Shakopee Friendship Manor 342630400/70004
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NOTICE OF FINAL PAYMENT RATES EFFECTIVE January 1, 2026

The Minnesota Department of Human Services has reviewed the Cost Report, required documentation, and other supporting information supplied on behalf of the facility in determining the total payment rate. Specific sections of the rate notice are accompanied by a narrative.

A P P E A L S

An Appeal must meet the following requirement

1. A written Notice of Appeal from the Provider must be received by the Commissioner of Human Services or postmarked within 60 days of the publication date printed on the rate notice.
2. The Notice Of Appeal must identify each disputed item and specify for each item:
- The reason for the dispute
- The total dollar amount in dispute for each separate disallowance, allocation, or adjustment of a cost item or part of a cost item
- The computation the Provider believes is correct, and
- The authority in Statute or Rule upon which the Provider relies.
3. The Notice Of Appeal must include the name and address of the person or firm with whom contacts may be made regarding the Appeal.

Appeals should include the Provider Identification Number. Each separate dispute should be numbered. Each appealed adjustment should be identified by cost report line number.

Appeals should be addressed to:

Minnesota Department of Human Services Appeals Division
Attn: Provider Nursing Facility Rate Appeal
P.O. Box 64941
St. Paul, MN 55164-0941

If you have any policy questions please contact the Policy Center at 651-431-2282. To speak with an auditor or to request copies of work papers call 651-431-4339.
For TDD, contact Minnesota Relay Service at 1-800-627-3529.

RUGS IV Class	9/30/2024 Resident Days	RUGS IV Weight	RUGS IV Standardized Days	Medicaid Days	RUGS IV Medicaid Standardized Days
ES3	0	3.00	0.00	0	0.00
ES2	0	2.23	0.00	0	0.00
ES1	25	2.22	55.50	0	0.00
RAE	382	1.65	630.30	7	11.55
RAD	577	1.58	911.66	131	206.98
RAC	1,371	1.36	1,864.56	390	530.40
RAB	161	1.10	177.10	44	48.40
RAA	8	0.82	6.56	8	6.56
HE2	0	1.88	0.00	0	0.00
HE1	0	1.47	0.00	0	0.00
HD2	0	1.69	0.00	0	0.00
HD1	119	1.33	158.27	119	158.27
HC2	0	1.57	0.00	0	0.00
HC1	0	1.23	0.00	0	0.00
HB2	0	1.55	0.00	0	0.00
HB1	0	1.22	0.00	0	0.00
LE2	0	1.61	0.00	0	0.00
LE1	338	1.26	425.88	92	115.92
LD2	0	1.54	0.00	0	0.00
LD1	456	1.21	551.76	390	471.90
LC2	0	1.30	0.00	0	0.00
LC1	958	1.02	977.16	716	730.32
LB2	0	1.21	0.00	0	0.00
LB1	0	0.95	0.00	0	0.00
CE2	0	1.39	0.00	0	0.00
CE1	557	1.25	696.25	485	606.25
CD2	0	1.29	0.00	0	0.00
CD1	171	1.15	196.65	165	189.75
CC2	0	1.08	0.00	0	0.00
CC1	993	0.96	953.28	452	433.92
CB2	0	0.95	0.00	0	0.00
CB1	305	0.85	259.25	305	259.25
CA2	0	0.73	0.00	0	0.00
CA1	0	0.65	0.00	0	0.00
BB2	0	0.81	0.00	0	0.00
BB1	0	0.75	0.00	0	0.00
BA2	0	0.58	0.00	0	0.00
BA1	175	0.53	92.75	114	60.42
PE2	0	1.25	0.00	0	0.00
PE1	2,879	1.17	3,368.43	1,047	1,224.99
PD2	0	1.15	0.00	0	0.00
PD1	1,661	1.06	1,760.66	1,014	1,074.84
PC2	0	0.91	0.00	0	0.00
PC1	5,385	0.85	4,577.25	2,303	1,957.55
PB2	0	0.70	0.00	0	0.00
PB1	1,371	0.65	891.15	1,187	771.55
PA2	0	0.49	0.00	0	0.00
PA1	333	0.45	149.85	0	0.00
AAA	0	0.45	0.00	0	0.00
DDF	42	1.00	42.00	0	0.00
	18,267		18,746.27	8,969	8,858.82

