Minnesota Department of Human Services

Bulletin

NUMBER
#15-69-02C

DATE
July 9, 2015

OF INTEREST TO
County Directors

Social Services Supervisors and Staff

Managed Care Organizations

Tribal Agencies

Consumer Support Grant Coordinators

Providers

State Grantees and Contractors

ACTION/DUE DATE
July 1, 2015

EXPIRATION DATE
July 9, 2017

Corrected #15-69-02: MN Legislature Authorizes Rate Increases for Long-Term Services and Supports

TOPIC

Information about rate changes effective July 1, 2015.

PURPOSE

Clarify language in DHS bulletin #15-69-02 related to MCO contracts adjustments for rate increases passed by the 2015 Minnesota Legislature.

CONTACT

Resources and contacts

SIGNED

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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.

I. Introduction

This bulletin includes information and instructions for the following rate increases for services provided on or after July 1, 2015:

A. The 1% quality add-on rate increase and quality improvement requirement
B. An additional 1.53% rate increase for Consumer Directed Community Supports (CDCS), Consumer Support Grant (CSG) and personal care assistance services (PCA)
C. An additional 10% rate increase for speech, occupational, and physical therapies provided as home health services

For more information, visit mn.gov/dhs/ltss-rates/.

A. The 1% quality add-on rate increase and quality improvement requirement

A 1.0% quality add-on rate increase, effective July 1, 2015, for long-term services and supports was authorized by the Minnesota Legislature in 2013 and amended in 2014 (*See* Minnesota Statutes, section 256B.439, subdivision 7). Depending upon the service, the increase applies to allocations, reimbursement rates, case mix caps, individual limits and rate limits for services provided on or after the effective date of the rate increase. The list of affected service providers is in Section II.A of this bulletin.

As part of the 2014 legislation, most providers that receive the 1% quality add-on rate increase are required to submit an updated or new quality improvement plan to the Minnesota Department of Human Services (hereinafter "DHS"). Additional information on this requirement, timeline, and exemptions is included in Section III.

B. Additional 1.53% rate increase for certain services

The 2015 Minnesota Legislature authorized an additional 1.53% rate increase for personal care assistance services and budgets in the Consumer Directed Community Supports (CDCS) and Consumer Support Grant (CSG) program, and personal care assistance (PCA) services to implement the minimum hourly wage and paid time off provisions of the agreement between the state of Minnesota and SEIU Healthcare (*See* Laws of Minnesota 2015, Chapter 71, article 7, section 53). This increase applies to reimbursement rates, individual budgets, grants, or allocations for limits for services provided on or after July 1, 2015.

C. Additional 10% rate increase for three therapies provided as home health services

In addition, the 2015 Minnesota Legislature authorized an additional 10% rate increase for speech, occupational, and physical therapies provided as home health services (*See* Laws of Minnesota 2015, Chapter 71, article 11, section 42). Depending upon the service, the increase applies to allocations, reimbursement rates, individual limits and rate limits for services provided on or after the effective date of the rate increase. The list of affected service providers is in Section II.B of this bulletin.

II. Implementation of the rate increases

A. Services and programs affected by the rate changes

1. Alternative Care (AC) Program
2. Brain Injury (BI) Waiver
3. Community Alternative Care (CAC) Waiver
4. Community Access for Disability Inclusion (CADI) Waiver
5. Day Training and Habilitation (DT&H)
6. Developmental Disabilities (DD) Waiver
7. Elderly Waiver (EW)
8. Essential Community Supports (ECS)
9. Intermediate Care Facilities for people with Developmental Disabilities (ICF/DD)
10. Moving Home Minnesota (MHM)
11. Nursing services and home health services, which include skilled nursing, home health aide, and therapies under the state plan home care program
12. Personal care assistance services (PCA) and qualified professional (QP) supervision of personal care assistance services
13. Home Care Nursing (HCN)
14. Consumer Support Grant (CSG)

The Internal Revenue Service (IRS) announced on December 10, 2014 the standard mileage rate for the use of a car (also vans, pick-ups or panel trucks) is 57.5 cents per mile for business miles driven beginning January 1, 2015. DHS adjusted the federal mileage rate to .57 effective July 1, 2015. This mileage adjustment applied to all home and community-based services (HCBS) programs.

