

Bulletin

July 17, 2006

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

OF INTEREST TO

- County Directors
- Social Services Supervisors and Staff
- County Public Health Nursing Services
- Administrative Contacts: LTCC, EW and AC programs
- Tribal Directors
- Managed Care Organizations

ACTION/DUE DATE

Please read bulletin and implement service agreement changes as necessary by October 1, 2006.

EXPIRATION DATE

The policies in this bulletin are ineffective as of October 1, 2007.

Legislative Action Increases Alternative Care and Elderly Waiver Program Service Rates

TOPIC

Service rate limits and case mix limits increased 2.2553 percent in FY06 effective October 1, 2005, and in FY07 effective October 1, 2006. This bulletin will address service rate limits effective October 1, 2006. Case mix caps, service rate limits for Assisted Living and Residential Care services, and Consumer Directed Community Support budgets will be addressed in a later bulletin.

PURPOSE

- Notify county and tribal agencies of the rate increases and provide rate charts with new limits for rates beginning 10/1/06.
- Explain the MMIS COLA process to partially modify service agreements.

CONTACT

AC policy questions: Denise Kolb at 651 431-2567 or

denise.kolb@state.mn.us

EW policy questions: Libby Rossett-Brown at 651 431-2569 or

libby.rossett-brown@state.mn.us

Service Agreement questions: Lynn Glockner at 651 431-2572 or

lynn.glockner@state.mn.us

SIGNED

LOREN COLMAN

Assistant Commissioner

Continuing Care Administration

I. SERVICE RATES

The 2005 Minnesota legislature authorized a 2.255% increase of service rate limits for all Elderly Waiver (EW) and Alternative Care (AC) services for Fiscal Year (FY) 06 for those services rendered on or after October 1, 2005. Also authorized was a 2.255% increase for EW and AC services rendered on or after October 1, 2006 for FY07. Attachments A and B lists the service rate limits for EW and AC services effective October 1, 2006.

While a provision of the law that increased the provider rates specified that those providers shall use 75% of the additional revenue to increase the compensation paid to all employees, except for management fees, the administrator, and central office staff, an amendment to the law effective July 1, 2006 changed which employees will receive the wage adjustment to “Providers that receive a rate increase under this section shall use 75 percent of the additional revenue to increase wages and benefits and pay associated costs for employees except for management fees, the administrator, and central office staffs. The wage adjustment eligible employees may receive may vary based on merit, seniority, or other factors determined by the provider.”

“Compensation” means related costs that include wages, bonuses, stipends, payroll taxes and benefits. It is expected that counties will negotiate rates with each EW and AC provider for services provided on or after October 1, 2006, and adjust provider contracts accordingly, based on the county’s knowledge of a plan for compliance with this legislation.

Legislation does not require providers to provide an across- the-board increase for all staff. Providers can choose to focus the new funding on health benefits or other options as long as at least 75% of the revenue is used to increase the compensation paid to employees other than the administrator and central office staff.

A copy of the provider’s plan for complying with the above requirement must be made available to all employees. Providers accomplish this by giving each employee a copy or posting the plan in an area of the provider’s operation to which all employees have access. The plan must include the phone number for the state message line regarding staff compensation increases. This number is listed below along with an email address that can also be used for contact. For public employees, the increase for wages and benefits for certain staff is available and pay rates shall be increased only to the extent that they comply with the laws governing public employees’ collective bargaining.

If an employee does not receive the adjustment as described in the plan and is unable to resolve the problem with the provider the employee should contact their union representative. If the employee is not covered by a collective bargaining agreement, the employee should contact the state message line regarding staff compensation increases. That phone number is 888-234-2687. Alternatively, employees can use DHS.COLA@state.mn.us for COLA related questions.

The plan should be available to county agencies and DHS upon request. Lead county agencies should monitor this requirement and request copies of the providers’ plans as they contract for home and community based services.

II. MMIS COLA PROCESS

MMIS will be programmed to partially adjust EW and AC service agreement line items affected by the rate increase include home care line items. The conversion will be combined with Phase 2 of the HIPAA Conversion to accommodate agencies not having to adjust service agreements twice during the same time frame. Bulletin 06-56-02 *Phase 2 Conversion to National HIPAA Procedure Codes for Home Care, Waiver, AC Programs, and DT &H (including ICF/MR)* addresses the conversion for HIPAA Phase 2 codes. DHS will allow counties nearly two months to make the adjustments needed for both processes.

