The enactment and implementation of Value-Based Reimbursement (VBR) has inspired a great many questions. In the interest of providing consistent answers to questions that are of common interest, the Nursing Facility Rates and Policy Division (NFRP) of the Minnesota Department of Human Services (DHS) is providing this document, Frequently Asked Questions (FAQ). It provides the best guidance on interpretation of law and rule that NFRP staff are able to provide as of the date published. In all cases, law and rule, as in effect at the time an issue arises, prevails. Updated FAQs will be published periodically with new questions and answers and updated answers to previous guidance. When a specific answer is updated, a date will be shown for the revised answer. New questions and answers are highlighted in gray.

#	TOPIC	QUESTION	ANSWER	Date Posted
A.1	General	What other sources of guidance should Nursing Facilities refer to?	Nursing facilities can refer to the following resources: Bulletin 15-62-01, which can be found here: http://www.dhs.state.mn.us/main/groups/publications/documents/pub/dhs16_196325.pdf, the instruction manual for the Statistical and Cost Report, separate FAQ for the scholarship program, and Nursing Facility Rates and Policy division staff.	9/18/2015
A.2	General	Are any of the new funds required to be used toward wages?	The law does not mandate any specific uses of the new funds.	9/18/2015
B.1	CANF	Does the new law impact the Critical Access Nursing Facility program?	Yes, the statute suspends the Critical Access Nursing Facility program. In addition, the new payment system implements 100% of the rate without phase-in, whereas the Critical Access Nursing Facility program only implements 60%.	9/18/2015
C.1	Case Mix Penalties	We heard we are to use the RUG census days that “should have been”, as if there were no penalty period. Does this apply to billing a private pay resident?	No, The use of the RUG that “should have been” in regards to the penalty rate only applies to the census report on the Minnesota Statistical and Cost Report. It should not be used in billing or calculating revenue. If a penalty rate is received for a private pay resident you must bill the resident the penalty rate.	9/18/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
C.2	Case Mix Penalties	If we are to use the RUG census days that "should have been" if there was no penalty period are we to adjust the revenue side of this as well?	No. Record revenue for room and board at the amounts paid. Room and Board should be recorded with contractual adjustments for Medicare and Other Third party Payers. Medicaid and Private Pay should be booked and billed at the penalty rate. The "Adjustments" column is for adjustments to expenses/revenues reported previously on the lines of the cost report and not for contractual adjustments.	9/18/2015
D.1	Collective Bargaining	How are rates affected if the union at a nursing facility gets decertified? If a collective bargaining contract was in place on the first day of the cost report period, but not on the last day, will increases in costs be disallowed due to the absence of a signed agreement?	Unions only have a role if they are the exclusive bargaining agent when the annual rates are set. If the union is decertified before the rates are set, the comparison of costs on the two most recent cost reports will not be done, and increases in costs will be considered allowable costs.	9/18/2015
D.2	Collective Bargaining	If the union does not have an agreement with the facility, who at DHS should the union notify?	These notifications should go to Ilya Garelik at ilya.garelik@state.mn.us.	9/18/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
D.3	Collective Bargaining	When do unions have to let DHS know that there is an agreement in place?	As noted in section III.F of the bulletin, "The VBR amendments establish a new role for exclusive bargaining agents. In the Annual Statistical and Cost Report, nursing facilities will be required to report whether any employees are represented by an exclusive bargaining agent, which union this relationship is with, and which groups of employees are represented. The report will also ask if a collective bargaining agreement was in effect as of the last day of the cost reporting year (September 30) or was subsequently reached as of the cost report filing date. In addition, unions may notify DHS by March 1 following the filing due date of the Annual Statistical Cost Report if an agreement is not in place covering the last day of the cost reporting year. If DHS is notified by either the facility or the exclusive bargaining agent that they did not have an agreement effective on the last day of the cost reporting year and that none has been reached, both parties must notify DHS by October 1 if an agreement is reached. Cost increases associated with employees represented by an exclusive bargaining agent will be allowed only if an agreement was in place on the last day of the cost reporting year or if an agreement or understanding between the facility and the collective-bargaining agent is achieved by October 1 following the cost report due date."	9/18/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
