

VIRGINIA DEPARTMENT OF MEDICAL ASSISTANCE SERVICES  
NURSING HOME OPERATING COSTS  
CEILINGS AND COST ESCALATORS  
For Cost Reporting Years Beginning On 7/1/2005 through 12/31/2008

| Provider Year Begins |       | Quarter Provider Year Ends |         | Peer Group | Days After 7/1/2004<br>But Prior to 7/1/2006 |                  | Days After 7/1/2006<br>But Prior to 7/1/2008 |                  | Days After 7/1/2008 |                 | Peer Group | Description          |
|----------------------|-------|----------------------------|---------|------------|--|------------------|--|------------------|---------------------|-----------------|------------|----------------------|
| Year                 | Month | Year                       | Quarter |            | Type   | Ceiling (note 1) | Cost Escalator                               | Ceiling (note 2) | Cost Escalator      | Ceiling (note3) |            |                      |
| 2005                 | 7     | 2006                       | 2       | Direct     | 1  | 92.31            | 1.044  |                  |                     |                 |            | Northern Va.         |
| 2005                 | 7     | 2006                       | 2       | Direct     | 2  | 83.03            | 1.044  |                  |                     |                 |            | Richmond             |
| 2005                 | 7     | 2006                       | 2       | Direct     | 3  | 67.06            | 1.044  |                  |                     |                 |            | Rest of State        |
| 2005                 | 7     | 2006                       | 2       | Indirect   | 1  | 62.12            | 1.044  |                  |                     |                 |            | Northern Va.         |
| 2005                 | 7     | 2006                       | 2       | Indirect   | 2  | 55.52            | 1.044  |                  |                     |                 |            | RoS, 60 beds or less |
| 2005                 | 7     | 2006                       | 2       | Indirect   | 3  | 50.77            | 1.044  |                  |                     |                 |            | RoS, 61 beds or more |
| 2005                 | 8     | 2006                       | 3       | Direct     | 1  | 93.61            | 1.044  | 100.15           | 1.044               |                 |            | Northern Va.         |
| 2005                 | 8     | 2006                       | 3       | Direct     | 2  | 84.20            | 1.044  | 87.88            | 1.044               |                 |            | Richmond             |
| 2005                 | 8     | 2006                       | 3       | Direct     | 3  | 68.01            | 1.044  | 72.89            | 1.044               |                 |            | Rest of State        |
| 2005                 | 8     | 2006                       | 3       | Indirect   | 1  | 62.99            | 1.044  | 65.49            | 1.044               |                 |            | Northern Va.         |
| 2005                 | 8     | 2006                       | 3       | Indirect   | 2  | 56.29            | 1.044  | 56.78            | 1.044               |                 |            | RoS, 60 beds or less |
| 2005                 | 8     | 2006                       | 3       | Indirect   | 3  | 51.49            | 1.044  | 50.25            | 1.044               |                 |            | RoS, 61 beds or more |
| 2005                 | 9     | 2006                       | 3       | Direct     | 1  | 93.61            | 1.044  | 100.15           | 1.044               |                 |            | Northern Va.         |
| 2005                 | 9     | 2006                       | 3       | Direct     | 2  | 84.20            | 1.044  | 87.88            | 1.044               |                 |            | Richmond             |
| 2005                 | 9     | 2006                       | 3       | Direct     | 3  | 68.01            | 1.044  | 72.89            | 1.044               |                 |            | Rest of State        |
| 2005                 | 9     | 2006                       | 3       | Indirect   | 1  | 62.99            | 1.044  | 65.49            | 1.044               |                 |            | Northern Va.         |
| 2005                 | 9     | 2006                       | 3       | Indirect   | 2  | 56.29            | 1.044  | 56.78            | 1.044               |                 |            | RoS, 60 beds or less |
| 2005                 | 9     | 2006                       | 3       | Indirect   | 3  | 51.49            | 1.044  | 50.25            | 1.044               |                 |            | RoS, 61 beds or more |
| 2005                 | 10    | 2006                       | 3       | Direct     | 1  | 93.61            | 1.044  | 100.15           | 1.044               |                 |            | Northern Va.         |
| 2005                 | 10    | 2006                       | 3       | Direct     | 2  | 84.20            | 1.044  | 87.88            | 1.044               |                 |            | Richmond             |
| 2005                 | 10    | 2006                       | 3       | Direct     | 3  | 68.01            | 1.044  | 72.89            | 1.044               |                 |            | Rest of State        |
| 2005                 | 10    | 2006                       | 3       | Indirect   | 1  | 62.99            | 1.044  | 65.49            | 1.044               |                 |            | Northern Va.         |
| 2005                 | 10    | 2006                       | 3       | Indirect   | 2  | 56.29            | 1.044  | 56.78            | 1.044               |                 |            | RoS, 60 beds or less |
| 2005                 | 10    | 2006                       | 3       | Indirect   | 3  | 51.49            | 1.044  | 50.25            | 1.044               |                 |            | RoS, 61 beds or more |
| 2005                 | 11    | 2006                       | Oct/Nov | Direct     | 1  | 94.91            | 1.044  | 101.22           | 1.044               |                 |            | Northern Va.         |
| 2005                 | 11    | 2006                       | Oct/Nov | Direct     | 2  | 85.37            | 1.044  | 88.81            | 1.044               |                 |            | Richmond             |
| 2005                 | 11    | 2006                       | Oct/Nov | Direct     | 3  | 68.94            | 1.044  | 73.66            | 1.044               |                 |            | Rest of State        |
| 2005                 | 11    | 2006                       | Oct/Nov | Indirect   | 1  | 63.87            | 1.044  | 66.19            | 1.044               |                 |            | Northern Va.         |
| 2005                 | 11    | 2006                       | Oct/Nov | Indirect   | 2  | 57.08            | 1.044  | 57.39            | 1.044               |                 |            | RoS, 60 beds or less |
| 2005                 | 11    | 2006                       | Oct/Nov | Indirect   | 3  | 52.20            | 1.044  | 50.78            | 1.044               |                 |            | RoS, 61 beds or more |
| 2005                 | 12    | 2006                       | Oct/Nov | Direct     | 1  | 94.91            | 1.044  | 101.22           | 1.044               |                 |            | Northern Va.         |
| 2005                 | 12    | 2006                       | Oct/Nov | Direct     | 2  | 85.37            | 1.044  | 88.81            | 1.044               |                 |            | Richmond             |
