Martin O. Weddington Papers.

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AGENDA
GOVERNOR'S BLUE RIBBON COMMISSION
ON THE MINNESOTA VETERANS' HOMES
MONDAY, NOVEMBER 23, 1987
1:00 - 3:30 P.M.
Room 15, State Capitol Building

* Veterans Homes in Other States

  Presentation by Scott Russell
  State Planning Agency

* Future Health Care Needs of Minnesota Veterans

  Presentation by Jeff Olson
  Deputy Commissioner
  Department of Veterans Affairs

* Proposed Veterans Home at Silver Bay, Minnesota

  Presentation by Robert Kind
  Mayor
  Silver Bay, Minnesota

* Report on International Falls Nursing Home

  Presentation by Merle Sampson
  Director of Administration
  Good Neighbors Inc.

* Presentation on Alternative Care

  Presentation by Verne Johnson 507-
  President and
  Chief Executive Officer
  Altcare, Inc.

Altcare, health project for elderly, wins deserved recognition

By Leonard Inskip
Associate editor

The group around a conference table in a Bloomington office building included a General Mills executive vice president, the Wilder Foundation's chief executive, other Wilder and General Mills executives, and staff members of a joint General Mills-Wilder health program called Altcare.

For more than two hours last week, the group discussed ways little-known Altcare and its initiatives could improve health care and health finances for frail elderly people. Altcare could become nationally influential as a change agent for medical services, insurance practices and elderly care. It does not operate direct services, but works through existing providers with loans, investments and paid consulting.

In recent years, partnerships between different groups in society gained recognition as a way to address public problems. With its partners' executive-level involvement and equal cash contributions, Altcare is a marvelous model.

Yesterday, Harvard University's Center for Business and Government said General Mills has won the center's annual award for corporate public initiative. The Altcare partnership was the reason. The two previous winners were IBM and Minnesota's Dayton Hudson Corp.

Unlike Gold Medal flour, Big G cereals and Red Lobster restaurants, health care for old people is not General Mills' ordinary business. But social responsibility is. It includes a charitable foundation that gives $6.6 million yearly to worthwhile causes.

In the 1970s General Mills added a business approach to social responsibility by investing $8 million in Stevens Square housing in Minneapolis. The goal was not to make a profit, but to address a community need and later recapture the money for other social investments. The Stevens Square investment helped restore 26 buildings with 700 apartments near downtown Minneapolis. Later, the project was sold and General Mills got most of its money back.

Verne Johnson, then vice president for corporate planning, was asked to look for a successor project. Dozens of possibilities were considered in 1981 and three were selected for further study. The company assigned task forces in 1982 to each — elderly care, school dropouts and recycled housing. Each got a favorable recommendation. The company's top management committee chose elderly care. Its choice turned not on strategic business concerns, but on very human considerations underscored by personal experience: Three of the five executives had elderly parents experiencing difficulty.

The goal was to create a catalyst organization to seek solutions to the problems of frail elderly and alternatives to nursing homes. Johnson took the idea to Leonard Wilkening, chief executive of St. Paul's Wilder Foundation. Unlike most foundations, Wilder operates programs, including housing and services for St. Paul's elderly. Wilder agreed to join. It would contribute credibility and expertise that General Mills lacked in old people's problems. General Mills would contribute business skills. The two agreed to invest as much as $5.3 million jointly over five years. Altcare was born in early 1983.

With Johnson as president, Altcare is in its fifth year. Board chairman is Steven Rothschild, the General Mills executive vice president who earlier headed the company's 1982 task force on the elderly. Altcare's past and future were on display at last week's meeting of directors. Progress reports on Altcare loans and investments told of the past; discussion of current initiatives pointed toward the future.

■ **Elder Homestead.** This $2 million building and program in Minnetonka offers a model alternative to more expensive nursing homes. The 28-unit facility, which opened last year, is developing a waiting list. The program serves people who otherwise would enter nursing homes. Methodist Hospital provides health care; a Walker Methodist Residence and Health Services subsidiary manages the facility and services. Lessons have been learned about building design, program management, marketing, kitchen service. Altcare considers the idea replicable.

■ **Long-term care.** Little insurance is available to provide long-term care for chronically impaired old people; many go broke paying for such care and then have to turn to welfare (Medicaid). A new Boston firm, LifePlans, seeks Altcare's expertise and financial assistance in developing a nationwide network of local organizations to oversee local health cases. Such a network could assure quality and cost controls that insurance companies need to offer policies for long-term care. Such policies have grown from 75,000 two years ago to nearly a half million today.

■ **Geriatric care network.** Altcare has joined Fairview Hospitals and Ebenezer Society to explore ways to improve old-age health care. Under consideration is a recommendation that Fairview and Ebenezer establish an Institute for Geriatric Care, which would be an umbrella for a geriatric clinic, a center on aging and a short-term care program. A report said the program could be "a national prototype."

■ **Alzheimer's network.** Wilder is developing products and strategies for caring for Alzheimer's patients. Wilder has hired a project director, but Altcare has provided consulting help. Wilder hopes to establish a day-care program for up to 100 patients before Jan. 1 and later a residential service of perhap 30 beds, the Altcare directors were told.

Failure and difficulty usually accompany pioneering. Altcare got entangled in some Kansas City infighting, and its loan there goes unpaid after an agency's collapse. It helped create a Twin Cities social HMO which encountered difficulties and later was sold to an insurance company.

More people are living longer. The problems Altcare seeks to address will be shared by more old people and their families. The General Mills-Wilder partnership is a creative endeavor that deserves not only Harvard's applause, but that of all Minnesotans and people everywhere looking ahead to old age.

State of Minnesota

OFFICE MEMORANDUM

Department: Human Services

To: Gus Donhowe, Chair
Governor's Blue Ribbon Commission
of the Minnesota Veterans' Home

DATE: 11/23/87

FROM: Pamela Parker
DHS Management Team

PHONE: 297-3209

SUBJECT: Status of New Positions as of 11/23/87.

I. The status of the 42 new positions authorized by the Legislature July 1, 1987 is outlined below. All but one position were assigned to the Minneapolis Campus.

A. Allocation (in FTEs):

Direct Care		
Nursing Care	24	(1 Hastings)
Recreation Therapy	2	
Total Direct	26	
Support Services		
Switchboard	1	
Pharmacy	1	
Housekeeping Laundry	6	
Food Service	7	
Transportation	1	
Total Support	16	
Grand Total	**42**	

B. Hiring: All of these new positions have been filled except two including one RN Senior position which has been difficult to recruit due to the current nursing shortage affecting all health care facilities. The other position is in the process of being reallocated to help absorb non nursing personnel being laid off in the reorganization of the nursing service. That position will remain in direct care but not in nursing.

II. The status of the fifty-eight new position authorized October 29, 1987 by the Legislative Advisory Commission (LAC) is discussed below.

Fifty-four of these positions were assigned to the Minneapolis Campus. Four were assigned to Hastings. The LAC request incorporated a phase in of these new positions over the period 11/11/87 to 1/20/88. (It was anticipated that new RN positions would take some time to fill given the nursing shortage.)

A. Allocation, Minneapolis (in FTEs):

Direct Care	
Nursing	
Nursing Home	
RN	9.75
LPN	7.0
HST	26.25
Domicillary	
RN	1.0
LPN	4.5
HST	4.5
Psychologist	1.0
Total Direct Care	54.0
Grand Total	54.0

B. Allocation, Hastings (in FTEs):

Direct Care	
Nursing	2
Support Services	
Housekeeping	2
Grand Total	4

C. Hiring Process, Minneapolis:

The resignation of the Personnel Director October 23, 1987 has hampered the hiring process. DHS has assigned personnel from the central office to assist at the home until a new Personnel Director can be recruited. However, these staff cannot be at the home full time due to their regular assignments. Therefore an individual with strong work organization and supervisory skills from the home's staff has been reassigned as personnel supervisor on a fulltime temporary basis.

* The interview process for the 54 new positions has been moving rapidly. Four interview teams were established on 10/30/87. (2 for HSTs, 1 for RNs and 1 for LPNs) Approximately 50 candidates have been interviewed to date. Currently 6 of the LPN positions have been hired. In addition, 15 HSTs (FTEs) have been hired.

* The new positions were subject to an internal bidding process. Posting for the bids began immediately after authorization. The bidding process was complete on 11/23/87.

* Special recruitment efforts have been conducted for both RNs and HSTs. A mailing was sent to 2400 RNs in the metro area and three open houses were held at the home. Subsequently DOER has received a number of new applications for the new RN Supervisory positions. Personal contacts were made with nursing assistant programs in 13 area vo-tech schools and information was provided about the vacancies.

* While currently hiring is proceeding in accordance with the phase-in schedule, difficulties in recruiting some of the RN positions are anticipated in spite of these extraordinary recruitment efforts. DOER reports that the statewide applicant lists for RN positions are very low due to the RN shortage. In addition there are few candidates for the part time HST positions. (Attempts were made to make as many positions as possible full time to avoid this problem but some part time positions were needed.)

D. Hiring Process, Hastings:

* Interviews are being conducted for all 4 positions. One LPN has already been hired. The hiring process is on schedule.

III. Status of New Management Positions

The hiring process for the new top management positions of Assistant Administrator for Care, Director of Nurses and Permanent Administrator is moving forward. A new Assistant Administrator for Care has been hired and begins December 14, 1987. The person has a strong health professional background and many years of experience in community hospitals and nursing homes with excellent reputations. The DON position will be filled by the end of this week.

