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Agency Purpose

The Minnesota Board of Examiners for Nursing Home Administrators was established in 1970 and operates through M.S. 144A.19 – 144A.28 and Minn. Rules 6400. The board is charged with the responsibility to act as the official licensure agency for nursing home administrators. It was originally created by federal mandate and currently exists to protect the public’s interest through the regulation of nursing home administrators in the state of Minnesota. Regulation is accomplished through licensure examination and professional development as well as by the investigation of complaints.

The mission of the board is to promote the public’s interest in quality care and effective services for residents of nursing facilities by ensuring that licensed administrators are qualified to perform their administrative duties.

The Board of Examiners for Nursing Home Administrators has an additional budgetary responsibility serving as the fiscal agent for the *Administrative Services Unit*. The mission of the Administrative Services Unit (ASU) is:

- ◆ To provide centralized administrative services to 15 health-related licensing boards, the Emergency Medical Services Regulatory Board (EMSRB) and Board of Barber and Cosmetologist, in the areas of budgeting, fiscal analysis, human resources, transaction processing, purchasing and printing services, operations analysis, contracts, information technology and research and policy analysis.
- ◆ To provide high quality services by having individually trained staff focused on global administrative tasks focusing on cooperative ventures and
- ◆ To assist in the establishment of a consortium of boards to cooperate on matters of common interest.

Core Functions

The board accomplishes its mission by:

- ◆ setting and administering educational and examination standards for initial and continuing licensure;
- ◆ responding to inquiries, complaints and reports from the public and other health care regulators regarding licensure and conduct of applicants, permit holders, licensees and unlicensed practitioners;
- ◆ pursuing educational or disciplinary action with licensees as deemed necessary based upon results of investigations conducted; and
- ◆ providing information and education about licensure requirements and procedures and standards of practice to the public and other interested audiences.

Operations

- ◆ The board is comprised of nine individuals appointed by the governor, of which four are licensed administrators. The Minnesota Department of Health (MDH) and Department of Human Services (DHS) have appointed representatives who serve ex-officio. The board provides information relating to the practice of administration in long-term care facilities by informing the public of appropriate services and expected professional standards of nursing home administrators.
- ◆ The board’s Education Committee reviews the domain of knowledge and skills required for contemporary administration and sets educational and examination standards reviewing 50 applicants and administering 35 state examinations per year.
- ◆ The Standards of Practice Committee annually reviews 100-125 public and agency complaints regarding administrators. Public education is provided to consumers of long term health care.

At A Glance

Minnesota Licensed Nursing Home Administrator Statistics
(As of June 30, 2008)

Credentialing

Total Licensed:	840
% of 1 st time Minnesota candidates’ scores above national standard	79%
Current Average Age of new LNHA	35.4
Current Average Age of LNHA	49.4

Education:

New licensees:	42
Acting Permits issued	12
Minnesota Accredited Colleges in Health Care Adm.	7

Complaint Review

Total Complaints reviewed	108
Total complaints resolved	105
Percentage of Complaints resolved in <3 months	91%

- ◆ There are seven Minnesota approved Long-Term Care Administration academic programs. Students seeking career information are provided assistance from the board.
- ◆ The board assists 385 licensed skill nursing facilities in achieving federal compliance of employing a licensed nursing home administrator.

Key Goals

In 2008, The Board of Examiners for Nursing Home Administrators met and identified four key goals to work towards in this biennium: The four over-arching global goals relate to:

- #1: Goals towards addressing Assisted Living Administrators Credentialing
- #2: Goals directed towards initial academic training and practicum/field experience
- #3: Goals directed toward improving experienced administrators' continued competency
- #4: Goals directed toward board effectiveness of daily operations

Significant detail for each goal is provided on the board's website.

