

MONDAY

ONLINE

MAILING

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Top Stories

Don't Sugarcoat Words: Budget is Real Cut to Long-term Care Funding

In the aftermath of last Friday's supplemental budget announcement by Gov. Tim Pawlenty, MHHA's goal this week is to be sure that legislators and the public at large are aware that the Governor's proposal is not simply a "shift " but is a real cut to long term care funding.

The governor's supplemental budget closes a \$935 million state budget deficit in the current biennium primarily through the use of funding shifts, spending the budget reserve, and cuts in state general fund spending.

Some lawmakers perceive the Governor's proposal as "sparing" nursing homes. In responding to the Governor's proposal, Rep. Tom Huntley, a Duluth Democrat who chairs the House Health Care Finance Committee, was quoted as saying that the Governor's position with regard to the budget for long term care providers would be good politics -- because Pawlenty spared nursing homes -- but bad policy -- because long-term facilities for the disabled compete for staff with nursing homes.

To be clear, the governor's budget cuts \$31.8 million in funding for nursing homes and HCBS in 2008. The budget proposes the elimination the July 1, 2008 rate increase for home and community based service providers, and it also proposes the repeal of nursing facility rate rebasing, which eliminates the increase due to those facilities on October 1, 2008. Both providers would receive an increase in 2009, 2% for home and community based providers on July 1 of that year, and a combination of an operating rate increase and quality add-on that should provide an average rate increase of approximately 2% to nursing facilities on October 1 of that year.

The elimination of the 2008 rate increases means that providers will receive no funding increase this year to address increasing costs, and they will also have no funding to provide salary increases to their employees. It will be very difficult for older adult service providers to attract and maintain the staff they need if they cannot provide salary increases at a time of rising inflation.

The repeal of nursing facility rate rebasing eliminates the best long-term hope of a solution to the nursing facility financial crisis. Under current law, over eight years, the state investment in nursing facilities would grow by more than \$100 million, which would ultimately eliminate the current huge gap between MA rates and the actual cost of providing care. While rebasing as it passed last year did not do enough to provide assistance to facilities in the first few years, it did offer long term relief which will be wiped out if the Governor's budget is enacted.

Much of the deficit is addressed in the governor's budget by the use of \$250 million from the budget reserve, as well as funding shifts including over \$90 million in federal TANF (temporary assistance for needy families) funds replacing general fund spending, and almost \$300 million transferred out of the Health Care Access Fund to replace general fund spending.

While spending cuts make up less of the budget solution, they do fall disproportionately on certain parts of the state budget, including programs serving older adults. The supplemental budget does not cut K-12 education spending or local government aid, and it even includes a few spending increases for K-12 education reforms, economic development programs, and assistance to members of the military.

Our analysis of the supplemental budget identified about \$262 million in actual general fund spending cuts proposed for the current biennium. Those cuts are distributed as follows:

Area of State Government	Amount Cut (in Millions)
Human Services Programs	\$122.6
Higher Education	\$53.8
Transit Programs	\$32.4
State Government Administrative Reductions	\$30.9

All Other	\$22.3
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The budget cuts both the University of Minnesota and MNSCU by 3.85%, reduces the administrative budget of most state departments by 4%, and reduces funding for Metro Transit to offset the amount they will receive from the local sales tax in the transportation bill. However, the largest amount of cuts comes from human services programs. In the human services area, the two largest cuts are to hospitals (\$52.4 million) and long-term care providers (\$31.8 million).

"A proposal to eliminate funding that is currently budgeted in 2008 for the hope of future funding in 2009 is a cut, pure and simple," says Kari Thurlow, MHHA's Vice President of Advocacy. "An attempt to portray it any other way is just word games."

A call to action will be sent to all MHHA members today outlining steps that everyone must take to ensure that legislators understand the cuts Governor Pawlenty has proposed.

Compensation Distribution Plans Due by April 1

A portion of the rate increase for both nursing facilities and home and community based services providers, which took effect Oct. 1, 2007, is required to be used for compensation increases for employees.

The deadline for completing the compensation distribution plans is six months after the effective date of the increase, or Tuesday, April 1. DHS bulletin #07-69-03 contains information on the implementation of the compensation increase.

Members can download the bulletin from the DHS web site at:

<http://tinyurl.com/ys6sta>.

Nursing facilities do not receive the compensation portion of their rate increase until a compensation distribution plan has been approved. If a facility does not submit a plan by April 1, they lose the opportunity to receive that portion of the rate increase.

If a facility does submit a plan by the deadline, even if it is not final, they have another three months, until Tuesday, July 1, to finalize a plan with DHS. The bulletin from DHS includes a calculator that will assist members with the calculations required to complete a plan.

The process for home and community based services providers is somewhat different. They do not have to submit a distribution plan for approval by DHS, but they do have to develop and post for employees a distribution plan that complies with the requirements of the law.

In addition, as DHS reminded providers in a recent provider update, home and community based providers must provide a "Statement of Assurance" that they have developed a plan that complies with the law.

The Statement of Assurance can be filed online at: <http://survey.dhs.state.mn.us/snap/dsd/20076/cola20076.htm>.

To assist home and community based providers with the calculations required for the compensation distribution plan, MHHA has developed an easy to use Excel spreadsheet calculator which members can access by clicking

<http://www.mhha.com/inc/data/CalculatorforHCBS.xls>.

