

Application Materials for Nursing Home Moratorium Exception

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Contents

Application Materials for Nursing Home Moratorium Exception	1
Request for Proposals for Exceptions to the Nursing Home Moratorium.....	4
Purpose.....	4
Appropriation Available.....	4
Eligibility to Submit a Proposal.....	5
Method for Estimating Proposal Cost	5
Criteria for Review.....	5
Engineering Review of Moratorium Exception Project Submittals for Public Hearing.....	6
Application Instructions	7
Review and Approval of Proposals.....	7
Questions Concerning the RFP	7
Procedures for Submitting Proposals.....	7
Exceptions to the Nursing Home Moratorium Application Instructions.....	8
Completed Application Includes:.....	8
Questions Regarding Application Process.....	11
Deadline.....	11
Letter of Intent to Submit Moratorium Exception Application	12
Face Sheet	13
Applicant Facility (with which contract is to be executed)	13
Administrator/Director of Applicant Facility.....	13
Fiscal Management Officer of Applicant Facility.....	13
Contact Person for Information regarding Application Process	13
Corporate Operating Agency (if different from applicant facility).....	14
Contact Person for Corporate/Operating Agency (if different from applicant facility).....	14

APPLICATION MATERIALS FOR NURSING HOME MORATORIUM EXCEPTION

Bed Configuration and Layaway Beds 14

Attestation 15

Project Information 16

 Estimate Of Total Costs for Project 16

Assurances and Agreements 17

Criteria for Review of Exceptions to the Nursing Home Moratorium Projects 18

Criteria for Award..... 20

Appendices/Informational Links 21

 Appendix D: Cost Estimate Guidelines/Methodology for the Nursing Home Moratorium Exceptions
 Process..... 21

 Appendix E: Exception to Moratorium Application Review Process Timeline..... 22

Request for Proposals for Exceptions to the Nursing Home Moratorium

Purpose

The commissioner of health is accepting written proposals from nursing homes and certified boarding care homes requesting funding through the moratorium exception process, according to Minn. Stat. § 144A.073. The commissioner of health, in coordination with the commissioner of human services, may approve such requests under conditions listed in the Minnesota Statutes. These conditions refer to categories of exceptions which are defined as:

- a) "Conversion" means the relocation of a nursing home bed from a nursing home to an attached hospital.
- b) "Relocation" means the movement of licensed nursing home beds or certified boarding care beds as permitted by state statute to promote equitable access across the state or to move the beds to another site.
- c) "Renovation" means extensive remodeling of an existing facility with a total cost exceeding ten percent of the appraised value of the facility or \$200,000, whichever is less. A renovation may include the replacement or upgrade of existing mechanical or electrical systems.
- d) "Replacement" means the construction of a completely new facility.
- e) "Addition" means the construction of new space to an existing facility.
- f) "Upgrading" means a change in the level of licensure of a bed from a boarding care bed to a nursing home bed in a certified boarding care facility.
- g) "Phased project" means a proposal that identifies construction occurring with more than one distinct completion date. To be considered a distinct completion, each phase must have construction that is ready for resident use, as determined by the commissioner, which is not dependent on similar commissioner approval for future phases of construction. The commissioner of human services shall only allow rate adjustments for construction projects in phases if the proposal from a facility identifies construction in phases and each phase can be approved for use independent of the other phases.
- h) "Consolidation" means a project that meets the criteria for "consolidation of nursing facilities" as outlined in 144A.071 Subdivision 4d.

Appropriation Available

The amount of the legislative appropriation available for the total annual additional costs to the Medical Assistance program for this Request for Proposals (RFP) is approximately **\$4,891,643**.

Note: As of October 1, 2023, Minn. Stat. § 256B.434, Subd. 4f, allows threshold projects with costs less than \$2,359,742 to proceed without applying for a moratorium exception under this process.

Projects that do not meet the criteria for review for the Moratorium Exception process may qualify for a "threshold" project in accordance with **Minn. Stat. § 256B.434, Subd. 4f**. Threshold projects are different from projects approved through the competitive moratorium exception process in that the capitalized expenses need not be related to improvements to the physical plant beyond replacement of existing components.

