

NURSING FACILITY  
DIRECT CARE STAFF ENHANCEMENT

Fiscal Year 2018  
Enrollment Worksheets and Instructions  
July 1 – July 31, 2017 Enrollment for Levels to be Effective  
September 1, 2017 – August 31, 2018

NOTE: These worksheets are provided for your own information and may be retained in your files for future reference. Do not return them to the Texas Health and Human Services Commission.

For assistance with the completion of these forms, contact Rate Enhancement Analyst for this program listed on the following webpage: <http://www.hhsc.state.tx.us/rad/long-term-svcs/contacts.shtml>.

A project of

the Texas Health and Human Services Commission (HHSC)

**INSTRUCTIONS**  
**Nursing Facility**  
**Direct Care Staff Enhancement Worksheets**

**PURPOSE**

- Worksheet A: To estimate your average direct care staff base rate;  
Worksheet B: To estimate your existing LVN equivalent staffing level for Medicaid-contracted beds;  
Worksheet C: To estimate your minimum required LVN equivalent staffing level for participation in the direct care staff enhancement;  
Worksheet D: To estimate your average per diem direct care staff expenses; and  
Worksheet E: To estimate your adjusted staffing level.

**LVN EQUIVALENTS**

In order to permit providers the flexibility to substitute RN, LVN and Aide (i.e., medication aide certified nurse aide and restorative aide) staff resources and, at the same time, comply with an overall nursing staff requirement, total nursing staff requirements are expressed in terms of LVN equivalent minutes. Conversion factors to convert RN and aide minutes into LVN equivalent minutes are based upon relative compensation levels and are presented in the table below.

**LVN Equivalent Conversion Scale**

- 1 RN minute = 1.4615 LVN equivalent minutes  
1 LVN minute = 1.0000 LVN equivalent minute  
1 Aide minute = 0.4872 LVN equivalent minutes
- 1 LVN equivalent minute = 0.68 RN minutes  
1 LVN equivalent minute = 1.00 LVN minutes  
1 LVN equivalent minute = 2.05 Aide minutes

## **REPORTING PERIOD**

Select a reporting period that is representative of the distribution of your days of service by payor type (i.e., Medicaid, Medicare, Other) and RUG group as well as your direct care staffing levels and is as close to the open enrollment period as possible. The reporting period may be of any length although a minimum of one payroll period is recommended. For example, the reporting period might be one payroll period in June, one month (e.g., June 1 - June 30) or your most recent cost-reporting period. Use the same reporting period for all worksheets. To check for inconsistencies in your data and errors in your calculations, it is recommended that you complete worksheets for two different reporting periods at least three months apart and compare the results. Large variances indicate either an error in completing the worksheets or large fluctuations in case mix and/or staffing levels. Any such fluctuations should be taken into account when making your enrollment decision.

## **DEFINITIONS**

**Contract Labor** – labor provided by nonstaff Registered Nurses (RNs), including Directors of Nursing (DONs) and Assistant Directors of Nursing (ADONs), Licensed Vocational Nurses (LVNs), including DONs and ADONs, Medication Aides and Certified Nurse Aides (CNAs), including Restorative Aides. Nonstaff refers to personnel who provide services to the facility intermittently, whose remuneration (i.e., fee or compensation) is not subject to employer payroll tax contributions and who perform tasks routinely performed by employees. Contract labor hours do not include consultant hours. Contract labor hours must be associated with allowable contract labor costs as defined in 1 TAC §355.103(b)(2)(C).

**Direct Care** – resident care provided by nursing personnel by Registered Nurses (RNs), including Directors of Nursing (DONs) and Assistant Directors of Nursing (ADONs), Licensed Vocational Nurses (LVNs), including DONs and ADONs, Medication Aides and Certified Nurse Aides (CNAs), including Restorative Aides in order to carry out the physician's planned regimen of total resident care. To be allowable as direct care staff on this report, an individual must both meet the appropriate professional certification or licensure requirements and perform nursing-related duties for Medicaid-contracted beds. The actual time (i.e., directly charged time) spent working in one of these positions for the nursing facility must be reported.

