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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **1397**

February 26, 2007

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to human services; increasing payment rates for a nursing facility in
1.3 Duluth to the Duluth median rate; amending Minnesota Statutes 2006, section
1.4 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 facility in Duluth.** Effective October 1, 2007, operating
1.9 payment rates of a nursing facility in Duluth that is a low-cost provider of nursing facility
1.10 services for the medical assistance program and has 166 certified skilled nursing beds as
1.11 of January 1, 2007, and that is reimbursed under this section is increased to be equal, for a
1.12 RUG's rate with a weight of 1.00, to the median rate for all nursing facilities in the city of
1.13 Duluth for the same RUG's weight. The percentage of the operating payment rate for each
1.14 facility to be case-mix adjusted is equal to the percentage that is case-mix adjusted in that
1.15 facility's September 30, 2007, operating payment rate. This subdivision applies only if it
1.16 results in a rate increase. Increases provided by this subdivision must be added to the rate
1.17 determined under any new reimbursement system established under section 256B.441.