In addition a contract with a nursing management firm is being negotiated for evaluation of the nursing service and assistance with the transition to new management.

The selection committee for the Permanent Administrator has met twice and has selected candidates for interview. Interviews will be held the first week of December. A number of well qualified candidates who are veterans will be interviewed.

IV. Current Vacancies (Not including the 58 new positions.)

Prior to the bidding process for the 54 new positions there were 15.5 FTE vacancies at Minneapolis and one at Hastings. The Minneapolis vacancies include the following:

	Position	Status
	Administrator	(interviewing)
	Director of Nursing	(to be offered 11/25/87)
	Assistant Director of Nursing	(recruiting)
	Personnel Director	(recruiting)
	Personel Aide	(interviewing)
	Director	(interviewing)
	Plumber	(vacant due to retirement-recruiting)
	2.25 FTE RNs	(recruiting)
	1.25 FTE HSTs	(normal turnover-recruiting)
	Management Analyst	(held for AGS lay off)
	Group Supervisor	(reallocate for AGS lay off)
	Quality Assurance Director	(interviewing)
*	RN Senior	(recruiting)
*	HSA	(reallocating AGS layoff)

* part of the 42 positions authorized 7/1/87

STATE OF MINNESOTA

DEPARTMENT: Human Services

OFFICE MEMORANDUM

TO: Members
Governor's Blue Ribbon Commission
on the Minnesota Veterans' Homes

DATE: November 23, 1987

FROM: John Anderson
DHS Staff Liaison to the
Blue Ribbon Commission

PHONE: 296-1257

SUBJECT: Comparison of Eligibility Requirements for MA and the Veterans' Homes

At the November 9, 1987 Blue Ribbon Commission meeting, members requested that a side by side comparison be provided to the Commission outlining MA eligibility requirements and eligibility requirements for the Veterans Homes. Staff from the Department of Human Services and the Minnesota Veterans Home have prepared this comparison which is attached.

If you have any questions about any of the details within this comparison, please contact either Barbara Anderson at the Department of Human Services (296-7666) or Roger Lindgren at the Minnesota Veterans Home (721-0625).

cc: Barbara Anderson
Roger Lindgren

Attachment

ELIGIBILITY COMPARISON

MINNESOTA VETERANS HOME vs. COMMUNITY NURSING HOME

	VETERAN'S HOME	COMMUNITY NURSING HOME
Income		
a. Personal Needs	$85.	$40.
b. Remaining Income	95% of annual income up to maximum fee.	Remaining income applied to monthly care.
c. Allocation of Resident Income to Community Spouse	Actual living expenses considered if community spouse's income less than need and assets of spouse less than $10,000.	Resident income allocated up to a maximum of $402 (per month including income of community spouse). **NOTE: Additional income may be contributed for dependent children.**
d. Community Spousal Contribution From Income to Resident's Care	N/A	Spousal contribution from community spouse if his/her net income exceeds $647. Amount based on sliding scale and amount of net income over $647.

	VETERAN'S HOME	COMMUNITY NURSING HOME
Assets		
a. Personal Property Limits (i.e. Liquid Assets)	$3,000 net worth plus prepaid burial.	$3,000 asset limit.
b. Prepaid Burials	$1,000 prepaid burial excluded.	Value of prepaid burial included in asset limit.
c. Life Insurance	Not included.	Cash surrender value of life insurance included in asset limit.
d. Reductions of Excess Assets	Residents with net worth exceeding $3,000 after exclusions shall pay maximum charge until net worth is reduced to below $2,500.00.	MA applicants to nursing home reduce assets to $3,000 limitation for eligibility.
e. Homestead	Excluded if occupied by spouse or dependent children. Also consider contiguous land.	Excluded if occupied by spouse, or dependent children or disabled child of any age. Definition includes all contiguous land.
f. Asset Contributions	Spousal assets not included, but if assets exceed $10,000 no spousal support is allowed from residents income.	The community spouse must contribute toward the nursing home care from the net value of assets if on the date of the first approved Medical Assistance application the community spouse owns counted assets valued at more than $10,000. The contribution is equal to one-third of the amount over $10,000 and is a one-time payment.

COMPARISON OF STATES ACCORDING TO TOTAL VETERANS HOME BUDGETS

(INCLUDES STATE AND NON-STATE CONTRIBUTIONS)

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STATISTICS PROVIDED BY THE VETERANS ADMINISTRATION ON VETERANS HOMES AROUND THE COUNTRY

	State	Budget/ Total (in mil.)	Budget/ Home (in mil.)	Staff/ Total (FT/PT)	Staff/ Home (FT/PT)	Beds
1	California	$41		965		46 Acute Care 309 Skilled Nursing 447 Inter. Care 754 Domiciliary
2	Massachu.	$22.3		877/55		
	(Chelsea)		$12.9		498/55	166 Hospital 68 Nursing Care 305 Domiciliary 120 Outpatient (per/day)
	(Holyoke)		$9.4		379	27 Hospital 259 Nursing Care 50 Domiciliary
3	Oklahoma	$22.1		799/2		
	(Ardmore)		$4.5		165	141 Nursing Care 35 Domiciliary
	(Clinton)		$4.3		153	145 Nursing Care 47 Domiciliary
	(Norman)		$4.6		164	194 Nursing Care
	(Sulphur)		$4.4		158	142 Nursing Care 30 Domiciliary 4 Dialysis
	(Talihina)		$4.3		159/2	162 Nursing Care

	State	Budget/ Total (in mil.)	Budget/ Home (in mil.)	Staff/ Total (FT/PT)	Staff/ Home (FT/PT)	Beds
4	Michigan	$21.6		615		
	(G. Rapids)		$17.1		417	294 Skilled Nursing 295 Basic Nursing 175 Supervised Residential
	(Marquette)		$4.5		98	106 Skilled Nursing 86 Supervised Residential
5	New Jersey	$21.0		1031		
	(Menlo Park)		$9.5		410	348 Nursing Care 40 Domiciliary
	(Paramus)		$3.4		201	112 Nursing Care
	(Vineland)		$8.1		320	300 Nursing Care
6	Iowa	$20.8		719/54		26 Hospital 692 Nursing Care 113 Domiciliary
7	Illinois	$19.8		665		
	(Manteno)		$7.6		235	300 Skilled Nursing
	(Quincy)		$12.2		430	50 Hospital 511 Nursing Care 346 Domiciliary
8	Pennsyl.	$17.6		535/2		
	(Erie)		$4.9		151	75 Nursing Care 42 Personal Care 58 Domiciliary

	State	Budget/ Total (in mil.)	Budget/ Home (in mil.)	Staff/ Total (FT/PT)	Staff/ Home (FT/PT)	Beds
8	Pennsylvania (cont.)					
	(Hollidayburg)		$12.7		384/2	200 Nursing Care 179 Domiciliary
9	Connect.	$16.8		479/102		350 Hospital 650 Domiciliary
10	Wisconsin	$16.4		522/111		709 Nursing Care 28 Domiciliary
11	Nebraska	$15.7		664		
	(G. Island)		$8.4		384	414 Nursing Care 35 Domiciliary
	(Norfolk)		$2.7		106	108 Nursing Care 53 Domiciliary
	(Omaha)		$3.4		136	155 Nursing Care 39 Domiciliary
	(Scottsbluff)		$1.2		40	118 Residential Care Facility & Health Clinic
12	Georgia	$13.5		515		
	(Augusta)		$4.8		198	192 Nursing Care
	(Milledgeville)		$8.7		317	250 Nursing Care 288 Domiciliary
13	Indiana	$12.6		583/38		614 Nursing Care 186 Domiciliary

	State	Budget/ Total (in mil.)	Budget/ Home (in mil.)	Staff/ Total (FT/PT)	Staff/ Home (FT/PT)	Beds
14	Minnesota	$11.0		333		
	(Minneapolis)		$8.7		284	346 Nursing Care 194 Board & Care
	(Hastings)		$2.3		54	200 Domiciliary
14	Ohio	$11.0		352		500 Nursing Care[a] 844 Domiciliary
14	Washington	$11.0		333/10		
	(Orting)		$4.0		132/10	125 Nursing Care 73 Domiciliary
	(Retsil)		$7.0		230	231 Nursing Care 177 Domiciliary
17	Missouri	$8.1		356		
	(Mexico)		$2.8		124	150 Nursing Care
	(Mt. Vernon)		$1.5		65[b]	104 Nursing Care
	(St. James)		$3.8		167	150 Nursing Care 48 Domiciliary
18	Rhode Is.	$7.5		217/20		295 Nursing Care 128 Domiciliary

[a] A call to Ohio revealed that these numbers were no longer accurate. Now, "by VA standards," they have 270 nursing care beds (222 currently filled) and 350 domiciliary beds (344 currently filled.)

[b] Nursing and administrative ancillary services contracted to adjacent state hospital.

