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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. **518**

February 1, 2007

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The bill was read for the first time and referred to the Committee on Health and Human Services

1.1 A bill for an act  
1.2 relating to human services; reducing the surcharge on licensed nursing home  
1.3 beds; amending Minnesota Statutes 2006, section 256.9657, subdivision 1.  
1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2006, section 256.9657, subdivision 1, is amended to  
1.6 read:

1.7 Subdivision 1. **Nursing home license surcharge.** (a) Effective July 1, 1993,  
1.8 each non-state-operated nursing home licensed under chapter 144A shall pay to the  
1.9 commissioner an annual surcharge according to the schedule in subdivision 4. The  
1.10 surcharge shall be calculated as \$620 per licensed bed. If the number of licensed beds  
1.11 is reduced, the surcharge shall be based on the number of remaining licensed beds the  
1.12 second month following the receipt of timely notice by the commissioner of human  
1.13 services that beds have been delicensed. The nursing home must notify the commissioner  
1.14 of health in writing when beds are delicensed. The commissioner of health must notify  
1.15 the commissioner of human services within ten working days after receiving written  
1.16 notification. If the notification is received by the commissioner of human services by  
1.17 the 15th of the month, the invoice for the second following month must be reduced  
1.18 to recognize the delicensing of beds. Beds on layaway status continue to be subject to  
1.19 the surcharge. The commissioner of human services must acknowledge a medical care  
1.20 surcharge appeal within 30 days of receipt of the written appeal from the provider.

1.21 (b) Effective July 1, 1994, the surcharge in paragraph (a) shall be increased to \$625.

1.22 (c) Effective August 15, 2002, the surcharge under paragraph (b) shall be increased  
1.23 to \$990.

2.1 (d) ~~Effective July 15, 2003, the surcharge under paragraph (c) shall be increased~~  
 2.2 ~~to \$2,815.~~

2.3 ~~(e) The commissioner may reduce, and may subsequently restore, the surcharge~~  
 2.4 ~~under paragraph (d) based on the commissioner's determination of a permissible surcharge.~~

2.5 (f) Between April 1, 2002, and August 15, 2004, a facility governed by this  
 2.6 subdivision may elect to assume full participation in the medical assistance program  
 2.7 by agreeing to comply with all of the requirements of the medical assistance program,  
 2.8 including the rate equalization law in section 256B.48, subdivision 1, paragraph (a), and  
 2.9 all other requirements established in law or rule, and to begin intake of new medical  
 2.10 assistance recipients. Rates will be determined under Minnesota Rules, parts 9549.0010  
 2.11 to 9549.0080. Notwithstanding section 256B.431, subdivision 27, paragraph (i), rate  
 2.12 calculations will be subject to limits as prescribed in rule and law. Other than the  
 2.13 adjustments in sections 256B.431, subdivisions 30 and 32; 256B.437, subdivision 3,  
 2.14 paragraph (b), Minnesota Rules, part 9549.0057, and any other applicable legislation  
 2.15 enacted prior to the finalization of rates, facilities assuming full participation in medical  
 2.16 assistance under this paragraph are not eligible for any rate adjustments until the July 1  
 2.17 following their settle-up period.

2.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.19 **Sec. 2. IMPLEMENTATION OF SURCHARGE REDUCTION.**

2.20 The commissioner of human services shall implement the reduction of the surcharge  
 2.21 on licensed nursing home beds in section 1 by prorating the first surcharge payment due  
 2.22 following the date of enactment of that section, to reflect the number of days, if any,  
 2.23 within the applicable monthly payment period that fall before the date of enactment of the  
 2.24 surcharge reduction and for which the higher surcharge rate applies.