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**Agency Purpose**

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, and three general funded boards; the Emergency Medical Services Regulatory Board (EMSRB), Board of Barber, and Board of Cosmetology. The areas of oversight includes budgeting, fiscal analysis, human resources, payment 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.
- To assist in the establishment of a consortium of boards to cooperate on matters of common interest.
- To register individuals and organizations for the volunteer health care provider program.

**At a Glance**

**Credentialing**

Licensed Nursing Home Administrators (LNHA)	
Total Licensed	851
Average Age of New LNHA	39.96
Current Average Age of LNHA	49.76

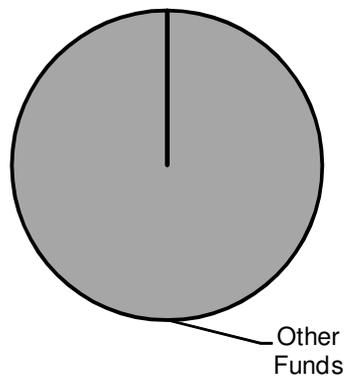
**Education**

New licensees	44
Acting Permits issued	10
Minnesota Accredited Centers of Long-Term-Care Programs	7
State Jurisprudence Exam	62
Continuing Education Review and Approval	242

**Investigations: Complaint Review**

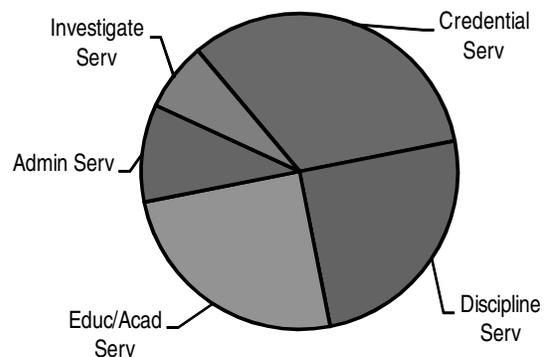
Total Complaints reviewed	78
Total Complaints resolved	64
Percentage of Complaints resolved in <3 months	92%

**Est. FY 2010-11 Expenditures by Fund**



Source: Consolidated Fund Statement.

**Est. FY 2010-11 Expenditures by Activity**



Source: Board expenses allocated to the services provided by the board.

## Strategies

The citizens comprising the Minnesota Board of Examiners for Nursing Home Administrators (BENHA) take serious the obligation of using fees to ensure that leaders of elder care campuses are sufficiently trained and held accountable for their actions without imposing unintended barriers or restrictions. The fees generated are used exclusively to carry out this mission of public protection by credentialing the licensed nursing home administrators. The licensure of Nursing Home Administrators is a federal requirement by the Centers of Medicare/Medicaid Services impacting Medicare and Medicaid funding for facilities. The board of directors review financial statements at each board meeting and determine strategic initiatives based on existing and future funding. Eight two percent (82%) of revenue is derived from licensee fees. The board takes serious cost to benefit analysis for virtually all existing standards and new initiatives. The board desires to be known for excellent customer service and remains sensitive to establishing fees while providing a quality service. *No general fund dollars are included in the Board of Examiners for Nursing Home Administrators budget or expenditures.*

## Operations

The Minnesota Board of Examiners for Nursing home Administrators was established in 1970 and operates through Minnesota Statutes 144A.19 – 144A.28 and Minnesota Rules 6400.

- The board is comprised of nine individuals appointed by the Governor, of which four are licensed administrators. The MDH and DHS have appointed representatives who serve ex-officio. The board provides information relating to the practice of administration in skilled 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 60 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.
- 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 skilled nursing facilities in achieving federal compliance of employing a licensed nursing home administrator.

