

Bulletin

August 26, 2009

Minnesota Department of Human Services □ P.O. Box 64941 □ St. Paul, MN 55164-0941

OF INTEREST TO

- County Directors
- Social Services Supervisors and Staff
- EW Program Administrative Contacts
- County Public Health Nursing Services
- Tribal Health Directors
- Elderly Waiver Care Coordinators
- Managed Care Organizations
- County Fiscal Administrative staff

ACTION/DUE DATE

Please use the new Maintenance Needs Allowance effective July 1, 2009.

Expiration Date

The policies in this bulletin are ineffective as of July 1, 2010.

Corrected #09-25-05 Annual Increase for Maintenance Needs Allowance and Elderly Waiver Conversion Rates

TOPIC

New Maintenance Needs Allowance for Elderly Waiver (EW) clients and new conversion rate process for EW clients leaving nursing facilities.

PURPOSE

Attachment A has been changed to reflect adjustments to the monthly EW case mix budget caps due to the actual unallotment. Section V has also been revised to outline in more detail, documentation to be submitted with a conversion rate request.

Lead agencies are notified of a change in the Maintenance Needs Allowance effective July 1, 2009 and the procedure for requesting conversion rates for EW persons moving from a nursing facility using conventional EW or Consumer Directed Community Supports Services (CDCS).

CONTACT

EW policy questions: Libby Rossett-Brown at 651-431-2569 or Email at Libby.Rossett-Brown@state.mn.us

SIGNED

LOREN COLMAN
Assistant Commissioner
Continuing Care Administration

CORRECTIONS:

The Minnesota Department of Human Services (DHS) issued #09-25-05 on June 10, 2009 which explains Elderly Waiver policy for Conversion Rates and the new Maintenance Needs Allowance. After the release of the bulletin the monthly case mix budget caps were adjusted on 6/22/09 due to the actual unallotment. The caps were reduced 2.23% against the base rate in effect on 10/1/08. These changes are reflected in Attachment A. Lead Agencies should discontinue using bulletin #09-25-05 and use 09-25-05C in its place.

The Maintenance Needs Allowance (MNA) for clients who are eligible for Special income Standard – Elderly Waiver (SIS-EW) has increased to \$935 due to American Recovery and Reinvestment Act (ARRA) changes to the federal food support stimulus. The previous amount that was announced was calculated in March 2009 using the amounts that were in effect for that time. The MNA change is effective 7/1/2009. There will be future instructions published that will explain how to correct the MNA back to 7/1/09. The conversion rate form, attachment C, has also been update to reflect the change to the MNA.

I. For clients who are eligible for the Special Income Standard – Elderly Waiver (SIS-EW) the Maintenance Needs Allowance (MNA) increases on 7/1/2009 to \$935.

II. Exception to the Monthly Service Case Mix Budget Caps for EW clients leaving Nursing Facilities (NF): Conversion Rates

Certain persons receiving EW services may access a higher monthly case mix budget cap. If an EW eligible person is a resident of a certified nursing facility and has lived there for 30 consecutive days or more, a request for a higher monthly case mix budget cap may be submitted to the Department of Human Services (DHS) for approval. To determine whether the costs of EW services would exceed the average monthly case mix budget cap, determine the cost of authorized services under the community support plan and compare to the applicable statewide average monthly case mix budget cap in **Attachment A**. If implementation of the community support plan would cost less than the assigned case mix cap in Attachment A, the client does not require a conversion rate.

If the proposed community support plan cost exceeds this figure, the person may access a higher monthly case mix budget cap equal to no more than the cost to Medical Assistance for services in the (NF) where the person currently resides.

III. To determine the Medicaid cost for the person in their current NF

- 1) Determine the annual rate by multiplying the per diem (daily) rate charged by the NF for that client by 365. The daily rate is found on the NF remittance advice.

Note: The daily rate to use for Ah-Gwah-Ching nursing home is the calculated RUGS equivalent daily rate as stated in a DHS memo issued December 20, 2006.

- 2) Divide the annual rate by 12 to establish the clients average monthly cost for NF care.
- 3) Subtract the current Maintenance Needs Allowance (**\$935**) from the resulting figure in (2).
- 4) Compare the result to costs of implementing the person's community support plan. – the conversion rate that is approved cannot be greater than the amount determined using the above formula.

