

Bulletin

July 5, 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
- ICF/MR Providers

ACTION/DUE DATE

Providers complete Distribution Plan for ICFs/MR by Dec. 31, 2006 and submit to DHS.

EXPIRATION DATE

The policies in this bulletin expire on July 5, 2008

2006 Legislative ICF/MR Changes – COLA and ICF/MR Plan

TOPIC

Impact of 2006 legislative changes for Intermediate Care Facilities for Persons with Mental Retardation or Related Conditions.

PURPOSE

Describe legislative changes and actions required.

CONTACT

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For TTY, contact Minnesota Relay Service at 1-800-627-3529

Minnesota Department of Human Services
Disability Services Division
PO Box 64967
St. Paul, MN 55164-0967

SIGNED

LOREN COLMAN

Assistant Commissioner

Disability Services Division

COST OF LIVING INCREASE

Laws of Minnesota 2006, Chapter 282, article 20, section 27, subdivision 6 amends Minnesota Statutes 2005, subdivision 256B.5012 to read:

I. Cost of living beginning October 1, 2006

Beginning October 1, 2006, the commissioner shall make available to each ICF/MR facility reimbursed under section 256B.5012 an adjustment of **2.2553 percent** to the total operating payment rate (excluding the property-related payment rate in effect on the preceding day).

The application of this rate adjustment must be made using the distribution form in this bulletin that identifies the plan by which the facility will distribute the funds.

The Provider plan must identify and comply with the following conditions:

- 75 percent of the money resulting from the rate adjustment must be used to increase wages, benefits and pay associated costs for employees, except for administrative and central office employees.
- This increase is not mandated for all employees. The wage adjustment that eligible employees may receive may vary based on merit, seniority or other factors determined by the provider.
- 75 percent of the money received by a facility as a result of the rate adjustment provided must be used only for wage, benefit, and staff increases implemented on or after October 1, 2006 and must not be used for increases implemented prior to that date.
- For facilities in which the employees are represented by an exclusive bargaining representative, an agreement negotiated and agreed to by the employer and the exclusive bargaining representative constitutes the plan. A negotiated agreement may constitute the plan only if the agreement is finalized after the date of enactment of all rate increases for the rate year.

Distribution review and approval:

This adjustment is contingent on the ICF/MR provider developing and submitting a distribution plan which is approved by DHS. The commissioner or his designee shall review the plan to ensure that the payment rate adjustment per diem is used as provided by law. To be eligible, a facility must submit its plan by December 31, 2006. If a facility's plan is effective for its employees after the first day of the applicable rate period that the funds are available, the payment rate adjustment per diem is effective the same date as its plan.

If the distribution plan is approved, a confirmation letter will be sent to the provider. The provider will receive the new rate on the rate notice for October 1, 2006.

Distribution Plan:

A copy of the approved distribution plan must be made available to all employees by giving each employee a copy or by posting it in an area of the facility to which all employees have access. If an employee does not receive the wage and benefit adjustment described in the facility's approved plan and is unable to resolve the problem with the facility's management or through the employee's union representative, the employee may contact the commissioner at an address or telephone number provided by the commissioner and included in the approved plan. That phone number is 1-888-234-2687. Email address is DHS.COLA@state.mn.us.

Facilities not eligible:

Any facility, whose payment rates are governed by closure agreements, receivership agreements, or Minnesota Rules, part 9553.0075, is not eligible for an adjustment.

2. RATE ADJUSTMENT BASED ON OCCUPIED BEDS

For the rate period beginning October 1, 2006, the commissioner will make the following adjustments.

The rate adjustment will be recomputed based on occupied beds as of 9-30-06 and not licensed capacity as of 9-30-06.

If this results in a rate change for any ICF/MR facility:

- DHS will automatically enter the adjusted payment rate and make any payment adjustment necessary back to October 1, 2006. If this has resulted in overpayment, a take back will occur.
- Rate notices will be sent to each affected provider

3. RATE ADJUSTMENT TO VARIABLE RATE SPECIAL NEEDS FUNDING

For variable rate special needs funding requests approved beginning October 1, 2005, for permanent retirement, either partial or full, a rate adjustment will be made.

For variable rates funding requests approved beginning October 1, 2006, for permanent retirement, either partial or full, the rate adjustment will be made. The daily amounts will be increased according to the table below.

