

Exceptions to the Nursing Home Moratorium Review Process

HF3648 / SF3227

Description

This proposal would amend Minnesota Statutes, §144A.073. This statute outlines the process for requesting additional medical assistance expenditures for exceptions to the moratorium on nursing homes. The amendments will adjust the time table for the submission of the application; modify, add or delete review criteria; and modify and update data requirements in the review criteria.

Background

The moratorium law was approved in the mid-1980s in response to spiraling state Medical Assistance (MA) expenditures related to the growth in the number of nursing home beds in the state and the sale of and improvements to nursing home properties. The law prohibits the addition of licensed nursing home beds and establishes a competitive process to renovate or replace existing nursing homes that exceed a specified dollar threshold and involve medical assistance dollars.

The statutorily-established review process contains timelines for submission of the application that have been increasingly problematic for applicants to meet, review criteria that are no longer relevant, and lacks review criteria, such as financial viability of a project, that are needed to help reviewers recommend projects that not only demonstrate need and merit, but have a good possibility of actually being completed once approved.

Proposal

The proposed language was drafted after meeting with and receiving input from the Department of Human Services and two trade associations representing moratorium applicants. One of the primary changes is to increase the time allowed for

submitting proposals after the state publishes its notice. Increasingly, approved projects have not been able to go forward because of difficulties with securing financing, permits or encountering unexpected problems with construction. Having a longer time up front to research, develop, prepare an application and obtain financing, etc., would strengthen proposals and increase the probability of successful completion if awarded an exception.

Other changes clarify the definitions, authorize a second moratorium review process if the remaining funds are sufficient to warrant one, add a requirement for an applicant to include information about proposed funding for the project, clarify review criteria for cost neutral relocations, and make other clarifying language changes.

The implementation date would be July 1, 2008.



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