

# MONDAY

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ONLINE

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# MAILING

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## Top Stories

### Minnesota Supreme Court Requires Real Charity for Tax Exemption

Last Thursday, the Minnesota Supreme Court issued a ruling that could affect the exemption from property taxes for a substantial portion of non-profit organizations. The case, "Under the Rainbow Child Care Center, Inc. v. County of Goodhue" overturned a decision by the Minnesota Tax Court. The Tax Court had ruled that a non-profit day care center qualified for the property tax exemption even though it did not meet the third criterion listed in the North Star case, which concerns whether the recipients of the "charity" are required to pay for the assistance received in whole or in part. The Supreme Court ruled the non-profit cannot qualify as "an institution of purely public charity" without satisfying this criterion.

Although the Supreme Court has never ruled that all six factors in the North Star case must be met to qualify for the tax exemption, it stated that some factors are essential. It specifically mentioned, for example, that it could not envision a situation in which the sixth factor--dividends or assets upon dissolution not being available to private interests--could not be met and the organization still qualify as a charitable institution. In this case, the Court ruled that the third factor is also essential. The Court held that the third factor "tests for a value that is fundamental to the concept of charity--that is, whether the organization gives anything away."

The Court stated "it is not sufficient that an organization serves a worthwhile purpose, or even that it does so on a non-profit basis. An organization must provide its 'charity' to recipients free of charge or at considerably reduced rates." The day care center in question actually charged rates higher than its market competition for infants, toddlers, and preschool children. The rates it charged for school age children were between the high and low rates of its competitors.

Government programs provided subsidies to families who could not afford to pay the charges of the day care center. The Court's decision indicates that payments from government programs on behalf of individuals who cannot pay are not an indication of a charitable act by the organization. Although the individual does not pay the charges, the organization does get paid, and consequently the fundamental concept of charity has not been realized, even though the government payments may be substantially discounted.

MHHA will be inviting several attorneys to discuss the case and advise the Association how this case may affect our members. For further information, contact David Feinwachs or Darrell Shreve at 651-645-4545 or [dshreve@mhha.com](mailto:dshreve@mhha.com).

### Minnesota Near Top in Deficiencies

After analyzing recent data provided to MHHA by our sister association in Wisconsin, staff report Minnesota has the fifth highest citation rate by survey agencies for deficiencies in the country. Minnesota's rate of 10.3 trails only the District of Columbia, Wyoming, Delaware, and California. The national average is 7.5, so Minnesota is about 30 percent higher than the national average. The data reflect the most recent surveys in the federal database as of Nov. 1, 2007.

With respect to the issuance of deficiencies at the severity levels of actual harm or immediate jeopardy, Minnesota's experience is well below the national average. In fact, Minnesota facilities are issued citations at the G level or higher only 2.1 percent of the time, keeping us the second lowest frequency in the country and well below the national average of 6.5 percent. Only California has a lower rate, at 1.9 percent.

Minnesota is very close to the national average for citations of Life Safety Code violations. Minnesota's citation rate is 4.48, compared to the national average of 4.81. Members may view and download the data at <http://www.mhha.com/inc/data/Surveydata.pdf>. For further information, contact Darrell Shreve at 651-645-4545 or [dshreve@mhha.com](mailto:dshreve@mhha.com).

### Health Department Conducts Moratorium Public Hearing; Another Moratorium Round in 2008 Likely

Last week the Minnesota Department of Health (MDH) conducted a public hearing on the sixteen Moratorium Exception Process (MEP) proposals submitted for the current round. The moratorium review group, consisting of representatives from state agencies, providers and other stakeholders, will use information from the hearing and the applications to determine which projects will be recommended for funding in this round. According to MDH, the recommendations of the review group will be presented to the Commissioner of Health by Dec. 14. The awards approved by the commissioner will be announced on

or before Jan. 24, 2008.

There is a total of \$3 million in annual Medical Assistance funding for the biennium. Based on the calculation of annual MA cost for each proposal submitted this round, even if all of the projects were approved, there would still be approximately \$700,000 available for another MEP round in 2008. That figure will increase depending on the number of projects not approved for funding this round. MDH has indicated another round in 2008 is likely, however a timeline has not yet been determined. The list of moratorium projects submitted and their projected costs are listed below.

Project	City	Total Cost	Annual MA Cost
<b>Aitkin Health Services</b>	Aitkin	\$3,957,949	\$122,523
Ambassador Good Samaritan	New Hope	\$7,888,293	\$124,470
<b>Assumption Home</b>	Cold Spring	\$8,160,000	\$136,965
Battle Lake Good Samaritan	Battle Lake	\$3,211,572	\$48,525
<b>Good Shepherd Lutheran Home</b>	Sauk Rapids	\$15,850,000	\$278,103
Golden Living Center Meadow Lane	Benson	\$11,353,718	\$178,516
<b>LifeCare Medical Center - Greenbush Manor</b>	Greenbush	\$5,288,269	\$101,510
Mankato House Health Care Center	Mankato	\$4,015,455	\$53,602
<b>Martin Luther Manor</b>	Bloomington	\$13,072,000	\$265,260
<b>Oak Hills Living Center</b>	New Ulm	\$6,322,670	\$117,383
Park River Estates Center	Coon Rapids	\$2,295,000	\$66,648
<b>Pennington Health Services</b>	Thief River Falls	\$13,984,962	\$247,347
<b>Pioneer Retirement Community</b>	Fergus Falls	\$21,873,000	\$196,971
Prairie View Health Care Center - Tracy NH	Tracy	\$2,965,903	\$65,643
<b>Rice Care Center</b>	Willmar	\$13,665,040	\$166,395
<b>Sholom Home West</b>	St. Louis Park	\$7,004,096	\$110,032
<b>TOTAL</b>		<b>\$140,907,927</b>	<b>\$2,279,893</b>

For further information, contact Lori Meyer at 651-645-4545 or [lmeyer@mhha.com](mailto:lmeyer@mhha.com).

