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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2757

03/06/2014 Authored by Newton, Sawatzky and Lien

The bill was read for the first time and referred to the Committee on State Government Finance and Veterans Affairs

1.1 A bill for an act  
1.2 relating to veterans homes; modifying cost of care calculations; providing  
1.3 for annual adjustments amending Minnesota Statutes 2012, section 198.03,  
1.4 subdivisions 2, 3.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2012, section 198.03, subdivision 2, is amended to read:

1.7 Subd. 2. **Cost of care.** (a) The commissioner shall set out in rules the method of  
1.8 calculating the average cost of care for the domiciliary and nursing care residents. The cost  
1.9 must be determined yearly based upon the average cost per resident taking into account,  
1.10 but not limited to, administrative cost of the homes, the cost of service available to the  
1.11 resident, and food and lodging costs. These average costs must be calculated separately for  
1.12 domiciliary and nursing care residents. The amount charged each resident for maintenance,  
1.13 if anything, must be based on the appropriate average cost of care calculation and the  
1.14 assets and income of the resident but must not exceed the appropriate average cost of care.

1.15 (b) The commissioner shall set out in rules the method of calculating each  
1.16 domiciliary resident's maintenance charge. This maintenance charge shall establish a  
1.17 personal needs allowance based on each domiciliary resident's monthly income. For the  
1.18 period of January 1, 2015, to December 31, 2015, the personal needs allowance shall not  
1.19 be less than \$114 per month. For the period of January 1, 2016, to December 31, 2016,  
1.20 the personal needs allowance shall not be less than \$122 per month. For the period of  
1.21 January 1, 2017, to December 31, 2017, the personal needs allowance shall not be less  
1.22 than \$130 per month. Thereafter, the minimum personal needs allowance must be adjusted  
1.23 by multiplying the allowance by one-half of the percentage change of the Consumer Price  
1.24 Index on the first day of each calendar year.

2.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.2 Sec. 2. Minnesota Statutes 2012, section 198.03, subdivision 3, is amended to read:

2.3 Subd. 3. **Arrearages.** Residents are liable for paying all of their overdue  
2.4 maintenance charges. Overdue maintenance charges incurred after May 1, 1990, may be  
2.5 charged interest according to section 334.01. A resident owing overdue maintenance to  
2.6 the state of Minnesota ~~for charges incurred prior to May 1, 1990,~~ may continue to stay in  
2.7 the home if the resident enters into an agreement, including a payment schedule, with the  
2.8 administrator for the payment of the arrearage and abides by the agreement. Residents  
2.9 who do not promptly pay maintenance or who do not abide by their agreements to pay  
2.10 overdue maintenance to the state of Minnesota may be discharged from the home. The  
2.11 payment schedule agreed to between the administrator and the resident must provide for  
2.12 the prompt payment of the overdue maintenance owed by the resident, but it must not  
2.13 reduce the resident's personal needs allowance below ~~that which is provided for in the~~  
2.14 ~~administrative rules of the facility~~ the amounts specified in subdivision 2.

2.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.