D.4	Collective Bargaining	The unions are asked to notify DHS if there is not a collective bargaining agreement with the facility. But Minnesota's Public Employment Labor Relations Act (PELRA) in Minnesota Statute §179A.20, Subdivision 6 provides that labor agreements with public employees are automatically extended when they expire, unless and until the union has given notice of its intent to strike. So how should we interpret the language in the statute saying "a collective bargaining agreement … was not in effect?" Minnesota Statute 179A.20 extends public employee collective bargaining agreements beyond the date given as the effective date in the contract. The pertinent portion of that section says: "Contract in effect. During the period after contract expiration and prior to the date when the right to strike matures, and for additional time if the parties agree, the terms of an existing contract shall continue in effect and shall be enforceable upon both parties." The right to strike is governed by Public Employment Labor Relations Act in Minnesota Statutes §179A.18 which lays out a lengthy process that must be followed prior to striking. There are very few public employee strikes. What that means is most public employment	For purposes of determining NF allowable costs for publically owned nursing facilities, DHS will not consider the phrase "the terms of an existing contract shall continue in effect" to be equivalent to a bargaining agreement itself as being in place. If an agreement has met its expiration date and a new agreement has not been reached, both parties may adopt the position that they have an understanding in which case DHS will allow related cost increases. However, the collective bargaining agent may take the position that no bargaining agreement or understanding is in effect in which case DHS will NOT allow related cost increases.	9/18/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
		collective bargaining agreement's almost never truly expire.		

#	TOPIC	QUESTION	ANSWER	Date Posted
D.5	Collective Bargaining	Is there a template letter on the DHS website that union representatives can use to notify the state that a collective barganining agreement has been reached?	There is no form for a letter of acceptance at this time. Please see section III. F. of bulletin 15-62-01. You certainly may provide them a letter, but under the circumstances, DHS will not need one. When they file their cost report for the year ending on September 30, which is due to DHS on the following February 1, they will tell DHS that an agreement or understanding was in place as of September 30. The union will have until March 1 to notify DHS IF THERE WAS NOT AN AGREEMENT IN PLACE. Since there is an agreement, no such notification is called for. At that point, we will conclude that all related costs should be allowable, all other considerations being in line with that.	12/7/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
E.1	Cost Reports-General	I vaguely remember from my Rule 50 days the notion of allowable costs, and clarity on cost categories developed quite extensively. It seemed that it was quite an iterative process vs. a clear cookbook. How much clarity will we have out of the gate?	NFRP staff are working on providing as much clarity as we can in the Cost Report, in its instruction manual, and in other guidance. Nonetheless, this likely will be a long-term iterative process. We plan to regularly update this FAQ document on the DHS website as questions come in and we work out our responses. At this time, please refer to the requirements in Title XVIII of the federal Social Security Act and the interpretations in the CMS Provider Reimbursement Manuals; and compliance with Minnesota Statutes 2015, section 256B.441, subdivision 6 and generally accepted accounting principles.The 2015 CMS Provider Reimbursement Manuals can be accessed at: http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Paper-Based-Manuals.html	9/18/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
E.2	Cost Reports-General	What happens when the organization that is the license holder of the nursing facility changes during a cost reporting period (also known as a "CHOW")? What costs are used to set future rates; the whole cost reporting year, or only a portion of it? Who is responsible for filing the cost report; the old owner or the new owner?	The person/entity that is the licensee (operations owner) when the annual cost report is due is the person/organization that is responsible for completing and filing the cost report. The new owner will need to ensure that they have access to the records of the previous owner so that the cost report reflects the full 12 month cost reporting period. Regardless of a CHOW, rates are set based on the full 12 month cost report period.	9/18/2015
E.3	Cost Reports-General	If we increase our salaries, benefits, and other costs do we have to wait a full 27 months to get reimbursed for these increases?	Costs incurred from October 1, 2013 – September 30,2014 will be used to set January 1, 2016 rates. Costs incurred from October 1, 2014 – September 30, 2015 will be used to set January 1, 2017 rates and so on. So, yes it can take up to 27 months to be reimbursed for additional costs, if you increase spending beginning October 1 ,2015, because you will not get reimbursed for them until January 1, 2018.	9/18/2015
