

**256R.531 PATIENT DRIVEN PAYMENT MODEL PHASE-IN.**

Subdivision 1. **PDPM phase-in.** Effective October 1, 2025, through December 31, 2028, for each facility, the commissioner must determine an adjustment to its total payment rate as determined under sections 256R.21 and 256R.27 to phase in the transition from the RUG-IV case mix classification system to the patient driven payment model (PDPM) case mix classification system.

Subd. 2. **Definition.** "Medical assistance facility average case mix index" means the facility average case mix index for the subset of a facility's residents that includes only medical assistance recipients.

Subd. 3. **PDPM phase-in rate adjustment.** A facility's PDPM phase-in rate adjustment to its total payment rate is equal to:

(1) the blended medical assistance case mix adjusted direct care payment rate determined in subdivision 7; minus

(2) the PDPM medical assistance case mix adjusted direct care payment rate determined in section 256R.23, subdivision 7.

Subd. 4. **RUG-IV standardized days and RUG-IV facility case mix index.** (a) Effective October 1, 2025, through December 31, 2027, for each facility, the commissioner must determine the RUG-IV standardized days and RUG-IV medical assistance facility average case mix index.

(b) For the rate year beginning January 1, 2028, only:

(1) for each facility, the commissioner must determine both the RUG-IV facility average case mix index and the RUG-IV medical assistance facility average case mix index using resident days by the case mix classification on the facility's September 30, 2025, Minnesota Statistical and Cost Report; and

(2) for each facility, the commissioner must determine the RUG-IV standardized days by multiplying the facility's resident days on the facility's September 30, 2026, Minnesota Statistical and Cost Report by the facility's RUG-IV facility average case mix index determined under clause (1).

Subd. 5. **RUG-IV medical assistance case mix adjusted direct care payment rate.** The commissioner must determine a facility's RUG-IV medical assistance case mix adjusted direct care payment rate as the product of:

(1) the facility's RUG-IV direct care payment rate determined in section 256R.23, subdivision 7, using the RUG-IV standardized days determined in subdivision 4; and

(2) the corresponding RUG-IV medical assistance facility average case mix index determined in subdivision 4.

Subd. 6. **PDPM medical assistance case mix adjusted direct care payment rate.** The commissioner must determine a facility's PDPM case mix adjusted direct care payment rate as the product of:

(1) the facility's direct care payment rate determined in section 256R.23, subdivision 7; and

(2) the corresponding medical assistance facility average case mix index.

Subd. 7. **Blended medical assistance case mix adjusted direct care payment rate.** The commissioner must determine a facility's blended medical assistance case mix adjusted direct care payment rate as the sum of:

(1) the RUG-IV medical assistance case mix adjusted direct care payment rate determined in subdivision 5 multiplied by the following percentages:

- (i) October 1, 2025, through December 31, 2026, 75 percent;
- (ii) January 1, 2027, through December 31, 2027, 50 percent; and
- (iii) January 1, 2028, through December 31, 2028, 25 percent; and

(2) the PDPm medical assistance case mix adjusted direct care payment rate determined in subdivision 6 multiplied by the following percentages:

- (i) October 1, 2025, through December 31, 2026, 25 percent;
- (ii) January 1, 2027, through December 31, 2027, 50 percent; and
- (iii) January 1, 2028, through December 31, 2028, 75 percent.

Subd. 8. **Expiration.** This section expires January 1, 2029.

**History:** *1Sp2025 c 9 art 1 s 24*