Case managers will need to determine the rate of the line item that begins October 1 or later. You may increase authorized payment rates up to the new rate limits in accordance with your provider contracts and schedule. In addition, all services *including case management*, must follow the legislative instructions regarding application of increases to compensation of certain staff (see Section I of this bulletin).

MMIS Conversion of Service Agreements

The partial adjustment process will begin on July 21. A backup of the production file will be made before starting the automation process, and the rate file will be updated with the new statewide maximum rates. This backup will be used to restore service agreements if an error occurs during automation. We ask that staff ***DO NOT*** make changes to existing service agreements nor add new service agreements from July 21 to July 25. Edit 381- Rate Record Not Found will post on line items. Also, changes made to service agreements will not be included in the backup file and cannot be restored in the event of an error. An e-mail will be sent when you may start changing or adding new service agreements again.

Service agreement lines for EW and AC (including home care lines) will be partially adjusted by MMIS if all the following criteria are met:

- The line item has a status of approved, pended or suspended.
- The line item dates include the date of 10/01/06 or later.
- The line item is priced by a rate and unit; not a total amount.

This process involves the following MMIS changes and identifies what action is needed to be completed (if any) by the case manager:

Line items that start before 10/1/06 and end after 10/1/06

Line items that are approved, pending, or suspended which start before 10/1/06 and end after 10/1/06 will:

- be split so the lines end on 9/30/06;
- a new suspended line is added with the Approved Rate and Requested Rate fields left blank beginning 10/1/06;
- units will be split between the two lines;
- the new line will end on the date that the previous line ended;

- if the service requires to be manually priced “MM” will be added to the Source field. Edit 277 (Approved Rate Must be > than 0) will post if the Approved Rate field is left blank . These services are:
 - Assisted Living, Monthly (X5292/T2030),
 - Assisted Living Plus, Monthly (X5362/T2030 TG),
 - Foster Care, Adult, Monthly (S5141),
 - Out of Home Respite, Daily (H0045),
 - Residential Care, Monthly (X5291/T2032).

NOTE: Elderly Waiver Assisted Living, Assisted Living Plus, Foster Care, and Residential Care service caps will not be increased in MMIS until August 2006. Those cap amounts were not available at the time of this conversion. You may leave those line items alone that begin 10/1/06 or later until the service caps are identified in an upcoming bulletin.

- reason code 499 will be added; and
- edit 380 (Auto Rate Increase Suspended) will post on the old and new line item.
- state plan line items for PCA (T1019). If the service agreement had two line items prior to the conversion, edit 889 (More Than Two Lines) will post and must be forced. The units on the new line that starts 10/1/06 can not be increased. Edit 891 (Can't Increase Units) will post. Additional units may be added to a new line item for extended PCA for that period. NOTE: PCA services on the AC service agreement allows edit 891 to be forced when adjusting units between the two lines and the units may be increased on the new line item.

Action Needed: Check and adjust as needed the number of units left on the old and new line items. Add the new rate to the line item as appropriate. Re-approve the new line item. Change the header status back to “A”.

Line items that begin 10/1/06 or greater

Approved line items that begin 10/1/06 or greater will be changed to a status of suspend. Reason code 499 will be added and edit 380 will post.

Action Needed: Change the rate as appropriate. Re-approve the line items. Change the header status to “A”. See the “note” under the previous section for Assisted Living, Assisted Living Plus, Residential Care, and Foster Care services.

Line items that end after 9/30/06 with no unpaid units or total dollars left

If the line item's requested units match the used units or the requested total amount matches the total amount used, the line will just end on 9/30/06.

Action Needed: None, unless the service is continuing beyond 9/30/06. Then, a new line item beginning 10/1/06 must be added with the new rate as appropriate.

Services that will not be adjusted

- The cap for Modifications/Adaptations (S5165) will increase by 2.255% but the line item itself will not be suspended and should not be increased. The line item should reflect the actual cost

of the modification. The additional increase may be used for future modifications.