E.4	Cost Reports-General	Our fiscal year end is June 30, so our Medicare Cost year ends June 30. However, the MA Cost year ends on September 30. Is it acceptable just to use the costs reported on the Medicare Cost Report or are we supposed to recalculate our costs to show costs from October 1 to September 30?	You are required to show costs for Minnesota reporting year ending on September 30.MS 2015 256B.441, Subd. 35. **Reporting period.** "Reporting period" means the one-year period beginning on October 1 and ending on the following September 30 during which incurred costs are accumulated and then reported on the statistical and cost report. If a facility is reporting for an interim or settle-up period, the reporting period beginning date may be a date other than October 1. An interim or settle-up report must cover at least five months, but no more than 17 months, and must always end on September 30.	9/18/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
E.5	Cost Reports-General	Why are the resident days for September 30, 2013 and not September 30, 2014 on the rate notice for October 1, 2015?	The rate year has changed to January 1 with the new law that was enacted. We will not be using any 2014 cost report data to set any rates including resident days until we set the rates beginning January 1, 2016.	9/18/2015
E.6	Cost Reports-General	Should the costs related to implementing PIPP projects be included in the Cost report?	Yes	9/18/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
E.7	Cost Reports-General	Is there an opportunity for providers to amend their cost report after they have been submitted to DHS?	Per Minnesota Statutes 256B.441, Subdivision 43(b), "Nursing facilities may, within 12 months of the due date of a statistical and cost report, file an amendment when errors or omissions in the annual statistical and cost report are discovered and an amendment would result in a rate increase of at least 0.15 percent of the statewide weighted average operating payment rate and shall, at any time, file an amendment which would result in a rate reduction of at least 0.15 percent of the statewide weighted average operating payment rate. The commissioner shall make retroactive adjustments to the total payment rate of a nursing facility if an amendment is accepted. Where a retroactive adjustment is to be made as a result of an amended report, audit findings, or other determination of an incorrect payment rate, the commissioner may settle the payment error through a negotiated agreement with the facility and a gross adjustment of the payments to the facility. Retroactive adjustments shall not be applied to private pay residents. An error or omission for purposes of this item does not include a nursing facility's determination that an election between permissible alternatives was not advantageous and should be changed." Amendment requests may be submitted via email to any of the DHS NFRP audit staff.	2/26/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
E.8	Cost Reports-Allocations	Our facility does meals for the jail, head start and the hospital so I will be setting up my allocations to account for these meals we provide outside of our SNF. I also think about my shared maintenance staff that work over at the AL as well. Do you have anything from DHS that addresses these sort of things and has direction for me? How are other SNF's across Minnesota dealing with this issue? Does DHS have specific guidelines that have to be followed?	Costs not related to resident care such as the direct and indirect costs of operating a congregate dining program, jail meal program, facility delivered meals program, meals on wheels, head start or day care center are non-allowable for purposes of setting nursing facility rates. Adjustments should be made to the cost report to ensure that the costs of meals not related to resident care are not reflected in the "Nursing Facility Related Costs" column of the cost report. Similarly, all revenues associated with non-resident meals must also be adjusted off. Further instructions on dietary costs allocation and a sample Dietary Adjustments schedule will be included in the cost report instruction manual.	9/18/2015
E.9	Cost Reports-Allocations	How should salary costs be allocated for employees who are responsible for multiple services?	Salary costs for employees who are responsible for multiple services can be assigned based on direct identification of time, or by periodic time studies that are used to allocate salaries. See the section titled "Productive Hours" in the cost report instruction manual for further instructions for the preparation of time studies.	9/18/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
E.10	Cost Reports-Allowable Costs	Is it allowable to "accrue" a bonus to a cost report and actually pay it out later, probably in December of this year? This practice might have been allowed under Rule 50? How will accrual work with the new cost reporting system?	A facility may accrue a bonus during the reporting year but must actually pay it out within 30 days of the end of the reporting year. (MS 256B.441, subdivision 37)	9/18/2015
E.11	Cost Reports-Cost Classification	Where are chaplaincy costs reported?	These costs are reported in the "other care related" category.	9/18/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