For further information: Contact Jeff Bostic at jbostic@mhha.com.

MDH Seeking Volunteers for Mock QIS

The Minnesota Department of Health is seeking three facilities to volunteer for a mock survey under the new Quality Indicator Survey (QIS.)

The mock surveys, which are a necessary part of the training for surveyors to conduct the QIS, will be conducted the week of May 5-9. The training in the May mock surveys will be conducted for the metro B team and the Bemidji team.

Given the teams to be trained, MDH is seeking three facilities in the area that ranges from Bemidji through central Minnesota to the Twin Cities area. MDH expects to choose volunteer facilities that are fairly close together because some MDH staff will need to visit all three facilities. As in the past, the mock surveys will not be surveys of record. (In case there is a serious problem, the team would abort the mock survey and notify OHFC.)

MHHA encourages members to consider volunteering for the mock survey, particularly if their staff attended either of MHHA's QIS training sessions. This will be a great opportunity to experience the QIS early in Minnesota's phase-in period. MHHA asks only that members who volunteer be willing to share their experiences with MHHA for the benefit of the entire membership.

Any member who is interested should email Darrell Shreve at dshreve@mhha.com by Monday, March 24, to indicate their willingness to volunteer. MHHA will submit its list of volunteers to MDH, which will make its decisions by mid-April.

At the State Capitol

House Committee Tables Bill Restricting Housing with Services Contracts

Last week, the House Housing Policy and Finance Committee heard HF2324, authored by Rep. Ryan Winkler (DFL-Golden Valley).

As introduced, the bill would allow local units of government to limit the concentration of certain residential providers based on licensed capacity. The bill addressed residential providers serving up to 16 individuals.

The legislation was intended to address a circumstance in Winkler's district where a provider purchased a number of single family homes on a cul-de-sac and converted them to small residential group homes. Concerns over traffic flow and over concentration of programs led to the legislation.

At the hearing, Winkler offered a delete-everything amendment that replaced all of the original bill language with the following change to M.S. 144D--the Housing with Services Contract Act:

When determining whether to contract with a housing with services establishment, a local unit of government may consider whether the establishment adheres to best practices regarding geographic concentration of such establishments.

Committee members expressed concern that "best practices " and "geographic concentration " are not defined, and that the proposal would run communities afoul of federal fair housing laws. Others expressed concern that counties could use the language to discriminate against providers and open counties up to lawsuits. Still others raised the "slippery slope " issue where the language directed at housing with services settings could be a precedent for communities to restrict other needed programs and services.

Midway through the committee's discussion, Rep. Carol McFarlane (R-White Bear Lake) moved to table the bill.

On a vote of 6-4, the motion carried and the bill was tabled. While Winkler acknowledged the bill may need some more work and pledged to bring affected interests together, this was a set back with the first committee deadline looming and little time for bills to get a second hearing.

MHHA staff met with Rep. Winkler last week to discuss our serious concerns with the legislation and how, as currently written, it would not resolve the situation he was attempting to address. Winkler indicated the issue was not going to go away, even if it is not passed this year.

For further information, contact Lori Meyer at lmeyer@mhha.com.

DHS Continuing Care Policy Bill Advances in House

The Department of Human Services presented its continuing care policy bill to the House Health and Human Services Committee last week. HF3579, authored by Rep. Kim Norton (DFL-Rochester), includes the following provisions:

- Removes the certification requirement for adult day care providers as the standards for an adult day care license exceed the standards for the certification.
- Requires foster care providers to certify they have medication management and administration policies and procedures as it is not addressed in the foster care license requirements.
- Addresses federal compliance issues to provide a consistent practice for enrolling providers across the state.

Rep. Neva Walker (DFL-Mpls) offered two amendments to the bill. The first clarifies that funding for congregate dining and home delivered meals cannot be reduced based on the amount of voluntary contributions received. The second prioritizes senior nutrition funding to maintain existing programs. Both amendments were approved and the bill was sent to the House floor.

For further information, contact Lori Meyer at lmeyer@mhha.com.

Advanced Dental Hygienist Practitioners' Bill Advances

A coalition of higher education, health plans, consumer advocates and dental hygienists, called the Safety Net Coalition have brought forward a proposal to create a new professional called the Advanced Dental Hygienist Practitioner (ADHP).

House File 3247 (Thao, DFL-St. Paul)/ Senate File 2895 (Lynch, DFL-Rochester) would allow for the creation of a new designation for Advanced Dental Hygienist Practitioners (ADHP). This new level of dental practitioner would require a masters' level education and additional training. Proponents compare the ADHP to a nurse practitioner under an M.D. in scope of practice and education.

It would allow the practitioner to drill and fill cavities, remove teeth and perform other services currently reserved for dentists in the state. The ADHP could only work under collaborative management contracts with a licensed dentist who would delegate the authority to prescribe and administer certain medications. The agreement would also require referrals from the ADHP to that dentist for more serious procedures.

The Safety Net Coalition argue this measure is necessary to help meet the unmet oral health needs of those without health coverage or with low wages who cannot afford even preventive care, especially the young and elderly that reside in rural Minnesota. Medicare does not cover dental care and most retirement plans do not provide dental coverage.

ADHPs would be available to nursing facilities, schools and community clinics--especially those in rural parts of the state--to help provide additional necessary oral health care.