Key Measures

- ◆ Currently the board renewed 82.5% of its licensees in 2007 and 83.7% in FY08 using online electronic service; a stretch goal of 85% will be pursued in the biennium.
- ◆ The processing of a license will occur within two working days of the receipt of all licensing requirements.
- ◆ New Licensees evaluation of the application process will remain in the 4.0 to 5.0 range (5.0 scale) during the biennium. Improvement will take place with an electronic version and a continued satisfaction ranking of 4.0-5.0 rating.
- ◆ New Online Services – collaborating with other health-licensing boards for improved online services, with the additional online services of licensure applications, continuing education sponsors, and continuing education approval process added within this biennium. Goal will be to initially have 33% of all applicants apply online.

Budget

Total direct and indirect expenditures for FY 2008-09 were estimated to be \$1.576 million, which includes 8.60 FTE employees. Direct expenditures include salaries, rent and other operating expenditures. The board receives a direct appropriation for these costs. Indirect expenditures include costs of services received by the Attorney General's Office, Health Professionals Services Program, Office of Mental Health Program and the Administrative Services Unit. The board is responsible for collecting sufficient revenue to cover both direct and indirect expenditures.

The Board of Examiners for Nursing Home Administrators (BENHA) is estimated to collect \$389,000 in FY 2008-09, which is deposited as non-dedicated revenue into the state government special revenue fund. Revenue is collected from fees charged to applicants, licensees, and sponsors of continuing education programs. An estimated \$127,000 will be collected as dedicated revenue and deposited into the special revenue fund.

The Administrative Services Unit generates no revenue. Funds are appropriated to BENHA from the state government special revenue fund. The 15 health-related licensing boards, EMSRB, and Barbers and Cosmetologists share the cost of this activity. ASU is funded by receipts from all boards through a formula designed to approximate the share of ASU services used by each board. The boards collect revenue through fees charged to licensees, applicants, and other users and deposit them into the state government special revenue fund to cover the expenses of ASU. EMSRB pays for their services through an interagency agreement.

Contact

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The website at: <http://www.benha.state.mn.us> gives visitors easy access to useful information about nursing home administrators. Types of information available through the website include; regulatory news and updates, rules and Minnesota statues, public notices and forms.

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Dollars in Thousands

	Current		Governor Recomm.		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Direct Appropriations by Fund</u>					
State Government Spec Revenue					
Current Appropriation	733	912	912	912	1,824
Recommended	733	912	1,212	1,023	2,235
Change		0	300	111	411
% Biennial Change from 2008-09					35.9%
 <u>Expenditures by Fund</u>					
Carry Forward					
State Government Spec Revenue	21	28	0	0	0
Direct Appropriations					
State Government Spec Revenue	640	755	1,012	823	1,835
Open Appropriations					
State Government Spec Revenue	12	15	15	14	29
Statutory Appropriations					
State Government Spec Revenue	1	1	1	1	2
Miscellaneous Special Revenue	240	270	184	218	402
Total	914	1,069	1,212	1,056	2,268
 <u>Expenditures by Category</u>					
Total Compensation	645	701	835	675	1,510
Other Operating Expenses	269	368	377	381	758
Total	914	1,069	1,212	1,056	2,268
 <u>Expenditures by Program</u>					
Nursing Home Admin, Board Of	914	1,069	1,212	1,056	2,268
Total	914	1,069	1,212	1,056	2,268
 Full-Time Equivalentents (FTE)	 8.4	 9.1	 7.6	 8.0	

NURSING HOME ADMIN BOARD

Change Summary

Dollars in Thousands

	FY2009	Governor's Recomm.		Biennium
		FY2010	FY2011	2010-11
Fund: STATE GOVERNMENT SPEC REVENUE				
FY 2009 Appropriations	912	912	912	1,824
Subtotal - Forecast Base	912	912	912	1,824
Change Items				
ASU-Health Boards' Retirement Costs	0	201	0	201
ASU-Legal Analyst Position	0	85	87	172
ASU-Volunteer Health Care Provider Prog.	0	14	24	38
Total Governor's Recommendations	912	1,212	1,023	2,235
Fund: STATE GOVERNMENT SPEC REVENUE				
Planned Open Spending	15	15	14	29
Total Governor's Recommendations	15	15	14	29
Fund: STATE GOVERNMENT SPEC REVENUE				
Planned Statutory Spending	29	1	1	2
Total Governor's Recommendations	29	1	1	2
Fund: MISCELLANEOUS SPECIAL REVENUE				
Planned Statutory Spending	270	184	218	402
Total Governor's Recommendations	270	184	218	402

