



# Bulletin

**NUMBER**

#15-25-09

**DATE**

June 15, 2015

**OF INTEREST TO**

County Social Service and  
Public Health Agency  
Directors

Social Services Supervisors  
and Staff

County Fiscal  
Administrative Staff

Tribal Chairpersons and  
Tribal Health Directors

Area Agencies on Aging

Alternative Care Program  
Administrative Contacts

**ACTION/DUE DATE**

Please read information  
and prepare for  
implementation

**EXPIRATION DATE**

June 15, 2017

## Legislative Changes to the Alternative Care Program (AC) FY2016

### TOPIC

DHS announces changes to the Alternative Care Program for FY2016 as a result of approval from the Centers for Medicare and Medicaid Services (CMS) for federal financial participation (FFP) for the Alternative Care (AC) program on October 18, 2013.

### PURPOSE

The purpose of the bulletin is to notify lead agencies of the new processes lead agencies will follow as a result of FFP.

### CONTACT

Gail Carlson, Management Analyst/AC operations  
**Telephone No:** 651-431-2586 **Fax No.:** 651-431-7415  
**Email Address:** [Gail.V.Carlson@state.mn.us](mailto:Gail.V.Carlson@state.mn.us)

### SIGNED

LOREN COLMAN  
Assistant Commissioner  
Continuing Care for Older Adults

### TERMINOLOGY NOTICE

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

## **I. Introduction**

Minnesota's 2015 Legislature approved Alternative Care Program (AC) funds for the state's 2016 fiscal year (FY) effective July 1, 2015. DHS is changing the way AC funds are managed, moving from a system of allocating funds to lead agencies to a system of managing funds at a statewide level. Local AC program administrators are responsible for actively and effectively ensuring continued program access and service delivery throughout FY2016.

## **II. Local Alternative Care Program Administration and FY2016 Appropriation**

As part of Reform 2020, the 2013 Minnesota Legislature authorized the Minnesota Department of Human Services (DHS) to receive federal match for the Alternative Care Program upon the Centers for Medicare and Medicaid (CMS) and Minnesota Management and Budget approval as a five year demonstration project. DHS received final approval on November 1, 2013. This approval relates to items that were part of Reform 2020 section of the 1115 Waiver. DHS will continue to receive an appropriation from the Minnesota Legislature for AC. DHS will not allocate funds to individual lead agencies beginning in FY2016. All AC funds will be held in a single, statewide account and all AC claims will be paid against this single account.

Lead agencies will continue to track spending, recipients and average costs but will not submit an AC Plan and Budget for FY2016. Without lead agency base allocations, targeted funds will not be needed. Lead agencies can continue to apply for discretionary funds using edoc 5815. This bulletin does not include attachments for lead agency base allocations, lead agency plan and budgets or targeted funds applications, as has been provided in past years. It does include the application for discretionary services.

The purpose of the AC Program is to meet the long term care needs of eligible seniors by funding the delivery of home and community-based services. AC services enable eligible seniors to live independently in the community and extend needed support to informal care givers. Further, the outcomes related to assisting seniors in the community include reducing Medical Assistance expenditures for nursing facility care and maintaining the moratorium on the new construction of nursing facility beds.

