

A bill for an act

relating to human services; modifying treatment of Medicare costs for purposes of nursing facility rebasing; amending Minnesota Statutes 2008, section 256B.441, subdivision 48, by adding a subdivision.

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

Section 1. Minnesota Statutes 2008, section 256B.441, is amended by adding a subdivision to read:

Subd. 24a. **Medicare costs.** For purposes of computing rates under this section for rate years beginning on or after October 1, 2009, "Medicare costs" means 70.4 percent of Medicare Part A and Part B revenues received during the reporting year.

Sec. 2. Minnesota Statutes 2008, section 256B.441, subdivision 48, is amended to read:

Subd. 48. **Calculation of operating per diems.** The direct care per diem for each facility shall be the facility's direct care costs divided by its standardized days. The other care-related per diem shall be the sum of the facility's activities costs, other direct care costs, raw food costs, therapy costs, and social services costs, divided by the facility's resident days. The other operating per diem shall be the sum of the facility's administrative costs, dietary costs, housekeeping costs, laundry costs, and maintenance and plant operations costs divided by the facility's resident days. For rate years beginning on or after October 1, 2009, the calculations of the direct care per diem, other care-related per diem, and other operating per diem shall:

(1) have allowable costs reduced by Medicare costs as defined in subdivision 24a. The Medicare costs must be allocated between direct care, other care-related, and other operating based on a ratio of allowable expenses from the cost report; and

- 2.1 (2) have resident days and standardized days computed without using days paid
- 2.2 by Medicare.