## Key Activity Goals & Measures

The board engaged in an excellent strategic planning process in 2008 and will conclude the four focused areas of identified goals in this biennium. The four over-arching global goals relate to:

1. Assisted Living Administrators credentialing
2. Initial academic training and practicum/field experience
3. Improving experienced administrators' continued competency
4. Board effectiveness of daily operations

### Measures:

- Currently the board renewed 92.3% of its licensees in 2010, 87.4% in FY 09, 83.7% in FY08, using online electronic service; the previous stretch goal was achieved and will remain at 90% given the impending surcharge and credit card charge placed on the licensee. The electronic online renewal system developed by the small boards was given a 'highly satisfied' ranking by the license holders in 2008 with board members reviewing the system each year since for continuous quality improvement.
- The processing of a license will occur within 2 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 – the board desires to continue collaboration 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. The goal is 33% of all applicants will apply online. This service is ready to roll out in 2010.

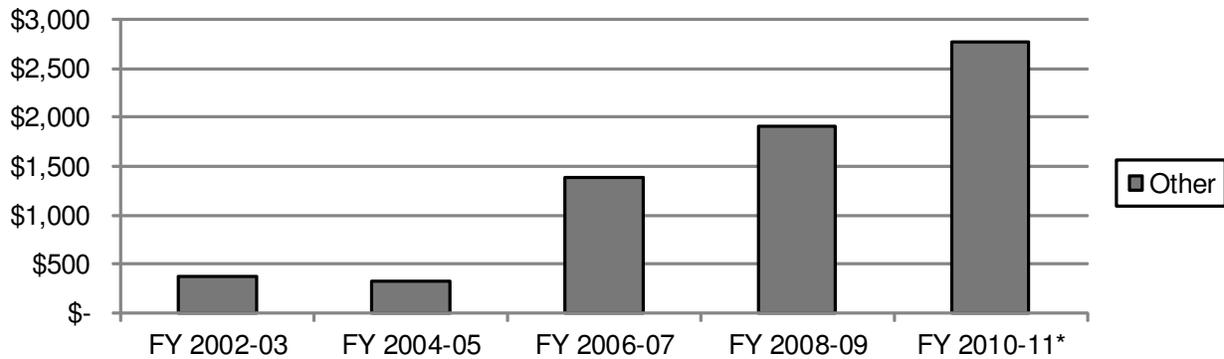
**Budget Trends**

The board is responsible for collecting sufficient revenue to cover both direct and indirect expenditures. The board is estimated to collect \$395,000 in FY 2010-11, which is deposited as non-dedicated revenue into the state government special revenue fund.

From this fund, the board receives a direct appropriation to pay for agency activities such as salaries, rent, costs for disciplinary/contested cases and operating expenditures. It also pays statewide indirect costs through an open appropriation. In FY 2010-11, total expenditures for these purposes are estimated at \$2.777 million. The chart below shows funding trends over the last five biennia for the direct and open appropriation.

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, Barber and Cosmetology boards pay for their services through an interagency agreement.

**Total Expenditures by Fund**  
\$ in Thousands



*\*FY 2010-11 is estimated, not actual*

*Source data for the previous chart is the Minnesota Accounting and Procurement System (MAPS) as of 07/31/10.*

*FY 2006-2007 ASU (Administrative Service Unit) funding moved to the Nursing Home Administrators Board*

*FY 2006-2011 ASU (Administrative Services Unit) budget includes Operations, Volunteer Health Care Provider Program, Legal Cost Account, and one time special appropriations.*

Board fees are also responsible for covering a prorated share of support functions provided outside of the Board itself. These include legal support (Attorney General), statewide e-licensing system development and operations (Office of Enterprise Technology), centralized administrative support (Health Boards Administrative Services Unit) and funding for services to health professionals (Health Professionals Services Program). In FY 2010-11, some of the health boards' reserves in the state government special revenue fund were also transferred to the general fund. The table below displays direct and open appropriation expenditures, external support costs (prorated share), and the general fund transfers (prorated share) estimated in FY 2010-11.