The Minnesota Dental Association and dental students at the University of Minnesota both oppose this measure claiming a

dental degree better prepares a student for potential complications arising during "routine " fillings and tooth extractions.

In the House, the bill has been heard in the House Licensing Sub Committee, and was recommended to pass and referred to the Health and Human Services Policy Committee. That committee is expected to take the bill up this week.

In the Senate, the bill was heard by the Senate Health, Housing and Family Security committee, where it was re-referred to the Health and Human Services Budget Division.

If signed into law, Minnesota would be the first state to license an ADHP. However, over 20 other countries use this model in oral health.

MHHA supports this legislation. However, we continue to urge the proponents to add language requiring a certain level of service to patients that are on medical assistance.

For further information, contact Kari Thurlow at 651-603-3512 or at kthurlow@mhha.com.

News Briefs

Tamper-Resistant Clarification from DHS

The Minnesota Department of Health has released its guidance on "tamper-resistant " prescription pads (PRX-08-01.doc, available on the DHS website).

Federal law enacted in 2007 requires all Medicaid prescriptions to be written on "tamper-resistant " paper or pads in order to be eligible for federal reimbursement to the state Medicaid program.

The Centers for Medicare & Medicaid Services has established two deadlines for compliance, but each state has some flexibility to set its compliance standards.

1. Beginning Friday, April 1, all prescription pads/paper for prescriptions written for Medicaid fee-for-service recipients/members are required to have at least one of the tamper-resistant characteristics from one of the tamper-resistant categories.
2. Beginning Wednesday, Oct. 1, prescription pads/paper will be required to have at least one of the tamper-resistant characteristics from all three tamper-resistant categories.

The three tamper-resistant categories are the following:

1. One or more industry-recognized features designed to prevent **unauthorized copying** of a completed or blank prescription form.
2. One or more industry-recognized features designed to prevent the **erasure or modification** of information written on the prescription by the prescriber.
3. One or more industry-recognized features designed to prevent the use of **counterfeit** prescription forms.

DHS has decided to allow providers to select **any one security feature from each of these three categories**. CMS encourages providers to implement all security features by the April 1 deadline, to avoid wasting old pads/paper and reordering and using new pads/paper with the additional features before the Oct.1 deadline.

Providers who write prescriptions for Medicaid recipients should contact their printer to secure an appropriate supply of tamper-resistant prescription pads or paper that will meet CMS April 1, requirements and begin using this paper before this date. Orders may take up to four weeks to process.

A letter from the National Council for Prescription Drug Plans to Medicaid directors contains an example of a tamper-resistant prescription pad/paper, a description of the required security features, a listing of tamper-resistant prescription pad/paper vendors and a summary of the Federal law and Medicaid requirements. Members may download this letter by clicking <http://www.mhha.com/inc/data/PrescriptionLettertoMedicaid020108.pdf>

For further information, contact Darrell Shreve at dshreve@mhha.com.

MA Providers Exempt from E-Verify Executive Order

The Department of Administration has clarified that Governor Pawlenty's executive order on the E-Verify system does not apply to care centers and other providers enrolled in the Medical Assistance program.

The executive order will require entities that contract with the state for more than \$50,000 to check the employment eligibility of new employees with the E-Verify system, which is intended to determine whether the new employee can legally work in the United States. Because of the determination by the Administration, care centers and other providers will not have to use the E-Verify system for new employees.

The Department of Administration released its "frequently asked questions " last week. With respect to provider agreements, the FAQ states that "Provider agreements are defined as the applications and participation agreements that all Minnesota Health Care Program (MHCP) providers must sign and submit to the Minnesota Department of Human Services in order to enroll as an MHCP provider, as required by 42 CFR 431.107 and Minn. Rules, Part 9505.0195, Subp. 2. Provider agreements are exempt from a number of requirements relevant to state contracts."

Administration also responded to the question of alternative payment system (APS) contracts. The FAQ states that "Alternative Payment System" contracts are paid through designated grant funds on behalf of third-party beneficiaries and not subject to the EO. "

There are some vendors who provide medical services to the Minnesota Department of Human Services without provider agreements, and these vendors may be subject to the executive order.

Members in this situation may want to contact DHS [Rae Bly](#) at 651-431-3596 or [Jay Brunner](#) at 651-431-3599. Alternatively, vendors could wait to see if they will be asked by the agency to certify participation in E-Verify as a condition of a contract award or amendment.

The entire FAQ is available at: <http://www.mmd.admin.state.mn.us/immstatFAQ.htm>.

For further information, contact Darrell Shreve at dshreve@mhha.com.

Revised Customized Living Worksheet Now Posted on MHHA Web Site

MHHA has now received the most recent (and final, for now at least) Elderly Waiver customized living worksheet, which was described in last week's *Monday Mailing*, and it is posted at <http://tinyurl.com/27c2am>.

In addition, MHHA is posting a three-page handout that Department of Human Services staff is using in some March workshops.

The customized living worksheet is one of the topics that will be discussed in the first part of MHHA's three-part series focusing on Elderly Waiver, Group Residential Housing and how providers can successfully and legally operationalize these programs. Registration for the first session, Elderly Waiver Program -- A 'Virtual Learning Boot Camp,' which will be offered via phone conference on Monday, March 24, from 1:30-3:30 p.m., is now available online at: <http://tinyurl.com/35fplz>.