E.12	Cost Reports - Cost Classification	How should EMR software costs be classified?	Electronic Medical Records (EMR)/ Electronic Health Records (EHR) software costs which are not required to be capitalized or not already claimed under the Medicare/Medicaid EHR Incentive Program can be reported in "Direct care costs" per MS 2015, section 256B.441, subdivision 11. Software license is listed in the "Administrative Departments" category of the 2013 Estimated Useful Lives of Depreciable Hospital Assets (hereinafter, 2013 AHA depreciation guidelines) with a useful life of 3 years. "If a depreciable asset has at the time of its acquisition an estimated useful life of at least 2 years and a historical cost of at least $5,000, its cost must be capitalized…" per CMS Provider Reimbursement Manual-I, section 108.	12/7/2015
E.13	Cost Reports - Cost Classification	How should costs for the wireless service needed for EMR be classified (Direct Care or Admin)?	Wireless service needed for EMR should be classified in G & A since that is part of the overall communication system of the facility, and there could be non EMR equipment using the wireless service, also. The definition of "Administrative costs" in MS 2015, section 256B.441, subdivision 5 includes "voice and data communication or transmission".	12/7/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
E.14	Cost Reports - Cost Classification	How should EMR hardware be classified?	Minor equipment that is not required to be capitalized must be reported in Maintenance & Plant Operations costs per the Medical Assistance cost report instruction manual.	12/7/2015
E.15	Cost Reports - Cost Classification	How should FCC license costs for pagers linked to call systems be classified?	FCC license costs, which are not required to be capitalized, must be reported in G & A. MS 2015, section 256B.441, subdivision 5.	12/7/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
E.16	Cost Reports - Cost Classificati on	How does DHS figure out the costs of hospital attached NFs? Costs for NFs on a campus with an assisted living facility with shared staff and services?	The costs for hospital-attached nursing facilities are determined using the Medicare cost report worksheets and step-down statistics, adjusting for the Medicaid cost repot year end of September 30th. Care-related costs (lines 6111 through 6290) for hospital-attached facilities should be directly identified. For facilities that have other non-nursing facility operations, costs that are not directly identified should be allocated based on methods that will be specified in the cost report instruction manual. Methods will include resident days, number of meals served, time studies, weight of processed laundry and square footage. Care-related costs (lines 6111 through 6290) for other non-nursing facility operations should be directly identified.	12/7/2015
E.17	Cost Reports - Cost Classificati on	May providers break out their C.N.A. training costs incurred after July 1, 2015 on the 9-30-2015 cost report for purposes of having the costs passed-through to the scholarship per diem?	Yes	12/7/2015
E.18	Cost Reports - Cost	How are health insurance costs for central office treated?	Health insurance costs for central office are to be included in central office costs on line 8073. These costs are not allowable for inclusion in external fixed.	2/26/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
	Classification			
E.19	Cost Reports - Cost Classification	Where should the costs related to the purchase of and care for pets (e.g. aviary and aquarium) be reported on the cost report? Are allowable costs in this category limited?	Costs related to the purchase of and care for pets should be reported on line 6280, "Other Nursing, Activities & Social Service Expenses". There is not a specific limit or cap for allowable costs in this category under state law, however, Medicare's concepts of "reasonable and necessary', and "Prudent Buyer" (see Provider Reimbursement Manual-Part I, Chapter 21) apply.	2/26/2015
F.1	ECPN	Will the new law impact the ECPN program?	The ECPN program remains in statute. However, DHS must seek federal approval for the program to allow rates greater than full rebasing.	9/18/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
G.1	External Fixed	Effective January 1, 2016, what will the external fixed rate include?	For nursing facilities rates that are not held-harmless to the December 31, 2015 rates, the following items will make up the external fixed rate starting on January 1, 2016 per MN Statute 256B.441, Subd. 53: 1. Allowed surcharge costs 2. Allowed MDH license fees 3. Allowed scholarship costs 4. Allowed employer health insurance costs 5. Allowed real estate taxes or payments in lieu of 6. Allowed special assessments 7. Allowed PERA costs 8. Performance Based Incentive Payment Program (PIPP) rate component 9. Quality Improvement Incentive Payment (QIIP) rate component 10. Single-bed incentives 11. Planned Closure Rate Adjustments 12. Allowed family and resident advisory council costs 13. Special dietary needs allowance (if applicable; determined under Subd. 51)	9/18/2015
G.2	External Fixed	Why is PERA an external fixed cost but the employer costs for FICA and pension are not?	The costs in external fixed are costs that are government mandated or the facility has no control over the costs.	9/18/2015
