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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 3451

February 25, 2008

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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; expanding rural hospital payment adjustment to
1.3 include all diagnosis-related groups; amending Minnesota Statutes 2006, sections
1.4 256.969, subdivision 26; 256B.195, subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2006, section 256.969, subdivision 26, is amended to
1.7 read:

1.8 Subd. 26. **Greater Minnesota payment adjustment after June 30, 2001 2008.**

1.9 ~~(a)~~ For admissions occurring after June 30, 2001 2008, the commissioner shall pay
1.10 fee-for-service inpatient admissions for ~~the~~ diagnosis-related groups ~~specified in paragraph~~
1.11 ~~(b)~~ at hospitals located outside of the seven-county metropolitan area at the higher of:

1.12 (1) the hospital's current payment rate for the diagnostic category to which the
1.13 diagnosis-related group belongs, exclusive of disproportionate population adjustments
1.14 received under subdivision 9 and hospital payment adjustments received under subdivision
1.15 23; or

1.16 (2) 90 percent of the average payment rate for that diagnostic category for hospitals
1.17 located within the seven-county metropolitan area, exclusive of disproportionate
1.18 population adjustments received under subdivision 9 and hospital payment adjustments
1.19 received under subdivisions 20 and 23.

1.20 ~~(b) The payment increases provided in paragraph (a) apply to the following~~
1.21 ~~diagnosis-related groups, as they fall within the diagnostic categories:~~

1.22 ~~(1) 370 cesarean section with complicating diagnosis;~~

1.23 ~~(2) 371 cesarean section without complicating diagnosis;~~

1.24 ~~(3) 372 vaginal delivery with complicating diagnosis;~~

- 2.1 ~~(4) 373 vaginal delivery without complicating diagnosis;~~
 2.2 ~~(5) 386 extreme immaturity and respiratory distress syndrome, neonate;~~
 2.3 ~~(6) 388 full-term neonates with other problems;~~
 2.4 ~~(7) 390 prematurity without major problems;~~
 2.5 ~~(8) 391 normal newborn;~~
 2.6 ~~(9) 385 neonate, died or transferred to another acute care facility;~~
 2.7 ~~(10) 425 acute adjustment reaction and psychosocial dysfunction;~~
 2.8 ~~(11) 430 psychoses;~~
 2.9 ~~(12) 431 childhood mental disorders; and~~
 2.10 ~~(13) 164-167 appendectomy.~~

2.11 Sec. 2. Minnesota Statutes 2006, section 256B.195, subdivision 1, is amended to read:

2.12 Subdivision 1. **Federal approval required.** ~~Sections~~ Section 145.9268, ~~256.969,~~
 2.13 ~~subdivision 26,~~ and this section are contingent on federal approval of the intergovernmental
 2.14 transfers and payments to safety net hospitals and community clinics authorized under
 2.15 this section. These sections are also contingent on current payment, by the government
 2.16 entities, of intergovernmental transfers under section 256B.19 and this section.