	State	Budget/ Total (in mil.)	Budget/ Home (in mil.)	Staff/ Total (FT/PT)	Staff/ Home (FT/PT)	Beds
19	New York	$6.6		250		124 Skilled Nursing 118 Health Related Care
20	Colorado	$3.7		131/15		
	(Florence)		$2.3		87/9	120 Skilled Nursing 52 Alzheimers Care
	(Homelake)		$1.4		44/6	33 Nursing Care 125 Domiciliary
21	Louisiana	$3.3		133/6		136 Nursing Care 100 Domiciliary
21	Vermont	$3.3		123		135 Nursing Care 24 Domiciliary
23	Kansas	$3.0		135		88 Nursing Care 312 Domiciliary
24	Idaho	$2.7		76		80 Nursing Care 124 Domiciliary 10 Shelter Care
25	New Mexico	$2.6		122		137 Nursing Care 49 Domiciliary
25	S. Carolina	$2.6		80		150 Intermediate Care
27	Maine	$2.5		87/46		120 Nursing Care
28	Maryland	$2.1		3[a]		126 Nursing Care 126 Domiciliary

[a] The Home is administered and operated by a private contractor.

	State	Budget/ Total (in mil.)	Budget/ Home (in mil.)	Staff/ Total (FT/PT)	Staff/ Home (FT/PT)	Beds
29	S. Dakota	$2.0		92/4		50 Nursing Care 275 Domiciliary
30	Montana	$1.9		70		66 Nursing Care 83 Domiciliary
30	New Hamp.	$1.9		93		100 Nursing Care
30	W. Virginia	$1.9		88		195 Domiciliary
33	N. Dakota	$1.1		29/15		159 Domiciliary
33	Wyoming	$1.1		40/4		120 Domiciliary
35	Arkansas	$1.0		49/4		150 Domiciliary

Budget Size: Not all budgets listed above come from the same fiscal year. Therefore, the rank order given in the chart may not be completely accurate.

Staffing: The number of "member employees" (resident workers) is not included in the above staffing levels. Information on consultants hired was also left out. According to the VA data, this was significant only in the case of Massachusetts (79 consultants), New York (30 consultants) and Rhode Island (16 contract personnel and 4 Special Services personnel.)

It was not always clear from the information provided that the number of full-time employees were actually "full-time" and not full-time equivalents.

Beds: The number of beds listed above reflect capacity, not occupancy.

Prepared by the State Planning Agency

SF-00006-05 (4/86)

STATE OF MINNESOTA

Office Memorandum

DEPARTMENT : EMPLOYEE RELATIONS - 3RD FLOOR
520 LAFAYETTE ROAD

DATE : November 16, 1987

TO : Mirja Hanson
Management Analysis Division
Department of Administration

FROM : Suzanne Brothen
Staffing Division Suzanne Brothen

PHONE : 297-3170

SUBJECT : Filling Vacancies

As you requested by phone on 11/13/87, this memo will attempt to explain the process of filling vacancies from the applicant/employee perspective. I have asked Cindy Evenson at the Minneapolis Veterans Home to send you copies of the memos, which I previously sent to the Veterans Home Administrators, explaining the Veterans Home procedures in establishing positions and filling vacancies from the personnel office perspective (internal procedures).

Applicants applying for employment with the State of Minnesota must apply by submitting a completed, signed State of Minnesota Application for Employment form to the appropriate agency as specified in the Minnesota Career Opportunities and State Service Promotional Opportunities Bulletins published by the Department of Employee Relations. Applications will only be accepted for positions which are currently open for application. The applicant subsequently competes in an exam process. Applicants who successfully complete the exam are placed on an eligible list. As vacancies occur, the applicants with the top 20 scores (competitive exam) or top 10 scores (promotional exam) who are available for the geographic area and employment condition of the vacancy are referred to the agency with the vacancy for consideration. At the Veterans Home, the list and copies of the second page of the applications are then sent to the supervisor responsible for interviewing. This supervisor reviews the applications and may contact any or all of the candidates for an interview. After the structured interview takes place, the supervisor makes a decision, taking into consideration the Affirmative Action goals, and makes a conditional job offer. All job offers are conditional pending successful completion of the health history and completion of the I9 forms (Immigration, Reform, and Control Act of 1986). The personnel office confirms the job offer and notifies the candidate of the starting date and other related information. Vacancies covered by the cooperative placement program (at the Veterans Home: Food Service Worker and General Maintenance Worker 1) must be applied for at a Job Service Office. Applicants are prescreened by Job Service staff before being referred to the agency for an interview. The Veterans Home has delegation for three exams: HST, LPN, and RN. These are open continuously. The basic procedures for applicants, however, are essentially the same as described above.

SB:sf

VETERANS HOMES IN OTHER STATES

Organization

The organizational models used by other states for veterans home oversight and administration do not fall neatly into categories but along a continuum, using various combinations of state agencies and advisory boards. **Minnesota** and **Washington** administer their veterans homes through a Department of Veterans Affairs (DVA), **Michigan** and **Indiana** through the Department of Health, and **Iowa** and **New Jersey** through the Human Services Department. (See chart #1 for more data.)

Many states have created veterans advisory boards or commissions to provide guidance and oversight to the operation of state veterans homes. The composition and level of responsibility of these boards is quite diverse. Some boards consist solely of representatives of veterans organizations (**Illinois**) while others may include legislators or executive branch commissioners (**Rhode Island**). Some boards simply advise (**Pennsylvania**) while others actually appoint the Commissioner of Veterans Affairs (**Wisconsin**). In **Maine**, the Veterans Home Board of Directors answers directly to the Governor. In **Maryland**, the Veterans Home Commission governs the home while a private contractor, Diversified Health Services, provides administrative services.

Admission Policies

Most states have veterans home eligibility criteria requiring some period of state residency and discharge from the service other than dishonorable. Besides these common requirements, states use a wide variety of admission criteria. The U.S. Code requires that veterans homes serve, "veterans disabled by age, disease or otherwise who by reason of such disability are incapable of earning a living." Several states, such as **Washington** and **Pennsylvania** go further and limit eligibility to those who have both limited income and assets. (See chart #2.) **Oklahoma** sets explicit priorities for admission; first priority is given to eligible World War I veterans, second priority to POW's and veterans rated at 50 percent or greater service-related disability, and third priority to all other eligible veterans in order of application date. **Nebraska** limits admissions to those 50 years of age or older. **Wisconsin** will not admit veterans who are chronic alcoholics, drug addicts, psychotic, or active tuberculosis cases. Some states, such as **Idaho**, limit admissions to veterans with war-time service, presumably to maximize federal reimbursements from the Veterans Administration.

5 Homes

11 & 12 & 468 better on Nursing.

Revenue Source

According to an Iowa study, the median state contribution to veterans home budgets was 46 percent. The amount was lower for facilities providing only nursing care, 24 percent, than for domiciliary-only facilities, 48 percent. The median for the patients share of cost was 31 percent and for the Veterans Administration's share, 19.5 percent. Medicaid, Medicare, and other sources accounted for the rest.

Medicaid reimbursements do not appear to provide significant revenue for veterans homes. One exception is the Maine Veterans Home. **Maine**, which only opened its facility in 1983, began the home as a Medicaid certified facility. The Maine legislature chose not to use direct state appropriations to fund the home. The home usually has 80 medicaid patients and 40 self-pay patients. When available, VA per diems are used to replace Medicaid funds. The Veterans homes in **Maryland**, **New York**, **Wisconsin** and other states also have Medicaid certification.

Contracted Services

Service contracts at veterans homes range from laundry to the administration of the entire home. According to an Iowa study, over 50 percent of veterans homes contract for dieticians, over 40 percent for general practitioners, dentists, physical therapists, clergy and pharmacists, and over 30 percent contract for podiatrists and psychologists. Twelve homes had shared service agreements with other state institutions or other state veterans homes; the most common shared service was laundry. **Wisconsin** extensively contracts for services, including transportation, therapy, medical treatment, pharmacy, solid waste removal, testing of their sprinkler system, and asbestos air sampling.

Bd of Trustees

As previously mentioned, **Maryland** has contracted out for the management of their veterans home. **Tennessee** is looking into a similar arrangement with the private sector where the state would not only contract for administration, but also lease, instead of own, the building. In 1984, the **Minnesota** DVA secured a legal opinion from the general counsel of the VA stating that "[w]e find nothing in the . . . law or regulation which would bar VA recognition of a State home established under any of these contract and lease arrangements." The approval process for such projects may be a long one because of the work needed to define the state's per diem, rate structure, and other issues. **Tennessee** officials state they will save on capital costs through private sector contracts and, therefore, be able to serve more veterans with the same amount of money.

Research

Maine uses their veterans home as a "center for patient service, education, and research in geriatric and rehabilitative medicine." They have a contract with the Maine-Dartmouth Family Practice Residency Program. **Massachusetts** uses their home to train students in the art of practical nursing. The **New York** State Veterans Home operates a Geriatric Research Center, awarding research grants in the area of long-term care. Grants awarded in 1987-88 funded a nutritional assessment in long-term care facilities and development of a screening procedure for selection of staff to work with dementia patients. (See attachment #3.)

Non-Veterans Home States

While **Oregon** does not have a veterans home, they do have a unique approach to veterans services. "The benefits and services offered to the veterans population in Oregon are supported almost entirely by revenues from Oregon Veterans Loan Program." The Oregon Department of Veterans Affairs is one of the ten largest originators and servicers of mortgage loans in the nation. Since 1945, they have granted nearly 300,000 loans totaling around $7 billion.

