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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. **614**

02/05/2015 Authored by Baker, Lillie, Zerwas, Hamilton, Miller and others  
The bill was read for the first time and referred to the Committee on Aging and Long-Term Care Policy  
02/16/2015 Adoption of Report: Amended and re-referred to the Committee on Greater Minnesota Economic and Workforce Development Policy  
03/09/2015 Adoption of Report: Amended and re-referred to the Committee on Health and Human Services Reform  
03/19/2015 Adoption of Report: Re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance  
03/26/2015 By motion, recalled and re-referred to the Committee on Health and Human Services Finance  
04/13/2015 Adoption of Report: Amended and re-referred to the Committee on Rules and Legislative Administration

1.1 A bill for an act  
1.2 relating to health care; providing for long-term care workforce needs; providing  
1.3 for employee scholarships and loan forgiveness; eliminating authority of  
1.4 health-related licensing boards to discipline health professionals for defaulting  
1.5 on loan or service obligations; modifying nursing facility rate provisions;  
1.6 appropriating money; amending Minnesota Statutes 2014, sections 144.1501,  
1.7 subdivisions 1, 2, 3; 144A.611, by adding a subdivision; 147.091, subdivision  
1.8 1; 256B.431, subdivision 36; 256B.441, subdivisions 13, 53, by adding a  
1.9 subdivision; proposing coding for new law in Minnesota Statutes, chapter 144;  
1.10 repealing Minnesota Statutes 2014, section 214.105.

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

1.12 Section 1. Minnesota Statutes 2014, section 144.1501, subdivision 1, is amended to read:

1.13 Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions  
1.14 apply.

1.15 (b) "Dental therapist" means an individual who is licensed as a dental therapist  
1.16 under section 150A.06.

1.17 ~~(b)~~ (c) "Dentist" means an individual who is licensed to practice dentistry.

1.18 ~~(c)~~ (d) "Designated rural area" means a city or township that is:

1.19 (1) outside the seven-county metropolitan area as defined in section 473.121,  
1.20 subdivision 2; and

1.21 (2) has a population under 15,000.

1.22 ~~(d)~~ (e) "Emergency circumstances" means those conditions that make it impossible  
1.23 for the participant to fulfill the service commitment, including death, total and permanent  
1.24 disability, or temporary disability lasting more than two years.

1.25 ~~(e)~~ (f) "Medical resident" means an individual participating in a medical residency in  
1.26 family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

2.1 ~~(f)~~ (g) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse  
2.2 anesthetist, advanced clinical nurse specialist, or physician assistant.

2.3 ~~(g)~~ (h) "Nurse" means an individual who has completed training and received  
2.4 all licensing or certification necessary to perform duties as a licensed practical nurse  
2.5 or registered nurse.

2.6 ~~(h)~~ (i) "Nurse-midwife" means a registered nurse who has graduated from a program  
2.7 of study designed to prepare registered nurses for advanced practice as nurse-midwives.

2.8 ~~(i)~~ (j) "Nurse practitioner" means a registered nurse who has graduated from a  
2.9 program of study designed to prepare registered nurses for advanced practice as nurse  
2.10 practitioners.

2.11 ~~(j)~~ (k) "Pharmacist" means an individual with a valid license issued under chapter 151.

2.12 ~~(k)~~ (l) "Physician" means an individual who is licensed to practice medicine in  
2.13 the areas of family practice, internal medicine, obstetrics and gynecology, pediatrics,  
2.14 or psychiatry.

2.15 ~~(l)~~ (m) "Physician assistant" means a person licensed under chapter 147A.

2.16 ~~(m)~~ (n) "Qualified educational loan" means a government, commercial, or foundation  
2.17 loan for actual costs paid for tuition, reasonable education expenses, and reasonable living  
2.18 expenses related to the graduate or undergraduate education of a health care professional.

2.19 ~~(n)~~ (o) "Underserved urban community" means a Minnesota urban area or population  
2.20 included in the list of designated primary medical care health professional shortage areas  
2.21 (HPSAs), medically underserved areas (MUAs), or medically underserved populations  
2.22 (MUPs) maintained and updated by the United States Department of Health and Human  
2.23 Services.

