

HOUSE RESEARCH

Bill Summary

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Subject: Reimbursement of Nursing Facility PERA Costs

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Overview

This bill requires nursing facility costs related to participation in the Public Employees Retirement Association (PERA) to be re-calculated each rate year. Without this provision, a facility's reimbursement for PERA costs would be based on PERA costs reported at the time the facility entered into a contract to participate in the Alternative Payment System.

Section

- 1** **Payment of public employees retirement association costs.** Amends § 256B.434, by adding subd. 19. For nursing facilities that participate in the Public Employees Retirement Association (PERA), requires the component of their payment rate associated with PERA costs to be determined each rate year, beginning October 1, 2007. Directs the commissioner to subtract out PERA costs from the rate in effect on September 30, and then add to the payment rate in effect on October 1 an amount equal to reported PERA costs, for the year ending on the most recent September 30 for which data is available.
- 2** **Appropriation.** Appropriates an unspecified amount from the general fund to the commissioner of human services for the biennium beginning July 1, 2007, for section 1.