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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. **2525**

02/27/2012 Authored by Schomacker, Hosch and Hamilton

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; providing a nursing facility rate increase for health
1.3 information technology costs; appropriating money; amending Minnesota
1.4 Statutes 2010, section 256B.441, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2010, section 256B.441, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 63. **Rate increase for health information technology costs.** (a) For rate
1.9 years beginning October 1, 2012, October 1, 2013, and October 1, 2014, \$6,000,000 is
1.10 appropriated from the general fund in each year to the commissioner for nursing facilities
1.11 for the purpose of electronic health record adoption and use, and meeting the requirements
1.12 of sections 62J.495 and 62J.497. The commissioner shall use money appropriated for
1.13 this purpose to provide nursing facilities rate adjustments beginning October 1, 2012,
1.14 and ending September 30, 2015.

1.15 (b) Allowable expenditures for the rate increase include hardware, software, project
1.16 management, consultant fees, collaborative efforts, staff training and support, new staff,
1.17 and related building improvements.

1.18 (c) To receive an increase for one or more rate years, nursing facilities that have
1.19 spent money or anticipate the need to spend money on technology for (1) electronic
1.20 health record adoption and use, or (2) health information exchange may submit to the
1.21 commissioner by July 15 prior to the respective rate year, on a form provided by the
1.22 commissioner, the actual costs of a completed technology investment or the estimated
1.23 costs of a planned technology investment.

2.1 (d) The annual request made by a nursing facility may not exceed a facility cost of
2.2 \$75,000, not to include costs reported as part of a moratorium exception project under
2.3 section 144A.073, a threshold project under section 256B.434, subdivision 4f, or an
2.4 incentive-based payment under section 256B.434, subdivision 4, paragraph (d).

2.5 (e) The commissioner shall calculate a rate adjustment equal to the allowable costs
2.6 of the project divided by the resident days reported in the most recent available statistical
2.7 and cost report.

2.8 (f) If the annual costs from all projects exceed the annual appropriation for this
2.9 purpose, the commissioner shall allocate the money appropriated on a pro rata basis
2.10 to the qualifying facilities by reducing the rate adjustment determined for each facility
2.11 by an equal percentage.

2.12 (g) Facilities that used estimated costs when requesting the rate adjustment shall
2.13 report to the commissioner within 90 days of completing a project, but no later than
2.14 February 1, 2016, on the use of this money on a form provided by the commissioner. If
2.15 the nursing facility fails to provide the report, the commissioner shall recoup the money
2.16 paid to the facility for this purpose. If the facility reports expenditures allowable under
2.17 this subdivision that are less than the amount received in the facility's annualized rate
2.18 adjustment, the commissioner shall recoup the difference.

2.19 **Sec. 2. ELDERLY WAIVER; HEALTH INFORMATION TECHNOLOGY**
2.20 **GRANTS.**

2.21 \$1,000,000 is appropriated from the general fund in fiscal year 2013 to the
2.22 commissioner of health for the purpose of providing grants to organizations that are
2.23 providers in the elderly waiver program of customized living or 24-hour customized
2.24 living for the purpose of electronic health record adoption and use, and meeting the
2.25 requirements of Minnesota Statutes, sections 62J.495 and 62J.497. Organizations seeking
2.26 a grant award under this section shall request funding on the forms and according to the
2.27 timelines established by the commissioner of health. The commissioner of health shall
2.28 grant up to \$50,000 per eligible responding organization. The grant award shall be based
2.29 on the amount requested times the percent of Medicaid revenue paid to the responding
2.30 organization in 2011.