2.24 Sec. 2. Minnesota Statutes 2014, section 144.1501, subdivision 2, is amended to read:

2.25 Subd. 2. **Creation of account.** (a) A health professional education loan forgiveness  
2.26 program account is established. The commissioner of health shall use money from the  
2.27 account to establish a loan forgiveness program:

2.28 (1) for medical residents agreeing to practice in designated rural areas or underserved  
2.29 urban communities or specializing in the area of pediatric psychiatry;

2.30 (2) for midlevel practitioners agreeing to practice in designated rural areas or to  
2.31 teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary  
2.32 program at the undergraduate level or the equivalent at the graduate level;

2.33 (3) for nurses who agree to practice in a Minnesota nursing home or intermediate  
2.34 care facility for persons with developmental disability or to teach at least 12 credit hours,

3.1 or 720 hours per year in the nursing field in a postsecondary program at the undergraduate  
3.2 level or the equivalent at the graduate level;

3.3 (4) for other health care technicians agreeing to teach at least 12 credit hours, or 720  
3.4 hours per year in their designated field in a postsecondary program at the undergraduate  
3.5 level or the equivalent at the graduate level. The commissioner, in consultation with  
3.6 the Healthcare Education-Industry Partnership, shall determine the health care fields  
3.7 where the need is the greatest, including, but not limited to, respiratory therapy, clinical  
3.8 laboratory technology, radiologic technology, and surgical technology;

3.9 (5) for pharmacists who agree to practice in designated rural areas; ~~and~~

3.10 (6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient  
3.11 encounters to state public program enrollees or patients receiving sliding fee schedule  
3.12 discounts through a formal sliding fee schedule meeting the standards established by  
3.13 the United States Department of Health and Human Services under Code of Federal  
3.14 Regulations, title 42, section 51, chapter 303-; and

3.15 (7) for dental therapists agreeing to practice in a Minnesota nursing home or  
3.16 intermediate care facility for persons with a developmental disability.

3.17 (b) Appropriations made to the account do not cancel and are available until  
3.18 expended, except that at the end of each biennium, any remaining balance in the account  
3.19 that is not committed by contract and not needed to fulfill existing commitments shall  
3.20 cancel to the fund.

3.21 Sec. 3. Minnesota Statutes 2014, section 144.1501, subdivision 3, is amended to read:

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

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

3.26 (2) submit an application to the commissioner of health. If fewer applications are  
3.27 submitted by dental students or residents than there are dentist participant slots available,  
3.28 the commissioner may consider applications submitted by dental program graduates who  
3.29 are licensed dentists. The commissioner may consider applications submitted by nursing  
3.30 program graduates who are registered nurses or licensed practical nurses.

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

4.1 obligation according to subdivision 2, which shall begin no later than March 31 following  
4.2 completion of required training.

4.3 **Sec. 4. [144.1503] HOME AND COMMUNITY-BASED SERVICES EMPLOYEE**  
4.4 **SCHOLARSHIP PROGRAM.**

4.5 Subdivision 1. **Creation.** The home and community-based services employee  
4.6 scholarship grant program is established for the purpose of assisting qualified provider  
4.7 applicants to fund employee scholarships for education in nursing and other health care  
4.8 fields.

4.9 Subd. 2. **Provision of grants.** The commissioner shall make grants available  
4.10 to qualified providers of older adult services. Grants must be used by home and  
4.11 community-based service providers to recruit and train staff through the establishment of  
4.12 an employee scholarship fund.

4.13 Subd. 3. **Eligibility.** (a) Eligible providers must primarily provide services to  
4.14 individuals who are 65 years of age and older in home and community-based settings,  
4.15 including housing with services establishments as defined under section 144D.01,  
4.16 subdivision 4; adult day care as defined in section 245A.02, subdivision 2a; and home  
4.17 care services as defined in section 144A.43, subdivision 3.