PDPM Class	9/30/2024 Resident Days	PDPM Weight	PDPM Standardized Days	Medicaid Days	PDPM Medicaid Standardized Days
ES3	0	3.84	0.00	0	0.00
ES2	0	2.90	0.00	0	0.00
ES1	25	2.77	69.25	0	0.00
HDE2	0	2.27	0.00	0	0.00
HDE1	19	1.88	35.72	0	0.00
HBC2	0	2.12	0.00	0	0.00
HBC1	171	1.76	300.96	119	209.44
LDE2	0	1.97	0.00	0	0.00
LDE1	1,006	1.64	1,649.84	638	1,046.32
LBC2	0	1.63	0.00	0	0.00
LBC1	1,143	1.35	1,543.05	665	897.75
CDE2	0	1.77	0.00	0	0.00
CDE1	843	1.53	1,289.79	604	924.12
CBC2	0	1.47	0.00	0	0.00
CA2	0	1.03	0.00	0	0.00
CBC1	1,235	1.27	1,568.45	533	676.91
CA1	86	0.89	76.54	86	76.54
BAB2	0	0.98	0.00	0	0.00
BAB1	553	0.94	519.82	132	124.08
PDE2	0	1.48	0.00	0	0.00
PDE1	5,531	1.39	7,688.09	2,377	3,304.03
PBC2	0	1.15	0.00	0	0.00
PA2	0	0.67	0.00	0	0.00
PBC1	6,606	1.07	7,068.42	3,287	3,517.09
PA1	1,048	0.62	649.76	528	327.36
DDF	1	1.00	1.00	0	0.00
AAA	0	0.62	0.00	0	0.00
	18,267		22,460.69	8,969	11,103.64

Care-Related per diem				
Allowed Direct Care costs	3,649,002		Your 1/1/2025 Direct Care Rate	167.96
Standardized Days	18,746.27		Lesser of CPI-U or 4%	3.22%
Direct Care cost per diem		194.65	Direct Care Rate Limit	173.37
Allowed Other Care Related costs	629,615		Your 1/1/2025 Other Care Related Rate	37.50
Resident Days	18,267		Lesser of CPI-U or 4%	3.22%
Other Care Related cost per diem		34.47	Direct Care CPI-U Rate Limit	38.71
Care-Related cost per diem		229.12		
Care-Related per diem Quality Based limit				
Median	219.08		Quality Based DC Rate Limit	244.91
Quality Score	75.05		Quality Based OCR Rate Limit	43.37
Care Related Limit	288.28			288.28
Care-Related payment rates			Care-Related per diem limits	
Direct Care per diem	173.37		Direct Care per diem limit	173.37
Other Care-Related per diem	34.47		Other Care-Related per diem Limit	38.71
Care-Related per diem	207.84		Care-Related per diem limit	212.08

Care-Related per diem

Allowed Direct Care costs	3,649,002	
Standardized Days	22,460.69	
Direct Care cost per diem		162.46
Allowed Other Care Related costs	629,615	
Resident Days	18,267	
Other Care Related cost per diem		34.47
Care-Related cost per diem		196.93

Your 10/1/2025 Direct Care Rate	146.59
Lesser of CPI-U or 4%	3.22%
Direct Care Rate Limit	151.31
Your 10/1/2025 Other Care Rate	37.50
Lesser of CPI-U or 4%	3.22%
Other Care Related Rate Limit	38.71