Nursing personnel who work performing both nursing facility direct care functions and other functions (e.g., nursing facility administrative functions or any functions for other business components such as a retirement center, residential care center, assisted living component, etc.) must maintain continuous daily timesheets (**limited period time studies are not acceptable**). The daily timesheet must document, for each day, the person's start time, stop time, total hours worked, and the actual time worked (in increments of 30 minutes) performing nursing facility direct care functions and the actual time worked performing other functions. **Time must be directly charged, and allocation of time is not acceptable in such situations.**

The only exception to the “no allocation rule” is when nursing personnel work for both Medicaid-contracted and noncontracted licensed nursing facility beds. In such a situation, if the hours and costs cannot be reasonably direct costed in accordance with Centers for Medicare and Medicaid Services (CMS’s) requirements for distinct reporting, the hours worked and associated costs must be allocated between contracted and noncontracted beds based upon units of service (i.e., resident days) and an acceptable allocation summary must be attached.

Staff members who perform more than one function in a facility without a differential in pay between functions are to be categorized at the highest level of licensure or certification they possess. If this highest level of licensure or certification is not that of an RN, LVN, Medication Aide, or CNA, the staff member is not to be included in the direct care staff cost center. The only exceptions to this rule are respiratory therapists in facilities receiving the ventilator and/or pediatric tracheotomy supplemental payments (see “Common Questions/Issues” #10).

Required documentation of direct care staff hours and compensation includes, but is not limited to, proof of licensure and certification status, time sheets (for staff performing more than one function or working for more than one entity), job descriptions, and payroll records.

#### **Common Questions/Issues Regarding the Proper Reporting of Direct Care Staff**

1. The following functions are considered direct care functions if performed by a Director of Nursing (DON), Assistant Director of Nursing (ADON), RN, LVN, Medication Aide or CNA: completion of the MDS assessment forms; development of care plans; attendance at in-service training; and the nursing administration aspects of a DON or ADON’s job including the provision of classroom-based in-service training.
2. The following functions are not considered direct care functions: paid feeding assistants, medical records; central supply; someone other than the DON or ADON presenting classroom-based in-service training; quality assurance nursing consultant from central office; transcribing physicians orders; and time spent filling water pitchers and changing linen by individuals other than RNs, LVNs, Medication Aides and CNAs.
3. Does paid time off for direct care staff (e.g., paid vacation, paid sick leave) count as direct care time for this report? Yes, but if it is associated with an individual performing more than one function, it needs to be allocated. If a staff person “cashes in” his/her paid time off instead of taking leave, the time associated with this leave is not to be reported on this report. The compensation received as a result of “cashing in” is treated as a bonus and should be reported in the period in which it is subject to payroll taxes.
4. Pay for being “on-call” is reported as salaries by employee type but only on-call hours actually worked performing direct care functions can be reported as time. For example, if

an RN was on call for an entire weekend and received \$200 as on-call compensation, the total \$200 would be reported as salaries. If the RN was required for 3 hours to provide assistance to staff while on-call during the weekend, only 3 hours would be reported as paid hours and not the full 48 hours of the weekend.