Rates 10-1-2000 to 9-30-05		10-1-05 to 9-30-06	10-1-06 forward
5 days	\$33.00	\$33.75	\$34.51
4 days	\$26.40	\$27.00	\$27.61
3 days	\$19.80	\$20.25	\$20.71
2 days	\$13.20	\$13.50	\$13.80
1 day	\$ 6.60	\$ 6.75	\$ 6.90
		Rate increased 2.2553%	Rate increased 2.2553%

Variable rates for medical and behavior are not adjusted. The approval for those funds was granted based on specific cost based figures submitted by the facility and case manager related directly to the individual additional staffing requirements. The amount approved was not based on a pre defined rate but on the identified need and specific cost figures provided by the facility.

ICF/MR PLAN

Laws of Minnesota 2006, chapter 282, article 20, section 34 is added.

Effective date: Completed by December 15, 2008

The Commissioner of Human Services shall consult with ICF/MR providers, advocates, counties, and consumer families to develop a stakeholder plan and legislation concerning the future services provided to people served in ICF/MR. The plan shall be reported to the house and senate committees with jurisdiction over health and human services policy and finance issues by December 15, 2008.

In preparing the plan, the commissioner shall consider:

- (1) consumer choice of services;
- (2) consumers' service needs, including, but not limited to, active treatment;
- (3) the total cost of providing services in ICF/MR and alternative delivery systems for individuals currently residing in ICF/MR;
- (4) the impact of the payment shift to counties for ICF/MR with more than six beds;
- (5) whether it is the policy of the state to maintain an ICF/MR system and, if so, the plan shall:
 - (i) define the purpose, types of services, and intended recipients of ICF/MR services;
 - (ii) define the capacity needed to maintain ICF/MR services for designated populations;
 - (iii) evaluate incentives for counties to maintain ICF/MR services;
 - (iv) ensure that mechanisms are provided to adequately fund the transition to the defined services, maintain the designated capacity, and are adjustable to meet increased service demands; and
- (v) address the extent to which there is consensus among stakeholders; and
- (6) if alternative services are recommended to support the people now receiving services in an ICF/MR, the plan shall provide for transition planning and ensure adequate state and federal financial resources are available to meet the needs of ICF/MR recipients.

LEGAL AUTHORITY

Laws of Minnesota 2006, article 20 section 27, subdivision 6 has amended Laws of Minnesota 2005, subdivision 256B.5012. Section 34 has been added.

RESOURCES ON THE INTERNET

ICF/MR System Manual:

http://www.dhs.state.mn.us/main/groups/business_partners/documents/pub/DHS_id_057175.hcsp

Special Needs

This information is available in other forms to people with disabilities by contacting us at 651-431-2400 (voice), toll free at 1-800-747-5548 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).

**ICF/MR PROVIDERS DISTRIBUTION PLAN
FOR SFY 2007 RATE INCREASE**

Provider name: _____

Provider number: _____

STEP 1: CALCULATE BASE RATE INCREASE

A Enter the facility total base payment rate as of September 30, 2006

(Refer to the most current rate notice)

\$ -

B Enter the Property Rate that is part of the base payment

\$ -

C Subtract line B from line A for the Operating Rate

\$ -

D Multiply line C by 2.2553% for the Operating Rate increase

\$ -

E Multiply line D by the # occupied beds for the Daily Operating Rate increase

\$ -

F Multiply line E by 365 days for the Annual Operating Rate increase

\$ -

STEP 2: DETERMINE THE AMOUNT OF COMPENSATION INCREASE

G Enter the amount to be paid for salary increases

\$ -

H Enter the employers share of payroll taxes related to the salary increase

\$ -

I Enter the amount of new or expanded health insurance benefits

\$ -

J Add line G, H & I for the amount to be paid in additional compensation

(Compensation rate increases must equal at least 75% of line F)

\$ -

STEP 3: DETERMINE THE AMOUNT OF NON-COMPENSATION INCREASE

K Subtract line J from line F for the non-compensation increase

\$ -

Effective date of salary increase

STEP 4: SIGN AND MAIL/FAX TO THE DISABILITY SERVICES DIVISION

ICF/MR Director or Authorized Representative

Date

Phone number

*ICF/MR Rate Manager
Minnesota Department of Human Services
P.O. Box 64967
St. Paul, MN 55164-0967
Fax # (651) 431-7412
For questions, call (651) 431-2424*