

Bulletin

July 10, 2006

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

OF INTEREST TO

- County Social Services Directors
- County Public Health Agency Directors
- Tribal Chairs
- Alternative Care Program Administrative Contacts
- Social Services Supervisors and Staff
- County Fiscal Administrative Staff
- Community Health Services Administration
- Tribal Health Directors
- Area Agencies on Aging

ACTION/DUE DATE

Please Complete
Local AC Program Plan
and Budget for FY07 by
July 31, 2006

EXPIRATION DATE

The policies in this bulletin
are ineffective as of
July 31, 2007.

Alternative Care Program Allocates Funds for FY 2007

TOPIC

Alternative Care (AC) Program apportions state funds for fiscal year 2007, requires local AC program plan and budget, requires renewal of AC Other Services budgets for participating agencies, and issues optional application for targeted funds.

PURPOSE

Notify lead agencies of state fiscal year 2007 changes to program appropriation. Allocate funds to support local AC access and service delivery. Provide information and requirements on local AC program administration.

CONTACT

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SIGNED

LOREN COLMAN
Assistant Commissioner
Continuing Care Administration

INTRODUCTION

Minnesota’s 2005 State Legislature has approved Alternative Care (AC) Program funds for the state’s 2007 fiscal year, effective July 1, 2006. In addition, the 2006 State Legislature appropriated an additional \$1.6 million in support of continued program access through June 30, 2007. Local AC program administrators are responsible for actively and effectively ensuring continued program access and service delivery throughout the 2006-07 biennium.

LOCAL AC PROGRAM ADMINISTRATION

AC program funds are authorized in the state's budget as a major program appropriation and are then apportioned annually for local lead agencies (county social service, contracted public health agencies, or contracted tribal governments) in the form of a base allocation amount. AC funds are retained by the state in separate lead agency program accounts, which are utilized to support payment for authorized AC covered services delivered to eligible persons. Therefore, funds for AC services are accessed through lead agency accounts maintained within the state’s Medicaid Management Information System (MMIS) and are distributed in the form of payments to AC service providers contracted under those lead agencies.

Each local lead agency is responsible for administering the local AC program to ensure program access and service delivery for eligible seniors in their communities. Local lead agency activities occur under an AC program plan that ensures compliance with program policies and procedures, and a budget worksheet that estimates program expenditures for managing access and service delivery within the lead agency’s base allocation amount for the fiscal year. The local AC program administrator (director) signs the completed AC program plan and budget worksheet on an annual basis to coincide with the allocation of funds for the lead agency. The local AC administrator is responsible for tracking, monitoring, and effectively managing the local AC program within the lead agency’s base allocation amount throughout the fiscal year.

For resource needs beyond the base allocation, the department has the authority and flexibility to approve targeted funds for those local AC programs that require access to additional funds under certain circumstances. The level of projected targeted funds available for FY 2007 is a result of the program funds remaining following the statewide allocation process *and* the level of program revenue generated through client fees paid to the state between July 1, 2006 and June 30, 2007. Local lead agency's are responsible to determine, assess, and monitor the payment of fees and program access across the local AC client population. Resources to support the local administration of the program are listed on p. 5.

ALTERNATIVE CARE PROGRAM APPROPRIATION FOR FISCAL YEAR 2007

Budget Line Item	Amount
FY 2007 Base Funds - Direct Appropriation	\$ 44,983,000.00
[Total Base Allocations for Local AC Programs]	[\$ 44,983,000.00]
[Targeted Funds]	[\$ 0.00]
Projected Revenue from Monthly Fees	\$ 1,854,000.00
Total	\$ 46,837,000.00

*2005 First Special Session - Health and Human Services Omnibus Bill
 FY 2006-07 Biennial Budget – Health and Human Services Fiscal Tracking Document, July13, 2005.*

LOCAL AC PROGRAM BASE ALLOCATION AMOUNTS

AC funds allocated for local AC programs are known as the “base allocation amount” and are made available on July 1 of each state fiscal year. Base allocation amounts for local programs are calculated according to a formula authorized in the statute governing the AC program. The formula applies each local AC program’s service utilization history which equals the total amount of provider claims paid by June 1, 2006 for services delivered during dates April 1, 2005 through March 31, 2006.

Local AC programs that demonstrated service utilization at or above 95% of their revised base allocation amount for FY 06, receive base allocation amounts for FY 07 that are equivalent to 100% of the adjusted base amount plus any inflation factors. Local AC programs that demonstrated a service utilization below 95% of their revised base allocation amount for FY 06, receive base allocation amounts for FY 07 that are adjusted beneath the FY 06 base allocation amount by the amount of unexpended program funds remaining below the 95% plus any inflation factors.

However, for FY 2007 the legislatively approved appropriation for the program is less than the total funds required to adequately fund the combined county allocations as calculated above. Therefore, the base allocation amount available is then computed based on the corresponding lead agency’s percentage, or share, of the total appropriation available in FY 2007. The department has implemented a statewide monitoring process to ensure continued program access, including the potential for local waiting lists. On agreement between the commissioner and the lead agency, the commissioner may have discretion to reallocate alternative care base allocations distributed to lead agencies in which the base amount exceeds program expenditures.

Provider Rate Increase (PRI)

In addition to the AC program’s base allocation funds, the 2005 State Legislature approved a 2.2553% rate increase (inflation factor) for home and community-based services in FY 07, beginning October 1, 2006. The fiscal capability of local AC programs to implement provider service rate increases is accounted for in the base allocation amount through a 2.2553% adjustment for nine months of the fiscal year. Funds for provider rate increases must be applied in the manner specified in the authorizing statute. For instructions on implementing the increase, administrators should refer to the DHS bulletin publishing the AC service provider rates for October 1, 2006.