Eligibility to Submit a Proposal

A proposal for an exception to the nursing home moratorium may be submitted by an organization or individual authorized by a facility's governing board or management to prepare and submit a proposal to the commissioner of health.

Method for Estimating Proposal Cost

The method that the commissioner will use for estimating the cost of a proposal is detailed in the application materials.

Criteria for Review

Minn. Stat. § 144A.073, Subdivision 4a, states the criteria the commissioner of health is to consider in reviewing moratorium exception proposals:

Subdivision 4a. **Criteria for review.** In reviewing the application materials and submitted costs by an applicant to the moratorium process, the review panel shall consider the following criteria in recommending proposals:

- a) the extent to which the proposed nursing home project is integrated with other health and long-term care services for older adults;
- b) the extent to which the project provides for the complete replacement of an outdated physical plant;
- c) the extent to which the project results in a reduction of nursing facility beds in an area that has a relatively high number of beds per thousand occupied by persons age 85 and over;
- d) the extent to which the project produces improvements in health; safety, including life safety code corrections; quality of life; and privacy of residents;
- e) the extent to which, under the current facility ownership and management, the provider has shown the ability to provide good quality of care based on health-related findings on certification surveys, quality indicator scores, and quality-of-life scores, including those from the Minnesota nursing home report card;
- f) the extent to which the project integrates the latest technology and design features in a way that improves the resident experience and improves the working environment for employees;
- g) the extent to which the sustainability of the nursing facility can be demonstrated based on the need for services in the area and the proposed financing of the project; and
- h) the extent to which the project provides or maintains access to nursing facility services needed in the community.

Engineering Review of Moratorium Exception Project Submittals for Public Hearing

1. The emphasis is on the improvement of living conditions for the nursing home residents of the facility
 - a. Look at the existing living conditions such as adjacent bedrooms sharing the toilet room between, 2-bed rooms with side-by-side beds, confined bedroom and toilet space, lack of handicapped accessible toilet rooms.
 - b. Bathing facilities available to residents.
 - c. Look at convenient and large enough dining areas without requiring feeding shifts or eating in the bedrooms.
 - d. Look for adequate and appealing common spaces.
 - e. Look at existing kitchens and laundries and proposed improvements for better and more efficient food and laundry service, benefiting the staff and residents alike.
2. Compliance with construction type and story height.
3. Occupancy separations between health facilities and other occupancies.
4. Smoke barriers to provide areas of refuge (from smoke/fire) on each floor of a health facility.
5. Maximum allowable travel distances for fire safety and for resident care.
6. Rooms and spaces required by state and federal rules, such as PT/OT, central bathing.
7. A complying main entrance, reception, and lobby.
8. Complying elevators in multi-story health facilities.
9. No customary access outside of the licensed health facility.
10. Highlight the significant existing conditions and the proposed changes in the [Engineering Summary Review Form](https://www.health.state.mn.us/facilities/regulation/nursinghomes/docs/engsummary.pdf)
(<https://www.health.state.mn.us/facilities/regulation/nursinghomes/docs/engsummary.pdf>)

Application Instructions

The application materials, including instructions, format and necessary forms, are available at the [Nursing Home Moratorium Application Materials website](https://www.health.state.mn.us/facilities/regulation/nursinghomes/moratoriumapp/index.html) (<https://www.health.state.mn.us/facilities/regulation/nursinghomes/moratoriumapp/index.html>).

Review and Approval of Proposals

Proposals will be reviewed by a committee composed of organizations that represent consumers and providers of nursing home services; persons who provide engineering, building construction, or design services; and state agencies involved in long-term care issues, housing, and finance. Applicants will have the opportunity to present their proposal **virtually**, to the Proposal Review Committee. The proposer will present their proposal in a 20-minute presentation, prior to the Committee submitting comments and recommendations to the commissioner.

Details on this virtual meeting, including date, time will be made available to the contact person listed in each moratorium exception proposal. The commissioner of health will approve or disapprove project proposals based on criteria established in law and rule. The commissioner will make the final decision no later than **April 4, 2025**.

