

Bulletin

August 18, 2005

Minnesota Department of Human Services □ 444 Lafayette Rd. □ St. Paul, MN 55155

OF INTEREST TO

- County Directors
- County Developmental Disability Supervisors
- ICF/MR Providers

EFFECTIVE DATE

County Share- 7-1-05
COLA 10-1-05

ACTION

Providers complete COLA distribution plan and submit.

2005 Legislative Changes for ICF's/MR - COLA and County Share

TOPIC

Impact of 2005 Legislative changes for ICF's/MR.

PURPOSE

Describe legislative changes and action required.

CONTACT

ICF/MR Policy Lead
(651) 582-1969 (until September 30, 2005)
(651) 431-2434 (from October 3, 2005)
E-mail: DHS.ICF.MR@state.mn.us

Fax: 651-582-1962

For TTY, contact Minnesota Relay Service at 1 (800) 627-3529

Minnesota Department of Human Services
Disability Services Division (DSD)
444 Lafayette Road North
St. Paul, Minnesota 55155-3857

SIGNED

LOREN COLMAN
Assistant Commissioner
Continuing Care

BACKGROUND OF COUNTY SHARE

Minnesota Statutes, section 256B.19, subdivision 1, stated that effective July 1, 2004, the County Share of ICF/MR and DT&H rates for each licensed bed in facilities of 7 beds or more was enacted.

The following conditions applied:

- This payment is effective for each bed that has been occupied for 90 days in the calendar year prior to billing
- The county is billed for each person in an ICF/MR facility of seven beds or more for which that county is the county of financial responsibility.
- Each county receives an invoice from DHS regarding the amount the county needs to remit to DHS to meet the requirements of this legislation.
- This 20% charge is based on dates of service.

CHANGE IN COUNTY PERCENTAGE TO BE PAID

Laws of Minnesota 2005, First Special Session, chapter 4, article 2 section 14 amended Minnesota Statutes 2004, section 256B.19, subdivision 1 (3).

The law reads: "beginning July 15, 2005, 90 percent of the state funds and 10 percent county funds for the costs of placements that have exceeded 90 days in intermediate care facilities for persons with mental retardation or a related condition that have seven or more beds." This provision includes pass-through payments made under section 256B.5015 (DT&H and Services During the Day).

For the date of service beginning July 1, 2005, each county of financial responsibility (CFR) for whom this applies will be charged a 10% share. For any dates of service prior to July 1, 2005, the 20% county share will be applied.

The percentage change in county share requires additional systems programming. As soon as the programming is complete, the 10% will be applied to all provision of services from July 1, 2005 on. The 20% will continue to be charged to any services provided prior to July 1, 2005. This dual system will remain in place until June 30, 2006 since providers have up to a year to bill for services.

Effective date of legislation: July 15, 2005

COST OF LIVING INCREASE

Laws of Minnesota, First Special Session, chapter 4, article 7, section 45. Minnesota Statutes 2004, subdivision 256B.5012 is amended by adding subdivision 6:

For the rate periods beginning October 1, 2005, and October 1, 2006, the commissioner shall make available to each ICF/MR facility reimbursed under section 256B.5012, an adjustment of **2.2553 percent** to the total operating payment rate (excluding the property-related payment rate) in effect on the preceding day.

This is contingent on the ICF/MR provider developing and submitting a distribution plan by March 31, 2006 and December 31, 2006 which is approved by DHS.

A facility may apply for the portion of the payment rate adjustment provided for employee wages and benefits and associated costs. The application must be made using **attachment A** which identifies the plan by which the facility will distribute the funds.

The Provider plan shall identify and comply with the following conditions:

- 75 percent of the money resulting from the rate adjustment must be used to increase wages and benefits and pay associated costs for all employees, except for administrative and central office employees.
- 75 percent of the money received by a facility as a result of the rate adjustment provided must be used only for wage, benefit, and staff increases implemented on or after the effective date of the rate increase each year, and must not be used for increases implemented prior to that date.
- For facilities in which the employees are represented by an exclusive bargaining representative, an agreement negotiated and agreed to by the employer and the exclusive bargaining representative constitutes the plan. A negotiated agreement may constitute the plan only if the agreement is finalized after the date of enactment of all rate increases for the rate year.

