Department of Human Services, Division of Audit

Unaudited

TotalCosts Schedule A vs. G

counter	# of Beds	Facility	Fiscal Year Begin	Fiscal Year End	Reimb. Rate	Actual	Total Gain/ (Loss)	State Days	Dollar Value of Gain/(Loss)
1	69	Amenity Manor	01/01/97	12/31/97	$96.05	$96.10	($0.05)	15,449	($772)
2	70	Aroostook Medical Center The - Health Center	01/01/97	12/31/97	$107.62	$117.27	($9.65)	15,433	($148,928)
3	26	Aroostook Medical Center The - Community General	01/01/97	05/14/97	$137.46	$189.89	($52.43)	1,494	($78,330)
4	99	Atlantic Rehab - Barnard	01/01/97	12/31/97	$79.42	$86.69	($7.27)	21,440	($155,869)
5	48	Auburn Nursing Home	01/01/97	12/31/97	$97.84	$99.53	($1.69)	13,757	($23,249)
6	78	Augusta Rehab. Center (Augusta CC)	01/01/97	12/31/97	$97.24	$113.09	($15.85)	17,929	($284,175)
7	61	Bangor City Nursing Facility	07/01/96	06/30/97	$117.53	$142.38	($24.85)	15,910	($395,364)
8	235	Barron Center	07/01/96	06/30/97	$108.97	$116.70	($7.73)	63,011	($487,075)
9	30	Birch Grove Nursing Care Center	01/01/97	12/31/97	$101.83	$105.60	($3.77)	7,169	($27,027)
10	94	Bolster Heights Health Care	07/01/96	06/30/97	$94.61	$127.01	($32.40)	19,447	($630,083)
11	71	Borderview Manor	01/01/97	12/31/97	$115.53	$111.55	$3.98	20,002	$79,608
12	83	Brentwood Manor	01/01/97	12/31/97	$117.95	$148.25	($30.30)	12,435	($376,781)
13	114	Brewer Rehab & Living Center	01/01/97	12/31/97	$115.12	$121.12	($6.00)	20,718	($124,308)
14	75	Bridgton Hlth. Care Center	01/01/97	12/31/97	$115.88	$120.98	($5.10)	14,041	($71,609)
15	8	Calais Regional Hospital	01/01/97	12/31/97	$189.82	$449.60	($259.78)	1,457	($378,499)
16	165	Camden Health Care Center	04/01/96	03/31/97	$111.94	$129.55	($17.61)	37,271	($656,342)
17	105	Caribou Nursing Home	10/01/96	09/30/97	$104.68	$103.06	$1.62	31,265	$50,649
18	75	Cedar Ridge Nursing Care Center	10/01/96	09/30/97	$123.26	$130.07	($6.81)	20,192	($137,508)
19	75	Cedar Ridge Nursing Care Center	10/01/97	12/31/97	$123.54	$127.91	($4.37)	4,657	($20,351)
20	202	Cedars Nursing Care Center	05/01/96	04/30/97	$126.45	$140.73	($14.28)	23,941	($341,877)
21	36	Charles A. Dean Memorial Hospital	04/01/96	03/31/97	$110.93	$135.79	($24.86)	9,610	($238,905)
22	36	Charles A. Dean Memorial Hospital	04/01/97	06/30/97	$112.52	$147.01	($34.49)	2,196	($75,740)
23	42	Clover Manor, Inc.	09/01/96	08/31/97	$108.53	$107.82	$0.71	25,446	$18,067
24	110	Clover Manor, Inc.	09/01/97	12/31/97	$103.79	$95.32	$8.47	8,421	$71,326
25	34	Coastal Manor	01/01/97	12/31/97	$79.61	$84.00	($4.39)	11,846	($52,004)
26	44	Collier's Health Care Center	01/01/97	12/31/97	$99.41	$104.59	($5.18)	9,875	($51,153)
27	80	Colonial Acres Nursing Home	01/01/97	12/31/97	$77.39	$76.78	$0.61	20,787	$12,680
28	54	Country Manor Nursing Home	01/01/97	12/31/97	$96.38	$88.97	$7.41	8,687	$64,371
29	80	Courtland Living Center	01/01/97	12/31/97	$103.62	$109.31	($5.69)	18,613	($105,908)
30	70	Cove's Edge	05/01/96	04/30/97	$134.44	$150.24	($15.80)	12,317	($194,609)
31	44	Cummings Health Care Facility	01/01/97	12/31/97	$90.96	$91.21	($0.25)	12,439	($3,110)
32	66	Dexter Nursing Home	01/01/97	12/31/97	$85.10	$90.15	($5.05)	16,733	($84,502)