4.18 (b) Qualifying providers must establish a home and community-based services  
4.19 employee scholarship program, as specified in subdivision 4. Providers that receive  
4.20 funding under this section must use the funds to award scholarships to employees who  
4.21 work an average of at least 16 hours per week for the provider.

4.22 Subd. 4. **Home and community-based services employee scholarship program.**  
4.23 Each qualifying provider under this section must propose a home and community-based  
4.24 services employee scholarship program. Providers must establish criteria by which  
4.25 funds are to be distributed among employees. At a minimum, the scholarship program  
4.26 must cover employee costs related to a course of study that is expected to lead to career  
4.27 advancement with the provider or in the field of long-term care, including home care,  
4.28 care of persons with disabilities, or nursing.

4.29 Subd. 5. **Participating providers.** The commissioner shall publish a request for  
4.30 proposals in the State Register specifying provider eligibility requirements, criteria for  
4.31 a qualifying employee scholarship program, provider selection criteria, documentation  
4.32 required for program participation, the maximum award amount, and methods of  
4.33 evaluation. The commissioner must publish additional requests for proposals each year in  
4.34 which funding is available for this purpose.

5.1 Subd. 6. **Application requirements.** Eligible providers seeking a grant shall submit  
5.2 an application to the commissioner. Applications must contain a complete description of  
5.3 the employee scholarship program being proposed by the applicant, including the need for  
5.4 the organization to enhance the education of its workforce, the process for determining  
5.5 which employees will be eligible for scholarships, any other sources of funding for  
5.6 scholarships, the expected degrees or credentials eligible for scholarships, the amount of  
5.7 funding sought for the scholarship program, a proposed budget detailing how funds will  
5.8 be spent, and plans for retaining eligible employees after completion of their scholarship.

5.9 Subd. 7. **Selection process.** The commissioner shall determine a maximum  
5.10 award for grants and make grant selections based on the information provided in the  
5.11 grant application, including the demonstrated need for an applicant provider to enhance  
5.12 the education of its workforce, the proposed employee scholarship selection process,  
5.13 the applicant's proposed budget, and other criteria as determined by the commissioner.  
5.14 Notwithstanding any law or rule to the contrary, funds awarded to grantees in a grant  
5.15 agreement do not lapse until the grant agreement expires.

5.16 Subd. 8. **Reporting requirements.** Participating providers shall submit an invoice  
5.17 for reimbursement and a report to the commissioner on a schedule determined by the  
5.18 commissioner and on a form supplied by the commissioner. The report shall include  
5.19 the amount spent on scholarships; the number of employees who received scholarships;  
5.20 and, for each scholarship recipient, the name of the recipient, the current position of  
5.21 the recipient, the amount awarded, the educational institution attended, the nature of  
5.22 the educational program, and the expected or actual program completion date. During  
5.23 the grant period, the commissioner may require and collect from grant recipients other  
5.24 information necessary to evaluate the program.

5.25 Sec. 5. Minnesota Statutes 2014, section 144A.611, is amended by adding a  
5.26 subdivision to read:

5.27 Subd. 4. **Training program reimbursement.** Nursing facilities shall reimburse  
5.28 adult training programs that provide nursing assistant training programs at no cost to the  
5.29 participant for costs related to tuition, competency evaluation, and reasonable expenses for  
5.30 providing the program, not to exceed 30 percent of the tuition and competency evaluation  
5.31 costs. Reimbursement shall be required only for those nursing assistants who meet the  
5.32 requirements of subdivision 2. Costs under this subdivision shall be allowable costs for  
5.33 the nursing facility under section 256B.441.

5.34 Sec. 6. Minnesota Statutes 2014, section 147.091, subdivision 1, is amended to read:

6.1 Subdivision 1. **Grounds listed.** The board may refuse to grant a license, may  
6.2 refuse to grant registration to perform interstate telemedicine services, or may impose  
6.3 disciplinary action as described in section 147.141 against any physician. The following  
6.4 conduct is prohibited and is grounds for disciplinary action:

6.5 (a) Failure to demonstrate the qualifications or satisfy the requirements for a license  
6.6 contained in this chapter or rules of the board. The burden of proof shall be upon the  
6.7 applicant to demonstrate such qualifications or satisfaction of such requirements.

