

Subject Nursing Facility Payment Rates

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Overview

This bill modifies the external fixed costs portion of the nursing facility payment rates by creating an add-on for certain border city facilities. Under current law, there is an exemption to the operating payment rate for a facility in Breckenridge. That provision is repealed in this bill and the Breckenridge facility is included in the new add-on in external fixed costs.

The Medical Assistance (MA) program reimburses nursing facilities for services provided to low-income elderly and disabled persons who meet income and asset limits and other eligibility requirements. The Minnesota Department of Human Services (DHS) administers the MA reimbursement system for nursing facilities and establishes the reimbursement rates for each facility.

MA reimburses nursing facilities for operating costs, external fixed costs, and property costs.

Summary

Section	Description
1	External fixed costs. Amends § 256R.02, subd. 19. Adds the add-on for border city facilities to the definition of “external fixed costs.”
2	External fixed costs payment rate. Amends § 256R.25. Adds the border city facilities adjustment to the external fixed costs payment rate.
3	Rate adjustments for border city facilities. Creates § 256R.481. Allows certain nonprofit nursing facilities located in Breckenridge and Moorhead to apply to the commissioner once annually for a rate add-on to the external fixed costs payment rate, specifies application timelines, and specifies how the

Section	Description
	add-on is calculated. Makes this add-on effective for rate years beginning on or after January 1, 2021.
4	Repealer. Repeals Minnesota Statutes, section 256R.53, subdivision 2 (facility specific exemptions; nursing facility in Breckenridge), effective December 31, 2020.



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