Care-Related per diem limit

Median	178.65
Quality Score	75.05
Care Related Limit	235.08

Quality Based DC Rate Limit	193.94
Quality Based OCR Rate Limit	41.15
	235.09

Care-Related payment rates

Direct Care per diem	151.31
Other Care-Related per diem	34.47
Care-Related per diem	185.78

Care-Related per diem limit

Direct Care per diem	151.31
Related per diem	38.71
Care-Related per diem	190.02

Other Operating Price

Allowed Other Operating costs	1,717,696	
Resident Days	18,267	
Other Operating per diem		94.03
Median		107.68
105% of the median		105%
Other Oper price		113.06
01/01/25 Other Operating Payment rate		107.88
Lesser of CPI-U or 4%		3.22%
Limited Other Operating price		111.35
Other Operating price for all facilities		111.35

Operating Rate Summary

Care-Related per diem	185.78
Other Operating per diem	111.35
Operating per diem (at 1.00)	297.13

	Direct Care	Weight	Weighted Direct Care	Other Care Related	Other Operating	1/1/26 Operating Rates
ES3	151.31	3.84	581.03	34.47	111.35	726.85
ES2	151.31	2.90	438.80	34.47	111.35	584.62
ES1	151.31	2.77	419.13	34.47	111.35	564.95
HDE2	151.31	2.27	343.47	34.47	111.35	489.29
HDE1	151.31	1.88	284.46	34.47	111.35	430.28
HBC2	151.31	2.12	320.78	34.47	111.35	466.60
HBC1	151.31	1.76	266.31	34.47	111.35	412.13
LDE2	151.31	1.97	298.08	34.47	111.35	443.90
LDE1	151.31	1.64	248.15	34.47	111.35	393.97
LBC2	151.31	1.63	246.64	34.47	111.35	392.46
LBC1	151.31	1.35	204.27	34.47	111.35	350.09
CDE2	151.31	1.77	267.82	34.47	111.35	413.64
CDE1	151.31	1.53	231.50	34.47	111.35	377.32
CBC2	151.31	1.47	222.43	34.47	111.35	368.25
CA2	151.31	1.03	155.85	34.47	111.35	301.67
CBC1	151.31	1.27	192.16	34.47	111.35	337.98
CA1	151.31	0.89	134.67	34.47	111.35	280.49
BAB2	151.31	0.98	148.28	34.47	111.35	294.10
BAB1	151.31	0.94	142.23	34.47	111.35	288.05
PDE2	151.31	1.48	223.94	34.47	111.35	369.76
PDE1	151.31	1.39	210.32	34.47	111.35	356.14
PBC2	151.31	1.15	174.01	34.47	111.35	319.83
PA2	151.31	0.67	101.38	34.47	111.35	247.20
PBC1	151.31	1.07	161.90	34.47	111.35	307.72
PA1	151.31	0.62	93.81	34.47	111.35	239.63
DDF	151.31	1.00	151.31	34.47	111.35	297.13
AAA	151.31	0.62	93.81	34.47	111.35	239.63

Phase in Adjustment Calculation	RUGS IV	PDPM	
Medicaid Days			
Resident Days (Annual)	8969	8969	
Standardized Days (Annual)	8858.82	11103.64	
Medicaid Case mix Index	0.99	1.24	
Direct Care Rate	173.37	151.31	
Medicaid Casemix index	0.99	1.24	
Medicaid Casemix adjusted Direct Care	171.24	187.32	
Phase - in percentage	0.75	0.25	
Phase - in amounts	128.43	46.83	
Blended Medicaid Casemix adjusted Direct Care Rate			175.26
Less PDPM Medicaid Casemix adjusted Direct Care Rate			-187.32
PDPM Phase-in Adjustment			-12.06