Questions Concerning the RFP

Any questions relating to the RFP process must be submitted by prospective applicants via email to: health.nhm@state.mn.us

No answers will be provided in response to phone calls. Each question must cite the particular RFP page to which it refers. Copies of all questions and their answers will be provided to all prospective applicants who have requested application materials. Only responses in writing by staff of the Minnesota Department of Health will be considered official. The closing date for the receipt of questions will be **October 21, 2024**.

Technical assistance in completing the application forms is available from

- Jeff Bostic at LeadingAge of Minnesota at (651)-645-4545;
- Todd Bergstrom at Care Providers of Minnesota at (952)-854-2844; or
- Health Regulation Division – Minnesota Department of Health (651)-201-4200

Procedures for Submitting Proposals

No proposals submitted by mail or facsimile machine will be accepted.

Completed proposals must be received no later than **4:30 p.m. on December 19, 2024**, via upload to the Minnesota Department of Health CloudDrive. To get access to the CloudDrive, send the contact name and email address of the individual to health.nhm@state.mn.us

If you miss the firm deadline on December 19, 2024, we will not be able to review your project. Amendments cannot be accepted after this deadline.

Exceptions to the Nursing Home Moratorium Application Instructions

The purpose of these instructions is to provide assistance in preparing an application for an exception to the nursing home moratorium in accordance with Minn. Stats. §§ 144A.071-.073 and Minnesota Rules, Parts 4655.1070 to 4655.1098, Procedures for Exceptions to Nursing Home Bed Moratorium.

This process does not allow for the addition of new licensed or certified beds in the state. Beds may be relocated under this process, but not newly created.

The Minnesota Department of Health (MDH) recommends that these application instructions, including the appendices, be reviewed **prior** to writing the application. The application instructions provide guidance regarding the content and format necessary to prepare a complete Exception to the Nursing Home Moratorium application. Please review the section Criteria for Review of Exceptions to the Nursing Home Moratorium Projects to make certain your project qualifies and that you submit all required information.

MDH requests that prospective applicants complete a Letter of Intent and email it to MDH by **October 21, 2024** (Use the form provided below). See [Appendix E](#) for the Exception to Moratorium Application Review Process Timeline.

Completed Application Includes:

A complete application includes all information required on Items I through VII below and the information in the Criteria for Review shown below. All pages on the final application must be numbered.

Face Sheet

Use the form provided below. Complete all items on the [Face Sheet](#) page in this packet.

Project Information

Use the form provided below. Complete all items on the [Project Information](#) page in this packet.

Engineering Summary Form

Complete the [Engineering Summary Review Form](#) (<https://www.health.state.mn.us/facilities/regulation/nursinghomes/docs/engsummary.pdf>) and submit it with your other application materials.

Application Narrative

Please label pages as “Application Narrative” **and address each item described below completely**. Where a **description** is requested, please state details of specific methods, activities, etc. A **statement** that something is needed or will be done is not adequate.

Problem Description: Each proposal must include a description of a situation(s) or condition(s) that significantly contributes to the need for the proposed exception. Explain what the problem is, why it is a problem, and how the problem relates to any of the following:

- The extent to which the proposed nursing home project is integrated with other health and long-term care services for older adults;
- The extent to which the project provides for the complete replacement of an outdated physical plant;
- The extent to which the project results in a reduction of nursing facility beds in an area that has a relatively high number of beds per thousand occupied by persons age 85 and over;
- The extent to which the project provides or maintains access to nursing facility services needed in the community;
- The extent to which the project produces improvements in health; safety, including life safety code corrections; quality of life; and privacy of resident. For example, the extent to which the project improves conditions that affect the comfort or quality of life of residents in a facility or the ability of the facility to provide efficient care, such as a relatively high number of residents in a room; inadequate lighting or ventilation; poor access to bathing or toilet facilities; a lack of available ancillary space for dining rooms, or rooms used for other activities; problems relating to heating, cooling, or energy efficiency; inefficient location of nursing stations; narrow corridors; or other provisions contained in the licensure and certification rules;
- The extent to which the project integrates the latest technology and design features in a way that improves the resident experience and improves the working environment for employees; and/or
- The extent to which, under the current facility ownership and management, the provider has shown the ability to provide good quality of care based on health-related findings on certification surveys, quality indicator scores, and quality-of-life scores, including those from the Minnesota nursing home report card.