#### **Community Service/Service Development RFP Release Date Announced**

The Community Service/Community Services Development Request for Proposals (RFP) for state fiscal year 2009 will be available for download on Monday, Dec. 31, 2007. The RFP will be posted in the MN State Register at [http://www.comm.media.state.mn.us/bookstore/state\\_register.asp](http://www.comm.media.state.mn.us/bookstore/state_register.asp) and on the Minnesota Department of Human Services web site at <http://www.dhs.state.mn.us>.

A Responders' Conference for interested applicants will be held via videoconference on Jan. 4, 2008, 9:30 a.m. and 1:30 p.m. Central Standard Time at the following locations: Anoka County Government Center, Blue Earth County Human Services, Clay County Family Services Center, Crow Wing County Social Services, Douglas County Human Services, Freeborn County Department of Human Services, Hubbard County, Itasca County Courthouse, Kanabec County Courthouse, Koochiching County Courthouse, Lake County Service Center, Lyon County Government Center, MN Department of Human Services, Nobles County Courthouse, Polk County Courthouse, Roseau County Social Services, St. Louis County Government Center-Duluth, Stevens County Human Services, Winona County Office Building and Wright County Human Services.

Pre-registration is required by Jan. 3, 2008. See the RFP on Dec. 31, 2007. For further details on how to register between Dec. 31, 2007, and Jan. 3, 2008, contact Lori Meyer at 651-645-4545 or [lmeyer@mhha.com](mailto:lmeyer@mhha.com).

## At the State Capitol

### Health Care Access Commission Reviews Recommendation on Health Insurance for LTC Employees

Recently, the Health Care Access Commission (HCAC) reviewed the recommendations of the Health Care for Long-Term Care Employees Workgroup. In presenting the recommendations, workgroup co-chairs Sen. Paul Koering (R-Fort Ripley) and Rep. Patti Fritz (DFL-Faribault) noted that while the recommendations are fairly straightforward, they are incomplete. The working group recommendation is: "The Legislature [should] provide a rate increase to long-term care employers that would be dedicated to the purchase of employee health insurance in the private market."

Rep. Fritz explained long-term care providers have a high rate of offering insurance coverage, but take-up and coverage rates remain very low due in part to low wages, high turnover and high use of part-time workers in the field. She further noted past rate increases have been applied to increased premium costs, but have not been sufficient to provide long-term care workers with better access to care. In response to a question, Sen. Linda Berglin (DFL-Minneapolis) clarified that "long-term care workers" would include "facility-based, community-based, and home-based workers who provide care to older adults."

As previously reported in *Monday Mailing*, the workgroup identified three options for coverage plans, based on the benefit package for state employees, MinnesotaCare enrollees, or an "average" private market product. Unfortunately, the Minnesota Department of Human Services determined they were not able to complete a fiscal analysis to determine the potential costs of the benefit packages.

Rather than allow a lack of funding or data to prevent the adoption of this recommendation, the work group discussed incremental steps that could be implemented in the interim. The following incremental steps were presented to the HCAC:

- A targeted but limited rate increase that would assist long-term care employers with health insurance issues but would not be a broad solution to the problem. This rate increase could be modeled after the employee scholarship rate, which provided an upfront per diem payment to employers for scholarship costs for two year and now determines scholarship per diem payments based on actual facility expenditures;
- workers by enacting an industry-specific exemption from some of the program's eligibility barriers, including the provision making an employee ineligible for MinnesotaCare if the employer contributes half or more of the cost of employer-sponsored health insurance; and
- An appropriation for a detailed fiscal note on the workgroup's recommendation. The analysis would include data on the number of full-time and part-time workers, their claim patterns and histories, the current levels of employer investment in health insurance, and a specific identification of which employers would be included.

The recommendation raised two additional issues. First, the disparity among employers relating to investments in health insurance versus wages or other facility needs and second, the impact of a "pooling" mechanism for long-term care and the impact that would have on an industry that experiences higher rates, estimated by some representatives at 20 percent above average.

Rep. Fritz emphasized better long-term care worker insurance coverage will benefit numerous parties by reducing staff turnover, lowering administrative human resource costs and improving the quality of patient care. The workgroup will continue to meet to address outstanding issues.

To submit your feedback, stories or suggestions with the committee, contact Lori Meyer at 651-645-4545 or [lmeyer@mhha.com](mailto:lmeyer@mhha.com). Meyer serves on the workgroup.

### Health Care Access Commission Reviews Other Recommendations

The Health Care Access Commission (HCAC) has taken action on recommendations from other workgroups that have been meeting throughout the summer and fall. At the meeting on Nov. 28, the following preliminary decisions were made:

- Implement a Statewide Comprehensive Health Promotion Plan to reduce the incidence of preventable chronic illness;
- Develop standards/requirements for physical education and nutrition in Minnesota schools;
- Establish a statewide surveillance system to monitor childhood obesity through body mass index (BMI) measures; and
- Assess public health care programs for cost savings.

The HCAC also discussed re-instating the reserve cap requirement for Minnesota HMOs. For further information, contact Lori Meyer at 651-645-4545 or [lmeyer@mhha.com](mailto:lmeyer@mhha.com).

### Governor's Health Care Transformation Task Force Continues to Meet

The Governor's Health Care Transformation Task Force met last week to continue their discussions on how they will achieve their goal of reducing the cost of health care by 20 percent. In their last meeting, the group discussed areas of focus including obesity, tobacco use, alcohol use and pre-diabetes. Concerns were also raised regarding the risk of increased administrative costs with pay-for-performance systems, the costs of over-regulation and the need for specifics to guide transformation.

To date there has been very little focus on long-term care in these discussions. The group plans to meet again today and again on Jan. 7. For further information, contact Lori Meyer at 651-645-4545 or [lmeyer@mhha.com](mailto:lmeyer@mhha.com).

