

# House Research Act Summary

**CHAPTER:** 99

**SESSION:** 2016 Regular Session

**TOPIC:** Nursing Facility Payment Rates Recodification

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## Overview

This act recodifies the nursing facility payment rates statutes (article 1) and makes conforming changes (article 2).

Laws 2015 chapter 71, article 6, section 43, instructed the Revisor of Statutes, in consultation with the House Research Department; Office of Senate Counsel, Research, and Fiscal Analysis; Department of Human Services (DHS); and stakeholders to recodify laws governing nursing home payments and rates.

Given the complexity of the nursing facility payment and rates language, staff decided to accomplish the recodification by moving most of the nursing facility language out of Minnesota Statutes, chapter 256B, and into a new chapter 256R. The nursing facility property rates language is not included in this recodification and remains in chapter 256B because DHS and stakeholders are currently working on a property rates reform proposal. If a property rate reform proposal is enacted, it will be placed in chapter 256R and the property rate language in chapter 256B will be repealed.

Nonpartisan staff have reorganized the nursing facility payment and rates language for clarity and ease of use, removed obsolete language, used consistent terminology, and redrafted language for clarity and consistency. Of particular note, the payment rate language was redrafted to be more transparent.

The language in this act is not intended to change existing policy or to have a fiscal impact.

**Article 1: Nursing Facility Recodification**

New section coding and headnote	New subdivision coding and headnote	Current coding
<b>256R.01. General.</b> Reorganizes general provisions and includes an effective date that continues the commissioner's rulemaking authority previously granted in chapter 256B.	Subd. 1. Payment rates	256B.41, subd. 3
	Subd. 2. Authority of commissioner	256B.41, subd. 1
	Subd. 3. Compliance with federal requirements	256B.41, subd. 2
<b>256R.02. Definitions.</b> Reorganizes definitions into one section. Adds definitions of "applicable credit," "leave day," "medical assistance (MA) program," "working capital debt," and "working capital interest expense" from Minnesota Rules to statute. Defines "case mix classification," "cost to limit ratio," "identifiable cost," and "public accountant."	Subd. 1. Application	256B.441, subd. 2
	Subd. 2. Active beds	256B.441, subd. 3
	Subd. 3. Activities costs	256B.441, subd. 4
	Subd. 4. Administrative costs	256B.441, subd. 5
	Subd. 5. Allowed costs	256B.441, subd. 6, para. (a) (other paras. moved)
	Subd. 6. Applicable credit	Minn. Rules, pt. 9549.0020, subp. 4
	Subd. 7. Assessment reference date	256B.438, subd. 2, para. (a)
	Subd. 8. Capital assets	256B.421, subd. 16
	Subd. 9. Case mix classification.	New definition
	Subd. 10. Case mix index	256B.438, subd. 2, para. (b)
	Subd. 11. Centers for Medicare and Medicaid services	256B.441, subd. 7
	Subd. 12. Commissioner	256B.441, subd. 8
	Subd. 13. Consulting agreement	256B.432, subd. 1, para. (b)
	Subd. 14. Cost to limit ratio	New definition
	Subd. 15. Desk audit	256B.441, subd. 9
	Subd. 16. Dietary costs	256B.441, subd. 10
	Subd. 17. Direct care costs	256B.441, subd. 11

New section coding and headnote	New subdivision coding and headnote	Current coding
	Subd. 18. Employer health insurance costs	256B.441, subd. 11a
	Subd. 19. External fixed costs	256B.441, subd. 13
	Subd. 20. Facility average case mix index	256B.441, subd. 14
	Subd. 21. Field audit	256B.441, subd. 15
	Subd. 22. Fringe benefit costs	256B.441, subd. 17
	Subd. 23. Generally accepted accounting principles	256B.441, subd. 18
	Subd. 24. Housekeeping costs	256B.441, subd. 20
	Subd. 25. Identifiable cost	New definition
	Subd. 26. Laundry costs	256B.441, subd. 22
	Subd. 27. Leave day	Minn. Rules, pt. 9505.0415, subp. 1, item D
	Subd. 28. Licensee	256B.441, subd. 23
	Subd. 29. Maintenance and plant operation costs	256B.441, subd. 24
	Subd. 30. Management agreement	256B.432, subd. 1, para. (a)
	Subd. 31. Medical assistance program	Minn. Rules, pt. 9549.0020, subp. 29
	Subd. 32. Minimum data set	256B.438, subd. 2, para. (d)
	Subd. 33. Nursing facility	256B.441, subd. 27
	Subd. 34. Other care-related costs	256B.441, subd. 48
	Subd. 35. Other direct care costs	256B.441, subd. 28a
	Subd. 36. Other operating costs	256B.441, subd. 30, para (c)
	Subd. 37. Payroll taxes	256B.441, subd. 29
	Subd. 38. Prior system operating cost payment rate	256B.441, subd. 31
	Subd. 39. Private paying resident	256B.441, subd. 32

