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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

**EIGHTY-FIFTH  
SESSION**

**HOUSE FILE No. 1403**

February 26, 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 health; paying hospital services for actual cost of providing services;  
1.3 amending Minnesota Statutes 2006, section 256.969, by adding a subdivision.

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

1.5 Section 1. Minnesota Statutes 2006, section 256.969, is amended by adding a  
1.6 subdivision to read:

1.7 Subd. 23c. **Essential hospital for children with disabilities.** All hospital inpatient  
1.8 and outpatient services provided by a former state hospital for children that specializes in  
1.9 the treatment of cerebral palsy, spina bifida, epilepsy, closed head injuries, specialized  
1.10 orthopedic problems, and other disabling conditions shall be paid for at rates that reflect  
1.11 the hospital's actual costs in providing services. For purposes of this subdivision, costs  
1.12 incurred in the provision of inpatient and outpatient hospital services shall be determined  
1.13 each year using the most recent audited hospital cost report prepared and filed according  
1.14 to the Social Security Act, Title XVIII, with adjustments equal to the rate of medical cost  
1.15 increases for each year between the year of the audit and the year in which the services  
1.16 will be provided.