| 2005                 | 12    | 2006                       | Oct/Nov | Direct     | 3  | 68.94            | 1.044  | 73.66            | 1.044               |                 |            | Rest of State        |
| 2005                 | 12    | 2006                       | Oct/Nov | Indirect   | 1  | 63.87            | 1.044  | 66.19            | 1.044               |                 |            | Northern Va.         |
| 2005                 | 12    | 2006                       | Oct/Nov | Indirect   | 2  | 57.08            | 1.044  | 57.39            | 1.044               |                 |            | RoS, 60 beds or less |
| 2005                 | 12    | 2006                       | Oct/Nov | Indirect   | 3  | 52.20            | 1.044  | 50.78            | 1.044               |                 |            | RoS, 61 beds or more |
| 2006                 | 1     | 2006                       | Dec     | Direct     | 1  | 93.56            | 1.043  | 101.12           | 1.043               |                 |            | Northern Va.         |
| 2006                 | 1     | 2006                       | Dec     | Direct     | 2  | 84.16            | 1.043  | 88.73            | 1.043               |                 |            | Richmond             |
| 2006                 | 1     | 2006                       | Dec     | Direct     | 3  | 67.97            | 1.043  | 73.59            | 1.043               |                 |            | Rest of State        |
| 2006                 | 1     | 2006                       | Dec     | Indirect   | 1  | 62.96            | 1.043  | 66.13            | 1.043               |                 |            | Northern Va.         |
| 2006                 | 1     | 2006                       | Dec     | Indirect   | 2  | 56.27            | 1.043  | 57.33            | 1.043               |                 |            | RoS, 60 beds or less |
| 2006                 | 1     | 2006                       | Dec     | Indirect   | 3  | 51.46            | 1.043  | 50.73            | 1.043               |                 |            | RoS, 61 beds or more |
| 2006                 | 2     | 2007                       | 1       | Direct     | 1  | 94.92            | 1.043  | 102.23           | 1.043               |                 |            | Northern Va.         |
| 2006                 | 2     | 2007                       | 1       | Direct     | 2  | 85.38            | 1.043  | 89.71            | 1.043               |                 |            | Richmond             |
| 2006                 | 2     | 2007                       | 1       | Direct     | 3  | 68.95            | 1.043  | 74.41            | 1.043               |                 |            | Rest of State        |
| 2006                 | 2     | 2007                       | 1       | Indirect   | 1  | 63.87            | 1.043  | 66.86            | 1.043               |                 |            | Northern Va.         |
| 2006                 | 2     | 2007                       | 1       | Indirect   | 2  | 57.08            | 1.043  | 57.97            | 1.043               |                 |            | RoS, 60 beds or less |
| 2006                 | 2     | 2007                       | 1       | Indirect   | 3  | 52.20            | 1.043  | 51.29            | 1.043               |                 |            | RoS, 61 beds or more |
| 2006                 | 3     | 2007                       | 1       | Direct     | 1  | 94.92            | 1.043  | 102.23           | 1.043               |                 |            | Northern Va.         |
| 2006                 | 3     | 2007                       | 1       | Direct     | 2  | 85.38            | 1.043  | 89.71            | 1.043               |                 |            | Richmond             |
| 2006                 | 3     | 2007                       | 1       | Direct     | 3  | 68.95            | 1.043  | 74.41            | 1.043               |                 |            | Rest of State        |
| 2006                 | 3     | 2007                       | 1       | Indirect   | 1  | 63.87            | 1.043  | 66.86            | 1.043               |                 |            | Northern Va.         |
| 2006                 | 3     | 2007                       | 1       | Indirect   | 2  | 57.08            | 1.043  | 57.97            | 1.043               |                 |            | RoS, 60 beds or less |
| 2006                 | 3     | 2007                       | 1       | Indirect   | 3  | 52.20            | 1.043  | 51.29            | 1.043               |                 |            | RoS, 61 beds or more |

VIRGINIA DEPARTMENT OF MEDICAL ASSISTANCE SERVICES  
 NURSING HOME OPERATING COSTS  
 CEILINGS AND COST ESCALATORS  
 For Cost Reporting Years Beginning On 7/1/2005 through 12/31/2008

| Provider Year Begins | Quarter | Provider Year Ends | Peer    | Direct   | <u>Days After 7/1/2004</u>   |       | <u>Days After 7/1/2006</u>   |        | <u>Days After 7/1/2008</u> |      | Peer Group           |
|----------------------|---------|--------------------|---------|----------|------------------------------|-------|------------------------------|--------|----------------------------|------|----------------------|
|                      |         |                    |         |          | <u>But Prior to 7/1/2006</u> |       | <u>But Prior to 7/1/2008</u> |        |                            |      |                      |
|                      |         |                    |         |          | Ceiling                      | Cost  | Ceiling                      | Cost   | Ceiling                    | Cost |                      |
| 2006                 | 4       | 2007               | 1       | Direct   | 1                            | 94.92 | 1.043                        | 102.23 | 1.043                      |      | Northern Va.         |
| 2006                 | 4       | 2007               | 1       | Direct   | 2                            | 85.38 | 1.043                        | 89.71  | 1.043                      |      | Richmond             |
| 2006                 | 4       | 2007               | 1       | Direct   | 3                            | 68.95 | 1.043                        | 74.41  | 1.043                      |      | Rest of State        |
| 2006                 | 4       | 2007               | 1       | Indirect | 1                            | 63.87 | 1.043                        | 66.86  | 1.043                      |      | Northern Va.         |
| 2006                 | 4       | 2007               | 1       | Indirect | 2                            | 57.08 | 1.043                        | 57.97  | 1.043                      |      | RoS, 60 beds or less |
| 2006                 | 4       | 2007               | 1       | Indirect | 3                            | 52.20 | 1.043                        | 51.29  | 1.043                      |      | RoS, 61 beds or more |
| 2006                 | 5       | 2007               | 2       | Direct   | 1                            | 96.28 | 1.043                        | 103.34 | 1.043                      |      | Northern Va.         |
| 2006                 | 5       | 2007               | 2       | Direct   | 2                            | 86.60 | 1.043                        | 90.68  | 1.043                      |      | Richmond             |
| 2006                 | 5       | 2007               | 2       | Direct   | 3                            | 69.94 | 1.043                        | 75.21  | 1.043                      |      | Rest of State        |