Lead Agency Base Allocation Amounts

Each lead agency’s base allocation amount for state fiscal year 2007 is listed in ***Attachment A: Alternative Care Program / Lead Agency Base Allocation Amounts - FY 2007.***

LOCAL AC PROGRAM PLAN AND BUDGET

The purpose of the Alternative Care Program is to meet the long term community-based care needs of eligible seniors through funds for the delivery of home and community-based services. Providing access to AC services enables eligible seniors to live independently in the community and extends needed support to informal care givers in their efforts to provide community-based care. Further, the outcomes related to assisting seniors in the community include reducing Medical Assistance expenditures for nursing facility care and maintaining the moratorium on the new construction of nursing facility bed capacity.

To ensure that lead agencies are actively working to address the state’s purpose and goals of the program, local AC administrators (directors) are required to submit the AC program plan and budget to the department annually at the beginning of the state’s fiscal year to coincide with the allocation of AC funds.

Part I: Local AC Program Plan

The plan is a list of program assurances made to the department by the lead agency. They represent the administrative components required of the lead agency to locally operate the AC program in response to state funds for local service delivery. Local AC program administrators are responsible for effectively managing and monitoring the program’s status and for ensuring compliance with the state’s requirements. The list of administrative assurances is intended to summarize local AC program responsibilities and to complement home and community-based services quality assurance activities.

Part II: AC Budget Worksheet

The budget worksheet is used by local AC program administrators to evaluate the resources available to meet AC service needs in the communities they oversee by estimating client access and service delivery capacity in response to the lead agency’s base allocation amount issued for the new fiscal year.

Local Programs Providing AC Discretionary Services Option

Lead agencies that have already been approved to administer AC discretionary services need to complete *Part D: AC Discretionary Services* of the budget worksheet. Under this service category, lead agencies are limited to designating no greater than 25% of their total base allocation amount. The 25% figure represents the fiscal year expenditure cap amount for that agency. The agency must then enter the amount of total estimated annual expenditures for this service category, not to exceed the cap amount. The designation of funds for AC discretionary services creates an upper payment limit within the MMIS for payment of lead agency service claims, but does not remove funds from the total allocation amount supporting payments for all AC services the agency provides.

Instructions

The AC program plan and budget are submitted annually to the department at the beginning of the state fiscal year. The local AC program administrator (director) of the lead agency must sign the completed Parts I and II of ***Attachment B: Alternative Care Program Local Program Plan and Budget - FY 2007***, and submit it to the department by July 31, 2006.

Important Dates - FY 2007

Local AC program administrators need to be aware of certain dates during the fiscal year that represent important timelines for managing the service provider payments within the local AC base allocation amount. These include:

July 31, 2006	Annual plan and budget due for FY 07
March 31, 2007	Final date of service; determines AC expenditure history to calculate the AC base allocation amount for FY 08
May 9, 2007	Last date to submit a request for AC targeted funds in FY 07

June 1, 2007	Last date of payment; determines AC expenditure history to determine the AC base allocation amount in FY 08
June 20, 2007 June 21, 2007	Last date for paper claim cut-off (10:30 a.m.) in AC FY 07 Last date for electronic claim cut-off (11:59 p.m.) in AC FY 07
June 25, 2007	Last warrant payment in the AC FY 07; new fiscal year begins the following day (unpaid or future provider claims will be deducted from FY 08 base allocation amount).

Technical Resources for Administrators of Lead Agencies

Information is available to assist administrators in tracking and monitoring AC activity. Data such as the total amount of local AC services authorized for payment and the status of the lead agency's AC base allocation are readily available through the MMIS InfoPac reports (listed below) and provider file. Local administrators can submit report questions, request access to local agency-specific reports, or reference the MMIS payment and claim calendar through the local agency's MMIS liaison. The MMIS provider file, on the PFIN screen, provides each lead agency with a current status of its AC allocation USED amount to routinely monitor the rate of program expenditures, level of provider payment, and status of the lead agency's allocation amount. The AC allocation USED amount is updated every two weeks following the MMIS warrant payment. Each of these resources are used to complete the technical portions of *Attachments B and D*.

The following reports are available through the state's MMIS InfoPac:

MMIS InfoPac Report No. & Title	Data Available
R2208 AC Cumulative Service Encumbrance And Payment (Using Date of Payment)	Data by county; by procedure code, unduplicated recipient, total units encumbered, total units used, total amount encumbered, total amount used, total days SA, total days eligible, county average cost per recipient, county average cost per unit, county average units per recipient.
R2457 AC Cumulative Service Encumbrance And Payments (Using Date of Service)	Data by county; by procedure code, unduplicated recipient, total units encumbered, total units used, total amount encumbered, total amount used, total days SA, total days eligible, county average cost per recipient, county average cost per unit, county average units per recipient.
R2460 AC Cumulative Service Encumbrance And Payments (Using Date of Service)	Data by county; per person amount encumbered, amount paid, remaining balance, total days on SA, average monthly encumbered, average monthly paid.
R2488 AC Cumulative Service Encumbrance And Payments (Using Date of Payment By Provider Number)	Data by county; by procedure code, unduplicated recipient, total units encumbered, total units used, total amount encumbered, total amount used, total days SA, total days eligible, county average cost per recipient, county average cost per unit, county average units per recipient, by provider number.
R193 AC Client Fee Account Billing	Data on monthly client fee billing by PMI#, SRU invoice #, name, address, month of service, monthly fee amount.
R190 AC Overdue Client Fee Accounts	Data on monthly overdue client fee accounts by name, fee due date, monthly fee amount, total account balance due, PMI#.

