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Governor Pawlenty Unallots to Balance State Budget

Health and human services sustained a \$73 million cut last Friday as part of Gov. Tim Pawlenty's budget-balancing plan for the current fiscal year.

Although Elderly Waiver and nursing facility rates are not affected in this round of budget cuts, other health and human services programs serving seniors suffered small cuts. Community Service/Service Development grants have been cut about 1.5 percent of their appropriation for this year.

Cities and counties were hit the hardest in the unallotment with a \$110 million cut. The governor also will use the state's remaining \$155 million in reserve funds to balance the projected budget shortfall for the current biennium of \$426 million.

The cuts reflect the governor's earlier messages that he would target aid to local governments as well as try to curb the growth in health and human services. Counties will feel the loss at least twice, with the limiting of state local government aid along with the health and human services cuts.

Waivers for disabled Minnesotans (DD/TBI/CADI) will also be capped to save \$2.7 million. Hospitals will lose \$38 million. The full list of health and human services cuts is as follows:

- **Hospitals:** \$38 million total cut with \$28 million coming from the Medical Education Research Costs (MERC) account. Another \$10 million will come from add-on payments to hospitals to treat Medical Assistance patients. This reduction does not change base payment rates to hospitals.
- **Waivered services:** \$2.717 million from additional growth in DD/TBI/CADI waiver programs for disabled Minnesotans. At this time, current enrollees are not affected.
- **Housing Grants:** \$250,000 in unawarded grants to DD/TBI/CADI waived program recipients. According to the governor's press release, these grants would not have gone to current enrollees.
- **Community Service/Service Development (CSSD) Grants:** \$98,000 in unawarded grant money.
- **Consolidated Chemical Dependency Treatment Fund Balance:** \$17 million surplus.
- **Mental Health Grants:** \$8 million total with \$2 million coming from new grants which were not going to be awarded in the current fiscal year. The remaining \$6 million is a shift into the next fiscal year.
- **Adoption Assistance/Relative Custody Assistance:** \$6 million surplus.
- **Patient Incentive Grants:** \$491,000. According to the governor's press release, this program has not been fully developed, leaving the funds unspent in the current fiscal year.
- **Outreach Bonus Payments:** \$200,000 in cash bonuses to entities who enroll people in certain publicly-subsidized health care programs. This amount would not be spent this fiscal year.

For Further Information:

Contact Jen McNertney at jmcnertney@agingervicesmn.org.

Aging Services Does Well In Survey

Aging Services of Minnesota members generally did very well in the new CMS 5- Star rankings with 38 of the 63 facilities with an overall score of 5 are Aging Services members.

At the other end (overall score of 1), only 17 of the 52 facilities are members. If CMS had calculated the overall score as an average, eight of these 17 would have had at least two stars as their overall ranking.

Here are the aggregate data for Minnesota:

| Score | Overall | Inspections | Quality | Total Staff | RN Staff |
|-------|---------|-------------|---------|-------------|----------|
| 5 | 63 | 39 | 74 | 11 | 26 |

| | | | | | |
|--------------|------------|------------|------------|------------|------------|
| 4 | 103 | 91 | 129 | 160 | 92 |
| 3 | 86 | 91 | 96 | 102 | 131 |
| 2 | 85 | 91 | 55 | 48 | 88 |
| 1 | 52 | 77 | 35 | 41 | 25 |
| Total | 389 | 389 | 389 | 362 | 362 |

You should note that facilities receive only one rating on staffing. The number of stars is based on a combination of the two staffing measures (total nursing hours per resident day and RN hours per resident day). Both are adjusted for RUG case mix, but CMS has not revealed exactly how it adjusts each facility's hours for its RUG case mix.

The quality scores are particularly noteworthy. More than half (52 percent) of the Minnesota facilities score 5 or 4 ("much above average" and "above average," respectively), almost 20 percentage points higher than the national average.

We have heard from several members that the CMS data are erroneous or outdated. Errors have included not changing citations that were reduced or removed, and using surveys from 2005-2007 rather than 2006-2008. CMS has said that they would correct mistakes in the data, so members who disagree with their data should contact CMS at 1-800-839-9290.

Larry Minnix, the president of AAHSA, also would like to know about the mistakes in your data. Please send him an email at lminnix@aahsa.org and to Darrell Shreve at dshreve@agingservicesmn.org

For Further Information:

Contact Darrell Shreve at dshreve@agingservicesmn.org.

5-Star System Not Off To Good Start

Provider associations across the country are severely criticizing the Centers for Medicare & Medicaid Services for its handling of the launch of the new 5-star rating system because of media leaks.