5. Graduate Vocational Nurses (GVNs) should be reported as LVNs.
6. Unpaid overtime hours that meet all the other requirements to be reported as direct care staff time may be reported if they are properly documented. Unpaid overtime hours should be reported at the highest level of licensure or certification the individual working the overtime possesses. For example, if an RN DON works four hours unpaid overtime after the end of her shift, filling in for an absent Medication Aide, the four hours should be reported as RN time. Since the overtime is unpaid, no associated compensation should be reported. Compensation costs may not be imputed for unpaid overtime hours. Volunteer time should not be included on this report.
7. Paid overtime that meets all the other requirements to be reported as direct care staff time may be reported if it is properly documented. Paid overtime hours and compensation should be reported at the highest level of licensure or certification the individual working the overtime possesses. For example, if an RN DON works four hours paid overtime after the end of her shift, filling in for an absent Medication Aide, the four hours and associated compensation should be reported as RN hours and compensation.
8. Nurses that are also schedulers, facility-based quality assurance nurses and CNAs that drive vans must spend at least 50% of their time on direct care functions in order to report 100% of their paid hours and salaries as direct care. To document the 50+%, the employee should perform a one-month functional study (i.e., maintain daily timesheets for an entire month). Such a functional study should be completed at least annually. Otherwise, they must maintain daily, continuous timesheets to directly charge as direct care only those hours/salaries applicable to direct care functions. Time spent driving a van is not considered direct care time.
9. A nurse whose job function is charting is considered to be providing direct care.
10. Respiratory therapists providing direct care in facilities receiving the ventilator and/or pediatric tracheotomy supplemental payments may be counted as LVNs.
11. Nurse aides in the Nurse Aide Training and Competency Evaluation Program (NATCEP) can only be included on this report if they have completed at least the first 16 hours of NATCEP training. Any time worked before 16 hours of NATCEP training are completed may not be included on this report (e.g., time spent as a hospitality aide or receiving the first 16 hours of training).

12. Quality assurance nurse consultants from the central office are not considered direct care staff.
13. Physical, occupational and speech therapists, activities staff and social work staff are not direct care staff.
14. Staff members performing more than one function in a facility without a differential in pay between functions are categorized at the highest level of licensure or certification they possess. If this highest level of licensure or certification is not that of an RN, LVN, Medication Aide, or CNAs, the staff member is not to be included in the direct care staff cost center but rather in the cost center where staff members with that licensure or certification status are typically reported.
15. Nursing facility administrators and assistant administrators are not included in the direct care cost center.
16. Time spent working on a non-contracted wing is not direct care time.

**Medicaid-Contracted Beds** – licensed nursing beds contracted with DADS to provide nursing facility services to Medicaid residents. These contracted beds can be occupied by Medicaid residents, Medicare residents (if the beds are dually certified) and Other residents (e.g., private pay, private insurance, V.A., etc.).

**Star+Plus** – Star+Plus is the Medicaid managed care, long term care program.

<b>WORKSHEET A</b> <b>ESTIMATE AVERAGE DIRECT CARE STAFF BASE RATE</b>
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- A. For each RUG group, enter in Column A the Medicaid days of service for Fee-For-Service, Star+Plus and Dual-Eligible clients (**exclude Hospice days**) provided during your selected reporting period. Now that Nursing Facilities are in Managed Care, you must include **Star+Plus** days.

Supplemental Reimbursement for Ventilator-Dependent Residents and Children with Tracheostomies. For residents qualifying for the Ventilator Supplement or the Pediatric Tracheostomy Supplement, include their days of service by RUG group in RUGs RAD-PCE as appropriate and also enter the days they qualified for a supplement in the appropriate box (i.e., Ventilator-Continuous, Ventilator-Partial, Pediatric Tracheostomy). For example, a RUG RAD resident who also qualified for the Ventilator-Continuous Supplement would be counted as both a RUG RAD resident and a Ventilator-Continuous resident.

- B. For each RUG group and supplemental reimbursement group, multiply the reported days of service from Column A by the associated Direct Care Staff Base Rate Per Resident Day from Column B. Enter the product in Column C.
- C. Sum the days of service by RUG for RUG groups RAD through PCE in Column A. Enter the result in Box A1.
- D. Sum the contents of Column C for RUG groups RAD through PCE. Enter the result in Box A2.
- E. Sum Boxes A2, A3, A4 and A5. Enter the result in Box A6.
- F. Enter the sum of days of service by RUG from Box A1 in Box A7
- G. Divide Box A6 by Box A7. Enter the result in Box A8. The value in Box A8 is the average direct care staff base rate associated with the units of service by RUG group as reported in Column A.

