

1.1 ..... moves to amend H.F. No. 2548 as follows:

1.2 Page 23, after line 13, insert:

1.3 "Sec. .... Minnesota Statutes 2018, section 256B.434, subdivision 1, is amended to read:

1.4 Subdivision 1. ~~Alternative payment demonstration project established~~ Contractual

1.5 agreements. ~~The commissioner of human services shall establish a contractual alternative~~

1.6 ~~payment demonstration project for paying for nursing facility services under the medical~~

1.7 ~~assistance program. A nursing facility may apply to be paid under the contractual alternative~~

1.8 ~~payment demonstration project instead of the cost-based payment system established under~~

1.9 ~~section 256B.431. A nursing facility~~ Nursing facilities located in Minnesota ~~electing to use~~

1.10 ~~the alternative payment demonstration project~~ enroll as a medical assistance provider ~~must~~

1.11 ~~enter into a contract with the commissioner. Payment rates and procedures for facilities~~

1.12 ~~electing to use the alternative payment demonstration project~~ are determined and governed

1.13 by this section and by the terms of the contract. The commissioner may negotiate different

1.14 contract terms for different nursing facilities.

1.15 EFFECTIVE DATE. This section is effective the day following final enactment.

1.16 Sec. .... Minnesota Statutes 2018, section 256B.434, subdivision 3, is amended to read:

1.17 Subd. 3. **Duration and termination of contracts.** ~~(a) Subject to available resources,~~

1.18 ~~the commissioner may begin to execute contracts with nursing facilities November 1, 1995.~~

1.19 ~~(b)~~ (a) All contracts entered into under this section are for a term not to exceed four

1.20 years. Either party may terminate a contract at any time without cause by providing 90

1.21 calendar days advance written notice to the other party. The decision to terminate a contract

1.22 is not appealable. ~~Notwithstanding section 16C.05, subdivision 2, paragraph (a), clause (5),~~

1.23 ~~the contract shall be renegotiated for additional terms of up to four years, unless either party~~

1.24 ~~provides written notice of termination.~~ The provisions of the contract shall be renegotiated

2.1 at a minimum of every four years by the parties prior to the expiration date of the contract.  
 2.2 The parties may voluntarily ~~renegotiate~~ amend the terms of the contract at any time by  
 2.3 mutual agreement.

2.4 ~~(e)~~ (b) If a nursing facility fails to comply with the terms of a contract, the commissioner  
 2.5 shall provide reasonable notice regarding the breach of contract and a reasonable opportunity  
 2.6 for the facility to come into compliance. If the facility fails to come into compliance or to  
 2.7 remain in compliance, the commissioner may terminate the contract. ~~If a contract is~~  
 2.8 ~~terminated, the contract payment remains in effect for the remainder of the rate year in~~  
 2.9 ~~which the contract was terminated, but in all other respects the provisions of this section~~  
 2.10 ~~do not apply to that facility effective the date the contract is terminated. The contract shall~~  
 2.11 ~~contain a provision governing the transition back to the cost-based reimbursement system~~  
 2.12 ~~established under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080.~~  
 2.13 ~~A contract entered into under this section may be amended by mutual agreement of the~~  
 2.14 ~~parties.~~

2.15 **EFFECTIVE DATE.** This section is effective the day following final enactment."

2.16 Page 23, after line 30, insert:

2.17 "Sec. .... Minnesota Statutes 2018, section 256R.02, is amended by adding a subdivision  
 2.18 to read:

2.19 **Subd. 25a. Interim payment rates.** "Interim payment rates" means the total operating  
 2.20 and external fixed costs payment rates determined by anticipated costs and resident days  
 2.21 reported on an interim cost report as described in section 256R.27.

2.22 Sec. .... Minnesota Statutes 2018, section 256R.02, is amended by adding a subdivision  
 2.23 to read:

2.24 **Subd. 47a. Settle up payment rates.** "Settle up payment rates" means the total operating  
 2.25 and external fixed costs payment rates determined by actual allowable costs and resident  
 2.26 days reported on a settle up cost report as described under section 256R.27."

