

MONDAY

ONLINE

MAILING

Posted:08-04-2008

Top Stories

SNF Medicare Rates to Include Inflation Factor, No Cuts

Late last week, CMS announced that the SNF Medicare rates effective on Oct. 1 will include a 3.4 percent inflation adjustment, worth approximately \$780 million to skilled nursing facilities nationwide.

In May, CMS had proposed to "recalibrate" the rates in a manner that would have effectively wiped out the impact of the inflation adjustment. AAHSA strongly advocated against the recalibration of the Medicare rates, arguing that the proposed changes were based on flawed data and implementing them would have an adverse impact on nursing facilities and the Medicare beneficiaries they serve.

The decision by CMS to abandon the proposed recalibration for this year, and the preservation of the inflation factor which would have been eliminated under the President's proposed budget, is a major victory for AAHSA and skilled nursing facilities throughout the country.

Not every facility will receive exactly a 3.4 percent increase in their Medicare rates on Oct. 1, because of the impact of the regional wage indices which are updated every year. Click <http://www.mhha.com/inc/data/FederalRatesOct08.pdf> to download a file with the new Medicare rates for every region in Minnesota. This year the change in the wage indices is generally positive for Minnesota, as every region except one receives an increase of 3.4 percent or more, with the highest increase in the Rochester area at 6.7 percent. At the other end of the scale, the Grand Forks, ND area (Polk County) receives an average increase of only 0.9 percent.

For Further Information:

Contact Jeff Bostic at jbostic@mhha.com.

AAHSA Delivers on National Front

MHHA President and Chief Executive Officer Gayle Kvenvold said members can thank AAHSA for its role in opposing the recalibration of Medicare rates.

AAHSA made the case that the Medicare recalibration was based on flawed data, heaped on top of flawed data from 2006. Analysis from AAHSA's Barbara Manard was well received. CMS has great respect for her because she has been correct every time she has told them their data is flawed.

Notably, Barbara has helped ameliorate data on Part D, on the market basket update, on resource utilization groups' refinement, and on the recalibration. Our lobbying firm, Clark & Weinstock, intervened directly with the president's chief of staff to reinforce the case that according to the Medicare Payment Advisory Commission's date, not-for-profits are already under-reimbursed by seven percent because we take more complex and expensive patients, and a recalibration would mean a further erosion of financial health of all nursing homes - not just our members.

The bill became veto proof through Republican senators whom we had not counted on for support.

In the last three months AAHSA has provided leadership to the following:

- Language in the mortgage bail-out bill that will help HUD members expand their facilities through state housing authorities and bypass a lot of HUD "process" to expand
- Played a significant role in the therapy caps resolution through member and resident involvement.

(Especially by Richard Schwalberg of Menorah Park Center for Senior Living in Beachwood, Ohio, his residents, and Jonathan Westin of United Jewish Communities. Another member, Alan Brown of Methodist Senior Services in Mississippi, along with a resident and his wife, publicly asked his senators and other visiting dignitaries to make the therapy-cap bill veto proof because one of his residents, who along with his wife accompanied Alan, had just been released from the hospital and couldn't get therapy to get better. The resident's wife noted that her husband was a veteran and that she couldn't take care of him if he couldn't get therapy. Both senators from Mississippi voted in favor of the bill. That kind of story makes my day. The bill became veto proof through Republican senators whom we had not counted on for support.)

- A strong behind the scenes role earlier this spring on the preservation of the market basket, which was threatened earlier

- A significant victory last week on legislation to bring aging services technology to the forefront through a congressionally mandated HHS study of the potential it has for improving care and quality of life
- Respected work on "work force" issues was highlighted on a Senate Aging Committee agenda
- Its financing plan is getting attention in the serious consideration of health care reform, as evidenced by public forums and recent articles.

