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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **490**

01/26/2017 Authored by Lien
The bill was read for the first time and referred to the Committee on Health and Human Services Reform
03/02/2017 Adoption of Report: Amended and re-referred to the Committee on Health and Human Services Finance

1.1 A bill for an act
1.2 relating to human services; modifying the operating payment rate for certain
1.3 nonprofit nursing facilities in border cities; amending Minnesota Statutes 2016,
1.4 section 256R.53, subdivision 2.

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

1.6 Section 1. Minnesota Statutes 2016, section 256R.53, subdivision 2, is amended to read:

1.7 Subd. 2. **Nursing ~~facility~~ facilities in Breckenridge border cities.** The operating
1.8 payment rate of a nonprofit nursing facility that exists on January 1, 2015, is located within
1.9 the boundaries of the ~~city~~ cities of Breckenridge ~~or Moorhead~~, and is reimbursed under this
1.10 chapter, is equal to the greater of:

1.11 (1) the operating payment rate determined under section 256R.21, subdivision 3; or

1.12 (2) the median case mix adjusted rates, including comparable rate components as
1.13 determined by the median case mix adjusted rates, including comparable rate components
1.14 as determined by the commissioner, for the equivalent case mix indices of the nonprofit
1.15 nursing facility or facilities located in an adjacent city in another state and in cities contiguous
1.16 to the adjacent city. The commissioner shall make the comparison required in this subdivision
1.17 on November 1 of each year and shall apply it to the rates to be effective on the following
1.18 January 1. The Minnesota facility's operating payment rate with a case mix index of 1.0 is
1.19 computed by dividing the adjacent city's nursing facility or facilities' median operating
1.20 payment rate with an index of 1.02 by 1.02. If the adjustments under this subdivision result
1.21 in a rate that exceeds the limits in section 256R.23, subdivision 5, and whose costs exceed
1.22 the rate in section 256R.24, subdivision 3, in a given rate year, the facility's rate shall not

2.1 be subject to the limits in section 256R.23, subdivision 5, and shall not be limited to the
2.2 rate established in section 256R.24, subdivision 3, for that rate year.

2.3 **EFFECTIVE DATE.** The rate increases for a facility located in Moorhead are effective
2.4 for the rate year beginning January 1, 2020, and annually thereafter.