

1.1 A bill for an act

1.2 relating to human services; increasing payment rates for nursing facilities in
1.3 Fergus Falls and Luverne to the geographic group III median rate; amending
1.4 Minnesota Statutes 2006, section 256B.434, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2006, section 256B.434, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 4i. **Rate increase for facilities in Fergus Falls and Luverne.** Effective
1.9 October 1, 2008, operating payment rates of all nursing facilities in Fergus Falls and
1.10 Luverne that are reimbursed under this section or section 256B.441 shall be increased to
1.11 be equal, for a RUG's rate with a weight of 1.00, to the geographic group III median
1.12 rate for the same RUG's weight. The percentage of the operating payment rate for each
1.13 facility to be case-mix adjusted shall be equal to the percentage that is case-mix adjusted
1.14 in that facility's September 30, 2008, operating payment rate. This subdivision shall
1.15 apply only if it results in a rate increase. Increases provided by this subdivision shall be
1.16 applied after the October 1, 2008, phase-in of rebased operating cost payment rates under
1.17 section 256B.441, subdivision 55, but before any other nursing facility rate increase that
1.18 takes effect on that date.