

Bulletin

December 11, 2009

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

OF INTEREST TO

- County Directors
- Social Services Supervisors and Staff
- Health Plans
- EW Administrative Contacts
- Customized living providers
- Housing with Services Establishments
- EW Case Managers
- EW Care Coordinators
- EW Tribal Administrators

ACTION/DUE DATE

Lead agencies begin utilizing tools no later than January 1, 2010

Lead agencies submit completed workbooks to DHS effective January 1, 2010

EXPIRATION DATE

December 11, 2011

DHS Issues Updated Elderly Waiver (EW) Customized Living (CL) Tools and Rates

TOPIC

Updated EW customized living and 24 hour customized living service tools and component rates

PURPOSE

- Issue updated EW customized living tools for use by all counties, tribes, and managed care organizations using county or tribal provider networks
- Describe transition rates that will apply through June 30, 2010

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I. Background

Scope of EW customized living services: Minnesota offers an array of home and community based services through the Elderly Waiver (EW), including customized living and 24 hour customized living service.

Customized living and 24 hour customized living are planned and purchased as “bundled” services. That is, there is a monthly rate established to purchase the type and amount of allowable component services approved for an individual, when there is a documented need for the component service(s), and when the individual elects to have identified needs addressed through their customized living service plan. This stands in contrast to services that are planned and authorized by individual service type, and which are typically billed in smaller amounts or units, such as ¼ hours, ½ hours, days or miles.

Quality improvement initiative: In 2007, the Minnesota Department of Human Services (DHS) initiated program integrity strategies to assure that the federal quality assurance requirements for waiver programs were adequately addressed for bundled services. These requirements include:

- Documentation of consumer need for all authorized services
- Rates paid fall within parameters established by the state
- Identified needs are met within the recipient’s Community Support Plan

As part of this strategy, DHS instituted changes to MMIS (Minnesota Medicaid Information System) in 2007 in order to ascertain the types of component customized living services being authorized for individual recipients, and to increase integrity through the use of edits between documentation of need and inclusion of related component services within the customized living plan. The changes to MMIS now assure that there is a documentation of need before 24 hour customized living service can be authorized. MMIS does not currently have the capacity to ensure that the bundled rates for customized living or 24 hour customized living service negotiated by the lead agencies are based on the type and amount of component services. “*EW Customized Living Tools*” will address this program integrity requirement.

Legislative authority: Minnesota Statute, section 256B.0915, subdivision 3e governing customized living service rates and Minnesota Statutes section 256B.0915, subdivision 3h governing 24 hour customized living service rates require that:

- 1) Lead agencies authorize customized living services within the parameters established by the commissioner of Human Services;
- 2) The payment agreement must delineate the component services included in the recipient’s customized living service plan;
- 3) Lead agencies ensure there is a documented need within the parameters established by the commissioner for all services authorized;
- 4) The payment rate must be based on the amount of component services authorized utilizing component rates established by the commissioner;
- 5) Counties and tribes must use tools issued by the commissioner to develop and

document customized living service plans and rates;

- 6) Component service rates must not exceed payment rates for comparable EW or Medical Assistances services;
- 7) Negotiated rates must reflect economies of scale; and
- 8) Customized living services must not include rent or raw food costs.

These parameters are consistent with and reflect service authorization and rate-setting parameters and policies that have previously been published in DHS bulletins.

In addition to the requirements outlined in Minnesota Statutes, section 256B.0915, subdivision 3e above, Minnesota Statutes, section 256B.0915, subd 3h delineates additional requirements for the authorization of 24 hour customized living services:

Lead agencies must document that each recipient has one or more of the following needs in order to authorize 24-hour supervision:

- assistance with toileting, positioning, or transferring that cannot be scheduled;
- cognitive or behavioral support needs;
- a medical condition that requires clinical monitoring; or
- need for medication management and at least 50 hours per month of customized living services. In accordance with MN Statutes, effective January 1, 2011, recipients will need medication management, at least 50 hours per month of customized living services and be dependent in at least two of the following activities of daily living: dressing, bathing, grooming, walking or eating.