Proposed Project -- Overview

- Provide a concise overview of the proposed project, a brief statement describing what it is you want to do.
- Explain why the proposed project is the best solution to the identified problem. How will the desired accomplishment(s) alleviate or improve the situation(s) described in the problem statement(s)?
- The statute requires that all applications for exceptions to the nursing home moratorium submitted in response to Commissioner’s Request for Proposals must address renovation, relocation, replacement, conversion, upgrading, or addition as those terms are defined in Minn. Stat. § 144A.073, Subdivision 1 (see Appendix A1), and 144A.073, Subdivision 3c (b). No other proposals can be accepted.

NOTE: If you intend to request rate adjustments in phases for the proposed project, this must be CLEARLY stated in the proposal narrative portion of the application. The completed work must meet the definition of phased project in statute to qualify for a rate adjustment (see Minn. Stat. § 144A.073, Subdivision 1(g)). Applications that do not identify phases will not be allowed to have rate adjustments in phases when construction is completed.

Assessment of Continued/Continuing Need: Explain the extent to which the sustainability of the nursing facility can be demonstrated based on the need for services in the area and the proposed financing of the project:

- Identify the geographic area to be served.
- Identify the specific unmet need(s) as it relates to the problem statement(s). Note that this includes, but is not limited to, unavailable service and/or un-served or under-served populations, the elderly population in the service area, other services available in the area.
- Describe the continuing need for facility care in the community and adjacent communities.
- Provide the specific supporting data and describe the methodologies used to identify these needs.

Information/Documents to Include in the Proposed Project:

- Include an outline of specifications, prepared by a registered architect, for all construction projects including replacement and renovation.
- Schematic drawings can be emailed with the proposal application. The schematic drawings must be prepared by a registered architect.
- Describe the environmental conditions in the facility that are reviewed under Minnesota Rules, Part 4655.1084, subpart 10, and any proposed changes in those conditions (see Appendix B).
- Include a cost estimate, prepared by a contractor or architect and other participants in the development of the proposal, for the project described by the drawings and outline of specifications required by Item D1 and D2, including costs of buildings, **attached** fixtures, construction site preparation, technology, and related soft costs, including: sales tax on materials; contractor's overhead and profit; architect and engineering fees; construction period interest; permits; zoning and construction financing; feasibility, economic, and demographic studies; legal, accounting, and consulting fees related to the creation of the development; and cost of designing the improvements (see Appendices D and G). **This cost estimate shall exclude land, land improvements and movable equipment.**
- **If the project request is for a phased project, include a breakdown of the total costs by phases.**
- **Include an estimated appraised value (both the URC and DCR) for the entire facility (existing and new) after the completion of the project, excluding all land, land improvements and movable equipment.**
- Include the effects of the proposed project on state share of MA costs for community-based services, nursing services, and housing in institutional and non-institutional settings. If the project meets the criteria for a consolidation provide this information for the facility being closed separately from the facility being replaced or upgraded.
- For proposals involving replacement of all or part of a facility, provide the property identification number and general description of the proposed location of a replacement facility.
- Provide an estimate of the cost of renovation as an alternative to replacement, or of replacement as an alternative to renovation. Briefly explain why the proposer chose replacement rather than renovation or renovation rather than replacement. NOTE: this data will not be used for rate setting purposes.
- Include an estimated beginning date of construction for renovation and replacements, and the proposed timetable for completion of construction. **If any portion of this project has already been completed or will be completed prior to the Public Presentation Meeting, identify the square footage amount, description or the completed portion, and the associated costs.**
- The proposal review process requires review of any licensure orders, certification deficiencies, substantiated complaints or sanctions issued during the 24 months prior to submission of the proposal. Include a statement concerning any of the aforementioned that are germane to this proposal and provide comment/clarification on others received in the 24-month period.

- Include the proposed relocation plan for current residents if beds are to be closed so that the Department of Human Services can estimate the total costs of a proposal.

Additional Information: Include all additional information that you believe provides evidence of the need for the proposed project (see [Criteria for Award](#) section below)

Assurances and Agreements

Use the Assurances and Agreements form in this packet.

