

1.1 A bill for an act

1.2 relating to human services; allowing rate increase for nursing facility in Kanabec
1.3 County; amending Minnesota Statutes 2006, section 144A.071, subdivision 4c.

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

1.5 Section 1. Minnesota Statutes 2006, section 144A.071, subdivision 4c, is amended to
1.6 read:

1.7 Subd. 4c. **Exceptions for replacement beds after June 30, 2003.** (a) The
1.8 commissioner of health, in coordination with the commissioner of human services, may
1.9 approve the renovation, replacement, upgrading, or relocation of a nursing home or
1.10 boarding care home, under the following conditions:

1.11 (1) to license and certify an 80-bed city-owned facility in Nicollet County to be
1.12 constructed on the site of a new city-owned hospital to replace an existing 85-bed facility
1.13 attached to a hospital that is also being replaced. The threshold allowed for this project
1.14 under section 144A.073 shall be the maximum amount available to pay the additional
1.15 medical assistance costs of the new facility;

1.16 (2) to license and certify 29 beds to be added to an existing 69-bed facility in St.
1.17 Louis County, provided that the 29 beds must be transferred from active or layaway status
1.18 at an existing facility in St. Louis County that had 235 beds on April 1, 2003.

1.19 The licensed capacity at the 235-bed facility must be reduced to 206 beds, but the payment
1.20 rate at that facility shall not be adjusted as a result of this transfer. The operating payment
1.21 rate of the facility adding beds after completion of this project shall be the same as it was
1.22 on the day prior to the day the beds are licensed and certified. This project shall not
1.23 proceed unless it is approved and financed under the provisions of section 144A.073;

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2.1 (3) to license and certify a new 60-bed facility in Austin, provided that: (i) 45 of
2.2 the new beds are transferred from a 45-bed facility in Austin under common ownership
2.3 that is closed and 15 of the new beds are transferred from a 182-bed facility in Albert Lea
2.4 under common ownership; (ii) the commissioner of human services is authorized by the
2.5 2004 legislature to negotiate budget-neutral planned nursing facility closures; and (iii)
2.6 money is available from planned closures of facilities under common ownership to make
2.7 implementation of this clause budget-neutral to the state. The bed capacity of the Albert
2.8 Lea facility shall be reduced to 167 beds following the transfer. Of the 60 beds at the
2.9 new facility, 20 beds shall be used for a special care unit for persons with Alzheimer's
2.10 disease or related dementias; ~~and~~

2.11 (4) to license and certify up to 80 beds transferred from an existing state-owned
2.12 nursing facility in Cass County to a new facility located on the grounds of the
2.13 Ah-Gwah-Ching campus. The operating cost payment rates for the new facility shall be
2.14 determined based on the interim and settle-up payment provisions of Minnesota Rules,
2.15 part 9549.0057, and the reimbursement provisions of section 256B.431. The property
2.16 payment rate for the first three years of operation shall be \$35 per day. For subsequent
2.17 years, the property payment rate of \$35 per day shall be adjusted for inflation as provided
2.18 in section 256B.434, subdivision 4, paragraph (c), as long as the facility has a contract
2.19 under section 256B.434; and

2.20 (5) to allow a property rate adjustment for a facility located in Kanabec County
2.21 that was approved for a moratorium exception project in 2001, but experienced a delay
2.22 and additional costs associated with the project, and completed the project in 2005. The
2.23 property payment rate for the rate years beginning October 1, 2007, and ending September
2.24 30, 2009, must be \$22.73 per resident day. For subsequent years, the property rate of
2.25 \$22.73 per resident day shall be adjusted as provided in section 256B.434, subdivision 4,
2.26 paragraph (c), as long as the facility has a contract under section 256B.434.

2.27 (b) Projects approved under this subdivision shall be treated in a manner equivalent
2.28 to projects approved under subdivision 4a.