Use of statewide tools required by CMS for EW renewal: Minnesota's Elderly Waiver Plan is negotiated between DHS and the Center for Medicare and Medicaid Services (CMS) and approved for a five year period. The previous waiver plan expired on June 30, 2008. During negotiations for the EW plan scheduled to be approved effective on July 1, 2008, CMS expressed concerns regarding the disparity in rates within services across the state. In order to address this concern, DHS agreed as a condition of waiver plan renewal to require all counties and tribes to use customized living rate-setting tools issued by DHS and to be implemented in 2009.

Process used for customized living tool development: DHS convened a workgroup in 2006 to develop customized living tools for individual planning and rate negotiation *consistent with the requirements of the Minnesota Statute governing EW, Minnesota's Elderly Waiver Plan, DHS policy, and managed care contracts.* At present, the workgroup includes providers and counties as well as managed care organizations. The tools issued as part of this bulletin have been developed by DHS through consultation with this workgroup and in response to feedback by a variety of stakeholders.

Proposed tools were tested using a sample of EW recipients authorized to receive customized living services in August 2008. Recipient's case managers or care coordinators were asked to complete the individual service plan based on assessment data in MMIS and to provide information about estimated units of component services to include in the service plan. DHS then applied three different negotiated rate scenarios to each of the individual assessments and service plans. This resulted in improvements to the service plan form, increased clarity of instructions for case managers, and recognition that the forms were applicable to a broad range of recipient needs and provider staff configurations.

In November 2008, workgroup members were provided with a draft of the electronic tools and asked to provide feedback and comment on the tools. Feedback was also received during video conference training conducted on December 12, 2008. Technical improvements were incorporated based on feedback from the training and the workgroup, including provision for EW conversion rates and rephrasing of wording related to supervision of clients at risk for choking.

In January 2009, DHS issued the proposed tools in bulletin #09-25-01. Feedback and comments were solicited using a SNAP on-line form. DHS received substantive comments on the categories of component services. The component rates in the proposed tools were assigned to the categories of home management, home care aide-like and home health aide-like tasks delineated in bulletin #07-25-01C. In response to comments, DHS reviewed the home health care licensing statute and rule and found that the categorization of services within the licensing statute and rule vary by license. The final delineation of component services into rate categories is consistent with licensing standards.

DHS also received comments on the formulas used in the computation of rates for supervision when treated as a separate component service. Providers stated that the process was cumbersome. Lead agencies noted that verification of staff time available to provide supervision as a separate service was problematic and created program integrity concerns. As a result of this feedback, the process of planning and computing rates for supervision as a separate component service was streamlined and finally eliminated from the process.

In July 2009, DHS issued bulletin #09-25-08 requesting that all providers complete an on-line form in order to compute rates for shared services, including congregate meals and group socialization and transportation. This information was requested in order to create and include a worksheet containing shared service rates for all individual providers in the service planning and rate-setting tool kit. As of October 1, 2009, 590 providers had responded, representing approximately 75% of enrolled EW customized living providers. The lack of a complete data set rendered the original design impractical.

Establishing Rates for Congregate Meals: In addition, the mean rates reflected in the data submitted by the providers who completed the on-line form referred to above for daily meals and snacks (\$20.90) were more than double the daily meal preparation, service and clean up costs of comparable nutrition services in other residential settings (\$9.50).

DHS reviewed customized living rate setting tools submitted by counties in 2008 to ascertain the rates previously used for congregate meals and shared services. In a number of instances, congregate meals were included in a “base” rate, making it impossible to locate a point for comparison. On tools that broke out the congregate meal rates, the range varied from \$1.15 (for breakfast) to a high of \$3.00 per meal.

DHS examined congregate meal rates from senior nutrition programs. Each meal served must provide 1/3 of the required daily nutritional requirements for seniors. Congregate meal sites provide modified diets. The mean price of congregate meals, excluding raw food costs, is \$4.46. DHS used the senior nutrition congregate meal average to establish congregate meal rates for lunch and supper incorporated into the tools issued with this bulletin. The breakfast rate established is \$3.55 and the snack rate established is \$0.44. Assuming that a recipient chooses to eat all three meals and two snacks per day, the overall daily rates would be \$13.38 (which is equal to \$4.46 x 3). Finally, there is no differentiation of rates for modified diets as these are already factored into the meal rates.