By signing and submitting the Assurances and Agreements pages, the applicant facility is making the assurances to the Minnesota Department of Health required in federal and state standards. These items need not be addressed in any other manner. Information requested in these assurances will not be required until after an application is approved. Provide **original** signature, title, and the date the form was signed.

Cost Justification

See [Appendix D](#) for information on how to estimate costs.

Questions Regarding Application Process

Any questions relating to the RFP process must be submitted by prospective applicants via email to: health.nhm@state.mn.us.

No answers will be provided in response to phone calls. Each question must cite the particular application page to which it refers. Copies of all questions and their answers will be provided to all prospective applicants who have requested Application materials. Only responses in writing by MDH staff will be considered official. The closing date for the receipt of questions will be **October 21, 2024**.

Technical assistance in completing the RFP application forms is available from

- Care Providers of Minnesota at (952) 854-2844; or
- LeadingAge of Minnesota at (651) 645-4545

Deadline

No proposals submitted by facsimile machine will be accepted.

Please upload the completed proposal **by 4:30 p.m. on December 19, 2024, to the MDH Cloud Drive.**

Note: To get upload access for your proposal, the applicant will need to send the contact name and email address of the individual who will be uploading the application to: health.nhm@state.mn.us.

Applications received after the deadline will not be reviewed.

Letter of Intent to Submit Moratorium Exception Application

In order to assist us in planning for staff and Proposal Review Committee time necessary to review the moratorium applications received, MDH is requesting that any facility that is likely to submit an application **to please email this Letter of Intent by October 21, 2024**. The Letter of Intent does not obligate the facility to submit a moratorium application. It is being requested only to assist us in planning for reviews based on an anticipated number of applications.

Please email this Letter of Intent to: health.nhm@state.mn.us

Your cooperation is sincerely appreciated.

Name of Facility: _____

Address of Facility: _____

Name and phone number of submitter: _____

Type of project anticipated (check all that apply):

- Renovation
- Replacement
- Conversion
- Upgrading
- Relocation
- Addition
- Consolidation
- Phased project

MDH Use Only:

Control No. _____

Date and Time Received: _____

Face Sheet

Applicant Facility (with which contract is to be executed)

Legal Name:

Facility Name (doing business as):

Address: _____

CMS Certification Number (CCN): _____

Phone: _____

Email: _____

Administrator/Director of Applicant Facility

Name/Title: _____

Address: _____

Phone: _____

Email: _____

Fiscal Management Officer of Applicant Facility

Name/Title: _____

Address: _____

Phone: _____

Email: _____

Contact Person for Information regarding Application Process

Name/Title: _____

Address: _____

Phone: _____

Email: _____

Corporate Operating Agency (if different from applicant facility)

Name/Title: _____

Address: _____

Phone: _____

Email: _____

Contact Person for Corporate/Operating Agency (if different from applicant facility)

Name/Title: _____

Address: _____

Phone: _____

Email: _____

Bed Configuration and Layaway Beds

Fill in the tables below with the information about bed configurations and layaway beds at the facility before and after the project.

Definitions:

- A private room is a 1-bed room that has a toilet area that it does not share with an adjacent bedroom.
- 1-bed rooms are those where a bedroom shares access to a toilet room with an adjacent bedroom.
- 2-bed rooms are those where two beds are located within the same bedroom, whether or not there is a fixed partition separating the two beds (i.e., a “split double” room). A common toilet room is shared outside of partitioned bed areas within such bedrooms.
- 3- or 4-bed rooms are those where the given number of beds shares access to the corridor.

Bed Configuration Table

Bed Type Configuration	# Beds Before Project	# Beds After Project
Private		
1-Bed rooms		
2-bed rooms		

APPLICATION MATERIALS FOR NURSING HOME MORATORIUM EXCEPTION

Bed Type Configuration	# Beds Before Project	# Beds After Project
3-bed rooms		
4-bed rooms		
Total beds		

Layaway Beds Table

Bed Type Configuration	# Beds Before Project	# Beds After Project
Layaway		

Attestation

I certify that the knowledge contained herein is true and accurate to the best of my knowledge and that I submit this application on behalf of the applicant facility.