The Oregon Department of Veterans Affairs works with the Department of Welfare to maximize federal funding for veterans in private nursing homes. Intake information on nursing home residents gathered by the Department of Welfare includes veterans status. Using this information, DVA followed up with each veteran in a nursing home--statewide--to assure they were receiving the maximum amount of pension and aids and attendance. This effort has already saved the state $3 million in welfare benefits this biennium.

Prepared by: Scott Russell
State Planning
11/19/87

ATTACHMENT #1

RELATIONSHIP OF VETERANS HOMES WITH STATE GOVERNMENT

Department Reporting to the Governor

Department	Number of States
Veterans Affairs	11
Health	6
Human Services	5
Public Safety	1
Board of Trustees	3
Other	3

Source: State Veterans Home Project: Facility Characteristics and Casemix; Iowa Health Services Research and Development Field Program; Veterans Administration Medical Center; Iowa City, Iowa; and the Iowa Veterans Home; September, 1987.

ATTACHMENT #2

CRITERIA APPLIED TO DETERMINE ADMISSION
ELIGIBILITY TO STATE VETERANS HOMES
(partial list)

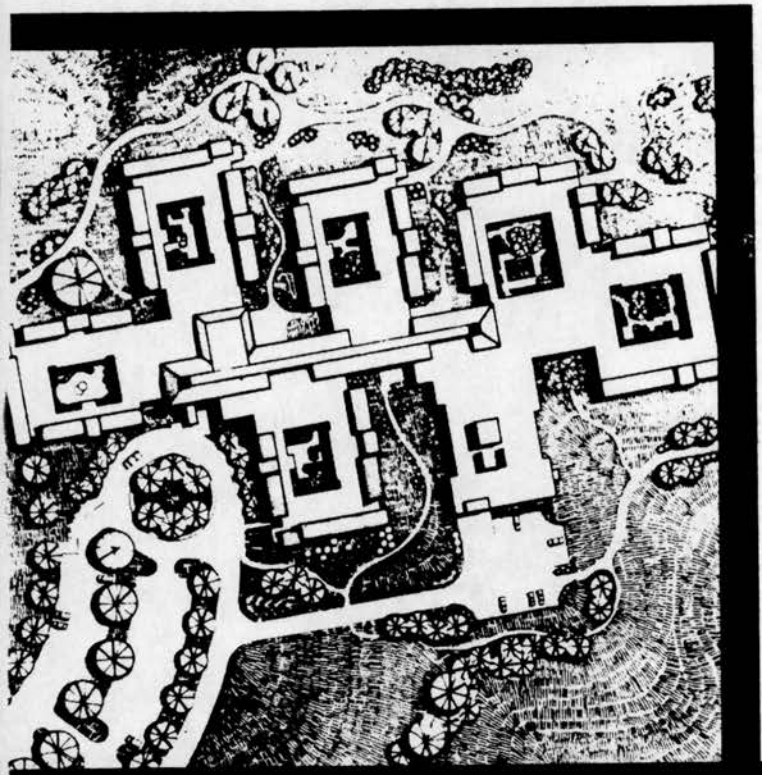
Eligibility Criteria	Number of Facilities	Percent of Responses
Honorably Discharged	46	100
Residency Requirements	37	80
Spouse	34	74
Served in War Period	30	67
Dependent on Charity	10	22
Court Committed	10	22
Dollar Income Limits	9	20
Disabled & Unable to Secure Employment	4	9
Indigent	2	4
Financial/Medical Need	2	4

Source: State Veterans Home Project: Facility Characteristics and Casemix; Iowa Health Services Research and Development Field Program; Veterans Administration Medical Center; Iowa City, Iowa; and the Iowa Veterans Home; September, 1987.

ATTACHMENT #3

OXFORD GERONTOLOGY CENTER

The Center is an integral part of the New York State Veterans' Home, providing a research and training program to meet the health care needs of the elderly.



The program is funded through special legislation under the Department of Health and administered by the New York State Veterans' Home. Small seed grants have been awarded to universities and institutions to conduct research to improve health care in long-term care facilities using the New York State Veterans' Home as the center for pilot studies.

The purpose of the Center is to

- Improve patient care and services at the New York State Veterans' Home at Oxford;
- Develop a research and training center in gerontology to serve as a model and resource to other facilities;
- Advance the mission of the New York State Department of Health by conducting investigations in health care and public health.

Priority research areas are:

- appropriateness of care
- quality of residential life
- mental impairment
- community involvement
- staffing resources
- regulatory influences.

NEW YORK STATE VETERANS' HOME

OXFORD, NEW YORK

Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Veterans Home Discharge Provisions and Fees

AGENCY: Department of Veterans Affairs

MINNESOTA RULES: Chapter 9050

The attached rules are approved for publication in the State Register

David S. Niss
Assistant Revisor

Department of Veterans Affairs

Proposed Permanent Rules Relating to Veterans Home Discharge Provisions and Fees

Rule as Proposed (all new material)

CHAPTER 9050

OPERATION OF THE MINNESOTA VETERANS HOMES

9050.0100 PURPOSE.

This chapter governs the administration and operation of the Minnesota veterans homes and must be interpreted to give effect to Minnesota Statutes, chapters 196, 197, and 198.

9050.0200 PATIENTS RIGHTS.

The homes will implement policies and procedures as prescribed in Minnesota Statutes, chapter 148A to protect residents from sexual exploitation by psychotherapists.

9050.0300 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of this chapter, the terms defined in this part have the meanings given them.

Subp. 2. **Administrator.** "Administrator" means the administrator of the Minnesota veterans homes.

Subp. 3. **Admissions agreement.** "Admissions agreement" means a written contract entered into by the resident and the commissioner at the time of admission of the resident to a home, detailing charges for cost of care and the resident's agreement to pay these charges.

Subp. 4. **Annual financial status review.** "Annual financial status review" means an annual verification of income and assets that may be used to calculate a resident's ability to pay his or her cost of care.

Subp. 5. **Attending physician.** "Attending physician" means a medical doctor.

Subp. 6. **Boarding care facility.** "Boarding care facility" means a licensed facility or unit operated by the department

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used to provide care for aged or infirm persons who require only personal or custodial care and related services. Custodial care includes board, room, laundry, and personal services, supervision over medications that can be safely self-administered, and a program of activities and supervision required by persons who are not capable of properly caring for themselves.

Subp. 7. **Business expense.** "Business expense" means the cost of producing income from a business or firm, excluding capital expenditures and depreciation.

Subp. 8. **Campus.** "Campus" means the grounds of the Minnesota veterans homes.

Subp. 9. **Capital expenditure.** "Capital expenditure" means an investment made to purchase property or to improve property that has a useful life of more than one year.

Subp. 10. **Commissioner.** "Commissioner" means the commissioner of veterans affairs.

Subp. 11. **Cost of care.** "Cost of care" means the daily per capita cost of providing care to residents of the Minnesota veterans homes, calculated in accordance with part 9050.2450. This daily per capita cost of care must be calculated semiannually.

Subp. 12. **Department.** "Department" means the Department of Veterans Affairs.

Subp. 13. **Dependent.** "Dependent" means an individual whom a person is entitled to claim as a dependent on the Minnesota income tax return. An individual may not be claimed as a fully unallocated dependent by more than one person.

Subp. 14. **Deputy commissioner.** "Deputy commissioner" means the deputy commissioner of veterans affairs.

Subp. 15. **Determination order.** "Determination order" means the amount that the resident is determined to be able to pay towards the cost of care.

Subp. 16. **Gross income; gross earnings.** "Gross income" or "gross earnings" means all income received, including in-kind income.

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Subp. 17. **Guardian.** "Guardian" means a responsible adult authorized to act on behalf of a resident and whose authority is recognized by the courts or the United States Veterans Administration.

Subp. 18. **Home.** "Home" means any one of the Minnesota veterans homes.

Subp. 19. **Homestead.** "Homestead" means the house owned and occupied by a resident as his or her dwelling place, along with the land upon which the house is located and an area no greater than two contiguous lots in a platted and laid out city or town or the smallest parcel allowed by applicable zoning regulations in unplatted land.

Subp. 20. **Household income.** "Household income" means income received by or for members of the resident's household.

Subp. 21. **In-kind income.** "In-kind income" means the annual sum of resources other than money received by a resident or dependent used to maintain the resident or resident's family and having a value of more than $100.

Subp. 22. **Lump sum payment.** "Lump sum payment" means income received at one time. It includes windfalls, repayments of debts, payments from the sale of property, tax refunds, payments of accrued benefits, gifts, and inheritances.

Subp. 23. **Net income.** "Net income" means the amount of income remaining after deductions and exclusions from gross income.

Subp. 24. **Nursing care facility.** "Nursing care facility" means a licensed facility or unit operated by the department, used to provide care for aged or infirm persons who require nursing care and related services.

Subp. 25. **Personal fund account.** "Personal fund account" means the account maintained at a home by a resident solely for the use of that resident.

Subp. 26. **Personal property.** "Personal property" means property that is not real property.

Subp. 27. **Real property.** "Real property" means land, including the buildings and improvements on it, and its natural

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assets, such as mineral rights and water.

Subp. 28. **Resident.** "Resident" means a person who occupies a bed in a Minnesota veterans home for the purpose of observation, care, diagnosis, or treatment.

Subp. 29. **Resident day of care.** "Resident day of care" means any 24-hour period or fraction of that period that a resident is carried on the rolls of a home.