G.3	External Fixed	Will HSA's that are not allowable under the ACA be an allowable external fixed cost? Or allowable operating cost?	HSA plans that qualify under the Affordable Care Act will be allowable in external fixed costs. HSA plans that do not qualify under the Affordable Care Act will not be allowable costs for the purpose of rate setting.	2/26/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
H.1	Fringe Benefits	Are contributions to employee retirement plans like 401k allowable?	Yes, employer contributions to employee retirement plans like 401k are allowable and should be reported in the fringe benefit costs section of the cost report.	9/18/2015
I.1	Health Insurance	What is the definition for full-time employment?	See ACA.	9/18/2015
I.2	Health Insurance	How are health insurance costs defined?	Health insurance costs are defined as, ”premium expenses for group coverage and reinsurance, actual expenses incurred for self-insured plans, and employer contributions to employee health reimbursement and health savings accounts. Premium and expense costs and contributions are allowable for employees who meet the definition of full-time employees and their spouse and dependents under the federal Affordable Care Act, Public Law 111-148, and part-time employees.”	9/18/2015
I.3	Health Insurance	Do you think the health insurance pass through will continue as is for a while? (I am concerned about adding cost if it will be pulled back and be a takeaway for employees later-such as adding part time employees)	We cannot predict future legislation, but, given the employer mandate in ACA, some spending increases will be mandatory and the provisions regarding health insurance reimbursement will help facilities cover costs they are required to incur.	9/18/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
I.4	Health Insurance	Do NFs have to wait a full 27 months to get reimbursed for their costs for health insurance?	Health insurance costs reported on the September 30, 2014 cost report will be reflected on the January 1, 2016 rate notice in external fixed. Also, these costs may be included in January 1, 2016 rates if the facility meets the requirements described in Section III.E. of the bulletin which states: "Facilities that did not provide health insurance coverage as of May 1, 2015, and have a signed contract with the health insurance provider to begin providing health insurance coverage by January 1, 2016, may also be paid these costs for the period from January 1, 2016, through December 31, 2017." We use the term "may" because inclusion of these costs is contingent on overall VBR costs being below the appropriation in an amount sufficient to cover the cost of this.	9/18/2015
I.5	Health Insurance	Are copays and deductibles paid by the employees considered allowable employer health insurance costs?	No	9/18/2015
I.6	Health Insurance	Does health insurance move to external fixed on January 1, 2016 for all NFs or only those that did not provide health insurance on May 1, 2015 and contract to do so effective January 1, 2016?	Allowable health insurance costs will also be reimbursed in external fixed effective January 1, 2016 for all facilities that reported allowable health insurance costs on the RYE September 30, 2014 Cost Report.	9/18/2015
I.7	Health Insurance	Will health insurance costs for sub-contractors be an allowable cost for the purposes of setting the external fixed rate?	No, only employer costs for people directly employed by the facility will be considered allowable costs.	9/18/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
I.8	Health Insurance	We currently provide health insurance. Do we get back the amount we spend for our employees?	The allowable health insurance costs that you reported on the September 30, 2014 cost report will be used to establish a health insurance per diem in the external fixed rate category on January 1, 2016.	9/18/2015
I.9	Health Insurance	Our facility currently does not have health insurance. The new law states that we are able to apply to receive an update in our rates for January 1st 2016 to add health insurance. How do we apply to offer health insurance in 2016?	See Bulletin #15-62-01, section III.E	9/18/2015
I.10	Health Insurance	Can nursing facilities pay 100% of health insurance costs?	Yes	9/18/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
I.11	Health Insurance	Where do costs get reported on the cost report for ACA penalties for NFs that elect to NOT provide employee health insurance?	Penalties are not allowed according to the CMS Provider Reimbursement Manual (PRM)- Part 1, Section 2105.10, which states: 2105.10 Costs of Fines or Penalties.--Costs incurred by providers for fines or monetary penalties imposed for violations of Federal, State, or local laws are not allowable. Penalties must be entered on line 9022 Group Health Insurance under the "Balance Per Books" column in order for your "Balance Per Books" to reconcile to the financial statements. Then enter the amount for the penalties under the "Adjustments" column in order to remove them from your "Balance Per Books". Any balance left in the "Nursing Facility Related Costs" column should be for actual Health insurance Costs and not Penalties.	9/18/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
