#08-25-07

Bulletin

September 26, 2008

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

Implement service agreement changes by October 1, 2008.

EXPIRATION DATE

This bulletin is effective through October 1, 2010 or upon new legislation.

DHS Issues Monthly Service Case Mix Caps for Alternative Care and Elderly Waiver Programs

TOPIC

Cost-effectiveness limits for the AC and EW programs including:

- AC/EW monthly individual services caps increase
- MMIS service agreement COLA processing instructions,
- Customized Living Services, 24-hour Customized Living Services, Adult Foster Care, and Residential Care services limits for EW
- AC/EW Consumer-Directed Community Support budgets.

PURPOSE

Notify lead agencies and administrative contacts of individual client monthly service caps and changes effective October 1, 2008.

CONTACT

EW /AC 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

LOREN COLMAN
Assistant Commissioner
Continuing Care Administration

I. MONTHLY SERVICE CAPS

The Elderly Waiver (EW) and Alternative Care (AC) service caps for fiscal year (FY09) are shown in Attachment A. Service caps are increased annually based on the greater of the legislated increase in home and community based service rates or the average annual increase in the nursing home payment rate. The service caps were increased 3.0% from 10/1/08 to 6/30/09 reflecting three rate adjustments for nursing facilities: 2 - 1% cost of living adjustments (COLA) increases and a 1% rebasing adjustment. Use these new limits to determine the cost effectiveness of community support plans written on or after October 1, 2008.

Elderly Waiver Program

For EW clients who do not participate in a managed care Pre-Paid Medical Assistance Plan (PMAP - now replaced by the Minnesota Senior Care Plus MSC+) or Minnesota Senior Health Option (MSHO), the cost of all state plan home care and EW services including extended medical supplies and equipment, skilled nursing, home health aide, and personal care services paid by Medical Assistance (MA) are included when determining the cost effectiveness of EW community support plans.

For managed care clients eligible for and receiving EW services, state plan home care services are delivered and billed through their managed care provider organization. For MSHO and MSC+ program clients enrolled with Blue Plus, South Country Alliance, and Ucare Minnesota* a service agreement is entered into MMIS for all EW services, including home care and extended services. The state plan services should be listed on the service agreement using X5609 instead of the MA procedure codes and their value should be included in determining the cost effectiveness of the EW community support plan. *See Attachment D to determine which counties of service are contracted with Ucare Minnesota to enter the service agreements into MMIS. Tribal and non tribal members and people living near reservations may choose the tribal agency for case management and service delivery. They would then have their state plan services on the MMIS service agreement and not bill through the health plan.

Certain persons receiving EW services may access a higher monthly service cap – called a Conversion Rate**.** If an EW eligible person is a resident of a certified nursing facility and has lived there for 30 consecutive days or more, a request for a higher monthly service cap may be submitted to the Department of Human Services (DHS) for approval. Please see bulletin 08-25-04 *Annual Increase for Maintenance Needs Allowance and Elderly Waiver Conversion Rates* for additional instructions and an approval form. Conversion Rates are now also available for persons who choose the Consumer Directed Community Supports (CDCS) Option.

Current Elderly Waiver recipients who have been living in Corporate Adult Foster Care (AFC) homes since November 30, 2004 continue to qualify for a rate increase under Elderly Waiver equal to the amount of their Group Residential Housing (GRH) Rate 3 at the time. The request to continue the Elderly Waiver Cap exception must be submitted at each recertification as long as the person resides in the same residence and the need for the increased EW cap continues. Attachment E is the updated request form to submit to DHS for approval.

II. SERVICE RATE LIMITS FOR EW 24 HOUR CUSTOMIZED LIVING SERVICES, FOSTER CARE, CUSTOMIZED LIVING and RESIDENTIAL CARE SERVICES

The rate limit for 24–Hour Customized Living Services (T2030 modifier UG) and Foster Care (S5141) is the person's monthly service cap less the cost of additional services needed and authorized for payment. However, costs of all authorized services including case management must be included within the person's monthly service cap. The payment made for 24-Hour Customized Living Service is individually determined by the person's need for each service in the package, how frequently each service is delivered, and the ability and willingness of the provider to deliver the needed service. Negotiated rates must not exceed payment rates for comparable Elderly Waiver or Medical Assistance services and must reflect economies of scale.

The monthly service rate limit for Customized Living (T2030) and Residential Care Services (T2032) is the non federal share of the greater of the average monthly Medical Assistance case mix payment for nursing facility care statewide OR within the geographic group where the services are delivered. **Additional services**, which do not duplicate any of the services provided by the Residential Care or the Customized Living Service package, may be added to the person's community support plan and authorized for payment if the total cost of the services does not exceed the person's monthly service cap.

