

This Document can be made available
in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. **614**

02/05/2015 Authored by Baker, Lillie, Zerwas, Hamilton, Miller and others
The bill was read for the first time and referred to the Committee on Aging and Long-Term Care Policy
02/16/2015 Adoption of Report: Amended and re-referred to the Committee on Greater Minnesota Economic and Workforce Development Policy
03/09/2015 Adoption of Report: Amended and re-referred to the Committee on Health and Human Services Reform
03/19/2015 Adoption of Report: Re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance
03/26/2015 By motion, recalled and re-referred to the Committee on Health and Human Services Finance

1.1 A bill for an act
1.2 relating to long-term care; providing for long-term care workforce needs;
1.3 providing for employee scholarships and loan forgiveness; modifying nursing
1.4 facility rate provisions; appropriating money; amending Minnesota Statutes
1.5 2014, sections 144.1501, subdivisions 1, 2, 3; 256B.431, subdivision 36;
1.6 256B.441, subdivisions 13, 53, by adding a subdivision; proposing coding for
1.7 new law in Minnesota Statutes, chapter 144.

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

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

1.10 Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions
1.11 apply.

1.12 (b) "Dental therapist" means an individual who is licensed as a dental therapist
1.13 under section 150A.06.

1.14 ~~(b)~~ (c) "Dentist" means an individual who is licensed to practice dentistry.

1.15 ~~(e)~~ (d) "Designated rural area" means a city or township that is:

1.16 (1) outside the seven-county metropolitan area as defined in section 473.121,
1.17 subdivision 2; and

1.18 (2) has a population under 15,000.

1.19 ~~(d)~~ (e) "Emergency circumstances" means those conditions that make it impossible
1.20 for the participant to fulfill the service commitment, including death, total and permanent
1.21 disability, or temporary disability lasting more than two years.

1.22 ~~(e)~~ (f) "Medical resident" means an individual participating in a medical residency in
1.23 family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

1.24 ~~(f)~~ (g) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse
1.25 anesthetist, advanced clinical nurse specialist, or physician assistant.

2.1 ~~(g)~~ (h) "Nurse" means an individual who has completed training and received
2.2 all licensing or certification necessary to perform duties as a licensed practical nurse
2.3 or registered nurse.

2.4 ~~(h)~~ (i) "Nurse-midwife" means a registered nurse who has graduated from a program
2.5 of study designed to prepare registered nurses for advanced practice as nurse-midwives.

2.6 ~~(i)~~ (j) "Nurse practitioner" means a registered nurse who has graduated from a
2.7 program of study designed to prepare registered nurses for advanced practice as nurse
2.8 practitioners.

2.9 ~~(j)~~ (k) "Pharmacist" means an individual with a valid license issued under chapter 151.

2.10 ~~(k)~~ (l) "Physician" means an individual who is licensed to practice medicine in
2.11 the areas of family practice, internal medicine, obstetrics and gynecology, pediatrics,
2.12 or psychiatry.

2.13 ~~(l)~~ (m) "Physician assistant" means a person licensed under chapter 147A.

2.14 ~~(m)~~ (n) "Qualified educational loan" means a government, commercial, or foundation
2.15 loan for actual costs paid for tuition, reasonable education expenses, and reasonable living
2.16 expenses related to the graduate or undergraduate education of a health care professional.

2.17 ~~(n)~~ (o) "Underserved urban community" means a Minnesota urban area or population
2.18 included in the list of designated primary medical care health professional shortage areas
2.19 (HPSAs), medically underserved areas (MUAs), or medically underserved populations
2.20 (MUPs) maintained and updated by the United States Department of Health and Human
2.21 Services.

2.22 Sec. 2. Minnesota Statutes 2014, section 144.1501, subdivision 2, is amended to read:

2.23 Subd. 2. **Creation of account.** (a) A health professional education loan forgiveness
2.24 program account is established. The commissioner of health shall use money from the
2.25 account to establish a loan forgiveness program:

2.26 (1) for medical residents agreeing to practice in designated rural areas or underserved
2.27 urban communities or specializing in the area of pediatric psychiatry;

2.28 (2) for midlevel practitioners agreeing to practice in designated rural areas or to
2.29 teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary
2.30 program at the undergraduate level or the equivalent at the graduate level;

2.31 (3) for nurses who agree to practice in a Minnesota nursing home or intermediate
2.32 care facility for persons with developmental disability or to teach at least 12 credit hours,
2.33 or 720 hours per year in the nursing field in a postsecondary program at the undergraduate
2.34 level or the equivalent at the graduate level;