6.8 (b) Obtaining a license by fraud or cheating, or attempting to subvert the licensing  
6.9 examination process. Conduct which subverts or attempts to subvert the licensing  
6.10 examination process includes, but is not limited to: (1) conduct which violates the  
6.11 security of the examination materials, such as removing examination materials from the  
6.12 examination room or having unauthorized possession of any portion of a future, current, or  
6.13 previously administered licensing examination; (2) conduct which violates the standard of  
6.14 test administration, such as communicating with another examinee during administration  
6.15 of the examination, copying another examinee's answers, permitting another examinee  
6.16 to copy one's answers, or possessing unauthorized materials; or (3) impersonating an  
6.17 examinee or permitting an impersonator to take the examination on one's own behalf.

6.18 (c) Conviction, during the previous five years, of a felony reasonably related to the  
6.19 practice of medicine or osteopathy. Conviction as used in this subdivision shall include  
6.20 a conviction of an offense which if committed in this state would be deemed a felony  
6.21 without regard to its designation elsewhere, or a criminal proceeding where a finding or  
6.22 verdict of guilt is made or returned but the adjudication of guilt is either withheld or  
6.23 not entered thereon.

6.24 (d) Revocation, suspension, restriction, limitation, or other disciplinary action  
6.25 against the person's medical license in another state or jurisdiction, failure to report to the  
6.26 board that charges regarding the person's license have been brought in another state or  
6.27 jurisdiction, or having been refused a license by any other state or jurisdiction.

6.28 (e) Advertising which is false or misleading, which violates any rule of the board,  
6.29 or which claims without substantiation the positive cure of any disease, or professional  
6.30 superiority to or greater skill than that possessed by another physician.

6.31 (f) Violating a rule promulgated by the board or an order of the board, a state, or  
6.32 federal law which relates to the practice of medicine, or in part regulates the practice of  
6.33 medicine including without limitation sections 604.201, 609.344, and 609.345, or a state  
6.34 or federal narcotics or controlled substance law.

6.35 (g) Engaging in any unethical conduct; conduct likely to deceive, defraud, or harm  
6.36 the public, or demonstrating a willful or careless disregard for the health, welfare or safety

7.1 of a patient; or medical practice which is professionally incompetent, in that it may create  
7.2 unnecessary danger to any patient's life, health, or safety, in any of which cases, proof  
7.3 of actual injury need not be established.

7.4 (h) Failure to supervise a physician assistant or failure to supervise a physician  
7.5 under any agreement with the board.

7.6 (i) Aiding or abetting an unlicensed person in the practice of medicine, except that  
7.7 it is not a violation of this paragraph for a physician to employ, supervise, or delegate  
7.8 functions to a qualified person who may or may not be required to obtain a license or  
7.9 registration to provide health services if that person is practicing within the scope of that  
7.10 person's license or registration or delegated authority.

7.11 (j) Adjudication as mentally incompetent, mentally ill or developmentally disabled,  
7.12 or as a chemically dependent person, a person dangerous to the public, a sexually  
7.13 dangerous person, or a person who has a sexual psychopathic personality by a court of  
7.14 competent jurisdiction, within or without this state. Such adjudication shall automatically  
7.15 suspend a license for the duration thereof unless the board orders otherwise.

7.16 (k) Engaging in unprofessional conduct. Unprofessional conduct shall include  
7.17 any departure from or the failure to conform to the minimal standards of acceptable  
7.18 and prevailing medical practice in which proceeding actual injury to a patient need not  
7.19 be established.

7.20 (l) Inability to practice medicine with reasonable skill and safety to patients by  
7.21 reason of illness, drunkenness, use of drugs, narcotics, chemicals or any other type of  
7.22 material or as a result of any mental or physical condition, including deterioration through  
7.23 the aging process or loss of motor skills.

7.24 (m) Revealing a privileged communication from or relating to a patient except when  
7.25 otherwise required or permitted by law.

