

SENATE

STATE OF MINNESOTA

EIGHTY-NINTH SESSION

S.F. No. 590

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DATE	D-PG	OFFICIAL STATUS
02/05/2015	216	Introduction and first reading Referred to Health, Human Services and Housing
03/19/2015	998a	Comm report: To pass as amended and re-refer to Jobs, Agriculture and Rural Development
03/25/2015	1305	Comm report: To pass and re-referred to Finance See SF1458, Art. 6, Sec. 1, 8

A bill for an act  
relating to health and human services; providing for long-term care workforce  
needs; providing for employee scholarships and loan forgiveness; modifying  
nursing facility rate provisions; appropriating money; amending Minnesota  
Statutes 2014, sections 144.1501, subdivision 3; 256B.431, subdivision 36;  
256B.441, subdivisions 13, 53, by adding a subdivision; proposing coding for  
new law in Minnesota Statutes, chapter 144.

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

Section 1. Minnesota Statutes 2014, section 144.1501, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program,  
an individual must:

(1) be a medical or dental resident, a licensed pharmacist or be enrolled in a dentist,  
midlevel practitioner, registered nurse, or a licensed practical nurse training program; and

(2) submit an application to the commissioner of health. If fewer applications are  
submitted by dental students or residents than there are dentist participant slots available,  
the commissioner may consider applications submitted by dental program graduates who  
are licensed dentists. The commissioner may consider applications submitted by nursing  
program graduates who are registered nurses or licensed practical nurses.

(b) An applicant selected to participate must sign a contract to agree to serve a  
minimum three-year full-time service obligation according to subdivision 2, which  
shall begin no later than March 31 following completion of required training, with the  
exception of a nurse, who must agree to serve a minimum two-year full-time service  
obligation according to subdivision 2, which shall begin no later than March 31 following  
completion of required training.

2.1       Sec. 2. **[144.1503] HOME AND COMMUNITY-BASED SERVICES EMPLOYEE**  
2.2 **SCHOLARSHIP PROGRAM.**

2.3       Subdivision 1. **Creation.** The home and community-based services employee  
2.4 scholarship grant program is established for the purpose of assisting qualified provider  
2.5 applicants to provide employee scholarships for education in nursing and other health  
2.6 care fields.

2.7       Subd. 2. **Provision of grants.** The commissioner shall make grants available  
2.8 to qualified providers of older adult services. Grants must be used by home and  
2.9 community-based service providers to recruit and train staff in their settings through the  
2.10 establishment of an employee scholarship fund within the setting.

2.11       Subd. 3. **Eligibility.** Eligible providers must primarily provide services to  
2.12 individuals who are 65 years of age and older in home and community-based settings,  
2.13 including housing with services establishments, adult day centers, and home care agencies.  
2.14 Qualifying providers must have an established home and community-based employee  
2.15 scholarship program, as specified in subdivision 4. Providers that receive funding under  
2.16 this section must use the funds to award scholarships to employees who work an average  
2.17 of at least 16 hours per week for the provider.

2.18       Subd. 4. **Home and community-based employee scholarship program.**  
2.19 Each qualifying provider under this section must have an established home and  
2.20 community-based services employee scholarship program. Providers may establish  
2.21 criteria by which funds are distributed among employees. At a minimum, the scholarship  
2.22 program must cover employee costs related to a course of study that is expected to lead to  
2.23 career advancement with the provider or in the field of long-term care, including home  
2.24 care, care of persons with disabilities, or nursing.

2.25       Subd. 5. **Participating providers.** The commissioner shall publish a request  
2.26 for proposals in the State Register by August 15, 2015, specifying provider eligibility  
2.27 requirements, provider selection criteria, program specifics, funding mechanism, and  
2.28 methods of evaluation. The commissioner must publish additional requests for proposals  
2.29 by August 15 of each year in which funding is appropriated for this purpose.

2.30       Subd. 6. **Reporting requirements.** Participating providers shall report to the  
2.31 commissioner on a schedule determined by the commissioner and on a form supplied by  
2.32 the commissioner no later than October 1, 2017. The report shall include the amount spent;  
2.33 number of employees who received scholarships; and, for each scholarship recipient,  
2.34 the name of the recipient, the amount awarded, the educational institution attended, the  
2.35 nature of the educational program, and the expected or actual program completion date.  
2.36 The commissioner shall require providers to repay all of the funds awarded under this

section if the report required under this subdivision is not filed according to the schedule determined by the commissioner.

