

1.1 moves to amend H.F. No. 316, the first engrossment, as follows:

1.2 Page 8, after line 10, insert:

1.3 "Sec. 15. Minnesota Statutes 2014, section 256B.441, is amended by adding a
1.4 subdivision to read:

1.5 Subd. 51b. **Employee compensation encumbrance.** (a) Beginning October 1,
1.6 2015, the commissioner shall determine the amount of new funding provided to each
1.7 facility under this section. Each facility must spend this new funding in accordance with
1.8 paragraphs (b) to (f).

1.9 (b) One hundred percent of the statewide average compensation-related portion of
1.10 the money resulting from the rate adjustment under this section must be used for increases
1.11 in compensation-related costs for employees directly employed by the nursing facility on
1.12 or after October 1, 2015, except:

1.13 (1) the administrator;

1.14 (2) persons employed in the central office of a corporation that has an ownership
1.15 interest in the nursing facility or exercises control over the nursing facility; and

1.16 (3) persons paid by the nursing facility under a management contract.

1.17 (c) The commissioner shall allow as compensation-related costs all costs for:

1.18 (1) wage and salary increases effective after May 25, 2015;

1.19 (2) the employer's share of FICA taxes, Medicare taxes, state and federal
1.20 unemployment taxes, and workers' compensation;

1.21 (3) the employer's share of health and dental insurance, life insurance, disability
1.22 insurance, long-term care insurance, uniform allowance, and pensions; and

1.23 (4) other benefits provided subject to the approval of the commissioner.

1.24 (d) The portion of the rate adjustment under this section that is not subject to the
1.25 requirements of paragraph (b) shall be provided to nursing facilities effective October 1,
1.26 2015. Nursing facilities may apply for the portion of the rate adjustment under this section
1.27 that is subject to the requirements in paragraph (b). The application must be submitted

2.1 to the commissioner by April 1, 2016, and the nursing facility must provide additional
2.2 information required by the commissioner by July 1, 2016. The commissioner must
2.3 respond to all applications within three weeks of receipt. The commissioner may waive
2.4 the deadlines in this paragraph under extraordinary circumstances, to be determined at the
2.5 sole discretion of the commissioner. The application must contain:

2.6 (1) an estimate of the amounts of money that must be used as specified in paragraph
2.7 (b);

2.8 (2) a detailed distribution plan specifying the allowable compensation-related
2.9 increases the nursing facility will implement to use the new funding;

2.10 (3) a description of how the nursing facility will notify eligible employees of
2.11 the contents of the approved application, which must provide for giving each eligible
2.12 employee a copy of the approved application, or posting a copy of the approved
2.13 application, for a period of at least six weeks in an area of the nursing facility to which all
2.14 eligible employees have access; and

2.15 (4) instructions for employees who believe they have not received the
2.16 compensation-related increases specified in clause (1), as approved by the commissioner,
2.17 and which must include a mailing address, e-mail address, and the telephone number
2.18 that may be used by the employee to contact the commissioner or the commissioner's
2.19 representative.

2.20 (e) The commissioner shall ensure that cost increases in distribution plans under
2.21 paragraph (d), clause (2), that may be included in approved applications, comply with the
2.22 following requirements:

2.23 (1) a portion of the costs resulting from tenure-related wage or salary increases
2.24 may be considered to be allowable wage increases, according to formulas that the
2.25 commissioner shall provide, where employee retention is above the average statewide
2.26 rate of retention of direct-care employees;

2.27 (2) the annualized amount of increases in costs for the employer's share of health
2.28 and dental insurance, life insurance, disability insurance, and workers' compensation
2.29 shall be allowable compensation-related increases if they are effective on or after April
2.30 1, 2015, and prior to April 1, 2016; and

2.31 (3) for nursing facilities in which more than ten percent of employees are represented
2.32 by an exclusive bargaining representative, the commissioner shall approve the application
2.33 only upon receipt of a letter of acceptance of the distribution plan, in regard to members of
2.34 the bargaining unit, signed by the exclusive bargaining agent, and dated after May 25, 2015.
2.35 Upon receipt of the letter of acceptance, the commissioner shall deem all requirements of
2.36 this paragraph as having been met in regard to the members of the bargaining unit.

3.1 (f) The commissioner shall review applications received under paragraph (d) and
3.2 shall provide the portion of the rate adjustment under paragraph (b) if the requirements
3.3 of this subdivision have been met. The rate adjustment shall be effective October 1,
3.4 2015. Notwithstanding any other law or rule to the contrary, if the approved application
3.5 distributes less money than is available, the amount of the rate adjustment shall be reduced
3.6 so that the amount of money made available is equal to the amount to be distributed."

3.7 Renumber the sections in sequence and correct the internal references

3.8 Amend the title accordingly