7.26 (n) Failure by a doctor of osteopathy to identify the school of healing in the  
7.27 professional use of the doctor's name by one of the following terms: osteopathic physician  
7.28 and surgeon, doctor of osteopathy, or D.O.

7.29 (o) Improper management of medical records, including failure to maintain adequate  
7.30 medical records, to comply with a patient's request made pursuant to sections 144.291 to  
7.31 144.298 or to furnish a medical record or report required by law.

7.32 (p) Fee splitting, including without limitation:

7.33 (1) paying, offering to pay, receiving, or agreeing to receive, a commission, rebate,  
7.34 or remuneration, directly or indirectly, primarily for the referral of patients or the  
7.35 prescription of drugs or devices;

8.1 (2) dividing fees with another physician or a professional corporation, unless the  
8.2 division is in proportion to the services provided and the responsibility assumed by each  
8.3 professional and the physician has disclosed the terms of the division;

8.4 (3) referring a patient to any health care provider as defined in sections 144.291 to  
8.5 144.298 in which the referring physician has a "financial or economic interest," as defined  
8.6 in section 144.6521, subdivision 3, unless the physician has disclosed the physician's  
8.7 financial or economic interest in accordance with section 144.6521; and

8.8 (4) dispensing for profit any drug or device, unless the physician has disclosed the  
8.9 physician's own profit interest.

8.10 The physician must make the disclosures required in this clause in advance and in writing  
8.11 to the patient and must include in the disclosure a statement that the patient is free to  
8.12 choose a different health care provider. This clause does not apply to the distribution  
8.13 of revenues from a partnership, group practice, nonprofit corporation, or professional  
8.14 corporation to its partners, shareholders, members, or employees if the revenues consist  
8.15 only of fees for services performed by the physician or under a physician's direct  
8.16 supervision, or to the division or distribution of prepaid or capitated health care premiums,  
8.17 or fee-for-service withhold amounts paid under contracts established under other state law.

8.18 (q) Engaging in abusive or fraudulent billing practices, including violations of the  
8.19 federal Medicare and Medicaid laws or state medical assistance laws.

8.20 (r) Becoming addicted or habituated to a drug or intoxicant.

8.21 (s) Prescribing a drug or device for other than medically accepted therapeutic or  
8.22 experimental or investigative purposes authorized by a state or federal agency or referring  
8.23 a patient to any health care provider as defined in sections 144.291 to 144.298 for services  
8.24 or tests not medically indicated at the time of referral.

8.25 (t) Engaging in conduct with a patient which is sexual or may reasonably be  
8.26 interpreted by the patient as sexual, or in any verbal behavior which is seductive or  
8.27 sexually demeaning to a patient.

8.28 (u) Failure to make reports as required by section 147.111 or to cooperate with an  
8.29 investigation of the board as required by section 147.131.

8.30 (v) Knowingly providing false or misleading information that is directly related  
8.31 to the care of that patient unless done for an accepted therapeutic purpose such as the  
8.32 administration of a placebo.

8.33 (w) Aiding suicide or aiding attempted suicide in violation of section 609.215 as  
8.34 established by any of the following:

8.35 (1) a copy of the record of criminal conviction or plea of guilty for a felony in  
8.36 violation of section 609.215, subdivision 1 or 2;

9.1 (2) a copy of the record of a judgment of contempt of court for violating an  
 9.2 injunction issued under section 609.215, subdivision 4;

9.3 (3) a copy of the record of a judgment assessing damages under section 609.215,  
 9.4 subdivision 5; or

9.5 (4) a finding by the board that the person violated section 609.215, subdivision  
 9.6 1 or 2. The board shall investigate any complaint of a violation of section 609.215,  
 9.7 subdivision 1 or 2.

9.8 (x) Practice of a board-regulated profession under lapsed or nonrenewed credentials.

9.9 ~~(y) Failure to repay a state or federally secured student loan in accordance with~~  
 9.10 ~~the provisions of the loan.~~

9.11 ~~(z)~~ (y) Providing interstate telemedicine services other than according to section  
 9.12 147.032.