B. Service rate increases under managed care

A managed care organization (MCO) that receives state payments for the programs or services in Section A above must include the increase in their payments to providers for services rendered on or after July 1, 2015. To implement rate increases in this section, capitation rates paid by the commissioner to managed care organizations under Minnesota Statute, section 256B.69, will be adjusted

~~accordingly and~~ retroactively to account for the ~~implementation~~ effective date of the rate increase. MCOs may retroactively adjust their payments to providers.

Providers should contact the MCO for information regarding the effective date and procedures related to the rate increases.

C. Timeframe for rate adjustment

Please note that information in this bulletin and online addresses only the process and procedures for implementing rate changes effective July 1, 2015.

County and tribal lead agencies must amend home and community-based services contracts for those affected service providers they remain under contract with in order to pass through the rate increase ~~within 60 days of the July 1, 2015 effective date~~. The amendments must be retroactive from the effective date of the rate change.

D. Required actions by DHS and Lead Agencies

1. Medicaid Management Information System (MMIS) and Waiver Management System updates

DHS will update the rate file in Medicaid Management Information System (MMIS) to reflect the rate increases to the statewide maximum service rate limits as stated above. DHS will adjust county and tribal budget allocations for waiver program services accordingly in the Waiver Management System.

2. Rate increases for non-waiver funded DT&H and ICF/DD services

DHS will calculate the provider rate increase for non-waiver funded DT&H and ICF/DD services. DHS will finalize the rates and adjust the MMIS provider rate file. A new service agreement letter with the rate change will be sent to the provider.

3. MMIS automation for service agreements

Lead agencies must refrain from adding or making any changes to all service agreements in MMIS from June 4, 2015 through June 10, 2015 or until DHS gives the all clear message. DHS will run a MMIS automation process on June 9, 2015. This automation process will split service authorization lines on existing service agreements that begin before and end after July 1, 2015. Lead agencies can enter the rate increase effective July 1, 2015. Refer to MMIS Automation Process and Instructions for detailed

instructions needed for making the rate adjustments in MMIS to service agreements.

4. County and tribal contracts

County or tribal contracts for services, grants, and programs listed in Section A above must amend their contracts to pass through these rate increases by September 1, 2015.

5. Consumer Directed Community Supports (CDCS) budgets

Lead agencies must inform Consumer Directed Community Supports (CDCS) participants of the rate increase and increase individual CDCS budgets accordingly. CDCS participants must use the CDCS Community Support Plan Addendum to communicate and document the budget and plan change. The lead agency must communicate the budget and plan change results to the Fiscal Support Entities (FSE) within 60 days of the effective date of the rate increase.

6. Home care type B agreements

Lead agencies do not make changes to home care type B agreements. These agreements do not run through the MMIS automation process. The MMIS rate file is adjusted so the increase automatically occurs during the billing process.

7. Consumer Support Grants

Consumer Support Grants will continue to follow the same manual adjustment process as previous years. Refer to the MMIS Automation Process and Instructions.

8. Federally negotiated rates to tribal providers

This requirement does not apply to federally negotiated Medical Assistance encounter rate payments to tribal providers.

9. Rate increase interaction with the Disability Rates Management System (RMS)

The Rate Management System (RMS) will be unavailable on June 9, 2015 so DHS can update the framework and historic rate files to reflect the 1% quality add-on rate increase. No lead agency action is required in the RMS to implement the rate increase. Please see the Disability Waiver Rates System website for more information.