from John Bouchard, DHS. (unaudited)

counter	# of Beds	Facility	Fiscal Year Begin	Fiscal Year End	Reimb. Rate	Actual	Total Gain/ (Loss)	State Days	Dollar Value of Gain/(Loss)
33	82	Dionne Commons	01/01/97	12/31/97	$86.25	$87.63	($1.38)	20,616	($28,450)
34	55	Dixfield Health Care Center	01/01/97	12/31/97	$96.31	$129.62	($33.31)	7,850	($261,484)
35	15	Eastern Maine Medical Center - Ross Division SNF	09/29/96	09/27/97	$161.91	$290.62	($128.71)	627	($80,701)
36	26	Eastport Memorial Nursing Home	01/01/97	12/31/97	$92.22	$94.65	($2.43)	8,468	($20,577)
37	78	Eastside Rehab & LC (Bangor CC)	01/01/97	12/31/97	$107.17	$121.09	($13.92)	15,293	($212,879)
38	58	Edgewood Manor	01/01/97	12/31/97	$99.35	$100.30	($0.95)	14,350	($13,632)
39	42	Evergreen Manor	01/01/97	12/31/97	$95.72	$107.80	($12.08)	8,910	($107,633)
40	75	Falmouth By The Sea	01/01/97	12/31/97	$99.85	$125.27	($25.42)	9,762	($248,150)
41	70	Fieldcrest manor Nursing Home	01/01/97	12/31/97	$94.90	$105.94	($11.04)	12,908	($142,504)
42	45	Forest Hill Manor	10/01/96	09/30/97	$102.67	$102.14	$0.53	15,000	$7,950
43	65	Freeport Nursing Home	01/01/97	12/31/97	$108.75	$123.10	($14.35)	14,209	($203,899)
44	82	Fryeburg Health Care Center	01/01/97	12/31/97	$98.64	$97.44	$1.20	14,602	$17,522
45	60	Gardiner Nursing Home	01/01/97	12/31/97	$87.36	$86.05	$1.31	18,201	$23,843
46	50	Gorham House	10/01/96	09/30/97	$133.32	$138.55	($5.23)	9,192	($48,074)
47	17	Gorham Manor	10/01/96	09/30/97	$118.08	$134.57	($16.49)	5,677	($93,614)
48	96	Greenwood Center	07/01/96	06/30/97	$115.37	$115.68	($0.31)	26,181	($8,116)
49	40	Harbor Hill	01/01/97	12/31/97	$134.30	$142.45	($8.15)	11,195	($91,239)
50	65	Harbor Home	01/01/97	12/31/97	$94.56	$95.77	($1.21)	13,786	($16,681)
51	100	Hawthorne House	01/01/97	12/31/97	$91.28	$98.20	($6.92)	20,823	($144,095)
52	61	Heritage Manor	01/01/97	12/31/97	$93.14	$102.50	($9.36)	10,425	($97,578)
53	102	Hibbard Nursing Home	10/01/96	09/30/97	$91.12	$98.02	($6.90)	21,918	($151,234)
54	51	High View Manor	01/01/97	12/31/97	$86.31	$84.46	$1.85	20,790	$38,462
55	57	Homestead, Inc.	10/01/96	09/30/97	$98.28	$101.84	($3.56)	14,624	($52,061)
56	28	Houlton Regional Hospital	10/01/96	09/30/97	$157.58	$186.77	($29.19)	4,298	($125,459)
57	66	Island Nursing Home	07/01/96	06/30/97	$112.76	$118.08	($5.32)	7,199	($38,299)
58	18	Jackman Region Health Center	04/01/96	03/31/97	$103.35	$136.52	($33.17)	5,103	($169,267)
59	0	Jackman Region Health Center	04/01/97	06/30/97	$98.83	$145.00	($46.17)	1,061	($48,986)
60	50	Katahdin Nursing Home	07/01/96	06/30/97	$109.75	$107.87	$1.88	14,103	$26,514
61	120	Ken. Long Term Care G.Birch	07/01/96	06/30/97	$100.94	$112.84	($11.90)	21,218	($252,494)
62	125	Kennebec Long Term Care - Glenridge	07/01/96	06/30/97	$96.00	$106.62	($10.62)	30,604	($325,014)
63	29	Kennebec Valley Medical Center Gardiner	07/01/96	06/30/97	$190.10	$427.53	($237.43)	644	($152,905)
64	80	Kennebunk Nursing Home	01/01/97	12/31/97	$112.37	$119.87	($7.50)	7,383	($55,373)

