

# HOUSE RESEARCH

## Bill Summary

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**Subject:** Long-Term Care Provider Rate Increases

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### Overview

This bill provides for payment rate increases for nursing facilities, ICFs/MR, and a variety of community services providers.

#### Section

**1** **Rate increases for October 1, 2011, and October 1, 2012.** Amends § 256B.441, by adding subd. 60. For the rate years beginning October 1, 2011, and October 1, 2012, requires the commissioner to increase nursing facility rates by four percent of the total operating payment rate. Specifies that these adjustments must be applied after the rebasing adjustment.

Paragraph (b) requires 75 percent of the money resulting from the rate increase must be used to increase wages and benefits and pay associated costs for all employees with certain exceptions.

Paragraph (c) allows nursing facilities to apply to the commissioner for the portion of the rate adjustment for employee wages and benefits and associated costs and requires nursing facilities applying for the adjustment to give the commissioner a plan by which the nursing facility will distribute the funds according to paragraph (b); specifies requirements related to nursing facilities in which the employees are represented by an exclusive bargaining representative; and specifies the deadlines for submission and approval of distribution plans.

Paragraph (d) requires a copy of the approved distribution plan to be made available to all employees and specifies the process an employee must follow if the employee does not receive the wage and benefit adjustment described in the facility's approved plan.

- 2 ICF/MR rate increases October 1, 2011, and October 1, 2012.** Amends § 256B.5012, by adding subd. 9. Paragraph (a) provides a three percent operating payment rate increase for ICFs/MR for the rate periods beginning October 1, 2011, and October 1, 2012.

Paragraph (b) requires 75 percent of the money resulting from the rate increase to be used to increase wages and benefits and pay associated costs for all employees with certain exceptions. Allows the wage adjustment to vary based on merit, seniority, or other factors determined by the provider.

Paragraph (c) provides for an adjustment for each facility based on occupied beds. Requires the total payment rate to include the salary adjustments.

Paragraph (d) makes facilities that meet certain criteria ineligible for the adjustment granted under this subdivision.

Paragraph (e) allows facilities to apply for the payment rate adjustment for employee wages and associated costs and requires facilities applying for the adjustment to give the commissioner a plan by which the facility will distribute the funds according to paragraph (b); specifies requirements related to facilities in which the employees are represented by an exclusive bargaining representative; and specifies the deadlines for submission of distribution plans.

Paragraph (f) requires a copy of the approved distribution plan to be made available to all employees and specifies the process an employee must follow if the employee does not receive the wage and benefit adjustment described in the facility's approved plan.

- 3 Community services provider rate increases.** Paragraph (a) requires the commissioner to increase reimbursement rates or rate limits, as applicable, by three percent for the rate periods beginning October 1, 2011, and October 1, 2012, effective for services rendered on or after those dates.

Paragraph (b) specifies the providers the three percent annual rate increase must be provided to under this section.

Paragraph (c) requires providers who receive a rate increase under this section to use 75 percent of the additional revenue to increase wages and benefits and pay associated costs for all employees with certain exceptions.

Paragraph (d) specifies for public employees that the increase for wages and benefits for certain staff is available only to the extent that they comply with laws governing public employees' collective bargaining. Requires money received by a provider for pay increases under this section to only be used for increases implemented on or after the first day of the rate period in which the increase is available.

Paragraph (e) requires a copy of the distribution plan to be made available to all employees and specifies the process an employee must follow if the employee does not receive the wage and benefit adjustment described in the provider's plan.

Paragraph (f) requires the commissioner and each county agency to take steps necessary to implement the increases required by this section on the dates specified, and the increases must be effective on the dates specified, regardless of the client's service authorization date and notwithstanding the terms of any provider contract, service agreement, or schedule that

limits when a county may increase payment rates.