3.1 (4) for other health care technicians agreeing to teach at least 12 credit hours, or 720
3.2 hours per year in their designated field in a postsecondary program at the undergraduate
3.3 level or the equivalent at the graduate level. The commissioner, in consultation with
3.4 the Healthcare Education-Industry Partnership, shall determine the health care fields
3.5 where the need is the greatest, including, but not limited to, respiratory therapy, clinical
3.6 laboratory technology, radiologic technology, and surgical technology;

3.7 (5) for pharmacists who agree to practice in designated rural areas; ~~and~~

3.8 (6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient
3.9 encounters to state public program enrollees or patients receiving sliding fee schedule
3.10 discounts through a formal sliding fee schedule meeting the standards established by
3.11 the United States Department of Health and Human Services under Code of Federal
3.12 Regulations, title 42, section 51, chapter 303-; and

3.13 (7) for dental therapists agreeing to practice in a Minnesota nursing home or
3.14 intermediate care facility for persons with a developmental disability.

3.15 (b) Appropriations made to the account do not cancel and are available until
3.16 expended, except that at the end of each biennium, any remaining balance in the account
3.17 that is not committed by contract and not needed to fulfill existing commitments shall
3.18 cancel to the fund.

3.19 Sec. 3. Minnesota Statutes 2014, section 144.1501, subdivision 3, is amended to read:

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

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

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

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

4.1 Sec. 4. **[144.1503] HOME AND COMMUNITY-BASED SERVICES EMPLOYEE**
4.2 **SCHOLARSHIP PROGRAM.**

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

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

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

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

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

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

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

5.3 Sec. 5. Minnesota Statutes 2014, section 256B.431, subdivision 36, is amended to read:

5.4 Subd. 36. **Employee scholarship costs and training in English as a second**

5.5 **language.** (a) For the period between July 1, 2001, and June 30, 2003, the commissioner
5.6 shall provide to each nursing facility reimbursed under this section, section 256B.434, or
5.7 any other section, a scholarship per diem of 25 cents to the total operating payment rate.

5.8 For the two rate years beginning on or after October 1, 2015, through September 30, 2017,
5.9 the commissioner shall allow a scholarship per diem of up to 25 cents for each requesting
5.10 facility to be added to the external fixed payment rate to be used:

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

5.12 (i) scholarships are available to all employees who work an average of at least ~~20~~
5.13 ten hours per week at the facility except the administrator, ~~department supervisors, and~~
5.14 registered nurses and to reimburse student loan expenses for newly hired and recently
5.15 graduated registered nurses and licensed practical nurses, and training expenses for
5.16 newly hired and recently graduated nursing assistants as defined in section 144A.61,
5.17 subdivision 2; and

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

5.20 (2) to provide job-related training in English as a second language.

5.21 (b) ~~A facility receiving~~ All facilities may annually request a rate adjustment under
5.22 this subdivision ~~may submit~~ by submitting information to the commissioner on a schedule
5.23 ~~determined by the commissioner and on~~ in a form supplied by the commissioner a
5.24 ~~calculation of the scholarship per diem, including: the amount received from this rate~~
5.25 ~~adjustment; the amount used for training in English as a second language; the number of~~
5.26 ~~persons receiving the training; the name of the person or entity providing the training;~~
5.27 ~~and for each scholarship recipient, the name of the recipient, the amount awarded, the~~
5.28 ~~educational institution attended, the nature of the educational program, the program~~
5.29 ~~completion date, and a determination of the per diem amount of these costs based on~~
5.30 actual resident days. The commissioner shall allow a scholarship payment rate equal to
5.31 the reported and allowable costs divided by resident days.

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

5.34 (d) ~~For rate years beginning after June 30, 2003, the commissioner shall provide to~~
5.35 ~~each facility the scholarship per diem determined in paragraph (b). In calculating the per~~

6.1 diem under paragraph (b), the commissioner shall allow ~~only~~ costs related to tuition and,
6.2 direct educational expenses, and reasonable costs as defined by the commissioner for child
6.3 care costs and transportation expenses related to direct educational expenses.

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

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

6.11 Sec. 6. Minnesota Statutes 2014, section 256B.441, subdivision 13, is amended to read:

6.12 Subd. 13. **External fixed costs.** "External fixed costs" means costs related to the
6.13 nursing home surcharge under section 256.9657, subdivision 1; licensure fees under
6.14 section 144.122; until September 30, 2013, long-term care consultation fees under
6.15 section 256B.0911, subdivision 6; family advisory council fee under section 144A.33;
6.16 scholarships under section 256B.431, subdivision 36; nursing assistant training under
6.17 section 144A.611; career ladder rate adjustments under subdivision 65; planned closure
6.18 rate adjustments under section 256B.437; or single bed room incentives under section
6.19 256B.431, subdivision 42; property taxes and property insurance; and PERA.