For persons who meet the criteria for a conversion rate and who must access the higher budget cap to pay for services necessary for their return to the community, the case manager/care coordinator must:

- 1) Determine the monthly service cap available to the person seeking the conversion rate using the formula above.
- 2) Submit the completed EW Conversion Rate Request form (**Attachment C**), a copy of the NF remittance advice showing the client's per diem rate, and **documentation which shows the detail of the cost of care requested in the community** including any rate setting tools made available and required by the commissioner of Human Services to: Department of Human Services, Aging and Adult Services Division, P.O. Box 64976, St Paul, MN, 55164-0976 or FAX request to (651) 431-7415
- 3) **Attachment C** must be approved by the health plan, if the client is enrolled in a managed care product for EW before it is sent to the Department of Human Services (DHS) and there is a service agreement in MMIS for payment.
- 4) Place the higher conversion rate in the Case Mix/DRG Amount field on the LTC screening document. This will cause edit 784 (Case Mix/TBIW Screening Document requires Approval) to post and keep the screening document in suspense. If all other suspended Edits are corrected, edit 784 will automatically route the screening document to DHS staff for review the following work day. DHS staff will retrieve the screening document and approve the higher amount or request further information from the case manager/care coordinator.

Note: Conversion rates are NOT available to persons receiving Alternative Care.

**IV. Exception to the Monthly Case Mix Budget Caps for EW clients leaving NF's:
Conversion Rates for people accessing services using Consumer Directed Community
Supports Services.**

Minnesota Statutes, section 256B.0915, subdivision 3b, was amended and sets the conversion rate for persons moving from the nursing facility with Elderly Waiver CDCS services. The

conversion rate limit is equal to the NF rate reduced by the percent difference between the CDCS budget limit according to the federally approved waiver plan and the corresponding case mix cap. The MNA is not subtracted from this amount. The MNA was already removed from the budgets for CDCS.

- 1) Determine the annual rate by multiplying the per diem (daily) rate charged by the NF for the client by 365. The daily rate is found on the NF remittance advice.
- 2) Divide the annual rate by 12 to establish the clients average monthly cost for NF care.
- 3) Use this monthly rate and multiply by the percentage corresponding to the Case Mix classification which was assessed for the person. The percentages that are to be used which correspond to the persons case mix cap are found in **Attachment B**. The amounts will be annually updated when the case mix caps are updated.
- 4) The remaining amount is the maximum monthly amount that can be utilized to implement a person's community support plan using the CDCS service. This limit is the maximum that can be approved.

Example 1:

Burke is in a nursing facility and the daily rate for the past 30 days is \$190/day. He wishes to leave the nursing facility using EW with CDCS services. He has been assessed as a case mix A. The maximum rate to use is calculated as follows:

$\$190/\text{daily rate at NF} \times 365 \text{ days} = 69,350 / 12 = \$5,779/\text{month in the NF}$

Look at Attachment A and find the corresponding percentage for case mix A – which is 50% - Multiply the monthly rate in the NF by the % difference as listed in Attachment A- $\$5,779 \times .50 = \$2,889/\text{month CDCS conversion rate limit}$. This amount should be compared to the cost of the care plan for Burke.

- 5) Compare the result to costs of implementing the person's community support plan.
- 6) Submit the completed EW Conversion Rate Request form (Attachment D) and a copy of the NF remittance advice showing the clients per diem rate, and **documentation which shows the detail of the cost of care requested in the community** to: Department of Human Services, Aging and Adult Services Division, P.O. Box 64976, St. Paul, MN, 55164-0976 or FAX request to (651) 431-7415.
- 7) Attachment C must be approved by the health plan, if the client is enrolled in a managed care product for EW before it is sent to DHS and there is a service agreement in MMIS for payment.
- 8) Place the higher conversion rate in the Case Mix/DRG amount field on the LTC screening document. This will cause edit 784 (Case Mix/TBI Screening Document requires approval)

to post and keep the screening document in suspense. If all other suspended edits are corrected, edit 784 will automatically route the screening document to DHS staff for review the following work day. DHS staff will retrieve the screening document and approve the higher amount or request further information from the case manager.

V. Conversion rate requests need to be submitted for approval annually if the client still has the need for the increased case mix cap.

The 2009 Minnesota Legislature authorized a 2.58 percent rate reduction Home and Community Based services rendered on or after July 1, 2009 to Elderly Waiver and Alternative Care (AC) recipients. The legislation also decreased the maximum service rate limits for customized living service, 24 hour customized living services and foster care. These required rate reductions affect authorized services below the rate limits as well as those that are at or above the new service rate limits. All requests submitted for conversion rates at renewal with service rate limits that exceed the new rate limits will need to include detailed documentation of any continued need for service costs in excess of the service rates or resulting in total costs greater than the case mix budget. That detail must include the most recent assessment results and community support plan as rationale for an amount of service or staff qualifications to justify the conversion rate requested.

