

LeadingAge Minnesota LEGISLATIVE SUMMARY



2015 SESSION OUTCOMES

Created New Payment System

Reformed how the state cares for our aging citizens by creating a new cost-based reimbursement system that meets today's need and tomorrow's demand for innovative, quality care.

Secured Workforce Development Funding

Enhanced funding and criteria for Nursing Facility Scholarship Program and created similar program for Home and Community-Based Services.

Supported Consumer Preparedness and Protection

Supported bills designed to help consumers better prepare for their long term care needs and ensure a better quality of life as they age.

2015 Legislative Report

Our 2015 Legislative Summary is a highlight of our legislative outcomes this session. Our detailed 2015 Legislative Report will be distributed to all members in late June.



THANK YOU MEMBERS!

We asked. You responded. Your advocacy this session made our grassroots campaign a success and greatly contributed to our successful outcomes this session.

THANK YOU!



8,800
Postcards



8,000
Emails



300
Attendees at
Regional Town
Hall Forums



Dozens of On-
site Meetings
and Tours



Many, many
calls to
legislators



2015 FUNDING OVERVIEW

Senior Care Reimbursement Reform

We set out this session to reform how the State of Minnesota cares for its aging citizens. Our Senior Care Reimbursement Reform proposal received strong bipartisan support from the very beginning and laid the groundwork for the final bill that was signed into law.

The new cost-based nursing facility reimbursement system is based on the **actual costs of providing care as reported annually by each provider**. The new system **breaks with traditional patterns of nursing home increases, such as across the board percentage increases with encumbrance**, and **instead establishes rates for each provider based on the costs they report**. In addition, the bill **re-establishes the link between nursing facility rates and Elderly Waiver caps** – ensuring predictable funding and continuity of care for seniors across the spectrum of care.

SENIOR CARE REIMBURSEMENT REFORM	
Care-Related Rate	<p>Calculated using the actual costs reported by each facility, the care-related rate covers nursing, social services, raw food and activities.</p> <p>Nursing portion adjusted for case mix to address variation in residents' needs.</p> <p>Facility's care-related rate is lower of actual facility cost per diem or a limit.</p> <p>Limit determined by two components, percentage median costs of facilities in the Twin Cities metro area and facility quality score. Quality scores run from zero to 100, and the associated cost limit increases with the quality score.</p>
Other Operating Rate	<p>Pays for dietary staff, housekeeping, laundry, utilities, and administrative costs such as property and liability insurance.</p> <p>Each nursing facility will receive a price that is calculated as 105% of the median costs of facilities in the Twin Cities Metro area.</p> <p>Not adjusted for case mix, which provides a strong incentive for efficiency because higher individual facility costs does not increase rate.</p>
External Fixed Rate	<p>Pays for a number of items that are out of the control of the facility or do not change annually, including bed closure incentives, surcharge, property taxes, license fees and the surcharge.</p> <p>Adds health insurance costs to external fixed rate, which is defined as costs of employer plans, contributions to HSAs and the cost of employer-shared responsibility payments.</p>
Quality Incentives	<p>Adjusts the care-related limit based on quality score, which provides an incentive for have higher quality, and preserves existing PIPP and QIIP programs to provide incentives for quality improvement efforts.</p>
Waiver Parity	<p>Re-establishes the link between Elderly Waiver and Alternative Care budget caps to changes in nursing facility rates, ensuring sustainable funding that will help seniors remain in their homes and receive the care they need.</p> <p>This \$18 million investment is effective Calendar Year 2016. The increase in caps take effect on July 1, 2016 and means an increase in caps equivalent to the nursing home rate increase – likely 20% to 25%.</p>
Property Rate	<p>Requires DHS to conduct appraisals of all care centers in the state in order to develop recommendations for potential property system redesign based on fair rental value. Appraisal would be conducted yet this year. A report is due to the Minnesota Legislature before the 2016 session.</p>
Implementation	<p>January 1, 2016, based on the cost report for the year ended September 30, 2014.</p>