FY 2006 FISCAL REPORT

Local AC administrators who are interested in receiving the annual AC fiscal information can order a copy of the report by checking the box on their budget worksheet. The report will be available following the department's formal closing date of FY 06, or after August 31, 2006.

AC TARGETED FUNDS FOR FY 2007

Each fiscal year, AC targeted funds are made available to those lead agencies pursuing activities that strive to make progress toward locally *improving* outcomes for eligible seniors. The amount of targeted funds available for FY 07 beginning on July 1, 2006 is \$ 0, but is projected to increase to \$ **1,854,000.00** through June 30, 2007, depending on the level of state revenue generated from client fees paid through June 30, 2007. Program revenue generated through client fees are projected funds in the program appropriation that *may* become available in the form of targeted funds for re-distribution to local lead agencies. Distribution of targeted funds during FY 2007 is unable to occur until the point during the fiscal year when the program revenue becomes available at a level that the department is able to optimally evaluate the combined requests of local agencies. The local AC administrator (director) may submit a request or revised request for targeted funds at any time throughout the fiscal year when a local AC program need has been identified through a local program analysis and it meets certain criteria and requirements.

Criteria for AC Targeted Funds

Certain local activities that strive to make progress toward *improving* outcomes for eligible seniors will receive priority status for AC targeted funds. Local AC programs requesting AC targeted funds may fit into *one* of these categories. Priority status and criteria include the following:

A. AC programs that propose local projects to divert community-based seniors from nursing home admission or to relocate NF senior residents to community-based services.

Lead agencies requesting targeted funds need to submit plans on local project activities, time lines, and the estimated affect on the local need for AC services.

B. AC programs experiencing growth due to demographic changes or unmet community needs (state approved waiting lists). Lead agencies requesting targeted funds need to submit plans that address local demographic changes or unmet needs affecting the local AC eligible population and need services. Local administration of the AC program should not be utilizing a waiting list strategy, unless as a last effort toward remaining within their program budget and only after all other available strategies to address any shortfall in funds have been pursued, including involvement of the department which must approve implementation of such a strategy.

C. AC programs that received FY 91 base allocation amounts below FY 90 base allocation amounts. A limited number of local AC programs are affected and retain this priority status until the program's base allocation is equivalent to the FY 90 base amount. Programs that retain this priority status through FY 07 include: Cook County and Koochiching County.

D. AC programs that experienced underutilization of funds in the previous fiscal year. AC programs attain this priority status when the FY 07 base allocation amount is lower than the FY 06 base allocation amounts related to low utilization of funding due to reduced program access resulting in lower than estimated expenditures recorded by June 1, 2006. Programs that submit a

request for targeted funds must document the degree of provider billing, including a summation of the impact on the local program and a plan to resolve the provider discrepancies. Plans to resolve provider discrepancies may include actions such as revising contract language or instituting contract penalties.

E. Funds for new AC program contracts with tribal governments. Payment for AC services that are delivered under a new contract issued during the state fiscal year will be funded through the use of targeted funds. The base allocation amount will be specified in the contract document.

F. AC programs participating in or affected by the department's long term care (LTC) reform efforts. The department is in its sixth fiscal year of reform measures that carry out critical program planning activities to effectively "re-balance" an institutionally weighted care system toward relying, to a greater extent, on home and community-based service delivery models. The continued focus of this reform effort is to further develop capacity for providing in-home service options that meet the preferences and needs of AC clients and their families. AC targeted funds can be used to support the increased use of AC's home and community-based services as they relate to these LTC reform activities. Lead agencies submitting requests for targeted funds should indicate local project involvement, plans for developing AC service capacity, and interagency collaboration.

Instructions for Submitting Request for Targeted Funds

Requests for AC targeted funds can be submitted at any time and more than one time during the state's fiscal year. All requests *must* be signed by the director of the lead agency administering the AC program. Requests should be submitted to the department at a time during the fiscal year that a local data analysis demonstrates a deficit in lead agency expenditures and supports the level of funds requested, and at a time when AC funds have become available to respond to local program needs. Local AC administrators should note that approval of targeted funds is added to the base allocation amount and is then incorporated into the calculations for the base allocation amount for the following fiscal year.

Generally, local AC administrators requesting targeted funds must be able to make the following assurances to the department:

1. Additional funds are necessary to address local community needs to further accomplish the state's purpose and goals of the AC program, and
2. Additional funds will be used to pay for AC home and community-based services for AC eligible clients, and
3. Changes related to AC service delivery and funds have been incorporated into the Local Administrative Plan and Budget for FY 07, and
4. The lead agency has the capacity to utilize the funds requested (meet the increased demand for service delivery and ensure that provider claims will be paid while the additional funds remain available in the MMIS, or by June 21, 2007).

The request must include the above assurances, a rationale for the targeted funds request based on the above criteria, and a brief summary of the current status of the local AC program and how it has changed from the initial fiscal year plan and budget. Relevant summary information specific to the local program may include noting the impact of belated service expenditures from the previous fiscal year, the level of service authorizations encumbered for AC provider payment, and the rate of provider payment that has occurred in relation to encumbered funds. In addition, changes in client access, average cost per client, provider capacity, or specific service expenditures may also be relevant to summarize the local program's status and resource needs. Information submitted should also include statewide program changes and their level of impact on the local AC program. Lead agencies are not required to resubmit similar information currently on file at the department through another process, but may refer to those documents within the summary submitted.

