

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 1788

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DATE
02/16/2023

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Introduction and first reading
Referred to Health and Human Services

OFFICIAL STATUS

1.1 A bill for an act
 1.2 relating to human services; modifying nursing facility property payment rates;
 1.3 amending Minnesota Statutes 2022, section 256R.26, subdivision 9.

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

1.5 Section 1. Minnesota Statutes 2022, section 256R.26, subdivision 9, is amended to read:

1.6 Subd. 9. **Transition period.** (a) A facility's property payment rate is the property rate
 1.7 established for the facility under sections 256B.431 and 256B.434 until the facility's property
 1.8 rate is transitioned upon completion of any project authorized under section 144A.071,
 1.9 subdivision 3 or 4d; or 144A.073, subdivision 3, to the fair rental value property rate
 1.10 calculated under this chapter. A facility with a project authorized under section 144A.071,
 1.11 subdivision 3 or 4d; or 144A.073, subdivision 3, that was approved prior to January 1, 2020,
 1.12 but completed after January 1, 2020, must receive the property rate calculated under this
 1.13 chapter.

1.14 (b) Effective the first day of the first month of the calendar quarter after the completion
 1.15 of the project described in paragraph (a), the commissioner shall transition a facility to the
 1.16 property payment rate calculated under this chapter. The initial rate year ends on December
 1.17 31 and may be less than a full 12-month period. The commissioner shall schedule an appraisal
 1.18 within 90 days of the commissioner receiving notification from the facility that the project
 1.19 is completed. The commissioner shall apply the property payment rate determined after the
 1.20 appraisal retroactively to the first day of the first month of the calendar quarter after the
 1.21 completion of the project.

1.22 (c) Upon a facility's transition to the fair rental value property rates calculated under this
 1.23 chapter, the facility's total property payment rate under subdivision 8 shall be the only

2.1 payment for costs related to capital assets, including depreciation, interest and lease expenses
2.2 for all depreciable assets, including movable equipment, land improvements, and land.
2.3 Facilities with property payment rates established under subdivisions 1 to 8 are not eligible
2.4 for planned closure rate adjustments under section 256R.40; consolidation rate adjustments
2.5 under section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d;
2.6 single-bed room incentives under section 256R.41; and the property rate inflation adjustment
2.7 under section 256B.434, subdivision 4. The commissioner shall remove any of these
2.8 incentives from the facility's existing rate upon the facility transitioning to the fair rental
2.9 value property rates calculated under this chapter.

2.10 **EFFECTIVE DATE; APPLICATION.** This section applies to nursing home
2.11 moratorium exception projects approved on or after January 1, 2018, and is effective
2.12 retroactively from January 1, 2018.