III. MMIS COST OF LIVING (COLA) PROCESS

MMIS partially adjusted EW and AC service agreement line items affected by the service rate increase include MA home care line items.

Because the service caps for Elderly Waiver Customized Living, 24-Hour Customized Living Service, Foster Care, and Residential Care services were not available at the time of the MMIS service agreement conversion on September 10, 2008, case managers will now need to determine the rate of the line item for these services 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 must follow the legislative instructions regarding application of increases to compensation of certain staff (*bulletin 08-69-02, 2008 Legislature Provides Rate Increases for Continuing Care and Other Providers).*

The MMIS conversion affected the service agreements for these services by:

Line items that start before 10/1/08 and end after 10/1/08

Line items that were approved, pending, or suspended which started before 10/1/08 and ended after 10/1/08 were:

- split so the lines end on 9/30/08;
- a new suspended line was added with the Approved Rate and Requested Rate fields left blank beginning 10/1/08;
- units were split between the two lines;
- the new line ended on the date that the previous line ended; these services were manually priced, so "MM" was added to the Source field. Edit 277 (Approved Rate Must be > than 0) will post if the Approved Rate field is left blank.

- reason code 499 was added; and
- edit 380 (Automatic Line Adjustment) posted on the old and 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 10/1/08 or greater
Approved line items that begin 10/1/08 or greater were changed to a status of suspend. Reason code 499 was added and edit 380 posted.
Action Needed: Change the rate as appropriate. Re-approve the line items. Change the header status to "A".

Line items that end after 9/30/08 with no unpaid units or total dollars left
If the line item's requested units matched the used units or the requested total amount matched the total amount used, the line just ended on 9/30/08.
Action Needed: None, unless the service is continuing beyond 9/30/08. Then, a new line item beginning10/1/08 must be added with the new rate as appropriate.

Exceeding the Service Cap
It is possible that the rate increases will cause the total amount encumbered to exceed the client's service 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 service caps for EW and AC were increased in MMIS in October 2008. If edit 672 does post on a service agreement, the Total Authorized Amount may be increased by entering a Long Term Care (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.

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 a 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) was placed on Infopac so county and tribal staff can see which service agreements were affected.

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, 2008. 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. RELATED BULLETINS

08-25-04 Annual Increase for Maintenance Needs Allowance and Elderly Waiver Conversion Rates
08-69-02 2008 Legislature Provides Rate Increases for Continuing Care and Other Providers

V. ATTACHMENTS

Attachment A – EW and AC Case Mix Cap Limits (includes EW Customized Living Plus and Foster Care)
Attachment B – EW Customized Living and Residential Care Services Charts
Attachment C – EW and AC CDCS Budgets
Attachment D – UCare Minnesota Chart
Attachment E – Elderly Waiver Service Cap Increase for Group Residential Housing (GRH) - Form

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).

ATTACHMENT A

Elderly Waiver Program Monthly Service Caps Effective 10/1/08

Elderly Waiver	
Case Mix	Monthly Cap as of 10/1/08
A	2298
B	2615
C	3067
D	3169
E	3495
F	3601
G	3716
H	4193
I	4303
J	4587
K	5346

NOTE: The monthly payment for 24-Hour Customized Living, Customized Living, Residential Care or Foster Care services plus all other authorized individualized EW services cannot exceed the monthly budget limit to which the person is assigned.

Alternative Care Program Monthly Service Caps Effective 10/1/08

Alternative Care	
Case Mix	Monthly Cap as of 10/1/08
A	1723
B	1961
C	2300
D	2377
E	2621
F	2701
G	2787
H	3145
I	3228
J	3441
K	4009

ATTACHMENT B

Elderly Waiver Service Rate Limits for Customized Living (T2030) and Residential Care (T2032) by Case Mix Classification

Case Mix	Statewide EW Monthly Limits	Group 1 Limits for EW Clients	Group 2 Limits for EW Clients	Group 3 Limits for EW Clients
	10/01/08	**10/1/08**	**10/1/08**	**10/1/08**
A	1149	1050	1076	1252
B	1307	1164	1200	1378
C	1534	1324	1388	1654
D	1682	1429	1463	1747
E	1747	1551	1579	1909
F	1800	1615	1615	1941
G	1858	1674	1716	2042
H	2095	1877	1913	2308
I	2161	1931	1984	2370
J	2292	2034	2089	2538
K	2673	2356	2380	2895