For further information, contact Mary Youle at myoule@mhha.com.

DHS Issues New Bulletin on PASRR Screenings for Mental Health

The Minnesota Department of Human Services has issued a new bulletin on the PASRR process for the mentally ill. Federal certification regulations prohibit the admission to nursing facilities of persons who are mentally ill but do not need nursing facility services. The regulations also addresses state requirements for specialized services for persons with a serious mental illness. The new bulletin, "Update to Adult Mental Health Preadmission Screening and Resident Review (PASRR) and New Forms for Level I and II Screenings, " is DHS Bulletin #08-53-02.

Members may download it at this site:

<http://tinyurl.com/2arqkc>.

The new bulletin replaces DHS Bulletin #00-53-03.

For further information, contact Maria Anderson, DHS's adult mental health PASRR coordinator, at 651-431-2241 or Dhsmn.pasrr@state.mn.us.

HUD and DOJ Release New Guidance on Fair Housing

The U.S. Departments of Housing and Urban Development (HUD) and Justice (DOJ) released new guidance last week regarding the right of tenants with disabilities to make "reasonable modifications " to their dwellings if a structural change to their dwelling or to a common area of the their building or complex is needed so that they can fully enjoy the premises.

The guidance is designed to help housing providers and homeowners' associations better understand their obligations and help persons with disabilities better understand their rights regarding the "reasonable modifications " provision of the federal Fair Housing Act (FHA).

The new guidelines are issued in the form of questions and answers with a number of examples and cover such topics as: what is a reasonable modification, who is responsible for expenses associated with the maintenance of a reasonable modification, what is the difference between a "reasonable modification " and a "reasonable accommodation " and more.

The guidelines are available online at both www.usdoj.gov/fairhousing and <http://tinyurl.com/2dqc39>.

"Persons with disabilities have a right to have the place they call home altered in a way that will enable them to fully enjoy it," said Kim Kendrick, HUD's Assistant Secretary for Fair Housing and Equal Opportunity. "This guidance is a major step toward enforcing that right today, and for generations to come."

The FHA prohibits discrimination in housing based on disability, race, color, religion, national origin, sex and familial status. HUD and DOJ share responsibility for enforcing the FHA. (Note that the Minnesota Human Rights Act adds additional protections against discrimination based on marital status, public assistance status and sexual orientation.)

One type of discrimination prohibited by the FHA is the refusal by housing providers or homeowner associations to permit a reasonable modification or structural alteration of existing premises, occupied or to be occupied by a person with a disability, when the modification may be necessary to afford the person full enjoyment of the premises.

Although the housing provider or homeowner association must permit the modification, the tenant (or prospective tenant) is

responsible for paying the cost of the modification (except that buildings with HUD assistance may have some financial obligations related to modifications).

In some situations, depending on the type of modification, the landlord can require the tenant to pay to remove the modifications when the tenant is moving out.

Examples of reasonable modifications include widening doorways to make rooms more accessible to persons who use wheelchairs or installing a ramp to provide access to a public or common use area, such as a clubhouse.

HUD is the agency with the primary responsibility to investigate individual complaints of discrimination and can file complaints alleging discrimination. In addition, the Attorney General may commence a civil action in federal court when he has reasonable cause to believe that person(s) are engaged in a pattern or practice of discrimination or that a group of persons has been denied rights protected by the FHA.

HUD reports that since January 2001, HUD and its Fair Housing Assistance Program partners have investigated and either conciliated or charged nearly 10,000 cases that alleged discrimination based on disability. Since this time, the Justice Department's Civil Rights Division has filed 244 cases to enforce the Fair Housing Act, 115 of which have alleged discrimination based on disability.

More information about HUD and the civil rights laws it enforces is available at www.hud.gov/offices/fheo/aboutfheo/aboutfheo.cfm.

More information about the DOJ Civil Rights Division and the laws it enforces is available at www.usdoj.gov/crt.

Upcoming DHS Videoconferences of Interest to Providers

The Minnesota Department of Human Services (DHS) is offering several upcoming free videoconferences that may be of interest to providers.

"Complementing Medical Care for Chronically Ill Seniors: Supporting Transitions in Settings"

Date: Thursday, March 13

Time: 9 a.m.

Presenter: Cathleen Clouse, M.D., Family Physician and Patrick Irvine, M.D., Geriatrician.

This program is designed to help providers, lead agencies and others understand the perspectives of leading Minnesota geriatricians regarding the opportunities for closer coordination of senior services and medical care.

Care coordination, whether formalized by contracts and titles or opportunistic between aging network professionals and individual physicians, needs to be locally grounded and realistic.

This session will cover transitions in care settings, which frequently turn problematic due to missing information, timing issues, expectations that one setting (hospital) has about another (sub-acute unit in a SNF), and many other reasons.

Learn the thoughts of two physicians about managing continuity even as care settings change.

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"Long-Term Care Partnership Program: A Public-Private Partnership - Ensuring the Future of Minnesota's Safetynet "

Date: Thursday, March 20

Time: 9 a.m.

Presenters: Dave Greeman, Eligibility Policy, Health Care Program, MN Department of Human Services; Kellijo Greiner, Senior LinkAge Line, Consumer Choices Team, MN Board on Aging; Paul Strebe, Director, Long-Term Care Partnership Program, MN Department of Human Services; Jan Taylor, Benefit Recovery Section, Health Care Operations, MN Department of Human Services.