Local AC administrators must submit Parts I and II of ***Attachment D: Alternative Care Program / Request for Targeted Funds and Budget - FY 2007.***

COMMISSIONER MAY CONTRACT WITH TRIBAL GOVERNMENTS FOR LOCAL AC ADMINISTRATION

The 2001 Minnesota Legislature granted authority that the commissioner may contract with federally recognized Indian tribes with a reservation in Minnesota to serve as the lead agency responsible for the local administration of the Alternative Care Program. The department is available to work collaboratively with tribal governments and their health related and community-based service providers that express an interest in pursuing a contract agreement to begin administering the AC program in their communities.

The contracting process will include steps to ensure tribal capacity for the administration and delivery of AC covered services. Contract agreements will specify the lead agency duties, including the program assurances that other locally administered AC programs are required to provide, and the mechanism for payment of AC covered services. In support of the process for tribal governments to become a lead agency, technical assistance will be available through the department's tribal liaison and the AC program administrator under the Aging and Adult Services Division.

For planning and budgeting activities, tribal governments can contact the department for general information and data about current local AC program participation. Information about AC service delivery access is available and includes, but is not limited to, service utilization data, average cost per client, and average level of need per client. In addition, the department will be available to assist with technical needs related to building information technology (IT) systems capacity and providing IT systems training.

Tribal governments that are interested in participating as a lead agency for the program should contact the department and/or submit ***Attachment C: Alternative Care Program / Letter of Interest for Tribal Governments.***

SUBMITTING REPLIES AND REQUESTS

All replies and requests should be sent to the department at the following address:

TO: Denise Kolb, Administrator
Alternative Care Program, Aging and Adult Services Division,
Minnesota Department of Human Services
Elmer L. Anderson Human Services Building
540 Cedar Street, P.O. Box 64976
St. Paul, MN 55164-0976

AUTHORITY

Laws of Minnesota 2006, Chapter 282, Article 22, Section 2., Subd. 4.(a).

Laws of Minnesota 2005, First Special Session, Chapter 4, Article 7, Sections 20-23, 55-56, 61-62.

Minnesota Statutes 2005, Chapter 256B.0913.

SPECIAL NEEDS

This information is available in other forms to people with disabilities by contacting us at 651-461-2500 (voice), or toll free at 1-800-882-6262, or through the Minnesota Relay Service at 1-800-627-3529 (TDD), 7-1-1 or 1-877-627-3848 (speech to speech relay service).

ATTACHMENTS

Attachment A: Alternative Care Program / Lead Agency Base Allocation Amounts - FY 2007

Attachment B: Alternative Care Program / Local Program Plan and Budget - FY 2007

Part I: Local Administrative Assurances

Part II: Budget Worksheet

Attachment C: Alternative Care Program / Letter of Interest for Tribal Governments

Attachment D: Alternative Care Program / Request for Targeted Funds and Budget - FY 2007