9.13 Sec. 7. Minnesota Statutes 2014, section 256B.431, subdivision 36, is amended to read:

9.14 Subd. 36. **Employee scholarship costs and training in English as a second**  
 9.15 **language.** (a) For the period between July 1, 2001, and June 30, 2003, the commissioner  
 9.16 shall provide to each nursing facility reimbursed under this section, section 256B.434, or  
 9.17 any other section, a scholarship per diem of 25 cents to the total operating payment rate.  
 9.18 For the two rate years beginning on or after October 1, 2015, through September 30, 2017,  
 9.19 the commissioner shall allow a scholarship per diem of up to 25 cents for each nursing  
 9.20 facility with no scholarship per diem that is requesting a scholarship per diem to be added  
 9.21 to the external fixed payment rate to be used:

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

9.23 (i) scholarships are available to all employees who work an average of at least ~~20~~  
 9.24 ten hours per week at the facility except the administrator, ~~department supervisors, and~~  
 9.25 registered nurses and to reimburse student loan expenses for newly hired and recently  
 9.26 graduated registered nurses and licensed practical nurses, and training expenses for  
 9.27 nursing assistants as defined in section 144A.61, subdivision 2, who are newly hired and  
 9.28 have graduated within the last 12 months; and

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

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

9.32 (b) ~~A facility receiving~~ All facilities may annually request a rate adjustment under  
 9.33 this subdivision may submit by submitting information to the commissioner on a schedule  
 9.34 ~~determined by the commissioner and on~~ in a form supplied by the commissioner a  
 9.35 ~~calculation of the scholarship per diem, including: the amount received from this rate~~

10.1 ~~adjustment; the amount used for training in English as a second language; the number of~~  
 10.2 ~~persons receiving the training; the name of the person or entity providing the training;~~  
 10.3 ~~and for each scholarship recipient, the name of the recipient, the amount awarded, the~~  
 10.4 ~~educational institution attended, the nature of the educational program, the program~~  
 10.5 ~~completion date, and a determination of the per diem amount of these costs based on~~  
 10.6 ~~actual resident days. The commissioner shall allow a scholarship payment rate equal to~~  
 10.7 ~~the reported and allowable costs divided by resident days.~~

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

10.10 (d) ~~For rate years beginning after June 30, 2003, the commissioner shall provide to~~  
 10.11 ~~each facility the scholarship per diem determined in paragraph (b). In calculating the per~~  
 10.12 ~~diem under paragraph (b), the commissioner shall allow only costs related to tuition and~~  
 10.13 ~~direct educational expenses, and reasonable costs as defined by the commissioner for child~~  
 10.14 ~~care costs and transportation expenses related to direct educational expenses.~~

10.15 (d) ~~The rate increase under this subdivision is an optional rate add-on that the facility~~  
 10.16 ~~must request from the commissioner in a manner prescribed by the commissioner. The~~  
 10.17 ~~rate increase must be used for scholarships as specified in this subdivision.~~

10.18 (e) ~~For instances in which a rate adjustment will be 15 cents or greater, nursing~~  
 10.19 ~~facilities that close beds during a rate year may request to have their scholarship~~  
 10.20 ~~adjustment under paragraph (b) recalculated by the commissioner for the remainder of the~~  
 10.21 ~~rate year to reflect the reduction in resident days compared to the cost report year.~~

10.22 Sec. 8. Minnesota Statutes 2014, section 256B.441, subdivision 13, is amended to read:

10.23 Subd. 13. **External fixed costs.** "External fixed costs" means costs related to the  
 10.24 nursing home surcharge under section 256.9657, subdivision 1; licensure fees under  
 10.25 section 144.122; until September 30, 2013, long-term care consultation fees under section  
 10.26 256B.0911, subdivision 6; family advisory council fee under section 144A.33; scholarships  
 10.27 under section 256B.431, subdivision 36; career ladder rate adjustments under subdivision  
 10.28 65; planned closure rate adjustments under section 256B.437; or single bed room incentives  
 10.29 under section 256B.431, subdivision 42; property taxes and property insurance; and PERA.