2.27 Page 28, line 33, delete everything after the first "nursing" and insert "facilities that have  
 2.28 an on-site property appraisal conducted by the commissioner's designee after the initial  
 2.29 2016 appraisal, the most recent appraisal must be used in subsequent years until a new  
 2.30 on-site property appraisal is conducted. In the years after the initial"

2.31 Page 29, line 30, after "commissioner" insert a comma

2.32 Page 30, line 8, after "includes" insert "planned"

- 3.1 Page 30, after line 24, insert:
- 3.2 "(d) This subdivision expires effective January 1, 2026."
- 3.3 Page 31, after line 14, insert:
- 3.4 "(h) This subdivision expires effective January 1, 2026."
- 3.5 Page 31, line 28, delete "that may"
- 3.6 Page 31, line 29, delete everything before the period
- 3.7 Page 33, line 16, before "allowable" insert "total" and delete the second "nursing"
- 3.8 Page 33, line 17, delete "facility"
- 3.9 Page 33, lines 18 and 24, delete "allowable total" and insert "total allowable" and after
- 3.10 the first "feet" insert "per bed"
- 3.11 Page 33, line 28, delete "allowable"
- 3.12 Page 33, line 30, delete "limit"
- 3.13 Page 34, line 1, delete "limit"
- 3.14 Page 34, line 3, before "URC" insert "the" and delete the second "limit"
- 3.15 Page 34, line 5, before "URC" insert "the" and delete "limit"
- 3.16 Page 35, line 6, delete "TOTAL OPERATING AND"
- 3.17 Page 35, line 7, delete "EXTERNAL FIXED COST"
- 3.18 Page 35, delete subdivision 1, and insert:
- 3.19 "Subdivision 1. **Generally.** (a) The commissioner shall determine the interim payment
- 3.20 rates and settle up payment rates for a newly constructed nursing facility, or a nursing facility
- 3.21 with an increase in licensed capacity of 50 percent or more, according to subdivisions 2 and
- 3.22 3.
- 3.23 (b) The nursing facility must submit a written application to the commissioner to receive
- 3.24 interim payment rates. In its application, the nursing facility must state any reasons for
- 3.25 noncompliance with this chapter.
- 3.26 (c) The effective date of the interim payment rates is the earlier of either the first day a
- 3.27 resident is admitted to the newly constructed nursing facility or the date the nursing facility
- 3.28 bed is certified for the medical assistance program. The interim payment rates must not be
- 3.29 in effect for more than 17 months.

4.1 (d) The nursing facility must continue to receive the interim payment rates until the  
 4.2 settle up payment rates are determined under subdivision 3.

4.3 (e) For the 15-month period following the settle up reporting period, the settle up payment  
 4.4 rates must be determined according to subdivision 3, paragraph (c).

4.5 (f) The settle up payment rates are effective retroactively to the beginning of the interim  
 4.6 cost reporting period, and are effective until the end of the interim rate period.

4.7 (g) The total operating and external fixed costs payment rate for the rate year beginning  
 4.8 January 1 following the 15-month period in paragraph (e) must be determined under this  
 4.9 chapter."

4.10 Page 36, line 1, delete "operating and external fixed cost" and delete "rate" and insert  
 4.11 "rates"

4.12 Page 36, lines 12 and 24, delete "cost" and insert "costs"

4.13 Page 36, line 30, delete "operating and external fixed cost"

4.14 Page 36, line 31, delete "rate" and insert "rates" and delete "rate" and insert "rates"

4.15 Page 36, line 33, delete "rate" and insert "rates"

4.16 Page 37, line 1, delete "rate" and insert "rates"

4.17 Page 37, line 3, delete "rate" and insert "rates" and delete "rate" and insert "rates"

4.18 Page 37, line 4, delete "cost"

4.19 Page 37, line 16, delete "cost" and insert "costs"

4.20 Page 37, line 20, after "payment" insert "rate"

4.21 Page 40, line 6, delete "human services" and insert "health"

4.22 Page 40, after line 10, insert:

4.23 "Sec. .... **REVISOR INSTRUCTION.**

4.24 In Minnesota Statutes, the revisor of statutes shall renumber the nursing facility  
 4.25 contracting provisions that are currently coded as section 256B.434, subdivisions 1 and 3,  
 4.26 as amended by this act, as a section in chapter 256R and revise any statutory cross-references  
 4.27 consistent with that recoding."

4.28 Page 40, line 14, after "3i," insert "10," and after "15," insert "16,"

4.29 Page 40, after line 17, insert:

- 5.1 "(c) Minnesota Statutes 2018, section 256B.434, subdivisions 6 and 10, are repealed
- 5.2 effective the day following final enactment."
- 5.3 Renumber the sections in sequence and correct the internal references
- 5.4 Amend the title accordingly