



Bulletin

NUMBER

#14-25-08

DATE

July 23, 2014

OF INTEREST TO

County Directors

Social Services Supervisors
and Staff

EW Program Administrative
Contacts

County Public Health
Nursing Services

Tribal Health Directors

Elderly Waiver Care
Coordinators

Managed Care
Organizations

ACTION/DUE DATE

July 1, 2014

EXPIRATION DATE

July 23, 2016

Elderly Waiver – Monthly Conversion Budget Limits and Maintenance Needs Allowance Changes

TOPIC

The process to determine the monthly conversion budget limit for Elderly Waiver (EW) clients leaving nursing facilities (NF). July 1, 2014 Maintenance Needs Allowance (MNA). This replaces bulletin #13-25-07.

PURPOSE

Notification to lead agencies of the procedure for requesting monthly conversion budget limits for EW

CONTACT

Libby.Rossett-Brown@state.mn.us

For MMIS data entry questions contact the DSD Resource Center at (651) 431-2450, (888) 968-8463 or dhs.resourcecenter@state.mn.us

For EW Customized Living Tool Questions contact Aron.Buchanan@state.mn.us Phone: (651) 431-3593

SIGNED

LOREN COLMAN
Assistant Commissioner
Continuing Care Administration

TERMINOLOGY NOTICE

The terminology used to describe people we serve has changed over time. The Minnesota Department of Human Services (DHS) supports the use of "People First" language.

Elderly Waiver – Monthly Conversion Budget Limits and Maintenance Needs Allowance

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I. Maintenance Needs Allowance

For clients who are eligible for the Special Income Standard – Elderly Waiver (SIS-EW) the Maintenance Needs Allowance (MNA) as of July 1, 2014 is \$970.

II. Monthly Conversion Budget Limits – Exception to the monthly service case mix budget caps for Elderly Waiver (EW) clients leaving Nursing Facilities (NF)

Monthly conversion budget limits (exceptions to the monthly service case mix budget caps) may be requested for approval by DHS when the monthly EW case mix budget limits are insufficient to support the services and supports needed to return a person to community living from a nursing facility pursuant to Minnesota Statutes, section 256B.0915, subd. 3b. A monthly conversion budget for the cost of EW services may be requested for a person who is:

- A resident of a certified nursing facility and
- Lived in the nursing facility for 30 or more consecutive days at the time of requesting a determination of eligibility for EW

To determine if the costs of EW services would exceed the average monthly case mix budget cap, the procedure is as follows:

- Determine the cost of the authorized services under the community support plan
- Compare the authorized service costs to the applicable EW program monthly case mix budget cap that are published in [bulletin #14-69-03](#).
 - If the implementation of the community support plan would cost equal to or less than the assigned case mix budget cap – then the client does not require a monthly conversion budget limit
 - If the implementation of the community support plan exceeds the assigned case mix budget cap, the person may access a higher monthly case mix budget cap equal to but no more than the per day cost to Medical Assistance that is determined by the resident assessment system in the NF where the person currently resides.

EW monthly conversion budget limit request forms DHS-3956-ENG (EW Conversion Rate Request) and DHS-3956A (EW Consumer Directed Community Supports (CDCS) Conversion Rate Request) are available on e-Docs. The forms are fillable and do the necessary calculations. The CDCS monthly conversion budget limit request form also has a drop down menu that has the case mix percentages used to determine the maximum monthly rates.

If the conversion budget amount approved at discharge from the NF is less than the maximum conversion budget limit, it may be increased within the first 12 months up to the maximum conversion budget limit upon commissioner approval. These changes must be

approved by DHS or the Managed Care Organization (MCO). After the first year approval of a conversion budget, it may not be increased other than for state authorized COLA increases. A conversion budget is no longer needed when the client's needs can be met within the published case mix budget caps.

Note: Monthly conversion budget limits are not available to persons receiving services on the Alternative Care (AC) program.

