

Column 4.01.--Enter the number of demonstration inpatient days applicable to each group associated with the rate in effect January 1 through the end of your fiscal year. Enter the total on line 46.

Add the amounts on line 46, columns 3.01 and 4.01, and enter the result on Worksheet E, Part V, line 2.

Column 5.--Calculate the total for each revenue group by multiplying the rate by the days covered by that rate. Where you must report two rates and two sets of days for each group, multiply the rate in column 3 by the days in column 3.01. Multiply the second rate in column 4 by the days in column 4.01. For each line (group), add the product of column 3 multiplied by the 3.01 plus the product of columns 4 multiplied by 4.01, and enter the result in column 5 on the same line. Add lines 1 through 45, column 5, and enter the total on line 46. Transfer column 5, line 46, to Worksheet E, Part V, line 6.

3514.2 Part II - PPS Statistical Data. --Complete this part for cost reporting periods beginning on and after July 1, 1998. Use this part to report the Medicare days of the provider by RUG. The total on line 46 must agree with the amount on Worksheet S-3, column 4, line . This part has been revised with the issuance of Transmittal # 5. As of the issuance of Transmittal # 5, Part II has been replaced with Part III, and should not be completed.

3514.3 Part III - PPS Statistical Data.-- **Complete Part III for cost reporting periods beginning on or after July 1, 1998.** Use this part to report the Medicare days of the provider by RUG. **Do not use Part III for cost reporting periods ending on and after February 28, 2001.**

Transition Period.--Indicate the applicable transition period. Your fiscal intermediary will provide you with this status. Example: If your cost report year begins on July 1, 1998, check the box for year number 1. For the next fiscal year beginning on July 1, 1999, check the box for year number 2. For the following fiscal year beginning on July 1, 2000, check the box for year number 3. For the last fiscal year in the transition period beginning on July 1, 2001, check the box for year number 4.

**EXCEPTION: THE TRANSITION PERIOD PAYMENT METHOD WILL NOT APPLY TO A SNF THAT (1) ELECTED FOR IMMEDIATE TRANSITION TO FEDERAL RATE UNDER SECTION 102 OF THE BALANCED BUDGET REFINEMENT ACT OF 1999, OR (2) FIRST RECEIVED MEDICARE PAYMENTS (INTERIM OR OTHERWISE) ON OR AFTER OCTOBER 1, 1995 UNDER PRESENT OR PREVIOUS OWNERSHIP. THESE FACILITIES WILL BE PAID BASED ON ONE HUNDRED PERCENT (100%) OF THE FEDERAL RATE.** Enter this rate in column 5.

For the first year of the provider's transition period, the PPS rate will be twenty-five percent (25%) of the Federal Case Mix Rate and seventy-five percent (75%) of the Facility Specific Rate. In the second year of the Provider's transition period, the PPS rate will be fifty percent (50%) of the Federal Case Mix Rate and fifty percent (50%) of the Facility Specific Rate. For the third year of the Provider's transition period, the PPS rate will be seventy-five percent (75%) of the Federal Case Mix Rate and twenty-five percent (25%) of the Facility Specific Rate. For the fourth and final year of the Provider's transition period, the PPS rate will be one hundred percent (100%) of the Federal Case Mix Rate. See columns 9 and 10 below.

Column 2.--Enter the Federal Specific Rate on each applicable RUG line.

Column 3.--Enter the Federal Case Mix rate applicable to each RUG for services from the beginning of the fiscal year through September 30.

Column 4.--Enter the number of days applicable to each RUG for services from the beginning of the fiscal year through September 30.