

# HOUSE RESEARCH

## Bill Summary

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**Subject:** Nursing Home Rate Equalization

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### Overview

This bill phases out nursing home rate equalization over three years and makes changes to nursing home consumer protections.

Medical Assistance (MA) rates and private pay rates do not vary within a facility. This is due to Minnesota's rate equalization law, which prohibits nursing facilities that participate in the MA program from charging private pay residents more than MA residents. Nursing facilities are, however, allowed to charge private pay residents a higher rate for a single room and for special services that are not included in the daily rate if MA residents are charged separately at the same rate for the same services in addition to the daily rate paid by DHS.

While nursing facilities are allowed to charge private pay residents less than an MA resident, in actual practice, private pay rates are set at the level of the MA rate. This is because federal and state rules prohibit nursing facilities from charging MA residents more than private pay residents for similar services. In cases where the rate charged to private pay residents is less than the MA rate, the MA rate is made equal to the private pay rate. MA reimbursement policy is therefore relevant to private payers as well as to MA recipients, since a change in MA per diem reimbursement paid to nursing facilities leads to a corresponding change in the per diem charged to private payers.

- 1 Prohibited practices.** Amends § 256B.48, subd. 1. Phases out nursing home rate equalization over three years and specifies that special services, if offered, must be available to all residents of the nursing facility and charged separately at the same rate. Specifies that residents may select or decline special services. Prohibits special services from including services which must be provided by the nursing facility in order to comply with licensure or certification standards and that if not provided would result in a deficiency or violation by the nursing facility. Requires MA payment according to the state plan to be accepted as payment in full for continued stay, except where otherwise provided for in statute. Modifies nursing facility consumer protections.