Panel 1: Service Delivery and Provider Innovation and Issues
Testimony to the Commission on Long-Term Care, Washington, D.C.

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Good afternoon. My name is Loren Colman and I am the Assistant Commissioner of the Continuing Care Administration at the Minnesota Department of Human Services. My Administration plans for and administers the publicly funded long-term services and supports system in Minnesota. The Continuing Care Administration includes the Aging and Adult Services division, the staff of the Minnesota Board on Aging (also called the State Unit on Aging), the federally mandated Ombudsman for Long-Term Care, the Disabilities Service division, which includes HIV/AIDS services, as well as services for persons with developmental disabilities, brain injury, physical disabilities and chronic health conditions, the Deaf and Hard of Hearing division, the Nursing Facility Rates and Policy division and an Aging 2030 unit with responsibility for our Own Your Future initiative.

Today, I have been asked to describe Minnesota's system of long-term services and supports for older adults and persons with disabilities, with special focus on how we are addressing the needed service delivery and provider innovations in light of the coming demographic realities and the challenging budget forecasts that all of us face.

I appreciate the opportunity to share a quick overview of the steps we have taken and our plans for the future related to these dual challenges – increasing numbers of people who will need services at a time when budgets are increasingly limited.

I know a lot of people say that Minnesota is different from other states when it comes to its approach to human services issues, but on these topics, we don't claim to have the ultimate answer. The bottom line is we started planning years ago, and our current system is the result of 25 years or more of planning and incremental changes with our eye on a consistent vision. (Slide 2) We have remained resolved to reduce our reliance on institutions and congregate settings and help individuals remain in their communities or help them move to integrated community settings. We have encouraged new approaches from all our stakeholders, and we partner with them on new initiatives. We also work with individuals and families when their needs are low to help them avoid the most expensive safety net programs, if possible. We also have an Administration and Legislature that has been very supportive of the reforms we have brought to them for enactment. Our most recent reform package called Reform 2020 was just approved this year, and we are still waiting for word on the waivers and other approvals we need from the federal government to implement the reforms.

Today, I would like to walk you through the key elements of our system of long-term services and supports, describing each element, why it is important and illustrating the impact on people's lives. We have a saying included in our agency vision that our work is about "people, not programs." That is another way of saying "person-centered care" and that principle is the focal point for all of our efforts.

The PPT slides coordinate with my description of these elements, and on many of the slides I have included examples of the performance measures we use to keep track of our progress on key outcomes.

The Elements of Our System

The Continuing Care Administration has its own strategic plan (Slide 3) that articulates our mission and our four goals, shown here. All our work is included under one of these goals and expected results or outcomes are stated and measured.

Our demographics (Slide 4) show that the growth of our aging population is about average as a percent of our population compared to other states. However, we have the second longest life expectancy of any state. So people live long and can need some assistance for many years. Like all states, we also have growth occurring in the population with disabilities.

The forecasts of future expenditures (Slide 5) are predictable as well. Our long-term care program expenditures will increase from $3.2 billion in 2013 to $4.2 billion in 2017. The long-term care expenditures will represent about one-third of our overall Medicaid budget by 2017. We have been working to moderate the growth in the budget through our current efforts and now with our Reform 2020 initiative. Obviously, our forecast only goes out five years, and the impact of the aging baby boom will not hit our budget until 2020 or after.

Let me talk about the key elements of our system.

1. **Providing Information to Empower People (Slides 6 and 7)**
   We have a strong commitment to information and assistance as a way to empower older adults, persons with disabilities and their families. Information available through our Linkage Lines and our extensive online resource directory provide options that people probably did not know about and that help them make better decisions and get help navigating through the system if needed. These services are especially helpful to families as they begin to notice increasing needs among older relatives. The number of calls that come in through our Linkage Lines continues to go up each year, helped along by a One Stop Shop that was a campaign promise of our Lt. Governor, and connects all state agencies through the Revation Communicator. Our DB101, Disability Benefits website, brings together

information for persons with disabilities who want to work. It has received awards for its easy-to-understand language that cuts through complicated policies and eligibility criteria around working and getting disability benefits.