This Department of Human Services videoconference will focus on Minnesota's public-private approach for financing long-term care services that enables persons who purchase certain types of private long-term care insurance to designate and protect personal assets in an amount equal to the benefits used under their long-term care insurance policy, if they later apply to have the state pay for their long-term care services under Medical Assistance.

The presentation will include a background on the program, what types of coverage qualifies, requirements for agents and insurers, interaction with MA eligibility, asset protection and estate recovery, and availability of consumer assistance.

An opportunity for question and answer, as well as awareness of resources and contacts for network needs following the session will be provided.

"Enhancing Home and Community Living Options for Seniors: Building EW and AC Program Capacity "

Date: Thursday, March 27

Times: 10 a.m. and 1:30 p.m.

Presenters: Melanie Fry, Program Consultant, DHS Disability Services Division, and Darlene Schroeder, Program Administrator, DHS Aging and Adult Services Division.

This program will highlight progress in service development and will also identify gaps. Strategies for development will be discussed. Lead agencies and providers are being encouraged to attend this session to evaluate local and regional progress

and to discuss next steps in service development.

More information about these and other upcoming videoconferences, including times and locations, is found at:
<http://tinyurl.com/2ouph8>.

Pre-registration for all DHS videoconferences is required. Register online at <http://agingtraining.dhs.state.mn.us/>. Registration closes at 5 p.m. on the Monday prior to the session. Because some sites fill up, DHS asks that anyone who has registered for a session but is unable to attend to cancel their reservation through the web link using your confirmation number. This allows others to participate in the training.

HCAM Volunteers Share MHHA Message with Legislators

Nearly 70 members of the Health Care Auxiliary of Minnesota (HCAM) rallied on behalf of aging services at their annual Legislative Day at the Capitol on Feb. 27.

Volunteers representing 24 care centers and hospitals traveled from all corners of the state to learn more about the issues impacting their communities and to lobby legislators. MHHA's Senior Vice President Lori Meyer welcomed the crowd of volunteers and thanked them for the unique and respected messages they bring to our advocacy efforts.

Carrying their mission of "serving those who serve" into the realm of direct advocacy, HCAM volunteers showed their power by holding more than 50 face-to-face meetings with legislators.

"It was a great day," said HCAM President Sharon Mortud. "Several lawmakers told us they appreciated hearing directly from volunteers about the issues that matter to their facilities." Mortrud serves on MHHA's Board of Directors through her role with HCAM and recently attended all seven of MHHA's district meetings, where she set the stage for this annual event by encouraging HCAM members to increase their understanding and engagement in our advocacy efforts.

Volunteers from across the state spent the morning with staff from MHHA as well as the Minnesota Hospital Association to learn about the key issues facing providers.

MHHA's Vice President of Advocacy Kari Thurlow provided a detailed training on key trends, 2008 legislative initiatives and lobbying tactics as well as participated in presentations from Rep. Kent Eken, Rep. Pattie Fritz, Sen. John Marty, Sen. Dan Skogen and Rose Bauman, a constituent services advocate from Sen. Amy Klobuchar's office.

In addition to the advocacy training and legislative visits, volunteers were able to observe House and Senate health committee meetings and tour the State Capitol.

MHHA and MHA provided a shuttle service for volunteers. MHHA thanks HCAM for their continued support of the Association and our members. For further information on this organization or how to establish a chapter in your community, visit <http://www.mnhcam.org>.

DHS Seeks Comments on Minnesota's Application to Renew Elderly Waiver

Minnesota's Elderly Waiver (EW) program must be renewed this year as part of the regular five-year renewal process, and MHHA has learned that the EW application must be submitted for approval to the Centers for Medicare and Medicaid Services (CMS) no later than Tuesday, April 1.

As part of this application process, the Department of Human Services is requesting comments from the public by Friday, April 4, on the EW application and attachments and state Quality Management Strategy that is being submitted to CMS.

DHS has not indicated what impact any comments on the waiver application will have, since comments are not due after the date by which the waiver application must be submitted to CMS. The effective date of the renewed EW waiver will be Tuesday, July 1.

The EW application and attachments are found at <http://tinyurl.com/3ymyyr>.

MHHA will be submitting comments on the EW application and we encourage members to send feedback to Mary Youle at myoule@mhha.com by Monday, March 24. MHHA members can also submit comments directly to DHS at DHSAAASDEWComments@state.mn.us by Friday, April 4. Please send Youle a copy of any comments you submit directly to DHS.

Reminder: Copies of Dementia Disclosures Must be Submitted to the Ombudsman's Office

Housing-with-Services providers and Class F home care providers that have special dementia care units and programs are reminded that under the dementia disclosure requirements in MN Statute 325F.72, a copy of your dementia disclosure document must be sent to the Office of Ombudsman for Long-Term Care as well as given to each person (or their responsible person) seeking residence in the special unit.

The law also requires that "substantial changes to disclosures" must be submitted to the Ombudsman's Office when the change is made.

Sherilyn Moe of the Ombudsman's Office has indicated to MHHA that many providers submitted copies of their disclosure statements following the implementation of the law, but that the office has received few documents in recent years.

