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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2087

02/20/2023 Authored by Bierman, Bahner, Schomacker, Neu Brindley, Myers and others
The bill was read for the first time and referred to the Committee on Human Services Finance

1.1 A bill for an act
1.2 relating to human services; increasing medical assistance reimbursement rates for
1.3 home care nursing.

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

1.5 Section 1. RATE INCREASE FOR HOME CARE NURSING.

1.6 Subdivision 1. Rate increase. Effective July 1, 2023, the commissioner shall increase
1.7 payment rates for home care nursing services under Minnesota Statutes, sections 256B.0625,
1.8 subdivision 7, and 256B.0654, by 55 percent from the rates in effect on June 30, 2023. The
1.9 commissioner must apply the annual rate increases under Minnesota Statutes, section
1.10 256B.0654, subdivision 5, to the rates resulting from the application of the rate increase
1.11 under this section.

1.12 Subd. 2. Spending requirements. (a) At least 80 percent of the marginal increase in
1.13 revenue for home care nursing resulting from implementation of the rate increase under this
1.14 section for services rendered on or after the day of implementation of the increase must be
1.15 used to increase compensation-related costs for employees directly employed by the provider
1.16 to provide the service.

1.17 (b) For the purposes of this subdivision, compensation-related costs include:

1.18 (1) wages and salaries;

1.19 (2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment
1.20 taxes, workers' compensation, and mileage reimbursement;

2.1 (3) the employer's paid share of health and dental insurance, life insurance, disability
2.2 insurance, long-term care insurance, uniform allowance, pensions, and contributions to
2.3 employee retirement accounts; and

2.4 (4) benefits that address direct support professional workforce needs above and beyond
2.5 what employees were offered prior to implementation of the rate increase.

2.6 (c) Compensation-related costs for persons employed in the central office of a corporation
2.7 or entity that has an ownership interest in the provider or exercises control over the provider,
2.8 or for persons paid by the provider under a management contract, do not count toward the
2.9 80 percent requirement under this subdivision.

2.10 (d) A provider agency or individual provider that receives additional revenue subject to
2.11 the requirements of this subdivision shall prepare, and upon request submit to the
2.12 commissioner, a distribution plan that specifies the amount of money the provider expects
2.13 to receive that is subject to the requirements of this subdivision, including how that money
2.14 was or will be distributed to increase compensation-related costs for employees. Within 60
2.15 days of final implementation of the new rate methodology or any rate adjustment subject
2.16 to the requirements of this subdivision, the provider must post the distribution plan and
2.17 leave it posted for a period of at least six months in an area of the provider's operation to
2.18 which all direct support professionals have access. The posted distribution plan must include
2.19 instructions regarding how to contact the commissioner, or the commissioner's representative,
2.20 if an employee has not received the compensation-related increase described in the plan.

2.21 **EFFECTIVE DATE.** This section is effective July 1, 2023.