**Check all calculations to ensure accuracy.**

<p style="text-align: center;"><b>WORKSHEET B</b> <b>ESTIMATE LVN EQUIVALENT STAFFING LEVEL FOR</b> <b>MEDICAID-CONTRACTED BEDS</b></p>
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**NOTE:** See the definitions of Contract Labor, Direct Care and Medicaid-contracted Beds in these instructions before completing this worksheet.

**STEP B1 – Enter direct care staff hours and resident days for Medicaid-contracted beds**

- A. Report employee hours and contract labor hours worked by RNs, LVNs, Medication Aides and Certified Nurse Aides providing direct care services to residents **in Medicaid-contracted beds only** during your selected reporting period in the appropriate box (i.e., Boxes B1 through B8). Depending upon the length of your selected reporting period, you may want to round reported hours to the nearest whole hour or report them with two decimal places. For example, if your selected reporting period is short (e.g., one day), you may want to report hours with two decimal places; if your selected reporting period is long (e.g., one month or one year), you may want to report hours rounded to the nearest whole number.
- B. Enter total (i.e., Medicaid, Medicare and Other) days of service provided in Medicaid-contracted beds during your selected reporting period in Box B9. A resident day is defined as services for one resident for one day. Count the day of admittance as a resident day. Do not count the day of discharge as a resident day. Do not include “bed hold” days. Do not include days in non-Medicaid-contracted beds.

**STEP B2 – Calculate estimated staffing level in LVN equivalent minutes per resident day**

- A. Multiply total employee RN hours from Box B1 by 1.4615. Multiply the product by 60. Enter the result in Box B10.
- B. Multiply total contract RN hours from Box B5 by 1.4615. Multiply the product by 60. Enter the result in Box B11.
- C. Multiply total employee LVN hours from Box B2 by 60. Enter the result in Box B12.
- D. Multiply total contract LVN hours from Box B6 by 60. Enter the result in Box B13.
- E. Sum total employee Medication Aide and Certified Nurse Aide Hours from Boxes B3 and B4. Multiply the sum by 0.4872. Multiply the product by 60. Enter the result in Box

B14.

- F. Sum total contract Medication Aide and Certified Nurse Aide Hours from Boxes B7 and B8. Multiply the sum by 0.4872. Multiply the product by 60. Enter the result in Box B15.
- G. Sum Boxes B10, B11, B12, B13, B14 and B15. Enter the sum in Box B16.
- H. Enter the total days of service in Medicaid-contracted beds from Box B9 into Box B17.
- I. Divide Box B16 by Box B17. Enter the result in Box B18. This is your estimated staffing level in LVN equivalent minutes per resident day during your selected reporting period.

**Check all calculations to ensure accuracy.**

<p style="text-align: center;"><b>WORKSHEET C</b> <b>ESTIMATE MINIMUM REQUIRED LVN EQUIVALENT MINUTES</b> <b>PER RESIDENT DAY FOR PARTICIPATION</b></p>
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**STEP C1 – Estimate minimum requirement associated with Medicaid-residents**

- A. For each RUG group, enter in Column A the Medicaid days of service (**Fee-For-Service, Star+Plus, Dual-Eligible and Hospice days**) provided during your selected reporting period.

Supplemental Reimbursement for Ventilator-Dependent Residents and Children with Tracheostomies. For residents qualifying for the Ventilator Supplement or the Pediatric Tracheostomy Supplement, include their days of service by RUG group in RUGs RAD-PCE as appropriate and also enter the days they qualified for a supplement in the appropriate box (i.e., Ventilator-Continuous, Ventilator-Partial, Pediatric Tracheostomy). For example, a RUG RAD resident who also qualified for the Ventilator-Continuous Supplement would be counted as both a RUG RAD resident and a Ventilator-Continuous resident.

