

# Nursing Facility Recodification

Laws 2016, chapter 99

HOUSE RESEARCH

The nursing facility payment rates statutes were recodified in 2016. The table below shows the new coding and where the language was coded prior to August 1, 2016.

New section coding and headnote	New subdivision coding and headnote	Coding prior to August 1, 2016
256R.01 General	Subd. 1. Payment rates	256B.41, subd. 3
	Subd. 2. Authority of commissioner	256B.41, subd. 1
	Subd. 3. Compliance with federal requirements	256B.41, subd. 2
256R.02 Definitions	Subd. 1. Application	256B.441, subd. 2
	Subd. 2. Active beds	256B.441, subd. 3
	Subd. 3. Activities costs	256B.441, subd. 4
	Subd. 4. Administrative costs	256B.441, subd. 5
	Subd. 5. Allowed costs	256B.441, subd. 6, para. (a) (other paras. moved)
	Subd. 6. Applicable credit	Minn. Rules, pt. 9549.0020, subp. 4
	Subd. 7. Assessment reference date	256B.438, subd. 2, para. (a)
	Subd. 8. Capital assets	256B.421, subd. 16
	Subd. 9. Case mix classification	New definition
	Subd. 10. Case mix index	256B.438, subd. 2, para. (b)
	Subd. 11. Centers for Medicare and Medicaid services	256B.441, subd. 7
	Subd. 12. Commissioner	256B.441, subd. 8
	Subd. 13. Consulting agreement	256B.432, subd. 1, para. (b)
	Subd. 14. Cost to limit ratio	New definition
	Subd. 15. Desk audit	256B.441, subd. 9
	Subd. 16. Dietary costs	256B.441, subd. 10
	Subd. 17. Direct care costs	256B.441, subd. 11

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	Subd. 18. Employer health insurance costs	256B.441, subd. 11a
	Subd. 19. External fixed costs	256B.441, subd. 13
	Subd. 20. Facility average case mix index	256B.441, subd. 14
	Subd. 21. Field audit	256B.441, subd. 15
	Subd. 22. Fringe benefit costs	256B.441, subd. 17
	Subd. 23. Generally accepted accounting principles	256B.441, subd. 18
	Subd. 24. Housekeeping costs	256B.441, subd. 20
	Subd. 25. Identifiable cost	New definition
	Subd. 26. Laundry costs	256B.441, subd. 22
	Subd. 27. Leave day	Minn. Rules, pt. 9505.0415, subp. 1, item D
	Subd. 28. Licensee	256B.441, subd. 23
	Subd. 29. Maintenance and plant operations costs	256B.441, subd. 24
	Subd. 30. Management agreement	256B.432, subd. 1, para. (a)
	Subd. 31. Medical assistance program	Minn. Rules, pt. 9549.0020, subp. 29
	Subd. 32. Minimum data set	256B.438, subd. 2, para. (d)
	Subd. 33. Nursing facility	256B.441, subd. 27
	Subd. 34. Other care-related costs	256B.441, subd. 48
	Subd. 35. Other direct care costs	256B.441, subd. 28a
	Subd. 36. Other operating costs	256B.441, subd. 30, para (c)
	Subd. 37. Payroll taxes	256B.441, subd. 29
	Subd. 38. Prior system operating cost payment rate	256B.441, subd. 31
	Subd. 39. Private paying resident	256B.441, subd. 32
	Subd. 40. Public accountant	New definition
	Subd. 41. Rate year	256B.441, subd. 33

New section coding and headnote	New subdivision coding and headnote	Coding prior to August 1, 2016
	Subd. 42. Raw food costs	256B.441, subd. 33a
	Subd. 43. Related organization	256B.441, subd. 34
	Subd. 44. Reporting period	256B.441, subd. 35
	Subd. 45. Resident day	256B.441, subd. 36
	Subd. 46. Resource utilization group	256B.438, subd. 2, para. (f)
	Subd. 47. Salaries and wages	256B.441, subd. 37 (last sentence moved)
	Subd. 48. Social services costs	256B.441, subd. 38
	Subd. 49. Stakeholders	256B.441, subd. 39
	Subd. 50. Standardized days	256B.441, subd. 40
	Subd. 51. Statistical and cost report	256B.441, subd. 41
	Subd. 52. Therapy costs	256B.441, subd. 42a
	Subd. 53. Working capital debt	Minn. Rules, pt. 9549.0020, subp. 48
	Subd. 54. Working capital interest expense	Minn. Rules, pt. 9549.0020, subp. 49
256R.03 Conditions for funding	Subd. 1. Requirements for funding	Para. (a): 256B.411, subd. 2, sentence 1 Para. (b): 256B.411, subd. 2, sentence 2 Para. (c): 256B.411, subd. 1
	Subd. 2. Payment during suspended admissions	256B.25, subd. 4
	Subd. 3. Payments to facilities withdrawing from medical assistance	256B.411, subd. 2, sentences 3 and 4
	Subd. 4. Termination	256B.48, subd. 1a
256R.04 Prohibited practices	Subd. 1. Financial exploitation	256B.48, subd. 1, para. (b)
	Subd. 2. Restricting resident choice of vendors of medical services	256B.48, subd. 1, para. (c)
	Subd. 3. Differential treatment	256B.48, subd. 1, para. (d)
	Subd. 4. Discrimination	256B.48, subd. 1, para. (e)
	Subd. 5. Kickbacks	256B.48, subd. 1, para. (f)