New section coding and headnote	New subdivision coding and headnote	Current coding
	Subd. 40. Public accountant	New definition
	Subd. 41. Rate year	256B.441, subd. 33
	Subd. 42. Raw food costs	256B.441, subd. 33a
	Subd. 43. Related organization	256B.441, subd. 34
	Subd. 44. Reporting period	256B.441, subd. 35
	Subd. 45. Resident day	256B.441, subd. 36
	Subd. 46. Resource utilization group	256B.438, subd. 2, para. (f)
	Subd. 47. Salaries and wages	256B.441, subd. 37 (last sentence moved)
	Subd. 48. Social services costs	256B.441, subd. 38
	Subd. 49. Stakeholders	256B.441, subd. 39
	Subd. 50. Standardized days	256B.441, subd. 40
	Subd. 51. Statistical and cost report	256B.441, subd. 41
	Subd. 52. Therapy costs	256B.441, subd. 42a
	Subd. 53. Working capital debt	Minn. Rules, pt. 9549.0020, subp. 48
	Subd. 54. Working capital interest expense	Minn. Rules, pt. 9549.0020, subp. 49
<b>256R.03. Conditions for funding.</b> Consolidates and reorganizes language related to a facility's eligibility for MA reimbursement.	Subd. 1. Requirements for funding	Para. (a): 256B.411, subd. 2, sentence 1 Para. (b): 256B.411, subd. 2, sentence 2 Para. (c): 256B.411, subd. 1
	Subd. 2. Payment during suspended admissions	256B.25, subd. 4
	Subd. 3. Payments to facilities withdrawing from medical assistance	256B.411, subd. 2, sentences 3 and 4
	Subd. 4. Termination	256B.48, subd. 1a
	Subd. 1. Financial exploitation	256B.48, subd. 1, para. (b)

New section coding and headnote	New subdivision coding and headnote	Current coding
<b>256R.04. Prohibited practices.</b> Reorganizes language related to prohibited practices under the MA program and divides the language into subdivisions.	Subd. 2. Restricting resident choice of vendors of medical services	256B.48, subd. 1, para. (c)
	Subd. 3. Differential treatment	256B.48, subd. 1, para. (d)
	Subd. 4. Discrimination	256B.48, subd. 1, para. (e)
	Subd. 5. Kickbacks	256B.48, subd. 1, para. (f)
	Subd. 6. Refusing readmissions	256B.48, subd. 1, para. (g)
	Subd. 7. Violations and penalties	256B.48, subd. 1, first unlettered para. after (g)
	Subd. 8. Temporary reimbursement to facilities in violation of this section	256B.48, subd. 1, second unlettered para. after (g)
<b>256R.05. Required practices.</b> Consolidates language related to practices facilities must follow to be reimbursed under MA.	Subd. 1. Preadmission screening	Para. (a): 256B.0911, subd. 7, para. (a) Para. (b): 256B.0911, subd. 7, para. (b)
	Subd. 2. Referrals to Medicare providers	256B.48, subd. 6a
<b>256R.06. Private pay residents; required practices.</b> Consolidates and reorganizes language related to private pay residents. Adds language to ensure existing penalties continue to apply.	Subd. 1. MA rates not to exceed private pay residents' rate	Minn. Rules, pt. 9549.0070, subp. 2
	Subd. 2. Private pay rates not to exceed MA residents' rates	256B.48, subd. 1, para. (a), first half
	Subd. 3. Violations and penalties	New clarifying language
	Subd. 4. Civil penalties and procedures	256B.48, subd. 1, para. (a), second half
	Subd. 5. Notice to residents	256B.47, subd. 2
	Subd. 6. Refund of excess charges	256B.48, subd. 7
	Subd. 7. Notification to a spouse or health care agent	256B.48, subd. 8
<b>256R.07. Adequate documentation.</b> Consolidates language from rules and	Subd. 1. Criteria	Minn. Rules, pt. 9549.0035, subp. 3
	Subd. 2. Documentation of compensation	