2. **Helping When Needs are Low (Slides 8 and 9)**
This reform is probably the biggest change we have made in our use of Medicaid in our LTSS system. We used to assess and refer individuals to our Elderly Waiver, disability waivers or institutional programs even if they had very low dependencies because that was the only way to get them needed assistance if they were low-income. Our new approach, which is a key element of our Reform 2020, redefines and raises the level of care you must have to be eligible for Medicaid services, and provides a smaller set of state-funded essential services and supports for those with lower needs. To go along with these changes in the level of care eligibility, we also have a new uniform assessment instrument and process called MN Choices that is to be used for all older adults and persons with disabilities. Getting to "yes" on this instrument has been a huge undertaking, since it involves developing and testing the new instrument itself, but also training all those who will use it, changing all the information systems that use the data to determine eligibility and educating providers and consumers about how this change may affect them.

Another aspect of this part of our system provides supports to family caregivers of all ages and technical assistance and information to communities. Without continued involvement by family caregivers, our system would be unable to function. We would not be able to substitute for the assistance they now provide to older frail elderly and persons with disabilities. We place a high priority of programs that provide support to these unsung heroes. In addition, we see "communities for a lifetime" as an essential part of helping support elders and persons with disabilities, with affordable supports provided through volunteer networks (home delivered meals, transportation, chore and home maintenance and respite for family caregivers) and other housing and mobility options. Communities should be good places to grow up and grow old and these amenities make it possible for individuals to live in their communities, and both be a resource to their community and utilize these affordable supports to delay their need for public safety net programs.

3. **Helping Individuals Move to the Community (Slides 10 and 11)**
We are intensifying our efforts to help older adults and those with disabilities to either remain in the community or return to community settings. Reform 2020 will give us some new tools to do this, including efforts to redefine PCA services so that

the service is more person-centered and includes supports so that clients can direct their own care and learn how to live more independently. Because Minnesota has seen dramatic growth in the use of assisted living by older people, we are beginning a new initiative called "Assisted Living Without Walls" to see if the package of services provided in assisted living (that individuals are moving to obtain) can be replicated in their own homes at an affordable price.

Seen on the slide are statistics showing the success we are having by using housing access services to move persons with disabilities, including those with developmental disabilities, to their own places in the community. There is also data showing our success in helping private pay individuals return to community from nursing homes. In both of these services, a whole package of supports and additional housing assistance helps make these moves possible. Minnesota's Money Follow the Person (called Moving Home) also fits under this element.

4. Downsizing Institutions and Improving Care (Slide 12)

In the 1980s, Minnesota had one of the highest number of nursing home beds per 1,000 elders in the nation, and we also had high utilization of corporate foster care and intermediate care facilities (ICFs). As of September 30, 2012, Minnesota had 392 licensed nursing homes and licensed and certified boarding care homes with a total of 31,889 beds in active service, with 375 facilities and 30,351 beds certified to participate in the Medicaid Program. In 1982, we had 4,800 ICF beds, and by 2013, that number had shrunk to 1,777.

The number of nursing homes and licensed beds has been declining since 1987, when Minnesota had 468 facilities with 48,307 beds. By September 2012, 76 facilities had closed altogether (net of new facilities opened) and 15,213 beds had been completely delicensed. An additional 1,205 beds were out of active service, in layaway status. The supply of active beds has declined by 34% over the 25 years since the 1987 peak. In the last three years, the bed supply has declined by 1,989 beds or 5.9%. Why these dramatic declines?

In 2001, a legislative long-term care task force recommended a comprehensive set of policies and related funding to reduce our reliance on the institutional model of care and expand the range of options for long-term care in the community. Although Minnesota already had a moratorium on new bed construction, several new provisions focused on the voluntary closure of nursing home beds. Together with other incentives—financial and otherwise—we now have a nursing bed supply that is lower than the national average if you look at beds per 1,000 85+. The PPT slide shows the

decline in beds and the beds per 1,000 85+. We also now have many more single rooms in our nursing homes.