New section coding and headnote	New subdivision coding and headnote	Coding prior to August 1, 2016
	Subd. 6. Refusing readmissions	256B.48, subd. 1, para. (g)
	Subd. 7. Violations and penalties	256B.48, subd. 1, first unlettered para. after (g)
	Subd. 8. Temporary reimbursement to facilities in violation of this section	256B.48, subd. 1, second unlettered para. after (g)
256R.05 Required practices	Subd. 1. Preadmission screening	Para. (a): 256B.0911, subd. 7, para. (a) Para. (b): 256B.0911, subd. 7, para. (b)
	Subd. 2. Referrals to Medicare providers	256B.48, subd. 6a
256R.06 Private pay residents; required practices	Subd. 1. MA rates not to exceed private pay residents' rate	Minn. Rules, pt. 9549.0070, subp. 2
	Subd. 2. Private pay rates not to exceed MA residents' rates	256B.48, subd. 1, para. (a), first half
	Subd. 3. Violations and penalties	New clarifying language
	Subd. 4. Civil penalties and procedures	256B.48, subd. 1, para. (a), second half
	Subd. 5. Notice to residents	256B.47, subd. 2
	Subd. 6. Refund of excess charges	256B.48, subd. 7
	Subd. 7. Notification to a spouse or health care agent	256B.48, subd. 8
256R.07 Adequate documentation	Subd. 1. Criteria	Minn. Rules, pt. 9549.0035, subp. 3  Subd. 3 is from 256B.432, subd. 8
	Subd. 2. Documentation of compensation	
	Subd. 3. Adequate documentation supporting nursing facility payrolls	
	Subd. 4. Documentation of mileage	
	Subd. 5. Records for cost allocations	
256R.08 Reporting of financial statements	Subd. 1. Reporting of financial statements	256B.48, subd. 2, first and second para.
	Subd. 2. Extensions	256B.48, subd. 4
	Subd. 3. False reports	256B.48, subd. 5
	Subd. 4. Violations and penalties	New clarifying language

New section coding and headnote	New subdivision coding and headnote	Coding prior to August 1, 2016
256R.09 Reporting of statistical and cost reports	Subd. 1. Reporting timeline	256B.441, subd. 1, para. (c)
	Subd. 2. Reporting of statistical and cost information	256B.441, subd. 43, para. (a), part 1 and 256B.441, subd. 43, para. (a), seventh sentence
	Subd. 3. Record retention	256B.441, subd. 43, para. (a), part 2 and 256B.48, subd. 2, last sentence
	Subd. 4. Incomplete or inaccurate reports; reports not submitted in a timely manner	256B.441, subd. 43, para. (a), part 3
	Subd. 5. Method of accounting	Minn. Rules, pt. 9549.0041, subp. 6
	Subd. 6. Amending statistical and cost information	256B.441, subd. 43, para. (b) (includes a calculation for statewide average operating payment rate)
	Subd. 7. Reporting of false statistical and cost information	256B.441, subd. 43, para. (c)
256R.10 Allowed costs	Subd. 1. General cost principles	Minn. Rules, pt. 9549.035, subp. 1 and 8
	Subd. 2. Employees represented by a collective bargaining agent	256B.441, subd. 6, paras. (b) and (c)
	Subd. 3. Employer sponsored retirement plans	256B.431, subd. 22, first unlettered para. and para. (a)
	Subd. 4. Workers' compensation insurance costs	256B.431, subd. 22, para. (b)
	Subd. 5. Salaries and wages	256B.441, subd. 37, last sentence
	Subd. 6. Applicable credits	Minn. Rules, pt. 9549.0035, subp. 2, first half
256R.11 Nonallowed costs	Subd. 1. Generally	256B.47, subd. 1
	Subd. 2. Collective bargaining	256B.431, subd. 2s
256R.12 Cost allocation	Subd. 1. Allocation; direct identification of costs; management agreement	256B.432, subd. 3
	Subd. 2. Allocation; direct identification of costs to other activities	256B.432, subd. 4
	Subd. 3. Cost allocation on a functional basis	256B.432, subd. 4a

