

HOUSE RESEARCH

Bill Summary

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Overview

This bill allows pension costs for certain nursing facilities to be treated as PERA contributions. When a facility converts from government to private sector control, PERA contributions are no longer made and a facility incurs new pension benefit costs that are not automatically recognized under the alternative payment system (APS). In general, the APS recognizes only those operating costs that a facility paid at the time of signing the APS contract, plus any inflation adjustments provided by the legislature. This bill would allow these non-PERA pension costs to be recognized in a facility's payment rate as if they were PERA contributions.

Section

1 Payment for pension benefit costs. Amends § 256B.434, by adding subd. 21. For the rate year beginning October 1, 2008, provides that employee pension benefit costs reported by the following nursing facilities shall be treated as Public Employees Retirement Association (PERA) costs when computing payment rates:

- a 58 bed facility in Meeker County
- a 120 bed facility in McLeod County
- a 43 bed facility in Jackson County

Section

- a 54 bed facility in Renville County

Requires the costs to be recalculated each year using existing procedures. Requires the costs to be included in future facility rates.