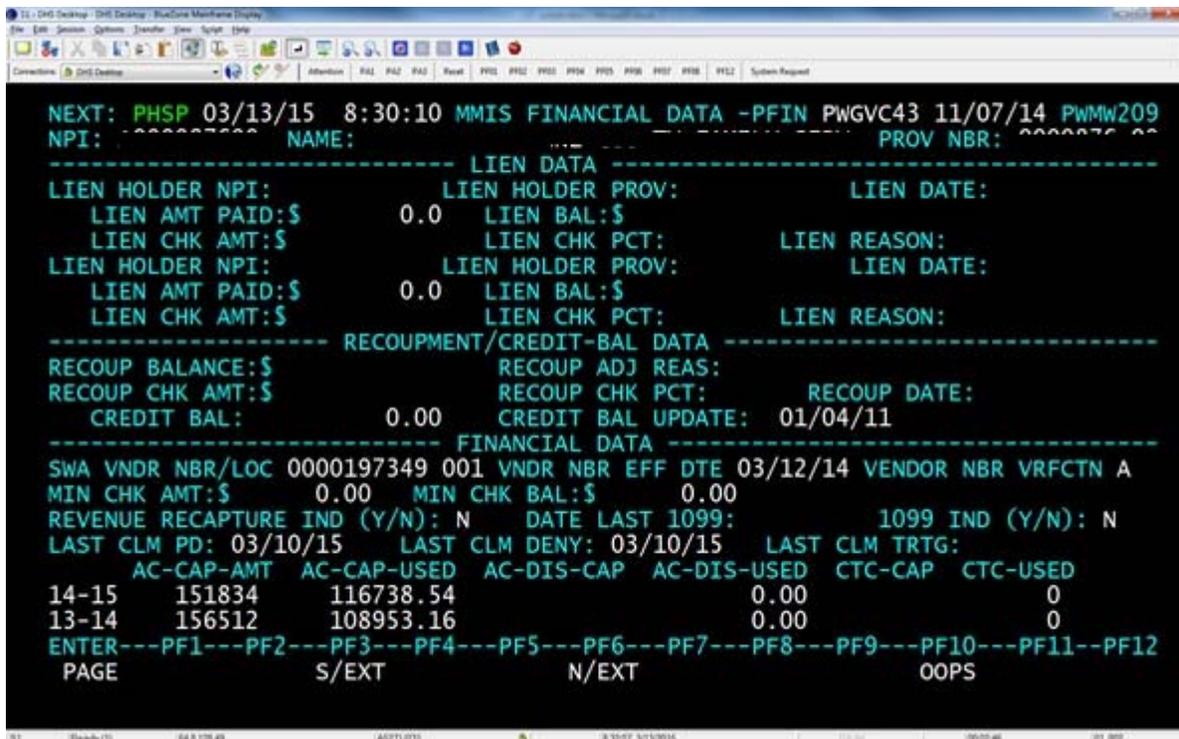
Local lead agency administrators will still monitor activities under the AC Program to ensure compliance with program policies and procedures. This includes determining eligibility for AC, authorizing services for recipients, monitoring spending and recipient fees. Providers will continue to submit claims to DHS from approved service

agreements for authorized services under fee for service. The bulletin includes a list of reports that lead agencies can use to monitor the AC program.

The Minnesota Legislature appropriated **\$43,997,000** for the AC Program for FY2016. AC fees and estate recovery collected are expected to be nearly one million dollars.

### III. MMIS Changes as a Result of FFP

Lead agency allocations will not be entered into MMIS for FY2016. Funds will be managed in one account at the state level. In MMIS, on the PFIN screen, AC-CAP-AMT field will read 99999999 for row 15-16. FY2015 allocations (including targeted funds) will still be visible on the PFIN screen for 14-15. The AC-CAP-USED field will still track spending by lead agency for each bi-weekly warrant for FY2016 and be visible for FY2015. Claims for AC services submitted after June 30, 2015 will be paid by the single AC account. The AC-DIS-CAP field will be 99999999 but the AC-DIS-USED field will continue to track Discretionary Services expenditures for FY2016. Lead agencies may request a spending report by contacting [gail.v.carlson@state.mn.us](mailto:gail.v.carlson@state.mn.us).



### IV. Provider Rate Changes

Recent provider rate changes were announced in [MN Legislature Authorizes Rate Increases for Long-term Services and Supports - Bulletin #15-69-02](#). Further information about AC program service rate limits and monthly budget caps can be

found at [mn.gov/dhs/ltss-rates/](http://mn.gov/dhs/ltss-rates/) under “Long-term services and supports rate limits – Effective 7/1/15.”

## V. Local Programs Providing AC Discretionary Services Option

Discretionary services allow lead agencies to address special or unmet needs of a client or family caregiver that are not otherwise defined in the AC service menu and not otherwise prohibited under AC statute (i.e. services needed to address acute based health care). These services may be used to improve access, choice, and/or cost effectiveness of the AC program in order to address chronic care needs of the client and does not duplicate other funding streams. Discretionary services, as with other AC services, are necessary to delay or prevent nursing facility admission and are identified in the individual service plan. Since there are no AC allocations for FY2016, there is no limit on the dollar amount of discretionary services a lead agency can authorize. Lead agencies who wish to use discretionary services still must apply to DHS for approval using the AC Application for Discretionary Services DHS-5815 at

<https://edocs.dhs.state.mn.us/lfserver/Public/DHS-5815-ENG>.

A revised version of this document will be available after July 1, 2015.

## VI. Technical Resources for Administrators of Lead Agencies

Information is available to assist administrators in tracking and monitoring AC activity. Data such as the total amount of local AC services authorized for payment, units used and recipient counts are available through MMIS Infopac reports. Infopac report MW2239, “Alternative Care Allocations,” will no longer be available for lead agencies to track spending in comparison to current allocations after July 1, 2015.

