

# Chapter 74

2023 Regular Session

**Subject** Nursing facility and hospital funding

**Bill** H.F. 3342

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## Overview

This act provides onetime funding for nursing facilities by establishing a nursing facility workforce incentive grant program, providing onetime payments to nursing facilities not to exceed forecast spending, and providing a onetime rate add-on. In addition, this act provides onetime funding for partial reimbursement to hospitals for qualifying avoidable patient days.

## Summary

Section	Description
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1	<b>Nursing facility workforce incentive grant program.</b>
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Creates § 256.4766.

**Subd. 1. Grant program established.** Requires the commissioner of human services to establish grants for nursing facilities to assist with recruiting and retaining eligible workers.

**Subd. 2. Definitions.** Defines “commissioner,” “eligible employer,” and “eligible worker.”

**Subd. 3. Allowable uses of grant money.** Requires grantees to use grant money to provide payments to eligible workers for specified purposes. Allows an eligible worker to receive payments of up to \$3,000 per year from this program and all other state money intended for the same purpose. Requires the commissioner to develop a grant cycle distribution plan that allows for equitable distribution of money among eligible employers. Specifies the commissioner’s determination of the grant awards and amounts is final and not subject to appeal.

**Subd. 4. Attestation.** Requires an eligible employer to attest and agree to certain terms as a condition of obtaining grant payments.

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**Subd. 5. Distribution plan; report.** Requires a grantee that receives a grant to: (1) prepare a distribution plan that specifies the amount of money the grantee expects to receive and how that money will be distributed for recruitment and retention purposes; and (2) submit a report to the commissioner that includes a description of how grant funds were distributed to eligible employees and the total dollar amount distributed. Specifies that failure to submit the required report will result in recoupment of grant money.

**Subd. 6. Audits and recoupment.** Allows the commissioner to perform an audit of these grants up to six years after a grant is awarded. Requires the commissioner to treat any grant amounts used for a purpose not authorized under this section as an overpayment and to recover any overpayment.

**Subd. 7. Grants not to be considered income.** Specifies grant awards must not be considered income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for various public assistance and health care programs.

**Subd. 8. Income tax subtraction.** Defines “subtraction” for purposes of this subdivision. Specifies the amount of a grant award received under this grant program is a subtraction and excluded from income under Minnesota income tax laws.

**Subd. 9. Account created.** Creates a nursing facility workforce incentive grant account in the special revenue fund. Allows appropriations made for grants and payments made under this section to be transferred to this account. Appropriates amounts in the account to the commissioner of human services. Specifies appropriations transferred to this account cancel and are returned to the fund of origin on the date the original appropriations would have lapsed.

**Subd. 10. Nursing facilities; applicable credit.** Requires the commissioner to treat grant payments awarded under this section as an applicable credit under the statutes governing nursing facility payment rates.

2	<b>Payments to nursing facilities not to exceed forecast spending.</b>
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**Subd. 1. Payments established.** Requires the commissioner of human services to provide a onetime payment to nursing facilities. Specifies this payment is not an applicable credit under the statutes governing nursing facility payment rates.

**Subd. 2. Payment amount.** Requires that each nursing facility reimbursed under the chapter of statutes governing nursing facility payment rates receives a payment based on a specified formula. Requires the total sum for each nursing facility to be distributed in two equal payments on August 1, 2023, and August 1, 2024. Allows the commissioner to adjust a portion of the formula in order to

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expend the full amount of the appropriation for this purpose. Requires each facility to expend the total payment amount by September 30, 2025.

**Subd. 3. Allowable uses and attestation.** To receive a payment, requires each nursing facility to attest that the payment will be used for listed activities.

**Subd. 4. Payments to related organizations prohibited.** Prohibits payments awarded under this section from being used for payments to related organizations, as defined in the chapter of statutes governing nursing facility payment rates.

**Subd. 5. Reporting requirements.** Requires each nursing facility to report to the commissioner on the forms and according to the timelines established by the commissioner regarding uses of payments awarded under this section.

**Subd. 6. Audits and recoupment.** Allows the commissioner to perform an audit of these payments up to six years after a payment is awarded. Requires the commissioner to treat any payment amounts used for a purpose not authorized under this section as an overpayment and to recover any overpayment.