Sec. 3. Minnesota Statutes 2014, section 256B.431, subdivision 36, is amended to read:

Subd. 36. **Employee scholarship costs and training in English as a second language.** (a) For the period between July 1, 2001, and June 30, 2003, the commissioner shall provide to each nursing facility reimbursed under this section, section 256B.434, or any other section, a scholarship per diem of 25 cents to the total operating payment rate. For the two rate years beginning on or after October 1, 2015, through September 30, 2017, the commissioner shall allow a scholarship per diem of up to 25 cents for each requesting facility to be added to the external fixed payment rate to be used:

(1) for employee scholarships that satisfy the following requirements:

(i) ~~scholarships are available to all employees who work an average of at least 20 hours per week at the facility except the administrator, department supervisors, and registered nurses; and~~

(ii) ~~the course of study is expected to lead to career advancement with the facility or in long-term care, including medical care interpreter services and social work; and~~

(2) to provide job-related training in English as a second language; and

(2) for employee scholarships for courses of study expected to lead to career advancement with the facility or in long-term care, including medical care interpreter services and social work. The scholarships must be available to all employees, except the administrator, who work an average of ten hours per week at the facility. The scholarships may be used to reimburse:

(i) student loan expenses for newly hired and recently graduated registered nurses and licensed practical nurses; and

(ii) training expenses for newly hired and recently graduated nursing assistants as defined in section 144A.61, subdivision 2.

(b) ~~A facility receiving~~ All facilities may annually request a rate adjustment under this subdivision ~~may submit by submitting information~~ to the commissioner on a schedule ~~determined by the commissioner and on~~ in a form supplied by the commissioner a calculation of the scholarship per diem, including: ~~the amount received from this rate adjustment; the amount used for training in English as a second language; the number of persons receiving the training; the name of the person or entity providing the training; and for each scholarship recipient, the name of the recipient, the amount awarded, the educational institution attended, the nature of the educational program, the program completion date, and a determination of the per diem amount of these costs based on~~

4.1 ~~actual resident days.~~ The commissioner shall allow a scholarship payment rate equal to  
4.2 the reported and allowable costs divided by resident days.

4.3 ~~(c) On July 1, 2003, the commissioner shall remove the 25-cent scholarship per diem~~  
4.4 ~~from the total operating payment rate of each facility.~~

4.5 ~~(d) For rate years beginning after June 30, 2003, the commissioner shall provide to~~  
4.6 ~~each facility the scholarship per diem determined in paragraph (b).~~ In calculating the per  
4.7 diem under paragraph (b), the commissioner shall allow ~~only~~ costs related to tuition and,  
4.8 direct educational expenses, and reasonable costs, as defined by the commissioner, for  
4.9 child care costs and transportation expenses related to direct educational expenses.

4.10 (d) The rate increase under this subdivision is an optional rate add-on that the facility  
4.11 must request from the commissioner in a manner prescribed by the commissioner. The  
4.12 rate increase must be used for scholarships as specified in this subdivision.

4.13 (e) Nursing facilities that close beds during a rate year may request to have their  
4.14 scholarship adjustment under paragraph (b) recalculated by the commissioner for the  
4.15 remainder of the rate year to reflect the reduction in resident days compared to the cost  
4.16 report year.

4.17 Sec. 4. Minnesota Statutes 2014, section 256B.441, subdivision 13, is amended to read:

4.18 Subd. 13. **External fixed costs.** "External fixed costs" means costs related to the  
4.19 nursing home surcharge under section 256.9657, subdivision 1; licensure fees under  
4.20 section 144.122; until September 30, 2013, long-term care consultation fees under section  
4.21 256B.0911, subdivision 6; family advisory council fee under section 144A.33; scholarships  
4.22 under section 256B.431, subdivision 36; career ladder rate adjustments under subdivision  
4.23 65; planned closure rate adjustments under section 256B.437; or single bed room incentives  
4.24 under section 256B.431, subdivision 42; property taxes and property insurance; and PERA.

4.25 Sec. 5. Minnesota Statutes 2014, section 256B.441, subdivision 53, is amended to read:

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

4.28 (a) For a facility licensed as a nursing home, the portion related to section 256.9657  
4.29 shall be equal to \$8.86. For a facility licensed as both a nursing home and a boarding care  
4.30 home, the portion related to section 256.9657 shall be equal to \$8.86 multiplied by the  
4.31 result of its number of nursing home beds divided by its total number of licensed beds.

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

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

(d) Until September 30, 2013, the portion related to long-term care consultation shall be determined according to section 256B.0911, subdivision 6.

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

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

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

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

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

(j) The portion related to career ladder rate adjustments shall be determined under subdivision 65.

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

Sec. 6. Minnesota Statutes 2014, section 256B.441, is amended by adding a subdivision to read:

Subd. 65. **Career ladder rate adjustment.** (a) Effective beginning January 1, 2016, the commissioner shall make available rate adjustments for nursing facilities to implement career ladder wage increases for participants in leadership or apprenticeship programs. These rate adjustments shall be added to the external fixed portion of the rate and must be used for the wage increases and associated costs including the employer's share of FICA

taxes, Medicare taxes, state and federal unemployment taxes, and workers' compensation provided to employees who are participating in, or have completed, leadership training or an apprenticeship program approved by either the commissioner of labor and industry or the commissioner of human services.