New section coding and headnote	New subdivision coding and headnote	Current coding
statute related to adequate documentation of costs.	Subd. 3. Adequate documentation supporting nursing facility payrolls	Subd. 3 is from 256B.432, subd. 8
	Subd. 4. Documentation of mileage	
	Subd. 5. Records for cost allocations	
<b>256R.08. Reporting of financial statements.</b> Reorganizes language related to reporting of financial statements and adds language to ensure existing penalties continue to apply.	Subd. 1. Reporting of financial statements	256B.48, subd. 2, first and second para.
	Subd. 2. Extensions	256B.48, subd. 4
	Subd. 3. False reports	256B.48, subd. 5
	Subd. 4. Violations and penalties	New clarifying language
<b>256R.09. Reporting of statistical and cost reports.</b> Reorganizes language from rules and statute related to reporting of statistical and cost reports. Adds language describing the calculation of the statewide average operating payment rate.	Subd. 1. Reporting timeline	256B.441, subd. 1, para. (c)
	Subd. 2. Reporting of statistical and cost information	256B.441, subd. 43, para (a), part 1 and 256B.441, subd. 43, para. (a), seventh sentence
	Subd. 3. Record retention	256B.441, subd. 43, para. (a), part 2 and 256B.48, subd. 2, last sentence
	Subd. 4. Incomplete or inaccurate reports; reports not submitted in a timely manner	256B.441, subd. 43, para. (a), part 3
	Subd. 5. Method of accounting	Minn. Rules, pt. 9549.0041, subp. 6
	Subd. 6. Amending statistical and cost information	256B.441, subd. 43, para. (b) (includes a calculation for statewide average operating payment rate)
	Subd. 7. Reporting of false statistical and cost information	256B.441, subd. 43, para. (c)
	Subd. 1. General cost principles	Minn. Rules, pt. 9549.035, subp. 1 and 8
	Subd. 2. Employees represented by a collective bargaining agent	256B.441, subd. 6, paras. (b) and (c)

New section coding and headnote	New subdivision coding and headnote	Current coding
<b>256R.10. Allowed costs.</b> Reorganizes language from rules and statute related to allowed costs for reimbursement under MA.	Subd. 3. Employer sponsored retirement plans	256B.431, subd. 22, first unlettered para. and para. (a)
	Subd. 4. Workers' compensation insurance costs	256B.431, subd. 22, para. (b)
	Subd. 5. Salaries and wages	256B.441, subd. 37, last sentence
	Subd. 6. Applicable credits	Minn. Rules, pt. 9549.0035, subp. 2, first half
<b>256R.11. Nonallowed costs.</b> Reorganizes language that specifies costs that are not allowed for reimbursement under MA. Includes an effective date that continues the commissioner's rulemaking authority previously granted in chapter 256B.	Subd. 1. Generally	256B.47, subd. 1
	Subd. 2. Collective bargaining	256B.431, subd. 2s
<b>256R.12. Cost allocation.</b> Consolidates and reorganizes language related to allocation of costs.	Subd. 1. Allocation; direct identification of costs; management agreement	256B.432, subd. 3
	Subd. 2. Allocation; direct identification of costs to other activities	256B.432, subd. 4
	Subd. 3. Cost allocation on a functional basis	256B.432, subd. 4a
	Subd. 4. Allocation of remaining costs; allocation ratio	256B.432, subd. 5
	Subd. 5. Cost allocation between nursing facilities	256B.432, subd. 6
	Subd. 6. Related organization costs	Paras. (a) and (b): 256B.432, subd. 6a Para. (c): Minn. Rules, pt. 9549.0035, subp. 7, last para.
	Subd. 7. Receiverships	256B.432, subd. 7