Dementia disclosure documents can be sent to the Ombudsman's Office at:
Office of Ombudsman for Long-Term Care
P.O. Box 64971
St. Paul, MN 55164-0971

If you have questions, contact Moe at 1-800-657-3591 or Sherilyn.Moe@state.mn.us or Mary Youle at myoule@mhha.com.

Association News

2009 Institute Booths Selling at Record Pace

Reserve your 2009 Institute booth today while prime booths are still available. As of today, more than 40 percent of the available spaces have already been sold.

A total of 69 booths have already been sold and 98 booths are remaining. MHHA's 2009 expo is scheduled for Feb. 11 and 12, 2009 and offers your organization the opportunity to showcase your company's product or service and the chance to interact with more than 3,500 of Minnesota's older adult services providers.

For more information, contact Jenny Prosser at jprosser@mhha.com.

Institute Videos Now Available for Members

After some minor editing and working out some technology arrangements, the videos you've been waiting for from the 2008 MHHA Institute are now available.

As a gift to our members the Excellence in Practice award winning video "Making Dreams Come True " (Session #120) is posted on MHHA's web site at http://www.mhha.com/index/video_casts. By viewing it there, you'll not only gain the information you missed because you didn't have a chance to attend the session, but you'll be able to experience the kind of videocast you've seen in other places on the Internet. (However, 'You Tube' this is definitely not!)

For a modest fee (\$35) members can view the following videocasts - or purchase them (\$55 each) in DVD format:

- #105 - Culture Change: Do more than Look at Me - Involve Me
- #133 - Motorized Assistive Devices: Balancing Individual Rights and Safety
- #206 - Creating Relationship-Centered Environments for Living
- #222 - Ethical Dilemmas in Refusal of Cares: The Challenge and Solution

To order, go to <http://eseries.mhha.com/source/Orders/index.cfm>.

The various licensure boards and professional organizations have different requirements for earning certificates of attendance from programs that are videotaped and individually viewed versus ones that are offered live.

For further information, contact Heidi Simpson at hsimpson@mhha.com. Members can also contact Simpson about obtaining CEU's.

AAHSA News

HUD Issues Policy on Conversion of Efficiency Units to One-Bedrooms

The American Association of Homes and Services for the Aging (AAHSA) reports that after "long and energetic advocacy " by providers, the U.S. Department of Housing and Urban Development (HUD) has finally issued a memo outlining policies and procedures for converting efficiencies into one-bedroom units to meet local demands for affordable housing and improve an organization's long-term financial and physical position.

According to Nancy Libson, AAHSA director of housing policy, the new HUD policy allows conversions if the average vacancy in efficiency units has been at least 25 percent for 24 of the preceding 36 months.

The market demand for one-bedroom units must be documented, and if there is Section 8 assistance, the budget authority for the project cannot be increased. Libson notes that although there are a lot of procedures to go through, the new policy should make it easier for members to convert units without having to come to Washington for approvals.

For further information, contact: Nancy Libson at 202-508-9447 or nlibson@aahsa.org.

HUD Estimates 43,000 Project-Based Sec. 8 Apartments Will be Lost Over the Next Two Years

The National Housing Trust Newsletter reports that a close examination of HUD's budget documents reveals that HUD is estimating a significant loss of project-based Sec. 8 housing by the end of FY 2009.

According to HUD's FY 09 budget justifications, the Department estimates that 43,000 fewer project-based Sec. 8 affordable apartments will be funded in FY 09 as compared to the number of apartments funded in FY 07. The budget document is available at <http://tinyurl.com/2cm7dv>.

The National Housing Trust estimates the loss of 43,000 affordable HUD apartments over a two year period--more than 20,000 units per year on average--would represent a doubling in the rate of project-based Sec. 8 housing lost to the affordable market inventory each year. Since 2001, approximately 10,000 project-based Sec. 8 apartments have been lost on an annual basis.

The budget documents underscore the need to fix the current funding shortfall that has been shaking owner confidence in the project-based Sec. 8 program.

Without restoring full funding, tens of thousands of HUD apartments are expected to be lost from the inventory of affordable housing over the next two years. Without an immediate funding fix, thousands of property owners who can economically leave the Sec. 8 program will do so at the first opportunity, leaving working families and seniors facing substantially higher rents or displacement.

The National Housing Trust and other advocacy groups will continue to make this an issue as Congress considers President Bush's budget proposals for HUD in upcoming hearings.

On Wednesday, March 12, the Senate Banking, Housing and Urban Affairs Committee will hold an oversight hearing on the Department of Housing and Urban Development, focusing on the housing needs of low-income families and whether the department can meet those needs under the proposed budget.

More information on this hearing is found at: <http://tinyurl.com/yqx7sp>.

For more information on the National Housing Trust, visit <http://www.nhtinc.org>.

AAHSA Urges Providers to Ask Congress for Increases to FMAP

Representatives John D. Dingell (D-MI), the Chairman of the Committee on Energy and Commerce, Frank Pallone, Jr. (D-NJ), Peter King (R-NY), and Thomas Reynolds (R-NY) have introduced legislation to temporarily increase the Medicaid federal medical assistance percentage (FMAP) thus providing a temporary increase in federal Medicaid matching funds to states.