Distribution review and approval:

The commissioner shall review the plan to ensure that the payment rate adjustment *per diem* is used as provided by law. To be eligible, a facility must submit its plan by March 31, 2006, and December 31, 2006, respectively. If a facility's plan is effective for its employees after the first day of the applicable rate period that the funds are available, the payment rate adjustment *per diem* is effective the same date as its plan.

If the distribution plan is approved, a confirmation letter will be sent to the provider. The provider only needs to look for the new rate notice. DHS will automatically enter the increased payment rate and make any payment adjustment necessary back to October 1, 2005 and October 1, 2006.

A copy of the approved distribution plan must be made available to all employees by giving each employee a copy or by posting it in an area of the facility to which all employees have access. If an employee does not receive the wage and benefit adjustment described in the facility's approved plan and is unable to resolve the problem with the facility's management or through the employee's union representative, the employee may contact the commissioner at an address or telephone number provided by the commissioner and included in the approved plan.

1-800-747-5484

Facilities not eligible:

Any facility, whose payment rate is governed by closure agreements, receivership agreements, or Minnesota Rules, part 9553.0075, is not eligible for an adjustment otherwise granted under this subdivision.

Effective dates: OCTOBER 1, 2005 AND OCTOBER 1, 2006.

LEGAL AUTHORITY

Laws of Minnesota 2005, First Special Session, chapter 4, article 2 section 14 has amended Minnesota Statutes 2004, section 256B.19, subdivision 1 (3).

Laws of Minnesota, First Special Session, chapter 4, article 7, section 45. Minnesota Statutes 2004, subdivision 256B.5012 is amended by adding subdivision 6:

RESOURCES ON THE INTERNET

Minnesota Statutes and Rules: www.leg.state.mn.us

DHS bulletins: www.dhs.state.mn.us Click on "Bulletins" on the right navigation bar

ALTERNATIVE FORMATS

This information is available in other forms to persons with disabilities by contacting us at (651) 297-4112 (voice), toll free at 1 (800) 747-5484, or through the Minnesota Relay Service at 1-800-627-3529 (TDD), 7-1-1, or 1-877-627-3848 (speech-to-speech relay service).

**ICF/MR FACILITY DISTRIBUTION PLAN
FOR SFY 2006 RATE INCREASE**

Facility name: _____

Facility number: _____

STEP 1 CALCULATE BASE RATE INCREASE

A Enter the facility total base payment rate as of September 30, 2005

(Refer to rate notice of July 1, 2003)

B Enter the Property Rate that is part of the base payment

C Subtract line B from line A for the Operating Rate

D Multiply line C by 2.2553% for the Operating Rate increase

E Multiply line D by the licensed # of beds for the Daily Operating Rate increase

F Multiply line E by 365 days for the Annual Operating Rate increase

STEP 2 DETERMINE THE AMOUNT OF COMPENSATION INCREASE

G Enter the amount to be paid for salary increases

H Enter the employers share of payroll taxes related to the salary increase

I Enter the amount of new or expanded health insurance benefits

** All non-administrative employees are to receive an increase. Employees without health insurance must be otherwise compensated.*

J Add line G, H & I for the amount to be paid in additional compensation

*(Compensation rate increases must equal at least 75% of line F)***STEP 3 DETERMINE THE AMOUNT OF NON-COMPENSATION INCREASE**

K Subtract line J from line F for the non-compensation increase

Effective date of salary increase

**STEP 4 SIGN AND FAX TO THE DISABILITY SERVICES DIVISION :
ICF/MR Rates Manager, Fax # 651-582-1962. For Questions call (651) 582-1965**_____
ICF/MR Authorized Representative_____
Date_____
Phone Number