Subp. 30. **Resident's financial information file.** "Resident's financial information file" means financial data collected to determine the ability of the resident or guardian to pay the resident's cost of care.

9050.0400 DISCRIMINATION.

There must be no discrimination with respect to residents, employees, or staff of a home on the grounds of race, sex, age, marital status, color, or national origin.

9050.0500 PERSONS ELIGIBLE FOR ADMISSION.

A person seeking admission to a nursing care facility or boarding care facility must meet and comply with admission requirements in Minnesota Statutes, sections 198.01, 198.022, and 198.03.

9050.0600 TYPES OF ADMISSIONS.

Subpart 1. **Selection of residents.** The administrator, in cooperation with the attending physician, the director of nursing services in the nursing care facility, or the person in charge of the boarding care facility is responsible for exercising discretion in the type of residents admitted to the facility in accordance with these admission policies of the home.

Subp. 2. **Persons not accepted.** Maternity residents, disturbed mental residents, and residents who, in the opinion of the attending physician, have a disease endangering other residents may not be admitted to or kept in either the nursing care facility or boarding care facility, and residents may not be accepted or kept for whom care cannot be provided in keeping with their known physical, mental, or behavioral condition.

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Subp. 3. **Priority admission.** Priority for admission to a home must be given to those eligible prospective residents who are being cared for in a private residence or who are requesting transfer from another nursing care domiciliary or board and care facility.

Prospective residents must provide current evidence of medical need for admission, complete financial information necessary to meet the requirements of Minnesota Statutes, section 198.03, and comply with Minnesota Statutes, sections 198.01, 198.022, and 198.03.

9050.1000 PERSONAL FUNDS ACCOUNTS.

The admission agreement must specify that the home will accept resident's funds for safekeeping, at the discretion of the resident or the resident's guardian. Written policies regarding the handling and protection of residents' funds must be established in accordance with parts 9050.1100 to 9050.1700.

9050.1100 AUTHORIZATION.

The personal funds of a resident must not be accepted for safekeeping without written authorization from the resident or the resident's legal guardian, conservator, or designated payee. A copy of the written authorization must be kept in the resident's financial records file.

9050.1200 USE OF PERSONAL FUNDS.

The personal funds of a resident are not subject to any debt or other liability of the home.

9050.1300 ACCOUNTING SYSTEM.

Subpart 1. **Written system.** A written accounting system for the personal funds of residents must be developed and maintained.

Subp. 2. **Access to records.** A resident or the resident's legal guardian, conservator, representative payee, or other person designated by the resident in writing, must be allowed access to the written records of financial arrangements and transactions involving the resident's funds in accordance with

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Minnesota Statutes, chapter 13.

Subp. 3. **Written yearly accounting.** A resident or the resident's legal guardian, conservator, representative payee, or other person designated in writing by the resident, must be given a written annual accounting of the financial transactions made by or on behalf of the resident. A copy of this annual accounting must become part of the resident's permanent financial records file.

9050.1400 INDIVIDUAL WRITTEN RECORD.

An individual written record must be maintained for each resident, including the following:

A. the date, amount, and source of funds deposited by or on behalf of the resident;

B. the name of the person, other than the resident, authorized in writing by the resident, legal guardian, conservator, or representative payee to withdraw or spend funds from the resident's account; and

C. the date and amount of withdrawals from the resident's account.

9050.1500 PERSONAL FUNDS.

Subpart 1. **Account.** The personal funds of a resident must be deposited in a social welfare account pursuant to Minnesota Statutes, section 198.265. This account must be in a form that clearly indicates that the home has only a fiduciary interest in the funds. Records must be maintained that clearly specify upon whose behalf funds are deposited or withdrawn from this account.

Subp. 2. **Interest on account.** Interest earned on investment of a resident's funds must be deposited into the designated contributions fund, to be used for the benefit of all residents.

Subp. 3. **Sufficient funds.** The home must maintain sufficient funds in cash, in accordance with imprest cash limits approved by the Department of Finance, to meet normal anticipated resident demands upon their accounts deposited with the home.

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9050.1600 WITHDRAWAL OF FUNDS FROM THE ACCOUNT.

Upon written request of a resident or the resident's guardian, conservator, or representative payee, the home shall return any of the resident's funds that have been requested.

9050.1700 DISCHARGE OR DEATH OF A RESIDENT.

Subpart 1. **Discharge of a resident.** Upon discharge of a resident, unless the resident's bed is being held for anticipated readmission, that resident's funds must be returned to the resident or the resident's legal guardian, conservator, representative payee, or other person designated in writing by the resident, with a written accounting in exchange for a signed receipt. Funds maintained outside the home, in excess of imprest cash limits, must be returned within five business days.

Subp. 2. **Unclaimed personal account balances.** Unclaimed account balances must be disposed of according to Minnesota Statutes, sections 198.23 and 198.231.

9050.1800 REFUND OF MAINTENANCE CHARGES.

A resident paying full cost of care charges is eligible for a refund of cost of care charges if the resident is discharged prior to the end of the paid-up period. Refunds shall be prorated based upon unused days of care.

9050.2000 ADMISSIONS; AGREEMENT REGARDING RATES AND CHARGES.

At the time of a resident's admission, a written contract must be made between the home and the resident or the resident's guardian regarding the cost of care charges made for care or services, obligations concerning payment of the rates and charges, and the refund policy.

9050.2050 NO UNPAID LEAVE.

Residents may not be granted unpaid leave periods from the home. A resident must pay the home's full cost of maintaining the resident's bed during any period of absence or must be discharged immediately upon unauthorized absence from the home.

9050.2100 TIME OF DETERMINATION.

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Ability to pay the cost of care must be determined when the resident is admitted, when there is a change in the resident's financial status, when a resident, guardian, conservator, or representative payee reports a change in the financial status used in determining ability to pay, when the resident is being discharged, and at the annual financial status review.

Within the six-year period after the date of a resident's discharge, the department may, and upon the request of the resident shall, reevaluate the resident's ability to pay any balance of the charge for cost of care.

9050.2150 DETERMINATION OF ABILITY TO PAY.

A resident must be present at each interview held to determine that resident's ability to pay, unless the presence is medically contra-indicated. A physician's signed statement attesting to the medical contra-indication must be placed in the resident's information file.

The resident is the primary source of financial information to determine ability to pay except when the management of the resident's financial affairs is in the hands of another person. When the resident is not the source of financial information, the reason must be noted in the resident's financial information file.

When the resident is not able to act on his or her own behalf, the person interviewed must be the resident's guardian, conservator, spouse, trustee, relative, or representative payee.

9050.2200 FINANCIAL INTERVIEW.

When a person is interviewed for the purposes of part 9050.2150, the department shall:

A. inform the person that he or she may choose an individual to assist in the determination process and any other contact with the department by authorizing that assistance in writing;

B. inform the person that financial information obtained from the person will not be released without the person's written consent except pursuant to Minnesota Statutes,

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chapter 13;

C. provide the person with an informational pamphlet on the cost of care, and review with the person how the department determines the charges for the resident's cost of care;

D. inform the person of county, state, and federal financial programs that may assist in paying the cost of care and meeting personal and family needs;

E. inform the person of the legal obligation to provide sufficient information, required documents, and proof necessary to determine ability to pay and of the consequences of the failure to do so;

F. provide the person with the following forms which the department uses to investigate the person's financial resources: statement of income and net worth; maintenance rate affidavit; and statement of expenses of dependent spouse; and

G. request the person to complete and sign the forms provided by the department and provide verification of financial information.

9050.2250 VERIFICATION REQUIRED.

To substantiate information entered on a signed financial information form, the accounts receivable office shall verify the resident's income, insurance benefits, property, deductions allowed to pay previously incurred debts, and number of dependents claimed. The accounts receivable office shall also complete necessary forms required to verify income from United States Social Security and Veterans Administration benefits. Information obtained under this part must be obtained no earlier than 60 days before admission and no later than the date of admission.

9050.2300 APPLICATION REQUIRED.

Residents must apply for the maximum amount of every benefit for which they may be eligible.

9050.2350 CONSENT FORMS.

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A resident must provide the accounts receivable office with a separate signed consent form for each verification that must be obtained from a third party. The name, date, and information authorized must be on the consent form before the resident's signature. A blanket authorization may be used for a group of related agencies such as banks or insurance companies.

9050.2400 REFUSAL TO COMPLETE FINANCIAL INFORMATION FORMS.

Failure or refusal within 30 days of the interview to complete and sign required financial information forms, apply insurance or other benefits received to pay the cost of care, or provide signatures required to assign third party benefits and release medical and financial information or verification, must result in the determination that the resident can pay the full cost of care to be charged by the department, until the resident, guardian, conservator, or representative payee takes the required action.

9050.2450 DETERMINATION ORDER AND NOTICE OF RATE.

A determination order and notice of rate showing the cost of care, the amount the resident is ordered to pay, and the right to a review and appeal must be sent by the department to the resident and the resident's guardian, conservator, or representative payee.

9050.2470 CALCULATION OF COST OF CARE.

The method used to calculate the cost of care charged to residents is as follows:

A. At six-month intervals, the cost of care is revised to reflect actual expenses incurred in providing health care services to residents.

B. Every time the cost of care charges are revised, the procedures provided in items C to E shall be used to calculate the new per diem cost of care charges.

