

256B.5012 ICF/DD PAYMENT SYSTEM IMPLEMENTATION.

Subdivision 1. **Total payment rate.** The total payment rate effective October 1, 2000, for existing ICF/DD facilities is the total of the operating payment rate and the property payment rate plus inflation factors as defined in this section. The initial rate year shall run from October 1, 2000, through December 31, 2001. Subsequent rate years shall run from January 1 through December 31 beginning in the year 2002.

Subd. 2. **Operating payment rate.** (a) The operating payment rate equals the facility's total payment rate in effect on September 30, 2000, minus the property rate. The operating payment rate includes the special operating rate and the efficiency incentive in effect as of September 30, 2000. Within the limits of appropriations specifically for this purpose, the operating payment shall be increased for each rate year by the annual percentage change in the Employment Cost Index for Private Industry Workers - Total Compensation, as forecasted by the commissioner of management and budget's economic consultant, in the second quarter of the calendar year preceding the start of each rate year. In the case of the initial rate year beginning October 1, 2000, and continuing through December 31, 2001, the percentage change shall be based on the percentage change in the Employment Cost Index for Private Industry Workers - Total Compensation for the 15-month period beginning October 1, 2000, as forecast by Data Resources, Inc., in the first quarter of 2000.

(b) Effective October 1, 2000, the operating payment rate shall be adjusted to reflect an occupancy rate equal to 100 percent of the facility's capacity days as of September 30, 2000.

(c) Effective July 1, 2001, the operating payment rate shall be adjusted for the increases in the Department of Health licensing fees that were authorized in section 144.122.

Subd. 3. **Property payment rate.** (a) The property payment rate effective October 1, 2000, is based on the facility's modified property payment rate in effect on September 30, 2000. The modified property payment rate is the actual property payment rate exclusive of the effect of gains or losses on disposal of capital assets or adjustments for excess depreciation claims. Effective October 1, 2000, a facility minimum property rate of \$8.13 shall be applied to all existing ICF/DD facilities. Facilities with a modified property payment rate effective September 30, 2000, which is below the minimum property rate shall receive an increase effective October 1, 2000, equal to the difference between the minimum property payment rate and the modified property payment rate in effect as of September 30, 2000. Facilities with a modified property payment rate at or above the minimum property payment rate effective September 30, 2000, shall receive the modified property payment rate effective October 1, 2000.

(b) Within the limits of appropriations specifically for this purpose, facility property payment rates shall be increased annually for inflation, effective January 1, 2002. The increase shall be based on each facility's property payment rate in effect on September 30, 2000. Modified property payment rates effective September 30, 2000, shall be arrayed from highest to lowest before applying the minimum property payment rate in paragraph (a). For modified property payment rates at the 90th percentile or above, the annual inflation increase shall be zero. For modified property payment rates below the 90th percentile but equal to or above the 75th percentile, the annual inflation increase shall be one percent. For modified property payment rates below the 75th percentile, the annual inflation increase shall be two percent.

Subd. 3a. **Therapeutic leave days.** Notwithstanding Minnesota Rules, part 9505.0415, subpart 7, a vacant bed in an intermediate care facility for persons with developmental disabilities shall be counted as a reserved bed when determining occupancy rates and eligibility for payment of a therapeutic leave day.

Subd. 4. MS 2024 [Repealed, 2026 c 95 art 4 s 42]

Subd. 5. MS 2024 [Repealed, 2026 c 95 art 4 s 42]

Subd. 6. MS 2024 [Repealed, 2026 c 95 art 4 s 42]

Subd. 7. MS 2024 [Repealed, 2026 c 95 art 4 s 42]

Subd. 8. MS 2024 [Repealed, 2026 c 95 art 4 s 42]

Subd. 9. MS 2024 [Repealed, 2026 c 95 art 4 s 42]

Subd. 10. MS 2024 [Repealed, 2026 c 95 art 4 s 42]

Subd. 11. MS 2024 [Repealed, 2026 c 95 art 4 s 42]

Subd. 12. MS 2024 [Repealed, 2026 c 95 art 4 s 42]

Subd. 13. MS 2012 [Repealed, 2013 c 108 art 7 s 64]

Subd. 14. MS 2024 [Repealed, 2026 c 95 art 4 s 42]

Subd. 15. MS 2024 [Repealed, 2026 c 95 art 4 s 42]

Subd. 16. MS 2024 [Repealed, 2026 c 95 art 4 s 42]

Subd. 17. **ICF/DD rate increase effective July 1, 2017; Murray County.** Effective July 1, 2017, the daily rate for an intermediate care facility for persons with developmental disabilities located in Murray County that is classified as a class B facility and licensed for 14 beds is \$400. This increase is in addition to any other increase that is effective on July 1, 2017.

Subd. 18. **ICF/DD rate increases effective January 1, 2022.** (a) For the rate period beginning January 1, 2022, the commissioner must increase operating payments for each facility reimbursed under this section equal to five percent of the operating payment rates in effect on December 31, 2021.

(b) For each facility, the commissioner must apply the rate increase based on occupied beds, using the percentage specified in this subdivision multiplied by the total payment rate, including the variable rate but excluding the property-related payment rate in effect on December 31, 2021. The total rate increase must include the adjustment provided in section 256B.501, subdivision 12.

Subd. 19. **ICF/DD rate increase effective January 1, 2024.** (a) Effective January 1, 2024, the daily operating payment rate for a class A intermediate care facility for persons with developmental disabilities is increased by \$40.

(b) Effective January 1, 2024, the daily operating payment rate for a class B intermediate care facility for persons with developmental disabilities is increased by \$40.

Subd. 20. **ICF/DD minimum daily operating payment rates.** (a) The minimum daily operating payment rate for a class A intermediate care facility for persons with developmental disabilities is \$275.

(b) The minimum daily operating payment rate for a class B intermediate care facility for persons with developmental disabilities is \$316.

Subd. 21. **ICF/DD rate increases after January 1, 2025.** Beginning January 1, 2025, and every year thereafter, the rates under this section must be updated for the percentage change in the Consumer Price Index (CPI-U) from the previous July 1 to the data available 12 months and one day prior.

History: 1999 c 245 art 3 s 33; 1Sp2001 c 9 art 5 s 30; 2002 c 375 art 2 s 42; 2002 c 379 art 1 s 113; 1Sp2003 c 14 art 2 s 38; 1Sp2005 c 4 art 7 s 45; 2006 c 282 art 20 s 27; 2007 c 147 art 7 s 59; 2008 c 363 art 15 s 13; 2009 c 79 art 8 s 71; 2009 c 101 art 2 s 109; 2009 c 159 s 101,102; 2010 c 382 s 50; 1Sp2011 c 9 art 7 s 42-46; 2012 c 247 art 4 s 39; 2013 c 108 art 7 s 46,47; 2013 c 125 art 1 s 107; 2014 c 312 art 27 s 71; 1Sp2017 c 6 art 3 s 26,27; 1Sp2021 c 7 art 13 s 44; 2023 c 61 art 1 s 48-50