New section coding and headnote	New subdivision coding and headnote	Current coding
	Subd. 8. Allocation of costs for therapy services; nonhospital-attached facilities	256B.47, subd. 3
	Subd. 9. Allocation of costs for therapy services; hospital-attached facilities	256B.47, subd. 4
	Subd. 10. Allocation of self-insurance costs	256B.431, subd. 22, para. (e)
<b>256R.13. Auditing requirements.</b> Consolidates and reorganizes language related to auditing requirements.	Subd. 1. Audit authority	256B.27, subd. 2a
	Subd. 2. Desk and field audits of statistical and cost reports	256B.441, subd. 47, paras. (a) to (c)
	Subd. 3. Audit adjustments	256B.48, subd. 3a
	Subd. 4. Extended record retention requirements	256B.441, subd. 47, para. (d)
<b>256R.16. Quality of care.</b> Consolidates language related to calculating quality scores and monitoring quality of care. Language establishing quality profiles for long-term care providers (including nursing facilities) remains in chapter 256B.	Subd. 1. Calculation of a quality score	256B.441, subd. 44
	Subd. 2. Monitoring quality of care	256B.431, subd. 2d
<b>256R.17. Case mix.</b> Reorganizes language governing case mix classifications and uses consistent terminology.	Subd. 1. Case mix classifications	256B.438, subd. 1
	Subd. 2. Case mix indices	256B.438, subd. 3, para. (d) and 256B.438, subd. 2, para. (c)
	Subd. 3. Resident assessment schedule	256B.438, subd. 4, paras. (a) and (b)
	Subd. 4. Notice of resident reimbursement case mix classification	256B.438, subd. 5
	Subd. 5. Reconsideration of resident case mix classification	256B.438, subd. 6
	Subd. 1. Total payment rates	256B.441, subd. 1, para. (a)



New section coding and headnote	New subdivision coding and headnote	Current coding
<b>256R.21. Total payment rate.</b> Describes the formula DHS must use to calculate the total care-related payment rate, the operating payment rate, and the total payment rate.	Subd. 2. Determination of total care-related payment rates	New
	Subd. 3. Determination of operating payment rates	New
	Subd. 4. Determination of total payment rates	New
<b>256R.22. Case mix adjusted total payment rate.</b> Describes the formula DHS must use to calculate a facility's case-mix adjusted payment rates.	Subd. 1. Case mix adjusted payment rates generally	New
	Subd. 2. Determination of case mix adjusted total care-related payment rates.	New
	Subd. 3. Determination of case mix adjusted operating payment rates	New
	Subd. 4. Determination of case mix adjusted total payment rates	256B.441, subd. 54
<b>256R.23. Total care-related payment rates.</b> Reorganizes existing language that describes how DHS must calculate a facility's direct and other-care related costs per day.  Describes the formula used to calculate a facility's care-related payment rate limit. A facility's limit is applied to the facility's rate using the facility's "cost-to-limit ratio." The new language is mathematically equivalent to the previous law.	Subd. 1. Determination of total care-related cost per day	256B.441, subd. 49
	Subd. 2. Calculation of direct care cost per standardized day	256B.441, subd. 48, first sentence
	Subd. 3. Calculation of other care-related cost per resident day	256B.441, subd. 48, second sentence
	Subd. 4. Determination of the median total care-related cost per day	256B.441, subd. 30, paras. (a) and (b)
	Subd. 5. Determination of total care-related payment rate limits	256B.441, subd. 50, paras. (a) to (c)
	Subd. 6. Payment rate limit reduction	256B.441, subd. 56, para. (b)
	Subd. 7. Determination of direct care payment rates	256B.441, subd. 50, para. (d)

