

A bill for an act
relating to human services; reducing the surcharge on licensed nursing home
beds; amending Minnesota Statutes 2006, section 256.9657, subdivision 1.

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

Section 1. Minnesota Statutes 2006, section 256.9657, subdivision 1, is amended to
read:

Subdivision 1. **Nursing home license surcharge.** (a) Effective July 1, 1993,
each non-state-operated nursing home licensed under chapter 144A shall pay to the
commissioner an annual surcharge according to the schedule in subdivision 4. The
surcharge shall be calculated as \$620 per licensed bed. If the number of licensed beds
is reduced, the surcharge shall be based on the number of remaining licensed beds the
second month following the receipt of timely notice by the commissioner of human
services that beds have been delicensed. The nursing home must notify the commissioner
of health in writing when beds are delicensed. The commissioner of health must notify
the commissioner of human services within ten working days after receiving written
notification. If the notification is received by the commissioner of human services by
the 15th of the month, the invoice for the second following month must be reduced
to recognize the delicensing of beds. Beds on layaway status continue to be subject to
the surcharge. The commissioner of human services must acknowledge a medical care
surcharge appeal within 30 days of receipt of the written appeal from the provider.

(b) Effective July 1, 1994, the surcharge in paragraph (a) shall be increased to \$625.

(c) Effective August 15, 2002, the surcharge under paragraph (b) shall be increased
to \$990.

(d) ~~Effective July 15, 2003, the surcharge under paragraph (c) shall be increased to \$2,815.~~

~~(e) The commissioner may reduce, and may subsequently restore, the surcharge under paragraph (d) based on the commissioner's determination of a permissible surcharge.~~

~~(f)~~ Between April 1, 2002, and August 15, 2004, a facility governed by this subdivision may elect to assume full participation in the medical assistance program by agreeing to comply with all of the requirements of the medical assistance program, including the rate equalization law in section 256B.48, subdivision 1, paragraph (a), and all other requirements established in law or rule, and to begin intake of new medical assistance recipients. Rates will be determined under Minnesota Rules, parts 9549.0010 to 9549.0080. Notwithstanding section 256B.431, subdivision 27, paragraph (i), rate calculations will be subject to limits as prescribed in rule and law. Other than the adjustments in sections 256B.431, subdivisions 30 and 32; 256B.437, subdivision 3, paragraph (b), Minnesota Rules, part 9549.0057, and any other applicable legislation enacted prior to the finalization of rates, facilities assuming full participation in medical assistance under this paragraph are not eligible for any rate adjustments until the July 1 following their settle-up period.

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

Sec. 2. **IMPLEMENTATION OF SURCHARGE REDUCTION.**

The commissioner of human services shall implement the reduction of the surcharge on licensed nursing home beds in section 1 by prorating the first surcharge payment due following the date of enactment of that section, to reflect the number of days, if any, within the applicable monthly payment period that fall before the date of enactment of the surcharge reduction and for which the higher surcharge rate applies.