Part I: Outline For Supporting Information

Part II: Revised Budget Worksheet

Attachment A

Alternative Care Program - Lead Agency Base Allocation Amounts - FY 2007							
Lead Agency	FY 2006 Adjusted Base Allocation	FY 2006 Approved Targeted Funds	FY 2006 Revised Base Allocation	Paid Service Claims for 4/01/05 to 3/31/06	FY2007 Adjusted Base Allocation	FY2007 Lead Agency Share	FY 2007 Lead Agency Share of Total Appropriation
Aitkin	\$ 214,899	\$ -	\$ 214,899	\$ 196,854	\$ 212,281	0.4347%	\$ 195,535
Anoka	\$ 2,023,857	\$ -	\$ 2,023,857	\$ 1,887,773	\$ 2,033,823	4.1646%	\$ 1,873,379
Becker	\$ 335,933	\$ -	\$ 335,933	\$ 241,344	\$ 263,963	0.5405%	\$ 243,139
Beltrami	\$ 630,987	\$ -	\$ 630,987	\$ 461,560	\$ 504,231	1.0325%	\$ 464,453
Benton	\$ 462,146	\$ 10,000	\$ 472,146	\$ 484,680	\$ 480,132	0.9832%	\$ 442,256
Big Stone	\$ 58,238	\$ -	\$ 58,238	\$ 50,963	\$ 55,090	0.1128%	\$ 50,744
Blue Earth	\$ 766,186	\$ -	\$ 766,186	\$ 616,288	\$ 669,361	1.3706%	\$ 616,557
Brown	\$ 159,696	\$ -	\$ 159,696	\$ 140,895	\$ 152,238	0.3117%	\$ 140,228
Carlton	\$ 718,609	\$ -	\$ 718,609	\$ 567,952	\$ 617,502	1.2645%	\$ 568,789
Carver	\$ 406,778	\$ 110,426	\$ 517,204	\$ 510,735	\$ 525,952	1.0770%	\$ 484,461
Cass	\$ 334,615	\$ -	\$ 334,615	\$ 333,129	\$ 340,275	0.6968%	\$ 313,431
Chippewa	\$ 124,002	\$ -	\$ 124,002	\$ 128,839	\$ 126,099	0.2582%	\$ 116,152
Chisago	\$ 521,479	\$ -	\$ 521,479	\$ 472,881	\$ 510,208	1.0447%	\$ 469,959
Clay	\$ 594,336	\$ -	\$ 594,336	\$ 566,947	\$ 604,389	1.2376%	\$ 556,710
Clearwater	\$ 131,323	\$ 47,402	\$ 178,725	\$ 169,452	\$ 182,412	0.3735%	\$ 168,022
Cook	\$ 13,335	\$ -	\$ 13,335	\$ 13,302	\$ 13,561	0.0278%	\$ 12,491
Cottonwood	\$ 86,095	\$ -	\$ 86,095	\$ 63,082	\$ 68,907	0.1411%	\$ 63,471
Crow Wing	\$ 1,147,726	\$ -	\$ 1,147,726	\$ 1,037,933	\$ 1,120,023	2.2935%	\$ 1,031,666
Dakota	\$ 3,293,511	\$ -	\$ 3,293,511	\$ 2,885,721	\$ 3,119,193	6.3871%	\$ 2,873,125
Dodge	\$ 18,555	\$ 42,829	\$ 61,384	\$ 56,932	\$ 61,355	0.1256%	\$ 56,515
Douglas	\$ 562,600	\$ -	\$ 562,600	\$ 534,015	\$ 574,823	1.1771%	\$ 529,476
Faribault	\$ 55,493	\$ -	\$ 55,493	\$ 17,229	\$ 20,455	0.0419%	\$ 18,841
Fillmore	\$ 203,205	\$ -	\$ 203,205	\$ 139,631	\$ 153,170	0.3136%	\$ 141,087
Freeborn	\$ 414,426	\$ -	\$ 414,426	\$ 313,927	\$ 342,196	0.7007%	\$ 315,201
Goodhue	\$ 494,318	\$ -	\$ 494,318	\$ 453,765	\$ 489,272	1.0019%	\$ 450,674
Grant	\$ 108,035	\$ -	\$ 108,035	\$ 74,390	\$ 81,592	0.1671%	\$ 75,155
Hennepin	\$ 11,251,337	\$ -	\$ 11,251,337	\$ 9,164,333	\$ 9,946,271	20.3669%	\$ 9,161,629
Houston	\$ 102,961	\$ 45,503	\$ 148,464	\$ 147,347	\$ 150,975	0.3092%	\$ 139,065
Hubbard	\$ 339,570	\$ 43,650	\$ 383,220	\$ 373,327	\$ 389,702	0.7980%	\$ 358,959
Isanti	\$ 293,443	\$ -	\$ 293,443	\$ 271,473	\$ 292,599	0.5992%	\$ 269,517
Itasca	\$ 1,210,446	\$ -	\$ 1,210,446	\$ 1,114,296	\$ 1,201,315	2.4599%	\$ 1,106,545
Jackson	\$ 20,339	\$ 1,143	\$ 21,482	\$ 20,409	\$ 21,845	0.0447%	\$ 20,122
Kanabec	\$ 228,646	\$ -	\$ 228,646	\$ 204,205	\$ 220,501	0.4515%	\$ 203,106
Kandiyohi	\$ 323,314	\$ 55,790	\$ 379,104	\$ 367,054	\$ 385,516	0.7894%	\$ 355,104
Kittson	\$ 33,830	\$ 6,932	\$ 40,762	\$ 38,724	\$ 41,451	0.0849%	\$ 38,181
Koochiching	\$ 69,344	\$ -	\$ 69,344	\$ 43,510	\$ 48,037	0.0984%	\$ 44,248
Lac Qui Parle	\$ 113,456	\$ -	\$ 113,456	\$ 91,295	\$ 99,155	0.2030%	\$ 91,333
Lake	\$ 140,274	\$ 38,265	\$ 178,539	\$ 169,613	\$ 181,559	0.3718%	\$ 167,236
Lake of the Woods	\$ 12,238	\$ 48,550	\$ 60,788	\$ 46,952	\$ 51,119	0.1047%	\$ 47,087
LeSueur	\$ 325,252	\$ -	\$ 325,252	\$ 274,615	\$ 297,438	0.6091%	\$ 273,974
Lincoln	\$ 37,800	\$ 20,028	\$ 57,828	\$ 54,449	\$ 58,634	0.1201%	\$ 54,009
Lyon	\$ 202,281	\$ 62,119	\$ 264,400	\$ 266,008	\$ 268,872	0.5506%	\$ 247,661
Mahnomen	\$ 64,678	\$ -	\$ 64,678	\$ 39,843	\$ 44,049	0.0902%	\$ 40,574
Marshall	\$ 58,955	\$ -	\$ 58,955	\$ 45,033	\$ 49,063	0.1005%	\$ 45,193

