

**Section 24 – Adjustment Factors for Direct Care, Other Direct Care and Indirect Care Costs**

1. An adjustment factor shall be used for purposes of adjusting historical costs for direct care, other direct care, and indirect care and for purposes of adjusting limitations of direct care costs, other direct care costs, and indirect care costs, but may not be used to adjust property costs.
2. For the rate year beginning January 1, 2020 the adjustment factor is 2 percent.
3. For the rate year beginning January 1, 2021 the adjustment factor is 2.5 percent.
4. For the rate year beginning January 1, 2022, the adjustment factor is 4.5 percent.
- ~~5.~~ For the rate year beginning January 1, 2023, the maximum adjustment factor is 3.75 percent.
- ~~5.6.~~ For the rate year beginning January 1, 2024, the maximum adjustment factor is 3.2 percent.

**Section 25 - Rate Limits and Incentives**

1. Limits - All facilities except those nongeriatric facilities for individuals with physical disabilities or units within a nursing facility providing geropsychiatric services described in Section 5 - Exclusions must be used to establish a limit rate for the Direct Care, Other Direct Care, and Indirect Care cost categories. The base year is the report year ended June 30, ~~2017~~2023. Base year costs may not be adjusted in any manner or for any reason not provided for in this section.
  - a. The limit rate for each of the cost categories will be established as follows:
    - (1) Historical costs for the report year ended June 30, ~~2017~~2023, as adjusted must be used to establish rates for all facilities in the Direct Care, Other Direct Care and Indirect Care cost categories. The rates as established must be ranked from low to high for each cost category.
    - (2) For rates effective ~~June~~January 1, ~~2021~~2024, the limit rate for each cost category is:
      - (a) For the Direct Care cost category, ~~\$204.84~~291.06;
      - (b) For the Other Direct Care cost category, ~~\$29.84~~38.69; and
      - (c) For the Indirect Care cost category for large facilities,  
~~\$84.51~~105.70; and
      - ~~(e)~~(d) For the Indirect Care cost category for small facilities, \$108.00.