I.12	Health Insurance	Do reported costs for health insurance and dental insurance need to be separated?	If dental insurance is a separate plan from health insurance, it is not included in external fixed but is an allowable cost under fringe benefits. If the health insurance plan includes dental benefits for children as part of the plan, it does not need to be separated out. (Revised (9/24/15)	9/18/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
I.13	Health Insurance	Where would a nursing facility get the money to pay for health insurance?	There are a few scenarios:• If the facility provided employee health insurance in the Septepber 30, 2014 cost report year, those costs will be reported on their annual cost report and will be used to determine a rate component that will be in their rates beginning January 1, 2016.• If the facility provided employee health insurance in the Septepber 30, 2014 cost report year, but their costs will go up, they will need to incur those costs for 27 months and then they will be included in their rates. The 27 month delay is clearly a barrier, but most facilities will receive substantial rate increases with the new system and may prioritize health insurance for the use of those new funds.• If the facility was not providing employee health insurance on May 1, 2015, they will be eligible for the provision described in the second paragraph of bulletin section III. E. As noted however, it is uncertain if that provision will be implemented.• If the facility had health insurance costs in the September 30, 2014 cost report but did not provide health insurance on May 1, 2015, their rate on January 1, 2016 will be the greater of the amount determined using the September 30, 2014 cost report or Subdivision 67, and on January 1, 2017 the rate will be the greater of the amount determined from the September 30, 2015 cost report or under Subdivision 67.	12/7/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
I.14	Health Insurance	Is dental insurance part of health insurance?	If dental insurance is a separate plan from health insurance, it is not included in the external fixed cost but is an allowable cost under fringe benefits. If the health insurance includes dental benefits for children as part of the plan, it does not need to be separated.	12/7/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
I.15	Health Insurance	What is the method of cost reporting of health insurance expenses for the following classes of employees: a. Full time nursing facility employees. b. Full time employees of the organization who do not work full time at the nursing facility.c. Part time employees of the nursing facility.d. Part time employees of the organization who work for nursing facility and non-nursing facility operations.e. Employees of hospital attached facilities.f. Employees who cannot be classified in a-e and have compensated hours paid by the nursing facility.	This is a cost allocation issue and the same method is used for all employees. Nursing facility salary, payroll taxes and fringe benefits – including health insurance costs are classified using direct identification or by an allocation based on periodic time studies of hours worked. Please refer to the cost report instruction manual for further explanation of time studies. Health insurance costs for employees working for a hospital attached facility are reported based on their Medicare allocation method.	2/26/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
I.16	Health Insurance	Related to self-insured health insurance costs, what is the definition of "actual expenses incurred"?	Actual expenses incurred include:1) Claims. Actual claims paid by the provider for the cost report period as well as the cost of the stop-loss coverage and administrative fees to any third party administrators. The cost should be net of employee contributions and any stop loss reimbursement-both specific and aggregate. Claims reported must be specific to the provider and not estimated or allocated from a larger pool.2) Premiums. If the provider makes actual contributions to a non-related fiduciary fund or recognized limited purpose insurance plan, costs can be reported on an actuarially determined premium basis, subject to the requirements of Medicare (Reimbursement Manual, Chapter 21). Premiums cannot exceed the cost of comparable commercial insurance and must be net of employee contributions and any refunds to the plan from other sources. The election to report self-funded costs on a premium basis needs approval, before the cost report is prepared. Providers should have already made their election known to Medicare and DHS expects the same methodology to be used for the Medicaid Cost Report.	2/26/2015
J.1	Property	Will property appraisals be done for all nursing facilities?	See Bulletin #15-62-01, section III.I.	9/18/2015
K.1	Quality	What time frames are used when computing the quality score for NFs?	The reporting period used for computing the quality score for the rates effective January 1, 2016 is as follows: • MN risk-adjusted quality indicators (QI) score will be from the report covering the 4 quarter rolling average ending June 30, 2015. • MN risk-adjusted quality of life overall facility score will be from the 2014 QOL survey. • The state inspection score will computed from the nursing facility report card star rating as of September 1, 2015.	9/18/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