The provider associations were upset because Gannett newspaper reporters were calling facilities to ask about their ratings before the facilities or provider associations had seen any of the data. CMS had given USA Today (which is owned by Gannett) the data for all providers in the country but had embargoed its publication until Thursday. Gannett had apparently distributed the data to some or all of its newspapers without prohibiting them from contacting facilities before Thursday.

The criticisms arose during a CMS conference call for provider associations that was requested by Larry Minnix, the president of AAHSA. Thomas Hamilton, the director of the survey and certification branch within CMS, apologized for CMS's mistake, but insisted that CMS could not make the data available to provider associations. Later that day, the state executive for the Iowa affiliate of AAHSA obtained the data from a local reporter, and on Wednesday she distributed it to all AAHSA affiliates.

CMS has introduced some "new math" into their rating system. One would intuitively expect that the overall score would be an average--e.g., a facility with scores of 4, 3, and 2 would have an overall rating of 3. In this particular example, if the inspections score is 2, CMS's "new math" is $(2+3+4)/3 = 2$ if the quality score is 4 and the staffing score is 3. But if the quality score is 3 and the staffing score is 4, then CMS's "new math" is $(2+3+4)/3 = 3$. If the inspections score is 4, the "new math" is $(4+2+3)/3 = 4$, regardless of the quality and staffing scores. Although the total number of stars on the three measures is the same, the overall rating is different.

The extreme instances of CMS's "new math" are these:

Inspections 5, quality 2, staffing 2 = overall score 5.

Inspections 1, quality 4, staffing 3 = overall score 1.

MSC+ Transition in Metro Area Counties Occurs Jan. 1

On Jan. 1, DHS is expanding the Minnesota Senior Care Plus (MSC+) program statewide, by including the seven metro area counties which means that virtually all elderly waiver (EW) services will now be covered by a health plan, instead of the state and county system.

MSC+ also covers 180 days of nursing facility care for eligible individuals entering a facility from the community, instead of the 90 days covered under the old MSC program.

Metro area members who serve EW clients should be preparing for this transition. Services provided after Jan. 1 have to be billed to the client's health plan, not the state (unless the health plan contracts with the state for billing). The EW client already has a health plan under MSC, so the only difference is that effective Jan. 1 the health plan is responsible for the EW benefits. The current service plans and rates for EW clients will remain in place until the health plan completes a new assessment.

EW clients shifting to MSC+ were notified of the change in October. EW clients transitioning to MSC+ must have an assessment within 30 days and will be notified of their assigned case manager.

If providers cannot identify the client's case manager, DHS staff suggests that they contact the health plans for assistance. Contact information for the health plans is found in the Dec. 16 provider update, available at <http://tinyurl.com/9fg65d>. Providers may also want to contact their clients' health plans to find out if they are scheduling training about the transition to MSC+.

Providers who serve clients on other waivers are reminded that only the Elderly Waiver is included in MSC+. About 6,000 MA enrollees in the metro area will switch from MSC to MSC+ on Jan. 1, and of those approximately 1,900 are receiving EW services. This will make the total number of EW clients on MSC+ a little more than 4,000. The vast majority of EW clients will continue to be enrollees of Minnesota Senior Health Options (MSHO), which covers more than 13,000 EW clients statewide. Because MSHO provides Medicare benefits in addition to the same Medical Assistance benefits as MSC+, most providers are used to billing health plans for EW services. The primary concern with the January transition is that the transfer of responsibility from the state and counties to health plans is well coordinated and communicated.

DHS hosted a videoconference on the transition to MSC+ last week. Materials from that session are available at <http://www.agingservicesmn.org/inc/data/Handout-MS-C+.pdf> and they include contact information for DHS staff who can answer provider questions.

For Further Information:

Contact Jeff Bostic@agingservicesmn.org.

DHS Announces Round Two Performance Incentive Payment Recipients

Last week, the Minnesota Department of Human Services announced the recipients of Performance Incentive Payment (PIP) funding for round two. There were 22 projects approved for this round involving 119 facilities and totaling \$4,834,176 in state funding.

An additional \$1,026,059 in funding is carried over from round one for a total expenditure of over \$5.8 million (state share). Contracts are still being negotiated for round 2.5 therefore those projects have not yet been announced. Applications for round three are due on December 31.

Click <http://www.agingservicesmn.org/inc/data/RoundTwoRecipients.pdf> for a summary of the projects approved for round two.