Signature of Director of Applicant Facility: _____

Title: _____

Date: _____

Project Information

Facility Name:

City and County: _____

Project is for: (check all that apply)

- Conversion
- Relocation
- Renovation
- Replacement
- Upgrading
- Addition
- Consolidation
- Phased project

Estimate Of Total Costs for Project

Excluding land, land improvements and moveable equipment: _____

Estimate Appraisal Value of the Entire Facility after the Project (Include both the undepreciated replacement cost (URC) and depreciated replacement cost (DRC) excluding land, land improvements and moveable equipment: _____

Service Area (City and County): _____

Social Security or MN TAX ID#: _____

MDH Use Only:

Control No. _____

Date and Time Received: _____

Assurances and Agreements

By Signature, the Authorized Official agrees and assures that:

1. Services will be provided in accordance with state and federal laws, rules, and policies.
2. The facility will provide services in keeping with program standards of the Minnesota Department of Health.
3. The proposer of a renovation, replacement, conversion, or upgrading that is approved by the Commissioner of Health will submit preliminary plans as defined in Minnesota Rules Part 4658.4010, before drawing final plans.
4. The agency will comply with all standards relating to fiscal accountability that apply to the Minnesota Departments of Health and Human Services.
 - a. Budget revisions with justification(s) will be submitted to the Commissioner of Health for prior approval:
 - i. When there are changes in approved projects for renovation, replacement, relocation, conversion, or upgrading that alter the methods or materials described in the final working drawings. The budget revisions (and justifications) must be submitted to the commissioner for review and approval before the changes are made, according to the Minnesota Rules, part 4658.4025.
 - ii. If the commissioner approved the reported changes in a project, a change order permitting the changes will be issued. The issuance of a change order does not alter the allowable costs as estimated in Minnesota Rules, part 4655.1084.
 - iii. If there are cost overruns. The proposer will immediately report to the commissioner any cost overruns including a description of the reasons for the overrun.
 - iv. Upon completion of the proposed project and prior to final clearance for use. The proposer will submit to the Commissioner of Health, with a copy to the Commissioner of Human Services, a final statement of costs as directed by Minn. Stat. § 144A.071, Subdivision 2.
 - b. Project financial management systems will provide for:
 - i. Accurate, current, and complete disclosure of the financial status of the project;
 - ii. Effective control over the accountability for all funds, property, and other assets. Project applicants are to adequately safeguard such assets and assure that they are used solely for authorized purposes;
 - iii. Comparison of actual obligations with budget amounts for each activity;
 - iv. Accounting records that are supported by source documentation; and
 - v. Audits which will be made by or at the direction of the Minnesota Department of Human Services.

Application is hereby made for approval of an exception to the nursing home moratorium. By signature, the Authorized Official agrees and **has the authority to agree** to comply with conditions and reporting requirements, consistent with applicable Minnesota Department of Health Rules and Minnesota Statutes. In addition, by signature below, the Authorized Official assures full compliance with all items stated herein.

Signature of Authorized Official: _____

Print Name: _____

Title: _____

Date: _____

Criteria for Review of Exceptions to the Nursing Home Moratorium Projects

Application is in accordance with Minn. Stat. § 144A.073, Subdivision 3 and Minnesota Rules, Parts 4655.1070 to 4655.1098.

1. Applicant is a nursing home, certified boarding care home, or attached hospital.
2. Proposal was received by the Commissioner of Health before the deadline.
3. Proposal meets the definition of:
 - a. Renovation
 - b. Replacement
 - c. Conversion
 - d. Upgrading
 - e. Relocation
 - f. Addition
 - g. Consolidation
 - h. Phased project

**IF AN APPLICATION DOES NOT MEET THE ABOVE REQUIREMENTS,
IT WILL RECEIVE NO FURTHER REVIEW**

Application must meet the following procedural requirements. Use this as checklist to assure your application contains all required information.

