

Subject Hospital rate rebasing

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## Overview

This bill specifies procedures to govern hospital rate rebasing, including those to be used when claims volume for a base year falls below the threshold needed for statistical validity or when claims volume is reduced or altered due to a pandemic or other health emergency.

## Summary

Section	Description
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1	<b>Hospital payment rates.</b>
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	Amends § 256.969, subd. 2b. Specifies procedures to govern inpatient hospital rate rebasing, for discharges occurring on or after July 1, 2023. The section:
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|  | <ul style="list-style-type: none"><li>▪ allows the commissioner to combine claims data from two consecutive years to serve as the base year, for any year in which claims volume falls below the threshold required to ensure a statistically valid sample of claims;</li><li>▪ prohibits the use of years in which inpatient claims volume is reduced or altered due to a pandemic or other health emergency from being used as a base year or part of a base year;</li><li>▪ specifies other procedures related to rebasing, and requires the estimated change in average payment per hospital discharge to be made available to the legislature by January 15 of the year rebasing is scheduled to occur; and</li><li>▪ requires inpatient rates for critical access hospitals, for discharges occurring on or after July 1, 2023, to be equal to 100 percent of base year costs inflated to the rate year using the hospital cost index.</li></ul> |
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