## News Briefs

### National Report Outlines States' Response to DRA, LTC Reform

Last month, the National Association of State Medicaid Directors (NASMD) released a report titled "State Perspectives on Emerging Medicaid Long-Term Care Policies and Practices." The purpose of the report was to provide states with an overview of the significant changes to the Medicaid program as a result of the Deficit Reduction Act (DRA) of 2005. The report was to specifically address the area of long-term care and the steps states have taken with respect to these changes. The report details thirteen specific findings, including the following items related to long-term care:

- Finding 1: Eligibility for Medicaid was tightened under the DRA and states responded
- Finding 3: States use their "money follows the person" grant dollars in several ways
- Finding 4: Most states are not opting to switch to the new HCBS state plan amendment option
- Finding 5: States are initiating efforts to transition individuals out of institutions
- Finding 7: Fewer than ten states plan to participate in cash and counseling programs
- Finding 8: At least 20 states have special needs plans in place, but concerns remain over coordination between Medicare and Medicaid
- Finding 9: Long-term care reform continues to encourage home and community-based living
- Finding 10: States are using care coordination to improve and integrate care
- Finding 11: More state are using disease management to help manage chronic conditions
- Finding 12: Many states are using the new option on Long-Term Care Partnership Programs
- Finding 13: Benchmark benefit packages are not widely used for long-term care services
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MHHA members can access the full 56-page report at <http://www.mhha.com/inc/data/LongTermCareRpt1007.pdf>. For further information, contact Lori Meyer at 651-645-4545 or [lmeyer@mhha.com](mailto:lmeyer@mhha.com).

### DHS Begins Data Collection for Updated "Gaps Analysis"

Last week, the Minnesota Department of Human Services (DHS) issued Bulletin #07-25-06 instructing counties on the process and deadlines for gathering information for the 2008 legislative report, "Balancing Long-Term Care" which includes an analysis of long-term care service capacity and development activities. The original "gaps analysis" was created in 2001 to identify the availability of community-based long-term care supports, senior housing/service arrangements and facility-based long-term care and the projected need in each county for additional non-institutional services and supports and/or nursing home beds.

In 2002 the Legislature eliminated the state funding for the Gaps Analysis. However, the Departments of Human Services and Health are still required to report to the legislature on the status of the full range of long-term care services for elderly persons in Minnesota, including an update on the state's efforts toward long-term care reform. Specifically, according to Minnesota Statutes, section 144A.351, the report must include a summary of county and regional reports on long-term care gaps, surpluses, imbalances and corrective actions, changes in availability of the range of long-term care services and housing options, access problems regarding long-term care and comparative measures of long-term care availability and progress over time.

The Gaps Analyses carried out in 2001, 2003 and 2005 focused primarily on the counties' overall capacity to support frail elderly persons, and did not identify particular needs of non-elderly disabled persons. For the 2008 report, DHS is including all adults who require ongoing or long term support across age and income levels.

Over the next few weeks, counties will each receive a brief electronic survey from DHS asking for their feedback regarding local capacity to support persons who need long-term care. MHHA will make the report available for members as soon as it is released early next year. For further information, contact Lori Meyer at 651-645-4545 or [lmeyer@mhha.com](mailto:lmeyer@mhha.com).

### HUD Proposes Changes to Pet Ownership Rules

On Oct. 15, HUD issued a proposed rule that would revise its regulations regarding pet ownership in HUD-subsidized housing for the elderly and persons with disabilities. Comments on the proposed rule are due Dec. 14, 2007.

This proposed rule would revise HUD's regulations that apply to assistance animals in HUD-assisted housing, including public housing serving elderly and disabled families, by making the assistance animal exceptions in those regulations similar to the requirements and procedures that currently apply to HUD's other public housing programs.

According to the rule, HUD is proposing three basic changes to improve uniformity in its regulations:

- Sec. 5.303(a) would be revised to broaden the functions of assistance animals to state that the exclusion applies to animals that "assist, support, or provide service to persons with disabilities." The current regulation is limited to animals that "assist persons with disabilities."

- Sec. 5.303(a) would be revised to state that project owners and public housing authorities may not apply or enforce any policies established under this subpart against animals that are necessary as a reasonable accommodation to assist, support, or provide service to persons with disabilities. This language is adopted from the similar provision in Sec. 960.705, for uniformity.
- Finally, in order to conform to the provisions in Sec. 960.705, HUD proposes to remove the tenant certification and animal training requirements in Sec. 5.303(a)(1)(i)-(iii). Removing the training and certification requirements will ensure uniformity in HUD's regulations.

MHHA has not yet seen any comments or recommendations from the American Association of Homes and Services for the Aging, but the Dec. 4 electronic newsletter, HUDBlast, from Ross Business Development raises concerns about two of the changes, saying that "denying owners the right to apply ANY rules to service/companion animals may be counter-productive." HUDBlast, which is available online at <http://www.rbdnow.com> goes on to provide the following chart highlighting areas where policies differ for pets vs. service animals:

Rule	Pet Policy	Service Animal Policy
Deposit required	Yes	No
Charge for damages caused by animal	Yes	Yes
Size limit	Yes	No
Breed Restriction	Yes	No (unless mandated by state/local regulations)
Limit on number of animals	Yes	No
Inoculation required	Yes	Yes
Spay/neuter requirement	Yes	No
Leash laws enforced	Yes	Yes
Animal waste disposal rules	Yes	Yes (unless reasonable accommodation is granted)
Rules regarding interference with enjoyment of the property by other residents	Yes	Yes
Rules regarding interference with management function	Yes	Yes

HUDBlast also objects to the proposal to remove the tenant certification and animal training requirements, noting that in the HUD/Department of Justice Joint Statement Regarding Reasonable Accommodations Under the Fair Housing Act, in question number 18, HUD and DOJ specifically state that an owner/agent can ask for certification or verification if the need for the assistance/companion animal is not obvious. For a copy of this document, go to: <http://www.hud.gov/offices/fheo/library/huddojstatement.pdf>.