**Subd. 7. Overspending relative to forecast.** Paragraph (a) requires the commissioner to determine total projected MA payments to nursing facilities in fiscal years 2024 to 2027 based on the February 2023 forecast plus the impact of the temporary rate add-on and any subsequent rate adjustments in the 2024 legislative session.

Paragraph (b) requires the commissioner to determine actual total MA payments to nursing facilities for fiscal years 2024 to 2027 by December 31, 2028. Prohibits the determination of total actual MA payments from including the appropriation for payments under this section.

Paragraph (c) requires the commissioner to compare the amount in paragraph (a) to the amount in paragraph (b). If it is determined that the payment under this section increased MA payments to nursing facilities relative to the February 2023 forecast projections, requires the commissioner to adjust each nursing facility's rates in an amount proportional to the payment received by the nursing facility under this section to reduce aggregate MA payments to nursing facilities in rate year 2029 by an amount equal to the amount by which actual total MA payments to nursing facilities for fiscal years 2024 to 2027 exceeds projected MA payments to nursing facilities for fiscal years 2024 to 2027.

Paragraph (d) specifies the commissioner's determinations under this subdivision are final and not subject to appeal.

Section	Description
	Provides an immediate effective date.
3	<p><b>Nursing facility temporary rate add-on.</b></p> <p>Effective July 1, 2023, requires the commissioner of human services to provide a temporary rate add-on for a nursing facility reimbursed under the chapter of statutes governing nursing facility payment rates in an amount equal to \$12.35 per resident day. Provides a December 31, 2024, expiration date.</p> <p>Makes this section effective July 1, 2023, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.</p>
4	<p><b>Partial reimbursement to hospitals for qualifying avoidable patient days.</b></p> <p>Directs the commissioner of human services to provide payments to hospitals as partial reimbursement for qualifying avoidable patient days.</p> <p><b>Subd. 1. Definitions.</b> Defines “high-acuity patient” and “qualifying avoidable patient day” for this section.</p> <p><b>Subd. 2. Partial reimbursement to hospitals.</b> Beginning July 1, 2023, requires the commissioner of human services to make payments to hospitals to partially reimburse them for qualifying avoidable patient days, in which a high-acuity patient was boarded in an emergency department or kept in the hospital because the hospital could not identify a setting to which the patient could be safely released or discharged. Provides the payments must be up to \$1,400 per qualifying avoidable patient day, requires a hospital seeking payment to submit to the commissioner its number of qualifying avoidable patient days within a specified time period, and establishes a process for the commissioner to determine the payment amount for each qualifying avoidable patient day.</p> <p>Provides an immediate effective date.</p>
5	<p><b>Appropriations given effect once.</b></p> <p>Requires appropriations or transfers in this act to only be given effect once if the appropriation or transfer is enacted more than once during the 2023 regular session.</p>
6	<p><b>Appropriations.</b></p> <p><b>Subd. 1. Nursing facility workforce incentive grant program.</b> Appropriates \$74,500,000 in fiscal year 2024 from the general fund to the commissioner of human services for the nursing facility workforce incentive grant program. Makes this appropriation available until June 30, 2029. Specifies this is a onetime appropriation.</p>

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**Subd. 2. Payments to nursing facilities not to exceed forecast spending.**

Appropriates \$173,137,000 in fiscal year 2024 from the general fund to the commissioner of human services for payments to nursing facilities not to exceed forecast spending. Specifies this is a onetime appropriation and is available until June 30, 2025.

**Subd. 3. Nursing facility temporary rate add-on.** Appropriates \$21,344,000 in fiscal year 2024 and \$15,169,000 in fiscal year 2025 from the general fund to the commissioner of human services for a nursing facility temporary rate add-on.

**Subd. 4. Administration.** Appropriates \$1,250,000 in fiscal year 2024 from the general fund to the commissioner of human services for the administration of nursing facility funding in this act. Makes this amount available until June 30, 2029. Specifies this is a onetime appropriation.

**Subd. 5. Payments to hospitals.** Appropriates \$18,000,000 in fiscal year 2024 from the general fund to the commissioner of human services for payments to hospitals for partial reimbursement for qualifying avoidable patient days.



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