These days may be different from those reported on Worksheet A in that they are to include Hospice days.

- B. For each RUG group and supplemental reimbursement group, multiply the reported days of service from Column A by the associated Minimum Required Medicaid LVN Equivalent Minutes Per Resident Day from Column B. Enter the product in Column C.
- C. Sum the days of service by RUG for RUG groups RAD through PCE in Column A. Enter the result in Box C1.
- D. Sum the contents of Column C for RUG groups RAD through PCE. Enter the result in Box C2.
- E. Sum Boxes C2, C3, C4 and C5. Enter the result in Box C6.
- F. Divide Box C6 by Box C1. Enter the result in Box C7.

**STEP C2 - Estimate minimum requirement associated with Medicare-residents in Medicaid-contracted beds**

- A. Enter in Box C8 the Medicare days of service in Medicaid-contracted beds (i.e., dually-certified beds) provided during your selected reporting period. Do not include Medicare days of service in Medicare-Only beds since Medicare-Only beds are not contracted with the Medicaid program.
- B. Multiply Box C8 by 177.11. Enter the result in Box C9.

**STEP C3 – Estimate minimum requirement associated with other residents in Medicaid-contracted beds**

- A. Enter in Box C10 the Other days of service in Medicaid-contracted beds (e.g., private, private insurance, VA, etc.) provided during your selected reporting period. Do not include Other days of service in non-Medicaid-contracted beds.
- B. Multiply Box C10 by **the lower of** the value in Box C7 or the RUG value for PD1. Enter the result in Box C11.

**STEP C4 – Estimate minimum requirement per resident day for participation in the Enhanced Direct Care Staff Rate**

Sum Boxes C6, C9 and C11 and enter the result in C12. Sum Boxes C1, C8 and C10 and enter the result in C13. Divide C12 by C13 and enter the result in Box C14.

Box C14 represents the estimated minimum required LVN equivalent minutes per resident day your facility would be required to provide to participate in the Direct Care Staff Enhancement. These minutes could be provided by any combination of RNs, LVNs and aides, with RN minutes counted as 1.4615 LVN equivalent minutes and aide minutes counted as 0.4872 LVN equivalent minutes.

**Note that this estimate is based upon the distribution of your facility's days of service by RUG group and payor type as captured by this worksheet. If the distribution changes, your required minimum will change.**

**Check all calculations to ensure accuracy.**

<p style="text-align: center;"><b>WORKSHEET D</b> <b>ESTIMATE AVERAGE PER DIEM DIRECT CARE STAFF EXPENSES</b></p>
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**Boxes D1 through D4 – Employee Salaries and Wages**

Enter direct care staff salaries and wages for Registered Nurses (RNs), including Directors of Nursing (DONs) and Assistant Directors of Nursing (ADONs), Licensed Vocational Nurses (LVNs), including DONs and ADONs, Medication Aides and Certified Nurse Aides (CNAs), including Restorative Aides, providing direct care services to residents in Medicaid-contracted beds accrued during your reporting period in the appropriate box (i.e., D1, D2, D3, or D4). Salaries and wages include overtime, bonuses, and taxable fringe benefits (such as accrued/taken vacation, accrued/taken sick leave, and other allowances in accordance with 1 TAC §355.103(b)(1)(A)(iii)(II)). Round all reported monetary amounts to the nearest whole dollar.

**Boxes D5 through D8 – Contract Staff Compensation**

Enter the cost incurred for contracted nursing services performed by nonstaff Registered Nurses (RNs), including Directors of Nursing (DONs) and Assistant Directors of Nursing (ADONs), Licensed Vocational Nurses (LVNs), including DONs and ADONs, Medication Aides and Certified Nurse Aides (CNAs), including Restorative Aides, providing direct care services to residents in Medicaid-contracted beds during your reporting period in the appropriate box (i.e., D5, D6, D7, or D8). Do not include nursing services consultants, medical records consultants or contracted medical records services. See the DEFINITIONS section for a definition of reportable contract labor. Round all reported monetary amounts to the nearest whole dollar.