counter	# of Beds	Facility	Fiscal Year Begin	Fiscal Year End	Reimb. Rate	Actual	Total Gain/ (Loss)	State Days	Dollar Value of Gain/(Loss)
65	57	Knox Center for Long Term Care	04/01/96	03/31/97	$98.09	$122.21	($24.12)	16,230	($391,468)
66	76	Lakewood Manor Nursing Home	01/01/97	12/31/97	$93.73	$94.86	($1.13)	15,608	($17,637)
67	125	Ledgeview Nursing Home	07/01/96	06/30/97	$99.21	$99.06	$0.15	27,825	$4,174
68	60	Ledgewood Manor	01/01/97	12/31/97	$91.39	$92.38	($0.99)	16,637	($16,471)
69	87	Madigan Estates	01/01/97	12/31/97	$86.16	$87.02	($0.86)	22,625	($19,458)
70	35	Maine Stay Nursing Home	01/01/97	12/31/97	$113.55	$131.35	($17.80)	8,152	($145,106)
71	120	Maine Veterans Home - Augusta	07/01/96	06/30/97	$109.03	$124.45	($15.42)	20,391	($314,429)
72	80	Maine Vet. Home - Bangor	07/01/96	06/30/97	$140.92	$151.11	($10.19)	19,977	($203,566)
73	40	Maine Veterans Home-Caribou	07/01/96	06/30/97	$112.35	$121.18	($8.83)	13,030	($115,055)
74	120	Maine Veterans Home-Scar.	07/01/96	06/30/97	$114.56	$117.27	($2.71)	31,392	($85,072)
75	30	Maine Vet. Home - So. Paris	07/01/96	06/30/97	$141.89	$162.94	($21.05)	11,901	($250,516)
76	58	Maplecrest Living Center	01/01/97	12/31/97	$97.24	$101.57	($4.33)	13,318	($57,667)
77	114	Market Square Health Center	01/01/97	12/31/97	$112.19	$114.81	($2.62)	26,336	($69,000)
78	66	Marshall's Health Care Facility	10/01/96	09/30/97	$87.15	$88.58	($1.43)	17,459	($24,966)
79	120	Marshwood Nursing Care Center	01/01/97	12/31/97	$117.41	$128.28	($10.87)	27,793	($302,110)
80	60	Mercy Home	05/01/97	06/30/97	$113.48	$109.20	$4.28	2,241	$9,591
81	26	Mere Point Nursing Home	10/01/96	09/30/97	$102.85	$110.54	($7.69)	5,288	($40,665)
82	16	Mid-Coast Hospital Bruns. Div.	10/01/96	09/30/97	$234.93	$303.03	($68.10)	776	($52,846)
83	121	Montello Manor	01/01/97	12/31/97	$118.11	$119.13	($1.02)	24,957	($25,456)
84	25	Mountain Heights Health Care Facility	01/01/97	12/31/97	$104.40	$132.31	($27.91)	5,756	($160,650)
85	88	Mt. St. Joseph Nursing Home	01/01/97	12/31/97	$131.60	$135.94	($4.34)	24,642	($106,946)
86	66	Narraguagus Bay Health Care Facility	01/01/97	12/31/97	$108.47	$126.08	($17.61)	15,844	($279,013)
87	74	Newton Center - Hillcrest Manor	06/01/96	05/31/97	$103.12	$128.35	($25.23)	15,558	($392,528)
88	46	Nicholson's Nursing Home	07/01/96	06/30/97	$78.83	$80.63	($1.80)	10,259	($18,466)
89	73	Norway Convalescent Center	01/01/97	12/31/97	$102.17	$115.71	($13.54)	9,291	($125,800)
90	82	Oak Grove Nursing Care Ctr.	01/01/97	12/31/97	$107.15	$116.42	($9.27)	18,860	($174,832)
91	50	Oceanview Nursing Home	01/01/97	12/31/97	$100.24	$99.72	$0.52	10,971	$5,705
92	26	Odd Fellow's Home of Maine	07/01/96	06/30/97	$108.35	$115.88	($7.53)	7,271	($54,751)
93	38	Orchard Park Living Center	01/01/97	12/31/97	$106.34	$107.58	($1.24)	9,982	($12,378)
94	109	Orono Nursing Home, Inc.	01/01/97	09/24/97	$94.20	$93.67	$0.53	16,533	$8,762
95	103	Orono Nursing Home, Inc.	09/25/97	12/31/97	$101.90	$108.72	($6.82)	5,341	($36,426)
96	60	Parkview Nursing Home	01/01/97	12/31/97	$101.56	$98.44	$3.12	10,272	$32,049