| 2006                 | 5       | 2007               | 2       | Indirect | 1                            | 64.79 | 1.043                        | 67.58  | 1.043                      |      | Northern Va.         |
| 2006                 | 5       | 2007               | 2       | Indirect | 2                            | 57.91 | 1.043                        | 58.59  | 1.043                      |      | RoS, 60 beds or less |
| 2006                 | 5       | 2007               | 2       | Indirect | 3                            | 52.95 | 1.043                        | 51.85  | 1.043                      |      | RoS, 61 beds or more |
| 2006                 | 6       | 2007               | 2       | Direct   | 1                            | 96.28 | 1.043                        | 103.34 | 1.043                      |      | Northern Va.         |
| 2006                 | 6       | 2007               | 2       | Direct   | 2                            | 86.60 | 1.043                        | 90.68  | 1.043                      |      | Richmond             |
| 2006                 | 6       | 2007               | 2       | Direct   | 3                            | 69.94 | 1.043                        | 75.21  | 1.043                      |      | Rest of State        |
| 2006                 | 6       | 2007               | 2       | Indirect | 1                            | 64.79 | 1.043                        | 67.58  | 1.043                      |      | Northern Va.         |
| 2006                 | 6       | 2007               | 2       | Indirect | 2                            | 57.91 | 1.043                        | 58.59  | 1.043                      |      | RoS, 60 beds or less |
| 2006                 | 6       | 2007               | 2       | Indirect | 3                            | 52.95 | 1.043                        | 51.85  | 1.043                      |      | RoS, 61 beds or more |
| 2006                 | 7       | 2007               | 2       | Direct   | 1                            |       |                              | 103.34 | 1.043                      |      | Northern Va.         |
| 2006                 | 7       | 2007               | 2       | Direct   | 2                            |       |                              | 90.68  | 1.043                      |      | Richmond             |
| 2006                 | 7       | 2007               | 2       | Direct   | 3                            |       |                              | 75.21  | 1.043                      |      | Rest of State        |
| 2006                 | 7       | 2007               | 2       | Indirect | 1                            |       |                              | 67.58  | 1.043                      |      | Northern Va.         |
| 2006                 | 7       | 2007               | 2       | Indirect | 2                            |       |                              | 58.59  | 1.043                      |      | RoS, 60 beds or less |
| 2006                 | 7       | 2007               | 2       | Indirect | 3                            |       |                              | 51.85  | 1.043                      |      | RoS, 61 beds or more |
| 2006                 | 8       | 2007               | 3       | Direct   | 1                            |       |                              | 104.46 | 1.043                      |      | Northern Va.         |
| 2006                 | 8       | 2007               | 3       | Direct   | 2                            |       |                              | 91.66  | 1.043                      |      | Richmond             |
| 2006                 | 8       | 2007               | 3       | Direct   | 3                            |       |                              | 76.02  | 1.043                      |      | Rest of State        |
| 2006                 | 8       | 2007               | 3       | Indirect | 1                            |       |                              | 68.31  | 1.043                      |      | Northern Va.         |
| 2006                 | 8       | 2007               | 3       | Indirect | 2                            |       |                              | 59.23  | 1.043                      |      | RoS, 60 beds or less |
| 2006                 | 8       | 2007               | 3       | Indirect | 3                            |       |                              | 52.41  | 1.043                      |      | RoS, 61 beds or more |
| 2006                 | 9       | 2007               | 3       | Direct   | 1                            |       |                              | 104.46 | 1.043                      |      | Northern Va.         |
| 2006                 | 9       | 2007               | 3       | Direct   | 2                            |       |                              | 91.66  | 1.043                      |      | Richmond             |
| 2006                 | 9       | 2007               | 3       | Direct   | 3                            |       |                              | 76.02  | 1.043                      |      | Rest of State        |
| 2006                 | 9       | 2007               | 3       | Indirect | 1                            |       |                              | 68.31  | 1.043                      |      | Northern Va.         |
| 2006                 | 9       | 2007               | 3       | Indirect | 2                            |       |                              | 59.23  | 1.043                      |      | RoS, 60 beds or less |
| 2006                 | 9       | 2007               | 3       | Indirect | 3                            |       |                              | 52.41  | 1.043                      |      | RoS, 61 beds or more |
| 2006                 | 10      | 2007               | 3       | Direct   | 1                            |       |                              | 104.46 | 1.043                      |      | Northern Va.         |
| 2006                 | 10      | 2007               | 3       | Direct   | 2                            |       |                              | 91.66  | 1.043                      |      | Richmond             |
| 2006                 | 10      | 2007               | 3       | Direct   | 3                            |       |                              | 76.02  | 1.043                      |      | Rest of State        |
| 2006                 | 10      | 2007               | 3       | Indirect | 1                            |       |                              | 68.31  | 1.043                      |      | Northern Va.         |
| 2006                 | 10      | 2007               | 3       | Indirect | 2                            |       |                              | 59.23  | 1.043                      |      | RoS, 60 beds or less |
| 2006                 | 10      | 2007               | 3       | Indirect | 3                            |       |                              | 52.41  | 1.043                      |      | RoS, 61 beds or more |
| 2006                 | 11      | 2007               | Oct/Nov | Direct   | 1                            |       |                              | 105.57 | 1.043                      |      | Northern Va.         |
| 2006                 | 11      | 2007               | Oct/Nov | Direct   | 2                            |       |                              | 92.63  | 1.043                      |      | Richmond             |
| 2006                 | 11      | 2007               | Oct/Nov | Direct   | 3                            |       |                              | 76.83  | 1.043                      |      | Rest of State        |