NURSING HOME ADMIN BOARD

Change Item: ASU-Health Boards' Retirement Costs

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	\$0	\$0	\$0	\$0
Revenues	0	0	0	0
State Government Special Revenue Fund				
Expenditures	201	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$201	\$0	\$0	\$0

Recommendation

The Governor recommends \$201,000 in FY 2010 from the State Government Special Revenue Fund to the Administrative Services Unit (ASU) housed under this agency to be used to pay for retirement costs in the health related boards. This funding would be available for transfer to the health boards through the biennium only for these costs.

Background

Several health boards anticipate retirements in the FY 2010-11 biennium with total costs estimated at the amount of this recommendation. The timing of a retirement decision is up to the individual, and the resulting irregular severance costs are often beyond the scope of the annual operating budgets of these agencies, especially the smaller ones. This recommendation provides a funding source for the boards that can be assessed for these expenses and eliminates the need for continuously adjusting individual appropriations and seeking deficiency funding. The health boards recover their costs through fees and any retirement funding provided to them would be included in those costs.

Relationship to Base Budget

Severance costs are generally not included in agency base budgets, especially those of smaller agencies.

Key Goals and Measures

Assuring a funding source for these irregular costs will allow the boards to use their regular operating budgets for furthering their missions of protecting the public's health and safety by providing reasonable assurance that the people who practice their profession are competent, ethical practitioners. They will be able to continue their program functions of licensing health care professionals and disciplining licensees whose behavior is a violation of the law and a risk to patient safety.

Alternatives Considered

Funding could be provided separately to each board anticipating retirement costs, but this would likely have to be adjusted as specific retirement decisions are made and actual costs known. Agencies could reallocate existing funding, but with some boards having two or fewer staff, agency operations might have to be shut down.

Statutory Change: Not Applicable

NURSING HOME ADMIN BOARD

Change Item: ASU-Legal Analyst Position

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	\$0	\$0	\$0	\$0
Revenues	0	0	0	0
State Government Special Revenue Fund				
Expenditures	85	87	87	87
Revenues	0	0	0	0
Net Fiscal Impact	\$85	\$87	\$87	\$87

Recommendation

The Governor recommends \$85,000 in FY 2010 and \$87,000 in FY 2011 to the Administrative Services Unit (ASU) housed under this agency for a legal analyst position. This will allow the ASU to support the health related licensing boards, especially the smaller ones without specialized staff, by providing legal assistance to them, particularly for legal drafting services. This recommendation is driven by increasing and increasingly complex complaint caseloads handled by the boards and changes in legal services provided to the boards by the Attorney General's Office (AGO).