July Economic Update Predicts Gloomy 2009 Budget Forecast

According to the economic update issued by the Minnesota Department of Finance last week, Minnesota's net general fund receipts for FY 2008 are now estimated to total \$16.257 billion, \$389 million (2.5 percent) more than forecast in February.

The individual income tax and the corporate income tax accounted for more than 75 percent of the positive revenue variance. In addition, the U.S. economy has been stronger than was projected at the beginning of 2008.

The economic updates can provide important insight about challenges and opportunities in the 2009 legislative session. Minnesota's financial health can fluctuate dramatically due to changes in the state's economy, so it is important to look for trends in the updates.

According to the Minnesota Department of Finance, "the good news ends there." The February 2008 forecast's predications for 2009 have turned out to be far too rosy. Economists now do not believe that economic growth will return to 3 percent (trend level) before mid-2009. Factors contributing to slow growth include energy prices that have exceeded predicted highs, a severely depressed housing market, and unresolved problems in the financial sector. In short, "The current economic weakness is now expected to extend into early 2009."

So, what does this mean for the aging services community? It could mean a larger than predicated state budget deficit that will need to be addressed in the 2009 legislative session, and that means that funding for aging services could be in jeopardy. Recall that although funding for aging services was largely untouched in 2008, nearly 70 percent of the total budget cuts made in 2008 came out of the health and human services budget.

Even before this economic update budget cuts are likely on most legislators' lists for solving the projected state budget deficit. This serves as an important reminder to find out where your legislators (and candidates for legislative office) stand on the issue of funding for aging services before the November election. We need to ensure that we elect candidates that will protect aging services, not target this part of the budget, as they seek to solve the state's economic woes.

The Minnesota Department of Finance issues these updates quarterly, to let the public know how the state is doing financially. However, these quarterly updates only cover the state's revenue picture; it does not provide projections on the state's expenditures for the upcoming biennium. The budget forecast, done in November and February each year, provides the projections for revenue and expenditures that informs the state's budgeting process.

For Further Information:

Contact Kari Thurlow at kthurlow@mhha.com.

Minnesota Hospital Association Names New President

Gayle Kvenvold, Minnesota Health & Housing Alliance President and Chief Executive Officer, is praising the selection of Lawrence (Lorry) Massa as the new president of the Minnesota Hospital Association (MHA).

"Lorry has been very engaged in aging services issues over the years and we are delighted to have the opportunity to work with him in his new role," said Kvenvold. "His organization in Willmar, including **Rice Care Center**, has been a longtime member of MHHA and is represented on our own Board of Directors and we will explore together ways to strengthen our unique partnership with MHA in ways that meet the changing needs of both our memberships."

Massa, Chief Executive Officer at Rice Memorial Hospital in Willmar will assume MHA's top position in mid-October. "I am deeply honored to be chosen by my peers to lead an incredible organization at this critical time for Minnesota's hospitals," said Massa.

The MHA president position is currently held by Bruce Rueben, who is leaving Minnesota next week to become president of the Florida Hospital Association.

"The MHA search committee selected Lorry from a strong field of candidates because of his unique blend of experience as a health-care executive in the Upper Midwest," says Alan Goldbloom, M.D., president of Children's Hospitals and Clinics of Minnesota and MHA's board chair. In addition to hospital leadership positions, Massa formerly served as South Dakota Secretary of Health.

"Lorry has a deep understanding of hospital issues and a strong commitment to statewide, collaborative efforts to enhance patient safety, improve the quality of patient outcomes and develop greater transparency," says Goldbloom. "I have great confidence in Lorry's ability to provide strong leadership for Minnesota hospitals."

MHA is a trade association representing 145 hospitals and health systems.

News Briefs

CMS Changes Code for Readmissions during Denial of Payments

The Centers for Medicare & Medicaid Services announced a change in a billing code last week.

The change affects only a facility that is under a denial of payments for new admissions, and it applies only to the re-admission of a Medicare beneficiary who is exempt from the denial of payments because the beneficiary was a resident of the SNF prior to the imposition of the remedy. The readmission typically is from the hospital. There are no other changes related to the denial of payments for new admissions.