MMIS InfoPac Report No. & Title	Data Available
<p><b>R2208</b> AC Cumulative Service Encumbrance And Payment (Using Date of Payment)</p>	<p>Use this report to identify the authorized and used service pattern by payment date. Services with more units or dollar amount used than encumbered were authorized in the previous year but paid in the current year. Data by county of financial responsibility (CFR) and tribal agency; by procedure code, unduplicated recipient, total units encumbered, total units used, total amount encumbered, total amount used, total days service agreement, total days eligible, lead agency average cost per recipient, lead agency average cost per unit, lead agency average units per recipient. Updated monthly.</p>

MMIS InfoPac Report No. & Title	Data Available
<b>R2457</b> AC Cumulative Service Encumbrance And Payments (Using Date of Service)	Same information as report 2208 but data is by date of service. Identifies services that are authorized infrequently or not at all. Current and previous years are included for comparison purposes. Data by county of financial responsibility (CFR) and tribal agency; by procedure code, unduplicated recipient, total units encumbered, total units used, total amount encumbered, total amount used, total days service agreements (SA), total days eligible, lead agency average cost per recipient, lead agency average cost per unit, lead agency average units per recipient. Updated monthly.
<b>R2460</b> AC Cumulative Service Encumbrance And Payments (Using Date of Service)	Use this report to identify recipients with the most encumbered/paid amounts to the least encumbered/paid amounts. Data by service date and includes the previous and current years for comparison. Data by CFR and tribal agency; per person amount encumbered, amount paid, remaining balance, total days on SA, average monthly encumbered, average monthly paid. Updated monthly.
<b>R2488</b> AC Cumulative Service Encumbrance And Payments (Using Date of Payment By Provider Number)	This report identifies those providers who may be having trouble with claim submissions or who are lax in submitting claims on a timely basis. Claims may be submitted up to 365 days of the date of service. This report compares the encumbered units/amounts to the used units/amounts. Data by CFR and tribal agency; by procedure code, unduplicated recipient, total units encumbered, total units used, total amount encumbered, total amount used, total days SA, total days eligible, lead agency average cost per recipient, lead agency average cost per unit, lead agency average units per recipient, by provider number. Updated bi-weekly after warrant cycles.
<b>R193</b> AC Client Fee Account Billing	This report identifies which recipients have a fee and the amount of the fee. Case managers should use it to assure that the fee amount is correct. If not, the service agreement AC Required Fee Amount field must be changed for future dates, and DHS contacted to correct the current and previous months. See bulletin 15-25-05 for more details. Data on monthly client fee billing by personal master index number (PMI#), StateWide Integrated Financial Tools number (Swift #), name, address, billed fee, partial fee amount.
<b>R190</b> AC Overdue Client Fee Accounts	This report identifies which recipients are past due in paying their fees by county of service and case manager. Open cases must be closed after 60 days of nonpayment unless other arrangements have been made for continued payments. See bulletin 15-25-05 for more details. Data on monthly overdue client fees by name, monthly fee amount, fee due date, PMI#, Swift#, status (O-Open, C-Closed, D-Deceased) and case manager.

## VII. Contracts with Tribal Governments for Local AC Administrators

The 2001 Minnesota Legislature granted authority to the commissioner of the Minnesota Department of Human Services to contract with federally recognized Indian tribes with a reservation in Minnesota to serve as the lead agency responsible for the local administration of the Alternative Care Program. Technical assistance and training will be available through DHS' tribal liaison, the AC program administrator, and other staff as needed to work collaboratively with tribal governments and tribal health divisions that have an interest in administering the AC program in their communities.

For planning and budgeting activities, tribal governments can contact DHS for general information and data about current local AC program participation. Information about AC is available and includes, but is not limited to, service utilization data, average cost per client, and average level of need per client.

Tribal governments that are interested in participating as a lead agency for the program should contact Jolene Kohn, Aging and Adult Services at [Jolene.Kohn@state.mn.us](mailto:Jolene.Kohn@state.mn.us) or 651 431-2579.

## **Submitting Replies and Requests**

All replies and requests should be sent to DHS at the following address:

To: Gail Carlson  
Gail.v.carlson@state.mn.us  
Alternative Care Program, Aging and Adult Services Division  
Minnesota Department of Human Services  
Elmer L. Anderson Human Services Building  
540 Cedar Street, P. O. Box 64976  
St. Paul, MN 55164-0976

## **Authority**

Laws of Minnesota 2015, Chapter 78, Article 6, Sections 14-21

Minnesota Statutes, section 256B. 0913

## **Americans with Disabilities Act (ADA) Advisory**

This information is available in accessible formats for people with disabilities by calling (651) 431-2590 (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.