counter	# of Beds	Facility	Fiscal Year Begin	Fiscal Year End	Reimb. Rate	Actual	Total Gain/ (Loss)	State Days	Dollar Value of Gain/(Loss)
97	98	Penobscot Nursing Home	01/01/97	12/31/97	$95.23	$94.63	$0.60	13,354	$8,012
98	9	Penobscot Valley Hospital	01/01/97	12/31/97	$198.63	$277.68	($79.05)	493	($38,972)
99	77	Pine Point Nursing Care Center	10/01/96	09/30/97	$124.86	$139.47	($14.61)	11,861	($173,289)
100	0	Pine Point Nursing Care Center	10/01/97	12/31/97	$120.78	$128.28	($7.50)	3,043	($22,823)
101	95	Pleasant Hill Health Facility	01/01/97	12/31/97	$88.18	$78.51	$9.67	11,936	$115,421
102	87	Presque Isle Nursing Home	10/01/96	09/30/97	$102.32	$102.62	($0.30)	26,568	($7,970)
103	64	Riverridge	01/01/97	12/31/97	$131.63	$163.25	($31.62)	8,295	($262,288)
104	66	Riverwood Health Care Center - Renaissance	01/01/97	12/31/97	$91.37	$94.97	($3.60)	18,631	($67,072)
105	50	Robinson's Hlth. Care Facility	01/01/97	12/31/97	$77.06	$78.66	($1.60)	14,252	($22,803)
106	65	Ross Manor	01/01/97	12/31/97	$116.19	$114.56	$1.63	11,897	$19,392
107	97	Rumford Community Home	07/01/96	06/30/97	$103.55	$107.69	($4.14)	21,828	($90,368)
108	120	Russell Park Manor	08/01/96	07/31/97	$98.15	$97.39	$0.76	26,232	$19,936
109	95	Sandy River Nursing Care Ctr.	01/01/97	12/31/97	$91.00	$103.75	($12.75)	19,234	($245,234)
110	47	Sanfield Living Center	01/01/97	12/31/97	$98.64	$104.72	($6.08)	11,169	($67,908)
111	34	Sanford Health Care Facility	01/01/97	12/31/97	$115.15	$130.63	($15.48)	7,800	($120,744)
112	122	Seaside Nursing and Ret. Home	01/01/97	10/31/97	$110.58	$134.37	($23.79)	14,121	($335,939)
113	122	Seaside Nursing and Ret. Home	11/01/97	12/31/97	$108.09	$130.16	($22.07)	2,812	($62,061)
114	69	Sebasticook Valley Health Care facility	01/01/97	12/31/97	$88.78	$88.06	$0.72	16,108	$11,598
115	67	Sedgewood Commons	01/01/97	12/31/97	$135.47	$147.75	($12.28)	15,897	($195,215)
116	37	Schooner Retirement - Seville Park Plaza	01/01/97	12/31/97	$111.64	$130.01	($18.37)	5,796	($106,473)
117	61	Shore Village Nursing Center	01/01/97	12/31/97	$93.09	$110.77	($17.68)	7,828	($138,399)
118	73	So. Portland Nursing Home	01/01/97	12/31/97	$106.44	$109.57	($3.13)	17,180	($53,773)
119	34	Somerset Manor	01/01/97	12/31/97	$99.01	$104.25	($5.24)	7,820	($40,977)
120	83	Sonogee Estates	01/01/97	12/31/97	$109.86	$121.10	($11.24)	15,568	($174,984)
121	122	Southridge Living Center	01/01/97	12/31/97	$95.48	$101.74	($6.26)	32,105	($200,977)
122	126	Springbrook Nursing Care Center	01/01/97	12/31/97	$116.83	$120.21	($3.38)	26,958	($91,118)
123	96	St. Andre Health Care Facility	12/01/96	11/30/97	$102.76	$111.71	($8.95)	25,828	($231,161)
124	30	St. Andrews Hospital	10/01/96	09/30/97	$131.43	$127.43	$4.00	8,117	$32,468
125	41	St. Joseph Nursing Home	01/01/97	12/31/97	$104.30	$104.93	($0.63)	14,334	($9,030)
126	200	St. Joseph's Manor	07/01/96	06/30/97	$114.58	$121.88	($7.30)	44,749	($326,668)
127	288	St. Marguerite D'Youville Pav.	01/01/97	12/31/97	$108.21	$131.74	($23.53)	72,003	($1,694,231)
128	67	Stillwater Health Care	01/01/97	12/31/97	$96.02	$95.98	$0.04	14,959	$598