Action Needed: None

- Supplies/equipment (E1399 – AC or x5467/T2029 – EW) should not be increased. The line item should reflect the actual cost of the item.

Action Needed: None.

- AC Discretionary Services Option (x5527) should not be increased.

Action Needed: None.

- PMAP/MSHO/MSCH+ Home Care Services (x5609) represents the total cost of the MA state plan services for Elderly Waiver recipients enrolled with a managed care organization with Pre-paid Managed Care Plan (PMAP now replaced by Minnesota Senior Care Plus - MSC+) or Minnesota Senior Health Options (MSHO).

Action Needed: The total amount should be manually increased to reflect the rate increases for these services.

- Consumer Directed Community Supports – CDCS (T2028)

Action Needed: None.

- CDCS Background Checks (T2040)

Action Needed: None.

- Elderly Waiver Transitional Services (T2038)

Action Needed: None.

Exceeding the Case Mix Cap

It is possible that the rate increases will cause the total amount encumbered to exceed the client's case mix cap for the entire service agreement period. Edit 672 (Total Authorized Amount is Excessive) will post. The units or total amount on one or more line items must be reduced in order to bring the amount in the Total Authorized Amount field to be equal to or less than the Total Cap Amount field on the ASA1 screen.

The case mix caps for EW and AC will be increased in MMIS in August 2006. If edit 672 does post on a service agreement, the Total Authorized Amount may be increased after the service caps are entered into MMIS in August by entering a LTC screening document using Activity Type 05 and Assessment Result 98 and dates of October 1 or greater. When the screening document is approved and saved, re-edit the service agreement. An upcoming bulletin will address the EW and AC case mix caps.

Service Agreement Letters

When the new line items are re-approved, a letter to the case manager and all providers on the service agreement will be generated. **Providers must wait until receiving an MMIS service agreement letter with the updated information to bill for October services at the new rate.**

Conversion Report

Report PWMW941A-R2083A (Service Agreement/Procedure Code Rate Increase Report) will be produced and placed on Infopac July 26 so county and tribal staff can see which service agreements were affected. Note: This report will include both the lines that are split for COLA (that were HIPAA Phase 1) and the lines that are split due to HIPAA phase 2. In order to determine if the line has been split due to COLA or HIPAA, refer to the reason code on the line. Reason codes 984-986 are used for HIPAA whereas reason code 499 will display if the line was split due to COLA.

After the automation process, staff may use the above report to review the units that were split between the old and new line items. If there are not enough units to cover the period of the new line item, the provider has billed too many of the authorized units prior to October 1, 2006. You must notify the provider to initiate a replacement claim (credit) against the old line item. However, many waiver and AC plans are made and services authorized on an annual basis. Annual service agreement line items may have been entered by the case manager with the understanding that, to address the needs of the client, particular providers may bill more heavily in one period of the service agreement than another. Case managers may review these situations and make the appropriate line item unit adjustments.

III. SIS-EW LIMIT INFORMATION AS OF 07/01/06

Effective July 1, 2006, the Maintenance Needs Allowance for SIS-EW increases to \$816. The Special Income Standard increased to \$1,809 on January 1, 2006.

IV. RELATED BULLETINS

- 06-56-02 Phase 2 Conversion to National HIPAA Procedure Codes for Home Care, Waiver, AC Programs, and DT &H (including ICF/MR)
- 06-25-02 Annual Increase for Maintenance Needs Allowance and Elderly Waiver Conversion Rates
- 04-56-09 Implementation of 2003 Legislative Changes to Group Residential Housing Rates and Waiver Services
- 06-21-05 Minnesota Senior Health Options Expansion Update

V. ATTACHMENTS

- Attachment A – Elderly Waiver Program Service Rate Chart
- Attachment B – Alternative Care Program Service Rate Chart

VI. ALTERNATIVE FORMATS

This information is available in other forms to people with special needs by contacting us at 651 431-2500 or 1-800-882-6262; or through the Minnesota Relay Service at 7-1-1 or 1-800-627-3529 (TDD) or 1-877-627-3848 (speech-to-speech relay service).