The change is from an occurrence span code of 57 to an occurrence span code of 80. This coding change takes effect on Jan. 1, 2009. Using the new code will ensure that Medicare pays for the beneficiary's Part A stay upon return from the hospital. Members should make sure that their billing office is aware of this coding change and the specific situation in which it would be used.

The CMS notice was in Change Request 6116, which is available through the MLN Matters website at <http://www.cms.hhs.gov/mlnmattersarticles/>.

For Further Information:

Contact Darrell Shreve at dshreve@mhha.com.

Pharmacists Confirm the Confusion on Disposal of Medications

Last Tuesday, a number of consulting pharmacists and pharmacy companies discussed how the regulations of the disposal of medications by long-term care facilities are confusing. MHHA organized the conference call because one facility had reported that they were told they would have to stop flushing medications by Sept. 1.

They confirmed that the environmental regulations designed to protect water conflict with federal regulations designed to minimize the diversion of controlled substances. The upshot is that facilities are potentially caught in the middle.

One issue concerns the disposal of controlled substances. The conferees agreed that the Drug Enforcement Agency's instructions are to flush them unless the facility is authorized to return them to a reverse distributor. The point of the DEA regulations is to minimize diversion. However, the hazardous waste regulations enforced by the Minnesota Pollution Control Agency appear to prohibit flushing medications, whether controlled or not. This appears to leave facilities without any viable options for removing unused control substances.

MHHA wishes to thank these participants: Todd Johnson, Jay Vancura, Howard Juni (OmniCare), Joe Litsey (ThriftyWhite), and John Haugen (Merwin) Dean Schmidt and Jody Ellingson.

MHHA staff will meet with MPCA staff this week to discuss the situation and issues. We will keep members informed of developments and may ask for assistance if MPCA requests advice on developing its guidance.

For Further Information:

Contact Darrell Shreve at atdshreve@mhha.com.

DHS Offering August Video Conference on Managed Care

On Thursday, Aug. 14, DHS is offering a two-hour video conference on managed care for people with disabilities.

The program is intended for providers and managed care organizations and is being offered in both the morning and afternoon at several locations around the state. Members who want more information or are interested in participating in the video conference can do so through the DHS web site at <http://www.agingtraining.dhs.state.mn.us>.

For Further Information:

Contact Jeff Bostic at jbostic@mhha.com.

Applications Being Accepted

The Metropolitan Area Agency on Aging will be accepting applications for Special Access and Outreach Services targeting elders 60 years and older from the African American, American Indian, Latino, Asian/Pacific Islander and other limited or non-English speaking communities in the seven-county metropolitan area.

The full Request for Proposal (RFP) can be downloaded from the Area Agency's website <http://www.tcaging.org> or call 651-917-4603 for a copy. An Applicant Conference is scheduled for Friday, Aug. 8, 2008 at 9 a.m. at the MAAA Office, 2365 McKnight Road in St. Paul.

MHCA Offers Aug. 21 Audio-conference on Discontinuing Home Care Services without Liability for Abandonment

"How to Discontinue Services to Clients Without Liability for Abandonment" is a "lunch and learn" audio-conference sponsored by the Minnesota HomeCare Association on Thursday, Aug. 21, from noon to 1:30 p.m. Central Time. Elizabeth E. Hogue, Esq., Health Care Attorney & Consultant, Washington, D.C. will be the presenter.

The purpose of this seminar is to assist providers to avoid liability for abandonment when terminating services to home care clients. Home health agencies, private duty agencies, hospices and home medical equipment (HME) suppliers may discontinue services to patients for a variety of reasons, such as violence or threatened violence by clients and families, nonpayment for services and noncompliance by clients and/or caregivers. When providers discontinue services they must avoid liability for abandonment. Practical strategies, including appropriate documentation, will be emphasized.

