

1.1 ..... moves to amend H.F. No. 4579, the delete everything amendment  
1.2 (A22-0415), as follows:

1.3 Page 221, after line 27, insert:

1.4 "Sec. .... Minnesota Statutes 2020, section 256R.02, subdivision 16, is amended to read:

1.5 Subd. 16. **Dietary costs.** "Dietary costs" means the costs for ~~the salaries and wages of~~  
1.6 ~~the dietary supervisor, dietitians, chefs, cooks, dishwashers, and other employees assigned~~  
1.7 ~~to the kitchen and dining room, and associated fringe benefits and payroll taxes. Dietary~~  
1.8 ~~costs also includes~~ the salaries or fees of dietary consultants, dietary supplies, and food  
1.9 preparation and serving.

1.10 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
1.11 2024, or upon federal approval, whichever occurs later. The commissioner of human services  
1.12 shall inform the revisor of statutes when federal approval is obtained.

1.13 Sec. .... Minnesota Statutes 2020, section 256R.02, is amended by adding a subdivision  
1.14 to read:

1.15 Subd. 16a. **Dietary labor costs.** "Dietary labor costs" means the costs for the salaries  
1.16 and wages of the dietary supervisor, dietitians, chefs, cooks, dishwashers, and other  
1.17 employees assigned to the kitchen and dining room, and associated fringe benefits and  
1.18 payroll taxes.

1.19 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
1.20 2024, or upon federal approval, whichever occurs later. The commissioner of human services  
1.21 shall inform the revisor of statutes when federal approval is obtained.

2.1 Sec. .... Minnesota Statutes 2020, section 256R.02, subdivision 24, is amended to read:

2.2 Subd. 24. **Housekeeping costs.** "Housekeeping costs" means ~~the costs for the salaries~~  
2.3 ~~and wages of the housekeeping supervisor, housekeepers, and other cleaning employees~~  
2.4 ~~and associated fringe benefits and payroll taxes. It also includes~~ the cost of housekeeping  
2.5 supplies, including, but not limited to, cleaning and lavatory supplies and contract services.

2.6 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
2.7 2024, or upon federal approval, whichever occurs later. The commissioner of human services  
2.8 shall inform the revisor of statutes when federal approval is obtained.

2.9 Sec. .... Minnesota Statutes 2020, section 256R.02, is amended by adding a subdivision  
2.10 to read:

2.11 Subd. 24a. **Housekeeping labor costs.** "Housekeeping labor costs" means the costs for  
2.12 the salaries and wages of the housekeeping supervisor, housekeepers, and other cleaning  
2.13 employees, and associated fringe benefits and payroll taxes.

2.14 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
2.15 2024, or upon federal approval, whichever occurs later. The commissioner of human services  
2.16 shall inform the revisor of statutes when federal approval is obtained.

2.17 Sec. .... Minnesota Statutes 2020, section 256R.02, is amended by adding a subdivision  
2.18 to read:

2.19 Subd. 25b. **Known cost change factor.** "Known cost change factor" means 1.00 plus  
2.20 the forecasted percentage change in the CPI-U index from July 1 of the reporting period to  
2.21 July 1 of the rate year as determined by the national economic consultant used by the  
2.22 commissioner of management and budget.

2.23 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
2.24 2024, or upon federal approval, whichever occurs later. The commissioner of human services  
2.25 shall inform the revisor of statutes when federal approval is obtained.

2.26 Sec. .... Minnesota Statutes 2020, section 256R.02, subdivision 26, is amended to read:

2.27 Subd. 26. **Laundry costs.** "Laundry costs" means the costs ~~for the salaries and wages~~  
2.28 ~~of the laundry supervisor and other laundry employees, associated fringe benefits, and~~  
2.29 ~~payroll taxes. It also includes the costs~~ of linen and bedding, the laundering of resident  
2.30 clothing, laundry supplies, and contract services.

3.1 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
 3.2 2024, or upon federal approval, whichever occurs later. The commissioner of human services  
 3.3 shall inform the revisor of statutes when federal approval is obtained.

3.4 Sec. .... Minnesota Statutes 2020, section 256R.02, is amended by adding a subdivision  
 3.5 to read:

3.6 Subd. 26a. **Laundry labor costs.** "Laundry labor costs" means the costs for the salaries  
 3.7 and wages of the laundry supervisor and other laundry employees, and associated fringe  
 3.8 benefits and payroll taxes.