10. Rate increase interaction with the Elderly Waiver Customized Living (CL) Rate Tool

Version 9.5.1 of the CL Tool incorporates the new rates and limits for EW customized living, foster care, and residential care. Use the new version of the CL Tool for all rate submissions with a service start date on or after July 1, 2015. For rates determined using a previous version of the CL Tool, you may generate an updated Rate Guide and plan reflecting the new rates by importing data from any previous version of the CL Tool into the new 9.5.1 version. Rates in MMIS for previously submitted CL Tools will be automatically adjusted in MMIS after July 1, 2015. There is no need to resubmit a version 9.5.1 CL Tool to replace an accepted CL Tool that established a rate spanning the July 1, 2015 rate increase date.

E. For more information

The following rate change information is found on mn.gov/dhs/ltss-rates/.

- CDCS Community Support Plan Addendum (PDF)
- Frequently asked questions
- Long-term services and supports (LTSS) rate limits (PDF)
- MMIS automation process and instructions
- Resources and contacts

III. Quality Improvement Requirement

The goal of this requirement is to encourage provider efforts to implement quality improvement projects. DHS will support providers in this process by offering information and tools for implementing quality improvement projects, as well as helping to connect providers to each other so they are able to learn from others' experiences.

Most providers that receive the rate increase must submit to DHS a quality improvement project by December 31, 2015 (*See* Minnesota Statutes, section 256B.439, subdivision 7). Quality improvement projects must be implemented by June 30, 2016 and address one of the following goals:

1. Improve the quality of life of home and community-based service recipients in a meaningful way;
2. Improve the quality of services in a measurable way; and
3. Deliver good quality services more efficiently while using the savings to enhance services for the participants served.

Providers who have previously submitted a plan through The Quality Improvement Tool must submit either an update of continued work for their ongoing project or submit a new quality improvement plan.

A. Providers required to submit a quality improvement project

Providers and facilities providing services under the following programs are required to submit a quality improvement project:

1. Alternative Care (AC) Program
2. Brain Injury (BI) Waiver
3. Community Alternative Care (CAC) Waiver
4. Community Access for Disability Inclusion (CADI) Waiver
5. Day Training and Habilitation (DT&H)
6. Developmental Disabilities (DD) Waiver
7. Elderly Waiver (EW)
8. Essential Community Supports (ECS)
9. Intermediate Care Facilities for people with Developmental Disabilities (ICF/DD)
10. Moving Home Minnesota (MHM)
11. Skilled nursing, home health aide, and therapies under the state plan home care program
12. Home Care Nursing (HCN)
13. Personal Care Assistance (PCA) services agencies

Individual Personal Care workers are not required to submit a plan.

CDCS and Consumer Support Grant (CSG) participants do not need to submit a quality improvement project using the web-based *Quality Improvement Tool*. CDCS participants must include information about how they will improve their supports or plans on their CDCS community support plan addendum. CSG participants must update their service plan to include this information.

B. How to submit the quality improvement project

The quality improvement plan must be submitted to DHS by December 31, 2015 using the web-based *Quality Improvement Tool*. Beginning July 1, 2015, the link for the *2015 Quality Improvement Tool* will be available at mn.gov/dhs/ltss-rates/. Providers who submitted a quality improvement plan last year must submit either an update of the continued work for their ongoing project or submit a new quality improvement plan.

DHS may recoup one-half of one percent of Medical Assistance revenues from providers and facilities that do not submit a Quality Improvement Tool.

C. Quality improvement resources and more information

- HCBS Quality Improvement Website a toolbox of resources, strategies and sample projects for all phases of the quality improvement process.
- Visit mn.gov/dhs/ltss-rates/ for more information about the quality improvement requirement.

Americans with Disabilities Act (ADA) Advisory

This information is available in accessible formats for people with disabilities by calling (651) 431-2100 (voice) or toll free at (800) 747-5484 or by using your preferred relay service. For other information on disability rights and protections, contact the agency's ADA coordinator.