

1.1 moves to amend H.F. No. 2885 as follows:

1.2 Page 2, line 15, delete "section 2, subdivision 3" and insert "subdivision 64"

1.3 Delete section 2 and insert:

1.4 "Sec. 2. Minnesota Statutes 2012, section 256B.441, is amended by adding a
1.5 subdivision to read:

1.6 Subd. 64. **Rate adjustment for compensation-related costs.** (a) Total payment
1.7 rates of all nursing facilities that are reimbursed under this section or section 256B.434
1.8 shall be increased effective October 1, 2014, to address compensation costs for nursing
1.9 facility employees paid less than \$14.00 per hour.

1.10 (b) Based on the application in paragraph (d), the commissioner shall calculate
1.11 the annualized compensation costs by adding the totals of clauses (1), (2), and (3). The
1.12 result must be divided by the resident days from the most recently available cost report to
1.13 determine a per diem amount, which must be included in the external fixed cost portion of
1.14 the total payment rate under subdivision 53:

1.15 (1) the sum of the difference between \$9.50 and any hourly wage rate of less than
1.16 \$9.50, multiplied by the number of compensated hours at that wage rate;

1.17 (2) the sum of items (i) to (viii):

1.18 (i) for all compensated hours from \$8.00 to \$8.49 per hour, the number of
1.19 compensated hours is multiplied by \$0.13;

1.20 (ii) for all compensated hours from \$8.50 to \$8.99 per hour, the number of
1.21 compensated hours is multiplied by \$0.25;

1.22 (iii) for all compensated hours from \$9.00 to \$9.49 per hour, the number of
1.23 compensated hours is multiplied by \$0.38;

1.24 (iv) for all compensated hours from \$9.50 to \$10.49 per hour, the number of
1.25 compensated hours is multiplied by \$0.50;

1.26 (v) for all compensated hours from \$10.50 to \$10.99 per hour, the number of
1.27 compensated hours is multiplied by \$0.40;

2.1 (vi) for all compensated hours from \$11.00 to \$11.49 per hour, the number of
2.2 compensated hours is multiplied by \$0.30;

2.3 (vii) for all compensated hours from \$11.50 to \$11.99 per hour, the number of
2.4 compensated hours is multiplied by \$0.20; and

2.5 (viii) for all compensated hours from \$12.00 to \$13.00 per hour, the number of
2.6 compensated hours is multiplied by \$0.10; and

2.7 (3) the sum of the employer's share of FICA taxes, Medicare taxes, state and federal
2.8 unemployment taxes, workers' compensation, pensions, and contributions to employee
2.9 retirement accounts attributable to the amounts in clauses (1) and (2).

2.10 (c) For the rate year beginning October 1, 2014, nursing facilities that receive
2.11 approval of the application in paragraph (d) must receive a rate adjustment according to
2.12 paragraph (b). The rate adjustment must be used to pay compensation costs for nursing
2.13 facility employees paid less than \$14.00 per hour. The rate adjustment must continue to
2.14 be included in the total payment rate in subsequent years.

2.15 (d) To receive a rate adjustment, nursing facilities must submit an application to the
2.16 commissioner in a form and manner determined by the commissioner. The application
2.17 shall include data for a period beginning with the first pay period after January 1, 2015,
2.18 including at least three months of employee compensated hours by wage rate, and a
2.19 spending plan that describes how the funds from the rate adjustment will be allocated
2.20 for compensation to employees paid less than \$14.00 per hour. The application must
2.21 be submitted by December 31, 2014. The commissioner may request any additional
2.22 information needed to determine the rate adjustment within three weeks of receiving
2.23 a complete application. The nursing facility must provide any additional information
2.24 requested by the commissioner by March 31, 2015. The commissioner may waive the
2.25 deadlines in this subdivision under extraordinary circumstances.

2.26 (e) For nursing facilities in which employees are represented by an exclusive
2.27 bargaining representative, the commissioner shall approve the application submitted under
2.28 this subdivision only upon receipt of a letter of acceptance of the spending plan in regard
2.29 to members of the bargaining unit, signed by the exclusive bargaining agent and dated
2.30 after May 31, 2014. Upon receipt of the letter of acceptance, the commissioner shall
2.31 deem all requirements of this subdivision as having been met in regard to the members
2.32 of the bargaining unit."

2.33 Renumber the sections in sequence and correct the internal references

2.34 Amend the title accordingly