	FY 2010-11 (in thousands)
Board's Direct and Open Appropriations (does not include ASU)	\$ 421
Board's External Support Costs and Transfers (prorated Share)	
• Attorney General support	14
• E-licensing support	18
• Central administrative service unit	0
• Health professional service program	3
• General fund transfer	99
Total	555
Fees Collected by Board	\$395
Prorated Surplus/(Deficit)	(160)

In most years, Board fee revenues exceed direct expenditures and external support costs, and as directed by law, the surplus is used to maintain a reserve in the state government special revenue fund. It should be noted here that the FY 2010-11 transfers to the General Fund, along with unanticipated increases in the support costs discussed above, have resulted in the Board's fee revenue not covering its prorated costs and transfers.

The number of licensees regulated by the Board continues to rise, as do the number of complaints and the complexity of the cases.

**Contact**

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

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*Dollars in Thousands*

	Current		Governor Recomm.		Biennium 2012-13
	FY2010	FY2011	FY2012	FY2013	
<b><u>Direct Appropriations by Fund</u></b>					
<b>State Government Spec Revenue</b>					
Current Appropriation	1,262	1,084	1,084	1,084	2,168
<b>Recommended</b>	<b>1,262</b>	<b>1,084</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change		0	(1,084)	(1,084)	(2,168)
% Biennial Change from 2010-11					-100%
 <b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
State Government Spec Revenue	726	1,619	0	0	0
<b>Open Appropriations</b>					
State Government Spec Revenue	14	24	0	0	0
<b>Statutory Appropriations</b>					
State Government Spec Revenue	1	1	197	197	394
Miscellaneous Special Revenue	270	200	201	203	404
<b>Total</b>	<b>1,011</b>	<b>1,844</b>	<b>398</b>	<b>400</b>	<b>798</b>
 <b><u>Expenditures by Category</u></b>					
Total Compensation	720	736	333	348	681
Other Operating Expenses	291	1,108	65	52	117
<b>Total</b>	<b>1,011</b>	<b>1,844</b>	<b>398</b>	<b>400</b>	<b>798</b>
 <b><u>Expenditures by Program</u></b>					
Nursing Home Admin, Board Of	1,011	1,844	398	400	798
<b>Total</b>	<b>1,011</b>	<b>1,844</b>	<b>398</b>	<b>400</b>	<b>798</b>
 <b>Full-Time Equivalent (FTE)</b>	 <b>10.8</b>	 <b>9.3</b>	 <b>9.3</b>	 <b>9.3</b>	

<i>Dollars in Thousands</i>				
	FY2011	Governor's Recomm.		Biennium
		FY2012	FY2013	2012-13
<b><i>Fund: STATE GOVERNMENT SPEC REVENUE</i></b>				
FY 2011 Appropriations	1,084	1,084	1,084	2,168
Subtotal - Forecast Base	1,084	1,084	1,084	2,168
<b>Change Items</b>				
Convert to Dedicated Funding	0	(1,084)	(1,084)	(2,168)
<b>Total Governor's Recommendations</b>	<b>1,084</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Fund: STATE GOVERNMENT SPEC REVENUE</i></b>				
Planned Open Spending	24	25	25	50
<b>Change Items</b>				
Convert To Dedicated Funding	0	(25)	(25)	(50)
<b>Total Governor's Recommendations</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Fund: STATE GOVERNMENT SPEC REVENUE</i></b>				
Planned Statutory Spending	1	1	1	2
<b>Change Items</b>				
Convert to Dedicated Funding	0	196	196	392
<b>Total Governor's Recommendations</b>	<b>1</b>	<b>197</b>	<b>197</b>	<b>394</b>
<b><i>Fund: MISCELLANEOUS SPECIAL REVENUE</i></b>				
Planned Statutory Spending	200	201	203	404
<b>Total Governor's Recommendations</b>	<b>200</b>	<b>201</b>	<b>203</b>	<b>404</b>