NURSING HOME GEOGRAPHIC GROUPS

GROUP 1
Beltrami
Big Stone
Cass
Chippewa
Clearwater
Cottonwood
Crow Wing
Hubbard
Jackson
Kandiyohi
Lac qui Parle
Lake of the Woods
Lincoln
Lyon
Mahnomen
Meeker
Morrison
Murray
Nobles
Pipestone
Redwood
Renville
Rock
Swift
Todd
Wadena
Yellow Medicine

GROUP 2	
Becker	Nicollet
Benton	Norman
Blue Earth	Olmsted
Brown	Ottertail
Chisago	Pennington
Clay	Pine
Dodge	Polk
Douglas	Pope
Faribault	Red Lake
Fillmore	Rice
Freeborn	Roseau
Goodhue	Sherburne
Grant	Sibley
Houston	Stearns
Isanti	Steele
Kanabec	Stevens
Kittson	Traverse
LeSeuer	Wabasha
Marshall	Waseca
Martin	Watonwan
McLeod	Wilkin
Mille Lacs	Winona
Mower	Wright

GROUP 3
Aitkin
Anoka
Carlton
Carver
Cook
Dakota
Hennepin
Itasca
Koochiching
Lake
Ramsey
Scott
St. Louis
Washington

ATTACHMENT C

Elderly Waiver Program CDCS Budgets Effective 10/1/08 - 6/30/09

Case Mix	CDCS Monthly Amount	Annual Maximum CDCS Service Budget Amount	Required Case Management: 8 units x $24.65 average monthly units	Required Case Management Annual Maximum Amount	Total: CDCS Service Cap + Required Case Management Maximum	Background Check(s) Maximum Payment
A	$773	$9,276	$197.20	$2,366.40	$11,642.40	$25.00/check
B	$1,157	$13,884	$197.20	$2,366.40	$16,250.40	$25.00/check
C	$1,373	$16,476	$197.20	$2,366.40	$18,842.40	$25.00/check
D	$1,495	$17,940	$197.20	$2,366.40	$20,306.40	$25.00/check
E	$1,932	$23,184	$197.20	$2,366.40	$25,550.40	$25.00/check
F	$1,983	$27,796	$197.20	$2,366.40	$26,162.40	$25.00/check
G	$1,999	$23,988	$197.20	$2,366.40	$26,354.40	$25.00/check
H	$2,618	$31,416	$197.20	$2,366.40	$33,782.40	$25.00/check
I	$3,070	$36,840	$197.20	$2,366.40	$39,206.40	$25.00/check
J	$3,145	$37,740	$197.20	$2,366.40	$40,106.40	$25.00/check
K	$3,241	$38,892	$197.20	$2,366.40	$41,258.40	$25.00/check

Alternative Care Program CDCS Budgets for Effective 10/1/08 - 6/30/09

Case Mix	CDCS Monthly Amount	Annual Maximum CDCS Service Budget Amount	Required Case Management: 8 units x $24.65 average monthly units	Required Case Managed Annual Maximum Amount	Total:CDCS Service Cap + Required Case Management Maximum	Background Check(s) Maximum Payment
A	$762	$9,144	$197.20	$2,366.40	$11,510.40	$25.00/check
B	$1,031	$12,372	$197.20	$2,366.40	$14,738.40	$25.00/check
C	$1,200	$14,400	$197.20	$2,366.40	$16,766.40	$25.00/check
D	$1,370	$16,440	$197.20	$2,366.40	$18,806.40	$25.00/check
E	$1,614	$19,368	$197.20	$2,366.40	$21,733.40	$25.00/check
F	$1,714	$20,568	$197.20	$2,366.40	$22,934.40	$25.00/check
G	$1,914	$21,768	$197.20	$2,366.40	$24,134.40	$25.00/check
H	$2,234	$26,808	$197.20	$2,366.40	$29,174.40	$25.00/check
I	$2,356	$28272	$197.20	$2,366.40	$30,638.40	$25.00/check
J	$2,476	$29,712	$197.20	$2,366.40	$32,078.40	$25.00/check
K	$2,816	$33,792	$197.20	$2,366.40	$36158.40	$25.00/check

UCare has a split billing model for waiver services. It is driven by the member's care coordinator. If the member has a county care coordinator the service agreement can be entered into MMIS and can bill the State directly. If the coordinator is UCare, Care system (e.g. Evercare, CPGM, UMP etc) or other contracted entity (MVNA) they have to bill UCare directly. The reason there is a split model is because UCare, Care Systems and other contracted entities do not have access to enter in service agreements into the State's MMIS system.