Alternative Care Program - Lead Agency Base Allocation Amounts - FY 2007

Lead Agency	FY 2006 Adjusted Base Allocation	FY 2006 Approved Targeted Funds	FY 2006 Revised Base Allocation	Paid Service Claims for 4/01/05 to 3/31/06	FY2007 Adjusted Base Allocation	FY2007 Lead Agency Share	FY 2007 Lead Agency Share of Total Appropriation
Martin	\$ 182,868	\$ -	\$ 182,868	\$ 178,314	\$ 185,961	0.3808%	\$ 171,291
McLeod	\$ 336,037	\$ -	\$ 336,037	\$ 220,513	\$ 242,667	0.4969%	\$ 223,524
Meeker	\$ 291,673	\$ -	\$ 291,673	\$ 266,886	\$ 287,818	0.5894%	\$ 265,113
Mille Lacs	\$ 159,865	\$ -	\$ 159,865	\$ 111,118	\$ 121,798	0.2494%	\$ 112,190
Morrison	\$ 287,340	\$ 154,127	\$ 441,467	\$ 434,110	\$ 448,934	0.9193%	\$ 413,519
Mower	\$ 776,703	\$ -	\$ 776,703	\$ 636,846	\$ 690,921	1.4148%	\$ 636,415
Murray	\$ 33,162	\$ -	\$ 33,162	\$ 28,479	\$ 30,818	0.0631%	\$ 28,387
Nicollet	\$ 215,132	\$ -	\$ 215,132	\$ 141,753	\$ 155,950	0.3193%	\$ 143,647
Nobles	\$ 74,206	\$ -	\$ 74,206	\$ 33,325	\$ 37,871	0.0775%	\$ 34,884
Norman	\$ 130,719	\$ -	\$ 130,719	\$ 115,926	\$ 125,224	0.2564%	\$ 115,345
Olmsted	\$ 637,015	\$ -	\$ 637,015	\$ 551,153	\$ 596,152	1.2207%	\$ 549,123
Otter Tail	\$ 510,749	\$ -	\$ 510,749	\$ 427,252	\$ 463,002	0.9481%	\$ 426,476
Pennington	\$ 318,388	\$ 30,000	\$ 348,388	\$ 359,624	\$ 354,281	0.7255%	\$ 326,332
Pine	\$ 130,857	\$ 6,908	\$ 137,765	\$ 137,509	\$ 140,095	0.2869%	\$ 129,043
Pipestone	\$ 43,951	\$ 2,049	\$ 46,000	\$ 44,992	\$ 46,778	0.0958%	\$ 43,088
Polk	\$ 1,018,143	\$ -	\$ 1,018,143	\$ 898,879	\$ 971,208	1.9887%	\$ 894,591
Pope	\$ 192,466	\$ -	\$ 192,466	\$ 163,179	\$ 176,700	0.3618%	\$ 162,761
Ramsey	\$ 4,140,215	\$ 350,573	\$ 4,490,788	\$ 4,572,900	\$ 4,566,749	9.3513%	\$ 4,206,487
Red Lake	\$ 67,724	\$ -	\$ 67,724	\$ 30,385	\$ 34,533	0.0707%	\$ 31,809
Redwood	\$ 72,687	\$ 3,581	\$ 76,268	\$ 72,456	\$ 77,558	0.1588%	\$ 71,440
Renville	\$ 168,713	\$ -	\$ 168,713	\$ 150,447	\$ 162,466	0.3327%	\$ 149,650
Rice	\$ 817,964	\$ -	\$ 817,964	\$ 728,992	\$ 787,254	1.6121%	\$ 725,149
Rock	\$ 121,673	\$ 58,950	\$ 180,623	\$ 174,358	\$ 183,678	0.3761%	\$ 169,188
Roseau	\$ 124,355	\$ 23,855	\$ 148,210	\$ 143,889	\$ 150,717	0.3086%	\$ 138,827
Scott	\$ 240,300	\$ -	\$ 240,300	\$ 236,155	\$ 244,365	0.5004%	\$ 225,087
Sherburne	\$ 467,034	\$ 14,000	\$ 481,034	\$ 476,763	\$ 489,171	1.0017%	\$ 450,581
Sibley	\$ 192,005	\$ -	\$ 192,005	\$ 148,757	\$ 161,929	0.3316%	\$ 149,155
St. Louis	\$ 4,447,794	\$ -	\$ 4,447,794	\$ 4,237,349	\$ 4,523,027	9.2618%	\$ 4,166,214
Stearns	\$ 1,040,522	\$ -	\$ 1,040,522	\$ 828,389	\$ 900,272	1.8435%	\$ 829,251
Steele	\$ 207,312	\$ -	\$ 207,312	\$ 192,357	\$ 207,295	0.4245%	\$ 190,942
Stevens	\$ 192,116	\$ -	\$ 192,116	\$ 131,492	\$ 144,280	0.2954%	\$ 132,898
Swift	\$ 235,166	\$ -	\$ 235,166	\$ 158,350	\$ 173,945	0.3562%	\$ 160,223
Todd	\$ 323,937	\$ -	\$ 323,937	\$ 306,971	\$ 330,456	0.6767%	\$ 304,387
Traverse	\$ 47,859	\$ 7,924	\$ 55,783	\$ 56,320	\$ 56,727	0.1162%	\$ 52,252
Wabasha	\$ 150,634	\$ 15,000	\$ 165,634	\$ 162,635	\$ 168,436	0.3449%	\$ 155,148
Wadena	\$ 344,577	\$ -	\$ 344,577	\$ 299,153	\$ 323,517	0.6625%	\$ 297,996
Waseca	\$ 73,016	\$ -	\$ 73,016	\$ 39,679	\$ 44,307	0.0907%	\$ 40,812
Washington	\$ 1,319,829	\$ 149,504	\$ 1,469,333	\$ 1,395,867	\$ 1,494,186	3.0596%	\$ 1,376,313
Watonwan	\$ 154,935	\$ -	\$ 154,935	\$ 112,273	\$ 122,727	0.2513%	\$ 113,045
White Earth	\$ 20,235	\$ -	\$ 20,235	\$ 15,953	\$ 17,348	0.0355%	\$ 15,979
Wilkin	\$ 57,245	\$ 9,228	\$ 66,473	\$ 63,151	\$ 67,597	0.1384%	\$ 62,265
Winona	\$ 430,366	\$ -	\$ 430,366	\$ 354,440	\$ 384,438	0.7872%	\$ 354,110
Wright	\$ 751,973	\$ -	\$ 751,973	\$ 583,652	\$ 635,262	1.3008%	\$ 585,147
Yellow Medicine	\$ 63,710	\$ -	\$ 63,710	\$ 49,970	\$ 54,355	0.1113%	\$ 50,067
Totals	\$ 50,321,717	\$ 1,358,336	\$ 51,680,053	\$ 45,625,666	\$ 48,653,382	100.00%	\$ 44,983,000