MHHA recommends that HUD housing providers review the proposed rule, found at <http://tinyurl.com/ytm900>, and send any comments or concerns to HUD by Dec. 14. Please send a copy of any rule comments to Mary Youle at [myoule@mhha.com](mailto:myoule@mhha.com) or call 651-645-4545 to discuss further.

### DHS Makes Changes to PCRA Scoring System

The Minnesota Department of Human Services (DHS) recently announced some revisions to the scoring system for the nursing facility Planned Closure Rate Adjustment (PCRA) program. Under PCRA, nursing facilities that want to receive an incentive payment for delicensing beds apply to DHS. Based on that application, DHS assigns points for both objective and subjective factors. The points are translated into an incentive amount per bed that can be assigned as a rate increase to the facility closing the beds or another facility. In its recent changes to the program, DHS changed both the scoring of the factors as well as the translation between the number of points and how many dollars per bed in PCRA a facility receives.

Under the new scoring system, DHS looks at nursing facility bed ratios in the county and contiguous counties and the quality score of the facility. Last week, MHHA sent a letter to all nursing facility members showing how many points each receive for the objective factors under the new scoring system and how many dollars per bed in PCRA they can receive as a result. Facilities also receive additional points for subjective factors that are based on their application and negotiation with DHS.

That aspect of the process is less transparent, but we know two factors DHS considers are creation of home and community-based services by the provider and creation of single bed rooms in the nursing facility.

These recent changes to the PCRA formula are not likely to be the last changes to the program. DHS has approached MHHA about changing the program more substantially by eliminating the negotiated aspect and switching to a flat incentive amount per bed closed. The MHHA Payment Committee discussed the implications of that change last week, and MHHA will be working with DHS on potential changes to PCRA which make the process more simple to implement and more understandable for providers. In the meantime, the PCRA formula as recently revised by DHS will be in place. When DHS makes changes to the formula, they do not apply to previously approved PCRA incentives, so any member who applies and is approved under the new formula will not be impacted by future changes.

Members with questions about the PCRA process should contact Jeff Bostic at 651-645-4545 or [jbostic@mhha.com](mailto:jbostic@mhha.com).

### **Commission Report Now Available**

The National Commission for Quality Long-Term Care's final report is now available at the Commission's website. The report, "From Isolation to Integration" was the subject of a press conference in Washington, D.C., last Monday. Unfortunately, the Commission, which had indicated it would post the report by 9 a.m. central time was late in posting, so the link in last week's Monday Mailing was to a precursor report. Members may now download the final report at [http://www.ncqltc.org/pdf/Final\\_Report\\_NCQLTC\\_20071203.pdf](http://www.ncqltc.org/pdf/Final_Report_NCQLTC_20071203.pdf). For further information, contact Darrell Shreve at 651-645-4545 or [dshreve@mhha.com](mailto:dshreve@mhha.com).

### **Don't Forget -- 2007 CRPs Due by Jan. 31, 2008**

MHHA reminds members that completed Certificates of Rent Paid must be given to tenants and residents no later than Jan. 31, 2008. Landlord instructions for completing CRPs are found online at [http://www.taxes.state.mn.us/instructions/crp\\_ldin\\_07.pdf](http://www.taxes.state.mn.us/instructions/crp_ldin_07.pdf). Nursing homes that pay property taxes must give private pay residents a CRP, as described by the Minnesota Department of Revenue at <http://tinyurl.com/2ybcvk>. Information for assisted living providers, including an example on calculating the information for the CRP, is found at <http://tinyurl.com/3xkd27>. For further information, contact Mary Youle at 651-645-4545 or [myoule@mhha.com](mailto:myoule@mhha.com).

### **Minnesota State Ombudsman for Long-Term Care Named**

MHHA extended a welcome to Deb Holtz, the newly named State Ombudsman for Long-Term Care last week. Holtz replaces Maria Michlin, who concludes her long service in the position as Interim State Ombudsman. Michlin will remain in the office as an ombudsman supervisor.

Holtz is a graduate of the University of Northern Colorado with a bachelor's degree in special education. She also holds a juris doctor from William Mitchell College of Law, in St. Paul. She served 15 years with the Minnesota Department of Human Services in several capacities, including director of guardianship and director of quality development, overseeing the beginning development of quality of life measurements for people who are elderly and people with disabilities. Most recently she served for the past five years as director of disability services at Hamline University and as adjunct faculty in the social justice department.

"We are most fortunate to secure the services of Deb Holtz as state ombudsman for long-term care," said Jean Wood, executive director of the Minnesota Board on Aging. "Her experience will be very beneficial to the people of Minnesota who need an advocate in often difficult circumstances."

The office's regional ombudsmen and volunteers work with consumers, citizens, nursing homes, hospitals, home care and social service agencies and public agencies to ensure the health, safety, welfare and rights of long-term care consumers. They also work to resolve individual concerns, identify problems and advocate for change to address them, at no charge to the consumer. The office also works to enhance the quality of life and services for consumers and advocates for reform in long-term care through changes in state and federal law and administrative policy.

Holtz can be contacted at 651-431-2604. For further information, contact Adam Suomala at 651-603-3530 or [asuomala@mhha.com](mailto:asuomala@mhha.com).

### **Home Health Case Mix Grouper Software Being Released; Information Posted on HH PPS Case Mix Refinements**

The Centers for Medicare and Medicaid Services (CMS) is providing final Home Health Case Mix Grouper Software and Documentation for the home health payment regulation effective Jan. 1, 2008. These materials include a revised grouper logic/pseudocode and associated tables. Also included are the revised grouper program (.DLL) and the updated test cases to be used by agencies developing their own grouper software. More information about the software is found at [http://www.cms.hhs.gov/HomeHealthPPS/05\\_CaseMixGrouperSoftware.asp](http://www.cms.hhs.gov/HomeHealthPPS/05_CaseMixGrouperSoftware.asp).

