Reform 2020: Pathways to Independence

Section 1115 Waiver No. 11-W-00286/5

Demonstration Year I
November 1, 2013 through June 30, 2014
Annual Report

Submitted to:

U.S. Department of Health & Human Services
Centers for Medicare & Medicaid Services
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Submitted by:

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1. Introduction

On October 18, 2013, the Centers for Medicare & Medicaid Services approved Minnesota's section 1115 demonstration project, entitled Reform 2020. The five year demonstration provides federal waiver authority to implement key components of Minnesota's broader reform initiatives to promote independence, increase community integration and reduce reliance on institutional care for Minnesota's older adults and people with disabilities. The Reform 2020 waiver provides federal matching funds for the Alternative Care program and provides access to expanded self-directed options under the CFSS program for people who would not be eligible for these services under the 1915(i) and 1915(k) state plan option. The demonstration is effective through June 30, 2018.

1.1 Alternative Care Program

The Alterative Care program provides a home and community services benefit to people age 65 and older who need nursing facility level of care and have combined adjusted income and assets above the Medical Assistance (MA) standards. The Alternative Care program was established as an alternative to provide community services to seniors with modest income and assets who are not yet eligible for MA. This allows people to get the care they need without moving to a nursing home. The Reform 2020 demonstration waiver provides federal matching funds for the Alternative Care program.

1.2 Community First Services and Supports (CFSS)

Minnesota is redesigning its state plan personal care assistance services to expand self-directed options under a new service called Community First Services and Supports (CFSS). This service, designed to maintain and increase independence, will be modeled after the Community First Choice Option. It will reduce pressure on the system as people use the flexibility within CFSS instead of accessing the expanded service menu of one of the state's five HCBS waivers to meet gaps in their needs.

The new CFSS service, with its focus on consumer direction, is designed to comply with the regulations regarding section 1915(k) of the Social Security Act. Minnesota is currently seeking federal approval of the 1915(i) and 1915(k) state plan amendments required to implement this PCA reform initiative. To avoid a reduction in services for people currently using PCA services, CFSS will be available both to people who meet an institutional level of care [via 1915(k)] and people who do not [via 1915(i)]. These two components of CFSS are designed to work together seamlessly to provide appropriate services to people who have a functional need. Services authorized under 1915(i) will be identical to those authorized under 1915(k). The enhanced FMAP rate will apply to the 1915(k) services and the regular FMAP rate will apply to the 1915(i) services. Appropriateness of CFSS services will be based on the CFSS functional eligibility criteria.

The Reform 2020 waiver allows Minnesota to extend the Community First Services and Supports (CFSS) benefit to people who would not be eligible to receive such services under the state plan. Under the Reform 2020 demonstration waiver, a 1915(i)-like benefit will be available for people with incomes above 150% of the federal poverty level (FPG) who do not meet an institutional level of care and who receive the reformed PCA benefit (CFSS). The regular FMAP rate will apply to these services. A 1915(k)-like benefit will be available for people who meet an institutional level of care, receive the reformed PCA benefit (CFSS), are not receiving HCBS waiver services and are financially eligible if using financial eligibility rules for HCBS waivers. The regular FMAP rate will apply to these services. CFSS will be implemented for all populations once Minnesota's 1915(i) and 1915(k) state plan amendments are approved by CMS. Reporting on the 1915(i)-like and 1915(k)-like component of the Reform 2020 demonstration will begin once approval of the state plan amendments has been secured and implementation has begun.

1.3 Children under 21 with Activities of Daily Living (ADL) Needs

The Reform 2020 waiver provides federal expenditure authority for children under age 21 who are eligible under the state plan and who meet the March 23, 2010 institutional level of care standard, but will not meet the institutional level of care standard established in state law effective January 1, 2015, and would therefore lose Medicaid eligibility or home and community based services eligibility.

1.4 Goals of Demonstration

The Reform 2020 demonstration is designed to assist the state in its goals to:

- Achieve better health outcomes;
- Increase and support independence and recovery;
- Increase community integration;
- Reduce reliance on institutional care;
- Simplify the administration of the program and access to the program; and
- Create a program that is more fiscally sustainable.

