256R.25 EXTERNAL FIXED COSTS PAYMENT RATE.

Subdivision 1. **Determination of external fixed cost payment rate.** The payment rate for external fixed costs is the sum of the amounts in subdivisions 2 to 17.

[See Note.]

Subd. 2. **Provider surcharges.** (a) For a facility licensed as a nursing home, the portion related to the provider surcharge under section 256.9657 is equal to $19.02 per resident day. For a facility licensed as both a nursing home and a boarding care home, the portion related to the provider surcharge under section 256.9657 is equal to $19.02 per resident day multiplied by the result of its number of nursing home beds divided by its total number of licensed beds.

(b) The commissioner must decrease the portion related to the provider surcharge as necessary to conform to decreases in the nursing home license surcharge fee under section 256.9657.

(c) The commissioner must reduce the portion related to the provider surcharge on January 1 for each rate year the surcharge revenue received under section 256.9657, subdivision 1, in the previous state fiscal year is less than the forecasted amount by 15 percent or more. The commissioner's computation must be based on the forecast published most immediately prior to the beginning of the state fiscal year. A reduction of the portion related to the provider surcharge under this paragraph is equal to the difference between the forecasted amount and actual collections divided by total resident days from the most recent cost reports, not to exceed a ten dollar reduction per resident day.

Subd. 3. **Licensure fees.** The portion related to the licensure fee under section 144.122, paragraph (d), is the amount of the fee divided by the sum of the facility's resident days.

Subd. 4. **Advisory councils.** The portion related to development and education of resident and family advisory councils under section 144A.33 is $5 per resident day divided by 365.

Subd. 5. **Scholarships.** The portion related to scholarships is determined under section 256R.37.

Subd. 6. **Planned closures.** The portion related to planned closure rate adjustments is as determined under section 256R.40, subdivision 5, and Minnesota Statutes 2010, section 256B.436.

Subd. 7. **Consolidations.** The portion related to consolidation rate adjustments shall be as determined under section 256R.405.

Subd. 8. **Single-bed rooms.** The portion related to single-bed room incentives is as determined under section 256R.41.

Subd. 9. **Taxes.** The portions related to real estate taxes, special assessments, and payments made in lieu of real estate taxes directly identified or allocated to the nursing facility are the allowable amounts divided by the sum of the facility's resident days. Allowable costs under this paragraph for payments made by a nonprofit nursing facility that are in lieu of real estate taxes shall not exceed the amount which the nursing facility would have paid to a city or township and county for fire, police, sanitation services, and road maintenance costs had real estate taxes been levied on that property for those purposes.

Subd. 10. **Health insurance.** The portion related to employer health insurance costs is the allowable costs divided by the sum of the facility's resident days.

Subd. 11. **Public employees retirement.** The portion related to the Public Employees Retirement Association is the allowable costs divided by the sum of the facility's resident days.

Subd. 12. **Quality improvement incentives.** The portion related to quality improvement incentive payment rate adjustments is the amount determined under section 256R.39.

Subd. 13. **Performance-based incentives.** The portion related to performance-based incentive payments is the amount determined under section 256R.38.

Subd. 14. **Special diets.** The portion related to special dietary needs is the amount determined under section 256R.51.

Subd. 15. **Border city facilities.** The portion related to the rate adjustments for border city facilities is the amount determined under section 256R.481.

Subd. 16. **Critical access facilities.** The portion related to the rate adjustment for critical access nursing facilities is the amount determined under section 256R.47.

Subd. 17. **Nursing home employment standards.** The portion related to the rate adjustment for nursing home employment standards is the amount determined under section 256R.495.

[See Note.]

History: *2016 c 99 art 1 s 20,42; 2016 c 140 s 4; 1Sp2019 c 9 art 4 s 18; 2023 c 61 art 2 s 9; 2025 c 38 art 1 s 27; 1Sp2025 c 9 art 1 s 17*

NOTE: The amendments to subdivisions 1 and 17 by Laws 2025, First Special Session chapter 9, article 1, section 17, are effective upon federal approval. The amendments to subdivision 2 by Laws 2025, First Special Session chapter 9, article 1, section 17, are effective the first day of the month following federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained. Laws 2025, First Special Session chapter 9, article 1, section 17, the effective date.