We continue to have a moratorium on corporate foster care beds as well as a moratorium on new ICF beds for those with developmental disabilities, and the residents of these facilities are prime candidates for the housing access services described earlier.

Because those served in nursing facilities often have complex physical and mental needs, we are focusing on helping providers develop best practices for the care provided. A nationally known best practices program called Performance-based Incentive Payment Program (PIPP) provides additional payment to homes that meet certain quality performance measures. It is a bright spot within the challenging work to improve the outcomes for those in nursing homes who have complex needs.

5. Measuring and Reporting Quality (Slide 13)

An element that cuts across all parts of our system is the importance of measuring quality and reporting the results to all our stakeholders. We have the most comprehensive nursing home report card in the country and it gets 2,000 unique views each month. We have now received funds to begin to develop this report card for HCBS services, which presents new challenges, due to the different nature of the services. We currently administer a regular survey of residents in our nursing facilities and satisfaction surveys of HCBS clients are completed on a periodic basis. We also are working on a pay-for-performance/quality add-on to be used in the rates paid to our nursing facility providers, and then we hope to work on the same system for the HCBS providers.

Performance measurement is integrated into all our activity, and we want it to become an essential part of any planning and implementation work we do. A few years ago, we achieved a milestone by creating for the first time a Hall of Results. On the wall in our main hallway, we have poster size descriptors of key measures of our work that we are regularly monitoring and posting for all staff to see. This visibility of our successes and challenges is a constant reminder of the reason for our work – the positive impact on people's lives.

6. Strengthening Protective Services (Slide 14)

I believe that the need for protective services is going to be next "big thing" in long-term care. As services move into the community, we need to decentralize our approach to protective services to the frail elderly and those with disabilities living in the

community. Not only that, but we have seen dramatic growth in the numbers of reported cases of abuse, neglect, and physical and financial exploitation. Reform 2020 includes a redesign of our county-based adult protective services, to improve access and simplify the reporting of issues through a single state telephone number, a public awareness campaign and additional funding for counties to meet their legal mandates to provide these services.

7. Provider Innovations (Slide 15)

We do all our work through partnerships with our stakeholders. These include providers, consumers and advocacy groups, counties, health plans, Area Agencies on Aging, Independent Living Centers, and tribal organizations. We together identify, develop and implement new approaches. We have numerous examples of partnerships. One of our most successful groups is our Partners Panel, a group of stakeholders that meets with us regularly to discuss initiatives that affect them and to give us their feedback and advice. There are also numerous county-state work groups, a state quality council that advises us on quality issues, several advisory groups that have worked with us on earlier reform efforts and now will focus on Reform 2020 work. **We don't always agree, but we always discuss.**

We have a number of grant programs that have played an important role in helping providers try new approaches to services, using the grant money as "venture capital" to see if a new model of service might be successful. The PPT slide shows some information about one of these programs called the Community Services/Service Development (CSSD) fund. This grant has provided about $55 million since 2001, and has been responsible for the piloting of several new service ideas, especially those that use technology.

8. Looking to the Future (Slide 16)

The cycle of planning means we are always looking ahead to the future, to see what the next challenges will be. One example of this type of effort is Minnesota's Own Your Future initiative, begun in 2012. The Dayton-Prettner Solon administration is committed to continuing this effort throughout their tenure to encourage and enable Minnesotans to plan for their long-term care, including how to pay for it. Having a plan gives people more control, choice and peace of mind. It is also critical for the state budget. If you ask individuals, which we will be doing at the State Fair in a few days, when we survey 2,500 folks about their long-term care plans, many of them realize that if everybody assumes that the state will take care of their long-term care, the state budget will be unsustainable. Many just don't know how to begin to plan for their own

long-term care needs. The PPT slide illustrates that one-third of boomers don't know how they will pay for their long-term care. We have a website, a planning guide, and are working with employers, community organizations, faith communities and others to get the message out to increasing numbers of people, so that this becomes an established part of everyone's retirement planning.

