

HF3169 - 0 - "Nonprof Nursing Facilities Pmnt Rate"

Chief Author: **Jeff Backer**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/24/2016**
 Agency: Human Services Dept

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Travis Bunch Date: 3/24/2016 3:26:34 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

This proposal is to provide Eventide Lutheran Home in Moorhead an operating rate increase effective January 1, 2020, and annually thereafter, for each year that the neighboring North Dakota nonprofit nursing facilities payment rates exceed what this facility would receive under the Minnesota Value-Based Reimbursement system. The proposed increase is to bring the operating rates up to median RUG's rate for the equivalent RUG's weight of the nonprofit nursing facilities located in adjacent cities in North Dakota. The operating payment rate with a weight of 1.0 will be computed by dividing the adjacent city's nursing facilities median operating payment rate with a weight of 1.02 by 1.02 (North Dakota does not have a rate with a weight of 1.0).

Assumptions

1. This proposal can be implemented within the existing administrative resources of the Department.
2. The effective date of the rate adjustments in this bill is January 1 2020.
3. Minnesota's first fiscal year related to this bill ends on June 30, 2020.
4. The bill states that the rates will be adjusted annually, with the rate comparison occurring on October 1st. At this time, we cannot project what rates will be in effect in future years for North Dakota or Minnesota.

Expenditure and/or Revenue Formula

There is no fiscal impact to this bill within the present planning horizon because Minnesota's first fiscal year related to this bill ends on June 30, 2020 which is beyond the scope of this fiscal note.

In the future the calculations will be based on this facility's operating rates on October 1, 2019 and the Medicaid resident days on the 9/30/2018 cost report. In September 2018, information will need to be obtained from the North Dakota Department of Human Services to determine the equivalent operating rates of nonprofit facilities in bordering cities; rates are effective January 1, 2020.

Long-Term Fiscal Considerations

Beginning in FY2020 there may be a cost to this bill if the nursing facility payment rates in North Dakota exceed the payment rates in Minnesota

Local Fiscal Impact

Beginning in FY2020 there may be a county share associated with this bill. The aggregate county impact cannot be determined at this time.

References/Sources

HF3169 as introduced

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