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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. **162**

01/14/2015 Authored by Nornes, Schomacker and Dettmer

The bill was read for the first time and referred to the Committee on Aging and Long-Term Care Policy

03/05/2015 Adoption of Report: Amended and re-referred to the Committee on Health and Human Services Finance

1.1 A bill for an act  
1.2 relating to human services; providing payment rate increases for certain nursing  
1.3 facilities; amending Minnesota Statutes 2014, section 256B.434, by adding a  
1.4 subdivision.

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

1.6 Section 1. Minnesota Statutes 2014, section 256B.434, is amended by adding a  
1.7 subdivision to read:

1.8 Subd. 4i. **Rate increases for certain facilities in Otter Tail, Rock, Pipestone, and**  
1.9 **Nobles Counties.** Effective October 1, 2015, operating payment rates of four nursing  
1.10 facilities located in Otter Tail County, one licensed for 107 beds, one licensed for 105  
1.11 beds, one licensed for 40 beds, and one licensed for 55 beds; two nursing facilities located  
1.12 in Rock County, one licensed for 51 beds and one licensed for 50 beds; two nursing  
1.13 facilities located in Pipestone County, one licensed for 94 beds and one licensed for 56  
1.14 beds; and two nursing facilities located in Nobles County, one licensed for 30 beds and  
1.15 one licensed for 37 beds; all as of December 31, 2014, that are reimbursed under this  
1.16 section, section 256B.441, or any other section, shall be increased to be equal, for a RUGS  
1.17 rate with a weight of 1.00, to the peer group one median rate for the same RUGS weight.  
1.18 The percentage of the operating payment rate for each facility to be case-mix adjusted  
1.19 shall be equal to the percentage that is case-mix adjusted in that facility's September  
1.20 30, 2015, operating payment rate. In addition, any payments made to an employee's  
1.21 retirement account, limited to the contributions that public employers make under the  
1.22 Public Employees Retirement Association and calculated as costs divided by resident  
1.23 days, shall be included in the external fixed portion of the rate calculated under section  
1.24 256B.441, subdivision 53. All payment limits for these facilities shall be equal to the

2.1 payment limits for facilities in peer group one. If there are future changes to the payment  
2.2 system for nursing homes, these ten facilities shall be considered part of peer group one or  
2.3 Hennepin County for the purposes of any payment limits and the inclusion of retirement  
2.4 costs in the external fixed portion of the rate shall continue. This subdivision shall only  
2.5 apply to an individual facility if it results in a rate increase for that facility.