There are three components in our initiative: 1) public awareness, 2) identifying products for the middle income market, and 3) aligning Medicaid to provide incentives to individuals who use private financing. We are now completing an analysis of how existing long-term care products might be changed to better meet the needs of the middle income market. Our report is due to be completed by November 2013.

9. Ensuring Full Participation in Society (Slide 17)

Finally, I think it is appropriate to end with a couple of comments about our current work on our Olmstead Plan. While our long-term services and supports are important and critical to persons with disabilities who we serve, that is only a small part of the larger vision encompassed in the ADA. We need to continue our efforts to customize our services and make them more person-centered, but a broad array of efforts in other systems is needed to ensure full participation in all aspects of society for those with disabilities. We need to ensure that future public and private investments support true integration and participation in all activities by those with disabilities.

Thank you for the opportunity to describe what Minnesota is doing. We are proud of what we have accomplished thus far, but we realize that much more needs to be done.

I am happy to answer any questions during the question and answer period.

Description of Programs within each Element of Minnesota's LTSS System

1. Providing Information to Empower People

- Senior LinkAge Line®, the Minnesota Board on Aging's statewide information and assistance service, connecting older Minnesotans and their families to community services and providing information and help to make good decisions about prescription drug coverage and other issues.
- One Stop Shop for Minnesota Seniors, an expansion of the Senior LinkAge Line® initiated by Lt. Gov. Yvonne Prettner Solon and focused on helping seniors get answers to questions about state government, find volunteer opportunities and get jobs.
- Disability Linkage Line®, a statewide information and referral service for people with disabilities that helps people learn about their options and connect with services and supports they choose.
- Veterans Linkage Line, a toll-free customer service line that provides information, assistance and referrals for various issues affecting veterans
- MinnesotaHelp.info, a searchable online database of Minnesota health and human services that include full-time on-line specialists.
- Disability Benefits 101 (DB101), a website providing people with disabilities tools and information on employment, health coverage and benefits so they can plan and learn how employment and benefits for people with disabilities go together.

2. Helping When Needs are Low

- First Contact, a streamlined process of accessing long-term services and supports for older adults, people with disabilities and their family members and providing ongoing support in the community.
- MnCHOICES, a web-based application that comprehensively integrates assessment and support planning for people of all ages who need long-term services and supports. The MnCHOICES assessment replaces four current assessment processes for older adults and people with disabilities.
- Return to Community, an initiative to help nursing home residents return to the community if they wish and support them in that transition.
- Modification of nursing facility level of care criteria, a legislative change supporting service sustainability that raises the threshold for needing nursing facility level of care in determining Medicaid benefits. Some people below the threshold may be eligible for Essential Community Supports.

- Essential Community Supports, a program for older adults not eligible for Medicaid that will provide up to $400 per month for such services as homemaking, chores and home-delivered meals to allow the person to remain in the community.
- Aging and Adult Services grants, providing non-medical social services and supports that help older adults stay in their homes and avoid institutionalization. These include nutritional services and grants to organizations to provide transportation, chore assistance, help with activities of daily living and other supports. Funded through the federal Older Americans Act by the Minnesota Board on Aging to its seven designated Area Agencies on Aging.
- Alternative Care program, a state-funded program providing various home and community-based services to help elderly remain in their homes by receiving home care and to prevent the impoverishment of eligible seniors. Seniors share the cost of services provided.
- Minnesota Secondary Transition Tool Kit, a plan for families to plan for a life beyond high school for their child with a disability.
- Evidence-based health promotion, initiatives to prevent falls, prevent and manage chronic diseases and keep illnesses from getting worse. Many programs through the aging network funded by the Older Americans Act, including chronic self-management, a Matter of Balance for falls prevention.