Along with the form in Attachment (C) or (D), for all renewals which request a conversion rate, attach documentation showing the detail of the need and charge for services to be authorized in the community including the justification for 24 hour customized living service authorizations that exceed current rate limits. The rate setting tools made available by the commissioner of Human Services should be utilized when requesting 24 Hour Customized Living rates in excess of the current service rate limits. Justification of rates for this service including requests that exceed the service rate limits must show evidence that the units of needed component services and/or qualifications of needed staff exceed that which is available within the current service rate limit, and that other supports outside of the 24 hour customized living service rate have been maximized. The request must include units of service to be provided, the calculation of shared service costs for transportation, socialization and congregate meals, and CANNOT include base packages or visit charges. All service components described must be allowable under the definition of 24 hour customized living under the Elderly Waiver program.

AUTHORITY

Laws of Minnesota 2008, Minnesota Statutes, Section 256B.0915, subdivision 3b

Laws of Minnesota 2009, Chapter 79, article 8

Laws of Minnesota 2009, Chapter 79, article 8, section 49

Americans with Disabilities Act (ADA) Advisory

This information is available in alternative formats to individuals with disabilities by calling (651)-431-2590 (voice), toll free at 1-800-882-6262. TTY users can call through Minnesota

Bulletin #09-25-25C

August 26, 2009

Page 6

Relay at (800) 627-3259. For Speech to Speech, call (877) 627-3848. For additional assistance with legal rights and protections for equal access to human services programs, contact your agency's ADA coordinator.

ATTACHMENTS

Attachment A: Elderly Waiver Program Monthly Case Mix Caps

Attachment B: Elderly Waiver Percentages by Case Mix used to Determine Monthly CDCS
Conversion Rates

Attachment C: Elderly Waiver Conversion Rate Request Form

Attachment D: Elderly Waiver CDCS Conversion Rate Request Form

Attachment A

**Elderly Waiver Program Monthly Service Caps Effective
7/01/09 – 6/30/10**

Elderly Waiver	
Case Mix	Monthly Cap as of 7/01/09
A	2247
B	2557
C	2999
D	3098
E	3417
F	3521
G	3633
H	4099
I	4207
J	4485
K	5227

Attachment B

**Elderly Waiver CDCS Monthly Budgets as a % of Case Mix
Conversion Rates Effective
07/01/09 – current**

Elderly Waiver	
Case Mix	%
A	50.00
B	51.89
C	51.32
D	53.48
E	61.03
F	60.65
G	59.19
H	67.24
I	76.02
J	72.94
K	64.38

**ELDERLY WAIVER CONVERSION RATE REQUEST
COUNTY INFORMATION/HEALTH PLAN INFORMATION**

Contact:	
Address:	
FAX	Telephone:

CLIENT INFORMATION

Recipient:	Date of Birth:
PMI #	Date of Request:
Case Mix	Cost of Care Plan (Attach Detail)

Nursing facility where client resides:	
(Initial request - Attach the Medical Assistance remittance advice form showing client's NF per diem rate)	
Per diem rate: \$ _____ X 365 = _____ ÷ 12 =	\$ _____
Minus current maintenance needs allowance (as of 7/01/09 is \$935)	\$ _____
Client's monthly cap limit	\$ _____

Health Plan Initial: Approved _____ Denied _____

Name of Managed Care Organization: _____	
Signed: _____	Date _____
Comments:	

DHS Initial: Approved _____ Denied _____	COLA Increase Approved: _____
Signed: _____	Date _____
Comments:	

EW FAX: 651-431-7415
US MAIL ADDRESS: Department of Human Services
Aging and Adult Services Division
Po Box 64976
St. Paul, MN 55164-0976

**ELDERLY WAIVER CDCS CONVERSION RATE REQUEST
COUNTY INFORMATION/HEALTH PLAN INFORMATION**

Contact:	
Address:	
FAX	Telephone:

CLIENT INFORMATION

Recipient:	Date of Birth:
PMI #	Date of Request:
Case Mix	Cost of Care Plan (Attach Detail)

Nursing facility where client resides:	
(Initial request - Attach the Medical Assistance remittance advice form showing client's NF per diem rate)	
A) Per diem rate: \$ _____ X 365 = _____ ÷ 12 =	\$ _____
Multiply <u>A</u> above by the Case Mix Percentage to determine MAX monthly CDCS conversion rate _____	\$ _____
Client's monthly cap limit using CDCS	\$ _____

Health Plan Initial: Approved _____ Denied _____

Name of Managed Care Organization: _____
Signed: _____ Date _____
Comments:

DHS Initial: Approved _____ Denied _____	COLA Increase Approved: _____
Signed: _____	Date _____
Comments:	

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