2. Enrollment Information

Demonstration Populations (as Hard coded in the CMS 64)	Enrollees at close of DY I (June 30, 2014)	Current Enrollees (as of data pull on September 22, 2014)	Disenrolled in DY I (November 1, 2013 to June 30, 2014)
Population 1: Alternative Care	2,809	2,805	20
Population 2: 1915(i)-like			
Population 3: 1915(k)-like			
Population 4: ADL Children			

3. Alternative Care Program Wait List Reporting

There is no waiting list maintained for the Alternative Care program and there are no plans to implement such a list.

4. Outreach and Innovative Activities

4.1 Minnesota Department of Human Services Public Web Site

Information on the Alternative Care program is available to the public on the Department of Human Services (DHS) website. The Alternative Care web page provides descriptive information about program eligibility, covered services, and the program application process. The web page also refers users to the Senior LinkAge Line® (described in the following section) where they can speak to a human services professional about the Alternative Care program and other programs and services for seniors.

4.2 Senior Linkage Line®

The Senior Linkage Line® is a free telephone information service available to assist older adults and their families find community services. With a single call, people can find particular services near them or get help evaluating their situation to determine what kind of service might be helpful. Information and Assistance Specialists direct callers to the organizations in their area that provide the services in which they are interested. Specialists can conduct three-way calls and offer follow-up as needed. Specialists are trained health and human service professionals. They offer objective, neutral information about senior service and housing options.

4.3 Statewide Training

DHS staff provides on-going consultation and training on Alternative Care program policy to all lead agencies. For the Alternative Care program, the lead agency can be a county social service department, local public health agency or a tribal entity. Training sessions on the Alternative Care program are offered twice a year via statewide video conferencing. These training sessions cover the policies and procedures for the Alternative Care program. The training targets staff with up to 12 months of program experience. Staff with more experience are encouraged to attend if they have not previously attended or need a refresher in the program basics. The learning objectives for the training include: understanding the eligibility requirements and service definitions, and case manager roles and responsibilities in administering the Alternative Care program.

DHS also publishes and maintains provider and MMIS manuals and provides technical assistance through a variety of means including written resource material, electronic and call-in help centers and weekly training opportunities via statewide video conferencing on topics related to aging. Ongoing training related to MMIS tools and processes, long term care consultation and level of care determinations, case management, vulnerable adult and maltreatment reporting and

prevention is also provided. DHS staff regularly attends regional meetings convened by lead agencies.

5. Updates on Post-Award Public Forums

In accordance with paragraph 32 of the Reform 2020 special terms and conditions, the State held a public forum on May 22, 2014 to provide the public with an opportunity to comment on the progress of the Reform 2020 demonstration. The State published the date, time and location of the forum on the DHS website. There were twelve members of the public in attendance at the hearing. A link to the slides that were discussed at the forum was posted on the DHS web site. A summary of comments received and issues raised by the public at the forum are summarized below:

One attendee inquired about the content and status of the proposed 1915(i) state plan amendment related to the DHS autism initiative and the associated 1915(i) state plan amendment.

One attendee inquired about the comment period for the 1915(i) and 1915(k) state plan amendments submitted on December 19, 2013.

One attendee inquired about the status of a corrective action issued by CMS regarding the State's county contracting process and any potential impact the corrective action may have on the pending 1915(i) and 1915(k) CFSS state plan amendments.

One attendee inquired about the Report Card Initiative and whether there was a process for identifying individuals interested in participating in the advisory group for this initiative.

State Response: DHS informed the attendee that a provider meeting was scheduled for June 17, 2014 to discuss the Report Card initiative.

6. Operational Developments and Issues

6.1 1915(i) and 1915(k) State Plan Amendments

Operational and systems changes required to implement the 1915(i)-like and 1915(k)-like options under Reform 2020 are underway. Implementation of this component of the Reform 2020 waiver is contingent upon approval of the corresponding 1915(i) and 1915(k) state plan amendments submitted to CMS on December 19, 2013.

6.2 CFSS 1915(b)(4) Waiver

On June 20, 2014, DHS submitted a 1915(b)(4) selective contracting waiver request to limit the number of financial management services contractors and consultation service providers.

Under CFSS, people may directly employ and pay qualified support workers and/or purchase goods or environmental modifications that relate to an assessed need identified in their service delivery plan. Spending must be limited to the authorized amount. A financial management services contractor (FMS) will assist participant-employers to comply with state and federal employment laws and requirements and for billing and making payments on behalf of participant-employers. In addition, participants will utilize a consultation services provider to learn about CFSS, select a service delivery model, and develop a person-centered service delivery plan and budget and to obtain information and support about employing, training, supervising and dismissing support workers.

