



Senior Advocates FYI

8/4/11

June 30th, the last day of the state fiscal year, came and went with no budget agreement between the Governor and the legislature. On July 1, state government was officially shut down, and all but the most critical government services were suspended. On Thursday, July 14th, the Governor and legislative leadership announced that they had reached an overall agreement on the level of spending and cuts that would be included in the state budget. Over the next few days, the executive branch and legislative leaders negotiated the details of each of the [twelve budget bills](#) that would be needed to fund state government. The Governor called a special session on Tuesday, July 19th. The legislature worked into the early morning hours of July 20th to pass each of the bills, and the Governor signed them hours later. On Thursday, July 21st, the state shutdown was declared officially over, and state employees returned to work to resume providing state services.

The provisions in the final Health and Human Services bill ([MN Laws 2011, 1st Special Session, Chapter 9](#)) that have a particular impact on older adults and long-term care services are outlined here.

Alzheimer's Disease Working Group proposed actions

Article 2, Section 4.

Provides funding to the Minnesota Department of Health (MDH) to implement a limited number of recommendations from the Alzheimer's Disease Working Group Report, including:

- 1) Requiring MDH to review quality measures and make recommendations for future measurements for improving assessment and care related to Alzheimer's and other dementia diagnoses.
- 2) Requiring MDH to develop a health care home learning collaborative curriculum that includes screening and education on best practices regarding identification and management of Alzheimer's and other dementias.
- 3) Requiring MDH, in collaboration with DHS, MBA, and other appropriate state offices, to conduct a literature review in order to estimate current outcomes and costs compared with improved practices related to Alzheimer's and other dementias.

Long-Term Care Provider Rate and Grant Decrease

Article 7, Sections 44, 45, 51.

This provision reduces rates and grants to providers by 1.5% in the first biennium and restores 0.5% of that reduction in the second biennium (for a total reduction of 1% in FY14-15). These rate changes are done in relation to SFY 2011 base rate and are not incremental from year to year. This rate reduction applies to all Long Term Care providers except for nursing facilities, EW customized living, and congregate care rates for certain individuals on DD and CADI waivers. Aging and Adult Services grants, consumer and family support, and other disability grants are also subject to this 1.5% and 1% rate decrease. Day training and habilitation (DT&H) rates are reduced by 1% instead of 1.5% beginning FY 12.

Long Term Care Consultation

Article 7, Section 14.

This extends long term care consultation (LTCC) to persons seeking to enter registered housing with services settings prior to signing a lease. Currently used with persons seeking nursing home admissions, this process for housing with services has been made more easily accessible so that a person seeking to enter can have a modified/simplified LTCC through Senior LinkAge Line® or can have the full LTCC. Individuals continue to have choice in selecting service providers.

Aging Grant Reductions (CS/SD)

Article 10, Section 3, (Aging Grant Reductions rider).

Effective July 1, 2011, funding for Community Service/Community Services Development (CS/SD) grants is reduced by \$3,600,000 for each year of the biennium. Grants made during the biennium shall not be used for new construction or building renovation.

Managing Elderly Waiver (EW) & Alternative Care (AC), 5% component rate reduction

Article 7, Sections, 16, 17, 19, 20, 22; Article 10, Section 3, (Reduce customized living and 24-hour customized living component rates rider).

Actions that will better focus services to those in greatest need by changing certain service need thresholds and reducing budgets for low need individuals. Reduces the customized living (assisted living) service cap for the people with the lowest needs and increases the criteria for people seeking 24 hour customized living. This provision includes a 5% reduction to the component rates in customized living. The component rates are exempt from other rate reductions.

Separate Nursing Home and Elderly Waiver (EW) Rates

Article 7, Sections 17, 18. This section removes an automatic annual adjustment to EW monthly case mix caps related to nursing facility payment rates.

Nursing Facility Level of Care and Contingent Rate Reduction

Article 7, Sections 12, 15, 16, 21, 38, 39, 46, 47, 48, 52, 54; Article 10, Section 3, (Essential Community Support Grant delay rider).

DHS is directed to apply for a waiver from the Federal Government to implement the Nursing Facility Level of Care Criteria on July 1, 2012, 18 months earlier than currently permitted under federal law. If this waiver is not granted, there is an additional 1.67% rate cut for Long Term Care providers, excluding nursing facilities, from July 1, 2012 to December 31, 2013.

Spousal Contribution for Long-Term Care

Article 3, Section 5.

Requires financial contribution from spouses of individuals receiving MA services in a long-term care facility or home care services under EW or AC, when the spouse's income is above a certain threshold.

Medical Assistance Reform Waiver

Article 7, Section 53.

This provision creates projects to reform medical assistance for people with disabilities, seniors and MA enrollees in general in order to achieve better outcomes. Desired outcomes of the reform projects include community integration and independence; improved health; reduced reliance on institutional care; the maintenance or obtaining of employment and housing; and long term sustainability of needed services. This provision reflects elements of the My Life, My Choices proposal which was heard during the 2011 Session.

Medicaid nonemergency transportation restructuring

Article 3, Section 6.

Establishes a Nonemergency Medical Transportation Advisory Council to develop a proposal to create a single administrative structure for providing nonemergency medical transportation services to fee-for-service medical assistance recipients.

Provisions that were **NOT** included in the final budget package include:

- 1) Reduction of state grants for senior nutrition, prescription drug assistance, and caregiver support
- 2) Freeze on Elderly Waiver enrollment
- 3) Nursing facility rate equalization phase out
- 4) Requirement for the Ombudsman for Long-Term Care to develop a work group to address issues in housing with services

The 2011 Legislative Session will be remembered as a difficult session for all involved, due to the state's large budget deficit and the vast disagreement between the Governor and legislative leaders about how to resolve it. In the final agreement, the cuts that were made to the health and human services budget were significant and will have a real impact on older adults and long-term care providers. However, we know that the cuts could have been even deeper.

Thank you for your ongoing interest in policy and legislative issues that affect older adults. SA-FYI updates will resume during the 2012 Session. If you have suggestions for ways that the SA-FYI updates can be improved to make them more helpful to you, please contact Rachel Shands at the email address below. In the meantime, please spread the word that a subscription to the SA-FYI can be arranged by sending email addresses to Diane Mangan at Diane.Mangan@state.mn.us.

**Senior Advocates FYI is a periodic update from the
Minnesota Board on Aging.
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