Register at <http://www.mnhomecare.org>. Registered locations will be sent an email confirmation on Monday, Aug. 18, with dial-in information, passcode and a web link to download handout materials and/or resources. On the day of the conference, simply join the call by dialing the toll-free number and giving your agency name and passcode. Gather your staff and listen via speakerphone to the presentation, follow along with the handouts and participate in live, interactive questions and answers.

PLEASE NOTE: Registration fees are based on each dial-in connection; multiple call-ins from your agency will be charged. MHCA is unable to accommodate more than one agency per call-in.

For Further Information:

Contact Paulette Sorenson, MHCA Education Programs Director, at psorenson@mnhomecare.org.

Drowning or Surfing in the Silver Tsunami -- It's Up To Us

Ecumen, Citizens League, 2020 Conference (a bi-partisan group of 60 legislators), and the Minnesota Chamber of Commerce will host Drowning or Surfing in the Silver Tsunami -- It's Up To Us on Wednesday, Aug. 13, at The Wilder Foundation, 451 Lexington Parkway North (near I-94) in St Paul.

Registration will begin at 7:30 a.m. and the 60-minute program is scheduled to start at 8 a.m. There will be free parking. Please register by Wednesday, Aug. 6. The event is free.

The program will look at the Nebraska Long-Term Savings Plan which is the country's first to offer tax incentives for people to save and pay for future long-term care expenses, personally direct savings on choices from technology to home services to insurance and more, and transfer unused benefits to beneficiaries. Nebraska State Treasurer Shane Osborne and Trent Fellers, Director of the Nebraska State Long-Term Care Savings will be the featured speakers.

You may register online at <http://www.citizensleague.org>, look for "Silver Tsunami" under "Upcoming Events, or call Catherine Wood at 651-293-0575, ext. 10.

Association News

Last Chance - 2008 Membership Value Survey Extended to Wednesday

To ensure leaders at all MHHA member organizations have an opportunity to respond to the 2008 MHHA Membership Value Survey, the survey link will remain open until **Wednesday, Aug. 6**.

Members should have received an e-mail invitation from MHHA president and CEO Gayle Kvenvold as well as a reminder from manager of member relations Adam Suomala with the link to take the four-minute survey.

In mid August the MHHA Board of Directors will meet for their annual planning retreat. A key element of that planning is an examination of these survey results to understand how well the Association is meeting member's information, advocacy, technical assistance, training and strategic positioning needs.

Your feedback is very important to this dialogue. The survey has been shortened from last year and only takes around four minutes to complete.

For Further Information:

Contact Adam Suomala at asuomala@mhha.com.

Register for Annual Meeting by Aug. 15 and Save \$50

Have you registered yet? What are you waiting for? The MHHA Annual Meeting & Leadership Forum is the must-not-miss leadership conference for professionals in aging services like you. Get your registration in by Friday, Aug. 15, and save \$50 on your full conference registration fee. Fees will increase to the regular rate after Aug. 15.

Attention joint provider members of MHHA and MHA - you can pay a slightly higher fee of \$395 to attend both association's meetings and social events. To register for this special rate, use the MHA registration form, available online at <http://www.mnhospitals.org>, click on Events and then click on MHA Annual Meeting.

Don't forget to reserve your lodging accommodations directly with Madden's. The cutoff date for rooms is Aug. 15. Call 800-642-5363 or use the Madden's registration form found in the MHHA Annual Meeting registration brochure. Make sure to mention Minnesota Health & Housing Alliance when making reservations to guarantee the discounted room rate.

Financial concerns holding you back from attending Annual Meeting? Apply for one of 14 Annual Meeting scholarships. To be considered, please complete the form at <http://www.mhha.com/inc/data/AMScholarship.pdf> and return it by Aug., 15.

Download the brochure and registration materials at <http://www.mhha.com/inc/data/2008AMbrochure.pdf>.