(b) Nursing facilities must apply to the commissioner on the forms and according to the timelines specified by the commissioner in order to receive a rate adjustment for the career ladder wage increases. Applications for each rate year beginning on October 1 are due by the previous August 31.

(c) Nursing facilities applying for a rate adjustment for leadership training or apprenticeship programs shall include on the application the estimated number of employees who will be participating in the leadership training or apprenticeship programs during the rate year, the wage increase those employees will be paid as a result of their apprenticeship, and the number of hours they are expected to work.

(d) The maximum rate increase for leadership training or apprenticeship programs shall be computed as the estimated hours times the wage increases divided by the actual resident days from the most recent statistical and cost report.

(e) If the costs from all proposals exceed the appropriation for this purpose, the commissioner shall allocate the money appropriated on a pro rata basis to the applying facilities by reducing the rate adjustment determined for each facility by an equal percentage.

(f) Participating nursing facilities must submit to the commissioner a report after the end of the rate year to determine how much of the rate increase was actually spent on wage increases for leadership training and apprenticeship program participants. The commissioner shall recoup the difference between actual and expected funding from a nursing facility found to have spent less than 90 percent of what the facility had expected to spend based on the rate increase authorized by the commissioner. The commissioner shall not adjust the rate adjustment to reflect the actual cost of wage increases under this subdivision if the actual cost exceeds the estimated cost.

**Sec. 7. APPROPRIATION; LONG-TERM CARE GRANT PROGRAM.**

(a) \$..... in fiscal year 2016 is appropriated from the general fund to the commissioner of employment and economic development for a grant program to further the advancement of long-term care careers. Long-term care employers, Minnesota postsecondary education institutions, and adult training programs may apply to receive grants for the following purposes:

(1) to provide funding for employees to further education opportunities;

(2) conferences;  
(3) to highlight long-term care week;  
(4) to provide hiring incentives to attract employees to the long-term care field;  
(5) to provide leadership training for staff;  
(6) to fund innovative adult training programs that train low-income and  
underemployed individuals;  
(7) to provide mentorship models;  
(8) to fund simulation centers at local community colleges to train employees for  
long-term care careers;  
(9) to support health care education programming; and  
(10) to provide innovative models for employers to implement policies and programs  
to attract and retain employees in the long-term care field.

(b) Eligible organizations must apply to the commissioner of employment and  
economic development for a grant on the forms and according to the timelines established  
by the commissioner. The commissioner shall give preference to long-term care providers,  
including nursing facilities, licensed under Minnesota Statutes, chapter 144A, and  
providers registered as housing with services establishments under Minnesota Statutes,  
chapter 144D.

(c) The commissioner shall publish the grant notice twice per year and make grants  
on October 1 and March 1 of each year the long-term care grant program is funded.

Sec. 8. **APPROPRIATION; LONG-TERM CARE STUDY.**

\$..... in fiscal year 2016 is appropriated from the general fund to the commissioner  
of employment and economic development to study ways in which tax credits or  
hiring incentives can benefit long-term care employers to recruit, retain, and provide  
career ladders to employees in the long-term care field. The commissioner must  
report recommendations to the chairs and ranking minority members of the legislative  
committees with jurisdiction over employment and economic development, health, and  
human services policy and finance by February 1, 2016.

Sec. 9. **APPROPRIATION; WORKFORCE CENTERS.**

\$..... in fiscal year 2016 is appropriated from the general fund to the commissioner  
of employment and economic development for purposes of enhancing or establishing new  
programs within Minnesota Workforce Centers to address the shortage of paid caregivers  
in senior care settings in Minnesota. Programs may include, but are not limited to,  
screening of potential candidates for caregiving careers, promotion of vacant caregiving

positions, training of potential caregivers, and placement of caregivers in nursing facilities,  
housing with services establishments, home care agencies, and adult day centers.

Sec. 10. **APPROPRIATION; NURSE LOAN FORGIVENESS PROGRAM.**

\$260,000 in fiscal year 2016 is appropriated from the general fund to the  
commissioner of health for the nurse loan forgiveness program under Minnesota Statutes,  
section 144.1501. This appropriation is in addition to any previous appropriation for this  
purpose and is added to the program's base.

Sec. 11. **APPROPRIATION; HOME AND COMMUNITY-BASED SERVICES**  
**EMPLOYEE SCHOLARSHIP PROGRAM.**

\$..... in fiscal year 2016 and \$..... in fiscal year 2017 are appropriated from  
the general fund to the commissioner of health for the purposes of the home and  
community-based services employee scholarship program under Minnesota Statutes,  
section 144.1503.

Sec. 12. **APPROPRIATION; CAREER LADDER RATE ADJUSTMENT.**

\$..... in fiscal year 2016 and \$..... in fiscal year 2017 are appropriated from the  
general fund to the commissioner of human services to cover the state share of providing  
career ladder program rate adjustments under Minnesota Statutes, section 256B.441,  
subdivision 65. This appropriation is added to the base for the fiscal 2018-2019 biennium.