County List	UCare MSHO and MSC+ Case Management 2008
Aitkin	**Clinic Care System, UCare, or other contracted Entity.
Anoka	*Split by clinics - Evercare does CM for Allina PCCs, County for all others
Becker	
Beltrami	
Benton	*Benton County
Big Stone	
Blue Earth	*Blue Earth County
Brown	
Carlton	*Carlton County -also does CM for non-Allina clinics in Pine County
Carver	
Cass	*Cass County - MSHO only
Chippewa	*Chippewa County - MSC+ Only
Chisago	**Clinic Care System, UCare, or other contracted Entity.
Clay	
Clearwater	
Cook	*Cook County - MSC+ Only
Cottonwood	*Cottonwood County
Crow Wing	*Crow Wing County - MSHO only
Dakota	**Clinic Care System, UCare, or other contracted Entity.
Dodge	*Dodge County
Douglas	
Fairbault	*Faribault County
Fillmore	*Fillmore County
Freeborn	
Goodhue	
Grant	
Hennepin	**Clinic Care System, UCare, or other contracted Entity.
Houston	*Houston County
Hubbard	
Isanti	**Clinic Care System, UCare, or other contracted Entity.
Itasca	
Jackson	*Jackson County
Kanbec	
Kandiyohi	*Kandiyohi County
Kittson	*Kittson County
Koochiching	
Lac Qui Parle	*Lac Qui Parle County
Lake	*Lake County - MSC+ Only

Lake of the Woods	
Le Sueur	*Le Sueur County
Lincoln	*Lincoln County
Lyon	*Lyon County
McLeod	
Mahnomen	
Marshall	*Marshall County
Martin	*Martin County
Meeker	
Mille Lacs	**Clinic Care System, UCare, or other contracted Entity.
Morrison	*Morrison County - MSHO Only
Mower	*Mower County
Murray	*Murray County
Nicollet	*Nicollet County
Nobles	*Nobles County
Norman	*Norman County
Olmsted	*Olmsted County
Otter Tail	*Otter Tail County - MSC+ Only
Pennington	*Pennington County
Pine	* & ** Split by clinic, Evercare does CM for Allina PCC, Carlton County for all other clinics
Pipestone	
Polk	*Polk County
Pope	
Ramsey	**Clinic Care System, UCare, or other contracted Entity.
Red Lake	*Red Lake County
Redwood	*Redwood County
Renville	
Rice	* & ** Split by clinic, Evercare does CM for Allina PCC, County for all other clinics
Rock	*Rock County
Roseau	*Roseau County
St. Louis	*St. Louis County - MSC+ - MSHO at non-SMDC clinics only
Scott	
Sherburne	* & ** Split by living arrangement, county provides CM for all community based members, UCare provides CM for all nursing home members
Sibley	
Stearns	* & ** Split by living arrangement, county provides CM for all community based members, UCare provides CM for all nursing home members
Steele	
Stevens	
Swift	*Swift County
Todd	*MSHO Only
Traverse	
Wabasha	*Wabasha County
Wadena	*MSHO Only
Waseca	
Washington	**Clinic Care System, UCare, or other contracted Entity.
Watonwan	*Watonwan County
Wilkin	
Winona	*Winona County

Wright	**Clinic Care System, UCare, or other contracted Entity.
Yellow Medicine	*Yellow Medicine County

CM = Case Management
PCM = Primary Care Clinic

*** If the CM is provided by the County then the provider bills their EW services through the service agreement in MMIS.**

**** If the CM is provided by any other entity but the County then the provider bills their EW services to UCare.**

April 2008

Attachment E

ELDERLY WAIVER SERVICE CAP RATE REQUEST

COUNTY INFORMATION/HEALTH PLAN INFORMATION

Contact:	
Address:	
FAX	Telephone:

CLIENT INFORMATION

Recipient:	Date of Birth:
PMI #	Date of Request:
Case Mix	Cost of Care Plan

Name and Address of Corporate Adult Foster Care w/ supplemental Room and Board Rate	
GRH Supplemental Room and Board Rate	$
Add(+) Negotiated Corp Adult Foster Care Rate on the Elderly Waiver	$
Add(+) All other EW Authorized Services	$
Total Cost of Care Plan	$

Health Plan Initial: Approved _____ Denied _____

Name of Managed Care Organization: _____

Signed: _____ Date _____

Comments:

DHS Initial: Approved _____ Denied _____ COLA Increase Approved:_____

Signed: _____ Date _____

Comments:

EW FAX: **651-431-7415**

US MAIL ADDRESS: **Department of Human Services**
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