

**HF1233 (Huntley/Lourey) Omnibus HHS Budget Bill
Hospital Provisions with FY2014-15 spending**

Provision	House	Senate
MERC	<p>\$12.808 million through PMAP. No specific formula change, however authority granted to commissioner to change formula in future.</p> <p>\$2 million from HCAF to greater Minnesota primary care residencies</p>	<p>\$6.404 million, with a formula change</p> <ul style="list-style-type: none"> • Eliminates 20% add-on for high MA volume providers • Limits grants to only those training sites who receive \$5,000 or more and have more than 0.1 FTE eligible trainee across all eligible training sites • Use of funds limited to expenses related to clinical training program costs for eligible programs • \$1 million (from \$6.4 million) plus any federal match to go to primary care development grants
Hospital surcharge (nongovernmental hospitals)	<p>\$202.3 million collected from hospitals. Surcharge raised from current 1.56% to 2.68% through June 30, 2017. Total of \$193.8 million with federal match potentially returned in rate increases through targeted distribution formula (see below).</p>	Not included in the omnibus bill
Hospital inpatient rate increases associated with surcharge	<p>Formula distribution, effective July 1, 2013. The House bill includes eight separate categories for medical assistance rate increases, which include such things as mental health, inpatient births, CAHs, and pediatric services.</p>	Not included
Health care provider rate increases	<p>\$2.794 million for 5% for dental</p>	<p>\$6.423 million, effective Jan. 1, 2015, fee for service only</p> <ul style="list-style-type: none"> • 1.4% inpatient hospital • 5% for physician and professional services, including physical therapy, occupational therapy, speech pathology, and mental health services • 5% for dental • 3% for ambulatory surgery centers facility fees, medical supplies and durable medical equipment, hospice services, renal dialysis services, laboratory services, public health nursing services, eyeglasses, and hearing aids

Provision	House	Senate
Nursing homes and home and community based services rate increases	<ul style="list-style-type: none"> • 3% for nursing homes, \$21.423 million • 2% for home and community based services, \$65.044 million • Buys back 1.67% HCBS cut, \$12.8 million 	<ul style="list-style-type: none"> • \$20.2 million for rebasing of the operating payment for some nursing homes • \$7.3 million for 1% increase on Jan. 1, 2015 and again on July 1, 2015 • Buys back 1.67% HCBS cut, \$12.8 million
Nursing home rate decreases	-\$19.6 million, suspends the automatic operating and property rate adjustments for nursing facilities.	-\$19.6 million, suspends the automatic operating and property rate adjustments for nursing facilities.
EMA dialysis and cancer treatment continuation	\$3.139 million	\$3.139 million
340B Drug Program	-\$4.630 million (this is the targeted savings from the governor's budget) Inpatient: WAC-44% Outpatient: Discount on payment rate-33%	No savings taken. DHS to study and make recommendations on changes to standardize the medical assistance reimbursement rates for prescription drugs obtained through the federal 340B Program. Due Jan. 15, 2014.
Inpatient Mental Health Operating Subsidy Grant eliminated (9 outstate hospitals)	-\$5.306 million	-\$5.306 million
SHIP (State Health Improvement Program)	\$45 million from HCAF	\$15 million from HCAF, includes Return on Investment provision
HMO surcharge	Not included	\$80.393 million collected Surcharge increased to 1.48%.
HMO reserve capture	\$48.496 million collected	Not included
HMO risk corridors	Not included	Yes, +/- 3%
HMO rate cuts (limiting trend increases)	-\$20.913 million	-\$53.812 million
Incarcerated inpatient payments to MA rates	\$2.668 million transfer from Department of Corrections, security costs are responsibility of entity with jurisdiction over inmate	\$2.670 million transfer from Department of Corrections, security costs are responsibility of entity with jurisdiction over inmate
Health care facility blueprint review fee	\$780,000 in new fees to be collected	\$780,000 in new fees collected
Nurse staffing reporting and study language	Included, \$252,000 for study	Not included