**Box D9 – Payroll Taxes – FICA and Medicare**

Enter FICA/Medicare taxes for direct care staff in Box D9. FICA/Medicare taxes may be allocated based upon payroll.

**Box D10 – Payroll Taxes – State and Federal Unemployment**

Enter both federal (FUTA) and state (TUCA) unemployment expenses for direct care staff in Box D10. Unemployment expenses may be allocated based upon payroll.

**Box D11 – Workers' Compensation – Insurance Premiums**

If your contract, any of its controlling entities, or its parent company/sole member is a subscriber to the Workers' Compensation Act, report the WCI premiums paid to your commercial insurance

carrier for direct care staff in Box D11. Premium costs include the base rate, any discounts for lack of injuries, any refunds for prior period overpayments, any additional modifiers and surcharges for experiencing high numbers of injuries (such as being placed in a risk pool).

If your contract, any of its controlling entities, or its parent company/sole member is not a subscriber to the Workers' Compensation Act, there are alternate insurance premium costs that can be reported in this box. Acceptable alternate insurance policies include industrial accident policies and other similar types of coverage for employee on-the-job injuries. Health insurance is not worker's compensation and should be reported in Box D13.

If your commercially purchased insurance policy does not provide total coverage and has a deductible and/or coinsurance clause, any deductibles and/or coinsurance payments made by the employer on behalf of the employee would be considered claims paid (i.e., self-insurance) and must be reported in Box D12.

WCI premium expenses may be allocated based upon payroll.

#### **Box D12 – Workers' Compensation – Paid Claims**

Enter in Box D12 any medical claims paid for employee on-the-job injuries for direct care. If you were not a subscriber to the Workers' Compensation Act (i.e., traditional workers' compensation insurance policy), and you paid workers' compensation claims for employee on-the-job injuries for the direct care staff whose salaries and wages are reported in Boxes D1 through D4, report the amount of claims paid in this box. If you maintained a separate banking account for the sole purpose of paying your workers' compensation claims for employee on-the-job injuries (i.e., a nonsubscriber risk reserve account), the contributions made to this banking account are not allowable. Paid claims may be direct costed or allocated based upon payroll.

#### **Box D13 – Employee Benefits – Health Insurance**

Enter in Box D13 any employer-paid health insurance for direct care staff (whose salaries and wages are listed in Boxes D1 through D4). Employer-paid health insurance premiums must be direct costed. Paid claims may be allocated based on payroll or direct costed.

#### **Box D14 – Employee Benefits – Life Insurance**

Enter in Box D14 any employer-paid life insurance for direct care staff (whose salaries and wages are listed in Boxes D1 through D4). Employer-paid life insurance premiums must be direct costed.

### **Box D15 – Employee Benefits – Other Benefits**

Enter in Box D15 any employer-paid disability insurance and retirement contributions, deferred compensation plan contributions, child care and accrued leave for direct care staff (whose salaries and wages are listed in Boxes D1 through D4). These benefits must be direct costed. The contracted provider's unrecovered cost of meals and room-and-board furnished to direct care staff, uniforms, hepatitis B vaccinations and TB testing/x-rays, staff personal vehicle mileage reimbursement, job-related training reimbursements and job certification renewal fees are not to be reported as benefits unless they are subject to payroll taxes, in which case they are to be reported as salaries and wages. Other than mileage reimbursement for client transportation, costs that are not employee benefits and are not subject to payroll taxes are not to be reported; these costs may be reported on the provider's cost report in the appropriate items. In the space provided, describe the amount and type of each benefit comprising the total amount reported. Employee benefits must be reported in accordance with 1 TAC §355.103(b)(1)(A)(iii)(II).