3.9 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
 3.10 2024, or upon federal approval, whichever occurs later. The commissioner of human services  
 3.11 shall inform the revisor of statutes when federal approval is obtained.

3.12 Sec. .... Minnesota Statutes 2020, section 256R.02, subdivision 29, is amended to read:

3.13 Subd. 29. **Maintenance and plant operations costs.** "Maintenance and plant operations  
 3.14 costs" means ~~the costs for the salaries and wages of the maintenance supervisor, engineers,~~  
 3.15 ~~heating-plant employees, and other maintenance employees and associated fringe benefits~~  
 3.16 ~~and payroll taxes. It also includes~~ identifiable costs for maintenance and operation of the  
 3.17 building and grounds, including, but not limited to, fuel, electricity, medical waste and  
 3.18 garbage removal, water, sewer, supplies, tools, and repairs.

3.19 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
 3.20 2024, or upon federal approval, whichever occurs later. The commissioner of human services  
 3.21 shall inform the revisor of statutes when federal approval is obtained.

3.22 Sec. .... Minnesota Statutes 2020, section 256R.02, is amended by adding a subdivision  
 3.23 to read:

3.24 Subd. 29a. **Maintenance and plant operations labor costs.** "Maintenance and plant  
 3.25 operations labor costs" means the costs for the salaries and wages of the maintenance  
 3.26 supervisor, engineers, heating-plant employees, and other maintenance employees, and  
 3.27 associated fringe benefits and payroll taxes.

3.28 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
 3.29 2024, or upon federal approval, whichever occurs later. The commissioner of human services  
 3.30 shall inform the revisor of statutes when federal approval is obtained.

4.1 Sec. .... Minnesota Statutes 2020, section 256R.02, subdivision 34, is amended to read:

4.2 Subd. 34. **Other care-related costs.** "Other care-related costs" means the sum of activities  
4.3 costs, other direct care costs, raw food costs, dietary labor costs, housekeeping labor costs,  
4.4 laundry labor costs, maintenance and plant operations labor costs, therapy costs, and social  
4.5 services costs.

4.6 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
4.7 2024, or upon federal approval, whichever occurs later. The commissioner of human services  
4.8 shall inform the revisor of statutes when federal approval is obtained.

4.9 Sec. .... Minnesota Statutes 2020, section 256R.23, subdivision 2, is amended to read:

4.10 Subd. 2. **Calculation of direct care cost per standardized day.** Each facility's direct  
4.11 care cost per standardized day is the product of the facility's direct care costs and the known  
4.12 cost change factor, divided by the sum of the facility's standardized days. A facility's direct  
4.13 care cost per standardized day is the facility's cost per day for direct care services associated  
4.14 with a case mix index of 1.00.

4.15 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
4.16 2024, or upon federal approval, whichever occurs later. The commissioner of human services  
4.17 shall inform the revisor of statutes when federal approval is obtained.

4.18 Sec. .... Minnesota Statutes 2020, section 256R.23, subdivision 3, is amended to read:

4.19 Subd. 3. **Calculation of other care-related cost per resident day.** Each facility's other  
4.20 care-related cost per resident day is the product of its other care-related costs and the known  
4.21 cost change factor, divided by the sum of the facility's resident days.

4.22 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
4.23 2024, or upon federal approval, whichever occurs later. The commissioner of human services  
4.24 shall inform the revisor of statutes when federal approval is obtained.

4.25 Sec. .... Minnesota Statutes 2020, section 256R.24, subdivision 1, is amended to read:

4.26 Subdivision 1. **Determination of other operating cost per day.** Each facility's other  
4.27 operating cost per day is the product of its other operating costs and the known cost change  
4.28 factor, divided by the sum of the facility's resident days.

4.29 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
4.30 2024, or upon federal approval, whichever occurs later. The commissioner of human services  
4.31 shall inform the revisor of statutes when federal approval is obtained.

5.1 Sec. .... Minnesota Statutes 2020, section 256R.25, is amended to read:

5.2 **256R.25 EXTERNAL FIXED COSTS PAYMENT RATE.**

5.3 (a) The payment rate for external fixed costs is the sum of the amounts in paragraphs  
5.4 (b) to (o).