L.1	Rate Setting	Will you tell us what the medians are that will be used in computing the care related limit and the other operating price? What information will be made public and when related to this? How will each NF know the limit and how much below the limit they are so they can figure out how much they can spend up?	A rate estimator will be made available in advance of rate notices and adjusted periodically. The rate estimator can be used to see your facilities' estimated costs, medians, limits, and rates. Actual resulting rates will differ from those estimated because audited costs for the report year ended on September 30, 2014 may differ from the data used in the rate estimator, quality scores may change, resident days and acuity may change, and so on. The rate estimator will be available at: http://www.dhs.state.mn.us/main/dhs16_195825	9/18/2015
L.2	Rate Setting	When does the new rate system for nursing facilities begin?	The new nursing facility payment system will begin on January 1, 2016.	9/18/2015
L.3	Rate Setting	On September 1, 2013 nursing facilities received a quality add-on of up to 3.2%. Will this still be part of the rates on January 1, 2016?	The quality add-on is included in the operating rates in effect on December 31, 2015 that will be used to determine the amount to which facilities will be held harmless for the rates effective January 1, 2016. The quality add-on is not a separate add-on to the operating rates effective January 1, 2016.	9/18/2015
L.4	Rate Setting	2013 legislation provided a general rate increase of 2.4%, effective October 1, 2015, with 75% subject to certain requirements related to being used for compensation related costs. Will this increase still occur?	No. This rate adjustment was repealed.	9/18/2015
L.5	Rate Setting	Are there two geographic groups?	No, the statute now treats the entire state as one group.	9/18/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
L.6	Rate Setting	When will my nursing facility receive a rate notice from the Minnesota Department of Human Services (DHS)?	Rate notices were posted on August 13, 2015 for the October 1, 2015 rate adjustments and should be posted November 15, 2015 for the January 1, 2016 rate adjustments.	9/18/2015
L.7	Rate Setting	What cost report will be used for the January 1, 2016 rates?	The cost report for the year ending September 30, 2014 will be used for the January 1, 2016 rates.	9/18/2015
L.8	Rate Setting	When will the current cost report period be used for rate setting (i.e. year ending September 30, 2015)?	The year ending September 30, 2015 Medicaid cost report will be used to set rates that will be effective on January 1, 2017.	9/18/2015
L.9	Rate Setting	Is the new payment system being phased-in?	No, the operating and external fixed rate are being fully implemented on January 1, 2016. Property payment will remain unchanged until new legislation is enacted and becomes effective.	9/18/2015
M.1	Scholarship	Where can I get questions and answers related to the scholarship program?	FAQs related to the DHS Employee Scholarship Program (changes made during the 2015 Legislative session) can be viewed by visiting the scholarship FAQs webpage here: http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=dhs16_196154	9/18/2015
M.2	Scholarship	Can our facility get the seed monies, but a start date other than 10/1/15 ?	Yes, you may request a prospective start date for the seed monies (effective the 1st of a month).	12/7/2015
M.3	Scholarship	Do we have to accept the full $ 0.25/day for the seed monies ?	No, you may request any lesser amount, up to $ 0.25/day.	12/7/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
M.4	Scholarship	How does our facility apply for the seed monies?	Send an email to: munna.yasiri@state.mn.us - with your facility name, ID #, the effective date you would like to seed monies to start and the amount (up to $ 0.25/resident day).	12/7/2015
M.5	Scholarship	If an individual that is a nursing facility employee is taking an approved nursing assistant training program and competency evaluation, but they don't have to because they do not work as a C.N.A. at the facility and they will not be working as a C.N.A., will DHS consider this an allowable scholarship cost, reimbursable under external fixed?	Yes, training for CNA certification is considered advancement in the field of Long-Term Care.	12/7/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
M.6	Scholarship	How can we tell if our facility qualifies to receive the scholarship seed monies ?	If your facility has -0- scholarship monies in your 10/1/14 rate OR -0- scholarships reported on your 9/30/14 Cost Report, you are eligible to receive the seed monies effective 10/1/15 (or later, if requested). If your facility has -0- scholarship monies in your 10/1/15 rate OR -0- scholarships reported on your 9/30/15 Cost Report, you are eligible to receive the seed monies effective prospectively on the 1st of any month after a request has been made.	2/26/2015