Home & Community Based Services Funding

- **HCBS Funding** – Provides an average 1% quality-add on for waiver providers effective July 1, 2015 as approved by the 2014 Minnesota Legislature.
- **Waiver Eligibility – Income and Asset Limit and Spenddown Standard:** Increases the MA income limit for persons who are aged, blind or disabled from 100% to 133% of federal poverty guidelines; Increases MA asset limit from \$3,000 to \$10,000 for an individual and from \$6,000 to \$18,000 for a household of two; and Increases the excess income (spenddown) standard from 75% to 133% percent of federal poverty guidelines. All increases effective July 1, 2015.
- **HCBS Innovation Pool** – Provides \$1.425 million in FY16-17 to create a grant program that will provide incentive payments for HCBS providers who identify and meet innovation outcomes.



2015 POLICY HIGHLIGHTS

Workforce Development

As one of our top priorities this session, we advocated for an expansive workforce development package to address the shortage in professional caregivers. While the Minnesota Legislature did not adopt our entire proposal, our top two workforce priorities were signed into law:

- **Nursing Facility Scholarship Program:** Provides \$1.335 million in funding to the program, allows the funding to support nursing assistant training, and expands criteria to cover child care and transportation expenses.
- **HCBS Scholarship Program:** Provides \$2 million to establish a program that will cover training costs for caregivers in HCBS settings such as assisted living and adult day services.

Consumer Notification - Observation Days

Requires all Minnesota hospitals to provide oral and written notice to every patient who is considered to be in “observation status” no later than 24 hours after their status is deemed as such. Requires hospitals to provide a list of eligible home care and skilled nursing facilities that could provide the patient with care following the hospital stay.

HCBS Licensing

Requires a correction order or a conditional license for a violation in which the 245D license holder operates more than one service site to specify the service site at which the violations occurred or the specific program license, and not apply to other service sites or licenses programs that are not violating the law or rule.

Group Residential Housing

Standardizes contracts between agencies and providers. Gives DHS authority to terminate contracts or impose sanctions if the health and safety of recipients are in danger. Requires background studies and minimum staff qualifications. Specifies supplies and furnishings that must be available to recipients.

Receivership

Reduces the time a judge has to issue a receivership order from five days to two days. Clarifies the role of the receiver and a new managing firm. Simplifies how DHS provides operating funds. Requires DHS to maintain a list of qualified managing firms for when an emergency receivership is granted.

OTHER HIGHLIGHTS

Advance Care Planning

Creates Let's Talk Now, a grant program to encourage individuals to have conversations regarding their end-of-life choices and facilitate advance care planning conversations through community specific outreach.

Alzheimer's Grants

Creates multiple grant programs designed to fund more research for prevention, causes, cures and treatment for Alzheimer's and other dementias. Creates public information campaign to promote awareness, increase screening for those at risk for the disease and help connect caregivers to needed resources.

Automated Drug Dispension

Allows automated drug dispensation systems, which are currently allowed in care centers, to be used in certain boarding care homes that provide centralized storage of medications. Modifies the quantity of over-the-counter drugs that can be dispensed under MA. Allows retrospective billing so MA patients can receive their medication through the automated systems.

Bingo

Allows care centers to host bingo more than two times per week and allows guests of care center residents to play bingo.

Dementia Care Training

Delays enforcement for new training requirements by one year, from Jan. 1, 2016 to Jan. 1, 2017. Requires DHS to offer technical assistance to help providers come into compliance. Designates fines of \$200 per individual for providers not in compliance with necessary training.

Health Professional License Modification

Allows a health-related licensing board to temporarily suspend a person's license to practice if the board receives a complaint and has probable cause to believe that person has violated a law or rule the board is empowered to oversee. Requires the temporary suspension remain in effect until the board completes its investigation, holds a contested case hearing and issues a final order.

Medical Records Access

Allows adult children access to a deceased patient's medical records if used for treating a genetic disease.

Silver Alert System

Establishes a workgroup to study and make recommendations for a Silver Alert system that would help find missing people with diagnosis of dementia, traumatic brain injury, Alzheimer's disease or other mental disorders that cause wandering.



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