1. All pages are numbered.
2. Submitted with required content:
 - a. Completed Face Sheet and Project Information Forms.
 - b. Problem description.
 - c. Proposed project.
 - d. Assessment of continued/continuing need.
 - e. Includes schematic drawings and an outline of specifications, prepared by a registered architect, for all construction projects including replacement and renovation.
 - f. Includes a cost estimate, prepared by a contractor or architect and other participants in the development of the proposal, for the project described by the drawings and outline of specifications required by Item 5 above, including costs of buildings, attached fixtures, construction site preparation, and related soft costs.
 - g. Include an estimated appraised value (URC and DRC) for the entire facility (existing and new) after the completion of the project, excluding all land, land improvements and movable equipment.
 - h. Include the effects of the proposed project on state share of MA costs for community-based services, nursing services, and housing in institutional and non-institutional settings separately for each the facilities involved.
 - i. States the current cost of real estate taxes and special assessments for the facility and an estimate of those that would be assessed if the proposal were implemented.
 - j. States any changes in annual operating costs resulting from this proposal.
 - k. Describes the environmental conditions in the facility that are reviewed under Minnesota Rules, Part 4655.1084, subpart 10, and any proposed changes in those conditions.

APPLICATION MATERIALS FOR NURSING HOME MORATORIUM EXCEPTION

- l. For proposals involving replacement of all or part of a facility, provides the property identification number and general description of the proposed location of a replacement facility.
- m. Provides an estimate of the costs of renovation as an alternative to replacement, or of replacement as an alternative to renovation.
- n. Includes an estimated beginning date of construction for renovations and replacements and the proposed timetable for completion of construction.
- o. Briefly explains why the proposer chose replacement rather than renovation or renovation rather than replacement.
- p. Includes a statement concerning any licensure or certification orders, deficiencies, or substantiated complaints or sanctions during the 24 months prior to the submission of the proposal.
- q. Proposed relocation plan for residents, if applicable.
- r. If applicable, clearly stating intent to request rate adjustments in phases.

Criteria for Award

1. Procedural requirements for application are met (see Section II of Criteria for Review of Exception to the Nursing Home Moratorium Project).
2. The extent to which the proposed nursing home project is integrated with other health and long-term care services for older adults.
3. The extent to which the project provides for the complete replacement of an outdated physical plant.
4. The proposal's long-term effects on state costs, including the cost estimate of the project according to Minn. Stat. §144A.071, Subdivision 5a.
5. The extent to which the project results in a reduction of nursing facility beds in an area that has a relatively high number of beds per thousand occupied by persons age 85 and over, using data published according to requirements in Minn. Stat. § 144A.351. Please see report entitled: "July 2024 beds per 1000, Age 65 years and over and 85 years and over, by individual counties and contiguous groups." This report is available at the [Nursing Home Moratorium Application website \(https://www.health.state.mn.us/facilities/regulation/nursinghomes/moratoriumapp/index.html\)](https://www.health.state.mn.us/facilities/regulation/nursinghomes/moratoriumapp/index.html).
6. The extent to which the project produces improvements in health, safety, including life-safety-code corrections, quality of life, and privacy of residents.
7. The extent to which, under the current facility ownership and management, the provider has shown the ability to provide good quality of care based on health-related findings, as evidenced by the two most recent state agency certification surveys and any substantiated complaints within the past 24 months and the provider's response to those surveys and complaints; quality indicator scores; and quality-of-life scores, including those from the Minnesota nursing home report card.
8. The extent to which the project integrates the latest technology and design features in a way that improves the resident's experience and improves the working environment for employees.
9. The extent to which the sustainability of the nursing facility can be demonstrated based on the need for services in the area and the proposed financing of the project.
10. The extent to which the project provides or maintains access to nursing facility services in the community.