New section coding and headnote	New subdivision coding and headnote	Current coding
	Subd. 8. Determination of other care-related payment rates	256B.441, subd. 50, para. (d)
	Subd. 9. Determination of total care-related payment rates	New
<b>256R.24. Other operating payment rate.</b> Reorganizes language describing how DHS must calculate a facility's other operating payment rate. Eliminates the use of the term "other operating price," which was used in chapter 256B.	Subd. 1. Determination of other operating cost per day	256B.441, subd. 30, para. (c), second sentence
	Subd. 2. Determination of the median other operating cost per day	256B.441, subd. 30, paras. (a), (b), and (c) first sentence
	Subd. 3. Determination of the other operating payment rate	256B.441, subd. 51
<b>256R.25. External fixed costs payment rate.</b> Reorganizes language describing how DHS must calculate a facility's external fixed costs payment rate.		256B.441, subd. 53 (Para. (h) the second sentence is from § 256B.431, subd. 2b, para (g))
<b>256R.26. Property payment rate.</b> Requires DHS to calculate a facility's property payment rate using existing language in sections 256B.431 and 256B.434.		New
<b>256R.32. Appeals.</b> Reorganizes language related to appeals of rate determinations.		256B.441, subd. 57
<b>256R.36. Hold harmless.</b> Reorganizes existing hold harmless language.		256B.441, subd. 56, para. (a)
<b>256R.37. Scholarships.</b> Reorganizes language describing the scholarships portion of the external fixed costs payment rate.		256B.431, subd. 36

New section coding and headnote	New subdivision coding and headnote	Current coding
<b>256R.38. Performance-based incentive payments.</b> Reorganizes language describing the performance-based incentives portion of the external fixed costs payment rate.		256B.441, subd. 46d
<b>256R.39. Quality improvement incentive program.</b> Reorganizes language describing the quality improvement incentives portion of the external fixed costs payment rate.		256B.441, subd. 46c
<b>256R.40. Nursing facility voluntary closure; alternatives.</b> Reorganizes language governing the planned closure rate adjustment portion of the external fixed costs payment rate.	Subd. 1. Definitions	256B.437, subd. 1, paras. (a) to (g)
	Subd. 2. Applications for planned closure rate	256B.437, subd. 3, para. (c) (last sentence from 256B.437, subd. 3, para. (d))
	Subd. 3. Criteria for review of application	256B.437, subd. 4
	Subd. 4. Review and approval of applications	256B.437, subd. 5
	Subd. 5. Planned closure rate adjustment	256B.437, subd. 6
	Subd. 6. Assignment of closure rate to another facility	256B.437, subd. 3, para. (b)
	Subd. 7. Other rate adjustments	256B.437, subd. 7
<b>256R.41. Single-bed room incentive.</b> Reorganizes language describing the single-bed room incentive portion of the external fixed costs payment rate.		256B.431, subd. 42, paras. (a) and (b)
<b>256R.42. Rate adjustment for the first 30 days.</b> Reorganizes and clarifies language governing the rate adjustment for the first 30 days.		256B.431, subd. 32

New section coding and headnote	New subdivision coding and headnote	Current coding
<b>256R.43. Bed holds.</b> Reorganizes language governing bed holds (leave days).		256B.431, subd. 2r, para. (c)
<b>256R.44. Rate adjustment for private rooms for medical necessity.</b> Consolidates and reorganizes rules and statutes governing rate adjustments for private rooms for medical necessity.		256B.441, subd. 59 and Minn. Rules, pt. 9549.0070, subp. 3
<b>256R.45. Rate adjustment for ventilator-dependent persons.</b> Reorganizes language governing rate adjustments for ventilator-dependent persons.		256B.431, subd. 2e, para. (a)
<b>256R.46. Specialized care facilities.</b> Reorganizes and clarifies language governing specialized care facilities.		256B.441, subd. 51a
<b>256R.47. Rate adjustment for critical access nursing facilities.</b> Reorganizes language governing rate adjustments for critical access nursing facilities.		256B.441, subd. 63
<b>256R.48. Publicly owned facilities.</b> Reorganizes and clarifies language governing the equitable costs for publicly owned nursing facility program.		256B.441, subd. 55a, paras. (b) to (f)
<b>256R.49. Rate adjustments for compensation-related costs for minimum wage changes.</b> Reorganizes and divides into	Subd. 1. Rate adjustments for compensation-related costs	256B.441, subd. 64, paras. (a) and (c)
	Subd. 2. Application process	256B.441, subd. 64, para. (d)