10.30 Sec. 9. Minnesota Statutes 2014, section 256B.441, subdivision 53, is amended to read:

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

10.33 (a) For a facility licensed as a nursing home, the portion related to section 256.9657  
 10.34 shall be equal to \$8.86. For a facility licensed as both a nursing home and a boarding care

11.1 home, the portion related to section 256.9657 shall be equal to \$8.86 multiplied by the  
11.2 result of its number of nursing home beds divided by its total number of licensed beds.

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

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

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

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

11.11 (f) The portion related to planned closure rate adjustments shall be as determined  
11.12 under section 256B.437, subdivision 6, and Minnesota Statutes 2010, section 256B.436.

11.13 Planned closure rate adjustments that take effect before October 1, 2014, shall no longer  
11.14 be included in the payment rate for external fixed costs beginning October 1, 2016.

11.15 Planned closure rate adjustments that take effect on or after October 1, 2014, shall no  
11.16 longer be included in the payment rate for external fixed costs beginning on October 1 of  
11.17 the first year not less than two years after their effective date.

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

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

11.23 (i) The single bed room incentives shall be as determined under section 256B.431,  
11.24 subdivision 42. Single bed room incentives that take effect before October 1, 2014, shall  
11.25 no longer be included in the payment rate for external fixed costs beginning October 1,  
11.26 2016. Single bed room incentives that take effect on or after October 1, 2014, shall no  
11.27 longer be included in the payment rate for external fixed costs beginning on October 1 of  
11.28 the first year not less than two years after their effective date.

11.29 (j) The portion related to career ladder rate adjustments shall be determined under  
11.30 subdivision 65.

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

11.33 Sec. 10. Minnesota Statutes 2014, section 256B.441, is amended by adding a  
11.34 subdivision to read:

12.1 Subd. 65. Career ladder rate adjustment. (a) Effective beginning January 1, 2016,  
12.2 the commissioner shall make available rate adjustments for nursing facilities to implement  
12.3 career ladder wage increases for participants in leadership or apprenticeship programs.  
12.4 These rate adjustments shall be added to the external fixed portion of the rate and must be  
12.5 used for the wage increases and associated costs, including the employer's share of FICA  
12.6 taxes, Medicare taxes, state and federal unemployment taxes, and workers' compensation  
12.7 provided to employees who are participating in, or have completed, leadership training or  
12.8 an apprenticeship program approved by either the commissioner of labor and industry  
12.9 or the commissioner of human services.

12.10 (b) Nursing facilities must apply to the commissioner on the forms and according  
12.11 to the timelines specified by the commissioner in order to receive a rate adjustment for  
12.12 the career ladder wage increases.

12.13 (c) Nursing facilities applying for a rate adjustment for leadership training or  
12.14 apprenticeship programs shall include on the application the estimated number of  
12.15 employees who will be participating in the leadership training or apprenticeship programs  
12.16 during the rate year, the wage increase those employees will be paid as a result of their  
12.17 apprenticeship, and the number of hours they are expected to work during the year for  
12.18 the increase. The maximum rate increase for apprenticeship programs shall be computed  
12.19 as the estimated hours times the wage increases divided by the actual resident days from  
12.20 the most recent statistical and cost report.

12.21 (d) If the costs from all proposals exceed the appropriation for this purpose, the  
12.22 commissioner shall allocate the money appropriated on a pro rata basis to the applying  
12.23 facilities by reducing the rate adjustment determined for each facility by an equal  
12.24 percentage.

12.25 (e) Participating nursing facilities must submit to the commissioner a report after  
12.26 the end of the rate year to determine the amount actually spent on wage increases for  
12.27 leadership training and apprenticeship program participants. The commissioner shall  
12.28 recoup the difference between actual and expected funding from a nursing facility found  
12.29 to have spent less than 90 percent of what the facility had expected to spend based on the  
12.30 rate increase authorized by the commissioner.