Appendices/Informational Links

- Appendix A: [Minn. Stat. § 144A.071.](#)
[Moratorium on Certification of Nursing Home Beds](#)
<https://www.revisor.mn.gov/statutes/?id=144A.071>
- Appendix A1: [Minn. Stat. § 144A.073.](#)
[Exceptions to the Moratorium Review](#) (<https://www.revisor.mn.gov/statutes/?id=144A.073>)
- Appendix B: [Minnesota Rules, Parts 4655.1070 to 4655.1098.](#)
[\(Procedures for Exceptions to Nursing Home Bed Moratorium](#)
<https://www.revisor.mn.gov/rules/?id=4655>)
 (Scroll down to “Procedures for Exceptions for Nursing Home Bed Moratorium” and print parts 4655.1070 to .1098.)
- Appendix C: [Minnesota Rules, Parts 4658.2000 to 4658.5590.](#)
[\(Physical Plant Rules for Licensed Nursing Homes:](#)
<https://www.revisor.mn.gov/rules/?id=4658>)
 (Scroll down to “Specialized Units” and continue through all physical plant requirements to the bottom of the page. Print all parts 4658.200 to .5590.)
- Appendix C1: [Minnesota Rules, Parts 4658.2000 to 4658.5590.](#)
[\(Physical Plant Rules for Licensed Nursing Homes](#)
<https://www.health.state.mn.us/facilities/regulation/nursinghomes/docs/moratoriumappendixc1.pdf>)
- Appendix D: [RFP Cost Estimate Guidelines/Methodology for the Nursing Home Moratorium Exceptions Process](#)
- Appendix E: [Exception to the Moratorium Application Review Process and Timeline](#)
- Appendix F: [Beds per 1000 for populations over 65 and 85, by County and Contiguous County Groups \(July 2024](#) (<https://www.health.state.mn.us/facilities/regulation/nursinghomes/docs/beds.pdf>))

Appendix D: Cost Estimate Guidelines/Methodology for the Nursing Home Moratorium Exceptions Process

REPLACEMENT, REMODELING, AND BED TRANSFER PROPOSALS

- Method for estimating Proposal Cost:
- Use method in [Minnesota Statute § 256R.26](#) (<https://www.revisor.mn.gov/statutes/cite/256R.26>) for rate setting principles. The estimated cost to the state of approved projects is based on the Fair Rental Value (FRV) formula at the time of approval and the estimated URC and DRC from the application. The final FRV property rate will be based on the actual appraisal (conducted by state contractor) after construction and the current FRV formula at the time of project completion. However, the allowable URC and DRC at project completion is the lessor of the actual appraisal value or 105% of the allowable URC and DRC at the time the application is approved by the state.

- For Proposal Costs, the proposer shall:
 - Estimate construction cost of project showing amounts for building(s) and fixed equipment.
 - Indicate number of beds being relocated and where they are being relocated from, number of beds being delicensed or relicensed from layaway, and total number of beds and bed configuration after project completion in format similar to the bed configuration on the Minnesota Statistical and Cost Report; and
 - Anticipated public grants or insurance proceeds.
 - Estimated savings due to closing a facility as part of a consolidation project.
- Estimate change in real estate taxes as a result of this proposal.
- Estimate change in annual operating costs as a result of this proposal.
- Include an estimated appraised value (URC and DRC) for the entire facility (existing and new) after the completion of the project, excluding all land, land improvements and movable equipment.

Appendix E: Exception to Moratorium Application Review Process Timeline

July 22, 2024

Request for Proposals for Moratorium Exceptions Projects published in the *State Register*.

October 21, 2024

Email Letter of Intent and any written questions concerning the moratorium application process to Minnesota Department of Health.

December 19, 2024

Applications materials must be received via upload to the Minnesota Department of Health CloudDrive.

December 19, 2024

Technical staff review by MDH/DHS staff to determine application compliance.

Week of December 23, 2024, to January 24, 2025

Completed applications reviewed for technical merit, staff data collection and determination of state share costs.

January 24, 2025

Completed staff review summary and collected data sent to Proposal Review Committee via email.

February 11 and 12, 2025 - Virtual Public Presentation Meeting

Applicants present proposal and address questions from the Proposal Review Committee. The Proposal Review Committee meets virtual, after the presentations, in a non-public meeting to discuss proposals and develops and submits its recommendations and rankings to the commissioner of health. Information on this Virtual Public Presentation Meeting will be emailed to the contact person in each application by January 12, 2024.

No later than February 21, 2025

The Commissioner of Health shall receive from the Proposal Review Committee a written recommendation for approval or rejection of each proposal based on the evaluation, comparison and ranking of all completed proposals.

No later than March 21, 2025

The Commissioner of Health shall decide to approve or disapprove each proposal.

No later than April 4, 2025

The Commissioner of Health shall send a written notice via email of the decisions to approve or disapprove each proposal to the respective applicants with a statement of reasons for the decisions.