M.7	Scholarship	May a nursing facility pay a person up-front, before the class starts, to take the nurse aide training and testing that is now allowed under the scholarship program, or, does the NF have to wait until the course is completed before it can provide payment/reimbursement to an individual?	If the individual taking the CNA training is employed by the facility prior to the start of training and the facility sends the individual to training, the facility must pay the training costs/fees upfront, directly to the training provider. The facility cannot ask, suggest, nor require the individual to pay the costs themselves and wait for reimbursement from the facility.	2/26/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
M.8	Scholarship	How do we interpret what is meant by "newly hired" and "recently graduated ?"	For the purposes of the scholarship program, "newly hired" is defined as an individual hired within the last 12 calendar months. The "hire date" is counted as the date the individual is offered a job, not their actual start date. "Recently graduated" is defined as having graduated from nurse aide program within 12 calendar months prior to being offered a job with the facility.	2/26/2015
M.9	Scholarship	Will there be a settle-up for scholarship seed monies?	Yes, the Department will examine the facility scholarship expenditures for the Cost Report years ending 9/30/16, 9/30/17 and 9/30/18. The total expenditures for those report years should be equal to or greater than the seed monies collected by the facility through 12/31/17. If it is not, the Department will recover monies.	2/26/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
M.10	Scholarship	How are costs reported if we hold our own CNA training program on-site? a) where should costs be classified? b) where should dollars received from external participants be recorded? c) where should dollars for other costs be reported?	a) Costs for eligible individuals (employed in the NF) should be reported by individual in Section 7 of the Cost Report and the total scholarship program costs recorded on Line 7017. b) Dollars received for external trainees should be reported on Line 9450, Other Revenue c) Expenses for staff and supply costs reported on other lines of the Cost Report (e.g. 6260 and 6161, trainer salaries and non-salary training costs) should be adjusted off if reimbursed under Line 7017 or with external revenues received (Line 9450). You can use the following example for multiple scenarios by simply eliminating those lines that do not apply to your situation: SEE CHART IN CELL BELOW	2/26/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
M.11	Scholarship		A. $ 500 - Actual training cost per person B. 10 - In-house staff attending C. 10 - Staff from neighboring NFs attending D. 20 - Total students attending E. $ 10,000 - Total cost of holding the CNA training session in-house F. $ (5,000) - The cost of in-house staff trainer & supplies must be reported as costs on Lines 6260 and 6261. These amounts should be adjusted off, to account for the revenue from external sources and the scholarship program. G. $ 5,000 - Revenue received from 10 staff attending from outside facilities – Reported on Line 9450, Other Revenue H. $ 5,000 - Total of amounts reported individually in Section 7 of the Cost Report, for the costs of internal staff to attend training (Item E minus H). Also report this amount on line 7017.	2/26/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
M.12	Scholarship	Given the language adding NA training to the scholarship program, do all costs now count, or are some of them going to need to be reported elsewhere?	For costs incurred on or after July 1, 2015, all allowable NA training, testing and associated costs should be treated as scholarship costs, reported by individual recipient in Section 7 of the Cost Report.	2/26/2015
M.13	Scholarship	Our facility previously did not keep detailed records for CNA reimbursement, since they were not required. Now, as part of the scholarship program, there are more detailed documentation and reporting requirements for reimbursement of CNA expenses. Going forward we will keep this documentation, but how do we enter these expenses now on this year's cost report without the detail?	As a workaround, for this year only since coverage of CNA reimbursement expenses is new to the scholarship program, we will allow the detail such as the educational institution and date of completion, etc., to be completed as follows; -For the Educational Institution Field, select "Other," then in the Explanation Field enter "2015." -For the Date of Completion Field, enter the Date of Hire of the Employee. For questions on the completion of other fields related to CNA expenses, contact the Department.	2/26/2015

#	TOPIC	QUESTION	ANSWER	Date Posted
M.14	Scholarship	I have a question on the number of hours an on-call employee has to work to qualify for a scholarship. Does the employee need to work the 10 hours a week during the time when class is taking place?	Yes. A 10 hour per week work average would need to be achieved during the period of time the scholarship covers. So, if it is a 2 day course, the 10 per week work average would need to be reached during the week the 2 day course fell on, a 3 month course…during that 3 month period of time, a semester course…for the semester they received the scholarship, etc.For employees receiving reimbursement for student loan expenses, the 10 hour average weekly work requirement would need to be met for each month you used scholarship funds to reimburse for that monthly periodic student loan payment.	2/26/2015