| 2006                 | 11      | 2007               | Oct/Nov | Indirect | 1                            |       |                              | 69.04  | 1.043                      |      | Northern Va.         |
| 2006                 | 11      | 2007               | Oct/Nov | Indirect | 2                            |       |                              | 59.86  | 1.043                      |      | RoS, 60 beds or less |
| 2006                 | 11      | 2007               | Oct/Nov | Indirect | 3                            |       |                              | 52.96  | 1.043                      |      | RoS, 61 beds or more |
| 2006                 | 12      | 2007               | Oct/Nov | Direct   | 1                            |       |                              | 105.57 | 1.043                      |      | Northern Va.         |
| 2006                 | 12      | 2007               | Oct/Nov | Direct   | 2                            |       |                              | 92.63  | 1.043                      |      | Richmond             |
| 2006                 | 12      | 2007               | Oct/Nov | Direct   | 3                            |       |                              | 76.83  | 1.043                      |      | Rest of State        |
| 2006                 | 12      | 2007               | Oct/Nov | Indirect | 1                            |       |                              | 69.04  | 1.043                      |      | Northern Va.         |
| 2006                 | 12      | 2007               | Oct/Nov | Indirect | 2                            |       |                              | 59.86  | 1.043                      |      | RoS, 60 beds or less |
| 2006                 | 12      | 2007               | Oct/Nov | Indirect | 3                            |       |                              | 52.96  | 1.043                      |      | RoS, 61 beds or more |
| 2007                 | 1       | 2007               | Dec     | Direct   | 1                            |       |                              | 104.56 | 1.034                      |      | Northern Va.         |
| 2007                 | 1       | 2007               | Dec     | Direct   | 2                            |       |                              | 91.75  | 1.034                      |      | Richmond             |

VIRGINIA DEPARTMENT OF MEDICAL ASSISTANCE SERVICES  
NURSING HOME OPERATING COSTS  
CEILINGS AND COST ESCALATORS

For Cost Reporting Years Beginning On 7/1/2005 through 12/31/2008

| Provider Year Begins<br>Year | Quarter | Provider Year Ends<br>Year | Quarter | Type     | Peer Group | Days After 7/1/2004<br>But Prior to 7/1/2006 |                | Days After 7/1/2006<br>But Prior to 7/1/2008 |                | Days After 7/1/2008 |                | Peer Group | Description          |
|------------------------------|---------|----------------------------|---------|----------|------------|--|----------------|--|----------------|---------------------|----------------|------------|----------------------|
|                              |         |                            |         |          |            | Ceiling<br>(note 1)                          | Cost Escalator | Ceiling<br>(note 2)                          | Cost Escalator | Ceiling<br>(note 3) | Cost Escalator |            |                      |
| 2007                         | 1       | 2007                       | Dec     | Direct   | 3          |  |                | 76.09  | 1.034          |                     |                |            | Rest of State        |
| 2007                         | 1       | 2007                       | Dec     | Indirect | 1          |  |                | 68.38  | 1.034          |                     |                |            | Northern Va.         |
| 2007                         | 1       | 2007                       | Dec     | Indirect | 2          |  |                | 59.28  | 1.034          |                     |                |            | RoS, 60 beds or less |
| 2007                         | 1       | 2007                       | Dec     | Indirect | 3          |  |                | 52.45  | 1.034          |                     |                |            | RoS, 61 beds or more |
| 2007                         | 2       | 2008                       | 1       | Direct   | 1          |  |                | 105.71                                       | 1.034          |                     |                |            | Northern Va.         |
| 2007                         | 2       | 2008                       | 1       | Direct   | 2          |  |                | 92.76  | 1.034          |                     |                |            | Richmond             |
| 2007                         | 2       | 2008                       | 1       | Direct   | 3          |  |                | 76.94  | 1.034          |                     |                |            | Rest of State        |
| 2007                         | 2       | 2008                       | 1       | Indirect | 1          |  |                | 69.13  | 1.034          |                     |                |            | Northern Va.         |
| 2007                         | 2       | 2008                       | 1       | Indirect | 2          |  |                | 59.94  | 1.034          |                     |                |            | RoS, 60 beds or less |
| 2007                         | 2       | 2008                       | 1       | Indirect | 3          |  |                | 53.03  | 1.034          |                     |                |            | RoS, 61 beds or more |
| 2007                         | 3       | 2008                       | 1       | Direct   | 1          |  |                | 105.71                                       | 1.034          |                     |                |            | Northern Va.         |
| 2007                         | 3       | 2008                       | 1       | Direct   | 2          |  |                | 92.76  | 1.034          |                     |                |            | Richmond             |
| 2007                         | 3       | 2008                       | 1       | Direct   | 3          |  |                | 76.94  | 1.034          |                     |                |            | Rest of State        |
| 2007                         | 3       | 2008                       | 1       | Indirect | 1          |  |                | 69.13  | 1.034          |                     |                |            | Northern Va.         |
| 2007                         | 3       | 2008                       | 1       | Indirect | 2          |  |                | 59.94  | 1.034          |                     |                |            | RoS, 60 beds or less |
| 2007                         | 3       | 2008                       | 1       | Indirect | 3          |  |                | 53.03  | 1.034          |                     |                |            | RoS, 61 beds or more |
| 2007                         | 4       | 2008                       | 1       | Direct   | 1          |  |                | 105.71                                       | 1.034          |                     |                |            | Northern Va.         |
| 2007                         | 4       | 2008                       | 1       | Direct   | 2          |  |                | 92.76  | 1.034          |                     |                |            | Richmond             |