counter	# of Beds	Facility	Fiscal Year Begin	Fiscal Year End	Reimb. Rate	Actual	Total Gain/ (Loss)	State Days	Dollar Value of Gain/(Loss)
129	80	Summit House Health Care Ctr.	01/01/97	12/31/97	$97.89	$100.77	($2.88)	11,524	($33,189)
130	28	Sunrise Residential Care Facility	01/01/97	12/31/97	$103.74	$111.94	($8.20)	8,788	($72,062)
131	70	Tallpines Health Care Facility	01/01/97	12/31/97	$110.96	$111.40	($0.44)	15,882	($6,988)
132	49	Trull Nursing Home	07/01/96	06/30/97	$81.73	$90.99	($9.26)	10,144	($93,933)
133	64	Varney Crossing Nursing Care Center	07/01/96	06/30/97	$108.71	$109.13	($0.42)	16,617	($6,979)
134	56	Victorian Villa Nursing Home	01/01/97	12/31/97	$98.85	$97.49	$1.36	14,702	$19,995
135	60	Viking ICF The	11/01/96	10/31/97	$96.98	$109.13	($12.15)	10,034	($121,913)
136	118	Westgate Manor	01/01/97	12/31/97	$106.35	$101.65	$4.70	21,190	$99,593
137	79	Willows Nursing Care Center The	01/01/97	12/31/97	$108.01	$114.55	($6.54)	19,462	($127,281)
138	72	Winship Green Nursing Center	01/01/97	12/31/97	$110.62	$114.96	($4.34)	13,839	($60,061)
139	32	Winward Gardens	01/01/97	12/31/97	$137.01	$167.01	($30.00)	5,189	($155,670)
140	154	Woodford Park Nursing Care	10/01/96	09/30/97	$122.51	$133.74	($11.23)	31,488	($353,610)
141	50	Woodlawn Nursing Home	01/01/97	12/31/97	$100.27	$106.10	($5.83)	10,709	($62,433)
142	13	York Hospital	07/01/96	06/30/97	$188.33	$429.34	($241.01)	60	($14,461)
									($16,918,525)

