Overview

This bill moves certain counties from geographic group II to geographic group III, for purposes of nursing facility reimbursement. The bill also allows the commissioner to negotiate higher rates with nursing facilities that have high operating costs relative to their per diem payments.

1  **Operating costs, after July 1, 1985.** Amends § 256B.431, subd. 2b. Moves Chisago, Isanti, Sherburne, and Wright counties from geographic group II to geographic group III, for purposes of nursing facility reimbursement, and makes a conforming change. (This provision has the effect of providing higher limits for calculation of a facility's efficiency incentive.)

2  **Negotiated rate increases.** Amends § 256B.431, by adding subd. 28. Allows the commissioner, for rate years beginning on or after July 1, 1999, to negotiate rate increases with nursing facilities reimbursed under either the cost-based or contract systems. To be eligible, facilities must have an operating cost per diem at or below the median, and have operating costs that are high in relation to per diem payments. Sets application and other requirements for negotiated rates.

3  **Appropriation.** Appropriates money from the general fund to the commissioner of human services for the next biennium, for purposes of sections 1 and 2.