New section coding and headnote	New subdivision coding and headnote	Current coding
subdivisions language governing rate adjustments for compensation-related costs for minimum wage increases.	Subd. 3. Additional application requirements for facilities with employees represented by an exclusive bargaining representative	256B.441, subd. 64, para. (e)
	Subd. 4. Determination of the rate adjustments for compensation-related costs	256B.441, subd. 64, para. (b)
<b>256R.50. Bed relocations.</b> Reorganizes, divides into subdivisions, and uses consistent terminology in language governing bed relocations.	Subd. 1. Method for determining budget-neutral nursing facility rates for relocated beds	256B.441, subd. 60, para. (a)
	Subd. 2. Determination of costs in originating facility	256B.441, subd. 60, para. (b)
	Subd. 3. Determination of costs in receiving facility	256B.441, subd. 60, para. (c)
	Subd. 4. Determination of costs prior to relocation	256B.441, subd. 60, para. (d)
	Subd. 5. Estimation of costs after bed relocation	256B.441, subd. 60, para. (e)
	Subd. 6. Determination of rate adjustment	256B.441, subd. 60, paras. (f) to (i)
<b>256R.51. Adjustment for special dietary needs.</b> Consolidates and reorganizes language governing rate adjustments for special dietary needs.		Para. (a): 256B.441, subd. 51b Para (b): 256B.431, subd. 35
<b>256R.52. Nursing facility receivership fees.</b> Consolidates and reorganizes language governing rate increases for nursing facilities in receivership.	Subd. 1. Payment of receivership fees	256B.495, subd. 1
	Subd. 2. Sale or transfer of a nursing facility in receivership after closure	Paras. (a) to (c): 256B.495, subd. 5 Para. (d): 144A.15, subd. 6, para. (b)
	Subd. 1. Nursing facility in Golden Valley	256B.441, subd. 65

New section coding and headnote	New subdivision coding and headnote	Current coding
<b>256R.53. Facility specific exemptions.</b> Consolidates and reorganizes facility specific rate exemptions.	Subd. 2. Nursing facility in Breckenridge	256B.441, subd. 66
<b>256R.54. Ancillary services.</b> Reorganizes language governing separate billing for therapy services provided in nursing facilities. Includes an effective date that continues the commissioner's rulemaking authority previously granted in chapter 256B.	Subd. 1. Setting payment; monitoring use of therapy services	256B.433, subd. 1
	Subd. 2. Certification that treatment is appropriate	256B.433, subd. 2
	Subd. 3. Separate billings for therapy services; nursing facility provider number	256B.433, subd. 3, first unlettered para. and para. (a)
	Subd. 4. Separate billings for therapy services; related vendors	256B.433, subd. 3, para. (b)
	Subd. 5. Separate billings for therapy services; unrelated vendors	256B.433, subd. 3, para. (c)
	Subd. 6. Separate billings for therapy services; cost to revenue ratio	256B.433, subd. 3, para. (d)
	Subd. 7. Separate billings for therapy services; base year	256B.433, subd. 3, para. (e)
	Subd. 8. Separate billings for therapy services; transition from unrelated to related vendor	256B.433, subd. 3, para. (f)
	Subd. 9. Separate billings for therapy services; prohibited practices	256B.433, subd. 3, para. (g)