Surcharge		
Percent of beds licensed as NF	100%	
Base surcharge rate	8.86	
Allowed surcharge rate		8.86
Other Fees		
Allowed MDH license fees	9,000	
Allowed scholarship costs	16,983	
Allowed health insurance	360,767	
Allowed real estate taxes or payments in lieu of	57,867	
Allowed special assessments	932	
Allowed PERA costs	0	
Subtotal	445,549	
Resident days	18,267	
Per diem amount		24.39
Quality Improvement Incentive Payment (QIIP)		0.00
Previous single-bed incentives		0.00
Family and resident advisory council costs		0.01
External fixed rate		33.26
Property Rate		
Property rate from prior year	15.15	
Prior bed layaway adjustments	2.77	
Subtotal		17.92
Property inflation rate		.000%
01/01/2026 property rate		17.92

	1/1/26 Operating Rate	Property Rate	External Fixed Rate	PDPM Phase-In Adj	342630400 1/1/26 Total Rate	342630400 01/01/26 Total Rate*	342630400 10/01/26 Total Rate*	Adjustments To Rate
ES3	726.85	17.92	33.26	-12.06	778.14	778.14	767.98	
ES2	584.62	17.92	33.26	-12.06	635.91	635.91	625.75	
ES1	564.95	17.92	33.26	-12.06	616.24	616.24	606.08	* 01/01/2026 256R.495 WSB adjustment $0.60
HDE2	489.29	17.92	33.26	-12.06	540.58	540.58	530.42	* 01/01/2026 Temp Surcharge Increase $10.16
HDE1	430.28	17.92	33.26	-12.06	481.57	481.57	471.41	* 01/01/2026 Bed Layaway Adjustment $1.41
HBC2	466.60	17.92	33.26	-12.06	517.89	517.89	507.73	* 10/01/2026 End Surcharge Increase -10.16
HBC1	412.13	17.92	33.26	-12.06	463.42	463.42	453.26	
LDE2	443.90	17.92	33.26	-12.06	495.19	495.19	485.03	
LDE1	393.97	17.92	33.26	-12.06	445.26	445.26	435.10	
LBC2	392.46	17.92	33.26	-12.06	443.75	443.75	433.59	
LBC1	350.09	17.92	33.26	-12.06	401.38	401.38	391.22	
CDE2	413.64	17.92	33.26	-12.06	464.93	464.93	454.77	
CDE1	377.32	17.92	33.26	-12.06	428.61	428.61	418.45	
CBC2	368.25	17.92	33.26	-12.06	419.54	419.54	409.38	
CA2	301.67	17.92	33.26	-12.06	352.96	352.96	342.80	
CBC1	337.98	17.92	33.26	-12.06	389.27	389.27	379.11	
CA1	280.49	17.92	33.26	-12.06	331.78	331.78	321.62	
BAB2	294.10	17.92	33.26	-12.06	345.39	345.39	335.23	
BAB1	288.05	17.92	33.26	-12.06	339.34	339.34	329.18	
PDE2	369.76	17.92	33.26	-12.06	421.05	421.05	410.89	
PDE1	356.14	17.92	33.26	-12.06	407.43	407.43	397.27	
PBC2	319.83	17.92	33.26	-12.06	371.12	371.12	360.96	
PA2	247.20	17.92	33.26	-12.06	298.49	298.49	288.33	
PBC1	307.72	17.92	33.26	-12.06	359.01	359.01	348.85	
PA1	239.63	17.92	33.26	-12.06	290.92	290.92	280.76	
DDF	297.13	17.92	33.26	-12.06	348.42	348.42	338.26	
AAA	239.63	17.92	33.26	-12.06	290.92	290.92	280.76	
Max additional charge for private pay in single rooms							N/A	

'N/A' - Law does not limit the price the facility may set for private paying residents for single-bed rooms as long as it is at least equal to what Medicaid pays for a medically necessary private room - currently this amount is 11.5% of an individual`s MN PDPM rate. Facilities choosing to charge a lower amount to private pay residents in a single-bed room than 11.5% of their PDPM rate, must notify DHS because the Medicaid payments for medically necessary single-bed rooms cannot exceed the facility`s usual and customary charges to the private pay residents. Please submit notification to: greg.leahy@state.mn.us