III. Steps to determine the Medical Assistance cost for the person in their current NF and Conversion Budget Limit Requests

1. Determine the annual rate – Multiply the per diem (daily) rate charged by the NF for the client by 365. The daily rate is found on the NF remittance advice.
2. Divide the annual rate by 12 to establish the clients average monthly cost for NF care
3. Subtract the current Maintenance Needs Allowance (\$970) from the resulting figure in step 2.
4. Compare the result in step 3 to the cost of implementing the person's community support plan. The monthly conversion budget limit cannot be greater than the amount determined by using the above formula.

For persons who meet the criteria for a monthly conversion budget limit and who must access the higher budget cap to pay for services necessary for their return to the community, the case manager/care coordinator must do the following:

1. Determine the monthly conversion budget limit service cap available to the person using the steps in the previous paragraph
2. Provide detailed documentation of the need for service costs in excess of the case mix budget otherwise available. The detail must include:
 - The most recent assessment results and community support plan as rationale for an amount of service or staff qualifications to justify the conversion budget limit requested.
 - The completed EW Monthly Conversion Budget Limit Request form that can be found as an e-Doc, DHS-3956-ENG
 - A copy of the NF remittance advice showing the client's per diem rate
 - Documentation which shows the detail of the cost of care requested in the community including any rate setting tools made available and required by the commissioner of Human Services. This would include using the EW Customized Living Rate tools (CL Tools) which have been modified to include modes to be used for determining rates in different settings such as Adult Foster Care and Residential Care as well as Customized Living.
3. All required paper documentation should be sent to – Department of Human Services (DHS), Aging and Adult Services Division, PO Box 64976, St Paul, MN 55164-0976 or FAX request to: 651-431-7415. CL Tools should be submitted in the standard way.

4. DHS-3956 and any CL Tools must be approved by the health plan if the client is enrolled in a managed care product for EW before they are sent to DHS and there is a service agreement in MMIS for payment. If the client is enrolled in a health plan that does not use MMIS to pay claims, contact the health plan for instructions to request approval of monthly conversion budget limits.
5. Place the higher monthly conversion budget limit in MMIS in the Case Mix/DRG Amount field on the Long Term Care (LTC) screening document. This will cause edit 787 (Case Mix/BI W Screening Document requires Approval) to post and keep the screening document in suspense. If all other suspended edits are corrected, edit 784 will automatically route the screening document to DHS staff for review the following work day. DHS staff will approve the higher amount or request further information from the case manager/care coordinator.

IV. Monthly Conversion Budget Limits for people accessing services using Consumer Directed Community Supports (CDCS)

Minnesota Statutes, section 256B.0915, subdivision 3b, was amended and sets the monthly conversion budget limits for persons moving from the NF with EW CDCS services. The monthly conversion budget limit is equal to the NF rate reduced by the percent difference between the CDCS budget limit according to the federally approved waiver plan and the corresponding case mix cap. The MNA is not subtracted from this amount. The MNA was already removed from the CDCS budgets.

1. Determine the annual rate – Multiply the per diem (daily) rate charged by the NF for the client by 365. The daily rate is found on the NF remittance advice.
2. Divide the annual rate by 12 to establish the clients average monthly cost for NF care
3. Use this monthly rate and multiply by the percentage corresponding to the Case Mix classification which was assessed for the person. The percentages to be used that correspond to the person's case mix cap are found in Table 1 at the end of this bulletin. The amounts will be annually updated when the case mix caps are updated. These amounts are also found on e-Doc DHS-3956A (Elderly Waiver CDCS Conversion Rate Request)
4. The remaining amount is the maximum monthly amount that can be utilized to implement a person's community support plan using the CDCS service. This limit is the maximum that can be approved.

CDCS Conversion Rate Example:

Jack is in a NF and the daily rate for the past 30 days is \$190/day. He wishes to leave the NF using EW with CDCS services. He has been assessed as a case mix A. The maximum monthly conversion budget limit to use is calculated as follows:

$$\$190/\text{daily rate in NF} \times 365 \text{ days} = \$69,350/12 = \$5,779/\text{month in the NF}$$

Look at DHS-3956A and find the corresponding percentage for case mix A – which is 50% - these are also listed as Table 1 of this bulletin

Multiply the monthly rate in the NF by the % difference as listed in Attachment B:

$\$5,779 \times .50 = \$2,889/\text{month}$ CDCS maximum conversion rate limit. This amount should be compared to the cost of care plan for Jack