### **Box D16 – Total Direct Care Cost**

Sum Boxes D1 through D15, and enter the result in Box D16.

### **Box D17 – Total Days of Service in Medicaid-contracted Beds**

Enter total (i.e., Medicaid, Medicare and Other) days of service provided in Medicaid contracted beds during your selected reporting period in Box D17. A resident day is defined as services for one resident for one day. Count the day of admittance as a resident day. Do not count the day of discharge as a resident day. Do not include "bed hold" days. Do not include days in non-Medicaid-contracted beds. This number should equal the value entered in Box B9.

### **Box D18 – Estimated Direct Care Cost per Unit of Service**

Divide Box D16 by Box D17, and enter the result in Box D18. This is the facility's estimated direct care cost per unit of service in Medicaid-contracted beds. **Note that this estimate is based upon expenses and units of service reported on this worksheet. If the reported values are inaccurate, this estimate will be inaccurate.**

**Check all calculations to ensure accuracy.**

<b>WORKSHEET E</b> <b>ESTIMATE ADJUSTED STAFFING LEVEL</b>
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**NOTE: Facilities with high direct care costs may mitigate staffing recoupments to the extent that enhancements are expended on direct nursing staff compensation. The adjusted staffing level calculated on this worksheet is the facility's estimated staffing level after accounting for any mitigation of staffing recoupments due to high direct care costs.**

- A. Enter in Box E1 your estimated staffing level in LVN equivalent minutes per resident day from Box B18.
- B. Enter in Box E2 your estimated minimum required LVN equivalent minutes per resident day for participation from Box C14.
- C. Subtract Box E2 from Box E1. **If the result is not a whole number, round down to the nearest whole number.** Enter the result in Box E3. The value in Box E3 is the estimated number of LVN equivalent minutes above the minimum staffing requirement that the facility achieved during its reporting period.
- D. If the value in Box E3 is negative (meaning that the facility staffed below the minimum required staffing level for participation), enter "0" in Box E4. If the value in Box E3 is zero or positive, enter the value from Box E3 in Box E4 and continue to Box E5.
- E. Enter in Box E5 the facility's estimated average direct care base rate from Box A8.
- F. Multiply Box E4 by Box E6 and enter the result in Box E7. This is the direct care revenue per diem associated with the estimated number of LVN equivalent minutes above the minimum staffing requirement that the facility achieved during the reporting period.
- G. Sum Boxes E5 and E7 and enter the result in Box E8. This is the direct care revenue per diem associated with the staffing level achieved by the facility as estimated through these worksheets.
- H. Multiply Box E8 by Box E9 and enter the result in Box E10. This is the direct care spending requirement associated with the staffing level the facility achieved during the reporting period.
- I. Enter in Box E11 the direct care cost per unit of service from Box D18.
- J. Subtract Box E10 from Box E11 and enter the result in Box E12. This is the facility's

estimated direct care staff expense surplus.

- K. If the value in Box E12 is less than or equal to zero, your facility is not estimated to qualify to purchase credit for additional LVN equivalent minutes; enter a “1” in Box E13 and skip to Box E15. If the value in Box E12 is greater than zero, enter a “2” in Box E13 and continue with Box E14.
- L. Divide Box E12 by Box E6, and enter the result in Box E14. This is the estimated number of additional LVN equivalent minutes the facility qualifies for due to high direct care costs.
- M. If E13 equals “1”, enter the value from Box E1 in Box E15. If Box E13 equals “2”, sum Boxes E1 and E14, and enter the result in Box E15. Box E15 is your adjusted LVN equivalent minutes after mitigation of staffing requirements for facilities with high direct care costs.
- N. Subtract Box E2 from Box E15, and enter the result in Box E16. Box E16 is the estimated adjusted LVN equivalent minutes above the minimum staffing requirement that the facility achieved during the reporting period.

**Check all calculations to ensure accuracy.**