DHS will contract with FMS and consultation services providers via competitive procurement. Competitive procurement is appropriate for FMS and consultation services providers to ensure that only the most qualified providers are utilized and in order to allow DHS to concentrate provider training and monitoring efforts on a few highly qualified providers. FMS and consultation services providers will have a new and critical role in ensuring that participants learn how to use this self-directed option and experience expected outcomes, funds are spent appropriately and participant's identified needs are met. To ensure smooth transition to this more flexible benefit, and to provide high-quality services, DHS will limit the pool of FMS and consultation services providers to a small number of highly qualified entities. In addition, selective contracting is particularly appropriate because other states offering participant-directed benefits have had success in purchasing financial management services at a lower price when the number of contractors is limited so that the contractors have a sufficient volume of participants.

6.3 Alternative Care Program Operational Protocol

On August 8, 2014, DHS submitted the Operational Protocol for Alternative Care that is to be appended to the Reform 2020 STCs. The protocol is currently under CMS review.

7. Policy Developments and Issues

7.1 Delay in Changes to the NF LOC Standard and Children with ADL Needs

DHS has delayed implementation of the revised criteria for nursing facility level of care (NF LOC) until January 1, 2015. In 2009, the Minnesota Legislature passed legislation that changed nursing facility level of care criteria for public payment of long-term care. These revised criteria were to be implemented January 1, 2014.

The change affects the most independent people who would receive publicly-funded nursing facility services or publicly-funded long-term care services in the community through programs such as Elderly Waiver (EW), Alternative Care (AC), and Community Alternatives for Disabled Individuals (CADI). Governor Dayton delayed the change in order to provide additional time to make sure that the appropriate supports are available to Minnesotans affected.

Finally, the Reform 2020 waiver provides federal expenditure authority for children under age 21 who are eligible under the state plan and who meet the March 23, 2010 institutional level of care standard, but who will not meet the revised standard and would therefore lose Medicaid eligibility or home and community-based services eligibility. No children will fall into this category until the revised nursing facility level of care standard becomes effective on January 1, 2015.

7.2 HCBS Settings Final Rule

The State has reviewed the Medicaid home and community-based services settings final rule issued by CMS in January 2014. The final regulation addresses several sections of Medicaid law under which states may use federal Medicaid funds to pay for home and community-based services. In particular, the state has assessed requirements established in the rule for the qualities of settings that are eligible for Medicaid reimbursement for home and community-based services provided under sections 1915(c), 1915(i) and 1915(k) and the potential implications for Minnesota's personal care assistance services redesign initiative and the state's efforts to expand self-directed options under CFSS. On January 7, 2015 DHS submitted Minnesota's plan to transition to compliance with the CMS regulation governing home and community –based settings. The transition plan applies to all five of Minnesota's home and community-based waiver programs under authority of §1915(c) of the Social Security Act.

8. Financial and Budget Neutrality Development Issues

Demonstration expenditures are reported quarterly using Form CMS-64, 64.9 and 64.10.

9. Member Month Reporting

Eligibility Group	Nov 2013	Dec 2013	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	June 2014	Total for DY I Ending June 30, 2014
Population 1: Alternative Care	2,910	2,896	2,900	2,881	2,894	2,876	2,888	2,888	25,979
Population 2: 1915(i)-like									
Population 3: 1915(k)-like									
Population 4: ADL Children									

10. Consumer Issues

10.1 Alternative Care Program Beneficiary Grievances and Appeals

The State's grievance system and dispute resolution process are outlined in the 1915(c) HCBS Waiver applications and the 372 report for the Elderly Waiver. These processes apply to the Alternative Care Program. Grievances and appeals filed by Alternative Care program recipients

are reviewed by DHS on a quarterly basis. Alternative Care program staff assist in resolving individual issues and identify significant trends or patterns in grievances and appeals filed. During the two-month reporting period of November 2013 through December 2013 there were no fair hearing requests involving Alternative Care program enrollees filed with DHS.

10.2 Alternative Care Program Adverse Incidents Consistent with 1915(c) EW Waiver Requirements

A detailed description of participant safeguards applicable to Alternative Care enrollees, including the infrastructure for vulnerable adult reporting , the management process for critical event or incident reporting, participant training and education, and methods for remediating individual problems is outlined in the 1915(c) HCBS Waiver application and the 372 report for the Elderly Waiver.

