**Section 140.571 Capital Rate Calculation**

a) Determination of Blended Value

1) The capital rate will be calculated through a blending of:

A) the uniform building value and

B) the building specific historical cost per bed.

2) If the building specific historical cost per bed (B) is less than the uniform building value (A), the blended value will be one-half of the difference between (A) and (B) added to (B) the building specific historical cost per bed. For example, if (b) is $16,000 and (A) is $20,000, the blended value will be $18,000.

3) If the building specific historical cost per bed (B) is greater than the uniform building value (A), the blended value will be one-half of the difference between (A) and (B) added to (A) the uniform building value. In this situation, the blended value will be limited to 120% of the uniform building value (A).

For example, if (B) is $28,000 and (A) is $16,000, the blended value will be $19,200.

b) Rate Calculation

1) The blended value will be divided by 339 days. (The 339 days is 365 days times a 93% occupancy standard.)

2) The per diem value will be multiplied by the rate of return to obtain a building rate factor.

3) The ERVWC factor will be added to the building rate factor to obtain the preliminary capital rate.

4) The capital rate will be the greater of the preliminary capital rate from 3) or an implementation capital rate which is 115% of the FY'91 capital rate paid to the same licensed provider.

(Source: Amended at 16 Ill. Reg. 19146, effective December 1, 1992)