**Section 140.574 Capital Rates for Rented Facilities**

Capital rates for facilities rented pursuant to arms-length transactions shall be reimbursed in the following manner:

a) Facilities which have been rented on or after January 1, 1978 will have their capital rate calculated in accordance with Sections 140.570, 140.571 and 140.572.

b) Facilities which have been rented continuously from an unrelated party since prior to January 1, 1978 or since the first day of operation for facilities constructed January 1, 1978 or later will not have a blended value calculated. The uniform building value will be substituted for the blended value in Section 140.571(a)(1).

c) The base year for facilities rented prior to January 1, 1978, will be the year of the initial rental agreement for the nursing home operator in existence on December 31, 1977. Purchase or lease on or after January 1, 1978, will not change the base year for the facility. If the building was owned prior to January 1, 1978, and was subsequently rented, the base year will be determined based upon provisions in Section 140.570(b)(2).

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