

### **Frequently Asked Questions #3: November 13, 2018 Nursing Home Rate Increase**

1. For example - if a home reported \$5,000,000 of total wages on page 10, but \$200,000 was for an owner, would we need to remove the owner wages to calculate the 2% required spending as  $\$4,800,000 \times 2\% = \$96,000$  required spending? or does the owners wages need to stay in the calculation. I am understanding that owners are not eligible to get a portion of the 2% rate increase, but do we remove their wages from the required spending calculation?

Response: The \$96,000 would be correct.

2. Also, what about a non-related administrator with a salary that is over the cap. For instance if an administrator was paid \$150,000 but due to the cap the administrator is only allowed \$100,000. How would the required spending be calculated for a facility with a \$10 million total wages? would the required spending be 2% of the full \$10 million?, 2% of \$9,950,000 (\$10M less \$50K over cap)? or 2% of \$9,850,000 (\$10 M less the \$150,000)?

Response: The \$9,950,000 would be correct.