Background

The health related licensing boards have seen their consumer complaints against individual health care professional's increase 28% since FY 2002. Complaints are more complex, requiring significantly more legal investigation and documentation. This requires greater staff involvement in processing and resolution. At the same time, the AGO has decreased the number of paralegals available to provide legal assistance to the boards in performing their complaint resolution process. This declining resource has been especially marked in the area of drafting of legal documents; the boards have recently been apprised that the AGO no longer has support staff available to assist the boards in drafting these documents. The boards seek to replace the AGO's services, in a cost effective manner, by hiring a legal analyst to draft documents. The boards' ability to process complaint activities in a timely manner is severely negatively impact by a lack of resources to draft legal documents. At this time there is a combined backlog of nearly 750 open disciplinary cases with over 100 cases awaiting legal documents to be drafted. As the overall number of health licensees increases to meet the increasing need for health care, the number of complaints has increased and will only continue to grow. The AGO has suggested that the hiring of a legal analyst funded by and shared among the boards is the best option to avoid further delays in complaint investigations and resolution. Three boards have hired a dedicated Legal Analyst to assist with document drafting and to limit the backlog at the AGO; this is a model that has worked and actually reduces overall expense. With a further reduction in AGO staffing, current AGO expenses for the boards will increase because attorneys rather than paralegals will be called on to draft these documents. By hiring a shared legal analyst onsite the boards will realize significant savings. This is a transition of essential services from one governmental entity to another at an overall cost reduction to the system. An additional Legal Analyst is needed to assist the boards in fulfilling their vital public protection missions, and to meet the customer service expectations of citizens who bring forward complaints regarding health care professionals.

The ASU is funded by a direct appropriation from the State Government Special Revenue Fund (171 fund). Through an agreed upon cost allocation formula, the costs of the ASU are allocated to each of the 15 health related licensing boards, the Emergency Medical Services Regulatory Board and the MN Board of Barber and Cosmetologist Examiners. These boards must collect and deposit revenue equal to their share of the cost into the Government Special Revenue Fund. The health related licensing boards are considered fee-supported boards that do not receive general fund dollars. While the legislature approves appropriations to the boards, fees assessed to the various licensees of the boards cover all of their direct and indirect expenditures.

The ASU provides services to the boards in the areas of budgeting, purchasing, payroll, human resources, fixed assets, accounts payable, accounts receivable, auditing, reporting and information technology support with 7.12 FTEs. In order to provide services to all the boards, the new Legal Analyst position will be employed 'sharing' the services of this employee with direct expense charged to the boards that utilize the legal services. No fee increase would be needed by any of the health related licensing boards to cover this expense.

Relationship to Base Budget

This recommendation will enhance the ASU's ability to provide shared legal services to the health related boards at a net savings. The boards' funding is self-generated through fees from licensed and registered professionals who have recognized the importance of the work that is done to regulate the professions. There is no other state or federal agency that performs these functions for the citizens of Minnesota. This recommendation will not require fee changes. Currently the boards are collecting sufficient revenue to cover the cost of this increase for compensation and related costs.

Key Goals and Measures

The boards' missions are to protect the public's health and safety by providing reasonable assurance that the people who practice their profession are competent, ethical practitioners with the necessary knowledge and skills appropriate to their title and role. Funding this recommendation will allow the boards to continue their program functions of licensing health care professionals and disciplining licensees whose behavior is a violation of the law and a risk to patient safety.

Alternatives Considered

Without this change, which would allow the boards to do most of this work in-house, legal documents would continue to be prepared and reviewed by the AGO at a greater expense. With the AGO decreasing legal analyst positions from four to one, longer delays would occur affecting timely interventions with practitioners and delayed or ignored public safety.

If additional staff is not hired to assist the boards with badly-needed legal support services in their complaint investigation programs, it is possible that complaint processing efforts would be focused on complaints of unsafe practices by various healthcare professionals that resulted in actual harm or death of patients. Extremely limited resources would be available to address complaints of unsafe practices, which, if addressed prior to harm, might result in education or corrective action that could avoid actual injury. Complaint processing time would be increased, less attention would be given to public complaints, and expenses would increase without this change.

Statutory Change: Not Applicable

NURSING HOME ADMIN BOARD

Change Item: ASU – Volunteer Health Care Provider Program Funding

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	\$0	\$0	\$0	\$0
Revenues	0	0	0	0
State Government Special Revenue Fund				
Expenditures	14	24	24	24
Revenues	0	0	0	0
Net Fiscal Impact	\$14	\$24	\$24	\$24

Recommendation

The Governor recommends \$14,000 in FY 2010 and \$24,000 in FY 2011 to the Administrative Services Unit (ASU) housed under this agency for an increase to the Volunteer Health Care Provider Program (VHCPP). Funding is used to purchase medical professional liability insurance for health care providers who are registered with the program and who are not otherwise covered by a medical professional liability insurance policy.

