

HOUSE RESEARCH

Bill Summary

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Overview

This bill contains changes to appropriations for the Department of Human Services for fiscal years 2008 and 2009. In addition, it contains forecast adjustments for Department of Human Services programs.

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Article 1: Continuing Care

Overview

This article makes changes to targeted case management, nursing homes, and Minnesota Supplemental Aid.

- 1 Targeted case management; definitions.** Amends § 256B.0621, subd. 2. Aligns state law with updated federal regulations for targeted case management. Changes the number of days a person can receive targeted case management services to comply with federal requirements.
- 2 Eligible services.** Amends § 256B.0621, subd. 6. Aligns state law with updated federal regulations for targeted case management. Changes the number of days a person can receive targeted case management services to comply with federal requirements.

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- 3 Payment rates.** Amends § 256B.0621, subd. 10. Aligns state law with updated federal regulations for targeted case management. Changes the number of days a person can receive targeted case management services to comply with federal requirements.
- 4 Mental health case management.** Amends § 256B.0625, subd. 20. Aligns state law with updated federal regulations for targeted case management. Changes the number of days a person can receive targeted case management services to comply with federal requirements.
- 5 Housing access grants.** Creates § 256B.0658. Requires the commissioner to award contracts through a competitive process for grants to public and private agencies to support and assist individuals eligible for publicly funded home and community-based services to access housing. Lists supports that may be offered.
- 6 Targeted case management service activities.** Amends § 256B.0924, subd. 4. Aligns state law with updated federal regulations for targeted case management. Changes the number of days a person can receive targeted case management services to comply with federal requirements.
- 7 Payment for targeted case management.** Amends § 256B.0924, subd. 6. Aligns state law with updated federal regulations for targeted case management. Changes the number of days a person can receive targeted case management services to comply with federal requirements.
- 8 Portion of nonfederal share to be paid by certain counties.** Amends § 256B.19, subd. 1d. Eliminates the county nursing home intergovernmental transfer of \$2,230 per licensed bed.
- 9 County nursing home payment adjustments.** Amends § 256B.431, subd. 23. Eliminates a payment adjustment to county nursing homes. This is a conforming change to § 256B.19, subd. 1d.
- 10 Service delivery.** Amends § 256B.69, subd. 6. Requires demonstration providers that provide nursing home and community-based services to provide relocation service coordination to enrolled persons age 65 and over.
- 11 Standard of assistance for persons eligible for medical assistance waivers or at risk of placement in a group residential housing facility.** Amends § 256D.44, subd. 2. Adds persons eligible for a shelter needy payment to the state standard of assistance for basic needs under the Minnesota Supplemental Aid program.
- 12 Special needs.** Amends § 256D.44, subd. 5. Modifies the date by which the Food Stamp maximum allotment for a single individual is added to the standard of assistance each year. Modifies who is eligible to receive this standard of assistance. Modifies a cross-reference. Makes this section effective January 1, 2009 .

Article 2: Agency Management

Overview

This article requires the commissioner of human services to study alternative approaches to offering dental coverage.

- 1 Public programs dental program study.** Requires the commissioner of human services to study alternative approaches to offering dental coverage in public programs including, using single dental plan administrator, retaining the current model, and other approaches.

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Requires the commissioner of human services to report the findings to the legislature by December 15, 2008 .

Provides that this section is effective the day following final enactment.

Article 3: Children and Family Services

Overview

This article makes changes to the child support, MFIP, and food support programs.

- 1** **Definitions.** Amends § 256.741, subd. 1. Adds definitions of “child support,” “arrear,” and “maintenance.” Brings law into conformity with the federal Deficit Reduction Act.
- 2** **Assignment of support and maintenance rights.** Amends § 256.741, subd. 2. Clarifies the law related to assignment of child support and maintenance to conform with the Deficit Reduction Act.
- 3** **Distribution of child support arrears.** Amends § 256.741, subd. 2a. Removes identifiers of specific public assistance programs and replaces them with the term “public assistance.” Makes changes to conform to the Deficit Reduction Act.
- 4** **Existing assignment.** Amends § 256.741, subd. 3. Brings law into conformity with the federal Deficit Reduction Act.
- 5** **Work participation food benefits.** Amends § 256J.621. Changes the MFIP work participation cash bonus to a food bonus.
- 6** **Payment to public agency.** Amends § 518A.50. In income withholding cases, allows the public authority to consider the date of wage payment as the date child support was paid to the central collection unit, rather than the date the payment was received by the central collections unit.

Provides an effective date of October 1, 2009 .

- 7** **Payor of funds responsibilities.** Amends § 518A.53, subd. 5. Strikes a sentence that was incorrectly placed in this section.
- 8** **Effective date.** Amends Laws 2007, ch. 147, art. 2, § 21. Changes the effective date for food support reporting requirements from May 1, 2008 , to March 1, 2009 .
- 9** **Total appropriation.** Amends Laws 2007, ch. 147, art. 19, § 3, subd. 1. For federal fiscal year 2008, prohibits the commissioner from claiming more than the 75 percent federal standard in TANF MOE, unless:
 - (1) it is determined that the state will not meet the TANF work participation target rate for the current year;
 - (2) additional amounts are required under federal regulations to replace TANF funds due to the operation of TANF penalties; and
 - (3) additional amounts may contribute to avoiding or reducing TANF work participation penalties through the operation of the excess MOE provisions

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under federal regulations.

