

# HOUSE RESEARCH

## Bill Summary

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### Overview

This bill provides rate increases to long-term care providers, requires the use of new nursing facility case mix indices, requires workforce initiatives, provides nursing facility employees with a temporary exemption from the requirement that MinnesotaCare enrollees have no access to employer-subsidized coverage, and requires a study of nursing facility rebasing.

#### Section

**1 Long-term care workforce training and development.** Adds § 256.9755.

**Subd. 1. Access to standardized curriculum.** Requires the commissioner of human services, in cooperation with the Minnesota job skills partnership program, to subsidize student access to the health care core curriculum, using a sliding tuition scale.

**Subd. 2. Additional workforce initiatives.** Requires the commissioner to develop and implement initiatives to train and increase the supply of long-term caregivers who provide specialized care to persons with chronic care needs. Requires the commissioner to present to the legislature by January 15, 2008, a description of the initiatives to be implemented and any necessary draft legislation.

**Subd. 3. Funding.** States that the subsidies and initiatives are funded using savings that result from nursing facility closures and downsizing.

**2 Rate increases for October 1, 2007, and October 1, 2008.** Amends § 256B.434, by adding

subd. 19. Requires the commissioner, for the rate years beginning October 1, 2007, and October 1, 2008, to make available to nursing facilities adjustments equal to 5 percent of the total operating payment rate. Requires 75 percent of the money from the adjustments to be used to increase wages and benefits and pay associated costs for all employees, except management fees, the administrator, and central office staff, to take effect on or after the effective date of each rate increase. Requires facilities to apply to the commissioner and present a plan for distribution of the funds. Specifies the procedures for plan submittal and review. Requires a copy of the approved plan to be made available to employees and specifies procedures for handling employee concerns.

- 3 **Funding for staff increases.** Amends § 256B.434, by adding subd. 20. Requires the commissioner, for the rate year beginning October 1, 2007, to make available to nursing facilities a rate adjustment equal to 1 percent of the total operating payment rate, to be used for wages, benefits, and associated costs for direct care employees hired on or after the effective date of the rate increase. Requires nursing facilities to apply for the increase, and directs the commissioner to give preference to nursing facilities with low ratios of direct care staff to residents or that demonstrate that an increase in staff will lead to a significant improvement in quality of care. Specifies requirements related to reporting and monitoring and allows the commissioner to recover money that is spent inappropriately.

- 4 **New case mix indices.** Amends § 256B.438, by adding subd. 8. (a) Effective with rates for the rate year beginning October 1, 2007, requires the commissioner to implement the case mix indices recommended by the time study authorized by the 2001 Legislature. Provides the methodology for implementing the new case mix indices.

(b) Requires the commissioner to adjust the October 1, 2007, operating rates calculated under paragraph (a), for nursing facilities estimated to receive a decrease in operating revenue. Specifies the methodology to be used. The amount of the rate adjustment is the operating revenue obtained using the case mix indices and resident assessment schedule in effect on September 30, 2007, for the rate year ending June 30, 2007, minus the operating revenue for that rate year obtained using the case mix indices and resident assessment schedule to be used on October 1, 2007, divided by MA and private pay resident days. Provides that the interim rate adjustment is effective from October 1, 2007, through June 30, 2008, and is not part of the facility's operating payment rate after June 30, 2008. Requires the commissioner, by August 15, 2007, to provide nursing facilities estimated to experience a decrease in operating revenue with written notice that specifies the amount of the estimated decrease and the amount of the interim rate adjustment. Provides facilities with 30 days to decline the interim rate adjustment.

(c) Requires the commissioner to adjust the July 1, 2008, operating rates of facilities that received an interim rate adjustment under paragraph (b) and facilities that demonstrate a decrease in operating revenue from the implementation of new case mix indices and the use of all quarterly assessments. The operating rate adjustment is the difference in operating revenue under the old and new case mix and assessment systems for the period October 1, 2007, through March 31, 2008, divided by total MA and private pay resident days. If this amount is greater than the amount estimated under paragraph (b), requires the commissioner to retroactively pay nursing homes the difference.

Provides an October 1, 2007, effective date.

- 5 **ICF/MR rate increases October 1, 2007, and October 1, 2008.** Amends § 256B.5012, by adding subd. 7. Requires the commissioner, for the rate years beginning October 1, 2007, and October 1, 2008, to make available to ICFs/MR adjustments equal to an unspecified percentage of the total operating payment rate. Requires 75 percent of the money from the

adjustments to be used to increase wages and benefits and pay associated costs for all employees, except administrative and central office employees, to take effect on or after the effective date of each rate increase. Allows wage adjustments to vary based on merit, seniority, or other factors determined by the provider. Requires facilities to apply to the commissioner and present a plan for distribution of the funds. Specifies the procedures for plan submittal and review. Requires a copy of the approved plan to be made available to employees and specifies procedures for handling employee concerns.

- 6 **Employer-subsidized coverage.** Amends § 256L.07, subd. 2. For the period July 1, 2007, through June 30, 2008, exempts families and individuals from the requirement that MinnesotaCare enrollees have no access to employer subsidized coverage, and no access through the current employer for 18 months prior to application or reapplication, if access to employer-subsidized coverage is through employment at a nursing facility that participates in MA. Requires the commissioner to present recommendations to the legislature by February 1, 2008, on whether this exemption should be continued and extended to include families and individuals with access to employer-subsidized coverage through other long-term care providers.
- 7 **Study of nursing facility rebasing.** Requires the commissioner of human services to evaluate the extent to which MA reimbursement rates to nursing facilities reflect the cost of providing services, both statewide and in different regions. Requires the commissioner to present recommendations to the legislature by January 15, 2008, on whether rebasing of rates on a statewide or regional basis is necessary to ensure that rates are sufficient to cover costs.
- 8 **Community services provider rate increases.** Requires the commissioner of human services to increase reimbursement rates or rate limits, as applicable, by an unspecified percentage for the rate periods beginning October 1, 2007, and October 1, 2008, for specified community-based providers and services. Requires 75 percent of the money from the adjustments to be used to increase wages and benefits and pay associated costs for all employees, except management fees, the administrator, and central office staff, and specifies other procedures for increases. Requires a copy of the provider's plan for complying with the 75 percent distribution requirement to be made available to employees and specifies procedures for handling employee concerns.