CMS has also posted new information regarding home health (HH) prospective payment system (PPS) case-mix refinements on data collection and coding, including:

- A Questions and Answers document regarding transition episodes describing special steps for Home Health Agencies

(HHAs) to take in completing their Outcome and Assessment Information Set (OASIS) assessments at the transition to the refined HH PPS Jan. 1, 2008. These steps will assure HHAs can create the proper payment group code for their claims.

- HH PPS Health Insurance Prospective Payment System (HIPPS) code weight tables map each of the 1836 new HIPPS code for the refined HH PPS to its associated case-mix weight and supply payment amount.
- A presentation on HH PPS claims processing changes provides an outline describing the principle changes to HHA coding and billing that result from the refined HH PPS.

To access this information, go to: [http://www.cms.hhs.gov/HomeHealthPPS/03\\_coding&billing.asp](http://www.cms.hhs.gov/HomeHealthPPS/03_coding&billing.asp).

### **New Study Shows Hospice Care Saves Money for Medicare**

Hospice reduced Medicare costs by an average of \$2,309 per hospice patient according to findings from a Duke University study described in the Oct. 2007 issue of the journal "Social Science & Medicine." The study also found that Medicare costs would be reduced for seven out of 10 hospice recipients if hospice had been used for a longer period of time. For cancer patients, hospice use decreased Medicare costs up until 233 days of care. For non-cancer patients there were cost savings seen up until 154 days of care. While hospice use beyond these periods cost Medicare more than conventional care, the report's authors wrote that "more effort should be put into increasing short stays as opposed to focusing on shortening long ones."

In 2006, 1.3 million patients received care from one of the nation's 4,500 hospice providers, an increase of more than 100,000 patients over the previous year. Approximately 35 percent of all deaths in the US were under the care of a hospice program. The study was funded by the Health Care Financing Organization (HCFO) of the Robert Wood Johnson Foundation. For more information, contact Karen Kemp at 919-613-7394 or [kkemp@duke.edu](mailto:kkemp@duke.edu).

### **National Center on Elder Abuse to Expand Efforts**

The National Center on Elder Abuse (NCEA), directed by the U.S. Administration on Aging (AoA), is dedicated to the prevention of elder mistreatment. NCEA will assist the AoA in providing leadership to the field of elder justice by expanding multi-disciplinary approaches to addressing elder mistreatment by awarding \$100,000 each year in mini-grants to local community efforts identifying the training needs of five key professions that work to address elder mistreatment and, based on the needs assessment, efficiently and effectively targeting NCEA training efforts and undertaking a national public awareness campaign. The web site is found at [www.ncea.aoa.gov/NCEAroot/Main\\_Site/Index.aspx](http://www.ncea.aoa.gov/NCEAroot/Main_Site/Index.aspx).

### **HUD Journal Provides Policy Resources**

"Cityscape" is a journal of housing and urban policy research published by HUD's Office of Policy Development and Research. It offers in-depth articles addressing important housing policy issues and a section with refereed papers by experts in their respective fields. Some of the articles in the recent edition include:

- "Income Targeting of Housing Vouchers: What Happened After the Quality Housing and Work Responsibility Act?" at <http://www.huduser.org/periodicals/cityscape/vol9num3/ch4.html>
- "Homeowner Age and House Price Appreciation" at <http://www.huduser.org/periodicals/cityscape/vol9num3/ch6.html>
- "Low-Income Housing Tax Credit Qualified Census Tracts" at <http://www.huduser.org/periodicals/cityscape/vol9num3/ch7.html>
- "The CHAS Data: Obtaining Estimates of Housing Market Affordability" at <http://www.huduser.org/periodicals/cityscape/vol9num3/ch8.html>

Cityscape is available for free downloading at <http://www.huduser.org/periodicals/cityscape.html>.

### **Showcase Your Affordable Housing Design and Residents**

Subsidized and affordable housing provider designs and residents will be featured on a new web site being created by the Center for Housing Policy, of which the American Association of Homes and Services for the Aging (AAHSA) is a member. The Center is seeking images of affordable housing and residents to illustrate the site, found at <http://www.HousingPolicy.org>. This site will provide an online guide of state and local housing policies. Providers may submit images, along with the appropriate photo credits for recognition purposes, to [rcohen@nhc.org](mailto:rcohen@nhc.org) and provide a contact person with whom they can follow up for more detailed information. For more information, contact Colleen Bloom at 202-508-9483.

### **Humana to Provide Coinsurance Reimbursement for Dual Eligible Nursing Facility Residents**

According to a recent communication to providers, Humana Inc. will now accept Medicare Bad Debt Settlement Requests to cover unpaid coinsurance for residents enrolled in their Medicare Advantage plans who are also eligible for Medical Assistance. Nursing facilities will be able to submit bad debt requests retroactively for coinsurance that has not been covered previously.

The Medicare Advantage plan that Humana operates in Minnesota does not pay the Medicare coinsurance for individuals who

are eligible for Medical Assistance. In addition, Minnesota statute does not allow the Department of Human Services (DHS) to pay nursing facilities for a dual eligible client's Medicare Co-Insurance in most cases. For residents on traditional Medicare the unpaid coinsurance can be collected as bad debt, but that process does not apply to Medicare Advantage enrollees.

