256R.48 PUBLICLY OWNED FACILITIES.

(a) The commissioner shall allow nursing facilities whose physical plant is owned or whose license is held by a city, county, or hospital district to apply for a higher payment rate under this section if the local governmental entity agrees to pay a specified portion of the nonfederal share of medical assistance costs. Nursing facilities that apply are eligible to select an operating payment rate with a case mix index of 1.0, up to an amount determined by the commissioner to be allowable under the Medicare upper payment limit test. The case mix adjusted rates shall be computed under section 256R.22. The rate increase allowed in this paragraph shall take effect only upon federal approval.

(b) Rates determined under this section shall take effect in accordance with the rate year in section 256R.02, subdivision 41, based on the most recent available cost report.

(c) Eligible nursing facilities that wish to participate under this section shall make an application to the commissioner by September 30 to be allowed participation on the following January 1.

(d) For each participating nursing facility, the public entity that owns the physical plant or is the license holder of the nursing facility shall pay to the state the entire nonfederal share of medical assistance payments received as a result of the difference between the nursing facility's payment rate under this section, and the rates that the nursing facility would otherwise be paid without application of this section under section 256R.21 as determined by the commissioner.

(e) The commissioner may, at any time, reduce the payments under this section based on the commissioner's determination that the payments shall cause nursing facility rates to exceed the state's Medicare upper payment limit or any other federal limitation. If the commissioner determines a reduction is necessary, the commissioner shall reduce all payment rates for participating nursing facilities by a percentage applied to the amount of increase they would otherwise receive under this section and shall notify participating facilities of the reductions. If payments to a nursing facility are reduced, payments under section 256B.19, subdivision 1e, shall be reduced accordingly.

History: *2016 c 99 art 1 s 35*