

HF2920 - 0 - "Mod. Construction Project Rate Nursing Fac"

Chief Author: **Debra Kiel**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/20/2018**
 Lead Agency: **Human Services Dept**
 Other Agencies: **Health 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	FY2017	FY2018	FY2019	FY2020	FY2021
State Total						
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
Total	-	-	-	-	-

Lead 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: 03/20/2018
 Phone: 651 201-8038 Email: travis.bunch@state.mn.us

State Cost (Savings) Calculation Details

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

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2017	FY2018	FY2019	FY2020	FY2021
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

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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: 3/20/2018 9:11:57 AM
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Bill Description

This bill will provide an additional \$7.55 to the property rate of a 131 bed Nursing Facility located in Ramsey County. The bill also states that money available under the moratorium exception process under Minnesota Statute 144A.073, Subd. 11, after the completion of the moratorium exception approval process in 2018, shall be used to reduce the fiscal impact to the Medical Assistance budget for the increases allowed. The effective date of this bill is January 1, 2019.

Assumptions

1. This proposal can be implemented within the existing administrative resources of the Department.
2. The effective date of this bill January 1, 2019.
3. Minnesota's first fiscal year related to this bill ends on June 30, 2019.
4. Residual amount available after 2018 moratorium approval rounds is an offset to the cost and will be allocated to this project.
5. There will be no cost to this bill as funds previously appropriated for moratorium projects (funds available upon the effective date of this bill is \$1,040,091) exceeds the annualized cost of this proposal.
6. Occupancy and Medical Assistance utilization was based on the September 30, 2016 Cost Report.
7. The occupancy and Medical Assistance utilization will remain the same each year for this facility through FY2021.

Expenditure and/or Revenue Formula

	<u>Rate Increase</u>	<u>MA Resident Days</u>	<u>Annual Cost</u>
Property rate increase	\$7.55	19,741	\$149,045
Previously appropriated moratorium funding allocated			-\$149,045
Cost after allocation of moratorium funds			\$0

Long-Term Fiscal Considerations

There is no additional spending ongoing beyond FY 21.

Local Fiscal Impact

There is no additional impact to local Government

References/Sources

Nursing Facility 2016 Cost Reports

DHS nursing facility rate files and moratorium documentation

Minnesota Statutes

HF 2920 bill language

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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: Chardae Kimber Date: 3/20/2018 11:25:19 AM
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Biennial Total				-		-
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Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

This bill relates to the Department of Human Services. The legislation modifies the construction project rate for certain nursing facilities. It also amends Minnesota Statutes, Section 256B.434 by adding a subdivision.

Assumptions

This bill has no fiscal impact on the Minnesota Department of Health.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

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