APPENDIX P

Maine Health and Higher Educational Facilities Authority, Not for Profit Nursing Homes Outstanding Balances and Locations

MAINE H LTH AND HIGHER EDUCATIONAL FACILITIES AUTHORI

TAXABLE RESERVE FUND RESOLUTION

OUTSTANDING BALANCES AND LOCATION

INSTITUTION AND CLASSIFICATION		ORIGINAL LOAN BAL.	LOAN BAL. OUTSTANDING	LOCATION
SEDGEWOOD COMMONS	TNH	8,266,510	7,171,510	FALMOUTH
CEDAR RIDGE NURSING CARE CENTER	TNH	4,111,591	3,436,591	SKOWHEGAN
FALLBROOK WOODS	TBH	2,751,569	2,296,569	FALMOUTH
FREEPORT NURSING HOME	TNH	2,278,713	1,843,713	FREEPORT
THE WILLOWS NURSING HOME	TNH	1,490,621	1,245,621	WATERVILLE
BIRCH GROVE NURSING CARE CENTER	TNH	409,808	349,808	PITTSFIELD
OAK GROVE NURSING CARE CENTER	TNH	1,387,043	1,162,043	WATERVILLE
PINE POINT NURSING CARE CENTER	TNH	4,129,605	3,449,605	SCARBOROUGH
RIVERRIDGE	TNH	6,741,569	5,636,569	KENNEBUNK
SANDY RIVER NURSING CARE CENTER	TNH	2,846,140	2,381,140	FARMINGTON
SEBASTICOOK VALLEY NURSING HOME	TNH	1,121,343	821,343	PITTSFIELD
SPRINGBROOK NURSING CARE CENTER	TNH	7,493,634	6,258,634	WESTBROOK
VARNEY CROSSING NURSING CARE CE	TNH	2,161,625	1,811,625	NORTH BERWICK
WINDWARD GARDENS	TNH	6,529,910	5,614,910	CAMDEN
WOODFORD PARK NURSING CARE CEN	TNH	7,998,014	6,688,014	PORTLAND
DOLLEY FARM RETIREMENT HOME	TBH	1,980,000	1,675,000	WESTBROOK
F.C.R., INC.	TBH	1,317,568	867,568	VARIOUS
HIGH VIEW MANOR	TNH	1,478,616	1,198,616	MADAWASKA
PARKVIEW NURSING HOME	TNH	1,686,792	1,421,792	LIVERMORE FALLS
REDDING HOMES, INC.	TNH	1,698,768	1,278,768	CANTON
COUNTRY MANOR NURSING HOME	TNH	1,973,632	1,563,632	COOPERS MILLS
PLEASANT HILL NURSING HOME	TNH	1,039,744	684,744	PITTSFIELD
ROBINSON HEALTH CARE FACILITY	TNH	1,354,744	1,114,744	GARDINER
RUSSELL PARK MANOR	TNH	2,898,680	2,453,680	LEWISTON
THE VIKING	TNH	6,261,616	5,036,616	CAPE ELIZABETH
TALL PINES MANOR, INC.	TNH	3,346,836	3,051,836	BELFAST
HARBOR HILL	TNH	8,180,522	7,730,522	BELFAST

