

Subject Modifying certain nursing facility property rate increases

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Overview

This bill modifies certain time-limited nursing facility property rate increases by extending the expiration date of the rate increase for the affected facilities located in St. Paul, Duluth, and Chatfield. The bill also removes a time-limited property rate increase for a facility located in Fergus Falls.

Currently, a nursing facility's property rate is set according to the previous "contract-based" or "alternative payment system." Under that system, a facility agrees to be reimbursed at a rate established in a contract between the facility and DHS. However, a nursing facility that completes a moratorium exception project that is authorized after March 1, 2020, receives a property rate using the fair rental value property rate methodology beginning the first day of the first month of the calendar quarter after the completion of the project. As of February 28, 2025: (1) 25 nursing facilities have had moratorium exception projects approved under the fair rental value property rate methodology and are moving ahead with the approved projects; and (2) nine facilities are reimbursed under the fair rental value property rate.

Summary

Section	Description
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1	Property rate increase for certain nursing facilities.
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Amends § 256B.434, subd. 4k. Modifies certain time-limited nursing facility property rate increases by extending the expiration date for the rate increases for facilities located in St. Paul, Duluth, and Chatfield and removing a time-limited property rate increase for a facility located in Fergus Falls.

Makes this section effective July 1, 2025.



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