Overview

This bill establishes a closure process for nursing facilities that allows savings to be reallocated through special rate adjustments and interim closure payments.

1. **Closure plans.** Adds § 256B.436.
   - **Subd. 1. Definitions.** Defines terms.
   - **Subd. 2. Proposal for a closure plan.** (a) Allows one or more nursing facilities owned or operated by a nonprofit corporation owning or operating more than 22 nursing facilities in the state to submit closure plans to the commissioner of human services.
   - (b) Allows facilities reimbursed under the cost-based or alternative payment system that have an approved closure plan to be eligible for interim closure payments (if the facility is designated for closure) or special rate adjustments (if the facility will remain open).
   - (c) Requires proposals to include: (1) a description of the closure plan, including information on the facilities to receive special rate adjustments and the amount and timing of the adjustments; (2) an analysis of projected state MA costs of the plan; (3) an analysis of projected state MA savings of the plan; (4) a proposed timetable for facility closures; (5) the proposed relocation plan for residents; and (6) documentation that facilities receiving a rate adjustment have accepted liability for recovery of overpayments to facilities designated for closure.

2. **Subd. 3. Phased closure plans.** Allows a proposal for a phased plan to include more than one closure, and establishes other requirements for phased plans.

3. **Subd. 4. Review and approval of proposals.** (a) Allows the commissioner to grant interim closure payments or special rate adjustments according to an approved plan. Requires the projected state savings of a plan to equal or exceed state costs. Specifies that special rate adjustments are effective no earlier than the first day of the month following facility closure, and no earlier than July 1, 2000.
(b) Requires the commissioner to provide copies of proposals to the commissioner of health, and requires the commissioner of health to certify whether a proposal will satisfy the requirements related to notice of closure and relocation of residents. Prohibits the commissioner of human services from approving a plan that has not been certified.

(c) Requires the commissioner to review proposals for a closure plan and make a determination within 60 days of submittal. Establishes procedures for review.

(d) Specifies that approval of a closure plan expires 18 months after approval, unless commencement of closure has occurred at all facilities designated for closure.

Subd. 5. Interim closure payments. Establishes the methodology for interim payments for facilities designated for closure under an approved plan.


Subd. 7. Other rate adjustments. Specifies that facilities subject to this section remain eligible for any applicable rate adjustments provided under provisions governing the cost-based and alternative payment systems, and any other relevant provision of law, unless they are receiving an interim closure payment.

2 Moratorium exception process. Requires the commissioner of health, when approving nursing home moratorium exception projects, to give priority to a project to build a replacement facility in the city of Anoka or in Anoka county within 10 miles of that city.

3 Report. Requires the commissioners of health and human services, by January 15, 2001, to present recommendations related to the closure process, including a recommendation on the advisability of funding projects that are not budget neutral, to the health and human services policy committees of the house and senate.

4 Relocation study. Requires the commissioner of health, in consultation with specified groups, to study and report to the legislature by January 15, 2001, on laws and rules governing relocation of nursing facility and boarding care home residents, including the impact on residents of relocations occurring under section 256B.436.

5 Effective date. Provides that section 1 is effective the day following final enactment, and applies to nursing homes that give notice of closure to the commissioner of health on or after February 25, 2000.