New section coding and headnote	New subdivision coding and headnote	Coding prior to August 1, 2016
	Subd. 4. Allocation of remaining costs; allocation ratio	256B.432, subd. 5
	Subd. 5. Cost allocation between nursing facilities	256B.432, subd. 6
	Subd. 6. Related organization costs	Paras. (a) and (b): 256B.432, subd. 6a Para. (c): Minn. Rules, pt. 9549.0035, subp. 7, last para.
	Subd. 7. Receiverships	256B.432, subd. 7
	Subd. 8. Allocation of costs for therapy services; nonhospital-attached facilities	256B.47, subd. 3
	Subd. 9. Allocation of costs for therapy services; hospital-attached facilities	256B.47, subd. 4
	Subd. 10. Allocation of self-insurance costs	256B.431, subd. 22, para. (e)
256R.13 Auditing requirements	Subd. 1. Audit authority	256B.27, subd. 2a
	Subd. 2. Desk and field audits of statistical and cost reports	256B.441, subd. 47, paras. (a) to (c)
	Subd. 3. Audit adjustments	256B.48, subd. 3a
	Subd. 4. Extended record retention requirements	256B.441, subd. 47, para. (d)
256R.16 Quality of care	Subd. 1. Calculation of a quality score	256B.441, subd. 44
	Subd. 2. Monitoring quality of care	256B.431, subd. 2d
256R.17 Case mix	Subd. 1. Case mix classifications	256B.438, subd. 1
	Subd. 2. Case mix indices	256B.438, subd. 3, para. (d) and 256B.438, subd. 2, para. (c)
	Subd. 3. Resident assessment schedule	256B.438, subd. 4, paras. (a) and (b)
	Subd. 4. Notice of resident reimbursement case mix classification	256B.438, subd. 5
	Subd. 5. Reconsideration of resident case mix classification	256B.438, subd. 6

New section coding and headnote	New subdivision coding and headnote	Coding prior to August 1, 2016
256R.21 Total payment rate	Subd. 1. Total payment rates	256B.441, subd. 1, para. (a)
	Subd. 2. Determination of total care-related payment rates	New
	Subd. 3. Determination of operating payment rates	New
	Subd. 4. Determination of total payment rates	New
256R.22 Case mix adjusted total payment rate	Subd. 1. Case mix adjusted payment rates generally	New
	Subd. 2. Determination of case mix adjusted total care-related payment rates	New
	Subd. 3. Determination of case mix adjusted operating payment rates	New
	Subd. 4. Determination of case mix adjusted total payment rates	256B.441, subd. 54
256R.23 Total care-related payment rates	Subd. 1. Determination of total care-related cost per day	256B.441, subd. 49
	Subd. 2. Calculation of direct care cost per standardized day	256B.441, subd. 48, first sentence
	Subd. 3. Calculation of other care-related cost per resident day	256B.441, subd. 48, second sentence
	Subd. 4. Determination of the median total care-related cost per day	256B.441, subd. 30, paras. (a) and (b)
	Subd. 5. Determination of total care-related payment rate limits	256B.441, subd. 50, paras. (a) to (c)
	Subd. 6. Payment rate limit reduction	256B.441, subd. 56, para. (b)
	Subd. 7. Determination of direct care payment rates	256B.441, subd. 50, para. (d)
	Subd. 8. Determination of other care-related payment rates	256B.441, subd. 50, para. (d)

New section coding and headnote	New subdivision coding and headnote	Coding prior to August 1, 2016
	Subd. 9. Determination of total care-related payment rates	New
256R.24 Other operating payment rate	Subd. 1. Determination of other operating cost per day	256B.441, subd. 30, para. (c), second sentence
	Subd. 2. Determination of the median other operating cost per day	256B.441, subd. 30, paras. (a), (b), and (c) first sentence
	Subd. 3. Determination of the other operating payment rate	256B.441, subd. 51
256R.25 External fixed costs payment rate		256B.441, subd. 53 (Para. (h) the second sentence is from § 256B.431, subd. 2b, para (g))
256R.26 Property payment rate		New
256R.32 Appeals		256B.441, subd. 57
256R.36 Hold harmless		256B.441, subd. 56, para. (a)
256R.37 Scholarships		256B.431, subd. 36
256R.38 Performance-based incentive payments		256B.441, subd. 46d
256R.39 Quality improvement incentive program		256B.441, subd. 46c
256R.40 Nursing facility voluntary closure; alternatives	Subd. 1. Definitions	256B.437, subd. 1, paras. (a) to (g)
	Subd. 2. Applications for planned closure rate	256B.437, subd. 3, para. (c) (last sentence from 256B.437, subd. 3, para. (d))
	Subd. 3. Criteria for review of application	256B.437, subd. 4
	Subd. 4. Review and approval of applications	256B.437, subd. 5
	Subd. 5. Planned closure rate adjustment	256B.437, subd. 6