Background

The VHCPP was established July 1, 2003. The mission of the VHCPP is to facilitate the provision of health care services provided by volunteer health care providers through eligible health care facilities and organizations. The ASU purchases medical professional liability insurance for a provider volunteering services who is not covered by a medical professional liability insurance policy. The providers and facilities must meet its statutory requirements as defined in M.S. 214.40.

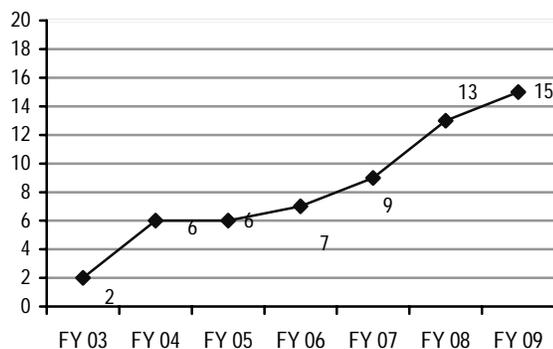
Relationship to Base Budget

Base funding for this program is \$65,000 each year from the state government special revenue fund. This recommendation would increase that amount based on anticipated costs for the program in the FY 2010-11 biennium. Currently the boards of Medical Practice, Nursing and Dentistry collect and deposit sufficient funds into the state government special revenue fund to support the program. Each board will be allocated an expense based on the number of professionals in the program and the cost of the insurance. The boards will collect sufficient funds and deposit them into the state governments' special revenue fund.

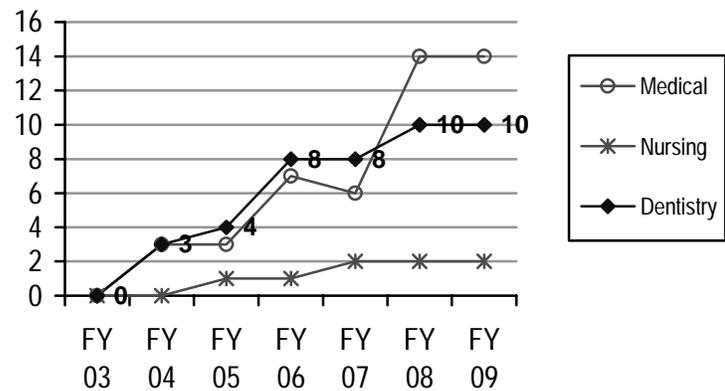
Key Goals and Measures

A total of 15 Facilities have registered in the program currently 13 are active. Currently the ASU pays the premium for malpractice insurance for 26 professional providers.

Total Facilities Each Fiscal Year



Professional Volunteers by Board by Fiscal Year



Alternatives Considered

If the recommendation is not approved, there may insufficient funding available to pay all requests for malpractice insurance. The ASU could also develop a plan on how to prorate the current funds to cover insurance or operate the program on a first-come-first-served basis, although the existing statute provides for full payment.

Statutory Change: Not Applicable

NURSING HOME ADMIN BOARD

Agency Revenue Summary

Dollars in Thousands

	Actual FY2008	Budgeted FY2009	Governor's Recomm. FY2010 FY2011		Biennium 2010-11
<u>Non Dedicated Revenue:</u>					
Departmental Earnings:					
State Government Spec Revenue	196	191	198	198	396
Total Non-Dedicated Receipts	196	191	198	198	396
<u>Dedicated Receipts:</u>					
Departmental Earnings:					
State Government Spec Revenue	1	1	1	1	2
Other Revenues:					
Miscellaneous Special Revenue	0	260	184	218	402
Total Dedicated Receipts	1	261	185	219	404
Agency Total Revenue	197	452	383	417	800