

9510.2020 MEDICAL CARE SURCHARGE.

Subpart 1. **Nursing homes.** Effective October 1, 1992, and each July 1 after, an annual medical care surcharge of \$535 is levied upon each nursing home bed licensed by the Minnesota Department of Health in nonstate operated nursing homes. Each nonstate operated nursing home must pay the surcharge for those beds licensed in its nursing home as of July 1 of each year, except that if the number of licensed beds is reduced after July 1, but prior to August 1, the surcharge shall be based on the number of remaining licensed beds. A nursing home entitled to a reduction in the number of beds subject to the surcharge under this provision must demonstrate to the satisfaction of the commissioner by August 5 that the number of beds has been reduced. Payments are due in equal monthly installments on the 15th day of each month beginning November 15, 1992. The monthly payment must be equal to the annual surcharge divided by 12. The November 15, 1992, payment shall be based on the number of licensed nursing home beds in the nursing home on July 1, 1992. Beginning July 1, 1993, the surcharge will be based on the number of licensed beds in the nursing home on July 1, 1993, and will change yearly on July 1 based on the then existing number of licensed nursing home beds in that nursing home.

Subp. 2. **Minnesota hospitals.** Effective October 1, 1992, each Minnesota hospital must pay an annual medical care surcharge equal to 1.4 percent of that hospital's net patient revenue, excluding that hospital's net Medicare revenues, as reported to the health care cost information system for the fiscal year two years before the fiscal year ending June 30. This surcharge shall be paid in monthly installments due the 15th of the month, beginning October 15, 1992. The monthly payment must be equal to the annual surcharge divided by 12.

For the purpose of this subpart, the definitions in items A to D apply.

- A. "Fiscal year" has the meaning given in part 4650.0102, subpart 19.
- B. "Health care cost information system" means the reporting system as defined by parts 4650.0102 to 4650.0174.
- C. "Net Medicare revenue" means any patient revenue attributable to the Social Security Act, title XVIII.
- D. "Net patient revenue" has the meaning given "revenue" in part 4650.0102, subpart 36.

Subp. 3. **Health maintenance organizations.** Health maintenance organizations must pay an annual medical care surcharge equal to six-tenths of one percent of the total premium revenues of that health maintenance organization as reported to the commissioner of the Department of Health for the fiscal year two years before the fiscal year ending June 30. This surcharge shall be paid in monthly installments due the 15th day of the month,

beginning October 15, 1992. The monthly payment must be equal to the annual surcharge divided by 12.

For the purposes of this subpart, "total premium revenues" mean:

A. premium revenue recognized on a prepaid basis from individuals and groups for provision of a specified range of health services over a defined period of time, normally one month; and

B. premiums from Medicare wrap-around subscribers for health benefits which supplement Medicare coverage.

If advance payments are made under item A or B to the HMO for more than one reporting period, the portion of the payment that has not yet been earned must be treated as a liability.

Subp. 4. **Installment due date, acceptable postmark.** An installment payment postmarked on or before the 12th of a month satisfies the due date requirement for the 15th day of the month.

Subp. 5. **Closed or closing nursing homes and hospitals.** The medical care surcharge as amended in 1992 does not apply to Minnesota hospitals or nursing homes closed before October 1, 1992.

Nursing homes that close or are in the process of closing after October 1, 1992, are subject to the medical care surcharge for each month after October 1, 1992, in which the home operates and maintains licensed beds.

Minnesota hospitals that close or are in the process of closing after October 1, 1992, are subject to the medical care surcharge until the first month after the hospital is completely closed.

Subp. 6. **Nursing homes and hospitals that change ownership or enter into receivership.** The medical care surcharge continues for nursing homes and Minnesota hospitals that change ownership or enter into receivership.

Subp. 7. **HMOs that cease operation.** HMOs that cease operation after October 1, 1992, are subject to the medical care surcharge until the first month after the HMO completely ceases operation. The medical care surcharge continues for HMOs that merge as long as any of the certificates of authority of the merging HMOs remain in force. If the certificate of authority for a merging HMO no longer remains in force, the medical care surcharge for that HMO will be discontinued.

Subp. 8. **Nursing homes, Minnesota hospitals, and HMOs that begin operations after October 1, 1992.** Nursing homes, Minnesota hospitals, and HMOs that begin

operations after October 1, 1992, are subject to the medical care surcharge under item A, B, or C.

A. The medical care surcharge will apply to a nursing home that begins operation after October 1, 1992, effective on July 1 immediately after the home becomes licensed. The nursing home shall be billed beginning on August 15 for the period of July 1 through July 31.

B. The surcharge for Minnesota hospitals begins the month immediately after the date when data has been reported to the health care cost information system for the fiscal year two years before the year of surcharge.

C. The surcharge for health maintenance organizations begins the month immediately after the date when data have been reported to the commissioner of health for the fiscal year two years before the year of surcharge.

Statutory Authority: *MS s 256.9657; 256B.74*

History: *17 SR 2860; 19 SR 1419*

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