**Section**

- 42 Revisor's Instruction.** Instructs the revisor to: (1) make necessary cross-reference changes and remove statutory cross-references to conform to the recodification and repealer in this bill, and (2) merge amendments to existing statutes that are subject to the repealer into the recodification. Allows the revisor to: (1) make technical and other necessary changes to sentence structure to preserve the meaning of the text, and (2) alter the statutory coding in this bill to incorporate statutory changes made by other law this session.
- 43 Repealer.** Paragraphs (a) and (b) repeal all nursing facility payment and rates sections of chapter 256B that are obsolete, redundant, or moved to chapter 256R. These sections include Minnesota Statutes, sections: 256B.0911, subd. 7 (reimbursement for certified nursing facilities); 256B.25, subd. 4 (payment during suspended admissions); 256B.27, subd. 2a (cost and statistical data audits); 256B.41 (intent); 256B.411 (compliance with state statutes); 256B.421 (definitions; subds. 1 and 16 are retained); 256B.431, subds. 1 (in general), 2b (operating costs after July 1, 1985), 2d (cost report or audit), 2e (contracts for services for ventilator-dependent persons), 2n (efficiency incentive reductions for substandard care), 2r (payment restrictions on leave days), 2s (nonallowable cost), 2t (payment limitation), 3e (hospital-attached convalescent and nursing care facilities), 32 (payment during first 30 days), 35 (exclusion of raw food cost adjustment), 36 (employee scholarship costs and training in English as a second language), 42 (incentive to establish single-bed rooms), and 44 (property rate increases for certain nursing facilities); 256B.432 (long-term care facilities; office costs); 256B.433 (ancillary services); 256B.434, subds. 2 (requests for proposals), 9 (managed care contracts for other services), 11 (consumer protection), 12 (contracts are voluntary), 14 (federal requirements), 15 (external review panel), 16 (alternative contracts), 18 (facilities without APS contracts as of October 1, 2006), 19a (nursing facility rate adjustments beginning September 1, 2013), 20 (payment of PERA costs), and 21 (payment of post-PERA pension benefit costs); 256B.437 (nursing facility voluntary closure; alternatives); 256B.438 (implementation of a case mix system); 256B.441 (value-based nursing facility reimbursement system); 256B.47 (nonallowable costs; notice of increases); 256B.48 (conditions for participation; retains language related to ICF/DDs); and 256B.495 (nursing facility receivership fees).
- Paragraph (c) repeals Minnesota Rules, parts 9549.0035, subps. 1 (allowable costs), 3 (adequate documentation), 7 (related organization costs), and 8 (general cost principles); 9549.0041, subp. 6 (method of accounting); 9549.0055 (determination of operating cost adjustment factors and limits); and 9549.0070 (computation of total payment rate).

**Article 2: Conforming Changes****Overview**

This article makes conforming changes related to the nursing facility payment and rates recodification.

- 1 Moratorium.** Amends § 144A.071, subd. 2. Moves a sentence from section 256B.48, subd. 1, to the appropriate statutory location.
- 2 Postreceivership period; facility remaining open.** Amends § 144A.15, subd. 6. Removes language that is moved to section 256R.52, subd. 2, paragraph (d).

**Section**

- 3**      **Payment limitation for Medicare-covered skilled nursing facility stays.** Amends § 256B.0625, by adding subd. 57a. Moves language related to covered MA services from nursing facility payment language to the section governing MA covered services.
- 4**      **Additional local share of certain nursing facility costs.** Amends § 256B.19, subd. 1e. Makes conforming cross-reference changes.
- 5**      **Changes to nursing facility reimbursement.** Amends § 256B.431, subd. 22. Removes obsolete language and language that was moved to chapter 256R, but retains language related to property payment rates.
- 6**      **Exemptions.** Amends § 256B.434, subd. 10. Removes obsolete language, but retains property payment rate language.
- 7**      **Reporting requirements.** Amends § 256B.48, subd. 2. Modifies language related to reporting of financial statements to remove language related to nursing facilities that was moved to chapter 256R and retain language related to intermediate care facilities for persons with developmental disabilities (ICFs/DD). Restructures the remaining language.
- 8**      **Audit adjustments.** Amends § 256B.48, subd. 3a. Modifies language related to audit adjustments that applies to both nursing facilities and ICFs/DD. The language governing nursing facilities is moved to chapter 256R and the language governing ICFs/DD remains in chapter 256B.
- 9**      **Definitions.** Amends § 256B.50, subd. 1a. Removes an obsolete definition and retains the scope of definitions for appeals under the MA program.
- 10**     **Monthly rates; exemptions.** Amends § 256I.05, subd. 2. Makes conforming cross-reference changes.