

Proposal 1 Wage Standards.docx

Part 1

Effective January 1, 2026, for nursing facilities reimbursed under Minnesota 256R, the minimum base wage for nursing home employee wages for the following occupations are:

Note the data requested on April 18, 2024 regarding the Minnesota Department of Human Services Fiscal Note of the cost of the proposed wage standards is necessary to inform this proposal.

Part 2

For any standard approved by the board, the cost estimates and the required new appropriation must:

- 1) Estimate each facility's rate impact in relation to the new standard. The estimate must be facility specific and based on information provided to the commissioner in a form and manner determined by the commissioner about current wage rates at each facility.
- 2) The commissioner must, when determining the total and facility specific costs to meet the standard, include:
 - a) The increased costs to wages;
 - b) The employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, pensions, and contributions to employee retirement accounts cost increases attributable to a standard.
 - c) The indirect costs as defined by the board, resulting from the implementation of a standard.
- 3) Nursing facility rates will be adjusted by the amounts determined in (a) through (c) on the first day of the previous month before the implementation date of a standard. Payments to facilities under this section shall be included in the external fixed payment rate under section 256R.25.
- 4) If the Legislature does not approve an appropriation under this section prior to the effective date of the new standard, then the new standard approved by the board cannot take effect.