5.5 (b) For a facility licensed as a nursing home, the portion related to the provider surcharge  
5.6 under section 256.9657 is equal to \$8.86 per resident day. For a facility licensed as both a  
5.7 nursing home and a boarding care home, the portion related to the provider surcharge under  
5.8 section 256.9657 is equal to \$8.86 per resident day multiplied by the result of its number  
5.9 of nursing home beds divided by its total number of licensed beds.

5.10 (c) The portion related to the licensure fee under section 144.122, paragraph (d), is the  
5.11 amount of the fee divided by the sum of the facility's resident days.

5.12 (d) The portion related to development and education of resident and family advisory  
5.13 councils under section 144A.33 is \$5 per resident day divided by 365.

5.14 (e) The portion related to scholarships is determined under section 256R.37.

5.15 (f) The portion related to planned closure rate adjustments is as determined under section  
5.16 256R.40, subdivision 5, and Minnesota Statutes 2010, section 256B.436.

5.17 (g) The portion related to consolidation rate adjustments shall be as determined under  
5.18 section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d.

5.19 (h) The portion related to single-bed room incentives is as determined under section  
5.20 256R.41.

5.21 (i) The portions related to real estate taxes, special assessments, and payments made in  
5.22 lieu of real estate taxes directly identified or allocated to the nursing facility are the allowable  
5.23 amounts divided by the sum of the facility's resident days. Allowable costs under this  
5.24 paragraph for payments made by a nonprofit nursing facility that are in lieu of real estate  
5.25 taxes shall not exceed the amount which the nursing facility would have paid to a city or  
5.26 township and county for fire, police, sanitation services, and road maintenance costs had  
5.27 real estate taxes been levied on that property for those purposes.

5.28 (j) The portion related to employer health insurance costs is the product of the allowable  
5.29 costs and the known cost change factor, divided by the sum of the facility's resident days.

5.30 (k) The portion related to the Public Employees Retirement Association is the allowable  
5.31 costs divided by the sum of the facility's resident days.

6.1 (l) The portion related to quality improvement incentive payment rate adjustments is  
6.2 the amount determined under section 256R.39.

6.3 (m) The portion related to performance-based incentive payments is the amount  
6.4 determined under section 256R.38.

6.5 (n) The portion related to special dietary needs is the amount determined under section  
6.6 256R.51.

6.7 (o) The portion related to the rate adjustments for border city facilities is the amount  
6.8 determined under section 256R.481.

6.9 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
6.10 2024, or upon federal approval, whichever occurs later. The commissioner of human services  
6.11 shall inform the revisor of statutes when federal approval is obtained."

6.12 Page 222, after line 28, insert:

6.13 "Sec. .... Minnesota Statutes 2020, section 256S.201, subdivision 3, is amended to read:

6.14 Subd. 3. **Customized living service rates.** The authorized rates for customized living  
6.15 services and 24-hour customized living services must be based on the amount of component  
6.16 services to be provided utilizing component rates established ~~by the commissioner~~ in section  
6.17 256S.215. Counties and tribes shall use tools issued by the commissioner to develop and  
6.18 document customized living service plans and rates.

6.19 **EFFECTIVE DATE.** This section is effective January 1, 2023, or upon federal approval,  
6.20 whichever occurs later. The commissioner of human services shall inform the revisor of  
6.21 statutes when federal approval is obtained."

6.22 Page 223, line 3, strike "256S.2101" and insert "256S.211"

6.23 Page 223, after line 29, insert:

6.24 "Sec. .... Minnesota Statutes 2020, section 256S.211, is amended by adding a subdivision  
6.25 to read:

6.26 Subd. 1a. **Updating base wages.** Each January 1, the commissioner must update the  
6.27 base wages under section 256S.212 based on the most recently available Minneapolis-St.  
6.28 Paul-Bloomington, MN-WI MetroSA average wage data from the Bureau of Labor Statistics.

6.29 **EFFECTIVE DATE.** This section is effective January 1, 2023, or upon federal approval,  
6.30 whichever occurs later. The commissioner of human services shall inform the revisor of  
6.31 statutes when federal approval is obtained."

7.1 Page 227, line 27, after the period, insert "The commissioner must update the payroll  
7.2 taxes and benefits factor each January 1."