3. Helping People Remain In, Return To and Move to the Community

- Housing Access Services, a partnership with DHS and The Arc Minnesota that helps adults of all ages who are eligible for Medicaid home care or waiver services to move to homes of their own if they wish.
- Community First Services and Supports, a reformation of personal care assistance services to a new service that will be more accessible and flexible and that will help people transition out of institutional care, prevent or delay future admissions and support people to live in their communities.
- Employment First, an approach to promote the full inclusion of people with the most significant disabilities in the workplace and community, where they can earn money and be more independent.
- Assisted Living Without Walls (ALWW), a model of service that replicates the assisted living package in one's home or apartment and adds it as a service within the Elderly Waiver and Alternative Care as well as home and community-based waivers serving younger people with disabilities.
- Moving Home Minnesota, Minnesota's name for the federal Money Follows the Person rebalancing initiative), which is serving diverse populations by helping people to transition to community after hospital and nursing home stays and providing support during the participant's first year in the community.

- Autism benefit, a new comprehensive set of Medicaid services that will include early intervention services believed to be critical for children with autism spectrum disorder.

4. Downsizing Institutions and Improving Institutional Care

- Voluntary nursing home closure, an effort started in 2001 to address Minnesota's high ranking in nursing home beds per 1,000 residents age 65 and older.
- Performance-based Incentive Payment Program (PIPP), a pay-for-performance program that incentivizes quality improvement projects initiated by nursing home providers with up to 5 percent of their operating payment rate.
- Corporate foster care moratorium, a prohibition on issuances of new licenses for corporate foster care with some exceptions.

5. Measuring and Reporting Quality

- Minnesota Nursing Home Report Card, the nation's most comprehensive nursing facility report card showing scores on seven different quality measures for each participating Minnesota nursing home.
- Home and Community Based Services report card, a quality measurement tool to be developed at the direction of the 2013 Legislature.
- Improvement Project Program, newly established to give home and community-based service providers awards of an additional 1 percent rate increase for increasing quality outcomes. One-fourth of a 2013 rate increase for nursing facilities will be tied to the facility's performance on three measures of the Nursing Home Report Card. A similar increase will go into effect in 2015.
- Surveys of nursing home and home and community-based service recipients to determine satisfaction and quality of life.
- Work with State Quality Council to define and operationalize quality standards.
- Establishment of a consistent set of provider qualifications and service standards across all waiver programs in Minnesota.
- Establishment of standards for licensed providers of home and community-based services for people with disabilities and the elderly to use when addressing challenging behavior.
- Department Dashboard and Hall of Results, public displays of department and Continuing Care Administration progress on rebalancing long-term care toward community-based services, increasing access to services and other initiatives.

6. Strengthening Protective Services

- Enhancing vulnerable adult protection with introduction of a single, statewide toll-free number to use to report abuse, neglect and exploitation. A public awareness campaign will raise awareness of vulnerable adult abuse and how to report suspected maltreatment.

7. Provider Innovations

- Partners Panel, a large stakeholder group whose members include providers, consumers, advocates, health plans, counties and others with an interest in the state's long-term services and supports system, called together by DHS to provide input on a CMS data profile project. The Panel has continued to meet regularly to provide feedback on new initiatives, and act as a communication link for DHS regarding policy and implementation activities.
- Community Service/Community Services Development (CSSD) grant funds organizations that provide home modifications, home care, adult day care, grocery delivery, homemaker and chore services, support for informal caregivers and other services that allow older Minnesotans and other adults to remain in their homes.
- Many examples of other grant programs in specific areas, e.g., technology, to help providers innovate and improve services to clients.

8. Looking to the Future

- Own Your Future campaign, initiated by Dayton Administration to change the expectation that the state will pay for long-term care. The initiative includes as components:
    - Public awareness activities
    - Study of product availability for the middle income market
    - Aligning Medicaid incentives to support private financing by individuals

9. Ensuring Full Participation in Society

- Olmstead Plan. Minnesota is creating a plan to help ensure people with disabilities are living, learning, working and enjoying life in the most integrated settings.