12.31 **Sec. 11. APPROPRIATION; LONG-TERM CARE GRANT PROGRAM.**

12.32 (a) \$..... in fiscal year 2016 is appropriated from the general fund to the  
12.33 commissioner of employment and economic development for a grant program to further  
12.34 the advancement of long-term care careers. Long-term care employers, Minnesota

13.1 postsecondary education institutions, and adult training programs may apply to receive  
 13.2 grants for the following purposes:

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

13.4 (2) conferences;

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

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

13.7 (5) to provide leadership training for staff;

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

13.10 (7) to provide mentorship models;

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

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

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

13.16 (b) Eligible organizations must apply to the commissioner of employment and  
 13.17 economic development for a grant on the forms and according to the timelines established  
 13.18 by the commissioner. The commissioner shall give preference to long-term care providers,  
 13.19 including nursing facilities, licensed under Minnesota Statutes, chapter 144A, and  
 13.20 providers registered as housing with services establishments under Minnesota Statutes,  
 13.21 chapter 144D.

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

13.24 **Sec. 12. APPROPRIATION; LONG-TERM CARE STUDY.**

13.25 \$..... in fiscal year 2016 is appropriated from the general fund to the commissioner  
 13.26 of employment and economic development to study ways in which tax credits or  
 13.27 hiring incentives can benefit long-term care employers to recruit, retain, and provide  
 13.28 career ladders to employees in the long-term care field. The commissioner must  
 13.29 report recommendations to the chairs and ranking minority members of the legislative  
 13.30 committees with jurisdiction over employment and economic development, health, and  
 13.31 human services policy and finance by February 1, 2016.

13.32 **Sec. 13. APPROPRIATION; WORKFORCE CENTERS.**

13.33 \$..... in fiscal year 2016 is appropriated from the general fund to the commissioner  
 13.34 of employment and economic development for purposes of enhancing or establishing new

14.1 programs within Minnesota Workforce Centers to address the shortage of paid caregivers  
14.2 in senior care settings in Minnesota. Programs may include but are not limited to screening  
14.3 of potential candidates for caregiving careers, promotion of vacant caregiving positions,  
14.4 training of potential caregivers, and placement of caregivers in nursing facilities, housing  
14.5 with services establishments, home care agencies, and adult day centers.

14.6 Sec. 14. **APPROPRIATION; NURSE LOAN FORGIVENESS PROGRAM.**

14.7 \$260,000 in fiscal year 2016 is appropriated from the general fund to the  
14.8 commissioner of health for the nurse loan forgiveness program under Minnesota Statutes,  
14.9 section 144.1501. This appropriation is in addition to any previous appropriation for this  
14.10 purpose and is added to the program's base.

14.11 Sec. 15. **APPROPRIATION; HOME AND COMMUNITY-BASED SERVICES**  
14.12 **EMPLOYEE SCHOLARSHIP PROGRAM.**

14.13 \$..... in fiscal year 2016 is appropriated from the general fund to the commissioner  
14.14 of health for the purposes of the home and community-based services employee  
14.15 scholarship program under Minnesota Statutes, section 144.1503. This appropriation  
14.16 is available until June 30, 2019.

14.17 Sec. 16. **APPROPRIATION; CAREER LADDER RATE ADJUSTMENT.**

14.18 \$..... in fiscal year 2016 and \$..... in fiscal year 2017 are appropriated from the  
14.19 general fund to the commissioner of human services to cover the state share of providing  
14.20 career ladder program rate adjustments under Minnesota Statutes, section 256B.441,  
14.21 subdivision 65. This appropriation is added to the base for the fiscal 2018-2019 biennium.

14.22 Sec. 17. **REPEALER.**

14.23 Minnesota Statutes 2014, section 214.105, is repealed.

**214.105 HEALTH-RELATED LICENSING BOARDS; DEFAULT ON FEDERAL LOANS OR SERVICE OBLIGATIONS.**

A health-related licensing board may refuse to grant a license or may impose disciplinary action against a person regulated by the board if the person is intentionally in nonpayment, default, or breach of a repayment or service obligation under any federal educational loan, loan repayment, or service conditional scholarship program. The board shall consider the reasons for nonpayment, default, or breach of a repayment or service obligation and may not impose disciplinary action against a person in cases of total and permanent disability or long-term temporary disability lasting more than a year.