Allows the commissioner to supplement the MOE claim with working family credit expenditures to the extent such expenditures are otherwise available. Allows the commissioner to claim excess MOE with respect to federal fiscal years 2006 and 2007 to the extent that working family credit expenditures are otherwise available to supplement the state's MOE for those years. Allows the commissioner to use other available qualified expenditures as excess MOE and requires the commissioner to report those expenditures to the legislature by April 15, 2008 . Modifies working family credit expenditures claimed as TANF MOE in fiscal years 2008 and 2009.

- 10 Repealer.** Repeals Minnesota Statutes, sections 256.741, subdivision 15 (child support distribution), and 256J.24, subdivision 6 (MFIP family cap).

Article 4: Health Care

Overview

- 1 Operating payment rates.** Amends § 256B.969, subd. 2b. Delays the rebasing of MA, GAMC, and MinnesotaCare hospital payment rates by one year, from January 1, 2009 to January 1, 2010 .
- 2 Increases in medical assistance inpatient payments; conditions.** Amends § 256B.969, subd. 20. For admissions occurring on or after July 1, 2008 , increases fee-for-service payments by 8 percent for a hospital with an MA inpatient utilization rate of 17.95 percent and 9 percent for a hospital with a utilization rate of 59.60 percent (Bethesda and Gillette Children's hospitals).
- 3 Program established.** Amends § 256B.0571, subd. 8. Eliminates the requirement that participants in the long-term care partnership program exhaust all benefits under the partnership policy.
- 4 Medical assistance eligibility.** Amends § 256B.0571, subd. 9. Allows individuals with a partnership policy to designate assets to be protected from recovery as of the effective date of MA eligibility for payment of long-term care services, up to the dollar amount of benefits used under the policy. Allows additional benefits to be protected as the individual continues to utilize benefits under the policy after becoming eligible for MA. (Under current law, an individual is required to exhaust benefits under the partnership policy, before being able to designate assets for protection.)
- 5 Co-payments.** Amends § 256B.0631, subd. 1. Provides that total monthly MA co-payments must not exceed 5 percent of family income. This requirement applies to the co-payments on nonemergency visits to a hospital emergency room and prescription drugs that will be in effect on January 1, 2009 . Until that date, co-payments on nonpreventive visits and eyeglasses apply, and co-payments are not subject to a 5 percent limit.
- 6 Collection.** Amends § 256B.0631, subd. 3. Provides that MA reimbursement to a provider shall not be reduced by the amount of the co-payment, for recipients who have met the monthly 5 percent co-payment limit.
- 7 Federal payments.** Adds § 256B.194.

Subd. 1. Payments at actual cost. Allows the commissioner to limit MA and

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MinnesotaCare reimbursement to actual cost for providers that are units of government subject to the Centers for Medicare and Medicaid Services (CMS) final rule. Allows the commissioner to require providers to provide information necessary to determine costs, and to cooperate in any audits or reviews. Provides that this subdivision takes effect when the CMS final rule goes into effect at the end of the moratorium imposed by Congress.

Subd. 2. Loss of federal financial participation. States that if the commissioner determines that federal financial participation is no longer available for transfers, certified expenditures, and MA payments listed in this subdivision, obligations for the nonfederal share of payments and MA payments terminate. Specifies procedures to be followed in the event of termination, and lists the transfers, certified expenditures, and MA payments that are subject to the section.

- 8 Payments reported by governmental entities.** Amends § 256B.199. Appropriates federal matching funds received for certified public expenditures to the commissioner to offset MA expenditures. (Under current law, the funds are appropriated for supplemental inpatient hospital payments.) Removes Ramsey County , Regions Hospital , the University of Minnesota , and Fairview-University Medical Center from the list of entities required to report certified public expenditures. Provides a retroactive effective date of July 1, 2007 .
- 9 Managed care contracts.** Amends § 256B.69, subd. 5a. Requires the commissioner to withhold, for services provided on or after January 1, 2009 , an additional two percent of managed care plan payments under prepaid MA and GAMC. Requires withheld funds to be returned between July 1 and July 31 of the following year. Allows the commissioner to exclude special demonstration projects. Allows plans to include amounts withheld as admitted assets.
- 10 Rate setting; performance withholds.** Amends § 256L.12, subd. 9. Requires the commissioner to withhold, for services provided on or after January 1, 2009 , an additional two percent of managed care plan payments under MinnesotaCare. Requires withheld funds to be returned between July 1 and July 31 of the following year. Allows plans to include amounts withheld as admitted assets.
- 11 Federal approval for increased disproportionate share hospital payments.** By January 1, 2009 , requires the commissioner of human services, in cooperation with hospitals with high MA utilization, to develop and submit for federal approval a proposal to increase disproportionate share hospital payments to Minnesota hospitals.
- 12 Repealer.** Repeals § 256.969, subd. 27, retroactively from July 1, 2007 .

Article 5: Health and Human Services Appropriations

Overview

This article makes adjustments to the fiscal year 2008 and 2009 Department of Human Services appropriations. See the Fiscal Analysis spreadsheet for more detail.

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Article 6: Health and Human Services Forecast Adjustments

Overview

This article makes forecast adjustments to Department of Human Services programs.