For persons who meet the criteria for a monthly conversion budget limit and who must access the higher budget cap to pay for services necessary for their return to the community, the case manager/care coordinator must do the following:

1. Provide detailed documentation of the need for service costs in excess of the case mix budget. The detail must include:
 - The most recent assessment results and community support plan as rationale for an amount of service or staff qualifications to justify the conversion budget limit requested.
 - the completed EW Monthly Conversion Budget Limit Request form that can be found as an e-Doc, DHS-3956A
 - a copy of the NF remittance advice showing the client's per diem rate
 - Documentation which shows the detail of the cost of care requested in the community.
2. All required documentation should be sent to – Department of Human Services (DHS), Aging and Adult Services Division, PO Box 64976, St Paul, MN 55164-0976 or FAX request to: 651-431-7415.
3. DHS-3956A must be approved by the health plan if the client is enrolled in a managed care product for EW before it is sent to DHS and there is a service agreement in MMIS for payment. If the client is enrolled in a health plan that does not use MMIS to pay claims, contact the health plan for instructions to request approval of monthly conversion budget limits.
4. Place the higher monthly conversion budget limit in MMIS in the Case Mix/DRG Amount field on the Long Term Care (LTC) screening document. This will cause edit 787 (Case Mix/BI W Screening Document requires Approval) to post and keep the screening document in suspense. If all other suspended edits are corrected, edit 784 will automatically route the screening document to DHS staff for review the following work day. DHS staff will approve the higher amount or request further information from the case manager/care coordinator.

V. Monthly conversion budget limit requests need to be submitted for approval annually

Minnesota Statutes, section 256B.0915, subdivision 3b clarifies that the initially approved monthly conversion budget shall be adjusted by any legislatively adopted home and community based percentage rate adjustment. All requests submitted to extend monthly conversion budgets at renewal may not exceed this new adjusted amount and must include detailed documentation of any continued need for service costs resulting in total EW costs greater than the case mix budget otherwise available to the person. The detail must include

the most recent assessment results and community support plan as rationale for an amount of service or needed staff qualifications to justify the monthly conversion budget limit requested. Documentation showing the detail of the need and charge for services to be authorized is also to be included annually. The rate setting tools made available by the commissioner of Human Services should be utilized to justify and request 24 Customized Living, Customized Living, Foster Care and Residential Care rates. The justification should provide evidence that the units of needed component services and/or qualifications of needed staff exceed that which is available within the current limits and that other supports outside of the budget have been maximized. The request must include units of service to be provided, the calculation of shared service costs for transportation, socialization and congregate meals and cannot include base service package charges.

The EW Customized Living Workbook – Version 9.1.1 allows for the documentation and approval of monthly conversion budget limits. The CL Tool version release notes [EW Customized Living Tools Release Notes \(PDF\)](#) describe the authorization form for conversion limits and other information concerning conversion rates and approval when using CL. When the monthly conversion budget limit is to be approved by DHS, follow the directions in the above release notes and provide justification for all CL services on the audit report. When the service costs will be reimbursed by a health plan, follow their process for receiving approval to authorize the monthly conversion budget limit. Health plan approval of the conversion budget limit which includes 24 hour CL or CL must be obtained before the CL Tool is submitted. Once the tool is submitted, the monthly conversion budget can be authorized and documented in the CL Tool before the CL Tool is submitted.

AUTHORITY

Minnesota Statutes, section 256B.0915, subdivision 3b

Table 1

**Elderly Waiver CDCS Monthly Budgets as a % of Case Mix
Conversion Rates Effective
July 1, 2014**

Elderly Waiver

Case Mix	%
A	50.00
B	52.00
C	51.00
D	53.00
E	61.00
F	60.00
G	59.00
H	67.00
I	76.00
J	73.00
K	64.00
L	50.00
V	71.00

Americans with Disabilities Act (ADA) Advisory

This information is available in accessible formats for people with disabilities by calling (651) 431-2500 (voice) or toll free at (800) 882-6262 or by using your preferred relay service. For other information on disability rights and protections, contact the agency's ADA coordinator.