| 2007                         | 4       | 2008                       | 1       | Direct   | 3          |  |                | 76.94  | 1.034          |                     |                |            | Rest of State        |
| 2007                         | 4       | 2008                       | 1       | Indirect | 1          |  |                | 69.13  | 1.034          |                     |                |            | Northern Va.         |
| 2007                         | 4       | 2008                       | 1       | Indirect | 2          |  |                | 59.94  | 1.034          |                     |                |            | RoS, 60 beds or less |
| 2007                         | 4       | 2008                       | 1       | Indirect | 3          |  |                | 53.03  | 1.034          |                     |                |            | RoS, 61 beds or more |
| 2007                         | 5       | 2008                       | 2       | Direct   | 1          |  |                | 106.85                                       | 1.034          |                     |                |            | Northern Va.         |
| 2007                         | 5       | 2008                       | 2       | Direct   | 2          |  |                | 93.76  | 1.034          |                     |                |            | Richmond             |
| 2007                         | 5       | 2008                       | 2       | Direct   | 3          |  |                | 77.77  | 1.034          |                     |                |            | Rest of State        |
| 2007                         | 5       | 2008                       | 2       | Indirect | 1          |  |                | 69.88  | 1.034          |                     |                |            | Northern Va.         |
| 2007                         | 5       | 2008                       | 2       | Indirect | 2          |  |                | 60.58  | 1.034          |                     |                |            | RoS, 60 beds or less |
| 2007                         | 5       | 2008                       | 2       | Indirect | 3          |  |                | 53.61  | 1.034          |                     |                |            | RoS, 61 beds or more |
| 2007                         | 6       | 2008                       | 2       | Direct   | 1          |  |                | 106.85                                       | 1.034          |                     |                |            | Northern Va.         |
| 2007                         | 6       | 2008                       | 2       | Direct   | 2          |  |                | 93.76  | 1.034          |                     |                |            | Richmond             |
| 2007                         | 6       | 2008                       | 2       | Direct   | 3          |  |                | 77.77  | 1.034          |                     |                |            | Rest of State        |
| 2007                         | 6       | 2008                       | 2       | Indirect | 1          |  |                | 69.88  | 1.034          |                     |                |            | Northern Va.         |
| 2007                         | 6       | 2008                       | 2       | Indirect | 2          |  |                | 60.58  | 1.034          |                     |                |            | RoS, 60 beds or less |
| 2007                         | 6       | 2008                       | 2       | Indirect | 3          |  |                | 53.61  | 1.034          |                     |                |            | RoS, 61 beds or more |
| 2007                         | 7       | 2008                       | 2       | Direct   | 1          |  |                | 106.85                                       | 1.034          |                     |                |            | Northern Va.         |
| 2007                         | 7       | 2008                       | 2       | Direct   | 2          |  |                | 93.76  | 1.034          |                     |                |            | Richmond             |
| 2007                         | 7       | 2008                       | 2       | Direct   | 3          |  |                | 77.77  | 1.034          |                     |                |            | Rest of State        |
| 2007                         | 7       | 2008                       | 2       | Indirect | 1          |  |                | 69.88  | 1.034          |                     |                |            | Northern Va.         |
| 2007                         | 7       | 2008                       | 2       | Indirect | 2          |  |                | 60.58  | 1.034          |                     |                |            | RoS, 60 beds or less |
| 2007                         | 7       | 2008                       | 2       | Indirect | 3          |  |                | 53.61  | 1.034          |                     |                |            | RoS, 61 beds or more |
| 2007                         | 8       | 2008                       | 3       | Direct   | 1          |  |                | 108.01                                       | 1.034          | 112.81              | 1.034          |            | Northern Va.         |
| 2007                         | 8       | 2008                       | 3       | Direct   | 2          |  |                | 94.77  | 1.034          | 92.54               | 1.034          |            | Richmond             |
| 2007                         | 8       | 2008                       | 3       | Direct   | 3          |  |                | 78.61  | 1.034          | 83.34               | 1.034          |            | Rest of State        |
| 2007                         | 8       | 2008                       | 3       | Indirect | 1          |  |                | 70.63  | 1.034          | 67.50               | 1.034          |            | Northern Va.         |
| 2007                         | 8       | 2008                       | 3       | Indirect | 2          |  |                | 61.24  | 1.034          | 62.14               | 1.034          |            | RoS, 60 beds or less |
| 2007                         | 8       | 2008                       | 3       | Indirect | 3          |  |                | 54.19  | 1.034          | 56.29               | 1.034          |            | RoS, 61 beds or more |
| 2007                         | 9       | 2008                       | 3       | Direct   | 1          |  |                | 108.01                                       | 1.034          | 112.81              | 1.034          |            | Northern Va.         |
| 2007                         | 9       | 2008                       | 3       | Direct   | 2          |  |                | 94.77  | 1.034          | 92.54               | 1.034          |            | Richmond             |
| 2007                         | 9       | 2008                       | 3       | Direct   | 3          |  |                | 78.61  | 1.034          | 83.34               | 1.034          |            | Rest of State        |
| 2007                         | 9       | 2008                       | 3       | Indirect | 1          |  |                | 70.63  | 1.034          | 67.50               | 1.034          |            | Northern Va.         |
| 2007                         | 9       | 2008                       | 3       | Indirect | 2          |  |                | 61.24  | 1.034          | 62.14               | 1.034          |            | RoS, 60 beds or less |
