HOUSE RESEARCH =

Bill Summary =

FILE NUMBER: H.F. 3571 **DATE:** April 22, 2010

Version: First committee engrossment

Authors: Koenen

Subject: Nursing Home Rebasing for Publicly Owned Facilities

Analyst: Randall Chun, (651) 296-8639

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

This bill requires the commissioner of human services to increase payment rates to nursing facilities that are publicly owned, up to the full rebased payment rate, if the local government entity owning a facility agrees to pay the full nonfederal MA share associated with the rate increase.

Section

- Additional local share of certain nursing facility costs. Amends § 256.19, by adding subd. 1e. Specifies the method by which local government entities that own the physical plant or are the license holder of nursing facilities that opt to be reimbursed at the full rebased rate (under section 2) are to pay to the state the nonfederal share of costs related to the rate increase.
- Alternative to phase-in for publicly owned nursing facilities. Amends § 256B.441, by adding subd. 55a. (a) Provides that the commissioner, for operating payment rates between January 1, 2011, and September 30, 2015, shall allow nursing facilities whose physical plant is owned or whose license is held by a city, county, or hospital district to apply for a higher payment rate if the local government entity pays a specified portion of the nonfederal share of MA costs. Allows these facilities to be eligible for a payment rate up to the full rebased rate as calculated under subdivision 54, without applying the phase-in of rebased rates.
 - (b) Specifies that rates under this subdivision take effect January 1, 2011, based on cost reports for the rate year ending September 30, 2009, and on October 1 for future rate years.
 - (c) Requires facilities to apply to the commissioner by September 30, 2010, and provides that participation is irrevocable. States that if application of this subdivision does not result in a higher rate for the facility, the facility's rates shall be calculated as under current law and no payment by the local government entity is required.
 - (d) Requires the public entity that owns the physical plant or is the license holder of the nursing facility to pay the entire nonfederal share of the additional MA payments received

as a result of the rate increase.

(e) Allows the commissioner to reduce payments under this subdivision, if the commissioner determines that the payments would cause nursing facility rates to exceed the state's Medicare upper payment limit or any other federal limit. Specifies the method to be used if a payment reduction is necessary.