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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1412

03/11/2013 Authored by Fritz and Schomacker

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

1.1 A bill for an act
1.2 relating to human services; providing nursing facility rate adjustments for
1.3 sprinkler system costs and elevator costs.

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

1.5 Section 1. **NURSING FACILITY SPRINKLER SYSTEM COSTS.**

1.6 (a) Notwithstanding the threshold in Minnesota Statutes, section 256B.431,
1.7 subdivision 16, facilities licensed under Minnesota Statutes, sections 144A.02 to 144A.10,
1.8 that take action to come into compliance with existing federal requirements governing
1.9 sprinkler systems in facilities must receive reimbursement for the costs associated with
1.10 compliance if all of the following conditions are met:

1.11 (1) the expenses associated with compliance occurred on or after January 1, 20.., and
1.12 before December 31, 20..;

1.13 (2) the costs were not otherwise reimbursed under Minnesota Statutes, section
1.14 256B.434, subdivision 4f, or section 144A.071 or 144A.073; and

1.15 (3) the total allowable costs reported under this paragraph are less than the minimum
1.16 threshold established under Minnesota Statutes, section 256B.431, subdivisions 15,
1.17 paragraph (e), and 16.

1.18 (b) The commissioner shall use money appropriated for this purpose to provide
1.19 to qualifying nursing facilities a rate adjustment beginning October 1, 20.., and ending
1.20 September 30, 20... Nursing facilities that need to spend money to comply with the Centers
1.21 for Medicare and Medicaid Services final rule entitled "Medicare and Medicaid Programs;
1.22 Fire Safety Requirements for Long-Term Care Facilities, Automatic Sprinkler Systems,"
1.23 requiring all long-term care facilities (skilled nursing facilities/nursing facilities) to be
1.24 equipped with a supervised automatic sprinkler system by August 13, 2013, installed in

2.1 accordance with the 1999 edition of the National Fire Protection Association's (NFPA)
 2.2 "Standard for the Installation of Sprinkler Systems" (NFPA 13) may submit to the
 2.3 commissioner by June 30, 20.., on a form provided by the commissioner the actual costs
 2.4 of a completed project or the estimated costs, based on a project bid, of a planned project.
 2.5 The commissioner shall calculate a rate adjustment equal to the allowable costs of the
 2.6 project divided by the resident days reported for the report year ending September 30, 20...
 2.7 If the costs from all projects exceed the appropriation for this purpose, the commissioner
 2.8 shall allocate the money appropriated on a pro rata basis to the qualifying facilities
 2.9 by reducing the rate adjustment determined for each facility by an equal percentage.
 2.10 Facilities that used estimated costs when requesting the rate adjustment shall report to the
 2.11 commissioner by January 31, 20.., on the use of this money on a form provided by the
 2.12 commissioner. If the nursing facility fails to provide the report, the commissioner shall
 2.13 recoup the money paid to the facility for this purpose. If the facility reports expenditures
 2.14 allowable under this subdivision that are less than the amount received in the facility's
 2.15 annualized rate adjustment, the commissioner shall recoup the difference.

2.16 **Sec. 2. NURSING FACILITY ELEVATOR COSTS.**

2.17 (a) Notwithstanding the threshold in Minnesota Statutes, section 256B.431,
 2.18 subdivision 16, facilities licensed under Minnesota Statutes, sections 144A.02 to 144A.10,
 2.19 that take action to come into compliance with Department of Labor and Industry
 2.20 elevator upgrade requirements must receive reimbursement for the costs associated with
 2.21 compliance if all of the following conditions are met:

2.22 (1) the expenses associated with compliance occurred on or after January 1, 20.., and
 2.23 before December 31, 20..;

2.24 (2) the costs were not otherwise reimbursed under Minnesota Statutes, section
 2.25 256B.434, subdivision 4f, or section 144A.071 or 144A.073; and

2.26 (3) the total allowable costs reported under this paragraph are less than the minimum
 2.27 threshold established under Minnesota Statutes, section 256B.431, subdivisions 15,
 2.28 paragraph (e), and 16.

2.29 (b) The commissioner shall use money appropriated for this purpose to provide
 2.30 to qualifying nursing facilities a rate adjustment beginning October 1, 20.., and ending
 2.31 September 30, 20... Nursing facilities that need to spend money to comply with Minnesota
 2.32 Department of Labor and Industry elevator upgrade requirements may submit to the
 2.33 commissioner by June 30, 20.., on a form provided by the commissioner the actual costs
 2.34 of a completed project or the estimated costs, based on a project bid, of a planned project.
 2.35 The commissioner shall calculate a rate adjustment equal to the allowable costs of the

3.1 project divided by the resident days reported for the report year ending September 30, 20...
3.2 If the costs from all projects exceed the appropriation for this purpose, the commissioner
3.3 shall allocate the money appropriated on a pro rata basis to the qualifying facilities
3.4 by reducing the rate adjustment determined for each facility by an equal percentage.
3.5 Facilities that used estimated costs when requesting the rate adjustment shall report to the
3.6 commissioner by January 31, 20.., on the use of this money on a form provided by the
3.7 commissioner. If the nursing facility fails to provide the report, the commissioner shall
3.8 recoup the money paid to the facility for this purpose. If the facility reports expenditures
3.9 allowable under this subdivision that are less than the amount received in the facility's
3.10 annualized rate adjustment, the commissioner shall recoup the difference.