The legislation would temporarily increase Medicaid FMAP by 2.95 percent from April 1, through June 30, 2009, and require states to maintain their Medicaid eligibility at their current levels.

This legislation, similar to what was passed in 2003 in an economic stimulus package, would provide much needed financial assistance to states who are struggling to provide their low-income residents with healthcare.

The American Association of Homes and Services for the Aging (AAHSA) urges providers to contact their legislators to urge their support for this bill using the sample letter found at: <http://capwiz.com/aaahsa/issues/alert/?alertid=10980576>.

Information for Older Adults on How to Receive Stimulus

As a result of the recently passed economic stimulus package, low-income seniors are eligible to receive stimulus checks of up to \$300 for individuals and \$600 for couples.

Initially, low-income seniors who rely mostly on Social Security payments were not slated to receive any aid. However, these individuals are now eligible for the money if they file a tax return (a requirement for all who wish to receive the stimulus check).

Filing a tax return may be a new experience for many low-income older adults who usually do not have enough income that requires them to file a return. According to a recent report on National Public Radio, some of the free tax-help programs have been swamped by the numbers of seniors seeking assistance in filing tax returns, often the first one they have filed for many years.

More detailed information for seniors on how to file a tax return is found at http://www.ncpssm.org/news/archive/vp_stimulus_rebates/.

AAHSA Identifies 2009 Funding Challenges for Adult Day Services

The President's FY2009 budget would cut Social Service Block grants by 29 percent, a \$500 million cut.

According to the American Association of Homes and Services for the Aging (AAHSA), Social Service Block grants are a critical source of funding of Adult Day Programs as are the National Family Caregiver Program and Title IIIIE programs, which would receive no funding increases.

AAHSA reports that next year more states may be using 1915 (i) waivers to fund home and community-based care, and adult day services may be included in these waivers. The eight states that are receiving funding for adult day services under their state Medicaid plan are still waiting to see if Congress will allow them to continue.

The CHAMP Act that was not passed by the Senate included a provision to allow these states to cover adult day under the state plan. Meanwhile, a federal study is investigating how adult day services are providing the rehabilitative and skilled care for their participants.

For more information, contact AAHSA's Peter Notarstefano at 202-508-9406.

Senate & House Take Steps to Delay Targeted Case Management Rule

On Feb. 14, the Senate approved by a voice vote an amendment to temporarily delay the Centers for Medicare & Medicaid Services from implementing the targeted case management rule set to take effect March 3.

A moratorium until April 1, 2009, was included in an amendment that Senators Barbara A. Mikulski (D-MD), Norm Coleman (R-Minn.), and Amy Klobuchar (D-Minn.) introduced for inclusion in the proposed Indian Health Care Improvement Act (S. 1200). When implemented, the rule will limit states' flexibility to provide and pay for the case management services beneficiaries need.

CMS said in a Nov. 30, 2007, press release that the clarifications would save the Medicaid program \$1.2 billion over the next five years, citing Government Accountability Office accounts of "inappropriate" billing to Medicaid.

Representative Keith Ellison (D-Minn) introduced H.R. 5173 to place a moratorium to the implementation of the TCM rule. For more information, contact Peter Notarstefano at 202-508-9406. (More details on this issue are found in the Feb. 4 *Monday Mailing article titled - "Delays Proposed for Rules on Medicaid Case Management and Targeted Case Management"* at <http://tinyurl.com/3dfcft>.

AAHSA Reports Medicare Health Support Pilot May Not be Effective

The largest program in the pilot study called "Medicare Health Support," which is being conducted by the Centers for Medicare and Medicaid Services (CMS), has not been successful, reports the American Association of Homes and Services for the Aging (AAHSA).

These pilot programs are testing approaches for a more effective treatment of diabetes, chronic heart failure and other chronic conditions. A CMS fact sheet on the pilot, formerly known as the Chronic Care Improvement Program, says that preliminary findings show that the first phase of the program "is not meeting the statutory requirements of improved clinical quality outcomes, improved beneficiary satisfaction, and the achievement of financial savings targets."

As a result, services provided under the Medicare Health Support program to 68,000 beneficiaries with diabetes or chronic heart failure will run out this year. Technically this doesn't mean the pilot will end because a decision on whether to move into a second phase of the program hinges on the findings of an independent evaluation of the program, but that evaluation won't be completed until 2011 or 2012.

Fragmentation of care is a serious problem, especially for Medicare beneficiaries. On average, they see seven different physicians and have 20 prescriptions each year.

The original CMS contracts with the five health care organizations called for savings of five percent after subtracting their fees for the program. Late last year, CMS approved a request that the savings target be reduced to budget neutrality.

But CMS says that "to date there has been nominal impact on Medicare claims costs" as a result of the program.

To achieve budget neutrality, the five organizations need to reduce Medicare claims costs by between \$300 and \$800 per participant per month for the remaining months of the pilot program. This represents a 20 to 40 percent reduction in claims costs from the current levels that are being billed.

CMS is getting ready to launch a "medical home demonstration" in which doctors will be paid directly to better coordinate care of the chronically ill, rather than paying health care management firms to do so as is the case in the Medicare Health Support program.

More information on the Medicare Health Support Program is found at: <http://www.cms.hhs.gov/CCIP/>.