| 2007                         | 9       | 2008                       | 3       | Indirect | 3          |  |                | 54.19  | 1.034          | 56.29               | 1.034          |            | RoS, 61 beds or more |
| 2007                         | 10      | 2008                       | 3       | Direct   | 1          |  |                | 108.01                                       | 1.034          | 112.81              | 1.034          |            | Northern Va.         |
| 2007                         | 10      | 2008                       | 3       | Direct   | 2          |  |                | 94.77  | 1.034          | 92.54               | 1.034          |            | Richmond             |
| 2007                         | 10      | 2008                       | 3       | Direct   | 3          |  |                | 78.61  | 1.034          | 83.34               | 1.034          |            | Rest of State        |

VIRGINIA DEPARTMENT OF MEDICAL ASSISTANCE SERVICES  
NURSING HOME OPERATING COSTS  
CEILING AND COST ESCALATORS  
For Cost Reporting Years Beginning On 7/1/2005 through 12/31/2008

| Provider Year Begins<br>Year | Month | Quarter | Provider Year Ends<br>Year | Quarter | Type     | Peer Group | Days After 7/1/2004<br>But Prior to 7/1/2006 |                | Days After 7/1/2006<br>But Prior to 7/1/2008 |                | Days After 7/1/2008 |                | Peer Group           | Description |
|------------------------------|-------|---------|----------------------------|---------|----------|------------|--|----------------|--|----------------|---------------------|----------------|----------------------|-------------|
|                              |       |         |                            |         |          |            | Ceiling<br>(note 1)                          | Cost Escalator | Ceiling<br>(note 2)                          | Cost Escalator | Ceiling<br>(note3)  | Cost Escalator |                      |             |
| 2007                         | 10    |         | 2008                       | 3       | Indirect | 1          |  |                | 70.63  | 1.034          | 67.50               | 1.034          | Northern Va.         |             |
| 2007                         | 10    |         | 2008                       | 3       | Indirect | 2          |  |                | 61.24  | 1.034          | 62.14               | 1.034          | RoS, 60 beds or less |             |
| 2007                         | 10    |         | 2008                       | 3       | Indirect | 3          |  |                | 54.19  | 1.034          | 56.29               | 1.034          | RoS, 61 beds or more |             |
| 2007                         | 11    |         | 2008                       | Oct/Nov | Direct   | 1          |  |                | 109.16                                       | 1.034          | 113.74              | 1.034          | Northern Va.         |             |
| 2007                         | 11    |         | 2008                       | Oct/Nov | Direct   | 2          |  |                | 95.78  | 1.034          | 93.31               | 1.034          | Richmond             |             |
| 2007                         | 11    |         | 2008                       | Oct/Nov | Direct   | 3          |  |                | 79.44  | 1.034          | 84.03               | 1.034          | Rest of State        |             |
| 2007                         | 11    |         | 2008                       | Oct/Nov | Indirect | 1          |  |                | 71.38  | 1.034          | 68.06               | 1.034          | Northern Va.         |             |
| 2007                         | 11    |         | 2008                       | Oct/Nov | Indirect | 2          |  |                | 61.89  | 1.034          | 62.65               | 1.034          | RoS, 60 beds or less |             |
| 2007                         | 11    |         | 2008                       | Oct/Nov | Indirect | 3          |  |                | 54.76  | 1.034          | 56.76               | 1.034          | RoS, 61 beds or more |             |
| 2007                         | 12    |         | 2008                       | Oct/Nov | Direct   | 1          |  |                | 109.16                                       | 1.034          | 113.74              | 1.034          | Northern Va.         |             |
| 2007                         | 12    |         | 2008                       | Oct/Nov | Direct   | 2          |  |                | 95.78  | 1.034          | 93.31               | 1.034          | Richmond             |             |
| 2007                         | 12    |         | 2008                       | Oct/Nov | Direct   | 3          |  |                | 79.44  | 1.034          | 84.03               | 1.034          | Rest of State        |             |
| 2007                         | 12    |         | 2008                       | Oct/Nov | Indirect | 1          |  |                | 71.38  | 1.034          | 68.06               | 1.034          | Northern Va.         |             |
| 2007                         | 12    |         | 2008                       | Oct/Nov | Indirect | 2          |  |                | 61.89  | 1.034          | 62.65               | 1.034          | RoS, 60 beds or less |             |
| 2007                         | 12    |         | 2008                       | Oct/Nov | Indirect | 3          |  |                | 54.76  | 1.034          | 56.76               | 1.034          | RoS, 61 beds or more |             |
| 2008                         | 1     |         | 2008                       | Dec     | Direct   | 1          |  |                | 107.49                                       | 1.028          | 113.08              | 1.028          | Northern Va.         |             |
| 2008                         | 1     |         | 2008                       | Dec     | Direct   | 2          |  |                | 94.32  | 1.028          | 92.77               | 1.028          | Richmond             |             |
| 2008                         | 1     |         | 2008                       | Dec     | Direct   | 3          |  |                | 78.22  | 1.028          | 83.55               | 1.028          | Rest of State        |             |
| 2008                         | 1     |         | 2008                       | Dec     | Indirect | 1          |  |                | 70.29  | 1.028          | 67.66               | 1.028          | Northern Va.         |             |
| 2008                         | 1     |         | 2008                       | Dec     | Indirect | 2          |  |                | 60.94  | 1.028          | 62.29               | 1.028          | RoS, 60 beds or less |             |
| 2008                         | 1     |         | 2008                       | Dec     | Indirect | 3          |  |                | 53.92  | 1.028          | 56.43               | 1.028          | RoS, 61 beds or more |             |
| 2008                         | 2     |         | 2009                       | 1       | Direct   | 1          |  |                | 108.67                                       | 1.028          | 114.04              | 1.028          | Northern Va.         |             |
| 2008                         | 2     |         | 2009                       | 1       | Direct   | 2          |  |                | 95.36  | 1.028          | 93.55               | 1.028          | Richmond             |             |