Elderly Waiver Program HCPC Service Rate Limits as of October 1, 2006

Service Name	MMIS Code	Modifier	Units	“Up to” Rate as of October 1, 2006
Adult Day Care	S5100		15 minutes	\$3.14
Adult Day Care	S5102		Daily	\$42.02
Adult Day Care Bath	S5100	TF	15 minutes	\$7.03
Assisted Living Services	T2030		Monthly	Bulletin 06-25-05
Assisted Living Plus	T2030	TG	Monthly	Bulletin 06-25-05
Caregiver Training and Education	S5116		Per session	\$67.44
Case Management	T1016	UC	15 minutes	\$23.70
Case Management, Paraprofessional	T1016	TF and UC	15 minutes	\$8.74
Chore Services	S5120		15 minutes	\$3.48
Companion Services	S5135		15 minutes	\$2.02
Consumer Directed Community Supports (CDCS)	T2028		Per session	Up to the CDCS Cap Amount. Bulletin 06-25-05
CDCS Background Checks	T2040		15 minutes	\$25.00
CDCS Mandatory Case Management	T2041		15 minutes	Up to the MCM Cap Amount. Bulletin 06-25-05.
Extended Home Health Medical Supplies and Equipment	T2029			Per item
Extended Personal Care 1:1	T1019	UC	15 minutes	\$3.90
Extended Shared Personal Care 1:2 Ratio	T1019*	UC and TT	15 minutes	\$2.93
Extended Shared Personal Care 1:3 Ratio	T1019*	UC and HQ	15 minutes	\$2.58
Extended Home Health Aide	G0156		15 minutes	\$7.45
Foster Care, Family	S5141		Monthly	Bulletin 06-25-05
Foster Care, Corporate	S5141	HQ	Monthly	Bulletin 06-25-05
Home Delivered Meal	S5170		1 meal per day	\$6.08
Homemaker Service	S5130		15 minutes	\$4.29
Homemaker Service	S5131		Per Diem	\$41.42
LPN Regular Extended 1:1	T1003	UC	15 minutes	\$6.22
LPN Shared Extended 1:2	T1003**	UC and TT	15 minutes	\$4.67
LPN Complex Extended	T1003**	UC and TG	15 minutes	\$7.29
Modifications/Adaptations	S5165		Per item	\$4,845.00
PPHP/MSHO/MSCH+ Home Care Services	X5609		None	Total amount of services provided by the health plan provider.
RN Regular Extended 1:1	T1002	UC	15 minutes	\$8.10
RN Shared Extended 1:2	T1002** *	UC and TT	15 minutes	\$6.08

Service Name	MMIS Code	Modifier	Units	“Up to” Rate as of October 1, 2006
RN Complex Extended	T1002** *	UC and TG	15 minutes	\$9.72
Residential Care Services	T2032		Monthly	Bulletin 06-25-05
Respite, in home	S5150		15 minutes	\$5.05
Respite, in home	S5151		Per diem	\$90.85
Respite, out of home	S5150	UB	15 minutes	\$5.05
Respite, out of home	H0045		Per diem	\$90.85
Respite, hospital	H0045		Per diem (24 hours)	\$137.57
Respite, certified facility	H0045		Per diem	NF’s per diem for the client’s case mix
Transitional Services	T2038		Per service	Up to the client’s case mix cap
Transportation	T2003	UC	One-way trip	\$13.90

Key

- * For Extended Share PCA 1:2 and 1:3, use T1019 with a “Y” in the Share Care field and modifier UC. For Extended Share PCA 1:2 use T1019 with modifiers UC and TT on the claim. For Extended Share PCA 1:3, use T1019 with modifiers UC and HQ on the claim.
- ** For LPN Regular Extended 1:2, use T1003 with a “Y” in the Share field and modifiers UC and TT on the service agreement as well as the claim form. For LPN Complex Extended, use T1003 with a “Y” in the Share field and modifier UC on the service agreement. Use modifiers UC and TG on the claim form.
- *** For RN Regular Extended 1:2, use T1002 with a “Y” in the Share field and modifiers UC and TT on the service agreement as well as the claim form. For RN Complex Extended, use T1002 with modifier UC on the service agreement. Use modifiers UC and TG on the claim form.

