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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1626

03/18/2013 Authored by Anderson, P., The bill was read for the first time and referred to the Committee on Health and Human Services Finance

1.1 A bill for an act
1.2 relating to human services; modifying payment rates for nursing facilities;
1.3 amending Minnesota Statutes 2012, section 256B.441, subdivisions 55, 62.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2012, section 256B.441, subdivision 55, is amended to
1.6 read:

1.7 Subd. 55. Phase-in of rebased operating payment rates. (a) For the rate years
1.8 beginning October 1, 2008, to October 1, 2015, the operating payment rate calculated
1.9 under this section shall be phased in by blending the operating rate with the operating
1.10 payment rate determined under section 256B.434. For purposes of this subdivision, the
1.11 rate to be used that is determined under section 256B.434 shall not include the portion of
1.12 the operating payment rate related to performance-based incentive payments under section
1.13 256B.434, subdivision 4, paragraph (d);

1.14 (1) for the rate year beginning October 1, 2008, the operating payment rate for each
1.15 facility shall be 13 percent of the operating payment rate from this section, and 87 percent
1.16 of the operating payment rate from section 256B.434;

1.17 (2) for the rate period from October 1, 2009, to September 30, 2013, no rate
1.18 adjustments shall be implemented under this section, but shall be determined under
1.19 section 256B.434;

1.20 (3) for the rate year beginning October 1, 2013, the operating payment rate for each
1.21 facility shall be 65 85 percent of the operating payment rate from this section, and 35 15
1.22 percent of the operating payment rate from section 256B.434;

2.1 (4) for the rate year beginning October 1, 2014, the operating payment rate for each
2.2 facility shall be 82 percent of the operating payment rate from this section, and 18 percent
2.3 of the operating payment rate from section 256B.434; and

2.4 (5) for the rate year beginning October 1, 2015, the operating payment rate for
2.5 each facility shall be the operating payment rate determined under this section. The
2.6 blending of operating payment rates under this section shall be performed separately for
2.7 each RUG's class.

2.8 (b) For the rate year beginning October 1, 2008, the commissioner shall apply limits
2.9 to the operating payment rate increases under paragraph (a) by creating a minimum
2.10 percentage increase and a maximum percentage increase;:

2.11 (1) each nursing facility that receives a blended October 1, 2008, operating payment
2.12 rate increase under paragraph (a) of less than one percent, when compared to its operating
2.13 payment rate on September 30, 2008, computed using rates with RUG's weight of 1.00,
2.14 shall receive a rate adjustment of one percent;:

2.15 (2) the commissioner shall determine a maximum percentage increase that will
2.16 result in savings equal to the cost of allowing the minimum increase in clause (1). Nursing
2.17 facilities with a blended October 1, 2008, operating payment rate increase under paragraph
2.18 (a) greater than the maximum percentage increase determined by the commissioner, when
2.19 compared to its operating payment rate on September 30, 2008, computed using rates with
2.20 a RUG's weight of 1.00, shall receive the maximum percentage increase;:

2.21 (3) nursing facilities with a blended October 1, 2008, operating payment rate
2.22 increase under paragraph (a) greater than one percent and less than the maximum
2.23 percentage increase determined by the commissioner, when compared to its operating
2.24 payment rate on September 30, 2008, computed using rates with a RUG's weight of 1.00,
2.25 shall receive the blended October 1, 2008, operating payment rate increase determined
2.26 under paragraph (a); and

2.27 (4) the October 1, 2009, through October 1, 2015, operating payment rate for
2.28 facilities receiving the maximum percentage increase determined in clause (2) shall be
2.29 the amount determined under paragraph (a) less the difference between the amount
2.30 determined under paragraph (a) for October 1, 2008, and the amount allowed under clause
2.31 (2). This rate restriction does not apply to rate increases provided in any other section.

2.32 (c) A portion of the funds received under this subdivision that are in excess of
2.33 operating payment rates that a facility would have received under section 256B.434, as
2.34 determined in accordance with clauses (1) to (3), shall be subject to the requirements in
2.35 section 256B.434, subdivision 19, paragraphs (b) to (h);:

3.1 (1) determine the amount of additional funding available to a facility, which shall be
3.2 equal to total medical assistance resident days from the most recent reporting year times
3.3 the difference between the blended rate determined in paragraph (a) for the rate year being
3.4 computed and the blended rate for the prior year;

3.5 (2) determine the portion of all operating costs, for the most recent reporting year,
3.6 that are compensation related. If this value exceeds 75 percent, use 75 percent;

3.7 (3) subtract the amount determined in clause (2) from 75 percent; and

3.8 (4) the portion of the fund received under this subdivision that shall be subject to the
3.9 requirements in section 256B.434, subdivision 19, paragraphs (b) to (h), shall equal the
3.10 amount determined in clause (1) times the amount determined in clause (3).

3.11 Sec. 2. Minnesota Statutes 2012, section 256B.441, subdivision 62, is amended to read:

3.12 Subd. 62. **Repeal of rebased operating payment rates.** Notwithstanding
3.13 subdivision 54 or 55, no further steps toward phase-in of rebased operating payment rates
3.14 shall be taken, except for subdivision 55, paragraph (a), clause (3).