Group or Shared Socialization and Transportation: DHS consulted with the workgroup regarding delineation of size of groups for socialization and transportation. The recommendations were to break out shared socialization into staff-to-resident ratios of 1:2-5, 1:6-12, 1:13-20, and 1:20+. The workgroup recommended that group transportation size ranges be set as one driver to 2 riders, 3-5 riders, 6-10 riders and more than 10 riders. These recommendations were adopted; shared service rates were established to reflect these recommendations and are incorporated into the tools issued with this bulletin.

II. Overview of EW Customized Living Service Planning and Rate-Setting Tools

Purpose: DHS is issuing customized living tools in order to:

- Meet requirements CMS set forth as a condition of the EW Plan renewal
- Implement Minnesota statutory requirements related to authorization and purchase of this service
- Provide a consistent statewide approach to the negotiation of rates for customized living service
- Support program integrity goals
- Provide tools for the development of community support plans that specify the components of customized living service plans
- Establish a rate reflective of the individual’s approved customized living service plan
- Establish statewide component rates

Two Steps in the Rate-Setting Process: There are two steps in the rate-setting process:

Step 1: Determine covered customized living component services that the provider wishes to

offer and that the lead agency may authorize as part of individual plans for EW recipients. The “*EW Customized Living Contract Planning Worksheet and Instructions*,” a fillable Word document, is the form in the toolkit that is used for this purpose.

Step 2: Develop the individual customized living plan and the computation of the rate for the individual. The “*Customized Living Workbook*”, an Excel workbook, contains the worksheets used for step two in the process. The “*Instructions for Completion of Individual Customized Living Plan*” is a separate Word document. These instructions also provide a general overview of the Excel document and tips for navigation.

EW Customized Living Tool Kit The tools are available for download from the DHS website at: http://www.dhs.state.mn.us/dhs16_143983 There are four (4) documents in the tool kit:

1. “*EW Customized Living Contract Planning Worksheet and Instructions*” (Used for completion of Step 1)

This is a fillable Word document. The purpose of this worksheet is to:

- Delineate the component services that can be included in EW customized living and 24 hour customized living services “packages.”
- Serve as a tool to help providers clarify which customized living service components they may want to make available and to provide information about special features or any service limitations of the component services they offer.
- Facilitate discussion between providers and lead agencies about component services that are needed in the community, that the provider may be interested in making available, and that the lead agency is interested in purchasing.

The instructions are incorporated in this document. Completion of this worksheet is *optional*. Providers should share completed *EW Customized Living Contract Planning Worksheets* with lead agencies (counties, tribes, managed care organizations) with whom they wish to contract.

2. “*EW Customized Living Workbook*” (Workbook used in Step 2)

The “*EW Customized Living Workbook*”, an Excel workbook, contains worksheets that are used to develop an individual’s customized living plan and to calculate their individualized rate. The worksheets are designed to:

- Use documented needs (assessment data in the Screening Document Input worksheet) as the basis of customized living service plan development.
- Delineate the customized living component services and the amount of each to be provided to a specific EW recipient.
- Describe individual preferences and needs to be met through the customized living plan.
- Generate an individualized rate within each individual’s allowable service rate limit (based on their case mix classification) that is based on the component services and units of service included in the recipient’s customized living service plan.

Documenting Need: The case manager or care coordinator uses the “*Scr[ee]ning] Doc[ument]*”

Input” worksheet to enter the recipient’s Long Term Care Consultation assessment information. Providers may be asked to provide or may volunteer information about recipient needs, current services, time spent by staff and any unmet needs.

Planning Customized Living Services: This assessment information is imported into the “*Individual C[ustomized] L[iving] Plan*” worksheet which is completed by the case manager or care coordinator.

Completing the Community Support Plan: The case manager or care coordinator also completes the “*EW Services Authorized*” worksheet which provides a computation of *all* services included in the recipient’s Community Support Plan in addition to customized living services.

3. “***Instructions for Use of EW Customized Living Workbooks***”. These instructions, a Word document, describe how to complete the EW Customized Living Workbook. (**Instructions for Step 2.**)
4. “***Customized Living Provider Information.***” This Excel workbook contains information needed to complete the Individual CL Plan worksheet. Users can sort by column in order to more readily identify a particular CL provider.
 - Home care provider name
 - Provider NPI or UMPI
 - Housing with services establishment street address, city and zip code
 - County in which the housing with services establishment is located
 - Housing with services HFID #.(**Information needed for Step 2**)

III. Transition Rates

Transition rates will be applied to reauthorizations of recipients that occur before June 30, 2010, for individuals who have no change in case mix classification based on reassessment completed by county or tribal case managers. Managed care organizations that choose to use the DHS tools *and* DHS component rates must use the transition phase-in rates as well. The transition rates will be effective until June 30, 2010.