Alternative Care Program HCPC Service Rate Limits as of October 1, 2006

Service Name	MMIS Code	Modifier	Units	“Up to” Rate as of October 1, 2006
Adult Day Care	S5100		15 minutes	\$3.14
Adult Day Care	S5102		Daily	\$42.02
Adult Day Care Bath	S5100	TF	15 minutes	\$7.03
Caregiver Training and Education	S5116		Per session	\$67.44
Case Management	T1016	UC	15 minutes	\$23.70
Case Management, Conversion	T1016		15 minutes	\$23.70
Case Management, Paraprofessional	T1016	TF and UC	15 minutes	\$8.74
Chore Services	S5120		15 minutes	\$3.48
Companion Services	S5135		15 minutes	\$2.02
Consumer Directed Community Supports (CDCS)	T2028		Per session	Up to the CDCS Cap Amount. Bulletin 06-25-05
CDCS Background Checks	T2040		15 minutes	\$25.00
CDCS Mandatory Case Management	T2041		15 minutes	Up to the MCM Cap Amount. Bulletin 06-25-05
Discretionary Services Option	X5527			Limited to 25% of the county's base allocation amount
Home Delivered Meal	S5170		1 meal per day	\$6.08
Home Health Service – Aide	T1021		Visit	\$53.57
Home Health Service – Aide	G0156		15 minutes	\$7.45
Home Health Service – Skilled Nursing	T1030		Visit	\$69.80
Home Health Service – Skilled Nursing	G0154		15 minutes	\$8.51
Home Health Service – Telehomecare	T1030	GT		\$69.80
Homemaker Service	S5130		15 minutes	\$4.29
Homemaker Service	S5131		Per Diem	\$41.42
Modifications/Adaptations	S5165		Per item	\$4,845.00
Nutrition Services	S9470		Visit	\$75.03
Personal Care Assistant 1:1	T1019		15 minutes	\$3.90
Personal Care Assistant, Shared 1:2	T1019*	TT	15 minutes	\$2.93
Personal Care Assistant, Shared 1:3	T1019*	HQ	15 minutes	\$2.58
Personal Care Assistant	T1020		Per Diem	\$47.25
Personal Care Assistant - RN Supervision	X4037		15 minutes	\$6.86
Private Duty Nursing - LPN Regular	T1003		15 minutes	\$6.22
Private Duty Nursing – LPN Shared 1:2	T1003**	TT	15 minutes	\$4.67
Private Duty Nursing – LPN	T1003**	TG	15 minutes	\$7.29

Service Name	MMIS Code	Modifier	Units	“Up to” Rate as of October 1, 2006
Complex				
Private Duty Nursing - RN Regular	T1002		15 minutes	\$8.10
Private Duty Nursing - RN Shared 1:2	T1002** *	TT	15 minutes	\$6.08
Private Duty Nursing - RN Complex	T1002** *	TG	15 minutes	\$9.72
Respite, in home	S5150		15 minutes	\$5.05
Respite, in home	S5151		Per diem	\$90.85
Respite, out of home	S5150	UB	15 minutes	\$5.05
Respite, out of home	H0045		Per diem	\$90.85
Respite, hospital	H0045		Per diem (24 hours)	\$137.57
Respite, certified facility	H0045		Per diem	NF's per diem for the client's case mix
Supplies and Equipment	E1399		Per item	
Transportation	T2003		One-way trip	\$13.90

Key

- * For Share PCA 1:2 and 1:3, use T1019 with a “Y” in the Share Care field. For Share PCA 1:2 use T1019 with modifier TT on the claim. For Share PCA 1:3, use T1019 with modifier HQ on the claim.
- ** For LPN Regular 1:2, use T1003 with a “Y” in the Share field and modifier TT on the service agreement as well as the claim form. For LPN Complex, use T1003 with a “Y” in the Share. Use modifier TG on the service agreement as well as the claim form.
- *** For RN Regular 1:2, use T1002 with a “Y” in the Share field and modifier TT on the service agreement as well as the claim form. For RN Complex, use T1002 with modifier TG on the service agreement as well as the claim form.