Aging Services of Minnesota would like to congratulate our members (listed in bold) on this achievement.

For Further Information:

Contact Lori Meyer at lmeyer@agingservicesmn.org.

Aging Services Advises Rejection of Federal Pay for Performance Program

After reviewing details of a new federal program to create pay for performance incentives for nursing homes and hearing further criticisms from AAHSA, we are advising DHS not to submit an application for participation.

The program that we reported on in the Nov. 24 issue of Monday Mailing is funded out of Medicare cost savings from reduced hospitalizations, so if a reduction is not achieved no savings are available to reward facilities.

In addition, half of facilities are guaranteed not to receive an incentive, because of their assignment to a control group, and others will be subject to a quality scoring system that relies heavily on survey results which are well known for their inconsistency.

The incentive program will be implemented in five states starting in 2009, and applications from state Medicaid agencies are due to CMS in January.

An additional complication in Minnesota is the use of Medicare savings to fund the incentive pool. The CMS materials on the program are clear that Medicare Advantage clients are not part of the savings pool. In Minnesota, where many Medicare eligible seniors are enrolled in MSHO, which includes Medicare Advantage, the potential savings pool from changes in the Medicare fee-for-service population is even more limited. For all of these reasons, we concluded that this particular effort at pay for performance is poorly designed and not in the best interest of Minnesota care centers.

For Further Information:

Contact Jeff Bostic@agingservicesmn.org.

CMS Publishes Medicare Billing Assistance for Rural Providers

CMS recently published a new resource for rural health care service providers that includes detailed charts with Medicare billing instructions for a variety of types of health service providers, including skilled nursing facilities and home health agencies. Members can download the new publication from the CMS web site at <http://www.cms.hhs.gov/MLNProducts/downloads/RuralChart.pdf>.

For Further Information:

Contact Jeff Bostic@agingservicesmn.org.

Work Begins for Establishing Standards for Health Care Homes

Minnesota Statutes of 2008 established that by July 1, 2009, the Commissioners of Health and Human Services shall implement standards of certification for Health Care Homes for health care programs.

Aging Services was invited to participate in the development of outcomes, recommended standards and functions for Health Care Homes. The work began on Dec. 18 with over 60 participants participating in the development of the standards for certification.

The process for development begins with establishing desired outcomes followed by developing the standards and defining the measurement for the standards, defining certification elements and resources, designing a payment methodology and planning for implementation with broad certification across the state of Minnesota.

The work of this workgroup is guided by the 10 criteria set forth in the MN Statutes (256B.0751 Health Care Homes) that the standards must meet. Sether said it is especially encouraging that the criteria require a desire for high quality and scientifically based health care, patient-centered care

with active participation, utilization of a range of qualified health care professionals, incorporating measures of quality and recognize national standards.

The next meeting is scheduled for Friday, Jan. 9.

ALFA Announces Nominations for Hero Awards



The Assisted Living Federation of America is now accepting nominations for the annual ALFA Hero Awards. This prestigious awards program honors administrators, caregivers, nurses, and volunteers working in assisted living.

The nomination deadline is Feb. 13, 2009. To nominate a worthy candidate, visit <http://www.alfa.org/files/public/Hero-Form-2009.pdf>.

Get Your Name In Front Of 4,000 Sets Of Eyes At The 2009 Institute

The Aging Services of Minnesota PAC will be holding its second annual silent auction at the 2009 Institute as its first major fundraiser of the year.

We are seeking donations that can be put up for bid at the silent auction on Feb. 11 and 12, with new items added each day. Our goal is to offer at least 120 items for bid with a range of values.

Commitments for donations must be received no later than Friday, Jan. 9. If you are interested in donating an item for the silent auction, please contact the Aging Services of Minnesota PAC's volunteer silent auction coordinator, Rebecca Fritz at rfritz@agingservicesmn.org.

The Aging Services of Minnesota PAC wants to thank these companies and individuals that have already committed donations for the silent auction:

- AgeWell Home Care
- American Association of Homes & Services for the Aging (AAHSA)
- Gentle Transitions
- LarsonAllen LLP
- Prevent Products Inc.
- Thrifty White Pharmacy Services
- Wipfli LLP

We are looking for fun, unique items at a variety of price points. This is a great way to show your support for PAC at Aging Services of Minnesota's largest signature event. We have lots of ideas, so if you need help coming up with a donation item, just let us know.

Aging Services thanks 2008 Annual Sponsor **Weis Builders, Inc.** and our other sponsors for their support and partnership.

Aging Services of Minnesota

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