Register online today at <http://tinyurl.com/6haxje>.

Check out our 2008 Annual Sponsors at <http://www.mhha.com/inc/data/2008Sponsors.pdf>.

For Further Information:

Questions about the Program: Heidi Simpson at hsimpson@mhha.com

Questions about Annual Sponsorship: Jenny Prosser at jprosser@mhha.com

Questions about Registration: Beth Gabrysiak at bgabrysiak@mhha.com

Questions about Recreation or Donate a Golf Prize: Adam Suomala at asuomala@mhha.com.

Special Thanks to 2008 Annual Sponsors

MHHA thanks the below 2008 Annual Sponsors for helping advance our mission and for supporting important programs and initiatives.

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2009 Annual Sponsorship information will be available this fall.

For Further Information:

Contact Jenny Prosser at jprosser@mhha.com.

Education Solutions At-A-Glance

Click for more information or to register. <http://tinyurl.com/2egar8>.

Preparing the New LTC DON for a Successful Future, Aug. 26-28

<http://tinyurl.com/5nwumw>

*Sponsored by Alliance Purchasing and MSC

Nurse Managers in Home Care Settings Certificate Program, Aug. 13-14, Sept. 9-10 (St. Paul)

<http://tinyurl.com/5mezjk>

Technology and Innovations Conference, Aug. 6-7 (Blaine)

<http://tinyurl.com/62nj2e>

MHHA Annual Meeting & Leadership Forum: Beyond Expectations, Sept. 16-19 (Brainerd)

<http://tinyurl.com/6haxje>

Marketing & Sales for Senior Living Communities Certificate Program, October 13, 14, 15 (St. Paul)

*Sponsored by Welsh Construction and Genesis Architecture

Assisted Living Home Care Conference, Oct. 22 (St. Paul)

Co-Sponsored with the Minnesota HomeCare Association

Financial Management for Home Care Providers, Fall date to be announced (Twin Cities)

Co-Sponsored with Minnesota HomeCare Association

2009 Institute for Older Adult Services, Feb. 11-13, 2009 (Minneapolis)

MHHA Education On Demand

Any time, any place! Download these Video Casts from the 2008 Institute.

Click to Order: <http://eseries.mhha.com/source/Orders/index.cfm>

Making Dreams Come True (session 120)

Culture Change: Do More Than Look At Me - Involve Me (session 105)

Motorized Assistive Devices: Balancing Individual Rights and Safety (session 133)

Creating Relationship-Centered Environments For Living (session 206)

Ethical Dilemmas in Refusal of Care: The Challenge and Solution (session 222)

Your MHHA.com

Join One of MHHA's Five Online Communities Now Available at MHHA.com

Members can connect with their colleagues in any of the five online communities now available from MHHA. Just log in to <http://www.mhha.com> and select Online Communities from the navigation bar.

1. **Culture Change Connection** - This online community is designed to advance person-directed living in Minnesota. Share promising practices, connect with a community of supportive colleagues and access the information
2. **(ALNET) Assisted Living Nurse Network** - This online community is designed to enable nurses to network with their colleagues on a variety of topics in one central place.
3. **Housing With Services** - This online community is designed to provide housing-with-services providers with up-to-date information and to enable them to share issues, questions, tips and resources with their peers.
4. **CFO Network** - This online community is designed for MHHA CFOs, as well as other members interested in financial issues affecting long-term care providers. This online community is designed for MHHA CFOs, as well as other members interested in financial issues affecting long-term care providers.
5. **HUD Housing** - This online community will provide a means for HUD housing managers, occupancy specialists and other staff in HUD buildings to discuss issues and share information, tips and resources with their peers.

For a reference guide on using MHHA's online communities, click on

<http://www.mhha.com/inc/data/OnlineCommunitiesRefguide.pdf>.

If you have an idea for a new online community or if you need further information, contact Jenny Mims at jmims@mhha.com.

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