| 2008                         | 2     |         | 2009                       | 1       | Direct   | 3          |  |                | 79.09  | 1.028          | 84.25               | 1.028          | Rest of State        |             |
| 2008                         | 2     |         | 2009                       | 1       | Indirect | 1          |  |                | 71.07  | 1.028          | 68.24               | 1.028          | Northern Va.         |             |
| 2008                         | 2     |         | 2009                       | 1       | Indirect | 2          |  |                | 61.62  | 1.028          | 62.81               | 1.028          | RoS, 60 beds or less |             |
| 2008                         | 2     |         | 2009                       | 1       | Indirect | 3          |  |                | 54.52  | 1.028          | 56.90               | 1.028          | RoS, 61 beds or more |             |
| 2008                         | 3     |         | 2009                       | 1       | Direct   | 1          |  |                | 108.67                                       | 1.028          | 114.04              | 1.028          | Northern Va.         |             |
| 2008                         | 3     |         | 2009                       | 1       | Direct   | 2          |  |                | 95.36  | 1.028          | 93.55               | 1.028          | Richmond             |             |
| 2008                         | 3     |         | 2009                       | 1       | Direct   | 3          |  |                | 79.09  | 1.028          | 84.25               | 1.028          | Rest of State        |             |
| 2008                         | 3     |         | 2009                       | 1       | Indirect | 1          |  |                | 71.07  | 1.028          | 68.24               | 1.028          | Northern Va.         |             |
| 2008                         | 3     |         | 2009                       | 1       | Indirect | 2          |  |                | 61.62  | 1.028          | 62.81               | 1.028          | RoS, 60 beds or less |             |
| 2008                         | 3     |         | 2009                       | 1       | Indirect | 3          |  |                | 54.52  | 1.028          | 56.90               | 1.028          | RoS, 61 beds or more |             |
| 2008                         | 4     |         | 2009                       | 1       | Direct   | 1          |  |                | 108.67                                       | 1.028          | 114.04              | 1.028          | Northern Va.         |             |
| 2008                         | 4     |         | 2009                       | 1       | Direct   | 2          |  |                | 95.36  | 1.028          | 93.55               | 1.028          | Richmond             |             |
| 2008                         | 4     |         | 2009                       | 1       | Direct   | 3          |  |                | 79.09  | 1.028          | 84.25               | 1.028          | Rest of State        |             |
| 2008                         | 4     |         | 2009                       | 1       | Indirect | 1          |  |                | 71.07  | 1.028          | 68.24               | 1.028          | Northern Va.         |             |
| 2008                         | 4     |         | 2009                       | 1       | Indirect | 2          |  |                | 61.62  | 1.028          | 62.81               | 1.028          | RoS, 60 beds or less |             |
| 2008                         | 4     |         | 2009                       | 1       | Indirect | 3          |  |                | 54.52  | 1.028          | 56.90               | 1.028          | RoS, 61 beds or more |             |
| 2008                         | 5     |         | 2009                       | 2       | Direct   | 1          |  |                | 109.85                                       | 1.028          | 115.01              | 1.028          | Northern Va.         |             |
| 2008                         | 5     |         | 2009                       | 2       | Direct   | 2          |  |                | 96.39  | 1.028          | 94.35               | 1.028          | Richmond             |             |
| 2008                         | 5     |         | 2009                       | 2       | Direct   | 3          |  |                | 79.94  | 1.028          | 84.97               | 1.028          | Rest of State        |             |
| 2008                         | 5     |         | 2009                       | 2       | Indirect | 1          |  |                | 71.83  | 1.028          | 68.81               | 1.028          | Northern Va.         |             |
| 2008                         | 5     |         | 2009                       | 2       | Indirect | 2          |  |                | 62.28  | 1.028          | 63.35               | 1.028          | RoS, 60 beds or less |             |
| 2008                         | 5     |         | 2009                       | 2       | Indirect | 3          |  |                | 55.11  | 1.028          | 57.39               | 1.028          | RoS, 61 beds or more |             |
| 2008                         | 6     |         | 2009                       | 2       | Direct   | 1          |  |                | 109.85                                       | 1.028          | 115.01              | 1.028          | Northern Va.         |             |
| 2008                         | 6     |         | 2009                       | 2       | Direct   | 2          |  |                | 96.39  | 1.028          | 94.35               | 1.028          | Richmond             |             |
| 2008                         | 6     |         | 2009                       | 2       | Direct   | 3          |  |                | 79.94  | 1.028          | 84.97               | 1.028          | Rest of State        |             |
| 2008                         | 6     |         | 2009                       | 2       | Indirect | 1          |  |                | 71.83  | 1.028          | 68.81               | 1.028          | Northern Va.         |             |
| 2008                         | 6     |         | 2009                       | 2       | Indirect | 2          |  |                | 62.28  | 1.028          | 63.35               | 1.028          | RoS, 60 beds or less |             |
| 2008                         | 6     |         | 2009                       | 2       | Indirect | 3          |  |                | 55.11  | 1.028          | 57.39               | 1.028          | RoS, 61 beds or more |             |
| 2008                         | 7     |         | 2009                       | 2       | Direct   | 1          |  |                |  |                | 115.01              | 1.028          | Northern Va.         |             |
| 2008                         | 7     |         | 2009                       | 2       | Direct   | 2          |  |                |  |                | 94.35               | 1.028          | Richmond             |             |
| 2008                         | 7     |         | 2009                       | 2       | Direct   | 3          |  |                |  |                | 84.97               | 1.028          | Rest of State        |             |

VIRGINIA DEPARTMENT OF MEDICAL ASSISTANCE SERVICES  
NURSING HOME OPERATING COSTS  
CEILINGS AND COST ESCALATORS  
For Cost Reporting Years Beginning On 7/1/2005 through 12/31/2008

| Provider Year Begins<br>Year | Month | Quarter | Year | Quarter | Type     | Peer Group | Days After 7/1/2004<br>But Prior to 7/1/2006 |                | Days After 7/1/2006<br>But Prior to 7/1/2008 |                | Days After 7/1/2008 |                      | Peer Group | Description |