**ALTERNATIVE CARE PROGRAM
LOCAL AC PROGRAM PLAN AND BUDGET - FY 2007**

Part I: Local AC Program Plan for Administrative Assurances

To ensure that lead agencies are actively working to address the state's purpose and goals of the program, local AC administrators are required to complete a program plan for administrative assurances to coincide with the annual allocation of AC funds. The assurances represent the administrative components required of lead agencies to effectively manage and monitor the AC program and to ensure compliance with the state's requirements. The list of AC administrative assurances is intended to summarize local responsibilities and to complement quality assurance activities on home and community-based services.

Directions: The local AC program administrator (county director) must sign the completed form by entering the staff person responsible for each AC program assurance in the space allowed at the left margin and provide the authorizing signature at the end of Part I and Part II. Submit to the department by *July 31, 2006*.

Administrative Assurances:

The local AC administrative agency, _____, assures the department of human services that the following administrative activities and requirements are fulfilled:

_____ The local AC administrative agency is the lead agency responsible for locally administering the AC program. The county social services agency may delegate administration to the county's public health nursing agency. If these two agencies do not function under the same county board of commissioners, the county social services agency must have a contract agreement with the public health agency. Name the lead agency:

_____ The lead agency assures appropriate determination of AC eligibility according to MN Statutes, Section 256B.0913, including appropriate referrals to other programs and determination of AC client fees. In addition, annual AC eligibility renewals are performed as indicated due to changes in the client's health status or circumstances.

_____ The lead agency assures access to the long term care consultation process according to MN Statutes, Section 256B.0911, including a community assessment determining level of need, and access to case management services, including the development of an individualized community support plan with the AC client's individual needs and preferences.

_____ The lead agency assures informed client choice, including information about other programs, AC service options, and freedom of choice among MHCP enrolled AC service providers under contract with the lead agency.

_____ The lead agency assures that the AC provider contracting process develops vendor contracts for AC services providers which include vendor duties, AC provider standards, AC service definitions, negotiated payment rates for service delivery, and the provider claims and payment mechanism through the state's MMIS.

_____ The lead agency assures that the AC vendor contracting process and contract documents have addressed issues regarding conflict of interest, Human Rights requirements according to MN Statutes, Section 363.073, and Worker's Compensation requirements according to MN Statutes, Section 60A.352.

_____ The lead agency monitors contracted providers for compliance with requirements under the state's Medicaid certified, MHCP enrollment process, including conditions of provider participation agreement form (MS-1302, 8/98) according to Minnesota Statutes, Section 256B.0644 and Minnesota Rules, Chapter 9505.5200 through 9505.5240.

_____ The lead agency supervises and monitors the quality of home and community-based services available and provided through funds under the local AC program.

_____ The lead agency assures compliance with documentation, maintenance, and retention of client records requirements under the Minnesota Records Retention Law for five years from the date of the last activity on the record according to Minnesota Rules, Chapter 9505.2160 through 9505.2245.

_____ The lead agency assures compliance with the requirements of data privacy practices under the Data Practices Act according to MN Statutes, Section 13.461, and the Health Insurance and Portability Act of 2001 .

_____ The lead agency assures compliance with federal and state laws (practices, policies, and procedures), including the Americans with Disabilities Act of 1990, Title II, according to Public Law 101-336 (ADA Statute), and the Department of Justice Final Rule, 28 CFR Part 35 (1992).

_____ The lead agency assures that it actively institutes measures that work toward the state's purpose and goals for the AC program, including efforts toward expanding access to AC covered services, AC service options, and choice among service delivery settings.

_____ The lead agency assures financial accountability, cost-effectiveness, and access of the local AC program through ongoing management and monitoring of encumbered funds on approved service authorization documents, total cumulative AC expenditures, total AC clients, provider contracts and provider billing, and the annual local AC budget.

Authorizing Signature (County Director)

Date

Note: The lead agency is responsible for retaining a copy for their records in compliance with the department's quality assurance and auditing activities.

ALTERNATIVE CARE PROGRAM
LOCAL AC ADMINISTRATIVE PLAN AND BUDGET - FY 2007

Part II: Budget Worksheet

Lead Agency: _____

A. Evaluating Final AC Expenditures - FY 06

1. Total AC expenditures for FY 06 (AC-CAP-USED amount displayed in PREV row on the PFIN screen in the Provider File Application of MMIS, June 30, 2006)
2. Estimated amount of AC expenditures for FY 06 (Item C.1. of Part II on Attachment B: Local AC Administrative Plan and Budget - FY 2006, DHS Bulletin #05-25-05, issued July 15, 2005)
3. Calculate difference in expenditures (subtract item A.2. from item A.1.)
4. Percent of over expenditure or under expenditure (divide item A.3. by item A.1.)

\$ _____

\$ _____

\$ _____

\$ _____

B. Evaluating AC Program Access - FY 06

1. Total AC clients served (Total unduplicated recipients used on InfoPac R2208 for July 1, 2006, or R2457 as of July 1, 2006)
2. Total estimated AC clients to be served (Item C.2. of Part II, Attachment B: Local AC Administrative Plan and Budget - FY 2006, DHS Bulletin #05-25-05, issued July 15, 2005)
3. Calculate the difference in number of clients accessing the AC program (subtract item B.2. from item B.1.)
4. Percent growth in AC caseload (divide item B.3. by item B.2.)
5. Average expenditure for AC services per client (divide item A.1. by item B.1.)

