

**256B.5013 PAYMENT RATE ADJUSTMENTS.**

Subdivision 1. **Variable rate adjustments.** (a) For rate years beginning on or after October 1, 2000, when there is a documented increase in the needs of a current ICF/MR recipient, the county of financial responsibility may recommend a variable rate to enable the facility to meet the individual's increased needs. Variable rate adjustments made under this subdivision replace payments for persons with special needs under section 256B.501, subdivision 8, and payments for persons with special needs for crisis intervention services under section 256B.501, subdivision 8a. Effective July 1, 2003, facilities with a base rate above the 50th percentile of the statewide average reimbursement rate for a Class A facility or Class B facility, whichever matches the facility licensure, are not eligible for a variable rate adjustment. Variable rate adjustments may not exceed a 12-month period, except when approved for purposes established in paragraph (b), clause (1). Variable rate adjustments approved solely on the basis of changes on a developmental disabilities screening document will end June 30, 2002.

(b) A variable rate may be recommended by the county of financial responsibility for increased needs in the following situations:

(1) a need for resources due to an individual's full or partial retirement from participation in a day training and habilitation service when the individual: (i) has reached the age of 65 or has a change in health condition that makes it difficult for the person to participate in day training and habilitation services over an extended period of time because it is medically contraindicated; and (ii) has expressed a desire for change through the developmental disability screening process under section 256B.092;

(2) a need for additional resources for intensive short-term programming which is necessary prior to an individual's discharge to a less restrictive, more integrated setting;

(3) a demonstrated medical need that significantly impacts the type or amount of services needed by the individual; or

(4) a demonstrated behavioral need that significantly impacts the type or amount of services needed by the individual.

(c) The county of financial responsibility must justify the purpose, the projected length of time, and the additional funding needed for the facility to meet the needs of the individual.

(d) The facility shall provide a quarterly report to the county case manager on the use of the variable rate funds and the status of the individual on whose behalf the funds were approved. The county case manager will forward the facility's report with a recommendation to the commissioner to approve or disapprove a continuation of the variable rate.

(e) Funds made available through the variable rate process that are not used by the facility to meet the needs of the individual for whom they were approved shall be returned to the state.

Subd. 2. **Other payment rate adjustments.** Facility total payment rates may be adjusted by the commissioner following the recommendation of both the host county and the statewide advisory committee if, through the local system needs planning process, it is determined that a need exists to amend the package of purchased services with a resulting increase or decrease in costs. Except as provided in section 252.292, subdivision 4, if a provider demonstrates that the loss of revenues caused by the downsizing or closure of a facility cannot be absorbed by the facility based on current operations, the host county or the provider may submit a request to the statewide advisory committee for a facility base rate adjustment. Funds for this purpose are limited to those made available through a legislative appropriation and published in the State Register notice required by section 252.282, subdivision 5.

Subd. 3. **Relocation.** (a) Property rates for all facilities relocated after December 31, 1997, and up to and including October 1, 2000, shall have the full annual costs of relocation included in their October 1, 2000, property rate. The property rate for the relocated home is subject to the costs that were allowable under Minnesota Rules, chapter 9553, and the investment per bed limitation for newly constructed or newly established class B facilities.

(b) In ensuing years, all relocated homes shall be subject to the investment per bed limit for newly constructed or newly established class B facilities under section 256B.501, subdivision 11. The limits shall be adjusted on January 1 of each year by the percentage increase in the construction index published by the Bureau of Economic Analysis of the United States Department of Commerce in the Survey of Current Business Statistics in October of the previous two years. Facilities that are relocated within the investment per bed limit may be approved by the statewide advisory committee. Costs for relocation of a facility that exceed the investment per bed limit must be absorbed by the facility.

(c) The payment rate shall take effect when the new facility is licensed and certified by the commissioner of health. Rates for facilities that are relocated after December 31, 1997, through October 1, 2000, shall be adjusted to reflect the full inclusion of the relocation costs, subject to the investment per bed limit in paragraph (b). The investment per bed limit calculated rate for the year in which the facility was relocated shall be the investment per bed limit used.

Subd. 4. [Repealed, 1Sp2003 c 14 art 3 s 60]

Subd. 5. **Required occupancy data.** Facilities shall maintain monthly occupancy bed use data by client and report this data monthly in a format determined by the commissioner.

Subd. 6. **Commissioner's responsibilities.** The commissioner shall:

(1) make a determination to approve, deny, or modify a request for a variable rate adjustment within 30 days of the receipt of the completed application;

(2) notify the ICF/MR facility and county case manager of the duration and conditions of variable rate adjustment approvals;

(3) modify MMIS II service agreements to reimburse ICF/MR facilities for approved variable rates;

(4) provide notification of legislatively appropriated funding for facility closures, downsizings, and relocations;

(5) assess the fiscal impacts of the proposals for closures, downsizings, and relocations forwarded for consideration through the state advisory committee; and

(6) review the payment rate process on a biannual basis and make recommendations to the legislature for necessary adjustments to the review and approval process.

**Subd. 7. Rate adjustments; short-term admissions; crisis or specialized medical care.**

Beginning July 1, 2003, the commissioner may designate up to 25 beds in ICF/MR facilities statewide for short-term admissions due to crisis care needs or care for medically fragile individuals. The commissioner shall adjust the monthly facility rate to provide payment for vacancies in designated short-term beds by an amount equal to the rate for each recipient residing in a designated bed for up to 15 days per bed per month. The commissioner may designate short-term beds in ICF/MR facilities based on the short-term care needs of a region or county as provided in section 252.28. Nothing in this section shall be construed as limiting payments for short-term admissions of eligible recipients to an ICF/MR that is not designated for short-term admissions for crisis or specialized medical care under this subdivision and does not receive a temporary rate adjustment.

**History:** 1999 c 245 art 3 s 34; 2000 c 474 s 14-16; 2001 c 203 s 13; 2002 c 220 art 14 s 14-18; 2002 c 374 art 10 s 7; 1Sp2003 c 14 art 3 s 49; 2005 c 56 s 1