Overview

This bill allows nursing facilities to lay away beds for up to five years, and makes related changes in nursing facility reimbursement. This bill also allows facilities that delicense beds to request rate adjustments

1 **Licensed beds on layaway status.** Amends § 144A.071, by adding subd. 4b. Allows nursing facilities to lay away licensed and certified beds, with 60 day written notice to the commissioners of health and human services. Specifies that beds on layaway have the same status as voluntarily delicensed and decertified beds, and are exempt from license and license surcharge fees. Allows beds to remain on layaway for up to five years, and to be relicensed and recertified beginning one year after the effective date of the layaway with 60 day notice to the commissioner of health. Prohibits facilities that relicense and recertify beds from placing beds on layaway for one year.

2 **Changes to nursing facility reimbursement beginning July 1, 2000.** Amends § 256B.431, by adding subd. 29. (a) For rate years beginning on or after July 1, 2000, excludes layaway beds from being counted when determining capacity days for facilities reimbursed under the cost-based system and adjusts the rental per diem to reflect the reduced number of beds.
   (b) For facilities reimbursed under the alternative payment system that have placed beds on layaway status, adjusts the payment rate to reflect the reduced number of beds.
   (c) If a facility removes a bed from layaway status, requires the commissioner to establish capacity days based on the number of beds not on layaway status and reduce the facility's property payment rate.
   (d) Allows facilities reimbursed under the alternative payment system to have their property payment rate adjusted when beds are delicensed.
   (e) Requires beds in layaway status to be excluded when determining whether a facility qualifies for payment for leave days. (Under current rule, a facility must maintain an average occupancy
(f) Specifies that the rental rate calculated after placing beds on layaway status cannot be less than the rental rate prior to placing beds on layaway status.

(g) Requires a nursing facility receiving a rate adjustment to provide residents with 30 day written notice of rate increases.

3 Rate adjustment related to bed delicensure. Amends § 256B.431, by adding subd. 30. (a) Allows a facility planning to delicense beds to request an increase in its operating cost per diem if capacity will be reduced by 25 percent or more and no residents will be discharged as a result of the delicensure. Allows the commissioner to negotiate an increase of up to 10 percent, and provides that the adjustment takes effect upon bed delicensure, but no earlier than July 1, 2000. (b) In reviewing requests, allows the commissioner to consider any alternative use for the vacant space, community need, and community support. (c) Allows the commissioner to implement rate increases for up to five facilities during the rate year beginning July 1, 2000, and up to ten facilities during the rate year beginning July 1, 2001. For the first rate year, requires the commissioner to give priority to proposals submitted by June 30, 2000.

4 Rate adjustment related to bed delicensure. Amends § 256B.434, by adding subd. 4b. Allows facilities reimbursed under the alternative payment system to apply for and receive rate adjustments related to bed delicensure.