Nursing facilities should continue to bill DHS for the Medicare co-insurance for dual eligible clients enrolled in Humana's Medicare Advantage plan, and save the DHS denial for their records. According to Humana's communication, providers can request bad debt reimbursement from Humana by sending a request to its Medicare Settlement unit providing the following information:

- Name of Provider
- Medicare Provider Number
- Name of contact person at facility
- Cost report period in question
- Copy of Bad Debt Log (Medicare Exhibit 5)
- Copy of Cost Report Worksheet(s) E-Part A, E-Part B and S-3, Part 1, for the designated cost report period.
- Copy of Facility Collection Policies and Procedures

If possible, Humana requests that the Bad Debt Log be submitted to [FRMedicareSettlementUnit@humana.com](mailto:FRMedicareSettlementUnit@humana.com) in Excel format. The Humana Medicare Settlement Unit can be contacted at that email address or by phone at 800-960-1674. Settlement requests and other information can also be sent by mail to Humana Inc., FR Medicare Settlement Unit, Waterside Building, 10th Floor, 101 East Main Street, Louisville, KY 40202.

MHHA members with questions about the new Humana policies on Medicare coinsurance can contact Alicia Hauge in provider relations at 763-477-6672, fax 920- 339-5497, cell 651-373-4099, or by email at [ahauge@humana.com](mailto:ahauge@humana.com).

## Question of the Week

### Question of the Week

**Q: In a care center, do the individuals who transport residents by pushing their wheelchair need to be on the nurse aide registry?**

A: No. CMS distinguishes between transporting and transferring a resident. Transferring a resident involves moving and possibly lifting the resident from one piece of equipment to another, such as a bed to a wheelchair. This action must be done by a nurse aide on the registry or other licensed health care professional. Transporting involves moving the resident without changing the equipment, such as pushing the wheelchair. Another example of transportation is driving the resident in a van to an appointment. Transporting does not require a nurse aide on the registry. CMS addressed this question in a program letter in July, 2001 (S&C01-20).

For further information or to suggest a question of the week, contact Darrell Shreve at 651-645-4545 or [dshreve@mhha.com](mailto:dshreve@mhha.com).

## Member News

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In this week's Member News, [http://www.mhha.com/index/Member\\_News](http://www.mhha.com/index/Member_News) read Augustana on the Cutting Edge of the Longevity Revolution. Send your news to Jenny Mims at [jmimsl@mhha.com](mailto:jmimsl@mhha.com).

## Association News

### MHHA's Home Care Reference Guide Now Available

MHHA's newest publication, "The Minnesota Home Care Reference Guide," is a handy tool for nurses and other home care staff now available for purchase. This must-have guide includes the Minnesota Home Care law, a brief excerpt from the Vulnerable Adults Act, the Minnesota Home Care rule and a chart summarizing some important requirements for Class A and Class F home care providers.

In addition, MHHA has included footnotes to provide additional in-depth information on a variety of topics, such as interpretations and clarifications of the rules that Minnesota Department of Health (MDH) has posted on its web site or has provided to MHHA in meetings or via e-mails. The footnotes also include references to other documents and information that may be helpful to providers in understanding and interpreting the home care requirements.

Providers should be aware surveyors and providers may have different interpretations of the requirements or of nursing standards under the Nurse Practice Act. When questions arise during a survey or during discussions with colleagues, members are encouraged to forward them to Mary Youle at MHHA for discussion in the quarterly home care meetings the department of health has with provider groups.

This spiral-bound, easy-to-use reference can be ordered online from the MHHA Store at <http://www.mhha.com> or by contacting Alecia Crumpler at [acrumpler@mhha.com](mailto:acrumpler@mhha.com). Order #HSG2107 for the low member price of \$50 per copy. Order now, you'll want a copy for each member of your team. Questions about this Guide should be directed to Mary Youle at

651-645-4545 or [myoule@mhha.com](mailto:myoule@mhha.com).

### **Watch for Institute Registration Brochure: Your Invitation to Minnesota's Premier Provider Gathering Sent Today**

Celebrate with MHHA and be part of the largest event of its kind in the upper Midwest. "Building Blocks" is the 2008 theme for the MHHA Institute. Your invitation to this annual event is being mailed today. Members are reminded the "early bird" deadline for registration is Dec. 28, 2007. Registrations received after Dec. 28 will pay the regular rate.

Make your sleeping room reservations at the Hyatt Regency Minneapolis, the Institute's headquarter hotel as soon as possible. Room rates are \$99 for a single and \$109 for a double. Members can register either by phone at 612-370-1234 or online at <http://minneapolis.hyatt.com/groupbooking/msprmmnh2008>. Remember to mention the "MHHA Institute" when making reservations to guarantee the discounted room rate. The block of rooms will be held until Friday, Jan. 11, 2008, but may sell out at any time.

To order up to five additional copies of the brochure, please send an e-mail request to [education@mhha.com](mailto:education@mhha.com) and include your name, facility, complete mailing address and the number of brochures requested.

Please contact Jenny Prosser at [jprosser@mhha.com](mailto:jprosser@mhha.com) for general questions, Beth Gabrysiak at [bgabrysiak@mhha.com](mailto:bgabrysiak@mhha.com) for registration questions, or Heidi Simpson at [hsimpson@mhha.com](mailto:hsimpson@mhha.com) for questions on the Leadership Intensive, Pre-Conference Intensives, Networking Lunches, Concurrent Sessions or CEUs. MHHA's education team is ready to assist you and can be reached at 651-645-4545.

### **MHHA is Accepting 2008 Sponsorship Contributions Through the End of Year**

MHHA has designed a tool for Business Partners to customize your marketing needs. With MHHA's 2008 Annual Sponsorship, you can establish your sponsorship budget for the year and customize benefits to your marketing goals. MHHA offers several opportunities in the areas of education, web marketing and networking to help you increase your exposure and access to the state's largest Association of leading providers.

Through annual sponsorship, your company can gain visibility across the aging services continuum and access to key decision-makers throughout the year. Don't miss out on these great opportunities to spread the word about your work. Special thanks to the following 2008 Annual Sponsors as of Dec. 5, 2007:

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For further information on MHHA's 2008 Annual Sponsorships, contact Jenny Prosser at 651-603-3548 or [jprosser@mhha.com](mailto:jprosser@mhha.com).

