

Summary of ARRM 2009 Legislative Issues:

Rate cut: Thanks to your extraordinary efforts, fears of a five, six or seven percent cut ended at 2.58% (assuming no unallotment). To be honest, many of us thought if we could escape with 3% we would be relatively successful. Remember the overall deficit was \$6.4 billion. There were few sacred cows.

License fee: The huge increases to be phased in over the next two years won't happen.

Foster care development moratorium: Appropriately it was fishing weekend opener when our two-year delay (previously adopted by the Health and Human Conference Committee) jumped out of the net. The moratorium will go into effect now. However, there are two issues we're vigorously pursuing: Exceptions to the moratorium and the status of projects now in the works.

Cut to the top 5% foster care rates. This one came from the Senate and was softened by DHS input and the House's clarification – and lower hit. I still remember the glare from the Senate author as I pointed out that high rates exist to support high need people – not because of cozy deals with counties. ARRM is doing all we can with DHS to make sure this measure doesn't affect needed services and resources.

Slot Limits: Originally the Governor proposed the limits and the Senate followed suit. The House bill then scratched the limits. In the end this money was used to pay for the reduction to 2.58%. While there were looming questions whether CMS would allow new limits because of federal Stimulus Bill requirements ... in the end it was clear that the Senate would insist on the new limits anyway. Those limits are: 12.5/month TBI; 95/month CADI and 15/month DD. The CADI and TBI limits include both diversion and conversion slots – and that could be a big problem that we will be working on.

Payment methodologies: Principles we advanced were deleted in conference committee. But we feel we still have a strong position going into discussions with DHS as we pursue clarification from CMS on just what Minnesota has to change in how waiver rates are now set.

ARRM's Transformation Bill: All elements of our massive reform measure– were adopted with a few amendments along the way. This bill was developed with the leadership of our Service Innovations Task Force and many ARRM committees and vetted through many advocate and government stakeholders. Among the key elements passed:

- Development of a single set of standards to replace or incorporate 11 various rules and statutes. This effort, which should save money and make services more consumer and quality outcome based, is to be presented to the legislature in a couple years.
- A new allowance to utilize technology for overnight supervision. This was a key element of our bill this year.
- Ability to use GRH money (as MSA shelter needy funds) in unlicensed settings. We did have to make compromises on this one to get the cost to zero – but we did get a big toe in the door to allow services providers to control or own the housing for these folks. More later on how this will roll out:
- Elimination of duplicate county background studies. More later on how this will roll out.

- Elimination of ICF QA reports.
- Elimination of ICF occupancy reports.
- Move to annual variable rate reports (now quarterly).
- Repeal of physician reports.

Non-profit taxes: As the legislature moved ahead with restoring property tax exemptions for nonprofits, it was uncertain if the language would cover our nonprofit members. ARRM led the way to making sure we are covered. Moreover, ARRM will be at the table defining what assessors need to see and we will give you clear instructions on what to say and not to say to avoid confusion about your clear status as a non-profit.

PCA cuts: The heavy \$39 million cuts in state dollars were reduced to \$25 million.

Dental, PT/OT/ rehab services: The Gov's budget eliminated these services. The bill he signed from the legislature made much more modest reductions.

Personal Needs Allowance: PNAs were cut to \$89 a month.

Region 10: Funding was eliminated. But we're still checking the status of an amendment in another bill that would have allowed use of some federal money.

MNDHO: While the Governor would have eliminated MnDHO (which serves heavy need people with the full spectrum of supports and health care they need), he signed the legislature's bill that redefined MnDHO and redefined how money must flow to providers – or cuts be eaten by health plans.

Sick leave mandates: Too sick to pass this year. Like the flu, it will come back next year,

False claims: This one was a political junkie's dream with all kinds of infighting among old and new attorneys general, DFLers, and a myriad of special interests. In the end, the provision that landed in the State Departments Bill said you have a "right to cure" when someone alleges that you defrauded the government with a false claim. Even if the false claim involved negligence, you're good if you pay back the difference. This is a good resolution to a hot potato issue that could have added a lot to your legal costs.

15 Regions instead of 87 counties: Died in committee.