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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 3104

03/17/2014 Authored by McNamar, Schomacker and Fritz

The bill was read for the first time and referred to the Committee on Health and Human Services Policy

1.1 A bill for an act
1.2 relating to human services; health; economic development; providing for
1.3 long-term care workforce needs; requiring studies; appropriating money;
1.4 amending Minnesota Statutes 2012, sections 144.1501, subdivision 3; 256B.431,
1.5 subdivision 36; 256B.441, by adding a subdivision; Minnesota Statutes 2013
1.6 Supplement, section 256B.441, subdivisions 13, 53.

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

1.8 Section 1. Minnesota Statutes 2012, section 144.1501, subdivision 3, is amended to read:

1.9 Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program,
1.10 an individual must:

1.11 (1) be a medical or dental resident, a licensed pharmacist or be enrolled in a dentist,
1.12 midlevel practitioner, registered nurse, or a licensed practical nurse training program; and

1.13 (2) submit an application to the commissioner of health. If fewer applications are
1.14 submitted by dental students or residents than there are dentist participant slots available,
1.15 the commissioner may consider applications submitted by dental program graduates who
1.16 are licensed dentists. The commissioner may consider applications submitted by nurse
1.17 program graduates who are registered nurses or licensed practical nurses.

1.18 (b) An applicant selected to participate must sign a contract to agree to serve a
1.19 minimum three-year full-time service obligation according to subdivision 2, which
1.20 shall begin no later than March 31 following completion of required training, with the
1.21 exception of a nurse, who must agree to serve a minimum two-year full-time service
1.22 obligation according to subdivision 2, which shall begin no later than March 31 following
1.23 completion of required training.

1.24 Sec. 2. Minnesota Statutes 2012, section 256B.431, subdivision 36, is amended to read:

2.1 Subd. 36. **Employee scholarship costs and training in English as a second**
2.2 **language.** (a) For the period between ~~July 1, 2001, and June 30, 2003~~ October 1,
2.3 2014, and September 30, 2016, the commissioner shall provide to each nursing facility
2.4 reimbursed under this section, section 256B.434, or any other section, a scholarship per
2.5 diem of 25 cents to the total operating payment rate to be used:

2.6 (1) for employee scholarships that satisfy the following requirements:

2.7 (i) scholarships are available to all employees who work an average of at least ~~20~~
2.8 ten hours per week at the facility except the administrator, ~~department supervisors, and~~
2.9 registered nurses and to reimburse student loan expenses for newly hired and recently
2.10 graduated registered nurses and licensed practical nurses; and

2.11 (ii) the course of study is expected to lead to career advancement with the facility or
2.12 in long-term care, including medical care interpreter services and social work; and

2.13 (2) to provide job-related training in English as a second language.

2.14 (b) A facility receiving a rate adjustment under this subdivision may submit to the
2.15 commissioner on a schedule determined by the commissioner and on a form supplied
2.16 by the commissioner a calculation of the scholarship per diem, including: the amount
2.17 received from this rate adjustment; the amount used for training in English as a second
2.18 language; the number of persons receiving the training; the name of the person or entity
2.19 providing the training; and for each scholarship recipient, the name of the recipient,
2.20 the amount awarded, the educational institution attended, the nature of the educational
2.21 program, the program completion date, and a determination of the per diem amount of
2.22 these costs based on actual resident days.

2.23 (c) On July 1, 2003, the commissioner shall remove the 25 cent scholarship per diem
2.24 from the total operating payment rate of each facility.

2.25 (d) For rate years beginning after June 30, 2003, the commissioner shall provide to
2.26 each facility the scholarship per diem determined in paragraph (b). In calculating the per
2.27 diem under paragraph (b), the commissioner shall allow only costs related to tuition and
2.28 direct educational expenses and may include child care costs and transportation expenses
2.29 related to direct educational expenses.

2.30 (e) The \$..... rate increase effective October 1, 2014, is an optional rate add-on
2.31 that the facility must request from the commissioner in a manner prescribed by the
2.32 commissioner. The rate increase must be used for scholarships as specified in this
2.33 subdivision.

2.34 (f) Nursing facilities that close beds during a rate year can request to have their
2.35 scholarship adjustment under paragraph (b) recalculated by the commissioner for the

3.1 remainder of the rate year to reflect the reduction in resident days compared to the cost
3.2 report year.

3.3 Sec. 3. Minnesota Statutes 2013 Supplement, section 256B.441, subdivision 13,
3.4 is amended to read:

3.5 Subd. 13. **External fixed costs.** "External fixed costs" means costs related to the
3.6 nursing home surcharge under section 256.9657, subdivision 1; licensure fees under
3.7 section 144.122; until September 30, 2013, long-term care consultation fees under section
3.8 256B.0911, subdivision 6; family advisory council fee under section 144A.33; scholarships
3.9 under section 256B.431, subdivision 36; nursing assistant training under section 144A.611;
3.10 planned closure rate adjustments under section 256B.437; or single bed room incentives
3.11 under section 256B.431, subdivision 42; property taxes and property insurance; and PERA.