7.3 Page 234, after line 22, insert:

7.4 "Sec. .... **DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES;**  
7.5 **PARTIAL YEAR RATE ADJUSTMENTS.**

7.6 (a) On July 1, 2022, the commissioner shall update the base wage indices in Minnesota  
7.7 Statutes, section 256S.212, based on the most recently available Minneapolis-St.  
7.8 Paul-Bloomington, MN-WI MetroSA average wage data from the Bureau of Labor Statistics.

7.9 (b) On July 1, 2022, the commissioner shall update the payroll tax and benefit factor in  
7.10 Minnesota Statutes, section 256S.213, subdivision 1, based on the most recently available  
7.11 nursing facility cost report data.

7.12 **EFFECTIVE DATE.** This section is effective July 1, 2022, or upon federal approval,  
7.13 whichever occurs later. The commissioner of human services shall inform the revisor of  
7.14 statutes when federal approval is obtained.

7.15 Sec. .... **NURSING FACILITY FUNDING.**

7.16 (a) Effective July 1, 2022, through December 31, 2024, the total payment rate for all  
7.17 facilities reimbursed under this section shall be increased by \$52.11 per resident day.

7.18 (b) To be eligible to receive a payment under this section, a nursing facility must attest  
7.19 to the commissioner of human services that the additional revenue will be used exclusively  
7.20 to increase compensation-related costs for employees directly employed by the facility on  
7.21 or after July 1, 2022, except:

7.22 (1) owners of the building and operation;

7.23 (2) persons employed in the central office of an entity that has any ownership interest  
7.24 in the nursing facility or exercises control over the nursing facility; and

7.25 (3) persons paid by the nursing facility under a management or vendor contract.

7.26 (c) Contracted housekeeping, dietary, and laundry employees providing services on site  
7.27 at the nursing facility are eligible for increases under this section as long as the agency that  
7.28 employs them submits to the nursing facility proof of the costs of increases provided to  
7.29 those employees that comply with paragraph (d).

7.30 (d) For purposes of this section, compensation-related costs include:

8.1 (1) permanent new increases to wages and salaries implemented after July 1, 2022, and  
 8.2 paid out to employees no later than December 31, 2024; and

8.3 (2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment  
 8.4 taxes, PERA, workers' compensation, and pension and employee retirement accounts directly  
 8.5 associated with the wage and salary increases in clause (1), incurred and paid for no later  
 8.6 than December 31, 2024.

8.7 (e) No later than September 1, 2022, a facility that receives a rate increase under this  
 8.8 section must: (1) prepare a distribution plan that specifies the total amount of money the  
 8.9 facility expects to receive and how that money will be distributed to increase the allowable  
 8.10 wages and salaries in paragraphs (b) and (c); and (2) post the distribution plan and leave it  
 8.11 posted for a period of at least six months in an area of the facility to which all employees  
 8.12 have access. The posted distribution plan must include instructions for employees who  
 8.13 believe they have not received the compensation-related cost increases specified in paragraph  
 8.14 (d), and the plan must include the e-mail address and the telephone number that may be  
 8.15 used by the employee to contact the commissioner or the commissioner's representative. A  
 8.16 facility that receives a rate increase under this section must submit a copy of its distribution  
 8.17 plan to the commissioner by October 1, 2022.

8.18 (f) If the nursing facility expends less on new compensated-related costs than the amount  
 8.19 that was made available by this rate increase for that purpose, the amount of this rate  
 8.20 adjustment shall be reduced to equal the amount utilized by the facility for purposes  
 8.21 authorized under this section. If the facility fails to post the distribution plan in their facility  
 8.22 as required, fails to submit their distribution plan to the commissioner by the due date, or  
 8.23 uses these funds for unauthorized purposes, these rate increases must be treated as an  
 8.24 overpayment and subsequently recovered.

8.25 (g) The commissioner shall not treat payments received under this section as an applicable  
 8.26 credit for purposes of setting total payment rates under Minnesota Statutes, chapter 256R."

8.27 Page 389, line 5, delete "308,379,000" and insert "441,321,000"

8.28 Page 389, line 8, delete "401,851,000" and insert "534,793,000"

8.29 Page 389, line 15, delete "96,197,000" and insert "96,366,000"

8.30 Page 392, line 5, delete "177,000" and insert "467,000"

8.31 Page 394, line 2, delete "(56,603,000)" and insert "76,339,000"

8.32 Renumber the sections in sequence and correct the internal references