HUD Updates

HUD's Section 8 Renewal Policy Guidebook has been updated to:

- Incorporate two previously approved page changes of 5/5/06 and 12/12/06;
- Include minor editorial changes such as using Office of Affordable Housing Preservation (OAHP) instead of Office of Multifamily Housing Assistance Restructuring (OMHAR) and provide updated web addresses, and;
- Remove some forms, worksheets and the renewal contracts, which are obsolete. The forms and the accompanying instructions are now found on HUDCLIPS. The worksheets and latest contracts are on the web at <http://www.hud.gov/offices/hsg/mfh/mfhsec8.cfm>.

The updated Guidebook is dated 1/15/08 (revised as of 12/12/06) and is posted at the following website address: <http://www.hud.gov/offices/hsg/mfh/mfhsec8.cfm>.

HUD's Annual Adjustment Factors (AAFs) for 2008 were published in the Federal Register on Jan. 22, and are available electronically from HUD USER at <http://www.huduser.org/datasets/aaf.html>. Annual rent adjustments are required for housing units receiving assistance under Section 8 of the U.S. Housing Act of 1937.

AAFs are calculated based on changes in residential rent and utility costs for specified geographic areas, according to the Bureau of Labor Statistics Consumer Price Index and other survey data.

The adjustments are shown in two schedules: one for adjusting the rent of units where the highest-cost utility is included in the contract rent, and the other for units where the tenant pays for the highest-cost utility. Separate AAF schedules are also shown for specified geographic areas.

The **estimated median family income and income limits for Fiscal Year (FY) 2008** were released by HUD in mid-February. These estimates are based on OMB Metropolitan Statistical Areas (MSAs), and cover 532 metropolitan areas and 2,043 nonmetropolitan areas in the U.S. and its territories.

The FY 2008 HUD income estimates and income limits are available at <http://www.huduser.org/datasets/il/il08/index.html>. This site has a link to a documentation system that explains the derivation of each income limit and area median income estimate, as well as links to the current Income Limit Area Definitions and other information.

Tax Rebates--HUD reminds providers that the tax rebates received by tenants as a result of the federal economic stimulus program are not to be counted as income.

The HUD Handbook 4350.3 Rev- 1 defines income inclusions and exclusions. Specific reference that relates to the tax rebate can be found in Chapter 5-6.F.3 and Exhibit 5-1 Income Exclusions (9): "Temporary, nonrecurring, or sporadic income (including gifts) is not counted."

Helpful Resources for Providers

The American Association of Homes and Services for the Aging has identified the following publications and resources that may be useful to providers:

Kaiser Family Foundation's Commission on Medicaid Home And Community-Based Service Programs

This new report from the examines how states are containing Medicaid costs and looks at Medicaid home- and community-based program enrollment, trends in home health and personal care services and State cost containment strategies on 1915 (c) waivers. The report also analyzes the impact of State budget deficits on HCBS growth rates and is found at <http://www.kff.org/medicaid/upload/7720.pdf>.

Money Follows the Person (MFP)

These grants provide more than \$1.7 billion to transition older adults and people with disabilities from institutions to home. Gene Coffey of the National Senior Citizen Law Center has written an excellent article on how the 31 States that are implementing these grants will meet the challenges of cost containment and housing shortages. The article tells what Connecticut, Maryland, Kentucky and Virginia are planning to do to assure meet the challenge of providing appropriate housing for individuals moving back into the community and is found at <http://tinyurl.com/2o2bhv>.

Home Health Quality Improvement Organization Support Center's (HH QIOSC) Best Practice Intervention Packages

These resources are available and free of charge. The most recent package is on Transitional Care Coordination, and it is available on the HHQI website at <http://www.homehealthquality.org/hh/>.

National Center on Senior Transportation's New Virtual Workbook

This resource helps service providers identify and evaluate the true cost of their transportation services. Go to <http://tinyurl.com/26vxoo>.

Alliance Purchasing News

Exciting News About MHHA /MSC Insurance Program

The Board of Directors of MHHA Service Corporation (MSC) is pleased to announce that plans are underway which we believe will result in the development and offering of a MHHA/MSC exclusive insurance program for property, professional liability & workers compensation through our partner, Neace Lukens.

Recently you should have received, or will soon be receiving, a letter from Gayle Kvenvold, President and CEO of MHHA and Ron Patterson, Chair of the MSC Board announcing our newly formed partnership with the brokerage firm of Neace Lukens.

In the letter they identify that a key step in building the most competitively priced products is to compile data on members' loss and claims history. Later this week, you will receive a letter from Neace Lukens asking you to submit that data or to authorize Neace Lukens to gather data from your current carrier.

This information will be used by our Insurance Task Force and our insurance partner to develop the best approach to the insurance market. Our success is dependant upon our ability to gather this key information. No individual member data will be shared in any form: all data will be compiled by a third party with strict privacy and reported to MHHA/MSC only in aggregate. Supplying this data in no way obligates you or your organization to participate in the Insurance Program once it is developed.

We are confident that members will provide the information needed to fully develop an advantageous insurance plan. By pooling our insurance purchasing power, it is our goal to offer the MHHA membership a comprehensive insurance program which can provide significant expense savings, coverage improvements and market access.

If you do not receive either of these letters by next week, please contact Beth Gabrysiak at 651-603-3489 for more information.

MHHA thanks business partner Damberg Scott Gerzina Wagner Architects, Inc. and our other business partners for their support.

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