3.12 Sec. 4. Minnesota Statutes 2013 Supplement, section 256B.441, subdivision 53,
3.13 is amended to read:

3.14 Subd. 53. **Calculation of payment rate for external fixed costs.** The commissioner
3.15 shall calculate a payment rate for external fixed costs.

3.16 (a) For a facility licensed as a nursing home, the portion related to section 256.9657
3.17 shall be equal to \$8.86. For a facility licensed as both a nursing home and a boarding care
3.18 home, the portion related to section 256.9657 shall be equal to \$8.86 multiplied by the
3.19 result of its number of nursing home beds divided by its total number of licensed beds.

3.20 (b) The portion related to the licensure fee under section 144.122, paragraph (d),
3.21 shall be the amount of the fee divided by actual resident days.

3.22 (c) The portion related to scholarships shall be determined under section 256B.431,
3.23 subdivision 36.

3.24 (d) Until September 30, 2013, the portion related to long-term care consultation shall
3.25 be determined according to section 256B.0911, subdivision 6.

3.26 (e) The portion related to development and education of resident and family advisory
3.27 councils under section 144A.33 shall be \$5 divided by 365.

3.28 (f) The portion related to planned closure rate adjustments shall be as determined
3.29 under section 256B.437, subdivision 6, and Minnesota Statutes 2010, section 256B.436.
3.30 Planned closure rate adjustments that take effect before October 1, 2014, shall no longer
3.31 be included in the payment rate for external fixed costs beginning October 1, 2016.
3.32 Planned closure rate adjustments that take effect on or after October 1, 2014, shall no
3.33 longer be included in the payment rate for external fixed costs beginning on October 1 of
3.34 the first year not less than two years after their effective date.

4.1 (g) The portions related to property insurance, real estate taxes, special assessments,
 4.2 and payments made in lieu of real estate taxes directly identified or allocated to the nursing
 4.3 facility shall be the actual amounts divided by actual resident days.

4.4 (h) The portion related to the Public Employees Retirement Association shall be
 4.5 actual costs divided by resident days.

4.6 (i) The single bed room incentives shall be as determined under section 256B.431,
 4.7 subdivision 42. Single bed room incentives that take effect before October 1, 2014, shall
 4.8 no longer be included in the payment rate for external fixed costs beginning October 1,
 4.9 2016. Single bed room incentives that take effect on or after October 1, 2014, shall no
 4.10 longer be included in the payment rate for external fixed costs beginning on October 1 of
 4.11 the first year not less than two years after their effective date.

4.12 (j) The portion related to the nursing assistant training costs under section 144A.611
 4.13 shall be actual costs divided by resident days.

4.14 (k) The payment rate for external fixed costs shall be the sum of the amounts in
 4.15 paragraphs (a) to ~~(i)~~ (j).

4.16 Sec. 5. Minnesota Statutes 2012, section 256B.441, is amended by adding a
 4.17 subdivision to read:

4.18 Subd. 64. **Nursing facility apprenticeship rate incentive program.** (a) The
 4.19 commissioner of human services shall create a program providing an adjustment to nursing
 4.20 facility payment rates to reflect increased wages for persons registered as apprentices in a
 4.21 state or federal registered apprenticeship program that is approved by the commissioner of
 4.22 labor and industry or a Minnesota postsecondary education institution.

4.23 (b) Beginning on or after October 1, 2014, within the limits of appropriations
 4.24 specifically available for this purpose, the commissioner of human services shall make
 4.25 funding available to nursing facility applicants to reimburse wage differentials for
 4.26 employees participating in approved state or federal registered apprenticeship programs.

4.27 (c) Costs eligible for the rate increase under this subdivision shall be based on the
 4.28 number of employees participating in the apprenticeship program and the wage differential
 4.29 and associated benefit costs that are provided to them by the employer compared to similar
 4.30 employees who are not in the apprenticeship program.

4.31 (d) The commissioner shall publish a request for proposals in the State Register by
 4.32 August 1, 2014, specifying eligibility requirements, selection criteria, program specifics,
 4.33 available funding, and methods of evaluation. The commissioner may publish additional
 4.34 requests for proposals in subsequent years. Nursing facilities that are selected for the

5.1 incentive program under this subdivision shall receive a rate increase effective October
5.2 1, 2014.

5.3 (e) Within the limits of appropriations specifically available for this purpose,
5.4 effective October 1, 2014, the commissioner shall provide to each facility selected under
5.5 paragraph (d) an operating payment rate increase that is calculated as the costs identified
5.6 under paragraph (c) divided by resident days from the most recent cost report. Facilities
5.7 must repay any portion of funds awarded under this subdivision that are not used to fund
5.8 increased wages.

5.9 (f) Nursing facilities selected for this program shall report to the commissioner on a
5.10 schedule determined by the commissioner and on a form supplied by the commissioner.
5.11 The report shall include the amount spent during the reporting period on eligible wage
5.12 increases, and, for each recipient, the name of the recipient, the amount awarded, the
5.13 educational institution attended, the nature of the apprenticeship program, and the
5.14 expected or actual completion date. The commissioner shall require facilities to repay all
5.15 of the funds awarded under paragraph (e) if the report required in this paragraph is not
5.16 filed according to the schedule determined by the commissioner.

