

HF190 - 0 - "Golden Valley Nurse Operating Fee"

Chief Author: **Mike Freiberg**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/09/2015**
 Agency: Human Services Dept

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	263	394	396	398	
Total	-	263	394	396	398	398
Biennial Total			657			794

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	-	-	-	-
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Susan Earle Date: 3/9/2015 8:56:17 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	263	394	396	398	398
Total		-	263	394	396	398
Biennial Total				657		794
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	263	394	396	398	398
Total		-	263	394	396	398
Biennial Total				657		794
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

This proposal is to provide an operating rate increase for Courage Kenney Rehabilitation Institute in Golden Valley. The proposed increase would allow this facility to receive operating rates up to fully-rebased costs without application of limits in 256B.441, subdivisions 50 and 51, or phase-in of rebasing in subdivision 55.

Assumptions

- The effective date of the rate adjustments in this bill is October 1, 2015.
- Minnesota's first fiscal year related to this bill ends on June 30, 2016.
- Payment for services lags the provision of services by one month.
- The state share of costs is determined by amounts paid by other governmental units, i.e.; the base federal share is 50.5% of the total; a small amount of payments are eligible for higher federal rates; the county share is estimated to be 2.3% of the non-federal share; the state share is the total minus the federal share and county share.
- The adjusted costs reflects a projected 0.33% increase in case-mix acuity/RUGs level each year.
- The COLA rate increase effective 10/1/2015 (MN Statute 256B.434, Subd. 19b) and the minimum wage rate increase (MN Statute 256B.441, Subd. 64) will not be repealed this session.
- The number of Medicaid days will remain the same each year for this facility through FY2019.

Expenditure and/or Revenue Formula

Operating rates without limits were determined using costs and days as reported on the September 30, 2013 cost report. Direct care, other care and other operating costs are as defined in 256B.441; limits in these sections are not applied. The 3.2% rate increase as specified in 256B.434, subdivision 19b was added to the current rates before

subtracting from the proposed fully-rebased operating rates. The difference was multiplied by the Medicaid days (based upon the 9/30/13 cost report) for each RUGs class to determine the Medicaid cost. The increases for each RUGs class were summed to determine the total estimated cost of this proposal.

Fiscal Tracking Summary (\$000s)						
Fund	BACT	Description	FY2016	FY2017	FY2018	FY2019
GF	33	NF operating rate increases	263	394	396	398
		Total Net Fiscal Impact	263	394	396	398
		Full Time Equivalents	0	0	0	0

Long-Term Fiscal Considerations

This is an ongoing rate adjustment.

Local Fiscal Impact

There is a county share associated with this bill. The county share of Medical Assistance nursing facility payments is about 1.1%

References/Sources

Nursing facility 2013 Medicaid Cost Report and DHS nursing facility rate files, Minnesota Statutes

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