C. Actual paid expenses for the previous 12-month period are recorded for each of the health care groups of nursing care and domiciliary care. In addition to direct care

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costs, indirect care costs such as food service, housekeeping services, and administrative costs are factored into the direct care costs based upon resident population.

D. The annual cost of care for each group is then reduced to a per diem rate by dividing the total annual expense by the total resident care days.

E. This revised cost of care information is provided to all residents 30 calendar days prior to the effective date of implementation.

9050.2500 APPEAL OF DETERMINATION.

A resident or resident's guardian, conservator, spouse, trustee, relative, or resident payee may appeal a final determination order to the commissioner. This appeal must be in the same format and time frames as a contested case proceeding under part 9050.3800. The commissioner's determination is final upon receipt by the resident.

9050.2550 SOURCES OF INCOME CONSIDERED TO BE PATIENT RESOURCES.

Subpart 1. **List of sources.** A resident's ability to pay towards the cost of care must be determined from insurance benefits, value of property owned, and net income from whatever source derived. Items covered under this part must be used in the annual financial status review.

Subp. 2. **Insurance benefits.** When the investigation of a resident's ability to pay discloses eligibility for insurance benefits, the resident must be determined to be able to pay the cost of care to the full extent of available insurance benefits. The amount of this coverage need not be specified in the determination order.

When the insurance benefits pay less than the cost of care, the ability of the resident to pay the remaining part of the cost of care must be determined from the resident's net income and nonexcluded property.

Subp. 3. **Net income.** The resident's net income remaining after all deductions from gross income have been made in accordance with part 9050.2600, subpart 4, is available to pay

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the cost of care and must be converted to a daily amount.

Subp. 4. **Property.** As long as a resident owns property not excluded under 9050.2600, subpart 3, the resident must be determined to be able to pay the full cost of care.

9050.2600 NET INCOME OF RESIDENT OR RESIDENT'S HOUSEHOLD.

Subpart 1. **In-kind income.** The fair market value of in-kind income included in the calculation of the resident's net income must be established by any reliable means including, but not limited to, published reference documents, statements from merchants, or appraisals.

Subp. 2. **Lump sums.** Lump sums, other than excluded property, must be treated as income in the month received and thereafter must be treated as property. The resident shall report the lump sum to the department within ten working days.

Subp. 3. **Seasonal income from business or farm.** Average monthly amounts for gross income and the deductions allowed in subpart 4 must be used to calculate the net monthly income of farmers and other individuals who experience seasonal variations in income and business expenses.

Subp. 4. **Deductions from gross income to arrive at net income.** The following items must be deducted from a resident's monthly gross income to arrive at the resident's net income:

A. state and federal tax payments, including back assessments;

B. payments made under the Federal Insurance Contributions Act and supplemental medical insurance;

C. child care costs paid by the resident and not reimbursed from any source;

D. court-ordered support payments actually paid. If this deduction is taken, the individual for whom support is paid must not be included as a member of the resident's household in determining the monthly household living allowance in part 9050.2650;

E. guardianship fees to the extent allowed by Minnesota law or by order of the court;

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F. up to $100 total of monthly payments on previously-incurred bills for medical, dental, and hospital care, car payments, house payments, or rent and utilities;

G. hospital and medical insurance premiums;

H. business and farm expenses as reported on federal income tax returns. The cost of repairs and upkeep of income-producing property that may be deducted is limited, on an annual basis, to two percent of the value of the property;

I. an allowance of $71 per month per boarder, $59 per month per roomer, and $130 per month per individual who is both a roomer and boarder. These amounts must be updated periodically by the percentage authorized by law for public assistance grants;

J. a personal needs allowance per resident of $3 a day;

K. sixty percent of income earned from child care in the resident's own home, or, if the resident chooses, the actual itemized business expenses incurred in providing child care subject to the limitations in items H and I; and

L. a monthly household living allowance calculated according to part 9050.2650.

9050.2650 MONTHLY HOUSEHOLD LIVING ALLOWANCE SCHEDULE.

The monthly household living allowance must be based upon the United States Veterans Administration pension rates in Public Law Number 95-588. The maximum monthly household living allowance is one and one-half times the Veterans Administration single veteran pension rate. Each additional allowed individual in the household must be allowed an additional amount pursuant to the Veterans Administration pension rates.

9050.2700 PROPERTY OF RESIDENT.

Subpart 1. **In general.** Property must be available to pay for the cost of a resident's care to the extent it is owned by the resident, subject to the exclusions in subparts 2 to 7.

Subp. 2. **Real property.** The value of the resident's homestead must be excluded from consideration as a resource if

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the resident remains in the home for less than 18 months, if the spouse or a minor child lives in the homestead, or if the homestead is rented while the resident remains in the home. Real property that the resident is selling on a contract for deed and for which the resident receives payments must be considered income producing property.

Subp. 3. **Personal property.** The value of the following personal property must be excluded from consideration as a resident's resource:

A. the value of personal property, other than stocks, bonds, and other investment instruments, that is owned by the resident and that yields or contributes to the production of a net income, such as tools, farm implements, livestock, and business inventory and fixtures acquired before residency in the home;

B. Indian claim payments authorized by Congress to compensate for tribal land taken by the federal government;

C. Minnesota Housing Finance Agency loans for nine months after issuance;

D. one vehicle;

E. household goods and furniture;

F. clothing;

G. a manufactured home used as the principal residence of a resident or the resident's dependents;

H. personal jewelry;

I. bicycles;

J. cameras;

K. life insurance owned by the resident, subject to the standard for medical assistance recipients in Minnesota Statutes, section 256B.06;

L. trust funds; however, trust funds are not excluded from consideration if the trustee is required or has discretion to use the funds for paying the cost of care or the funds are designated for care, support, maintenance, or medical care even if the trust requires that public funds must first be exhausted; and

M. burial expenses, including a burial lot and prepaid burial account, subject to the standard for medical assistance in Minnesota Statutes, sections 256B.06 to 256B.07.

Subp. 4. **Waiver of property as a resource.** The department shall waive consideration of property in excess of the exemptions when the resident's equity cannot be liquidated, the offered price is less than 80 percent of the market value given by two appraisers agreeable to both parties, or the cost of repairs necessary to meet the conditions of sale exceed 35 percent of the offered price. Waivers granted under this subpart must be reviewed annually.

A waiver must be referred to the department's accounts reveivable office and decided on the merits of the facts recorded in the resident's financial information file to substantiate the claim. Final decision to waive property as a resource must be made by the commissioner.

The decision to waive the consideration must be examined at least semi-annually for changes in market value, opportunity for sale or mortgage, and any other pertinent factors.

Subp. 5. **Transfer of property.** The market value of any property transferred, less any value received, must be treated as an available resource if the property is valued at more than $1,000, if the transfer is for less than the market value, and if the transfer is made:

A. during or after admission to the home; or

B. before admission to the home, but with intent to avoid the use of the property to pay for care or in determining ability to pay for care.

Subp. 6. **Documentation required.** When property described in subpart 5 is transferred during the period between two years before admission to the home and six years following discharge, the resident or resident's representative shall provide documentation of the circumstances of the transfer.

Subp. 7. **Exemption.** Subparts 5 and 6 do not apply when a resident is not continuing to accrue charges and the full cost of care has been paid. Subparts 5 and 6 do not apply to

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property excluded under other provisions of subparts 2 to 7.

Subp. 8. **Verification of financial information.** The annual gross earnings of a spouse or dependent and the number of dependents must be verified from the spouse's or dependent's Minnesota income tax return, or in the case of a spouse or dependent who is not a resident of Minnesota and does not file a Minnesota income tax return, from the federal income tax return.

The amount of a premium paid by the spouse or dependent to provide dependent hospital and medical insurance coverage for the resident must be verified by the provider.

9050.2750 EMERGENCY MEDICAL TRANSPORTATION.

Emergency medical transportation is the responsibility of the home and costs for emergency medical transportation must be borne by the home.

9050.2800 EMERGENCY MEDICAL TREATMENT.

Costs of emergency medical treatment authorized by the administration of the home are the responsibility of the home. The home shall make every effort to collect reimbursement from any third party payees as appropriate.

9050.3000 RESIDENT CONDUCT.

Subpart 1. **General.** Residents shall conduct themselves in a manner not injurious or offensive to themselves, other residents, or staff persons.

Subp. 2. **Leaving grounds of the home.** Residents may not leave the home or its grounds for any period without first obtaining written permission of the administration and signing out in the passbook. When signing out, residents shall indicate when they left the home, destinations, scheduled times of return, and telephone numbers where they can be contacted in case of emergency. Upon return to the home, residents shall sign in, noting the time of their return.

Subp. 3. **Contraband; liquor.** Residents may not bring intoxicating beverages or contraband items onto the grounds of the home.

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Subp. 4. **Financial agreements.** Residents shall meet all financial obligations agreed to under the maintenance agreement entered into with the commissioner.

Subp. 5. **Hygiene.** Residents shall maintain a reasonable state of bodily and oral hygiene so as not to produce offensive odors. Ambulant residents shall bathe at least once every three days. Residents requiring assistance shall bathe under staff supervision.

Subp. 6. **Room cleanliness.** Residents shall maintain their rooms or personal and communal areas of congregate living arrangements in a manner consistent with applicable rules of the Department of Health.