The transition rate will be computed by applying 50% of the difference between the most recently authorized rate and the new rate established using the tool. Please note that transition rates will apply to both rates that increase and those that decrease at reauthorization. For example, if the most recently authorized rate was \$2,000, and the rate calculated using the tool is \$1,750 at reauthorization (a decreased difference of \$250), the transition rate calculated will be \$1,875 (half of \$250 or \$2,000-\$125). Similarly, if the previous rate was \$2,000 and the rate calculated using the tool is \$2,250 at reauthorization (an increased difference of \$250), the

transition rate calculated will be \$2,125 (half of \$250 or \$2,000 + \$125). The “*EW Customized Living Workbook*” will automatically calculate the transition rate.

Lead agencies must enter the transition rate into MMIS with the start date being the date of reauthorization and the end date being June 30, 2010. A separate authorization will need to be entered for customized living services starting July 1, 2010. Both rates will automatically be calculated on the “*EW Customized Living Workbook*.”

An updated form, with no provision for transition rates, will be made available for recipients being authorized for services after June 30, 2010.

IV. Time Frames for Implementation of Customized Living Tools

January 2010 All lead agency contracts incorporate the rate-setting tool, and authorization for all new individuals and individuals at reassessment are based on use of the tools.

Transition rates will apply until June 30, 2010 for all recipients for whom services are authorized between December 11, 2009 and June 30, 2010.

July 1, 2010 Transition rates end, tool and rates are fully implemented.

V. Actions

A. Download EW Customized Living Tool Kit at the DHS Website: There are four (4) documents in the customized living tool kit to download from the DHS website at http://www.dhs.state.mn.us/dhs16_143983:

1. “*EW Customized Living Contract Planning Worksheet*” a fillable Word document
Note: This worksheet does *not* need to be submitted to DHS. Lead agencies may require completion of this worksheet as a condition of contracting or participation in a network. This worksheet is to be completed by providers.
2. “*EW Customized Living Workbook*,” an Excel workbook
Note: Counties, tribes and managed care organizations using county network must use this workbook to develop individual CL plans and set rates no later than January 1, 2010.
3. “*Instructions for Use of EW Customized Living Workbooks*”, a Word document
4. “*Customized Living Provider Information*,” an Excel workbook

Lead agencies should check for updated versions of the forms on a regular basis.

B. Begin using CL Tools: Lead agencies may begin using the EW Customized Living tools effective immediately. Lead agencies electing to use other tools until January 1, 2010, must

assure that the tools and process used have component rates that do not exceed comparable Medical Assistance or EW services rates, reflect economies of scale, are based on assessed needs and services to meet those needs, and do not include base rates or room and board costs.

All counties, tribes and managed care organizations using county or tribal provider networks must use the “*EW Customized Living Workbook*” (Excel document) no later than January 1, 2010.

The use of the “*EW Customized Living Contract Planning Worksheet*” a fillable Word document is optional unless required by lead agencies as a requirement of contracting or participation in a managed care network.

C. Lead agencies submit workbooks to DHS. All counties, tribes and managed care organizations using county or tribal provider networks or using the DHS “*EW Customized Living Workbook*” must submit completed workbooks to DHS within 30 days of completion. Instructions on the submission process will be sent to lead agencies in a memorandum in December 2009.

D. Training on Tools and Policy

DHS will offer training on the use of the tools. A program description and on-line registration link will be emailed prior to each training event. If you do not currently receive email notices of DHS Aging training programs and wish to be added to our training notification list, email DHS.Aging.VideoConference@state.mn.us, placing “please add me to your contact list” in the subject line.

Americans with Disabilities Act (ADA) Advisory

This information is available in alternative formats to individuals with disabilities by calling (651) 431-2500 (voice) or toll free at 1 (800) 882-6262. TTY users can call through Minnesota Relay at (800) 627-3529. For Speech-to-Speech, call (877) 627-3848. For additional assistance with legal rights and protections for equal access to human services programs, contact your agency’s ADA coordinator.