# NURSING HOME ADMIN BOARD

Change Item: Convert to Dedicated Funding

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
Health Related Boards Fund (171)				
<b>Direct Appropriated Account</b>				
Expenditures	\$ (196)	\$ (196)	\$ (196)	\$ (196)
Non-Dedicated Revenue	(1,084)	(1,084)	(1,084)	(1,084)
<b>Open Appropriated Account</b>				
Expenditures	(25)	(25)	(25)	(25)
<b>Dedicated Account</b>				
Expenditures	196	196	196	196
Dedicated Revenue	196	196	196	196
Transfer In	34	0	0	0
Net Fiscal Impact	\$ (879)	\$ (913)	\$ (913)	\$ (913)

## Recommendation

The Governor recommends changing the way appropriations are made to the health related licensing boards that operate in the state government special revenue fund. Under this proposal, the boards' funding would be converted from direct appropriations to dedicated appropriations, giving each board spending authority equal to its fee revenue and any accumulated balance. The net effect of this change is the difference between the board's current base appropriations and projected revenues.

The direct appropriation for the Nursing Home Administrator's Board includes an appropriation for the Administrative Service Unit for the boards. Under this proposal, Administrative Service Unit will be funded through partnership agreements with each board.

## Rationale

This proposal places ownership in the boards' 183 appointed members to be efficient and cost effective in setting their spending levels, while providing continued legislative oversight in the setting of the boards' fees. It encourages the boards to find efficiencies and ensures the fees paid by each occupation are dedicated to the boards' mission to protect the public and ensure that Minnesota citizens receive quality care by qualified licensed health professionals. The establishment of the dedicated appropriation will improve the boards' management of resources and transparency for licensees.

The health related licensing boards are fee-supported organizations that receive no General Fund dollars. The boards currently collect and deposit fees as non-dedicated special revenue into the health related boards account in the state government special revenue fund (171). The legislature then provides a direct appropriation from these revenues to each board for its operating expenses. Unlike agencies that receive direct appropriations from the general fund, the boards must ensure that licensing fees are collected to recover each board's direct and indirect expenditures to maintain the solvency of the state government special revenue fund. For this reason, the health boards already operate much like agencies with dedicated appropriations—except that they must seek appropriation authority to gain access to their existing fee revenue.

This proposal changes the boards' non-dedicated revenue to dedicated revenue within the same fund and provides each board with a dedicated appropriation from the board's revenue. Additionally, the current accumulated fund balance within the health related boards account will be transferred to individual boards based on each board's contribution to the balance. M.S. 16A.1283 requires that all fee increases be approved by the legislature, so even with a dedicated funding arrangement, the boards must still seek legislative action to increase spending beyond current law fee revenues.

## Key Goals and Measures

Minnesota Milestone: Government in Minnesota will be cost-efficient, and services will be designed to meet the needs of the people who use them. Minnesotans expect their state and local governments to spend money carefully and effectively.

Measures:

- Transparency of fees and expenditures
- The level of service provided to licensees and Minnesota citizens.

**Statutory Change:** Minnesota Statutes Chapter 148

**NURSING HOME ADMIN BOARD**

Agency Revenue Summary

*Dollars in Thousands*

	<b>Actual FY2010</b>	<b>Budgeted FY2011</b>	<b>Governor's Recomm.</b>		<b>Biennium 2012-13</b>
			<b>FY2012</b>	<b>FY2013</b>	
<b><i>Non Dedicated Revenue:</i></b>					
<b>Departmental Earnings:</b>					
State Government Spec Revenue	197	194	0	0	0
<b>Other Revenues:</b>					
State Government Spec Revenue	(17)	0	0	0	0
<b>Total Non-Dedicated Receipts</b>	<b>180</b>	<b>194</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Dedicated Receipts:</i></b>					
<b>Departmental Earnings:</b>					
State Government Spec Revenue	1	1	197	197	394
<b>Other Revenues:</b>					
Miscellaneous Special Revenue	0	104	169	169	338
<b>Total Dedicated Receipts</b>	<b>1</b>	<b>105</b>	<b>366</b>	<b>366</b>	<b>732</b>
<b>Agency Total Revenue</b>	<b>181</b>	<b>299</b>	<b>366</b>	<b>366</b>	<b>732</b>