

1.1 A bill for an act

1.2 relating to human services; requiring certain pension benefit costs to be  
1.3 recognized for purposes of calculating nursing facility payment rates; amending  
1.4 Minnesota Statutes 2007 Supplement, section 256B.434, subdivision 20.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2007 Supplement, section 256B.434, subdivision 20,  
1.7 is amended to read:

1.8 Subd. 20. **Payment of Public Employees Retirement Association costs.** (a)

1.9 Nursing facilities that participate in the Public Employees Retirement Association (PERA)  
1.10 shall have the component of their payment rate associated with the costs of PERA  
1.11 determined for each rate year. Effective for rate years beginning on and after October  
1.12 1, 2007, the commissioner shall determine the portion of the payment rate in effect on  
1.13 September 30 each year and shall subtract that amount from the payment rate to be  
1.14 effective on the following October 1. The portion that shall be deemed to be included in  
1.15 the September 30, 2007, rate that is associated with PERA costs shall be the allowed costs  
1.16 in the facility's base for determining rates under this section, divided by the resident days  
1.17 reported for that year. The commissioner shall add to the payment rate to be effective on  
1.18 October 1 each year an amount equal to the reported costs associated with PERA, for the  
1.19 year ending on the most recent September 30 for which data is available, divided by total  
1.20 resident days for that year, as reported by the facility and audited under section 256B.441.

1.21 (b) For the rate years beginning on and after October 1, 2008, the following nursing  
1.22 facilities shall have their employee pension benefit costs reported on their statistical and  
1.23 cost report treated as Public Employees Retirement Association (PERA) contributions for  
1.24 the purpose of computing payment rates under this section and section 256B.441:

**S.F. No. 2884, 1st Engrossment - 2007-2008th Legislative Session (2007-2008)**

- 2.1           (1) a facility in Meeker County that was licensed for 58 beds as of December 1, 2007;  
2.2           (2) a facility in McLeod County that was licensed for 120 beds as of December  
2.3           1, 2007;  
2.4           (3) a facility in Jackson County that was licensed for 43 beds as of December 1,  
2.5           2007; and  
2.6           (4) a facility in Pennington County that was licensed for 52 beds as of December  
2.7           1, 2007.