New section coding and headnote	New subdivision coding and headnote	Coding prior to August 1, 2016
	Subd. 6. Assignment of closure rate to another facility	256B.437, subd. 3, para. (b)
	Subd. 7. Other rate adjustments	256B.437, subd. 7
256R.41 Single-bed room incentive		256B.431, subd. 42, paras. (a) and (b)
256R.42 Rate adjustment for the first 30 days		256B.431, subd. 32
256R.43 Bed holds		256B.431, subd. 2r, para. (c)
256R.44 Rate adjustment for private rooms for medical necessity		256B.441, subd. 59 and Minn. Rules, pt. 9549.0070, subp. 3
256R.45 Rate adjustment for ventilator-dependent persons		256B.431, subd. 2e, para. (a)
256R.46 Specialized care facilities		256B.441, subd. 51a
256R.47 Rate adjustment for critical access nursing facilities		256B.441, subd. 63
256R.48 Publically owned facilities		256B.441, subd. 55a, paras. (b) to (f)
256R.49 Rate adjustments for compensation-related costs for minimum wage changes	Subd. 1. Rate adjustments for compensation-related costs	256B.441, subd. 64, paras. (a) and (c)
	Subd. 2. Application process	256B.441, subd. 64, para. (d)
	Subd. 3. Additional application requirements for facilities with employees represented by an exclusive bargaining representative	256B.441, subd. 64, para. (e)

New section coding and headnote	New subdivision coding and headnote	Coding prior to August 1, 2016
	Subd. 4. Determination of the rate adjustments for compensation-related costs	256B.441, subd. 64, para. (b)
256R.50 Bed relocations	Subd. 1. Method for determining budget-neutral nursing facility rates for relocated beds	256B.441, subd. 60, para. (a)
	Subd. 2. Determination of costs in originating facility	256B.441, subd. 60, para. (b)
	Subd. 3. Determination of costs in receiving facility	256B.441, subd. 60, para. (c)
	Subd. 4. Determination of costs prior to relocation	256B.441, subd. 60, para. (d)
	Subd. 5. Estimation of costs after bed relocation	256B.441, subd. 60, para. (e)
	Subd. 6. Determination of rate adjustment	256B.441, subd. 60, paras. (f) to (i)
256R.51 Adjustment for special dietary needs		Para. (a): 256B.441, subd. 51b Para (b): 256B.431, subd. 35
256R.52 Nursing facility receivership fees	Subd. 1. Payment of receivership fees	256B.495, subd. 1
	Subd. 2. Sale or transfer of a nursing facility in receivership after closure	Paras. (a) to (c): 256B.495, subd. 5 Para. (d): 144A.15, subd. 6, para. (b)
256R.53 Facility specific exemptions	Subd. 1. Nursing facility in Golden Valley	256B.441, subd. 65
	Subd. 2. Nursing facility in Breckenridge	256B.441, subd. 66
256R.54 Ancillary services	Subd. 1. Setting payment; monitoring use of therapy services	256B.433, subd. 1
	Subd. 2. Certification that treatment is appropriate	256B.433, subd. 2
	Subd. 3. Separate billings for therapy services; nursing facility provider number	256B.433, subd. 3, first unlettered para. and para. (a)

<b>New section coding and headnote</b>	<b>New subdivision coding and headnote</b>	<b>Coding prior to August 1, 2016</b>
	Subd 4. Separate billings for therapy services; related vendors	256B.433, subd. 3, para. (b)
	Subd. 5. Separate billings for therapy services; unrelated vendors	256B.433, subd. 3, para. (c)
	Subd. 6. Separate billings for therapy services; cost to revenue ratio	256B.433, subd. 3, para. (d)
	Subd. 7. Separate billings for therapy services; base year	256B.433, subd. 3, para. (e)
	Subd. 8. Separate billings for therapy services; transition from unrelated to related vendor	256B.433, subd. 3, para. (f)
	Subd. 9. Separate billings for therapy services; prohibited practices	256B.433, subd. 3, para. (g)