Subp. 7. **Smoking.** Smoking is permitted only in accordance with the Minnesota Clean Indoor Air Act. Smoking in rooms is prohibited except that bedridden residents may smoke with direct assistance from a staff person and only under written orders from a staff doctor. A written smoking order must be made part of a resident's health care plan.

Subp. 8. **Contraband.** Contraband articles are those that are potentially injurious to residents and staff, as determined by the administration. An agreement not to traffic in contraband must be made part of the admission agreement and must be signed by the resident.

Contraband includes, but is not limited to, firearms and other weapons, alcohol, drugs, and narcotics and other stimulants.

Subp. 9. **Privately owned vehicles.** Residents may keep or maintain only one privately owned passenger vehicle as defined by Minnesota Statutes, section 169.01, subdivision 3a, or motorcycle as defined by Minnesota Statutes, section 169.01, subdivision 4, on the grounds of the home. Vehicles must be registered with the transportation department of the home. In order to be registered with the home, residents must provide evidence of a valid operator's license, adequate insurance coverage, and current vehicle registration according to state statute.

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Resident vehicles must be parked in the area designated for resident parking. Any vehicle not licensed, insured, or maintained in an operable condition is considered an "abandoned vehicle" within the meaning of Minnesota Statutes, chapter 168B, and shall be dealt with according to that chapter.

Subp. 10. **Infractions.** Infractions of this part must be documented in the resident's permanent file. Infractions could result in disciplinary action and may be used by the home as grounds for discharge.

9050.3100 UTILIZATION AND REVIEW; DISCHARGE.

Subpart 1. **Committee.** A utilization and review committee composed of a staff doctor, a member of the nursing staff, a member of the social services staff, and a member of the medical records staff shall review every resident's health care file for appropriate level of care.

Subp. 2. **Care planning.** The utilization and review committee shall develop a care plan for each resident admitted to the home. The ultimate goal of every course of treatment is the rehabilitation and discharge of each resident, if possible.

9050.3200 TRANSFER.

Residents may be transferred between the homes as medically indicated upon the recommendation of the utilization and review committee. A resident must be provided seven days notice of any intent to transfer the resident.

9050.3300 RESIDENT CARE PLAN.

Subpart 1. **Content of plan.** A written care plan must be developed and revised for each resident. Residents or their representatives shall be allowed and encouraged to participate in determining care plans. The plan must be a personalized plan of daily care based on the nature of the illness, treatment prescribed, and long and short-term goals, including:

A. the physician's orders for medications, treatment, diet, and other therapy;

B. the types of care and consultation services

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needed, how they can best be accomplished, how the plan meets the needs and interests of the resident, what methods are most successful, and the modifications necessary to ensure best results.

Resident care plans must be used by those involved in the care of the resident and must be reviewed periodically, but at least every 30 days, and revised as needed. The utilization and review committee shall meet regularly to keep the plans current and shall involve all personnel engaged in the care of the resident.

9050.3400 ADEQUATE CARE.

Subpart 1. **Care in general.** Each resident must receive care and supervision based on individual needs. Nursing home residents shall be up and out of bed as much as possible unless it is medically contraindicated and the staff physician states the limitation in writing in the resident's chart.

Subp. 2. **Criteria for determining adequate care.** Criteria for determining adequate and proper care must include:

A. evidence of adequate care and kind, considerate treatment at all times;

B. safeguarding and repecting of privacy;

C. clean skin and freedom from odors;

D. assistance with grooming;

E. assistance with shaving;

F. assistance with oral hygiene;

G. proper care of hands and feet;

H. clean linen provided weekly or more often as needed; and

I. clean clothing and neat appearnace, with residents dressed during the day whenever possible.

9050.3500 ACUTE ILLNESS, SERIOUS ACCIDENT, DEATH.

In case of acute illness, serious accident, or death of a resident, the home shall immediately notify the resident's family or legal guardian. Apparent death must be reported immediately to the attending physician.

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9050.3600 DISCHARGE.

Subpart 1. **Determination.** Residents must be discharged to a higher or lower level of care as medically indicated and determined by the utilization and review committee.

Subp. 2. **Notice.** A resident must be notified in writing by the administration of the home of its intent to discharge within 30 days, as provided in Minnesota Statutes, section 144.651, subdivision 29, unless voluntarily extended by the administration of the home.

Subp. 3. **Discharge plan.** The utilization and review committee shall, in cooperation with the resident or guardian, develop a discharge plan.

Subp. 4. **Discharge on demand.** Residents must be discharged upon written demand by themselves or their legal guardians.

Subp. 5. **Emergency discharge.** The home shall discharge residents in an emergency situation as the situation demands. Discharges shall be made with as much notice as the situation permits.

9050.3700 DISCHARGE PLAN.

Discharge planning must be conducted by the social work staff of the home, at the direction and under the supervision of the utilization and review committee. The discharge plan must be used to assist the resident in securing appropriate living arrangements outside the home. Discharge plans must be approved by the utilization and review committee.

9050.3800 INVOLUNTARY DISCHARGE.

Residents must be discharged for any one of the following reasons:

A. failure to comply with the terms of the maintenance agreement entered into at the time of admission;

B. substantial violation of the rules of resident conduct;

C. noncompliance with the treatment plan;

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D. continued stay is not medically indicated;

E. discharge to a treatment facility for treatment that cannot be provided at the home;

F. stay in a hospital in excess of 30 days. A resident discharged under subpart F must be offered the next available bed, commensurate with the required level of care, following hospital treatment. Residents can guarantee availability of their beds during hospital treatment in excess of 30 days by paying the home's full cost of maintaining that bed in an unoccupied status during their absence.

A resident who objects to a planned transfer or discharge may request a contested case hearing within the 30-day time limit before discharge as set forth in Minnesota Statutes, section 144.651, subdivision 29. The administration of the home shall grant the request for a contested case hearing and proceed in accordance with chapter 1400 and Minnesota Statutes, chapter 14.

A resident may remain at the home until the administration has acted upon the administrative law judge's recommendation if all conditions of eligibility for residency continue to be met except those under contention.

After the administrative law judge has made his report, the administration of the home shall make the final determination whether or not to discharge a resident.

Residents refusing to leave the premises of the home, if so directed by the outcome of a contested case hearing, may be evicted by the administration of the home and the appropriate civil authorities.

9050.3900 POLICIES CONCERNING RESIDENTS.

Subpart 1. **Visiting hours.** Visiting hours must be prominently displayed; visiting is encouraged unless it is medically contra-indicated.

Subp. 2. **Visits by pastor.** A resident's spiritual advisor must be permitted to visit at any time. Privacy for these visits is a resident's privilege.

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Subp. 3. **Visits to critically ill residents.** Relatives or guardians must be allowed to visit critically ill residents at any time.

Subp. 4. **Telephone.** There must be at least one noncoin-operated telephone accessible at all times in case of emergency. Residents must have access to a coin-operated telephone at a convenient location.

Subp. 5. **Mail.** Residents must receive their mail unopened unless the resident or legal guardian requests in writing that a resident's mail be opened. That written request must be maintained in the resident's permanent file.

Subp. 6. **Funds and possessions.** Neither the home nor an employee of the home may handle the major personal or major business affairs of a resident.

Subp. 7. **Pets.** Pet animals may not be kept on the grounds or premises of a home without written consent of the commissioner.

Checked w Bob Hamper re status of home rules proposed by DVA. DHS reviewed them after transition; considered letting them go thru process and making improvements later, but decision has been made to withdraw them. No decision as to future action on re-doing by DHS. DVA proposed them as non-controversial; no objections/demands for hearing were submitted

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STATE OF MINNESOTA

DEPARTMENT OF VETERANS AFFAIRS

In the Matter of the Proposed Rules
Governing the Operation of the
Minnesota Veterans Homes

Statement of Need
and Reasonableness

I. The Minnesota Department of Veterans Affairs (Department) herein presents its justifications establishing the need for and reasonableness of its proposed rules governing the operation of the Minnesota Veterans Homes.

II. **Impact on small business.** It is anticipated that these rules will have no impact outside the operation of the Minnesota Veterans Homes.

III. **Authority.** Authority for the promulgation and adoption of these rules is contained in Minnesota Statutes 196.04.

IV. **Approval, Commissioner of Finance.** Although the proposed rules do set fees, the department is exempted from obtaining the prior approval of the Commissioner of Finance as fees are based on the actual, direct cost of a service.

V. **Discussion.** The following proposed rules will be discussed in numerical order. Those that are self-explanatory will not be discussed.

9050.0100 PURPOSE - Self-explanatory.

9050.0200 PATIENT RIGHTS - Self-explanatory.

9050.0300 DEFINITION.

It is necessary and reasonable that the terms used in

the promulgation of these proposed rules be defined so as to provide a common definition and to avoid any misconceptions.

9050.0400 DISCRIMINATION - Self-explanatory.

9050.0500 PERSONS ELIGIBLE FOR ADMISSION.

The legislature saw fit to establish criteria for admission to the veterans home(s) for veterans as well as spouses and parents of veterans. The proposed rule is necessary and reasonable as it further defines those who will be accepted for admission, to ensure that all residents will receive the best possible care.

There are categories of potential residents that the home(s) cannot care for. The section of this rule dealing with priority admissions is intended to offer the most immediate admission to those with the greatest demonstrated need. It is reasonable that the home(s) offer its services to those who most need them.

