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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. **3535**

February 28, 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; increasing payment rates for nursing facilities in  
1.3 Kanabec and Pine Counties 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 Kanabec and Pine Counties.** Effective  
1.9 October 1, 2008, operating payment rates of all nursing facilities in Kanabec and Pine  
1.10 Counties that are reimbursed under this section or section 256B.441 shall be increased  
1.11 to 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  
1.16 be applied prior to the phase-in of rebased operating cost payment rates under section  
1.17 256B.441, subdivision 55.