Incidents of suspected abuse, neglect, or exploitation are reported to the common entry point (CEP) established by each county. The CEP forwards all reports to the respective investigative agency. In addition, CEP staff also screen all reports for immediate risk and make all necessary referrals. Immediate referral is made by the CEP to county social services when there is an identified safety need. Reports containing information regarding an alleged crime are forwarded immediately by the CEP to law enforcement. Reports of suspicious death are forwarded immediately to law enforcement, the medical examiner and the ombudsman for mental health and developmental disabilities.

For reports not containing an indication of immediate risk, the CEP notifies the lead agency responsible for investigation within two working days. The lead investigative agency provides information, upon request of the reporter, within five working days as to the disposition of the report. Each lead investigative agency evaluates reports based on prioritization guidelines. DHS has made a structured decision-making tool available to county lead investigative agencies to promote safety through consistent, accurate and reliable assessment of safety needs.

Investigation guidelines for all lead investigative agencies are established in statute and include interviews with alleged victims and perpetrators, evaluation of the environment surrounding the allegation, access to and review of pertinent documentation and consultation with professionals.

Supported in part by funding under a CMS Systems Change Grant, DHS developed, implemented and manages a centralized reporting data collection system housed within the Social Services Information System (SSIS). This system stores adult maltreatment reports for the CEP. All of Minnesota's 87 county-based CEPs receive reports of suspected Vulnerable Adult (VA) maltreatment and are required to enter their VA maltreatment reports into SSIS. This system supports county functions related to vulnerable adult report intake, report distribution to the agency responsible for investigation, and maintenance of county investigative results. Once maltreatment investigations are completed the county investigative findings are documented within SSIS.

The SSIS system has the capacity to provide statewide maltreatment summary information, supplies comprehensive and timely maltreatment information to DHS, allows the department to

review maltreatment incidents statewide and analyze by program participation, provider and agency responsible for follow-up. Data from SSIS is drawn on a quarterly and annual basis. This allows DHS to review data and analyze for patterns and trends including program specific patterns and trends that may be addressed through DHS and partners in maltreatment response and prevention, or policy. Maltreatment data gathered from SSIS is also used by DHS to evaluate quality in preventative and protective services provided to vulnerable adults, assess trends in maltreatment, target training issues and identify opportunities for program improvement.

Please refer to the tables at Attachment A for quarterly updates on the number and type of allegations of maltreatment where the alleged victim is receiving AC services and the number and type of county investigation determinations where the alleged victim is receiving AC services.

11. Quality Assurance and Monitoring Activity

11.1 Alternative Care Program and HCBS Quality Strategy under the 1915(c) EW Waiver

As described in the pending 1915(c) EW waiver renewal, the DHS Quality Essentials Team (QET) within the Continuing Care Administration will meet twice a year to review and analyze collected performance measure and remediation data. The QET is a team made up of program and policy staff from the Alternative Care and HCBS waiver programs. The QET is responsible for integrating performance measurement and remediation association with monitoring data and recommending system improvement strategies, when such strategies are indicated for a specific program, and when DHS can benefit from strategies that impact individuals served under the Alternative Care and HCBS programs.

Problems or concerns requiring intervention beyond existing remediation processes (i.e. system improvement) are directed to the Policy Review Team (working with QET) for more advanced analysis and improved policy and procedure development, testing, and implementation.
The QET has identified and implemented a quality monitoring and improvement process for determining the level of remediation and any systems improvements required as indicated by performance monitoring.

11.2 Update on Comprehensive Quality Strategy

The quality improvement process required for Minnesota's five HCBS waiver programs serves as the foundation for the Reform 2020 demonstration comprehensive quality strategy. The quality strategies in Minnesota's proposed 1915(i) and 1915(k) state plan amendments in support of CFSS also derive from the existing quality improvement strategies in the waiver programs. This report will continue to provide updates on the development and implementation of the Reform 2020 comprehensive quality strategy.

12. Demonstration Evaluation

DHS has contracted with researchers at the University of Minnesota and Indiana State University for development of an evaluation design and analysis plan that covers all elements outlined in paragraph 60 of the Reform 2020 waiver special terms and conditions. A draft evaluation design was submitted to CMS on February 14, 2014. In response to CMS feedback, DHS is currently working to modify the draft evaluation design so that it aligns with the desired format for section 1115 demonstrations.

13. State Contact

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