9050.0600 TYPES OF ADMISSIONS.

This rule is both needed and reasonable because demand for admission far outstrips the available supply of beds. Also, the home is obligated to accept only those prospective residents to which it can provide adequate care. The home is not equipped nor staffed to provide care to severely handicapped or mentally ill persons.

9050.1000 ADMISSION AGREEMENT.

This rule is most necessary and reasonable as it is designed to meet the intention of the legislature, while clearly defining the duties and responsibilities of both the residents and the home(s). This rule is intended to ensure that both parties to the contract understand it.

9050.1100 AUTHORIZATION - Self explanatory.

9050.1200 PERSONAL FUND ACCOUNTS - Self-explanatory.

9050.1300 ACCOUNTING SYSTEM.

This rule is designed to meet statutory requirements while protecting the financial interests of the resident.

9050.1400 INDIVIDUAL WRITTEN RECORD.

This rule is reasonable and necessary to ensure an adequate accounting of a resident's funds.

9050.1500 PERSONAL FUNDS.

This rule is necessary and reasonable to safeguard the resident funds deposited for safekeeping, while ensuring adequate access to these funds by residents. This rule is further intended to alleviate a source of confusion, that of the disposition of the interest earned on this account.

9050.1600 WITHDRAWAL OF FUNDS FROM THE ACCOUNT.

This rule is necessary and reasonable to ensure that the residents have immediate access to their funds.

9050.1700 DISCHARGE OR DEATH OF A RESIDENT.

This rule is intended to meet the requirements of State Statute while also meeting the needs and wishes of the resident.

9050.2000 ADMISSIONS; AGREEMENT REGARDING RATES AND CHARGES.

This rule is reasonable and necessary as it meets the statutory requirements, Minnesota Statute 198.03, while protecting the interests of both the resident and the home(s).

9050.2050 NO UNPAID LEAVE.

This rule is necessary and reasonable because the home(s) and the state continue to incur costs whether the resident is occupying his bed or is gone. It is unreasonable to expect the home(s) to maintain an empty bed without full compensation, therefore, when others are waiting to enter the home(s). Residents discharged under this rule shall be eligible for re-admission upon re-application.

9050.2100 TIME OF DETERMINATION.

This rule is reasonable and necessary to ensure charges for cost of care are based upon an accurate reflection of the resident's financial status. This rule also ensures that the resident is aware of his or her financial obligations prior to entering into a written contract for their cost of care.

9050.2150 DETERMINATION OF ABILITY TO PAY.

This rule is intended solely to protect the financial interest of the resident.

9050.2200 FINANCIAL INTERVIEW.

This rule is needed and reasonable to protect the financial health of the resident, to assist the resident with meeting the costs of their health care, while ensuring that the state receives as much reimbursement for the costs of care provided as possible.

9050.2250 VERIFICATION REQUIRED.

This rule is necessary and reasonable to ensure that the maximum financial benefit available is received by the state to defray the cost of providing care.

9050.2300 APPLICATION REQUIRED. (Same as 9050.2250)

9050.2350 CONSENT FORMS. (Same as 9050.2250)

9050.2400 REFUSAL TO COMPLETE FINANCIAL INFORMATION FORMS.

Same as 9050.2250, and the homes have an obligation to recover as much of the cost of providing care as possible. This rule expedites that process. This rule is the same as Rule 9515.1800, previously adopted.

9050.2450 DETERMINATION ORDER AND NOTICE OF RATE.

This rule is intended to clarify some of the terms and conditions of the contract between the resident and the home.

This rule is the same as Rule 9515.1900, previously adopted.

9050.2500 APPEAL OF DETERMINATION.

This rule provides the resident with an avenue of redress if he doesn't agree with the determination as made under Rule 9050.2450. This rule is the same as Rule 9515.2100, previously adopted.

9050.2550 SOURCES OF INCOME CONSIDERED TO BE PATIENT RESOURCES.

This rule is intended to ensure that the state recovers as much as possible its costs of providing the care to residents of the homes. This rule is the same as Rule 9515.2200, previously adopted.

9050.2600 NET INCOME OF RESIDENT OR RESIDENT'S HOUSEHOLD.

This rule is intended to clearly delineate what resources are to be considered when calculating a resident's ability to pay maintenance charges for his cost of care. This rule is the same as Rule 9515.2300, previously adopted. These allowances are adjusted on a regular basis, using clearly defined methods, by the Department of Health.

9050.2650 MONTHLY HOUSEHOLD LIVING ALLOWANCE SCHEDULE.

This rule is intended to establish a uniform method of calculating the amount of support that will be available to the resident's family. It is the intention that the resident's family be provided for prior to the home(s) collecting any resident maintenance charges. The Veterans Administration pension rate under PL 95-588 was chosen because it is familiar to most veterans; it usually has been granted a yearly cost-of-living increase to keep up with the rate of inflation and because it is equitable.

9050.2700 PROPERTY OF RESIDENT.

Again, this rule is designed to ensure that all available assets of a resident are utilized to meet the cost of that resident's care, while excluding those assets specifically

exempted from consideration by law. This rule, like others, has been previously adopted (9515.2500).

9050.2800 EMERGENCY MEDICAL TREATMENT.

The intent is to clarify what has in the past been a grey area. As the homes do not own a life support ambulance, residents requiring this service are carried by private ambulance companies. The home(s) will assume these charges less any reimbursements as a cost of doing business.

9050.3000 RESIDENT CONDUCT.

Subpart 1. **General.** Rules governing the conduct of residents are reasonable and very necessary, especially in situations of many individuals forced by circumstances beyond their control to live together.

Subp. 2. **Leaving grounds of the home.** It is reasonable and necessary that a resident sign out when leaving the grounds. Many residents are on medications that must be administered at specific times, making it necessary that a resident can be located at any time. From time to time family emergencies arise wherein a resident must be contacted in a timely manner.

Subparts 3 to 8 - Self-explanatory.

Subp. 9. **Privately owned vehicles.** Parking space, especially on the Minneapolis campus, is currently at a premium. There are instances of cars being abandoned on the grounds once the resident leaves. Further, the home(s) furnish all transportation to required medical appointments, social functions, outings, etc. Public transportation via bus and taxi is readily accessible to any resident who chooses not to avail themselves of transportation provided.

Subp. 10. **Infractions.** There must be a vehicle for enforcing rules of resident conduct or else there is no rationale for having the rules.

9050.3100 UTILIZATION AND REVIEW; DISCHARGE.

Resident health care is the basis for the existence of the home(s). It is vital and necessary that the best care

available be provided as appropriate. As every resident has different care needs, planning must be based upon the individual's needs. This utilization and review process is mandated by Minnesota Laws 1984, chapter 654, article 2, §19(b).

9050.3200 TRANSFER.

The home(s) must have the flexibility to transfer residents as necessary between levels of care, between campuses and between buildings. Minnesota Statute 144.651 requires that patients transferred within a unit be provided seven (7) days notice of the intent to transfer. This rule is designed to comply with that statutory requirement.

9050.3300 RESIDENT CARE PLAN.

Adequate care can be provided only on an individual basis to meet the needs of the resident. This rule merely outlines the basis for the care plan. This rule also is intended to meet the requirements of Minnesota Statute 144.651, subdivision 10, which guarantees patients the right to participate in their care planning.

9050.3400 ADEQUATE CARE.

It is the right of every resident to be provided the best possible care in the home(s). It is the responsibility of the home to provide this level of care. This rule merely suggests some methods of determining the level of care.

9050.3500 ACUTE ILLNESS, SERIOUS ACCIDENT, DEATH - Self-explanatory.

9050.3600 DISCHARGE.

The home(s) must have the ability to discharge residents between levels of care, but only after a competent review for appropriateness. Residents have the right to appeal a discharge notice, per statute, as well as actively participating in their own care planning. Of course, residents retain the right to leave at their own request. Minnesota Statute 144.651, subdivision 29, allows emergency discharges without notice.

The home needs the flexibility to discharge residents as the situation demands. In every instance, every attempt to provide as much notice as possible shall be made.

9050.3700 DISCHARGE PLAN.

It is the duty of the home(s) to actively assist a resident in planning his discharge if such assistance is requested.

9050.3800 INVOLUNTARY DISCHARGE.

The home(s) must retain the right to discharge residents for cause. It is not anticipated that this rule will be envoked with any regularity; however, it is necessary to ensure the smooth operation of the home(s). This rule has built in safe-guards, such as appeal rights, the right to remain during an appeal, and a 30 day notice requirement.

There is a very extensive waiting list for admission to the nursing care unit of the Minneapolis campus; it is not unreasonable to discharge a resident who no longer needs this care level to make room for one who does. Also, the home(s) must be able to transfer via discharge those residents for whom adequate care cannot be provided.

9050.3900 POLICIES CONCERNING RESIDENTS.

Subparts 1 to 6 - Self-explanatory.

Subp. 7. **Pets.** Pets can be allowed only under the most controlled conditions and in compliance with Minnesota Statute 144A.30. Further, it is necessary and reasonable to restrict pets. If one resident is allowed to bring a pet, there is no longer any basis to deny the next request.

Further, not all residents like pets; some are allergic to or even frightened of certain animals. The keeping of pets requires that a care plan be established and that care be given to an animal. Staff time is short as it is and is best devoted to the care of residents. Visits by pets or animal groups can be arranged and encouraged for those residents who wish to see them.