### **2008 Membership Dues Invoices Sent**

We have reached that time of year when we ask members to renew their membership in MHHA. 2008 dues invoices should arrive in your mail this week, marking a milestone final year for the Association's phase-in to the millage dues calculation system. For members that also hold American Association of Homes for the Aging (AAHSA) membership, the invoice will also include your 2008 AAHSA dues.

MHHA remains mindful of the economically fragile condition of many of our care centers and of the investment membership dues represent for our housing and home and community-based services members. Should you have any questions about the invoice, MHHA's dues policy, the underlying method by which your 2008 were calculated, or the value proposition for your organization, please contact Adam Suomala at 651-603-3530 or [asuomala@mhha.com](mailto:asuomala@mhha.com).

### **Your MHHA.com**

#### **MHHA.COM - Visit Daily**

MHHA's web site at <http://www.MHHA.com> provides members access to a variety of valuable resources, including updated information on legislation, regulations, data you can use, directories, registration for events, products for purchase and more. Members are reminded to be sure to log in to view all parts of the page and take full advantage of the expanded information and special pricing available only to members.

Make it a habit, visit MHHA.com daily. For further information, contact Jenny Mims at 651-645-4545 or [jmims@mhha.com](mailto:jmims@mhha.com).

### **Elsewhere**

#### **Study of Adult Day Services in Iowa Now Available**

Even though adult day services have been identified as a cost-effective service for older adults and people with disabilities, the expansion of these services has been slow to occur in many parts of the country. To better understand the reasons for the lack of expansion of adult day services in Iowa, the Iowa Department of Elder Affairs contracted with faculty at the University of Iowa's School of Social Work to conduct an evaluation of the adult day services system. The study results, including ten recommendations that may have implications for Minnesota providers, are found at <http://www.state.ia.us/elderaffairs/Documents/Housing/ADSFinalEvaluation.pdf>.

#### **"Aging-in-Place" Is 2007 Word of the Year Runner-Up**

Each year at this time, the New Oxford American Dictionary announces its Word of the Year, and "aging-in-place" was a runner up for 2007. Although the term is well known to providers, the New Oxford American Dictionary has defined aging in place for the general public as: "the process of growing older while living in one's own residence, instead of having to move to a new home or community."

The selected word of the year is "locavore," a term coined two years ago by a group of four women in San Francisco who proposed that local residents should try to eat only food grown or produced within a 100-mile radius. Other regional movements have emerged since then, though some groups refer to themselves as "localvores" rather than "locavores." However it's spelled, it's a word to watch, according to the Oxford University Press. To learn more about the locavore movement or to see other runner-up words, go to <http://blog.oup.com/2007/11/locavore/>.

#### **MacArthur Foundation Awards for State/Local Housing Preservation**

The John D. and Catherine T. MacArthur Foundation is providing \$35 million in new funding for innovative state or local government initiatives to preserve and improve the existing stock of privately owned affordable rental homes. MHHA and AAHSA encourage providers to talk to their local housing and redevelopment authority about this funding opportunity and help shape a proposal for funding.

This funding is part of MacArthur's \$150 million national initiative, "Window of Opportunity," designed to preserve and improve affordable rental homes. Grants and program-related investments will range from \$250,000 to \$5 million each. Up to ten recipients will be selected for funding in 2008. Those interested in applying must submit a Letter of Interest to the Foundation by Jan. 29, 2008.

Information about how to apply and MacArthur's Window of Opportunity initiative can be found at <http://tinyurl.com/2bjb2x>.

### **AAHSA News**

#### **Congress Faces Crucial Time for Appropriations**

As the current government funding extension expires on Dec. 14, Congress has limited time to address federal government appropriations for fiscal year 2008, which began Oct. 1. The American Association of Homes and Services for the Aging (AAHSA) expects Congress to take up an Omnibus bill providing FY 2008 funding for all non-defense programs. Although passage of an Omnibus bill is likely, the White House has already threatened a veto and if that happens, Congress then will

need to pass another Continuing Resolution (CR) to continue funding into the second session of this Congress.

AAHSA asks members to contact their U.S. Representative and Senators immediately to urge them to include the following provisions in both an Omnibus and a likely new CR:

- The higher funding levels for senior housing programs and contract renewals included in the House-passed Transportation/HUD appropriation bill;
- Funding for aging services/AOA programs included in the vetoed Labor/HHS appropriation bill; and
- A provision to stop imposition of the survey revisit fees as provided in the vetoed Labor/HHS bill.

As background, the conference report on appropriations for Transportation, HUD, and Related Agencies (THUD) passed by the U.S House of Representatives on Nov. 14 generated a second presidential veto threat due to the "irresponsible and excessive level of spending" and Congress's refusal to "adopt any of the President's proposed terminations or reductions in programs that have been shown to be ineffective or duplicative."

President Bush's FY08 budget proposed a \$160 million cut to the Section 202 elderly housing program and \$112 million cut to the Section 811 disabled housing program. In the conference report, the Section 202 program funding is kept the same as last year at \$735 million. More problematic is the \$6.139 billion that the report provides for Project Based Section 8 renewals, which is \$616 million higher than the President's request, but approximately \$2 billion short of the amount needed for the FY08 contract renewals, according to AAHSA.

The Omnibus bill will also address funding for programs in the 2008 Labor/Health and Human Services spending bill that was vetoed by President Bush. The vetoed bill would have substantially increased funding for Older Americans Act and nurse education programs, including:

- An additional \$2 million in funding for family caregiver support;
- Another \$20 million for congregate meals;
- \$11 million extra for home-delivered meals; and
- An \$18 million increase for nursing workforce development programs, such as nursing loan repayments and scholarships, advanced education and faculty loans.