|------------------------------|-------|---------|------|---------|----------|------------|--|----------------|--|----------------|---------------------|----------------------|------------|-------------|
|                              |       |         |      |         |          |            | Ceiling<br>(note 1)                          | Cost Escalator | Ceiling<br>(note 2)                          | Cost Escalator | Ceiling<br>(note3)  | Cost Escalator       |            |             |
| 2008                         | 7     |         | 2009 | 2       | Indirect | 1          |  |                |  | 68.81          | 1.028               | Northern Va.         |            |             |
| 2008                         | 7     |         | 2009 | 2       | Indirect | 2          |  |                |  | 63.35          | 1.028               | RoS, 60 beds or less |            |             |
| 2008                         | 7     |         | 2009 | 2       | Indirect | 3          |  |                |  | 57.39          | 1.028               | RoS, 61 beds or more |            |             |
| 2008                         | 8     |         | 2009 | 3       | Direct   | 1          |  |                |  | 115.97         | 1.028               | Northern Va.         |            |             |
| 2008                         | 8     |         | 2009 | 3       | Direct   | 2          |  |                |  | 95.13          | 1.028               | Richmond             |            |             |
| 2008                         | 8     |         | 2009 | 3       | Direct   | 3          |  |                |  | 85.67          | 1.028               | Rest of State        |            |             |
| 2008                         | 8     |         | 2009 | 3       | Indirect | 1          |  |                |  | 69.39          | 1.028               | Northern Va.         |            |             |
| 2008                         | 8     |         | 2009 | 3       | Indirect | 2          |  |                |  | 63.88          | 1.028               | RoS, 60 beds or less |            |             |
| 2008                         | 8     |         | 2009 | 3       | Indirect | 3          |  |                |  | 57.87          | 1.028               | RoS, 61 beds or more |            |             |
| 2008                         | 9     |         | 2009 | 3       | Direct   | 1          |  |                |  | 115.97         | 1.028               | Northern Va.         |            |             |
| 2008                         | 9     |         | 2009 | 3       | Direct   | 2          |  |                |  | 95.13          | 1.028               | Richmond             |            |             |
| 2008                         | 9     |         | 2009 | 3       | Direct   | 3          |  |                |  | 85.67          | 1.028               | Rest of State        |            |             |
| 2008                         | 9     |         | 2009 | 3       | Indirect | 1          |  |                |  | 69.39          | 1.028               | Northern Va.         |            |             |
| 2008                         | 9     |         | 2009 | 3       | Indirect | 2          |  |                |  | 63.88          | 1.028               | RoS, 60 beds or less |            |             |
| 2008                         | 9     |         | 2009 | 3       | Indirect | 3          |  |                |  | 57.87          | 1.028               | RoS, 61 beds or more |            |             |
| 2008                         | 10    |         | 2009 | 3       | Direct   | 1          |  |                |  | 115.97         | 1.028               | Northern Va.         |            |             |
| 2008                         | 10    |         | 2009 | 3       | Direct   | 2          |  |                |  | 95.13          | 1.028               | Richmond             |            |             |
| 2008                         | 10    |         | 2009 | 3       | Direct   | 3          |  |                |  | 85.67          | 1.028               | Rest of State        |            |             |
| 2008                         | 10    |         | 2009 | 3       | Indirect | 1          |  |                |  | 69.39          | 1.028               | Northern Va.         |            |             |
| 2008                         | 10    |         | 2009 | 3       | Indirect | 2          |  |                |  | 63.88          | 1.028               | RoS, 60 beds or less |            |             |
| 2008                         | 10    |         | 2009 | 3       | Indirect | 3          |  |                |  | 57.87          | 1.028               | RoS, 61 beds or more |            |             |
| 2008                         | 11    |         | 2009 | Oct/Nov | Direct   | 1          |  |                |  | 116.92         | 1.028               | Northern Va.         |            |             |
| 2008                         | 11    |         | 2009 | Oct/Nov | Direct   | 2          |  |                |  | 95.92          | 1.028               | Richmond             |            |             |
| 2008                         | 11    |         | 2009 | Oct/Nov | Direct   | 3          |  |                |  | 86.38          | 1.028               | Rest of State        |            |             |
| 2008                         | 11    |         | 2009 | Oct/Nov | Indirect | 1          |  |                |  | 69.97          | 1.028               | Northern Va.         |            |             |
| 2008                         | 11    |         | 2009 | Oct/Nov | Indirect | 2          |  |                |  | 64.40          | 1.028               | RoS, 60 beds or less |            |             |
| 2008                         | 11    |         | 2009 | Oct/Nov | Indirect | 3          |  |                |  | 58.35          | 1.028               | RoS, 61 beds or more |            |             |
| 2008                         | 12    |         | 2009 | Oct/Nov | Direct   | 1          |  |                |  | 116.92         | 1.028               | Northern Va.         |            |             |
| 2008                         | 12    |         | 2009 | Oct/Nov | Direct   | 2          |  |                |  | 95.92          | 1.028               | Richmond             |            |             |
| 2008                         | 12    |         | 2009 | Oct/Nov | Direct   | 3          |  |                |  | 86.38          | 1.028               | Rest of State        |            |             |
| 2008                         | 12    |         | 2009 | Oct/Nov | Indirect | 1          |  |                |  | 69.97          | 1.028               | Northern Va.         |            |             |
| 2008                         | 12    |         | 2009 | Oct/Nov | Indirect | 2          |  |                |  | 64.40          | 1.028               | RoS, 60 beds or less |            |             |
| 2008                         | 12    |         | 2009 | Oct/Nov | Indirect | 3          |  |                |  | 58.35          | 1.028               | RoS, 61 beds or more |            |             |

**Note 1:**  
The ceilings for days after 7/1/2004 reflect the ceilings after rebasing using 2001 cost data.

**Note 2:**  
The ceilings for days after 7/1/2006 reflect the ceilings after rebasing using 2003 cost data.

**Note 3:**  
The ceilings for days after 7/1/2008 reflect the ceilings after rebasing using 2005 cost data.