

A bill for an act
relating to human services; changing certain nursing facilities' operating rates;
amending Minnesota Statutes 2010, section 256B.441, subdivision 50a.

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

Section 1. Minnesota Statutes 2010, section 256B.441, subdivision 50a, is amended to
read:

Subd. 50a. **Determination of proximity adjustments.** (a) For a nursing facility
located in close proximity to another nursing facility of the same facility group type but in
a different peer group and that has higher limits for care-related or other operating costs,
the commissioner shall adjust the limits in accordance with clauses (1) to (4):

(1) determine the difference between the limits;

(2) determine the distance between the two facilities, by the shortest driving route. If
the distance exceeds 20 miles, no adjustment shall be made;

(3) subtract the value in clause (2) from 20 miles, divide by 20, and convert to a
percentage; and

(4) increase the limits for the nursing facility with the lower limits by the value
determined in clause (1) multiplied by the value determined in clause (3).

(b) Effective October 1, 2011, nursing facilities located no more than one-quarter
mile from a peer group with higher limits under either subdivision 50 or 51, may receive
an operating rate adjustment. The operating payment rates of a lower-limit peer group
facility must be adjusted to be equal to those of the nearest facility in a higher-limit peer
group if that facility's RUG rate with a weight of 1.00 is higher than the lower-limit peer
group facility. Peer groups are those defined in subdivision 30. The nearest facility must
be determined by the most direct driving route.