6.20 Sec. 7. Minnesota Statutes 2014, section 256B.441, subdivision 53, is amended to read:

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

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

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

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

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

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

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

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

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

7.13 (i) The single bed room incentives shall be as determined under section 256B.431,
7.14 subdivision 42. Single bed room incentives that take effect before October 1, 2014, shall
7.15 no longer be included in the payment rate for external fixed costs beginning October 1,
7.16 2016. Single bed room incentives that take effect on or after October 1, 2014, shall no
7.17 longer be included in the payment rate for external fixed costs beginning on October 1 of
7.18 the first year not less than two years after their effective date.

7.19 (j) The portion related to the nursing assistant training costs under section 144A.611
7.20 shall be actual costs divided by resident days.

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

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

7.25 Sec. 8. Minnesota Statutes 2014, section 256B.441, is amended by adding a
7.26 subdivision to read:

7.27 Subd. 65. **Career ladder rate adjustment.** (a) Effective beginning January 1, 2016,
7.28 the commissioner shall make available rate adjustments for nursing facilities to implement
7.29 career ladder wage increases for participants in leadership or apprenticeship programs.
7.30 These rate adjustments shall be added to the external fixed portion of the rate and must be
7.31 used for the wage increases and associated costs, including the employer's share of FICA
7.32 taxes, Medicare taxes, state and federal unemployment taxes, and workers' compensation
7.33 provided to employees who are participating in, or have completed, leadership training or
7.34 an apprenticeship program approved by either the commissioner of labor and industry
7.35 or the commissioner of human services.

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

8.5 (c) Nursing facilities applying for a rate adjustment for leadership training or
8.6 apprenticeship programs shall include on the application the estimated number of
8.7 employees who will be participating in the leadership training or apprenticeship programs
8.8 during the rate year, the wage increase those employees will be paid as a result of their
8.9 apprenticeship, and the number of hours they are expected to work during the year for
8.10 the increase. The maximum rate increase for apprenticeship programs shall be computed
8.11 as the estimated hours times the wage increases divided by the actual resident days from
8.12 the most recent statistical and cost report.

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

8.17 (e) Participating nursing facilities must submit to the commissioner a report after
8.18 the end of the rate year to determine the amount actually spent on wage increases for
8.19 leadership training and apprenticeship program participants. The commissioner shall
8.20 recoup the difference between actual and expected funding from a nursing facility found
8.21 to have spent less than 90 percent of what the facility had expected to spend based on the
8.22 rate increase authorized by the commissioner. The commissioner shall adjust the rate
8.23 adjustment to reflect the actual cost of wage increases under this subdivision if the actual
8.24 cost exceeds the estimated cost.

8.25 **Sec. 9. APPROPRIATION; LONG-TERM CARE GRANT PROGRAM.**

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

- 8.31 (1) to provide funding for employees to further education opportunities;
8.32 (2) conferences;
8.33 (3) to highlight long-term care week;
8.34 (4) to provide hiring incentives to attract employees to the long-term care field;
8.35 (5) to provide leadership training for staff;

- 9.1 (6) to fund innovative adult training programs that train low-income and
9.2 underemployed individuals;
9.3 (7) to provide mentorship models;
9.4 (8) to fund simulation centers at local community colleges to train employees for
9.5 long-term care careers;
9.6 (9) to support health care education programming; and
9.7 (10) to provide innovative models for employers to implement policies and programs
9.8 to attract and retain employees in the long-term care field.

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

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

9.17 Sec. 10. **APPROPRIATION; LONG-TERM CARE STUDY.**

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

9.25 Sec. 11. **APPROPRIATION; WORKFORCE CENTERS.**

9.26 \$...... in fiscal year 2016 is appropriated from the general fund to the commissioner
9.27 of employment and economic development for purposes of enhancing or establishing new
9.28 programs within Minnesota Workforce Centers to address the shortage of paid caregivers
9.29 in senior care settings in Minnesota. Programs may include but are not limited to screening
9.30 of potential candidates for caregiving careers, promotion of vacant caregiving positions,
9.31 training of potential caregivers, and placement of caregivers in nursing facilities, housing
9.32 with services establishments, home care agencies, and adult day centers.

9.33 Sec. 12. **APPROPRIATION; NURSE LOAN FORGIVENESS PROGRAM.**

10.1 \$260,000 in fiscal year 2016 is appropriated from the general fund to the
10.2 commissioner of health for the nurse loan forgiveness program under Minnesota Statutes,
10.3 section 144.1501. This appropriation is in addition to any previous appropriation for this
10.4 purpose and is added to the program's base.

10.5 Sec. 13. **APPROPRIATION; HOME AND COMMUNITY-BASED SERVICES**
10.6 **EMPLOYEE SCHOLARSHIP PROGRAM.**

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

10.10 Sec. 14. **APPROPRIATION; CAREER LADDER RATE ADJUSTMENT.**

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