In order to "feel out" the Administration on a compromise, congressional leaders suggested all remaining appropriations bills be sent to the President in the form of an omnibus bill with an \$11 billion increase above his funding request for domestic funding rather than the current \$22 billion increase. The Administration quickly rejected the proposal and insisted that Congress reduce the funding in bills to the level the President proposed. Even if the "split the difference" strategy is eventually adopted, there is no indication where congress will make the additional spending cuts.

For more information on the FY08 appropriations, contact Louise Maus at 202-508-9487 or [lmaus@aaahsa.org](mailto:lmaus@aaahsa.org). More information and sample letter to congress on appropriations are found at <http://capwiz.com/aaahsa/issues/alert/?alertid=10555776>.

### **Housing Groups Oppose Increases in Mortgage Insurance Premiums**

The American Association of Homes and Services for the Aging (AAHSA) has joined several other multifamily housing associations to offer comments on HUD's recent notice announcing HUD's plans to increase mortgage insurance premiums (MIP) on most FHA multifamily mortgage loans, which would have a devastating impact on affordable housing development and preservation. AAHSA reports this is the second time in two years HUD has proposed such increases without providing any justification for the increase. Providers use FHA insurance to provide the credit enhancements that not-for-profits need in order to secure low-cost financing that produces affordable rents for both new construction and refinancing the older Section 202 inventory. In refinancing transactions, increasing premiums will reduce the amount of new loan proceeds available for property repairs and improvements. Read the comment letter at <http://tinyurl.com/32f7ku>. For more information contact Nancy Libson at [nlibson@aaahsa.org](mailto:nlibson@aaahsa.org).

### **Delays and Gaps in HUD Subsidy Payments Continue**

The American Association of Homes and Services for the Aging (AAHSA) reports gaps in HUD subsidy payments are continuing without advanced warning due to inadequate funding and administration policy. In a Nov. 19 conference call, HUD headquarters informed AAHSA the department had received another allotment of funding and that policies for executing renewal contracts are again being modified.

The new funding is a result of a continuing resolution (CR) that funds programs at FY07 levels through Dec. 14. This means that only partial funding is available and will be distributed according to previously outlined priorities:

- In-effect contracts with shortfalls;
- Contracts needing renewal; and
- In-effect contracts needing more funds for future vouchers.

For contract renewal funds to flow, AAHSA says HUD is returning to a practice of having owners sign first, and then send

contracts to the contract administrator and/or to HUD for counter-signature(s), before funds can be authorized. Signed documents may be expedited by sending electronically via FAX or PDF, but even with a 24-hour turn-around on each step, additional time is expected in order to complete the renewal process. In-effect contracts will continue to receive incremental funding prior to receiving notification, as no signature is required. The revised renewal contracts and notification letters, which are dated 11/5/07, can be found on the HUD website at [www.hud.gov/offices/hsg/mfh/exp/guide/s8guideatt.cfm](http://www.hud.gov/offices/hsg/mfh/exp/guide/s8guideatt.cfm).

During the November conference call, HUD officials provided some additional funding updates:

- Project Based Section 8: HUD expects over 700 contract renewals to be completed this month for October, November and December renewals. Almost 3000 contracts are targeted to receive additional funding for the same months, including almost 275 vouchers that were suspended earlier this month due to insufficient funds. Colleen Bloom asks any provider that has a contract that is missing payments prior to June 1 to call her immediately at 202-783-2242. A team has been identified at HUD HQ to resolve such problems expeditiously.
- Rent Supplement/RAP: HUD has identified a number of FY06 and FY07 payments that are long-overdue and expects to get communications to owners by Dec 15 on the status, including expected payment date(s).
- PRAC: Project Rental Assistance Contract (PRAC) funds are described as "very tight" and HUD field offices are prioritizing sites in the greatest need. Because criteria on "need" are unclear, and some sites depend more heavily on subsidy depending on portion of contribution by residents, if you are not being paid and feel your site should be on the priority list, please send an email to your local multifamily field or HUB director, and copy Colleen Bloom at [cbloom@aahsa.org](mailto:cbloom@aahsa.org).

In a recent meeting between the Office of Management and Budget (OMB) staff responsible for the HUD budget and AAHSA, the OMB was apologetic about the chaos created this past summer with late payments, and indicated HUD has figured out how to "manage" the shortage of funding so that providers will not be too inconvenienced in the future. OMB made it clear it does not intend to request additional funding to ensure sufficient funding will be available for full 12 months renewals for every contract. Consistent with Administration policy, any attempt to fund contracts for the full 12 months will require cuts in other HUD programs, such as Public Housing, HOME or Section 202 PRAC.

AAHSA says that "payment as funding becomes available will likely continue to be the norm for some time, with administrative processes being tweaked when necessary. It's no way to run an operation, particularly when the mission is to provide quality housing for low-income seniors." Sample letters to congress on this issue are found at <http://capwiz.com/aahsa/home/>. For more information, contact Nancy Libson at [nlibson@aahsa.org](mailto:nlibson@aahsa.org).

### Upcoming AAHSA Audio Conference Addresses Depression and Aging Services

On Dec. 13 from 1 to 2:30 p.m., Central Time, AAHSA will offer an audio conference on "Elderly and Workforce Depression: A Common and Costly Mental Health Crisis". During the call, participants hear from experts providing you and your staff with practical tips for identifying, managing and preventing depression among the people you serve.

Fax or mail your PDF registration, which can be found at [http://www.aahsa.org/edocuments/audioconf/depression\\_req.pdf](http://www.aahsa.org/edocuments/audioconf/depression_req.pdf). Download an order form for an audio recording of the call, referencing item number AC17: Elderly and Workforce Depression, at <http://tinyurl.com/2fvq3a>. For further information, contact Nataki Goodall at 202- 508-9471 or [ngoodall@aahsa.org](mailto:ngoodall@aahsa.org).

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**MHHA thanks business partner [PrairieStone Pharmacy](#) and our other business partners for their support.**

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