MAINE H 'LTH AND HIGHER EDUCATIONAL FACILITIES AUTHORI

TAXABLE RESERVE FUND RESOLUTION

OUTSTANDING BALANCES AND LOCATION

INSTITUTION AND CLASSIFICATION		ORIGINAL LOAN BAL.	LOAN BAL. OUTSTANDING	LOCATION
FALMOUTH CONVALESCENT CENTER	TNH	5,448,334	5,098,334	FALMOUTH
FREEPORT CONVALESCENT CENTER	TNH	3,037,852	2,842,852	FREEPORT
MARSHWOOD NURSING CARE CENTER	TNH	6,398,271	6,018,271	LEWISTON
TOTALS		107,819,670	92,204,670	

TAXABLE NURSING HOME
TAXABLE BOARDING HOME

APPENDIX Q

Maine Health and Higher Educational Facilities Authority, Not for Profit Nursing Homes Outstanding Balances and Locations

MAINE H\LTH AND HIGHER EDUCATIONAL FACILITIES AUT RITY

NOT FOR PROFIT NURSING HOMES OUTSTANDING BALANCES AND LOCATIONS

18-Aug-98

INSTITUTION NAME	ORIGINAL LOAN BAL.	LOAN BAL. OUTSTANDING	HOSPITAL AFFILIATION	LOCATION
COVE'S EDGE NURSING FACILITY	5,270,331	4,715,331	MILES	DAMARISCOTTA
MT. ST. JOSEPH NURSING HOME	11,137,137	10,242,137		WATERVILLE
KENNEBEC LONG TERM CARE	9,817,810	8,452,810	MGMC	AUGUSTA
CEDAR'S NURSING CARE CENTER	6,254,238	5,704,238		PORTLAND
D'YOUVILLE PAVILLION	9,750,000	9,215,000	ST. MARY'S	LEWISTON
LAKEWOOD MANOR	2,880,000	2,335,000	INLAND	WATERVILLE
MARKET SQUARE NURSING CARE CENTE	2,463,625	2,318,625	STEPHENS	NORWAY
	47,573,141	42,983,141		

APPENDIX R

Maine Health and Higher Educational Facilities Authority, Estimated Savings from Use of Moral Obligation Reserve Fund Program vs. Traditional Financing

TAXABLE RESERVE FUND RESOLUTION

ESTIMATED SAVINGS FROM USE OF MORAL OBLIGATION RESERVE FUND PROGRAM VS. TRADITIONAL FINANCING

MHHEFA TOTAL DEBT SERVICE	(PRIME@8.341) ESTIMATED CONVENTIONAL FINANCING	ESTIMATED GROSS SAVINGS	CALCULATED REFINANCING SAVINGS	EST. NEW MONEY SAVINGS OVER CONVENTIONAL FINANCING
212,892,757	269,057,734	56,164,977	33,066,537	23,098,440

ESTIMATED CONVENTIONAL FINANCING was calculated using the ten year average of prime+2%, amortized over twenty years with annual payments.

Upon review of loans refinanced from bond proceeds, it was noted that of the 23 loans refinanced, the majority of the loans were variable rate based anywhere from 1%-4% over prime with rates usually reset either quarterly or annually, with a 3 to 5 year balloon. Therefore, prime+2% was selected as a conservative estimate of available loan terms with the 10 year average of prime used to estimate the prime rate over the 20 year life of the loan.

CALCULATED REFINANCING SAVINGS is the amount of gross savings calculated using the debt service from the debt refinanced compared with the debt service from the new bonds.