1. _____

2. _____

3. _____

4. _____

5. _____

C. Local AC Program Budget - FY 07

1. FY 07 base allocation amount (amount from Attachment A)
2. Estimate number of unduplicated AC clients in FY 07 (divide item C1. by item B.5.)

\$ _____

AC Clients: _____

D. AC Discretionary Services Budget (authorized agencies only)

1. Enter base allocation amount from Attachment A
2. Multiply item D.1. by .25 (FY 07 cap for discretionary service)
3. Estimate total expenditures for FY 07 AC discretionary services

\$ _____

\$ _____

\$ _____ (X5527)

E. Local Lead Agency AC Administrator / Contact Information and Authorization

Staff contact person:

Tel. No: () -

Staff email address:

Fax No: () -

Lead Agency Director:

Email address:

Tel. No: () -

Director signature:

Date:

**ALTERNATIVE CARE PROGRAM
TRIBAL GOVERNMENT LETTER OF INTEREST**

Tribal governments that are interested in administering a local AC program can submit this attachment at any time to request information or technical assistance to support a local planning process toward pursuing a contract with the department or contact the department directly. Check and complete any items below that apply:

_____ General information session Requested date: _____

_____ Information and training session Requested date: _____

_____ Data Request: _____

Information technology resources needed: _____

_____ Computer Training Requested Date: _____

The estimated local need for AC home and community-based services are: _____

The estimated funds needed for AC services: _____

Estimated time lines for implementation: _____

The contact people who will be responsible for locally developing the AC programs are:

Name: _____ Telephone No: _____

Name: _____ Telephone No: _____

Authorizing Signature: _____ Date: _____

(Tribal Chair or Tribal Health Director)

**ALTERNATIVE CARE PROGRAM
APPLICATION FOR TARGETED FUNDS - FY 2007**

Part I: Outline for Supporting Information

Requests for targeted funds must be submitted with a brief summary of supporting information together with a supplementary budget worksheet (Attachment D, Part II) to demonstrate the level of funds required. Both Part I and Part II are required prior to department approval for AC targeted funds. Use the following questions as a guide for completing the supporting information.

A. Aside from the local program plan of fundamental program components submitted to the department, *what additional activities or initiatives* is the local program pursuing to *further* the state's purpose and goals for the AC program in local communities? An example may be that a need for additional access to waiver transportation service has been identified and expanding the capacity for service delivery in this area is being addressed.

B. How will additional funds be *utilized*? Examples (related to the example above) may be to negotiate a contract with a new vendor in the community, or to support higher access to waiver transportation service due to an increasing AC population. Include estimates on the related cost and number of clients that will be affected by this change.

C. What *local change* in the AC program is occurring that necessitate access to additional funds? An example may be that the local AC population is serving a greater number of clients with higher ADL needs, on the average, or assisting more nursing facility residents to transition into community-based services. Include estimates on differences or variations in the profile of the local AC population, changes in the average cost per client, and the overall affect on the local AC program compared with the agencies fiscal year budget submitted in July 2006.

D. What *provider issues* is the local program experiencing that necessitate access to additional funds? An example may be that certain providers are exhibiting poor provider billing practices which were unanticipated in the original fiscal year budget. Provide detailed documentation on the impact to the local program's AC funds and the local plan to resolve provider discrepancies.

E. Specify whether the local program is involved in planning and development initiatives related to planned nursing facility closures, long term care reform, community capacity or service grants, or care-giver support programs. Indicate the time line, status, and interaction with any other department's approval or funding process. Attach a brief summary of the local planning and development information. Lead agencies are not required to resubmit gaps analysis information currently on file at the department.

F. Include other relevant information specific to the local program such as the affect of belated expenditures from the previous fiscal year, the level of encumbered amounts on service authorizations, and the level of provider payment in relation to encumbered amounts. In addition, include noted changes in specific service expenditures or statewide program changes and their impact on the local AC program.

**ALTERNATIVE CARE PROGRAM
APPLICATION FOR TARGETED FUNDS - FY 2007**

Part II: Supplementary Budget Worksheet

A supplementary budget worksheet must be included with the supporting summary information when a request for AC targeted funds is submitted to the department.

A. Lead Agency:		
B. Revised Local AC Budget - FY 2007	Local AC Base Allocation Amount	\$
	Requested Targeted Funds Amount	\$
	Revised Local AC Base Allocation Amount	\$

C. Lead Agency/Local AC Administrator Contact Information and Authorization:				
AC administrative contact person:			Tel. No: () -	
Email address:			Fax No: () -	
Lead Agency Director:				
Director's Signature:			Date:	
D. Department Approval of Targeted Funds Request (For Central Office Use Only)				
Date Received:				
Approved Allocation Amount (revised):			\$	
Authorizing Signature:			Date:	
Approved Allocation Amount (revised):			\$	
Authorizing Signature:			Date:	
AC Allocation Spreadsheet Revised	Initial:	Date:	Initial:	Date:
Allocation Amount Revised - MMIS	Initial:	Date:	Initial:	Date:
Approval Letter Sent	Initial:	Date:	Initial:	Date:

Note: Approval of AC targeted funds is added to the lead agency's base allocation amount and affects the determination of the base allocation amount for the following fiscal year.