5.17 (g) The commissioner shall report to the legislature annually, beginning March
5.18 15, 2015, on the impact of this program, including the amount expended, number
5.19 of employees and facilities participating, and the impact of various measures on the
5.20 workforce, including recruitment and retention.

5.21 (h) For the rate year beginning October 1, 2014, the commissioner may approve
5.22 participants in the nursing facility apprenticeship rate incentive program under this
5.23 subdivision.

5.24 **Sec. 6. STUDY AND RECOMMENDATIONS ON HOME AND**
5.25 **COMMUNITY-BASED SCHOLARSHIP PROGRAM.**

5.26 (a) By January 15, 2015, the commissioner of employment and economic
5.27 development, in consultation with stakeholders, shall report to the legislative committees
5.28 with jurisdiction over employment and economic development, health, and human
5.29 services policy and finance recommendations on the creation of a scholarship program
5.30 for the state's workforce serving an aging population, including service providers funded
5.31 through the following programs:

5.32 (1) home and community-based waived services for the elderly under Minnesota
5.33 Statutes, section 256B.0915;

5.34 (2) nursing services and home health services under Minnesota Statutes, section
5.35 256B.0625, subdivision 6a; and

6.1 (3) private duty nursing services under Minnesota Statutes, section 256B.0625,
 6.2 subdivision 7.

6.3 (b) The report shall include, but not be limited to:

6.4 (1) demographic demand and anticipated job growth in home and community-based
 6.5 services;

6.6 (2) staffing challenges currently faced by providers serving older adults;

6.7 (3) program goals;

6.8 (4) participating providers and selection criteria;

6.9 (5) funding requirements;

6.10 (6) reporting requirements; and

6.11 (7) evaluation options.

6.12 **Sec. 7. APPROPRIATION; LONG-TERM CARE GRANT PROGRAM.**

6.13 (a) \$..... in fiscal year 2015 is appropriated from the general fund to the
 6.14 commissioner of employment and economic development for a grant program to further
 6.15 the advancement of long-term care careers. Long-term care employers, Minnesota
 6.16 postsecondary education institutions, and adult training programs may apply to receive
 6.17 grants for the following purposes:

6.18 (1) to provide funding for employees to further education opportunities;

6.19 (2) conferences;

6.20 (3) to highlight long-term care week;

6.21 (4) to provide hiring incentives to attract employees to the long-term care field;

6.22 (5) to provide leadership training for staff;

6.23 (6) to fund innovative adult training programs that train low-income and
 6.24 underemployed individuals;

6.25 (7) to provide mentorship models;

6.26 (8) to fund simulation centers at local community colleges to train employees for
 6.27 long-term care careers;

6.28 (9) to support health care education programming; and

6.29 (10) to provide innovative models for employers to implement policies and programs
 6.30 to attract and retain employees in the long-term care field.

6.31 (b) Eligible organizations must apply to the commissioner of employment and
 6.32 economic development for a grant on the forms and according to the timelines established
 6.33 by the commissioner. The commissioner shall give preference to long-term care providers
 6.34 including nursing facilities, home care agencies licensed under Minnesota Statutes,

7.1 chapter 144A, and providers registered as housing with services establishments under
7.2 Minnesota Statutes, chapter 144D.

7.3 (c) The commissioner shall publish the grant notice twice per year and make grants
7.4 on October 1 and March 1 of each year the long-term care grant program is funded.

7.5 **Sec. 8. APPROPRIATION; LONG-TERM CARE STUDY.**

7.6 \$..... in fiscal year 2015 is appropriated from the general fund to the commissioner
7.7 of employment and economic development to study ways in which tax credits or
7.8 hiring incentives can benefit long-term care employers to recruit, retain, and provide
7.9 career ladders to employees in the long-term care field. The commissioner must
7.10 report recommendations to the chairs and ranking minority members of the legislative
7.11 committees with jurisdiction over employment and economic development, health, and
7.12 human services policy and finance by February 1, 2015.

7.13 **Sec. 9. APPROPRIATION; NURSE LOAN FORGIVENESS PROGRAM.**

7.14 \$260,000 in fiscal year 2015 is appropriated from the general fund to the
7.15 commissioner of health for the nurse loan forgiveness program under Minnesota Statutes,
7.16 section 144.1501. This appropriation is in addition to any previous appropriation for this
7.17 purpose and is added to the program's base.

7.18 **Sec. 10. APPROPRIATION; NURSING FACILITY APPRENTICESHIP RATE**
7.19 **INCENTIVE PROGRAM.**

7.20 \$..... in fiscal year 2015 is appropriated from the general fund to the commissioner
7.21 of human services for the nursing facility apprenticeship rate incentive program under
7.22 Minnesota Statutes, section 256B.441, subdivision 64. This appropriation shall be
7.23 increased by ten percent in each subsequent rate year to allow for ongoing growth in
7.24 program participation.