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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1309

03/06/2013 Authored by Fritz, Schomacker and Dettmer
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; modifying nursing facility external fixed costs;
1.3 amending Minnesota Statutes 2012, section 256B.441, subdivisions 13, 53.
1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2012, section 256B.441, subdivision 13, is amended to
1.6 read:

1.7 Subd. 13. **External fixed costs.** "External fixed costs" means costs related to the
1.8 nursing home surcharge under section 256.9657, subdivision 1; licensure fees under
1.9 section 144.122; long-term care consultation fees under section 256B.0911, subdivision 6;
1.10 family advisory council fee under section 144A.33; scholarships under section 256B.431,
1.11 subdivision 36; planned closure rate adjustments under section 256B.437; or single bed
1.12 room incentives under section 256B.431, subdivision 42; property taxes and property
1.13 insurance; ~~and PERA~~; and any costs resulting from the provision of employee health
1.14 insurance and payment of tax penalties under the federal Patient Protection and Affordable
1.15 Care Act (Public Law 111-148), as amended by the federal Health Care and Education
1.16 Reconciliation Act of 2010 (Public Law 111-152), and any amendments to, or regulation
1.17 or guidance issued under, those acts.

1.18 Sec. 2. Minnesota Statutes 2012, section 256B.441, subdivision 53, is amended to read:

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

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

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

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

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

2.7 (d) The portion related to long-term care consultation shall be determined according
2.8 to section 256B.0911, subdivision 6.

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

2.11 (f) The portion related to planned closure rate adjustments shall be as determined
2.12 under section 256B.437, subdivision 6, and Minnesota Statutes 2010, section 256B.436.
2.13 Planned closure rate adjustments that take effect before October 1, 2014, shall no longer
2.14 be included in the payment rate for external fixed costs beginning October 1, 2016.
2.15 Planned closure rate adjustments that take effect on or after October 1, 2014, shall no
2.16 longer be included in the payment rate for external fixed costs beginning on October 1 of
2.17 the first year not less than two years after their effective date.

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

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

2.23 (i) The single bed room incentives shall be as determined under section 256B.431,
2.24 subdivision 42. Single bed room incentives that take effect before October 1, 2014, shall
2.25 no longer be included in the payment rate for external fixed costs beginning October 1,
2.26 2016. Single bed room incentives that take effect on or after October 1, 2014, shall no
2.27 longer be included in the payment rate for external fixed costs beginning on October 1 of
2.28 the first year not less than two years after their effective date.

2.29 (j) Any costs resulting from the provision of employee health insurance and payment
2.30 of tax penalties under the federal Patient Protection and Affordable Care Act (Public
2.31 Law 111-148), as amended by the federal Health Care and Education Reconciliation
2.32 Act of 2010 (Public Law 111-152), and any amendments to, or regulation or guidance
2.33 issued under, those acts.

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